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Адреса редакційної колегії:

61022, Харків, вул. Мироносицька, 1, кімн. 2-2,

тел.: 707-51-44;

e-mail: dilovamova@karazin.ua, dilovamovamir@gmail.com

Кафедра ділової іноземної мови та перекладу

Харківського національного університету імені В.Н. Каразіна

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TOURISM AS A FACTOR OF SOCIAL AND ECONOMIC DEVELOPMENT OF SYRIA IN THE CONDITIONS OF INSTABILITY

Z.M. Akhmad, I.R. Saprun, PhD (language supervisor)

V.N. Karazin National University, Kharkiv

Akhmad Z.M., Saprun I.R. Tourism as a factor of social and economic development of Syria in the conditions of instability. The article deals with the problem of tourism development in Syria, its direct and indirect impact on the economy of Syria. The influence of social and economic instability on tourism is noted. The problem of preservation of the objects of the world heritage located in the territory of Syria is considered. The article dwell on the issue of tourism's impact on job creation. The work examines the importance of religious tourism and pilgrimage in Syria for the development of tourism as a sector of the economy.

Key words: economic instability, job creation, pilgrimage, religious tourism, tourism development, world heritage.

Ахмад Ж.М., Сапрун І.Р. Туризм як чинник соціально-економічного розвитку Сирії в умовах нестабільності. У статті розглядається проблема розвитку туризму в Сирії, його прямий і опосередкований вплив на економіку Сирії. Відзначено вплив соціально-економічної нестабільності на туризм. Розглядається проблема збереження об'єктів всесвітньої спадщини, розташованих на території Сирії. Стаття торкається теми впливу туризму на створення робочих місць. Розглядається важливість релігійного туризму і паломництва в Сирії для розвитку туризму як сектору економіки.

Ключові слова: всесвітня спадщина, економічна нестабільність, паломництво, релігійний туризм, розвиток туризму, створення робочих місць.

Ахмад Ж.М., Сапрун И.Р. Туризм как фактор социально-экономического развития Сирии в условиях нестабильности. В статье рассматривается проблема развития туризма в Сирии, его прямое и косвенное влияние на экономику Сирии. Отмечено влияние социально-экономической нестабильности на туризм, рассматривается проблема сохранения объектов всемирного наследия, расположенных на территории Сирии. Статья затрагивает тему влияния туризма на создание рабочих мест. Рассматривается важность религиозного туризма и паломничества в Сирии для развития туризма в стране в целом.

Ключевые слова: всемирное наследие, паломничество, развитие туризма, религиозный туризм, создание рабочих мест, экономическая нестабильность.

The object of the article is tourism in Syria. The subject of the survey is the impact of tourism on the social and economic development of Syria. The aim is to highlight the problem of tourism development in Syria and to suggest some possible ways of solving this problem.

Tourism is an important sector of the economy in many countries. Alongside with a direct economic impact, tourism industry has an indirect effect on the economy (a multiplier effect). Therefore, national tourist destinations are trying to actively use this instrument of social and economic transformation and the mechanism of cross cultural communication. Syria is one of the countries that attracts tourists by its historical and cultural heritage. Despite a great deal of information presented by scientists and specialists from various fields, it remains «Terra incognita» for tourists. This «mystery» of the country to its potential visitors makes up the relevance of the topic. With a large number of historical monuments of culture and architecture that exists in Syria, the potential of resources for the restoration and development of various types of tourism is still high. An example of the experience of restoring tourism infrastructure in the conditions of instability in this region is valuable as an example for establishing a system of domestic tourism in a similar situation. In this sector, as a priority, foreign investment is being made, which enables the participation and profitability of potential investors, among which, along with the leading European countries, Ukraine may also be [1, p. 9, 11; 2, p. 158, 160, 161].

By 2011, Syria had regularly been visited by a significant number of tourists. In 2010, the peak of visiting foreign tourists was 8.5 million people, which was higher than in Australia (5.8 million people) during the same period. In Syria there were more than 14,000 archaeological excavations and 65 castles, as well as museums, mosques, churches, historic churches all over the country. The six largest of these are UNESCO's World Heritage List: The Old City of Damascus, the ancient city of Bosra, the archaeological sites of Palmyra, the ancient city and the citadel in Aleppo, the Crac des Chevaliers and Qal'at Salah El-Din castles, Ancient Villages of Northern Syria. By 2017, 12 sites in the territory of Syria are among the scheduled inclusions on the UNESCO World Heritage List. Among them, Ma'aliula which is the only place on earth where the Aramaic language, the language Jesus Christ spoke, has been preserved. Ugarit alphabet (abugida), which is one of the most ancient alphabets in the world was found in the province of Latakia [4; 5].

In 2016, foreign investment in tourism amounted \$ 100 million (4.1% of the total amount of investments). According to the forecasts of the World Tourism

and Travel Council, this number will increase to \$ 300 million (5.3% of total investments) by 2027 [4].

The tourist industry is a powerful factor that provides job creation and stabilizes incomes involved in this area. Since 2016, the total contribution of tourism to employment, including jobs indirectly related to tourism, amounted 331,500 people (8.7% of the total number of jobs). According to forecasts of the same organization, the number of jobs will reach 337.000 in 2017, and by 2027 it will increase to 420.000 (8.6% of the total number of jobs) [4, p. 5, 6]. The total contribution of tourism to Syria's GDP in 2016 was 13%, according to experts' forecasts, by 2027, the share of the same sector in GDP would be 13.2% [3].

Religious tourism and pilgrimage can become a starting point for the restoration and further development of tourism in Syria. To develop and promote these types of tourism there is no need for a historically composed resource base, which has already existed. Maximum investment for the arrangement and accommodation of tourists and pilgrims is not required.

The preservation of the national heritage, religious objects of historical, cultural and archaeological values, representing the history of the people, can become the key to the revival and establishment of cultural, social and ethnic ties both within the country and at the level of international relations.

In order to minimize the negative impact of instability on tourism, it is necessary to take the following steps within the country.

- 1) to remind constantly of the historical and archaeological value representing the history of the people through the media;
- 2) to implement stricter legislation against the smuggling of antiquities;
- 3) to create a private military security force to protect ancient relics;
- 4) to make domestic tourism of greater importance;
- 5) to decrease the costs of tourist services;
- 6) to restore tourist attractions, to promote new investments.

Some steps are also supposed to be made abroad:

- 1) to strengthen the role of international organizations in protecting monuments of the history of civilization in Syria;
- 2) to coordinate between neighboring countries in the field of preserving the national heritage and controlling the illegal export of antiquities;
- 3) to create a positive image of the country and informing the whole world;
- 4) to encourage international cooperation in the scientific sphere, conferences and developments in the field of conservation of monuments.

From the foregoing, with a high degree of confidence, I can suppose that tourism can be a catalyst for the process of restoration and further development

of the social and economic life of the country, providing jobs and infrastructure development, increasing the potential of various sectors bordering the tourism sector. Priority of this direction will allow participation and profitability not only for potential foreign investors, but also for the domestic market of Syria. Prospects of research are seen to further explore the features of factors influencing the development of tourism infrastructure.

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INFORMATION AND HYBRID WARS: WHAT ARE THEY?

*A.V. Arinzonov, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Arinzonov A.V., Davydenko I.V. Information and hybrid wars: what are they?

The article presents such concepts as information and hybrid wars, determines their features, goals and constituent parts, reveals the consequences of the informational and hybrid wars, studies security measures in the information war. The study gives recommendations regarding the impact of these wars on Ukraine.

Keywords: information space, information war, hybrid war, psychological operations, security.

Арінзонов А.В., Давиденко І.В. Інформаційні та гібридні війни: що вони являють собою? У статті представлені такі поняття як інформаційна і гібридна

війни. Позначені їх риси, цілі та складові частини даних понять. Розкрито наслідки, які несе за собою інформаційна і гібридна війни. Так само зроблені висновки про заходи безпеки в інформаційній війні. Надано рекомендації щодо впливу цих війн на Україну.

Ключові слова: безпека, гібридна війна, інформаційна війна, інформаційний простір, психологічні операції.

Аринзонов А.В., Давыденко И.В. Информационные и гибридные войны: что они представляют собой? В статье представлены такие понятия как информационная и гибридная войны. Обозначены их черты, цели и составные части данных понятий. Раскрыты последствия, которые несет за собой информационная и гибридная войны. Так же сделаны выводы о мерах безопасности в информационной войне. Даны рекомендации касательно влияния этих войн на Украину.

Ключевые слова: безопасность, гибридная война, информационная война, информационное пространство, психологические операции.

Nowadays every country in the world needs to create an effective system of governmental counteraction to operate against an information-psychological war (IPW). It's no secret that currently many states have been viewing the information war as an effective tool for implementing foreign policy.

The purpose of this work is to disclose the essence of information and hybrid wars and their impact on international relations. The object of the study is the integrated information flows, which are the basis of such a phenomenon as modern information wars. The subject of the study is the latest communication technologies used as a means of conducting information wars in the modern society.

Information-psychological war allows exercising an intensive effect on various processes at almost all levels of state and social structure in any country or region.

What is information war / hybrid war?

Info-war is «the integrated joint use of the forces and means of information and armed struggle.

Info-war is a communicative technology to influence information and information systems of the enemy in order to achieve information superiority in the interests of the national strategy with simultaneous protecting their own information and information systems.

Info-war can be used as a means for conducting a strategic attack or counteraction [1].

Hybrid war is not a new, but relevant kind of war, which is conducted by forces of political propaganda, terror, disinformation and economic pressure on the enemy. Hybrid war also includes subversive activity of intelligence agencies in the territory of the enemy and various techniques of distorting information. The very word «hybrid» means in this context the use of several levers of pressure on the enemy, among which, the combat operations constitute rather important part, but just a part. Hybrid war is a part of the information war.

The main features of the information war:

1. Information war is conducted between human communities. Such communities are recognized and unrecognized states, unions of states, parties to the civil war, extremist, including terrorist organizations, seeking to forcibly seize power, separatist, liberation movements.
2. Both the structures created by the authorities and individual communities, groups and individuals can participate in the information war.
3. Information war is continuous and conducted not only during armed struggle, but also in peacetime.
4. Information war is the most severe type of information confrontation. There are no universally recognized legal, moral norms and restrictions on the methods and means of the information war; they are limited only by efficiency considerations.
5. The tools of information war are any means of disseminating and transmitting information – from the media to mail and gossips.
6. Information impact contains distortion of facts and (or) imposes on those affected the emotional perception, which is beneficial to the influencing party.
7. With regard to the dynamics of development, the process of confrontation in the information war is a kind of a «big» game in which two or more parties participate and many participants fighting for the realization of their interests, and respectively, in some approximation, can be studied with the use of the theory of games. Due to the conflict nature, the information war is described by a zero-sum game [2].

A feature of the hybrid war is that it allows the attacker to extend hostile actions for a long time, trying the strategic patience of the enemy – usually time plays in favor of the party using the methods of hybrid war. This effect is especially strong in the case of a regular army involved in a hybrid war in a foreign territory.

Typically, the methods of information war are the release of disinformation or the presentation of information to advantage. These methods allow changing

the assessment of all that's happening by the residents of enemy's territory, developing a defeatist mood, and, in the long term, ensuring the transition to the side of that making this information effect. With the advent of the media and a general increase in literacy in the twentieth century, the information war became more effective. In addition to the traditional media, nowadays, social networks are an effective tool for information war [3].

There are three goals of information war:

1. Control the information space so that we can use it, while protecting our military information functions from enemy actions (counter information).
2. Use information control to conduct information attacks on the enemy
3. Increase the overall effectiveness of the armed forces through the widespread use of military information functions.

Now we proceed to the components of the information war. The points through which the information wars occur.

1. Psychological operations – the use of information to influence the argument of enemy soldiers.
2. Electronic warfare – makes it impossible for the enemy to obtain accurate information.
3. Misinformation – provides the enemy with false information about our forces and intentions.
4. Physical destruction – can be part of an information war, if it is aimed at influence the elements of information systems.
5. Security measures – try to avoid the enemy's learning about our capabilities and intentions.
6. Direct information attacks – direct distortion of information without a visible change in the entity in which it is placed [4].

What are the consequences of information and hybrid wars?

The winner of information war is going to be the side which is more fully capable to simulate the enemy's behavior in various situations, determine its own behavioral algorithm and implement it. More fully simulate the enemy's behavior – this means in large volumes to collect, store and process information about the enemy: it means more fully to study the enemy's behavior – to know and understand its history, culture, religion, lifestyle, etc.

To solve this task, the best tools are computer hardware with the appropriate software. Situational modeling in real time today is within the scope of capabilities of high-performance complexes.

The defensive side of information war is security measures aimed at protecting information – not allow the enemy to execute a successful

information attack on our information functions. Modern security measures, such as operational security and communication security, are typical tools for preventing and detecting indirect enemy actions aimed at our military information functions. Such measures of protection as computer security include arrangements for preventing, detecting the direct information actions of the enemy and organizing countermeasures.

The methods and arms listed above certainly have the potential to inflict serious damage on the information-dependent military operation. How can we protect ourselves? There are several ways, most of which imply using the same methods that we use to attack others.

To protect ourselves from attacks on information collection, it is necessary not to give our enemies an opportunity to collect information about us and about conflict situations. This includes protecting our own information from interception and preventing information from getting to the enemy. Available countermeasures to protect against data collection – are methods of using encryption, substitution, sound deception, jamming and overload, especially useful for minimizing the collection of information by the enemy.

When the information has been received by the enemy, few can prevent its use by the enemy. In light of this, in fact there are only two countermeasures available to protect against this type of attack. First, it is necessary to provide for the available person working on protection against interception of information. Methods of protecting information are most effective, since they allow securing information from access by the enemy or the enemy is not able to understand the information with the initial transfer [5].

In conclusion, we note that the information war is no less complicated than the traditional war. This includes many different strategies, methods, weapons and protection. I believe that information wars pose threat to national security. I also tend to assert that we have enough resources to maintain our military employment for a long time. I propose to take this set of the most well understood aspects of the information war and work on getting realistic plans to deal with the existing threats. As soon as those who are at the top of the stairs in the information war, begin to understand more about the new threats related to information, we can add them to the list of methods of «information war» and begin to determine the types of weapons and countermeasures for them. While then, we should use the information that we have prepared ourselves to take part in the information war, which has already broken out [5].

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COOPERATION OF THE UNITED STATES AND ISRAELI INTELLIGENCE AS A FORM OF PREVENTION OF TERRORISM

*A. V. Avvakumova, M. V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Avvakumova A.V., Karpusenko M.V. Cooperation of the United States and Israeli intelligence as a form of prevention of terrorist activities. The article outlines the main types of intelligence in the US and considers institutions whose primary objective and mission is to obtain intelligence information and conduct the secret operations (CIA and Mossad), lists successful intelligence operations in the field of prevention and fight against terrorism.

Key words: CIA, collective intelligence of partner-states, Mossad, secret operations, terrorism.

Аввакумова А.В., Карпусенко М.В. Кооперація розвідок США та Ізраїлю як форма запобігання терористичної діяльності. У статті викладені основні види розвідки і розвідувального процесу в США, розглянуті інститути, основною метою і завданням яких є отримання розвідданих і проведення таємних операцій (ЦРУ і Моссад), перераховані успішні операції розвідки держав-партнерів у сфері попередження та боротьби з терористичною діяльністю.

Ключові слова: колективна розвідка держав-партнерів, Моссад, таємні операції, терористична діяльність, ЦРУ.

Аввакумова А.В., Карпусенко М.В. Кооперация разведок США и Израиля как форма пресечения террористической деятельности. В статье изложены основные виды разведки и разведывательного процесса в США, рассмотрены институты, основной целью и задачей которых является получение разведанных и проведение тайных операций (ЦРУ и Моссад), перечислены успешные операции разведки стран-партнеров в сфере пресечения и борьбы с террористической деятельностью.

Ключевые слова: коллективная разведка государств-партнеров, Моссад, тайные операции, террористическая деятельность, ЦРУ.

The article focuses on the main aspects of cooperation between the US and Israeli intelligence as a form of terrorism prevention not only in these states but also all over the world. The article aims to show the subject and directions of collective intelligence of the states in order to wage an active fight against terrorists and terrorist organizations.

The modern international relations have taken a new stage of their development under the impact of such a factor as international terrorism. All states in the world are facing this problem: some states have become victims, and some are constantly working to develop new methods and algorithms for preventing and combating terrorism. One of such ways to prevent terrorism is the international cooperation at the level of secret services of different states, as a form of combining efforts to combat international terrorism and its threat. The study and analysis of such cooperation, using the example of the United States and Israel, determines the relevance of the article.

Information and analytical support of the foreign policy process is one of the most important functions of the intelligence services in many states in the world. In this regard, these services receive a certain kind of information, whether it is false, questionable, probable or reliable. Intelligence is information that is analyzed and converted into a product for decision-making and implementation of special government tasks. Intelligence plays an important role in the formation of diplomatic policy throughout the history of development of the states. Identity cards, customs control at the borders, monitoring of phone data are not sufficient and effective methods of fighting terrorism. However, all these methods play an important role in preventing terrorist attacks by suppressing the activities of terrorists and their resources before they may achieve their goals. The main preventive means of achieving such goals are the intelligence process and law enforcement.

Richard J. Hughbank and Don Githen in their article “Intelligence and Its Role in Protecting Against Terrorism” provide explanations of the types of

intelligence in the US. Thus, regardless of the form of the intelligence process, it can be divided into short-term, narrow focus (tactical intelligence) and long-term broad focus (strategic intelligence) [3].

Strategic intelligence is used for long-term planning and other broad topics such as operational capabilities of a potential opponent and political assessments. It is this functional ability to “predict” when and where future operational terrorist attacks might occur and which tactical targets might prove more advantageous for a terrorist organization – whether it is psychological, economic, or political in nature.

Tactical intelligence is used for operational units and includes, among other things, human intelligence, open source intelligence, imagery intelligence, and direct observation. This form of intelligence plays a crucial role in the identification and suppression of terrorist activities. This form of intelligence helped the US in its both offensive and defensive operations in Afghanistan, Iraq, Libya and Syria [3].

Such information should be received on time, otherwise it may be useless or there will be no time to interpret it. A good example of this is an attempt to assassinate the Saudi ambassador during his visit to the US in 2013. The conspiracy of terrorists was thwarted by the information of the Federal Bureau of Investigation (FBI) and the Drug Enforcement Administration (DEA) of the US. Based on the same information, it was revealed that those who were involved in this attempt also planned bombing attacks on the embassy buildings of the Saudi Arabia and Israel in Washington [2].

Let us have a look at the two main structures in the US and Israel, whose main task is exploring and processing intelligence to counter terrorism and terrorist threats.

The Central Intelligence Agency (CIA) is one of the most influential intelligence agencies that conducts the most effective work to combat international terrorism. This is due to the fact that the US policy, long time before the attacks of September 11, 2001, was aimed at solving this problem. Unfortunately, at that time the problem of terrorism didn't get proper attention. For instance, in 1993, a young man descended from a car in front of the main entrance to the CIA headquarters and opened fire with an AK-47 type machine gun. The attack lasted about 30 seconds, which resulted in the death of two agency employees. The terrorist, without receiving an armed response to the shooting, as a result got into the car and left the crime scene [1].

This attack brought to light the fact that the CIA had lost its capacity of immediate responsiveness. Administration of that time (the administration of

B. Clinton), as a result of the analysis, determined that intelligence and operational authority of the CIA have weakened. As a result, in 1995, a period of verification and elimination of non-targeted programs was carried out, and the problem of terrorism went on the first position. After the changes to the CIA's work, the Middle East region was included in the US field of vision. In the data, the name of Osama bin Laden appeared more often. At the end of 1996, the CIA created a special counter-terrorism group completely devoted to the study of bin Laden's activities.

After the 9/11, a difficult period for the CIA followed. However, people passed to cooperation between information services to compile lists of suspects. Subsequently, the first arrests were made, and in 2011, Osama bin Laden was discovered and killed. Despite the fact that the main terrorist was killed and soon was replaced by another leader in accordance with the current hierarchy of terrorist organizations, the work of the CIA to suppress and identify future terrorist threats is not diminished, but, on the contrary, becomes even greater [4].

In order to improve the quality of the fight against international terrorism, the CIA developed tactics of "collective intelligence" through cooperation with intelligence agencies around the world. Together with them the CIA conducts research, analyzes the problem of terrorism, and, as a result, holds clandestine operations all over the world. The most important and strategic partner in this area for the US is Israeli intelligence.

The Institute for Intelligence and Special Operations (Mossad). Since its establishment, the Mossad has distinguished itself in the world of information agencies, and has received a high praise and reputation equal to the American CIA and the British MI5. The main objective of the Mossad is to conduct operations against hostile states and organizations around the world, particularly in Western Europe and the US. Since the foundation of Mossad, the main efforts of the agency have been directed against Arab states, which threaten Israel with constant wars.

After the end of the Six-Day War of 1967, the Mossad had a new priority task – the fight against international terrorism directed against Israelis. The main driving force of international terrorism was radical Palestinian terrorist organizations, primarily the Palestine Liberation Organization (PLO) [5]. In addition to these tasks, the Mossad pursues leaders and monitors the military potential of the Arab states (especially the negotiations in the Middle East on the purchase of weapons).

One of the most significant contributions that Israel has made for US security is collective intelligence. In post-revolutionary Iran, the CIA was

completely ousted, and the location of the CIA staff in Lebanon was destroyed by bombing of the US Embassy in Beirut in 1983. The US decided to rely on the Mossad and other Israeli intelligence agencies to collect and process information concerning terrorism, radical Islamic movements, proliferation of weapons and other significant events related to the Middle East.

To illustrate successful joint work of the partner-states we can mention the following events. A Russian passenger plane travelling from the Egyptian city of Sharm El Sheikh to St. Petersburg in Russia, wrecked on the Sinai Peninsula on October 31, 2015. After several weeks of investigation, it turned out that the plane had been brought down by a bomb. Communications from the terrorist groups in the area were intercepted by the Israeli security service, and then handed over to the US and British investigators. As a result, later data were transmitted to Egypt for the investigation of the plane crash, which continues to this day.

In 2014, US diplomats reported that Israeli intelligence helps to combat the Islamic State of Iraq and the Levant (IS), providing intelligence to the US, including lists of individuals who joined IS from Western states. Israel also provided the US with the vital information from the drones flying over IS territory. This information then was used to conduct air strikes and plan coordinated attacks against terrorist bases.

In 2017, it was revealed that Israeli cyber-operators penetrated a cell of bomb makers in Syria. Israeli intelligence provided information indicating that IS learned to create explosives resembling laptop computer batteries. Such batteries can evade detection by airport X-ray machines and other screening devices. This information prompted the US to ban large electronic devices in carry-on luggage on flights at 10 airports: in eight states with a Muslim majority, the US and the United Kingdom [6].

Taking into account all the above-mentioned material, we can make a conclusion that the joint work of the intelligence services of the partner-states plays a crucial role in identifying the activity of terrorists, as well as in preventing possible terrorist attacks. Using the example of cooperation and mutual assistance between the intelligence services of the United States and Israel, we can ascertain that cooperation in the form of collective intelligence of states on time can be an effective tool to suppress terrorist attacks or other threats from international terrorism. Only a well-coordinated interaction, timely exchange of operational and analytical information will successfully counter modern challenges not only within a territory, but also at a global level.

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THE DISTINCTIVE CHARACTERISTICS OF JAPANESE DIPLOMACY

*J.A. Babkina, O.I. Radchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Babkina J.A., Radchenko O.I. The distinctive characteristics of Japanese diplomacy. The article describes the structure of the Ministry of Foreign Affairs of Japan and the distinctive characteristics of Japanese diplomacy that are rooted in the specificities of etiquette in Japan. The main mistakes made by European diplomats during the negotiations with their Japanese colleagues are analyzed .

Key words: diplomacy, etiquette, Ministry of Foreign Affairs, mistakes in etiquette, Japan.

Бабкіна Ю.О., Радченко О.І. Відмінні риси японської дипломатії. У статті розглядається структура МЗС Японії, а також відмінні риси японської дипломатії, пов'язані з прийнятим в Японії етикетом. Розглянуто основні помилки європейських дипломатів на переговорах з японськими колегами.

Ключові слова: дипломатія, етикет, МЗС, помилки в етикеті, Японія.

Бабкина Ю.О., Радченко Е.И. Отличительные особенности японской дипломатии. В статье рассматривается структура МИД Японии, а также отличительные особенности японской дипломатии, связанные с принятым в Японии этикетом. Рассмотрены основные ошибки европейских дипломатов на переговорах с японскими коллегами.

Ключевые слова: дипломатия, МИД, ошибки в этикете, этикет, Япония.

The subject of the study is Japanese diplomacy. The purpose of the study is to analyze the main specificities of Japanese diplomacy nowadays. The relevance of the study is determined by the possibility to implement this knowledge into the work of Ukrainian diplomats with their Japanese colleagues and improve Ukrainian-Japanese relations.

Bob Dunham in his book “The Art of Being Japanese” says: “Western people tell you the truth or lie. Japanese people almost never lie; still they hardly will tell you the truth.”

Bernard Rudofsky in his book “The Kimono Mind: An Informal Guide to Japan and the Japanese” notes an interesting feature of Japanese people: “Japanese have made their language an abstract art. That’s why they don’t like the clumsiness of the foreigners that demand explanations and clarifications. Japanese believes that it’s not a problem if the thoughts are not explained or words are not translated. Nuances of etiquette and courtesy are much more important than understandability of the information. Not surprisingly, the silence becomes the best mean of communication.”

The features of Japanese diplomacy are rooted in unique Japanese culture. The Japanese tend to pay attention to nuances in etiquette, punctuality, ability to listen and evade answering the questions. All these features have developed in Japanese diplomacy [2, p. 28].

To understand the specificities of Japanese diplomacy, one should consider the structure of the Ministry of Foreign Affairs of Japan. It is headed by the Minister for Foreign Affairs, who is called Gaimu Daijin, he is followed by the First Deputy Minister and, in order of precedence, there are two deputy ministers, the head of the secretariat of the ministry, the directors of departments.

Since the government in Japan changes every 2–3 years, the Minister of Foreign Affairs doesn’t usually go into details of the work of the Ministry of Foreign Affairs. This work is directed and controlled by the First Deputy Foreign Minister. His duties include reporting to the Prime Minister about the foreign policy situation, coordinating the personnel policy of the ministry, participating in press conferences, ensuring the conservation of the traditions of the Foreign Ministry [3, p. 54].

The general structure of the Ministry of Foreign Affairs of Japan includes 5 regional departments and 5 functional departments, each of which is divided into smaller departments, and those, in turn, into 3 sectors.

The diplomatic staff of the Ministry of Foreign Affairs are qualified in accordance with categories not diplomatic ranks. Junior employees belong to the eighth, seventh and sixth categories; middle-level employees – to the fifth, fourth and third ones; the senior – to the first and second categories. Only in the embassies, the staff members occupy positions in accordance with international practice [4, p. 79].

There is one interesting feature which distinguishes the personnel of Japanese diplomacy, and it is the recognition of the positive role of the dynasty in diplomacy. The Japanese believe that it promotes the professionalism of diplomats and their devotion to the state. In Japan, it is often possible to meet the third and fourth generation diplomats. Many of them have already occupied the highest positions. There are cases when three brothers become ambassadors. The advantage of hiring is given to children of diplomats or those who have been abroad for a long time. It is believed that these young people have already some experience and know the language well. The atmosphere of high demand to employees has been created and maintained in Japanese diplomacy. All successes and defeats of diplomats are fixed [4, p. 121].

It is known that diplomats prefer not to say “yes” or “no” definitely. They carefully avoid the words “I can not”, “I do not know” applying this feature to the sphere of business relations. The Japanese are not inclined to express their thoughts in a straightforward manner, and the meaning of the phrases is obscured by reservations with lots of uncertainty. From their childhood, the Japanese are taught to speak with hints to avoid the confrontation of opinions, they are advised to evade direct statements.

In European-Japanese communication the greatest difficulties and misunderstandings result from the misinterpretation of the Japanese word “hai”. This word is usually translated as “yes”. Listening to the interlocutor, a Japanese can respond “hai” to almost every phrase, accompanying it with a nod, but this does not mean that he agrees with the interlocutor. The use of the word “hai” usually means only «I listen carefully to you, go on.»

Traditional Japanese morality does not allow saying “no”. Instead of the word “no”, the Japanese give evasive answers, the most common of which is «it is difficult». Sometimes they make a long speech with extremely polite phrases, explanations, apologies, the essence of which is all the same as telling “it is difficult”. It should be understood as a refusal.

Even refusing the second cup of tea, the guest instead of “no, thanks” uses an expression that literally means: «I’m good with this». To avoid the word «no», the Japanese send an invitation to a guest, adding a postcard with a return address. The guest should emphasize either “thank you” or “I’m sorry” and again put this postcard in the mailbox [5, p. 65].

When communicating with Japanese partners, try not to use a handshake. The Japanese avoid direct eye contact, which is inevitable when shaking hands. On the other hand, a bow is believed to be the most important element of polite behavior. When greeting, the Japanese use three kinds of bows – the lowest (“saikarey”), the average bow at an angle of about 30 degrees and the little one which is about 15 degrees. And it is not enough to make one bow. For the usual greeting, you need fifteen bows, and in order to express special respect to a very honored person, one should make ninety bows in a row [5, p. 67].

During the negotiations, the Japanese show their readiness to start the conversation with the guests with their straight back and restrained posture. For this reason they believe that it is rude when foreigners posture with their legs crossed to create a friendly relaxed atmosphere during the negotiations. The Japanese will interpret this as deliberately provocative behavior [1, p. 214].

In Japan, it is not customary to proceed immediately to the subject or explain the purpose of the visit at the very beginning of negotiations. At first, most often there is a conversation on general topics: about the media, the events of economic life or the latest trends in the market [2, p. 117].

At the beginning of negotiations, the Japanese also like to ask about the first impression that Japan and its residents made on foreigners. A European who has been in Japan for a short time is unlikely to be able to give a sufficiently reasoned answer. It is necessary to remain polite and not to go deep into comparisons. It will be reasonable if a foreigner praises all the positive features of the country that he has already noticed.

Conclusions. The structure of the Ministry of Foreign Affairs of Japan is quite similar to the Ukrainian one. Nevertheless, there is an important difference in the cultural aspect, the knowledge of which will help the Ukrainian diplomats to gain understanding with Japanese colleagues. One of the most important features is Japanese pedantry and attention to details. The form of presenting the information is much more important to them than its meaning. Evasion from definite answers “yes” and “no” is a part of Japanese culture and should be taken into account. A handshake in this country is undesirable, because it involves eye contact. Instead of this, the Japanese use bows, the number of which can go up to 90 when greeting a well-respected person.

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GOVERNMENTAL REGULATION OF TOURISM DEVELOPMENT IN TURKEY: EXPERIENCE FOR UKRAINE

*P.V. Batrak, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Batrak P.V., Medvid M.M. Governmental regulation of tourism development in Turkey: experience for Ukraine. This article gives an overview of the model of tourism development in Turkey and how Turkey's experience in tourism industry offers important examples that Ukraine can benefit from.

Key words: Tourism development, Turkey Travel Agencies Association, Turkish travel industry.

Батрак П.В., Медвідь М.М. Державне регулювання розвитку туристичної діяльності в Туреччині: досвід для України. У статті подано огляд моделі розвитку туризму в Туреччині та яким чином досвід Туреччини в сфері туристичній індустрії може стати прикладом для України.

Ключові слова: індустрія туризму в Туреччині, розвиток туризму, Турецька асоціація туристичних агентств.

Батрак П.В., Медведь М.Н. Государственное регулирование развития туристической деятельности в Турции: опыт для Украины. В статье представлен обзор модели развития туризма в Турции, и каким образом опыт Турции в сфере туристической индустрии может стать примером для Украины.

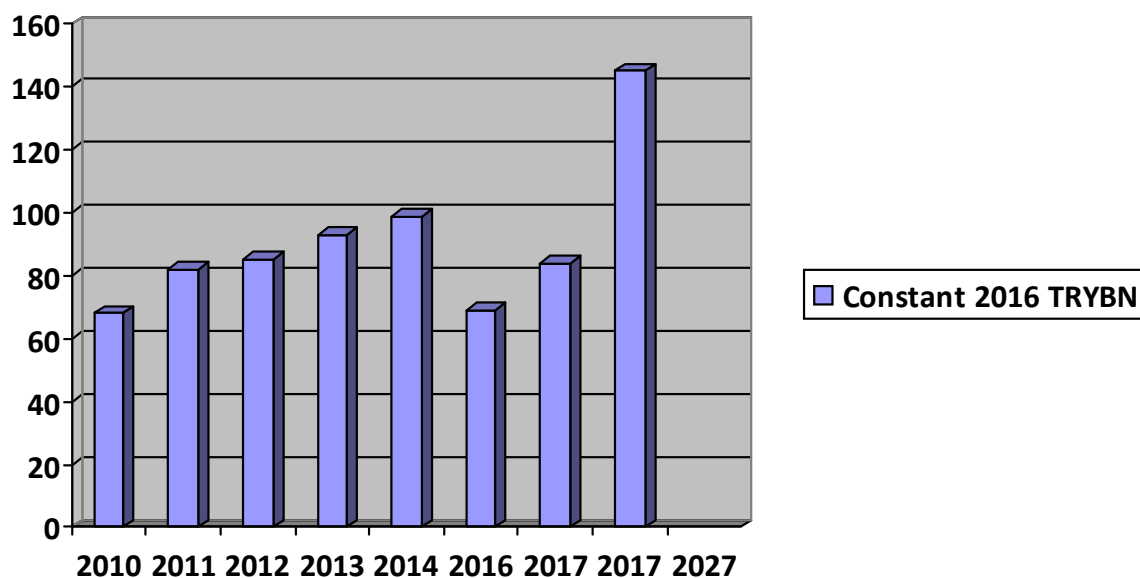
Ключевые слова: индустрия туризма в Турции, развитие туризма, Турецкая Ассоциация туристических агентств.

The article focuses on the current trends and mechanism of tourist services development market in Turkey. The purpose of this paper is to review some of the recent developments in the tourism industry of Turkey within their broader political, economic and geographical contexts. Tourism is viewed as a very significant source of foreign exchange, an attraction for investment from abroad and as having considerable potential for income and employment generation [2]. The material of the present study was derived from online tourism resources and tourism statistics and also was obtained from the websites of The Ministry of Culture and Tourism, The Turkish Travel Agents Association (TURSAB), and The Turkish Statistical Institute (TÜİK).

The role of international tourism within global economy is constantly growing. The experience of many countries demonstrates the great potential and high profitability of tourism. The Turkish tourism industry has grown more than the global travel and tourism industry. Turkey has become the sixth most visited country in the world after Italy with a total of 31.5 million international visitors in 2015. According to the provisional data acquired from the General Directorate of Security, the number of arriving foreigners in Turkey between January-October 2017 has reached 29 053 450 with 28,01% increase compared to the same period of the previous year [6].

The growing network of the national air carrier, infrastructure development, hotel construction, and country marketing fueled the expansion. The thriving tourism brought in revenues equivalent to 3.7 percent of GDP and generated 600,000 jobs, or 2.3 percent of total employment. Another million jobs sprung up in related sectors, including restaurant and leisure industries. Just these factors show that Turkey has worthy experience in tourism and it can become a good example for Ukraine.

The direct contribution of the travel and tourism industry to the GDP in 2016 was 87.9 billion TRY (Turkish Lira) and this is 4.1% of GDP. This is forecast to rise by 2.0% to TRY 89.7 billion in 2017. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines. The direct contribution of Travel & Tourism to GDP is expected to grow by 4.9% pa to TRY 144.3bn (4.8% of GDP) by 2027 (Figure 1) [10].



Source: World Travel & Tourism Council report on Travel & Tourism economic impact 2017

Figure 1. Turkey: direct contribution of Travel & Tourism to GD [10]

The GDP of the travel and tourism industry in Turkey is greater than industries such as automotive manufacturing, communication services, financial services, mining, education and the manufacturing of chemicals [2]. For comparison, the share of tourism in the economy of Ukraine is only 1.6% of GDP, indicating that the country's tourism potential is not fully realized yet. According to the Travel and Tourism Competitiveness Report of the World Economic Forum in 2014, Ukraine was ranked 85th among 139 countries in terms of its tourism sector competitiveness. Ukraine was placed between Namibia (84th place) and Guatemala (86th). This situation requires new approaches to formation, first of all, of tourism development policy and security [9]. That's why the Ukrainian government should reconsider unprogressive attitude to the tourism industry from just industry of recreation to the powerful profitable branch of the economy.

Tourism is speedily changing form, process, and structure. As a result of the globalization of its supply and demand, many countries have felt the need to reconsider related structures and processes, including the specific role of the state. This study indicates that tourism in Turkey developed in stages, constantly interacting with political, social, and economic components of the polity. During most of these stages, the state played a dominant role. But since the 80s, the dynamics of governance has triggered a gradual

transformation from a basically state-sponsored and managed development to different forms of public–private partnership [4].

Turkey lived through military intervention in 1980 and this administration, prepared a number of reform laws. One was the Tourism Encouragement Law (law number 2634) of 1982. According to this document the public land is being allocated to investor for the tourism investment, the investor benefited from the low interest rates and long-term tourism loans, customs exemptions, investment tax credits, incentive credits, financing fund, incentive premiums. This Law is still the most important document in the sphere of tourism in Turkey. Depending on these investments tourism showed the rapid development to the period of 1980-1990. In this period the number of beds reached from 56 000 to 173 000; the number of tourists visiting the country increased from the 1.2 million to 5.3 million. Also Turkey Travel Agencies Association (TURSAB) is professional organization having the status of legal person and its main aims are the development of the travel agency profession in harmony with the country's economy and tourism sector, and protection of professional ethics and solidarity. In the consequence of tourism development, firstly, numerous travel agencies have been established and have developed their own associations. Secondly, domestic companies and well-known tour operators have opened up operations in the local market. Thirdly, business relationships have been developed between local and international firms. In Turkey, the tourist industry has been become as one of the major sectors for the foreign exchange [7].

Nowadays, the Ministry of Culture and Tourism is a government ministry of the Republic of Turkey, responsible for culture and tourism affairs in Turkey. Also this Ministry has released and is responsible for The Tourism Strategy for Turkey-2023 and Action Plan which had been published in 2007 year. This document prepared with a participative planning perspective has the primary objective focusing on the tourism and travel industry at production management and implementation phases by putting forth a roadmap for the sector. The Ministry of Culture and Tourism noted that the most important aim of this Strategy is to find more projects with a mutual public-private sector cooperation business model. Infrastructure projects such as airports, railways, and energy facilities are typically where the government commissions the private sector, but they want to extend the model to tourism establishments and amenities [4]. Thus, corporate structuring and governance in Turkey are divided into National Tourism Council (and City Councils), National Planning Organization, Ministry of Culture and Tourism, National Tourism Certification Service, Domestic Tourism Research and Steering Unit [1].

With regard to Ukraine, The State Agency of Ukraine for Tourism and Resorts is the central body of executive power, which is realizing the public policy in the sphere of tourism and resorts. Activities of the State Agency of Ukraine for Tourism and Resorts are coordinated by the Cabinet of Ministers of Ukraine through the Minister of Infrastructure of Ukraine. The important thing in the development of tourism in Ukraine was the adoption the Law «On tourism» in 1995 and «On resorts» in 2000 year that are common legislative basis regulating tourism in the country. The objective of the Law «On tourism» is to create a legal framework for the establishment of tourism as a highly profitable sector of the economy. Therefore, Ukrainian tourism legislation is more advanced than Turkish, but it has many common features with Turkish laws. But why just Turkish industry of tourism is really profitable? The potential of international tourism development in Ukraine is really significant. Ukraine has all the prerequisites for intensive development of both international and domestic tourism, related primarily to our historical and cultural heritage [8].

To sum up, the recognition of the importance of the Turkish model mirrors current attitudes within the Ukrainian business community, which has made no secret of its interest in the Turkish experience. While it has become something of a tradition to compare Ukraine to follow east European nations like Poland, the similarities between Turkey and Ukraine are impossible to ignore. However, the reform experiences of friendly nations such as Turkey will undoubtedly prove useful for Ukraine. Turkey's experience in tourism development offers important examples that Ukraine can benefit from. Cooperation in the public and private sectors must now improve in this context in Ukraine. Thus, only systemic state support and stimulation of the industry's development like in Turkey can provide a stable basis for the formation of a highly competitive national market of tourist services in our country. To ensure public support for tourism development in Ukraine we need to take a common targeted program of tourism development in Ukraine, balancing the priority strategic objectives and resource capabilities of Ukraine [9]. Effective functioning of international tourism is impossible without planning, management, coordination and control of central and local executive bodies, local authorities engaged in its development.

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UKRAINIAN IT SERVICES MARKET AS A PART OF THE GLOBAL ONE

*K.V. Berest, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Berest K.V., Skrypnyk T.I. Ukrainian it services market as a part of the global one. The aim of this work is to investigate and analyze market conditions of IT services and the possible direction of Ukrainian state support for the IT industry, and to suggest factors that contribute to the development of IT industry and its influence on the growth of Ukrainian economy.

Keywords: IT industry, IT specialists, IT products, IT services, the export of technologies, information industry, the Internet.

Берест К.В., Скрипник Т.І. Український ринок ІТ послуг як складова світового. Метою роботи є вивчення та аналіз розвитку ринку ІТ послуг та розробка можливих напрямків державної підтримки ІТ сектору з боку України, спрямованих на покращення стану української економіки.

Ключові слова: експорт технологій, Інтернет, інформаційна індустрія, ІТ-галузь, ІТ послуги, ІТ-продукт, ІТ-фахівці.

Берест К.В., Скрипник Т.И. Украинский рынок IT-услуг как составляющая мирового. Целью работы является изучение и анализ развития рынка IT-услуг и разработка возможных направлений государственной поддержки IT сектора со стороны Украины, направленных на улучшение состояния украинской экономики.

Ключевые слова: Интернет, информационная индустрия, экспорт технологий, IT-отрасль, IT-продукт, IT-специалисты, IT услуги.

Nowadays, the task of stabilizing and stimulating the country's economy growth becomes more and more acute in Ukraine. To do this, it is necessary to restore the foreign trade balance of the country, increase the production of competitive products that would be desirable in foreign markets.

One of the most promising areas that could help solve the above mentioned problems is the IT industry. This innovative section has a high added value and enables the country's GDP to be accelerated in a short time, ensuring stable foreign exchange earnings for the Ukrainian economy. Currently, IT remains the only segment in the general Ukrainian economy, which continues to grow. This is due to the growth of the global IT market and the training of skilled IT professionals who are able to develop unique software products and are popular with the leading companies [9; 10].

Due to higher growth rates and much less financial and material investments required compared to traditional branches of the economy (metallurgical, machinery-producing and chemical industries), the IT section generates employment in much shorter terms, increases tax revenues and stimulates the whole economy development. Products and services generated by the enterprises of this industry are highly demanded among foreign companies, and such products use by domestic enterprises accelerates increase of economy efficiency and growth.

Moreover, IT is one of the few industries not affected by the devaluation of the Hryvnia and the economic crisis.

Originality of research: Perspectives, tendencies, peculiarities of the development of the IT market and its main components, determining their influence on the efficiency of the enterprises, were researched and described in the studies of national scientists N. Balovsiak, O. Grebeshkova, S. Kirpa, R. Labazhaniya, V. Nekrasova, L. Nozdrina, M. Tchaikovsky, G. Chorna, O. Chubukova, S. Yurasova. However, a range of issues in this area require further research.

Nowadays we cannot but admit the lack of attention paid to the state of the IT industry and its share in the Ukrainian economy. Moreover, it is necessary to work out complex strategy of the IT industry development as a part of the Ukraine's economy [3; 4; 5].

Thus, the purpose of this work is to investigate and analyze market conditions of IT services and the direction of state support for the IT industry, and to suggest factors that contribute to the development of IT industry and its influence on the growth of Ukrainian economy.

According to the international classification, IT services include:

1. Support services:

- hardware support and services;
- software support services.

2. Professional services:

- consulting services;
- development and integration services;
- information technology management services;
- business process management services [13].

Within the last 10 years, the growth of exports of IT services in the world can be considered consistent, although the crisis years of 2008-2010 led to a decline in this sector as well.

According to the 2015 data, the leader in providing IT services is European region, while the second place belongs to the North American one. The third place in the export value of the analyzed services is taken by the South Asia [11; 12].

Regarding the international trade, IT services market surpasses world exports of goods and other services and is among the world's most dynamic sectors. The share of IT services in world exports of services increased from 3.5% in 2000 to almost 12% in 2010.

Current trends in the market include the gradual merging of the functions of IT service providers and consulting companies. Almost the same integrational processes are traced among the IT service providers and hardware and software vendors. Such changes indicate the integrational nature of the growth and make the world economy obvious dependence on the development of the market in question [6].

Ukraine currently has all the means to successfully develop the IT industry: the political will for progressive changes in the economy, a sufficiently high level of skilled IT specialists and financial and investment support from the world leading economies [3; 5].

To ensure the dynamic development of the IT industry and its impact on the growth of the economy, it is necessary to:

1. develop an effective system of tax incentives for IT workers at the state level;
2. provide protection of intellectual property rights, develop new methods of fighting against piracy of IT;
3. overcome the corruption;
4. attract foreign investors;
5. create research centers and innovation parks for the development of IT infrastructure;
6. improve the education system for IT specialists;
7. increase the use of information technologies in various industries [8; 7].

Conclusion. The IT services market is one of the most relevant segments of the world economy. Its growth rates of profit considerably exceed the growth rate of world GDP. Such rates of development of the structure are caused, first of all, by significantly higher added value (in comparison with production and «classical» services) and low material and financial expenses necessary for entering the market, which allows developing this segment of the national economy even to the countries that have just stepped on the path to economic prosperity.

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INVESTMENT ACTIVITY OF UKRAINIAN BANKS

*D.A. Bielozorova, N.M. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Bielozorova D.A., Startseva N.M. Investment activity of Ukrainian banks. In this article the main aspects of the investment activity of Ukrainian banks are investigated. It is underlined that there is an insufficient level of the resource base, inefficient use of banking assets and a small proportion of securities in the bank portfolios. For the restoration and development of credit and investment activities of Ukrainian banks, it is proposed in the article to introduce at the level of the state the special measures to increase the assets of banks, to form the long-term investment resources, to develop the capital market of Ukraine.

Key words: banking system, bonds of internal state loan, credit and investment activity of banks, credit and investment portfolio, investment activity of commercial banks.

Бєлєзьєрєвє Д.А., Стєрцєвє Н.М. Інвєстичієннє дїєльнїє бєнкієв Укрєїни. У стєттї рєзглєнєтє оєнєвнї аєпєктї інвєстичієннї дїєльнїє бєнкієв Укрєїни, визнєчєнє, щє їєнєє нєдєстєтнїє рїєвєнь рєєурєннї бєзї, нєєфєктивнє вїкєрїєстєннє бєнкєми єктивїєв, нєзнєчєнє дєлє цїєннїєв пєпєрїєв у портфєлєх бєнкієв. Длє вїдновлєннє тє рєзвїтєкє крєдїтнє-їнвєстичієннї дїєльнїє бєнкієв Укрєїни у стєттї рєпєнєуєтєє впрєвєдєтї нє рїєвнї дєржєвї мїрї щєдє нєрєшєувєннє єктивїєв бєнкієв, фєрмєувєннє дєвгєєтєрєкєвїєв їнвєстичієннїєв рєєурєєв, рєзвїтєкє рїєнкє кєпїтєлїєв Укрєїни.

Клєчєвї єлєвє: бєнкієвєєкє єїєстємє, їнвєстичієннє дїєльнїє кємєрчїєннїє бєнкієв, крєдїтнє-їнвєстичієннє дїєльнїє бєнкієв, крєдїтнє-їнвєстичієннїєв портфєлє, єблїгєцїє внєтрїєшнїєв дєржєвнїєв пєзїєкї.

Бєлєзєрєвє Д.А., Стєрцєвє Н.М. Інвєстичієннє дєєтєлєьнєє бєнкєв Укрєїнє. В стєтєє рєєємєтрєнє оєнєвнєє аєпєктє їнвєстичієннїєв дєєтєлєьнїє бєнкєв Укрєїнє, єтмєчєнє, щє єуєєєтєє нєдєєтєєчнїєв єрєвєнь рєєурєннї бєзї, нєєфєктивнє єєпєєєєєнє бєнкєми єктивєв, нєзнєчїєтєлєьнє дєлє єєннїєв бємєг в бєнкєвєєкїєв портфєлєх. Длє вєєєтєнєвлєннє є рєзвїтєє крєдїтнє-їнвєстичієннїєв дєєтєлєьнїє бєнкєв Укрєїнє в стєтєє рєдлєгєєтєє внєдрїтєє нє єрєвнє гєєудєрєєтєвє мєрє длє нєрєєцїєвєннє єктивєв бєнкєв, фєрмїрєвєннє дєлєгєєєрєчнїєв їнвєстичієннїєв рєєурєєв, рєзвїтєє рїєнкє кєпїтєлєв Укрєїнє.

Клєчєвєє єлєвє: бєнкєвєєкє єїєєтєємє, їнвєстичієннє дєєтєлєьнєє кємєрчєєєкїєв бєнкєв, крєдїтнє-їнвєстичієннє дєєтєлєьнєє бєнкєв, крєдїтнє-їнвєстичієннїєв портфєлє, єблїгєцїє внєтрєннєєв гєєудєрєєєтєєвнєєв єєєєє.

Relevance. The world financial markets have changed rapidly for the past decade. Global banking systems and international economies are getting more interconnected today than ever before. Investment banking is a special segment of banking operation that helps individuals and organizations to raise capital and the banks can provide financial consultancy services to them. In the light of the changing financial landscape, regulators have been trying to create harmonious regulations accommodating individual markets, at the same time pursuing the common interest of global financial stability [4].

Examining credit and investment activities of banks as a set of two related but independent trends is the purpose of article. In the realities of Ukrainian economy, the investment activity of banks is not less important but is less developed in comparison with similar activities of the European and American banks.

Investment activity of banks is essential to the economy of the country as a whole and for the banking institutions. The value of investment activity of banks to the economy is in the accumulation of financial resources of enterprises and population, involvement of foreign banks, channeling funds to the most efficient economic activities, stimulating the development of the real sector, ensuring the GDP growth of the country.

Banks of Ukraine act not only as investors but also as mediators that invest by their customers' orders. The Bank as an investor tries to achieve its certain investment objectives. The funds are mainly invested in the acquisition of securities for sale and those to maturity, acquisition of subsidiaries and associates companies and acquisition of property. But these activities of banks in Ukraine are inferior by the profitability compared to lending. The activities of banks which act as intermediaries in the Stock Markets include underwriting, brokerage, dealer and trust business. Only the largest banks in Ukraine, mainly with foreign capital can undertake such activities.

Investment banking is among the most complex financial mechanisms in the world. They serve many different purposes and business entities. They provide various types of financial services:

- proprietary trading or trading securities for their own accounts;
- mergers and acquisitions advisory which involves helping organisations in M&As;
- leveraged finance that involves lending money to firms to purchase assets and settle acquisitions;
- restructuring of companies to make a business more efficient and help it make maximum profit;
- new issues or IPOs, where these banks help new firms go public [5].

The banks act as intermediaries between security issuers and investors and help new firms to go public. Besides they buy all the available shares at a price estimated by their experts and resell them to public or sell shares on behalf of the issuer and take commission on each share.

From the position of individual banks, such activities are conducted for the purpose of obtaining income from transactions with securities, long-term funding for key economic projects, for ensuring the Banks' participation in the authorized capital of other enterprises and strategic controlling their property and activities.

Bank investments are made mainly in the form of loans and investments in securities, financial instruments are divided by investment professionals into credit and stock investment tools. To credit investment instruments belong long-term investment loans, lease financing, project financing, mortgage loans, etc. Stock investment tools include investing in securities, bonds of internal state loan, municipal bonds, securities funds, assets management companies (AMC), equities, corporate bonds, savings certificates, etc.

Stable functioning and further development of the Ukrainian banking system largely depend on the formation of the banks resources, as this determines their ability to perform active banking operations, including lending and investment, and generate profits from their main activities . Analysis of the dynamics of the resource base of the banking system of Ukraine for the period 2010-2014 allows to conclude that during the analyzed period, the banking system of Ukraine increased its resource base. The total increase in resources for 2010-2014 was 374 764 million UAH.

The growth of the resource base of the Ukrainian banks has largely been caused by the increase in liabilities (in the amount of 364 466 million UAH). The own capital of the banks increased by 10 298 million UAH, which is a positive trend. The funds of physical entities grew at a faster pace (to 145 638 million UAH), than legal entities (to 117 334 million UAH). Accumulation of resources is performed by banks for the purpose of investing these funds in assets that include the loans and securities. A significant portion of the portfolio grew due to increase of loans volumes in hryvna, which were previously provided in foreign currency. Banks impose more stringent requirements when lending due to the unstable economic situation and insolvency of the population. Constant growth of investments into securities amounted to 98952 million UAH or 7,38%. Investment activity of banks is diversified with the aim to compensate for the loss of profitability from the operations of lending. Reserves for active operations increased by

8819 million UAH, however, their share decreased by 2,36%.

A negative financial result of banking activity was mainly reached by banks of the first group, which financed large-scale projects and have incurred significant losses due to political situation in Ukraine [3]. Limited lending opportunities (via the significant risks of the real sector) prompted banks to increase investment in securities, the volume of which increased by 22,2% to 168,9 billion UAH [5]. Investing in securities in terms of importance and size ranks second among active banks' operations after lending.

During 2010-2014 period, the banking system of Ukraine has steadily increased its portfolio of securities. The total increase for 2010-2014 was 77 236 827 thousand UAH. Despite the fact that the relative share of securities in the portfolio of Ukrainian banks is not significant (from 8% to 12%), there is a definitely positive tendency towards a gradual increase in securities mainly due to the growth of the portfolio of securities for sale and trading securities.

Trading securities, whose share in the securities portfolio of banks increased during the period 2010-2014 from 8.94% to 12,48% and in 2012 was the highest (18,13%), are mostly represented by bonds of internal state loan (government bonds) of Ukraine.

Securities for sale are shares and bonds of companies, they have the largest share in the securities portfolio, which in 2010 amounted to 72,67% , increase gradually until 2013 and amounted to 87,9%, but decreased slightly in 2014 to a level 82,48%. Investments in associates and subsidiaries fluctuated from 1,27% to 2,41%, the lowest level – in 2014. This indicator shows the reduced investment activity of the banks into their associated companies. Government bonds are included in the portfolios of bank securities, they are less risky compared to corporate securities [2]. Another factor for active investments in government bonds is unfavorable conditions for lending to reliable borrowers, the number of which in Ukraine is limited, so banks are forced to adjust their liquidity through government bonds.

Well functioning banking systems and efficient capital markets require a sound legal and regulatory structure to maintain investors confidence. Central bankers and regulators must consider how their decisions will impact capital markets. Doing so they mitigate the effects on the world economy insofar as one market's problem may infect another market. In synthesizing harmonious regulation with market sensitive monetary policies, regulators and central banks help to maintain global confidence and minimize systemic failure.

The necessary conditions at this stage of development of the banking system should be:

1. Application to the banks that undertake long-term investment lending of concessional (reduced) reserve requirements and preferential tax treatment of income from these transactions.
2. Introduction of state compensation (partial) of interest rates on loans directed to priority sectors of the economy.
3. Use of long-term refinancing of Ukraine banks, which realizes long term investment loans by the National Bank [6].

Conclusion. To ensure further increase of investment activity of banks, it is expedient to create the conditions to support credit and investment activity of banks by increasing banks capitalization, asset growth of banks, the growth of long-term investment resources, development of the capital market as well as sound legal and regulatory support.

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THE BRANDING OF KHARKIV CITY

*M.Y. Bilenka, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Bilenka M.Y., Saprun I.R. The branding of Kharkiv city. The article reviews the concept of a city or territory branding, its impact on the international tourist market competitiveness at present times. The positioning of Kharkiv city and its tourist brand «Smart City» has been analyzed. The advantages and disadvantages of this brand have been revealed. A new version of Kharkiv tourist brand has been offered.

Keywords: branding, city rating, competitiveness, Kharkiv, promotion, tourism.

Біленька М. Ю., Сапрун І.Р. Брендинг міста Харкова. У статті розглянуто поняття брендингу міста або території, його вплив на конкурентоспроможність на сучасному міжнародному туристичному ринку. Проаналізовано позиціонування міста Харкова та його туристичного бренду «Smart City». Виявлено його переваги та недоліки. Автором запропоновано новий варіант туристичного бренду Харкова.

Ключові слова: брендинг, конкурентоспроможність, просування, рейтинг міст, туризм, Харків.

Биленькая М. Ю., Сапрун И.Р. Брендинг города Харькова. В статье рассмотрено понятие брендинга города или территории, его влияние на конкурентоспособность на современности международном туристическом рынке, проанализировано позиционирование города Харькова и его туристического бренда «Smart City», выявлено его преимущества и недостатки; Автор предлагает новый вариант туристического бренда Харькова.

Ключевые слова: брендинг, конкурентоспособность, продвижение, рейтинг городов, туризм, Харьков.

The purpose of the work is to analyze a modern brand of the Kharkiv city, identify its disadvantages and advantages, and offer author's ideas about city branding.

The object of research is Kharkiv city and its tourist brand. The subject of the work is a brand structure and its components in the context of the Kharkiv city brand.

Nowadays the competition has penetrated into all levels of global space functioning, ranging from regional to local levels. The issue of Kharkiv city branding is actual because the active presentation of the opportunities and potential of the city has long-term perspectives such as facilitating the

establishment of partnerships with other countries and cities around the world, implementing international projects, attracting investments, creating a favorable business environment and tourist attractiveness of the area, increasing the population and tourist flows.

Brand is a complex of visual, semantic and value characteristics which allows you not only to distinguish the product but also give it an additional social and commercial value. Branding is one of the types of marketing technologies designed to create a brand and manage it. Its tools also include elements of commodity policies, pricing policies, and sales decisions [4].

There are the concepts of «brand city» and «country brand» in tourism industry. The brand of the city is a system of associations in the minds of the city «consumers» which is based on visual, verbal and mental sights.

This year the Resonance 2017 World’s Best City Brands Report (Table 1) was published on the basis of a hexagon with a variety of indicators:

- Place (natural and man-made city resources);
- Promotion (the quality and quantity of articles, directories and information on-line);
- Product (city attraction and infrastructure);
- People (immigration and cultural diversity);
- Programming (art, culture and entertainment in the city);
- Prosperity (employment and GDP per capita).

Table 1

The Resonance 2017 World’s Best City Brands Report

№	City	№	City
1	London	6	Amsterdam
2	Singapore	7	Los Angeles
3	New York	8	Tokyo
4	Paris	9	San Francisco
5	Sydney	10	Toronto

Source: Formed by the author on the basis of [1]

The aforementioned cities have always been the leaders in the tourist market. According to this rating from 100 cities from all over the world, Ukraine is represented only by Kiev which is on 85 position in the list. That is why there is the goal for Kharkiv to get to the list of the most popular cities in the world.

Nowadays there is a tourist brand «Smart City» in Kharkiv, which was developed in 2011 by specialists of Kharkiv organization «the Union of Designers of Ukraine and German Experts» (Figure 1).



Fig.1. Official tourist logo of Kharkiv [5]

Each letter of the word S.M.A.R.T. decrypts characteristic and positive features of the city: social, modern, art, research, tourist. The graphic image can be interpreted as a crossroads, the first letter, flexibility, willingness to cooperate, or raised hands in greetings.

The Department of International Cooperation presents Kharkiv as a center for business tourism, so this concept, in their opinion, is successful for portraying the city as a modern and business one. There are all chances in the development of business tourism in Kharkiv.

Today there is an idea that the concept of «Smart City» is generally attractive for international investors and tourists. This enables the municipality to receive support in the form of investments. But on the other hand the implementing of “Smart City” concept could lead to the problem of not recognizing a unique idea of Kharkiv tourist brand. This idea of Smart City could be relevant for many cities not only in Ukraine but also abroad. Therefore, this idea does not turn the city into a unique destination. Moreover at this stage more and more Ukrainian cities have begun to modernize their infrastructure at a rather high level, thus the question arises concerning the relevance of the developed brand for Kharkiv. If local authorities intend to use the Smart City brand for Kharkiv, it is necessary to create a greater number of modern facilities and technologies and implement them into the city life.

Having analyzed the official statistics on tourist arrivals in 2016 (Table 2), it is obvious that Kharkiv region inferior to the number of tourists in other Ukrainian cities. Therefore, a well-formed brand and strategy can improve this situation.

Table 2

Tourist streams of some Ukraine regions in 2016 (people)

Region	Number of tourists served by the subjects of tourist activity of the region	Of the total number of tourists		
		foreign tourists	citizens of Ukraine, who went abroad for domestic tourists	domestic tourists
Kharkiv	40429	1	33716	6712
Lviv	181827	8370	74877	98580
Ivano-Frankivsk	79973	2473	8588	68912
Transcarpathian	11601	68	7939	3594
Kyiv	1866029	21143	1666297	176912

Source: Formed by the author on the basis of [2]

The logo bribes its modernity and minimalism, however, apparently the developers have not taken into account that the name of the city does not begin with the letter «X» in many languages, and that the symbol «X» (a cross), means a ban.

Having analyzed the situation with the current situation with the Kharkiv brand, we have developed a new tourist logo for the city, the idea of which is based on the city's main tourist attractions, historical events and associations with Kharkiv. In general, the new logo includes 5 main destinations of the city:

1. Dzerkal'nyi strumin' fountain;
2. Maxim Gorky Central Park for Culture and Recreation depicted in the form of a famous Ferris wheel;
3. Kharkiv is the city of students and a leader of education; it is depicted by V.N. Karazin National University, which is the best university in the city;
4. Kharkiv is the largest city in the world on the 50th parallel;
5. The venue of the lithium atom spitted by Kharkiv scientists (Fig. 2).

The new logo has a chance to become one of the city's business card. It can also be used on souvenir products and during cultural events in Kharkiv, throughout Ukraine and abroad.

Thus, the brand of the city by its nature is a demonstration of the city's competitive advantages. It contributes to improving the lives of its residents, attracting both investment and tourists alike. Kharkiv needs a new attractive brand that would be able to convey successfully the whole atmosphere and the key ideas of the city and represent Kharkiv as a tourist destination both at the national and international levels.



Харків - ядро науки, культури та розваг

Fig. 2. Tourist logo of Kharkiv [created by the author]

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METHODOLOGICAL ASPECTS OF INFORMATION ANALYTICS

V.O. Boiko, Y.M. Broslavska (language supervisor)
V.N. Karazin National University, Kharkiv

Boiko V.O., Broslavska Y.M., Methodological aspects of information analytics.

The article describes the features of common methods used in the system of information analytics. It also reveals the essence of information analytics and defines the concepts of method and methodology.

Key words: analysis, information, method, methodology, research.

Бойко В.О., Брославська Є.М., Методологічні аспекти інформаційно-аналітичної роботи. Стаття описує особливості загальних методів в системі інформаційно-аналітичної діяльності. В роботі також розкривається сутність інформаційно-аналітичної діяльності та визначаються поняття методу та методології.

Ключові слова: аналіз, дослідження, інформація, метод, методологія.

Бойко В.А., Брославская Е.М., Методологические аспекты информационно-аналитической работы. Стаття описує особливості загальних методів в системі інформаційно-аналітичної діяльності. В роботі також розкривається сутність інформаційно-аналітичної діяльності та визначається поняття методу та методології.

Ключевые слова: анализ, информация, исследование, метод, методология.

The subject of the study is the main features of common methods in the system of information analytics. The purpose of the study is to analyze the features of common methods in the system of information analytics. The relevance of the study is determined by the necessity to know as much as possible about the methodology and methods of information analytics, because most of the questions that arise at the initial stage of information work are concerned with methodology.

Acquiring knowledge of the surrounding world involves discovery and recognition of facts. However, the essence of an object does not often lie on the surface of a phenomenon. To find it, special techniques and methods of knowledge acquisition have been developed in the process of long-term development of science and practice. These techniques and methods are used to study all sorts of phenomena, including the recognition of objects of information analysis.

Information analytics consists in generalization of obtained information, which is extracted from operational activity, its evaluation, analytical processing of primary information content and presentation of the final information product to the corresponding consumers. Taking into account various approaches to the definition of information analytics in relation to different management spheres, the following general definition has been developed: information analytics is a set of information processes (search, collection, and processing of information) necessary for a high quality, efficient management process.

Collection, processing, use and transfer of information are essential for successful business and any other type of activity. Any enterprise operates in the system of market relations, and the nature of these relationships goes beyond contact with buyers, suppliers, dealers, etc. [4, p. 36]

According to experts, the progress of humanity in the field of information activities manifested itself in reducing the time for the transmission and processing of messages and the preparation of information for making managerial decisions. The progress of humanity is linked with the intensification of information processes, since information activity, which manifested itself in reducing the cost of processing and sending messages, created conditions for a better organization of material production and life of the society at large.

Complexity, versatility and interdisciplinary status of any scientific problem lead to the need for its studying in the coordinate system, which is provided by different levels of the scientific methodology.

Methodology is an outline of the purpose, content, and research methods that ensure obtaining the most objective, accurate, and systematic information about processes and phenomena. Taking into account theoretical and socio-cultural experience, methodology develops the general principles of creating new cognitive tools. The main object of the methodological study is method, its essence and scope of operation, structure, interaction with other methods and elements of the cognitive tool and the correspondence of the object's nature as well as its relation to the cognitive goal or goals of practical activity.[1, p. 89]

The main groups of methods used in the process of information analysis are as follows:

1. General scientific methods, which include analysis, synthesis, abstraction, generalization, and comparison.
2. Methods of empirical research, such as sociological methods, surveys, observations, experiments, and statistical analysis.
3. Information and forecasting techniques, including cognitive mapping, modeling, and expert evaluation.
4. Methods of creating information products like abridging information content (bibliography, referencing, annotation, fragmentation), or generalization of the information content (creation of review information).
5. Methods of information user support, namely the method of current awareness and the method of reference and information service. [1, p. 92]

The study of information needs serves as a tool for determining the forms and mechanisms for providing information services, taking into account the requirements for their quality and the correction possible faults that arise in the process of providing an information service or product. It is an indicator for determining the quality of information services, identifying current and potential consumers.

Methods of studying information needs are divided into direct and indirect.

Direct methods include:

- questionnaires
- interviewing
- use of catalogues
- use of feedback cards
- use of standardized inquiry forms

Indirect methods of studying information needs include the study of:

- unpublished documents (dissertations, abstracts of theses, analysis of planning and policy documents, scientific and technical reports, minutes, memoranda),
- bibliographic references in various forms, analysis of the quantitative ratio of primary and secondary documents,
- published and unpublished documents (for the purpose of establishing dispersal zones, the allocation of primary and secondary, rare and random sources of information on a chosen topic). [2, p. 132]

Separately, it is possible to distinguish the method of constructing a «tree of goals», which is widely used by research teams and developers.

The «tree of goals» has 5 levels:

1. the main goals of a specific work or a set of works (for example, a forecast in a particular industry);
2. tasks that need to be performed to study the goal set (determining the necessary and sufficient conditions);
3. problems that need to be solved to perform the tasks of the previous level (clear outline of known solutions, existing technical and technological solutions, and unknown areas);
4. possible directions of problem-solving;
5. conditions enabling work in these areas.

The number of tasks, problems, directions and conditions in each particular case is different, and the information that is needed at each level is different, and all these features are reflected in the users' information queries. [3]

Conclusion. To sum up, information analytics is a process of search, collection, analysis, transformation, storage, and distribution of documentary information. It is aimed at high-quality operational provision of information to consumers in accordance with their needs. Efficient conducting of information analysis involves understanding of the final result of the activity (the purpose of the activity), the presence of the subject, that is the one who performs a task (the subject of information analysis), the object, that is the one on whom

the task is performed (the object of information analysis), the availability of sources, forms, and methods of performing the task (processes of information activities) and the results of information analysis (information products).

At the current stage of the development of the society, information analytics plays a significant role in ensuring efficient and prompt obtaining of the necessary information concerning different spheres of human activity. In the process of information analysis different methods are used. The choice of specific research methods is dictated by the nature of the relevant material, the conditions and the purpose of a particular study. Methods represent an organized system, in which their place is determined in accordance with a particular stage of the study, the use of technical means, and conducting various operations with the theoretical and factual material in a successive order.

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CORPORATE INCOME TAX: ESTONIAN EXPERIENCE AND UKRAINIAN FUTURE

*I.I. Bondarenko, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Bondarenko I.I., Skrypnyk T.I. Corporate income tax: Estonian experience and Ukrainian future. The article deals with the reform of the income tax in Ukraine. The author reveals the consequences of introducing the tax on the withdrawn capital in Estonia and analyzes the possibilities and consequences of its introduction in Ukraine.

Keywords: corporate income tax, Estonian tax system, profit distribution, taxation, taxes.

Бондаренко І.І., Скрипник Т.І. Податок на виведений капітал: досвід Естонії та майбутнє України. В статті розглядається реформа податку на прибуток в Україні. Автор виявляє наслідки введення податку на виведений капітал в Естонії та аналізує можливості та наслідки його впровадження в Україні.

Ключові слова: естонська податкова система, оподаткування, податки, податок на виведений капітал, податок на прибуток підприємств.

Бондаренко И.И., Скрыпник Т.И. Налог на выведенный капитал: опыт Эстонии и будущее Украины. В статье рассматривается реформа налога на прибыль в Украине. Автор выявляет последствия введения налога на выведенный капитал в Эстонии и анализирует возможности и последствия его внедрения в Украине.

Ключевые слова: налоги, налог на выведенный капитал, налог на прибыль предприятий, налогообложение, эстонская налоговая система.

Tax system is a determinant of the development of the country's economy and corporate income tax has a direct impact on the business activity in the country.

The subject of this research is the corporate income tax in Estonia and Ukraine. The goal is to analyze possibilities and consequences of the implementation of Estonian corporate income tax system in Ukraine.

Relevance of the topic. Since 2016 the problem of tax system reform is under discussion in Ukraine. In 2017 the bill dealing with new approach of taxation of corporate income based on Estonian one has been drafted and now in-depth studying of Estonian corporate income tax implementation experience is essential for understanding of possibilities and consequences of such reform in Ukraine.

According to Ukrainian tax law, the object of corporate income taxation is all the profit, originated from Ukraine and abroad, which is determined by adjusting (increasing or decreasing) the profit before tax (profit or loss), determined in the financial statements of the enterprise in accordance with national accounting standards or international financial reporting standards, on differences that arise in accordance with the provisions of the Tax Code [1].

In the bill the object of taxation is defined as operations that results in the withdrawal of funds and goods (including non-current assets) from the economic activity of the taxpayer, which is carried out on the territory of Ukraine [6]. That is, only profits distributed between shareholders or employees of the company are taxed, while income reinvested in business development is exempted from any tax burden.

This approach has been introduced in Estonia in 2000 and the corporate income tax reform has had the following effect:

- the volume of investments has increased, but the reform has not affected the investment decisions itself. There has been some influence on the structure of investments, and due to the growth of liquid assets, it has had the positive impact on the ability of enterprises to cope with the economic crisis;
- the share of moving (relooking) assets in the growth of aggregated productivity has increased, but the current tax system has not particularly contributed to it;
- the accumulation of liquid assets has increased significantly. On the one hand, the liquidity of enterprises has improved, on the other hand, it means an increasing tendency to save the assets less risky, rather than investing them in machinery, equipment, etc. High liquidity and low debt burden in the period of the economic crisis have had a positive effect on the enterprises.
- it has helped the banking sector to deal better with the crisis;
- the reform has had positive influence on the productivity of the workforce;
- it has increased both the volume of capital in the economy, consumption, and GDP;
- the accounting effect has become apparent in the form of the reflection of the real profits of enterprises (that will help enterprises to attract foreign investments and improve their creditworthiness) [2].

Now in Ukraine the corporate profit tax usually provides about 7-9% of budget revenues, which is not rather much compared to other taxes, but still quite tangible. In just 9 months of 2017, companies have already paid 73.5 billion hryvnia [7].

According to the calculations of the Ministry of Economic Development, total budget losses during the first year will amount to 1.2–1.3% of GDP. But the redistribution in favor of enterprises will lead to their modernization, which in the future will allow to pay much more taxes.

After introducing the withdrawn capital (distributed profits) tax, offshore would no longer make sense to optimize costs or take profits. So, businesses will show real financial results [5].

The research group «Ukrainian Institute of the Future» has suggested that the reform will lead to unshadowing of 70% of shadow profits. The volume of profits in the shadow is estimated at 120–300 billion hryvnia or 4–11% of GDP 2017E. In case of introducing new taxation approach Ukraine gets an advantage that will allow to place new production in the country, despite the weak legal system. This advantage is that investors will not pay the tax until the moment they take money from the business. While money remains in the company, it is its working capital and it allows to increase sales turnover and

to use the resources to create new productions and new jobs.

In 5 years, according to the estimations of the Ukrainian Institute of the Future, the aggregate volume of internal additional investments into the economy will reach 500–600 billion hryvnia or \$15– \$20 billion. Investments will become the driver of the economic growth in Ukraine. The additional growth of real GDP of Ukraine (above the projected growth) in the prospect of 5 years will be from 0.8% to 1.9% per year [4].

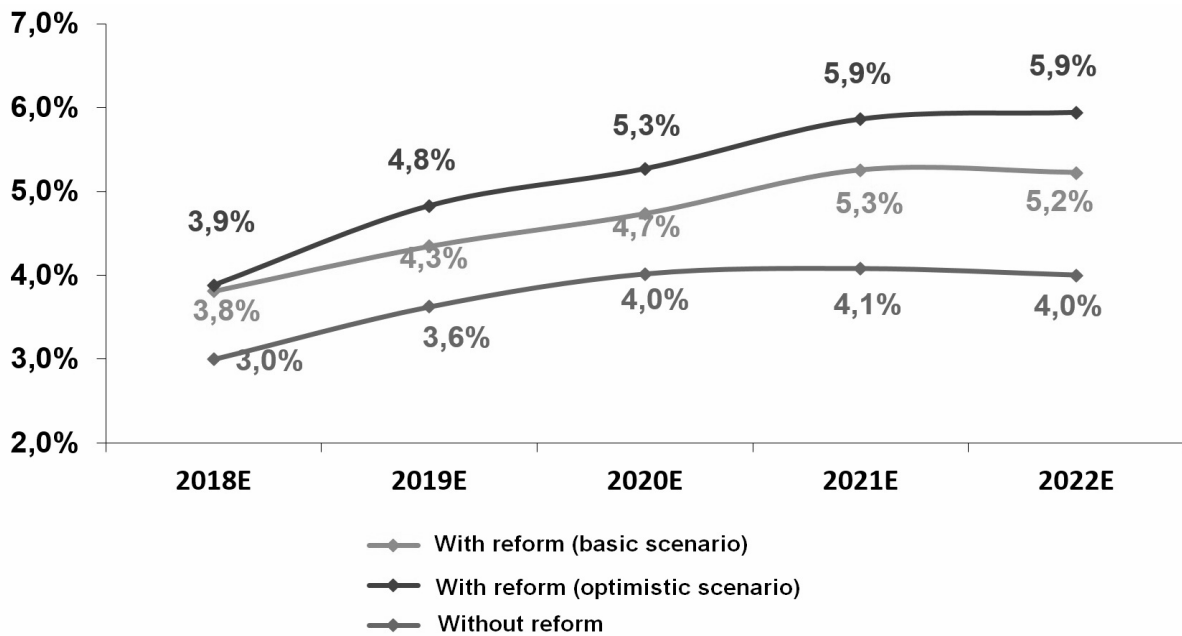


Figure 1. Real GDP growth rate [4]

Starting from the 4th year, budget revenues will increase significantly and exceed the potential amount of corporate income tax revenue.

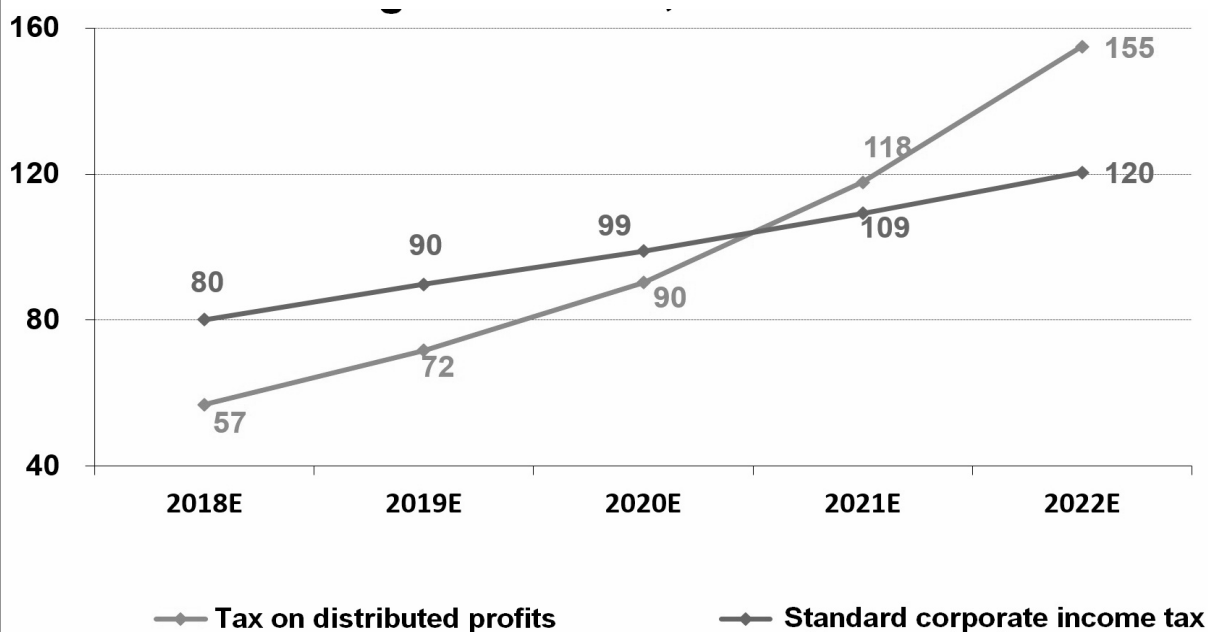


Figure 2. Budget revenues, bln hryvnia [4]

The above calculations have been done for the case if the bill would be adopted since 2018. But the government delays this reform and the president Petro Poroshenko said during a business forum in Kiev that he supported the introduction of a new approach in corporate income taxation but distributed profit tax could be introduced only since 2019 [3].

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OFFSHORE BUSINESS IN THE SYSTEM OF ECONOMIC SECURITY OF A COUNTRY

*K.V. Borokh, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Borokh K.V., Zmiyova I.V. Offshore business in the system of economic security of the country. The article describes problems of offshore business as a key threat to the country's economic security. The research deals with the existence of offshore business, the experience of its organization in Ukraine and abroad, as well as investigates prospects for the functioning and economic security of offshore business.

Key words: economic security, experience, key threat, offshore business, Ukraine.

Борох К.В., Змійова І.В. Офшорний бізнес в умовах економічної безпеки країни. У статті розглядається проблема офшорного бізнесу як основна загроза економічній безпеці країни. Дослідження стосується наявності офшорного бізнесу, досвіду його організації в Україні та за кордоном, а також досліджує перспективи функціонування та економічної безпеки офшорного бізнесу.

Ключові слова: економічна безпека, досвід, основна загроза, офшорний бізнес, Україна.

Борох К.В., Змиёва И.В. Оффшорный бизнес в условиях экономической безопасности страны. В статье описывается проблема оффшорного бизнеса как ключевой угрозы экономической безопасности страны. В исследовании рассматривается наличие оффшорного бизнеса, опыт его организации в Украине и за рубежом, а также исследуются перспективы функционирования и экономической безопасности оффшорного бизнеса.

Ключевые слова: ключевая угроза, опыт, оффшорный бизнес, экономическая безопасность, Украина.

The actual value of the study is determined by the emergence of opportunities for mass redistribution of financial flows and business resources between individual countries due to the increasing mobility of the world capital market in recent years. The subject of the study is offshore business in the system of economic security of the country. The purpose of the study is to analyze the main problems and impact of the offshore business on the economic security of the country.

In modern economic literature the term “offshore zone” denotes one of the varieties of special economic zones, a specific form of organization of commercial activity. The basis of the offshore features is the tax legislation of some countries which allows the companies belonging to foreigners to exempt from tax in whole or in part [3].

In many studies, including the Council of Financial Stability, there are fears that offshore zones can become a generator of new financial crises [3]. Therefore, countries need to pursue a coordinated policy to control financial flows and transactions, including the conclusion of multilateral international agreements on the exchange of information on cross-border cash flows. The interests of corporations and companies, and the benefits that they receive (in addition to tax) should be taken into account when their subsidiaries in offshore jurisdictions are registered [4].

A wide variety of diverse evaluations of the level of shadowing of the economy in world countries can be found in different official sources. Due to the complexity of evaluation, the share of the Ukrainian shadow economy in

GDP varies from 16% to 54%. According to data from the State Statistics Service of Ukraine the extent of shadow economy which was not observed directly amounted to 16%, however, according to evaluations of the Ministry of Economic Development and Trade, the shadow economy in Ukraine was from 30% to 54% of GDP as of 2015. In 2015, the integral index of the shadow economy amounted to 40% of GDP according to data of the Ministry of Economic Development and Trade. In Ukraine, the shadow economy covers all sectors of the economy. The highest level of shadowing is observed in the mining industry and the development of quarries (59% of the official gross value added of this industry sector), which is primarily due to the high level of market monopolization [6].

Such a level is considered to be critically high and it does not correspond to the average level of shadow economy in developing countries (32.0–35.0% of GDP). The level of the shadow economy in Ukraine is much higher than in other European countries. The average level of shadow economy in EU countries amounted to 18.3% of GDP (18.6% in 2014). Bulgaria was considered to be the most “shadowed” country among all the EU countries – 30.6% in 2015 (31.0% in 2014) [5].

A high level of the shadow economy in Ukraine is associated with corruption and ineffective government regulation. Corruption and ineffective public administration make an impact on all social and economic processes in the country and indirectly decrease the level of its economic security.

Now let us review the main threats for the economic security of Ukraine upon solving of the abovementioned problems [2]:

1. The non-transparency of funding political parties in Ukraine. Modern political parties need a considerable amount of money to implement their slogans and tasks. The problem of funding political parties becomes particularly relevant during the pre-election company. Transparency of sources funding political parties and introduction of public financing will help to overcome political corruption. Setting restrictions for the amounts of voluntary contributions from legal entities and natural persons, as well as specifying the list of subjects who can not exercise financing of political parties will reduce the possibility to finance political parties on behalf of big business and oligarchic structures.

2. A low level of trust in judicial authorities. According to Razumkov Centre [6], 81.4% of residents do not trust courts and this is the lowest index in Europe. The reform of the judicial system is based on the increasing level of proficiency of judicial personnel and its renewal which is impossible without conducting the assessment of professionalism of current judges, their re-

certification, advanced professional training and requalification. On 17 February 2016, the High Qualification Commission of Judges of Ukraine began an initial evaluation of the judges' qualification according to the Law of Ukraine "On ensuring the right to a fair trial" in order to make decisions regarding the exercise of justice in appropriate courts. The initial evaluation of judges through an unregulated procedure faces serious difficulties (700 judges will be re-certified, hence they cannot conduct trials for now [4]). The shadow economy and corruption increase when courts do not fulfil their functions.

3. A considerable tax burden on the wage bill. According to the Ministry of Finance of Ukraine and the Ministry of Economic Development and Trade, a decrease in budget revenues due to the shadow economy in Ukraine (amounting to 47% of GDP as of the 1st quarter of 2015) resulted in the increase in borrowings and growth of the public debt of Ukraine up to 1.5 trillion UAH, which is equal to 82.6% of GDP. The considerable tax burden on the wage bill remains one of the main causes of the shadowing of the Ukrainian economy, which is confirmed by the Global Competitiveness Index 2015/2016, according to which Ukraine occupies one of the lowest positions by the indicator "Impact of taxation on work incentives" – 121st place out of 140 countries. The burden on the wage bill forces employers to conceal the real wages of employees and to continue the practice of unreported employment.

4. Offshorization of the economy of Ukraine. According to data provided by the international research organization Global Financial Integrity, Ukraine moved from position 78 down to position 14 out of 150 countries in the ranking of the amount of illegally derived assets last year. About 117 billion US dollars were illegally transferred from our country abroad during the period of 2004–2013 [6]. According to the State Statistics Service of Ukraine, the majority of direct investments from Ukraine was made to the economy of Cyprus (28.6% of the total amount). Cyprus is also considered to be the largest investor in the domestic economy (93% of total amount) as of 7 January 2015 [6]. Money withdrawal is done through offshore companies which are created to conceal information on ultimate beneficial owners, to evade taxes, to avoid currency restrictions on capital transactions, to launder illegally gained incomes. Today, in Ukraine there are no restrictions regarding offshore zones (there is no control over the capital outflow, transfer of assets by the corruption entities in the shadow). Only certain prohibitions on participation of offshore companies in the system of state procurement remain in force at present.

The changes introduced to the Ukrainian legislation are devoid of consistency and concretization, but they do not prevent the improvement of

methods that ensure the economic security of offshore business entities. The implementation of new provisions will increase the transaction costs of Ukrainian companies, as they will need some effort of all their services to analyze and assess the impact of financial risks. Lack of decisive anti-offshore mechanisms in Ukrainian tax legislation can be explained by the importance of the dominant social forces that can influence the adoption or absence of the above measures. Thus, for the Ukrainian economy, the main task is to replenish the country's budget through incoming taxes, and, accordingly, to minimize the use of offshore schemes by economic entities within the framework of a violation of the legal framework; improvement of methods for ensuring economic security.

The subject of crime detection in the sphere of offshore business requires the necessary knowledge in the field of the world economy, international law, foreign exchange and credit systems, foreign languages. Currently, no state educational standard provides for the training of specialists of this level, which significantly reduces the quality of counteraction to the facts of illegal export of capital abroad.

In order to identify measures to de-offshorization of the Ukrainian economy, it is necessary to systemize the main reasons why Ukrainian business actively uses offshore jurisdictions in its economic activities [1]. The high level of shadowing of the Ukrainian economy include: a slow pace of anti-corruption and judicial reforms, a considerable tax burden and ineffective tax administration, as well as base erosion and profit shifting.

C o n c l u s i o n. Obviously, such measures as improving the investment climate, improving the judicial system and property relations in our country are important in terms of solving the problems of de-offshorization. We should talk about special methods and mechanisms of de-offshorization, which will directly influence the reduction of the role of the offshore factor in entrepreneurial activity in our country.

Therefore, a positive shift in the solution of the problem of offshorizing the national economy can have a direct impact on export of foreign direct investment from our country, as the procedures for exporting capital are streamlined, the volumes of legal exports will increase, as well as the transparency of their destination. The latter will lead to the increase in the efficiency of investment projects of Ukrainian companies abroad, which will positively influence the economic growth of our country.

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THE DEVELOPMENT OF TOURIST ACTIVITY IN PODILSK REGION PROFILED ON MACROREGIONS OF UKRAINE

*K.I. Bosenko, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Bosenko K. I., Medvid M. M. The development of tourist activity in Podilsk region profiled on macroregions of Ukraine. The article provides statistical data on regional tourism of Podilsk macroregion, analyzes the potential types of tourism and the state of the tourist infrastructure. A rating of Ukraine's macro regions for the development of tourism has been created and the level of development of tourism in Podilsk region has been determined.

Keywords: Podilsk macroregion, recreation, tourism, tourist resources.

Босенко К.І., Медвідь М.М. Розвиток туристичної діяльності Подільського регіону в розрізі макрорегіонів України. У статті надані статистичні дані про регіональний туризм Подільського макрорегіону, проаналізовано потенційні види

туризму та стан туристичної інфраструктури. Створено рейтинг макрорегіонів України за розвитком туризму та виявлено рівень розвитку туризму Подільського регіону.

Ключові слова: Подільський макрорегіон, рекреація, туризм, туристичні ресурси.

Босенко К.И., Медведь М.Н. Развитие туристической деятельности Подольского региона в разрезе макрорегионов Украины. В статье предоставлены статистические данные о региональном туризме Подольского макрорегиона, проанализированы потенциальные виды туризма и состояние туристической инфраструктуры. Создан рейтинг макрорегионов Украины по развитию туризма и определен уровень развития туризма Подольского региона.

Ключевые слова: Подольский макрорегион, рекреация, туризм, туристические ресурсы.

Formation of an effective regional tourism policy becomes especially relevant in the conditions of significant untapped potential of the tourism industry in many macro-regions of our country. One of the macroregions of perspective tourism development in Ukraine is Podilsk region. It has a powerful tourist potential in order to become a popular destination for various types of tourism. In the current political and economic situation, Podilsk is an inexpensive and qualitative alternative tourist destination for domestic tourists [2].

Podilsk region is provided well by natural recreational resources and ranks second in the ranking among the macro regions of Ukraine, after the Carpathian macro region. The most attractive ones are orographic and speleological resources, such as radon waters of Vinnytsia region, attractive landscapes of the Dniester canyon, hills of Podillya Tableland and karst caves – Kryshaleva, Optimistychna and Popelyushko [1, p. 162–179].

The availability of natural and anthropogenic resources in the region can be estimated as high because all regions have large territories of the natural reserve fund (NRF). 13.1% of the whole territory of the NRF of Ukraine is protected in Podillya, which gives grounds for the second place in the ranking of macro-regions of this type of NRF after the Carpathian region. The analysis was made in terms of the ratio of the area of ??all objects of the region“s NRF to its total area [6].

The availability of socio-historical RTRs in the region is ranked in the middle ranking and Podillya is ranked third among the macro regions of Ukraine according to these resources, after the capital and the Carpathian macro regions. Podilsk region attracts tourists with its architectural and historic objects,

including Kamyanets-Podilsky, Pochayiv, Chortkiv, Kremenets and event tourism in Kamyanets-Podilsky, namely ethnic festivals and the festival of balloons [1, Fig. 62–184].

The availability of all tourist and recreational resources is shown in Table 1.

Table 1

**Estimation of recreational and tourist resources
of Podilsk region**

Type of RTR		Vinnytsya	Ternopil	Khmelnysk	Average point
Natural		4	3	3	3
Natural-anthropogenic		3	2	5	3
Socio-historical	Architectural-historical	4	4	5	4
	Biosocial	5	2	2	3
	Eventful	3	2	3	3
Sum of scores		19	13	18	16
The total point of the resource-recreational potential		4	3	4	3

Source: The table is created by the author on the materials: [1, p. 187].

The availability of all types of RTR including natural, natural-anthropogenic and socio-historical RTR is estimated in 3 points. It ranks second in Ukraine after Carpathian region, but only a small part is attracted for tourism. Podillya has a very high potential in the development of recteational-medical type of tourism in Khmelnik, a cultural type of tourism in Kamyanets-Podilsky, Chortkiv, Zbarazh, event-type with a center in Kamyanets-Podilsky, religious Pochaiv and excursion throughout the region.

The region occupies the 5th place in the rating on the level of development of tourist infrastructure and it has a rather underdeveloped hotel industry and needs its development, standardization and popularization. Totally in Podilsk region, 254 objects of collective accommodation facilities, representing 5.8% of the total number in Ukraine (excluding the Crimean region and the zone of the Antiterrorist operation of Donetsk region. Nevertheless, there is a qualitative base of sanatorium and resort facilities, which are mostly located in Vinnytsia region and are attractive for tourists arriving to the region with health-improving purposes (the resort of the state value Khmilnik). Total in Podillia – 41 sanatorium, which makes 13,4% of the number in Ukraine [3, p. 22–42].

Podilsk region has 4.6 tourist activities per 100 thousand population. This is a low indicator, because Podillya region ranked 7th in the tourist macro-region ranking. In general, Stolychnyi, Azov-Black Sea and Slobozhansky makroregions are the best provided, which have a coefficient of support from 18.5 to 8.3 units [3, p. 22–76].

The development of tourist activity in the region in 2016 is at a low level in comparison with other macro regions of Ukraine and is 6th in the ranking. In total, 70,834 people were served in the region, or 3.3% of all tourists and tourists of Ukraine, including 77.3% of tourists and 32.7% of tourists. This indicator characterizes the region as an excursion oriented both in the segment of outbound tourism and internal. Podillya shows quite rapid growth in the number of tourists and tourists who have been serviced for the last year – by 8%, as well as income received from the tourist services provided – by 16%. There is a recovery of the tourism market after the decline in the development of 2014 [3, p. 31–51; 4, p. 56; 5, pp. 90–139].

Podillya rating indicator for the revenues from the provided tourism services places the region as poorly developed in tourism as it occupies the 6th place. The largest income was received by Stolychnyi Region, which has a mark of more than 4 billion UAH. Such a high rate is due to the large number of tourist activities located in the region. The leading positions are occupied by Carpathian and Azov-Black Sea regions, which received almost 500 million UAH and 300 million UAH. Podilsk region occupies the 6th place on the received income and has an index of 34 million UAH [3, p. 28–58; 4, p. 63; 5, p. 97–148].

The rating of tourist macro-regions for the development of tourism is presented in Figure 1.

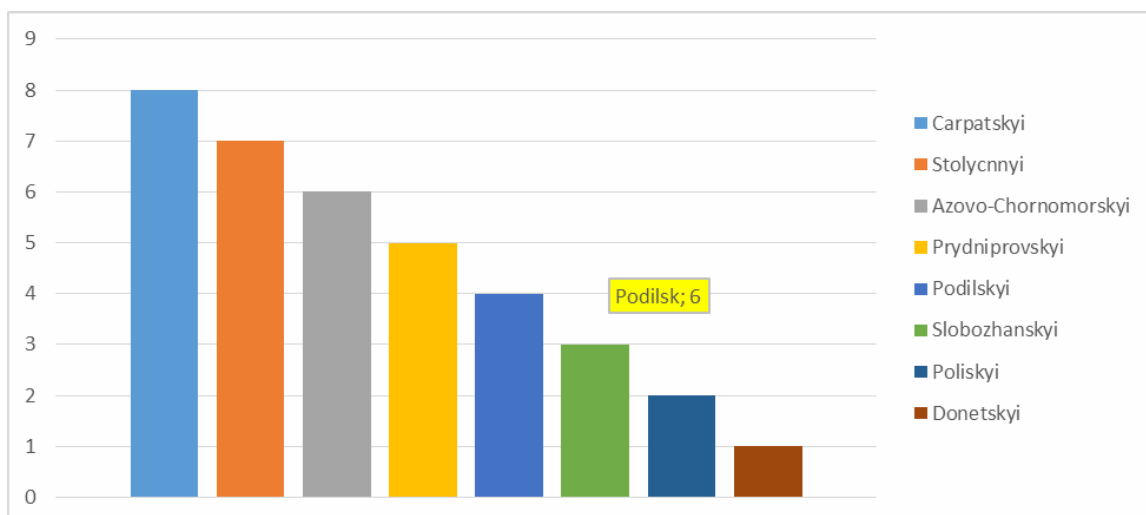


Figure 1. The rating of tourist macro-regions for the development of tourism

The most attractive for tourists is Carpathian region, it ranks first in the development ranking in this industry. Such a high level of macro-region was due to the high tourist potential and rich RTR, as well as a well-developed and high-quality network of collective accommodation facilities. The second place is Stolychnyi macro-region, which is characterized by a high level of development of tourism activity, because in this region the greatest number of all subjects of tourist activity and income from the services.

Despite its powerful potential, Podillya tourist macroregion does not belong to the leaders among the macro regions of Ukraine in terms of tourism development and is ranked 5th in the ranking. The region has an average position in list due to the rather high tourist and resource potential, but the low position on the development of infrastructure and the level of development of tourism activities. It is necessary to create a system of regional coordination of organizations, on which depends the quality of tourist services and the implementation of an active tourism policy.

Dynamic development of the tourism industry in Podillya can be ensured by the expansion and introduction of new types of tourist services and the development of tourist infrastructure, investment attraction, the implementation of active advertising information on Podilsk macro region. The creation of a tourism brand is an important part of the competitiveness of the territory in the tourist market.

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CRYPTOCURRENCY MARKET AS A PART OF THE GLOBAL FINANCIAL SYSTEM

*D.A. Chekanov, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Chekanov D.A., Skrypnyk T.I. Cryptocurrency market as a part of the global financial system. The article describes the changes in the volume and structure of the crypto-currency market over the past three years. The author defines the most important types of crypto currency, analyzes the process of their formation and development. On this basis, the main trends in the development of the crypto-currency market are determined.

Key words: Bitcoin, cryptocurrency, the cryptocurrency market.

Чеканов Д.А., Скрипник Т.І. Ринок криптовалют як частина міжнародної фінансової системи. Стаття описує зміни в об'ємі та структурі ринка криптовалют за останні три роки. Автор виділяє найбільш значущі види криптовалют, аналізує процес їх становлення та розвитку. На базі чого визначаються загальні тенденції розвитку ринка криптовалют.

Ключові слова: Біткоїн, криптовалюта, ринок криптовалют.

Чеканов Д.А., Скрипник Т.И. Рынок криптовалют как часть международной финансовой системы. Статья описывает изменения объёма и структуры рынка криптовалют за последние три года. Автор определяет наиболее значимые виды криптовалют, анализирует процесс их становления и развития. На этой базе определяются основные тенденции развития рынка криптовалют.

Ключевые слова: Биткоин, криптовалюта, рынок криптовалют.

We watch the world of money and finance being transformed. Diversified assets and innovative financial channels, instruments and systems are creating new paradigms for financial transaction and forging alternative conduits of capital.

The technical definition of cryptocurrency according to the Oxford Dictionary is «a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank». What exactly does this mean though? It means that cryptocurrency is online money that, because of a mathematic algorithm, cannot be inflated or tampered with by any single institution like a central bank. In fact, cryptocurrencies are not backed by any government or central bank in the world. They are an alternative private currency developed out of the free market and new digital technologies.

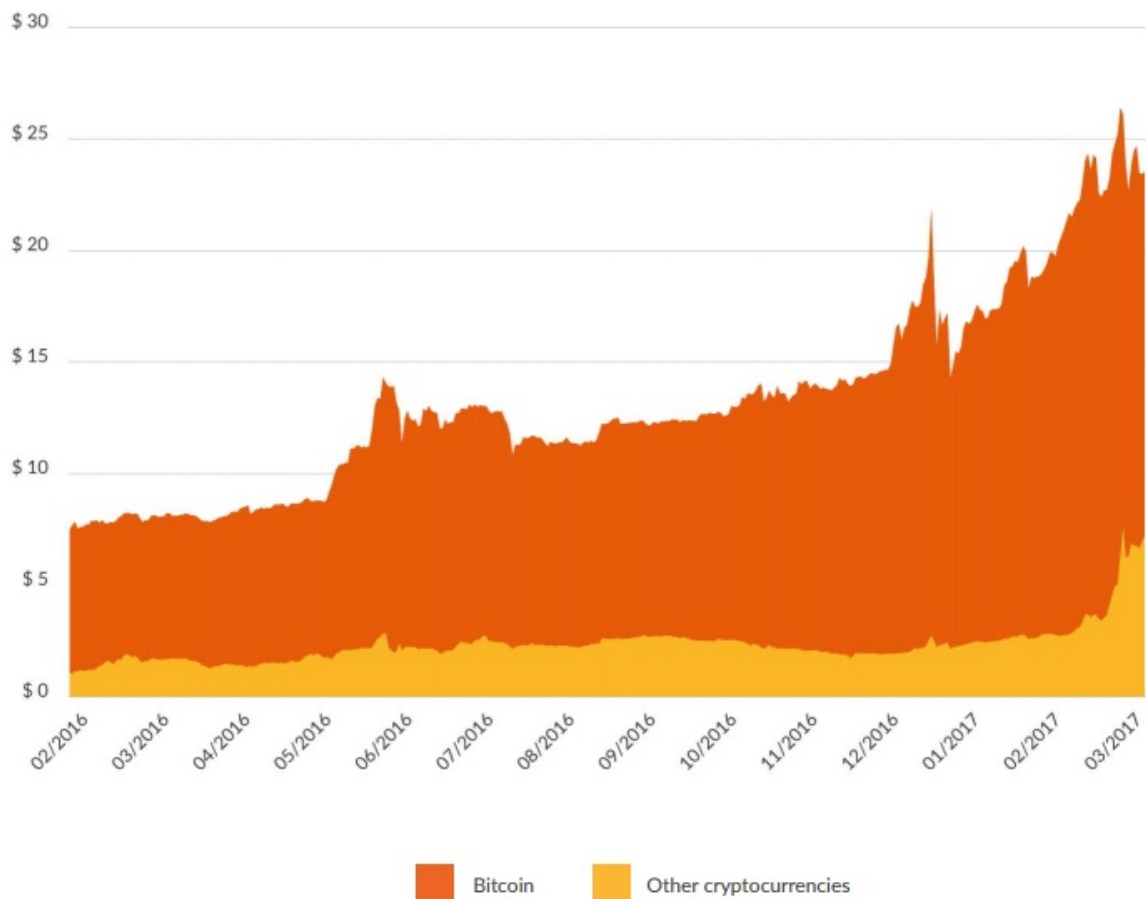
This is what Nobel laureate F.A Hayek theorized in his famous pamphlet *Denationalization of Money* (1978). He argues that if government removed itself as an obstacle from the free market, individuals and monetary entrepreneurs would provide the optimal quantity and variety of monetary products. If the forces of competition can make virtually all other products and services into better quality products and for a lower price, why not have that work for the monetary industry as well? What kind of benefits can come from alternative currencies according to Hayek. More stable purchasing power, increased difficulty (and sometime the impossibility) of counterfeiting, and increased divisibility because it's possible to have more denomination options. All of these benefits and more have come to fruition in the form of cryptocurrencies [1, p. 21].

The world's most powerful, valuable, and popular cryptocurrency, called bitcoin, was invented for free by a still unknown creator. Bitcoin is considered the «gold standard» of the cryptocurrency market. Bitcoin began operating in January 2009 and is the first decentralized cryptocurrency, with the second cryptocurrency, Namecoin, not emerging until more than two years later in April 2011. Today, there are hundreds of cryptocurrencies with market value that are being traded, and thousands of cryptocurrencies that have existed at some point. It combines the strengths of commodity backed money, with the convenience of fiat money, while avoiding most of the problems of both currencies. Bitcoin cannot be artificially inflated, stimulated or depressed by the actions of a central bank or government. This is one of the primary benefits that Bitcoin mirrors from commodity money like gold. However unlike gold, Bitcoins have fiat money advantages such as easier divisibility. There is no need to carry coins or bars of gold when someone wants to go to the market. No need for melting or printing or high shipping and guarding costs. It is easier to store and transfer. Bitcoin has many of benefits that fiat money has over gold or commodity backed money.

The majority of cryptocurrencies are largely clones of Bitcoin or other cryptocurrencies and simply feature different parameter values (e.g., different block time, currency supply, and issuance scheme). These cryptocurrencies show little to no innovation and can be referred to as 'altcoins'.

In contrast, a number of cryptocurrencies have emerged that, while borrowing some concepts from Bitcoin, provide novel and innovative features that offer substantive differences. These can include the introduction of new consensus mechanisms (e.g., proof-of-stake) as well as decentralized computing platforms with 'smart contract' capabilities that provide substantially different functionality and enable nonmonetary use cases.

The combined market capitalization (i.e., market price multiplied by the number of existing currency units) of all cryptocurrencies has increased more than threefold since early 2016 and has reached \$27 billion in April 2017 (Figure 1). A relatively low, but not insignificant share of value is allocated to duplication (i.e., ‘altcoins’), while a growing share has been apportioned to innovative cryptocurrencies (‘cryptocurrency and blockchain innovations’).



Source: Cambridge Centre for Alternative Finance [2, p. 14]

Figure 1. The total cryptocurrency market capitalisation

As of April 2017, the following cryptocurrencies are the largest after bitcoin in terms of market capitalization:

1. Ethereum (ETH): decentralized computing platform which features its own Turing-complete programming language. The blockchain records scripts or contracts that are run and executed by every participating node, and are activated through payments with the native cryptocurrency ‘ether’. Officially launched in 2015, Ethereum has attracted significant interest from many developers and institutional actors.

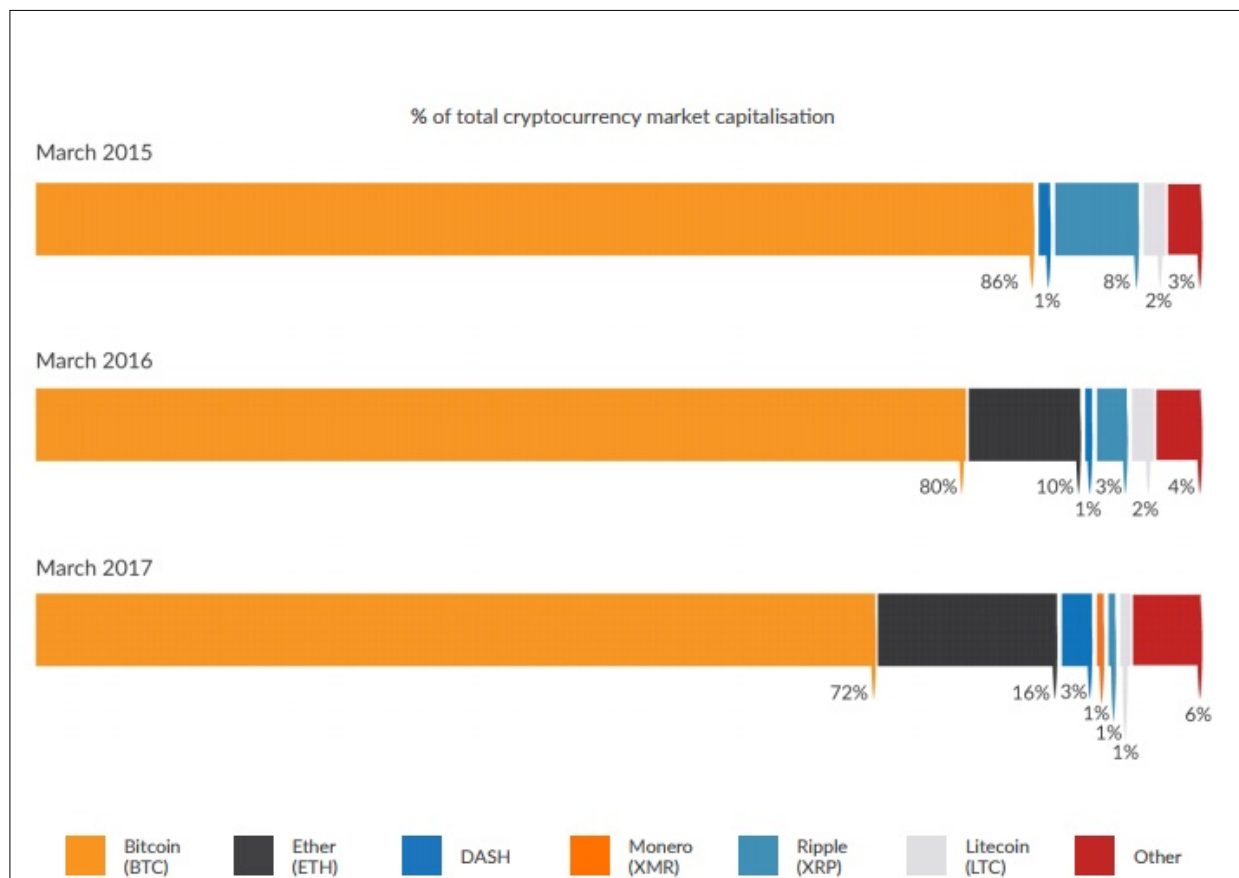
2. Dash: privacy-focused cryptocurrency launched in early 2014 that has recently experienced a significant increase in market value since the beginning of 2017. In contrast to most other cryptocurrencies, block rewards are being equally shared between miners and ‘masternodes’, with 10% of revenues going to the ‘treasury’ to fund development, community projects and marketing.

3. Monero (XMR): cryptocurrency system that aims to provide anonymous digital cash using ring signatures, confidential transactions and stealth addresses to obfuscate the origin, transaction amount and destination of transacted coins. Launched in 2014, it saw a substantial increase in market value in 2016.

4. Ripple (XRP): only cryptocurrency in this list that does not have a blockchain but instead uses a ‘global consensus ledger’. The Ripple protocol is used by institutional actors such as large banks and money service businesses. A function of the native token XRP is to serve as a bridge currency between national currency pairs that are rarely traded, and to prevent spam attacks.

Litecoin (LTC): litecoin was launched in 2011 and is considered to be the ‘silver’ to bitcoin’s ‘gold’ due to its more plentiful total supply of 84 million LTC. It borrows the main concepts from bitcoin but has altered some key parameters (e.g., the mining algorithm is based on Scrypt instead of bitcoin’s SHA-265).

Although bitcoin remains the dominant cryptocurrency in terms of market capitalization, other cryptocurrencies are increasingly cutting into bitcoin’s historically dominant market cap share: while bitcoin’s market capitalization accounted for 86% of the total cryptocurrency market in March 2015, it has dropped to 72% as of March 2017 (Figure 2). Ether (ETH), the native cryptocurrency of the Ethereum network, has established itself as the second-largest cryptocurrency. The combined ‘other cryptocurrency’ category has doubled its share of the total market capitalization from 3% in 2015 to 6% in 2017.



Source: Cambridge Centre for Alternative Finance [2, p. 16]

Figure 2. The cryptocurrency market structure

When comparing the average number of daily transactions performed on each cryptocurrency's payment network, Bitcoin is by far the most widely used, followed by considerably distant second-place Ethereum (Table 1). All other cryptocurrencies have rather low transaction volumes in comparison. However, a general trend towards rising transaction volumes can be observed for all analyzed cryptocurrencies since Q4 2016 (except Litecoin, whose volumes are stagnant). Monero and DASH transaction volumes are growing the fastest.

Table 1

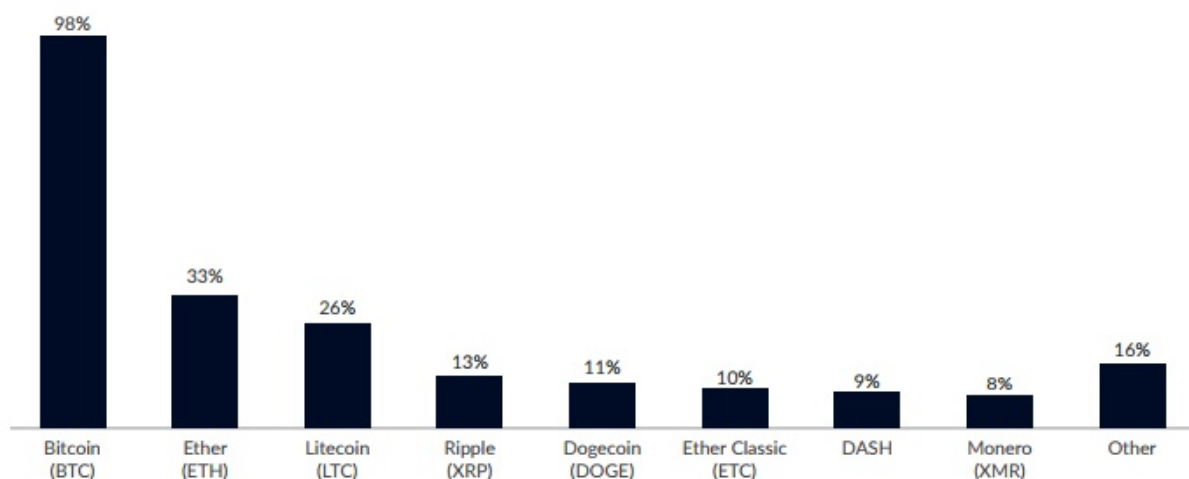
**Average daily number of transactions
for largest cryptocurrencies**

	Bitcoin	Ethereum	DASH	Monero	Litecoin
Q1 2016	201,595	20,242	1,582	579	4,453
Q2 2016	221,018	40,895	1,184	435	5,520
Q3 2016	219,624	45,109	1,549	1,045	3,432
Q4 2016	261,710	42,908	1,238	1,598	3,455
Q1 2017	286,419	47,792	1,800	2,611	3,244

Source: Cambridge Centre for Alternative Finance [2, p. 18]

If significant price movements and on-chain transaction volumes reflect the popularity of a cryptocurrency system, it can be established that DASH, Monero and Ethereum have seen the greatest increase in popularity in recent months.

Nevertheless, Bitcoin remains the clear leader both in terms of market capitalization and usage despite the rising interest in other cryptocurrencies. Bitcoin is also the cryptocurrency that is supported and used by the overwhelming majority of wallets (Figure 3).



Source: Cambridge Centre for Alternative Finance [2, p. 18]

Figure 3. The structure of supporting cryptocurrency by companies

Conclusion. The market of cryptocurrency is rapidly developing. The level of market capitalization is growing, new types of cryptocurrencies appear. Despite the fact that bitcoin holds leading positions, new currencies will soon be able to compete with the leader due to additional functions.

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PROBLEMS AND PROSPECTS OF THE HOTEL INDUSTRY DEVELOPMENT IN KHARKIV REGION

*K.O. Chernysh, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Chernysh K.O., Medvid M.M. Problems and prospects of the hotel industry development in Kharkiv region. The article analyzes the current state of the hotel industry development in Kharkiv region, reveals the main problems which hinder its effective development and prevent the benefits of international integration, and suggests ways to solve these identified problems. A new concept of «hotel industry» which reflects the essence and features of this sphere more fully has been proposed. Conclusions have been formulated.

Key words: accommodation facilities, hotel business, hotel industry.

Черниш К.О., Медвідь М.М. Проблеми та перспективи розвитку готельного господарства в Харківському регіоні. У статті проаналізовано сучасний стан розвитку готельного господарства у Харківському регіоні, виявлено основні проблеми, що перешкоджають його ефективному розвитку та заважають скористатися перевагами міжнародної інтеграції, запропоновано шляхи вирішення зазначених проблем. Аналізуючи, систематизуючи та узагальнюючи наукові роботи багатьох учених, було розглянуто та сформовано нове, яке повніше відображає сутність та особливості даної сфери, поняття «готельне господарство», сформульовано певні логічні висновки.

Ключові слова: готельна індустрія, готельне господарство, засоби розміщення.

Черныш Е.А., Медведь М.Н. Проблемы и перспективы развития гостиничного хозяйства в Харьковском регионе. В статье проанализировано современное состояние развития гостиничного хозяйства в Харьковском регионе, выявлены основные проблемы, которые препятствуют его эффективному развитию и мешают воспользоваться преимуществами международной интеграции, предложены пути решения указанных проблем. Анализируя, систематизируя и обобщая научные работы многих ученых, было рассмотрено и сформировано новое, которое более полно отражает сущность и особенности данной сферы, понятие «гостиничное хозяйство», сформулированы определенные логические выводы.

Ключевые слова: гостиничная индустрия, гостиничное хозяйство, средства размещения.

One of the main directions of tourist activity is the issues related to the provision of the accommodation facilities to the tourists. Accommodation facilities are one of the most important components of tourism. Furthermore,

when a tourist visits another country, city or region, the first thing that he needs is a place where he can stay overnight.

Nowadays, the hotel industry is almost the largest component of the tourism industry which is the result of the rapid development of tourism. Under the conditions of the integration processes development and the growing competition in the international tourism market modern hotel industry has already emerged as an independent branch of the economy in many countries. And Ukraine isn't an exception. In our country hotel business also is becoming more attractive for investments and innovations by virtue of the international integration.

Currently, in the hotel sector of the whole country as well as of Kharkiv region there are a number of problems and painful issues related to the political and economic situation of the state and the social situation of its population, which hinder the development of the entire tourism sector and should be resolved immediately. After all, hotel economy of our country has quite good prospects for successful development due to sufficient resources and wide tourism potential.

A lot of native and foreign scientists give their attention to the analysis of the hotel industry, its problems and prospects of the development. Thus, V.P. Rudenko [7] describes the main concepts and the basics of Hospitality Management, and P.G. Putsentaylo [6] characterizes the organization of tourism and hotel business as a whole. Economic aspects of the development of the hotel industry are considered by Y.I. Blokhin, G.A. Karlova and V.K. Potemkin; G.Y. Krul, M.P. Malskaya, V.V. Romanov, D.I. Elkanova, E.V. Sorokin study the history of formation and development of the hospitality industry. O.O. Lyubitseva [5] has described and analyzed the chronological periods of the development of Ukrainian hospitality industry.

Substantial development of tourism, the growth of tourists' requirements and the aspiration of the hotels to extend the hotel service complex allows us to consider hotel industry in many aspects. There are some interpretations of this concept, and we are going to form a new definition, which will fully reflect its essence.

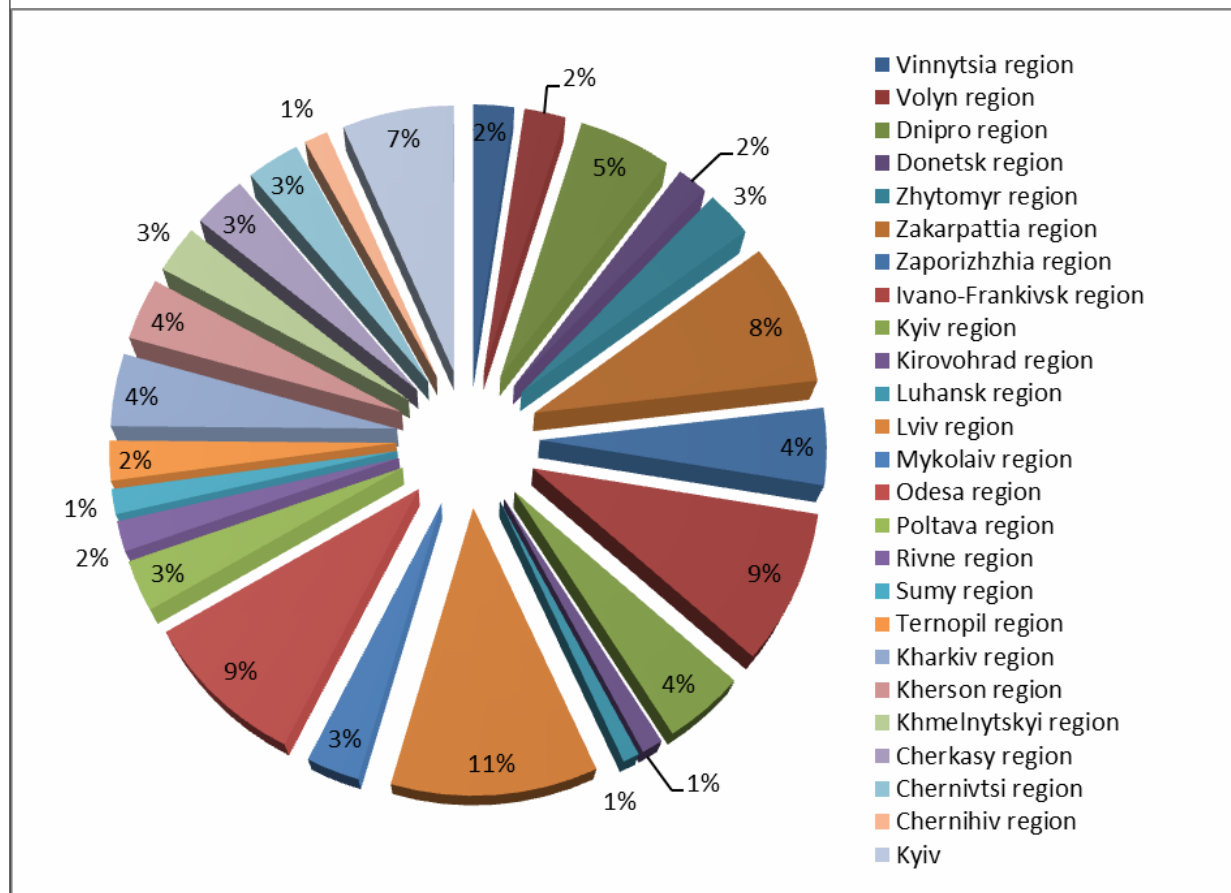
According to the dictionary-reference book «Technology of hotel business» by A.A. Vishnevskaya the hotel industry is a complex of hotels and other accommodation facilities, transports, catering, entertainment, different objects of cognitive, business, health, sports and other purposes, tour operators and travel agents, excursion and tour guide-interpreters bureaus [1, p. 12].

Hotel business is the activity which offers its own services and goods that provide the necessary material conditions – accommodation and meals – to a

person [3, p. 415]. According to E.A. Zinh hospitality industry is a part of the social infrastructure of the region, which creates favorable conditions for the movement and accomplishment of population [3, p. 413].

We have formulated the definition of the concept «hotel industry» as follows: hotel industry is one of the components of the tourism industry and part of the social infrastructure of a certain region; its main purpose is to providing accommodations, food and other extra services that satisfy the priority and additional needs, create favorable conditions for travelling and welfare of the population.

After defining and understanding the essence of the concept «hotel industry» and its main features, it is expedient to implement the analysis of the current state and problems of development of this sphere of economy in Kharkiv region. According to the data of the Main Department of Statistics [2], there were 108 hotels and similar accommodation facilities in Kharkiv region, which offered 5381 rooms in total and accommodated 231 120 people in 2016. It is 4% of the total number of hotels comparing with national statistics. Consequently, it can be argued that Kharkiv region is sufficiently equipped with accommodation facilities, since only nine Ukrainian regions have facilities for accommodation more than 100 (figure 1).



Source: Developed by the authors according the materials [4]
 Figure 1. Regional structure of distribution of hotels in Ukraine

If we compare the occupancy of Ukrainian hotels, we can assert that in Kharkiv region the situation is slightly better than in Ukraine as a whole. While in Ukraine 37 persons stay in one hotel room during a year in Kharkiv region the figure is 42.

Kharkiv is perceived by tourists as an important scientific-industrial, business and shopping center of Ukraine. Kharkiv region is characterized by a rather high level of economic development, but the tourism industry as a whole and the hotel industry in particular, having quite good indicators in comparison with other regions, demand further development and improvement. Kharkiv region has all the possibilities and resources for transformation of an insufficiently developed center of tourism into a complex, popular tourism destination of Slobozhanshchyna and Ukraine.

Thus, the research shows that the hotel business in Kharkiv region is represented by a sufficient number of high-quality accommodation facilities, but has a number of problems and barriers that impede its effective development despite available necessary resources and infrastructure. The main of them are listed below:

- the decreasing of the flow of tourists and the number of travelers in the whole region. In fact, according to the statistics the number of foreign and domestic tourists has started to decrease significantly from 2013 year (in 2013 – 37 817 persons, in 2016 – 6 713 persons). This can be explained by the unstable political and economic situation in the country, the deterioration living standards of the population and the proximity of Kharkiv region to the military-conflict territory of Donetsk and Luhansk regions;

- the lack of a single and correct mechanism for collecting and processing statistical information in the region. According to the Main Department of Statistics in Kharkiv region in 2015 the region was visited by 6 foreign tourists, and in 2016 – by only 1;

- the lack of an effective and guaranteed mechanism for financing hotel enterprises and foreign investment;

- controversial legislative and regulatory framework;

- the lack of state support in matters of protection of the interests of hotel business;

- rigidity of competition in the conditions of the modern market.

One of the main tasks of the local authorities is to develop efficient mechanisms for collecting and processing tourism and other industries statistical information.

To sum up, the present-day international and local hotel market requires more frequent updating and changing the range of the hotel services. Reinforcement of the existing material and technical equipment of hotels is also important for the successful activity and development. It should be noted that the quality of hotel service which should match the price is a prerequisite for the high competitive ability of the offered services in the hotel market.

The tourists should be instantly encouraged for travelling by means of advertising, promotions and offers for increasing the flow of tourists.

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QUALITY AS THE MAIN FACTOR OF COMPANY COMPETITIVENESS

*A.A. Chubakha, Y.M. Broslavska (language supervisor)
V.N. Karazin National University, Kharkiv*

Chubakha A.A., Broslavska. Y.M. Quality as the main factor of company competitiveness. The article focuses on the study of quality as the main factor determining competitiveness of an enterprise in the development of modern hotel and restaurant business.

Keywords: competitiveness, hotel and restaurant business, products and services, quality.

Чубаха А.А., Брославська Є.М. Якість як основний фактор конкурентоспроможності підприємства. Стаття присвячена вивченню якості як основного фактора конкурентоспроможності підприємства у розвитку сучасного готельно-ресторанного бізнесу.

Ключові слова: готельно-ресторанна справа, конкурентоспроможність, товари та послуги, якість.

Чубаха А.А., Брославская Е.М. Качество как основной фактор конкурентоспособности предприятия. Статья посвящена изучению качества, как основного фактора конкурентоспособности предприятия в современном гостинично-ресторанном бизнесе.

Ключевые слова: гостинично-ресторанное дело, качество, конкурентоспособность, товары и услуги.

The subject of the study is the notion of competitiveness as well as the process of its determination and evaluation. The purpose of the study is to analyse the role of quality as the main factor determining competitiveness of an enterprise in the development of modern hotel and restaurant business. The relevance of the study is suggested by the possibility to implement methods described in the study in real-life business environment to evaluate the level of company competitiveness.

The quality of products and services is the main thing in solving the problem of increasing the competitiveness of hotel and restaurant business. A company can be competitive if its products and services are in demand, which is possible only under the conditions of high quality and compliance with consumer requirements, quality standards and other regulatory documents. Quality requirements are constantly changing and increasing with the development of

scientific and technological progress, rising living standards and, accordingly, the demand for products and services.

Quality is a universal philosophical category that covers both phenomena of the external world and consciousness of a person.

Today quality needs to be considered as a priority in the activities of companies. Quality assurance refers to the process of forming the necessary properties and characteristics of the service, able to satisfy or anticipate the consumer's expectations [2, c. 128].

Quality is the most important component of the competitiveness of products and services. Foreign management experts believe that the competitiveness of products largely depends on its quality.

The growing degree of saturation of the goods and services market as well as increasing competition led to the emergence of the concept of competitiveness.

Competitiveness of products and services means a set of their properties, reflecting the degree of satisfaction of specific needs in comparison with such properties of similar products represented on the market. It determines the ability to withstand competition on the market, that is, to have significant advantages over the products of other commodity producers. Competitiveness is a potential opportunity for products to be successfully marketed. It is determined by a set of product properties such as quality, terms of sale and consumption.

Competitiveness of a company means its ability to operate effectively in order to achieve competitive advantages and ensure profitability in a competitive market [1, c. 32].

For a company, competitiveness is the ability to provide products and services as, or more effectively and efficiently than the relevant competitors. In the traded sector, this means sustained success in international markets without protection or subsidies.

In the non-traded sector, competitiveness is the ability to match or beat the world's best firms in cost and quality of goods or services. Measuring competitiveness in the non-traded sector is often difficult, since there is no direct market performance test. Measures of competitiveness in this part of the economy include firm profitability and measures of cost and quality. In industries characterized by direct foreign investment, a firm's percentage of foreign sales (foreign sales divided by total sales) and its share of regional or global markets provide measures to determine the firm's competitiveness.

A nation's standard of living is increasingly dependent on the competitiveness of its firms. Competitiveness is vital if the nation's firms are to take advantage of the opportunities presented by the international economy. World trade and foreign investment have been growing faster in the last several decades than world output. Competitiveness in industries subject to international trade and direct foreign investment can therefore provide substantial leverage for economic growth. This is especially true for small nations, where competitiveness can allow firms to overcome the limitations of their small home markets in order to achieve their maximum potential. Competitiveness is also vital if a nation's firms are to guard against the threats posed by the international economy. International competition has become fiercer than ever before. Lower costs for transportation and communication, reduced trade barriers, and the spread of technology have combined to sharpen international competition. This competition has put unprecedented pressure on all national economic actors, including management, labor, and government. In an environment in which a nation's firms must continually improve in order to meet the threat from an ever wider array of competitors, the failure of management, labor, or government to meet the challenge can spell disaster for the nation's firms.

Based on the foregoing, it can be argued that managing competitiveness means ensuring the optimal balance of components, directing the main efforts to solve the following tasks: improving product quality, reducing production costs, increasing the efficiency and the level of service.

Consequently, the competitiveness of a company includes a large complex of socio-economic characteristics that determine the position of the entity on the market. On the one hand, it is a set of characteristics of the company, which is determined by the level of use of its production, personnel and marketing potential. On the other hand, these are the external socio-economic and organizational conditions that allow them to create such services, which are more attractive to customers than those of competitors in terms of price and non-price characteristics. Being competitive in an open market system means providing consumer, quality and price characteristics of services, which are in line with international standards, regardless of whether they are intended for the external or internal market.

Business owners use competitive business strategies to differentiate their goods or services from others in the industry. Differentiation may be actual or perceived. Actual differentiation involves creating products that are not currently available in the economic marketplace. Perceived differentiation

takes a little more work on the part of companies. Companies typically use advertising messages that describe a product largely similar to those in the market, but having a few subtle differences. This strategy encourages consumers to differentiate the product in their minds.

Many businesses develop pricing strategies to maintain a competitive advantage. These include penetration, economy, skimming, bundle and promotional strategies. Penetration pricing uses low initial prices to gain market share and slowly increases the price to its normal level. Economy pricing offers basic products that have the lowest customer price possible. Skimming is a price strategy in which companies set high initial product prices that decrease to match lower prices from new competitors. Bundle pricing is a strategy where companies include several different products under one price. This allows a business to provide more products to consumers at a slightly lower price. Promotional pricing strategies may allow businesses to offer additional benefits to consumers, such as a buy-one-get-one-free business strategy.

Also, one of the methods, which can help us to make a competitive company is SWOT analysis that is an acronym for strengths, weaknesses, opportunities, and threats and is a structured planning method that evaluates those four elements of an organization, project or business venture. A SWOT analysis can be carried out for a company, product, place, industry, or person. It involves specifying the objectives of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. Some authors credit SWOT to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies. However, Humphrey himself did not claim the creation of SWOT, and the origins remain obscure. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit.

- Strengths: characteristics of the business or project that give it an advantage over others.
- Weaknesses: characteristics of the business that place the business or project at a disadvantage relative to others.
- Opportunities: elements in the environment that the business or project could exploit to its advantage.
- Threats: elements in the environment that could cause trouble for the business or project.

Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, decision-makers should consider whether the objective is attainable, given the SWOTs. If the objective is not attainable, they must select a different objective and repeat the process. Users of SWOT analysis must ask and answer questions that generate meaningful information for each category (strengths, weaknesses, opportunities, and threats) to make the analysis useful and find their competitive advantage.

	Opportunities (external, positive)	Threats (external, negative)
Strengths (internal, positive)	<u>Strengths – Opportunity strategies</u> Which of the company’s strengths can be used to maximize the opportunities you identified?	<u>Strengths – Threats strategies</u> How can you use the company’s strengths to minimize the threats you identified?
Weaknesses (internal, negative)	<u>Weaknesses – Opportunity strategies</u> What action(s) can you take to minimize the company’s weaknesses using the opportunities you identified?	<u>Weaknesses – Threats strategies</u> How you can minimize the company’s weaknesses to avoid threats you identified?

Pic. 1. Example of SWOT analysis

Based on the analysis, we can point out that the competitiveness of a company is its complex comparative characteristic, which reflects the degree of advantages over the enterprises of competitors in aggregate of the estimated performance indicators, the ability of the enterprise to create, produce and sell goods and services.

One of the first steps in the implementation of a business project for gaining its market share of a hotel and restaurant business company will be related to the study of its competitive status.

To assess the competitiveness of a hotel or restaurant business, you can analyze, for example, the main competitors, which use similar competitive strategies and have close market positions.

Each competitor can have certain competitive advantages. The competitive advantage of a restaurant business is those characteristics and properties of services that create a certain advantage for the restaurant over its direct competitors. They can be different and characterize both basic services and additional services complementing the basic ones.

Conclusion. To summarize, in developing the conceptual foundations of a company's activities, one should be guided by competitors who have the best positions in a competitive market and analyze in detail their commodity, price, communication policy, and other factors.

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FDI FLOWS IN UKRAINE: CURRENT SITUATION AND FUTURE PROSPECTS

*O.N. Chubatenko, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Chubatenko O.N., Skrypnyk T.I. FDI flows in Ukrainian: current situation and future prospects. The article deals with tendencies of FDI flows in Ukraine. The author analyses FDI flows in 2010-2016, who is the largest investors and FDI flows by economic activities.

Keywords: FDI, Ukraine, FDI inflows, economy, current situation, future prospects.

Чубатенко О.Н., Скрипник Т.І. ПІІ в Україні: поточна ситуація та перспективи. У статті розглядаються тенденції потоків прямих іноземних інвестицій в Україні. Автор аналізує потоки прямих іноземних інвестицій у 2010-2016 рр., найбільших інвесторів та потоки ПІІ за видами економічної діяльності.

Ключові слова: ПІІ, Україна, притоки ПІІ, економіка, поточна ситуація, перспективи.

Чубатенко О.Н., Скрипник Т.И. ПИИ в Украину: текущая ситуация и перспективы. В статье рассматриваются тенденции потоков прямых иностранных инвестиций в Украину. Автор анализирует потоки прямых иностранных инвестиций за 2010-2016 гг., крупнейших инвесторов и потоки ПИИ по видам экономической деятельности.

Ключевые слова: ПИИ, Украина, притоки ПИИ, экономика, текущая ситуация, перспективы.

Foreign direct investment (FDI) is an investment made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in the other country, such as ownership or controlling interest in a foreign company. The key feature of foreign direct investment is that it is an investment made that establishes either effective control of, or at least substantial influence over, the decision making of a foreign business.

Subject of research is FDI flows in Ukraine (2010-2016).

Goal of research is to analyze FDI inflows in Ukraine and identify its main future prospects on the basis of such methods as description and comparison.

Relevance of the topic. Ukraine is currently in a very tense macroeconomic and financial situation. One problem area is the attraction of foreign direct investment (FDI).

The volume of foreign direct investment in 2014 reached \$ 53,704,000,000. Restrictive factors in the development of investment activity in Ukraine were negative developments in the economy in 2014, the annexation of the Crimea, increased risk of imbalance in payments, loss of markets (32% of exports of engineering products in Russia), international rating agencies downgrade Ukraine's credit ratings, as a result the annual growth of investments is decreasing.

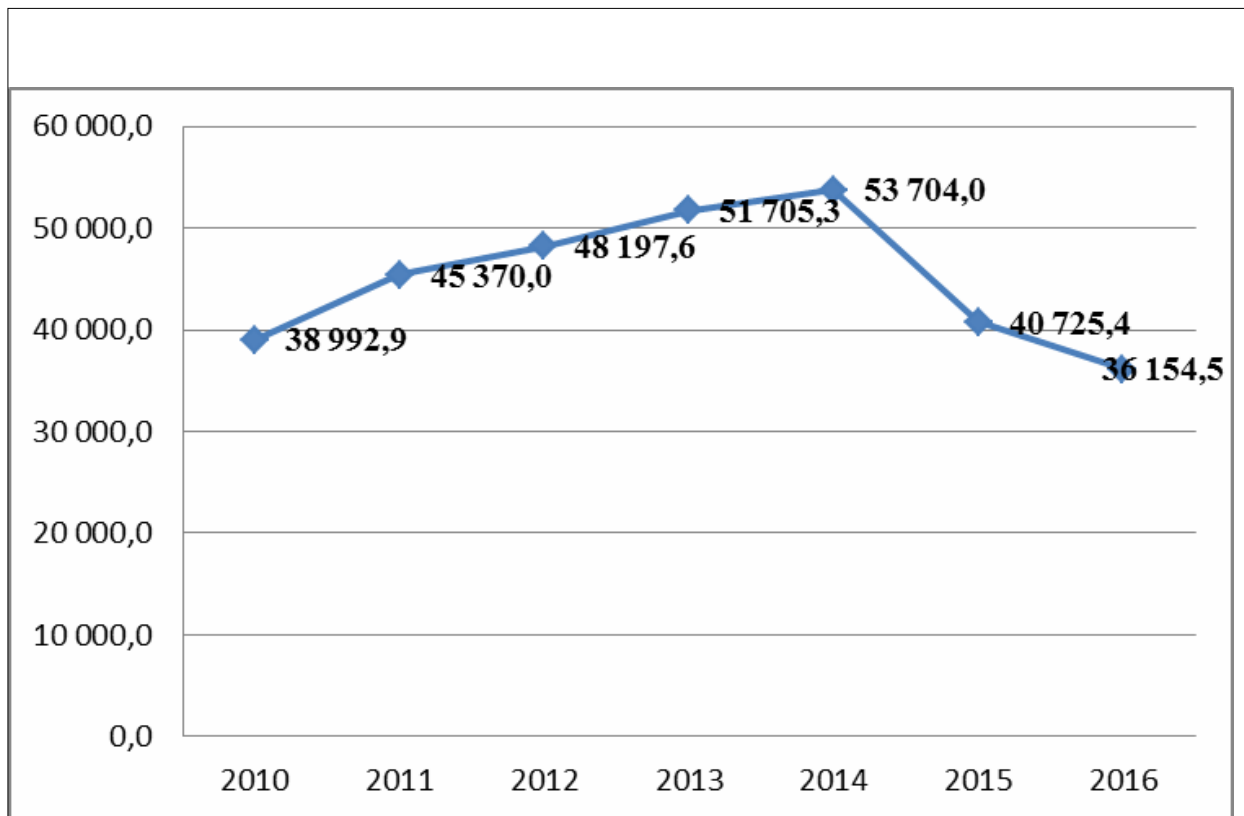


Figure 1. FDI inflows in 2010-2016 in Ukraine (million dollars) [2].

The total volume of foreign direct investment in Ukraine at the end of 2016 amounted to \$ 36,154.5 million, which is 11.2% less than the volume of investments at the end of 2015, and per capita amounted to \$ 848.62.

The main investors of foreign capital in Ukraine were the Russian Federation (\$ 1,667.0 billion or 37.8% of the total), Cyprus (\$ 427.7 billion or 9.7%), other countries of the world (\$ 567.6 billion or 12.8%) in 2016.

Investments came from 129 countries. Ten major investment countries include: Great Britain, the Netherlands, Austria, the Virgin Islands, Switzerland, Turkey, and the USA (Figure 2).

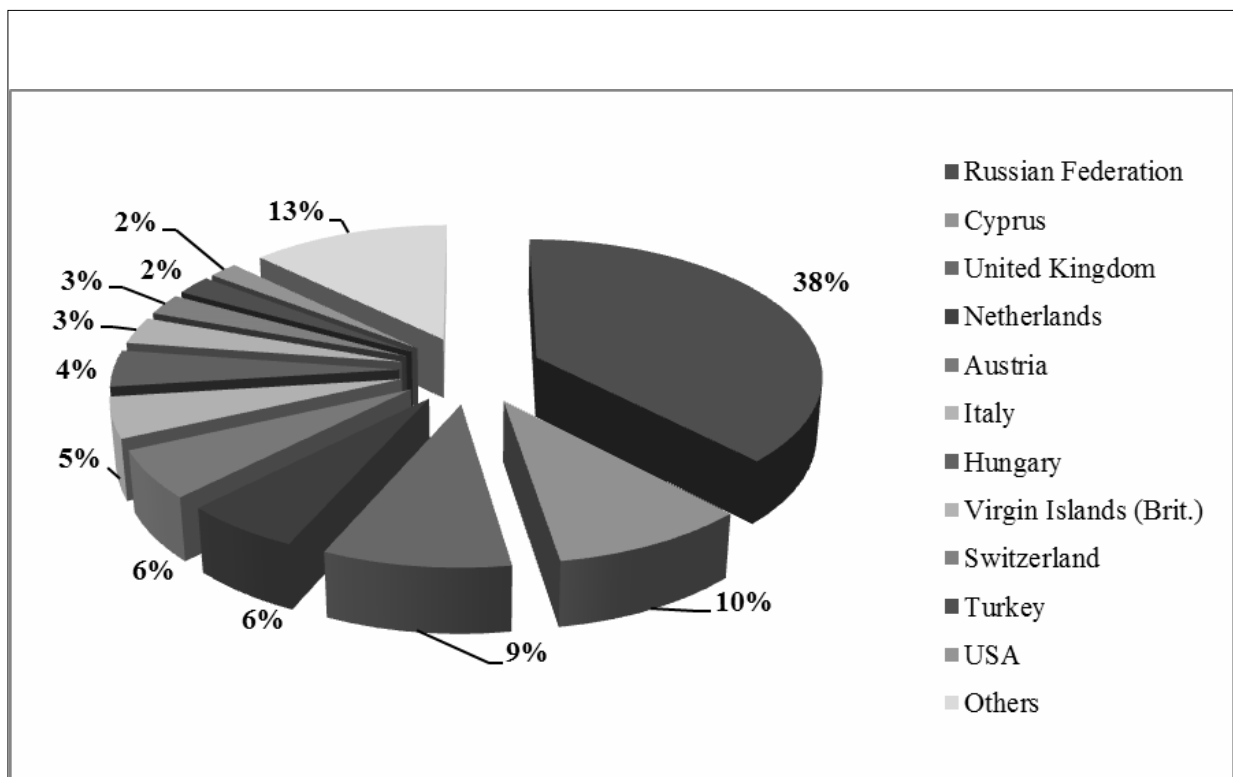


Figure 2. Structure of FDA inflows by countries in Ukraine in 2016 [2].

It should be noted that the diversification of sources of attracting FDA inflows may be a risk to Ukraine's independence.

The most investments were received by Dnepropetrovsk, Donetsk, Kharkiv, Lugansk, Lviv, Odessa, Zaporizhya, Poltava, Ivano-Frankivsk regions and by Kiev (94.1% of all attracted direct foreign investments).

FDI inflows and capital investment in the regional context does not have tendencies to the uniform socio-economic development of the regions and increases the gap in their development further.

There is an inefficient distribution of foreign investment between sectors of the economy in Ukraine. Much attention is focused on investing in financial activities (23.1% of total FDI inflows in Ukraine) and processing industry (food production – 6.7%, metal products – 4.2%, machine building – 2.2%, chemical industry – 1.9%). Less than 2% of the total volume of foreign investment was invested in the development of agriculture in 2016.

Table 1

**FDI inflows in the economy of Ukraine by types
of economic activity in 2016**

Economic Activity	Million dollars
Agriculture	502.2
Industry	9 893.6
Food production	2 419.0
Textile production	116.9
Chemical industry	679.5
Metallurgy	1 533.1
Mechanical engineering	781.6
Construction	1 104.1
Trading	5 247.4
Logistics	1 088.0
Information and telecommunications	2 089.4
Financial and insurance activities	8 382.0
Education	16.0

Agriculture in Ukraine has a rather powerful potential and has a high investment attractiveness for foreign investors. However, its industry specificity (high level of riskiness, a long period of capital turnover), combined with a number of macroeconomic factors, restrain the inflow of foreign capital. According to the State Statistics Service of Ukraine \$502,2 million were invested in agriculture in 2016, which accounted for 1.4% of total foreign direct investment in Ukraine.

Conclusion: Foreign investments play an important role in the development of the Ukrainian economy, enterprises provide new progressive technologies because of investment, create new jobs, increase competitiveness of products and enter international markets. Ukraine has a great potential for attracting foreign investments, but at the same time, the hindering factor in attracting foreign investment is the unfavorable investment climate in Ukraine.

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THE ESSENCE OF INFORMATION WARS

D.Y. Davliatova, Y.M. Broslavska (language supervisor)
V.N. Karazin National University, Kharkiv

Davliatova D.Y., Broslavska Y.M. The essence of information wars. The article discusses the concept of information war, reveals its essence, spheres and methods of conducting. The research also shows the main directions and goals of information wars.

Key words: information wars (IW), objects of influence, principles, tools.

Давлятова Д.Ю., Брославська Є.М. Сутність інформаційних війн. Стаття присвячена розкриттю поняття інформаційної війни, поясненню її сутності, сфери і способів ведення. Крім цього показані основні напрямки і мети проведення інформаційних війн.

Ключові слова: інструменти, інформаційна війна (ІВ), об'єкти впливів, принципи.

Давлятова Д.Ю., Брославская Е.М. Сущность информационных войн. Статья посвящена раскрытию понятия информационной войны, пояснению ее сущности, сферы и способов ведения. Кроме того, показаны основные направления и цели проведения информационных войн.

Ключевые слова: инструменты, информационная война (ИВ), объекты влияний, принципы.

The subject of the study is the advanced communication technologies used as a means of conducting information wars in the modern society. The purpose of the study is to fully reveal the importance of the latest communication technologies used in confrontations and conflicts in the modern society as well as analyze their use as weapons in modern information wars. The relevance of research in the field of information wars (IW) is determined by the fact that today every country in the world needs to create an effective state system for preventing and responding to information and psychological war (IPW) operations.

Information warfare is a set of information and psychological effects, the main ones being the development of the desired public opinion and behavioral patterns of the population at large and its individual members.

In order to start an information war, the opposing sides use various information resources: printed and electronic media, the press, television, radio broadcasting, the Internet, and hacker attacks.

There are two interpretations of the concept of information war: humanitarian and technical.

In the humanitarian sense, information war represents active methods of transforming the information space, which are expressed in the form of an imposed world model, designed to provide the desired types of behavior and worldview.

The technical interpretation of this term presupposes the use of special programs, hardware and software.

Information war includes the following actions:

- affecting the work of information systems and life-supporting infrastructure (telecommunications, transportation networks, power stations, etc.);
- industrial espionage (violation of intellectual property rights, theft of information on the Internet, distortion or destruction of important data, use of competitive intelligence);
- hacking (hacking and use of personal data, illegal access to banking information and other information with limited access).

The goals of information war include non-physical destruction of the enemy, massive disruption of the work of financial, transportation, and communication networks and systems, as well as destruction of economic infrastructure and bringing the country's population into subjection.

A specific tool used in information warfare is information weapon. Information weapons include, firstly, information and technical means that destroy, distort or «steal» information, in spite of information protection systems.

Secondly, these are information and psychological tools that disorganize the information system by misinformation and forming false information concepts, thus influencing public consciousness, the life of the society and the state at large.

The object of influence can be information and technical systems, information and analytical systems, information resources, public consciousness formation systems that are based on the media, as well as the human psyche.

Information weapons are an instrument of establishing control over the information resources of a potential adversary.

To conduct an information war both in international relations and in the internal information field, it is necessary to take into account the specific information space in order to find weaknesses in the information field and then affect them.

It must be emphasized that the specificity of information war is that, unlike «hot» war, it can be conducted both in peacetime and in wartime.

The main areas of information confrontation in information wars are the worldview, political, diplomatic, military, scientific, technical, humanitarian, ideological and other spheres.

Information war has both offensive and defensive components. Information warfare can be directed against three main elements: a computer, software or a human being.

On the international stage, information wars are conducted between separate states and blocs of states, between international corporations, transnational corporations and international financial groups, between transport corporations and states, between terrorist organizations and states, between criminal organizations and states.

Conclusion. To sum up, the world is not standing still, technological progress provides a man of today not only with new, more sophisticated means of production and communication, but also with means of destruction. Today, mankind has made such progress that it is even impossible to control some of the global natural phenomena, as environmental weapons can artificially create hurricanes, storms, and tsunamis. In the face of such a war, many people perish, and unless each of us realizes the importance of this problem, then in the near future a man can simply destroy the world.

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TRANSNATIONAL CORPORATIONS IN TOURISM

*N.S. Davtyan, N.A. Oliynyk, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Davtyan N.S., Oliynyk N.A. Transnational corporations in tourism. The article focuses on the role of transnational corporations in the development of the tourism industry and presents an overview of the structure of the international tourism sector, followed by an analysis of the operations and impact of transnational-associated hotels, airlines and tour operators on the development of tourism industries in the globalized world. The main feature of the process of globalization in the tourism sector is the growing role of modern information and telecommunication technologies and global online travel agencies, in particular.

Keywords: globalization, transnationalization, transnational corporations, tourism.

Давтян Н.С., Олійник Н.А. Транснаціональні корпорації в туризмі. У статті розглянута роль транснаціональних корпорацій у розвитку туристичної індустрії та представлено огляд структури міжнародного сектору туризму, а також аналіз операцій та впливу транснаціональних асоційованих готелів, авіакомпаній та туроператорів на розвиток туристичної індустрії в глобалізованому світі. Головною особливістю процесу глобалізації в секторі туризму є зростаюча роль сучасних інформаційних та телекомунікаційних технологій та глобальних електронних туристичних агентств в мережі Інтернет, зокрема.

Ключові слова: глобалізація, транснаціоналізація, транснаціональні корпорації, туризм.

Давтян Н.С., Олейник Н.А., Транснациональные корпорации в туризме. В статье рассмотрена роль транснациональных корпораций в развитии туристической индустрии и представлен обзор структуры международного сектора туризма, а также анализ операций и влияния транснациональных ассоциированных отелей, авиакомпаний и туроператоров на развитие туристической индустрии в глобализированном мире. Главной особенностью процесса глобализации в секторе туризма является возрастающая роль современных информационных и телекоммуникационных технологий и глобальных электронных туристических агентств в сети Интернет, в частности.

Ключевые слова: глобализация, транснационализация, транснациональные корпорации, туризм.

The object of the article is current transnationalization processes in the global economy and the subject is the nature and impact of transnational corporations in tourism in terms of globalization. The fact that transnational tourism corporations play an important role in the formation and development of the world tourism market determines the relevance of the study. By opening branches abroad, they integrate into the economy of host countries, and the countries themselves fit into the internationally organized chains of production and marketing of tourism products, in other words, in the world tourist market fabric. The activities of transnational tourism corporations increase interaction and interdependence of domestic and overseas tourist markets which are considered as segments of the single global tourism market.

The purpose of the article is to determine the perspective directions of the world tourist market development formed under the influence of modern tendencies of transnationalization of the world economy; define the main types of transnational corporations (TNCs) operating in the world tourism market; analyze the scale and specifics of the activities of tourist multinational corporations and determine the specific features of transnationalization processes in the world tourist market.

For decades, tourism has undergone a steady growth and deepening diversification to become one of the fastest growing industries in the world covering more and more new areas. This dynamics has transformed tourism into a key stimulus of socio-economic progress. Today, the volume of the tourist market is equal to or even exceeds the export of oil, food or machinery. The travel business has become one of the main players in the international trade market and at the same time it is one of the main sources of income for many developing countries. This growth is constantly accompanied by increasing diversification and competition between tourist destinations.

Global tourism in industrialized and developed countries provides economic and employment benefits in many related industries – from construction to agriculture or telecommunications. According to the World Tourism Organization (UNWTO), in 2017 the share of tourism in the world GDP was 10% with one out of ten workplaces belonging to the tourism sector, the volume of export revenues of \$ 1.5 trillion, 7% in global exports and 30% in world exports of services [10].

Modern tourism is often called “the phenomenon of consumption society” and there are several reasons. Firstly, it is one of the most visible manifestations of globalization in the cultural, economic and political

dimensions. Secondly, mass tourism simultaneously acts as a product of globalization. Only during the period of intensive development of transnational relations it became possible to create relatively cheap and affordable international passenger transport and the global telecommunications system, which provided unprecedented mobility of the population. Finally, the modern consumer society with a large middle class who has generated a demand on the type of recreation like tourism, which has become a prominent driver of growth in the service sector and the economy as a whole [2, p. 22].

Modern tourism is prone to the processes of globalization, which means that the interdependence of states and separate regions forming the world community, their gradual integration into a common system with common rules and norms of economic, political and cultural behavior, and therefore the issue of raising the level of trust between management and strengthening partnerships seems particularly relevant. Globalization in tourism is characterized by a single information space for market players, the availability of service consumers in different parts of the world, international representative offices of tourism business entities and distribution channels, location of production taking into account the maximum possible realization of competitive advantages, the economy received from the international scale of activity, high costs for product improvement and changing technologies, state regulation of the industry (introduction of common standards for the provision of indulgence, stimulation and support of certain types of tourism, protection of consumer rights) [1, p. 19].

The main components of international tourism globalization include the expansion of international economic ties in tourist production, the growth of the internationalization of tourist production factors (through increased direct and portfolio foreign investments, the exchange of knowledge and technologies, the removal of migration restrictions, etc.), distribution of transnational corporations (TNCs) in the tourism business (whose main features are the interchangeability and interdependence of the organizational structure, their orientation to information resources and markets with a high consumption level) [5, p. 81].

The processes of globalization stimulated the rapid development of TNCs and the tourism industry. The operation of TNCs in the field of tourism has much to do with the activities of TNCs in other industrial or service sectors. On the one hand, identical strategies and tools of foreign expansion of corporations, approaches to the formation of the organizational structure of

the corporation, sources of global competitive advantages are used. On the other hand, the specificity of a tourist product, its pricing, competition, and the attraction of international tourist flows forms a number of peculiarities of the processes of formation and development of tourist multinational corporations, their interaction with the governments of host states, definition of corporate standards [6, p. 63].

Globalization in the field of tourism is a process of sharp increase of international tourist flows, flows of services, information and technologies, the result of which is the strengthening of interaction of enterprises and organizations of tourism business on a global scale, as well as the emergence of global forms of its integration. Along with the general features, it has a certain specificity, which is mainly related to the features of tourist products, which is a complex of services provided by enterprises and organizations of various fields and sectors of activity. In this connection, the majority of TNCs operating on the market of tourist services are established according to sectoral principles – hotel, restaurant, transport, etc. [7, p. 15].

The transnationalization processes in the tourism industry are developing in a more different way than in any other area – even those companies that are not directly involved in the tourism industry are affected by these processes. The interaction of globalization processes and the development of the world tourism market is manifested in the form of the operation of TNCs, strategic alliances and global unions. Depending on the field of operation of the TNCs in the tourism sector, three main groups can be identified: transnational hotel corporations, transnational tourism transport corporations and multinational tour operator corporations.

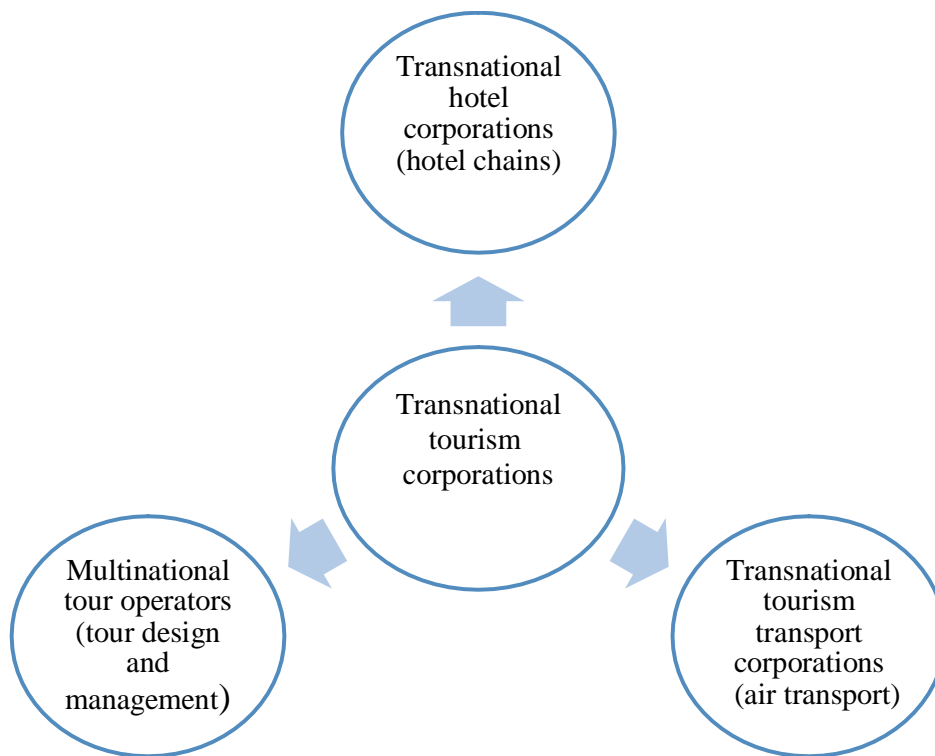


Figure 1 shows the structure of TNCs in the tourism sector by their operation field

Source: compiled by the author based on [3, p. 15].

Nowadays, TNCs have become “incubators” of technological innovations as they develop their own innovative programs, invest in designing intelligent products and offer them on the world market. It is logical that the main carriers and implementers of innovations are tourist multinational corporations, which actively influence the market, organizational, managerial actions of tourist operators. One of the most striking and convincing examples of the transfer of innovative technologies is the distribution of hotel and restaurant chains, united alliances of tour operator and agency business, whose success is determined by the high quality of service and the competence. Transnationalization processes in the hotel business make up the basis of globalization in the tourism sector.

Table 1

Leading hotel operators in the world, 2015–2017

Hotel operator	Amount of hotels			Amount of hotel rooms		
	2015	2016	2017	2015	2016	2017
Marriot International / Starwood Hotel and Resorts	3672	3783	5456	638793	653719	1071096
Hilton Worldwide	3992	4115	4480	659917	678630	737992
Intercontinental Hotels Group	4602	4697	4963	675982	686873	726876
Wyndham Hotel Group	342	7485	7760	627437	645423	671900
Choice Hotels Intercontinental	6199	6303	6379	497023	502663	504357

Source: compiled and calculated by the author based on the data of the MKG Hospitality database, companies' reports [10, 8, 9].

The largest hotel chain in the world, the Intercontinental Hotels Group, having been the market leader since 2004, lost its leadership in 2016. Marriot International has become a leader with more than 1 million rooms worldwide. According to Marriott International, now the company has 5456 hotels in 122 countries with revenues of over \$ 17 billion in the fiscal year of 2016.

As to the transnational tourism transport corporations, the global triad of Star Alliance, SkyTeam and Oneworld with 52 large and medium-sized airlines (or 1.5% of approx. 3200 airlines in the world), and control over about 60% of the world's total passenger traffic with en route coverage to almost all parts of the world: Asia, America, Africa, Europe, Australia and Oceania, takes the leading position among international carriers. The largest share of global airline transmissions falls into the countries-registered members of global alliances: the USA, Great Britain, Japan, France, Canada, Germany and Italy. The main reason for the formation of airline alliances is the anticipation of a synergistic effect, i.e., getting more efficiency from joint efforts rather than from the operations of individual companies, as well as reducing costs which is essential in times of global financial and economic crises and natural cataclysms [8].

Last, but not least there should be mentioned multinational tour operators where the world leading players are the following: TUI Group (Germany), a leading tour operator with more than 100 aircraft, 14 cruise ships, 76,036

staff, turnover of €20.01 billion in 2016 and net profit of €380 million; Thomas Cook Group (UK), a company formed as a result of the acquisition of C&N Touristik (Germany) in 2001 and the merger with MyTravel (UK) in 2007. The Concern has affiliated the airline companies Thomas Cook Airlines, Thomas Cook Airlines Scandinavia, Airworld, Thomas Cook Airlines Belgium, Spies and has more than 3,000 tourist offices, some of which operate under franchise, the number of its employees is more than 21,800 people, their turnover in 2016 was £7,834 billion and net profit – £19 million [10].

One of the main features of globalization process in the tourism sector is the growing role of modern information and telecommunication technologies, and the services of the so-called global online travel agencies, where their trade is carried out exclusively on-line (so there is no need for offices or direct contact with employees), in particular. Figure 2 illustrates the top online travel agencies with their turnover in 2016.

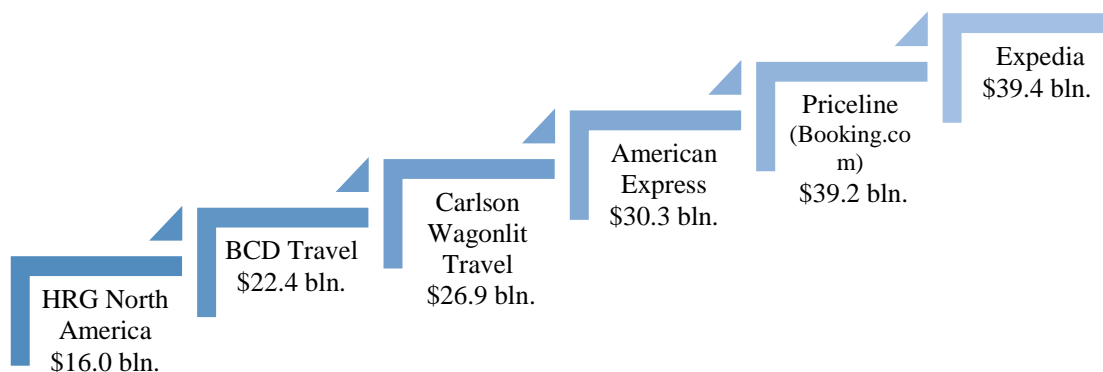


Fig. 2. Online travel agencies with their turnover in 2016
Source: compiled by the author based on [8].

Conclusion. There is a process of economic integration between countries facilitating the transformation of national economies worldwide due to the growing and increasing volume of goods and services, technologies and transnationalization of capital. However, once again, the scientific understanding of these processes indicates that globalization is accompanied by opposite orientation, regionalization of relations, in particular, as one of the hallmarks of our time.

The globalization of the relationship in the field of tourism is a multifactorial, multi-aspect process driven by the growing mobility of the world population in terms of emergence and spread of modern means of transport, information and communication technologies, international forms of economic activity of TNCs, based on technological and cultural unification of the world, liberalization

of economic relations worldwide caused by social and economic changes in the society.

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ANALYSIS OF THE NORTH KOREA CRISIS

Y.O. Davydova, N.O. Bolibok (language supervisor)

V. N. Karazin National University, Kharkiv

Davydova Y.O., Bolibok N.O. Analysis of the North Korea crisis. The article describes the actual problem of the North Korean crisis, as one of the most significant threats to the world today. The research covers the reasons that led to the aggravation of the situation among countries, current problems and ways for their solution.

Key words: conflict, government, international community, North Korea.

Давидова Є.О. Болібок Н.О. Аналіз північнокорейської кризи. У статті розглядається актуальна проблема північнокорейської кризи, як однієї з найбільш вагомих загроз сьогодення. Було проаналізовано причини, що призвели до загострення ситуації між державами, наявні проблеми та перспективи їх вирішення.

Ключові слова: конфлікт, міжнародне співтовариство, північнокорейський, уряд.

Давыдова Е.А. Болибок Н.А. Анализ северокорейского кризиса. В статье рассматривается актуальная проблема северокорейского кризиса, как одной из наиболее весомых угроз современности. Были проанализированы причины, которые привели к обострению ситуации между государствами, существующие проблемы и перспективы их решения.

Ключевые слова: конфликт, международное сообщество, правительство, северокорейский.

The subject of the study is North Korean crisis, process of its evolution. The purpose of the study is to analyse the key problems of North Korean crisis nowadays. The relevance of the study is determined by the possibility to find the final solution for this conflict.

One of the greatest existential threats to the world today is the current military and diplomatic crisis occurring on the Korean Peninsula. This issue began in June 1950 in a post-World War II, and Japan occupied Korea. Korea was once one nation, however it had suffered under occupation of Imperial Japan since 1910 [2]. After World War II and the defeat of Imperial Japan, the Cold War quickly began between the United States and the Soviet Union. The Soviet Union and United States both liberated Korea and split it in half, on a line that runs through the center of the country called the “38th Parallel” [2]. Although once the same country, there were stark divisions within Korea. The Soviet Union backed north had an authoritarian, communist government,

while the south backed by the United States was staunchly anti-communist at first eventually becoming a liberal democracy after a few decades.

On June 25th, 1950 at the height of the cold War the North invaded the South, the North was supported in the war by the Soviet Union and China, while the South was supported by the United States [2]. It was a vicious war with no clear winner and in total nearly 5 million soldiers and civilians died, however it was essentially fought to a stalemate with no clear winner and the 38th parallel remaining the dividing line in the country [2]. Fast forward nearly 70 years in the future and much is the same although the two Koreas have embarked on radically different paths. Currently South Korea is a very prosperous, technologically advanced, industrial state. South Korea is also a respected member of the international community and a member of the World Trade Organization and the United Nations. North Korea on the other hand is considered a terrorist sponsor and rogue state by most of the civilized world. According to “North Korea in the Crosshairs” cited below, “the global community itself seems unanimously against the strategic, diplomatic, and military initiatives of the North Korean leadership” [1, p.6]. While the publication is certain not to offer an endorsement of the North Korean regime, it does go on to cite that it is important to understand the primary actors that operate the North Korean state, and their motivations to understand how to best deal with them and resolve the crisis in a diplomatic fashion, rather than potentially a military one.

The North Korean government is one of the harshest and most authoritarian in the entire world, millions of North Koreans have starved to death particularly in the 1990’s, and thousands of political prisoners toil away every day in brutal forced labor camps and prisons spread across the country. The “Kim Dynasty”, currently led by Kim Jong Un rules the country with an iron fist, Kims’ grandfather was the founder and leader of North Korea and in local folklore is a war hero and even worshipped and considered as a god. Clearly there are major human rights issues in the country. North Korea also has one of the poorest economies in the entire world, however they have a fairly advanced, powerful military and nuclear weapons technologies that pose a great threat to its neighbors. One of the largest risks posed by the situation in North Korea, is that it could start a regional arms race. Currently China is the only “legal” possessor of nuclear weapons in the region according to the Nuclear-nonproliferation treaty, however because North Korea is now an unofficial member it could cause a chain reaction causing Japan and North Korea to become nuclear states, this is the nature of “realism” in international relations

[1, p.12]. Japan and South Korea are threatened by North Korea gaining an advantage over their militaries by gaining nuclear weapons, so they will seek to quickly obtain them too, which they could easily do, both having advanced technology and economies. This in turn is very disturbing to China because Japan is their historic enemy, and the United States and South Korea are as well to a lesser degree. Thus China, even though they are allies and trading partners with North Korea in some respects, has a self-interest in avoiding a regional arms race and is actually somewhat participating in U.S. and international sponsored sanctions against North Korea [1, p.12–13].

The North Korean crisis is such an existential threat because of the sheer level of death and destruction that could be caused both in the region, and potentially worldwide by a conflict. North Korea currently has nuclear weapons that they have successfully tested 6 times in 2006, 2009, 2013, 2 in 2016, and 1 in 2017 so far [3]. Experts also say that the September, 2017 test was a thermonuclear weapon or boosted fission nuclear weapon [3]. Also, North Korea recently tested an ICBM (Intercontinental Ballistic Missile) in November 2017, and depending on what speculation and reports are correct they may or may not already have ICBM's that can travel thousands of miles, and reach the United States mainland and certainly other countries in the region such as Japan. This is not to mention the fact that North Korea has a millions strong military with powerful conventional weapons and artillery capable of shelling Seoul, South Korea a city with over 10 million people. Also, the North Korean regime is likely to have chemical and biological weapons, as well as EMP (Electromagnetic Pulse Weaponry) technology which could wreak havoc on communications technology and electronic infrastructure worldwide. The main country opposing North Korea, the United States has the most advanced military and technology in the world and its major allies Japan and South Korea have quite respectable militaries as well. A “non-nuclear North Korea has been attempted between North Korea and the United States, most notably in the “six party talks” between North Korea, South Korea, Japan, China, Russia, and the United States starting in 2003, however talks were unsuccessful and suspended in 2009 [3]. This creates the potential for a massive conflict, or even a World War because the other two most powerful countries in the world, China and Russia are neighbors of North Korea and many including the United States believe China is working with, and still supports North Korea.

Solutions to the North Korean conflict are hard to come by. Even though they were once the same country the environments, economies, and governments of the two Koreas could not be more different. Old wounds from the Korean War are still fresh and the sides are far apart. The North Korean government

rules its country with an iron fist and its people are not allowed to read any outside media reports, or learn anything of western life, they believe it to be propaganda of the “evil” United States. To the United States, an openly hostile and belligerent country like North Korea with nuclear weapons is unacceptable and they have done everything in their power to prevent it. The United States and the international community has stopped trading with North Korea and passed massive economic sanctions on it in an attempt to cut off the money supply and will for nuclear weapons, however so far North Korea seems to have persevered. North Korea and the United States both have large military presences along the 38th parallel and continually threaten each other sometimes on a daily basis so it is a volatile situation. Additionally, Japan and South Korea are included in the threats of North Korea and they are both very close and within range of North Korea's weapons. Currently, being that millions could be killed in an instant there is no greater threat to world peace.

Conclusion. Hopefully the international community can work together to find a long term solution and avoid a war and civilian deaths. It will be interesting to see how this develops over time. Currently concrete solutions are hard to come by. Many in the international community optimistically believe that we can diplomatically convince North Korea to lessen its oppression of its people and to give up its nuclear weapons program. Perhaps they could be enticed with trade deals, economic aid, cooperation, and international recognition. However, the regime shows no sign of accepting such a compromise. Another possible solution, which the United States often puts forward, is regime change or revolution in the country. However, the North Korean government and military are powerful, and have fierce loyalty, a grassroots revolution from the people seems very unlikely. The final solution is a pre-emptive strike by the United States and its allies targeting the weapons installations of North Korea and its government with the goal of quickly overthrowing it and establishing a new government however this is incredibly complex and if anything went wrong could result in disaster.

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NORTH AMERICAN FREE TRADE AREA, HISTORY AND RESULTS

*V.Y. Dmitriyeva, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Dmitriyeva V.Y., Startseva N.N. North American Free Trade Area, history and results. The article is devoted to the North American economic intergration. The formation of the North American Free Trade Area (NAFTA) following the signing of the agreement on NAFTA in 1994 among the three countries (the U.S.A., Canada and Mexico) is the example of successful development of integration processes in the Western Hemisphere. Agreement on NAFTA is a comprehensive agreement on a free trade zone for goods and services, movement of capital, intellectual property rights, environmental cooperation and labor cooperation.

Key words: Agreement, cooperation, economic integration, free trade area (NAFTA), intellectual property rights, movement of capital, trade in goods and services.

Дмитрієва В.Ю., Старцева Н.Н. Північноамериканська зона вільної торгівлі, історія та результати. Стаття присвячена північноамериканській економічній інтеграції. Формування Північноамериканської зони вільної торгівлі у зв'язку з підписанням угоди про НАФТА у 1994 році в межах трьох країн (США, Канади та Мексики) є прикладом успішного розвитку інтеграційних процесів у Західній півкулі. Угода про НАФТА – комплексна угода про зону вільної торгівлі товарами і послугами, рух капіталів, права інтелектуальної власності, екологічне та трудове співробітництво.

Ключові слова: Економічна інтеграція, зона вільної торгівлі (НАФТА), Північноамериканський, права інтелектуальної власності, рух капіталів, співробітництво, торгівля товарами і послугами, угода.

Дмитриева В.Ю., Старцева Н.Н. Североамериканская зона свободной торговли, история и результаты. Статья посвящена североамериканской экономической интеграции. Формирование Североамериканской зоны свободной торговли в связи с подписанием соглашения о НАФТА в 1994 году в рамках трёх государств (США, Канады и Мексики) является примером успешного развития интеграционных процессов в Западном полушарии. Соглашение о НАФТА – комплексное соглашение о зоне свободной торговли товарами и услугами, движении капиталов, правах интеллектуальной собственности, экологическом и трудовом сотрудничестве.

Ключевые слова: Движение капиталов, зона свободной торговли (НАФТА), права интеллектуальной собственности, соглашение, сотрудничество, торговля товарами и услугами, экономическая интеграция.

Relevance. The formation of the North American Free Trade Area among three countries – the U.S., Canada and Mexico is the most striking example of successful development of integration processes in the Western Hemisphere. The North American Free Trade Agreement (NAFTA) is a comprehensive trade agreement that sets the rules of trade and investment between Canada, the United States, and Mexico. The purpose of the article to describe the NAFTA Free Trade Agreement focusing on its structure, benefits to the North American economies and population of 3 countries involved.

In 1994 a state-of-the-art market-opening agreement, the North American Free Trade Agreement (NAFTA), came into force. Since then, NAFTA has systematically eliminated most tariff and non-tariff barriers to trade and investment between Canada, the United States, and Mexico. Establishment of a strong and reliable framework for investment, NAFTA has also helped create the environment of confidence and stability required for long-term investment [2].

Today NAFTA covers a North American economy with a combined output of US\$17.0 trillion. The NAFTA region is home to 444.1 million people, 33.3 million of whom live in Canada, 304.1 million in the United States, and 106.7 million in Mexico. English, Spanish, and French are languages widely spoken in the NAFTA countries. However, many other languages are spoken across the continent [1].

NAFTA has helped to stimulate economic growth and create higher-paid jobs across North America. It has also paved the way for greater market competition as well as enhanced choice and purchasing power for North American consumers, families, farmers, and businesses.

NAFTA has provided North American businesses with better access to materials, technologies, investment capital and talents across North America. This has helped to make the businesses more competitive, both within North America and around the world. With rapidly growing economies in Asia and South America challenging North America's competitiveness, NAFTA remains a key to sustained growth and prosperity in the region.

NAFTA is overseen by a number of institutions that ensure the proper interpretation and smooth implementation of the Agreement's provisions.

Partnership. One in five jobs in Canada is linked to international trade, and Canada's prosperity is built on its openness to international trade and investment. As such, the North American continental partnership is an important competitive advantage for Canada. Canada is using this continental platform as a way to help Canadian business embrace commercial opportunities around the world.

The largest and most diversified economy in the world, the United States is a market economy whose businesses are world leaders in the manufacturing and high-tech sectors, especially computers, medical equipment, and aerospace, and in services, including financial services and telecommunications, and in agriculture.

Trade liberalization has transformed and modernized Mexico's vibrant economy by successfully boosting trade and investment flows. Within just a few years, Mexico's exports have diversified from primarily oil to include an array of manufactured products, making Mexico one of the largest exporters in the world [3].

The Canada – U.S. Free Trade Agreement. NAFTA was preceded by the Canada – U.S. Free Trade Agreement. Negotiations toward a free trade agreement between the United States and Canada began in 1985. Sixteen months later, the two nations came together and signed the Canada – U.S. Free Trade Agreement (FTA). It was a historic agreement that placed Canada and the United States at the forefront of trade liberalization.

Key elements of the Agreement included the elimination of tariffs and the reduction of many non-tariff barriers to trade. The FTA was also among the first trade agreements to address trade in services. It also included a dispute settlement mechanism for the fair and expeditious resolution of trade disagreements, and established a ground-breaking system for the binational review of trade remedy determinations, thereby providing an alternative to domestic judicial review.

In practical terms, Canada and the United States agreed to remove tariffs on goods such as meat products, fruits and vegetables, beverages, processed foods, live animals, wine, clothing and textiles, fuels, electrical goods and machinery [4].

Structure of NAFTA. A number of NAFTA institutions work to ensure smooth implementation and day-to-day oversight of the Agreement's provisions.

NAFTA Working Groups and Committees. Over 30 working groups and committees have been established to facilitate trade and investment and to ensure the effective implementation and administration of NAFTA. Key areas of their work include trade in goods, rules of origin, customs, agricultural trade and subsidies, standards, government procurement, investment and services, cross-border movement of business people, and alternative dispute resolution.

Free Trade Commission. Made up of ministerial representatives from the NAFTA partners, it supervises the implementation and further elaboration of the Agreement and helps resolve disputes arising from its interpretation and

oversees the work of the NAFTA committees, working groups, and other subsidiary bodies

NAFTA Coordinators. Senior trade department officials are designated by each country who are responsible for the day-to-day management of NAFTA implementation.

NAFTA Secretariat is made up of a "national section" from each member country and responsible for administering the dispute settlement provisions of the Agreement, it maintains a court-like registry relating to panel, committee, and tribunal proceedings.

Commission for Labor Cooperation was created to promote cooperation on labor matters among NAFTA members and the effective enforcement of domestic labor law. It consists of a Council of Ministers (comprising the labor ministers from each country) and a Secretariat, which provides administrative, technical, and operational support to the Council and implements an annual work program. Departments are responsible for labor in each of the three countries.

Commission for Environmental Cooperation was established to further cooperation among NAFTA partners in implementing the environmental side accord to NAFTA and to address environmental issues of continental concern, with particular attention to the environmental challenges and opportunities presented by continent-wide free trade. It consists of a Council (comprising the environment ministers from each country), a Joint Public Advisory Committee (a 15-member, independent volunteer body that provides advice and public input to Council on any matter within the scope of the environmental accord), and a Secretariat (which provides administrative, technical, and operational support) [2].

Conclusion. Since NAFTA came into effect, trade and investment in North America have increased, bringing strong economic growth, job creation, better prices and selection in consumer goods. North American businesses, consumers, families, workers, and farmers have all benefited. NAFTA has proven that trade liberalization plays an important role in promoting transparency, economic growth, and legal protection. In the face of increased global competition, Canada, the United States, and Mexico will further work to strengthen the competitiveness of the North American region by continuing to pursue trade within the NAFTA region.

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MODERN TRENDS IN HOTEL AND RESTAURANT BUSINESS DEVELOPMENT IN UKRAINE

*V.I. Dmytrenko,
I.M. Shamara, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkov*

Dmytrenko V.I., Shamara I.M., Litovchenko Y.M. Modern trends in hotel and restaurant business development of in Ukraine. The article outlines trends in development of hospitality industry enterprises in Ukraine. The research reveals dynamic of hotel and restaurant industry improvement in Ukraine, as it helps other industries to expand their potential.

Key words: hotel and restaurant business, trend of development of hospitality industry, Ukraine.

Дмитренко В.І., Шамара І.М., Літовченко Я.М. Сучасні тенденції розвитку готельно-ресторанного бізнесу в Україні. У статті розглядаються тенденції розвитку підприємств готельно-ресторанного бізнесу в Україні. Подається динаміка покращення розвитку готельно-ресторанної індустрії в Україні, так як це допомагає іншим індустріям розвивати їх потенціал.

Ключові слова: готельно-ресторанний бізнес, тенденції розвитку індустрії гостинності, Україна.

Дмитренко В.И., Шамара И.Н., Литовченко Я.Н. Современные тенденции развития отельно-ресторанного бизнеса в Украине. В статье рассматриваются тенденции развития предприятий отельно-ресторанного бизнеса в Украине. Показана динамика улучшения развития отельно-ресторанной индустрии в Украине, так как это помогает другим индустриям развивать ее потенциал.

Ключевые слова: отельно-ресторанный бизнес, тенденции развития индустрии гостеприимства, Украина.

The relevance of the chosen topic is grounded by the fact that hotel and restaurant business is one of the most highly profitable spheres of the world economy and social development of Ukraine in the XXI century. The purpose of the research is to investigate current trends of development of hospitality industry. International experience shows that modern tourist infrastructure is necessary for active development of this sphere on the market of the country. Today, tourism forms the economy of many countries and regions; it becomes an important factor of stable development of the world's hospitality industry. The urgency of this subject is caused by the fact that development of the hospitality is based on the designing such a service system that is necessary for providing high-quality services to the clients [2].

Recently, besides the traditional full-service hotels and restaurants, specialized enterprises with shortened list of services are starting to appear. The specialization of such enterprises may vary. The hotels may orientate at serving the representatives of particular segment of tourist market, for example, clients that like to spend their vacation playing golf, skiing, horse racing, the tourists who departure to congresses, expos, funfairs and etc.

Restaurants of the fast-servicing, which specialize in selling hamburgers and fried potatoes (McDonald's), pizza (Pizza Hut, Domino, Little Caesar), beef stakes (Sizzler), fish products (Red Lobster), sandwiches (Subway) are becoming more popular day by day. A special interest is paid to the restaurants that offer special themes: Wild West, rock-n-roll, football, planes, railways, nostalgia for the fifties, dinner house and etc.

Improvement of hospitality enterprises specialization directly depends on such a crucial trend as creation of international chains that play a prominent role in producing and promoting high standards of service. Most of what is now called "standard in production" is originated from hotels chains. Hotels chain may allow the cooperation with several enterprises, which are engaged in hospitality, to create collective business under single management, within common concept of promoting the product and under one brand. Hotels may be combined in chains:

- As a result of creating and purchasing of enterprises by a company in hospitality business;
- Under the franchising agreement with famous hospitality company;
- After signing the management agreement.

Therefore, these chains may contain associated members that participate in business based on the franchising agreement. A significant part of enterprises of such famous chains as Holiday Inn, Radisson Hotels, Ramada are also

operating under conditions of the franchising agreement.

The trends of development of hospitality enterprises, which have been developed in the recent decades, are as the following:

- 1) Improving the specialization of the hospitality and restaurant companies;
- 2) Creating the international chains of hospitality and restaurant industry;
- 3) Developing the small enterprises net;
- 4) Introduction of the computer technologies to the industry of hospitality [4].

However, the restaurant business also plays the important role in implementation of social and economic tasks. Its main task is providing the people with cuisine production and organization of high service level according to customers' needs. With the start of economic transformations the profitability of companies engaged in restaurant business have become one of the main goals of the activity of these companies, and they are willing to reach it with working on the limited segment of the consuming market, that is caused by the low level of living conditions of Ukrainians. The influence of the external factors have led to the most of the enterprises of the restaurant business in Ukraine is detrimental. Ukrainian restaurant-keepers have to take into account the national nuances – low purchasing capability of the most of the people, the absence of the well-adjusted supplying system and shortage of qualified staff. One of the biggest problems of the market is the problem of supplying the products and alcohol beverages of good quality. The restaurant-keepers say that the suppliers, that offer quality products, make the prices unfairly high, while the restaurant-keeper, considering the competition, can't raise the prices, so the profitability decreases. To increase the level of competitive ability the hotels and restaurants have to imply some innovations all the time in order to keep leadership in their segment and be two steps ahead their competitors [3]. Also they have to encourage cooperation (cooperation + competition), because the hospitality business is forced to compete not only inside its sector, but also with businesses providing different hotel services, firms that offer the rental services, hostels and private sector, and it also has to cooperate together. In most cases tourist firms, which reserve places for their clients, have to carry out the cooperation. In such issues they should act like representatives of the hospitality business and keeping up with the competition within their sector.

One of the largest problems of the hospitality business and to some extent in restaurant business is the absence of advertisement. So, an aggressive advertisement should be introduced on tourism web-sites, in tourism agencies, that may slightly decrease the external competition. A support of various

festivals and contests is beneficial for advertisements. Aggressive advertisement of hospitality area is recommended to be implied in the case of cooperation within sphere, making it possible to decrease the fixed expenses drastically by spreading it among all the participants.

Summing up, it should be said that only the development of tourism, recreation, education in the field of hospitality and restaurant business, minimal intervention from the side of the government, figuring out the supply system, transporting and other service areas will boost the development of hospitality and restaurant business. Also the constant implantation of innovations, good investing and tough competition will lead to increasing its global and regional competitive ability.

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THE CHERNIVTSI REGION ON THE TOURISM SERVICES MARKET

*A.O. Dolgopol,
I.I. Volkova, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Dolgopol A.O., Volkova I.I., Litovchenko Y.M. The Chernivtsi region on the tourism services market. The article considers the tourist and natural potential of the Chernivtsi region, its tourist recreational resources, types of accommodation. The research covers the stages of tourists by the subjects of tourism activity of Ukraine.

Key words: accommodation, the Chernivtsi region, tourism, tourist and natural potential.

Долгопол А.О., Волкова І.І., Літовченко Я.М. Чернівецька область на ринку туристичних послуг. В статті розглядається туристичний та природний потенціал Чернівецької області, її туристичні рекреаційні ресурси, засоби розміщення. Показана динаміка туристів, обслугованих суб'єктами туристичної діяльності України.

Ключові слова: засоби розміщення, туризм, туристичний і природний потенціал, Чернівецька область.

Долгопол А.А., Волкова И.И., Литовченко Я.Н. Черновицкая область на рынке туристических услуг. В статье рассматривается туристический и природный потенциал Черновицкой области, её туристические рекреационные ресурсы, средства размещения. Показана динамика туристов, обслуженных субъектами туристической деятельности Украины.

Ключевые слова: средства размещения, туризм, туристический и природный потенциал, Черновицкая область.

The Chernivtsi region is located in the southwest of Ukraine. The region has a favorable transport and geographical position as it borders Romania and Moldova. The Chernivtsi region has 11 districts and 11 cities. The regional center is Chernivtsi. The area covers an area of 8,096 km², 1,3% of the territory of Ukraine; the population is 907 426 people (2017).

The region has favorable tourist recreational resources for tourism development. One third of the territory is occupied by the Carpathian Mountains, the rest of the territory are plains and hills. There is Mount Byrd, the highest in Europe. There are 75 rivers with length more than 10 km on the territory of the region.

Table 1

The largest rivers of the Chernivtsi region

The name of the river	Dnister	Prut	Siret	Cheremosh
Length, km	290	128	113	80

Source: Стафійчук «Рекреалогія» [1].

In this way it is popular with the tourists for mountain, skiing, trekking and various kinds of sports and health tourism, as well as mountain recreation. There are sources of mineral waters such as Izhevsk, Matsesta, Borjomi and Naftusia, but the resource base is poorly used by visitors, therefore, sanatorium and resort activity in the region is not highly developed.

There are 331 protected areas in the region.

Table 2

**Objects of the nature reserve fund
of the Chernivtsi region**

	National Parks	Reserves	Monu- ments of nature	Dendro- parks	Botanical Gardens	Lands- cape parks	Parks of garden art	Reserve tracts
Of national importance	3	10	9	2	1	–	–	–
Local importance	–	47	175	4	–	2	40	38
Total	3	57	184	6	1	2	40	38

Source: Природно-заповідний фонд Чернівецької області [4].

According to the table, there are 57 preserves, 40 parks and a large number of natural monuments, which contributes to the development of natural-cognitive tourism among which the most famous are Bukovina waterfalls.

The Chernivtsi region is also rich in cultural and historical resources, on the basis of which cultural and cognitive tourism is developing now. The most visited monuments of the Chernivtsi region are: Khotyn fortress, Chernivtsi National University named after Y. Fedkovich, Uspensky Cathedral of the Old Believers. The Chernivtsi has more than 600 monuments of historical and cultural significance. In addition, the city has one of the oldest Ukrainian museum of local lore and a museum with an exposition representing the folk architecture and life of the region.

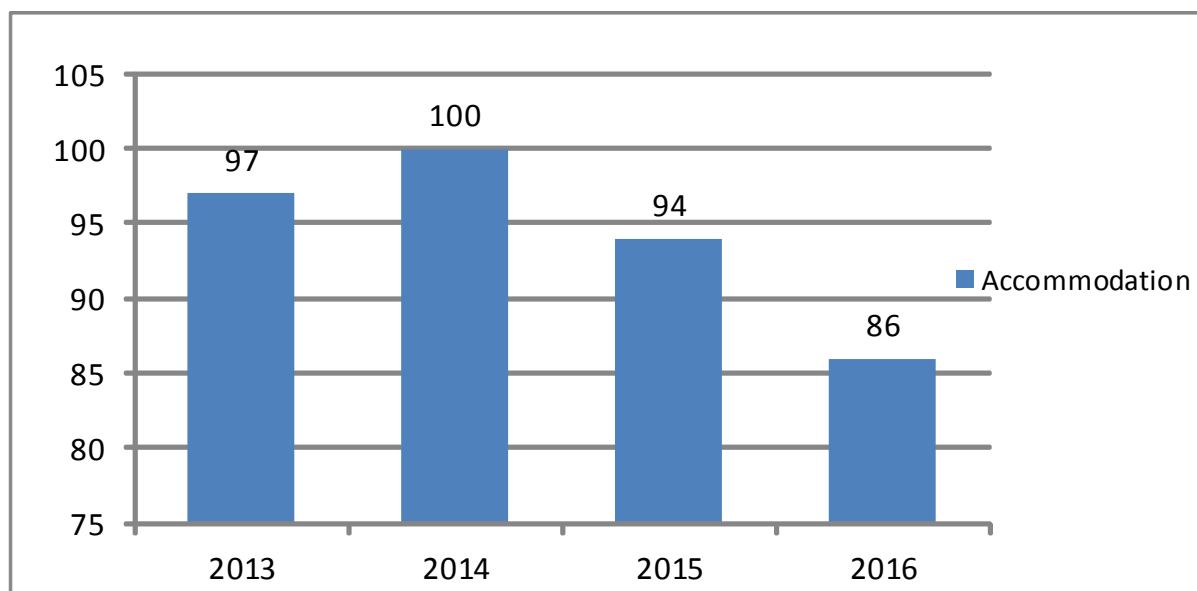


Figure 1

Source: The number of collective accommodation facilities of the Chernivtsi region [3].

According to the figure showing the dynamics of infrastructure in the development of tourism for 4 years the number of collective accommodation facilities in the Chernivtsi region has reduced by 14% since 2014. It can be assumed that this is happening due to the unstable economic situation in the country. The main share of all collective accommodation facilities is made up of hotels – about 90%, and only 10% are sanatorium and resort complexes.

Table 3

Sanatorium and health resorts

Years	Sanatoriums and boarding houses with treatment	Sanatorium-preventorium	Houses and holiday resorts	Holiday village and other recreation facilities
2013	5	–	1	3
2014	5	–	1	3
2015	3	–	1	3
2016	3	–	1	4

Source: Статистика у Чернівецькій області [3].

Analyzing the table, we can conclude that the sanatorium and health facilities in the region are few. The number of sanatoriums is gradually decreasing and

recreation facilities from 2015 are increasing. This is due to the fact that the region occupies the last place in Ukraine by the number of sanatorium and resort complexes.

There are 65 subjects of tourist activity in the region, of which 44 are legal and 22 are natural persons. According to the types of tourist activity, about 77% are tour agents and 23% – tour operators.

Table 4

**Distribution of subjects of tourism activity
by types of tourism activity in 2015**

	Number of subjects of tourist activity, total	Including:	
		Entities	Individuals – entrepreneurs
Total	65	44	21
Including by types of tourism activity:			
Tour operator	15	15	–
Travel agent	50	29	21

Source: Туризм у Чернівцях та області [2].

Figure 2 shows the dynamics of the total number of tourists served by the subjects of tourist activity of Ukraine. This figure is 19 415 people, including 3099 – domestic tourists.

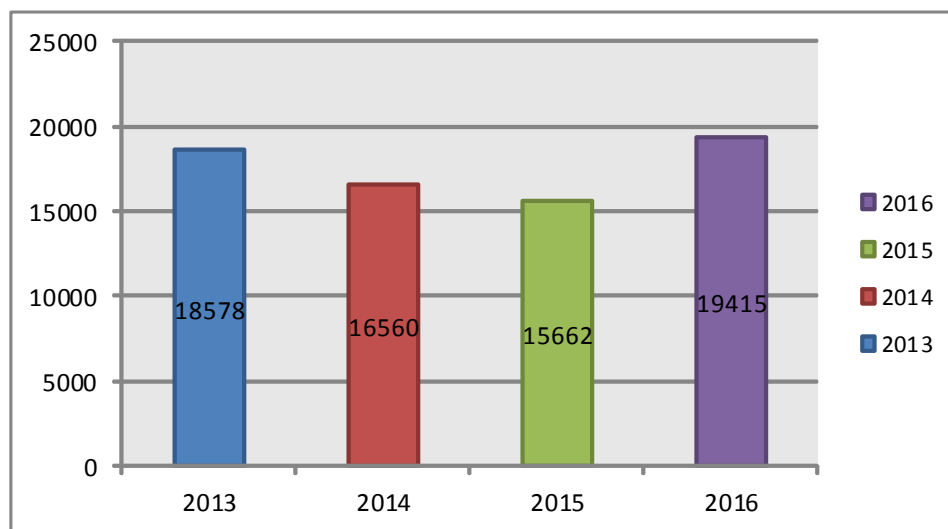


Figure 2. Number of tourists serviced by the subjects of tourist activity of Ukraine

Source: Статистика у Чернівецькій області [3]

There is a decrease of 15% in 2014 and 2015, compared to 2013. However, in 2016 there is an increase that exceeds the figures for 2013; hence tourism in the Chernivtsi region continues to grow.

The Chernivtsi region is an attractive region for the development of domestic and international tourism due to its geographical location and rich resource base, but the tourism potential for tourism development in the region is not sufficiently used.

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DEVELOPMENT OF TOURISM ACTIVITY IN KHARKIV REGION

*K.V. Dolgoplova. I.R. Saprun, PhD (language supervisor)
V. N. Karazin National University, Kharkiv*

Dolgoplova K.V., Saprun I.R. Development of tourism activity in the Kharkiv region. The development of tourism activity in Kharkiv region is discussed in the article. The provision of the region with the necessary tourist natural and anthropogenic resources is characterised in the work. The activities of the subjects of the tourist market and tourist flows of the region in comparison with a tourism activity in Ukraine generally are analyzed in the article. Some possible solutions are identified.

Keywords: development of tourism activity, natural and anthropogenic resources, solutions, subjects of the tourist market, tourist flows.

Долгополова К.В., Сапрун І.Р. Розвиток туристичної діяльності в Харківській області. В статті розглянуто розвиток туризму у Харківському регіоні. В роботі охарактеризовано забезпеченість області необхідними туристичними природними і антропогенними ресурсами. В статті проаналізовано діяльність суб'єктів туристичного ринку і туристичні потоки області порівняно

з туристичною діяльністю в Україні в цілому. Виявлено можливі шляхи вирішення проблеми.

Ключові слова: природні та антропогенні ресурси, розвиток туризму, суб'єкти туристичного ринку, туристичні потоки, шляхи вирішення проблеми.

Долгополова К.В., Сапрун И.Р. Развитие туристической деятельности в Харьковской области. В статье рассмотрено развитие туризма в Харьковском регионе. В работе охарактеризованы обеспеченность области необходимыми туристическими природными и антропогенным ресурсами. В статье проанализирована деятельность субъектов туристического рынка и туристические потоки области по сравнению с туристической деятельностью в Украине в целом. Определены возможные пути решения проблемы.

Ключевые слова: природные и антропогенные ресурсы, пути решения проблемы, развитие туризма, субъекты туристического рынка, туристические потоки.

The object of the survey is the tourism activity of Kharkiv region. The subject of the article is the dynamics of tourism business development in Kharkiv region with all associated factors that affect this development. The purpose of the study is to characterize the provision of the region with the necessary tourist natural and anthropogenic resources, to analyze the activities of the subjects of the tourist market and tourist flows of the region in comparison with tourism activity in Ukraine and to identify some possible solutions.

Today tourism is one of the leading economic sectors in many countries. It does not only directly or indirectly covers other sectors of the economy, but also often stimulates their development. Therefore, the research of tourism developing is a hot topic.

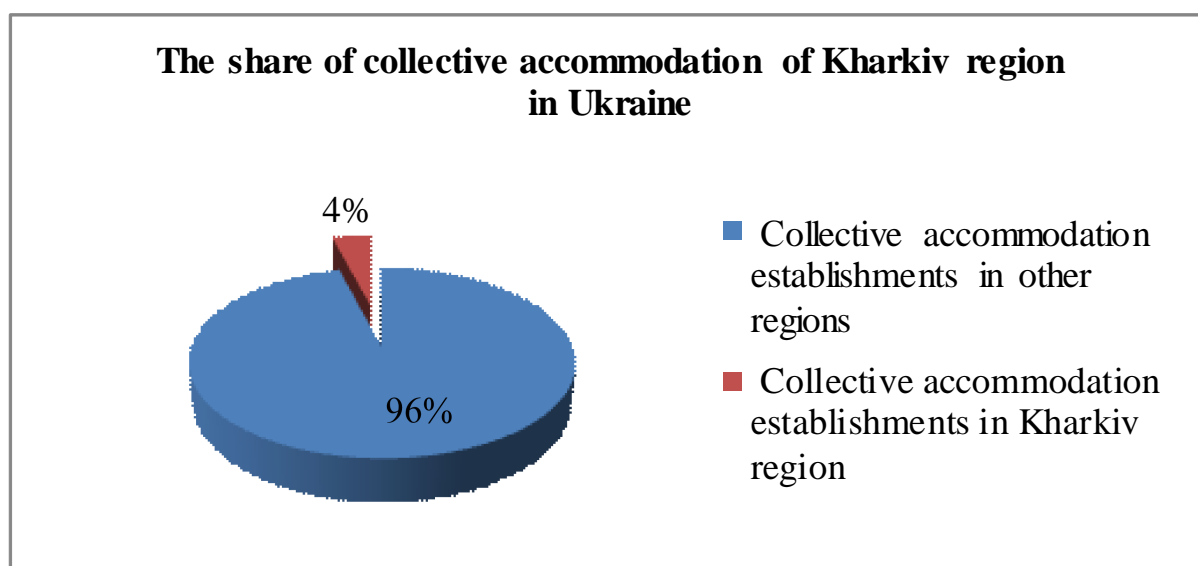
To begin with, Kharkiv region has a good resource base which plays an influential role in tourism activity. There are three national natural parks, 7 regional landscape parks; nature reserves of national and local significance, protected nature tracts, natural sights (Kremianets Mountain, Garden named after T. Schevchenko), park-sights of garden art, dendrologic parks (dendrological park of national significance of Kharkov national agrarian university named after V. Dokuchaev), botanical gardens (Botanical garden of national significance of Kharkiv National University named after V. Karazin), Kharkiv zoological park of national importance classified as objects of the natural-reserved fund of the Kharkiv region [6].

Secondly, there are sufficient reserves of little mineralized hydrocarbon calcium and sodium chloride ground waters of various mineralization have

formed in the territory of Kharkiv region. Resort and health-improving territories occupy 1200,0 hectares. Kharkiv region is one of the main centers of balneotherapy on the left bank of Ukraine. The richest mineral water reserve is Berezovsky mineral waters [1].

Furthermore, Kharkiv region is rich in historical and cultural heritage. There are 10 historical sights of national significance; 4 monuments of national significance; 15 archeological sights of national importance; 2 national reserve; 40 cultural heritage not subjected to privatization sights, as well as architectural monuments and urban planning of national importance; garden art sights of national importance (“Sharivka” and “Nataliivka”) are included to the objects of cultural heritage of Ukraine in the Kharkiv region.

In addition to resources, an appropriate infrastructure is needed for the development of tourist activity in the region. The total number of collective accommodation facilities in the Kharkiv region is 172 objects.



Source: [2; 4]

The pie chart presented above shows off the following: these institutions occupy 4% of the total number of collective accommodation establishments in Ukraine.

One of the main elements of the tourism infrastructure that contributes to the development of tourism activities is the availability of sanatoriums and health resorts. In general, the region has 815 facilities of this kind.

Table 1

Sanatoriums and health resorts of Kharkiv region

	Sanatoriums and boarding houses with treatment	Sanatoriums-preventorium	Rest houses and boarding houses	Bases and other recreation facilities	Children's health and recreation facilities	Total	Part, %
Ukraine	291	63	73	1295	9669	11391	100
Kharkiv region	15	2	-	47	751	815	7,2

Source: [2; 4]

The grid illustrates that the amount of sanatoriums and health resorts of the Kharkiv region makes up 7,2% of the total number of similar establishments in Ukraine.

Tourism development is impossible without a well-maintained transport network. Being the center of the railway connection of Eastern Ukraine, Kharkiv region occupies the first place in Ukraine by the length of public highways (over 9.6 thousand km). Moreover, Kharkiv-Pasazhyrs'kyi station overtook the main station of Kiev by the passenger traffic and makes 15 000 people per day. Kharkiv International Airport, one of the most modern airports in the country, is conveniently located. 3]. Kharkiv also has a subway which is the base of the transport network. By the length of the lines it is included in the TOP-100 metro of the world, and by the passenger traffic it is in the TOR-50 [3].

One more essential component of tourist infrastructure is the subjects of tourism activities. According to the number of subjects of tourist activity Kharkiv region is one of the most advanced in Ukraine and counts 309 organizations.

Table 2

Subjects of tourism activity of Kharkiv region

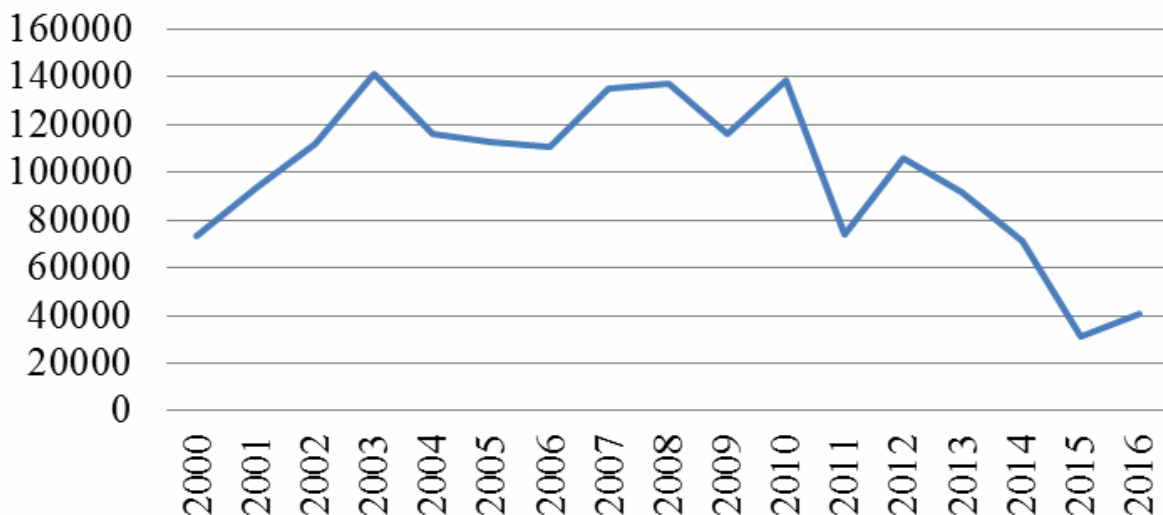
	Entities				Individual entrepreneurs			Total
	total	у тому числі			total	у тому числі		
		Tour operators	travel agents	Excursion bureau		Travel agents	Excursion bureau	
Ukraine	2198	667	1473	58	1687	1596	91	3885
Kharkiv region	104	9	94	1	205	196	9	309

Source: [4]

The grid above introduces data about subjects of tourism activity. The number of them in Kharkiv region makes up almost 8% of the total quantity of subjects of tourism activity in Ukraine.

Despite the relatively good resource and infrastructure supply of Kharkiv region, its tourism activity lags behind in some indicators. Since 2010 Kharkiv region experiences a plummet in tourist flows.

Tourist flows of Kharkiv region



Source: [2]

The bar chart displays that in 2016 the number of tourists served by the subjects of tourist activity in the region accounted for an estimated 40,429 people. The number of tourists served by the subjects of the Kharkiv region takes up 2% from the total number of tourists serviced in Ukraine. Such plummet can be explained by the unstable situation in the East of Ukraine.

The situation with income has developed somewhat differently. Subjects of tourism activity received 11 207 200 UAH from provided tourist services.

Table 3

Revenues of subjects of tourism activity

	Income from the provision of tourist services (excluding VAT, excises and similar obligatory payments), thousand hryvnias	Part, %
Ukraine	133971,1	100
Kharkiv region	11207,2	8,4

Source:[4]

The grid suggests that the income from provided tourist services in Kharkiv region equals 8.2% from the income of all subjects of tourist activity in Ukraine.

Therefore, the findings confirm that Kharkiv region has sufficient resources to develop cultural, ecological tourism and the development of sanatorium and resort affairs. In addition, the statistics suggests the existence of developed tourism infrastructure and communications. However, indicators of the region's activity have significantly decreased over the past few years, which does not justify the tourism potential of Kharkiv region. The main reasons for reducing the tourist flows are the unstable situation in the East of Ukraine. The marketing strategy must be implemented by local government in order to increase the activity of tourism.

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LEVELS AND FORMS OF INFORMATION ANALYTICS

*M.E. Dudnik, Y.M. Broslavska (language supervisor)
V.N. Karazin National University, Kharkiv*

Dudnik M.E., Broslavska Y.M. Levels and forms of information analytics. The article describes levels and forms of information analytics in international relations. The research covers the main components of two levels and explains the importance of information research. It also examines all forms of analytical activity and provides their practical examples.

Key words: analytical activity, information, monitoring, research.

Дудник М. Е., Брославська Є. М. Рівні та форми інформаційно-аналітичної діяльності. У статті описуються рівні та форми інформаційно-аналітичної діяльності у міжнародних відносинах. Дослідження охоплює основні компоненти двох рівнів і пояснює важливість інформаційних досліджень, а також аналізує всі види аналітичної діяльності та наводить їх приклади.

Ключові слова: аналітична діяльність, дослідження, інформація, моніторинг.

Дудник М. Э., Брославская Е. М. Уровни и формы информационно-аналитической деятельности. В статье описываются уровни и формы информационно-аналитической деятельности в международных отношениях. Исследование охватывает основные компоненты двух уровней и объясняет важность информационных исследований, а также рассматривает все виды аналитической деятельности и приводит их примеры.

Ключевые слова: аналитическая деятельность, информация, исследования, мониторинг.

The subject of the study is information analytics, its levels and forms. The purpose of the study is to analyze the main kinds of information analytics and define the importance of each of them. The relevance of the study is determined by the fact that the demand on information analytics and informational research has been increasing recently.

According to scientists, information analytics (IA) is a set of actions on the basis of concepts, methods, tools, and statutory methodological guidelines, aimed at collecting, accumulating, processing and analyzing data for their verification and further decision-making [1, p. 138].

There are two levels of the IA in international relations:

- information level, consisting of the search, collection, storage, and dissemination of information;
- analytical level, which consists of information generalization and

classification, its analysis and transformation, drawing conclusions, as well as working out proposals, recommendations and forecasts.

In terms of decision-making, we can distinguish the operational, tactical and strategic levels of the IA [4, p. 43].

To search for information, you need to have a set of information objects (computer files library) and a system (algorithm or software) that performs the search. To carry out an information search, a user (a person or an information system) generates an information query. The result of the search is a list of documents that is built following a certain principle. Such lists are ranked (a ranked list, ranked results).

There are three types of data collection methods:

- 1) surveys: standardized written or telephone surveys that ask pre-determined questions;
- 2) interviews: structured or unstructured face-to-face conversations with key individuals or community leaders;
- 3) focus groups: structured interviews with small groups of individuals sharing some similar features with the use of standard questions and additional questions aimed at studying other issues that arise for a better understanding of the participants [Figure 1].

Primary Research Methods & Techniques

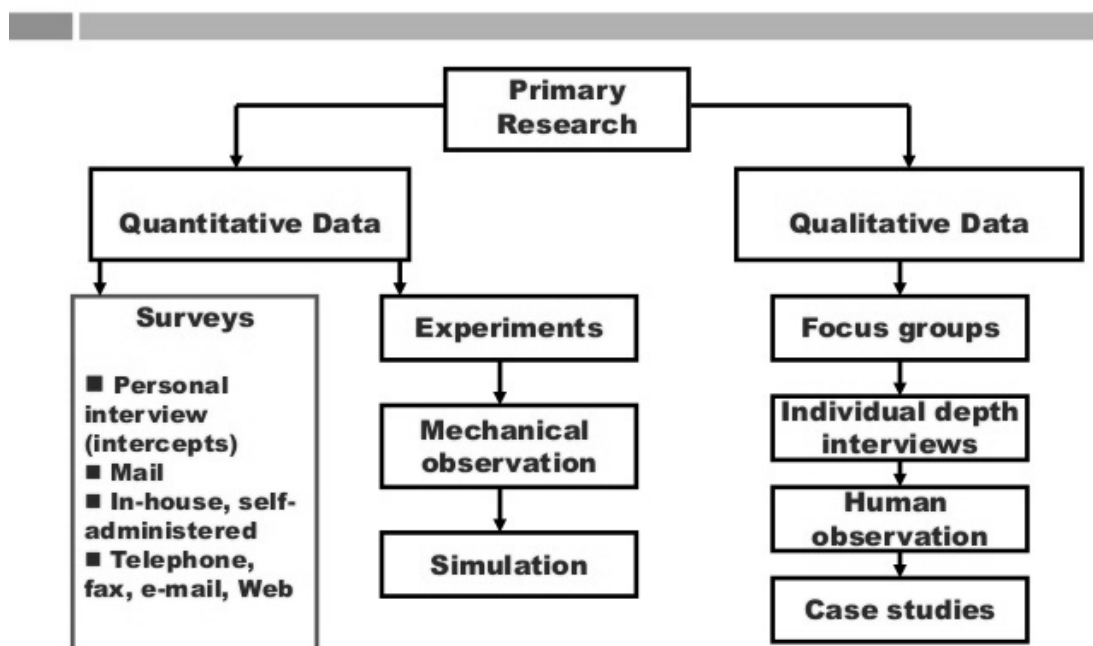


Figure 1. Types of data collection techniques.

The means of storing information include everything that makes it possible to store information for a certain time. The main means of information storage are media.

The dissemination of information involves communicating it to at least one person.

The analytical method includes the sequential factorization of the problem considered after analyzing each step of the algorithm, until each of such steps can be executed with the use of elementary tools [3, p. 315].

Information processing includes the whole set of operations (collection, introduction, recording, transformation, reading, storage, destruction, and registration), carried out by means of technical and software tools, including data exchange.

The analysis of information consists in the evaluation of already systematized information, usually using statistical methods. The final outcomes of the analysis often appear in the form of recommendations and proposals concerning the future actions of a company, which are based on the evaluation of the collected data.

Forms of the IA in international relations include:

- monitoring, including information summaries and reviews
- analysis of foreign policy activities (efficiency of decision-making);
- studying current problems (information development, operational research, analytical research).

Monitoring is a complex set of scientific, technical, technological, organizational, and other means, ensuring systematic monitoring (observation) of the state and development trends of natural, anthropogenic and social processes. In terms of methodology, monitoring is conducting a series of similar measurements of the target object and subsequent analysis, evaluation, and comparison of the obtained results to identify certain patterns, trends, variables and their dynamics.

Types of monitoring:

Dynamic monitoring analyzes evolution dynamics or time history of an object, phenomenon or certain characteristics. This is the simplest type of monitoring, which is used to analyze relatively simple systems: prices, household income and spending, employment rates, etc. The main purpose of such research is to establish trends, rather than identify their causes or prerequisites [2, p.181].

Competitive monitoring involves a concurrent study of one, several or a number of identical or similar systems with the use of the same methodology. It gives an opportunity to evaluate and compare the system's indicators, to find the difference between them, to identify advantages and disadvantages.

Comparative monitoring compares specific indicators of several similar systems or of higher- and lower-level systems, or the results of more complex

studies conducted according to identical criteria. This approach makes it possible to randomize indicators, identify causes, increase or decrease the difference between them.

Integrated monitoring combines the research methods used in different types of monitoring.

An analysis of the foreign policy of any state is determined and implemented following the principle of objective and subjective factors.

Certain international relations can develop following the principles of the foreign policy of certain states. International relations are a combination of economic, political, cultural, legal, military, and other relations between nations and states, economic, political, scientific, cultural and religious organizations and institutions on the international stage [2, p.247].

Studying current problems is an operation through which the problem is revealed and specified from the existing contradiction.

The problem is 1) an unknown part of the contradiction that can be revealed in the process of research; 2) the issue concerning a set of problems that intrinsically arise in the process of scientific knowledge development while solving them is important both from the practical and theoretical perspective [3, p. 67].

Conclusion. To sum up, it can be argued that information activity is a set of actions aimed at satisfying the information needs of citizens, legal entities and the state. In order to meet these needs, public authorities as well as local and regional governments establish information services, systems, networks, databases and databanks. The main types of information activities are the reception, use, dissemination, and storage of information. Collection, processing, use and transfer of information are an essential for successful business, as well as any other types of activities.

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TRADE AS THE MAIN FORM OF ECONOMIC COOPERATION BETWEEN THE UNITED STATES AND SOUTH KOREA

*O.Y. Dyagileva, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Dyagileva O.Y., Zmiyova I.V. Trade as the main form of economic cooperation between the United States and South Korea. The article explores the peculiarities of the formation of trade relations between the United States and the Republic of Korea and the trends in trading goods and services between these countries. The article is provided with statistical data.

Key words: export, South Korea, statistical data, trade, United States.

Дягілева О.Є., Змійова І.В. Торгівля як основна форма економічного співробітництва між Сполученими Штатами і Південною Кореєю. У статті розглядаються особливості формування торгових відносин між Сполученими Штатами та Південною Кореєю, а також тенденції в торгівлі товарами та послугами між цими країнами. У статті надано статистичні дані.

Ключові слова: експорт, Південна Корея, статистичні дані, США, торгівля.

Дягилева Е.Е., Змиева И.В. Торговля как основная форма экономического сотрудничества между Соединенными Штатами и Южной Кореей. В статье рассматриваются особенности формирования торговых отношений между Соединенными Штатами и Южной Кореей, а также тенденции в торговле товарами и услугами между этими странами. В статье представлены статистические данные.

Ключевые слова: статистические данные, США, торговля, экспорт, Южная Корея.

The subject of the study is economic trade between the USA and South Korea. The purpose of the study is to analyze the main features of this trade. The actual value of the study is determined by the impact of relations between the two developed countries on the whole world.

The United States and South Korea belong to the developed countries of the world which are characterized with high level of economic development, the predominance of manufacturing industries, services and information. In the social and economic context the development of their economy is based on market relations and extends to the labor force. The relations between

economic entities are based on profit, the nature of the economy struggle for favorable conditions for the use of capital and labor.

In 2016, the volume of trade in goods and services between the United States and South Korea amounted to 144.6 billion dollars. At the same time US exports was 63.8 billion dollars, Korea's exports – 80.8 billion dollars. The total trade in services between the two countries in 2016 amounted to 34.4 million dollars of which 21.6 million belong to US exports [5]. Figure 1 shows that transport equipment prevails in the structure of US exports to South Korea's.

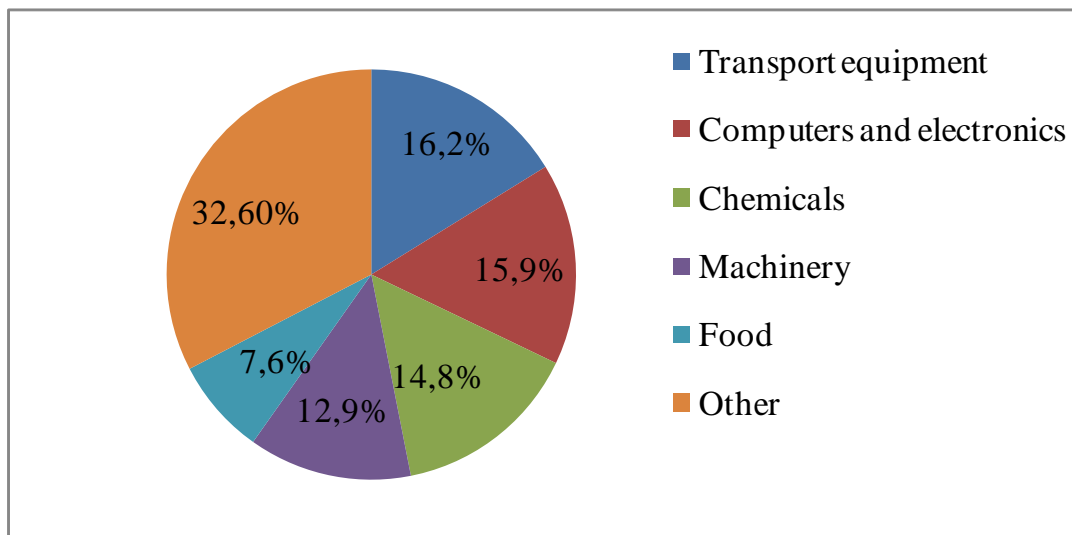


Fig. 1. Structure of the export of the United States to South Korea in 2016

Source: Market research by the US Department of Commerce [4]

The United States of America and South Korea are uniquely positioned to increase energy trade and act as a reliable supplier and strategic buyer respectively. Taking into account the large amount of natural resources and the recent growth in domestic production of energy, oil and natural gas, the United States are able to export much more energy than before. On the other hand, South Korea is one of the five largest world importers of liquefied natural gas, coal, crude oil and petroleum products, based on fuel import of approximately 97% of the total primary energy consumption [3].

The American Disti company which sells software and services for the development of visual interfaces used in automatic digital instrument panels and aircrafts, and the interfaces of medical devices, expressed concern over possible administrative costs in South Korea. The firm said that, despite the free trade zone with Canada, its export to Canada is insignificant, as the total administrative

expenses have become too large. The company stated that such costs exceed the costs of selling software and services. Therefore, Disti company is concerned about the occurrence of a similar situation in South Korea [2].

Transport equipment prevails not only in the US export structure, but also in the structure of imports, where the share of this exceeds the share of its exports by 18.1%.

The USA and South Korea belong to the countries with the most competitive products and are members of the Asia-Pacific Economic Cooperation (APEC) and the Colombo Plan organization [1, p. 46].

Over the past few years trade in services between these countries increased primarily due to the gradual elimination of trade barriers between countries (see Fig. 2).

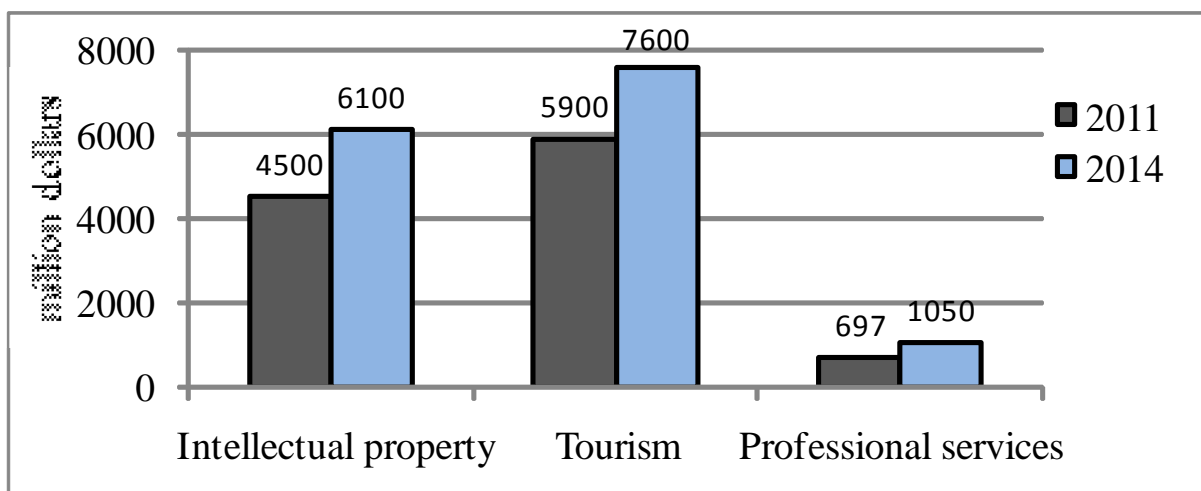


Fig. 2. Export of services from the USA to South Korea

Source: Market research by the US Department of Commerce [4]

According to the results of 2016 South Korea ranks 6th place in terms of the supply of goods to the United States and the 7th one in terms of imports from the United States. The structure of South Korea's trade in the United States accounts for 14% of imports and 10% of the country's exports and in the US – 3.4% of imports and 3.1% of exports, respectively.

Now South Korea actively imports ships to the United States and continues to pressurize the shipbuilding market through expansion of capacity and dumping pricing policy. The reason for the difficulties in the world shipbuilding market is the presence of excess capacity, which hinders the establishment of real prices [1, p. 58].

The direct foreign investment of the USA to Korea, shares, in 2015 amounted to 34.6 billion US dollars, that is 3.3% more than in 2014. Foreign direct

investment in Korea is carried out through the production and financing of insurance.

The Korean direct investments in the United States amounted to 40.1 billion dollars in 2015, that is 0.5% more than in 2014 [6].

Conclusion. The statistical data presented in this article proved the ongoing development of the USA and South Korea mutual cooperation in the studied field.

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MAIN ASPECTS OF BRAND CREATION AND PROMOTION IN THE WORLD MARKET

*K.A. Galushka, M.V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Galushka K.A., Karpusenko M.V. Main aspects of brand creation and promotion in the world market. The article describes problems and features of the definition of brand, as well as brand's creation and promotion onto a market. The research covers the importance of brand recognition for the following successful branding. This article also analyzes the conditions of effective implementation of brand management and brand improvement strategies and discusses the dynamics of the world's most valuable brands.

Key words: brand, brand management, branding, brand value, trademarks, strategies.

Галушка К.О., Карпусенко М.В. Основні аспекти створення і просування бренду на світовому ринку. У статті розглядатимуться проблеми та особливості визначення поняття бренду, а також питання створення і просування бренду на ринок. Досліджена важливість впізнавання бренду для подальшого успішного брендингу. У статті також проводиться аналіз умов ефективної реалізації бренд-менеджменту та стратегій поліпшення бренду. Показана динаміка найдорожчих брендів світу.

Ключові слова: бренд, бренд-менеджмент, брендинг, цінність бренду, товарні знаки, стратегії.

Галушка К.А., Карпусенко М.В. Основные аспекты создания и продвижения бренда на мировом рынке. В статье рассматриваются проблемы и особенности определения понятия бренда, а также вопросы создания и продвижения бренда на рынок. Исследована важность узнавания бренда для последующего успешного брэндинга. В дополнение, в статье проанализированы условия эффективной реализации бренд-менеджмента и стратегии улучшения бренда. Показана динамика самых дорогих брендов мира.

Ключевые слова: бренд, бренд-менеджмент, брэндинг, ценность бренда, товарные знаки, стратегии.

The subject of the study is global branding and feature of promotion of global brands in the world market. The purpose of the study is to analyze the main problems of development and advancement of brands. The relevance of the study refers to the fact that under the expanding crisis, the increase of sales and earnings at the market is becoming more important for companies to survive. This results in increasing significance of marketing and branding in particular. A successful brand becomes a condition for a company's survival in the current market system. A rivalry of brandings of different companies in struggling for their customers turns to become so-called wars of brands.

There have been major changes in the world practice of business management, as a result of tight competition in all areas of business in recent years. On the one hand, material values in the modern economy are losing their importance, as they are less and less unique and cannot guarantee the income in the future. On the other hand, the presence of the company's unique intangible assets and the development of strategic management helps to strengthen its market position. One of such intangible assets of the company is the brand [3].

The term "brand" first emerged more than half a century ago as a way for cattle ranchers to identify their animals. In the late 1880's, packaged goods

like Coca-Cola started taking off. Brands were used to differentiate them from the generic competition. But as branding progressed, marketers realized there was more to the brand of Coca-Cola than just a non-generic name [3].

David Ogilvy, the “Father of Advertising,” defined brand as “the intangible sum of a product’s attributes.” *The Dictionary of Brand* defines brand as “a person’s perception of a product, service, experience, or organization.” Marty Neumeier, author and speaker on all things brand, defines brand by first laying out what a brand is not: “A brand is not a logo. A brand is not an identity. A brand is not a product.” Neumeier goes on to say that “a brand is a person’s gut feeling about a product, service, or organization” [2; 6].

In our opinion, it is impossible to determine the exact meaning of a brand, as it has a lot of features. First of all, brands mean different things to different people at different times. A single brand means something unique to each person – be it a current consumer, potential consumer, employee, recruit, or just within the world at large. Brands are dynamic. They can play a different role depending on who they interact with and when. Secondly, brands are amorphous. Last but not least, brands are about feelings, and feelings are complicated. Successful brands today are always emotionally infused. They hold great emotional meaning for people and that’s what makes that brand loved and respected.

It is worth noting, that brand awareness is actually making the consumer acquainted about a particular brand or product. The availability and existence of a specific brand in the minds of people is very important as we live in a world where people have a tendency to lean towards branded products [1].

The main components of brand awareness are the instant recognition of a brand and the recall performance of that brand.

The disadvantages of brand awareness are surely lesser than its advantages.

- The main disadvantage of brand awareness is that it may limit the recognition of a particular product to a specific zone.
- If a consumer is unable to connect to that brand, he will definitely switch over to a different brand.
- At this point too much awareness will not prove beneficial for the company and therefore it is very important to maintain a perfect balance between awareness and hearsays.

When it comes to advantages, we can observe the following picture.

- Brand awareness assumes an important role as it helps to differentiate one product from the other.
- The higher awareness for a product in the market leads to better sales figures.

- The main advantage of the brand awareness is that the shopper has been able to connect emotionally with the brand and its values [6].

A brand is an element or group of elements that help distinguish the product of a particular supplier or the image of the supplier itself. When attempting to set up brands, organizations need to consider whether the brand should be local (developed for a specific market), regional or global. Branding can sometimes extend into a communication that is separate from the product itself. When brands are developed successfully, they may allow higher prices to be charged, over and above those charged for non-branded, generic products. These higher prices help create what is often called 'brand value'. Calculations of brand value involve comparing the prices of similar generic (own-brand) products with the higher price of the branded product.

Data from Interbrand in 2017 ranked the top five global brands and their associated brand values as follows:

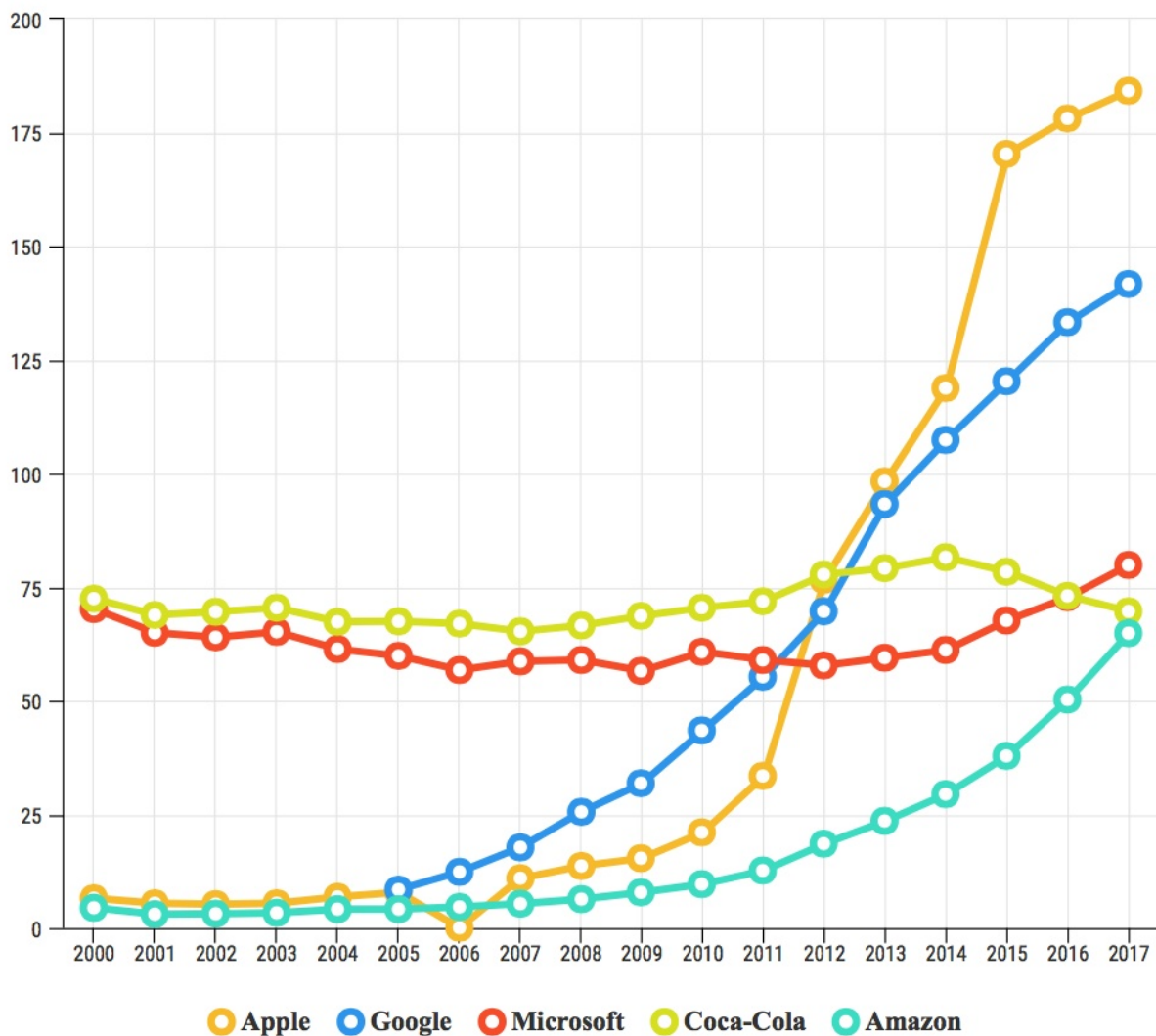


Figure 1. Growth history of the world's most valuable brands

According to figure 1, the annualized growth in brand value over the previous 12 months is an astonishing 29% for Amazon and 10% for Microsoft, with more modest annual growth of 6% (Google), 3% (Apple) and -5% (Coca-Cola) for the other three brands.

Source: Interbrand [5].

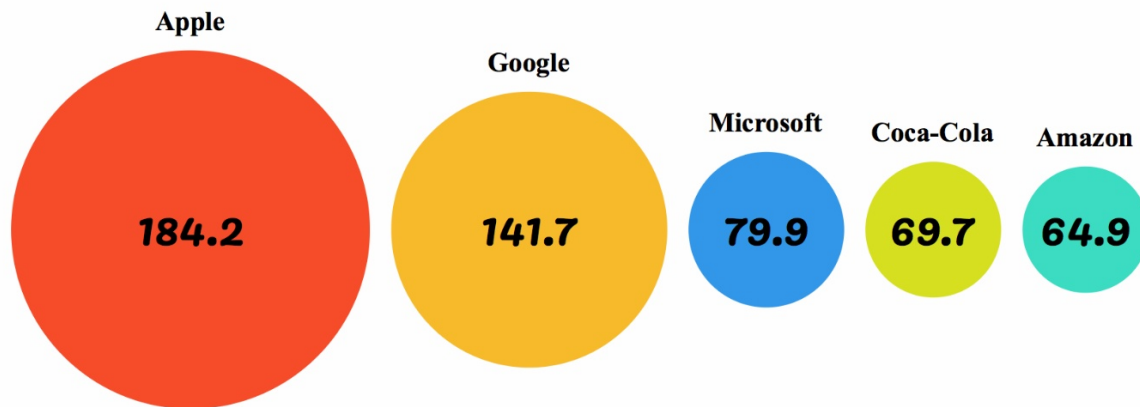


Figure 2. The World's Most Valuable Brands 2017 (million dollars)

Building a strong brand is both an art and a science. It requires careful planning, a deep long-term commitment, and creatively designed and executed marketing [5]. There is a number

of marketing concepts, like segmentation, targeting, differentiation, positioning, and the concept of brand identity, which can be considered a useful starting point in the process of building the brand. Segmentation involves dividing the market into distinct groups (segments) of customers based on their needs, characteristics and behaviors. Targeting means evaluating each segment's attractiveness and selecting one or more of them to enter. A company should target segments in which it can profitably generate the greatest customer value and sustain it over time. When the decision about the segments to enter is done, the company should determine how to differentiate its market offering for each targeted segment and what positions it wants to occupy in those segments. In that sense, positioning can be determined as arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. One has to always bear in mind, though, that effective positioning begins with differentiation – actually differentiating the company's market offering so that it provides more value to the consumers [6].

Brand identity can be considered a key concept for building strong brands. It provides direction, purpose and meaning for the brand. It's central to a brand's strategic vision and the driver of one of the four principal dimensions

of brand equity: associations, which are the heart and the soul of the brand. In contrast to brand image, which consists of a meaningful set of customer associations, brand identity is created and maintained by brand strategists [4].

Unique strategies in order to improve brand:

- Become the media. Social media, camera phones, podcasts, etc. have given amazing opportunities to build and expand brands.
- Improve your culture. The most visible brand is company's culture. It's culture that defines company's uniqueness and provides you with a competitive edge.
- Define your niche. It is impossible to be all things to all people. Narrow your target market.
- Meet audience where they are. If the firm wants to be unique, it should get branding right. Address its target market in the places where customers hang out with the message they expect to hear, using the distribution methods and mediums they like.
- Don't get stuck in the Information Age.
- Do be passionate, different, and authentic.
- Don't try to please everybody.
- Understand the competition and maintain your point of difference [4].

Conclusion. Branding is concerned with communicating the unique selling proposition of the product to the consumers, and is the focus of all the firm's marketing activities relating to the product. The brand is the 'personality' of the product, communicating subtle messages about quality and performance. Brand and branding is a process. The whole brand strategy of the company should be built from this fundamental concept. That is, initially creating a brand, you have to imagine exactly how it will work in the long term, not only here and now. It is worth to have a careful approach to studying the structure of the brand and all its nuances.

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INNOVATIONS IN MODERN DIPLOMACY: DIGITAL DIPLOMACY

***D.O. Ganzha, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv***

Ganzha D.O., Davydenko I.V. Innovations in modern diplomacy: digital diplomacy.

The article deals with the digital diplomacy and its aspects. The article shows how digital diplomacy can be used and how it should be managed in the right way.

Key words: digital diplomacy, election, information wars, Internet, Trump, Twiplomacy.

Ганжа Д.О., Давиденко І.В. Інновації в сучасній дипломатії: цифрова дипломатія. У статті розглядається цифрова дипломатія та її аспекти. Висвітлюються методи застосування цифрової дипломатії та правильні шляхи її застосування.

Ключові слова: вибори, інтернет, інформаційні війни, Трамп, Твіпломатія, цифрова дипломатія.

Ганжа Д.О., Давыденко И.В. Инновации в современной дипломатии: цифровая дипломатия. В статье рассматривается цифровая дипломатия и её аспекты. Освещаются методы использования цифровой дипломатии и правильные пути её применения.

Ключевые слова: выборы, интернет, информационные войны, Трамп, Твипломатия, цифровая дипломатия.

The subject of the study is digital diplomacy and methods of using it in the modern diplomacy. The purpose of the article is to realise how the digital diplomacy can be used in order to succeed in international relations. The relevance of the study is determined by its connection with modern digital technologies.

The article studies the changes which have happened to the diplomacy since the very beginning of the 21st century. The author pays attention to the innovations in diplomacy. The special attention is given to the new form of diplomacy – the digital one.

The starting point of the mass use of the e-diplomacy, according to Professor Phillip Seib of the University of South California, is considered the Arab Spring of 2010. Ministers of Foreign Affairs were monitoring via Facebook Arabian people criticizing the government. Facebook did not cause the Arab spring, but it served as the very best tool to spread the information among the insurgents, as it was not controlled by the governmental structures [2].

Digital diplomacy (or e-diplomacy) is the use of the Internet and the information communication technologies to help in achieving diplomatic goals. In a nutshell, digital diplomacy solves foreign policy affairs with the use of the Internet. Recently, as the global Web has been growing, the role of e-diplomacy has been permanently increasing. Understanding of the processes happening with the use of the digital diplomacy will deepen our capabilities on the international arena. Without any doubt, we cannot but learn more about this new form of diplomacy.

Before going further, we should explain what the main functions of the digital diplomacy are. The first function is about making the diplomacy an inclusive matter, not an elite one. The Internet has made the world more transparent, so everything has become public. Now the information can be spread within seconds from The North Pole to the South and that has forced the world's ruling class to take most of the diplomacy out of the shadows. That is why, today every single ambassador, politician or any other political actor has a page on Facebook, Twitter, Instagram so as to be near to the constituents and to show that they have nothing to hide from them.

The second function is about understanding the current moods in the society and changing them. The deep analysis of the social networks, forums and blogs can give the more accurate view on the society, than any survey made by the best sociological centres. What is more, via the Internet you can change the political views of the vast majority of population or make the suitable informational climate before the elections or referendums. The right use of the informational technologies can make you a president or move the country towards somewhat near Brexit.

Third function is about the diplomacy not only being a separate branch of diplomacy, but an element of any other type of diplomacy. Digital diplomacy is used for spreading the information or creating the right information for making the needed influence on some affairs happening around the globe.

The main peculiarity of the e-diplomacy is that we got into it nearly every day. It influences our decisions and views. The rational usage of the informational technologies via the Internet made the diplomatic world change every day.

The very best example of e-diplomacy is twiplomacy which is about using social networks, especially Twitter for diplomatic needs. Today a social page in Twitter is a must have for every politician who has a need to share his thoughts and views with the constituents. For instance, Barack Obama had nearly 100 mln followers and his tweet:” «No one is born hating another person because of the colour of his skin or his background or his religion...»» was the most popular one ever. The current president of the USA, Donald Trump, has a department developing his social network pages and writing tweets [1]. Speaking further we cannot but mention how efficiently Donald J. Trump used the news media and the Web during his election campaign in 2016. This way of running his campaign helped Trump to get a place in the Oval office.

What is more, another interesting phenomena were noticed during Trump’s campaign. FBI, Mark Zuckerberg and many others stated that the Russian Federation authorities used Facebook and Twitter to help Trump in winning the election. According to them, some people from Russia were instantly buying political advertisement in those social media. These banners or groups were aimed at American citizens, in order to make them think of supporting Trump.

Another example of using Internet for the diplomatic cases is more than familiar for Ukraine and every citizen of its Western part. During the events which happened to Ukraine in 2013-2014 (revolution, annexation of the Crimea, the beginning of the ATO) social networks, blogs and forums became a battlefield. The scale of Ukrainian-Russian “cold war” was really enormous. Most of the information was spread via the Internet, people’s minds were changed by the posts, caricatures, videos posted in the Internet. Unfortunately, Ukraine has lost this stage of the information war due to the unstable situation within the main media and the whole country itself. However, this war has not ended yet and we should learn how to fight it back and use information in the right way.

This was not the only example of the e-diplomacy being used during confrontations. We all knew that today intelligence services are monitoring the vast majority of the Internet and sometimes that can even help to find terrorist headquarters. In June 2015 an ISIS terrorist took a photo in front of one the ISIS headquarters and in 22 hours the US Air Combat Command wiped it out [3].

Unfortunately, terrorists can use the Internet, too. For ISIS, Donetsk People Republic, Taliban Internet has been a vital tool in spreading fear, recruiting

people and searching for victims. Last month, ISIS posted a video where they warned about the upcoming terror during the FIFA World Cup in Russia. But, this is not the worst. Many young people from Great Britain, Germany and Russia have been turned into terrorists despite even having a personal meeting with ISIS leaders [4]. What is more, Internet is broadly used while terrorist attacks. When such a terrible thing occurs, common people and officials spread the information about the attack, so as to prevent more casualties.

We strongly support the idea that we must use e-diplomacy in the right way. E-diplomacy must be used for spreading our knowledge, for having a connection between diplomats and common people, for spreading information which can save people's lives. The ambassadors should use the Internet to foresee and solve confrontations, because the Internet can provide the fastest solution for every problem where we need information. Learning how to use information and social media is a must-have for the university program on international relations.

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HUMAN RESOURCES RISKS MANAGEMENT

Y.O. Garmash, O.V. Maksymenko (language supervisor)

V.N. Karazin National University, Kharkiv

Garmash Y.O., Maksymenko O.V. Human resources risks management. This article deals with human resources risks management. This work includes information about methods of risk assessment, the classification of human resources, the stages of management of personnel risks in an enterprise.

Key words: human resources, method, risk, risk management, risk source.

Гармаш Ю.О., Максименко О.В. Управління кадровими ризиками. Стаття присвячена дослідженню управління кадровими ризиками. Робота включає в себе інформацію про методи оцінки ризиків, класифікацію кадрових ризиків та етапи управління кадровими ризиками на підприємстві.

Ключові слова: джерело ризику, людські ресурси, метод, ризик, управління ризиками.

Гармаш Ю.О., Максименко Е.В. Управление кадровыми рисками. Статья посвящена исследованию управления кадровыми рисками. Работа включает в себя информацию про методы оценки рисков, классификацию кадровых рисков и этапы управления кадровыми рисками на предприятии.

Ключевые слова: источник риска, метод, риск, управление рисками, человеческие ресурсы.

The subject of the study is human resources risks management in an enterprise. Staff is an integral part of any organization. Consequently, the management of an economic entity must take into account risks, directly related to the staff. These risks are called human resources risks. The relevance of the study is determined by the importance of staff's contribution to the proper operation of any enterprise. The purpose of the study is to analyze the types of risks, the methods of risk assessment along with ways and stages of personnel risk management.

Human resources risks are the potential losses or threats related to own staff [1]. Human resources risks can be divided into quantitative and quality ones. Quantitative risks are related to lack or excess of staff in any enterprise. The realization of these risks is connected either with an increase of costs for salaries, or with non-performance production norms and non-observance of the conditions for a normal operating of the organization's staff, which, in turn, leads to moral dissatisfaction. Generally, managers of small businesses

are trying to reduce the number of staff in order to reduce labor costs. However, it should be taken into account that managers must create conditions for recreation. It causes difficulties as small businesses have such a small number of employees that reduction of even one employee leads to an increase in the burden for all other employees [2].

Qualitative risks are related to the inconsistency between characteristics of available staff and requirements, which the organization sets for its employees. The implementation of these risks can lead to additional costs of retraining or additional costs for the selection of appropriate staff.

Qualitative risks appear during the process of selecting employees. Managers should emphasize requirements, which an employee must meet. Among these requirements we can distinguish the following: education level; experience of work; reviews from previous places of work; medical characteristics; psychological characteristics; social status; age.

Staff disloyalty is also a category of human resources risks. These risks occur when the leaders of organizations extremely trust their staff, which can lead to the disclosure of confidential information about the organization, production secrets, and may lead to theft and other negative consequences.

There is another classification of human resources risks [3]:

- risks directly related to staff (death, retirement, disability, etc.);
- risks caused by the behavior of staff (information leakage, industrial injuries, mistakes, accidents, etc.).

Another classification of risks allows us to distinguish the following types [1]:

- risks associated with hiring an employee;
- risks occurred during employee's performance (accident, theft, error);
- risks after the dismissal of an employee (information disclosure to competitors, etc.).

The main question is how to determine person's readiness for certain duties. It is possible to conduct interviews, which allow managers make a psychological portrait of a potential employee. Nevertheless, the identity of the interviewer, his experience, emotional attitude are also important. All these factors can directly affect the decision.

Another method of selection is the test. The worker solves any task, and the organization's managers estimate how the employee copes with this task, how he behaves in the process of decision [4].

Control over staff risks is especially important for small enterprises. Large companies usually have the opportunity to create special services specializing

in risk management. Moreover, such companies can afford to use the services of highly skilled professionals who will be responsible for solving problems concerning risk management.

In a small business, the matter is different. First of all, a lot depends on the mentality of the leaders of small enterprises. Managers are often not interested in researching and reducing various types of risks.

There are two approaches to manage human resources risks. The first method is the preventive one, which aims to eliminate risks before they reach the stage of crisis development. The second approach – the reactive one – is aimed to eliminate negative consequences of risks [4].

The management of human resources risks includes search and identification of staff risks. It is necessary to begin risk identification with the most dangerous, probable and expensive risks. Then managers should identify less probable and less costly risks.

At the same time, the risk must not turn into total control over the activities of employees. For example, trying to avoid mistakes in the work of an employee, the organization's leadership can nullify all of his or her attempts to demonstrate initiative, to participate in something new, to make any creative proposals to the management.

In addition, the risk arises even during the recruitment of an employee. An employee may not fully understand the goals and tasks of the organization, may underestimate the importance of his or her own activities or may not receive the necessary information about own duties.

Then there is another problem, namely, how the risks should be identified. Usually, it is easier to make a decision to change staff than to look for problems in it. Identification of human resources risks is carried out by means of various psychological methods, which is quite expensive. It is possible that managers will rather refuse the services of one or several workers, will replace them than allocate additional money for identifying and analyzing problems related to a particular employee [4].

There are several reasons for the appearance of a “problem” employee. One of them is staff turnover. Employees of the organization cannot fully understand and appreciate all the goals of the organization, which can lead to a neglect of work. Another reason is saving money on salaries. In this case, the employee is not motivated: highly skilled workers will leave their position in search of a better-paid work.

One more reason is a superficial attitude to the staff selection. It often happens so that only the personal data are taken into account. It is much more

effective to analyze recommendations of previous employers, personal qualities and lifestyle.

After the searching and identification of risks, managers need to formalize staff, that is, quantitative characteristics of risks. This requires different procedures and methods.

Risks should be ranked according to the probability of occurrence and expected consequences [2]. The organization can use scale «probability – consequences» in order to visualize the risk.

Counteraction and neutralization planning of staff risks is the third stage of human resources risk management. At this stage, the organization can choose the most acceptable strategy. This can be either a risk study, studying the external environment, risk characteristics; or avoidance of risk – rejection of the most risky actions; or acceptance of risk – a willingness to leave everything as it is; or risk management – reducing the consequences of risk.

In this case, a risk management plan is drawn up. This plan includes the formulation of risk, the definition of its consequences, the description of risk management strategy, the identification of people responsible for implementing the risk management plan, development of a reserve strategy.

The last stage of managing human resources risks is control and monitoring of staff risks management efficiency. At the same time, control over human resources risks is advisable to divide into three groups: control over expected risks, control over realized risks and control over existing risks [4].

Summarizing, we can say that personnel risks, like any other ones, can pose a serious threat to any organization. Therefore, the managers of the organization should not underestimate the impact of such kind of risks. Staff risks management leads to normalization of relations between employees of the organization, and especially between employees and managers of the organization; forms an interest of employees in a long working; gives guarantees for the effective functioning of the organization; provides organization with the necessary information on the level of risk; reduces staff turnover. Thus, implementing human resources risks management, any organization can be more confident in its possible success.

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THE INFORMATION WAR PHENOMENON IN THE INTERNATIONAL RELATIONS

*M.R .Gogol, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Gogol M.R., Davydenko I.V. The information war phenomenon in the international relations. The article describes the history, essence, features of information war in the context of international relations. Also, the spheres of information wars are considered on the example of the military and financial spheres. Particular attention is paid to the role of technology in conducting information confrontation and also the situation of information warfare at the present.

Keywords: confrontation, information impact, international relations, information war.

Гоголь М.Р., Давиденко І.В. Феномен інформаційної війни в міжнародних відносинах. У статті розкривається історія, сутність, особливості інформаційної війни в контексті міжнародних відносин. Також розглядаються сфери ведення інформаційних війн на прикладі військової та фінансової сфери. Особлива увага приділяється розгляду ролі технологій ведення інформаційного протистояння, а також положенням інформаційних війн на сучасному етапі.

Ключові слова: інформаційна війна, інформаційний вплив, міжнародні відносини, протистояння.

Гоголь М.Р., Давыденко И.В. Феномен информационной войны в международных отношениях. В статье раскрывается история, сущность, особенности информационной войны в контексте международных отношений. Также рассматриваются сферы ведения информационных войн на примере военной и финансовой сферы. Особое внимание уделяется рассмотрению роли

технологий в ведении информационного противоборства, а также положению информационных войн на современном этапе.

Ключевые слова: информационное влияние, информационная война, международные отношения, противоборство.

The subject of the study is information war as the phenomenon of international relations. The purpose of the study is to consider unique features of infowar in the international relations. The relevance of the study is determined by development of information technologies and computerization in the end of the XX – XXI century and their implementation in almost all spheres of life. However, scientific-and-technological advance, except for some obvious advantages, causes security threats for the particular state and the world community in whole. The weakness of infosphere is becoming more evident and it proves the appearing of the term “information war”. Infowar, comparing with the war in its common meaning, affects on all aspects of the public life and its consequences are unpredictable.

Humanity has been facing infowars for a long time. Various weapons, swords, bows and arrows just finished the society devastation, which had already lost in information war. Taking the point further, we see that information influence has always existed. The only difference is that it wasn't called a “war” then. It is explained by the absence of information technology.

The term “information war” has different definitions, but in its largest sense, information warfare is any activity in the information space carried out with some purpose [4].

Thomas Rona was the first one, who used the term “infowar”. It was «Weapon Systems and Information War» report (1976), where Rona emphasized that information infrastructure was the key element of the American economy and at the same time it is a soft target both in war and peace time [1].

For the first time ever, the US military worked out the doctrine of information war in 1996. It contained the main methods of fighting State Monitoring And Control Systems and using infowar during military actions [2]. As a result, information field was introduced as a new field of warfare.

Infowar has the following objectives:

1. to gain control over infospace with a view to using it in the future, protecting military information functions from enemies;
2. to use the information control against enemy;
3. the overall effectiveness of the armed forces by the widespread use of military information functions.

According to the American military experts, infowar consists of actions, which are held to reach an information advantage in providing the national military strategy by influencing the enemy's information sources and strengthening and securing own in the meantime.

Information confrontation is put into practice by means focused on management and taking decisions, and also against systems of computer and information network. First of all, it can be reached by psychological operations against the staff and those, who take decisions, which effect on their moral fiber, emotions and motives. Secondly, it is achieved with misinformation, destruction of infrastructure objects, etc.

There are some spheres of information war: political, diplomatic, economic and military [3, p. 23]. For example, in the wartime, information warfare comes with measures on maintaining information advantage over the enemy in military actions. In the end of XX century financial system became the main theater of infowar between the world's leading states. American famous trader and financier George Soros played off successful information and psychological attack against national currencies of Asia-Pacific Region countries. As a result, many of these countries were thrown 10–15 years back in economic terms. Such attack involved consistent information influence on getting information supremacy in the information sphere of the world financial system.

The infowar main objectives are to influence personal values and to change people's behavior and their way of thinking. Mass media is the best way to accomplish it. Let's take the television. It creates participation effect more successfully than the Internet and social networks in general. The Internet became the most efficient tool to hold information warfare due to its low price, simplicity and promptness. Any paper mass media can't be compared with the Internet in delivering content. The information can be received from different sources without any reference to geographical and administrative boundary lines. Any information is available from the different place with an access to the Internet. To some extent, all these features change the tactics and strategy of conducting information warfare.

The role of infowars within the international relationships is constantly increasing. In the modern informatized world information supremacy is getting more and more determined.

The information comes to be a strategic resource, which is to be managed efficiently to get supremacy not only at the state level, but at the international one as well. Due to the key role of information, any action made in the informational sphere may have its consequences.

Contemporary technologies make a field of information warfare more dynamic and unpredictable and national economics – more sensitive to the global development, raise cultural and political conscience of some part of the population. Also it supports hardline movements, which stimulate the global destabilization.

Information warfare has an effect not only on the mass conscience but on the process of taking decisions by the world's establishment. As a result, the outcome of the information war has real economical and geopolitical consequences for the countries.

Nowadays, the boundaries of the information warfare are becoming more defined. They can be traced back to the conflicts of XXI century, i.g. Russo-Georgian conflict of 2008, where the Georgians did their best in conducting infowar. It can be also noticed in the American military operations in Libya and Syria or in the color revolutions over the past decades, where mass media appeared for the means of the newsbreak formation and powerful factor of its development.

With the new century the character of the confrontation between the states has changed: methods of force were replaced by subtle and information methods. Different mass media, which may influence, formate and manipulate the mass conscience, are becoming a more and more effective tool of foreign policies of some particular states.

These days infowarfare embodies the war between civilizations for a place in the sun within shrinking resources. To talk openly about the techniques and methods of information warfare is needed because, first of all, the understanding of the information war allows you to transfer it from the category of hidden threats into the explicit one, which is already possible to fight, and secondly, the existence of a theory of information warfare must warn the potential victim from idealistically naive perception of both external and internal world.

The main objective of information war is human mind. Using different methods and tools, even the most unpredictable and «dirty», those who conduct the information war, can achieve incredible results. Implications of information warfare will not be visible physically. Concealment of facts, submission of false information, conceptual substitution, manipulation through the social networks or mass media deprive the person of the ability to think critically. Information warfare may become a dominant and even decisive form of warfare. The armed forces will defeat the enemy without the occupation of its territory.

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TRENDS IN WORLD TRADE IN SERVICES

A.V. Goncharenko, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv

Goncharenko A.V., Startseva N.N. Trends in world trade in services. The article deals with the issue of world trade in services and features of its development in modern conditions. The author analyses leaders on the market of services among the countries of the world and the structure of the service sector, which includes: transportation and communication, trade, material and technical supply, household, housing and communal services, catering, hotel industry, tourism, financial and insurance services, science, education, health, physical education and sports; culture and art, as well as engineering and consulting, information and computing services, real estate transactions, market research services, marketing activities, after-sales service, etc.

Key words: development, leaders, services, structure, trends, world trade.

Гончаренко А.В., Старцева Н.М. Тенденції у світовій торгівлі послугами. У статті розглядається світова торгівля послугами та особливості її розвитку в сучасних умовах. Автор аналізує лідерів на світовому ринку послуг серед країн світу та структуру сфери послуг, яка включає в себе: транспорт, зв'язок, торгівля, матеріально-технічне забезпечення, побутові, житлово-комунальні послуги, харчування, готельна промисловість, туризм, фінансові та страхові послуги, наука, освіта, охорона здоров'я, фізичне виховання та спорт; культура та мистецтво, а також інженерно-консалтингові, інформаційні та обчислювальні послуги, операції з нерухомістю, послуги з маркетингових досліджень, маркетингові заходи, післяпродажне обслуговування тощо.

Ключові слова: лідери, послуги, розвиток, світова торгівля, структура, тенденції.

Гончаренко А.В., Старцева Н.Н. Тенденции в мировой торговле услугами.

В статье рассматривается мировая торговля услугами и особенности ее развития в современных условиях. Автор анализирует лидеров на мировом рынке услуг среди стран мира и структуру сферы услуг, которая включает в себя: транспорт и связь, торговля, материально-техническое снабжение, бытовые, жилищно-коммунальные услуги, общественное питание, гостиничный бизнес, туризм, финансовые и страховые услуги, наука, образование, здравоохранение, физическое воспитание и спорт; культура и искусство, а также инженерные и консалтинговые, информационные и вычислительные услуги, операции с недвижимостью, маркетинговые исследования, маркетинговые мероприятия, послепродажное обслуживание и т.д.

Ключевые слова: лидеры, мировая торговля, развитие, структура, тенденции, услуги.

Relevance. Modern international trade in services is rapidly expanding, providing increasingly significant impact on the development of the national economy and the world economy as a whole, it acquires the growing importance for the social life of all countries. One of the most important trends in economic development throughout the world is the interrelationship of economic growth and increasing the role of services in the national economy.

The purpose of the article is to describe the services market and the trends on this market.

As the society develops and the productive forces grow, a certain development of the sphere of services is observed. There is an increase in employment in this area, the growth of technical equipment of the labor force, the introduction of more and more advanced technologies. However, for many years, services have practically not been studied by the theory of the international economy. In part, this was due to the complexity of defining the very concept of services, of which there are a great many.

The service is any activity aimed at meeting the needs of others on the basis of contractual relations between the producer and the consumer of services, with the exception of activities carried out on the basis of labor relations.

The term "service" covers a number of activities on the world market and it includes: transportation and communication, trade, material and technical supply, household, housing and communal services, catering, hotel industry, tourism, financial and insurance services, science, education, health, physical education and sports; culture and art, as well as engineering and consulting, information and computing services, real estate transactions, market research

services, marketing activities, after-sales service, etc. In a number of countries, construction is considered to be services. Different types of services are involved in international exchange with various degrees of intensity.

International trade in services, unlike trade in goods, where the role of trade intermediation is great, is based on direct contacts between producers and consumers. Services, unlike goods, are produced and consumed mostly simultaneously and are not subject to storage. Because of this, international trade in services requires either the presence abroad of their direct producers, or the presence of foreign consumers in the producing country. At the same time, the development of informatics has greatly expanded the possibilities of rendering many types of services at a distance.

International trade in services is closely interrelated with trade in goods and is increasingly affecting it. To supply goods to the foreign market, more and more services are required, from the analysis of markets to the transportation of goods and their after-sales service. The role of services in the trade in science-intensive goods is especially important, for which a large number of further after-sales, information and consulting services are needed. The volume and quality of services involved in the production and sale of goods, largely determine their success in the external market [2].

In today's economy, services account for more than 60% of world GNP. Global export of commercial services in 2016 increased by 2% and amounted to \$ 4.3 billion. Deliveries of transportation services grew by 2% in accordance with global trends, while exports of other types of commercial services grew only by 1%, while the largest increase (4%) was recorded in the field of travelling and tourism.

Among other types of commercial services, the most dynamically developing is the export of computer and information services (an increase of 6%). The development of the service segment in the global ICT industry forms the intellectual basis of the information economy, since it creates an intellectual filling of goods and services, production technologies, business processes. In terms of the volume of supplies of the "smart" product and its innovative content, the United States and the EU countries are leading, where the bulk of the world's intellectual potential is concentrated.

Along with computer and information services, construction and insurance services exports also increased (3% and 2%, respectively), other types of business services increased by 2%, covering legal and accounting services, consulting, advertising, marketing, as well as commercialization of innovative activity segment, and engineering services.

Leading positions in the world market in the field of engineering services are steadily occupied by firms of the USA, France, England, Japan, Germany, Italy, Canada and Sweden. The geographic structure of the engineering services market is characterized by the predominance of exports to developing countries, the bulk of which is in the oil-producing states of the Near and Middle East and Asia. In recent years, engineering companies of the developed countries have faced competition from local firms and economists from Brazil, Mexico, India, Korea, China, and others.

At the same time, exports of financial services suffered the most in 2016 (-4%). In general, in 2016, the supply of financial services from developed countries decreased by 6%, while exports from developing countries and CIS countries increased by 3%. In addition, the supply of communication services, including postal, courier and telecommunications services (-3%), and royalties (-2%) decreased steadily.

At the global level in the field of commercial services in 2016, the leaders did not change. The first positions were again taken by the United States (\$ 614 billion dollars, the share in global exports – 14.1%), as well as the United Kingdom (\$ 278 billion dollars, 6.4%) and Germany (\$ 255 billion dollars – 5, 9%). Among the consumers of services in the first place were also the United States (\$ 406 billion dollars, the share of world imports – 9.9%), the second – Germany (\$ 285 billion dollars – 6.9%), and in the third position – China (\$ 281 billion dollars – 6.8%).

The development of the structure of the service sector occurs in several areas. First of all, the emergence of completely new types of services, such as computer services, information networks, electronic commerce, logistics, global transport systems using many modes of transport, combined into continuous transport chains. Further, there is an active differentiation of a number of services that previously were of an internal subsidiary nature into a separate industry. This applies to marketing services, advertising, audit accounting and legal services and many other types of services that have become independent business areas.

Finally, a significant phenomenon was the formation of large integrated companies that provide the consumer with a "package" of services, which makes it possible to use one service provider without burdening themselves with dealing with suppliers of other specific support services. This principle is followed by large transport companies that take care of all the transportation services related to the multimodal transportation chain, including the deliveries of services and the provision of a complete transport

service such as delivering the goods "door to door" and "at the appointed time" to the consumer [1].

Conclusion. Therefore, the main world exporters and importers of services are developed capitalist countries (about 80% of exports and 3/4 of imports of services). The G8 countries account for almost half of the world's services turnover. It should be noted that the role of some developing countries in international trade in certain types of services is gradually increasing, although in general their positions remain weak due to the insufficient development of services in most of them, low concentration of capital. The share of countries with economies in transition in world exports of services is low. Currently, they act on the world market mainly as importers of services. In particular, in the near future one can hardly expect a significant increase in the export of services from countries with economies in transition, since they are poorly developed in many sectors of this sphere.

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RURAL TOURISM AS A FORM OF RECREATIONAL ACTIVITY: THEORETICAL BASES

R.V. Granovsky,

I.S. Posokhov, PhD, Y.M. Litovchenko (language supervisor)

V.N. Karazin National University, Kharkiv

Granovsky R.V., Posokhov I.S., Litovchenko Y.M. Rural tourism as a form of recreational activity: theoretical bases. The article provides an analysis of the theoretical bases of rural tourism as a form of recreation alongside prospects for its development in Ukraine. It highlights understanding of issues related to rural tourism and its distinctive features that help to distinguish it from other types such as farm

and eco-tourism, to defining its definition, recognized by both domestic and foreign scholars.

Key words: definitions, prospects for development, recreation, rural tourism, theoretical aspects.

Грановський Р.В., Посохов І.С., Літовченко Я.М. Сільський туризм як форма рекреаційної діяльності: теоретичні аспекти. Ця стаття являє собою розбір теоретичних аспектів сільського туризму як форми рекреації та перспектив розвитку цього туристичного напрямку в Україні. В ній розглядається проблематика розуміння того, чим є сільський зелений туризм, його відмінні риси, що відрізняють його від таких видів як агро- та еко-туризму, проблематика визначення його дефініції, що притаманне як вітчизняним, так і зарубіжним науковцям.

Ключові слова: дефініції, перспективи розвитку, рекреація, сільський туризм, теоретичні аспекти.

Грановский Р.В., Посохов И.С., Литовченко Я.Н. Сельский туризм как форма рекреационной деятельности: теоретические аспекты. Эта статья представляет собой разбор теоретических аспектов сельского туризма как формы рекреации и перспектив развития этого туристического направления в Украине. В ней рассматривается проблематика понимания того, чем является сельский зеленый туризм, его отличные черты, которые отличают его от таких видов как агро- и эко-туризма, проблематика определения его дефиниции, что присуще как отечественным, так и зарубежным ученым.

Ключевые слова: дефиниции, перспективы развития, рекреация, сельский туризм, теоретические аспекты.

The relevance of a chosen topic is explained by an increase in demand for rural (eco) tourism as a form of spending leisure time in the world; the trend is currently showing its growth in Ukraine that proves the novelty of the research.

Rural (eco) tourism has been developing for half a century throughout the world, but this phenomenon is relatively new for Ukraine. At the end of the 1990s, all national rural tourism organizations in Europe unified into European Federation of Farm and Village Tourism. Currently it is formed by 34 professional and trade organisations from 27 countries of geographical Europe. The objectives of EuroGites are wide-spread, given the character of this sector as based on micro-enterprises or complementary activity which require support and representation in multiple areas with the goal to provide comprehensive promotion of recreation in the countryside, to encourage study

and preservation of the rural tourism potential. First of all, interest in rural tourism is on increase among urban residents as it gives them opportunity not only to rest from big city's hassle and bustle, but also to satisfy the need for recreational, cultural and cognitive tourism. The interest in rural green tourism is stipulated by its proximity to nature and also the fact that it requires relatively little money to spend on.

Issues of rural tourism and prospects for its development are highlighted by such authors as M.Y. Rutinsky, Y.V. Zinko, P. Gorishevsky, V. Vasiliev, Y. Zinko and others. They noted the relevance of this topic as a new approach to improve the competitiveness of tourism in rural areas and as a socio-economic development of the countryside. Unfortunately, the opportunities for creating a competitive tourism industry capable of meeting demand from both domestic and inbound tourism sectors, necessary conditions for formation rural tourism development have not been properly examined.

It's easy to notice a lot of inconsistencies when comparing the definitions offered by both domestic and foreign authors and it is a serious problem of the modern tourism science. It is the problem that firstly comes up while talking about rural, ecological and farm-tourism, which may seem related at the first glance. To define what rural tourism actually is, one can refer to the Law of Ukraine on Tourism, which defines rural tourism as a type of tourism, which provides the temporary stay of tourists in rural areas for recreation and receiving rural tourism services. The services of rural tourism include members of personal agriculture, cottage and mini-hotels owners' activities in rural areas, with the provision of reservation, catering, accommodation, information and other services which are aimed at meeting the needs of tourists [2].

The concept of rural tourism is usually identified with farm tourism, but rural tourism is a much broader concept. Farm tourism involves the use of agriculture, where tourists rent a house and take part in agricultural work, help to look after cattle and consume environmentally friendly food primarily. That is to say farm tourism is one of the forms of rural tourism. The definition of ecological tourism has a variety of interpretations, but if we summarize them, one complete definition can be given: "It is travelling for tourism purposes to places with relatively unspoilt nature and valuable natural objects in order to enjoy the life in harmony with nature, the expansion of knowledge about it and recovery [3, p. 4]. Thus, it slightly relates to rural green tourism.

In conclusion, it should be noted that the lack of understanding the essence of rural tourism, lack of a universally-accepted interpretation is the problem which is common not only for the scientific activity, but for business

activity either. The growing number of tourists venturing into rural regions, and the limited and spasmodic research in the farm and rural tourism sectors, suggests that empirical research in this area is needed. There has been limited research in farm tourism because the latter lacks a comprehensive body of knowledge and theoretical framework, which is largely due to problems with definition that makes the task to distinguish farm tourism from rural tourism and other kinds of activities even more complicated. There are no clear rules of certification and licensing, no basic standards and norms, no specific rights and subjects' obligations in the field of rural tourism. All these factors suggest that the owners of various farmsteads do not have a clear idea of what services they are to provide and what type of tourism these services actually relate to. During the last decade, many bills aimed at rural tourism development were proposed, but it didn't go further. All these factors prove that terminology is in the process of developing and becoming universally-accepted by tourism specialists worldwide and in Ukraine.

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EXPORT ECONOMIC POTENTIAL OF THE TRANSPORT SECTOR OF UKRAINE

***K.R. Hamidova, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv***

Hamidova K.R., Startseva N.N. Export economic potential of the transport sector of Ukraine. This article investigates the priority directions of Ukrainian export taking into account foreign experience. The necessity of the modernization of the transport system in general and the marine industry in particular for the balanced development of Ukraine's exports is grounded. Priority directions of the maritime industry development are provided.

Key words: balanced development, export potential, maritime industry, modernization, priority directions, transport system.

Гамідова К.Р., Старцева Н.М. Експортно-економічний потенціал транспортного сектора України. У цій статті розглядаються пріоритетні напрямки експорту України з урахуванням зарубіжного досвіду. Обґрунтовано потребу модернізації транспортної системи уцілому і морської промисловості зокрема для збалансованого розвитку українського експорту. Визначено пріоритетні напрями розвитку морської галузі.

Ключові слова: експортний потенціал, збалансований розвиток, модернізація, морська галузь, пріоритетні напрямки, транспортна система.

Гамидова К.Р., Старцева Н.Н. Экспортно-экономический потенциал транспортного сектора Украины. В этой статье рассматриваются приоритетные направления экспорта Украины с учетом зарубежного опыта. Обоснована потребность модернизации транспортной системы в целом и морской промышленности в частности для сбалансированного развития украинского экспорта. Определены приоритетные направления развития морской отрасли.

Ключевые слова: модернизация, морская отрасль, приоритетные направления, сбалансированное развитие, транспортная система, экспортный потенциал.

Relevance. The priority direction in the economic field of Ukraine is to shape a strategy of the development of its export economic potential at four main interacting levels: business, industry, country, international environment. In the transition to the intensive, innovative, socially-oriented type of development Ukraine aims to become one of the leaders of the global economy and requires reasonable strategic decisions in the export of transport and transportation means in the long-term perspective. Transport is an independent sector of the economy that has its own export potential, the study of which is the purpose of the article.

World globalization and the development of international trade create favorable conditions for the development of national economy, one of the main parts of which is export potential. Export potential of the country is formed by the potential of companies, which are independent participants of international business activity.

The world economy is divided between countries. There is a tough US presence in Latin America and EU and China – in Africa. Prospective sales markets for Ukrainian food products can be India and Arab countries. At the US market the best perspectives for the Ukrainian export are agro-industrial sector, information technology sector and the aerospace industry.

The analysis of international experience shows that almost all countries regulate and stimulate foreign economic activities at the macro and mesolevel.

Export support abroad is a whole system of interacting and interrelated governmental and non-governmental institutions, which include ministries and departments, specialized agencies and expert centres, financial institutions, diplomatic missions etc.

In the majority of countries special departments are set up, which are delegated by the State to regulate foreign trade.

The experience of many countries that are recognized as oriented-at-export a successful export structure established long time ago can be adopted. They are, for example, Germany, Austria and Denmark in Europe, South Korea in Asia, Mexico and others in the USA. Not everything will work here as it works there, but successful approaches, for example of Lithuania or Canada, can be taken as a basis. The main thing is that we have the basic elements. Analyzing the structure of the current Ukrainian government, it can be mentioned that it theoretically corresponds to those of Canada or Lithuania. External relations are provided by two departments – the Ministry of Foreign Affairs and Ministry of Economy and Trade. The first is represented by the Ambassador abroad. The second has to provide information about the state of the national economy and export potential, to study the interests of the host country with the help of economic adviser at the Embassy.

The difference is only in the absence of Ukrainian export credit agency. Ukraine often loses due to the fact of deficiency of such institution, and therefore its companies lose out to foreign companies. The big problem is also the lack of understanding of the role of non-governmental organizations, who are the exports promoters.

Export duties are another major problem that prevents the development of exports to Ukraine. In the United States, Germany, Britain, Sweden the customs duties make a few percent of budget revenues. In Ukraine – it's the third part. In 1993-1997 Ukrainian export could be compared with exports of Turkey, Poland and the Czech Republic. During the 2011-2014 it dramatically came down and amounted to only 25-30% of index numbers of these countries (Poland – \$218 bn, Turkey – \$176 bn, Czech Republic – \$147 bn, Ukraine – \$52 bn).

At the age of economic globalization the regions and countries also face the new challenges in social and cultural capital formation, human capital development, including the intercultural skills. For foreign colleagues our cultural characteristics are difficult, sometimes they are like impassable barriers to build a mutually beneficial economic relationship.

The transport sector is the circulatory system of the economy of any country, that's why the problems of its development should be paid attention to. The

advanced and modern transport system is key notion for the development not only of the economy as a whole, but also of the export sector in particular.

According to the experts' research, the export potential of Ukrainian transport sector is significantly undervalued and underused, the deployed system of supporting exports and the access of Ukrainian goods to the markets of other countries are required.

The characteristics of transport services directly affect the completeness in economic relations within the country and abroad, as well as the movement possibilities of the population for meeting the production and social needs.

Economic interaction between transport markets and infrastructure services should be compelling and complementary, forming one single unit for cargo owners and consumers of the services.

The transport system of Ukraine is currently experiencing a period of stagnation. The most important issue is the technical and technological lag of transport system of Ukraine compared with the developed countries.

Ukraine basically uses the extensive development path and accordingly is given a role of a purely raw materials exporter to the developed countries. Low cost of goods, lack of innovation development lead to a lack of proprietary funds of private enterprises for their own development. One of the main reasons for the low innovation activity is insufficient scope of finance.

The central tasks of the state in the sphere of economy and in particular of the transport system of Ukraine are the following: creation of conditions for economic growth, competitiveness of the national economy and quality of life through access to safe and high quality transport services, maximum use of geographical advantageous position of Ukraine, balanced development of efficient transport infrastructure, provision of accessibility and logistics services in the sphere of freight transport, integration into the global transport system, realization of the transit potential of the country, improving the safety of the transport system and so on.

Ukraine is a maritime state, so one of the main issues facing the country is the development of the maritime industry, key elements of which are sea ports, shipping companies and shipbuilding factories.

Maritime industry also plays an important role in social and economic development of coastal regions.

The main priorities of the maritime industry development are:

- optimization and structural transformation of the maritime industry of Ukraine;
- development of scientific, technical and industrial potential of the maritime industry;

- improving the regulatory framework to ensure the functioning of all structural elements of the maritime industry of Ukraine;
- improving the attractiveness of the ports to attract new cargo flows and investments;
- creation of a reliable material base that fits in quantitative and qualitative terms the requirements of the national economy, foreign trade, international standards of transport systems;
- improvement of navigation, environmental and technological safety in ports;
- creation of appropriate financial and credit conditions for Ukrainian ship owners in vessels construction
- competitiveness of the domestic shipbuilding industry on the international shipbuilding market;
- creating appropriate stimulating economic conditions for shipment of both Ukrainian and transit goods by internal waterways.

For full use of export potential, in our view, the following set of measures should be taken:

- to ensure the institutional development of the export sector using foreign experience;
- to simplify customs procedures;
- to create the conditions for the application of the results of research of exporting enterprises in full;
- to introduce technological innovations;
- to modernize the domestic industry;
- to modernize the infrastructure of the transport system in general and the marine industry in particular;
- to provide training in the field of export for personnel of the enterprises;
- to provide tax and other benefits for exporters.

Conclusion. The implementation of these measures must go hand in hand with reforms in the economic, legal and social sphere. It is necessary to study the experience of the developed countries in the implementation of reforms in the economy, and transport system in particular, to use the most successful methods of interaction at all levels of economic relations.

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**THE POLICY OF THE USA,
THE EU AND RUSSIA IN TERMS
OF THE MAIN SECURITY PROBLEMS
OF THE MIDDLE EAST AND
ITS CONSIDERATION IN UKRAINIAN POLICY**

*A.H. Harus, O.V. Drachuk (language supervisor)
V.N. Karazin National University, Kharkiv*

Harus A.H., Drachuk O.V. The Policy of the USA, the EU and Russia in terms of the main security problems of the Middle East and its consideration in Ukrainian policy. The article is devoted to the key aspects of foreign policy of the USA, the EU and Russia towards security challenges of the Middle East and their reverse effects on states' foreign affairs. The place of Ukraine in the states' foreign affairs in the light of Middle East problems has been researched.

Keywords: domestic policy, foreign policy, international security, Middle East, national security, security challenge.

Гарус А.Г., Драчук О.В. Політика США, ЄС і Росії в контексті основних проблем безпеки Близького Сходу та її відображення у політиці України. Стаття присвячена ключовим аспектам зовнішньої політики США, ЄС та Росії щодо викликів безпеки на Близькому Сході та їх зворотного впливу на зовнішні зносини держав. Розглянуто місце України у зовнішній політиці держав у світлі проблем Близького Сходу.

Ключові слова: Близький Схід, внутрішня політика, зовнішня політика, міжнародна безпека, національна безпека, проблема безпеки.

Гарус А.Г., Драчук Е.В. Политика США, ЕС и России в контексте основных проблем безопасности Ближнего Востока и её отражение в политике Украины.

Статья посвящена ключевым аспектам внешней политики США, ЕС и России относительно вызовов безопасности на Ближнем Востоке и их обратного влияния на внешние сношения государств. Рассмотрено место Украины во внешней политике государств в свете проблем Ближнего Востока.

Ключевые слова: Ближний Восток, внешняя политика, внутренняя политика, международная безопасность, национальная безопасность, проблема безопасности.

The latest international security challenges coming from the Middle East have proved that nowadays international relations have decisive influence on the national security of each country worldwide. They determine not only state's foreign policy, but also domestic policy. The security situation in the Middle East can create both adverse effects and opportunities for Ukraine. In this regard, it is necessary to improve the scientific-analytical support of Ukrainian foreign policy course in the Middle East. These issues determine the relevance of the subject upon research.

The material of the study is based upon the statements on the official websites of the Ministry of Foreign Affairs of Ukraine [6], the Ministry of Foreign Affairs of Russian Federation [7], European External Action Service [8] and the U.S. Department of State [10]; scientific articles and textbooks on the theory of international relations of Lantsov S.A. [1] and Tsymbalistyi V.F. [2]; analytical studies of such strategic research institutes as the National Institute for Strategic Studies under the President of Ukraine [3], World Politics Research Foundation [4], Carnegie Endowment for International Peace [5], Center for Strategic and International Studies [9], mass media releases and speeches of political figures. The subject of the study is security problems of the Middle East. The purpose of the study is to analyze the direct impact of security challenges in the Middle East on the foreign policy of the USA, the EU and Russia as well as their indirect impact on Ukraine.

International security can be considered as a state of international relations which ensures the functioning of the nation-states in the conditions of their full sovereignty, political and economic independence, cooperation on equal terms with other states as well as the capacity to resist military and political pressure and aggression [1, p. 152].

Three main implications for the investigation of international security issues have been identified. First, there is an apparent departure from the traditional perception of foreign affairs exclusively in the military and political dimension.

Second, the role of economic and information security aspects is increasing. Third, the great powers keep military and political leverage on the security situation in different parts of the world [2, p. 186].

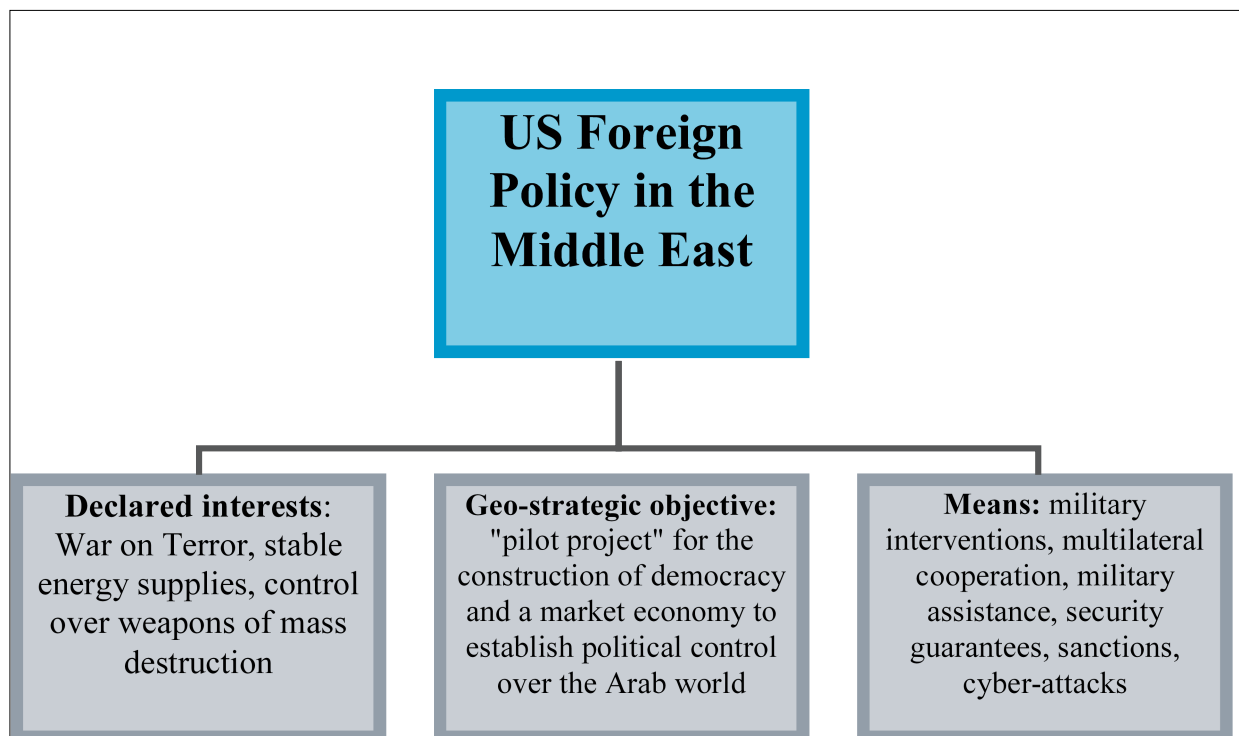
Major current threats to national and international security are military attacks, international terrorism, proliferation of weapons of mass destruction, internal armed conflicts and international military interventions.

Middle East countries have been suffering from ethnic and religious division as well as statehood crises for centuries. Thus, they are neither economically, nor politically stable or independent. In the Middle East, which is rich in strategic natural and civilizational resources, the Great Powers seek to maintain a permanent presence and consolidate their spheres of influence. Being the subject of the USA, the EU and Russian foreign policy, the region has an impact on the security situation around the world, echoing by terrorist acts in European capitals and rolling the waves of the right political movement around the world.

The main security challenges in the Middle East are civil wars and interstate conflicts, Islamic radicalism, transnational terrorism, Syrian humanitarian crisis, the Israeli-Palestinian confrontation, and the nuclear threat from Iran and the Islamic state [4]. At the same time the region is the main world oil supplier, which entails a specific set of security problems of a regional and global scale. The increase of insecurity level in the Middle East affects the international relations system.

The inconsistencies between leading international actors which are the USA, the EU and Russian Federation are growing, depending on the acceptance of each party's position on regional conflicts (primarily Syrian and Israeli-Palestinian) [3]. The discrepancy of the foreign policy interests of leading international players not only hinders the search for acceptable solutions to the Middle East conflicts, but also creates serious preconditions for the deterioration in bilateral relations between powerful states.

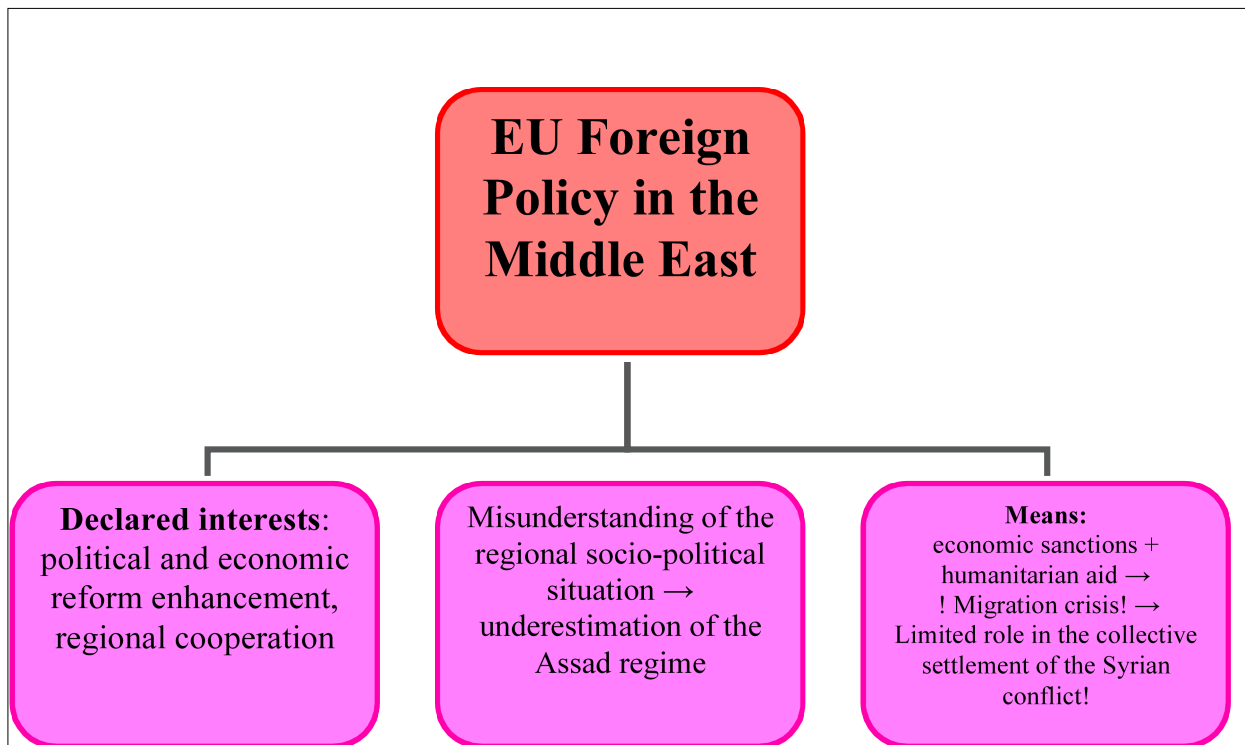
The US policy towards Middle East security issues is based on the democracy promotion of the Western model with the ultimate goal of establishing political control over the Arab world. The region has become the site of consistent large-scale international military interventions under the leadership of the United States. Such policy has proven to be efficient in combating external aggression and the overthrow of authoritarian regimes, but not in structural governance reforms, which would help to build the institutional foundations of regional security [10].



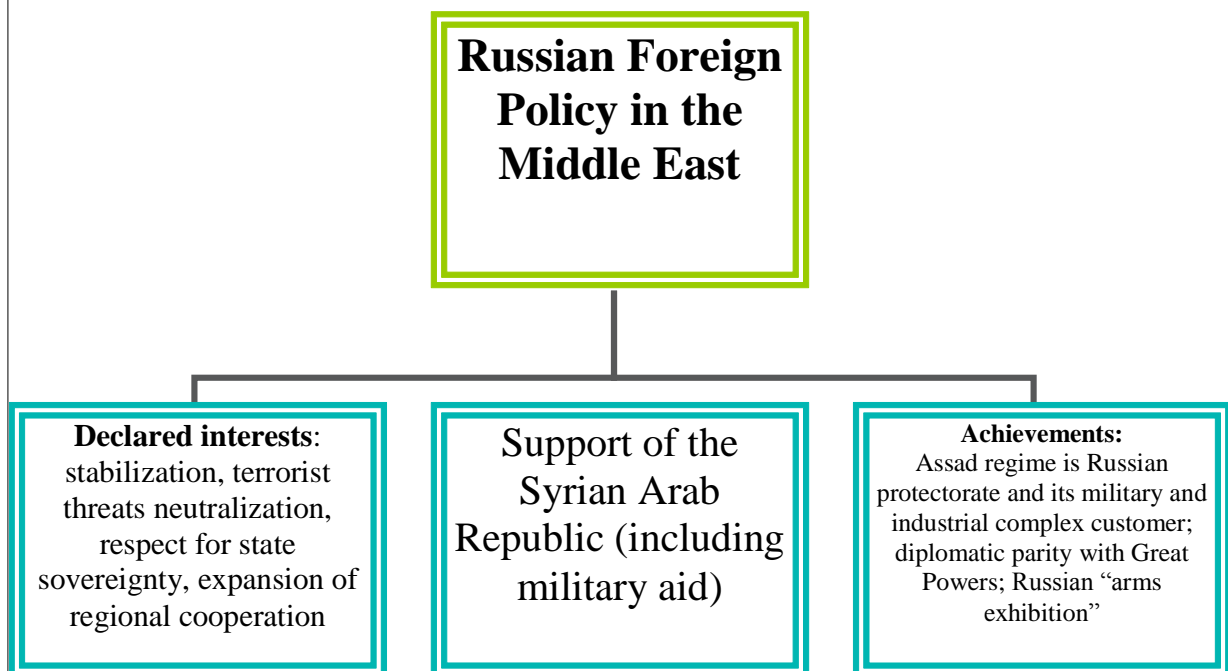
Pic. 1. US Foreign Policy to the Middle East Security Challenges
[designed by the author – Harus A.H.]

The EU policy in the context of Middle East security concerns is no participation in collective settlement of the Syrian crisis. This naturally leads to the absence of influence on the events in the region. . On the other hand, most of the humanitarian and economic consequences of the crisis are directly reflected on the EU. This contradiction requires the European Union to take a more determined political position, otherwise European states will be doomed to bear the humanitarian burden of the Syrian crisis without obtaining any strategic preferences [5]. It is the EU's responsibility to adopt a united foreign policy solution to the Middle East crisis, thus demonstrating the viability of the European project [8].

Russian policy in the context of the Middle East security problems was sufficiently successful and provided Russia with a permanent political and military presence in the region. In addition, the resolution to defend geostrategic priorities of the Russian Federation allowed it to establish parity with the United States and force all parties to reckon with Russian interests [7].



Pic. 2. EU Foreign Policy to the Middle East Security Challenges
[designed by the author – Harus A.H.]

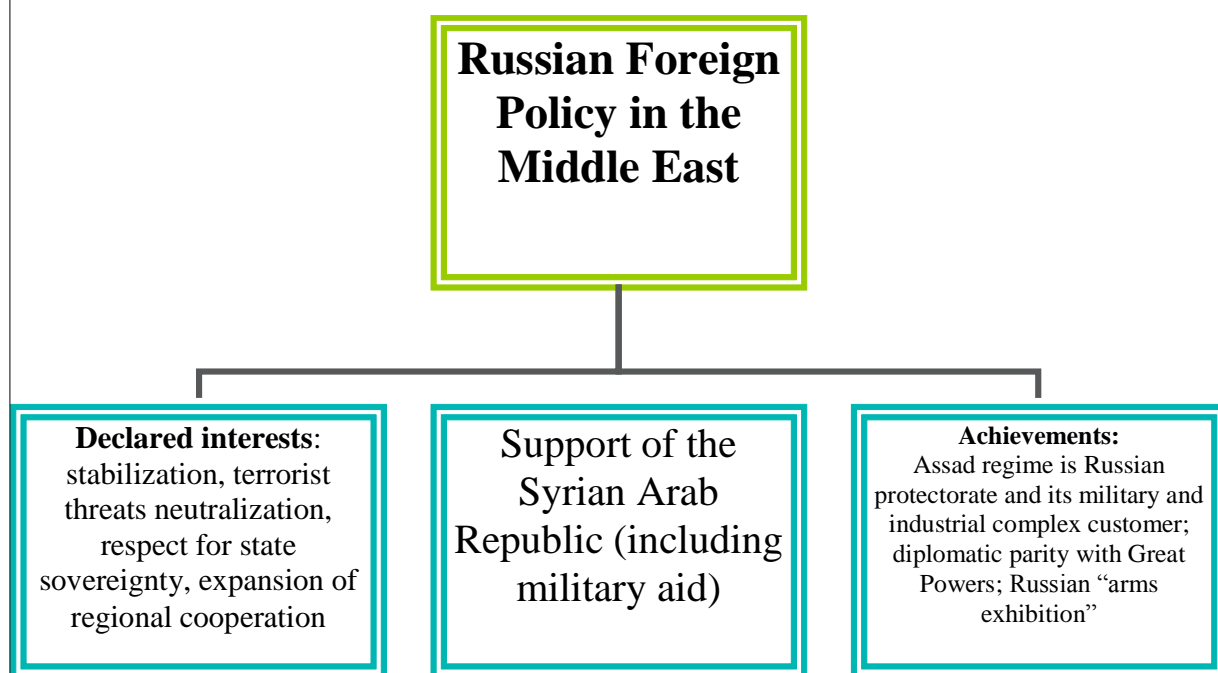


Pic. 3. Russian Foreign Policy to the Middle East Security Challenges
[designed by the author – Harus A.H.]

International community lacks a united political will regarding Syria. Regional policy of the Great Powers leads to achievement of their short-term tactical goals, but does not contribute to the regional security building [9]. The region

needs successful political reforms “from below” as well as establishment of institutional security basis. Strengthening of civil society institutions and the efficiency of governance, developing a roadmap for economic recovery in the post-conflict period is the only way to ensure their safety in the future.

Middle East countries remain one of the priorities of mutually beneficial cooperation for Ukraine and do not pose a threat to Ukrainian national security due to the absence of conflict issues in bilateral relations between Ukraine and regional states. However, the acquisition of weapons of mass destruction by some Middle East countries (especially their terrorist groups), extremist ideology expansion and emerging centers of international terrorism in Ukraine are relevant potential security threats for our country [6].



Pic. 4. Ukrainian position in the light of the Middle East Security Issues [designed by the author – Harus A.H.]

Conclusion. It is proved that the Middle East countries have faced a particularly difficult combination of local and global security problems and are now experiencing the most devastating times since World War I when the Arab states emerged. Structural reforms of governance and security institutions have become an urgent need for all countries of the region as well as the only opportunity to ensure their safety and future development. Ukraine needs to work out a balanced position on events in the region based on its own national interests and implement it in the context of the security policy of the global leaders (the USA, the EU, the Russian Federation). Taking into account

Ukraine's dependence on the foreign policy of the leading world powers and exported energy resources, it is necessary to monitor continuously the situation in the region for the adoption of strategic foreign policy solutions in the energy and economic sectors.

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EUROPEAN STANDARDS IN THE FIELD OF PROTECTION OF PRISONERS' RIGHTS

*A.G. Hava, M.V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Hava A.G., Karpusenko M.V. European standards in the field of protection of prisoners' rights. The article provides an overview of international legal acts adopted by the Council of Europe concerning the protection of prisoners' rights. It analyzes the peculiarities of protecting prisoners' rights and considers the classification of international penitentiary norms and standards.

Key words: European standards, institutional mechanisms for the protection of prisoners' rights, prisoners.

Гава А.Г., Карпусенко М.В. Європейські стандарти в галузі захисту прав ув'язнених. У статті подано огляд міжнародних нормативно-правових актів, прийнятих Радою Європи, що стосуються захисту прав ув'язнених. Проаналізовано особливості захисту прав в'язнів та розглянуто класифікацію міжнародних пенітенціарних норм і стандартів.

Ключові слова: в'язні, європейські стандарти, інституційні механізми захисту прав в'язнів.

Гава А.Г., Карпусенко М.В. Европейские стандарты в сфере защиты прав заключенных. В статье представлен обзор международных нормативно-правовых актов, принятых Советом Европы, касающиеся защиты прав заключенных. Проанализированы особенности защиты прав заключенных и рассмотрена классификация международных пенитенциарных норм и стандартов.

Ключевые слова: европейские стандарты, заключенные, институциональные механизмы защиты прав заключенных.

The purpose of this article is to investigate the cooperation of the subjects of international law in the penitentiary sphere and to overview the system of normative legal acts concerning the protection of prisoners' rights.

The intensive development of human rights principles and norms in international law has become an important part of the process of progressive changes in international law and in the process of globalization in general.

The study of the international protection of prisoners' rights is relevant because, in our opinion, they are the most vulnerable category of people because they are limited in their subjective rights. Subjects of international

relations are constantly exploring and studying this issue, adopting relevant legal acts as binding and recommendatory. The Council of Europe, the oldest regional organization on the European continent, has made a significant contribution to the international legal protection of the rights of the prisoners.

According to Art. 3 of the Statute of the Council of Europe, «every state that is a member of the Council of Europe is obliged to recognize the principle of the rule of law and the principle of ensuring for every person under its jurisdiction guarantees of the enjoyment of human rights and fundamental freedoms» [8]. One can conclude that human rights and their protection (including those in the penitentiary institution) is one of the areas of activity of the Council of Europe, whose results are enshrined in the most important international legal acts and underlie the European interstate cooperation.

European regional legal acts can be classified as general and special in the same way as universal ones. Within the framework of the Council of Europe, the following international agreements were adopted: Statute of the Council of Europe (1949); European Convention for the Protection of Human Rights and Fundamental Freedoms (1950); European Social Charter (1961); European Social Charter (revised) (1996); European Convention for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (1987).

Mandatory international standards in the penitentiary sector establish natural inalienable human rights that cannot be violated by deprivation of liberty. Section I of the European Convention for the Protection of Human Rights and Fundamental Freedoms states that prisoners have the right to life and personal integrity; health; work; vacation; non-use of torture or other inhuman treatment; respect for human dignity; freedom from slavery; freedom of conscience and thoughts; freedom of religion; inviolability of family life; self-improvement [2].

To ensure these rights, international standards recommend that the institutions of imprisonment be organized in such a way that they are places where there should be no danger to the lives, health and personal integrity of both persons deprived of their liberty and their staff. In prisons, prisoners should not be discriminated against on the basis of race, color, sex, language, religion, political or other opinion, national or social origin, property status, birth or any other characteristic [7].

The Committee of Ministers of the Council of Europe is developing a large number of recommendatory acts of penitentiary direction. Recommendations can be attributed to such a source of international law as «soft law». In the modern international legal system, the acts of «soft law» are mostly as an auxiliary way of regulating international relations. Recommendation norms

have no binding force, and appropriate social and economic conditions for their realization should be created [1].

Among the recommendations adopted by the Committee of Ministers of the Council of Europe in the area of the protection of prisoners' rights, the following can be distinguished:

- 1) Resolution of the Committee of Ministers of the Council of Europe on the prison labor of September 18, 1975;
- 2) Recommendation R (82) 17 of the Committee of Ministers to the member states concerning custody and treatment of dangerous prisoners (1982);
- 3) Recommendation R (87) 3 of the Committee of Ministers to member states on the European Prison Rules (1987);
- 4) Resolution R (89) of the Committee of Ministers of the Council of Europe on education in prison (1989);
- 5) Recommendation No. R (92) 16 on the European rules on community sanctions and measures;
- 6) Recommendation R (93) 6 of the Committee of Ministers to member states concerning prison and criminological aspects of the control of transmissible diseases including aids and related health problems in prison (1993);
- 7) Recommendation R (98) 7 to the member states of the Council of Europe on the ethical and organizational aspects of health care in prisons (1998);
- 8) Recommendation Rec (2006) 2 of the Committee of Ministers to member states on the European Prison Rules;
- 9) Recommendation Rec (2006) 13 of the Committee of Ministers to member states on the use of remand in custody, the conditions in which it takes place and the provision of safeguards against abuse, etc. [3].

Among the norms of soft law, special attention should be paid to the European Penitentiary Rules (hereinafter referred to as the EPP). The EPP is the so-called European version of the minimum standard prison rules adapted to the modern priorities and values of a civilized society. They were approved on November 12, 1987 and are recommended to the member states of the Council of Europe for implementation in their legislation and practice.

Since the regime of deprivation of liberty should not be too restrictive of the contacts of prisoners with the outside world, international standards focus on those aspects of the treatment of deprived persons that are aimed at preparing these people for a return to society, their re-socialization. In order to return prisoners to life in a society at every institution, the European Penitentiary Rules are encouraged to have a social worker, involve the public in public relations, maintain contact with the families of prisoners, and take

appropriate measures so that they can maintain and restore their rights in the field of their civic interests, social security, social privileges, etc. [4].

The Committee of Ministers also recommends that Member States apply public sanctions and measures instead of penalties. Their main idea is that they allow the offenders to be in contact with all the existing mechanisms of social control in society, allowing individuals to reintegrate into social life. It is also recommended that the states apply to the offenders the following measures: conditional release, community work (that is, unpaid work in favor of society); intensive public oversight; negotiations between the offender and the victim or reimbursement of the injured party; restriction of freedom of movement (home arrest) using electronic methods of tracking, etc. [6].

The ratification of a number of international documents by Ukraine provided an opportunity to implement international standards for the treatment of prisoners in national legislation. Thus, on May 5, 1997 Ukraine signed and subsequently ratified Protocol No. 6 to the European Convention for the Protection of Human Rights and Fundamental Freedoms, which obliged Ukraine to abolish the death penalty as the highest level of punishment of Ukraine (February 22, 2002) [5].

Conclusion. As we see, the cooperation of the states within the framework of the Council of Europe is aimed at continuous improvement of international standards in the penitentiary sphere and the development of new mechanisms for the protection of prisoners' rights.

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THE PROBLEMS OF DEFINING TERRORISM IN THE PERIOD OF MODERN TECHNOLOGICAL DEVELOPMENT

*H.A. Holodnov, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Holodnov H.A., Davydenko I.V. The problems of defining terrorism in the period of modern technological development. The article deals with the problem of understanding the term ‘terrorism’ and the definition of terrorism-derived concepts, analyzes the nature of the crime according to the intentions of terrorists and their goals; the author studies the impact of information technology, media and the information society formation on the terrorism transformation.

Key words: cyber space, cyber terrorism, information tools, infrastructure, techno terrorism, terrorism.

Голоднов Г.А., Давиденко І.В. Проблеми визначення тероризму в період сучасного технологічного розвитку. У статті розглянуто проблему розуміння терміну тероризм та виявлення похідних від тероризму понять; проаналізовано, як саме визначити природу злочину за намірами терористів та їх цілей. Звернено увагу на вплив інформаційних технологій і засобів масової комунікації та перехід до інформаційного суспільства на трансформацію тероризму.

Ключові слова: інформаційні інструменти, інфраструктура, кібер простір, кібертероризм, тероризм, технотероризм.

Голоднов Г.А., Давыденко И.В. Проблемы определения терроризма в период современного технологического развития. В статье рассмотрена проблема трактования термина терроризм и определение производных от терроризма понятий, проанализировано, как определить природу преступления по

намерениям террористов и их целей. Обращено внимание на влияние информационных технологий и средств массовой коммуникации и становление информационного общества на трансформацию терроризма.

Ключевые слова: информационные инструменты, инфраструктура, киберпространство, кибертерроризм, терроризм, технотерроризм.

Terrorism is an issue of the day for the entire world and, therefore, is a source of concern in all member-states involved in the fight against terrorism. Since 2001, more than 2,000 people have died as a result of terrorist attacks in Europe, and the Europol report for 2016 indicates that the number of people arrested for terrorism is five times more than in between 2011 and 2015. Although the report for 2017 shows a reduction in the number of attacks, terrorism still carries a deadly threat. This year, there have been several deaths from attacks in the world. Therefore, the distinction between different branches of terrorism should be emphasized first of all [4].

A number of recent attacks, including Nice and Berlin in 2016, as well as Stockholm, London, and now Spain in 2017, have raised world leaders' concerns about the importance of maintaining security at the top of the agenda. But the efforts and achievements that have been made, although often invisible to ordinary citizens, are quite noteworthy.

The extraordinary nature of the phenomenon of terrorism was studied by such experts as: Thornton T.P., A.D. Pipes. Hofmann B., Jenkins J.P. [3].

As a result of the analysis in the foreign policy of the fight against terrorism, the author set out to define the concept of terrorism and provide information on the branches of traditional terrorism.

How to change the traditional concept of terrorism in the light of new phenomena of cyber terrorism? The answer to this question will be given by exploring the components of the definition of Thomas Perry Thornton's terror: «A symbolic act designed to influence political behavior through non-constitutional means that lead to the use or threat of violence. The intention of a terrorist or rebel should be used to assess the «symbolic» nature of the target's purpose. A study of intent helps to distinguish between a simple crime that already exists in the physical world, in cyberspace and in terrorism» [1].

The second element in Thornton's definition is that terror is «an act designed to influence political behavior.» This part of the definition focuses on other political forms of political terrorism, such as criminal or pathological terrorism. Although there is no conventional definition of terrorism in the literature, political terrorism is associated with a change in action or a current regime (rebel terrorism) or other groups (terrorism of vigilance) or the entire population

(regime or state terrorism). The introduction of information warfare methods will affect the behavior of all three types of terrorism, but not the intention of the terrorist to influence political behavior [5].

Traditionally, terrorism focuses on the use of threats of violence or direct action – to cause fear or anxiety, as a rule, to achieve a certain political goal. Terrorists use the official structure of the civilized world to achieve these goals. Among other things, this exploitation includes legal and intelligence limitations of national states for action; its objectivity in news broadcasts; and its infrastructure and working principles. Almost everything in the nation state is open to its citizens for the study and use, and terrorists are not an exception. A terrorist can live in almost complete anonymity until an act of violence or a crime is committed. Usually he trains on those systems that he will use in an attack. This allows the weak to resist the strong and fight them. The terrorist lives in the opposite world, one with almost complete secrecy.

Usually only fragmentary information on the principles and infrastructure of the terrorist activity is available, if they are known at all, and the terrorist has no restrictions on the collection of intelligence or illegal activities. Terrorists are criminals who can use indiscriminate force against the population. They understand that police or military responses may be limited due to civil liberties and security problems. Their methods can be considered asymmetric, since their system of work and the civilized world are not comparable [1].

This emergence of dependence on third-wave information provides opportunities for impressive successes and serious losses for individuals, corporations and states. It is in this world that a cyber terrorist will act. Just as terrorists use widespread technologies, such as remote explosives and aerial drone vehicles (for bombing and kidnapping), they can use the tools of the «information age» to bring their work to humanity. In order to protect yourself from the threat, you need to understand its critical elements. Cyber terrorism, like «normal» terrorism, will seek to change the mind of its target audience. People will affect people. However, cyber terrorism can use different means for this. The cyber terrorist will strive not to violate the physical reality directly but rather to prevent the normal functioning of computers and other information systems. This violation of cyberspace may lead to a violation of the physical world. Violence, which is usually associated with terrorism, can go into the «cyberspace», where bits and bytes, and not people, are attacked. To understand the potential shift in terrorism, this thesis breaks terrorism information age into three categories: conventional terrorism, techno terrorism and cyber terrorism [5].

Techno Terrorism is an intermediate step between «conventional» terrorism and «cyber» terrorism. The techno-terrorist understands the importance of high-tech networks and C2 systems for the developed state. Unlike cyber-terrorists, the techno terrorist will target and attack those systems that exist in the physical world in order to violate cyberspace. Thus, the computer itself (hardware, not software) is the object of techno terrorism. The techno terrorist will use «conventional» weapons, such as bombs and physical destruction, to destroy or disable those systems that control cyberspace [3].

The term cyber terrorism refers to the use of tactics and methods of information warfare by terrorist organizations to influence cyberspace. A cyber terrorist will operate exclusively in cyberspace and will not physically destroy any infrastructure that supports the existence of cyberspace. While cyber-terrorists want to influence the actions of real people in the real world, they act in the virtual world of cyberspace to manipulate these actors. Thus, if cyber-terrorists want to remove a telephone system or an electric grid, they will attack the computers that control the system, rather than the auxiliary physical components [3].

The irregularity of terrorist means and objectives is crucial for understanding the effectiveness of terrorist violence. Schmid argues that «ordinary phenomena lead to standardized answers and mechanisms for overcoming.» Terrorist violence violates the pattern of ordinary human actions. Precisely because terrorist acts go so far beyond the «norms» of violence adopted in society that they generate such unusual reactions [5].

Conclusion. The long-standing dilemma of combating terrorism in a democratic society is about to find the right balance between civil liberties and civil security, to consider special problems related to IT. The National Security Agency should use flexible, comprehensive responses to combat information terrorists using information warfare tactics designed to counter the phenomena of the gray zone, but which also combines resources from «normal» anti-terrorist and law enforcement agencies.

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INCREASING OF COMPETITIVENESS OF AGRICULTURAL PRODUCTS OF UKRAINE ON THE WORLD MARKET

*Y.Y. Honcharova, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Honcharova Y.Y., Startseva N.N. Increasing of competitiveness of agricultural products of Ukraine on the world market. The article analyses the competitiveness of Ukrainian agricultural products on the world market, considering the volume of Ukrainian export and import of agricultural products. The ways of improving the competitiveness of Ukrainian agricultural products are suggested in the article.

Key words: agricultural products, export, import, the competitiveness, world market.

Гончарова Ю.Ю., Старцева Н.М. Підвищення конкурентоспроможності товарів аграрного сектору України на світовому ринку. У статті надано аналіз конкурентоспроможності українських товарів аграрного сектору на світовому ринку, проаналізовано обсяги експорту та імпорту аграрної продукції. У статті наведено шляхи підвищення конкурентоспроможності українських товарів.

Ключові слова: експорт, імпорт, конкурентоспроможність, світовий ринок, товари аграрного сектору.

Гончарова Ю.Ю., Старцева Н.Н. Повышение конкурентоспособности товаров аграрного сектора Украины на мировом рынке. В статье дан анализ конкурентоспособности украинских товаров аграрного сектора на мировом рынке, проанализированы объемы экспорта и импорта аграрной продукции. В статье приведены пути повышения конкурентоспособности украинских товаров.

Ключевые слова: импорт, конкурентоспособность, мировой рынок, товары аграрного сектора, экспорт.

Relevance. Since the time Ukraine became an independent state, one of the most important problems has been the problem of competitiveness of domestic goods on the world market. The efficient and stable development of the economy depends on the competitiveness of its products. Nowadays

competitiveness of Ukrainian agricultural goods remains low, despite the huge export potential in many sectors of the economy. Therefore, the solution of the problem of competitiveness of Ukrainian goods on the world markets is urgent at present.

The purpose of this article is to study the current state and competitiveness of Ukrainian agricultural goods on the world markets.

The article deals with the following issues, the disclosure of which is its objective:

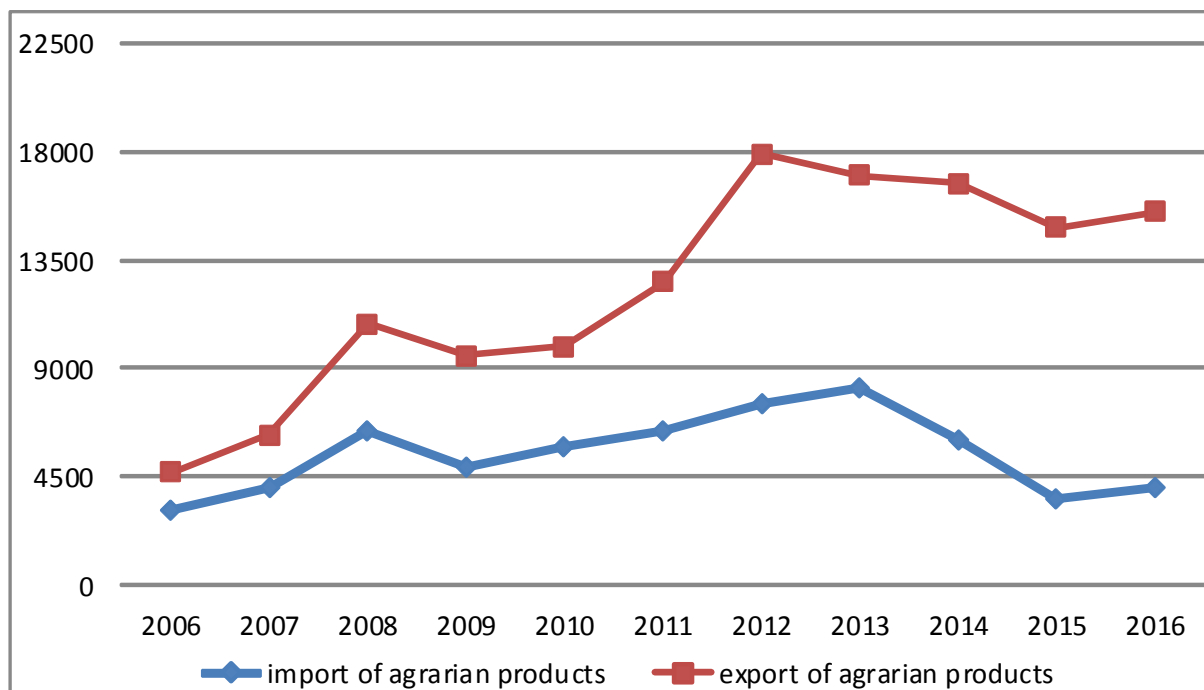
- revealing the peculiarities of competitiveness of Ukrainian agricultural goods on the world markets;
- identifying problems and ways of increasing competitiveness of Ukrainian agricultural goods on the world markets.

The subject of research is the analysis of the current state of the competitiveness of Ukrainian agricultural goods on the world markets. The object of the research are the peculiarities of competitiveness of agricultural goods.

Research methods. To solve our targets we have used the methods of observation, comparison, analysis and synthesis of data obtained.

In modern conditions, the problems of international competition become the most important, especially with the integration of Ukraine into the world economic system.

On the one hand, the low competitiveness of domestic agricultural products leads to the growth of import dependence of the domestic market of Ukraine. On the other hand, Ukrainian producers, which export agricultural goods are facing the problem of poor quality of the goods and as a consequence the export products can be either raw materials or semi-finished products only. Therefore as a result of export operations, funds are not returned to the economy of the country and a commodity intervention of better foreign products and advanced technology takes place. This leads to the outflow of national wealth to the other participants of the international economic relations and the deterioration of the monetary situation of the country [3].



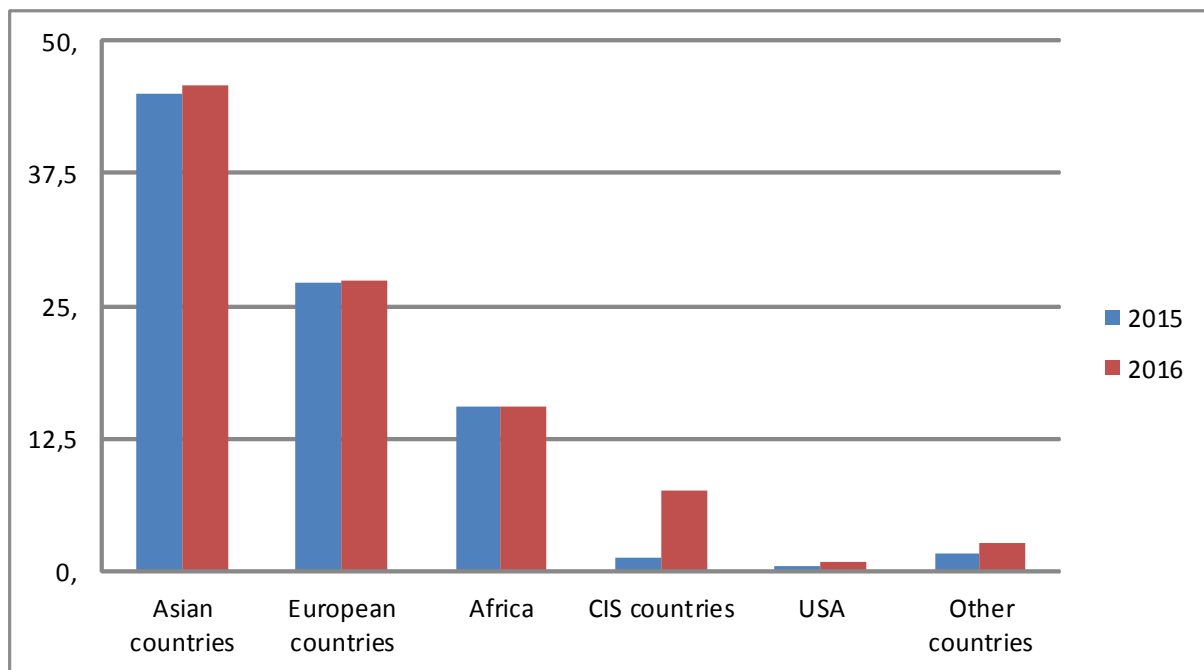
Source: [2], [4].

Figure 1. Volume of export and import of agrarian products to world market, billion USD

The foreign trade turnover of the agro-industrial complex of Ukraine in 2016 amounted 19.6 billion USD, which states an increase compared to 18456 billion USD 2015. The volume of the exports of the agricultural sector for the above period (2016) amounted to 15.5 billion USD, the increase was 669 billion USD since 2015. The volume of imports for the year 2016 amounted to 4.1 billion USD, the increase was 475 million USD.

The most important factors of a positive balance of the agricultural products in the volume of export remain the following positions: sunflower oil or safflower oil – by 22.3% (525.8 million USD); sugar – increasing by 2.4 times (65.1 million USD); legume vegetables – increasing by 2.1 times (56.6 million USD); meat – by 24.1% (46.6 million USD); honey – by 13.4% (8 million USD); fruit – by 20.3% (7.3 million USD); bran, forage flour and other wastes – by 14.7% (7.2 million USD); fresh or chilled beef – by 34.3% (7.1 million USD) [1].

Geographic structure of Ukrainian exports last year didn't change more than 95% of supplies came to the countries of the European Union, Asia, Africa and the CIS.



Source: [1], [4].

Figure 2. World structure of export of agricultural products for 2015-2016 years, %

Agricultural exports from Ukraine to Asia increased to 7.1 billion USD, as a result the share of Asian countries in the overall structure of exports of Ukrainian agricultural products increased to 45.8% from 45.1% in 2015. Exports to the EU in 2016 compared to 2015 increased to 4.2 billion USD. Africa in 2016 increased its imports of Ukrainian agricultural products to 2.4 billion USD. The volumes of supplies of agricultural products to CIS countries last year decreased by 21.4% compared to 2015 and totalled 1.2 billion USD.

The basis of the commodity structure of Ukrainian agricultural export to these countries was: sunflower oil – 4.8 million tons (in 2015 – 3.6 million tons), sugar 465.9 thousand tons and grain crops – 23 million tons (wheat – 11.5 million tons, barley – 4.3 million tons, corn – 7.1 million tons) [5].

The increase in export of the goods of the agricultural sector is associated with the introduction of new technologies, the use of raw materials of higher quality, partial modernization of equipment and machinery. Competitive advantage of Ukrainian products is the result of the increase of research and development costs spent by agricultural enterprises [5].

Conclusion. For further increase of the competitiveness of Ukrainian goods of the agricultural sector on the world market, it is necessary to continue to introduce advanced foreign technology and expand the range of agricultural products. But the most important criterion of improving the competitiveness

of goods is an improvement of the state policy in the field of agrarian production, which would create conditions for the protection of domestic producers, the formation of a national certification system, the adoption of the rules, standards and effective system of state support and the development of agricultural production taking into account global trends of human environmental development.

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TOURISM IN THE CONTEXT OF GLOBALIZATION

*A.O. Hruzinskaya, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Hruzinska A.O., Skrypnyk T.I. Tourism in condition of globalization. The article deals with impact of globalization on tourism industry. The author analyzes the structure of worldwide tourism and the relationship between tourism and globalization.

Keywords: causes, globalization, tendencies, tourism.

Грузинська А.О., Скрипник Т.І. Туризм в умовах глобалізації. У статті розглядаються стан і тенденції розвитку туризму в умовах глобалізації. Автор аналізує структуру туризму на світовому рівні і взаємозв'язок туризму і глобалізації.

Ключові слова: глобалізація, причини, тенденції, туризм.

Грузинская А.А., Скрипник Т.И. Туризм в условиях глобализации. В статье рассматривается влияние глобализации на туристическую сферу. Автор анализирует структуру туризма на мировом уровне и взаимосвязь туризма и глобализации.

Ключевые слова: глобализация, причины, тенденции, туризм.

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

The subject of this research is tourism in conditions of globalization.

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

Relevance of the topic. The scale of the development of international tourism is indicative of its global nature. Tourism has shown extraordinary strength and resilience in recent years, despite many challenges, particularly those related to safety and security. Yet, international travel continues to grow strongly and contribute to job creation and the wellbeing of communities around the world.

For example, for 8 months of 2017, almost 901 million tourists visited the tourist points around the world, which is 56 million or 7% more than in the same period in 2016 [4]. So, as you can see it is a big difference and it makes studying of tourism business really important.

Analyzing our world generally, we can see tendency of growth in each region in 2016: Africa (+ 9%) and Europe (+ 8%), Asia-Pacific region (+ 6%), the Middle East (+ 5%) and America (+ 3%) also increased.

Globalization is the increasing interaction of people through the growth of the international flow of money, ideas and culture. Globalization is primarily an economic process of integration which has social and cultural aspects as well. It involves goods and services, and the economic resources of capital, technology and data.

Based on the definition, we can assess the impact of globalization on tourism from a number of perspectives: global mobility and ease of travel; terrorism, safety and security; increased awareness of new destinations; and poverty.



Source: [3]

Picture 1. International tourists arrivals 2016

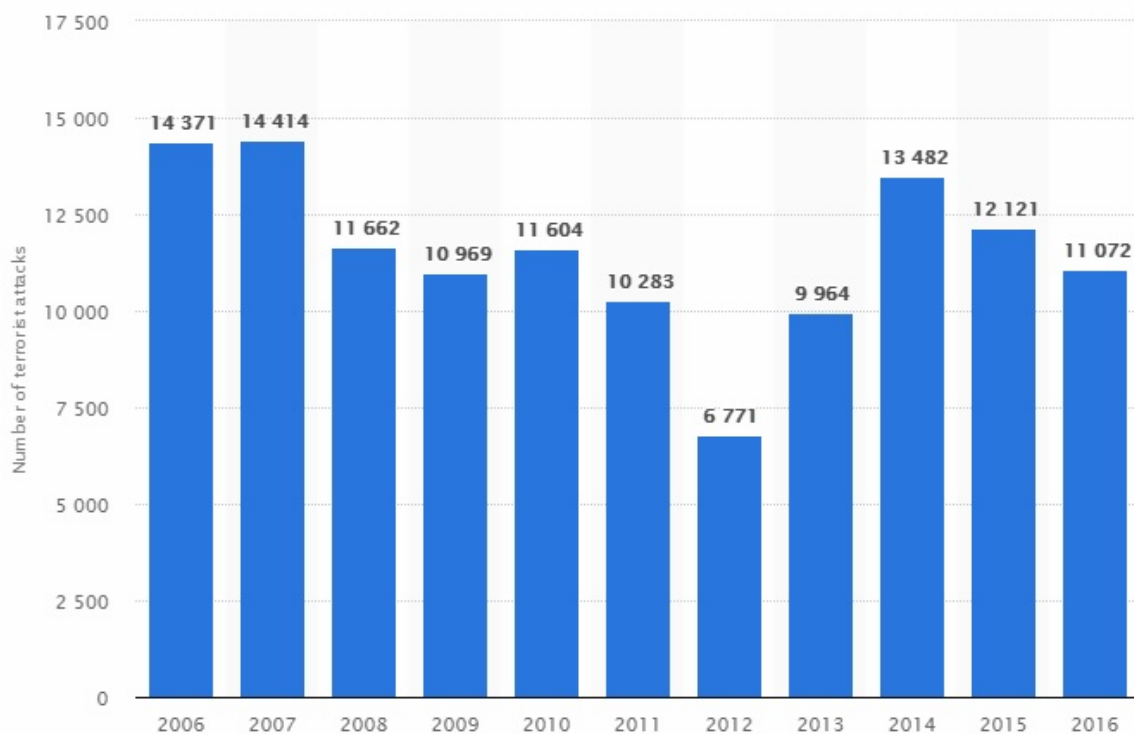
Nowadays, people almost do not have any barriers for travelling. Fast trains, road systems, and even city bike rental programs enable people to move, tour, and explore the world. These changes have allowed more people to travel more often in less time. Ease of travel has also helped to overcome the barriers of fear, frustration, and expense. For example, an international banking system allows access to money almost from all over the world. Moreover, multinational corporations, which provide flights, local transportation, and accommodation and food, have allowed for “one-stop shopping” for travel bookings. Handheld devices have also changed the nature of travel in terms of what travellers do and how they interact with a destination, making it easier to, for example, select a restaurant, museums, navigate a big city, or translate a foreign language. As a result, there are fewer unexplored places in the world anymore. People need only their mobile phone, and there are no problems with nothing.

Unfortunately, globalization has also negative impact. Terrorist attacks and political unrest globally have certainly disrupted tourism, but not halted it. The

areas most affected, of course, are those where unrest has occurred and has been the focus of extensive media attention. A global terrorism index produced by the Vision of Humanity organization shows a fivefold increase in terrorist fatalities since 9/11 (MacAskill, 2014). The Islamic State (ISIS), Boko Haram, the Taliban, and al-Qaida are groups responsible for many of the 18,000 terrorism-related deaths in 2013, which represented an increase of 60% over the previous year. Governments from each countries try to solve these problems, but now they do not have enough results to say that terrorism will not be exist in the near future.

While safety and security may not be the driving reasons for tourists selecting a particular destination, certainly a lack of safety and security often eliminates a location from travellers’ “wish lists.”

Safety and security for travellers is becoming more important as countries move to protect their citizens. Government agencies around the world produce advisories and warnings for their citizens to stay away from dangerous locations and political unrest.



Source: [1]

Figure 1. Number of terrorist attacks worldwide between 2006 and 2016

The statistic shows the number of terrorist attacks worldwide between 2006 and 2016. 11,072 terrorist attacks were recorded in 2016 worldwide [1].

Furthermore, travel advisories serve as warning systems for people from specific countries to avoid particular destinations because of actual or potential threats to citizens. The focus on safety and security has had several impacts on travelers. Most notably, security at most airports has been increased in an effort to protect people and planes. Screening procedures can take longer and some items are no longer allowed on board. Other security requirements, such as showing passports and providing fingerprints, have been implemented for entry into some countries. While all acts of terrorism cannot be stopped, the tourism industry is attempting to provide as much safety and security as it can [3].

Another influence of globalization on tourism is a greater awareness of destinations and the range of leisure activities, sites, and cultures to visit around the world. Generating knowledge of a destination is obviously a key first step in marketing a destination, and this is achieved by way of travel shows, films, blogs, and other forms of communication. The competition to attract visitors is fierce considering the sheer number of places available for travel; it can be easy to get lost in the noise of global competition.

It is a well-known fact that globalization has contributed to increased demand for goods and services and overall economic growth, with the result of global poverty having decreased over the years. However, at the same time, the gap between the richest and poorest has expanded. A significant portion of the world's population is simply unable to participate in, or benefit from, tourism. The economic gains from a tourism economy in a developing country such as Honduras versus a developed country such as Canada is unequal. Simply put, not everyone has the same opportunities to profit. Environmental costs are also unevenly distributed in the world, with poor countries lacking the resources to adapt to impacts (such as droughts, increased disease, soil erosion), and shouldering the majority of the repercussions of phenomena such as global warming.

It is important to emphasize that tourism, like most other industrial sectors, is affected by global economic trends. Tourism was initially negatively impacted after the global financial crisis of 2007-2008, with international tourism arrivals dropping globally. However, the industry was quick to rebound, with the number of travelers increasing by 2010, surpassing the 1 billion mark in 2012 [2].

Cultural changes also are became more visible, than it was few years ago.

Political changes and disasters caused by human factors result in uncertainty which makes a destination less appealing to potential tourists. Studies show that safety represents one of key factors by which tourists

choose a destination. Bearing in mind that today's companies operate in the circumstances of the so-called global competitiveness, still it is impossible to define a global tourist product due to different demographic features of tourists, fluctuation in the number of trips throughout the year, different levels of experiences gained during the trip, and uneven quality of provided services that partially contribute to the overall competitiveness of a destination.

Globalization is largely possible owing to technological changes. ICT is a catalyst of changes in the environment and has a strong impact on tourist movements. ICT contributes to spatial – temporal convergence. Innovative approach and new business techniques implemented by entities in tourism particularly come to the fore in the creation, distribution, and information on tourist products.

Conclusion. Globalization characterizes the economic, social, political, and cultural spheres of the modern world. Tourism started to be independence sector of economics. Moreover, nowadays it has pride of place in the life of each city, country and region. Because of impact of globalization tourism have both of positive and negative sides. But, as for me, there are more pluses, because globalization gives people more opportunities to expand horizons, see the world and become a part of big family – humanity.

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FRANCHISING RELATIONS IN TOURISM: BENEFITS AND WEAKNESSES

*K.O. Ignatenko,
I.M. Shamara, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Ignatenko K.O., Shamara I. M., Litovchenko Y.M. Franchising relations in tourism: benefits and weaknesses. This article identifies the advantages and disadvantages of franchising, presents the concept of the system's formation, reflects

the ongoing changes in the Ukrainian franchising area and suggests the prospects for the franchising market in Ukraine.

Key words: franchisee, franchise relations, franchising, franchisor, Ukraine.

Ігнатенко К.О., Шамара І.М., Літовченко Я.М. Франчайзингові відносини в галузі туризму: переваги та недоліки. У статті визначено переваги та недоліки франчайзингу, представлена концепція формування системи, відображені зміни, що відбуваються в сфері українського франчайзингу та висловлені припущення про перспективи франчайзингового ринку України.

Ключові слова: Україна, франчайзинг, франчайзер, франчайзі, франчайзингові відносини.

Игнатенко К.О., Шамара И.Н. Литовченко Я.Н. Франчайзинговые отношения в области туризма: преимущества и недостатки. В статье определены достоинства и недостатки франчайзинга, представлена концепция формирования системы, отражены происходящие изменения в сфере украинского франчайзинга и высказаны предположения о перспективах франчайзингового рынка Украины.

Ключевые слова: Украина, франчайзинг, франчайзер, франчайзи, франчайзинговые отношения.

The relevance of a chosen topic is grounded by the fact that franchising is currently one of the most effective forms of promotion of goods in Ukraine and abroad. The purpose of the research is to investigate trends of development of franchising in the XXI century. Franchising is a form of cooperation between legally and financially independent sides (companies and / or individuals) where one side (franchisor) which has a successful business, a well-known trademark, a know-how, trade secrets, reputation and other intangible assets, allows the other side (franchisee) to use its property under certain conditions.

Tourism is one of the most common business types for franchising. And it is not all about a famous brand, or borrowing some business schemes, but in well-established relations with foreign partners, namely, a host country, sightseeing companies, hotels, and etc. That is why nowadays, franchising in tourism is gaining popularity all over the world and judging by the market size it is approaching the sales volume of the food industry.

The advantages of a franchising company in the field of tourism are:

- 1) A well known brand. Everything is clear here, a well-known brand is always better than an unknown. Although, it is worth noting that a well-known name is not the most important component in the case of tourism;
- 2) Personnel training. It's obvious that not all franchisers provide free training for the franchisee staff, but the best franchisers surely do this. However,

their income depends on franchise's success, and personnel is one of the most important resources in the tourism business;

- 3) Business-scheme for doing business. The franchisee receives a ready-made scheme of work organization that works effectively in another company;
- 4) Relations with foreign partners. First of all, these partners are hotels and, secondly, various objects of cultural and mass recreation;
- 5) Developed tourist network. The number of variety of places where you can offer your customers to go is sharply expanding when using your franchisor's tourist network. And this, consequently, increases the number of franchisee's potential clients.

Another important point is that all tourist trips to franchisor's country of work will immediately become more convenient for each franchisee's client because the meeting-company in host country will be actually the same company which organised their trip in their native country.

Ukraine's tourist market has developed strongly in recent years. The attention is paid to domestic tourism, foreign tourism became predominant due to the fact that the international tour operators joined the market. Many companies consider franchising as a way of their development. And for travel agencies this is a chance to get the flow of customers quickly immediately after starting a business. Franchising in tourism is quite strongly developed, about half of travel agencies are operating on a franchise and there is a number of reasons [1].

At the moment, there are two types of franchising in the tourism market: independent agencies with a developed network in the regions and tour operator companies that provide franchises to successful travel agencies such as Pegas Touristic and Coral Travel. For most travel agencies, a well-known brand is the only chance to develop a successful agency.

Franchising in tourism, as well as in other areas, provides the support of the franchisor at every stage of business development. The support of the tourism industry involves legal and accounting support, service support (hotel reservation, transfer, air travel, own host companies in different countries), marketing promotions and customer flow. Clients are actively using franchise's network services thus increasing the company's success by 30%.

As any large company constantly expands the chain of its services, the tour operator retailer expands the flight program, therefore, the agency receives a powerful and dynamic development working with such a brand. Franchising in tourism differs from other franchising spheres by the fact that large tourist

companies do not prohibit the sale of competitors' tours, in contrast to commodity franchises.

About 80% of business works on franchising in the USA, in Europe this number is 67% in contrast to Ukraine's 25%. The following year, experts hope, the figure will grow to at least 30-35%.

Franchising is an opportunity to get support from a partner and to remain an independent company at the same time. Like any other way of doing business, franchising has its advantages and disadvantages [2].

The advantages for the franchisor are:

- 1) Expansion of the tourist services' market sales;
- 2) Regulation and control over the quality of doing business;
- 3) Implementation of a single pricing policy;
- 4) Obtaining of income from the purchase of rights to use the trademark;
- 5) Economy of resources at the expense of the franchisee, which uses its own sources of financing of its activity;
- 6) Saving of financial resources in the absence of the need for the establishment of subsidiaries;
- 7) Stability of obtaining additional income due to the interest of the franchisee in increasing sales as an independent legal entity.

The advantages for the franchisee are:

- 1) The franchisee does not lose its independence in making decisions and is an independent legal entity;
- 2) The franchisee has a significant economy of resources and time spent on advertising, training, marketing research, developing and registering its own trademark, developing of technology for doing business, negotiating and finding partners;
- 3) The franchisor helps to obtain a tourist license;
- 4) The franchisee does not start its business «from a scratch», but joins a ready-made business;
- 5) The franchisee has the right to use a well-known trademark that was well proven on the market;
- 6) The franchisee takes over the experience, franchisor's knowledge and business technologies, also it has the opportunity to constantly improve the skills of its employees at seminars and trainings involving the leading specialists in the tourism business;
- 7) The franchisee receives an automated system for dealing with clients, which helps to run a business more productively;
- 8) The franchisee receives advertising, informational products, promotional materials and extras;

- 9) The franchisee has the opportunity to sell air tickets without obtaining any special accreditation through the franchisor's office;
 - 10) The franchisee can take advantage of the constant consultation and legal support on tourism business from the franchisor;
 - 11) Reduces the risk of franchisee's bankruptcy;
- The benefits for the consumer are:
- 1) The franchise tour of the firm usually provides a higher level of service at the expense of quality control by the franchisor;
 - 2) If the travel agency is closed, you can contact the parent company;
 - 3) The franchisee provides the consumer with a greater degree of personal involvement.

The main problems preventing the widespread use of franchise schemes in Ukraine include lack of a regulatory and legislative framework for franchising, relatively high cost of a franchise along with a low purchasing power of buyers, lack of detailed information on franchising, lack of specialists involved in the franchising system and difficult conditions for business organization.

To sum up, in spite of obvious advantages, franchising trust is only developing in Ukraine. However, the Ukrainian economy is developing dynamically, and nowadays it is possible to set up a business company using franchising schemes. Not every entrepreneur can afford a large marketing budget and serious investment in promoting the brand. Therefore, many prefer to buy a franchise, namely, the right to use the famous brand. As a rule, both franchise buyers (franchisees) and franchisees are brand benefit from such a scheme [4].

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INVESTMENT CLIMATE IN UKRAINE: RECENT TRENDS

*S.V. Ivanchenko, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Ivanchenko S.V., Startseva N.N., Investment climate in Ukraine: recent trends.

The article focuses on the current state of investment climate in Ukraine, it determines the key sectors for capital investment, the volume of Foreign Direct Investment in Ukraine and puts forward the forecast of economists concerning attraction of foreign capital in the near future

Key words: capital investment, Deep and Comprehensive Free Trade Area (DCFTA), Foreign Direct Investments (FDI), International Financial Institutes (IFI), investment climate, National Investment Council.

Іванченко С.В., Старцева Н.М., Інвестиційний клімат в Україні: останні тенденції. У статті особлива увага приділяється сучасному стану інвестиційного клімату в Україні визначено ключові сектори для капіталовкладень, обсяги прямих іноземних інвестицій в Україну та запропоновано прогноз економістів щодо залучення іноземного капіталу в найближчому майбутньому.

Ключові слова: Глибока та всебічна сфера вільної торгівлі (ГВСВТ), інвестиційний клімат, капіталовкладення, міжнародні фінансові інститути (МФІ), Національна інвестиційна рада, прямі іноземні інвестиції (ПІІ).

Иванченко С.В., Старцева Н.Н., Инвестиционный климат в Украине: последние тенденции. В статье особое внимание уделяется современному состоянию инвестиционного климата в Украине, определены ключевые сектора для капиталовложений, объемы прямых иностранных инвестиций в Украину и предлагается прогноз экономистов относительно привлечения иностранного капитала в ближайшие годы.

Ключевые слова: Глубокая и всесторонняя сфера свободной торговли (ГВССТ), инвестиционный климат, капиталовложения, международные финансовые институты (МФИ), Национальный инвестиционный совет, прямые иностранные инвестиции (ПИИ).

Relevance. The article deals with the problem of creating favorable business climate in Ukraine which is one of the most urgent tasks nowadays. The year 2016 was a year of macroeconomic stabilization in Ukraine. The government has introduced a number of promising reforms during 2015-2016 which had an aim to ease the investment climate and attract investors into the country. However, the Ukrainian economy has shown only the first signs of

stabilization in recent years. The purpose of this article is to describe the current investment climate in Ukraine for the last years.

The subject of the research is the trends and the features of investment activity in Ukraine.

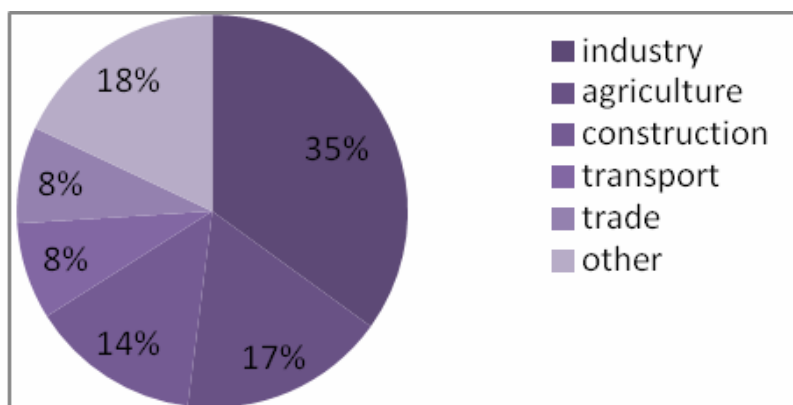
As far as since 2016 Ukraine has achieved macroeconomic stabilization, the country switched its focus to supporting economic growth and modernization of the economy. However the reforms already started in 2014 in the energy and financial sector. Anticorruption, deregulation, corporate governance of state-owned companies and budget consolidation created a background for further economic growth.

With the Deep and Comprehensive Free Trade Area (DCFTA) agreement signed 1 January 2016, Ukraine opened export opportunities to the European market and created a solid base for becoming a European manufacturing base.

The need of the new Foreign Direct Investments (FDI) is crucial for the further economic development and the increase of peoples' well-being. Together with day-to-day business environment improvement attraction of investments backed by the state and their promotion is a pivotal component of attracting FDI to the country.

The National Investment Council was established by the President of Ukraine to set a public-private dialogue with key business leaders about investments promotion, boosting FDI and overcoming key obstacles of Ukrainian regulatory environment. The Office of the National Investment Council is a non-governmental organization which serves as a platform for public-private dialogue bringing together representatives of the business community, International Financial Institutes (IFI) and Ukrainian officials. The institution provides analytical coverage of the key sectors of Ukrainian economy, highlighting sectors potential for investments, as well as regulations and issues related to investments in these sectors [1].

The pie-chart below represents the key sectors of capital investments: industry (35%), agriculture (17%), construction (14%), transport (8%), trade (8%) and other(18%).



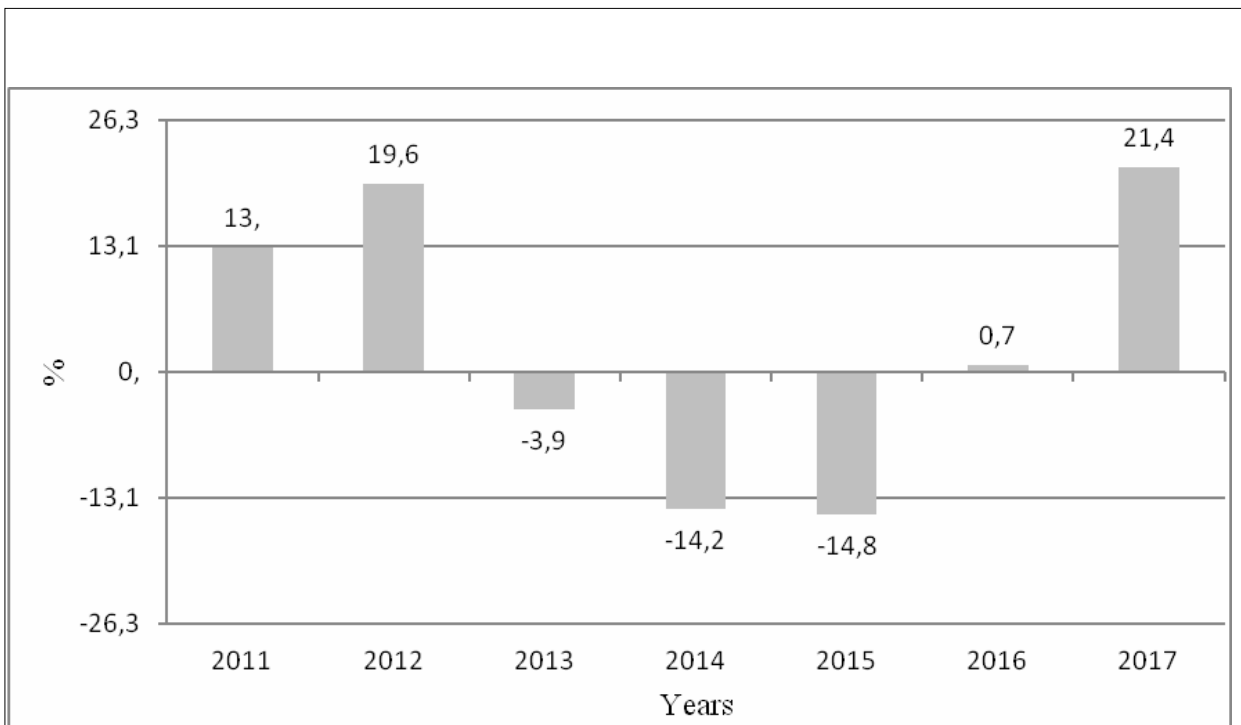
Source: [3]

Figure 1. Key sectors of capital investments 2017 (%)

The volumes of capital investments into Ukrainian agriculture, and grain logistics increased by 73.8% amounting to 17 billion in first half (1H) 2016.

The investment growth in agriculture is a result of macroeconomic stabilization in Ukraine in 2015-2016. A positive factor is the gradual liberalization and easing of administrative restrictions imposed by the National Bank of Ukraine. In particular, the regulator has lessened the requirements for the mandatory sale of foreign currencies to the agricultural exporters from 75% to 65%. The Currency Board also partially lifted the ban on repatriation of dividends [4].

During 2016, Ukrainian IT sector managed to attract more than \$130 million of investments (in 2015, by comparison, this figure amounted to \$39 million), and the volume of export of IT-services reached \$2.5 billion, competing by this indicator with the agribusiness sector and metallurgy. In total, over 1000 IT-companies and more than 100 scientific centers operate in Ukraine now. Universities produce 6-7 thousand professionals in this field annually [5].



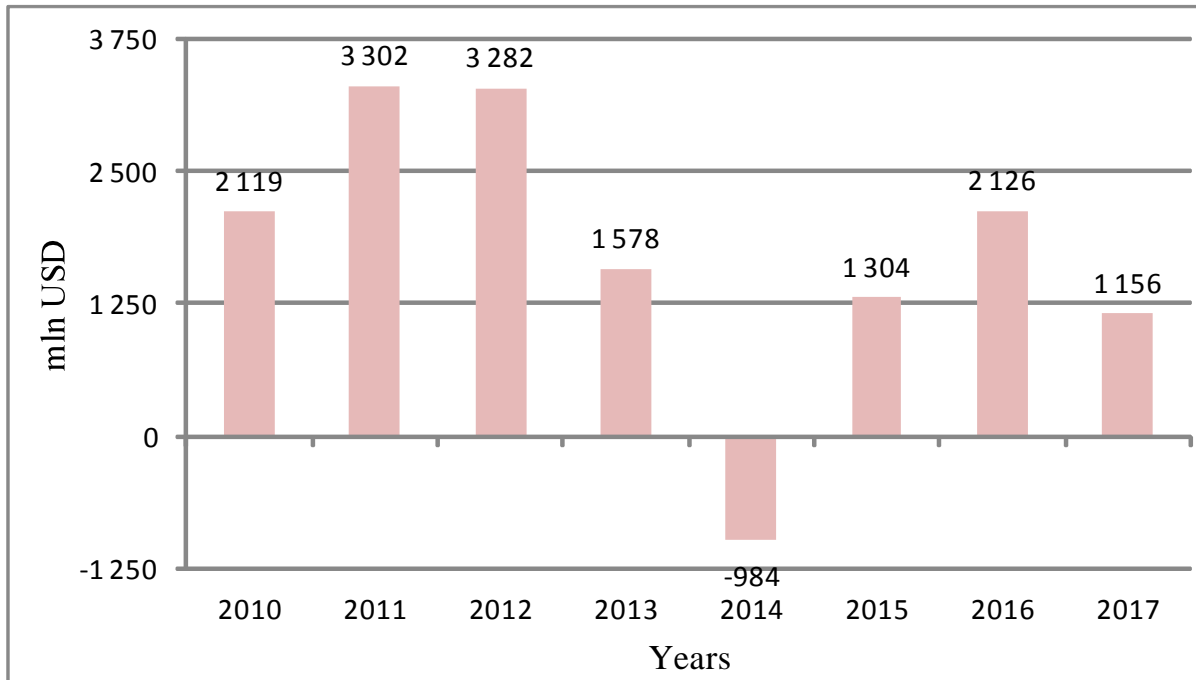
Source: [2]

Figure 2. Capital Investments Growth in Ukraine in the first quarter (1Q), 2011-2017, (%)

According to the statistics given above the volume of capital investments is growing for the second year running, it increased from 0.7% in 1Q 2016 to 21.4% in 1Q 2017.

During 2014-2015 the Ukrainian government implemented a set of measures to create a whole new level of business environment, which would provide economy revival and steady development in Ukraine. As a result, Ukraine raised to the 80th position in ranking out of 89 countries assessed on 2017 the World Bank's "Doing Business" Report [6].

The FDI inflow (net) in the 1H 2017 amounted to \$1,156 million and was mostly directed to the real sector of the economy. This explains the decline of FDI compared to 2016, when the most investments (74%) were made by international parent banks in order to capitalize Ukrainian subsidiary banks (Figure 3).



Source: [2], [3]

Figure 3. Foreign Direct Investment in 2010 – 1H 2017, (mln USD)

Increasing FDI inflows is one of the Ukraine's main goals for the next several years. The government expects inflows to rise to \$ 5.5 mln by 2020.

According to the forecasts of the economists, Ukraine in the next 15 years has a good chance to get from \$120 billion to \$270 billion in FDI. If conditions permit, these figures will be real.

Conclusions. Despite the urgent problems with the existing business climate in Ukraine, and difficult political situation of the last years, access to the global resources of investors becomes a key priority of the Ukrainian economy which welcomes foreign capital and the government must ensure its appropriate legal protection on the territory of our country. This will be the key to successful attraction of billions of dollar investments into the country.

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THE LIMITS OF POPULATION GROWTH

***A.V. Ivanov, O.V. Maksymenko (language supervisor)
V.N. Karazin National University, Kharkiv***

Ivanov A.V., Maksymenko O.V. The limits of population growth. The article describes the current state of the world's population, describes the causes and consequences of population growth in the future and suggests solutions to the problems associated with it. This article is the result of a deep research, while using mostly foreign sources.

Key words: ecology, environment, overpopulation, world population.

Іванов А.В., Максименко О.В. Межі зростання населення. У статті описується сучасний стан заселення у світі, описуються причини і наслідки зростання населення в майбутньому та пропонуються рішення проблем, пов'язаних із цим. Ця стаття є результатом глибоких досліджень, при використанні переважно іноземних джерел.

Ключові слова: екологія, навколишнє середовище, населення світу, перенаселення.

Иванов А.В., Максименко Е.В. Пределы роста населения. В статье описывается современное состояние мирового заселения, описываются причины и последствия роста населения в будущем и предлагаются решения проблем, связанных с этим. Эта статья является результатом глубоких исследований, при использовании преимущественно иностранных источников.

Ключевые слова: население мира, окружающая среда, перенаселение, экология.

The object of the research is the population on the planet and the limits of its growth, while the subject is presented by the factors influencing the growth of the number, ways of solving the problem of overpopulation. The relevance of the study is determined by excessive population growth in the world which is one of the causes of anthropogenic change in the biosphere. The purpose of the study is to identify the causes of population growth, identify factors that affect the growth of the population, determine the effects of this growth and suggest the ways to solve the problems associated with it.

Today, the world's population exceeds 7.3 billion. According to the United Nations, it can reach 9.7 billion people by 2050 and more than 11 billion by 2100 years.

The population growth was so rapid that there is no real precedent for which we can refer to suggestions about possible consequences. In other words, if by the end of the century the planet can reach over 11 billion people, our current level of knowledge does not allow us to predict how much such a large population is safe for the planet, simply because it has never been before [1].

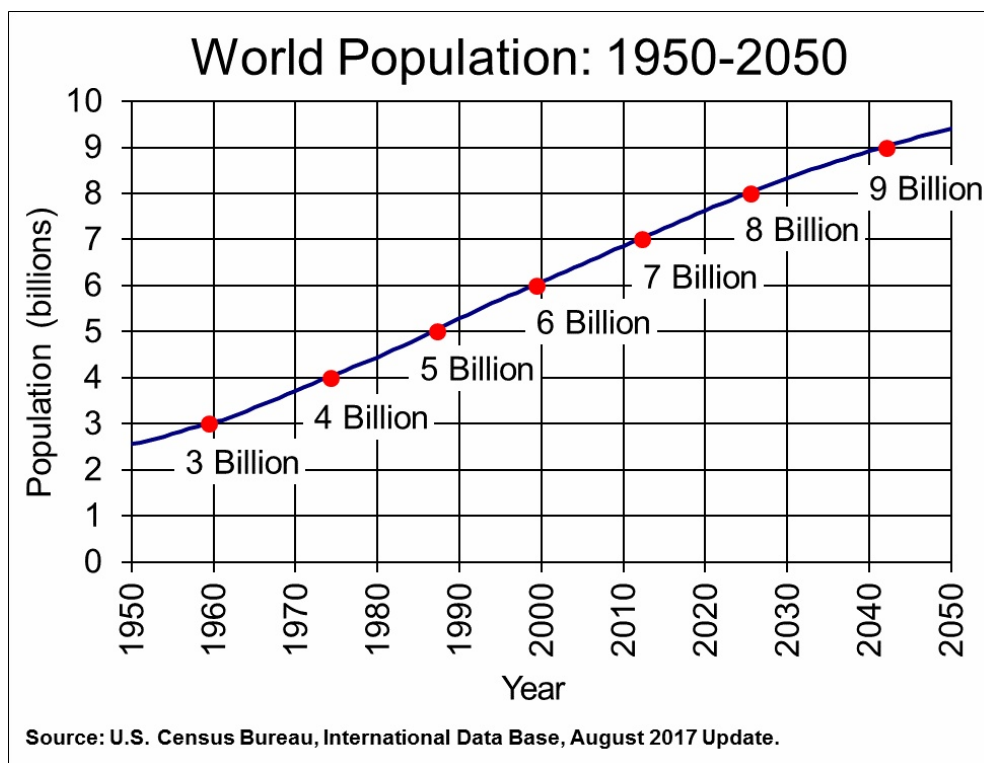


Figure 1. World Population: 1950–2050[2]

According to Satterthwaite approximation [3], the highest growth rates for the next two decades are expected in urban centers of low and middle income countries.

At first glance, the global impact of adding billions of people to these city centers may be surprisingly small. Emissions of carbon dioxide and other greenhouse gases give us a good indication of how high consumption is in the city. «We know cities in low-income countries that emit less than one tonne of CO₂ equivalent per person per year,» says Satterthwaite. «Cities in high-income countries [can] have from six to thirty tonnes of CO₂ equivalent per person per year.» Citizens of the more affluent states leave much more trace on our planet than the inhabitants of the poor countries, although there are exceptions. Copenhagen is the capital of a high-income state – Denmark, while Porto Alegre is in middle-income Brazil. Living standards are high in both cities, but per capita emissions are relatively low.

Satterthwaite continues to argue that if we look at the lifestyle of the individual, then the differences between rich and non-rich groups are even more dramatic. There are many low-income urban residents whose consumption is so low that they almost do not bring greenhouse gas emissions.

Thus, the world with the human population of 11 billion can bring equally little additional strain on the resources of our planet. But the world is changing. Low-income city centers may not comply with the CO₂ concentration standards in the air.

The real interest may be aroused if people living in these areas decide to demand a lifestyle and use of consumer norms that are currently considered normal in high-income countries; many claim that this is true. If so, the impact of urban population growth can be much higher.

«This is in line with the general nature that we can observe over the past century,» explains Wil Steffen, professor at the Fenner School of Environment and Society at the Australian National University. The problem is not the growth of the population in itself, but the growth in consumption.

This leads to the following effect: people living in high income countries should play a big role if the world is to support a large human population. Only when more affluent groups are ready to live so that they do not pollute the environment and keep consumption within the limits allowed will reduce pressure on global climate, resource and waste issues.

The 2015 study in the *Industrial Ecology* magazine reviewed the environmental impact from the point of view of life. This study makes consumption the center of attention [4].

The analysis showed that household consumers are responsible for more than 60% of global greenhouse gas emissions, as well as to 80% of world land, material and water resources. Moreover, researchers have found that

the tracks are unevenly distributed among the regions, while more secure countries have the greatest impact on the household.

Diana Ivanova at the Norwegian University of Science and Technology in Trondheim [5], explains that the conclusion is simply changing our point of view on who is responsible for the emissions associated with the production of consumer goods. «We all love to blame someone else, government or business,» she says.

For example, consumers at the event may argue that countries that produce many commodities for consumption, such as China, should be responsible for the emissions required for their extraction. Diana Ivanova and colleagues argue that consumers themselves are equally responsible. «If we change our consumer habits, it will also have a strong impact on our environmental footprint.»

Based on this reasoning, it is necessary to radically change the basic values of developed societies: to abandon the emphasis on material wealth and to a model in which individual and social well-being are considered to be the most important.

Even if these changes take place, it is unlikely that our planet can actually support 11 billion people. So Steffen offers us to stabilize the global population so that it is about nine billion, and then start a long, slow decline in the population. This means reducing the birth rate.

In fact, there are signs that this is already beginning, even when the population continues to grow. Since the 1960s, population growth rates are slowing, and the world birth rates in the UN Population Department show that birth rates per woman dropped from 4.7 births in the 1970s to 2.6 in 2005–2010.

Trends are so deeply rooted that even a dramatic catastrophe may not help. In a 2014 study, Bradshaw concluded that if two billion people were dead tomorrow, or if each government introduced a controversial fertility policy, such as the one-child's recent policy in China, by the year 2100, the number of people on the planet would remain as many as today.

What is urgently needed are ways to accelerate the decline in the birth rate. An easy way to do this can be to increase the status of women, especially in terms of their education and employment opportunities, says Steffen.

The UN Population Fund estimated that 350 million women in the poorest countries did not want their last child but did not have the means to prevent pregnancy. If these female needs were met, this would have had a significant impact on global demographic trends. According to these considerations, to make a sustainable level of the population is to increase women's rights and

reduce the consumption of resources.

So, if the population of the world at 11 billion is likely to be unviable, then how many people, in theory, will the Earth be able to support? Bradshaw argues that it's virtually impossible to say what this number will be because it depends entirely on technologies such as agriculture, electricity generation and transport – and how many people we want to condemn to poverty or malnutrition.

In the UN report for 2012, 65 different projected maximal stable population sizes are summarized. The most widespread estimate was eight billion, slightly higher than the current population [6].

Ultimately, the real determinant is how we are guided by our society. If some or all of us consume a lot of resources, then the maximally possible population will be smaller. If we find ways for everyone to use as little resources as possible, ideally without sacrificing our human needs, the Earth will be able to support more people.

Changes in technology, which are often unpredictable, will also affect the maximum population. At the beginning of the 20th century, the global population problem was to ensure the fertility of the soil as a fertility of women. In his book *The Shadow of the World Future* in 1928, George Knibbs noted that if the total population reaches 7.8 billion, the use of soil will be much more effective. In just three years, Carl Bosch won the Nobel Prize for helping develop chemical fertilizers, the production of which probably made more to push the growth of the world's population than anything else.

In the very distant future, technology can lead to a much more stable human population, if some people will eventually be able to live beyond the planet Earth. In the few decades that passed after people first went to the outer space, our ambitions jumped from simple observation of stars to life outside the Earth and the settlement of other planets. Many prominent thinkers, including physicist Stephen Hawking, say that the colonization of other worlds is crucial for the ultimate survival of our species [7].

Nevertheless, although Kepler's mission to NASA has revealed a large number of planets that are on Earth's face, we do not know much about them, and they are far beyond our capabilities. Consequently, the transition to another planet does not give an acute answer to our problems.

In the near future, Earth is our only home, and we must find a way to live on it at a sustainable level. It seems obvious that this requires reducing our consumption, in particular the transition to a low level of carbon consumption and the advancement of women around the world.

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THE TOURISM INDUSTRY DEVELOPMENT IN THE DNIPROPETROSK REGION

V.O. Ivashchenko,

I.I. Volkova, Y.M. Litovchenko (language supervisor)

V.N. Karazin National University, Kharkiv

Ivashchenko V.O., Volkova I.I., Litovchenko Y.M. The tourism industry development in the Dnipropetrovsk region. The article examines the tourist and natural potential of the Dnipropetrovsk region, its tourist recreational resources and infrastructure. The research also provides an analysis of the number of travel agencies and visitors to the region.

Key words: boarding house, food service companies, the Dnipropetrovsk region.

Івашченко В.О., Волкова І.І., Літовченко Я.М. Розвиток туристичної діяльності Дніпропетровської області. В статті розглядається туристичний та природний потенціал Дніпропетровської області, її туристичні рекреаційні ресурси та інфраструктуру. Розглянуто кількість туристичних підприємств та відвідувачів в області.

Ключові слова: Дніпропетровська область, підприємства харчування, туристичний і природний потенціал.

Ивашенко В.А., Волкова И.И., Литовченко Я.Н. Развитие туристической деятельности в Днепропетровской области. В статье рассматривается туристический и природный потенциал Черновицкой области, её туристические рекреационные ресурсы и инфраструктура. Рассмотрено количество туристических предприятий и посетителей в области.

Ключевые слова: Днепропетровская область, пансионат, предприятия питания, туристический и природный потенциал.

The Dnipropetrovsk region is located in the south-eastern part of Ukraine and shares its border with 7 regions. The size of area is 31 974 km² with the population of 3,2 million people (2016). The region has 22 districts and 20 cities. The regional centre is Dnipro.

The region has big tourist potential. Recreational resources are climate, water and forest. 55 rivers with length of 25 km crosses the territory and it has parts of Dneprodzerzhinsk, Dnipropetrovsk and Kakhovka water reservoirs.

Table 1 shows the area of water resources and their parts from the area of the region.

Table 1

**Characteristics of natural resources
of the Dnipropetrovsk region**

Region	Climate		Water								Forest	
			Rivers		reservoirs		channels		Lakes			
	°C	precipitation	km ²	%	km ²	%	km ²	%	km ²	%	km ²	%
Dnipropetrovsk	22°C	400-490	475	1,5	140	0,44	30	0,09	9	0,03	1986	6,2

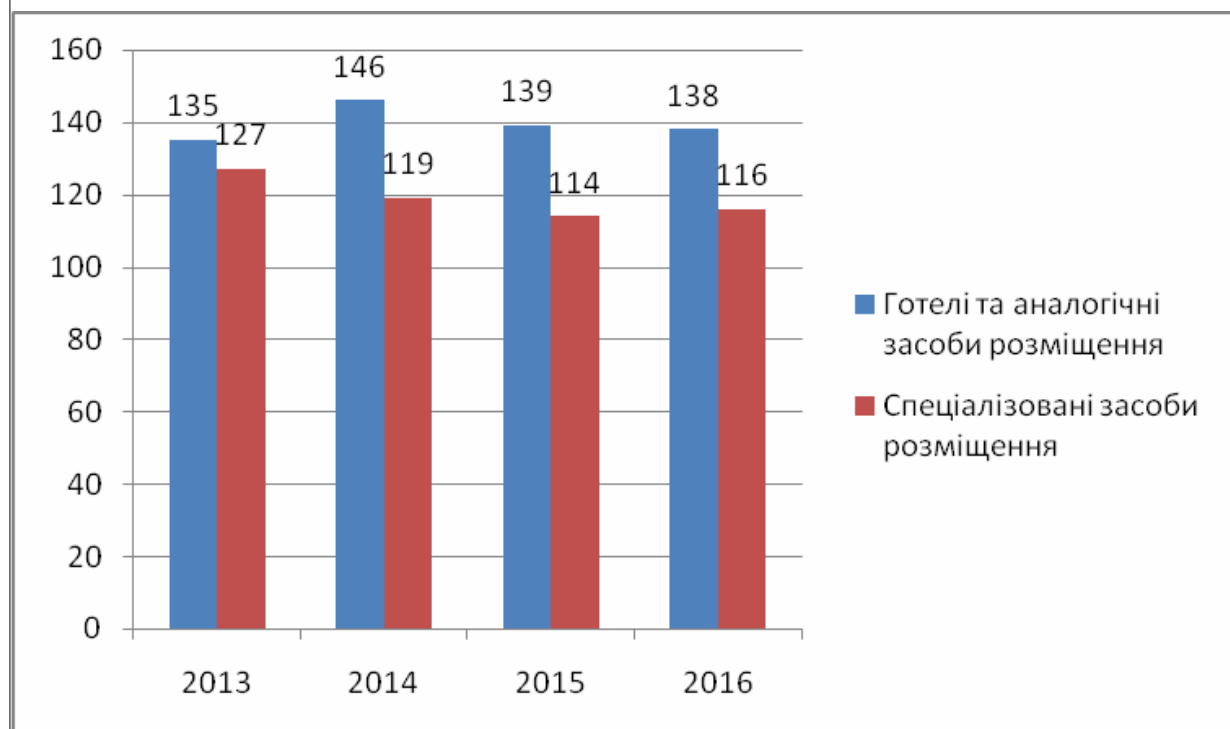
Source [1]

Despite the small amount of water resources the region is developing its beach-holiday domain and water sports, diving and ribaldry. In summer rivers are getting warmer to favorable temperature so bathing-beach season opens from the end of May to the middle of September. Forest resources mostly take place near riversides, therefore holidaymakers can get not only physical satisfaction but aesthetic.

The region is gradually developing health-improving tourism, it is exploring 15 springs with mineral waters, the salt lake and the spring with healing mud. The territory has favorable conditions for climatotherapy. The most popular resorts are Orlovshchina and Salt Lake.

The Dnipropetrovsk region has a big diversity of nature reserves. There are 114 nature reserves, 8 parks of garden art, 3 protected woodlands and a huge variety of nature monuments ideal for developing nature-conscious tourism. The area has a great number of cultural and historical resources: 22 monuments of architecture, 32 places of worship, 2 palaces and farmsteads, and also a big variety of museums, whereby the area is widely developing cultural and religious tourism.

The Dnipropetrovsk region is one of the biggest industrial regions in Ukraine. It is characterized by a highly developed heavy industry capable of providing proper, well-appointed infrastructure crucial to develop tourism industry. The region has 254 collective accommodation facilities. It is estimated that on average about 200 000 people stay at hotels and specialized accommodation facilities.



Source [2]

The Dnipropetrovsk region established 116 sanatorium and health resorts, what is shown in the table 2.

Table 2

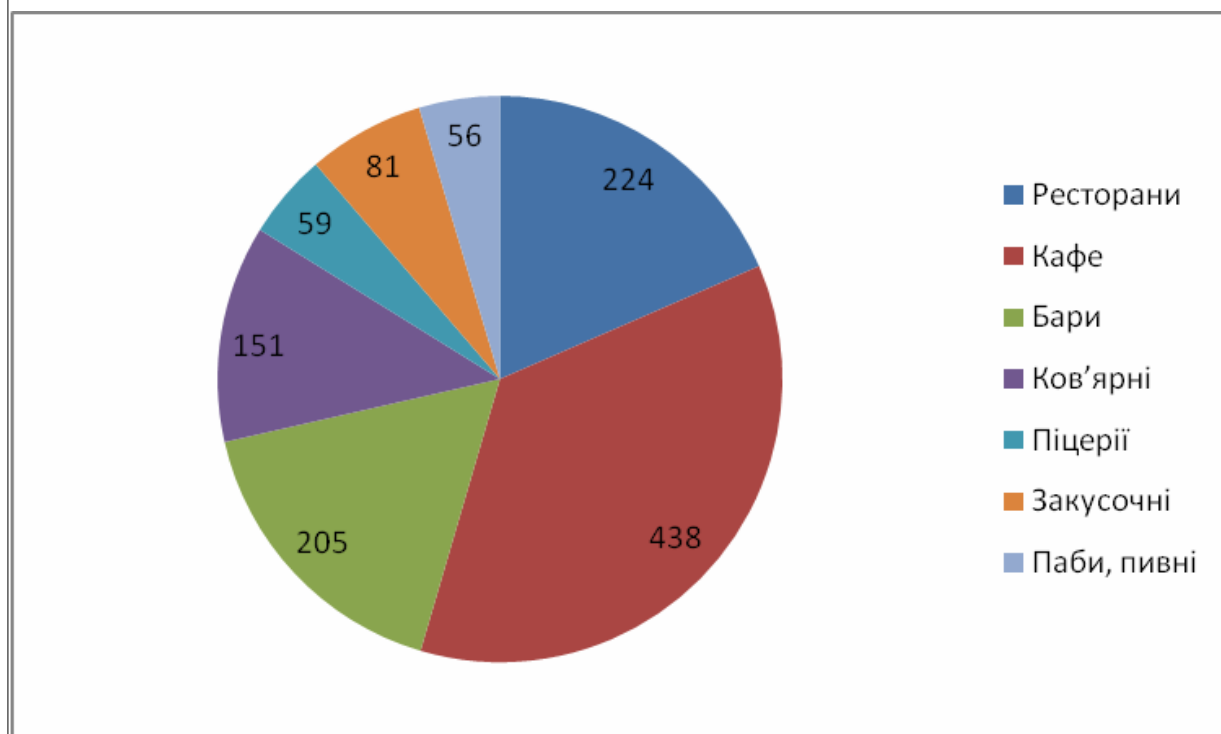
**Sanatoriums and health resorts
in the Dnipropetrovsk region**

Date	Sanatoriums and boarding houses with treatment	Sanatoriums for dispensaries	Boarding houses for rest	Holiday villages
2013	18	18	4	87
2014	18	17	2	82
2015	17	15	2	80
2016	16	13	2	85

Source [2]

According to the figures the amount of sanatoriums and different types of boarding houses decreases every year unlike the amount of holiday villages.

Over the past five years, the food market in the Dnipropetrovsk region has increased by 35 %.

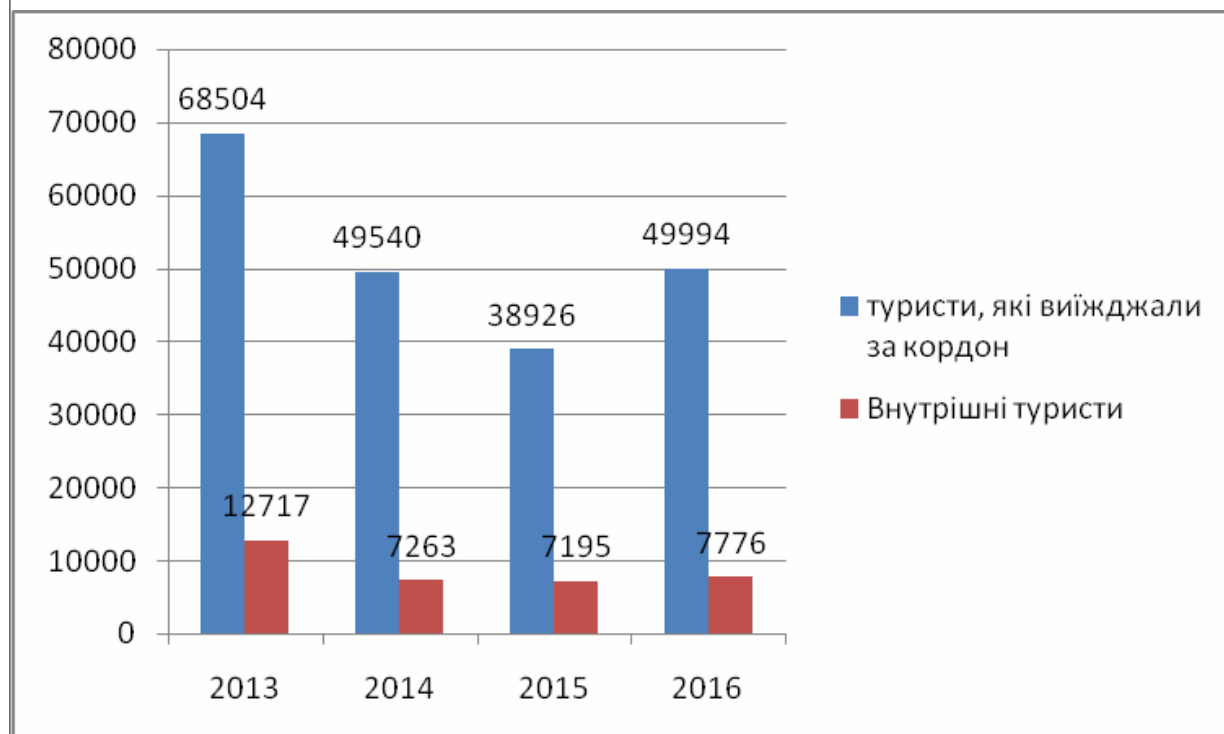


Source [3]

According to the picture the area has developed its food service companies. The most popular establishments are cafes, restaurants and bars, coffee houses and snackbars.

There are 240 travel agencies on the territory of the Dnipropetrovsk region. Consequently, the region takes one of the leading places in Ukraine in terms of the number of tourists, its tourism sector brought the local budget more than 7 million hryvnias.

The Dnipropetrovsk region has 3 airports, two of which are international. The most important railway networks cross the area connecting the Donbass, Krivoy Rog and Nikopolian manganese basin.



Source [2]

The bar graph shows that the area received the largest amount of tourists in 2013, while from 2014 to 2015 we could observe a plummet in tourist influx due to political and economic situation in the country. Since 2014 the figures have been gradually increasing.

To sum up, thanks to a huge variety of recreational resources and well-appointed infrastructure, the Dnipropetrovsk region has all prospects for the tourism development.

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UKRAINE-CANADA TRADE AND ECONOMIC RELATIONS: CHALLENGES AND DEVELOPMENT PROSPECTS

A.O. Iziun, A.B. Kalyuzhna (language supervisor)
V.N. Karazin National University, Kharkiv

Iziun A.O., Kalyuzhna A.B. Ukraine-Canada trade and economic relations: challenges and development prospects. The article describes development prospects of trade and economic relations between Ukraine and Canada after signing Free Trade Agreement. The results of a trend analysis carried out using data on export and import operations from previous years have been submitted. The main problems in the field of bilateral cooperation and possible solutions have been covered.

Key words: bilateral cooperation, economic relations, export, Free Trade Agreement, import, trend analysis.

Ізюм А.О., Калюжна А.Б. Україно-канадські торгово-економічні відносини: проблеми та перспективи розвитку. У статті розглядаються перспективи розвитку торгово-економічних відносин між Україною та Канадою після укладення Угоди про вільну торгівлю. Надано результати тренд-аналізу, здійсненого на основі експортно-імпоротної динаміки товарів та послуг за попередні роки. Вказано основні проблеми у галузі двостороннього співробітництва та можливі шляхи їх подолання.

Ключові слова: двостороннє співробітництво, економічні відносини, експорт, імпорт, тренд-аналіз, Угода про вільну торгівлю.

Изиум А.А., Калюжная А.Б. Украина-канадские торгово-экономические отношения: проблемы и перспективы развития. В статье рассматриваются перспективы развития торгово-экономических отношений между Украиной и Канадой после заключения Соглашения о свободной торговле. Представлены

результаты тренд-анализа, проведенного на основе динамики экспорта и импорта товаров и услуг за предыдущие годы. Освещены основные проблемы в сфере двустороннего сотрудничества и возможные пути их решения.

Ключевые слова: двустороннее сотрудничество, импорт, Соглашение о свободной торговле, тренд-анализ, экономические отношения, экспорт.

From the date of Ukraine's independence, the country has become an autonomous participant of international dialogue. Year by year Ukraine strengthens its global standing via integration into the world community. The integration lies in political, economic, cultural, scientific and technological collaboration with other countries. Canada is one of these partners.

The object of the article is Ukraine-Canada relations. Since the signing of Free Trade Agreement the relations between the countries have broken new ground. Ukraine-Canada trade and economic partnership is the focus of the research and the subject of the article.

The goal is to study future prospects the Agreement opens up, and the major tasks to be undertaken on the road of bilateral cooperation. However, there is a range of problems that may slow down the development of economic relations between Ukraine and Canada. It concerns competitiveness of Ukrainian product on the Western market and its compliance with high standards. This explains the relevance of the research.

The establishment of Ukraine-Canada relations began from the middle of the 19th century jointly with the first migration wave to America. Despite the geographical remoteness of the countries and a long period of time since then, Ukraine and Canada still maintain and extend their communication in different spheres of cooperation. In this regard it is worth mentioning, that Canada was the second after Poland and the first of the block of the Western countries to recognize the independence of Ukraine on December 2, 1991. Diplomatic relations between Ukraine and Canada were established on January 27, 1992. Another but not less important move, which formalized bilateral relations, was the signing of the declaration "Of Special Partnership" by ministers of foreign affairs of Ukraine and Canada and its prolongation in 2001. In 2009 heads of the Foreign Ministries of the two countries signed "Road Map", which regulates long-term bilateral cooperation. According to the declaration "Of Special Partnership" Ukraine-Canada cooperation takes place in a wide range of areas, including political, diplomatic and trade-economic relations, as well as scientific and technological, cultural and humanitarian and regional collaboration [3].

However, the most promising direction of building up the relations between Ukraine and Canada is trade and economic relations. On July 11, 2016 the President of Ukraine P. Poroshenko and Prime Minister of Canada J. Trudeau witnessed the signing of the milestone Canada-Ukraine Free Trade Agreement in Kyiv. The Agreement was ratified on March 14, 2017. On August, 2017 the Agreement entered into force [4].

In accordance with the text of the Agreement the initial purpose of the treaty is facilitation of harmonious development and expansion of world and regional trade, as well as implementation of international cooperation. The treaty implies abolishment or reduction of trade barriers mutually by counterparts. It will allow both countries to gain financial benefits from duty free access to the markets. With the reference to the Attachment 2-B Abolition of Tariffs, measures for vacation of import duties on staple merchandise will be carried within 7 years, after termination of which, it will be zero duty for each group of merchandise. To date in trade relations between Ukraine and Canada there are nine trade sectors with highest priority, they also include light industry, particularly textile industry, confectionery industry, mechanical engineering and metal-working industry and IT-services [5].

According to Tariff Schedule Program of Ukraine, when the Agreement enters into force, the duties for the major merchandise groups will be eliminated – these are grain, bread and flour products, sugar, sunflower oil, chocolate, confectionery products, vodka, vine and juice. Amongst manufactured goods these are clothes, electronics (radio receivers, recording equipment), cuprum, dye-ware colours, rolled steel and components. It should be noted, that tariffs won't be abolished for such items as: chicken and chicken products, eggs, milk and cheese [5].

According to Tariff Schedule Program of Canada, major merchandise groups are mineral fuel, metallurgical products, coal, products of chemical industry, especially pharmaceuticals, and also components for aircrafts, livestock food, fish and shrimps. In regard to Free Trade Agreement the question of effectiveness is paramount for both countries, because we have several conflicts of interests. On one hand, the number of exempt from tax exported items from Ukraine exceeds the number of exported items from Canada. It may cause misbalance in Canadian trade. On the other hand, data from Ukrainian statistical base – Ukrstat – states that Canadian share in total imports of Ukraine is only 0,27%. What is more, we should bear in mind the geographical remoteness, which, one way or another, has an impact on trade volume between countries [5].

The question of economic effectiveness of the Agreement can be answered with the help of trend analysis. Trend analysis allows us to forecast quantitative changes, i.e. in trade, within 7-10 years. The forecasts are usually made on the basis of statistics of previous years. Undertaking analysis, special attention should be focused on approximation factor, which indicates forecast tangibility (0 – worst result, 1 – best result) [1]. We shall consider Ukraine and Canada dynamics of export and import operations over the 2005 – first 9 months 2017 period and carry out trend analysis, using the data taken from official statistics sources [6].

In accordance with the trend analysis of exports (Fig. 1), quantity of exported goods and services from Ukraine will decline by US\$ 1.3 million approximation factor $RI = 0,0268$, which means low probability of the forecast.

In his latest research M.V. Sidorov claims that it is connected with asymmetry of social and economic development level of Ukraine and Canada. Low technological readiness of Ukraine, challenging business environment for domestic financial institutions, hidden economy in particular have influence on the line of exports that has a downward trend. This affects the quality of produced goods and services and their demand abroad [2, p. 128].

The negative slope of trend line can be explained, taking into account the fact, that Ukrainian export has raw material specialization. Raw material trade is economically less beneficial than trade of goods or services. Firstly, it constricts the range of bilateral trade; secondly, selling raw materials brings low revenues to national economy.

In accordance with the trend analysis of imports (Fig. 2), we can conclude that the tendency to import will decrease by \$15 million per year. Approximation factor $RI=0.74$, which points that the forecast has an average probability in reality. The Ukrainian consumer responds to lower prices more rapidly than to quality. Canadian products have high added value through their technological effectiveness. That is the main reason why our forecast is of average probability.

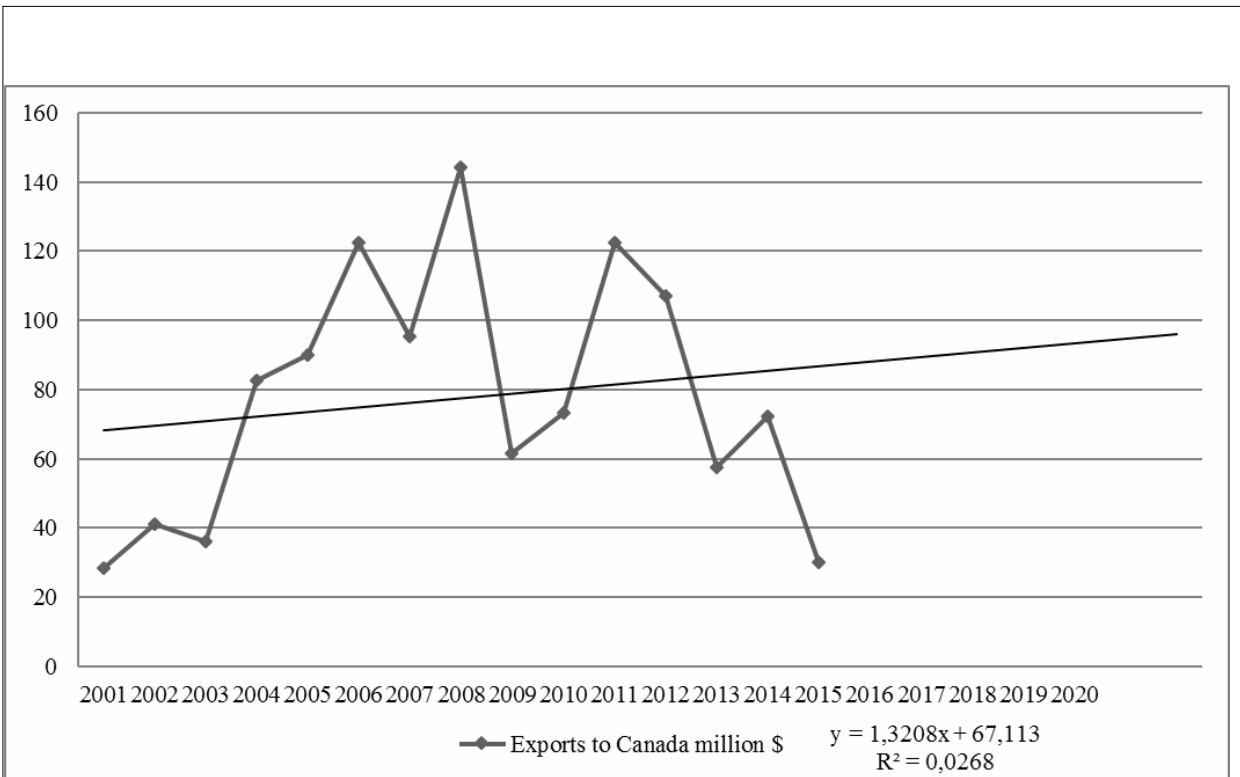


Fig.1. Exports from Ukraine to Canada

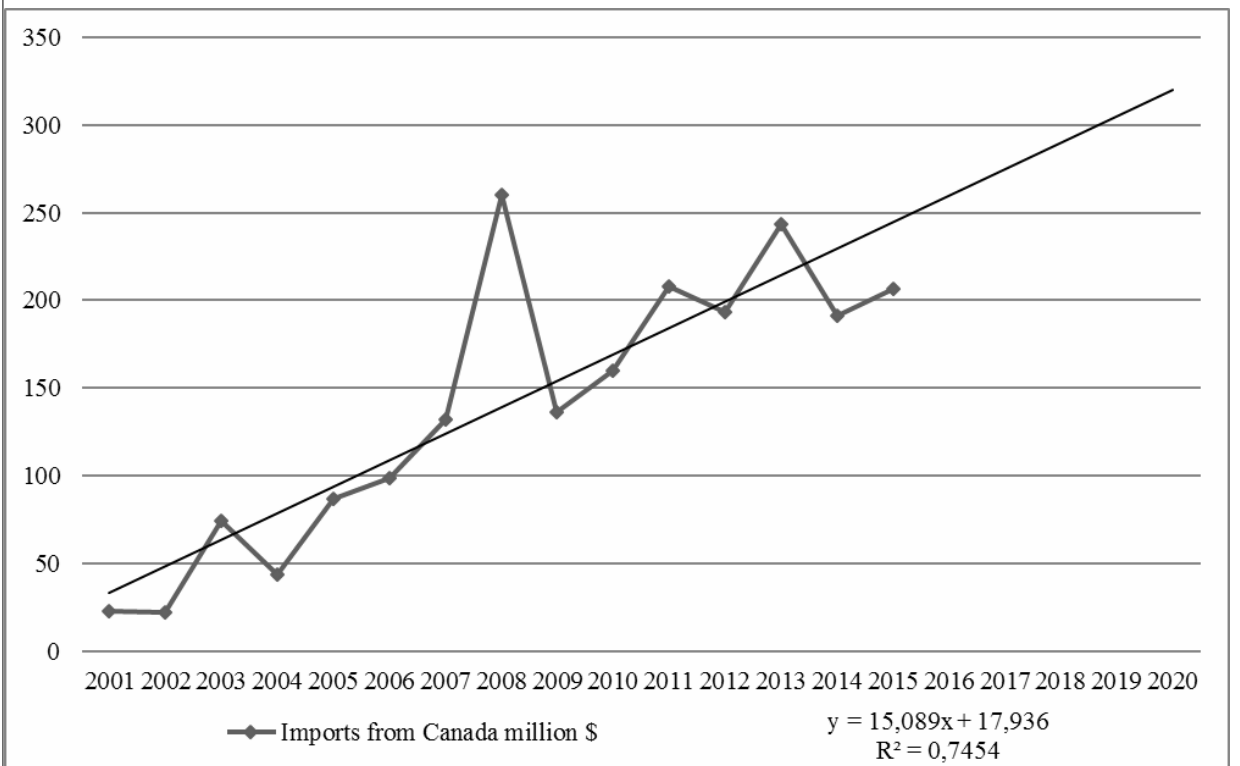


Fig. 2. Imports from Canada to Ukraine

Trend analysis absolutely gives the opportunity to make conclusions based on statistic data. However, it is founded only on figures without considering political aspect. For instance, Free Trade Agreement, which conduces to close trade and economic cooperation and the opportunity to enhance bilateral trade

performance. Furthermore, the Agreement is in force since August. This period of time is insignificant to determine advantages and disadvantages of the treaty, because it is a long-termed (7 years) agreement. After the expiry of the Agreement exports performance of Ukraine in trade with Canada may go up.

Free Trade Agreement is a crucial step for Ukraine in the sphere of international economic relations, which implies wide prospects alongside with challenges of potential realization in Canadian market. The core problem of the trade between countries is not the geographical remoteness, as we have mentioned above. To prove it, let's have a look at the example of the trade between countries of Southeast Asia and European countries – consumer goods manufactured in Southeast Asia are sold in Europe [2, p.132]. There is much concern about conformity of domestic product with Canadian standards. Due to the fact, that the goods supplied from Ukraine have low added value, it is going to be difficult to sustain foreign competition, especially from the southern neighbour – the USA. To obtain a minimum positive result, the problem of technological and innovative readiness of manufacturers in Ukraine needs prompt actions.

Competition should stimulate Ukrainian producers to improve products and their technological effectiveness. Along with the challenges, that Ukraine has to overcome, there are prospects for Ukraine in the future to sign a similar agreement with the USA as this country is in the same economic and trade union with Canada. Despite the fact that the agricultural products prevail in export structure of Ukraine, it is worth remembering that Canada is a country with a cold climate and severe natural conditions. Ukraine is able to provide the products that are in short supply in the importing country, and gain profit at the same time. In reliance on trend analysis, we may claim that difficulties in trade are inevitable. That is why the Agreement will have a maximum effect not in trade, but in investment – Canadian companies may base in Ukraine in the near future and work in European market, which has the strongest financial reliability in the world. Besides, for Ukraine these are infusions in the country's budget.

Conclusion. Having analyzed the first results, prospects and difficulties subsequent to the signing of Free Trade Agreement, it is clear that Ukraine cannot avoid problems in external trade. To date the development of Ukraine-Canada relations in bilateral trade strongly depends on the readiness of both domestic producers and the government to stimulate transition to technically effective production.

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WORLD'S EXTERNAL DEBT: CURRENT CONDITION AND PROBLEMS OF ITS GROWTH

*V.Y. Kalchenko, O.V. Drachuk (language supervisor)
V.N.Karazin National University, Kharkiv*

Kalchenko V.Y., Drachuk O.V. World's external debt: current condition and problems of its growth. In this article the current condition of world's external debt is researched. The reasons of appearance of world's external debt and problems of its growth are stated. The consequences for the countries accumulating the world's external debt are defined. There is mentioned not only the rate of countries having the external debt but also the indicators of external debt in regard to GDP of the country and GDP per capita.

Key words: borrowed funds, debt service, deficit, Gross national product (GNP), Total external debt (EDT), world's external debt.

Кальченко В.Ю., Драчук О.В. Світова зовнішня заборгованість: сучасний стан та проблеми зростання. У статті досліджено сучасний стан світової зовнішньої заборгованості. Зазначено причини виникнення зовнішнього боргу держави та проблеми його зростання. Визначено наслідки для країни при

накопиченні зовнішнього боргу. Наведено рейтинги країн світу за зовнішнім боргом та показники зовнішнього боргу до ВВП країни та на душу населення.

Ключові слова: валовий національний продукт, валовий зовнішній борг, дефіцит, запозичені кошти, обслуговування боргу, світова зовнішня заборгованість.

Кальченко В.Ю., Драчук Е.В. Мировая внешняя задолженность: текущее состояние и проблемы роста. В статье исследовано текущее состояние мировой внешней задолженности. Указаны причины возникновения внешнего долга государства и проблемы его роста. Определены последствия для страны при накоплении внешнего долга. Приведены рейтинги стран мира по внешнему долгу и показатели долга к ВВП страны и на душу населения.

Ключевые слова: валовой национальный продукт, валовой внешний долг, дефицит, заимствованные средства, обслуживание долга, мировая внешняя задолженность.

The transfer of financial resources abroad is featured by financial globalization that controls a set of relations connected with the formation, accumulation and usage of resources on international scale. At the moment a clear tendency to the increasing of the total level of external debt all over the world has formed. That is why the current issue of world's external debt takes the 1st place in the world and the problem of service of external debt is one of the key factors of the macroeconomic stability in any country. This determines relevance of the study.

The object of the study is world's external debt in terms of current globalization. The subject of the article is the research of financial relations that happen among countries and external agents of world economy in the process of engaging, distribution, usage and repayment of external debt.

The aim of writing this article is defining the present condition of the world external debt and studying the problems of its constant growth.

“Debt – external compares the total public and private debt owed to nonresidents repayable in foreign currency, goods, or services” [2].

Gross external debt at specific date is a total value of debt for all existing obligations that must be repaid by debtors and that are obligations of residents to nonresidents of certain economy. This is country's total debt of external loan and not repaid percentage [1].

The process of managing external debt consists of successive stages: borrowing funds – usage of funds – debt service – repaying of debt (pic. 1) [6].



Resource [6]

Pic.1. The process of managing external debt

According to new methodology, which was developed by World Bank, the level of country's debt is defined by 2 following indicators of debt:

- the ratio of Total external debt in regard to Gross national product – EDT/ GNP (shows the total level of the debt part of the economy)
- the ratio of Total external debt in regard to Export of goods and services – EDT/XGS.

These ratios estimate the level of countries' debt by 2 important aspects of their potential opportunity of debt service:

- export – it provides foreign currency to service the debt;
- GNP – summarizes the volume of income in the economy [4].

In the conditions of financial globalization external borrowings, debts to nonresidents and its service have become a part of functioning of national economies, turning world's countries into international borrowers and debtors.

There are countries that can be both borrowers and debtors to each other. So why cannot they liquidate their financial debts? It depends not only on political relations among them but also on the conditions of credit loan – terms of payment, interest payments etc. Because the offsetting of such debts cannot only write the loans off but can also influence the current assets of national financial companies negatively. This situation can lead to the crisis of the economies of both countries.

World's external debt appears due to unbalanced trade and current payment balance of country. The deficit of current payment balance shows that total spending of all sectors of economy is bigger than volume of its total income or in macroeconomic terms investments in total with budget deficit exceed the volume of savings. Appears a need of funding of economic development by means of foreign loans and debts by low level of savings inside the country. Country's inability to live on its own funds is a main reason of appearing of external debt and inability to use borrowed funds leads to its growth [6].

When external debt of the country is big, then new borrowings lead to the increase of interest rates, also decreases the number of investors who can offer their capital. That is why the country with high level of debt has a risk to get into endless circle, when simultaneously interest rates of existing debt grow and an access to the financial market is limited. This can become a reason of not only losing competitiveness but also a bankruptcy.

If the external national debt grows faster than the GNP, then debt service can be done by means of saving and consumption that means decreasing the living standards of society. If the external national debt grows in case of stopping of GNP growth or its decrease, then consequences to the country-debtor can be more negative. Yearly accumulation of the debt can lead to the slow downturn of the country in the «debt-pit» and even put into question the future economic independence and the loss of political position in the world community.

Table 1

**Rate of countries by external debt over 1 trillion US dollars
in regard to GDP and per capita in 2016**

External debt rate	Country	External debt, million \$	Specific weight, %	Date of the information	External debt in regard to the GDP of the country, %	External debt in regard to one resident, \$
1	USA	17 910 000	20,1	31.03.16	96,2	54 802
2	European Union	13 050 000	14,7	31.12.16	72,7	25 806
3	Great Britain	8 126 000	9,1	31.03.16	309,1	123 479
4	France	5 360 000	6,0	31.03.16	217,4	82 640
5	Germany	5 326 000	6,0	31.03.16	153,1	64 324
6	Netherlands	4 063 000	4,6	31.12.16	522,6	232 763
7	Luxemburg	3 781 000	4,3	31.03.16	6 303,8	6 561 400
8	Japan	3 240 000	3,6	31.03.16	65,6	25 568
9	Ireland	2 470 000	2,8	31.03.16	811,4	532 856
10	Italy	2 444 000	2,8	31.03.16	132,0	40 337
11	Spain	2 094 000	2,4	31.03.16	169,8	45 004
12	Switzerland	1 664 000	1,9	31.03.16	248,7	202 025
13	Canada	1 608 000	1,8	31.03.16	105,0	45 258
14	Australia	1 547 000	1,7	31.12.16	122,5	60 427
15	China	1 467 000	1,6	31.12.16	13,0	1 058
16	Belgium	1 281 000	1,4	31.03.16	274,5	113 860
	In total /16 countries/	75431000	84,8	x	x	x
	World	88948460	100	2016	ö	≈ 12 350

Resource [2, 3, 5]

Most of the countries of the world and almost all Western Countries actively use external borrowing. On the present stage almost every country is characterized with the boosted rate of growth of world's external debt in

GDP. Using CIA World Fact Book it has been found out that the level of external debt of countries all over the world in 2016 exceeded 88 trillion dollars USA. In the table №1 it is generalized the national debt rate of top 16 countries [2]. In 2016 their part was about 84.4% of the world debt that was about 75 trillion US dollars. These top countries are the USA, the Great Britain, France, Germany, the Netherlands, Italy, Spain, Switzerland, Belgium, Japan, China and many others that are referred to as highly developed countries.

Among mentioned 16 countries in regard to the GDP of the country, the highest level of debt that is over 200% (while the normal indicator is 60%) have: Luxemburg – 6 303.8%, Ireland – 811.4%, the Netherlands – 522.6%, the Great Britain – 309.1%, Belgium – 274.5%, Switzerland – 248.7%. Only 3 countries in the world do not have any debts, they are: Brunei, Macao and Palau Republic.

According to the CIA World Fact Book Ukraine took 46th place in 2016 in relation to the amount of the world external debt [2]. It refers to the group of countries with excess external debt and with debt of 114.8 billion US dollars and 129.8% in regard to country's GDP and 859 dollars USA per capita [2; 3; 5].

During 2010-2017 years Ukraine's GDP has grown by 11% and by the 1st of July 2017 reached 114.8 billion US dollars. Including the specific weight of national and country guaranteed debt that was 42% and external private unguaranteed debt was 58% of GDP. During last 5 years the volume of external national debt had increased in 4.9 times and on the 30th of September 2017 year it was 1 025.0 billion hryvnas [1].

For Ukraine, taking into account its growing external debt, the algorithm of smart usage of the borrowed funds was made. Gained funds must be distributed: simultaneously cover needs of current usage and invest into production. If the funds are used only for current spending, they will be just wasted for nothing and the external national debt and spending from interest rate will grow. The living standard of society will grow from such usage of funds but there will not appear any resource to cover the borrowings. If we put this money into the investment, it will be profitable so that means that GDP and income to the national budget will grow. Due to increased assets, the country will be able to repay external debt.

Conclusion. During the last years the issue of external debt has become more important for most countries all over the world. The debt consists not only of absolute value of debt but also of total payment to repay it and their ratio in regard to Gross national product and export. At the current stage all countries are characterized as countries with boosted rate of growth external debt in

GNP. To overcome the crisis of countries' world debt the World Bank has come to the conclusion that the main role in the economic development of the country plays not external financing (like credits or financial support) but domestic resources and smart economic policy. External financing can play a positive role only when it complements and reinforces strong domestic economic policy.

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NATURAL TOURISM RESOURCES OF THE KHERSON REGION AS A FACTOR OF ITS TOURISM DEVELOPMENT

*K.V. Kalinichenko, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Kalinichenko K.V., Saprun I.R. Natural tourism resources of the Kherson region as a factor of tourism development in the region. The article reveals the recreational tourism potential of the natural resources of the region and its characteristics. The statistical data has been analyzed . A summary assessment of the region's tourism

potential has been presented. The factors of development of the tourism potential of the region have been revealed.

Keywords: assessment, development of the tourism potential, natural resources of the region, recreational tourism potential, statistical data.

Калініченко К.В., Сапрун І.Р. Природні туристичні ресурси Херсонської області як фактор розвитку туризму регіону. У статті розкривається рекреаційний туристичний потенціал природних ресурсів Херсонської області та їх характеристики, проаналізовані статистичні дані та надана сукупна оцінка туристичного потенціалу області по цим даним. Виявлені фактори розвитку туристичного потенціалу регіону.

Ключові слова: природні ресурси області, рекреаційний туристичний потенціал, розвиток туристичного потенціалу, оцінка, статистичні дані.

Калиниченко К.В., Сапрун И.Р. Природные туристические ресурсы Херсонской области как фактор развития туризма региона. В статье раскрывается туристический потенциал природных ресурсов Херсонской области, и их характеристики, проанализированы статистические данные и представлена ??совокупная оценка туристического потенциала области по этим данным. Выявлены факторы развития туристического потенциала региона.

Ключевые слова: природные ресурсы области, рекреационный туристический потенциал, развитие туристического потенциала, оценка, статистические данные.

The subject of the survey is natural tourism resources in the Kherson region as one of the factors of tourism development in Ukraine. The object is natural tourism resources. The relevance of the chosen topic is based on the research of natural tourism resources in order to determine the tourism potential of the area. Due to the good tourism potential, the region can develop tourism not only at the regional, but also at the international level, which will lead to a high rate of the tourism industry development in the country. The purpose of this survey is to analyze the tourism potential of the natural resources in the Kherson region for the development of various types of tourism in Ukraine.

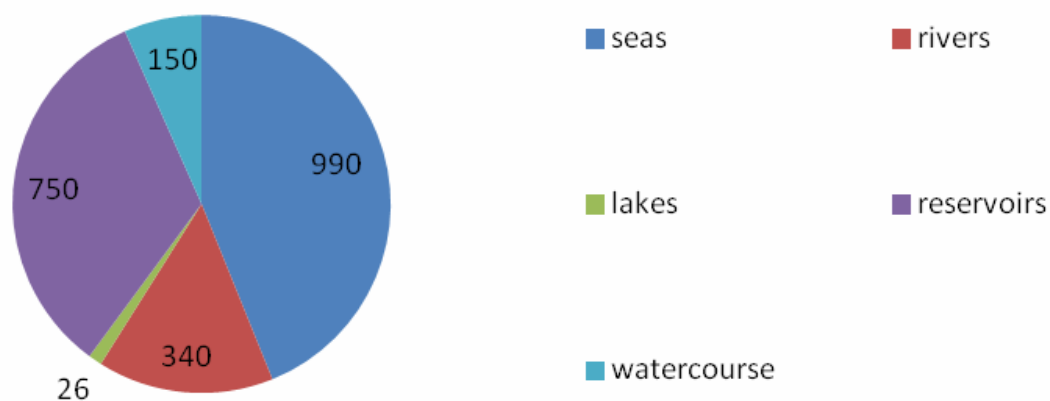
Natural tourism resources make up one of the most important factors in the development of the tourism industry in the region. Since recreational tourism is one of the most popular and requested tourism in the world, the development of the tourism industry in the maritime areas must come to the fore. The availability of natural tourism resources affects on the development of recreation which includes geological, orographic, climatic, water, plant, animal

resources and the natural reserve fund. Despite the fact that the Kherson region is on the lowest elevation of Ukraine, geological resources are in this region. «Fedorovskaya Cave» is one of the largest karsts caves in Ukraine with its length reaching about 100 m. Therefore, Kherson region takes the second place in terms of geological resources in Ukraine. Plains and lowlands are dominated in the relief of the surface of the Kherson region. That is why this region is estimated as one of the most poorly orographic territory in Ukraine. However it is worth noting that there is a unique natural object for the territory of Ukraine – the desert «Oleshkovskie sands», the only place in Ukraine where you can see the desert.

Concerning climatic conditions, It should be noted that they are quite favorable for the development of recreational tourism activities in this region. The summer period can be described as sufficiently long and hot (average temperatures are $+22^{\circ}\text{C}$ $+23^{\circ}\text{C}$, maximum temperatures are $+40^{\circ}\text{C}$). The Kherson region is the most arid region in Ukraine as it is in the steppe zone. It is worth noting that most of the precipitation falls in the summer as the showers. While there is practically no snow cover in winter because of the climate changing, there is no winter recreation here [4].

Water resources play an important role in the organization of tourism recreational activities. The region has an access to two seas: the Black sea and the Azov sea. Therefore these recreational resources seem to important to be taken into account as the main factors of the development of recreational tourism in the Kherson region. The coasts of these seas stretch for more than 200 km of sandy beaches with a recreational infrastructure. Also, there are many rivers along the territory of the Kherson region: the Dnipro – 178 km, the Ingulets – 180 km and 24 small rivers with a total length of 373,7 km. The major water areas after the seas are occupied by reservoirs. The Kakhovka Reservoir is one of the largest in Ukraine (total length is 230 km), it is used for navigation, irrigation, water supply, fishing and recreation. It is a place for resting, swimming, relaxing as well as fishing. Within the region there are several Sea Islands (The Dzharylgach, The Dovgy).

Figure 1 shows that the largest area among water territory of the Kherson region is occupied by the sea – 990 km², the smallest area is occupied by lakes, only 26 km².



Source: Ukraine's recreational tourism resources: methodology and methods of analysis, terminology and zoning [2]

Figure 1. Area of water territories of the Kherson region (in km)

Although Kherson region occupies only 4,7 % of the territory of Ukraine, it has a great variety of biological diversity due to its location in three different botanical-geographical areas of the steppe zone. The flora of the region includes more than 1500 species of plants. Since the steppes are dominated on the territory of the region (87,8 % of the territory), the percent of the forests is rather low (9,3 % of the territory). A very small percent is occupied by gardens (1,2 %), marshes (0,7 %) and islands (1 %). The forests in average are 4,6 % and vary from 0,8 % to 20,4 % [3].

Since the animal and plant world interact closely with each other, the Kherson region is also poor in the number of animal resources and takes the last place among the regions in Ukraine. However, it should be noted that the Kherson region has a great potential for the recreation due to a nature reserve fund which allows developing the tourist industry at the regional and international levels. The nature reserve fund of the Kherson region is represented by a wide variety of objects of national importance (including biosphere reserves, national nature parks, dendrological parks and various nature reserves) and of local importance (including reserves, nature monuments, monuments of landscape art). The most picturesque objects are the Black Sea Biosphere Reserve and Askania-Nova.

These unique, absolutely unspoilt areas which have survived till present are worth attention. In addition, these sites are under the protection of the UNESCO and are of great interest, both for local and international tourists.

The promotion of these sites as centers for tourism excursion will be a great step in the development of the tourism industry at the international level. Besides biosphere reserves, a natural reserve fund of national importance also have botanical reserves (1), landscape reserves (3), forest reserves (2), dendrological parks (1). The nature reserve fund of local importance has botanical reserves (5), zoological (3) and landscape (2). Among the nature monuments there are: botanical – 24, hydrological – 6, zoological – 2 and parks-monuments of landscape art – 11. In general, the objects of the nature reserve fund of the Kherson region occupy 15,9 % of the area of the entire territory of the region (4520,3 km² from 2846 km²), of which 3998,6 km² – of national importance, which in general is 14,5 % (the territory of the national state natural reserve fund of Ukraine is 28 000 km²) [1].

Summarizing, as a result of the survey and assessment of natural tourism resources of the Kherson region, we can make a conclusion that the region is rich in the water resources, favorable climate resources and has great heritage of natural reserve fund. All of these resources can be used as factors of tourism development of the region. That is why the Kherson region possesses the great potential and has all the opportunities for the development of local and international types of tourism.

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IMAG(E)&NATION

*K.M. Kandelina, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Kandelina K.M., Davydenko I.V. Imag(e)&nation. The article considers the problem of mutual influence of the image of the state (politician, party or leader) and the society. In the article the relevance of this issue in our time is considered, the main classification of political technologies for the distribution of image-forming information is mentioned, the mutual dependence of society and the political image is discussed in detail, as well as the main examples that clearly demonstrate their mutual influence. Special attention is paid to the state of information and psychological security of the society in the process of forming (imposing) a political image.

Key words: channels of information distribution, image, influence, political image, political technologies, psychological safety, society.

Канделіна К.М., Давиденко І.В. Імідж та суспільство. Стаття присвячена осмисленню проблеми взаємного впливу іміджу держави (політичного діяча, партії або лідера) та суспільства. В роботі розглянуто актуальність даного питання в наш час, згадано основну класифікацію політичних технологій розповсюдження іміджеформуючої інформації, детально розібрано взаємну залежність суспільства та політичного іміджу, а також основні приклади, котрі яскраво демонструють їх взаємний вплив. Звернено особливу увагу на стан інформаційно-психологічної безпеки суспільства в процесі формування (нав'язування) політичного іміджу.

Ключові слова: вплив, імідж, канали розповсюдження інформації, політичні технології, політичний імідж, психологічна безпека, суспільство.

Kandelina K.M., Davydenko I.V. Imidzh i obshchestvo. Stat'ya posvyachena osmysleniyu problemy vzaimnogo vliyaniya imidzha gosudarstva (politicheskogo deyatelya, partii ili lidera) i obshchestva. V rabote rassmotrena aktual'nost' danogo voprosa v nashе vremya, upomyanuta osnovnaya klassifikatsiya politicheskikh tekhnologiy raspriostaneniya imidzheformiruyushchey informatsii, detal'no razobrani vzaimnaya zavisimost' obshchestva i politicheskogo imidzha, a takzhe osnovnye primery, kotorye yarko demonstriruyut ikh vzaimnoe vliyaniye. Obrashcheno osoboe vnimaniye na sostoyaniye informatsionno-psikhologicheskoy bezopasnosti obshchestva v protsesse formirovaniya (navyazyvaniya) politicheskogo imidzha.

Ключевые слова: влияние, имидж, каналы распространения информации, общество, политические технологии, политический имидж, психологическая безопасность.

State and society are inseparably linked and mutually dependant components. In spite of various factors, the connection and dependence between an individual (as a part of society) and a political image may differ.

It is essential for both sides to keep a contact and favorable relations between a state (party, politician or leader) and a society because of their mutual dependence. Thus, the state should take into consideration a public opinion and needs of the society, it should also be able to listen to and hear the society as well as it is necessary for the society to learn how to identify real interests, purposes, aims and claims of its government.

It is absolutely unreal for the state to expect success in any business, when its people (who should do their best to support and contribute to strengthening, development and power of their state) do not believe that the positive building of relations between them is possible at all. Therefore, the mutual stimulating and correct reacting to these incentives play a significant part in building the relations between subjects [4].

Image is designed to be an intermediary between the state and the society. As a rule, when it comes to the influence and dependence of the society and the state image, people imagine a one-sided picture. It is believed, that image helps to construct an impression of the state in a simple form, demonstrates its main features (advantages and disadvantages) and impacts on the consciousness of the society, formation of its ideas, perception and worldview. That is people mostly take into account only image influence on the society, ignoring the society influence on the formation of the political image. It is quite notable that such perception is one-sided, that is why it is not able to grasp this phenomenon completely. This phenomenon may be schematically represented as a coin, the significance in which have not only the opposite sides (which may be called – “the image influence on the society” and “the society influence on the image”), but also the edge of the coin (which represents the movement of this influence with the help of various channels and technologies of the image promotion) [5].

As everyone knows, without interaction and exchange of certain benefits, incentives and reactions the building of favorable relations between people is considered to be impossible. The feedback, as the reaction to the message received with the help of communication, is necessary for formation of political image as well. However, in order to get a favorable reaction and to make the image take root in the people’s consciousness, it is necessary for the political image to correspond with social expectations. Actually, although the compliance with the social expectations helps to influence the society itself in the future, we should not ignore the fact that, therefore, the government also has to adapt to the social interests. We may claim with certainty that such interaction is a perfect example of the mutual influence of the society and the state

image, it also demonstrates (and, probably, reveals) the absolute tactical sophistication of political image-makers and other people, who are engaged in constructing of a political image, because here we obviously observe a well-known chess trick, which is called “gambit”, when one player (a state) sacrifices a weak chess piece (that is – takes into consideration interests and fears of the society) in order to defeat a stronger chess piece or occupy a more advantageous position (that is – when the state reaches its final goal and takes the society under its total control).

In our opinion, the study of this phenomenon should be started with the consideration of the “society => political image” vector, because precisely the society has the primary influence. At first, the society influences the political image, then (and in the future) the image influences the society.

One of the ways of influencing the state image formation is a general perception of a government by citizens, their attitude towards it and the level of trust. To understand how the society perceives the state image, it is necessary to pay attention to the way how the society perceives the government, because the situation, when citizens question competence of the government and its legitimacy is not rare. In its turn, this state of affairs influences the behavior and constructing of the state strategy [4].

As we mentioned before, expectations mean anticipations from individuals towards something, however they also mean the existence of a system of requirements, violation of which leads to the introduction of social sanctions, and this is one of the demonstrations of the society influence on the state and the formation of its image as well.

“All the world’s a stage, and all the men and women merely players”, – these immortal William Shakespeare’s words are relevant and may be used everywhere, especially in the political sphere. Both politicians (“actors”), and the society (“spectators”) are possessors of certain images, which are formed on the basis of myths and archetypes of the collective unconscious. For a long time politicians have been considered to be not only creators and users of images, but also their slaves. There are different and multilateral roles (a protagonist, a sacrifice and so on) among them. At the same time, the political image contains the collective idea of the beautiful, good and fair things of this world. Creators and bearers of the political image always have to adapt to these ideas, and this is a good demonstration of the dependence of the political image on the society [5].

Various social groups and specific residents can react in their unique way to the actions of the state, politicians, parties and leaders. Some citizens are active

participants in political communication, and they express their opinion on the image of the state or another political actor (for example, through referenda, rallies, etc.). Other citizens either succumb to the will of the state authorities (regardless of whether they agree with it or not), or just ignore it. Therefore, the influence of the society on the political image is manifested again.

Nevertheless, as we mentioned before, the influence of the political image is much more noticeable, meaningful and tangible, so its thorough consideration is extremely necessary.

Nowadays, the importance of information and the means of its transfer has reached an unprecedented magnitude in the life of society. On the one hand, their development has rationalized and simplified human existence. On the other hand, it became possible to more efficiently and massively control the human mind [2].

In essence, the political image, like any other phenomenon, is ambivalent, multifaceted and ambiguous: it has the opportunity to favor society and be a hotbed of lies among citizens.

Due to the ability to control the mass consciousness, it is possible to ensure the loyalty of society to the existing regime, to support the government, which helps to maintain public order and stability within the state itself. Furthermore, there is a great opportunity to impose certain values – respect for the law, obedience, commitment, loyalty to the state, etc. Thus, it is possible to educate the society with the help of the political image, to cultivate a favorable perception of the state (in particular, politicians), which is the standard of stability and welfare of the state, and also provokes the birth of patriotism and the desire to act for the homeland.

However, there is also the reverse influence of the political image on society, which harms society. In the process of building a commitment to the state, it often happens that they neglect the interests of the society or expose the society to danger, hostility and disintegration (for example, stirring up an ethnic strife) [2].

At the same time, the pluralism of opinions is quite a curious phenomenon because of its ambivalence. Some researchers believe that the pluralism of opinions is just an illusion. Basically, the multiplicity of choice conceals the desire to modify the public consciousness, psychology, perception, introduce false images into the collective unconscious and push the population to take unprofitable decisions for them.

To create the image of the state, politician, leader or party people use special technologies, methods, techniques, stratagems and even tricks. Often

in the educational literature, one can find a subdivision of political technologies into manipulative and rational ones. As a rule, manipulative technologies partially or completely distort the information, including direct deception of the population and psychological methods of pressure. Rational technologies appeal to the human mind and do not distort the reality: if a certain judgment is expressed about a politician or state, then it is necessarily objective and corresponds to the reality [3].

The use of manipulative technologies may significantly harm the information-psychological safety of the individual. The imposition of stereotypes and ideological principles, the transformation and reshaping of consciousness according to the interests of the state (or another political actor) as a bearer of a political image, contamination with lies and phantasmagoria of reality are a great demonstration of harmful psychological influence on society through manipulative technologies [1].

The state image, which was formed through manipulative technologies and various psychological tricks, is no less effective than the one, which was created with the help of rational methods. The false, illusory image, which is based on fictitious characteristics, is perceived by society as well as the image based on real features, furthermore, it acts as a fairly stable stereotyped conglomerate, which cannot be immediately disbanded and totally destroyed.

The use of certain technologies depends on the characteristics of the audience. So, when people are not intellectually developed enough – they are more vulnerable to manipulative influence. At the same time, they do not succumb to logical argumentation, which makes the use of rational technologies almost impossible while forming a political image. Moreover, it is also easier for people to manipulate within unstable and crisis times, when different fears exist in society, and the level of needs, according to Maslow's pyramid, is reduced to basic (physical) needs. For example, a high level of poverty, consumption of harmful substances and alcohol by the society forms a favorable environment for manipulation.

In this case, the objectives, which the state wants to achieve, and the policy towards the society, which the government is inclined to implement, have a great importance. If its priority is the imposition of ideology, the transformation of views and behavior – then, it is most likely, that the state will choose a set of manipulative technologies to promote its image. This scheme works in the reverse order as well.

One of the ways to eliminate the deception of society with the help of various manipulations of mass consciousness is a developed legislation and its

effective implementation in the real life. However, at the present time, in many countries it seems impossible because of the insufficient attention paid to this issue. There are two problems at first sight: (1) in practice it is rather difficult to identify and prove the manipulative impact, (2) the identification of manipulations is not in the interests of the person who performs these manipulations (taking into account that the state is engaged in manipulating, the law is on its side, and there will not be a person, who will dare to expose its untruthfulness and treachery).

All in all, the image of the state (politician, leader or party) that is created by the governments of most countries, image-makers and other political actors, is one of the main elements of the political life of the state and its population. If the state image significantly discords with the reality, it can cause a considerable damage to the society by introducing a pattern of perception of the surrounding world and the state, which distorts the reality into mass consciousness and designed for specific purposes, forcing people to act in the interests and benefits of the person whom the imposed image belongs to.

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LE NIVEAU MINIMUM DE LA CRUAUTE DANS LA PRATIQUE JUDICIERE DE LA COUR EUROPEENNE DES DROITS DE L'HOMME

*M.M. Karpitchenkova, N.T. Bezvesilna (consultante linguistique)
L'Université Nationale de Kharkiv*

Karpitchenkova M.M., Bezvesilna N.T. Le niveau minimum de la cruauté dans la pratique judiciaire de la Cour Européenne des droits de l'homme. Dans cet article il s'agit de la notion «le niveau minimum de la cruauté», y compris la pratique judiciaire de la Cour Européenne des droits de l'homme. On décrit les facteurs, qui déterminent le fait de ses résultats. Il s'y agit aussi des affaires de violation de la loi, article 3, de la Convention de la défense des droits de l'homme et de la liberté basique.

Mots clés: la Cour Européenne des droits de l'homme, le niveau minimum de la cruauté, l'attitude antihumaine, l'attitude qui soufflette la dignité, les tortures.

Карпіченко М.М., Безвесільна Н.Т. Мінімальний рівень жорстокості у судовій практиці Європейського суду з прав людини. У статті розкривається поняття «мінімальний рівень жорстокості» з огляду на судову практику Європейського суду з прав людини, перелічуються фактори, що визначають факт його досягнення. Розглядаються справи про порушення ст. 3 Конвенції про захист прав людини і основоположних свобод.

Ключові слова: Європейський суд з прав людини, катування, мінімальний рівень жорстокості, нелюдське поведження, поведження, що принижує гідність.

Карпиченкова М.М., Безвесильная Н.Т. Минимальный уровень жестокости в судебной практике Европейского суда по правам человека. В статье раскрывается понятие «минимальный уровень жестокости», учитывая судебную практику Европейского суда по правам человека, перечисляются факторы, которые определяют факт его достижения. Рассматриваются дела о нарушении ст. 3 Конвенции о защите прав человека и основополагающих свобод.

Ключевые слова: Европейский суд по правам человека, минимальный уровень жестокости, нечеловеческое поведение, поведение, которое унижает достоинство, пытки.

Les droits de l'homme et de la liberté basique dans le monde contemporain c'est la question dont la décision est au centre de l'activité pratique non seulement d'un pays isolé mais de la communauté internationale globalement. Un des mécanismes institutionnels les plus effectifs pour accomplir la défense des droits de l'homme est la Cour Européenne des droits de l'homme (par la suite – CEDH). La CEDH a été fondée en 1959 en conformité de la Convention de la défense des droits de l'homme et de la liberté basique de l'année 1950.

Une des fonctions importantes de la CEDH est la sauvegarde de l'observation incessante et de l'exécution des normes de la Convention par les Etats, qui reconnaissent sa nécessité. Elle se réalise à l'aide de l'étude et de la résolution des cas particuliers admis par les procédures de la Cour sur la base de plaintes individuelles déposées par des particuliers, des groupes d'individus ou des organisations non gouvernementales.

L'Etat qui est le membre de la Convention peut aussi entamer des poursuites envers d'un autre pays, le membre de la Convention, pour décider des cas compliqués de la vie sociale. Selon la statistique d'après l'an 2016 le plus grand nombre de plaintes a été de l'Ukraine – 18131 (22,8%), de la Turquie – 12600 (15,8%), de la Hongrie – 8950 (11,2%) et de la Russie – 7400 (9,3%) [5, c. 3]. Un grand nombre de ces affaires (19,82%) se composent notamment des affaires de violation de la loi, article 3, de la Convention de la défense des droits de l'homme et de la liberté basique [5, c. 7].

L'article 3 de la Convention prévoit que « nul ne peut être soumis à la torture, l'attitude inhumaine ou dégradants châtiment » [1, 3]. La Commission européenne des droits de l'homme (la Commission) et la Cour désignent les trois catégories de base de comportement inapproprié.

Dans l'affaire «Danemark, France, Norvège, Suède et Pays-Bas contre Grèce» (l'affaire de la Grèce (1969)) la Commission a désigné telles catégories du comportement interdit [3]: les tortures, l'attitude antihumaine ou bien la peine et l'attitude qui soufflette la dignité.

L'attitude antihumaine dont le but est d'obtenir la mise en oeuvre de la peine, des aveux ou des informations, concerne le comportement qui s'effectue intentionnellement et donne naissance de grandes souffrances mentales ou physiques. Une telle attitude qui soufflette la dignité, le comportement ou la peine, c'est l'attitude qui humilie brutalement l'individu devant les autres ou lui cause à agir contrairement à sa propre volonté, malgré sa conviction.

Dans l'affaire «l'Irlande contre le Royaume-Uni» (1978) la Cour a apporté quelques modifications aux définitions précédentes [3]. Ainsi la Cour a interprété les tortures comme l'attitude antihumaine qui s'effectue intentionnellement et réduit aux souffrances très graves et très lourdes. La notion de l'attitude antihumaine ou bien de la peine n'a pas eu de changement, mais à la catégorie de l'attitude qui soufflette la dignité ont été ajoutés tels signes que le sentiment de peur chez la victime, la souffrance, le sentiment de son infériorité et aussi de l'humiliation de la dignité. Dans la décision donnée on a énuméré les facteurs qui déterminent le fait qui donne une définition du niveau minimum de la cruauté: l'âge, le sexe, l'état de santé, la durée de traitement, les conséquences physiques et mentales de ce traitement.

La CEDH a aussi suppléé que «certaines actions qui se réalisent dans la sphère de la vie privée ou en présence de la tierce personne peuvent être tels qui violent l'article 3 de la Convention. Par exemple, dans l'affaire « Royaume-Uni » (1986) on a analysé la question de la légitimité de la peine de l'école d'une fille à l'âge de 16 ans par un individu en présence d'un autre en employant la méthode de la punition corporelle. La Commission a conclu, que cette peine était si humiliante que constituait une violation de l'article 3 [ch. 5, 4].

Dans la décision de l'affaire «Selmuni contre la France» (1999) la Cour a conclu que l'article 3 de la Convention est la concentration des valeurs fondamentales d'une société démocratique et l'un des plus importants codes de la Convention, dont la dérogation n'est pas possible [7]. Ainsi les tortures, l'attitude antihumaine, l'attitude qui soufflette la dignité sont défendus indépendamment des circonstances de l'affaire et du comportement de la victime.

Dans le cadre de ses activités, la Cour a déterminé la notion «le niveau minimum de la cruauté». Seulement à l'obtention du niveau minimum de la cruauté la violation peut être classifiée selon l'article 3. Dans la décision de l'affaire «l'Irlande contre le Royaume-Uni» (1978) la Cour a fait remarquer que «l'évaluation du niveau minimum de la cruauté a un caractère relatif: elle dépend de toutes les circonstances de l'affaire, telles que la durée du comportement donné, ses conséquences physiques et mentales et dans certains cas elle dépend du sexe, de l'âge ou de l'état de santé de la victime [3].

L'âge peut être un des facteurs importants pendant l'évaluation de la violation, si une peine prononcée contre l'un ou l'autre personne d'après le degré de son poids est la violation de l'article 3. Dans l'affaire «Sering contre le Royaume-Uni» (1989) la Cour a pris en considération ce que demandeur était âgé de seulement 18 ans et qu'il souffrait d'une maladie mentale comme il est indiqué au paragraphe 108.

Dans l'affaire «les violents contre la Bulgarie» (2004) la plaignante, femme à l'âge de 67 ans, au cours de sa détention a reçu des traumas. La Cour a pris la solution que ses traumas en tenant compte de son âge avancé étaient assez graves et en ce cas ils sont égaux à l'attitude antihumaine dans le cadre de l'article 3. La Cour prétexte souvent l'âge de la victime dans les affaires, lorsqu'il s'agit des personnes de bas âge ou des personnes de l'âge avancé.

Dans d'autres cas l'âge peut être seulement un facteur aggravé qui exerce une influence sur l'évaluation du degré de l'attitude antihumaine par la Cour mais pas décisif pour établir la violation de l'article 3.

Dans l'affaire «l'Irlande contre le Royaume-Uni» (1978) l'une des circonstances prise pour établir le fait du niveau minimum de la cruauté a été

l'état de santé de la personne sinistrée. Ce fait donné est aussi dans l'affaire «Pris contre le Royaume-Uni» (2001) [2]. Dans ce cas la demanderesse, femme-handicapée avec quatre membres déficients et en même temps en souffrant d'une maladie des reins, a été mise en prison. Les conditions de l'emprisonnement correspondaient aux exigences générales, mais n'ont pas été conçues pour les personnes handicapées, et faisaient souffrir la demanderesse.

La Cour prend également en compte d'autres facteurs, tels que, par exemple, le sexe ou la force physique de la victime par rapport à la personne qui procède à l'arrestation [6, c. 5]. Dans l'affaire «Berlinski contre la Pologne» (2002), la Cour a pris en considération le fait que les demandeurs qui avaient opposé de la résistance aux actions légitimes de la police, étaient des bodybuilders. Dans l'affaire analogique «Riva contre la France» (2004) on a fait des coups dans les parties génitales à un demandeur en bas âge. Il a fallu liquider les conséquences à l'aide de l'opération chirurgicale. La Cour, en particulier, a pris en considération d'âge et physique du requérant.

Donc, le niveau minimum de la cruauté c'est un terme appliqué à la CEDH pour différencier les formes de l'attitude antihumaine qui sont dans le champ d'application de l'article 3 de la Convention. Il n'a pas de caractéristiques spécifiques mais il dépend de toutes les circonstances de l'affaire. Ainsi la CEDH prend en considération tous les facteurs pertinents, les serre de près avant de prendre une décision du comportement que cette plainte donnée constitue une violation de l'article 3.

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CITIZENSHIP ISSUES IN INTERNATIONAL LAW

*V.A. Katrych, A.B. Kalyuzhna (language supervisor)
V.N. Karazin National University, Kharkiv*

Katrych V.A., Kalyuzhna A.B. Citizenship issues in international law. The article provides the review of the most common issues of the institute of citizenship in international law and outlines the possible solutions to them. The main focus is on the problems of statelessness and multiple citizenship.

Key words: citizenship, conflict of law, double citizenship, international law, legal status, statelessness.

Катрич В.А., Калюжна А.Б. Проблеми громадянства у міжнародному праві. У статті здійснюється огляд найбільш поширених проблем інституту громадянства у сучасному міжнародному праві та окреслено шляхи їх вирішення. Найбільша увага приділена проблемам безгромадянства та множинного громадянства.

Ключові слова: безгромадянство, громадянство, міжнародне право, подвійне громадянство, правова колізія, правовий статус.

Катрич В.А., Калюжная А.Б. Проблемы гражданства в международном праве. В статье рассматриваются наиболее распространенные проблемы института гражданства в современном международном праве и отмечаются способы их разрешения. Наибольшее внимание уделяется проблемам безгражданства и множественного гражданства.

Ключевые слова: безгражданство, гражданство, двойное гражданство, международное право, правовая коллизия, правовой статус.

The object of the article is the institute of citizenship in international law. The subject of the research includes unresolved issues of citizenship under international law. The purpose of the article is to define the major citizenship

issues that arise in the process of international communication and to outline the possible solutions to them.

Today, citizenship is a central point of the relationship between the state and the individual. Individuals who lack a nationality or an effective citizenship are therefore among the world's most vulnerable to human rights violations. Taking into consideration such a significant role of this institute in the life of every person, identifying major challenges in this area seems extremely important and this determines the relevance of the article.

Although the terms nationality and citizenship technically have two distinct meanings, international human rights courts and advocates at times use the two terms interchangeably [4]. Considering this, we will use both of these terms as synonyms in our article.

Article 15 of the Universal Declaration of Human Rights declares that "everyone has the right to a nationality" and "no one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality" [7]. The right to a nationality is of paramount importance to the realization of other fundamental human rights. Possession of a nationality carries with it the diplomatic protection of the country of nationality and is also often a legal or practical requirement for the exercise of fundamental rights. Consequently, one of the greatest political thinkers of the twenties century Hannah Arendt in her essay "The Rights of Man: What are they?" described the right to a nationality as the "right to have rights".

First of all, it is necessary to define the notion of "citizenship". There are many opinions on this matter. The term "citizenship" is derived from the word "city", "citizen" [1]. The first mention of certain categories of citizens living in different states, belongs to the history of the Ancient East. Antique citizenship was an alliance of free and equal citizens, based on collective ownership and exploitation of slaves. In Ancient Rome a citizen was originally a resident of Rome, freeholder, and then, in the days of the Empire, Roman citizenship was extended to the first inhabitants of the Italian peninsula, and then on all other subjects of the Roman Empire. In feudal society, the notion "citizen" was a synonym of a free man, having a certain set of political and economic rights, giving way to the notion of "citizenship" [2].

The modern understanding of "citizenship" was developed in XVII-XIX centuries in the works of John Locke, Jean-Jacques Rousseau, Kant and other notable thinkers of that time. Most commonly it is referred to as a stable legal relationship between a man and the state, expressed in the totality of their mutual rights and duties specified in law [3]. Thus, it is the category of

citizenship that reveals the nature of the relationship between the individual and the state. A citizen of an individual state must be afforded special protection by the state, and the state is obliged to ensure such protection. However, the state also has a right to demand the fulfillment of certain conditions (duties) from its citizens.

Generally, questions of nationality are regulated by domestic law, but now the role of international law in this matter has notably increased. This is due to the increase in disputes between states over the legal status of specific individuals or specific groups. International law affects the whole group of issues of citizenship: its contents (the rights and duties of the individual and the state) institutions that are directly related to citizenship in the field of inter-state relations (diplomatic protection issue), acquisition and termination of citizenship. The last decade of the XX century is connected with the rapid development of the institution of citizenship. In the field of citizenship in international law certain standardized approaches also known as “standards” have been worked out.

One of the basic problems in this area is that the right to nationality is not well-defined in international law, and not intuitively understood. This leads to ambiguity and raises several questions such as: What does nationality really mean? To have the right to political participation? To have documentation proving that one is a citizen? In practice, it depends on the context and country. In absolute monarchies, such as Saudi Arabia and the UAE, all inhabitants may be citizens but no one has the right to political participation [2]. In other countries, which have no national id cards (Andorra, Denmark, Philippines), citizens and non-citizens are indistinguishable by documentation. The lack of a clear definition of citizenship means that it is hard to separate the idea of a right to citizenship/nationality in the abstract from state recognition of that citizenship in practice.

Another problem is that such close interaction of domestic and international law leads to the emergence of so called “conflicts of law”, which occur when the same issue is regulated in different ways by the legal frameworks of separate states [4]. One of the most common ways to resolve such disputes is to conclude international treaties and develop new provisions of international law aimed at overcoming the differences. The most notable treaties in this area include The European Convention on Nationality, The Convention on the Nationality of Married Women, Conventions on Statelessness, Convention on the Reduction of Statelessness, etc. Even though the provisions of these treaties must be complied with by all the states, and the issues referred to in the treaty

are of international nature, and violation of the relevant provisions is considered a violation of international law, this way does not resolve all disputes. The main problem is that the obligations under such agreement only extend to the participating countries, and it is impossible to guarantee one hundred percent implementation of its provisions.

These conflicts of law also result in such negative facts as dual citizenship and statelessness.

Dual citizenship (bipatrism) means that a person is a citizen of two countries at the same time, having legal rights and obligations in connection with both countries [1].

One of the reasons for the emergence of dual citizenship is the conflict between *jus soli* (right of the soil, the right of anyone born in the territory of a state to citizenship) and *jus sanguinis* (right of blood, citizenship is determined by having one or both parents who are citizens of the state). Thus, a child born to foreign parents in the territory of the state where the right of the soil is dominant, in addition to the acquisition of the citizenship of parents on the basis of the right of blood, also obtains the citizenship of the state in the territory of which he was born. Bipatrism of a child from a mixed marriage may also appear regardless of the place of birth, if the legislation of the mother's country or father's country contains the rule according to which the right of blood is applied even when only one of the parents holds the citizenship of this state. If such child is born in the territory of a third state where the right of the soil is applicable, he also acquires the third citizenship by birth. What is more, if the relevant evidence is present, such individual may also transfer all of these citizenships to his children on the basis of the right of blood. Dual citizenship may appear when a woman marries a foreigner, if the domestic legislation does not deprive her of her citizenship after marriage and the husband's state legislation automatically grants her the citizenship of her husband [3].

Two main challenges that arise from dual citizenship are military service and diplomatic protection. In the first case, the problem lies in the fact that according to the legislation of the vast majority of countries every citizen is required to perform national military service. Naturally, an individual with dual citizenship must only do this once and only in one country. Consequently, if such individual travels to the country of his other citizenship and falls under its jurisdiction, this country may bring him to justice for draft evasion. Therefore, the question arises: in which state should an individual perform this service, and how the other state should treat the fact that its citizen serves in the armed forces of a foreign state [3].

In the case of a diplomatic protection problem, two situations are possible. The first one is when the diplomatic protection of a person with dual citizenship is carried out by one of the state of his citizenship against another state of his citizenship. Theoretically, this is permissible, but such protection will be rejected on the grounds that the relevant person holds a citizenship of the state against which the protection is carried out. The second situation occurs when an individual is in the territory of a third state and requires diplomatic protection. Usually in this situation, the authorities of the receiving state take into account the citizenship of the state with which such individual has an actual connection (the principle of “effective citizenship”) [4].

Provisions that regulate conflicts of law connected with compulsory military service dual citizenship are found in international treaties and numerous bilateral and local agreements.

Resolution of the problem of dual citizenship can be achieved with the help of both domestic and international means. The following principles of law are applied in treaties that are considered to be an international means of solving the problem:

1. when an individual acquires the citizenship of another treaty country, the primary citizenship is considered lost;
2. before naturalization in treaty state it is necessary to obtain a permit to withdraw from the citizenship of another treaty state;
3. the child loses his or her primary citizenship in the case of adoption;
4. the right of the soil does not apply to children of foreign diplomats and consuls;
5. children acquire the citizenship of the father, and if the parents are separated, the citizenship of the mother.

Domestic means include granting dual (multiple) nationals the right of renunciation from one of their nationalities (optation) and negative optation (compulsory renunciation from citizenship).

Statelessness means that an individual is not considered a citizen or national under the operation of the laws of any country. Statelessness can be absolute and relative [1]. Absolute statelessness appears from the moment of birth, and relative statelessness appears as a result of the loss of nationality. The main reasons for the emergence of statelessness are the so called “negative conflicts of law” [3] in domestic citizenship legislation. These conflicts occur when one state deprives an individual of its citizenship and there is no possibility for this individual to acquire the citizenship of any other state. Statelessness may also appear when an individual willingly surrenders his nationality and

cannot obtain the nationality of another state. Children of stateless people may be stateless as well. Children also may become stateless if they are born in the territory of the state where nationality is acquired only under the right of blood and their parents are citizens of the state where nationality is acquired only under the right of the soil. In some cases statelessness may appear as a result of territorial changes [5].

The main problem of statelessness is that stateless people are in a disadvantageous position compared with the citizens of the state in whose territory they live. Stateless individuals are limited in their rights, and because they lack the legal connection with any state, they cannot rely on the protection and support of the state. Today, statelessness is considered a negative phenomenon, and measures are taken in the world to reduce the number of such people and improve their legal status. For instance, their legal status is determined by the domestic law of the state of residence, and countries are obliged to ensure respect of fundamental human rights of such people.

Conclusion. Citizenship is one of the most important human rights, the foundation of the legal status of the individual, not only within any State, but also in international communication. Only on the basis of citizenship of a certain state an individual can take advantage of the maximum level of the rights guaranteed by this citizenship. This makes the matter of resolving citizenship issues particularly important for the world community. At this point, two main problems that international law faces in the field of citizenship are dual citizenship and statelessness. These problems are considered extremely negative and steps are being taken to solve them. However, at this stage they are usually limited to concluding international treaties that cannot provide a complete solution to the existing problems. Thus, there is still place for improvement, and all countries need to work together in order to ensure the full observance of rights of every person in the world.

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METHODS AND FORMS OF PRICE / NON-PRICE COMPETITION IN THE MARKET OF GOODS AND SERVICES

*O.A. Khomutova, L.I. Izotova (language supervisor)
V.N. Karazin National University, Kharkiv*

Khomutova O.A., Izotova L.I. Methods and forms of price / non-price competition in the market of goods and services. This article deals with issues related to one aspect of the market economy – competition. Specifically, its price and non-price methods and forms. The relevance of this topic is due to the fact that competition is a powerful factor in economic development. Competition relations help to establish a more efficient regime for the use of limited resources through their distribution among economic entities on the basis of the operation of economic laws. The purpose of this article is to disclose the concept of «competition», as well as to consider methods of price and non-price competition.

The results of the research showed that price competition is appropriate if the enterprise has strong positions, and the position of rivals is difficult. Also, the price method is widely used when entering markets with new goods and in the event of a sudden exacerbation of the sales problem. However, in modern conditions, it is the non-price competition method that prevails in the market.

Key words: competition, non-price competition methods, price competition methods.

Хомутова О.О., Ізотова Л.І. Методи і форми цінової/ нецінової конкуренції на ринку товарів і послуг. У даній статті розглядаються питання, пов'язані з одним з аспектів ринкової економіки – конкуренцією. А саме, її цінові та нецінові методи і форми. Актуальність даної теми обумовлена тим, що конкуренція є потужним фактором економічного розвитку. Відносини конкуренції сприяють встановленню більш ефективного режиму використання обмежених ресурсів за

допомогою їх розподілу між господарюючими суб'єктами на основі дії економічних законів. Метою даної статті є розкриття поняття «конкуренція», а так само розгляд методів цінової та нецінової конкуренції.

Результати дослідження показали, що цінова конкуренція доцільна, якщо у підприємства міцні позиції, а положення суперників скрутне. Так само, ціновий метод широко застосовується при виході на ринки з новими товарами і в разі раптового загострення проблеми збуту. Однак, в сучасних умовах, саме неціновий метод конкуренції переважає на ринку.

Ключові слова: конкуренція, нецінові методи конкуренції, цінові методи конкуренції.

Хомутова О.А., Изотова Л.И. Методы и формы ценовой / неценовой конкуренции на рынке товаров и услуг. В данной статье рассматриваются вопросы, связанные с одним из аспектов рыночной экономики – конкуренцией. А именно, ее ценовые и неценовые методы и формы. Актуальность данной темы обусловлена тем, что конкуренция является мощным фактором экономического развития. Отношения конкуренции способствуют установлению более эффективного режима использования ограниченных ресурсов посредством их распределения между хозяйствующими субъектами на основе действия экономических законов. Целью данной статьи является раскрытие понятия «конкуренция», а так же рассмотрение методов ценовой и неценовой конкуренции.

Результаты исследования показали, что ценовая конкуренция целесообразна, если у предприятия крепкие позиции, а положение соперников затруднительное. Так же, ценовой метод широко применяется при выходе на рынки с новыми товарами и в случае внезапного обострения проблемы сбыта. Однако в современных условиях, именно неценовой метод конкуренции преобладает на рынке.

Ключевые слова: конкуренция, ценовые методы конкуренции, неценовые методы конкуренции.

One of the aspects of a market economy is competition. To survive and succeed, organizations need to know their competitors, their achievements and successes. Since competitors directly and indirectly affect the sales of products and profits of the enterprise, they must be carefully studied in the course of market analysis.

Competition – a competition between market participants for the best conditions of production, purchase and sale of goods.

In the development of the theory of competition and competitiveness, foreign scientists such as A. Smith, D. Ricardo, J. Mile, A. Cournot, F. Edgeworth, A. Lerner, J. Robinson, J. Schumpeter J. Keynes, P .Hayne, A. Marshall, F. Hayek, F. Night, K. Makkonell, S. Brew, M. Porter, who along with other scientists creators of various schools and directions in economic and political science.

The concept of competition is so multi-valued that the formulation of its definition requires detailed extensive research and generalization of the work of many authors (Table 1).

Table 1

**Definitions of economic content
of the category of «competition»**

Author	Definition of competition
A. Smith	Competition is a «thread», pulling for which the «invisible hand» of the market forces entrepreneurs to act in accordance with some kind of «ideal» economic development plan
J. Mil	The competition is a regulator of prices, wages, rent, it is in itself a law that establishes the rules of this regulation
P. Haine	Competition is the desire to satisfy the criteria of access to rare goods as best as possible
F. Knight	Competition is a situation in which there are many competing units and they are independent
K.R. McConnell, S.L. Brew	Competition – the availability of a large number of independent buyers and sellers on the market and the opportunity for buyers and sellers to freely enter the market and leave it
F.Hayek	Competition is an opening procedure, through which the hidden becomes explicit. It leads to better use of knowledge and abilities of people and stimulates rationality. Competition leads to increased efficiency and calls for greater care
M. Porter	Competition is a dynamic and evolving process, constantly changing the landscape, where new products appear, new marketing paths, new production processes and new market segments
G.L. Azoev	Competition is a rivalry in any field between individual legal entities and individuals (competitors) who are interested in achieving the same goal
A. Yu. Yudanov	Competition is a struggle of firms for the limited volume of solvent demand of consumers, conducted by them on accessible segments of the market
R.A. Fatkhutdinov	Competition is the process of managing a subject with its competitive advantages for winning a victory or achieving other goals in the fight against competitors for satisfying objective or subjective needs within the framework of legislation or in natural conditions. Competition is the driving force behind the development of subjects and objects of government, society as a whole

The most important role in a market economy is played by competition between producers. Therefore, considering the competition, many authors most often describe it. Perfect and imperfect, price and non-price, conscientious and unfair competition, free competition, quality competition, international competition and other kinds refer primarily to the competition of producers.

As it was said, different types and forms of competition stand out, we will dwell in more detail on price and non-price competition.

Non-price competition is a kind of competition strategy, in which any methods of competition are used, besides reducing prices for products and services. Non-price competition involves the use of more modern methods of struggle for the consumer, for example, original advertising or improving the quality of the product. The quality can be increased in two ways: by improving the technical parameters of the product or by increasing its adaptability to the needs of the consumer.

Non-price methods of competition can be conditionally divided into three groups:

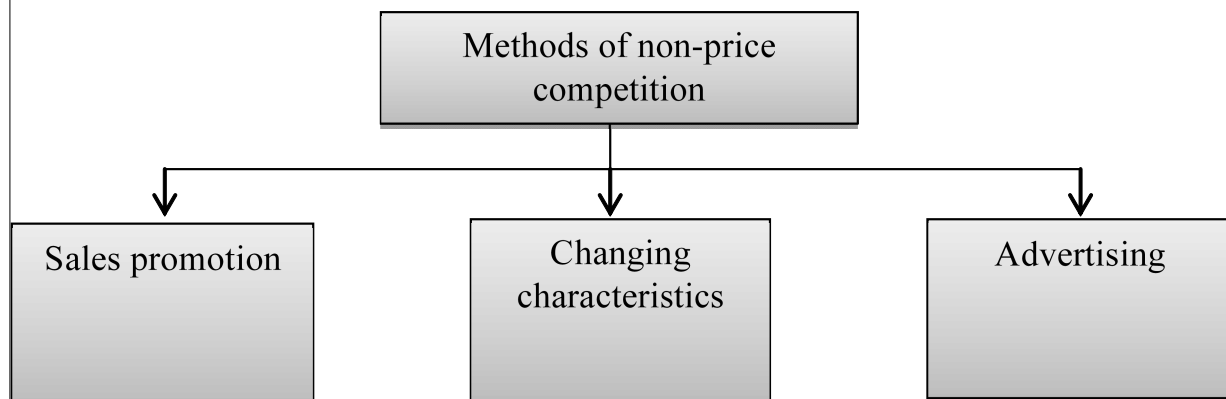


Figure 1. Methods of non-price competition

Stimulation of sales – measures of a material nature, encouraging the purchase of a separate product. Stimulation of sales has a multi-purpose orientation – those who are motivated may be buyers or resellers. The buyer is encouraged by such methods as «samples for trial», discount coupons, lotteries and so on. The main tool for motivating a reseller is an individual premium for the sale of a particular product.

Changing characteristics. The company increases the consumer value of its products, improving their parameters, or introduces new ones to the market. In the first case, we are talking about the differentiation of consumer properties,

in the second case, the differentiation of products. The first kind of differentiation is applied when:

- the organization seeks to increase the coverage of market segments.
- the company uses a strategy of concentrated marketing, that is, trying to become a leader in a narrow segment.

Also to this group of non-price methods of competition include improving the quality of the sales and after-sales service – a method that is designed to increase the number of goods in one check.

Advertising is information distributed in any form intended to generate consumer interest in the product. The most expensive and effective at the same time is advertising on TV, the least useful is advertising in print (newspapers), because the Internet has replaced them. When drafting an advertising plan, you should always focus on a typical consumer, that is, take into account characteristics such as age and sex.

Pricing methods of competition are competition, in which price is the main means of struggle.

At a price competition the one who achieves lower price of production, than competitors wins. This is, in effect, a struggle to reduce the costs of production through the use of scientific and technological progress, the scientific organization of labor, increasing its productivity, and so on.

Depending on the forms and objectives of competition, the following types of prices are formed: monopolistically high, monopolistically low, dumping, discriminatory (Table 2).

Table 2

Types of prices for price competition

View	Description
Monopolistically high price	A variation in the market price of a good or service, which is established by monopolies much higher than the value of the commodity and provides them with superprofits. This price is established as a result of the release by the monopolies of an overwhelming number of economic goods of a certain type, their restriction of competition and the achievement of a dominant position in the market.
Monopolistically low prices	Establish the goods and services purchased by large companies for component parts from small and medium-sized firms through a contract system: for raw materials purchased in developing countries; on goods manufactured in the public sector of the economy, and so on.

Table 2. Continued

Dumping prices	Extremely low prices for goods when selling them on the domestic and foreign markets to ruin and eliminate competitors from already mastered markets. And then the competitor-winner compensates his losses with a significant increase in the prices of goods.
Discriminatory prices	Different prices for the same product for different buyers. Establishing different approaches to customer service, the firm carries out price discrimination. There are three types of price discrimination.

The practice of establishing monopolistically high prices leads to a decrease in the effective demand of the population, a reduction in their real incomes. At first glance, sellers should be interested in high prices for their products to generate large profits (which, in principle, corresponds to reality). But in the conditions of modern competition this principle is somewhat modified. The presence of competitors in the market constrains sellers from the continued establishment of ultra-high prices for their products. The general rule can be formulated as follows: the more on the market of competing sellers, the lower the prices on it (other things being equal), and vice versa, the weaker in the market the competition between sellers of a certain product – the higher the price will be on it.

Price discrimination of the first degree, or absolutely price discrimination, exists when each consumer is set an individual price at the level of his willingness to pay for the good, i.e. the highest price at which the consumer agrees to buy a certain unit of goods or services.

Price discrimination of the second degree consists in setting the price level depending on the sales volume. This way of discrimination, as in the previous case, uses a downward curve of market demand, which reflects a decrease in the willingness of the buyer to pay with an increase in the volume of purchases.

Price discrimination of the third degree (in segmented markets) is introduced by the monopolist when it is possible to distinguish several separate groups of consumers with different elasticities of demand, i.e., to determine the so-called market segments. After that, those buyers, whose demand is significantly inelastic, will be offered a high price, and for those whose demand is elastic, low.

This is the most common variant of price discrimination. Of course, in this case too, the monopolist gets the opportunity to increase his own profits.

Elements of so-called hidden price discrimination take place when selling goods with an additional «load», with a «gift», with a «low price» for regular customers, with seasonal sales, etc.

Summarizing, it can be said that competition has become an integral part of the market environment and is a necessary condition for the development of entrepreneurial activities. Practice shows that price competition is advisable, if the enterprise has strong positions, and the position of rivals is difficult. Applying this method of competition, it should be borne in mind that some competitors can also reduce the price. Therefore, an entrepreneur who decides to apply the price method of competition, it is necessary to have some stock to reduce the price during a certain period. The price method is widely used when entering markets with new goods, as well as in case of sudden exacerbation of the sales problem. However, in modern conditions, it is the non-price competition method that prevails in the market. Developing the strategy and tactics of behavior in the market, the entrepreneur should provide for the production of such products, which, according to their consumer qualities, would meet the needs of consumers and take into account the dynamics of consumer expectations.

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ICELAND'S ECONOMIC DEVELOPMENT IN XXI CENTURY

*M.M. Khrapunenko,
I.V. Davydenko, PhD (language supervisor)
V. N. Karazin National University, Kharkiv*

Khrapunenko M.M., Davydenko I.V. Iceland's economic development in XXI century. The article covers the current position of Iceland in the global society, peculiarities and governmental methods of its recovery after economic crisis; defines

industries which helped economy to grow. The focus is mainly on tourism industry, its advantages and possible threats to the country's development.

Key words: crisis, development, economy, government, Iceland, regulating measures, tourism.

Храпуненко М.М., Давиденко І.В. Економічний розвиток Ісландії у XXI сторіччі. Стаття охоплює поточне місце Ісландії у світовому суспільстві, особливості та державні методи відновлення її економіки після кризи; визначає, які галузі допомогли економіці покращити свій стан. Особлива увага приділяється галузі туризму, її перевагам та можливим загрозам для розвитку країни.

Ключові слова: економіка криза, заходи регулювання, Ісландія, розвиток, туризм, уряд.

Храпуненко М.Н., Давыденко И.В. Экономическое развитие Исландии в XXI веке. Стаття охоплює теперішнє місце Ісландії в світовому суспільстві, особливості та державні методи відновлення її економіки після кризи; визначає, які галузі допомогли економіці покращити свій стан. Особливу увагу приділяється сфері туризму, її перевагам та можливим загрозам для розвитку країни.

Ключевые слова: Исландия, кризис, меры регулирования, правительство, развитие, туризм, экономика.

The object of the article is the development of Iceland's economy and its most contributive industries. The purpose of the article is to define and analyze the methods which government uses to make economy grow and key factors which encourage its growth as well as define possible threats that progressive industries may bring to the economy.

Iceland had been an underdeveloped country with a range of macroeconomic problems until late 80s. Its successful development began only in the beginning of 90s. However Iceland managed to become a country with the developed economy in relatively short period of time.

Icelandic type of economic development should be characterized as mixed. It refers to the Nordic model, which includes a combination of free market capitalism with a comprehensive welfare state aimed specifically at enhancing individual autonomy and promoting social mobility. The key factor is in balanced combination of market mechanisms and governmental presence in country's economy [4].

Iceland has always been a country with a specific geopolitical location and certain economic structure. Sea sector, including fishing, is the base of the Icelandic economy, which makes 40% of its export [1]. However, Nordic

type of social and market economy of Iceland allowed the country to be one of the most economically developed countries in the world before the crisis that began in the country in 2008. One of the main macroeconomic indicators of the country until 2008 was the low level of unemployment (in different years in this country the unemployment rate was 1-3%, and in June 2010 it was 7.6%), high economic growth rates (before the crisis, GDP growth in the beginning of the 2000s averaged 4-5%, in 2008 – 1.6%, and in 2009 the decline in GDP was 6.5%) and even distribution of income [2].

In the beginning of 2000s as national economy started growing, financial sector of the country developed significantly. In relatively short period of time Iceland's bank sector became one of the financial centers in Europe. Its banks were considered to be the most stable. The high level of external assets encouraged vulnerability of Icelandic national economy in time of globalization [4].

The amount of bank assets was 10 times bigger than country's GDP, and interest rate (15%) was the biggest in the world. That's why Iceland turned into a global offshore territory, where companies directed their investments to. But the 2008 global crisis strongly hit Iceland's bank system. The state was unable to help their banks and the whole country practically went bankrupt due to lack of their own resources [1].

Icelandic authorities took series of measures in order to stabilize domestic economy of the country which mainly reflected a strict governmental regulation. Authorities issued a law allowing them to control the bank system and then they did what others would avoid at any cost – they let their banks fail. As shocking as it seemed, it was the best move that the Icelandic authorities could have made. For it allowed them to lay new foundations, implement a new framework and revert back to the strengths of the economy prior to its foray into international finance [3].

After these events, over 80 percent of the financial system buckled and almost all businesses on the island were bankrupted. The stock market fell by around 95% and interest payments on loans soared to over 300%. Iceland received a \$2.1bn loan from the IMF, as well as \$2.5bn from neighbouring countries. The country refused to make compensational payments to British and Dutch investors because it could have destroyed the whole economy of the country [2].

The financial sector has made substantial reformation efforts by adopting more sustainable models and introducing a more effective regulatory framework. During the country's rehabilitation, a primary necessity was to make the economy more competitive and lower wages so that they became

more in line with other countries. Instead of drastic payment cutting, which naturally reduces both spending and the ability of citizens to repay their loans, Iceland devalued its currency by around 60%, thereby keeping wages at around the same level but making the krona worth less. Furthermore, through the devaluation of the krona, export revenue increased considerably. Fish and fishery products continue to dominate Iceland's exports, raking in €945m (\$1.03bn) in 2013, according to the European Commission. A number of Iceland's post-crisis strategies have collectively contributed to the steady progress of economic recovery [2].

Nearly 10 years later Iceland was called a European success story. The country is on track to be the fastest growing economy among OECD (The Organisation for Economic Co-operation and Development) member countries in 2017. Its GDP amounts to \$20.05bn. And one of the industries which have the biggest share in countries GDP became tourism industry. The sector has grown to rival fishing as one of Iceland's major industries, generating around 5-6% of GDP – roughly double what it is in most other European countries.

Iceland gained unprecedented appeal after the crisis as a cheap travel destination. Tourism has grown by 100 % since 2006, thus indicating the economic value of an extremely promising stream of revenue for the country. Preliminary data indicate that tourism as proportion of GDP amounted to 8.4% in 2016 and is forecast to rise by 8.0% in 2017. In comparison, tourism share of GDP was 6.7% in 2015 and 5.6% in 2014 [5].

Another reason of tourism growth in the recent years is the hit HBO TV series, Game of Thrones. Many of Iceland's glaciers, lakes and national parks serve as the backdrop for the "lands beyond the wall" and the popularity of the show has given rise to massive increases in tourism.

Iceland received a record 1.8 million visitors in 2016, which was a 40% jump over the previous year, while 2015 saw a 30% annual increase. As a result, the booming tourism sector is widely regarded as the reason for the country's recent surges in economic growth. In 2016, the economy grew a very impressive 7.2%, while the final quarter growth in 2016 came in at 11.9% [3].

Tourism brought a lot of benefits to Iceland's economy:

- In 2016, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 33.8% of total employment (62,500 jobs). This is expected to rise by 11.4% in 2017 to 69,500 jobs and rise by 2.5% to 89,000 jobs in 2027 (46.9% of total).
- Visitor exports generated \$3,084.5bn, 34.3% of total exports in 2016. This is forecast to grow by 10.1% in 2017, and grow by 4.7%, from 2017-2027 (to \$5,359.2bn in 2027, 40.6% of total).

- Travel & Tourism is expected to have attracted capital investment of \$7.2bn in 2016. This is expected to rise by 9.9% in 2017, and rise by 3.1% over the next ten years to \$8.3bn in 2027.

But despite all the advantages which tourism industry brings to the country there are many downsides to this situation which may affect further development of this sector of the economy [1].

Tourism is affecting housing and rental prices, and the overall cost of living, as prices for staple goods rise due to significantly increased demand. Moreover, the IMF has commented recently that although the economy is doing well, risks of overheating are a clear concern, while the Central Bank governor stated that the pace of economic growth became slightly worrisome as the appreciation of the krona could hurt inflation targets and exports.

Tourism is projected to come in at 2.4 million visitors this year. That is about seven times the population of the tiny country and it has put a strain on public services and infrastructure. The Icelandic healthcare system has also been put under pressure, as it cannot cope with the amount of people in the country [2].

Conclusion. So, as we can see, there are many issues, which go hand in hand with the development of Icelandic economy and its rapidly growing tourism industry. But it would be hard to overstate the importance of tourism to the Icelandic economy and the role it played in pulling the economy out. Icelandic government considers a few ways of taking fast development of the industry under control one of them being increase in prices for foreign visitors which should reduce demand.

Iceland is now growing at one of the fastest rates in Europe and even paying back its enormous loans early. Country's way from the crisis to present level of development is impressive, even with problems which go alongside it. Iceland's experience shows how authorities can maintain sustainable economic development and lead the country to successful recovery.

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THE MAIN CAPITAL OF THE ENTERPRISE – INDIVIDUAL HUMAN CAPITAL

*V.V. Klymenko, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Klymenko V.V., Startseva N.N. The main capital of the enterprise – individual human capital. The article is devoted to the problem of studying the human capital of an enterprise, which is regarded as an individual worker's capital and includes abilities, knowledge, skills and is divided into the initial, acquired and additional. The ways of development and improvement of individual capital through training programs, retraining, business schools with different specializations and courses are suggested.

Keywords: abilities, acquired capital, additional education, advanced training, business schools, courses, human capital, initial capital, knowledge and skills.

Клименко В.В., Старцева Н.М. Основний капітал підприємства – індивідуальний людський капітал. Статтю присвячено проблемі вивчення людського капіталу підприємства, яке розглядається як індивідуальний капітал працівника і включає здібності, знання, навички і підрозділяється на первинний, набутий і додатковий. Пропонуються способи розвитку і поліпшення індивідуального капіталу через програми навчання, підвищення кваліфікації, бізнес школи з різною спеціалізацією і курси.

Ключові слова: бізнес школи, додаткова освіта, здібності, знання, курси, людський капітал, навички, підвищення кваліфікації, придбаний капітал, початковий капітал.

Клименко В.В., Старцева Н.Н. Основной капитал предприятия – индивидуальный человеческий капитал. Статья посвящена проблеме изучения человеческого капитала предприятия, которое рассматривается как индивидуальный капитал работника и включает способности, знания, навыки и подразделяется на первоначальный, приобретённый и дополнительный.

Предлагаются способы развития и улучшения индивидуального капитала через программы обучения, повышения квалификации, бизнес школы с разной специализацией и курсы.

Ключевые слова: бизнес школы, дополнительное образование, знания, курсы, навыки, первоначальный капитал, повышение квалификации, приобретенный капитал, способности и человеческий капитал.

Relevance. The theory of human capital defines the essence, the content, the views, the ways to assess the capital of any enterprise. The problem of human capital has been widely discussed in the scientific and academic literature.

The purpose of the article is to describe the human capital as an economic category which influences the performance of the enterprise. Human capital has become one of the core concepts of economy, that allows to describe and explain many economic processes through the prism of human interests and actions. Human capital is a combination of its elements, which can be described by its structure as individual, collective and public. It can be considered and evaluated at the micro level (the individual human capital), at the level of a particular enterprise or group of enterprises (the human capital of the company) and at the macro level (the national human capital).

Human capital of an individual employee within an enterprise is a reserve of strength and energy available from the employee, which can be mobilized and used to achieve a certain goal, a plan, to solve a particular issue for a company at any moment. As a rule, the calculation of this value should be determined by an employee's personal contribution to the final economic results of business structure. Here is the classification of factors affecting the amount of the human capital amount specific to an individual employee of the enterprise:

- 1) sex of an employee (sexism is excluded);
- 2) qualification level;
- 3) continuity of employment;
- 4) value of a position occupied by the employee for an enterprise;
- 5) age;
- 6) marital status;
- 7) constant desire of an employee to improve his/her professional and qualifications level;
- 8) ability for self-learning;
- 9) the frequency of an employee's transfer (migration) from one enterprise to another;
- 10) constant and increased interest in the work performed;

- 11) ability to create, develop and make unconventional and effective management decisions within short terms;
- 12) employee's consent to work extra hours if necessary;
- 13) experience in modern computer and information technologies;
- 14) knowledge of foreign languages;
- 15) computer skills;
- 16) employee's ability to work successfully in a team [1].

Human capital of a particular employee is further classified into the initial capital and the acquired one. Initial capital is what was laid down in the human being in terms of genetics, as well as developed in childhood. This can include physical health and strength, endurance, immunity; it is the background of the future performance of the employee. Creativity, that tends to be showed up unequally in different people, any innate and developed skills distinguish a particular person from the rest. This category includes psychological health of the individual as well [3].

The second group is acquired capital. As far as education is concerned one can distinguish a universal education, which will increase the employee's chances on the labor market, often in a wide range of professional fields. A person receives such education at various educational institutions, professional courses and everyday interactions. Another kind of education is a special education, i.e. specific to a particular industry. There the relationship is established between the salary and level of education: incomes of university graduates tend to exceed incomes of high school graduates by approximately 50%. It should be noted that the main vocation of a human is the desire to learn something new. Over time technologies, ideologies, demand for specialty are changing, but education remains. Every modern employee understand that knowledge received fifteen, ten, or five years ago, is not enough to perform the work appropriately. In the West knowledge is recognized to become obsolete within five years.

An additional education which has faced structural changes within the last decade gained strong positive experience. The emergence of the labor markets, the need for specialty change and training, identifies the need to provide additional education in terms of a developed system of educational services. Academies of training and retraining, training institutions and training centers, business schools with a corresponding specialization carry out educational and informational activities in the field of additional education through short-term training programs, including lectures and individual consultations. Today long-term retraining program (500 hours or more) and obtaining the second

degree with specialization in business field – finance, personnel, management and marketing – are of the highest interest. Short-term and medium-term programs are conventionally divided into three types: courses, seminars, training sessions (72 hours); training (from 73 to 500 hours); retraining (over 500 hours). These programs are developed for people who already have a certain level of education and experience in a particular field but lack practical skills and knowledge [4].

Abilities are the psychological characteristics of a person, which affect the success of acquiring particular knowledge and skills, but which do not guarantee that a person would have this knowledge and skills in the long run. There is a certain set of criteria that characterize creative activities – productivity, originality, ability to generate new ideas, ability to «think out of the box». Labor, the possibility of acquiring excellent skills and significant progress, creativity, all play a decisive role in identifying and developing abilities. Abilities are being acquired by a human throughout his life, and their development is affected by the lifestyle and environment.

Creative abilities are divided into three groups. The first one is related to motivation (interests and inclinations), the second – to the temperament (emotional), and the third group – to the mental capacity. Creative person use innovative approaches to address a particular problem. Creative people see just as all the other people see, but think and perceive originally. An important ability of a creative person is the desire to find unusual solutions, striving to reach a result without any outside help. Other vital qualities are resourcefulness, self-criticism, flexible thinking, independence of opinion, boldness and courage, vigor. Tenacity, constancy to purpose, goal orientation are the conditions for creative achievements. Therefore, when evaluating an individual employee his creativity must be considered. There are also important factors that give a positive motivation for an employee and as a consequence lead to the increase of a particular employee's capacities:

- Employee's career (employer's plan to promote an employee);
- Good psychological climate among company's employees;
- The system of incentives to achieve the desired results of labor (financial, social, professional, psychological incentives etc.);
- Safety and comfort at work.
- Social interaction among the colleagues [2].

Conclusion. Human capital of the enterprise is the quantitative and qualitative characteristics of the staff, the resource which is associated with the performance of the enterprise and the achievement of its long-term goals.

The actual and potential abilities of the individual employees should be evaluated during a specific period of time in the combination with necessary organizational and technical conditions being provided at the enterprise.

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WORLD TRADE ORGANIZATION: PROS AND CONS

*V.V. Kliuchkovskiy, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University (Kharkiv)*

Kliuchkovskiy V.V., Skrypnyk T.I. World Trade Organization: pros and cons.

The article deals with advantages and disadvantages of WTO. It also includes the general information about the WTO: foundation, main rules and principles of its operation. The author analyses WTO and indicates its pros and cons. It is very important, because WTO has a crucial role in the international trade, global economics, political and legal issues.

Key words: business, principles, trade, World Trade Organizations, WTO.

Ключковський В.В., Скрипник Т.І. Всесвітня Торгова Організація: плюси та мінуси. У статті розглянуто переваги та недоліки ВТО. Стаття також включає в себе основну інформацію про: заснування, основні правила та принципи функціонування ВТО. Автором проаналізовано ВТО, вказано його плюси і мінуси. Це дуже важливо, оскільки ВТО має вирішальну роль у міжнародній торгівлі, глобальній економіці, політичних та правових питаннях.

Ключові слова: ВТО, Всесвітня Торгова Організація, принципи, торгівля.

Ключковский В.В., Скрипник Т.И. Всемирная Торговая Организация: плюсы и минусы. В статье рассмотрены преимущества и недостатки ВТО. Статья также включает в себя основную информацию про: основание, основные правила и принципы функционирования ВТО. Автором проанализирована ВТО, указано ее плюсы и минусы. Это очень важно, поскольку ВТО играет решающую роль

в международной торговле, глобальной экономике и политических и правовых вопросах.

Ключевые слова: ВТО, Всемирная Торговая Организация, принципы, торговля.

There are a number of ways of looking at the World Trade Organization. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates a system of trade rules. Essentially, the WTO is a place where member governments try to sort out the trade problems they face with each other [1].

The subject of research is the status and trends of World Trade Organization. The goal is to analyze WTO and identify pros and cons of it.

The members of the General Agreement on Tariffs and Trade (GATT) founded the World Trade Organization (WTO) in 1995. The WTO is the world's only international organization that supervises 95% of the world's global trade. It assists trade related issues of its member nations that produce, export and import goods and services in a smooth manner. Comprising 153 member nations, the agreements pertaining to the WTO have been signed and confirmed by respective member nations.

The predecessor of WTO is General Agreement on Tariffs and Trade (GATT). WTO is an International body dealing with the rules of trade among states and separate customs territories. The agreements in WTO provide the legal ground-rules for international trade and commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives.

The system's overriding purpose is to help trade flow as freely as possible – so long as there are no undesirable side effects – because this is important for economic development and well-being. That partly means removing obstacles. It also means ensuring that individuals, companies and governments know what the trade rules are around the world, and giving them the confidence that there will be no sudden changes of policy. In other words, the rules have to be 'transparent' and predictable.

Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO system, often need interpreting. The most harmonious way to settle these differences is through some neutral procedure based on an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements [1].

Advantages and disadvantages of WTO

World Trade Organization helps member states in various ways and this enables them to reap benefits such as:

Helps promote peace within nations: Peace is partly an outcome of two of the most fundamental principle of the trading system; helping trade flow smoothly and providing countries with a constructive and fair outlet for dealing with disputes over trade issues. Peace creates international confidence and cooperation that the WTO creates and reinforces.

Disputes are handled constructively: As trade expands in volume, in the numbers of products traded and in the number of countries and company trading, there is a greater chance that disputes will arise. WTO helps resolve these disputes peacefully and constructively. If this could be left to the member states, the dispute may lead to serious conflict, but lot of trade tension is reduced by organizations such as WTO.

Rules make life easier for all: WTO system is based on rules rather than power and this makes life easier for all trading nations. WTO reduces some inequalities giving smaller countries more voice, and at the same time freeing the major powers from the complexity of having to negotiate trade agreements with each of the member states.

Free trade cuts the cost of living: Protectionism is expensive, it raises prices, WTO lowers trade barriers through negotiation and applies the principle of non-discrimination. The result is reduced costs of production (because imports used in production are cheaper) and reduced prices of finished goods and services, and ultimately a lower cost of living. It provides more choice of products and qualities: It gives consumer more choice and a broader range of qualities to choose from.

Trade raises income: Through WTO trade barriers are lowered and this increases imports and exports thus earning the country foreign exchange thus raising the country's income.

Trade stimulates economic growth: With upward trend economic growth, jobs can be created and this can be enhanced by WTO through careful policy making and powers of freer trade.

Basic principles make life more efficient: The basic principles make the system economically more efficient and they cut costs. Many benefits of the trading system are as a result of essential principle at the heart of the WTO system and they make life simpler for the enterprises directly involved in international trade and for the producers of goods/services. Such principles include; non-discrimination, transparency, increased certainty about trading

conditions etc. together they make trading simpler, cutting company costs and increasing confidence in the future and this in turn means more job opportunities and better goods and services for consumers.

Governments are shielded from lobbying: WTO system shields the government from narrow interest. Government is better placed to defend themselves against lobbying from narrow interest groups by focusing on trade-offs that are made in the interests of everyone in the economy. The system encourages good governance: The WTO system encourages good government. The WTO rules discourage a range of unwise policies and the commitment made to liberalize a sector of trade becomes difficult to reverse. These rules reduce opportunities for corruption.

However, the WTO has often been criticized for trade rules that are still unfavorable towards developing countries:

- Many developed countries went through a period of tariff protection; this enabled them to protect new, emerging domestic industries. Ha Joon Chang argues WTO trade rules are like “pulling away the ladder they used themselves to climb up”.
- Free trade may prevent developing economies develop their infant industries. For example, if a developing economy was trying to diversify their economy to develop a new manufacturing industry, they may be unable to do it without some tariff protection.
- WTO is being overshadowed by new TIPP trade deals. These deals are negotiated away from WTO and focuses mainly on EU and US. It excludes China, Russia, India, Brazil and South Africa. It threatens to diminish the global importance of WTO.
- Difficulty of making progress. WTO trade deals have been quite difficult to form consensus. Various rounds have taken many years to slowly progress. It results in countries seeking alternatives such as TIPP or local bilateral deals.
- WTO trade deals still encompass a lot of protectionism in areas like agriculture. Protectionist tariffs, which primarily benefit richer nations, such as the EU and US.
- WTO has implemented strong defense of TRIPs ‘Trade Related Intellectual Property’ rights. These allow firms to implement patents and copyrights. In areas, such as life-saving drugs, it has raised the price and made it less affordable for developing countries.
- WTO has rules, which favor multinationals. For example, “most favored nation” principle means countries should trade without discrimination. This

has advantages but can mean developing countries cannot give preference to local contractors, but may have to choose foreign multinationals – whatever their history in repatriation of profit, investment in area [3].

This article has analyzed the advantages and disadvantages of the WTO for developing nations. It firstly, argued that the global economic system is inherently unfair as the economic power of core nations is so great that the periphery will always be exploited unless the system is substantially reorganized. It criticized a common view that the system is a lot more fair now as negotiations have moved from being power orientated to rule orientate, by concluding this is not the case as powerful nations can still use their power to bypass the WTO and developing nations whenever it is in their benefit.

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THE CONCEPT OF ECOLOGIZATION IN TOURISM: GLOBAL TRENDS AND OPPORTUNITIES FOR UKRAINE

*T.V. Kolesnyk, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Kolesnyk T.V., Litovchenko Y.M. The Concept Of Ecologization In Tourism: Global Trends And Opportunities For Ukraine. The article analyzes the modern trend in travel industry – ecologization and the prospects in introducing such a practice in Ukrainian realities, taking into account a number of national specific factors.

Key words: ecologization, eco-tourism, tourist infrastructure, tourist flow.

Колесник Т.В., Літовченко Я.М. Концепція екологізації туризму: Глобальні тенденції та перспективи для України. У статті розглядається концепція сучасного тренду в туристичній діяльності – екологізація і перспективи впровадження подібної практики в українських реаліях з урахуванням національних специфічних факторів.

Ключові слова: екологізація, еко-туризм, туристична інфраструктура, туристичний потік.

Колесник Т.В., Литовченко Я.Н. Концепция экологизации туризма: Глобальные тенденции и перспективы для Украины. В статье рассматривается концепция современного тренда в туристической деятельности – экологизация и перспективы внедрения подобной практики в украинских реалиях с учетом национальных специфических факторов.

Ключевые слова: туристическая инфраструктура, туристический поток, экологизация, экотуризм.

According to the World Tourism Organization, the role of the tourism industry and indicators of international tourism are constantly increasing each year. International tourist arrivals grew by 4.4% in 2015, reaching 1,184 million. Also, the US tourism receipts are estimated to have brought 7.2 billion USD, or 9.8%, to the world GDP in the same year. The contribution of tourism business activity to the world GDP is projected to increase by 4% over the next ten years [3].

In addition, taking into account the contemporary world economic development trends, UNWTO has declared 2017 the Year of Sustainable Tourism Development. According to General Secretary of UNWTO Taleb Rifai, there is an urgent necessity to implement environmentally-aimed policy into all aspects of tourism on both tourist giants and small scale tourist destinations and companies [4].

Ecologization in tourism is a complex concept based on the general idea of sustainable development, which coordinates the management of all types of resources in such a way that economic, social and aesthetic needs can be satisfied along with the preservation of cultural integrity, basic ecosystems, and biodiversity [10]. This concept consists of the following elements:

- Eco-Tourism – Responsible travel to natural areas that conserves the environment and improves the welfare of local people [8];
- Ethnical Tourism – Tourism in a destination where ethical issues are the key driver, e.g. social injustice, human rights, animal welfare, or the environment [4];
- Geotourism – Tourism that sustains or enhances the geographical character of a place – its environment, heritage, aesthetics, culture and well-being of its residents [5];
- Pro-Poor Tourism – Tourism that results in increased net benefit for the poor people in a destination [6];
- Responsible Tourism – Tourism that maximizes the benefits to local communities, minimizes negative social or environmental impacts, and helps local people conserve fragile cultures and habitats or species [2].

Recent research on the tourist market demonstrates a strong consumer interest in the types of tourism and tourism products that promote environmental protection and bring significant benefits to the local communities. According to a survey conducted by Good Travel in 2015, 72% of respondents consider their travel «important» for the local population and even have volunteered to donate their budget share while traveling in order to personally contribute to the development of a particular tourism destination [10].

Furthermore, «living as a local», knowing the local culture, has become a very popular trend for many travelers. They are looking for more authentic as well as festive experiences at the same time. An argument in support of this is the fact is a large number of holiday companies offering people the opportunity to enjoy a special holiday along with traditional tourist attractions [1].

Based on the previously discussed, the UNWTO statistics is quite expected, which shows that today about 20% of the total international trips to nature tourism continue to grow and its share grows steadily [3]. Moreover, according to the 2015 Conservation International Rainforest Alliance and UNEP research, tropical forests are key natural attractions during ecological tours, which, in its turn, may include one or a combination of «bird and wildlife observation» nature, hiking, camping, horseback riding, cycling, and in some areas – canoeing, kayaking, kayaking and river tours. This environmental study and its interpretation is to inform global community of the ideas that increase their awareness of the social, natural and cultural characteristics of the nation and, as a result, ecologize tourism» [3].

In addition to the obvious benefits for the destinations, world-class research on the tourism business sector shows that travelers prefer those companies that really exercise environmental practice in their activities. Tourists expect business travel to be fully dedicated to the path of sustainable development, although they still insist on the unconditional need for the free Wi-Fi connectivity in the hotels and online check-in for airline travel [14]. The percentage of consumers willing to pay more for environmental brands has increased from 55% to 66% between 2014 and 2015. About 73% of people under the age of 50 tend to pay more for the environmental quality of the tourist product, compared with 51% of the older generation [7].

Therefore, the use of an advanced environmental practice obviously has a significant meaning in business, precisely because of the demand for environmental products displayed by modern tourists. Increasing its productivity in this area, the tour operator can improve the reputation of the company on the market and gain the image of the responsible operator [3].

For example, UNWTO offers tourist companies to focus their efforts on the following types of tourism: adventure tourism, agritourism, gastronomic, wellness tourism – all within the framework of the environmentalization.

Taking into account all the arguments, it can be stated that Ukraine has excellent prospects for the development and introduction of world ecological trends at the national level, not only due to a complex of natural, economic and human resources, but also provided that tourism environmentalistic policy will be formed in accordance with the principles of the concept of ecologization. However, the existing tourism and social infrastructure of Ukraine allows only minimally to start the process of development of ecological types of tourism in a few regions. Therefore, in order to achieve a truly effective and profitable implementation of this concept, it is necessary to develop a fundamental national policy taking into account the specifics of the territory and its economy.

In general, world experts in the field of tourism have reached a consensus that society is confidently part of the era of «New Tourism» – sustainable, which means that the characteristic of tourists of this era will be a higher level of environmental and cultural awareness, as a result of the generalization of information technology; they will be more demanding, more able to influence the products they consume.

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RELIGIOUS TOURISM AS A FORM OF RECREATIONAL ACTIVITY: THEORETICAL ASPECTS

*K.A. Komyagina,
O.D. Kaplin, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Komyagina K.A., Kaplin O.D., Litovchenko Y.M. Religious tourism as a form of recreational activity: theoretical aspects. The article reveals an analysis of the theoretical aspects of religious tourism as a form of recreation and prospects of development of this type of tourism in Ukraine. The work examines the problems of understanding what religious tourism is and what distinctive features distinguish it from other types. The article also highlights the problem of determining the definition of religious tourism, which is typical to both domestic and foreign scholars.

Key words: definitions, prospects of development, recreation, religious tourism, theoretical aspects.

Комягіна К.А., Каплін О.Д., Літовченко Я.М. Релігійний туризм як форма рекреаційної діяльності: теоретичні аспекти. Ця стаття являє собою розбір теоретичних аспектів релігійного туризму як форми рекреації та перспектив

розвитку цього туристичного напрямку в Україні. В ній розглядається проблематика розуміння того, чим є релігійний туризм, його відмінні риси, що відрізняють його від таких видів як паломницький та релігійний туризм, проблематика визначення його дефініції що притаманне як вітчизняним так і зарубіжним науковцям.

Ключові слова: дефініції, перспективи розвитку, рекреація, релігійний туризм, теоретичні аспекти.

Комягина Е.А., Каплин О.Д., Литовченко Я.Н. Религиозный туризм как форма рекреационной деятельности: теоретические аспекты. Эта статья представляет собой разбор теоретических аспектов религиозного туризма как формы рекреации и перспектив развития этого туристического направления в Украине. В ней рассматривается проблематика понимания того, чем является сельский зеленый туризм, его отличные черты, которые отличают его от таких видов как паломнический и религиозный туризм, проблематика определения его дефиниции, что присуще как отечественным так и зарубежным ученым.

Ключевые слова: дефиниции, перспективы развития, рекреация, религиозный туризм, теоретические аспекты.

Religious tourism plays an important role in the international and domestic tourism. People go to pilgrimage and sightseeing trips to holy places and religious centers. Pilgrims are interested in direct participation in religious cults. Religious travelling is important nowadays, but the process of moving and staying of tourists without the proper level of comfort becomes the most pressing. Only in the last three or four years the number of Ukrainian pilgrims who travel abroad with a religious-cognitive purposes has increased significantly. The main routes have been laid to Israel, Italy, Greece, Cyprus, Turkey, Saudi Arabia and so on. D. The most widely spread confessions in our country are: Christianity (Orthodoxy and Catholicism), Islam and Judaism [1, p. 75].

The theme of religious tourism and the prospects for its development are highlighted by such authors as Alexandrov A.Y., Chudnovsky V.G., Terentiev O.D., Skorchenko Y.U., Babkin A.V., Birzhakov M.B., Zorin I.V., Quarterly V.A., Sokolova M.A., Volodya L. , Afanasiev I.Y., who described the current problems of organization and religious tourism economy. Unfortunately, the possibility of creating a competitive tourism industry that is able to meet demand both in domestic and abroad tourism and the possibility of further conditions' formation for the development of religious tourism has not been sufficiently studied.

Organizing of both international and internal pilgrimage tours is mainly held by structures created under the auspices of Christian churches, and

structures created by individual communities and cultural and religious non-governmental organizations. They are the most numerous players of this market. There are a number of reasons that impede the development of religious tourism in Ukraine: the absence of a comprehensive program for the development of religious tourism; undeveloped tourism infrastructure; insufficient number of hotel rooms and inconsistency of their structure; lack of proper order in places of pilgrimage; lack of advertising and information products, propaganda and promotion of religious tourism; absence of a management system of religious tourism [3, p. 121].

The pilgrimage is spread practically among followers of all known and modern religions. The organization of pilgrimage is occupied by religious organizations and tourist firms, among which there are those who are specifically engaged in pilgrim tourism. The pilgrim wants to visit places that are like sanctified by the founder of his religion and his closest followers in order to be filled with grace and join in to holiness. He participates in religious rites and ceremonies, receives instruction from priests and monks who are in this holy place. Excursion and pilgrimage trips occupy a significant place among Christians in the stream of religious tourism. In its turn, religious tourism of the excursion and cognitive orientation involves visiting religious centers in which tourists can see religious objects, visit religious monuments, museums, attend divine services, and take part in religious processions, meditations and other religious events. This type of tourism is closely interrelated with scientific tourism of religious orientation. Scientists visit centers of existing religions, countries and regions with rich religious traditions.

The great work on the development of religious tourism is carried out by the Donetsk Institute of Tourist Business. In the institute, cognitive excursions are constantly being developed, for example, «On the Shrines of Orthodoxy» and others [4, p. 32]. Thus, Ukraine is a promising, safe and attractive country for the development of international religious and pilgrimage tourism. Recently, there has been a marked interest in religious tourism and pilgrimage. As a result of the rapid growth in the last decade of religious organizations in Ukraine, the regulatory and legal framework for the development of religious tourism began to be formed. As stated in Art. 4 Ukrainian Ukraine on November 18, 2003 No. 1282-IV «On Amending the Law of Ukraine « On Tourism », religious tourism is one of the main types of tourism [2, p. 36].

At the present stage, a specific segment of the religious tourism market is being formed in Ukraine, and it becomes more and more developed. In connection with the increased number of proposals for the pilgrimage trips

organization, the task of tourism business professionals is to competently organize the work in this sector of domestic tourism on the basis of marketing research and a clear work of managers. It is obvious that we need a complex of legal, economic and organizational measures that can facilitate religious tourism development and help it to become a full-fledged type of tourism industry.

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PEOPLE“S DIPLOMACY AS AN INSTRUMENT OF INFLUENCE WITHIN THE WORLD“S POLITICAL ARENA

*A.A. Kornienko, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Kornienko A.A., Medvid M.M. People“s diplomacy as an instrument of influence within the world“s political arena. The article analyses the methods via which languages as part of people“s diplomacy may affect the political situation of the whole world. The research reveals the mechanisms of people“s diplomacy. The necessity of using the so called soft power in diplomatic relations has been grounded and flagged.

Key words: informal representative, Peace Corps, people“s diplomacy, political arena, soft power.

Корнієнко А.А., Медвідь М.М. Народна дипломатія як інструмент впливу на світовій політичній арені. У статті проаналізовано методи, за допомогою яких мови як складова народної дипломатії можуть впливати на політичному ситуацію у всьому світі. Це дослідження тлумачить механізми народної дипломатії.

Обґрунтовано та наголошено на необхідності застосування так званої м'якої сили в дипломатичних відносинах.

Ключові слова: Корпус Миру, м'яка сила, народна дипломатія, неофіційний представник, політична арена.

Корниенко А.А., Медведь М.Н. Народная дипломатия как инструмент влияния на мировой политической арене. В статье проанализированы методы, посредством которых языки как неотъемлемая часть народной дипломатии могут оказывать влияние на политическую ситуацию во всем мире. Данное исследование разъясняет механизмы народной дипломатии. Обоснована и акцентирована необходимость применения так называемой мягкой силы в дипломатических отношениях.

Ключевые слова: Корпус Мира, мягкая сила, народная дипломатия, неофициальный представитель, политическая арена.

The article focuses on the mechanisms of people's diplomacy, the efficiency of its approaches to have impact upon the development of diplomacy.

The urgency of the chosen subject lies in the fact that in the era of globalization and economic cooperation escalating which serve as a motive to expand the country's political power on all the participants of international economic relations, the necessity to apply soft power to achieve national goals and protect political interests instead of breaking out a war, which was normal centuries ago, has reached its peak. None of the countries nowadays possesses the right to violate International Law relatively to impair less developed countries.

The objective of the article is to reveal the mechanisms of people's diplomacy and demonstrate the role of languages in its functioning.

To begin with, it is crucial to understand what soft power is. According to the main perception, soft power is the ability to affect others to obtain the outcomes one wants through attraction rather than coercion or payment. A country's soft power rests on its resources of culture, values, and policies. A smart power strategy combines hard and soft power resources. Public diplomacy has a long history as a means of promoting a country's soft power and was essential in winning the cold war. The current struggle against transnational terrorism is a struggle to win hearts and minds, and the current overreliance on hard power alone is not the path to success. Public diplomacy is an important tool in the arsenal of smart power, but smart public diplomacy requires an understanding of the roles of credibility, self-criticism, and civil society in generating soft power [1].

Based on this definition of soft power, people's diplomacy is an international activity of public organizations, educational establishments, science and culture committees, local governmental structures, business circles and private persons as well, aimed at developing and strengthening of amicable relationships, scientific, cultural and other connections between communities of different countries.

People's diplomacy promotes searching nonviolent ways of regulation intergovernmental and international conflicts, taking place in the history quite often. The effective usage of people's diplomacy in attempts to settle the dispute assumes cooperation with officials, however, the direct representatives of people's diplomacy are not superior officials.

As against formal diplomatic operations, people's diplomacy is accomplished by people or public organizations on a voluntary basis, there are no political or diplomatic rights or privileges in their possession. We may say their activity is initiated "from below", out of people's volition.

People's diplomacy is not the same as civil diplomacy with no political or juridical restrictions. The circle of people who make contribution into the diplomacy does not include diplomatic officials, but there are scientists, culture workers, businessmen, religion people, youth, tourist and sports organization, some private people involved.

The aims of people's diplomats are lobbying civil interests of border communities, solving extraordinary questions which are often beyond officials' and governmental organizations' power.

Among the world-known people having contributed into the deed of people's diplomacy we ought to flag Mahatma Gandhi who was a lawyer, philosopher and politician of Indian origin.

Gandhi with the help of nonviolent tactics reached the liberation of Indian out of colonial dependence on the Great Britain, made an attempt to regulate religious contradictions with Pakistan.

Such funds as Green Peace and UNESCO can be listed as public movements in the frameworks of people's diplomacy.

Despite the fact that quite a specific term "people's diplomacy" has entered the dictionary of political and international experts only a couple of decades ago, public diplomacy has been present in the international relations for many centuries and known in the era of Rome Empire.

In the USA in the 60-s many citizens from different backgrounds have claimed the creating project aimed at promoting cultural and good- neighbor relations of Americans with the representatives of other counties and improving

relations in the context of panhuman values, beyond the official diplomacy. It should be highlighted that the first delegation from the USA came to the USSR with the Mission of Goodwill in 1956 (Within “People to People International Goodwill Tour” [2]).

Considerable role in people’s diplomacy is served by The Peace Corps.

According to the Statute of this organization, The Peace Corps is a service opportunity for motivated changemakers to immerse themselves in a community abroad, working side by side with local leaders to tackle the most pressing challenges of our generation [3].

The efforts of people’s diplomacy favor the cooperation between plain citizens of different countries, and if this form of informal interaction is successfully developing, this tendency makes for improving and developing official intergovernmental relations themselves, as for realizing the cultural peculiarities of each separate country or civilization, getting to know the habits and traditions of the population representing this country is critical.

Thus, at a modern stage, the “people’s diplomacy” movement has become a very widespread phenomenon within the international practice, which includes both cultural, economic and civil political cooperation elements and “informal diplomacy” of the representatives of a variety of counties and nations as well.

In the sector of cultural aspect of people’s diplomacy, the popularization of languages is extremely widely used: there is a multitude of students’ exchange programs, summer schools and internship which involve language practice as well as becoming acquainted with other young people from all around the world and maintaining friendly relations in the future let alone spreading pop culture and cosmopolitan life mode via media and internet. All these are integral parts of people’s diplomacy.

In a majority of cases, people’s diplomacy does coincide with the official diplomacy being carried out by official diplomatic servers. Furthermore, it completes the official one, bringing in the variety into the forms of international, in a genuine sense of this word, cooperation. Within the international politics, people’s diplomacy assumes various forms – besides cultural inter- and cooperation there are also tourism exchange, sports and urban cooperation.

To review the article, the development of people’s diplomacy takes place in an intensive pace, however, for the sake of its efficiency, it is necessary for the local bureaucracy to act towards these organizations as to equal partners, not as to an unstable element of intergovernmental and interregional relations. Only is case of using the factor of cooperation of the people’s diplomacy representatives with official (governmental) organizations, solving numerous

problems of intergovernmental and interregional relations is possible in tandem with efficient uniting of official and people's diplomacies for reaching pan-national political and civil-social targets.

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THE CURRENT STATE OF UKRAINIAN-EGYPTIAN TRADE RELATIONS

*K.A. Korotovskykh, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Korotovskykh K.A., Davydenko I.V. The current state of Ukrainian-Egyptian trade relations. The article describes problems of the economic trade relations between Ukraine and Egypt, it provides the dynamics of the volume of the trade turnover between Ukraine and Egypt, the diversification and increasing of bilateral trade between the countries, it also studies business interaction.

Key words: bilateral trade, business interaction, economic trade, Egypt, turnover, Ukraine.

Коротовських К.А., Давиденко І.В. Сучасний стан українсько-єгипетських торговельних відносин. У статті розглядаються проблеми економічних торговельних відносин між Україною та Єгиптом. Подається динаміка обсягів товарообігу між Україною та Єгиптом, диверсифікація та збільшення двосторонньої торгівлі між країнами, а також ділове співробітництво.

Ключові слова: двостороння торгівля, ділове співробітництво, економічна торгівля, Єгипет, товарообіг, Україна.

Коротовских Е.А., Давыденко И.В. Современное состояние украинско-египетских торговых отношений. В статье рассматриваются проблемы экономических торговых отношений между Украиной и Египтом. Показана

динамика объемов товарооборота между Украиной и Египтом, диверсификация и увеличение двусторонней торговли между странами, а также деловое сотрудничество.

Ключевые слова: двусторонняя торговля, деловое сотрудничество, Египет, товарооборот, Украина, экономическая торговля.

The subject of the study is the Ukrainian-Egyptian bilateral relations. The purpose of the study is to analyze the main problems and prospects for the development of bilateral relations. The relevance of the study is determined by building a partnership between Egypt and Ukraine, within which it is needed to boost long-term cooperation and create new valuable export opportunities for Egyptian and Ukrainian companies.

Ukraine and Egypt have a long history of successful bilateral relations which have to be nourished and further developed. Egypt is the largest trade partner of Ukraine in the Middle East and Africa.

Economic ties between Ukraine and Egypt are strong and in constant growth. For example, the trade turnover between the countries reached USD 2,3 billion in 2016. The biggest part of this figure are Egyptian imports from Ukraine, while Egyptian exports to Ukraine represent a much smaller figure. However, serious efforts are currently being exerted to present a wide range of high-quality, competitively priced Egyptian commodities to potential Ukrainian importers, with a view to increase such exports to Ukraine in the future [3].

Egyptian companies are interested in high quality and competitively priced products in a diverse range of trade sectors. The government of Egypt is working on advancing experiences of joint ventures, providing modern production technology and enhancing exchange of experiences and successful practices in the various factories.

Egypt has a lot to offer for Ukraine. That are, first of all, agrarian products, including raw and processed fruit and vegetables. Egypt manufactures textile of a very high quality. The country is interested in the IT sphere, especially seeking joint projects for experience sharing. There are opportunities to diversify and increase our trade, if we work together towards more interaction between our business communities, some advantages could be seized, such as the Egyptian multilateral agreements with African and the Arab countries (such as COMESA, GAFTA), in addition to its geographic location, that can be a hub for Ukrainian products to Arab and African countries [1].

The main Egyptian exports to Ukraine include citrus, rice, medicines, strawberry, medicinal herbs, spices, potatoes, water heaters, steel and ceramic,

while the Ukrainian main exports to Egypt include iron and steel products, charcoal, sunflower oil, wheat and corn, in addition to military exports including planes.

In advancement of economic cooperation, the Egyptian-Ukrainian business forum was convened, late last year, at the premises of Chamber of Commerce and Industry of Ukraine, with the participation of 25 Egyptian businessmen representing various companies. Many other efforts are underway to advance business to business interaction and exchanges on both sides. Many Egyptian businessmen come to Ukraine seeking to establish joint enterprises in Egypt.

As we can see, Egypt currently performs difficult, but necessary economic reforms, including also the reformation of the industry sector. In the direct aftermath of the revolution of 2011, many factories were closed. Today country is keen on reopening these enterprises and to modernize them in the process, so that they can also advance our export capacity in the world market [3].

According to the data of the State Statistics Service of Ukraine, in 2016 the volume of the trade turnover between Ukraine and Egypt amounted to 2.315 billion USD [4].

Export to Egypt reached 2.266 billion USD (+9% – comparing to 2016). Imports from Egypt reached 48, 7 million USD (-12.4% – comparing to 2016). A trade surplus of Ukraine reached – 2.217 billion USD [2].

Egypt is the very place where Ukraine realizes one of its biggest investment projects abroad. Total value of Ukraine's direct investment in Egypt is more than 241 million USD. Ukraine's state company "Naftogaz of Ukraine" invested in an oil investigation in the Alam El Shavish deposit of the Western Desert of Egypt and started an industrial oil and gas exploration.

Taking into consideration successful cooperation with Egyptian General Petroleum Company since 2006, the JSC "Naftogaz of Ukraine" signed a Concession Agreement with the Ministry of Petroleum of ARE for investigation and exploration of hydrocarbon deposits Wadi Mahareeth № 8 i 9, that are operated by the Egyptian Company GANOPE (Ganoub EL-Wadi Holding Petroleum Company) [2].

The project is realized in the framework of the State program for diversifying energy sources in Ukraine. The participation in the project is a unique opportunity for Ukraine to strengthen its position in the Northern African oil exploration segment. It opens perspectives for the implementation of similar projects in other countries of the region.

The importance of Ukraine in the sphere of tourism is very clear. Egypt welcomes Ukrainians through various times of the year. Last year, around

450 thousand Ukrainian citizens visited Egypt for tourism. They mostly visit Sharm el Sheikh, Hurghada and nearby resorts and historical sites. Egypt cooperates with Ukrainian companies to increase this number and encourage Ukrainians to visit more touristic sites in various other parts of Egypt too. For the last years Ukraine became a key partner, as Ukrainian tourists replace tourists from such countries as Russia and Great Britain, which previously represented the leading numbers visiting Sharm El Sheikh and Hurgada [3].

Ukrainians are very objective in their perception of Egypt as the safe place. They realize that the risk of terrorist attacks, is similar to that in many other world locations that are traditionally safe, including in the heart of Europe. Egypt works hard on providing the highest level of safety and security, constantly improves the quality of the resorts and tourist services. Egypt also promotes tourism in an ever-growing number of locations across the country, including Cairo, Luxor, Aswan, Marsa Alam and the Mediterranean North Coast.

Thus, it can be concluded that bilateral relations between Egypt and Ukraine countries will develop steadily. In the future, both countries can cooperate in the IT sphere, diversify and improve bilateral trade. Very important step in this direction is the resumption of direct air flights between Kyiv and Cairo, which will help to boost and deepen cooperation between countries in the wide range of spheres, including education, culture, trade and tourism.

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SPECIAL DRAWING RIGHTS AS A NEW MEDIUM OF INTERNATIONAL LIQUIDITY

*O.K. Korzhavykh, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Korzhavykh O.K., Startseva N.N. Special Drawing Rights as a means of ensuring international liquidity. The article proposes the analysis of a new means of ensuring international liquidity – Special Drawing Rights. SDRs are considered to be the average value of the currencies of different countries that are the members of the International Monetary Fund. It is suggested that instead of a system of quotas for IMF member states, they should be provided with SDRs in accordance with their needs assessment in this means of liquidity during the crisis period.

Keywords: assessment, crisis period, international liquidity, International Monetary Fund, means, quotas, SDRs, value of the currencies.

Коржавих О.К., Старцева Н.Н. Спеціальні Права Запозичення як засіб забезпечення міжнародної ліквідності. У статті пропонується новий засіб забезпечення міжнародної ліквідності – Спеціальні Права Запозичення. СПЗ розглядаються як середня величина валют різних країн, що є членами Міжнародного валютного фонду. Передбачається, що замість системи квот для держав-членів МВФ повинні надаватися СПЗ відповідно до оцінки їх потреб у СПЗ в період кризи.

Ключові слова: вартість валют, засоби, квоти, кризовий період, Міжнародний валютний фонд, міжнародна ліквідність, оцінка, СПЗ.

Коржавых А.К., Старцева Н.Н. Специальные Права Заимствования как средство обеспечения международной ликвидности. В статье предлагается анализ нового средства обеспечения международной ликвидности – Специальных Прав Заимствования. СПЗ рассматриваются как средняя величина валют разных стран, которые являются членами Международного Валютного Фонда. Выдвигается идея, чтобы вместо системы квот для государств – членов МВФ должны предоставляться СПЗ согласно оценке их потребности в СПЗ в кризисный период.

Ключевые слова: квоты, кризисный период, Международный валютный фонд, международная ликвидность, оценка, СПЗ, средства, стоимость валют.

Relevance. The international monetary and financial system destabilized after the severe crisis of 2008 and requires an urgent reform directed at creating a new and efficient means of international liquidity. The Special

Drawing Rights may serve such a purpose possessing all the features of a global reserve medium. IMF would have to address the issue of SDR allocation to its member States.

The purpose of the article is investigate one of the new ways of increasing global liquidity of the world monetary system – SDRs.

The question of the reserve currency in the current international monetary system has been reviewed in the report of the Stiglitz Commission: the issue of reform involving Special Drawing Rights (SDRs) as the main form of international liquidity was raised [3]. One proposal discussed by the Commission, which has also been reiterated by other authors [2], was first discussed in the late 1970s to facilitate reserve currency diversification without creating the risk of a major dollar crisis. This proposal envisaged giving central banks the possibility to deposit dollar reserves in a special “substitution account” at the IMF which will be denominated in SDRs. The SDRs could also be used to settle international payments. SDR is valued as the weighted average of the major currencies, its value is more stable than that of each of the constituent currencies. This does not mean that the exchange rate risk would disappear; it would simply be shifted to the IMF. The risk would have to be covered either through the generation of higher revenues by the IMF or by guarantees from member States. But there would remain the problem of exchange-rate determination of the currencies of the member States.

A step that would go much further than the introduction of a substitution account would be to enable a new “Global Reserve Bank” or a reformed IMF to issue an “artificial” reserve currency, such as the “bancor” suggested by Keynes in his Bretton Woods proposals for an International Clearing Union [5]. The new global reserve system could be built on the existing system of SDRs [1]. One possibility is for countries to agree to exchange their own currencies for the new currency, so that the global currency would be backed by a basket of currencies of all the member States of the IMF. The new system could contain penalties against countries that maintain deficits, and equally against countries that maintain surpluses. A variable charge would be levied depending on the size of the surpluses or deficits [1].

Recognizing the need for increasing international liquidity in the current financial and economic crisis of 2008, the G-20, at its London Summit in April 2009, announced its support for a new general SDR allocation, which would inject \$250 billion into the world economy and increase global liquidity. However, a major problem with the G-20 proposal is that the new SDRs are allocated among the IMF’s various members in line with the existing pattern of quotas,

so that the G-7 countries, which do not need liquidity support from the IMF, would get over 45 per cent of the newly allocated SDRs, while less than 37 per cent would be allocated to developing and transition economies, and less than 8 per cent to low-income countries. Countries most in need of international liquidity would thus receive the smallest shares.

A fundamental question to be resolved at the outset would be what purpose the SDR as the main medium of international liquidity should fulfill. Would it be used for clearing among central banks or could it also be used by the private sector? Issuing SDRs then has a geographical and a time dimension.

With regard to the geographical dimension, the Stiglitz Commission proposed that SDRs should be allocated to member States on the basis of some estimation of their demand for reserves, or, more generally, on some judgement of “need”. Appropriate criteria for determining the need of countries would need to be worked out, but clearly an allocation according to the current structure of IMF quotas would be entirely out of line with needs. One approach would be to distribute new SDRs in relation to the size of the demand for reserves in recent years. Another approach would be to link the issuance of SDRs with development financing by allowing the IMF to invest some of the funds which were made available through issuance of SDRs in the bonds of multilateral development banks. As highlighted by the Stiglitz Commission, such a proposal had been made by an UNCTAD panel of experts in the 1960s, before the international liberalization of financial markets began and when access to capital market financing by developing countries-borrowers was very limited [6; 7; 8; 9]

Over time the need for international liquidity increases with the growth of the world economy and the expansion of international trade and financial transactions. Yet an annual increase of SDRs in line with global GDP would mean that additional SDRs would be issued in periods of high growth, while they are needed most in periods of slow growth or recession. The G-20 Finance Ministers meeting in April 2009 following the financial crisis of 2008, endorsed the proposal for a countercyclical issuance of SDRs. If the purpose of SDR allocation is to stabilize global output growth, it would be appropriate to issue more SDRs when global growth is below potential or during crisis periods, and to issue smaller amounts of SDRs in periods of fast global output growth.

An international financial system that does not primarily aim at catering to financial market participants whose decisions are more often than not guided by misconceived notions of “sound” macroeconomic fundamentals and policies but at preventing crises and ensuring a favorable global economic environment

for development, should provide emergency financing without the set of conditions attached that exacerbate recessions and disequilibria.

The rationale for the unconditional provision of international liquidity in times of crisis is that, in order to balance the external payments, deficit countries need to restore the competitiveness of their domestic producers. Therefore, countries in danger of a downward “overshooting” of the exchange rate need international assistance, rather than belt-tightening and pro-cyclical policies. Without such assistance, they would have to lower the overall cost level, which mainly involves cutting wages. However, wage cuts have an immediate dampening effect on domestic demand and further destabilize the economy. Moreover, wage cuts of the size needed to restore competitiveness are deflationary and add to the general depression of production and investment. In such situations, even countries with current account deficits and weak currencies need expansionary fiscal and monetary policies to compensate for the fall in domestic demand, because the potential expansionary effects of currency devaluation are unlikely to materialize quickly in a sharply contracting global economy.

One of the advantages of using SDRs in such a countercyclical development is that it would, facilitate the task of preventing excessive currency depreciations in the countries in crisis. This could best be achieved by allowing all countries unconditional access to IMF resources for an amount that is needed to stabilize their exchange rate at a multilaterally agreed level. However, the rules and conditions for access would need to be elaborated carefully, including determining the level at which exchange rates should be stabilized. Another important issue would be the extent to which SDRs should be made available in crisis situations, to cover not only current account transactions but also capital account liabilities. This is because, the purpose of giving countries unconditional access to international liquidity should be to ensure that the level of imports can be maintained and not to bail out foreign investors.

Conclusion. Whatever form an enhanced scheme of SDR allocation takes, it will only be acceptable to all countries of the system if the terms at which SDRs can be used as international liquidity are absolutely clear-cut, in particular SDR parity vis-a-vis all national currencies.

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THE ANALYSIS OF UKRAINE'S INTERNATIONAL TRADE WITH THE EU

M.D. Kosenko, A.Y. Ponikaryova (language supervisor)
V.N. Karazin National University, Kharkiv

Kosenko M.D., Ponikaryova A.Y. The analysis of Ukraine's international trade with the European Union. The article describes the main problems and prospects of Ukraine's international trade with the European Union (EU). The dynamics of the main indicators of Ukraine's international trade with the EU was analyzed. The main recommendations for improvement of Ukraine's international trade with the EU are given.

Key words: European Union, export, import, international trade, Ukraine.

Косенко М.Д., Понікарьова А.Ю. Аналіз міжнародної торгівлі України з Європейським Союзом. У статті розглянуто головні проблеми та перспективи міжнародної торгівлі України з ЄС. Було проаналізовано динаміку основних показників міжнародної торгівлі України з ЄС. Надані головні рекомендації покращення міжнародної торгівлі України з ЄС.

Ключові слова: експорт, Європейський Союз, імпорт, міжнародна торгівля, Україна.

Косенко М.Д., Поникарёва А.Ю. Анализ международной торговли Украины с Европейским Союзом. В статье рассмотрены основные проблемы и перспективы международной торговли Украины с ЕС. Была проанализирована динамика основных показателей международной торговли Украины с ЕС. Предоставлены главные рекомендации улучшение международной торговли Украины с ЕС.

Ключевые слова: Европейский Союз, импорт, международная торговля, Украина, экспорт.

The subject of the study is the international trade of Ukraine with the European Union (EU). The purpose of the study is to analyze the main problems and prospects of Ukraine's international trade with the EU. The relevance of the study is determined by signing the agreement between Ukraine and the EU on the free trade area, as well as the possibility of Ukraine's accession to the EU.

The main driving force for economic development is international trade. Over the past ten years, Ukrainian foreign trade has been trying to enter and expand in Western European markets. The EU is the largest market that is near Ukraine and the creation of the free trade zone is very relevant in the economic sphere, because Ukraine's products get unrestricted access to the EU markets.

The disadvantages of the free trade zone creation include: increased competition for Ukrainian enterprises; bankruptcy of noncompetitive firms; increase of expenses for firms while adapting to the EU rules; increase of expenses for adaptation to the legislation of the EU; increase of raw materials and low-tech goods in Ukraine's export; increase of the trade deficit between Ukraine and the EU [1].

One of the prospects for establishing the free trade zone between Ukraine and the EU is helping to overcome the effects of the global financial crisis (increasing exports, accumulating investments, creating European knowledge, anti-crisis programs); GDP growth; improvement of the export mechanism and payment balance; growth of export-oriented industries; increase in investments; entrance to the primary high-tech means; improved revenue for better and cheaper products; change of the high level of security in the energy sector to the low one and decrease of the energy dependence of the state (firstly, due to the adoption of economically correct prices for gas imports and for energy resources transit through Ukraine, for the storage of gas in gas storage facilities); speeding up the welfare of the population [1].

International trade is very important for Ukraine, because the country receives a large share of revenues through exports to the EU states. In general,

Ukraine's foreign trade volume has had a tendency to decrease since 2012. In 2016 it amounted to \$ 75 643 million. In 2016 Ukraine's export to the EU declined to \$ 15 943.1 million. The export–import coverage ratio increased to 0.84–0.88 in 2015–2016. The lowest negative trade surplus is in 2014 (-\$ 10.8 billion), and in 2016 it grew to \$21 371.6 million. In 2012–2015, export to the EU exceeded \$ 20 billion and in 2016 fell to \$13.0 billion. Moreover, with the decrease in the total volume of foreign trade, the share of trade with the EU countries in recent years has increased from 33.5% to 41.8% [2,3].

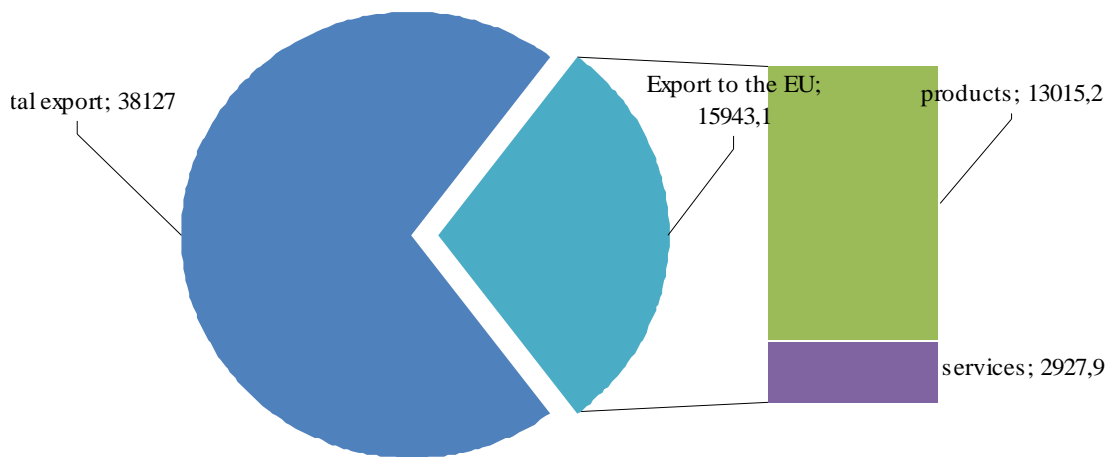
Table 1

**Structure of goods and services export
of Ukraine to the EU countries**

Years	Export total, mln. dol. USA	Including the EU			
		Volume, mln. dol. USA			Share (%)
		total	products	services	
2011	62811	16039,5	12916,4	3123,1	33,5
2012	81741	21395,8	17862,9	3532,9	32,8
2013	81924	20688,1	16937,9	3750,2	33,1
2014	77545	20159,0	16573,5	4195,7	37,2
2015	65433	20383,0	17002,9	3991,6	39,8
2016	38127	15943,1	13015,2	2927,9	41,8

Source: The table is created by the author on the materials: [3]

The main trading partners of Ukraine in 2016 were Germany (17.6%), Poland (13.2%), Italy (9.5%), Hungary (6.9%), Great Britain (5.8%) , the Netherlands (5.2%). The main share of Ukraine's export accounted for Poland (15.2%), Italy (14.3%), Germany (9.1%), Hungary (8.8%), Spain (6.7%), the Netherlands (6.4%). Base metals and items manufactured from them (29.05%) took the main position in the export in 2016. The second place is taken by products of plant-vegetable origin (15,64%). In the third place – mineral products (10.49%). The bulk of Ukraine's export of services accounted for Germany (17.2%), Great Britain (16.7%), Cyprus (11.3%), the Netherlands (7.5%), Poland (5.3%), Austria (4 , 9%), Latvia (4.1%), Denmark (3.8%), Italy (3.6%), France (3.4%) and others (22.2%) [2,3].



Source: Developed by the author on the materials: [3].

Figure 1. Structure of export of Ukraine's goods and services for 2016 in%

From 2011 to 2014 import of goods and services to Ukraine increased from 22 004.5 to 30 969.1 million dollars. In 2016 it decreased to \$18 080.2 million. In 2011 import of goods and services to the EU countries was 33.2% and to other countries – 66.8%. In 2016 the situation changed – import of goods and services to the EU countries amounted to 40.9%, and to other countries – 59.1% [2,3].

Table 2

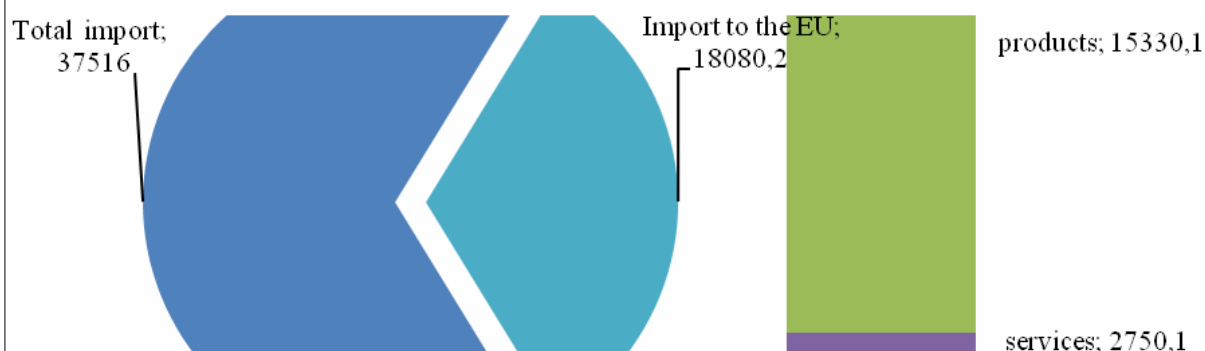
Structure of import of goods and services from EU countries to Ukraine

Years	Import total, mln. dol. USA	Including the EU			
		Volume, mln. dol. USA			Share (%)
		total	products	services	
2011	66141	22004,5	19004,2	3000,3	33,2
2012	88799	28642,4	25270,3	3372,1	32,2
2013	91297	29675,1	26033,9	3641,2	32,5
2014	84486	30969,6	26766,9	4212,0	36,7
2015	60754	24207,6	21069,1	3148,8	39,8
2016	37516	18080,2	15330,1	2750,1	40,9

Source: Developed by the author on the materials: [3].

Most goods were imported from Germany (25.6%), Poland (14.2%), Italy (7.8%), Hungary (6.5%), France (6.2%), Lithuania (4.5 %) and other countries (35.2%). In the import of goods in 2016 the main position was occupied by mineral products (32%); by products of the chemical and related industries

(13%); by machinery, equipment and machinery, electrical equipment (9%). Most services were imported from the UK (22.7%), Germany (18.7%), Cyprus (16.6%), Poland (4.8%), Austria (4.7%), the Netherlands (4.3%), France (3.8%), Malta (2.6%) and other countries (21.8%) [2,3].



Source: Developed by the author on the materials: [3].

Figure 2. Import of goods and services from the EU to Ukraine in 2016 in %

According to the website of the State Statistics Service of Ukraine, export of goods from Ukraine decreased by 4.6% to \$ 36.363 billion in 2016, while import grew by 4.6% to \$ 39.249 billion. Import increased, export decreased: «plus» trade balance of Ukraine for the year was 11 times lower. The export coverage ratio was 0.93 (in 2015 – 1.02). Foreign trade operations were conducted with partners from 226 countries of the world in this period [4].

In order to increase export, it is necessary to improve the situation in the country, so that importers are not afraid of the situation and do not risk to supply. There is also a necessity to streamline production chains, and what is the most important, it examines the wishes of importers carefully, which will allow them to increase the volume of export and the exporter’s support program (export subsidy, privilege) should be established in Ukraine.

One of the main achievements of international trade between Ukraine and the EU should be a preferential agreement in trade of goods and services. It is necessary to ensure the implement of adaptation of our legislation to the EU laws by the main executive authorities. And the European technical, sanitary, phytosanitary standards and consumer protection as well [4, 5].

Commodity exchange between Ukraine and the EU should not take place at the inter-branch level, because it cannot provide the real economic integration, which in general is developing due to the intra-industry relations. It is very important for Ukraine to increase export of high-tech goods and services that will determine the type of international competitiveness. Ukraine

needs to develop a high-tech type of competitiveness and reduce gaps in patent levels and license fees [5].

Of course, it is necessary to continue market reforms, which will allow to increase import quotas for Ukraine's products, as well as to lower customs rates and eliminate the threat of antidumping investigations from the EU countries. Export needs to be sought from non-vulnerable sectors and other countries often use protectionist policy. Ukraine should try to reduce the dependence of its export and increase the competitiveness of its products. This can be created by switching to new products, which can help lower production costs and adjust them to the EU standards. The production of high-tech products should be increased and it will allow us to have a positive trade balance with the EU countries. Regulatory reforms and trade liberalization should be the most promising ones. For it is the introduction of the regulatory environment that will improve the investment climate in Ukraine. But for this the EU countries should increase the amount of aid both financial and technical [4, 5].

Conclusion. With regard to the signing the agreement about creation of the free trade zone between Ukraine and the EU, a lot of perspectives are seen in their international trade. It is necessary to take a series of actions that will make it possible to improve the international trade between Ukraine and the EU. In spite of the great difficulties in developing the trade relations between Ukraine and the EU, the EU market is very attractive in terms of export, because it is a huge market that is close to Ukraine. Ukraine will get lots of investments from the EU, if it increases its technological modernization and economic development.

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UKRAINIAN E-COMMERCE MARKET: PRINCIPLES AND MAIN TRENDS

*Y.A. Kotsiurba, T.I. Skrypnyk (language supervisor)
V.N. Karazin Kharkiv National University*

Kotsiurba Y.A., Skrypnyk T.I. Ukrainian e-commerce market: principles and main trends. E-commerce is now more than just a trend or innovation. Eastern Europe is one of the most attractive e-commerce destinations. In this article we will talk about peculiarities, principles, main trends and attractiveness of e-commerce market in Ukraine. E-commerce is a relatively new business activity in Ukraine, which is experiencing rapid growth. E-commerce has reached virtually all business spheres today, with all possible types of goods and services being sold through the Internet, from cars and computers to consulting and legal services.

Keywords: e-commerce, economic value, innovations, information technologies, information society and communications, market orientation.

Коцюрба Ю.А., Скрипник Т.І. Український ринок електронної комерції: принципи та основні тенденції. Тепер електронна комерція це більше, ніж просто тренд або інновація. Східна Європа є одним з найбільш привабливих напрямків електронної комерції. У цій статті ми розглянемо особливості, принципи, основні тенденції та привабливість ринку електронної комерції в Україні. Електронна комерція – відносно нова бізнес-діяльність в Україні, яка швидко розвивається. Сьогодні електронна комерція досягла практично всіх бізнес-сфер, причому майже будь-які види товарів і послуг продаються через Інтернет, від автомобілів і комп'ютерів до консалтингових та юридичних послуг.

Ключові слова: економічна цінність, електронна комерція, інновації, інформаційні технології, інформаційне суспільство та комунікації, ринкова орієнтація.

Коцюрба Ю.А., Скрипник Т.И. Украинский рынок электронной коммерции: принципы и основные тенденции. Теперь электронная коммерция это больше, чем просто тренд или инновация. Восточная Европа является одним из самых привлекательных направлений электронной коммерции. В этой статье мы рассмотрим особенности, принципы, основные тенденции и привлекательность рынка электронной коммерции в Украине. Электронная коммерция – относительно новая бизнес-деятельность в Украине, которая быстро развивается. Сегодня электронная коммерция достигла практически всех бизнес-сфер, причем всевозможные виды товаров и услуг продаются через Интернет, от автомобилей и компьютеров до консалтинговых и юридических услуг.

Ключевые слова: инновации, информационное общество и коммуникации, информационные технологии, рыночная ориентация, экономическая ценность, электронная коммерция.

The advancement of technology has aided international business. Millions of people worldwide use the Internet to do everything from research to purchasing products online. The subject of the study is Ukrainian e-commerce. The purpose of the study is to analyse e-commerce market in Ukraine on the basis of such methods as description and comparison.

The Internet is profoundly affecting almost all businesses. The various uses of the Internet by business entities include the ability to advertise, generate, or otherwise perform regular business functions. Therefore, many firms are embracing the Internet for many of their activities. One impact for e-commerce is to intensify competition and producing benefits to consumers in lower prices and more choices [9].

E-commerce can be defined as the use of the Internet to conduct business transactions nationally or internationally [4]. E-commerce has come to take on two important roles; first as a more effective and efficient conduit and aggregator of information, and second, as a potential mechanism for the replacement of many economic activities once performed within a business enterprise by those that can be done by outside suppliers that compete with each other to execute these activities [1]. The Internet is dramatically expanding opportunities for business-to-business and business-to consumer e-commerce transactions across borders. For business to consumer transactions especially, the internet sets up a potential revolution in global commerce: the individualization of trade. It gives consumers the ability to conduct a transaction directly with a foreign seller without traveling to the seller's country. The Internet allows sellers to put their storefronts, in the form of Web pages, in front of consumers all over the world. Technology has expanded the consumer marketplace to an unprecedented degree [2].

Modern information society is characterized by a number of features such as globalization, increased competition and rapid technological change. Development of the information society is the strategic goal of leading countries in the world – the U.S., Japan, Canada and the EU members. Realizing the urgency and importance of information technology areas as a prerequisite for competitiveness, more and more countries are concentrated on innovations and expansion of e-commerce as an essential part of information society. The Internet is also changing citizen's interactions with the government, for example, citizens visit government websites for many reasons, which can be divided into three categories: e-democracy, e-commerce and e-research [6].

With an average growth rate of 47% over the year in 2013, the e-commerce market in Eastern Europe is comparatively showing the strongest increase

in Europe. The online turnover of €23 billion in 2014 indicates that there is a lot of ground to gain in the region; only 34 million of 135 million Internet users are using the Internet for shopping. E-commerce Europe is the European umbrella organization for online retailers. Figures in E-commerce Europe reports are based on the European Measurement Standard for Ecommerce (EMSEC) [7].

Ukraine is one of the largest consumer markets in Central and Eastern Europe with more than 44.9 million people. According to GfK Ukraine, in 2013, Ukraine was listed in the top-three fastest-growing e-commerce markets in Europe. In 2014, according to e-marketer.com, the volume of online sales totalled to \$1.6 billion. In 2014 based on the promising conditions for development of e-commerce, Ukraine was ranked 58th place among 130 countries. The rankings' were based on Internet usage, security, distribution of credit cards and the quality of postal services. Ukrainian market remains in its infancy stage and has a huge potential for growth. The leading markets of China and the US are estimated at \$ 426.3 billion and \$ 305.7 billion respectively. The volume of the Ukrainian market totalled at \$ 1.6 billion in 2014, which is 10.9 times less than in Russia and 5.8 times less than Poland [5].

Europe is mostly a mature e-commerce market, but it changes and evolves constantly.

For merchants, there are still plenty of opportunities for growth by expanding into new European markets, especially the Southern and Eastern European regions, which include several emerging countries. However, the unique dynamics of the European marketplace do require careful consideration and planning. While selecting the right payment mix per country is part of the necessary basis for cross-border expansion, merchants should also anticipate and act on macro-trends, such as changes in the regulatory environment, in consumer behaviour and in expectations, in order to be successful. In addition, they should actively analyse and optimize their businesses through aggressive fraud management and the application of big data analytics.

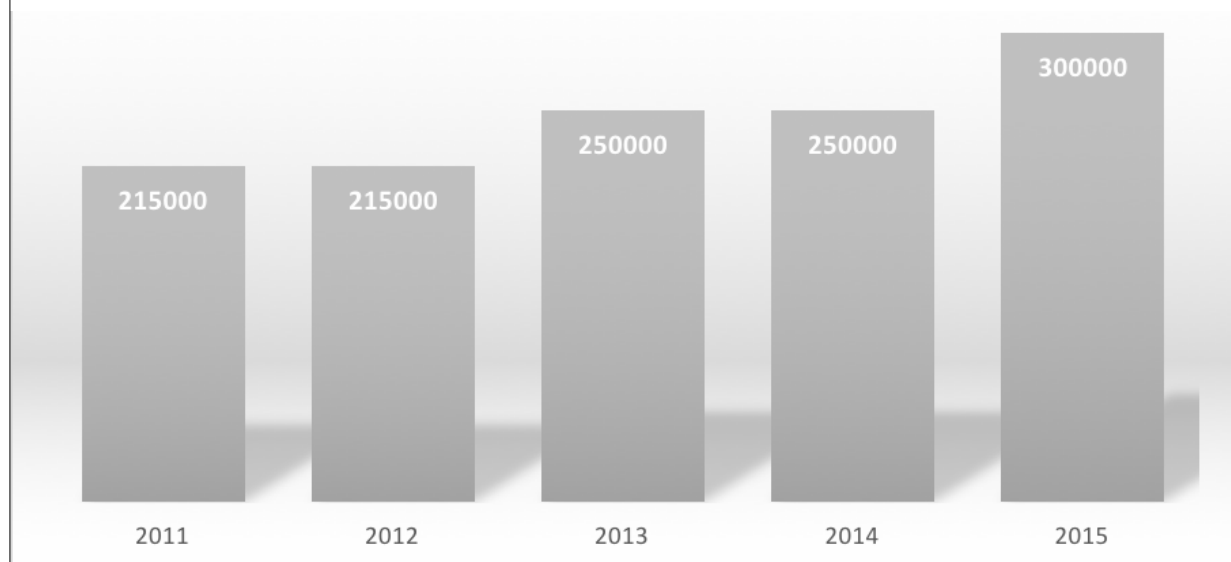
According to the figures of Eurostat (May 2015), the growing shares of cross-border online purchases is an important indicator to judge how smoothly the Single European Market for e-commerce functions.

In 2014, the total Western European B2C e-commerce turnover reached €208.1bn. The UK (€127.1bn) was the largest e-commerce market in Western Europe, and it is expected to increase its lead over the next year. With a forecast growth rate of 13.1%, it will be the fastest-growing Western European country in terms of e-commerce.

The total B2C e-commerce turnover of the Eastern European countries is still relatively small, but rising rapidly. In 2014, e-commerce sales of this region's markets amounted to €23.4bn. Russia is clearly the leading country in this region with an e-commerce turnover of €18.8bn, followed by Ukraine (€2.2bn) and Romania (€1.2bn). [8]

After a closer look at the Ukrainian market in September 2013, 49.8% of the adult population of Ukraine used the Internet. Thus, the increase in the number of users continues to grow even faster than was expected.

Moreover, Ukraine has a great potential concerning the labour force market, which is characterized with a growing number of well-educated professionals (Figure 1).



Source: Ukrainian Hi-Tech Initiative [10].

Figure 1. Number of IT Specialists in Ukraine (2011–2015)

The Ukrainian e-commerce sector has reached the level of \$1 bn in the total values of start-ups; those include “Rozetka”, “Modna kasta”, “Tickets.ua”, “Senturia”, and other successful businesses. The most visited sites in the IV quarter of 2014 were: an online store rozetka.com.ua, Chinese site aliexpress.com and marketplace.prom.ua. Rozetka holds a leadership position in the market: in 2014 its market share constituted 13% [5]. The tactics in e-commerce applied by managers in different countries have individual peculiarities. In Great Britain and Germany the companies pay more attention to cutting costs and overall economic expenses. In France the Internet companies try to increase the amount of profit by means of enhancing the product quality, while in the Netherlands the main attention is paid to marketing as means to strengthen the business. In Ukraine, the experience of running

and administrating business has become the most valuable quality requested by the Internet-companies' management.

Unfortunately, current legislative framework appears to be rather restraining and is holding back the potential development of e-money and e-commerce in Ukraine. In particular, the Payment Systems Law contains only few clauses devoted to issuance and circulation of e-money in Ukraine. The law, together with the above NBU regulations, stipulates the following provisions significantly complicating the Ukrainian legislation compared to EU Directive 2000/46/EC as of 18 September 2000, "On the Taking Up, Pursuit of and Prudential Supervision of Business of Electronic Money Institutions" and "Business of Electronic Money Institutions". Although a part of Ukrainian e-money sector has already been occupied by international payment systems established by foreign companies, there is still a significant niche in this market, with a large-scale potential for development. Apparently, simplification of the Ukrainian legislation in this area and bringing it in line with the equivalent EU regulations could substantially speed-up this process. Particularly, an adoption of a separate law governing e-money payments would be an enormous step forward [3].

Conclusion. In this article we have reviewed peculiarities, principles, main trends and attractiveness of e-commerce market in Ukraine. Development of e-commerce in Ukraine is now regarded as a strategic area of retail trade development. Despite the economic crisis and a number of geopolitical factors, favourable conditions for e-commerce were created. It is proved by growth of turnover and the orders' quantity at the leading sellers of the Ukrainian e-commerce at the end of 2014. Among the main trends of e-commerce for the last few years are the growing number of Internet shoppers (up to 4 million) even during economic crisis, commitment to domestic producers (patriotism increase in the choice of the producer), change of tastes and preferences of e-consumers, since clothing segment demonstrates the most dynamic development today.

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THE ROLE OF FOREIGN CAPITAL IN THE SOCIO-ECONOMIC DEVELOPMENT OF TURKMENISTAN

*A.Yu. Kovalenko, Yu.O. Pravnik (language supervisor)
V.N. Karazin National University, Kharkiv*

Kovalenko A.Yu., Pravnik Yu.O. The role of foreign capital in the socio-economic development of Turkmenistan. The article discusses the nature of foreign investments and their contribution to development of Turkmenistan’s economy. The author analyzes tendencies in the attraction of foreign capital and its role in the economy of Turkmenistan

Keywords: foreign capital, foreign investments, socio-economic development, tendencies, Turkmenistan.

Коваленко А.Ю., Правнік Ю.О. Роль іноземного капіталу в соціально-економічному розвитку Туркменістану. У статті розглядаються сутність іноземних інвестицій та їх внесок у розвиток економіки Туркменістану. Автор аналізує тенденції залучення іноземного капіталу і його роль в економіці Туркменістану

Ключові слова: іноземні інвестиції, іноземний капітал, соціально-економічний розвиток, тенденції, Туркменістан.

Коваленко А.Ю., Правнік Ю.О. Роль иностранного капитала в социально-экономическом развитии Туркменистана. В статье рассматриваются сущность иностранных инвестиций и их вклад в развитие экономики Туркменистана. Автор анализирует тенденции привлечения иностранного капитала и его роль в экономике Туркменистана

Ключевые слова: иностранные инвестиции, иностранный капитал, социально-экономическое развитие, тенденции, Туркменистан.

The relevance of the topic. Modern Turkmenistan, like many other States, attracts external sources of financing necessary to accelerate socio-economic development. Foreign investment in Turkmenistan's economy today has become a strategic direction of investment policy of the state. In order to improve the country's attractiveness for foreign capital inflows is constantly improving the legal system. The government is using the regulation of investment trends have created a favourable business environment, ensuring sustainable and dynamic development of the economy.

The purpose of the topic is to review the impact of foreign capital on economic development.

The object of the topic is foreign capital in the economy of Turkmenistan.

The subject of the topic is the role of foreign capital in the socio-economic development of Turkmenistan.

Turkmenistan is a relatively large country (slightly larger than the state of California), but sparsely inhabited (about 5.6 million), with abundant hydrocarbon resources, particularly natural gas. Turkmenistan's economy depends heavily on the production of natural gas, oil, petrochemicals and, to a lesser degree, cotton and textiles. Based on data provided by the Government of Turkmenistan, the country's 2014 Gross Domestic Product (GDP) was USD 43.5 billion.

In 2008, in an effort to improve investment conditions in the country, the government adopted legal reforms on foreign investment and licensing. Nevertheless, the lack of established rule of law, inconsistent regulatory practices, and unfamiliarity with international business norms are major disincentives to foreign investment.

Turkmenistan regularly announces its desire to attract more foreign investment, but tight state control of the economy, the slow pace of economic reform, and a restrictive visa regime have created a difficult foreign investment climate. In January 2013, Turkmenistan created the Agency for Protection from Economic Risks to oversee international investments in Turkmenistan. The Agency is responsible for a comprehensive review of foreign companies wishing to enter Turkmenistan's market that includes assessment of the financial and political risks associated with allowing the company to do business in Turkmenistan. Given the arbitrary nature of this assessment, the agency will likely further increase already arduous bureaucratic procedures.

Historically, the most promising areas for investment are in the oil and gas, agricultural, and construction sectors. The government seeks foreign technology and investment in order to diversify its economy through the development of domestic chemical and petrochemical industry facilities. As a result of President Gurbanguly Berdimuhamedov's policy to provide Internet access to every home, school and kindergarten, the visibility of Turkmenistan's communication sector has also grown. Decisions to allow foreign investment are politically driven; companies from "friendly" countries are often more successful in winning tenders and signing contracts.

The government selectively chooses its investment partners, making a strong relationship with a government official often essential for commercial success. Officials may seek rents for permitting or assisting foreign investors to enter the local market. Some foreign investors have found success working through foreign business representatives who are able to leverage their personal relationships with senior leaders to advance their business interests.

Turkmenistan has accepted financing from international financial institutions (IFIs) since its independence in 1991. In 2009, the government reportedly accepted a USD 4 billion loan from the Chinese Development Bank (CDB) to develop Galkynysh, the world's second largest natural gas field, as well as several significantly smaller loans from the Chinese Export-Import Bank for transportation- and communication-related projects. In 2011, Turkmenistan secured a second USD 4.1 billion loan from CDB to further develop the Galkynysh field. The government also accepted a USD 1 billion dollar loan in 2010 from the Islamic Development Bank to fund infrastructure projects. In 2011, the Asian Development Bank (ADB) provided a USD 125 million loan to the government to finance the procurement and installation of power and signaling equipment to a 311-kilometer section of the Kazakhstan–Turkmenistan–Iran railway. Reportedly, in the last few years, Turkmenistan

approached a number of international financial organizations and foreign governments in an attempt to secure additional loans to fund large-scale government projects. In November 2013, the Asian Development Bank was appointed a transaction advisor for the Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline project and will work closely with the TAPI countries to attract foreign investment for the project [2, p. 22].

Incoming foreign investment is regulated by the Law on Foreign Investment (last amended in 2008), the Law on Investments (last amended in 1993), and the Law on Joint Stock Societies (1999), which pertains to start-up corporations, acquisitions, mergers and takeovers. Foreign investment activities are affected by bilateral or multilateral investment treaties, the Law on Enterprises (2000), the Law on Business Activities (last amended in 2008), and the Land Code (2004). Foreign investment in the energy sector is subject to the 2008 Petroleum Law (also known as the Law on Hydrocarbon Resources, which was amended in 2011 and 2012). The Tax Code provides the legal framework for the taxation of foreign investment.

Most of the foreign investment is governed by project-specific presidential decrees, which can grant privileges not provided by legislation. Legally, there are no limits on the foreign ownership of companies. In practice, however, the government has allowed fully-owned foreign operations only in the oil sector and, in one case, in cellular communications. (Note: This cellular company reportedly filed an international arbitration case against Turkmenistan when its license was suspended by the government in December 2010. After months of negotiations, the company re-entered the Turkmenistan market in September 2012. Since re-entry, however, the company has struggled to regain the market share it lost to a Turkmen state monopoly in the intervening period. End Note.)

There are several ways for the government to discriminate against investors, including excessive tax examinations, license extension denial, and customs clearance and visa issuance obstacles. In most cases, the government has insisted on maintaining a majority interest in any joint venture (JV). A Western soft drink company opened a factory in Turkmenistan in the mid-1990s through a JV with the government. Foreign investors have been reluctant to enter JVs controlled by the government, because of competing business cultures and conflicting management styles. Although there is no specific legislation requiring foreign investors to receive government approval to divest, in practice they are expected to coordinate such actions with the government. Generally, arbitration disputes associated with FDI are handled in

Turkmenistan, although the government is willing to codify the right to international arbitration in contracts with foreign companies.

Turkmenistan has signed bilateral investment agreements with Armenia, Bahrain, China, Egypt, France, Georgia, Germany, India, Iran, Ireland, Malaysia, Pakistan, Romania, Slovakia, Switzerland, Turkey, Ukraine, the United Arab Emirates, the United Kingdom, and Uzbekistan. In July 2009, European Union Ministers passed a trade agreement with Turkmenistan reasoning that economic and trade engagement with the country would stimulate political reforms in Turkmenistan.[1]

The United States government considers the Convention with the Union of Soviet Socialist Republics on Matters of Taxation, which entered into force in 1976, to continue to be in effect between the United States and Turkmenistan.

Government data on most economic indicators, including Foreign Direct Investment (FDI), remains generally unavailable and unreliable. According to various independent analysts, however, most foreign investment is directed toward the country's oil and gas sector. Such investments include three onshore Production Sharing Agreements (PSAs): the Nebitdag Contractual Territory operated by ENI; the Khazar project operated jointly by the Turkmennebit state oil concern and Mitro International of Austria; and the Bagtyarlyk Contractual Territory operated by the Chinese National Petroleum Corporation (CNPC). In addition, there are six PSAs for offshore operations: Block I operated by Petronas of Malaysia; Block II (Cheleken Contractual Territory) operated by Dragon Oil (UAE); Block III operated by Buried Hill (Canada); Block 23 operated by RWE of Germany; and Block 21 operated by Itera of Russia.

Prospects. A further attraction of the foreign capital committed to consistent implementation of strategy of reform of the entire economic infrastructure of Turkmenistan and creating on the basis of innovation powerful industry, which will allow to take a worthy place in the world community.

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COMMUNICATION PROCESS IN INFORMATION ANALYTICS

*Y.V. Koval, Y.M. Broslavska (language supervisor)
V.N. Karazin National University, Kharkiv*

Koval Y.V., Broslavska Y.M. Communication process in information analytics.

The article studies the impact of the communication process on the informational analytics as well as describes its components, the main functions and barriers that may arise during communication.

Key words: communication process, efficiency, information, information analytics, information technologies, message, obstacles, source.

Коваль Ю.В., Брославська Є.М. Комунікаційний процес в інформаційно-аналітичній діяльності. У статті досліджується феномен впливу комунікаційного процесу на інформаційно-аналітичну діяльність, його складові, основні функції та бар'єри, які можуть виникати під час комунікації.

Ключові слова: бар'єри, джерело, ефективність, інформаційні технології, інформаційно-аналітична діяльність, інформація, комунікаційний процес, повідомлення.

Коваль Ю.В., Брославская Е.М. Коммуникационный процесс в информационно-аналитической деятельности. В статье исследуется феномен влияния коммуникационного процесса на информационно-аналитическую деятельность, его составляющие, основные функции и барьеры, которые могут возникать во время коммуникации.

Ключевые слова: барьеры, информационно-аналитическая деятельность, информационные технологии, информация, источник, коммуникационный процесс, сообщение, эффективность.

The subject of the study is the communication process. The purpose of the study is to analyze the impact of the communication process on the informational analytics as well as describe its components, the main functions and barriers that may arise during communication. The relevance of the study is determined by the fact that information analytics is a rapidly developing discipline, and the field of its application is significantly expanding.

The communication process (or simply communication) is an exchange of information between two or more parties. The term «communication» comes from Latin and means «to do something together». Its purpose is to provide transmission and understanding of information that is the subject of exchange. If mutual understanding is not achieved, communication does not occur, which

means that both parties play an active role in it. Examples of communication can include oral conversations, publications, electronic media reports, etc. [2].

The communication process is interaction of a set of elements. There are four basic elements of the communication process.

1. Sender – a person who generates an idea or collects information and transmits it.

2. Messages – direct information.

3. Channel – means of information transmission (oral transmission, meetings, telephone conversations, written transmission, service notes, reports, e-mail, computer networks).

4. Recipient (addressee) – a person to whom the information is assigned and who interprets it [2].

The communication process begins when one person (the sender) wants to transmit a fact, idea, opinion or other information to someone else (the recipient).

This information is important for the sender, regardless of whether it is simple and specific, or complex and abstract [3].

For a better understanding of the information sharing process and conditions ensuring its effectiveness, it is necessary to have an idea of its stages in which several people take part. Effective communication is the process of transmitting a message when the received message is as close as possible to the original one.

The key element of effective communications is data (these are raw figures and facts that reflect a particular aspect of reality as well as information) presented in a meaningful form. Information is valuable if it is reliable, timely, complete and relevant.

Organization of communication networks for an enterprise requires taking into account the specifics of different types and channels of communication at each stage of the communication process [2].

Depending on the channels of communication, it is possible to distinguish the following three main communication types:

1. Oral communication, which usually uses both non-verbal and verbal channels simultaneously;

2. Document communication, which uses artificially created documents, and then writing, printing, and various technical means for the transmission of information in time and space;

3. Electronic communication, based on space communication, microelectronic and computer technology, and optical recording media.

Effective communication is essential for successful information analytics. An analyst, performing his basic functions, can effectively influence the implementation of target goals with the help of relevant and timely information. Research has revealed that almost 50% of information does not reach recipients. In many cases, messages are misunderstood and therefore the exchange of information becomes ineffective.

Obstacles that may arise in the sphere of communication are divided into barriers in interpersonal and organizational communication.

Barriers interfering with interpersonal communication include:

- obstacles caused by perception;
- semantic barriers;
- non-verbal obstacles;
- bad feedback;
- inability to listen.

Obstacles tampering organizational communication are as follows:

- distortion of messages;
- information overload;
- unsatisfactory organizational structure.

The communication process is not always effective, because between those who transmit information and those who perceive it there may be communicative barriers – psychological obstacles that a person sets up to protect themselves from unwanted, boring or dangerous information [6].

The following types of barriers are distinguished depending on the reasons why they occur:

Barrier of mutual understanding. It may arise due to some obstacles in the process of transmitting information. For example, when a communicator speaks indistinctly, too quickly, vaguely, or uses a large number of parasite words.

Semantic barrier. It emerges when different people understand the same word in different ways, adding their own meaning to it. Such distortion may be a consequence of a person's subjective perception or his professional activity.

Stylistic barrier. It occurs when a speaker's choice of words and tenor is inappropriate and the situation or style of communication becomes unacceptable for the interlocutor.

Logical barrier. It arises when a speaker's logics of thinking is either too difficult for the interlocutor to understand, or it seems to him to be incorrect and contradicting his own judgment.

Sociocultural barrier. It is caused by the social, political, religious and professional differences in views, habits, and traditions, which lead to different implications and perceptions of certain concepts, phenomena, and ideas.

Barrier of authority. Sometimes an obstacle can result precisely from the rejection of a speaker due to his lack of authority from the viewpoint of the interlocutor. Or, conversely, if the interlocutor is too authoritative for the speaker, he may be lost or not know what to answer.

Barrier of relations. It is about the emergence of a feeling of hostility and distrust to the speaker, and therefore to the information that he transmits.

Distortion of messages. When information moves within an organization, upward and downward, the content of messages is somewhat distorted. Such a distortion may be due to a number of factors. Messages may be distorted accidentally due to difficulties in interpersonal interactions. A deliberate distortion of information may occur when a manager disagrees with a message. In this case, he modifies the message in such a way that the change of content is beneficial for him [6].

Information overload. It arises as a result of inability to respond effectively to all the information received [3]. It is necessary to sift the least important information and retain only the most relevant one.

In order to increase communication efficiency an analyst needs to solve the two problems:

- first, he needs to improve his messages;
- secondly, he should improve the mechanism of understanding messages that interlocutors try to transmit to him during the communication process.

The main methods that help solve such problems are:

- 1) regulation of information flows;
- 2) feedback improvement that is based on:
 - phrasing of questions to the interlocutor in the process of notification;
 - repeating the whole or part of a message;
 - using different ways for conveying the same information;
- 3) the use of empathy.

Empathy is the ability to put yourself in the interlocutor's shoes, take into account his feelings, self-esteem, personality etc.;

- 4) promotion of mutual trust;
- 5) simplifying the language of the message;
- 6) development of effective listening skills.

Conducting information analysis, the analyst performs three main roles (maintains interpersonal relationships, conducts information exchange, makes decisions) and four management functions (planning, organization, motivation and control) to determine and achieve the goals of the organization.

In order to reach successful communication the analyst must learn how to

assess the qualitative and quantitative side of his information needs, as well as of other information users in the organization. He is obliged to determine the optimum maximum and minimum of information exchanges. Information must largely depend on the goals of the analyst, the decisions he makes and the indicators of personal evaluation of work, departments and services, as well as subordinates. He should also improve his management activity. This activity should be aimed at improving the exchange of information (short meetings, operational meetings, contacts with subordinates) and finding additional opportunities for managerial activity [5].

The implementation of modern information technologies encourages the exchange of information in the organization. E-mail allows to send written messages to different people in the organization, in different institutions, cities, regions and even countries, which reduces the number of telephone conversations [1].

Conclusion. Thus, it can be concluded that communication process is the exchange of information between different parties, who act as subjects of information analytics and whose purpose is to ensure the transmission and understanding of information that is the subject of exchange. The key components of effective communications are data and information.

Communication barriers are a problem-causing factor in the communication process. The obstacles that arise in the sphere of communication are divided into barriers in interpersonal and organizational communication. Mass communication is stereotyped information that operates regularly and spreads to a large, geographically dispersed audience, and is performed through mass media. The analysis of the means of improving mass communication outlined in the study shows that the analyst should take into account all the relevant factors that the effectiveness of communication depends on.

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FRANCE'S COMPETITIVE POSITIONS WORLDWIDE ANALYZED WITHIN THE FRAMEWORK OF MICHAEL PORTER'S DIAMOND MODEL

M.A. Kravets,

N.A. Kazakova, PhD, M.V. Karpusenko (language supervisor)

V.N. Karazin National University, Kharkiv

Kravets M.A., Kazakova N.A., PhD, Karpusenko M.V. France's competitive positions worldwide analyzed within the framework of Michael Porter's diamond model. The paper gives a definition of the Diamond model of Michael Porter for the Competitive Advantage of Nations and applies it to the analysis of France's competitiveness on the world markets. The article briefly describes current conditions of the country's competitive development in terms of all the four indicators the model is comprised of. The paper consists of three parts: introduction, the body of the analysis and conclusions.

Key words: analysis, competitiveness, France, factor conditions, demand conditions, related and supporting industries, firm's strategy, structure, and rivalry.

Кравець М.А., Казакова Н.А., Карпусенко М.В. Аналіз конкурентних позицій Франції у світі згідно моделі ромбу Майкла Портера. Робота надає визначення моделі ромбу конкурентних переваг країн Майкла Портера та застосовує її для дослідження конкурентоспроможності Франції на світових ринках. Стаття коротко описує сучасні умови конкурентного розвитку країни в розрізі чотирьох показників, з яких складається модель. Структурно стаття включає вступну частину, аналітичну частину, висновки.

Ключові слова: аналіз, конкурентоспроможність, споріднені та допоміжні галузі, стратегія, структура фірм та суперництво, факторні умови, Франція, умови попиту.

Кравец М.А., Казакова Н.А., Карпусенко М.В. Анализ конкурентных позиций Франции в мире согласно модели ромба Майкла Портера. Работа дает определение модели ромба конкурентных преимуществ стран Майкла Портера и применяет её для исследования конкурентоспособности Франции на мировых рынках. Статья кратко описывает современные условия конкурентного развития страны в разрезе четырех показателей, из которых состоит модель. Структурно статья включает вступительную часть, аналитическую часть, выводы.

Ключевые слова: анализ, конкурентоспособность, родственные и вспомогательные отрасли, стратегия, структура фирм и соперничество, факторные условия, Франция, условия спроса.

The object of the paper is the competitiveness of countries on world markets. The subject is a particular country – France. The paper aims at the analysis within the framework of the Diamond model of Michael Porter. The research applies 4 constituents of a country's competitiveness as a tool. The relevance is based on the fact that France has always been one of the Great Powers in the economic sphere, making a significant contribution to the world economy. Furthermore, France is one of the most important partners of Ukraine in the EU. The paper uses such data as global economic statistics and national sectoral reports.

I. Introduction

Prosperity of a nation is built up, not inherited. It does not originate from a country's deposits of natural resources, its labour force, its interest rates, or its currency's value, as classic economics states.

Indeed, public wellbeing lies in four broad attributes of a nation. These attributes individually and as a system make up the diamond of national advantage (the playing field that each nation creates and maintains for its industries). These attributes are the following:

1. *Factor Conditions.* The nation's position in factors of production, such as skilled labor or infrastructure, necessary to compete in a given industry.

2. *Demand Conditions.* The nature of home-market demand for the industry's product or service.

3. *Related and Supporting Industries.* The presence or absence in the nation of supplier industries and other related industries that are internationally competitive.

4. *Firm Strategy, Structure, and Rivalry.* The conditions in the nation governing, the ways companies are created, organized, and managed, as well as the nature of domestic rivalry [5].

II. Body of the analysis

Michael Porter's Diamond model for the Competitive Advantage of Nations is an economic tool often used to analyse a country's competitive environment,

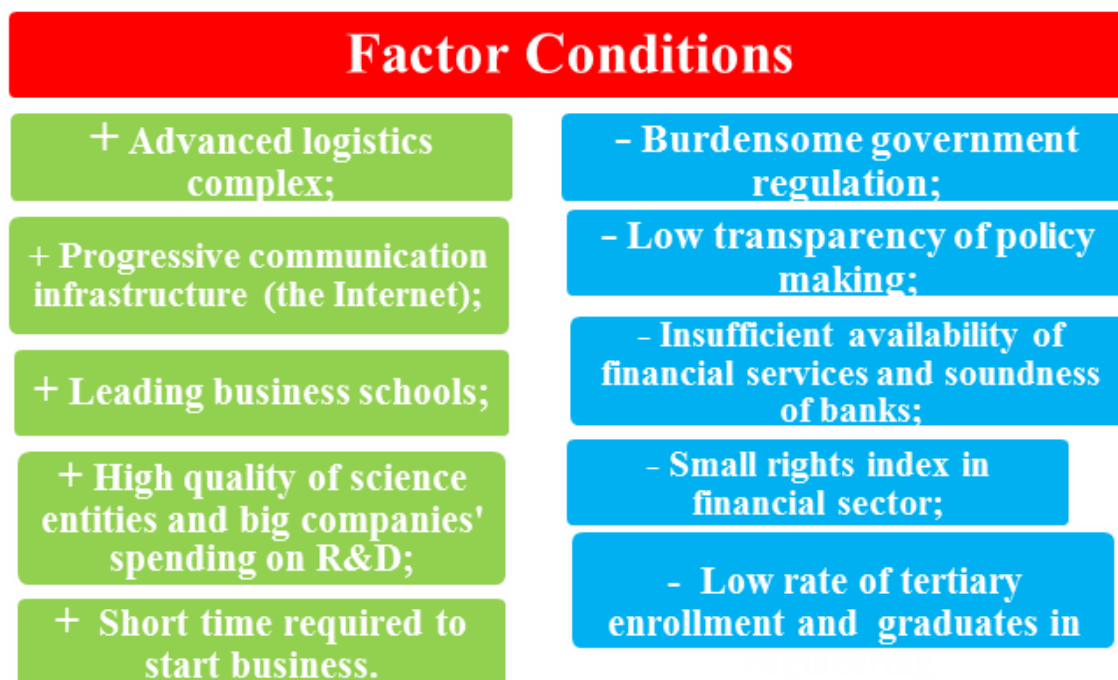
which determines the relative strength of an economy and explains why its certain industries have become competitive or possess regional advantages. The concept comprises *4 key dimensions*, which are used in the current analysis to investigate drivers of the French economy.

Factor Conditions. As a member of OECD (Organization for Economic Cooperation and Development) and the G7, France is one of the strongest and most developed economies worldwide [1].

France possesses a highly advanced infrastructure complex, including all logistics (airports, ports, roads), communication (fixed-broadband Internet subscriptions/100 pop – 4th in the world) and administrative fronts, occupying the 8th place by that figure in the world ranking. France management and science schools are still considered to be the world’s TOP (11th and 19th respectively), but they are losing their position in the indicator during last years [6, p. 171].

Research and development expenditure per capita is above the OECD average but it has not translated to patent development, which per capita is lower than in other advanced economies.

France has relatively low availability of financial services and soundness of banks (29th and 40th world’s position), which decreases the country’s attractiveness [6, p. 171]. The country’s overall factor environment is given in figure 1.



Source: Composed by the authors, using materials: [1, 6].

Figure 1. Positive and negative factor conditions in France

In terms of labour it should be said that cooperation in labour-employer relations is poor – France is characterised by tough work relationship. But government over-regulation provides investors with the strong protection and comparatively high efficacy of corporate boards [2].

The country is also known for its high total tax rate (132th) but separate taxes may be very beneficial (trade tariffs are very low). The number of days, needed to start a business, is small (14th worldwide). Moreover, prevalence of foreign ownership is very high [6, p.170].

Demand Conditions. French internal market is estimated to be the 9th biggest in the world. Significantly integrated into the world economy, France is ranked 12th by the export volumes in the world. It creates a lot of opportunities for all the participants of its economic system.

France's annual consumption growth has diminished rapidly from an average rate of over 2% before the outbreak of the financial crisis in 2007 to below 1% in the years since. That slowdown is also the result of high tax rate and inefficient governmental labour policy. Savings growth rates, in contrast, have remained steady and have returned to its pre-crisis levels of 1% of gross disposable income [3].

Imposing some trade barriers and protecting domestic manufacturers, France has low import figures in comparison to GDP – 102nd place in the world. That restricts consumption of foreign products. At the same time, high government procurement of advanced technologies should be pointed out. Due to the ease of access to loans demand may be supported by credit money [6, p. 171].

Consequently, the business environment and macroeconomic conditions have contributed to France seeing a decline in world market share of most of its clusters.

Related and Supporting Industries. France has a very diversified economy with more than 70 mature clusters that have well-established supply chains and distribution channels.

Clusters have considerable collaboration. Currently the state of cluster development is improving (rise by 6 places in the world ranking within one year). There is a great presence of small and medium enterprises (SMEs), but their number in the economy is declining because of France's growth slowdown [3].

However, with the exception of the aerospace and medical devices clusters, all major French clusters are losing export market share as emerging economies grow faster than them.

Context for Strategy and Rivalry. France ranks 27th in the World Bank’s Doing Business indicators, with very strong contract enforcement (14th worldwide) and ease of trading across borders (1st in the world) but quite considerable difficulty in registering property (85th), getting credits (79th) and paying taxes (87th) [4].

The leading sectors of the French economy (agricultural and aerospace ones) receive governmental support. The country is thought to have an effective anti-monopoly policy (17th worldwide).

One of the biggest problems of French corporate social responsibility is the large extent of government ownership in the private sector. Out of France’s 10 largest corporations, the government has a stake of at least 14% in each company [2].

Businesses in France also face a very high tax burden relative to peer countries. The total tax rate faced by French companies is 62.7% of corporate profits and the tax revenue collected by the government is 21.4% of GDP [3].

Figure 2 outlines pros and cons of French context for strategy and rivalry.



Source: Composed by the authors, using materials: [1, 3, 6, 7].

Figure 2. Positive and negative features of French context for strategy and rivalry.

III. Conclusions

Michael Porter’s Diamond model is an illustrative tool to help identify competitive positions of countries all over the world, including both developed

and developing countries. France appears to occupy a strong position on the world markets, which is preconditioned by numerous edges the state has over other countries (advanced infrastructure complex, education, diversified economy, significant corporate spending on R&D etc.). However, France has some issues concerning governmental participation in economic processes and burdensome state control. The mentioned above is proven by abundantly high tax rates and a big stake of public ownership etc. Nonetheless, competitive positions of France on the world markets remain high and relatively consistent. Traditionally, the country stays aloof from being levelled-off or overtaken by the vast majority of countries worldwide, with very few exceptions of Western states. That is why in terms of competitiveness France may be appreciated as a strong country.

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THE IMPORTANCE OF ODESSA REGION FOR UKRAINIAN TOURISM RECREATIONAL INDUSTRY

*E.V. Kucher, M.M. Medvid, PhD (language supervisor)
V. N. Karazin National University, Kharkiv*

Kucher E.V., Medvid M.M. The importance of Odessa region for Ukrainian tourism recreational industry. The article includes statistical data of Odessa region tourism, analyzes the major patterns of the local tourism industry. Summarizes the importance and potential of Odessa tourism resources.

Key words: Odessa region, recreation, tourism, tourism resources.

Кучер О.В., Медвідь М.М. Значимість Одеської області для рекреації України. У статті надані статистичні данні про регіональний туризм Одещини, проаналізовано особливості видів та спрямувань туристичної індустрії краю. Підсумовані значимість та потенціал використання туристичних ресурсів Одеської області.

Ключові слова: Одеська область, рекреація, туризм, туристичні ресурси.

Кучер Е.В., Медведь М.Н. Значимость Одесской области в рекреации Украины. В статье предоставлены статистические данные о региональном туризме Одесского края, проанализированы особенности видов и направлений туристической индустрии региона. Подведены итоги значимости и потенциала использования туристических ресурсов Одесской области.

Ключевые слова: Одесская область, рекреация, туризм, туристические ресурсы.

Odessa region is a leading recreational and tourism complex of the Azov-Black Sea tourism district, which has a great place in the ranking according to resource availability, tourism infrastructure, the results of tour activities, as well as the high popularity of the destination.

A favourable location of Odessa region, an access to the sea, a sufficiently high level of natural resources create the image of one of the most popular and competitive destinations for recreation and tourism in Ukraine.

Odessa Region has one of the leading positions in the resource supply unit. The natural potential of the Odessa complex in monetary terms is 56 thousand UAH / sq. km, which provides the region the 2nd place (after Transcarpathian region). If you estimate the availability of a variety of resources, then Odessa region is among six leaders such as: Zakarpattia, Lviv, Chernivetska, Vinnitsa and Ivano-Frankivsk regions.

Taking into account the purely natural resources, it should be noted that Odessa oblast takes the first places in: the number of islands (1.2%), lakes (5.19%), marine areas (5.52%), climatological resources, balneological resorts (13, 1%), garden plantations and their areas (2.1%), fertile lands (5.3%), etc. [5, p. 224].

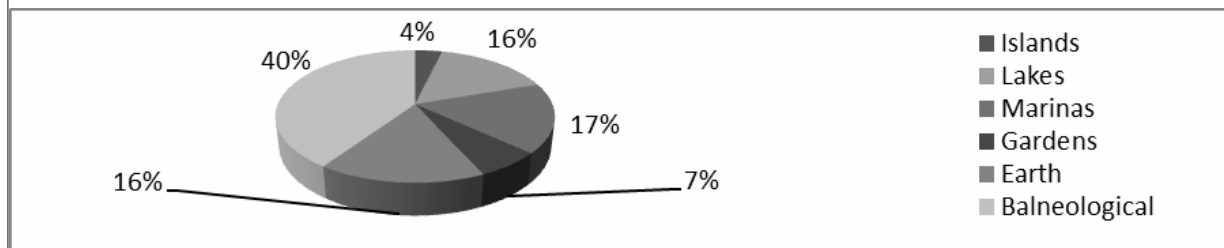


Figure 1. Importance of nature resources of Odessa region

Odessa region occupies the 3rd place in the rating of the most significant natural resources, and also the 6th place in all-Ukrainian natural resource availability. This status emphasizes the competitiveness of the region among the variety of tourist products in other regions and stimulates the interest of tourists to the natural richness of Odessa region.

In the sphere of recreation and ecotourism, Odessa region uses all its objects. They make up 4,53% of the total number in Ukraine and show not the last place in the rating for the size of the occupied area – the 8th place, after Volyn, Ivano-Frankivsk, Lviv, Poltava, Rivne, Sumy and Chernihiv regions.

Odessa region contributes to the development of the recreational and tourist complex is 3% of 4.53% of the possible artificial nature resources, which shows 66% of the data activity objects in the field of tourism and recreation.

The historical and cultural potential of the Odessa region is 4% of the total Ukrainian number (152 thousand objects), and the most significant sights are about 2.5% of the integral index (2663 units).

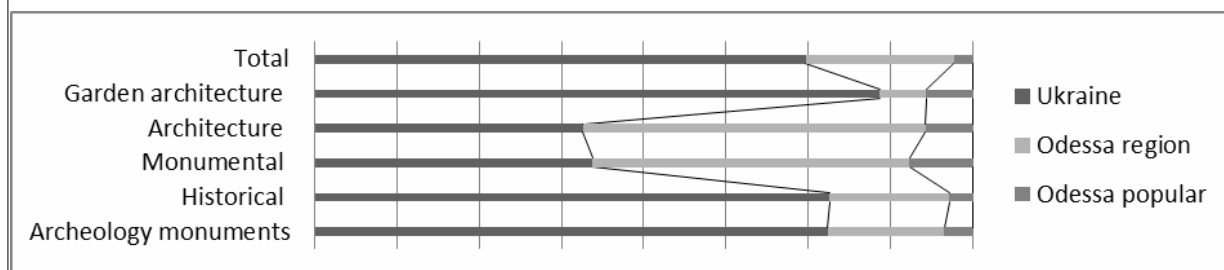


Figure 2. Ratio of Odessa region's historical and culture potential to Ukrainian heritage

Analysing the indicators of biosocial, homogeneous and eventful resources in Odessa region, it should be noted that each has the highest rating, which

provides the region with a positive image of a rich cultural life and its historical interconnection with other tourism destinations.

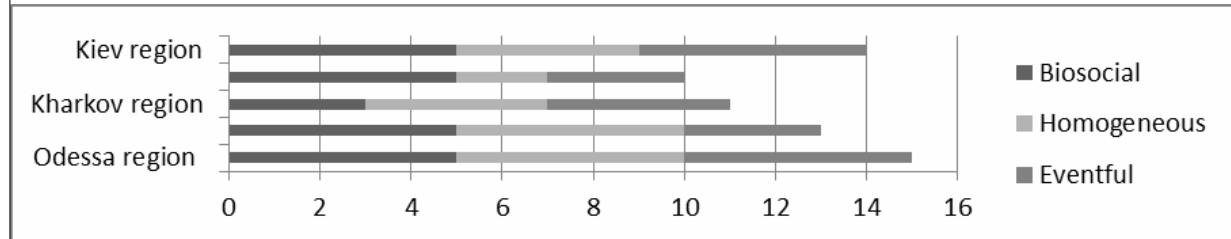


Figure 3. Ratio of regions according to social resources

Being at the top of three richest areas of resource availability, Odessa Region is a core for the rational functioning of the tourism and recreational complex.

These facts indicate a general improvement of the social and economic state of the region and will ensure the growth of the image and brand of the territory as a tourism destination with a sufficient level of tourism interest.

The high resource availability of Odessa region allows to develop various tourism destinations which will increase the number of visitors and tourists in the region.

Priority kinds of tourism in Odessa region are seaside and cultural-cognitive tourism.

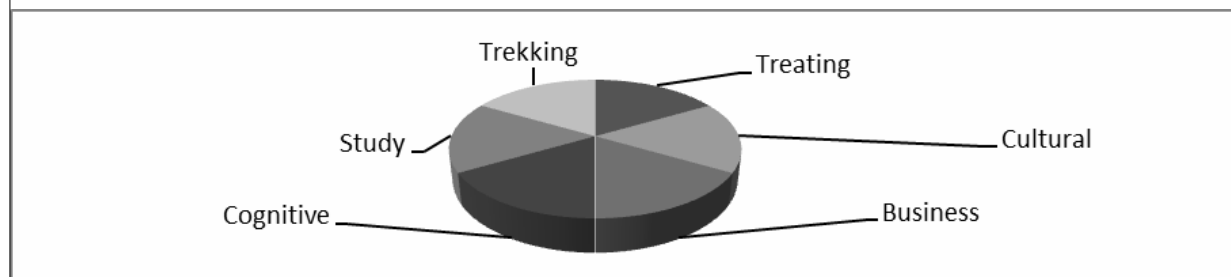


Figure 4. The variety of tourism types in Odessa region

The infrastructure of Odessa region has an average level with its positive and negative sides, but the region occupies one of the leading places according to its infrastructural resources.

The region is characterised by the presence of clearly identifiable tourism areas – Odesa and Bilhorod-Dnistrovsky, Kiliysky, Ovidiopolsky, Tatarbunary, Bolgrad and Kominternivsky districts. They create a centralised system of different resorts, providing a variety of infrastructure, increasing the number of skilled personnel and optimising the use of their potential while other regions have resorts dependant on large cities.

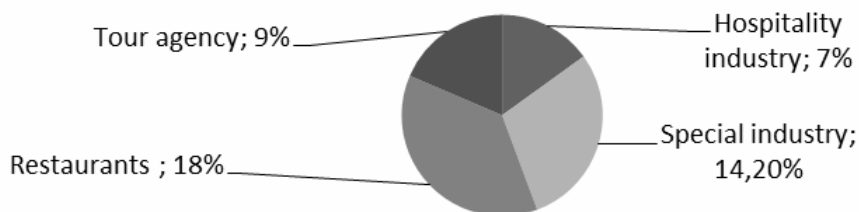


Figure 5. Ratio of various institutions due to their national importance

Odessa region is a tourist center of the Azov-Black Sea region, and Odessa is its core, since the largest number of infrastructure objects is concentrated in Odessa, which is characterised by constant updating and enlargement. This area is a generator of business operations and economic processes of the whole territory of the Black Sea region. This region contributes to the tourism activity in Ukraine – 32.6%, and also demonstrates the efficiency of the functioning of the complex and the industry as a whole.



Figure 6. Ratio of Odessa tourism activity at Ukrainian level

Odessa neighbours in terms of tourism ranking are Lviv (27.4%), Kharkiv (16.8%) and Dnipropetrovsk (16.2%) regions. Odessa region undeniably accounts a big share of officially registered foreign tourists, which is 17.8% – the largest ones in Ukraine, which confirms the popularity of Odessa region with citizens of other states and proves the tolerance of the destination [3].

Thus, Odessa region is the centre of the tourism market of the Azov-Black Sea region, the main point of which is Odessa city. The role of this tourism recreational complex consists of the sufficiently high contribution of enterprises, activities and resource supplement of travel market and variability of Ukrainian tourism products. Odessa region is at the lead position with regard to all indicators of the functioning of Ukrainian recreational and tourism system. So it occupies the 3rd place after Lviv and Kyiv regions and is considered to be one of the driving forces of the national tourism, which emphasises its significance in the development of the recreational tourism in Ukraine.

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HUMAN CAPITAL DEVELOPMENT AS A KEY FACTOR OF ECONOMIC GROWTH

E.I. Kukhar, N.N. Startseva, PhD (language supervisor)

V.N. Karazin National University, Kharkiv

Kukhar E.I., Startseva N.N. Human capital development as a key factor of economic growth. This paper examines the importance of human capital development as a key factor of socio-economic growth in world economy. The current state of human capital development in developed and developing countries is analyzed. Countries with the highest level of human development are determined using the human capital index.

Key words: developed countries, developing countries, economic growth, human capital, human capital index.

Кухар Е.І., Старцева Н.М. Розвиток людського капіталу як ключовий фактор економічного зростання. У статті розглянуто значення розвитку людського капіталу як ключового фактору економічного зростання. Проаналізовано поточний стан розвитку людського капіталу в розвинених країнах та країнах, що

розвиваються. За допомогою індексу людського капіталу визначені країни з найвищим рівнем розвитку людського потенціалу.

Ключові слова: економічне зростання, індекс людського капіталу, країни, що розвиваються, людський капітал, розвинені країни.

Кухарь Э.И., Старцева Н.Н. Развитие человеческого капитала как ключевой фактор экономического роста. В статье рассматривается значение развития человеческого капитала как ключевого фактора экономического роста в мировой экономике. Проанализировано текущее состояние развития человеческого капитала в развитых и развивающихся странах. С помощью индекса человеческого капитала определены страны с наивысшим уровнем развития человеческого потенциала.

Ключевые слова: индекс человеческого капитала, развивающиеся страны, развитые страны, человеческий капитал, экономический рост.

The relevance of the chosen topic is grounded by the fact that the human resources are becoming one of the key factors for increasing the competitiveness of national economies and the socio-economic development of the world economy as a whole. How nations develop their human capital can be a more important determinant of their long-term success than virtually any other factor. By “human capital” we mean the knowledge and skills people possess that enable them to create value in the global economic system.

The purpose of this research is to prove the importance of human capital development for socio-economic growth, analyzing the current state of human capital in developed and developing countries.

According to the Organisation for Economic Co-operation and Development (OECD), human capital is defined as: “the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances” [4].

In the global knowledge economy, people’s skills, learning, talents and attributes – their human capital – have become a key to both their ability to earn a living and to even wider economic growth. Educational systems can do much to help people realise their potential, but when they fail it can lead to lifelong social and economic problems [6].

There is a large amount of literature, that revealed that one of the most important factors of economic growth is human capital with regard to its decisive influence on production through labor productivity and its contributing to increased competitive advantage through innovation and diffusion technology [5].

The confluence of rapid technical change, globalisation and economic liberalisation in recent years has prompted governments in developed and developing countries alike to prioritise skills development as a key strategy for economic competitiveness and growth.

As expected, the influence of human capital is intensive in developed countries, e.g. the coefficient of life expectancy turns out to be significant only when analyzing developed countries [1].

In developing countries, especially the poorest ones, the challenges are profound and complex. Policy makers acknowledge the critical role of a strong human resource base in complementing investments and other policies to boost productivity and economic progress. Yet while these countries report lower average levels of educational attainment than industrialised countries, in some countries significant numbers of those with high levels of formal qualifications end up unemployed, working in jobs that underutilise their skills or emigrating to other countries. The result is a misallocation and waste of resources that these countries can afford. Developing countries are therefore in urgent need of new strategies and approaches that focus more explicitly on the links and coherence between investments in skills development and employment and productivity [6].

Measurement of human capital is realised by human capital index that is determined by the World Economic Forum and includes 4 pillars: Educations, Wealth and Wellness, Workforce and Employment and Enabling Environment [5].

According to the Global Human Capital Report 2017, the world has developed only 62% of its human capital as measured by this Index. Across the Index, there are only 25 nations that have realized 70% of their people's human potential or more. In addition, 50 countries score between 60% and 70%. A further 41 countries score between 50% and 60%, while 14 countries remain below 50%, meaning these nations are currently leveraging less than half of their human capital [3].

The top ten of this year's edition of the Human Capital Index is headed by smaller European countries – Norway (1), Finland (2), Switzerland (3) – as well as large economies such as the United States (4) and Germany (6) [3].

As we can see, the leaders of the Index are generally economies with a longstanding commitment to their people's educational attainment and that have deployed a broad share of their workforce in skill-intensive occupations across a broad range of sectors. Unsurprisingly, they are mainly today's high-income economies [3].

Three countries from the Eastern Europe and Central Asia region rank in the top 20: Slovenia (9) Estonia (12), and the Russian Federation (16). The Czech Republic (22), Ukraine (24) and Lithuania (25), all score above the 70% threshold [3].

Core to the Index is the concept that investment in developing talent across the lifecycle – through education and employment – enhances human capital. Even with similar levels of upfront educational investment, on-the-job learning is critical for generating returns on the initial investment as well as ensuring that people’s skills grow and appreciate in value over time [3].

Because human capital is critical not only to the productivity of society but also the functioning of its political, social and civil institutions, its current state and capacity understanding is valuable to a wide variety of stakeholders. Awareness of this fact has already occurred in developed countries.

The EU’s 2020 Strategy is focused on three area of growth: smart, sustainable and inclusive that couldn’t be achieved without major contribution of skills, knowledge or value of people, commonly known as human capital. It is difficult to believe that these goals could be realized without a good education and training system, a large diffusion of knowledge in manufacturing services, a creative industries and a great effort to create a research-intensive economy [2].

Conclusions. Human capital is crucial for economic growth and increase of competitive advantages for national economies. Correlation between human capital development and high level of states functioning is obvious. It confirms statistical data: the leaders of the human capital index are generally developed countries. This fact should make developing countries to think about their further development. Perhaps the human capital can become a key factor of their “economic miracle”.

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CURRENT TRENDS IN SMART CITY INITIATIVES

*I.I. Kukharieva,
I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Kukharieva I.I., Davydenko I.V. Current trends in smart city initiatives. The article examines the concept of smart city as a general vector of further social and economic development of cities that can possibly lead to the creation of a new living standard for the population with the appropriate improvement of municipal management approaches. It identifies the main dimensions and elements characterizing a smart city. It also aims at building a comprehensive framework to view the smart city concept as innovation that includes a technological component, management and policy.

Keywords: government support, scientific and technological progress, smart cities, smart grid, sustainability, urbanization.

Кухарєва І.І., Давиденко І.В. Сучасні тенденції ініціатив інтелектуальних міст. У статті розглядається концепція інтелектуального міста як загальний вектор подальшого соціально-економічного розвитку міст, який, потенційно, може призвести до створення нових стандартів рівня життя населення з належним удосконаленням підходів муніципального управління. У даному дослідженні визначено основні величини та елементи, що характеризують розумне місто. Стаття спрямована на побудову всеохоплюючої системи для розгляду концепції інтелектуального міста як інновації, що включає технологічну складову, управління та політику.

Ключові слова: державна підтримка, інтелектуальна мережа електропередачі, інтелектуальні міста, науково-технічний прогрес, сталий розвиток, урбанізація.

Кухарева И.И., Давыденко И.В. Современные тенденции инициатив интеллектуальных городов. В статье рассматривается концепция интеллектуального города как общий вектор дальнейшего социально-экономического развития городов, который потенциально может привести к созданию новых стандартов уровня жизни населения с должным совершенствованием подходов муниципального управления. В данном исследовании определены основные величины и элементы, характеризующие умный город. Статья направлена на построение комплексной системы для рассмотрения концепции интеллектуального города как инновации, которая включает технологическую составляющую, управление и политику.

Ключевые слова: государственная поддержка, интеллектуальная сеть электропередачи, интеллектуальные города, научно-технический прогресс, урбанизация, устойчивое развитие.

The subject of the study is the smart city concept. The purpose of the study is to analyze the core factors for a successful smart city initiative. The relevance of the study is determined by the need to support the understanding and sharing of the best practices for the roll-out of integrated smart city concept solutions.

According to a new United Nations report launched in 2017, the urban share of the world population will grow to 6.419 billion (66%) by 2050, suggesting that 90% of urbanization will take place in Africa and Asia. This fact proves that sustainable, livable world cities are essential for a prosperous future that will bring unique challenges and opportunities. Besides, emerging trends such as automation, machine learning and the internet of things are considered to be key factors that drive smart city adoption [4].

Smart city projects are big investments that are supposed to drive social transformation. In order to create a smart environment for people to live in, governments need to collaborate with the private sector, foundations, nonprofit organizations, global technology providers and a diverse range of governmental agencies. They also need to integrate numerous other city functions such as energy, commercial buildings, mobility, government services, citizen involvement, healthcare, public and private transportation systems. Strategic directions of smart city include technology factors, institutional factors and human factors (figure 1).

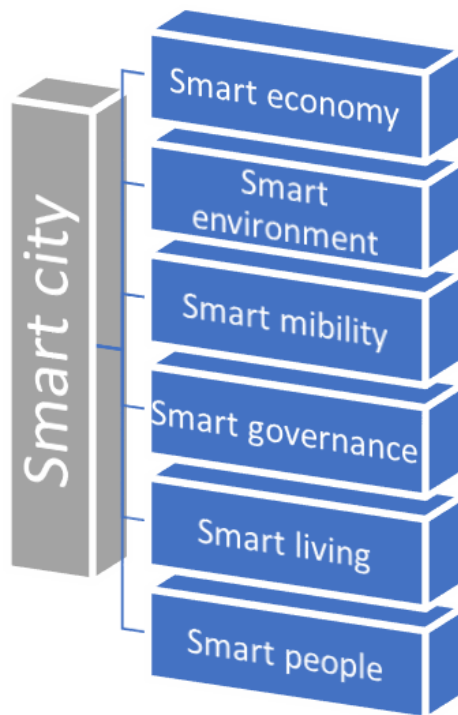


Figure 1. Dimensions of smart cities

The global smart cities market accounted for 773.19 billion dollars in 2016 and is expected to eventually reach 3651.49 billion dollars by 2025. According to the forecast, these cities are believed to generate up to 60% of the world's GDP by 2025. North America holds the largest share of the smart city market in 2016 and is expected to continue its industry dominance in the coming years. The factors that boost this rapid growth include: connectivity and fast telecommunication provision; global trend toward urbanization; government initiatives; growing energy consumption; increasing share of renewable energy and improved energy infrastructure.

As for the general trends, that are expected to happen in future, cloud computing will attract the biggest investments and is projected to increase to 162 billion dollars in 2020 (table 1).

Table 1

**Top increases in city tech spending
all over the world, % net increase**

Technology	% net increase, all cities
Cloud apps	86
Mobile devices	66.6
Business applications	61.9
Outsourcing	53.8
Security and privacy	53.8

Source:[1]

A smart city is any urban center that leverages the power of IT to bring positive changes in city resilience and quality of life, enhance economic development, cut energy, water, natural resource and food consumption to safeguard continued prosperity in an age of transition. Moreover, the city of the future is an interconnected one, having devices like sensors, smart lights, and smart meters communicate with each other in a constant stream of data that provides updated information both to the public and to the municipality.

Nowadays, the development of smart cities projects around the world is accelerating. The brightest examples of the cities of the future include the following ones: Barcelona, Bristol, Dubai, London, Yinchuan and Seoul.

In 2016 analyst Juniper identified Singapore as the world leading city in its application of smart mobility policies and technology. The city has developed and adapted some of the world's most advanced urban solutions. It uses sensors and IoT-enabled cameras to monitor the cleanliness of public spaces, crowd density and the movement of locally registered vehicles. Its smart technologies help companies and residents monitor energy use, waste production and water use in real time. The Singapore government has also launched a "Smart Nation" program in a bid to enhance residents' lives with apps that already include personalized health records, first aid response and the reporting of city maintenance issues such as broken street lights.

According to the second UK Smart Cities Index, presented by Huawei in 2017, Bristol and London were announced as the leaders of smart city ranking in the United Kingdom, demonstrating an impressive commitment to service and technology innovation. London, for example, is retrofitting both residential and commercial buildings to lessen carbon dioxide emissions. The city is also adopting charging infrastructure to support the introduction of 100,000 electric vehicles.

The UAE is making great strides towards launching smart city initiatives and extending its innovation programs. Dubai is a great example of a fast-growing city that has turned into a global hub for business, trade and tourism. Experimental initiatives that have been successfully operating in the city include 3D printing, drones, wearable devices, IoT sensory systems, advanced analytics, robotics, driverless vehicles, virtual reality and artificial intelligence applications [6]. The city also uses telemedicine and smart healthcare, as well as smart buildings, smart utilities, smart education and smart tourism.

Chinese model of a smart city is presented in a relatively small city of Yinchuan that is located in the north of the country. It has a smart traffic management system, a big data collection approach, has optimized garbage collection services, and has an extensive system of telemedicine services. In Yinchuan face recognition can be used to operate like a credit card. The same type of software is used on public transportation instead of fare boxes. Solar powered trash bins also act as compactors allowing the bins to contain five times as much garbage as an ordinary bin. When the bin is full it sends out a signal so garbage collectors can come and empty it. There are QR codes on the wall that enable people with mobile phones to access answers to frequently asked questions without waiting in line [3].

There are several Spanish cities that are successfully carrying out pioneer smart city projects. Doubtless, Barcelona is considered to be one of the best examples among smart cities worldwide. It includes almost all the aspects of a smart city, including fabrication laboratories, smart technologies to enhance the efficiency and utility of city lampposts, technologies to remotely sense and control water levels in public fountains, a network of free Wi-Fi in public spaces, USB charging stations [4]. Sensors fitted to streetlights and in the ground are used to monitor the weather. For drivers, Barcelona has adopted a sensor system that guides them to available parking spaces.

These examples prove that the benefits of smart city technologies are vast and quantifiable. Major advantages of the implementation of advanced cities initiatives include: better city planning and development, local economic development, e-government services; improved productivity, eliminating redundancies, finding ways to save money and streamlining workers' responsibilities, real-time monitoring of energy use; environmental improvement; reduced congestion and lower emissions, enhancing people's quality of life. One more positive feature of smart city projects is that this system can be launched in any environment regardless of its size and complexity.

On the other hand, not all smart city projects have completely positive effects. The development of this process faces many barriers, including tight municipal budgets, sluggish technology procurement guidelines for public agencies, pressing requirements for more IT staff at municipal agencies, privacy and cybersecurity concerns, that can possibly lead to a big failure, like core systems of the tech-reliant city being hacked or personal data being stolen.

It is expected, that the global smart city technology market will grow up to 88.7 billion dollars by 2025. According to the announcements, provided by the experts at the Smart America Challenge, a sum of about 41 trillion dollars will be invested by the cities all over the world over the next 20 years to upgrade infrastructure and benefit from the concept of "smart city" [5].

In 2016, the US government announced a 165 million dollars investment in smart-city initiatives and solutions to be spent over the next five years, which should allow more cities in the USA to adopt a key Internet of things application. India is willing to invest 7.4 billion dollars to launch 100 smart cities in the country by 2020. Authorities in Singapore have invested nearly 7.5 billion dollars in technology investments over the past three years [2].

Conclusion. The concept of smart cities might be represented as an organic connection among technological, human and institutional components. An impulse to innovate and build technologically advanced cities all over the

globe is critical to ensuring resource efficiency and security, as well as maintaining socially inclusive growth with the opportunities provided by digital transformation technology.

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THE THREATS OF DEFLATION

*A.A. Kukhtarskaya, N.M. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Kukhtarskaya A.A., Startseva N.M. The threats of deflation. The article presents an analysis of the influence of deflation on economic processes, financial and labor markets in the modern economy. Deflation is a negative process, whereby goods and services become cheaper as a result of low demand, prices decline and the value of money increases, it leads to serious economic problems – unemployment, bank bankruptcies, default etc. Central bank acts as a lender of last resort and initiates expansionary monetary and fiscal policies – lowering the interest rates, buying

Treasury securities in the open market, lowering taxes, increasing government spendings.

Key words: bankruptcy, default, deflation, demand, expansionary monetary, financial market, fiscal policy, government spending, labor market, monetary policy, Treasury securities, unemployment.

Кухтарська А.А., Старцева Н.М. Загрози дефляції. В статті представлений аналіз впливу дефляції на економічні процеси, фінансовий ринок та ринок праці в сучасній економіці. Дефляція – процес, при якому товари та послуги стають дешевше в результаті низького попиту, зниження цін і збільшення вартості грошей, процес є негативним та призводить до серйозних економічних проблем – безробіття, банкрутства банків, дефолту і т.д. Центральний банк виступає як кредитор останньої інстанції та ініціює експансіоністську грошово-кредитну та фіскальну політику – зниження процентних ставок, купівлю казначейських цінних паперів на відкритому ринку, зниження податків, збільшення витрат уряду.

Ключові слова: банкрутство, безробіття, державні витрати, дефляція, дефолт, експансіоністські грошові кошти, казначейські папери, монетарна політика, попит, ринки праці, фінансовий ринкок, фіскальна політика.

Кухтарская А.А., Старцева Н.Н. Угрозы дефляции. В статье представлен анализ влияния дефляции на экономические процессы, финансовый рынок и рынок труда в современной экономике. Дефляция – процесс, при котором товары и услуги становятся дешевле в результате низкого спроса, снижения цен и увеличения стоимости денег, процесс является негативным и приводит к серьезным экономическим проблемам – безработице, банкротствам банков, дефолту и т.д. Центральный банк выступает в качестве кредитора последней инстанции и инициирует экспансионистскую денежно-кредитную и фискальную политику – снижение процентных ставок, покупку казначейских ценных бумаг на открытом рынке, снижение налогов, увеличения расходов правительства.

Ключевые слова: банкротство, безработица, государственные расходы, денежно-кредитная политика, дефляция, дефолт, казначейские ценные бумаги, рынок труда, спрос, финансовый рынок, фискальная политика, экспансионистские денежные средства.

Relevance. Deflation is a negative economic process which typically occurs in and after the periods of economic crisis and has very bad effect on the economic growth of the country. When an economy experiences a severe recession or depression, economic output slows as demand for consumption and investment drops. This leads to an overall decline in asset prices as producers are forced to liquidate inventories that people no longer want to buy. Consumers and investors alike begin holding onto liquid money reserves

to cushion against further financial loss. As more money is saved, less money is spent, and there is a further decrease of aggregate demand. The purpose of the article is to describe the deleterious influence of a deflation onto the world economy and to reveal the rescue measures that the governments of the countries undertake to fight deflationary processes.

The object of the article is deflation as an economic phenomenon and its after-effects.

Deflation is an erosion in the prices of products and services caused by reduced demand. It can spiral as businesses chase the limited demand with even lower prices. For the consumer, the lower prices may seem like a benefit, especially following a period of prolonged inflation or when wages are stagnant or falling. In a deflationary environment, those who have borrowed funds from lending institutions are now reluctant (or unable) to repay the money they borrowed. Also, stocks, bonds and real estate that would not be in the market during an inflationary environment may be estimated below their actual value. For this reason, the Federal Reserve Board wages a constant battle against inflation using monetary policy, with the fear of deflation in mind.

Economic statistics as to the changes in consumer prices is compiled in most nations by comparing changes of a basket of diverse goods and products to an index. In the U.S. the Consumer Price Index (CPI) is the most commonly referenced index for evaluating inflation rates. When the change in prices in one period is lower than in the previous period, the CPI index has declined, indicating that the economy is experiencing deflation [2].

One might think that a general decrease in prices is a good thing because it gives consumers greater purchasing power. To some degree, moderate drops in certain products, such as food or energy, do have some positive effect on consumer spending. A general, persistent fall in prices, however, can have severe negative effects on the growth and economic stability [3].

People's expectations about future inflation are lowered, and they begin to hoard money. Why would you spend a dollar today when the expectation is that it could buy effectively more stuff tomorrow? And why spend tomorrow when things may be even cheaper in a week's time? [4].

As production slows down to accommodate the lower demand, companies reduce their workforce, increasing unemployment. These unemployed individuals may have a hard time finding new work during a recession and will likely deplete their savings to make ends meet, eventually defaulting on various debt obligations such as mortgages, car loans, student loans and credit cards.

The accumulating bad debts ripple through the economy up to the financial sector that must write them off as losses. As banks' balance sheets become shakier, depositors seek to withdraw their funds as cash in case the bank fails.

A bank run may ensue, whereby too many deposits are redeemed, and the bank can no longer meet its own obligations. Financial institutions begin to collapse, removing much-needed liquidity from the system and also reducing the supply of credit to those seeking new loans.

Central banks often react by enacting a loose, or expansionary, monetary policy. This includes lowering the interest rate target and pumping money into the economy through open market operations – buying Treasury securities in the open market in return for newly created money.

If these measures fail to stimulate demand and spur economic growth, central banks may undertake quantitative easing by purchasing riskier private assets in the open market. Quantitative easing is an unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply.

The central bank can also step in as a lender of last resort if the financial sector is severely hindered by such events [5].

Governments will also employ an expansionary fiscal policy by lowering taxes and increasing government spending. However, the problem with lowering taxes in a period of low prices and high unemployment is that overall tax revenues will decrease, limiting the ability of government to operate at full capacity.

A little bit of inflation is good for economic growth – around 2-3% a year. Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.

Deflation is regarded negatively, as it causes a transfer of wealth from borrowers and holders of illiquid assets, to the benefit of savers and holders of liquid assets and currency, besides confused pricing signals cause malinvestment, in the form of under-investment. In this sense it is the opposite of the more usual scenario of inflation, whose effect is to tax currency holders and lenders and use the proceeds to subsidize borrowers, including governments, and to cause malinvestment as overinvestment. Thus inflation encourages short term consumption and can similarly over-stimulate investment in projects that may not be worthwhile in real terms, while deflation retards investment even when there is a real-world demand not being met.

Central banks attempt to limit inflation, and avoid deflation, in order to keep the economy running smoothly [7]. But, when prices begin to fall after an economic downturn, deflation may set in causing an even deeper and more severe crisis.

As prices fall, production slows and inventories are liquidated. Demand drops and unemployment increases. People choose to hoard money rather than spend because they expect prices to drop even more in the future. Defaults on debt increase and depositors withdraw cash en masse, causing a financial meltdown defined by a lack of liquidity and credit. Central banks and governments react to stabilize the economy and incentivize demand through expansionary fiscal and monetary policy, including unconventional methods such as quantitative easing. Quantitative easing increases the money supply by flooding financial institutions with capital in an effort to promote increased lending and liquidity [6].

Conclusion. There is a consensus among policymakers and economists that even the threat of deflation is a concern. In modern economies, deflation is usually caused by a drop in aggregate demand, and is associated with economic depression.

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ANALYSIS OF LOGISTIC FLOWS ON THE TERRITORY OF UKRAINE

V.E. Kurasova, A.Y. Ponikaryova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv

Kurasova V.E., Ponikaryova A.Y. Analysis of logistic flows on the territory of Ukraine. The article shows the main problems of logistic flows in Ukraine. Analysis of the logistic flows dynamics, based on statistical data of recent years, is carried out. The existing problems are defined and prospects of transport logistics development with the help of foreign experience are formulated.

Key words: logistic flows, statistics, transport, transport logistics, Ukraine.

Курасова В.Е., Понікарьова А.Ю. Аналіз логістичних потоків на території України. У статті розглядаються основні проблеми логістичних потоків на Україні. Проведено аналіз динаміки логістичних потоків, що базується на статистичних даних останніх років. Визначено наявні проблеми та сформульовано перспективи розвитку транспортної логістики за допомогою іноземного досвіду.

Ключові слова: логістичні потоки, статистичні дані, транспорт, транспортна логістика, Україна.

Курасова В.Э., Поникарева А.Ю. Анализ логистических потоков на территории Украины. В статье рассматриваются основные проблемы логистических потоков на Украине. Проведен анализ динамики логистических потоков, основанный на статистических данных последних лет. Определены существующие проблемы и сформулированы перспективы развития транспортной логистики с помощью иностранного опыта.

Ключевые слова: логистические потоки, статистические данные, транспорт, транспортная логистика, Украина.

The subject of the study is the condition of logistic flows within Ukraine and their key features. The purpose of the study is to analyze the main problems of transport logistics and to identify possible ways of their solution.

The relevance of the study is determined by the possibility to implement foreign experience into the process of providing logistic services in Ukraine.

It is worthwhile to begin with the fact that flow in logistics is the targeted moving of any product (materials, raw materials, finance, information, etc.) in the space for a certain time. There are the following categories of flows: material, financial, information and service.

The material flow takes the greatest importance for logistics. It can be material resources, incomplete production and ready-made products that are in motion [1].

If we classify the material flow according to the consistency of goods (the degree of density, hardness, etc.), we can give an analysis of cargo transportation by sea and river within the territory of Ukraine.

Table 1

Transportation of goods by sea (by type of cargo), thousand tons

	2016		2017 (9 months)	
	Within the country	Overseas	Within the country	Overseas
Total	1130,1	1902,4	647,1	1058,1
Bulk cargoes	52,7	-	25,0	-
Loose loads	722,4	274,5	320,9	166,1
Tare-artificial cargoes	328,2	1338,0	299,2	770,1
Cargo in containers (gross)	26,8	10,7	2,0	3,4
Other cargoes	-	279,2	-	118,5

Source: State Statistics Service of Ukraine [2].

Table 2

Transportation of goods by river (by type of cargo), thousand tons

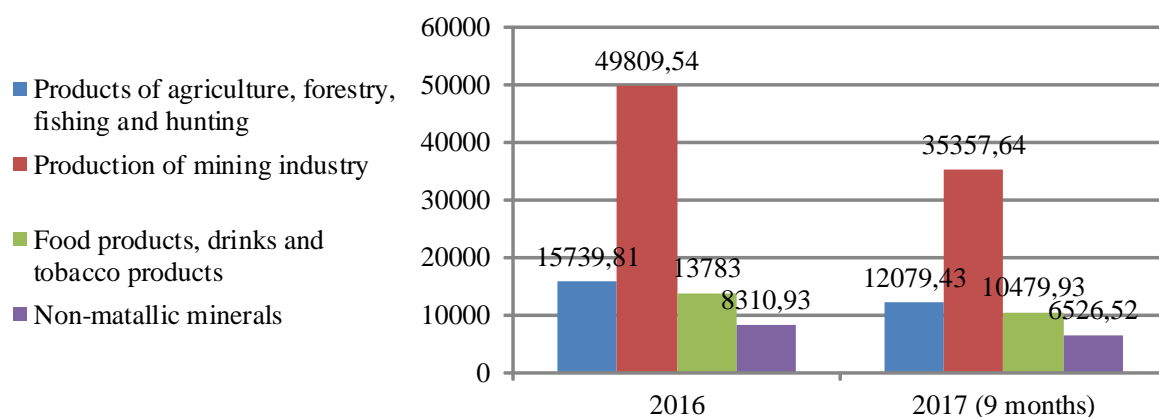
	2016		2017 (9 months)	
	Within the country	Overseas	Within the country	Overseas
Total	2243,9	1397,9	1657,1	885,0
Bulk cargoes	-	-	2,3	-
Loose loads	1998,4	847,9	1550,9	577,9
Tare-artificial cargoes	223,6	550,0	87,4	307,1
Other cargoes	21,9	-	16,5	-

Source: State Statistics Service of Ukraine [2].

The most significant of the Ukrainian seaports are currently the Southern seaport, the seaports of Odessa and Illichivsk. 60% of the cargo turnover of

Ukraine is derived from them. Therefore, the certain action plan to improve the situation with these seaports in the country should be produced. The author identified the following problems: need of urgent repairs, pollution of the water area, and delegation of the work of towing vessels to private enterprises. Using the foreign experience of the port of Hamburg (Germany), the author advises the following: to deal with existing gaps; to turn the Odessa port into the main trading platform of Ukraine; to carry out the work of the seaport transformation into a national attraction for tourists; to nationalize a business, which is closely associated with the seaport activity [3,4].

Trucking has shown considerable stability since the beginning of 2014. The author presents the dynamics of automobile transportation of goods by the most extensive nomenclature (Figure 1) and cargo transportation by types of transport (Table 3).



Source: State Statistics Service of Ukraine [2].

Figure 1. Trucking of goods by the nomenclature, thousand tons

Table 3

Freight transported, million tons

	2013	2014	2015	2016
Total	757,6	671,2	601	624,5
Railway	441,8	387	350	344,1
Automobile	183,5	178,4	147,3	166,9
Water	6,3	6	6,4	6,7
Pipeline	125,9	99,7	97,2	106,7
Air	0,1	0,1	0,1	0,07

Source: State Statistics Service of Ukraine [2].

According to the co-owner of the Delivery Group, the volume of rail traffic has been changing since 2014 depending on the political and economic situation in the country at that time. In Donetsk and Luhansk regions, most carriers went out of their business. But in general, the volume of the logistics market remains stable. There only has been some redistribution of demand among the segments [5].

Taking into account the index of efficiency of transport logistics LPI (Logistics Performance Index) in Ukraine, it is possible to note a pretty high level - 64th place. And although neighboring the Republic of Belarus occupies 74th position in this rating, we have something to take from their experience. Ukraine should pay attention to the following issues: the simplification of document circulation and administrative procedures for logistics centers; the equipping of border crossings in order to increase their capacity and reduce the period of idle time; the implementation of the latest computer and information technologies, as it was created and operates for now in Belarus [6].

Table 4

Passenger transportation, million people

	2013	2014	2015	2016
Total	6620	5899,5	5175,7	4854,4
Railway	425,4	389,1	389,8	389,5
Automobile	3340,8	2915,3	2259,8	2025,0
Water	7,3	0,6	0,6	0,5
Air	8,1	6,5	6,3	8,3
Tram	757,4	769,9	738,3	694,0
Trolley bus	1306,2	1092,3	1080,5	1038,7
Metropolitan	774,8	725,8	700,4	698,4

In this article, the analysis of information and financial flows was not carried out because of a large amount of data. But the author gave some information about the service flow as a certain amount of services provided to customers over a period of time.

According to Table 4, there is a sharp fall of demand for water transport, which is related to the political situation in the Crimea, and the decline of demand for passenger transport in general, due to the economic situation in Ukraine.

Ukraine can take into account the foreign experience of the USA in passenger transportation, which includes the following steps: to create conditions for the purchase of a personal vehicle for everyone; to increase penalties for violation of the SDA; to repair Ukrainian roads. Thus, the demand for public transport

will be reduced to a minimum, and the state treasury will be replenished with the help of the national motor transport purchase and taxes.

Conclusion. The development of transport logistics in Ukraine is one of the factors for further structural adjustment of the economy in the state. The country must overcome the consequences of the crisis and integrate into the system of international relations in the field of logistics to develop dynamically.

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MODERN MARKETING TENDENCIES AT TRAVEL COMPANIES

***S.S. Kurinna, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv***

Kurinna S.S., Medvid M.M. Modern marketing tendencies at travel companies.

The article deals with the main aspects of marketing of tourist enterprises at the present stage. The concept of marketing of relationships as well as a number of changes in the behavior and mind of a modern tourist have been analyzed. The influence of Internet-marketing on a tourist enterprise has been investigated. The main tendencies of tourism development at the national level have been studied.

Keywords: demand and supply, influence, marketing, tendency, travel company.

Курінна С.С., Медвідь М.М. Сучасні тенденції маркетингу на туристичних підприємствах. У статті досліджені основні аспекти маркетингу туристичних підприємств на сучасному етапі. Проаналізована концепція маркетингу взаємин, ряд змін у поведінці та мисленні сучасного туриста. Досліджено вплив інтернет-маркетингу на туристичне підприємство. Розглянуті основні тенденції розвитку туризму на національному рівні.

Ключові слова: вплив, маркетинг, попит та пропозиція, тенденція, туристичне підприємство.

Куринная С.С., Медведь М.Н. Современные тенденции маркетинга на туристических предприятиях. В статье исследованы основные аспекты маркетинга туристических предприятий на современном этапе. Проанализирована концепция маркетинга взаимоотношений, ряд изменений в поведении и мышлении современного туриста. Исследовано влияние интернет-маркетинга на туристическое предприятие. Рассмотрены основные тенденции развития туризма на национальном уровне.

Ключевые слова: влияние, маркетинг, спрос и предложение, тенденция, туристическое предприятие.

Tourist business has always been popular and in great demand, as in spite of economic and political situation, people always have a need for rest. However, nowadays in the conditions of severe competition between tourist enterprises, it is not enough to produce high-quality goods and services, it is also necessary to be able to get the favor of consumers. For this reason great importance is given to marketing, the main task of which is not only the creation of a product that will be in demand but also its successful sale on a tourist market.

As tourism is an industry where the quality of supply is associated with the quality of service marketing extends its functions making a special emphasis on relations with consumers. Long-term customer relations cost cheaper than marketing expenses necessary for attracting a new client. Therefore relationship marketing is a basis of management in travel companies at the present stage [1, 302].

The conception of relationship marketing implies that without the use of communicative and social characteristics (organizational culture of an enterprise, personal characteristics of personnel, creation of atmosphere of trust and obligation, conflict-free solution of problem situations, personal contacts), efficiency of marketing activity in tourism is limited and does not allow the enterprise to develop accordingly to a market situation.

Nowadays the greatest influence on world tourism belongs to changes in demand on tourist services. That is why travel industry requires more marketing professionals who understand its global problems and are able to react to the growing needs of consumers [5, 35]. For the last decade tourist demand is characterized by the following tendencies:

1. Specialization and individualization of demand. Specialized tourism is getting more popular, group tours to well-known places of mass tourism lose its popularity.

2. Change of stereotypes in tourists' behavior. Motivation of journeys includes demand on getting pleasure and impressions, thus the greater preference is given to the process itself, but not to the object of enjoying.

3. Change of the travelers' age structure. There is an increase in the category of elderly people in the total number of visitors which has its own peculiarities.

4. Expansion of international tourism.

5. Changes in the frequency and duration of trips. There is a tendency to «split» the main holiday – instead of one trip the advantage is given to several short trips.

6. Ecologization of consumers' thinking. People start understanding the fragility of environment and its inseparable unity with the human society.

7. Intensification of tourism. Vacation is diversified with excursions, walks, entertaining activities, meeting etc.

8. Increase of tourists' requirements to the level of service. The rapid increase of tourist business alongside with technical progress of human life has given an opportunity to compare vacation places and, thus, to require a better level of service.

Consequently, tourist enterprises must constantly follow these changes, deal with them, develop new marketing approaches.

For the last few years tourism industry has substantially changed due to the development and expansion of the use of internet-technologies. Nowadays any potential consumer can use the internet, obtain information about any tourist enterprise, its product or service and even make on-line purchases. Table 1 illustrates changes in the traditional types of marketing in tourism as a result of internet-marketing techniques.

Table 1

**Comparative table of traditional marketing
and internet-marketing in tourism**

Marketing activity	Traditional marketing	Internet marketing
1. Advertisement	The use of standard means of mass information such as television, radio, newspapers and magazines.	Creation of a wide informational program and its distribution on the internet-site of the company.
2. Serving of clients	Serving of clients is fulfilled according to the office schedule.	Serving of clients is fulfilled every day 24 hours, direct contact with customers via social networks.
3. Sale	Demonstration of tourist product with the help of catalogs and booklets.	Distribution of special offers in social network and via email.
4. Marketing research	Interview with separate buyers of consumers' groups, phone or mail survey.	Sending of questionnaires in social networks and via email.
5. Booking services	Direct interaction with service suppliers in offices and booking by phone.	Booking services with the help of global automated booking systems.
6. Research of suppliers' services	Study of the quality of services with the help of printed materials and expert assessment.	Research of the offered services with the help of images, audio and video materials on different internet portals. Studying tourists' comments in such global networks as «Tripadvisor», «Booking.com» and others.

Source: Made by the author, using materials: [2, P. 189].

At the national level we can observe an increase of streams of domestic tourism, however statistics of visiting Ukraine by foreign tourists still has low marks [4]. The reasons for such a low popularity of Ukraine with foreign tourists are often considered to be in ineffective marketing, in other words, Ukrainian tourist enterprises and our state on the whole don't invest enough resources into the development of tourism in their regions. It means that the

problem is in the wrong positioning of Ukrainian resorts and centers of tourism, absence or wrong branding of Ukrainian cities.

Thus, the modern tendencies of tourist marketing include: changes in behavior of tourists, among which it is essential to emphasize the individualization of demand, eco-conscious mind, change of frequency and duration of trips; distribution of relationship marketing; inseparability of internet-marketing from the modern tourist enterprise; computer and technological progress in tourist business; insufficient marketing promotion of tourism in Ukraine.

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MODERN FORMS AND METHODS OF FOREIGN INVESTMENT EXEMPLIFIED BY THE PRC

*A.V. Kurkina, I.N. Lavrinenko, PhD (language supervisor)
V.N. Karazin National University, Kharkov*

Kurkina A.V., Lavrinenko I.N. Modern forms and methods of foreign investment exemplified by PRC. This article is devoted to the questions of the English language in the investment world of China. As a result of the analysis, the author came to the conclusion that English language is one of the main languages ??of communication between Chinese investors and their main partners. The role of the PRC in the modern investment climate has also been emphasized, as well as the importance of investment at this time. It has been emphasized that foreign direct investment has a number of advantages over other forms of economic development: first they provide an additional source of capital investment; second they do not place a burden on the state budget, on its external debt.

Key words: capital export, capital import, foreign debt, foreign investment, investment policy, PRC.

Куркіна А.В., Лавріненко І.М. Сучасні форми та методи прямих іноземних інвестицій на прикладі КНР. Дана стаття присвячена питанням англійської мови в інвестиційному світі Китаю. В результаті аналізу, автор прийшов до висновку, що англійська мова є однією з головних мов спілкування китайських інвесторів зі своїми головними партнерами. Так само була підкреслена роль КНР в сучасному інвестиційному кліматі. І важливість інвестицій в нинішній час. Автор підкреслює, що прямі іноземні інвестиції мають ряд переваг перед іншими формами розвитку економіки: по-перше, вони дають додаткове джерело капітальних вкладень; по-друге, не лягають тягарем на державний бюджет, на його зовнішній борг.

Ключові слова: експорт капіталу, зовнішній борг, інвестиційна політика, іноземні інвестиції, імпорт капіталу, КНР.

Куркина А.В., Лавриненко И.Н. Современные формы и методы прямых иностранных инвестиций на примере КНР. Данная статья посвящена вопросам английского языка в инвестиционном мире Китая. В результате анализа, автор пришел к выводу, что английский язык является одним из главных языков общения китайских инвесторов со своими главными партнерами. Так же была подчеркнута роль КНР в современном инвестиционном климате. И важность инвестиций в нынешнее время. Автор подчеркивает, прямые иностранные инвестиции имеют ряд преимуществ перед другими формами развития экономики: во-первых, они дают дополнительный источник капитальных вложений; во-вторых, не ложатся бременем на государственный бюджет, на его внешний долг.

Ключевые слова: внешний долг, инвестиционная политика, иностранные инвестиции, импорт капитала, КНР, экспорт капитала.

Actuality of the theme. Today, the recovery of the economy of any country requires a significant inflow of funds from private investors, and, above all, a large corporate national capital that managed to adapt successfully to the market conditions and is able to provide a high return on investment.

Investment plays a central role in ensuring the effective functioning of the economic system and the entire social reproduction, since they directly affect the possibility of economic growth in the long run. Investment activity is one of the most important indicators of economic dynamics. Its intensity is determined by the state of the economy.

An important part of China's policy of foreign openness is attracting foreign direct investment into the country, which is considered as a very effective way of obtaining foreign financial resources, technologies, new forms and methods of management. Companies with foreign capital occupy a significant position in the Chinese industry [5].

The analysis of the problems of the current state of the Chinese economy leads to the conclusion about the improvement of the investment policy of the state.

The purpose of the study is to characterize modern forms and methods of foreign investment.

The object of the research is the process of foreign investment. The subject of the study is the forms and methods of investment activity in the People's Republic of China.

In the process of investment activities the major macroeconomic issues are handled: restructuring of the national economy and technological progress, opportunity to overcome inflation, expansion of the tax base and completion of the budget, the increase in the number of jobs. The experience of developed countries demonstrates the need for state interference in the management of investment processes. At any level of development of market relations the automatic regulation of the investment process does not occur. State regulation of economic and social relations represents purposeful activity of the state to ensure stability of the national economy and its reproduction, of the general conditions of the normal functioning of free producers. With the help of investment policy the state can directly influence the rate of production, accelerating scientific and technical progress, changes in the structure of social production and solve many social problems.

Having become a world trading state, the People's Republic of China took a course to strengthen its position in the international capital movement and quickly took its place in a group of leading countries for both export and import of capital. An important part of China's policy of foreign openness is attracting foreign direct investment into the country, which is considered as a very effective way of obtaining foreign financial resources, technologies, new forms and methods of management. Companies with foreign capital occupy a significant position in the Chinese industry. Equally important are the size of the domestic market and the size of the population to attract foreign direct financial injections. Due to the fact that the Chinese consumer is solvent, the situation in the country is quite stable, and today this country is surprisingly attractive to the influx of foreign capital. Chinese manufacturers are trying to master as many regional markets as possible within the state, and even a great deal of effort is being made to conquer the international market. It can not be said that absolutely all countries are happy to provide their territories for goods and services from the People's Republic of China; moreover, their price is considerably more attractive. But due to the fact that only the openness of the economy for the trade of various levels is considered to be one of the main factors of attractiveness for the inflow of foreign direct investment in the People's Republic of China, special efforts at all levels are aimed at solving

this particular problem. Most emerging economies are striving to maximize the direct inflow of foreign financial investments, but only the Chinese government's policy for today provides the country with a strong appeal for continued growth in investment. The fulfillment of all tasks has ensured China direct access to the highest international level and in some positions in order to become a leader in the world investment rating [2].

The success of Chinese economic reforms is largely due to the peculiarities of the chosen tactics – the gradual implementation of reforms, the asynchrony of economic and political transformations, and the skillful ideological provision of them. In this sense, the positive Chinese experience is of universal significance. At the same time, it is necessary to take into account the qualitative differences of the Chinese economy from the economies of most European post-socialist countries. The incomplete nature of industrialization made it possible for the PRC to form non-state economic structures not on the basis of the public sector, but along with them. In many respects, due to this in the PRC in the last two decades there have been achieved high rates of economic growth. With very high average annual rates of economic growth in the PRC, nevertheless, it is very uneven. The dynamics of growth is characterized by cyclical tendencies, namely – fluctuations between sharp accelerations of growth and flashes of inflation on the one hand, and deflationary sluggish economic growth on the other hand. The reasons for such cyclicity are related to the incompleteness of institutional reforms in the economy, in particular, with the preservation of the environment of «soft budget constraints» in the public sector and related economic arrangements [3].

The PRC ranks first in the world for coal mining, ferrous metal production, cement, bicycles, grain (including rice), cotton, meat, mineral fertilizers, cotton fabrics, clothing, footwear, pork, fish. It holds the second place in the production of electricity, chemical fibers, and woolen fabrics. It holds the third place for the production of silk fabrics, soybeans, freight transport of railways. The People's Republic of China is also among the leaders in the manufacturing of metal cutting machines, mining equipment and metallurgical industry, locomotives and cars, sugar and tea.

The countries that invest in the People's Republic of China have great privileges, because Chinese programs, companies, and goods are moving at a high speed to a new level, which is why everyone aspires to interact with this country [1].

International language is a language that can be used for communication by a significant number of people around the world.

The spread of English in the world is inextricably linked with the increasing political and economic influence of English-speaking countries throughout history[4].

English is a world language. To date, English has become an international language; it is the most common in the world. For more than 400 million people, it is a native, for 300 million it remains a second language, and another 500 million to some extent speak English

English is the language of trade and business. In many countries, English occupies a very important place as a language of diplomacy, trade and business. 90% of the world's deals are closed in English. World financial funds and exchanges operate in English. Financial giants and large corporations use English regardless of the country they are located in [6].

English is a universal language. In addition to all of the above, English is beautiful, melodic and easy to learn. English has one of the richest vocabularies in the world, but it has a simple grammar. The words themselves are attracted to each other, forming laconic and understandable sentences. The international language should be simple and understandable.

The value of English in investing is very large. Since in our time everyone is developing country invests, and the native languages are all different, so we should find one common language to communicate, and in most cases this language is English.

Conclusion. In modern conditions, the economy of highly developed countries and the economies of developing countries require significant investment in order to ensure the growth of the economy, and their own available investment resources are not enough. There is a need to attract foreign investment in the country's economy in order to ensure effective development in the medium and long term.

A characteristic feature of the transformations in China is the close relationship between domestic economic reforms and measures to intensify foreign economic relations. The process of liberalization of foreign trade and investment regimes is gradual. The attraction of foreign capital to the Chinese economy is much different: different organizational forms of joint ventures, various types of free economic zones, differentiated methods of tax incentives for investments are used.

From this theoretical aspect one can conclude that the relevance of these allegations and the importance of issues regarding the development of not only a favorable investment climate, but also for the whole economy in general.

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UKRAINE AS AN IMPORTANT TRANSPORT HUB IN THE INTERNATIONAL ROAD TRANSPORT

R.N. Kutovyi, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv

Kutovyi R.N, Zmiyova I.V. Ukraine as an important transport hub in the international road transport. The article covers the analysis of current state and level of international road transport development in Ukraine, their impact on the economic potential of Ukraine. The article also includes the general characteristics of the transport system of Ukraine and its place in road transport, as well as methods for studying the current..state..of..the..international..road..transport..in..Ukraine.

Key words: characteristics of transport system, economic potential, international road transport, methods.

Кутовий Р.Н., Зміїова І.В. Україна як важливий транспортний вузол в системі міжнародних автомобільних перевезень. В статті дається аналіз поточного стану рівня розвитку міжнародних автомобільних перевезень в Україні, їх вплив на економічний потенціал України. Стаття також включає в себе загальні характеристики транспортної системи України і її місце в автомобільному транспорті, а також методи для вивчення поточного стану міжнародних автомобільних перевезень в Україні.

Ключові слова: міжнародні автомобільні перевезення, метод, характеристика транспортної системи, економічний потенціал.

Кутовой Р.Н., Змиёва И.В. Украина как важный транспортный узел в системе международных автомобильных перевозок. В статье представлен анализ текущего состояния уровня развития международных автомобильных перевозок

в Украине, их влияние на экономический потенциал Украины. Статья также включает в себя общие характеристики транспортной системы Украины и ее место в автомобильном транспорте, а также методы для изучения текущего состояния международных автомобильных...перевозок...в...Украине.

Ключевые слова: международные автомобильные перевозки, метод, характеристика транспортной системы, экономический потенциал.

The object of the study is general characteristics of the transport system of Ukraine and a network of international transport corridors. The subject is the methods used to study the current state of the international road transport in Ukraine.

The history of many countries is an example where transport ruined the economy and ensure a focused and intensive development of basic industries. USA overcame the crisis of the Great Depression by building car factories. Germany and Japan restored their economy after World War II due to the development of transport based on new technologies and building roads. Without reliable transport sector can not be made either economic development or preservation of political space. Therefore only the transport sector can be the basis for recovery and economic development of Ukraine [1].

One of the most important features of technological progress and civilized state is the level of development of the transport system. No doubt, the need for highly developed transport system during the integration into the European, global economy and the transport system is the basis for efficient entry of Ukraine into the world community. Transport is a set of communications and moving conveyances, and various structures and devices that create optimal conditions for their functioning. Transport is a special sphere of production, which includes the tertiary sector. In contrast to industry and agriculture, it creates a new product without changing its properties (physical, chemical) and quality, as well as created the conditions necessary to complete the production process. The products transportation is the movement of material objects in space – goods and people, changing their location. Its function is to connect resources in the production process of reproduction, providing access to these resources and finished products to market. However, transport is an energy- and resource-sector economy with a sufficiently long investment cycle. It accounts for about 20% of global assets. The global transport workforce makes more than 100 mln people [3].

The components of the transport industry of Ukraine are:

- a) vehicles-rolling stock (vehicles, trailers, semi-trailers, transport tractors, wagons, planes, locomotives, ships);

- b) means of communication – roads, railways, waterways, air routes, monorail tracks, cableways;
- c) management tools and communication points dispatcher communication, items of an automated system traffic management;
- d) technical devices and tools, handling machinery, conveyors;
- e) facilities: ATP stops, depots, stations, docks, repair shops and factories, warehouses, terminals, railway stations, airports, marinas, compressor and pumping stations.

All transport modes constitute a transport network consisting of ground, underground, air and water transport. To include ground transportation, rail, road, pipeline (oil and gas pipelines), new types of transport (magnetic or hovercraft, monorail transport, etc.), power lines (EPL).

On the basis of subordination transport can be:

- public that under existing laws shall carry freight and passengers, whoever they were declared;
- common use (departmental).

The concept of international carriage is included in a number of international agreements and the legislation of the country. International transportation should be considered a process of transporting goods and passengers between two or more countries opposed to traffic in domestic traffic, that is, within the same country [2].

The feature of international transport is the presence of a foreign element, the transportation conditions established by international agreements.

Transport sector of Ukraine meets the requirements of social production and national security, has an extensive infrastructure for providing the whole range of transport services, including warehousing and technological preparation of goods for transportation, provision of foreign economic relations of Ukraine.

Ukraine transport sector is characterized by a high degree of development. The length of the railway network is 22.3 thousand km. A network of public roads – 168.7 thousand km of inland, waterways – 2.2 thousand km. In Ukraine there operate 35 airports and airfields, 19 commercial sea ports, 10 river ports, railroads, airline and shipping companies of different ownership. Over 16 thousand entities were licensed and are operating in the market of transport services. In the system of transport operate more than 1,370 state-owned enterprises, institutions, organizations. Ukraine railway network includes 22.3 thousand km of roads, 1,684 railway stations, 135 locomotive and wagon depots, 110 distance paths, 69 distance signaling and communication, 43 areas of energy supply. Among all types of

transport the railway is the most stable and efficient. In 2015 railways transported 476.8 million passengers, 363.4 million tons of cargo, which is slightly lower than the previous year. Given the fierce competition in the international market of transport services railroad Ukraine carries the policy of reasonable tariff.

The network of public roads is 169.5 thousand km., including those of national importance. Ukraine has the rapidly growing air transport, has established a fundamentally new network of international airlines and signed bilateral agreement on international air services with 67 countries. Ukraine is a member of the International Civil Aviation Organization (ICAO). 41 airlines are engaged in transportation of passengers and 25 airlines are entitled to operate international air services [4].

Ukraine has a developed port infrastructure, 19 ports, including 3 in the Danube, 12 in the Black Sea ports and 4 in the Azov region with a total processing capacity of about 130 mln tons of cargo annually. The number of berths seaports of Ukraine is 235 units, the length of berthing front is 38 km. In 2015 sea ports handled 89 mln tons of cargo. On the inland waterways of Ukraine located 10 river port equipped berths with a total length of 11.5 km, 159 gantry cranes. Total area of ??warehouses is 407.6 thousand. Processing capacity of river ports is over 7 mln tons of cargo a year. The length of inland waterways is 2370 km.

Recently there was a significant reform of road transport firms. Now in the market of transport services steadily work 16.2 thousand of business entities, of which 14.5 thousand passengers engaged in transportation. The park of private cars exceeds 5.4 million units. In 2015 turnover in road transport decreased slightly to 8.2 billion tons. Daily bus routes running an average of 17.5 thousand buses, carrying 7.4 million passengers. International passenger service is provided in 16 European countries. In the field of international transport the automobile communication is established with 46 countries. Ukraine is a member of 8 international conventions, agreements and protocols in the field of road transport in particular. Customs Convention on the international transportation of goods use the TIR Carnet of the European Agreement concerning the International Carriage of Dangerous Goods and others.

The territory of Ukraine has a number of international transport corridors (ITC). The work on the creation of international transport corridors of national has been intensifying since 1998, when Ukraine obtained the corresponding application. During this time, the development of transport corridors, road,

railroad and port workers invested over 2 billion UAH. The length of the railway network of international transport corridors is 3162 km, of which 92.3% is double-track line, 77.3% for electric, 90% air automatic blocking. Over the past five years parts of the corridors are electrified over 500 km of railways, reconstructed 85 stations, increased speed of trains. Ukraine reconstructed significant number of sections of highways, built a number of transshipment facilities in ports. Continuing improvement of transportation technology, the development of information systems and other measures are being taken to simplify procedures for crossing state borders. Cooperation with European organizations and neighboring countries on the development and operation of international transport corridors has strengthened [3].

Because of geographical and historical reasons, Ukraine has an important role in the European energy market oil and natural gas. Thanks to its favorable position Ukraine has become a major transit hub that gears gas and oil from Russia and Kazakhstan to the European market. Today in Ukraine there are well-equipped companies dealing with oil and natural gas, their production, including work in the Black and Azov Seas, 6 powerful refineries, factories for the production of a wide range of pipes etc. The Ukrainian gas transportation system provides the supply of natural gas to domestic consumers as well as European. Ukraine is not only transporting gas, but also an important oil transport «hub» in Europe.

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OLIGOPOLY AS A MARKET STRUCTURE: THEORETICAL ASPECTS AND REAL EXISTENCE

*O.S. Kyryllov, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Kyryllov O.S., Skrypnyk T.I. Oligopoly as a market structure: theoretical aspects and real existence. The article considers such a market structure as oligopoly and aspects of functioning. The author analyzes this market structure on the example of the mobile communication market in Ukraine

Keywords: Disadvantages of Oligopoly, Oligopoly, oligopolistic power, telecom market of Ukraine.

Кириллов О.С., Скрипник Т.І. Олігополія як ринкова структура: теоретичні аспекти та реальне існування. У статті розглядається така ринкова структура як олігополія і аспекти її функціонування. Автор цю аналізує ринкову структуру на прикладі ринку мобільного зв'язку в Україні

Ключові слова: недоліки олігополії, олігополія, олігополістична потужність, телекомунікаційний ринок України.

Кириллов А.С., Скрипник Т.И. Олигополия как рыночная структура: теоретические аспекты и реальное существование. В статье рассматривается такая рыночная структура как олигополия и аспекты её функционирования. Автор эту анализирует рыночную структуру на примере рынка мобильной связи в Украине

Ключевые слова: недостатки олигополии, олигополия, олигополистическая мощность, телекоммуникационный рынок Украины.

The subject is oligopoly and peculiarities of its manifestation in Ukrainian markets. The goal is to identify and explore the main features the oligopolistic market, as well as the peculiarities of the functioning of the oligopoly in Ukraine, to identify the consequences of such a market structure.

What is an Oligopoly. Oligopoly is a market structure in which a small number of firms has the large majority of market share. An oligopoly is similar to a monopoly, except that rather than one firm, two or more firms dominate the market. There is no precise upper limit to the number of firms in an oligopoly, but the number must be low enough that the actions of one firm significantly impact and influence the others.

Characteristics of an oligopoly. There is no single theory of price and output under conditions of oligopoly. If a price war breaks out, oligopolists may choose produce and price much as a highly competitive industry would; whereas at other times they act like a pure monopoly.

An oligopoly usually exhibits the following features:

1. Product branding: Each firm in the market is selling a branded product.
2. Entry barriers: Entry barriers maintain supernormal profits for the dominant firms. It is possible for many smaller firms to operate on the periphery of an oligopolistic market, but none of them is large enough to have any significant effect on prices and output
3. Inter-dependent decision-making: Inter-dependence means that firms must take into account the likely reactions of their rivals to any change in price, output or forms of non-price competition.
4. Non-price competition: Non-price competition is a consistent feature of the competitive strategies of oligopolistic firms.

Duopoly

Duopoly is a form of oligopoly. In its purest form two firms control all of the market, but in reality the term duopoly is used to describe any market where two firms dominate with a significant market share. There are many examples of duopoly; including Coca-Cola and Pepsi (soft drinks), Unilever and Proctor & Gamble (detergents), Bloomberg and Reuters (Financial information services), Sotheby's and Christie's (auctioneers of antiques/paintings), Standard and Poor's and Moody's (credit rating agencies), BSkyB and ESPN (live Premiership football), and Airbus and Boeing (aircraft manufacturers). In these markets entry barriers are high although there are usually smaller players in the market surviving successfully.

The high entry barriers in duopolies are usually based on one or more of the following: brand loyalty, product differentiation and huge research economies of scale.

Why Do Oligopolies Exist. A combination of the barriers to entry that create monopolies and the product differentiation that characterizes monopolistic competition can create the setting for an oligopoly. For example, when a government grants a patent for an invention to one firm, it may create a monopoly. When the government grants patents to, for example, three different pharmaceutical companies that each has its own drug for reducing high blood pressure, those three firms may become an oligopoly.

Similarly, a natural monopoly will arise when the quantity demanded in a market is only large enough for a single firm to operate at the minimum of the long-run average cost curve. In such a setting, the market has room for only one firm, because no smaller firm can operate at a low enough average cost to compete, and no larger firm could sell what it produced given the quantity demanded in the market.

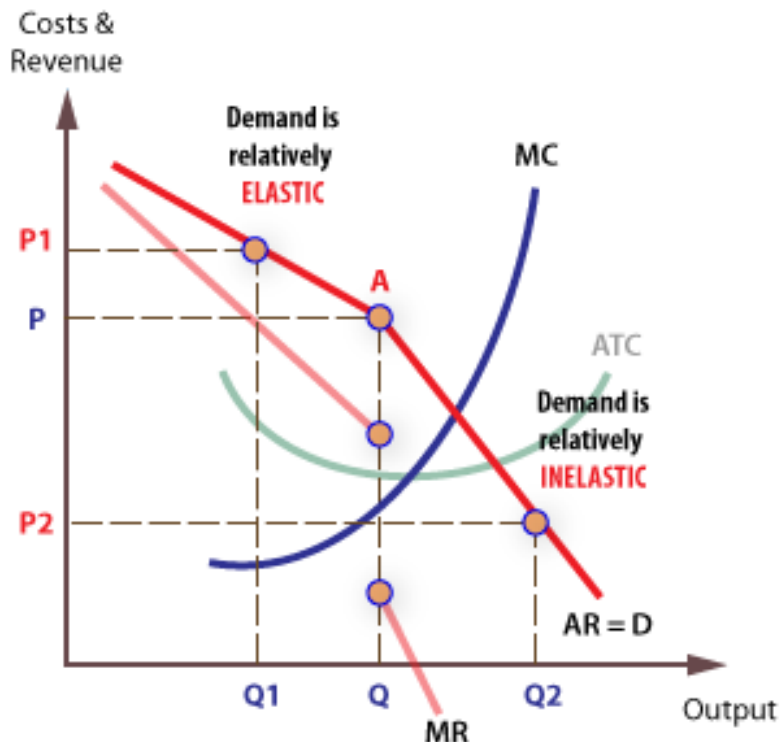
Quantity demanded in the market may also be two or three times the quantity needed to produce at the minimum of the average cost curve—which means that the market would have room for only two or three oligopoly firms (and they need not produce differentiated products). Again, smaller firms would have higher average costs and be unable to compete, while additional large firms would produce such a high quantity that they would not be able to sell it at a profitable price. This combination of economies of scale and market demand creates the barrier to entry, which led to the Boeing-Airbus oligopoly for large passenger aircraft.

The product differentiation at the heart of monopolistic competition can also play a role in creating oligopoly. For example, firms may need to reach a certain minimum size before they are able to spend enough on advertising and marketing to create a recognizable brand name. The problem in competing with, say, Coca-Cola or Pepsi is not that producing fizzy drinks is technologically difficult, but rather that creating a brand name and marketing effort to equal Coke or Pepsi is an enormous task.

Price stickiness. The theory of oligopoly suggests that, once a price has been determined, will stick it at this price. This is largely because firms cannot pursue independent strategies. For example, if an airline raises the price of its tickets from London to New York, rivals will not follow suit and the airline will lose revenue – the demand curve for the price increase is relatively elastic. Rivals have no need to follow suit because it is to their competitive advantage to keep their prices as they are.

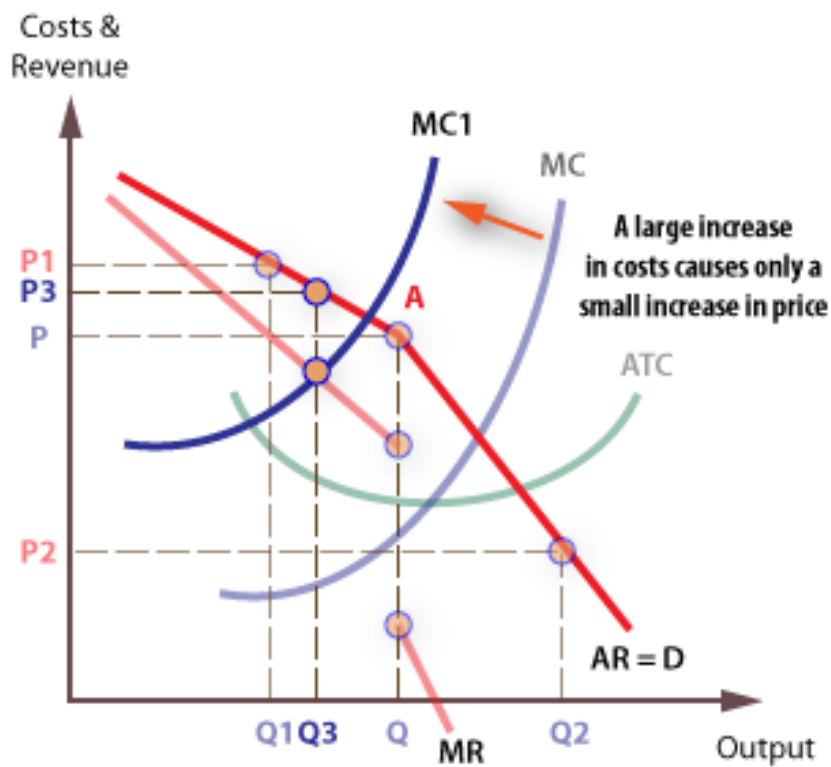
However, if the airline lowers its price, rivals would be forced to follow suit and drop their prices in response. Again, the airline will lose sales revenue and market share. The demand curve is relatively inelastic in this context.

Kinked demand curve. The reaction of rivals to a price change depends on whether price is raised or lowered. The elasticity of demand, and hence the gradient of the demand curve, will be also be different. The demand curve will be kinked, at the current price.



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Even when there is a large rise in marginal cost, price tends to stick close to its original, given the high price elasticity of demand for any price rise.



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At price P, and output Q, revenue will be maximised.

Disadvantages of Oligopoly. Setting of prices may be advantageous for the firms, but if done unrealistically, it may prove to be a great disadvantage for consumers.

How telecom market of Ukraine exercise their oligopolistic power. Creative ideas or plans of small businesses in the oligopolistic market fail to realize because they cannot overcome the control of major market players. Their realization is only possible when one of the major player adopts it for use.

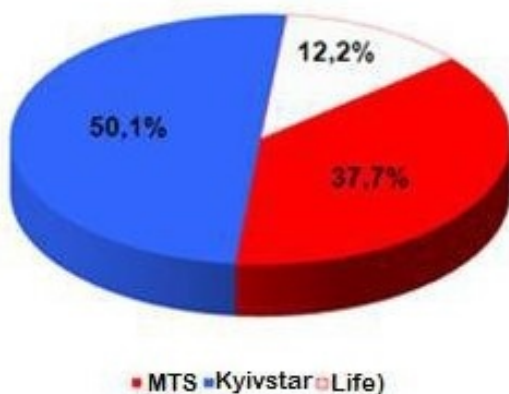
Small businesses in an oligopolistic market fail to establish themselves as a brand because most of the market is captured by larger firms. With the presence of little competition, dominant companies may not think of improving their products. Firms cannot take independent decisions and always have to consider the views of other dominant players in the market.

New firms cannot enter the market easily due to various barriers of entry. The micro-economic goal of fair wealth distribution is not fulfilled as maximum profit is made by major players only, and small players are left with little profits.

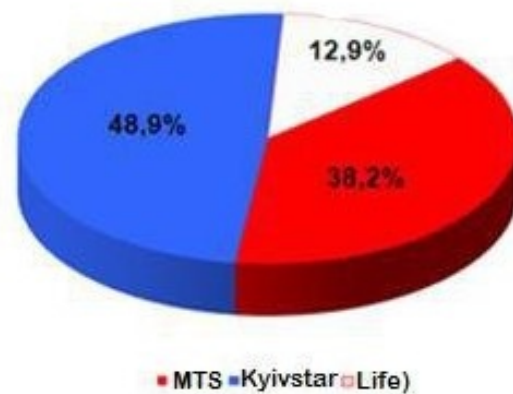
Oligopolistic markets leave customers with less choice. However, if the industry is regulated by the government, consumers can rest assured that prices will be affordable so as to suit a common man's pocket. Oligopoly exists in many businesses. If used rationally, it can be advantageous for the customers as well as the businesses involved in it.

Collusive behavior can lead to the situation similar to «a single monopolist behavior» on the market. Further, think about telecom market in Ukraine and the one in Canada. First, look into Ukrainian market. There are three mobile operators in Ukraine: MTS, Kyivstar, and Life.

Market share by profit, 2015

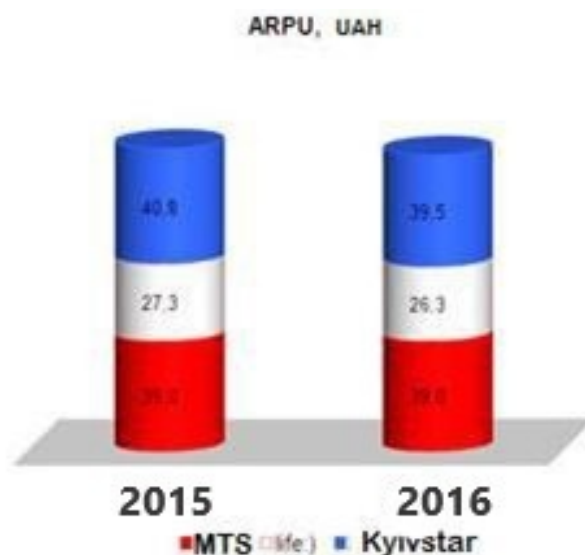


Market share by profit, 2016



From the first graph you can see the market share by profit of each player in 2015-2016(Ukraine).

The second graph shows the average revenue per user in UAH for 2015-2016 year.



Kyivstar and MTS set up roughly the same service tariffs while Kyivstar has bigger market share and better level of network coverage. Once the new player Beeline entered the telecom market but after a while was conjoint to Kyivstar that shows the oligopolistic market vector. Life penetrated the market with dumpling tariffs and snipped off a piece of the market. However, later the low level of service quality and the greed which led to higher prices on service had resulted in the loss of competitive advantage. The good thing Life made Kyivstar and MTS had lowered their tariffs in order to save customer loyalty. To remain on the market Life was forced to push its tariffs back to the low level. As a result, the Life service remains undergrade, and market share by profit is still small.

Overall, the telecom market in Ukraine is saturated, resulting in a fierce competition for existing customers between three main cellular service providers. This leads to lower prices and the aspiration for advanced mobile technology (3G/LTE) development, which would offer the Ukrainian customers innovative services based on mobile data and helps mobile operators enhance their competitiveness.

In Ukraine the practice of tying the mobile phone to a contract with individual mobile operator failed to find its development. This may give a point why Ukrainian telecom market is pressed for competitive version of oligopoly, whereas Canadian one is more monopolistic.

To prevent the market from oligopolistic benefit behavior the government implies the regulations. The most important is the regulation of the maximum price for calling from one network to another one. The same policy was implemented for the roaming services as well.

Actually, in summer 2016 the Antimonopoly Committee of Ukraine actively fought for the tariff reduction in mobile communications. The objects of concern were mobile operators Kyivstar and MTS Ukraine, whose tariffs AMC recognized economically unjustified and demanded to make them lower.

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THE MARKET OF EDUCATIONAL SERVICES IN THE CONTEXT OF BUSINESS SCHOOLS

*D.O. Kyslovska, N.M. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Kyslovska D.O., Startseva N.M. The market of educational services in the context of business schools. The article deals with the business schools as an educational institution for entrepreneurs and as a center for the formation of highly skilled managers in the business environment. It also describes the most popular MBA training program, the basic requirements for applicants (work experience, education, personal characteristics), the cost of training and the rating of the most popular business schools.

Keywords: business, business school, entrepreneurs, MBA, training program.

Кисловська Д.О., Старцева Н.М. Ринок освітніх послуг у розрізі бізнес шкіл. У статті розглядаються бізнес-школи як освітній заклад для підприємців і як центр формування висококваліфікованих менеджерів у бізнес-середовищі. У статті також описується найпопулярніша навчальна програма MBA, основні вимоги до абітурієнтів (досвід роботи, освіти, особисті якості), вартість навчання та рейтинг найпопулярніших бізнес шкіл.

Ключові слова: бізнес, бізнес школи, підприємці, MBA, навчальна програма.

Кисловская Д.А., Старцева Н.Н. Рынок образовательных услуг в разрезе бизнес школ. В статье рассматриваются бизнес-школы как образовательное учреждение для предпринимателей и как центр формирования высококвалифицированных менеджеров в бизнес-среде. В статье также описывается самая популярная учебная программа MBA, основные требования к абитуриентам (опыт работы, образование, личные качества), стоимость обучения и рейтинг самых популярных бизнес школ.

Ключевые слова: бизнес, бизнес школы, предприниматели, MBA, учебная программа.

A business school is a university-level institution that confers degrees in Business Administration or Management. A B-school also known as School of Management, School of Business Administration, teaches topics such as accounting, administration, strategy, economics, entrepreneurship, finance, human resource management etc.

The subject of this research is business schools as special kind of educational institution.

The goal is to identify special features and differences of business schools.

Relevance of the topic. Over the past 50 years, business schools have begun to make a significant impact on the development of skills among entrepreneurs, that is, the formation of specialists able to competently and quickly respond to economic changes in the world.

As a special section in the field of knowledge, management is a professional education and training of people involved in the management function at enterprises and organizations operating in the modern market. Although the first business schools appeared in America in the nineteenth century (the business school of the Philadelphia University, founded in 1886), but in fact the business education begins to gain strength only in the era of the development of space, in the 60's the last century.

The «scientific» business education paradigm was aimed at transforming the manager into a well-educated professional through in-depth study of disciplines that corresponded to certain business functions, such as production management, marketing management, financial management, personnel management etc. The main method of study is the case method. That way was formed a classical MBA program, which should train general managers who are able to ensure the performance of all business functions.

In the 80-s of the last century, there have been changes in the system of business education. The requirements for an innovator entrepreneur were to demonstrate quickness and maneuverability, more active behavior in terms of

finding new opportunities, to create new markets. For business education, the main task has become to prepare a person who would be able to solve changing tasks of an enterprise in the changing world of business [5].

One of the most popular training programs in business schools is MBA. The Master of Business Administration (MBA) is an internationally-recognized degree designed to develop the skills required for careers in business and management. However, the MBA is not limited strictly to the business world, it can also be useful for those who pursuing a managerial career in the public sector, government, private industry, and other areas.

Most MBA programs include a «core» curriculum of subjects, such as accounting, economics, marketing, and operations, as well as elective courses that allow participants to follow their own personal or professional interests. Some schools require that MBA candidates complete an internship at a company, which can lead to obtaining the job after this program.

Quality business schools generally require that candidates have at least a few years of professional work experience before starting an MBA program. Applicants are also asked to submit Graduate Management Admission Test (GMAT) score or Graduate Record Examinations (GRE) score, academic transcripts, letters of reference, and an essay or statement of purpose that reflects why they want to pursue an MBA. Non-native English speakers usually have to prove adequate English skills with TOEFL or IELTS scores, or through previous academic experience.

While traditional two-year MBA programs are still common, especially in the United States, one-year programs have become increasingly popular. Part-time and online programs are also widely available for professionals not willing or unable to take a year or two off to do a full-time program. Executive MBA (EMBA) programs are part-time programs targeted at professionals with more years of managerial experience than traditional MBA candidates. [1]

Table 1

Basic requirements for business school programs [3]

The name of the program	Studying time, month	Average age of students	Work experience, years
International MBA	12	29	5
Global MBA	15	30	7
Executive MBA	10-13	34	9-10
Global Executive MBA	15	39	15

First of all, when choosing a business school, it is necessary to pay attention to such aspects as the age of the school, the number of graduates, the number of programs and the cost of education. Over the years of work, the school must show its worth and demonstrate a portfolio of graduates who now make up the top management of companies. This is important, since the people with whom you will study are no less important than the learning itself because they are your future employers, partners, colleagues and friends. Those who want to get universal knowledge and skills in various aspects of business can choose:

1. Finance Marketing and HR – choose an MBA (those who have 3-5 years of work experience);
2. those with 5-7 years of management experience – the Executive MBA or similar in structure and content program;
3. which those who do not require much experience – Master in European Business, Master in International Business, Master in Management;
4. those who would like to specialize and to develop in a certain sector of business, choose a specialized program – Master in Finance, Master in Marketing, Master in Human Resources, Master in Supply Chain & Logistics and others. Many programs are one-year long (especially in UK) and complete with a degree.

Master of Business Administration, Master of Science or Master of Arts at some leading universities are convenient for students who want more mental knowledge and adapt to the country, as well as have more time to look for an employer. For example, the Italian economic university, *Sitita Università Commerciale Luigi Bocconi*, offers such two-year Master's program.

The cost of the program is a very important criterion when choosing a business school. The cost is influenced by the brand of the school, the specialization of the program, the country of training and many other factors.

For example, training on an MBA program in one of the b-schools in the UK – Durham Business School costs 23,000 pounds, Master of Science in Management or Marketing costs 15,500 pounds, Master's degree in Finance costs 17,500 pounds. Master in the leading European business school ESCP Europe costs 17,500 euros due to the fact that the school is financed by the Chamber of Commerce and Industry of France. Training for a Master's Degree in Italy at *Università Bocconi* is 11 000 euros per year [3].

There are top-10 business school for education.

Table 2

Top 10 Universities for Business & Management [4]

1	Harvard University	United States
2	London Business School	United Kingdom
3	INSEAD	France
4	Massachusetts Institute of Technology (MIT)	US
5	University of Pennsylvania	US
6	Stanford University	US
7	University of Oxford	UK
8	University of Cambridge	UK
9	London School of Economics and Political Science (LSE)	UK
10	University of California, Berkeley (UCB)	US

But when the applicants enter a business school they are assessed according to the additional criteria:

1. **Work experience and goals:** In general, admissions committees like to see three or more years of work experience before prospective students apply, but the quality of the overall work experience matters much more than length. Even if you've had the same title for years, you can differentiate yourself from other applicants by highlighting particular professional growth, quantifiable achievements or examples of times when you embraced new challenges and took advantage of learning opportunities. Business school is a wonderful place to refine your career goals and you need to make a choice and explain your areas of interest to gain admission.

2. **Leadership:** Business schools strive to create tomorrow's leaders, and admissions committees want to see that you have a framework already in place. Lots of applicants worry about how the admissions teams will perceive their leadership skills, especially if they've never held a management position.

3. **Creativity and intellectual aptitude:** Creativity as it relates to an MBA application doesn't mean something artistic but rather refers to creative expression in the way you have solved problems at work or in volunteer activities by thinking outside the box.

4. **Interpersonal skills and fit in:** the admissions process at a growing number of business schools now includes video essays, team-based discussions and group interviews to ensure applicants have the appropriate interpersonal skills for success and to fit in well with the program curriculum. They want to see that you can play nice with others. Your application and interview should support the individual attributes that make you a great candidate and person

overall, convey your understanding of the school's culture and reveal how you will be a terrific fit, if admitted [2].

Conclusion. Business schools are a practical education, which is aimed at developing sustainable qualities of managers, leadership skills, understanding of the functioning of business, etc. The main direction of business schools is the formation of high-class professionals in the business environment.

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DIVERSIFICATION OF INVESTMENT PORTFOLIO AS A WAY OF REDUCING STOCK MARKET RISKS

***K.V. Levchenko, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv***

Levchenko K.V., Startseva N.N. Diversification of investment portfolio as a way of reducing stock market risks. The article suggests the ways of reducing investors' risks at the main world stock markets by diversifying their international portfolios. The principal stock markets in the USA, European Union and Shanghai demonstrate different volatility, rate of return and level of risk. Their price movements are either positively correlated, negatively correlated or partially correlated. The integration of

stock markets across Europe results in their strong positive correlations, the investments are less risky but give the lowest rate of return. It is recommended to combine them with negatively correlated movements of Shanghai or US stock market investments.

Key words: diversification, investments, international investment portfolio, investor's risk, negatively correlated, partially correlated, price movements, stock market.

Левченко К.В., Старцева Н.М. Диверсифікація інвестиційного портфеля як засіб зниження ризиків фондового ринку. В статті пропонуються шляхи зменшення ризиків інвесторів на основних світових фондових ринках шляхом диверсифікації їхніх міжнародних інвестиційних портфелів. Основні фондові ринки США, Європейського Союзу та Шанхайський демонструють різну нестабільність, норми прибутку та рівень ризику. Їхні рухи цін або позитивно корельовані, або негативно співвіднесені чи частково співвіднесені. Інтеграція фондових ринків по всій Європі призводить до їх сильної позитивної кореляції, інвестиції є менш ризикованими, але забезпечують найнижчу доходність. Рекомендовано поєднувати їх з негативно співвіднесеними рухами інвестицій на Шанхайському або Американському фондовому ринках.

Ключові слова: диверсифікація, інвестиції, міжнародний інвестиційний портфель, негативно корельований, ризик інвестора, рух цін, фондовий ринок, частково корельований.

Левченко Е.В., Старцева Н.Н. Диверсификация инвестиционного портфеля как способ снижения рисков фондового рынка. В статье предлагаются пути уменьшения рисков инвесторов на основных мировых фондовых рынках путем диверсификации их международных инвестиционных портфелей. Основные фондовые рынки США, Европейского Союза и Шанхайский демонстрируют различную нестабильность, нормы прибыли и уровень риска. Их движения цен положительно коррелированы, негативно коррелированы или частично коррелированы. Интеграция фондовых рынков по всей Европе приводит к их сильной положительной корреляции, инвестиции менее рискованные, но обеспечивают низкую доходность. Рекомендуется сочетать их с отрицательно коррелированными движениями инвестиций на Шанхайском или Американском фондовых рынках.

Ключевые слова: диверсификация, инвестиции, международный инвестиционный портфель, негативно коррелированный, риск инвестора, движение цен, фондовый рынок, частично коррелированный.

Relevance. The international stock markets within the global economy environment are becoming increasingly interconnected and demonstrate the similar movements of stock prices at the same economic conditions. When

conditions change these movements can differ radically. For the investor to secure his investment portfolio it's reasonable to diversify the latter by studying the correlations of the world stock markets.

The purpose of the article is to analyze the impact of stock market correlations, focusing on stock market indices in the U.S., the European Union, and Shanghai. For an investors it is important to determine the countries whose stock prices move together, those ones whose stock prices move in opposite directions and those whose stock prices are unrelated all together.

Countries whose stock prices move in the same direction (comovements) are considered positively correlated while countries whose stocks move in opposite directions are negatively correlated. According to the principle of diversification, a portfolio containing mainly positively correlated assets are at a higher risk than a portfolio with stock prices that are negatively correlated. In addition, investors wishing to diversify a risky investment, such as stocks in an emerging market, through international diversification, would have more success in countries found to be negatively correlated. The lack of accurate determination of stock market price movements holds any portfolio at a higher risk level due to the presence of the diversifiable risk.

The stock markets within the European Union appear to be the most highly correlated due to the unique presence of the Economic and Monetary Union (EMU). This union, among 11 European Union countries, was formed on January 1, 1999. It essentially created a fixed exchange rate, a common monetary policy, and introduced a single currency to be used among these countries, the Euro. During the first years of its implementation, there was a convergence of inflation rates, an increase in fiscal policy coordination, and a synchronization of legal and regulatory norms. Money and bond market integration also immediately followed the formation of the union [4].

The simplification of regulatory and monetary policy across borders creates a strong argument for market integration within the E.U. The definition of foreign market integration is the level of free flowing information and capital across international borders [5]. The creation of the EMU eliminated the intra-European portfolio allocation barriers. It reduced transaction costs, standardized pricing of financial assets, and enhanced transparency of financial markets [4]. Because of the integration of markets across Europe, one would expect individual European stock market indices to have strong positive correlations with one another. Thus maintaining a portfolio in mainly European stocks leaves the presence of diversifiable risk for investors. In order to effectively diversify a portfolio internationally, an investor would not want to

concentrate his investments in positively correlated markets only. The theory of diversification states that in order to reduce risk within a portfolio a variety of investments which are unlikely to move in the same direction during a business cycle should be combined and therefore they become negatively correlated. This allows for more consistent performance under changing economic conditions. That is why for an investor to reduce risk by international diversification, it is better to complement a portfolio containing mainly European stocks (which are believed to be highly integrated) with stocks from other regions that are not believed to be highly integrated, such as the U.S. or Shanghai.

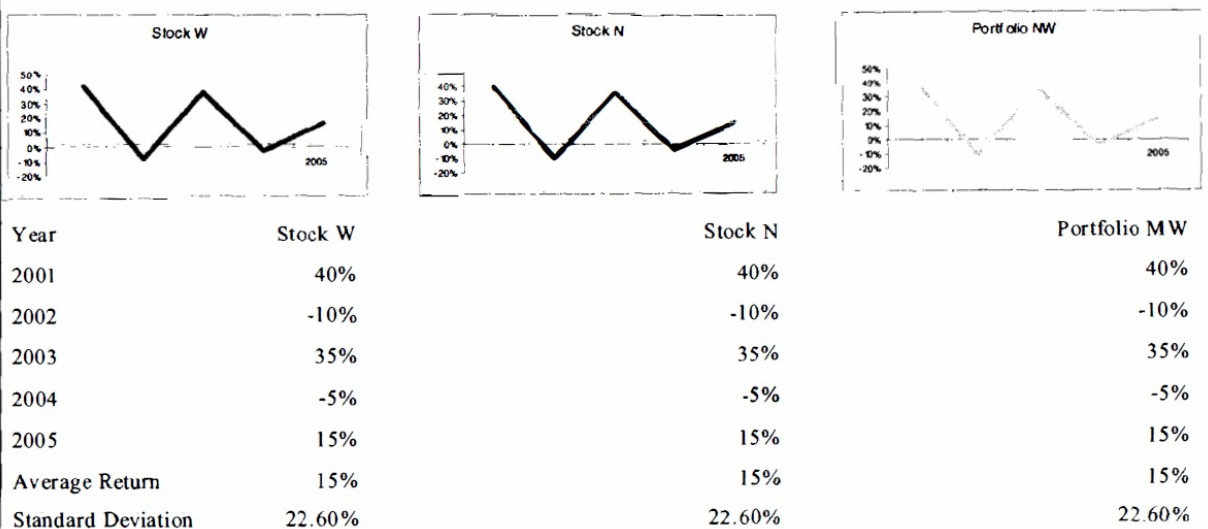
It is hypothesized that the stock market indices of the two European markets – the DAX and the CAC – will have strong positive correlations due to the integration of the European economies while markets outside of the EU are less positively correlated. The non-European indices examined include the S&P 500 (United States) and the SSE (Shanghai, China). These two additional markets outside of the EU were selected to reflect two different diversification decisions. The stock market in the U.S. is characterized as a developed market with low volatility. On the other side of the spectrum is the Shanghai market. It is an emerging market with high volatility (a “bubble ” market), and has recently been characterized with extraordinary returns and risks. These two different markets are used to describe the degree of riskiness an investor demonstrates: a secure investment with moderate expected return or a more risky investment with the chance of higher return.

First we will consider an investor which has no knowledge of market trends and no knowledge of rates of return in any market and therefore he assumes all rates of return are equal. Under the assumption of equal rates of return across markets, the investor will base allocation decisions on risk only. Using only historical data of market indices, the investor must determine how to allocate his money between international markets to receive the lowest risk for the given period of time. Monthly rates of return will be used to determine the standard deviations of multiple allocation possibilities in order to assess the estimated level of risk, assuming the future is expected to be like the past. Funds will be divided equally among markets considered in each possible portfolio. Transaction costs and other allocation barriers are assumed to be zero.

In order to analyze the use of diversification, a few hypothetical situations will be explored: two perfectly positively correlated markets, two perfectly negatively correlated markets, and two partially correlated markets. First,

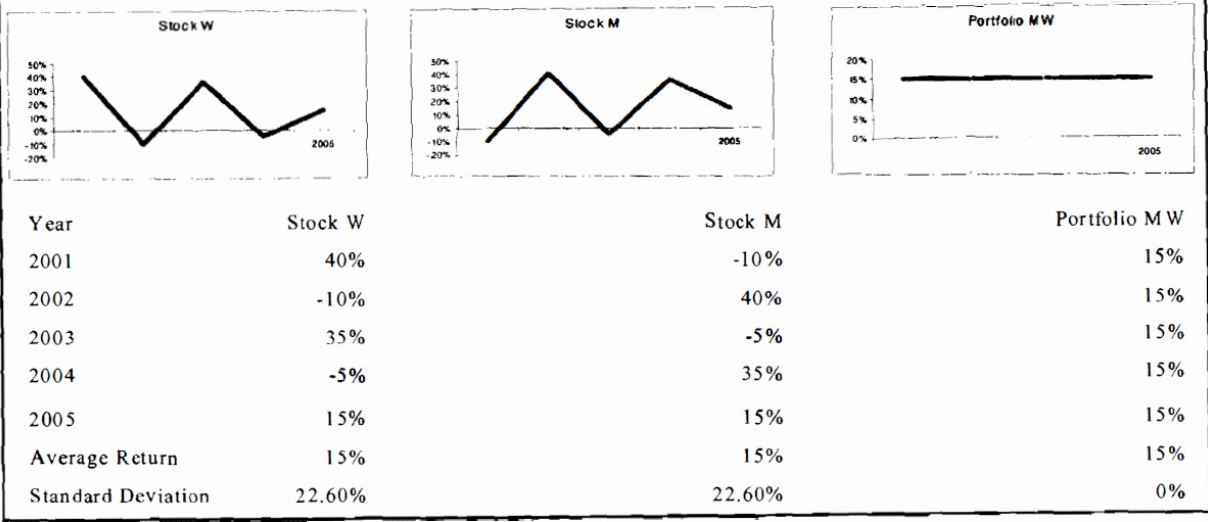
Figure 1 shows two positively correlated stocks, thus their returns move up and down together. They both maintain an average rate of return of 15 percent and a standard deviation of 22.6 percent. The standard deviation is used to assess the level of risk for stocks and portfolios. When Stock W and Stock N are combined into a portfolio, the average annual rates of return and standard deviation remain exactly the same. Thus holding a portfolio with two perfectly positively correlated stocks does nothing to reduce risk [2].

Fig. 1: Rate of Return Distribution for Perfectly Positively Correlated Stocks



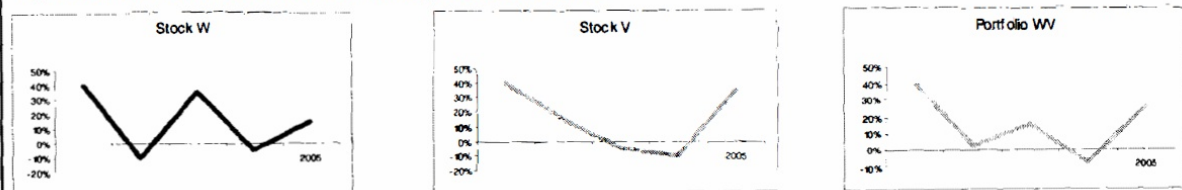
Next, Figure 2 demonstrates the effects of combining two perfectly negatively correlated stocks in a portfolio. When Stock W is decreasing, Stock M is increasing at the same rate. Thus, when combined into a portfolio, their movements offset one another, creating a constant average annual rate of return of 15 percent with no deviation from that rate. Therefore Portfolio WM is considered a riskless portfolio.

Fig. 2: Rate of Return Distribution for Perfectly Negatively Correlated Stocks



However, perfectly negatively and positively correlated stocks do not occur in real life. Typically stocks tend to be moderately positively correlated, thus bringing us to the next hypothetical portfolio. In Figure 3 there are two partially correlated stocks. Stocks W and V again both have an average rate of return of 15 percent and standard deviation of 22.6 percent. Since they do not move in perfect unison, they are able to offset each other slightly, therefore when they are combined in the portfolio, the standard deviation, 18.6 percent, is reduced. The risk of this portfolio is less than the individual stocks, thus demonstrating the effects of diversification. But since a typical investor studies market trends and tries to predict the future market movements, he uses economic variables to predict differences in rates of return between markets.

Fig. 3: Rate of Return Distribution for Partially Correlated Stocks



Year	Stock W	Stock V	Portfolio WV
2001	40%	40%	40%
2002	-10%	15%	2.50%
2003	35%	-5%	15%
2004	-5%	-10%	-7.50%
2005	15%	35%	25%
Average Return	15%	15%	15%
Standard Deviation	22.60%	22.60%	18.60%

Conclusion. With an increasing global economy, understanding international stock market movements in order to diversify a portfolio is very important for effective allocation of investment funds. It was proved that a portfolio containing the two European (DAX and CAC) indices had the highest risk of all portfolios. The German and French markets were found to be highly correlated and combining these two indices into a portfolio did little to reduce risk as confirmed by the theory that perfectly positively correlated indices would not reduce risk. However, since these markets were not perfectly positively correlated, the risk level on the portfolio was less than the German index alone but it was still higher than the French.

A strong interconnectivity is being formed among stock markets. The U.S. market was found to have a strong positive correlation with the German one. However, since their correlation was still significantly less than the correlation with the French market, when the U.S. index is added to the European portfolio,

the risk level decreases dramatically. This shows that diversification of less correlated indices will allow further risk reduction. Even with the extraordinarily high standard deviation of the Chinese index alone, when added to a portfolio that contains uncorrelated markets, risk can significantly be reduced. What does remain from the Chinese index, however is part of its high rate of return. Since the risk level of the U.S. index and the portfolio with all four indices are similar, any risk-adverse investor would be indifferent to either option. Because of the other higher rates of return that are combined into the portfolio, the U.S. index would appear to be a less attractive investment. Thus, a rational investor would chose to diversify across all four markets.

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HOSTELS: DEFINITION, TYPES OF HOSTELS AND THEIR CURRENT STATE IN HOTEL INDUSTRY

*H.T. Lie, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Lie H.T., Saprun I.R. Hostels: definition, types of hostels and their current state in hotel industry. This article is devoted to the analysis of hostels as an inseparable part of modern hotel industry. Such concepts as “hostel” and “hotel” have been defined, the main differences between them have been figured out. Types of hostels have been examined. The current state of hostels in hotel industry as well as their developmental characteristics and the main trends have been singled out.

Key words: hostel, hotel, hotel industry, millennials, trend, tourism industry.

Ле Х.Т., Сапрун І.Р. Хостели: визначення, види хостелів та їх сучасний стан в готельній індустрії. Дана стаття присвячена аналізу хостелів як невід’ємної частини сучасної готельної індустрії. Автор дає визначення таким поняттям як «хостел» та «готель» й також з’ясовує основні відмінності між ними. Розглянуто основні види хостелів. Досліджено сучасний стан хостелів у готельній індустрії, особливості їх розвитку та основні тренди.

Ключові слова: готель, готельна індустрія, миллениали, тренд, туристична індустрія, хостел.

Ле Х.Т., Сапрун И.Р. Хостелы: определение, виды хостелов и их современное состояние в гостиничной индустрии. Данная статья посвящена анализу хостелов как неотъемлемой части современной гостиничной индустрии. Автор дает определение таким понятиям как «хостел» и «отель», а также выявляет основные различия между ними. Рассмотрены основные виды хостелов. Изучен современное состояние хостелов в гостиничной индустрии, особенности их развития и основные тренды.

Ключевые слова: гостиничная индустрия, мілленіали, отель, тренд, туристическая индустрия, хостел.

Hotel industry is an essential sector of tourism sphere. Nowadays hostels are considered to be one of the most perspective types of accommodation for tourists. Therefore, the development of hostels is a priority for hotel industry worldwide. Moreover, today’s staying in hostels is becoming one of the main trends for definite categories of travelers. This determines the relevance of this topic.

The object of the research is hostels. The aim of the research is to make an analysis of hostels as an important part of the modern hotel industry. The following objectives of the survey have been set to reach the aim:

- to define such concepts as “hostel” and “hotel”;
- to figure out the main types of hostels;
- to examine the current state of hostels in hotel industry;
- to consider the developmental characteristics of hostels and their main trends.

Hostels are getting more and more popular among leisure and business travelers alike by the day. Today’s young, curious and open-minded travelers are looking for low cost and adventurous alternatives to travelling. The younger have already replaced the baby boomer generation as the most important source for both leisure and business travelers. This shift has created a good business environment for the hostel industry to grow and succeed [6].

Discussing this information, it is important to define what hostel and hotel are in the first place. Hostel is a budget-oriented, sociable paid accommodation

where guests can rent a bed, usually a bunk bed, in a dormitory and share a bathroom, lounge and sometimes a kitchen. Rooms can be mixed or single-sex, and private rooms may also be available [5]. Hotel is a commercial establishment providing lodging, meals, and other guest services. In general, to be called a hotel, an establishment must have a minimum of six letting bedrooms, at least three of which must have attached (en-suite) private bathroom facilities [3]. Therefore, both hotels and hostels provide paid accommodation and lodging facilities usually for short term periods. However, hostels are not considered to be one of the types of hotels and there are stark differences between a hotel and a hostel which are important to be learnt. Thus, the main differences between hostels and hotels are:

1. Hostels tend to be budget-oriented; rates are considerably lower, and many hostels have programs to share books, DVDs and other items.
2. For those who prefer an informal environment, hostels do not usually have the same level of formality as hotels.
3. For those who prefer to socialize with their fellow guests, hostels usually have more common areas and opportunities to socialize. The dormitory aspect of hostels also increases the social factor.
4. Hostels are generally self-catering.
5. Hostels normally close during the day to keep down cost (for the customer and the hostel).
6. Hotels generally provide more private and personalized accommodation like en-suite, with rooms that are fully furnished with facilities such as air conditioning, cable TV, telephone and internet services as well as access to the hotel bar where snacks may be served [5].
7. Some hostels have mixed rooms while others only provide single-sex rooms but with an option of private rooms as well .
8. Hostels generally offer a cheaper lodging alternative both for the occupants and the operator as some long-term hostel residents double as housekeeping staff or desk clerks in return for free stay [3].

The traditional hostel format has always involved dormitory style accommodation. Nowadays some newer hostels also include en-suite accommodation with single, double or quad occupancy rooms, though to be considered a hostel they must also provide dormitory accommodation. In recent years, the numbers of independent and backpackers' hostels have increased greatly to cater for the greater numbers of overland, multi-destination travelers (such as gap-year travelers and rail-trippers). That is why hostels alike hotels are becoming very diverse. There are several types of such kind of accommodation, including the following options [5]:

Cheap hostels. Although hostels are already on budget, there is still the kind we call „cheap hostels“. The cheap hostel refers to the one with the lowest prices in town. Most likely the service and facilities are not to a high standard, and in general their location is perhaps not in the city center [1].

Boutique hostels. The general backpacking community is no longer exclusively typified by student travelers and extreme shoe string budgets. In addition to the increase in quality among all styles of hostel, new styles of hostels have developed that have a focus on a more trendy, design interior. The phrase «boutique hostel» an often-arbitrary marketing term typically used to describe intimate, luxurious or quirky hostel environments. The term has started to lose meaning because the facilities of many «boutique hostels» are often no different from hostels that are not referred to with that label [5].

Mobile hostels. Though very uncommon, a mobile hostel is a hostel with no fixed location. It can exist in the form of a campsite, a temporary building, bus, van, or a short term agreement in a permanent building. Mobile hostels have sprouted up at large festivals where there exists a shortage of budget accommodation. As with regular hostels, mobile hostels generally provide dormitory accommodation for backpackers or travelers on a shoe string budge [5].

Eco-hostels. Eco-hostels are perfect for the environmentally conscious traveler. Guests can save money and the earth at the same time. Hotels often consume a lot of energy, and eco-hostels aim to cut down on travel waste. This hostel uses locally grown, organic food, and fair-trade coffee. They also can host green workshops to teach guests about eco-living and environmental protection.

Party hostels. Hostels attract many young people, so it is unsurprising that there are hostels ready to party. Party hostels can feature bars, nightclubs, no curfews and a lively environment [1].

Family hostels. Many hostels welcome families and offer special amenities such as larger rooms to fit everyone in the same space. Other typical features include game rooms, family-friendly activities, and tighter restrictions such as earlier curfews.

Historic hostels. Historic hostels are common in countries with long histories and rich cultures. Former prisons, renovated brothels, convents, and castles are just a few of the hostels you will find when looking for a more historic property [1].

The hostel industry has experienced strong growth spurred by millennial travelers (aged 18-35) seeking to spend more money on longer trips and see as much of the world as possible. This travel bug has revolutionized the

hospitality industry, as millennials are prioritizing social interactions and shared adventures with newfound friends versus the average traveler population.

Compared to other traveler types, according to the report, millennials, who represent more than 70 percent of hostel-goers, are particularly passionate and determined: 86 percent of them said: “I plan to travel as much of the world as I can in my lifetime;” 87 percent said: “I consider travel a very important part of my lifestyle.” The research indicated that hostel travelers take more trips across markets than any other traveler type, and are more likely to go abroad [2].

Hostels also appeal to the younger generation because they offer value for money, as well as a range of accommodation options, from dormitories of up to 20 beds, to single and double rooms with en-suite bathrooms. Another major attraction offered by hostels is the opportunity for social encounters with likeminded travelers from around the world [4].

Hostels encourage social interaction between guests and most provide common areas for them to mingle and socialize. Many also stage events or offer local tours to enhance their attractiveness to the nomadic bands of young adults who constitute their core customer base. Hostels are also generally located closer to city centers than comparably priced hotels, tend to have a more casual atmosphere than hotels and often promote adventure travel [2].

The hostel itself is undergoing its own transformation to take a larger slice of the hospitality market. Private rooms and designer hostels are now the standard (9 in 10 hostels have private rooms), replacing the dormitory hostel image of the past. The highest revenue growth areas are in desirable markets for millennial travelers, including South and Southeast Asia (13 percent), followed by the Middle East (11 percent), Eastern Europe (11 percent) and Northern Asia — spearheaded by China – (10 percent). There remains a strong opportunity for growth in major hospitality markets in Europe and the U.S. [4].

This changing traveler profile and new breed of hostel are remaking the market. Even though millennial hostel travelers tend to be much younger and have a lower overall average income, they spend at similar or even greater levels than the general traveler population. One in four expect to be able to book their accommodations on their mobile devices, and 93 percent used their phone while traveling. As such, they can easily compare and contrast experiences on the go. Hostels have risen to the occasion by offering amenities that cater to a more demanding clientele, such as free Wi-Fi, onsite food and beverage, daily cleaning services, social events, bicycle rentals, libraries and media centers [2].

As to top hostels market, Germany's hostel market leads the continent's hostel availability. Berlin, in particular, has 11.2 beds per 1,000 youth travelers. Barcelona came in second with 5.3 beds per 1,000 youth travelers [6].

Other cities in Europe still have room to grow. London has only 2.8 beds per 1,000 youth travelers while Paris has 1.4. Dublin, Rome and Copenhagen all have fewer than 2.4 beds.

And then there's the U.S. market, where hostels are much rarer. As millennial travelers make their demands known, more American cities may boost their branded hostel supply [6].

Summing up, hostels are an essential part of modern hotel industry. Although, both hostels and hotels provide paid accommodation and lodging facilities usually for short term periods, there are important differences which make hostel to be a separate type of accommodation from other hotels. The main features of hostels include low rates, shared accommodation and facilities, informal environment and the prevalence of millennial who determine the development of hostel industry as well as its trends.

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PRIORITY DIRECTIONS TOWARDS SUSTAINABLE DEVELOPMENT OF RECREATIONAL COMPLEXES AND HEALTH RESORTS IN UKRAINE

*E.S. Logvinenko, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Logvinenko E.S., Litovchenko Y.M. Priority directions towards sustainable development of recreational complexes and health resorts in Ukraine. The article analyzes recreational and tourist potential, resources of Ukraine and prospects for their use by the state. The work also reveals practical proposals for the development of tourism infrastructure as well as an integrated assessment of the capacity of treatment and recreation, and the tourism market of the country.

Key words: health resorts, infrastructure, recreational and tourism potential, tourism resources, tourism product.

Логвиненко Є.С., Літовченко Я.М. Пріоритетні напрями забезпечення сталого розвитку рекреаційно–туристичних та санаторно-курортних комплексів України. У статті аналізується рекреаційно-туристичний потенціал, ресурси України і перспективність використання їх державою. Крім цього розглядається розробка практичних пропозицій щодо розвитку туристичної інфраструктури, комплексна оцінка рекреаційного, лікувального потенціалу та туристичного ринку країни.

Ключові слова: інфраструктура, рекреаційно-туристичний потенціал, санаторно-курортний комплекс, туристичні ресурси, туристичний продукт

Логвиненко Е.С., Литовченко Я.Н. Приоритетные направления обеспечения устойчивого развития рекреационно–туристических и санаторно-курортных комплексов Украины. В статье анализируется рекреационно–туристический потенциал, ресурсы Украины и перспективность использования их государством. Кроме этого рассматривается разработка практических предложений по развитию туристической инфраструктуры, комплексная оценка рекреационного, лечебного потенциала и туристического рынка страны.

Ключевые слова: инфраструктура, рекреационно-туристический потенциал, санаторно-курортный комплекс, туристические ресурсы, туристический продукт

The relevance of the chosen topic lies in Ukraine's significant potential for the development of inbound and domestic tourism as there are a lot of traditional and promising resorts and tourist areas with unique resources for recreation and treatment. The object of the article is Ukraine, while the subject is the recreational resources of the country.

Ukraine has more than 130 000 monuments at the state level, including: 57 206 – archeological monuments, 51 364 – historical monuments, 5926 monuments of monumental art, 16 293 monuments of architecture, garden and park art and landscaping. There are 61 historic and cultural reserves, 13 of them have a national status. UNESCO World Heritage List: St. Sophia Cathedral with the architectural ensemble, Kyiv-Pechersk Lavra in Kyiv, historical center of Lviv. It should be emphasized that out of the 418 archeological monuments of national significance only 54 are used as tourism objects; out of the 147 historical sites of national importance only 98 are tourism destinations; out of the 45 monuments of national significance only 28 are represented in the tourism infrastructure [4].

Leaders in the number of sanatorium and health resorts of Ukraine are the Odessa, Dnipropetrovsk, Mykolayiv and the Zaporozhe regions. The least developed recreational area is found in the Kirovograd region. In terms of the number of hotels the leaders are Kiev, the Dnepropetrovsk and the Odessa regions.

The Carpathian region is the most developed and extremely promising recreational area. Due to the unique and diverse recreational resources, infrastructure development and favorable geographical location, the recreational facilities of the district are extremely popular among domestic and foreign tourists. The region contains:

- 55.9% of the country's mineral water resources
- All deposits of ozocerite and a significant amount of valuable deposits of peat mud;
- Salt mines and salty lakes with unique medicinal properties, and developed recreational caves in Bukovina;
- Favorable conditions for improvement and different kinds of summer and winter recreation climatic conditions of plains, foothills and mountainous areas;
- Numerous natural monuments, historical and cultural resources (13%, registered in Ukraine), local ethnic color, creating opportunities for the development of green tourism.
- In addition an extremely important recreational area of ??Ukraine is the Black Sea (14.3% of the area and 10.1% of the population). Its main recreational resources are:
 - Warm sea, numerous beaches, rich in scent of steppe herbs and sea salts;
 - 72.1% of explored reserves of sulfide medical mud;
 - About 7.5% of mineral water reserves of different types (bromine, iodine-bromine, radon, without specific components and properties);

- An extremely diverse historical and cultural heritage (10.9%),
- Ethnic identity of the population of separate territories;
- Significant (the third in number of medical institutions and their capacity) sanatorium and resort fund [3].

Ukraine is favored for a huge number of resorts:

1) Balneological resorts

– The western part of Ukraine (Mirgorod, Truskavets, Morshin, Kuyalnik)

2) Balneological and mud resorts:

– Mud treatment (in the south there are resorts (Berdyansk, Kuyalnitsky, Slavyansk, etc.)

– Treatment with peat mud (Mirgorod, Morshin, Nemirova, Ljuben-Velikiy) [1].

Despite resource availability and unlimited potential tourism opportunities, Ukraine currently has no opportunity to compete with developed tourist countries. For the rational and efficient use of tourism, natural, medical and recreational resources of Ukraine, it is necessary to form tourism and recreational space by creating and ensuring the functioning of tourism and resort development zones, and to develop, implement and offer a competitive national tourism product to the consumer.

An important component of the tourism infrastructure is the provision of sanatorium and health resorts in the Ukrainian regions to encourage development of medical, recreational and children's tourism [5].

Table 1

Comparative number of sanatoriums and health facilities

	Sanatoriums and boarding houses with treatment	Sanatorium – preventorium	Holiday resorts	Another recreational facilities	Children's recreation facilities
2014	477	165	271	1916	1849
2017	309	79	76	1399	9743

Source: Статистика України [4]

The data show a gradual decrease in the number of sanatorium and sanatorium establishments during the period under investigation, which has a very negative effect on the development of tourism in the country.

Inefficient upgrading of tourism and recreational potential is a big problem. Unfortunately, the system of tourism and recreation management in the regions

of Ukraine does not meet modern requirements. Therefore, it is necessary to create the competitive national tourism market capable of fully meeting the tourism needs of the country's population.

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DEVELOPMENT OF ADVANCED MANUFACTURING TECHNOLOGIES UNDER CONDITIONS OF INDUSTRY 4.0

*M.S. Loktionova, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Loktionova M.S., Davydenko I.V. Development of advanced manufacturing technologies under conditions of Industry 4.0. The article describes the concept of advanced manufacturing technologies as a key factor of industrial development in the new industrial revolution. The research covers the main trends in advanced manufacturing, the most promising technologies for the enterprises and global trends in research and development.

Key words: advanced manufacturing technologies, Industry 4.0, Industrial Revolution, research and development.

Локтіонова М.С., Давиденко І.В. Розвиток передових виробничих технологій в умовах Індустрії 4.0. У статті розглянуто поняття передових виробничих технологій як ключового чинника промислового розвитку в умовах нової

промислової революції. Дослідження охоплює основні тенденції у передовому виробництві, найбільш перспективні технології та глобальні тенденції в науково-дослідних розробках.

Ключові слова: Індустрія 4.0, науково-дослідні та дослідно-конструкторські роботи, передові виробничі технології, промислова революція.

Локтионова М.С., Давыденко И.В. Развитие передовых производственных технологий в условиях Индустрии 4.0. В статье рассмотрено понятие передовых производственных технологий как ключевого фактора промышленного развития в условиях новой промышленной революции. Исследование охватывает основные тенденции в передовом производстве, наиболее перспективные технологии и глобальные тенденции в научно-исследовательских разработках.

Ключевые слова: Индустрия 4.0, научно-исследовательские и опытно-конструкторские работы, передовые производственные технологии, промышленная революция.

The subject of the study is development of advanced manufacturing technologies under conditions of Industry 4.0. The purpose of the study is to analyze the main trends of global advanced manufacturing and implementation of Industry 4.0. The relevance of the study is determined by the possibility to implement world experience in advanced manufacturing within the Ukrainian economy.

Technological advances have driven dramatic increases in industrial productivity since the dawn of the Industrial Revolution. The steam engine powered factories in the nineteenth century, electrification led to mass production in the early part of the twentieth century, and industry became automated in the 1970s. In the decades that followed, however, industrial technological advancements were only incremental, especially compared with the breakthroughs that transformed IT, mobile communications and e-commerce [3].

Now, though, we are in the midst of the fourth wave of technological advancement: the rise of new digital industrial technology known as Industry 4.0, a transformation that is powered by nine foundational technology advances (fig. 1).

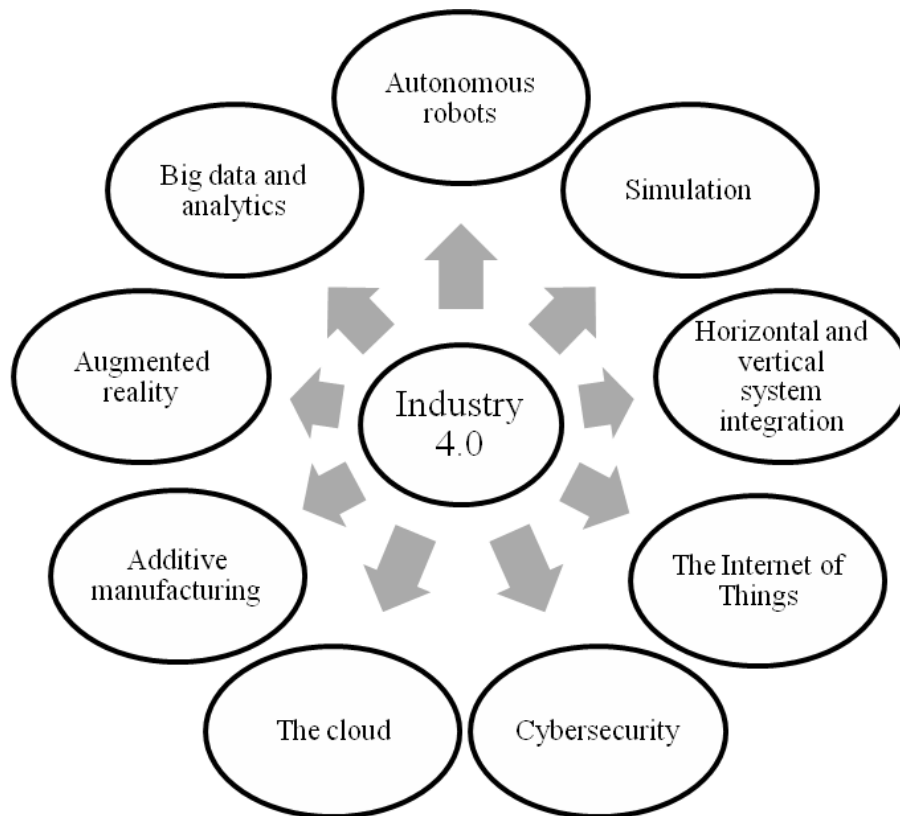


Figure 1. Nine technologies are transforming industrial production

In this transformation, sensors, machines, workpieces, and IT systems will be connected along value chain beyond a single enterprise. These connected systems (also referred to as cyberphysical systems) can interact with one another using standard Internet-based protocols and analyze data to predict failure, configure themselves, and adapt to changes [1].

Industry 4.0 will make it possible to gather and analyze data across machines, enabling faster, more flexible and more efficient processes to produce higher-quality goods at reduced costs. This in turn will increase manufacturing productivity, shift economics, foster industrial growth, and modify the profile of the workforce – ultimately changing the competitiveness of companies and regions [2].

In 2015 a reputable international association KPMG provided an outlook of emerging technology trends in annual publication «The Changing Landscape of Disruptive Technologies», which is presented in Table 1.

Table 1

**Advanced manufacturing technologies that will have
the greatest impact in driving business transformation
for enterprises till 2020 (% of total advanced technologies)**

	All world	The USA	China	Japan	ASPAC	EMEA
Cloud technology	11	13	9	13	10	10
Internet of things	9	8	14	0	9	10
Data and Analytics	9	13	8	3	10	6
Mobile platforms and apps	7	5	5	7	7	10
Robotics	6	4	8	3	7	8
Cyber security	6	10	5	7	4	5
Biotechnologies/ digital health/ health care IT	5	8	3	3	4	4
3D-printing	5	4	5	7	6	5
Artificial Intelligence / Cognitive computing	5	8	9	23	6	3
On demand marketplace (e.g., Uber, Airbnb)	5	5	3	0	4	5
Social networking / collaboration platforms	4	4	1	7	3	5
Digital currency platforms (e.g., bitcoin, payment service providers)	4	5	5	3	6	4
Biometrics; gesture, facial, voice	4	4	12	3	6	3
Virtual Reality/ Augmented Reality	4	1	1	3	5	4
Nanotechnologies	4	1	2	3	4	5

Source: [6].

This publication includes insights from over 800 leading technology industry visionaries ranging from serial startup entrepreneurs to Fortune 100 tech industry leaders and venture capitalists. In particular, results of the predictive

analysis concerning what advanced technologies the international business considers the most perspective till 2020 are given.

As we can see, cloud technologies are ranked highest in most regions. The connected rise of cloud, Internet of Things, mobile and D&A will continue to drive unprecedented business transformation opportunities in the enterprise market. Robotics and artificial intelligence are gaining momentum as key technologies reshaping enterprise markets in the next three years.

Many of the advances in technology that form the foundation for Industry 4.0 are already used in manufacturing, but with Industry 4.0, they will transform production: isolated, optimized cells will come together as a fully integrated, automated, and optimized production flow, leading to greater efficiencies and changing traditional production relationships among suppliers, producers and customers as well as between human and machine [1].

The 2016 edition of the EU Industrial R&D Investment Scoreboard shows significant worldwide rise of corporate R&D, driven by high-tech industries while revenues declined mostly due to low-tech sectors. The top 2500 Scoreboard firms invested in R&D €696bn in 2015/16, an increase of 6.6% over the previous year. EU companies increased R&D above both the world's and US's growth rates and Asian companies continued to show substantial R&D growth [5].

The top-ten R&D investors are Volkswagen (€13.6bn) from Germany holding the 1st place and Samsung Electronics (€12.5bn) from South Korea holding the 2nd position; Intel, Alphabet and Microsoft (€11.0bn) from the US; Novartis (€9.0bn) and Roche (€8.6bn) from Switzerland; Huawei (€8.4bn) from China; Johnson & Johnson (€8.3bn) from the US and Toyota Motor (€8.0bn) from Japan.

As we can see, in all world regions, the growth in R&D was driven by companies operating in the largest R&D-investing industries (ICT, health and auto), that also increased significantly net sales, while the overall fall in net sales was mostly due low-tech sectors and in particular due to oil- and other commodity-related companies where world prices were depressed. The Software industry showed the highest R&D growth worldwide led by global software firms.

The US continues to be the country with the largest investments in R&D, but its share of the global R&D pie continues to shrink due to the higher growth rates in Asia and especially in China [7].

Table 2

Share of total global R&D spending (%)

	2015	2016
North America (12 countries)	27,9	27,8
United States	25,8	25,6
South America (10 countries)	2,7	2,5
Europe (34 countries)	21,6	21,2
Germany	5,8	5,6
Asia (24 countries)	41,3	41,2
Japan	8,5	8,6
China	19,4	20,1
South Korea	3,9	4
India	3,5	3,6
Africa (18 countries)	1	0,9
Middle East (13 countries)	2,5	2,4
Russia/CAS (5 countries)	3	2,9
Total (116 countries)	100%	100%

Source: [4,7].

According to the Table 2. Asia accounts for more than 42% of all global R&D investments and its share rate continues to increase each year at the expense of all the other countries investing in R&D.

Industries and countries will embrace Industry 4.0 at different rates and in different ways. Industries with a high level of product variants, such as the automotive and food-and-beverage industries, will benefit from a greater degree of flexibility that can generate productivity gains, for example, and industries that demand high quality, such as semiconductors and pharmaceuticals, will benefit from data-analytics-driven improvements that reduce error rates [3].

Countries with high-cost skilled labor will be able to capitalize on the higher degree of automation combined with the increased demand for more highly skilled labor. However, many emerging markets with a young, technology-savvy workforce might also jump at the opportunity and might even create entirely new manufacturing concepts [2].

Conclusion. Therefore, to actively shape the transformation, government, producers and system suppliers must take decisive, complex actions and adapt the appropriate infrastructure. Besides, to move advanced manufacturing to new frontiers, science advances are needed, especially interdisciplinary approaches, in multiple areas. Among them there is creation of models,

databases, and tools for rapid integration of new methods and materials; increasing the quality and availability of materials for additive manufacturing.

Although the increasing automation of the manufacturing sector will likely lead to the continued decline of this sector as a share of GDP and employment, a strong manufacturing sector will continue to complement a strong service sector, supporting communications, engineering, medicine, and other professional services. However, challenges will remain, including the high cost and risk of conducting R&D for advanced manufacturing and the long time required to bring new materials, products, processes to the market.

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THE INFLUENCE OF GLOBALIZATION PROCESSES ON THE DEVELOPMENT OF UKRAINE'S INSURANCE MARKET

*A.S. Lykova, A.Y. Ponikaryova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Lykova A.S., Ponikaryova A.Y. The influence of the globalization processes on the development of Ukraine's insurance market. A large number of characteristics of the domestic insurance market does not meet the standards of economically developed countries, and the interests of insurers prevail over the interests of insurees. Therefore, it will be expedient to consider the current state of the Ukrainian insurance market under the influence of globalization.

Key words: globalization, insurance, insurance payments, insurance premiums, Ukraine.

Ликова А.С., Понікарьова А.Ю. Вплив глобалізаційних процесів на розвиток страхового ринку України. Велика кількість характеристик вітчизняного страхового ринку не відповідає стандартам економічно-розвинених країн, а інтереси страховиків переважають над інтересами страхувальників. Тому доцільним буде розгляд сучасного стану українського ринку страхування під впливом глобалізації.

Ключові слова: глобалізація, страхові виплати, страхові премії, страхування, Україна.

Лыкова А.С., Поникарьова А.Ю. Влияние глобализационных процессов на развитие страхового рынка Украины. Большое количество характеристик отечественного страхового рынка не соответствует стандартам экономически развитых стран, а интересы страховщиков преобладают над интересами страхователей. Поэтому целесообразным будет рассмотрение современного состояния украинского рынка страхования под влиянием глобализации.

Ключевые слова: глобализация, страхование, страховые выплаты, страховые премии, Украина.

The subject of the study is the problem analysis of the current state of the insurance market in Ukraine and the development of the project for its improvement in the conditions of globalization. The relevance of the study is understanding and studying the basis of the functioning of the insurance market for Ukraine. It is very important, because we can say that the national insurance market is at the stage of formation and development. Modern economic development is characterized by the deployment of globalization

processes, which radically change the structure of the international economic relations. An important task is to assess the factors and trends of the globalization of the insurance environment, which will help form the main directions of the development of the insurance market in Ukraine. The purpose of the work is the comprehensive analysis of the structural and dynamic aspects of the insurance market in Ukraine, the assessment of the impact of globalization on the development of the insurance sector.

The intensive globalization of the world's space requires adaptation to the new regime of international trade in insurance services from the national insurance markets. The increase of the international competitiveness of domestic insurance products is the basis for the introduction of Ukraine's insurance market into the globalization process of the insurance relations.

In market economies the insurance system promotes economic stability, strengthens the financial system, activates investment processes and solves social problems. After Ukraine's independence, economic and social transformations have resulted in the need to build an adequate insurance system that has become the reliable protection for legal entities and individuals after material losses caused by natural disasters, accidents or other risky circumstances.

The concept of the insurance market development of Ukraine for 2012-2021 states that in today's economy, the national policy of socio-economic protection of the population is being implemented through insurance, as well as considerable investment resources are formed. The evolution of the insurance market and its use in the interests of sustainable development of the national economy in terms of its integration into the world economy and the strengthening of the processes of globalization are important components of national security [1].

A characteristic feature of the Ukrainian insurance is that the insurance market does not, to a large extent, use its potential. The Ukrainian insurance market has the following problems:

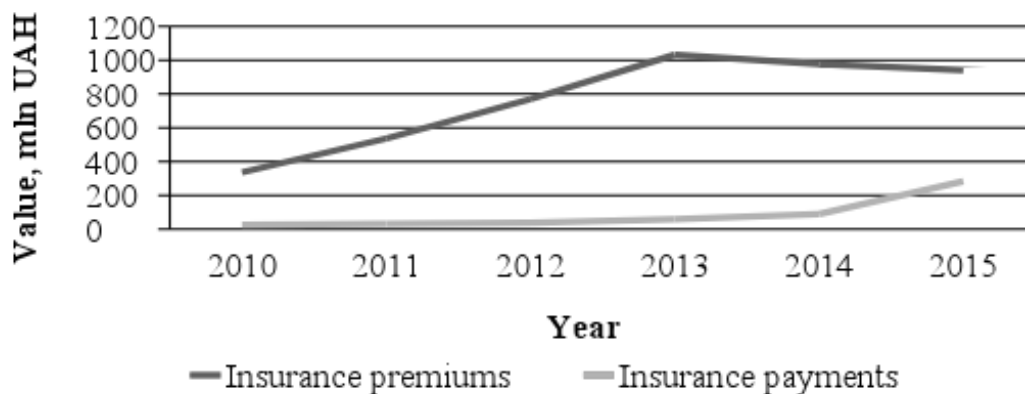
- imperfection of the normative and legal bases of insurance;
- low level of state regulation of the sphere of insurance on financial reliability;
- low level of investment in the insurance market of Ukraine;
- low level of social types of insurance;
- lack of stability in the economy, which affects the increase of the insolvent population of the country;
- undeveloped long-term life insurance, annuities and other types of personal savings insurance;

- insufficient capitalization and low liquidity of insurers;
- manifestations of monopoly in the field of insurance;
- unfair competition;
- a small share of the implementation of long-term insurance, due to low inflation;
- significant lag behind world leaders in the insurance industry;
- insufficient level of public confidence in insurance [2].

Consequently, a large number of characteristics of the domestic insurance market does not meet the standards of economically developed countries, and the interests of insurers prevail over the interests of insurees. Therefore, it would be advisable to analyze the current state of the Ukrainian insurance market in Ukraine.

The study of trends in the development of the insurance market of Ukraine indicates that now the insurance belongs to the group of the most profitable and most dynamic sectors of the national economy, and the insurance market is an important segment of the financial market, which affects all socio-economic processes in the state.

Based on gross insurance premiums and payments for the first half of 2010-2015 we can say that starting from 2013 gross premiums are fairly stagnant. The dynamics of insurance premiums and life insurance payments is clearly depicted in Figure 1.

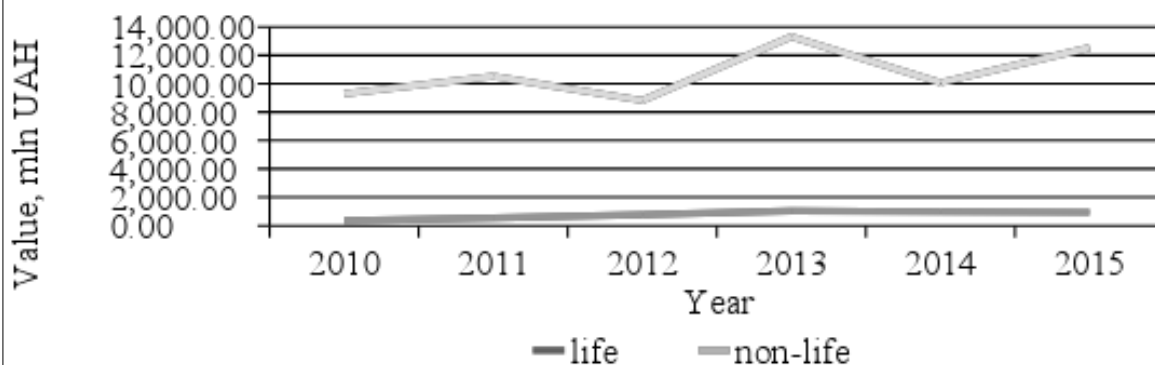


Source: *Forinsurer* [3–8].

Figure 1. Dynamics of insurance payments and premiums by types of life insurance for the first half of 2010-2015 (constructed by the author by sources [3–8]).

It should be noted that insurance payments for this kind of insurance as «life» is continuously growing. In 2015 the payment rate for the first half-year was a record 282, 2 million UAH. Let's turn to a dynamic analysis of insurance payments

and premiums on the non-life insurance market in Ukraine for 2010-2015. The dynamics of gross insurance premiums is clearly depicted in Figure 2.



Source: Forinsurer [3–8].

Figure 2. Dynamics of insurance payments and bonuses by types of «non-life» insurance for the first half of 2010–2015

One can say that insurance premiums for non-life insurance since 2010, in general, have a tendency to increase, except for 2012. In 2012, the lowest indicator of the amount of insurance premiums for the period 2010–2015, which is 8 811, 5 million UAH. A similar situation is observed in «non-life» insurance associated with payments. In 2015, payments amounted to 2,772.8 million UAH. The total gross insurance premiums have been starting to increase since 2014.

Globalization in the field of insurance has its manifestations and peculiarities. The state of development of the insurance market of Ukraine, in comparison with the world market for such indicators as the volume of collected insurance premiums for all types of insurance and life insurance premiums, testifies to a significant lagging of Ukraine from the existing international standards. But the dynamics of the collection of premiums and payments from life-insurance in 2013 shows positive changes in the development of life insurance in Ukraine.

In Ukraine, as in the world insurance market, there is an increase in the capitalization of national insurers, the merger of insurance, banking and industrial capital. The acceleration of the processes of globalization of insurance business will be facilitated by the possibility of using the Internet, which will enable the activation of alternative channels of sales of insurance products. The manifestation of globalization processes in the insurance market is the spread of foreign capital to the national insurance markets.

The Ukrainian insurance market has significant potential, but it does not fully satisfy the needs of the national economy and the population in quality insurance services. The arrival of foreign investors in the Ukrainian insurance

market may have both a negative and a positive effect on the development of national insurers.

Successful development of integration processes in the national insurance market depends on:

- sustainability of the financial environment of economic entities and population;
- potential insurees;
- formation of financially stable insurance organizations;
- activating the role of the state and its bodies in strengthening and developing the insurance market;
- formation of state priorities in the development of the national insurance market;
- development of the legal base of insurance;
- use of modern methods in the management of insurance organizations.

Since the limits of globalization are unrealistic, one of the right options in these conditions is to develop new approaches to regulating processes in the national insurance market and to form effective models of insurance relations management in Ukraine.

The interpretation of «global insurance activity» is, first of all, the dominance of transnational insurance corporations, their groups, strategic alliances, tandems, conglomerates, megabrokers, pools operating in an internationally unified environment and as a result of financial liberalization, pursuing an active expansionary policy in all segments of the insurance market. using organizational and insurance innovations on the latest information and technological basis.

Consequences of globalization of insurance services on national Insurance Systems:

a) Positive:

- attraction of foreign investments in the development of insurance infrastructure,
- increase in the capitalization and capacity of the national insurance industry at the expense of foreign investors' funds,
- use of advanced insurance technologies and know-how;
- Expanding the structure and improving the quality of insurance services.

b) Negative:

- loss of national control over insurance reserves and investment funds under dominant foreign participation in the insurance market or in its separate segments,

- restriction of the state ability to use active social policy mechanisms in the field of pensions and health insurance,
- support of the expansion of large foreign insurers, price dumping, etc.

Conclusion. The development of the world economy and economic relations, the entry of Ukraine into the system of the world economic relations and the restructuring of the national economy require the development of the insurance market of Ukraine, in accordance with national features.

The analysis of the insurance in a market economy shows the need of insurance development and its huge role as a reliable mechanism of protection against possible risks, the growth of which has recently been observed throughout the world.

The inclusion of the Ukrainian insurance market in the globalization process of insurance relations requires great efforts to adapt the national insurance products to the world market requirements, modifying their parameters to a more competitive level.

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CERTIFICATION OF HOTEL BUSINESS IN UKRAINE

*S.O. Lyova, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Lyova S.O., Litovchenko Y.M. Certification of hotel business in Ukraine. The article deals with the processes of hotels licensing in Ukraine, attestation and certification of the quality system. The work examines regulatory and normative and operational prerequisites for state regulation of the quality of services in the hotel sector of Ukraine.

Key words: certification, hotel business, licensing, quality system, Ukraine.

Липова С.О., Литовченко Я.М. Сертифікація готельних послуг в Україні. У статті розглянуто процеси надання ліцензії в Україні, атестація та сертифікація системи якості, нормативно-правові та нормативно-експлуатаційні передумови державного регулювання якості послуг у готельній сфері України.

Ключові слова: готельний бізнес, ліцензування, сертифікація, система якості, Україна.

Липовая С.А., Литовченко Я.Н. Сертификация гостиничных услуг в Украине. В статье рассмотрены процессы предоставления лицензии в Украине, аттестация и сертификация системы качества, нормативно-правовые и нормативно-эксплуатационные предпосылки государственного регулирования качества услуг в гостиничной сфере Украины.

Ключевые слова: гостиничный бизнес, лицензирование, сертификация, система качества, Украина.

The object of the given research is certification of the hotel industry in Ukraine. The subject of the work is a procedure for granting quality certificates to hotels and conditions for their provision. Hotel services are subject to mandatory certification and licensing. Certification is an activity independent of the guests and the hotel business (third party) on the confirmation of the conformity of hotel services with the requirements established by legislative acts, standards and other normative and technical documents. If the hotel business has not been licensed, it has no right to provide hotel services. If the hotel services of this hotel business do not comply with state standards,

they are not certified, so the hotel does not have the right to provide them. Certification, like licensing, is one of the ways of state control over the quality and safety of hotel services provided to visitors. It is also important that the certification protects both the client and the hotel business: the visitor – encouraging the hotel business to clearly and fully comply with all the rules and regulations of hotel services established by laws and other regulations so that the visitor receives quality service for his money, and the hotel business – through the application of the same laws and regulations that do not allow the visitor to find the missing shortcomings in the service and put forward unreasonable claims against him [1].

Certification of hotels is a procedure of confirmation of compliance by means of which an independent organization certifies in writing that these objects meet the established requirements. In the certification of hotel services a number of regulations are applied: legislative acts, rules for the provision of certain types of hotel services, approved by the Government of Ukraine in compliance with Statutory Standards. Certification of hotel services is carried out according to the schemes providing for the assessment of hotel services, inspection and inspection control of certified hotel services.

To reduce the number of assessments, inspections, control rules allow the use of documents that confirm compliance with established requirements and obtained outside the work on certification:

- contracts of hotel enterprises with visitors;
- acts of inspections;
- withdrawal of Ukrainian executive authorities;
- certificates of public associations of consumers;
- technical or other documentation of the enterprises of the hotel business.

Certification of hotel services is carried out by certification bodies accredited in accordance with the established procedure and registered in the State Standard of Ukraine. Rules define such organizational structure and structure of participants of certification of services which are given by the enterprises of the hotel industry:

1. National certification (Statutory Standards) of Ukraine.

2. The central body of the certification system is the Department for Licensing and Certification of the State Committee of Ukraine.

With mandatory certification can be used:

- international standards;
- state standards of Ukraine;
- instructions approved by government [2].

In case of voluntary certification of the hotel, they themselves provide documents for compliance with the requirements, according to which certification is conducted under the terms of the contract between the applicant and the certification body.

The procedure for conducting voluntary certification includes:

- Decision on the application.
- Development of methods for conducting the audit.
- Issuance of a certificate of compliance and a license for the use of marks of conformity.
- Conclusion of an agreement for the conduct of inspection control over the conformity of hotel certificate services and the requirements of regulatory documents.
- Apply for certification.

Ensuring a quality service result, unless otherwise provided by the contract, extends to all components of the service result. Thus, hotel services must meet their quality. General requirements for the quality of hotel services, established by the state standard, establish mandatory and recommended requirements for the quality of hotel services. Mandatory requirements are requirements that ensure the safety of hotel services for the health of the occupants, the safety of their property and the environment. Recommended requirements – can be the basis for the development and inclusion in the agreement with the visitor of the conditions for the quality of hotel services and services.

In addition, in the process of certification tests (inspections) of hotel services:

- full or selective examination by members of the commission of premises in which hotel services are provided;
- checking the availability of complaints, claims and accepted methods of their localization;
- checking the compliance of the qualifications of personnel with the requirements of job descriptions approved in accordance with the established procedure;
- evaluation of the process of providing services, certification of the enterprise or certification of the quality system;
- selective testing of the service by sociological (expert) methods.
- The scheme of obligatory certification in Ukraine provides for the process of seven models:

Table 1

Certification schemes

№	Evaluation of work performance	Checking the results of works and services	Inspection control
1	an estimation of skill of the executor	check results	Executive control skills
2	process assessment	check results	control of the work process
3	analysis of the state of production	check results	production control
4	business valuation	check results	compliance control
5	quality control system	check results	quality control system
6	quality control system	consideration of the declaration of conformity	quality control of work performance
7	quality control system	consideration of the declaration of conformity	quality control system

Certification of the provision of services and certification of the quality system is carried out only with mandatory certification. Certification tests recommended for hotels that do not meet the requirements of the category and other means of short-term accommodation. The certificate is issued for a period of not more than one year. The attestation of the provision of services is provided for accommodation facilities (hotels, motels) that plan to assign a certain category. Certification of the quality system is recommended for hotels, cancellation or receipt of the highest category. Certification of the quality system is carried out at the initiative of the applicant with the receipt of confirmation of compliance with the requirements of standards, as well as opportunities in the post-service mode of providing services that meet the mandatory standards of safety standards and requirements for the specified category (stars). The certificate of conformity is issued for a period of up to five years [4].

I think that the classification of hotels has many advantages for customers and hoteliers alike. Hotels certification, a star-ranking in particular, enhances marketing and promotion as it enables hotels to enter new markets and attract new clients.

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BENEFICIAL AND NEGATIVE TRENDS IN INTERNATIONAL TRADE

*T.A. Lyska, N.N. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Lyska T.A., Startseva N.N. Beneficial and negative trends in international trade.

The article deals with tendencies of international trade development in the world. The international trade flows are analyzed and advantages and disadvantages of the development of international trade in the world are indicated. The article discovers the reasons why trade develops more slowly than global economy. The opportunities and risks of international trade are underlined.

Keywords: beneficial trend, global economy, international trade, negative trend, risk, trade flows.

Лиска Т.О., Старцева Н.М. Позитивні та негативні тенденції в міжнародній торгівлі. У статті розглянуто тенденції розвитку міжнародної торгівлі в світі. Проаналізовано міжнародні торговельні потоки і вказані переваги і недоліки міжнародної торгівлі в світі. Названо причини, чому торгівля розвивається більш повільно, ніж глобальна економіка. Підкреслені можливості і ризики міжнародної торгівлі.

Ключові слова: Глобальна економіка, міжнародна торгівля, негативні тенденції, позитивні тенденції, ризики, торговельні потоки.

Лыска Т.А., Старцева Н.Н. Позитивные и негативные тенденции в международной торговле. В статье рассмотрены тенденции развития международной торговли в мире. Проанализированы международные торговые потоки и указаны преимущества и недостатки международной торговли в мире. Проанализированы причины, почему торговля развивается медленнее, чем глобальная экономика. Подчеркнуты возможности и риски международной торговли.

Ключевые слова: Глобальная экономика, международная торговля, негативные тенденции, позитивные тенденции, риски, торговые потоки.

Relevance. All countries in the modern world are interconnected and their economies are in continuous interaction. The global economy is a complex, multifaceted economic system, whose development depends on many components, the study of which is of great importance. Trade allows countries to develop specialization, to improve the productivity of their resources and thus increase the total production.

The development and structure of foreign trade of each country is influenced by the main trends in the development of international trade. The purpose of the article is to determine these main trends among which is the priority of the international services market over the international commodity market.

International trade is the exchange of goods and services between countries. Total trade equals exports plus imports. In 2016, world trade was \$30.98 trillion. That's \$15.64 trillion in exports plus \$15.34 trillion in imports. One-quarter of trade was in electrical machinery, computers, nuclear reactor parts and scientific instruments. Automotive industry contributed 9 percent. Commodities like oil, iron and diamonds added 19 percent.

International trade was 26 percent of the global economy in 2016. It makes companies more efficient. Research shows that exporters are more productive than companies that focus on domestic trade. Until the 2008 financial crisis, the world trade grew 1.9 times faster than economic growth. Since then, trade has grown more slowly than the global economy [3].

There are four reasons for this slowdown.

First, the Soviet Union collapsed in the 1990s. That allowed countries like Poland, the Czech Republic and East Germany to catch up as they rejoined the global economy.

Second, China joined the World Trade Organization in 2001. These two events super-charged the growth. But in 15 years, their contributions have stabilized.

Third, the 2008 financial crisis slowed the trade and the growth. Many companies became more cautious. Consumers were less likely to spend. Partly that was because they'd grown older. They had to rebuild their retirement savings. Younger people faced high unemployment. They had a hard time getting their career started. That meant they weren't as likely to get married and to buy homes. Many of them also had large school loans to pay off.

Fourth, countries implemented more protectionist measures. In 2015, governments unexpectedly added 539 trade restrictions. These included tariffs, government subsidies to domestic industries and anti-dumping legislation [4].

International trade allows countries, states, brands, and businesses to buy and sell in foreign markets. Thus trade diversifies the products and services that domestic customers can receive. It offers the potential for development and expansion, but without the risks associated with internal research and development.

However, trade has its problems. A country can profit greatly from foreign trade by exporting goods and services rather than importing. It undermines domestic markets by offering cheaper, but equally valuable goods.

There are many advantages and disadvantages of international trade to consider.

Among the advantages are:

1. International trade provides a foundation for international growth. Companies that are involved in exporting can achieve levels of growth that may not be possible if they only focus on their domestic markets. This allows brands and businesses an opportunity to achieve sustained revenues from a diversified portfolio of customers in several markets instead of a limited customer base in a single home market.

2. International trade improves financial performance. Brands and businesses which specialize in foreign trade can increase their financial performance. This allows them to augment the returns they achieve on their investments into research and development. By rotating the products or services through the global market, the commercial lifespan of each opportunity can be amplified, expanding what existing products and services can provide. This benefit can even be achieved if a domestic market is no longer interested.

3. It spreads out the risk a brand and business must assume. Organizations can better protect themselves from a risk thanks to international trade because of the amount of diversification that can be achieved. Whether it is a financial disaster, like the Great Recession of 2007-2009, or a natural disaster like Hurricane Katrina, a company with an international presence can survive and even maintain profitability without domestic customer support. A home market may be unstable, but international trade can still let the brand and business be stable.

4. International trade encourages market competitiveness. When a brand or business competes in several markets simultaneously, then it must focus on its competitiveness to be able to thrive. By observing a larger range of trends because of their greater level of global market access, brands and businesses can focus on quality, design, and product improvements so that they can continuously diversify.

5. International exchange rates can also be beneficial to a business. Brands and businesses involved in the international trade can further reduce their risks by taking advantage of the exchange rates. If a company does most of its trading in US dollars, then trading with Japan to spread the risk of the exchange rate between the yen and the dollar can potentially add to the profits of the company. The same could be said of the euro or the pound to the dollar.

6. Revenue flows have some protection. Although all risks cannot be eliminated from international trade, a series of contracts, insurance, and financial instruments can help to protect the revenue flows a brand and business is able to develop.

7. It can be used as a way to get around high level of domestic competition. A domestic market can already have several products or services that a new brand or business is trying to offer. Instead of competing for a small sliver of the domestic market, going through international trade can help an organization target similar foreign markets where competition may be much lower. Over time, the experiences gained in the foreign market can help an organization to be able to establish a stronger domestic presence as well [2].

Among the disadvantages are:

1. There is always a political risk involved in the international trade. Different countries divide their own political risks at various levels, while domestic politics changes over time and presents an ongoing challenge. A government can change laws in a discriminatory way or create regulations that directly impact a specific organization.

2. There can be severe exchange rate risks. Many businesses focus on emerging markets for their products or services because it can greatly extend their lifespan. However, the exchange rates in those emerging markets may fluctuate wildly, making it difficult to forecast finances for budgeting purposes. The value of assets and liabilities that are in foreign currencies creates the potential of a brand or business to become less competitive overnight, resulting in steep revenue losses.

3. International trade also presents cultural complications. Different cultures have different attitudes, standards, and expectations that can create problems for a brand or business. Failing to consider the expectations that a different culture may have can lead to mistakes that damage the reputation of the brand and can be very costly. Sometimes even inappropriate packaging can be enough to permanently damage a brand's reputation.

4. It has a credit risk that must be specifically managed. Many brands and businesses tend to overlook the risk of non-payment when they begin to operate

in the world of international trade. Credit risks can be managed by obtaining insurance or a letter of credit. However, without understanding the B2B and B2C credit potential of an international market, the success that a brand or business can receive will be hit or missed.

5. International trade increases the risk of proprietary information theft. Going into an international market with a product or service increases the risk of another brand or business stealing proprietary information, marketing concepts, and even a personal identity.

Conclusion. The advantages and disadvantages of international trade can be managed appropriately with good market research and understanding of foreign cultures. There will always be brands or businesses that succeed more than others in their trade deals. The goal, therefore, must be to evaluate the key points so that a full understanding of what to expect in this or that country can be obtained. In that way their participation can be properly gauged.[2]

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TRENDS AND PROSPECTS FOR ECONOMIC COOPERATION BETWEEN UKRAINE AND CANADA

V.A. Magalova, T.I. Skrypnyk (language supervisor)

V.N. Karazin National University, Kharkiv

Magalova V.A., Skrypnyk T.I. Trends and prospects for economic cooperation between Ukraine and Canada. The article deals with the present state, patterns and perspectives of trade and economic partnership between Ukraine and Canada. The research covers the key aspects of the Canada-Ukraine Free Trade Agreement, statistical overview of bilateral trade, current trends and prospects for further cooperation.

Key words: bilateral trade, Canada-Ukraine Free Trade Agreement, foreign trade, merchandise trade, technical aid, trade balance.

Магалова В.А. Скрипник Т.І. Тенденції та перспективи економічного співробітництва між Україною та Канадою. У статті розглянуто сучасний стан, закономірності й перспективи торгівлі та економічного партнерства між Україною та Канадою. Виділено ключові аспекти Угоди про зону вільної торгівлі між Україною та Канадою, наведено огляд статистичних даних щодо двосторонньої торгівлі, визначено поточні тенденції та перспективи подальшої співпраці.

Ключові слова: зовнішня торгівля, двостороння торгівля, технічна допомога, торгівля товарами, торгове сальдо, Угода про зону вільної торгівлі між Україною та Канадою.

Магалова В.А. Скрипник Т.И. Тенденции и перспективы экономического сотрудничества между Украиной и Канадой. В статье рассмотрены современное состояние, закономерности и перспективы торговли и экономического партнерства между Украиной и Канадой. Выделены ключевые аспекты Соглашения о зоне свободной торговли между Украиной и Канадой, приведен обзор статистических данных о двухсторонней торговле, определены текущие тенденции и перспективы дальнейшего сотрудничества.

Ключевые слова: внешняя торговля, двухсторонняя торговля, Соглашение о зоне свободной торговли между Украиной и Канадой, техническая помощь, торговля товарами, торговое сальдо.

The object of the research is international economic relations of Ukraine. The subject of the research is bilateral trade between Ukraine and Canada. The aim of the research is to analyze relevant trends and prospects for economic partnership between Ukraine and Canada in terms of implementing the Free Trade Agreement.

Relevance of the topic. One of the most significant events of the year for Ukrainian economy was the conclusion of the Canada-Ukraine Free Trade Agreement (CUFTA) on 1 August 2017. In addition to generating commercial benefits for Ukrainian business, CUFTA is aimed to strengthen the long-term partnership between the countries and provide stable development of Ukrainian economy. This emphasizes the importance of the subject of the research for the parties.

Free Trade Agreement between Ukraine and Canada is the first arrangement after the Association with EU which eliminates trade barriers to entry a large-scale foreign market. The Agreement opens great opportunities for Ukrainian business in short- and long-term orientation as well as makes it possible to diversify outgoing trade flows. It creates advantages of getting duty-free access to the new market on the one hand and stimulates import of raw materials and advanced technology which will lead to economic growth on the other hand [4].

The present Agreement is to be a tool for increasing bilateral trade turnover. The conditions of the Agreement aligned with WTO standards and regulations include the following points:

- Upon entry into force of the Agreement Canada opens to Ukrainian exporters 98% of its commodity market that is the subject of bilateral trade;
- Considering different levels of economic and social development of Ukraine and Canada, the parties apply the principle of asymmetry of tariff commitments;
- Ukraine eliminates tariffs on approximately 86 % of the country's recent imports from Canada, with the balance of tariff concessions to be implemented within 3–7 years. This includes elimination by Ukraine of tariffs on all Canadian exports of manufactured goods, fish and seafood, as well as elimination of the majority of Ukraine's agricultural tariffs;
- The Agreement contains a range of disciplines and commitments pertaining to non-tariff measures that will help ensure that market access gains are not constrained by unjustified trade barriers [1].

It is important to note that bilateral trade between Ukraine and Canada has been deficient since 2007. In 2008 Ukrainian import of Canadian goods and services rose sharply and reached the amount of 260 thousand US dollars. In 2016 the deficit of trade balance equaled 190 thousand US dollars due to the decrease of Ukrainian export. Figure 1 shows dynamics of foreign trade between Ukraine and Canada within 2002 – 2016.

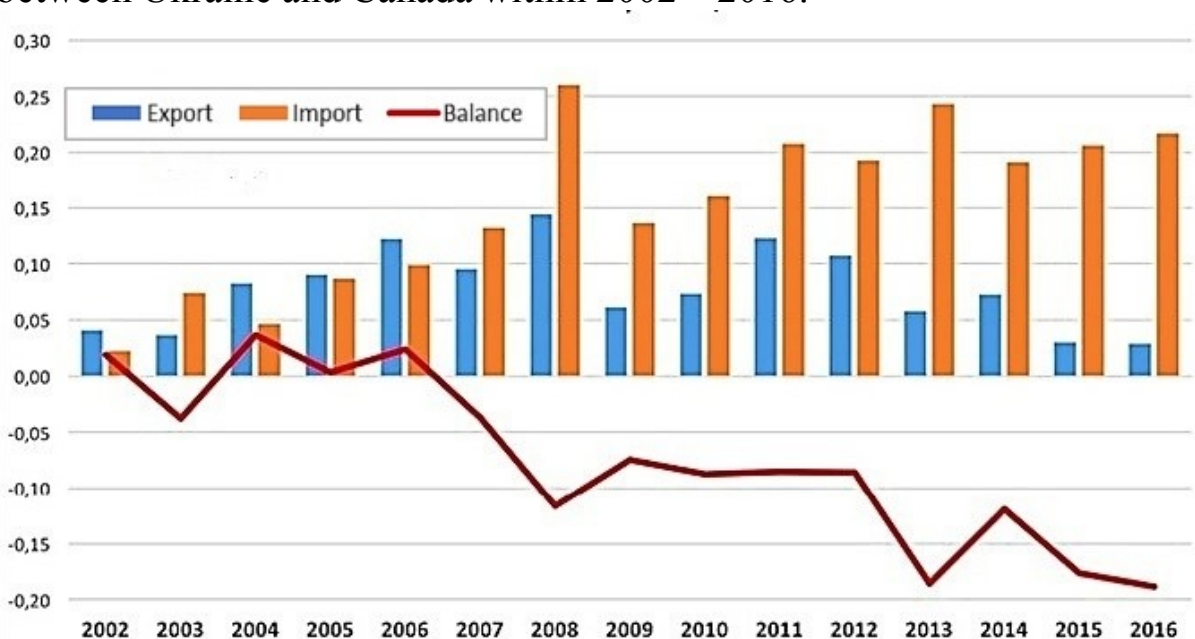


Fig. 1. Foreign trade between Ukraine and Canada, 2002 – 2016 (million US dollars) [2]

The Research Institute under the Ministry of Economic Development and Trade of Ukraine estimates that within first five years after implementing the Agreement export to Canada is to increase by \$7 million: from \$29 million in 2016 to \$36 million in 2022 [3].

It is stipulated that the Free Trade Agreement will contribute to job creation in Ukraine. At the cost of facilitating one workplace estimated \$50 thousand (according to Ukrainian Employers Federation) there will be only 140 new workplaces, assuming, that total export growth of 7 million US dollars is to be allotted to job creation. Considering the current unemployment level of 1,7 million people such amount would be insufficient, not to mention concealed unemployment estimated 2,5–3 million people.

According to the State Statistic Service of Ukraine the volume of bilateral international trade between the two countries rose by 4% in 2016 in comparison with 2015 and made up \$242,6 million predominantly due to an increase of import from Canada to Ukraine. Merchandise export from Ukraine to Canada fell by 4% from \$30,1 to \$28,9 million. Merchandise import from Canada increased by 5% and made up \$217,3 million. Merchandise trade balance is negative – \$188,4 million [2]. The structure of merchandise export from Ukraine to Canada in 2016 is depicted on Figure 2.

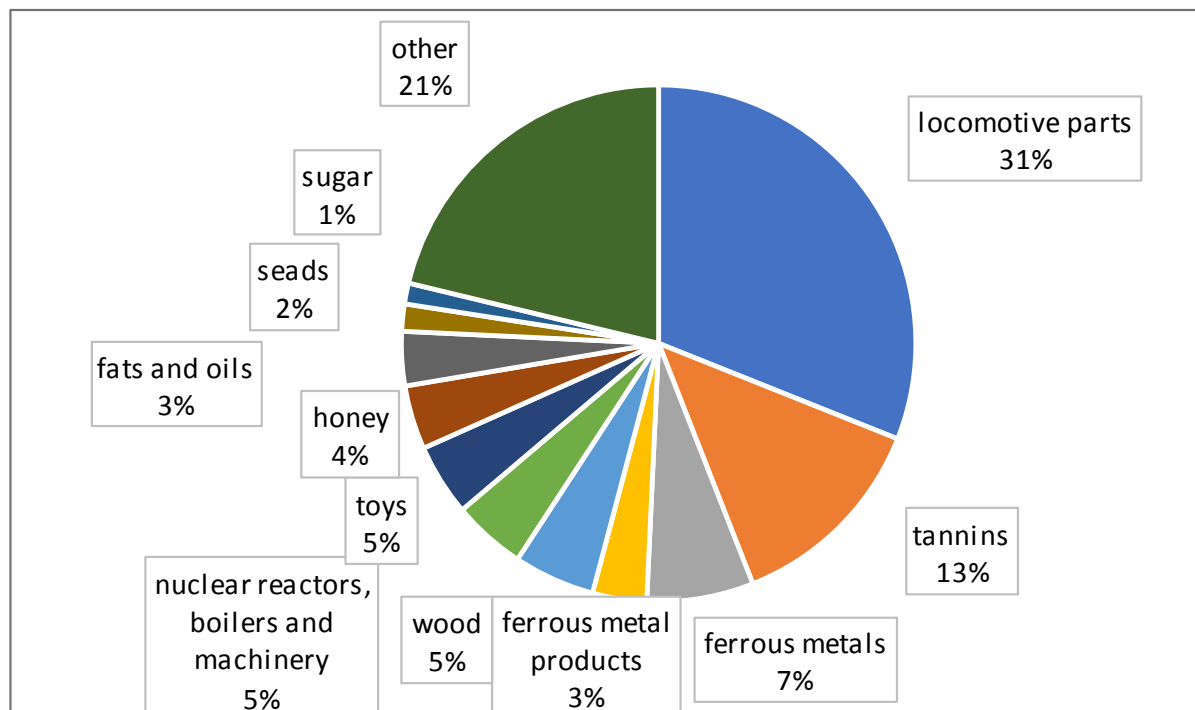


Fig. 2. Merchandise export structure from Ukraine to Canada, 2016 [2]

Among predominating articles of merchandise export from Ukraine to Canada there are locomotive parts which increased 2,5 times comparing with 2015, tannins – decreased 1,5 times, ferrous metals and products increased by 35% and 67% respectively, wood – decreased by 8% and machinery decreased by 48%. It is also notable that there was positive dynamics in export of such production as honey, dairy, poultry, oilseeds (soybeans in particular).

The structure of import from Canada to Ukraine (see Figure 3) composes of the following articles: crude oil, products and other fossil fuels (supply volume decreased by 17% to 2015), pharmaceutical production (increased by 51%), fish (increased by 52%), nuclear machinery (increased by 54%) and ground transport (increased by 40%).

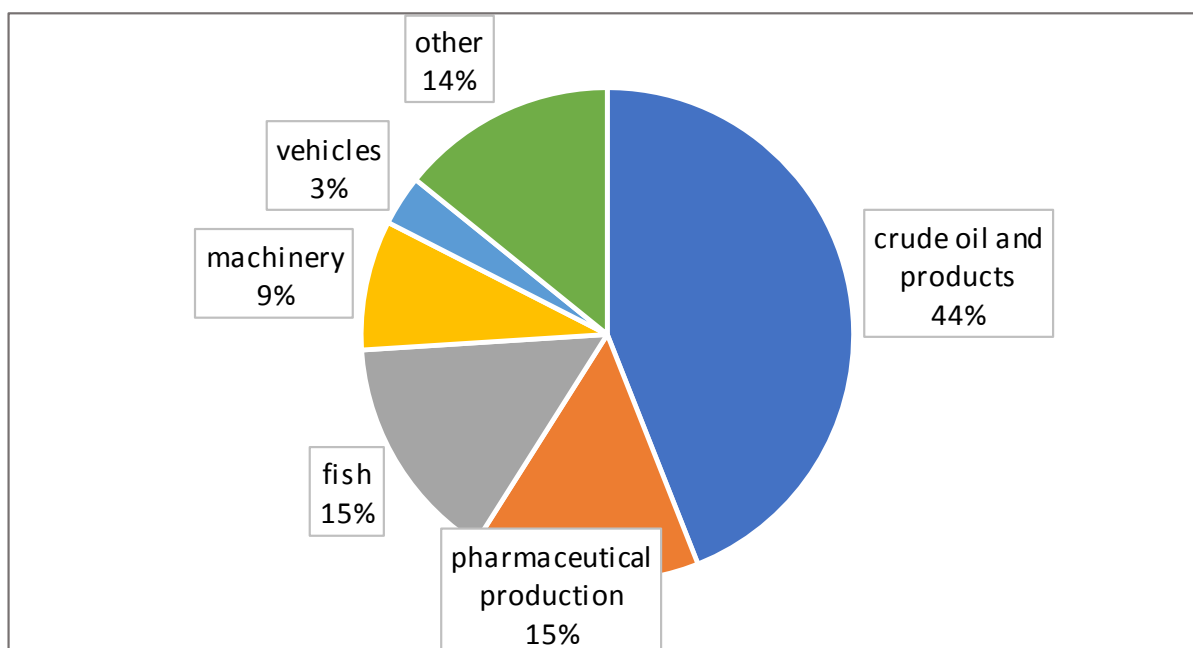


Fig. 3. Merchandise import structure from Canada to Ukraine, 2016 [2]

As far as the services are concerned, State Statistic Service of Ukraine reports a 17,6% increase of exports from Ukraine to Canada and a 11,9% increase of imports from Canada to Ukraine in 2016 which in monetary terms comprised \$58,78 million and \$36,24 million respectively.

Since 2007 trade between Ukraine and Canada has been deficient as Ukrainian import outreach export significantly. It is most likely that such tendency will continue after implementation of the Agreement considering the effect of free trade between Ukraine and EU which led to the increase in trade deficit from \$2,3 bn in 2015 to \$3,6 bn in 2016. The reason is that

Ukrainian products are less competitive than European as well as Canadian products on global market. Moreover, European and Canadian business has access to cheap and long-term credit resources whereas Ukrainian business is short on financial support. In addition, there are export credit agencies in both Canada and Ukraine which operate to facilitate export on a governmental level. However, Ukrainian export credit agency fails to stimulate outgoing trade flows at present [4].

Nevertheless, the Canada-Ukraine Free Trade Agreement creates large prospects for Ukrainian economy including the following points:

- the countries will arrange business forums on a regular basis as a mechanism for expanding cooperation in trade, investment, science and technology;
- Canada will contribute to development of entrepreneurial education in Ukraine to improve the country's business environment;
- Canada will provide Ukraine with technical aid in developing horticultural sector and processing plants;
- the countries will make joint efforts to facilitate renewal and modernization of gas transportation infrastructure [1].

In long-term perspective an increase in supply of high-tech equipment to Ukraine is expected. The Agreement also covers technical aid for entering Canadian agricultural market. Overall, free trade between the countries is to make a positive impact on Ukrainian economy as previously Ukrainian-Canadian foreign trade turnover was quite low due to the tariffs. The Agreement may also contribute to access to the entire North and South American market, particularly to such significant consumers as the USA and Brazil.

C o n c l u s i o n s . The research shows that the Canada-Ukraine Free Trade Agreement is a tool for market entry on the one hand and an opportunity to exchange technology on the other hand. Elimination of tariffs will increase bilateral trade flows and create new opportunities for Ukrainian business in long term perspective. However, it is expected that the trade balance will remain deficient as long as Ukrainian products lag behind Canadian regarding their quality.

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THE PROCESS OF KNOWLEDGE INTEGRATION

S.M. Makhmudova, N.M. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv

Makhmudova S.M., Startseva N.M. The process of knowledge integration. The article deals with the concept of knowledge integration (KI), its definition and role in achieving the competitive position by the organization. Organization generates knowledge as capabilities, attributes, shared beliefs and interactions and knowledge integration is seen as a process of transforming individual knowledge into the collective knowledge. The knowledge integration process is goal-oriented and consists of integrated knowledge bases, the KI process requires internal knowledge creation and external knowledge absorption.

Key words: attributes, capabilities, competitive position, definition, external knowledge absorption, interactions, internal knowledge creation, knowledge integration, process, shared beliefs

Махмудова С.М., Старцева Н.М. Процес інтеграції знань. У статті розглядається концепція інтеграції знань (ІЗ), її визначення та роль у досягненні конкурентних позицій організацією. Організація генерує знання як можливості, атрибути, спільні вірування та взаємодії, а інтеграція знань розглядається як процес перетворення індивідуальних знань у колективні знання. Процес інтеграції знань є цілеспрямованим і складається з інтегрованих баз знань, процес ІЗ вимагає створення внутрішніх знань та поглинання зовнішніх знань.

Ключові слова: атрибути, взаємодії, визначення, інтеграція знань, конкурентна позиція, можливості, поглинання зовнішніх знань, процес, спільні вірування, створення внутрішніх знань.

Махмудова С.М., Старцева Н.Н. Процесс интеграции знаний. В статье рассматривается концепция интеграции знаний (ИЗ), ее определение и роль в достижении конкурентных позиций организацией. Организация генерирует знания как возможности, атрибуты, общие убеждения и взаимодействия, а интеграция знаний рассматривается как процесс преобразования индивидуальных знаний в коллективные знания. Процесс интеграции знаний ориентирован на цель и состоит

из интегрированных баз знаний, процесс ИЗ требует создания внутренних знаний и поглощения внешних знаний.

Ключевые слова: атрибуты, взаимодействие, возможности, интеграция знаний, конкурентное положение, общие убеждения, определение, поглощение внешних знаний, процесс, создание внутренних знаний

Relevance. It is evident that knowledge integration (KI) can be understood both as a process and a result. The subject of this research is the concept of knowledge integration as a process. The importance of KI is seen as a goal-oriented process aimed at reaching the organizations' competitiveness. The knowledge integration process consists of combined and integrated knowledge bases, which are complementary and need to contain internal knowledge creation and external knowledge absorption. There are different definitions of knowledge integration as a process, the study of which is the purpose of the article.

Berggren see it as a goal-directed process [1] while Okhuysen & Eisenhardt see KI as process of transforming individual knowledge into the collective one [7]. Enberg understands it as a process which links different individual knowledge [3] whereas Tiwana sees it as a process of creating alliances between different organizations [11]. However Huang & Newell argue that it is a process, which comes from shared beliefs and interactions [5]. (Figure 1)

<u>Scholars</u>	<u>Years</u>	<u>Explanation</u>
Okhuysen, G., & Eisenhardt, K.	2002	Knowledge integration is a process of transforming individual knowledge into the collective knowledge of the organization
Huang, J. and Newell, S.	2003	Knowledge integration is collective process, built on shared beliefs and interactions of organisation's members.
Enberg, C.	2007	Knowledge integration is a process, the goal of which is to link the different individual knowledge of specialists.
Tiwana, A.	2008	Knowledge integration is a process that can create alliance and partnership between different organizations in order to share information and knowledge.
Berggren, C., Bergek, A., Bengtsson, L., & Söderlund, J.	2011	Knowledge integration is a combination of specialized knowledge base in a goal-directed process, which main goal is to reach considerable results in lifting the organisation's competitiveness.

Figure 1. Definition of knowledge integration as a process

The process of knowledge integration can also be interpreted as a process of exchanging knowledge between professionals. Schmickl & Kieser claim that in order to create an innovation the different specialists have to learn from each other, hence new products can be created.[9] This leads to the concept of cross-learning as an approach to knowledge integration, which, according

to Schmickl & Kieser, implies that every specialist has to obtain the knowledge of the other in order to understand and exploit this knowledge.

The process of knowledge integration is triggered by an organization’s capacity to generate KI capabilities, which are classed as attributes, enabling the organizations to perform. According to Berggren these attributes “...include experience, skills and knowledge, which may evolve over long periods of time...” [1, p. 9]. Majchrzak identifies five performance practices which are: “voicing fragment, co-creating the scaffold, dialoguing around the scaffold, moving the scaffold aside and sustaining engagement” [6, p. 958]. An explanation of each practice is given in Figure 2.

Practices	Explanation
Voice fragment	" the practice of voicing fragments focused the team on assembling a common landscape of individual statements and parts of solutions ..."
Co-creating the Scaffold	"this practice consist to create a "fluid" of all the common experience of the member of the project"
Dialoguing Around the Scaffold	"interaction between the member even there is some tension in order to simulate a creative solution"
Moving the Scaffold Aside	"interaction and integration of the external stakeholder requirements"
Sustaining Engagement	"trough relatedly, summarizing the sharing of the unexpected, and the use of the collective enthusiam"

Figure 2. KI Process Practices

The five KI practices not only constitute the process of knowledge integration but also simplify it and help mitigate KI challenges: “The practices more specifically depict how knowledge integration challenges are overcome over time as a team goes from individuals representing specialist knowledge areas to the creation of a collectively integrative solution. The practices describe how sense making evolves, how the actions of previously unknown by others become anticipated, how members create a psychologically safe environment to engage in iterative and rapid reflection, how creative breakthroughs occur without creative tensions between individuals, and how knowledge transformation occurs between different languages and perspectives without deep-knowledge dialogue” [6, p. 963].

Faraj & Xiao stress the importance of deadline in the KI process, through using a practice based coordination approach, which supports managing knowledge at the level of individual expertise and actions. There are two types of coordination practices – an “expertise coordination practice” and a “dialogic

coordination practice”. Both types of coordination practices support the process of knowledge integration. The first one refers to processes that manage knowledge and skill interdependencies and the second one comes from specific situations that arise as a result of failure to coordinate knowledge. Thus it requires fast problem-solving and action [12]. Expertise coordination practices help team members to maintain the right attitude to knowledge integration, and in order for this practice to be effective the organization should be able to create “reliance on protocols”, “plug-and-play teaming“, “communities of practices” and “knowledge externalization”. On the other hand, dialogic coordination practices, such as “epistemic contestation”, “cross boundary intervention”, “joint sense making” and finally “protocol breaking”, work towards finding a quick solution to a problem, where the change in orientation is present [12].

The three factors characterizing the knowledge integration process are efficiency of integration, scope and flexibility [4]. The efficiency of knowledge integration refers to the depth of individual specialist knowledge, which can be connected by the organization, whereas the scope of integration shows the variety and breadth that can be embraced by the organization.[8] Also due to the existence of extremely competitive environments, the process of knowledge integration should be open to periodic re-configuration of the integration patterns. Hence this requires the need of flexibility. Söderlund also refers to the importance of integrating individually held knowledge, which leads to the creation of new knowledge through the process of applying multiple perspectives to the same information [10]. Söderlund stresses the importance of time conditions and sense of urgency in the adoption of personal and communication-intensive forms of knowledge integration. Since time is heterogeneous, due to organizational differentiation, it depends on when knowledge has been acquired and shared, and the importance of conventional activity synchronization is stressed and plays a subject role in knowledge entrainment. According to Söderlund knowledge entrainment is a constitutive part in managing projects involving large-scale transformations and has causal relationship to knowledge integration. In spite of its causality, based on its relation to other forms of knowledge management, such as knowledge entrainment, the process of knowledge integration is rather dynamic. The model of dynamic knowledge integration argues that knowledge can be integrated differently depending on whether the members of the team work individually or collectively. If a team works together, knowledge can be integrated explicitly, or it can be integrated tacitly if a team member works alone. This also depends on individual preferences concerning the level of formal interventions. Enberg states that

there are situations where people need to communicate face-to-face in order to solve complex problems. This communication can lead to both an explicit and a tacit integration of knowledge [3].

Conclusion. The knowledge integration process can be structured and highly dependent on practice-based coordination, or it can be causal, depending on other factors of project management such as knowledge entrainment, or efficiency, scope and flexibility. It can be dynamic and triggered by the organizational ability to generate knowledge integration capabilities. Due to a variety of contextual interpretations, the knowledge integration process cannot be applied or viewed indifferently and thus it may consist of a number of unrelated or interrelated elements such as performance practices, practice based coordination and factor based conditions.

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GLOBALIZATION AND ITS AFFECTS ON DEVELOPING COUNTRIES

M.G. Malov, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv

Malov M.G., Skrypnyk T.I. Globalization and its affects on developing countries.

The article considers the definition of globalization, its drivers, positive and negative influence, as well as the impact of globalization on developing countries. The author analyzes the beneficial and harmful effects of globalization on the economies of countries and the affects of globalization on developing countries.

Key words: countries, drivers of globalization, economy, globalization, influence.

Малов М.Г., Скрипник Т.І. Глобалізація та її вплив на країни, що розвиваються. У статті розглядаються поняття глобалізації, її рушійні сили, позитивний та негативний вплив, а також вплив глобалізації на країни, що розвиваються. Автор аналізує позитивний та негативний вплив глобалізації на економіку країн та вплив глобалізації на країни, що розвиваються.

Ключові слова: вплив, глобалізація, економіка, країни, рушійні сили.

Малов М.Г., Скрипник Т.И. Глобализация и её влияние на развивающееся страны. В статье рассматриваются понятие глобализации, ее движущие силы, положительное и отрицательное влияние, а так же влияние глобализации на развивающиеся страны. Автор анализирует положительное и отрицательное влияние глобализации на экономики стран и влияние глобализации на развивающееся страны.

Ключевые слова: влияние, глобализация, движущие силы, страны, экономика.

The current stage in the development of the world economy is determined by the globalization of the world economy, the constant growth and deepening of the processes of the distribution of labour, the increase in world commodity flows, the increase in the processes of transnational capital flows, the activation of the processes of integration of national economies and world financial markets determine the process of globalization. However, globalization has different effects on developed and developing countries, most developed countries are drivers of the globalization of the world economy, and therefore they know in advance the result of any change, and it is more difficult for developing economies to adapt to all the changes occurring in the world, processes of globalization in the developing countries is relevant.

The goal of this research is to analyze the beneficial and harmful effects of globalization on the developing countries.

The object and subject of study. The object of research is process of globalization. The subject of the study is the impact of globalization in the developing countries.

Globalization is the free movement of goods, services and people across the world in a seamless and integrated manner. Globalization can be thought of to be the result of the opening up of the global economy and the concomitant increase in trade between nations. In other words, when countries that were hitherto closed to trade and foreign investment open up their economies and go global, the result is an increasing interconnectedness and integration of the economies of the world. This is a brief introduction to globalization [4].

The goal of globalization is to provide organizations a superior competitive position with lower operating costs, to gain greater numbers of products, services and consumers. This approach to competition is gained via diversification of resources, the creation and development of new investment opportunities by opening up additional markets, and accessing new raw materials and resources. Diversification of resources is a business strategy that increases the variety of business products and services within various organizations. Diversification strengthens institutions by lowering organizational risk factors, spreading interests in different areas, taking advantage of market opportunities, and acquiring companies both horizontal and vertical in nature [2].

The components of globalization include GDP, industrialization and the Human Development Index (HDI). The GDP is the market value of all finished goods and services produced within a country's borders in a year, and serves as a measure of a country's overall economic output. Industrialization is a process which, driven by technological innovation, effectuates social change

and economic development by transforming a country into a modernized industrial, or developed nation. The Human Development Index comprises three components: a country's population's life expectancy, knowledge and education measured by the adult literacy, and income.

The media and almost every book on globalization and international business speak about different drivers of globalization and they can basically be separated into five different groups:

1) Technological drivers

Technology shaped and set the foundation for modern globalization. Innovations in the transportation technology revolutionized the industry. The most important developments among these are the commercial jet aircraft and the concept of containerisation in the late 1970s and 1980s. Inventions in the area of microprocessors and telecommunications enabled highly effective computing and communication at a low-cost level. Finally the rapid growth of the Internet is the latest technological driver that created global e-business and e-commerce.

2) Political drivers

Liberalized trading rules and deregulated markets lead to lowered tariffs and allowed foreign direct investments in almost all over the world. The institution of GATT (General Agreement on Tariffs and Trade) 1947 and the WTO (World Trade Organization) 1995 as well as the ongoing opening and privatization in Eastern Europe are only some examples of latest developments.

3) Market drivers

As domestic markets become more and more saturated, the opportunities for growth are limited and global expanding is a way most organizations choose to overcome this situation. Common customer needs and the opportunity to use global marketing channels and transfer marketing to some extent are also incentives to choose internationalization.

4) Cost drivers

Sourcing efficiency and costs vary from country to country and global firms can take advantage of this fact. Other cost drivers to globalization are the opportunity to build global scale economies and the high product development costs nowadays.

5) Competitive drivers

With the global market, global inter-firm competition increases and organizations are forced to "play" international. Strong interdependences among countries and high two-way trades and FDI actions also support this driver [1].

Globalization is playing an increasingly important role in the developing countries. It can be seen that, globalization has certain advantages such as economic processes, technological developments, political influences, health systems, social and natural environment factors. Globalization has created a new opportunities for developing countries. Such as, technology transfer hold out promise, greater opportunities to access developed countries markets, growth and improved productivity and living standards. However, it is not true that all effects of this phenomenon are positive. Because, globalization has also brought up new challenges such as, environmental deteriorations, instability in commercial and financial markets, increase inequity across and within nations. This article evaluates the positive and negative impact of globalization on developing countries in the following points:

- 1) Economic and Trade Processes Field. Globalization helps developing countries to deal with rest of the world increase their economic growth, solving the poverty problems in their country. With globalization the World Bank and International Management encourage developing countries to go through market reforms and radical changes through large loans. Many developing nations began to take steps to open their markets by removing tariffs and free up their economies. The developed countries were able to invest in the developing nations, creating job opportunities for the poor people. It is clear to see that globalization has made the relationships between developed countries and developing nations stronger, it made each country depend on another country. Developing countries depend on developed countries for resource flows and technology, but developed countries depend heavily on developing countries for raw materials, food and oil, and as markets for industrial goods". One the most important advantages of globalization are goods and people are transported easier and faster as a result free trade between countries has increased, and it decreased the possibility of war between countries. Furthermore, the growth in the communication between the individuals and companies in the world helped to raise free trade between countries and this led to growth economy.
- 2) Education and Health Systems. Globalization contributed to develop the health and education systems in the developing countries. We can clearly see that education has increased in recent years, because globalization has a catalyst to the jobs that require higher skills set. This demand allowed people to gain higher education. Health and education are basic objectives to improve any nations, and there are strong relationships between economic growth and health and education systems. Through growth in economic,

living standards and life expectancy for the developing nations certainly get better. With more fortunes poor nations are able to supply good health care services and sanitation to their people. In addition, the government of developing countries can provide more money for health and education to the poor, which led to decrease the rates of illiteracy.

- 3) Culture Effects. Globalization has many benefits and detriment to the culture in the developing countries. Many developing countries cultures has been changed through globalization, and became imitate others cultures such as, America and European countries. Before globalization it would not have been possible to know about other countries and their cultures. Due to important tools of globalization like television, radio, satellite and internet, it is possible today to know what is happening in any countries such as, America, Japan and Australia. Moreover, people worldwide can know each other better through globalization. For example, it is easy to see more and more Hollywood stars shows the cultures different from America. In addition, today we can see clearly a heavily effect that caused by globalization to the young people in the different poor nations, it is very common to see teenagers wearing Nike T-Shirts and Adidas footwear, playing Hip-Hop music, using Apple ipad and iphone and eating at MacDonald, KFC and Domino's Pizza . It is look like you can only distinguish them by their language. One the other hand, many developing countries are concerned about the rise of globalization because it might lead to destroy their own culture, traditional, identity, customs and their language. Many Arab countries such as Iraq, Syria, Lebanon and Jordan, as developing countries have affected negatively in some areas, their cultures, customs and traditional have been changed [3, p. 142-143].

Conclusion. One of the major beneficial effect of globalization is possibility to improve economic condition for developing countries, and also the process of globalization give them an opportunity to involve foreign investments to improve educational and health system, provide new work places for population of developing countries and also helps them to solve the poverty problem. However, although globalization has many disadvantages, we believe that globalization has brought the developing countries many more benefits than the detriments. For example, we can see there is more and a biggest opportunity for people in both developed countries and developing countries to sell as many goods to as many people as right now, so we can say this is the golden age for business, commerce and trade.

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INFORMATION SECURITY OF GOVERNMENT SOURCES OF INFORMATION

V.S. Minko, S.V. Karlyuk (language supervisor)
V. N. Karazin National University, Kharkiv

Minko V.S., Karlyuk S.V. Information Security as the foundation of national security. The article describes the problem of information security of government sources of information. The research covers the state information policy on information security and the basic activities of public authorities.

Key words: authorities, information, security, government, policy,

Мінко В.С., Карлюк С.В. Інформаційна безпека як фундамент національної безпеки. У статті описується проблема інформаційної безпеки державних джерел інформації. Дослідження охоплює державну інформаційну політику з питань інформаційної безпеки та основних заходів органів державної влади.

Ключові слова: безпека, влада, інформація, політика, уряд.

Минько В.С., Карлюк С.В. Информационная безопасность как основа национальной безопасности. В статье описывается проблема информационной безопасности государственных источников информации. Исследование охватывает государственную информационную политику в области информационной безопасности и основных видов деятельности государственных органов.

Ключевые слова: безопасность, власти, информация, политика, правительство.

The subject of the study is information security of government sources of information.

The purpose of the study is to identify and analyze the main areas of state information policies to protect the national information space and guarantee information security.

State information policy is an important component of the country's foreign and domestic policy which covers all spheres of social life. The article considers the components of the state information policy concerning the provision of information security of the country and defines the main directions of activity of state authorities in this area. The internal and external information threats to national security of Ukraine and ways of ensuring information security of the country are analyzed.

Protecting its information interests, every state should take care of its information security. This also requires the strengthening of Ukrainian statehood. The balanced state information policy of Ukraine is formed as an integral part of its socio-economic policy, proceeding from the priority of national interests and threats to the national security of the country. From a legal point of view, it is based on the principles of a legal democratic state and is implemented through the development and implementation of relevant national doctrines, strategies, concepts and programs in accordance with current legislation. In Ukraine, there is an objective need for state-legal regulation of scientific and technological and informational activity.

A successful information policy can significantly affect the resolution of internal political, foreign policy and military conflicts. Information security is one of the essential components of the national security of the country; its provision through the consistent implementation of a well-formulated national information strategy would greatly contribute to the achievement of success in solving problems in the political, social, economic and other spheres of state activity.

Article 17 of the Constitution of Ukraine states: «Protection of the sovereignty and territorial integrity of Ukraine, ensuring its economic and information security are the most important functions of the state, the affair of the entire Ukrainian people» [1]. Information security should be understood as a set of means of ensuring information sovereignty of Ukraine [2], protection of the information sphere from external and internal information threats. This security should include efficient counteraction to a number of information threats.

The need to guarantee information security is conditioned, firstly, by the need to ensure the national security of Ukraine, secondly, by the existence of such threats to the information sphere of the country that can cause serious

damage to national interests, and thirdly, given that information can affect the change in consciousness and behavior of people. The task of information security is to create a system of counteraction to information threats [3] and protection of its own information space, information infrastructure, information resources of the state. The main information threat to national security is the threat of the other party's influencing the country's information infrastructure, information resources, society, consciousness, subconscious personality in order to impose a system of values, views, interests and decisions on vital interests spheres of public and state activity, to manage their behavior and development in the direction desired for the other party.

This is actually a threat to Ukraine's sovereignty in the vital spheres of public and state activity that is being implemented at the information level. Strategic information confrontation is an independent and fundamentally new kind of confrontation that can solve a conflict without the use of armed forces in traditional sense.

As a basic example, consider the model of solving an information-related conflict between two countries, which is compiled based on the Richardson model by Kasparov [4]. The model is based on the following hypotheses:

- in the process of information attacks, each of the two countries seeks to ensure the growth of the efficiency of its information weapon in proportion to the level of the rival's information;
- the economic potential of each country provides / limits the impact on the growth rate of information capacity of the country;
- states initiate increased levels of information capacity, guided by their own aspirations.

Every state that is part of the world of information space, should develop a set of measures for its own sustainable information development in conditions of strict competition taking into account factors of information security. This requires:

- understanding information attacks and confronting them;
 - creation of software for confronting information attacks;
 - analysis of indicators of information threats in order to improve decision-making mechanisms in public administration systems;
 - providing maximum protection against external influences;
 - analysis of the state and technical audit of all means of communication;
 - consolidation of the activities of state authorities and the media in the field of politics.
- informing the society to neutralize negative psychological influence in conditions of crises and conflicts.

In Ukraine, all kinds of information technologies, their production and means of maintaining these technologies constitute a special field of activity, the development of which is determined by the state information policy and the National Program of Informatization. Determining the tasks for the National Informatization Program, priority directions of the informatization development, volumes, sources and their budget financing procedure are assigned to the Cabinet of Ministers of Ukraine and approved annually by the Verkhovna Rada of Ukraine.

The national security of Ukraine in the information sphere should be considered as the integral unity of the four components – personal, public (public), commercial (corporate) and state security. Therefore, in the process of identifying the nature of risks, the following elements should be taken into account:

- the conceptual framework of political security [5], its principles, standards and rules, agreed with the current legislation and principles of ensuring the continuity of the information security system of the individual, society, commercial (corporate) structures and the state;
- determining of objects and goals;
- determining of the interests of all entities in the establishment of control over objects of security, as well as risk assessment and risk management;
- determining of status-functional roles, expectations and degree of responsibility of the involved actors, including reporting of events that are potentially threatened.

Conclusion. The state information policy should reflect the urgent issues that have arisen in the international sphere and the field of information security, etc. It is necessary to ensure the legislative protection of the rights and interests of all subjects of information relations. The most difficult tasks here are those which ensure harmonious provision of information security to the state, individuals and society with the simultaneous identification of urgent priorities.

The main emphasis of the state information policy should be based on ensuring the right for reliable, complete and timely information, freedom of speech and information activities, prevention of interference with the content and internal organization of information processes, except cases specified by law in accordance with the Constitution of Ukraine; preservation and improvement of the domestic national information product and technologies, providing information and national-cultural identification of Ukraine in the world information space; guarantee of state support and development of resources of scientific and technical products and information technologies.

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MARKETING STRATEGY AS A PART OF INTERNATIONAL ECONOMIC RELATIONS STRATEGY AT AN ENTERPRISE

*N.O. Miroshnyk, V.G. Kasianova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Miroshnyk N.O., Kasianova V.G. Marketing strategy as a part of international economic relations strategy at an enterprise. In the article there are proposed the ways of overcoming crisis at an enterprise using marketing strategy. The aim of this article is to analyze the process of forming a marketing strategy considering it as a part of crisis strategy development. The object of the research is crisis marketing strategy. To overcome crisis a company should consider interrelation of vectors of a crisis strategy and marketing tools. There are analyzed crisis strategies which include expansion of the sales market, the entry of a company into new market segments; increase or maintenance of a market share at the expense of new sales markets; keeping a company's position at the existing markets, increase or maintenance of a market share at the expense of the existing markets; defending the already taken market niche from competitors; minimizing the loss of a market share. There are described the marketing tools which include: trade flows, costs of marketing, prices, promotion.

Key words: distressed companies, marketing tools, market segmentation, marketing strategy, vectors of crisis strategy.

Мирошник Н.О., Касьянова В.Г. Маркетингова стратегія як частина стратегії міжнародних економічних відносин на підприємстві. У статті запропоновано засоби подолання кризи на підприємстві шляхом використання маркетингової стратегії. Мета статті – проаналізувати процес формування маркетингової стратегії, розглядаючи її як частину розвитку антикризової стратегії взагалі. Об'єктом дослідження є антикризова маркетингова стратегія. Для подолання кризи компанія має враховувати взаємодію векторів антикризової стратегії та маркетингових механізмів. Проаналізовано маркетингові стратегії, які містять експансію торговельних ринків, входження підприємства у нові ринкові сегменти; підвищення або підтримання ринкової долі за рахунок нових торговельних ринків; збереження позицій компанії на існуючих ринках, підвищення або підтримання ринкової долі за рахунок існуючих ринків; захисту своєї ринкової ніши від конкурентів; мінімізування втрати своєї ринкової частки. Описано ринкові механізми, які враховують трейдові потоки, маркетингові витрати, ціни, промоушн.

Ключові слова: вектори антикризової стратегії, кризові компанії, маркетингова стратегія, ринкові механізми, сегментація ринку.

Мирошник Н.А., Касьянова В.Г. Маркетинговая стратегия как часть стратегии международных экономических отношений на предприятии. В статье предложены пути преодоления кризиса на предприятии с помощью маркетинговой стратегии. Цель статьи – проанализировать процесс формирования маркетинговой стратегии, рассматривая её как часть развития антикризисной стратегии в целом. Объектом исследования является антикризисная маркетинговая стратегия. Для преодоления кризиса компания должна учитывать взаимодействие векторов антикризисной стратегии и маркетинговых механизмов. Проанализированы маркетинговые стратегии, которые связаны с экспансией торговых рынков, входение предприятия в новые рыночные сегменты; усиление или поддержание рыночной доли за счёт новых торговых рынков; сохранение позиций компании на существующих рынках, усиление или поддержание рыночной доли за счёт существующих рынков; защита своей рыночной ниши от конкурентов; минимизирование потери своей рыночной доли. Описаны рыночные механизмы, которые учитывают трейдовые потоки, маркетинговые затраты, цены, промоушн.

Ключевые слова: антикризисная компания, векторы антикризисной стратегии, маркетинговая стратегия, рыночные механизмы, сегментация рынка.

1. Introduction

In a wide sense international economic relations are a scientific sphere which involves a sound knowledge base of key economic directions of each national economy. Under contemporary conditions in Ukraine it is significant and urgent to study marketing strategy on the whole as a scientific unit and

also marketing strategy at enterprises which suffered crisis worldwide. This problem is not studied sufficiently in our country, so it is actual to do it in order to help our companies to overcome crisis.

International economic relations professionals should make their focus foremost external threats for each industry and each enterprise during definite time periods. Sustainable economic development of an enterprise under the condition of keen competition can be achieved in case of its security from internal and external threats. In order to provide a company's development, managers should take into account a lot of factors that influence it: effective use of all types of resources, application of innovative technologies to production, ability to react quickly to the market changes, etc. As a rule, companies make mistakes, and their periods of sustainable growth are followed by crisis processes. However, crisis should not be perceived only as a negative process: it's an imbalance of enterprise as a system which may have both positive and negative results. The further state of a distressed company depends on complexity of a counter-crisis strategy, one of the parts of which is marketing strategy. The problem of choosing and implementing crisis marketing strategy was researched by national and foreign scholars such as: V.O. Vasilenko, N.M. Tiurina, Y.M. Korotkov, S.Y. Kuznetsov, D.V. Petukhov, F. Kolter, etc. The study and analysis of the issued works let us come to the conclusion that the problem of developing crisis marketing strategy is underinvestigated. Moreover, there are various approaches to the strategy formalization and to the problem of choosing appropriate marketing strategy under crisis conditions.

Therefore, the aim of this article is to analyze the process of forming a marketing strategy considering it as a part of crisis strategy development. The object of the research is crisis marketing strategy. The subject of the research is the ways of overcoming crisis at an enterprise using marketing strategy.

After considering the issues of strategy formalization on the whole in the framework of an international economic relations and marketing strategy in particular (2), there are proposed the vectors of using marketing strategy at an enterprise (3).

2. The issues of marketing strategy formalization

There is no common way of the strategy formalization. On the one hand, it can be represented through the hierarchical levels of its development and representation: strategic (mission and goals) – tactical (policies) – operational (procedures and processes). On the other hand, it can be represented through

its functional parts. During the last years one of the relevant methods of such a representation of business strategy is a strategy map. This method is based on the elaborations of American economists Robert S. Kaplan and David P. Norton. According to their method, a strategy consists of four parts called “perspectives”: financial (“Finance”), production (“Internal business processes”), personnel (“Learning and Growth”) and marketing (“Customer”) [7]. If we combine these two approaches for a distressed company, the representation of a company’s crisis strategy will look like the following (table 1):

Table 1

Crisis strategy of a company

Parts of a crisis strategy of a company				
Perspectives	Finance	Internal business processes	Learning and growth	Customer
Hierarchical levels				
Strategic	Determination of crisis zones in each perspective in the form of their deviation from the initial strategy of a company			
Tactical	Determination of the ways of deviations’ removal by developing and implementing the relevant policies			
Operational	Determination of current measures as particular steps of the policies’ implementation			

Source: elaborated by the author according to [1].

Now, let us analyze the process of forming a marketing strategy considering it as a part of crisis strategy development. In order to understand the essence of a marketing strategy better, it is obligatory to understand the essence and principles of marketing on the whole. Marketing in a wide sense is a system of organization and management of production and sales activity of an organization which includes development of goods and services, their material and technical support and selling to consumers, setting prices, stimulation of trade, analysis of competitors and market [6]. Marketing as a business philosophy is based on four main principles [2]:

1. Customer’s orientation and flexible reaction to the changes in demand.
2. Market segmentation.
3. Profound analysis of the market.
4. Orientation at the long-term results

In order to have strong market positions and avoid a crisis situation, a company should produce goods or provide services that have demand at the market, determine target customers and aim a company's activity at their needs' satisfaction. In other words, a company should focus on a customer because this is the way to achieve strategic goals. These main principles are correct for crisis marketing either. A marketing strategy development is a complex process which involves the following steps:

- analysis and evaluation of market and marketing opportunities for a company;
- choice of target markets;
- development of the marketing mix;
- development and implementation of marketing programs.

Nevertheless, crisis marketing stipulates more thorough monitoring of external environment aimed at well-timed identification of the threats for the market position of an enterprise, or the opportunities for its improvement. Thus, crisis marketing is an activity that transforms customers' needs into a company's income [6].

3. The vectors of using marketing strategy at an enterprise

A crisis marketing strategy has to be formed according to the general crisis strategy. Depending on the current market position, a distressed company may choose one of the four possible strategies: 1) an offensive strategy of overcoming a crisis; 2) an active defensive (offensive-defensive) strategy; 3) exit from the market; 4) strategy of the "last halftime" [4]. In the table 2 there are represented the brief characteristics of these strategies.

Table 2

**Possible crisis marketing strategies
for the distressed companies**

Type of the crisis marketing strategy	Explanation
Offensive	Is used regarding perspective companies that deserve to be preserved. Offensive strategy may have the following forms: 1) selling off part of assets (in cases when getting additional money resources is vital for a company. It helps get rid of unprofitable operations and focus on the main types of activity); 2) revising the existing strategy (analyzing four functional strategies ("perspectives") and adjust them in accordance with the general strategy of a company); 3) drastic expansion of

Table 2. Continued

	income based on maximum growth of sales (it is used if the increase of productive capacity is necessary for the increase of profitability); 4) reducing costs (special attention should be paid to the decrease of administrative costs, excluding the inefficient activities from value chain, modernization of equipment for the purpose of increasing productivity, etc.); 5) a complex strategy based on simultaneous implementation of two or more measures.
Active defensive	Using some elements of its previous strategy and keeping sales, a market share and a competitive position at existing level.
Exit from the market	Is used in cases of a profound crisis or when salvation of a company is not feasible (the costs for the counter-crisis measures will exceed the possible future income).
The “last halftime”	Is used with the purpose to get maximum benefit in the short-term perspective in order to invest received money in other projects. This type of strategy is considered to be a compromise between keeping existing market position and immediate exit from the market.

As we can see, the last two strategies are advisable when rehabilitation of a company is irrational. However, the most widespread marketing strategies are the offensive and defensive ones. Let us compare them and analyze more profoundly the cases when they can be used.

An offensive strategy stipulates active and aggressive position of a company at the market and pursues the aim to gain and extend a market share. There are six main types of an offensive strategy [5]:

1. Reaching and overcoming the competitor (price competition). It is one of the most efficient offensive strategies which stipulate offering the product with similar quality but for the lower price. This strategy would be rational only if the decrease of profit will be covered by the increase of sales.

2. Using the competitor’s weaknesses. Depending on the situation, a company may attract new customers by: a higher quality of goods and after-sales service; a more well-known trademark; promotion at geographical regions where competitors have weak market positions, etc. This strategy would be feasible if it is difficult to reach the competitor’s level of quality while his weaknesses make him vulnerable.

3. Simultaneous actions in several areas. This strategy stipulates large-scale offensive actions using a set of measures (price reduction, launching new products, discounts, etc.). The success of such a strategy cannot be reached without a well-known trademark and good reputation of a company that make goods’ promotion more effective.

4. Capturing free spaces. This strategy may be considered as a particular case of the second strategy. It stipulates capturing geographical territories where a competitor has a weak market position or is not present at all.

5. Partisan war (contingency approach). This strategy should be used by small companies with lack of resources and knowledge about the market. It stipulates active but cautious use of any opportunity which appears.

6. Strategy of a pre-emptive strike. It ensures the favorable position for a company which will manage to act first.

Defensive strategies are used when a company has reached the desirable level and are aimed at keeping a market position. There are two main defensive strategies [5]:

1. Blocking a possible attack. It creates additional obstacles to the competitors.

2. Demonstrating the ability to react. The purpose of such a strategy is to make the competitors doubt that their attacks are reasonable (e.g. making a statement about an intention to keep the market share at any cost).

Let us compare offensive and defensive strategies by several criteria (table 3).

Table 3

The main differences between offensive and defensive strategies

Offensive strategy	Defensive strategy
Is used at the stage of a company's growth	Is used at the stages of maturity and decline
Provide the required level of profitability in the long-term perspective	Provide the required level of profitability in the short-term perspective
Aimed at improving market position	Aimed at keeping market position
Is used mainly at the attractive markets	Is used mainly at the unattractive markets
Is feasible when competitive advantages are average	Is feasible when competitive advantages are below the average

Source: developed by the author on the basis of [1].

In order to choose the appropriate crisis market strategy, a profound analysis of a market situation and competitor's behavior is required both before crisis occurs and in the course of it. Being a part of a crisis business strategy of a company, a crisis marketing strategy is designed to link the interests of a company to the changes in the external business environment. According to the [3, p. 11], the share of a marketing strategy in the whole firm's strategy is

about 80%. An effective crisis marketing strategy can reduce the costs of marketing and promotion (a marketing budget) without reducing the effect of generating income. Most enterprises face a number of problems during recession of national economy. Marketing budgets are particularly vulnerable which is connected with the desire of any organization to focus on short-term results or to focus on survival.

While choosing a crisis strategy, one should consider the size of a company. Small enterprises that fill any orders without ensuring a high quality and level of service and seek to gain quick profit, can implement a strategy of “a gray mouse”. According to the analysis of foreign researchers, medium-sized companies can use a strategy of market niches or a patent strategy, carefully choosing the market segment and a company’s performance on it. Acting in the way of creating innovations and making profound researches, the companies work in terms of a high risk. The strategy of intensive marketing is used for creation of demand and sales promotion using low prices and considerable expenses on promotion in order to attract potential consumers or in order to increase consumption of production of the existing consumers. For large companies, it is typical to use a strategy of a deep penetration into new markets, simultaneously suffering significant losses for creation of demand and sales promotion. In Ukraine, it is important for large companies to create a strategy of commitment to the trade mark by achieving high quality of goods, services, sustainable level of prices, availability of products in different geographical areas and time aspects.

4. Conclusions

In marketing, a crisis condition of an organization means that it is short of competitive advantages. This condition does not occur instantly. Certain signs of a crisis state may be seen because of progressive deterioration of economic performance of a company which is reflected in decrease in sales, revenues, profitability and worsening of a company’s image for its consumers.

A correctly chosen strategy enables the use of specific marketing tools, means and methods to achieve the planned market share and profit. Crisis marketing strategies have three main vectors of influence. To overcome crises a company should consider interrelation of vectors of a crisis strategy and marketing tools. Necessary *crisis strategies* include 1) expansion of the sales market, the entry of a company into new market segments; 2) increase or maintainance of a market share at the expense of new sales markets; 3) keeping a company’s position at the existing markets, increase or maintainance of a

market share at the expense of the existing markets; 4) defending the already taken market niche, protecting it from competitors; 5) keeping or minimizing the loss of a market share. *Marketing tools* include: trade flows, costs of marketing, prices, promotion. *Trade flows* may be: medium or low flows, *flows of medium intensity which have a growth trend, intensive flows*. *Costs of marketing* may be: high, medium, low. *Prices* may be: flexible, high, high or medium, low. *Promotion* may be: aggressive, steady, insignificant. Each of the above mentioned vectors of the crisis marketing strategies can be used by the companies which have certain characteristics.

Unstable conditions in which global and Ukrainian economy functions require certain changes to be made in the strategy of the companies' activity on the market. Such changes require implementation of a marketing complex for the companies in order to be adapted to the reduction of the level of consumers' income. Successful marketing activity in the framework of international economic relations becomes a positive estimation of a company's performance.

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THE COMPETITIVENESS OF FRANCHISING IN THE TOURIST MARKET OF UKRAINE

*A.R. Moskalenko, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Moskalenko A.R., Saprun I.R. The competitiveness of franchising in the tourist market of Ukraine. The article analyzes the peculiarities of the system of franchising in the tourism business and the relevance of its development in Ukraine. The main positive and negative aspects of this type of business, as well as the main conditions for the opening of franchised offices of the most popular tour operators in the tourist market of Ukraine have been described.

Key words: franchised office, franchising, tour operator, tourism business, tourist market.

Москаленко А.Р., Сапрун І.Р. Конкуренентоспроможність франчайзингу на туристичному ринку України. У статті аналізується особливості системи франчайзингу в туристичному бізнесі і актуальність його розвитку в Україні. Описано основні позитивні і негативні сторони даного типу ведення бізнесу, а також головні умови для відкриття франчайзингових офісів найпопулярніших туроператорів на туристичному ринку України.

Ключові слова: туристичний бізнес, туристичний оператор, туристичний ринок, франчайзинг, франчайзинговий офіс.

Москаленко А.Р., Сапрун И.Р. Конкуренентоспособность франчайзинга на туристическом рынке Украины. В статье анализируются особенности системы франчайзинга в туристическом бизнесе и актуальность его развития в Украине. Описаны основные положительные и отрицательные стороны данного типа ведения бизнеса, а также главные условия для открытия франчайзинговых офисов самых популярных туроператоров на туристическом рынке Украины.

Ключевые слова: туристический бизнес, туристический оператор туристический рынок, франчайзинг, франчайзинговый офис.

The object of the article is franchising in tourism. The subject is the competitiveness of the franchise in the tourist market of Ukraine. To assess the prospects of franchising in the tourism market of Ukraine and to analyze its advantages and disadvantages is the aim of this article.

Franchising is a system of organizing and doing business, where one company (the franchisor) grants the right to another independent company or individual business (franchisee) to conduct its business using the name, the business system and technology of the franchisor and its similar to the

franchisor's goods and services. That is, in this case, the franchisee buys experience and a proven system of doing business, thereby minimizing the possibility of launching a business that will not be able to recoup.

At the present stage of tourist business development in Ukraine the share of franchised travel agencies in the total number is not high enough. This is due to the fact that this type of business only is starting its development in our country, that makes the study of competitiveness of franchising in Ukraine relevant.

As soon as the franchise appeared on the tourist market of Ukraine, many employers doubted the success of this model of tourist business, but gradually, these enterprises have begun to prove their competitiveness. The advantages of tourist franchising are the following ones:

1. To work under a famous tourist brand, which has already acquired its customers and a certain value among the competitors;

2. The brand of your travel agency grows along with the company offering you the franchise, and you do not make any big efforts;

3. The market of franchises of Ukraine has not developed at a high level yet, so this is one of the easiest ways to start your business for beginners and young people with a minimum investment as well-known tour operators provide favorable conditions for cooperation to attract new members.

According to the above mentioned advantages, it can be seen that opening a franchise travel agency is significant at the present time and more and more people join this type of tourist business [4].

The next point need considering deal tour operators who are the leaders in the provision of its franchise in Ukraine. These are: Coral Travel, TUI, Join Up, TPG, Tez Tour. Each of these companies have their own conditions for joining the network, including the following criteria:

- Investment: how much money you need for opening the office of the company;
- Royalty: monthly amount paid by the travel agency for the use of the brand;
- Lump sum: a one-time payment to the franchisor, for joining the network;
- Requirements for the room: office size, design, branded furniture, etc.;
- Requirements for staff: experience of managers.

There are other conditions that are discussed directly with a specialist franchising division of the tour operator. Depending on these conditions, people striving to set up their own business, choose a particular brand under which they will work. It is necessary to take into account that tour operators can have multiple packages of franchising, depending on who wants to open a business. It should also be kept in mind that in this business the conditions are more complex for beginners. At the same time, experienced agents who have worked

in the tourism business and have its customer base, and even better, an independent travel agency, are granted preferential terms of entry, for example, no lump-sum payment, reimbursement of expenses for office design, etc.

In general, some of tour operators' requirements can be examined from Table 1.1.

Table 1.1

The conditions of franchising of different tour operators

	Coral Travel	TUI	Join Up	Tez Tour	TPG
Investment	From 1000 to 10000\$	From 1000 to 2000\$	From 1800 to 3000\$	From 6000 to 8000\$	From 1000 to 3000\$
Lump sum	From 2400 to 210 000 UAH	depends on the region: 100 – 400\$	500\$	From 5000 to 7000\$	The package from 8000 UAH
Royalty	1000-2500 UAH per month	50-200\$ per month	500-1000 UAH per month	1% of turnover	-
Requirements for the room	From 17 to 50 m ²	From 15 m ²	From 6 to 35 m ²	From 15 to 25 m ²	From 10 m ²

Source: The table is compiled by the author on the materials [2].

It can be noticed that the franchise is usually selected, depending on the conditions satisfying the franchisee. However, the attachment to a particular brand is equally important.

The system of tourism franchising can have some disadvantages, namely:

- The lack of support the franchisee in managing the office;
- Not always a clear policy in dealing with franchisees
- The high standards of the franchisor; if a travel agency does not meet these standards, a tour operator may impose a penalty to the business owner
- The difficulty in the promotion of individual Agency network, because the franchisor focuses on the company as a whole in their advertising.

These shortcomings may differ depending on tour operators you have signed the franchise agreement and what obligations and conditions will be spelled out in the agreement.

Overall, it can be concluded that franchising is a promising direction in the development of tourist business in Ukraine. Many of the tour operators assume

the part of the cost of opening a franchise office that allows you to open your own business without big initial investment. In addition, the tour operator regularly carries out advertising campaigns that promote the brand under which you will be working and do not need to invest large amount of money in advertising. Moreover, the franchise office receives counselling and legal support, as well as effective and proven system of office development. All these benefits allow us to say that franchising in tourism is a type of business that will increasingly develop in the future and to be popular, especially among young people who want to start their own business but do not have the large financial capacity.

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UKRAINIAN ECONOMY AND DIRECT FOREIGN INVESTMENTS

*D.D. Mykhailiuta, O.V. Drachuk (language supervisor)
V.N. Karazin National University, Kharkiv*

Mykhailiuta D.D., Drachuk O.V. Ukrainian economy and direct foreign investments. The article describes the state of Ukrainian economy through the prism of its attractiveness for foreign investors. In the article the problems, which hinder the attraction of investments, are described. The examples of successful international cases of the adaptation of national legislation to attract investors have resulted in recommendations for improving the status of the problem being described.

Key words: economy, foreign investment, law adaptation.

Михайлюта Д.Д., Драчук О.В. Українська економіка та прямі іноземні інвестиції. У статті описано стан української економіки крізь призму її привабливості для іноземних інвесторів. У статті зазначено проблеми, що заважають залученню інвестицій. На прикладі успішних міжнародних кейсів адаптації національного законодавства для залучення інвесторів сформовано рекомендації щодо покращення стану досліджуваної проблеми.

Ключові слова: адаптація законодавства, економіка, іноземні інвестиції.

Михайлюта Д.Д., Драчук Е.В. Украинская экономика и прямые иностранные инвестиции. В статье описано состояние украинской экономики через призму ее привлекательности для иностранных инвесторов. В статье указаны проблемы, мешающие привлечению инвестиций. На примере успешных международных кейсов адаптации национального законодательства для привлечения инвесторов сформированы рекомендации по улучшению состояния исследуемой проблемы.

Ключевые слова: адаптация законодательства, иностранные инвестиции, экономика.

Ukraine's economy is in a difficult situation, which continues to worsen as a result of the continuation of economic recession, a number of political problems and military operations in eastern Ukraine. As for the foreign investment, it plays an important role in creating favorable conditions for the development of the Ukrainian economy. This determines relevance of the study.

The object of the study is Ukrainian economy in terms of current social and economic conditions. The subject of the study is the assistance that direct foreign investments can have in regard to improving the economic situation in Ukraine.

The aim of the study is to analyze the present condition of Ukrainian economy and study the role of direct foreign investments in its potential constant growth.

The attraction of foreign investment enables the recipient country to obtain a number of benefits, the main of which is the improvement of the balance of payments; latest technologies and know-how transfer; complex use of resources; development of export potential and reduction of dependence on imports; achievement of social and economic effect (increase of employment level, development of social infrastructure, etc.) [2].

National legislation on foreign investment regulates the protection and promotion of foreign investment by establishing state guarantees for the protection of foreign investments and the release of foreign investors from import duties on goods imported into the customs territory of Ukraine.

The main obstacles for investors are the lack of property rights guarantees, volatile tax legislation, significant corruption pressures and currency constraints [3].

It should be noted that today's state policy in attracting foreign direct investment is characterized by the lack of control over the shares of attracted investments in terms of economic activities, the legislation does not establish a list of strategic industries, safe thresholds for participation in them of foreign capital and an appropriate mechanism for assessing such participation at the pre-investment stage. The lack of a strategy for investment policy and effective mechanisms for regulating the admission of foreign capital led to its spontaneous distribution in various spheres of the Ukrainian economy.

In developed countries there are restrictions on the right of ownership of strategic enterprises by foreign investors and the degree of their influence and power. This applies, first of all, to the mining, agrarian sector, services (transport, communications, finance and insurance). The manufacturing sector does not contain such prohibitions. The mixed form of ownership is transferred to the management, concession, and leasing. These enterprises operate with the participation of the state.

Potential investors from abroad in all developed industrial countries (except the USA, Germany, Italy and Switzerland) must obtain a special government permission to invest. Even if the transfer of capital does not require a prior authorization, the foreign investor must notify him of the competent state authority for management and control of investments in strategic sectors of the economy: in the USA – the Committee on Foreign Investments, in Germany – a special body for the control of foreign investments. A special foreign investment control body, which complies with national security and anti-monopoly legislation, is also established in China.

In the United States there are 42 activities that are considered strategic. The Security Council may veto any agreement that threatens to the security and national interests of the country. The PRC has a mode of differentiation of attracted foreign investment according to the criteria: encouraged, limited and those that are prohibited. Foreign investments in the real estate sector are limited, among them the construction and operation of 5-star hotels, office buildings. Participation in the financial sector is possible only in the form of joint ventures, and the controlling stake must be held by Chinese companies, this concerns to insurance, banks, financial and leasing companies, the management of funds (no higher than 49%). JV is allowed in the agrarian sector, food industry, mining, in the construction of refineries. If earlier the PRC attracted foreign investments at any price, now it is selective, special attention is paid to the quality of investments and the importance of industries and spheres from the standpoint of ensuring competitiveness and economic security [2; 4].

In many countries, there is a mechanism for monitoring the intaking of domestic firms by foreign investors. In Germany, for example, capturing 25% of the company's share capital the investor is obliged to inform the company about it. In Japan, the establishment of overseas control should be unanimously approved by the board of directors. In Great Britain, the purchase of a controlling stake in large manufacturing enterprises by foreigners can be prohibited if it contradicts national interests.

If we compare the Ukraine's investment environment, one can look at a small western neighbour – Slovakia. This state has shown one of the fastest and most effective transformations of the business environment in the world. Slovakia's economy today shows the fastest growth in Central Europe. Tax reforms, highly skilled workforce and state incentives have created a so-called paradise for investors attracting world-famous companies such as Peugeot-Citroen, Hyundai, Kia Motors, Ford Motors, Volkswagen, Dell Computer Corporation, IBM, Lenovo, Sony, Samsung, US Steel, Tesco Stores SR. The minimum wage in Slovakia in 2015 was 380 euros, the average – 825 euros [2].

In regard to the attraction of funds to infrastructure facilities, Turkey's experience is interesting. This is the 18th economy of the world. The economic breakthrough in this country occurred with the adoption of the law on foreign direct investment in 2003. Its main instrument was the special investment zones (SIZ), which have special tax regimes and privileged conditions for doing business. There are about 200 such zones in Turkey and they are divided into three types: industrial parks, organized industrial zones and free zones. Most of them are concentrated in historically formed industrial and scientific centers [4].

Another instrument for investment stimulation was the creation of the Association of Foreign Investors, which represents the interests of foreign investors in the Turkish government, monitors the implementation of laws and other regulatory acts regulating investment activities. Today there are about 30 thousand foreign companies registered in Turkey. The wealthy Turks have nothing to hide in offshore money, the money can safely work within the country, and 12 billion dollars FDI in 2015 is a real capital drawn to the state [2].

The Flows of Investments to the state's or region's economy is a clearly positive factor. But of course, domestic investment looks much more attractive than the external ones, because they are not connected to the problems and inconveniences caused by Western capital expansion.

According to the experts, foreign direct investments, IMF loans and privatization, contrary to the expectations of all Ukrainian governments, including

the new ones, aren't a panacea for all the misfortunes and will not lead to an economic breakthrough. They are only a small addition to domestic investment. The experience of countries that have created an economic miracle shows that only an emphasis on domestic resources can lead to a long-term economic development [6].

Contrary to a popular belief, countries in Southeast Asia (Japan, South Korea, China) have focused on domestic rather than on foreign investment. Foreign direct investment there made up a small share. Thus, according to the World Bank, in Japan and South Korea, with high long-term economic growth, annual foreign direct investment inflow until 1997 did not exceed 0.5% of GDP. At the same time, total investments exceeded foreign direct investments in Japan by 350 times (30-35% of GDP), in South Korea – 40 times (20-30% of GDP), and in China – 10-30 times (30-45% GDP) [2;4].

Today, in Ukraine (as in most post-Soviet countries), the capacity to accumulate domestic investment resources is much lower than in Western Europe or the US [1].

Credits of international financial institutions are used, first of all, to repay preliminary debts, that is, they are returned to creditors and not directed at the development of the economy.

As the experience of other countries shows, if Ukraine bargains on an economic miracle, or at least to long-term economic growth, it is necessary, first of all, to rely on domestic resources. The liberal tax policy, the protection of property rights (both private and state) and the rule of law will restore the trust of the domestic investor and provide such a necessary capital for the development of the Ukrainian economy. And a foreign investor and a creditor will pull it up.

At the same time, the objective laws of the world economy, processes of international migration of capital sign that Ukraine cannot stand apart from the active attraction and use of foreign capital [5].

The gradual opening of the Ukrainian economy, its integration into global processes and structures will require long time and should be carried out in stages, as the appropriate internal and external prerequisites mature.

The most important thing is that foreign direct investment can be a source not only of capital but also of new technologies, management skills and marketing systems. These resources, in turn, will stimulate competition, innovation, accumulation of capital, and thus create jobs and economic growth [3].

Conclusion. Thus, considering in general the double effect of foreign investment on the economy of the recipient country, we can conclude that

attracting foreign direct investment to the Ukrainian economy has significant advantages. This is confirmed by the experience of many Central and Eastern European countries. And in order to prevent negative consequences, this process requires the development of a regulatory mechanism through which foreign investment will be mutually beneficial. Consequently, attracting foreign investment remains one of the key issues of economic reform in Ukraine.

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THE FINANCIAL CRISIS AND ITS IMPACT ON DEVELOPING COUNTRIES

V.A. Nabokova, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv

Nabokova V.A., Skrypnyk T.I. The financial crisis and its impact on developing countries. The article deals with the definition of financial crisis, its causes and impact on developing countries. The author analyzes mechanisms that play a key role in spreading the consequences of the financial crisis to the developing world: remittances, capital flows and trade.

Key words: capital flows, financial crisis, impact, remittances, trade.

Набокова В.А., Скрипник Т.І. Фінансова криза та її вплив на країни, що розвиваються. У статті розглядається визначення фінансової кризи, її причини та вплив на країни, що розвиваються. Автор аналізує механізми, які відіграють

ключову роль у поширенні наслідків фінансової кризи для країн, що розвиваються: грошові перекази, рух капіталу і торгівля.

Ключові слова: вплив, грошові перекази, рух капіталу, торгівля, фінансова криза.

Набокова В.А., Скрипник Т.И. Финансовый кризис и его влияние на развивающиеся страны. В статье рассматривается определение финансового кризиса, его причины и влияние на развивающиеся страны. Автор анализирует механизмы, которые играют ключевую роль в распространении последствий финансового кризиса для развивающихся стран: денежные переводы, движение капитала и торговля.

Ключевые слова: влияние, денежные переводы, движение капитала, торговля, финансовый кризис.

The subject of the study is the impact of crisis on the developing countries. The purpose of the study is to analyze the main problems and impact of crisis on the developing countries and the global economy as a whole.

The global financial crisis, the intensification of competition in domestic and foreign markets, the emergence of new competitors with a wide range of goods and services, the volatility of financial markets, the decline in profitability and the growing risk of doing business – all this has a direct impact on the global economy. There is a need to understand the causes of crises and to find out possible ways out of them, in order to prevent such a devastating impact on the economy.

The term «financial crisis» is widely used in a variety of situations in which some financial assets suddenly lose most of their nominal value, but it does not necessarily lead to changes in the real economy. The financial crisis is a crisis that is systematically covers financial markets and institutions of the financial sector, international finance, money circulation and credit, state, municipal and corporate finance. Financial crises have common elements, but they come in different forms. Financial crises are generally multidimensional events and are difficult to characterize using a single indicator. There are the following types of financial crises: a banking crisis, a currency crisis, speculative bubbles and international financial crises. Banking crisis is a situation when a bank faces with a sudden outflow of depositors' funds. A currency crisis is a situation when the exchange rate, which is pegged to the currency of another country, is on the verge of collapse, causing committed speculation. A speculative bubble is in the case of large, sustainable overpricing of any asset class. Financial crises are reflected in a sharp rise in interest rates, a collapse

in exchange rates, massive withdrawal of deposits from banks and credit crunch, currency and debt crisis.

The financial crisis of 2008/09 has become an earthquake to the world's economic system. Have started in the USA, it has rapidly overcome the boundaries of the States and has spread over the Europe and Asia, bringing unemployment and financial recession along. The following remains obvious, if we don't want its recurrence in future, we should investigate its root causes now. The world economic system endures times of prosperity as well as followed by inevitable declines. The circulating scheme is characterized by the rise of manufacturing and it is following recession, thus permitting to keep to the world financial and economic balance order. No one in the world was ready to take the burdens of the economic crisis on the shoulders and to resist its unpredictable consequences. In spite of the fact, almost everybody understood how important it is to examine the reasons of it.

The nature of the crisis is very different for developed and developing countries, and among the latter there is also a considerable diversity of effects.

In developed countries, for example, the crisis of 2008/09 was due to a drying up of credit flows as financial institutions was no longer able to assess the creditworthiness of other enterprises, whether financial or nonfinancial. For instance, the inability of some companies to obtain insurance for orders they have placed with suppliers has caused them to curtail their production and sales activities. This problem has been aggravated by developments on the demand side, with households compelled to increase their savings to compensate for the fall in the value of their financial and real estate assets. Rising fears of unemployment have also led households to curtail consumption. In this sense, the crisis differs from most of those in the past in that the problem is not a lack of demand for credit but a lack of supply of credit.

For the developing countries, which have become increasingly integrated into global trade and finance over the past few decades, the crisis was not one of credit but of falling demand in the markets of developed countries. The financial crisis in the developed countries did not initially affect developing economies as the crisis did not originate within their financial systems. But when demand fell in developed countries, volumes and prices of exports from developing countries declined. This initial severe contraction of output and employment in the export industries of developing countries in turn has spread to other industries in these countries, causing economy-wide declines in output and employment [1].

The crisis can be seen as being driven by the reversal of the three mechanisms that developing countries experienced during the recent boom: rapid growth of remittances, capital flows and trade.

Remittances. For some regions, there is strong evidence of reduced dynamism of remittances. In the case of Latin America, in particular, remittances grew very slowly both in 2007 and 2008, falling as a proportion of GDP in both years, in sharp contrast with the rapid growth earlier in the decade. Overall, therefore, remittances are likely to show resilience and are, therefore, unlikely to be a major channel of transmission of the crisis. However, should the recession become deep and prolonged, the effects on remittances could deepen.

Capital Flows. In contrast, one of the key channels for transmission of the crisis from developed to developing countries is via private capital flows. The effects take place both via volumes and cost of flows. Vulnerability of developing countries to rapid deterioration in capital flows has been diminished by the fact that, as a result of their good policies, many of these countries have far higher levels of foreign exchange reserves and lower levels of external debt. Emerging market investors (both public and private) have also become an important source of capital and other flows to other developing countries.

At the same time, new sources of vulnerability have opened up, such as the volatility of portfolio investments made into the growing domestic capital markets of developing countries and the rapid unwinding of carry trade. Also, increasing foreign ownership of developing country banks has not proven to be a source of strength, and in some cases may have been a source of fragility, as these banks have withdrawn lending to their subsidiaries in developing and transition countries in order to strengthen their very weak positions in developed countries.

This impact of the global financial crisis has been more severe for emerging markets than for low-income countries, which are less integrated into international private capital markets. Indeed, capital flows to low-income Africa have been relatively limited. It is unfortunate, furthermore, that the bond issuance that some Sub Saharan African countries had begun to make has also stopped. Hardest hit were the transition economies of Central and Eastern Europe, where the combination of adverse expectations generated by large current account deficits, high vulnerability of the domestic financial system, or both, led to rapid withdrawals of private capital flows. The reversal of portfolio flows in East and South Asia was large and even surprising in several cases. For South Korea, for example, the Institute of International Finance estimates that foreign investors withdrew a massive net \$45 billion in 2008. Countries like India and Taiwan POC also saw negative portfolio investment flows. In Latin America, Brazil and Mexico were hit by losses in derivative

markets and, in the first case, by the unwinding of the carry trade. South Africa was also severely hit.

Trade. World trade has shown in recent decades two important characteristics. First of all, it has tended to expand more rapidly than world production, a process that has been accompanied by a rapid diversification in the trade structure.

First of all, it has tended to expand more rapidly than world production, a process that has been accompanied by a rapid diversification in the trade structure. Thus, during the recent boom, in 2003-2006, world trade grew at an annual rate of 9.3%, more than twice the rate of growth of world output (3.8%). Secondly, these rates of growth have been highly elastic to world output through the business cycle and have, therefore, been more volatile than world production. A major implication of this is that, although trade enhances world business cycle upswings, it equally tends to multiply downswings. Trade volumes contracted in 2001 and will again contract in 2009. The growth of trade volume experienced a strong slowdown since mid-2007, to a rate of around 2% by September 2008. This rate turned negative in November and December if we are to judge from reports that indicate that even the most dynamic world exporter, China, experienced negative export growth in those months, and even sharper negative import growth [2].

While this recession in trade volumes will be the main channel of transmission of the crisis to exporters of manufactures and services (tourism being a major service export for many developing countries), price developments will dominate the export performance of exporters of primary goods.

To summarize, we can highlight some important lessons for development:

- The importance of domestically generated development. It's clear that both from a poverty and a vulnerability perspective, it's better to have a solid domestic base from which to build financial institutions. This means that the ongoing commitment of many rich countries to continued financial liberalisation in poor countries under the guise of 'free trade' agreements needs to be challenged.

- The importance of diversified financial flows. Shocks can and will happen, however the economy is designed. It's important that financial flows are as diversified, and as predictable, as possible. A mix of domestically generated and foreign flows is crucial. To raise domestic flows, governments need to increase their tax revenues.

- The importance of controlling risk in the global economy. Anyone interested in development should be interested in controlling risk. This means

a global economy that is managed to reduce the risks of sudden shocks – to private flows, government flows, and short and long term flows.

- The importance of regulating financial markets so that it becomes thinkable to provide funds in the poorest countries. At the same time as managing risk, financial markets need to be organised to encourage more long-term investments and investment in countries that lack their own domestic capital but at the moment are ignored by international capital altogether.

- The importance of involving even the poorest countries in decisions about global financial markets. The data shows that all countries are affected by the financial crisis, so all countries have a stake in improving the system. It's essential that all countries have a say in how the system is reformed, not just the G20 [3].

Conclusion. To sum it up one can say that the root cause of the economic and financial crisis lie in the ineffective policies of the economic and financial sectors of the leading and developing countries in the world. This has some important lessons for development: the importance of domestically generated development; the importance of diversified financial flows; the importance of controlling risk in the global economy; the importance of regulating financial markets so that it becomes thinkable to provide funds in the poorest countries; the importance of involving even the poorest countries in decisions about global financial markets. One should take into account the root causes to oust its re-occurrence in future.

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PERSONNEL MOTIVATION AND MANAGEMENT AT TOURISM ENTERPRISES

*N.A. Nagubnev, O.M. Petrenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Nagubnev N.A., Petrenko O.M. Personnel motivation and management at tourism enterprises. The main conditions of development and functioning of a personnel management system at a tourism enterprise are considered in the article. The main factors of competitiveness are revealed, with further disclosure of the importance of motivating staff to work, and the development of corporate culture by heads of tourism enterprises.

Key words: development of people, labor force, motivation, personnel management.

Нагубнєв М.О., Петренко О.М. Мотивація та управління персоналом на туристичному підприємстві. У статті розглянуті основні умови розвитку і функціонування системи управління персоналом на туристичному підприємстві. У процесі написання статті проаналізовано основні фактори конкурентоспроможності з подальшим розкриттям важливості мотивування персоналу до трудової діяльності, а також розробки корпоративної культури з боку керівників туристичних підприємств.

Ключові слова: мотивація, робоча сила, розвиток людей, управління персоналом.

Нагубнев Н.А., Петренко Е.Н. Мотивация и управление персоналом на туристическом предприятии. В статье рассмотрены основные условия развития и функционирования системы управления персоналом на туристическом предприятии. В процессе написания статьи проанализированы основные факторы конкурентоспособности с дальнейшим раскрытием важности мотивирования персонала к трудовой деятельности, а также разработки корпоративной культуры со стороны руководителей туристических предприятий.

Ключевые слова: мотивация, рабочая сила, развитие людей, управление персоналом.

In the conditions of the market economy formation in our country, a practical application of modern forms of personnel management is of a paramount importance, which allows to increase social and economic efficiency of any enterprise. Personnel management is a purposeful activity of an organization management, including managers and specialists of a personnel management system, which involves the development of a concept and strategy for personnel policy and personnel management methods. This

activity stipulates for the formation of a personnel management system, planning of personnel work, marketing of personnel, identification of human resources and organization's need for personnel. Personnel management becomes a factor of increasing the competitiveness and a long-term development of an enterprise therefore it requires increased attention and determines the relevance of the article. The article focuses on modern forms of personnel management, with a motivation of employees and a corporate culture of enterprises being the subject of the research.

A significant contribution to the solution of the problem of providing personnel management at enterprises was made by M. Armstrong, D. Boginya, V. Vesnin, N. Gavkalova, J. Graham, A. Grishnova, P. Drucker, J. Lafta, M. Nagorskaya, V. Savchenko, P. Forsif, A. Chukhno, G. Shchekin and many others.

In general, human resources management is an integrated applied science and a field of practical activities for the development and implementation of organizational, economic, administrative and managerial, legal and personal factors, methods of influencing the personnel of enterprises to improve the efficiency of the latter.

The main factors of enterprise competitiveness are the availability of labor force, the degree of its motivation, organizational structures and forms of work that determine the effectiveness of the personnel use. Motivation is a combination of all the motives that affect human behavior.

The motivation for a labor activity includes a set of motives that act with full force over a long period of time, as well as the duty, the desire to fulfill an assigned task, or to assist a colleague.

Motivation provides stimulation by means of exogenous factors (material and moral stimulation), motivation of internal (psychological) inducement to work.

The main tasks of motivation are the following: to form each employee's understanding of the essence and significance of motivation in a labor process, to train staff and management on a psychological basis of communication, to help each manager to apply democratic approaches in personnel management using modern methods of motivation.

Thus, motivators are not only different bonuses, memorable gifts and the like. The nature of the remuneration of labor depends on its quantity and quality, as well as on satisfying the wishes and hopes of workers themselves. One of the most effective motives for creative work is a professional advancement. The opportunity to purchase enterprise's shares is of great

importance, it makes a good impression on an employee. Every large enterprise in accordance with its features, capabilities and traditions needs to develop, implement and constantly improve its incentive system, which fully meets the interests of both employees and employers as a whole. Moral and psychological incentives, the number of which is quite large, may be even more significant and effective.

Every leader should take care of increasing the competence of those he is in charge of. Almost every person has a significant potential for personal and professional growth, and as human resources become more expensive, it becomes increasingly important to use this potential.

The development of people is a key element of a managerial effectiveness, which allows to achieve the following results: increased interest and feedback of an employee, higher performance results, emergence of candidates for promotion, increased vitality and creation of a favorable climate, constant improvement of standards, creation of favorable conditions for a personal growth, ability to assess individual needs, ability to consult, ability to learn from experience.

Internal motivation is a motivation that comes from the subconsciousness and requires any goal or task to be fulfilled and achieved [2]. To do this, a manager needs to know the inner world of his subordinate well in order to understand what exactly this worker desires (money or status), since often the motivational mechanism of a labor remuneration plays a big role at organizations, especially commercial ones. However, studies show that a constant increase in the level of wages does not help to maintain both labor activity at a necessary level and increase in labor productivity. The application of this method can be useful for achieving short-term increases in labor productivity, therefore, in addressing this issue, the mechanisms of moral stimulation become a priority [3, p. 52].

In order to ensure a long-term effect of motivation, one must be able to constantly engage his personnel in the process of work. Also it is necessary to take into account that there are such persons for whom material compensation is not a reward at all. The ability to stimulate the desire of employees to improve their results can be achieved through the following simple methods: entrusting employees with work that would allow them to communicate more often, holding systematic meetings with subordinates not only for making strategic decisions, but also for discussing current issues. At such meetings, workers should be able to express their own wishes for the improvement of their work. With this aim, the worker must not be afraid

of his leader, that is, there should be friendly and business relations in the whole team.

One of the most important issues in the implementation of any enterprise's strategy is the development of motivation techniques, which creates a sense of responsibility and success of the staff for the work done. Applying techniques of motivation, it is necessary to emphasize the responsibility of each and everyone by using the concept of incentives. Deep changes in the structure and quality of the labor force, in the content of labor, the exhaustion of the reserves for the growth of labor efficiency due to physical capabilities, require non-traditional approaches to stimulate labor motivation. At the same time, the task is to activate employee's opportunities related to his skill, education and vocational training, development of labor potential, aspiration for creativity and self-realization. So, in order to deeply understand employees' behavior and to influence it properly, managers of tourism enterprises should be fully able to determine the causes of low labor productivity and effectively motivate employees to raise it.

The increase of return on human resources can be achieved only by working out clear algorithms for working with personnel, which reliably ensures the achievement of established results of organization's activities. Ensuring efficient management of the personnel of a tourism organization is possible under the following conditions: the development of an effective personnel assessment system in the course of activities, the use of effective forms of personnel training, the involvement of personnel in managerial decision-making, the creation of conditions for the development of intellectual abilities of employees, the formation of a favorable moral and psychological climate in groups, corporate events.

In the process of developing a tourism organization, its social capital, that is, links, norms of behavior and values ??that contribute to the interaction of its workers, is not the last factor. In organizations with a low capital where positive moral and psychological climate prevails, conflict situations can still occur, which is a negative aspect of their activity. To form a social capital of an enterprise, it is necessary to implement a corresponding social structure of a staff with the adoption of measures that will strengthen it.

Corporate culture is able to hamper or stimulate an effective operation of personnel at enterprises. That is why leading enterprises give priority to the formation of an appropriate corporate culture in an attempt to use intellectual potential effectively. In order to increase efficiency entrepreneurs should pay more attention to a personnel policy that will help with the formation and use of an intellectual and social capital of an enterprise.

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THE COMPETITIVE POSITIONS OF UKRAINE ON THE WORLD MARKET

*V.Y. Nedozyum, N.N. Startseva, PhD (language supervisor)
V.N. Karazin Kharkiv National University*

Nedozyum V.Y., Startseva N.N. The competitive positions of Ukraine on the world market. The article investigates the concept of competitiveness, determines the factors that ensure competitive advantages of some countries over the others, shows tendencies in economic phenomena which lead to raising the competitiveness of the country, indicates the main problems in achieving the high competitive position and discovers the potential for the development. The competitive advantages of Ukraine on the world market are discovered.

Key words: competitiveness, competitive advantages, economic phenomena, development, factors, potential, tendencies, world market.

Недозим В.Ю., Старцева Н.М. Конкурентні позиції України на світовому ринку. У статті досліджується концепція конкурентоспроможності, визначаються чинники, що забезпечують конкурентні переваги деяких країн над іншими, продемонстровано тенденції в економічних явищах, що ведуть до підвищення конкурентоспроможності країни, вказано на основні перешкоди для досягнення високої конкурентної позиції та виявлення потенціал для розвитку. Підкреслено конкурентні переваги України на світовому ринку.

Ключові слова: економічні явища, конкурентоспроможність, конкурентні переваги, потенціал, розвиток, світовий ринок, тенденції, фактори.

Недозим В.Ю., Старцева Н.Н. Конкурентные позиции Украины на мировом рынке. В статье исследуется концепция конкурентоспособности, определяются факторы, которые обеспечивают конкурентные преимущества некоторых стран над другими, показаны тенденции в экономических явлениях, которые приводят к повышению конкурентоспособности страны, указаны основные препятствия для достижения высокой конкурентной позиции и выявлен потенциал для развития. Подчеркнуты конкурентные преимущества Украины на мировом рынке.

Ключевые слова: конкурентоспособность, конкурентные преимущества, мировой рынок, потенциал, развитие, тенденции, факторы, экономические явления.

Relevance. During the last decade the world economy has succeeded to a new level of competition. The concept of competitiveness which is the subject of the article has become one of the essential characteristics used for comparing the ability of the countries to participate in the international economy.

The aim of this article is to study the economic competitiveness of Ukraine, to compare its competitive position with other countries in the world economy. The Ukrainian potential as well as the main barriers which reduce competitive positions of Ukraine on the international market are to be discovered.

Today there are several institutions researching competitiveness of a separate economic unit as well as an industry or the whole country. Each institution, that deals with the research of the reasons of competitive advantages of countries, use a wide range of indicators, according to which the rate of competitiveness is examined. The most well-known ratings are published every year by The World Economic Forum and The International Institute for Management Development in "The Global Competitiveness Report" and "The World Economic Yearbook" respectively.

The study of competitive advantages in terms of microanalysis began only in 1966, when the period of postwar prosperity ended and the new phase of restructuring the world economy began. The main issues were the currency crisis, the collapse of Bretton Woods monetary system as well as fuel and energy crisis. Inflation and unemployment, which were caused by the crisis processes on the world market, became the reasons for researches not in the context of a separate economic unit, but of the whole national economy. Since then the necessity of the analysis of government policy in industry has become clear, however, not as a separate research, but as a complex of related studies.

Since that period the important changes in the international economy have occurred: the barriers in the international trade and exchange of capital were

lowered, the information revolution took place and the main consequences of such changes were the globalization and internationalization. Thus, the new "qualitative" competition has begun and this meant not only imposing constraints in order to preserve competitive advantages, but changes that would stimulate the development of national economies.

The concept of competitiveness is analyzed in David Hume's model "price – specie – flow", according to which the increase of the money supply in a country leads to higher prices, which in turn will lead to a decline in country's competitiveness and as a result to increase of its imports and reduction of exports [5].

The Romer's model is that of endogenous growth according to which among factors affecting the technological progress and capital, the biggest influence have the decisions and performance of the government and the economic units that are not the exogenous factors.

Back to 1964 B. Bellasa considered a country more or less competitive if the relation "cost-and-price development" change, and its ability to sell on national and international markets became better or worse [2].

In 1983 the experts of European Economic Community analyzing the competitiveness of EEC countries defined 'competitiveness' as the ability of a country to overcome international competition, and the perception of its goods on international markets should measure competitiveness, at least in the primary estimation [2].

One of the most outstanding works dedicated to the competitiveness is Michael E. Porter's model, which is often called "the Porter's diamond of national advantage". It is based on the research conducted in Great Britain, Denmark, Italy, the Republic of Korea, USA, Switzerland, Sweden, Japan, Singapore and other advanced economies which have competitive advantages on the world market. According to the received results Porter suggested that there are four determinants that are the basis for those advantages: factor conditions (capital and workforce, technical, informational, scientific, technological and other infrastructure), demand condition (solvency, stability etc.), related and supporting industries (as well as industrial connections), firm strategy, structure and rivalry (methods of production, management etc.). These four determinants are situated in the angles of the "diamond". Porter mentioned that there are the other two factors that have influence on the determinants – these are chances and government. Porter emphasized that the influence of the government can be both positive and negative, i.e. it indicates the importance of understanding by the government of its powers and decisions in the society [2].

All the determinants influence each other, but cannot affect to a great extent the competitiveness individually. For example, if the expenditures on education increase, it will lead to the growth of the number of qualified workforce, but if the demand is not solvent and if the organization of industry does not need a qualified workforce, all the changes will not lead to the increase in competitive advantages in a country.

Many economists do not support Porter's model, emphasizing its disadvantages, such as the underestimation of factors on a macro level, a considerable influence of transnational corporations, the focus on the micro-level analysis, and as a consequence, inability to investigate the competitiveness on the world level etc.

"The World Competitiveness Yearbook 2015" highlights the following factors, which are divided into four groups – economic performance, government efficiency, business efficiency and infrastructure. Each category is of equal importance and includes five factors. For example, factors which belong to the category "economic performance" include size (GDP, GNP, household consumption expenditures, government consumption expenditures, real GDP and GNP growth per capita etc.), international trade (current account balance, exports and imports of goods, terms of trade index, exchange rates etc.), international investment (direct investment flows abroad and inward, balance of direct investment flows etc.), employment (total employment, percentage of population, unemployment rates etc.) and prices (consumer price inflation, cost-of-living index, office rent etc.).

In researches experts consider the most important 12 determinants, that ensure competitive advantages of a country:

1. Institutions. It is defined by legislative and administrative institutions, with which business structures interact in their work. To such factors belong: the level of control, corruption, and distrust to authorities etc.

2. Infrastructure, which determines the conditions, easiness and convenience of doing business.

3. Macroeconomic environment, which is important, first of all, for ensuring efficient work of firms, which, in turn, influences the social welfare in general. If negative tendencies take place in a country, it will affect the size of revenues to government budget, and, as a result, it will lead to the reduction of social transfers.

4. Health and primary education. This influences the labor, as healthy and qualified workforce is a vital component that can ensure competitive advantages of countries, even if they do not have considerable capital resources.

5. Higher education and training is a factor which is important for the countries that want to create added value.

6. Goods market efficiency enables a country to manage the proportions of production of goods and services according to its own possibilities and possibilities of other countries.

7. Labor market efficiency means effective usage of labor. If a labor market is flexible, it will be able to adapt to any changes in economy and ensure appropriate level of production in a country.

8. Financial sector development affects the distribution of financial resources and investments on the national market. It is very important to analyze the risk factors on the financial market, because it has influence on the investment attractiveness of a national economy of a country.

9. Technological readiness. It means the ability of a country to react to the changes which occur in technologies all over the world, as well as a speed of adaptation to them.

10. Market size affects the production in a specific way: the bigger market, the bigger influence on the international economy and stronger competitive positions on world market. The experts include the level of market openness in this factor.

11. Business sophistication includes the quality of doing business and its strategic prospects. Clusters, which are regarded as a component of business sophistication, cause the efficiency of doing business and consistency of interests.

12. Innovations. High level of competitiveness can be achieved by increasing all the previous factors, but it has also a crucial role in acceleration of competitive advantages.

Furthermore, the data about competitive advantages of Ukraine according to "The Global Competitiveness Report 2014 – 2015" are analyzed. As one can see, global competitiveness index of Ukraine (GCI) in 2014 – 2015 is equal to 3.9 (the 79 position among 140 countries), and in 2009 – 2010 GCI was equal to 4.0 (the 82nd position among 133 countries), in 2015 – 2016 – 3.9 (the 89th position among 139 countries), and this shows negative tendency in Ukraine in recent years.

Since Ukraine is at the transition position between the first and the second level (the 1st level – economies of the countries at a basic level, the 2nd level – economies of the countries which are mainly based on factors that increase efficiency of business area; the 3rd level – economies that are working on improving business) the proportion of influence on the factors is divided as

follows: 40% – basic requirements, 50% – efficiency enhancers and 10% – innovations and sophistications factors [4].

In order to compare competitive advantages of Ukraine, the same information about Poland is reviewed. Poland is in 41st position and Ukraine occupies the 76th position and with a huge margin ahead of Ukraine. The difference between Ukraine and its Western neighbor is so big, and it emphasizes that it is necessary to move in the direction of European way of transformation. Switzerland is in 1st place and continues to keep its positions.

We used to believe that the demographic catastrophe in Ukraine is the result of a low standard of living in the country. But in a more successful Poland, the percentage of able-bodied population does not differ from ours. In addition, the Poles, like Ukrainians, often leave the country in search of earnings. In Poland there is less population than in Ukraine – but the gross domestic product of this country is 4 times larger than ours. Poland (\$ 545 billion), and in Ukraine (\$ 132 billion) Gross national income in Poland is also higher, and in terms of income, in Poland, GNI is 13.7 thousand while in Ukraine it is 3.6 thousand.

The relation between global competitiveness index and gross national income (GNP) per capita, the role of big cities for these countries must be analyzed. The rapid growth of economies of big cities can reduce development rates of peripheral areas and increase disproportions. The development of regional clusters could become an effective factor of economic growth. Many regions of Ukraine, which have different structures and potentials of economy of scale, can develop several competitive clusters at the same time [1].

The results of the research show that the main competitive advantages of Ukraine are: primary education, higher education and labor market efficiency. It proves a high level of education in general in the country. However, it is pointed out that the migration of qualified workforce is becoming more and more dangerous for national economy of Ukraine. The lowest rates of development in Ukraine have the following components: market size, innovations and technological readiness. The greatest problems of Ukraine experts called inflation, corruption and political instability. The level of investment is not sufficient. However, foreign investors are becoming more interested in the potential of Ukraine.

Conclusion. Only complex approach to competitiveness can supply a separate sector of economy or the whole economy with the possibility to improve its position in the world economic system. Historical and cause-and-effect analysis of competitiveness of Ukraine carried out in this article enabled

to prove that Ukrainian economy has potential for improving its competitiveness. However, there are still many barriers which we need to overcome in order to achieve higher rate of competitiveness on the world market. According to the research of WEF, the most problematic barriers are corruption, inadequate tax regulations, bureaucracy, inflation, political instability. All in all, the concept of competitiveness of a country plays a significant role in economies of all countries.

We need to develop a strategy for enhancing competitive positions taking into account the best world practices and implement these reforms as soon as possible. This will lead to the improvement of welfare of all the Ukrainian citizens and to recognition of Ukraine as a strong competitor on the world financial and goods markets in the nearest future.

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THE DEFAULT ISSUE IN MODERN WORLD ECONOMY

V.V. Nenartovich, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv

Nenartovich V.V., Saprun I.R. The default issue in modern world economy. The definition of the concept “default” and its classification is provided in the article. The main reasons and consequences of default are mentioned. The most famous examples of default which occurred at the end of a XX – beginning of XXI are considered. The general ways to prevent the sovereign default are singled out.

Key words: classification, default, sovereign, world economy.

Ненартович В.В., Сапрун І.Р. Проблема дефолту у сучасній світовій економіці.

У статті надано характеристику поняття «дефолт», приведена класифікація дефолтів. Названі основні причини та наслідки дефолту. Належне місце в роботі відводиться на розглядання найбільш відомих прикладів дефолту кінця ХХ – початку ХХІ ст. Наголошено загальні принципи запобігання суверенного дефолту.

Ключові слова: дефолт, класифікація, світова економіка, суверенний.

Ненартович В.В., Сапрун И.Р. Проблема дефолта в современной мировой экономике. В статье охарактеризовано понятие дефолта, приведена классификация дефолтов. Названы основные причины и последствия дефолта. Должное место в работе отводится на рассмотрение наиболее известных примеров дефолта конца ХХ – начала ХХІ вв. Выделено общие принципы предотвращения суверенного дефолта.

Ключевые слова: дефолт, классификация, мировая экономика, суверенный.

The relevance of the chosen topic is grounded by the fact that the problem of default and its consequences is widely-spread around the world nowadays. Due to different reasons many sovereign countries are at risk of default what signifies the importance of the searching into such an economic phenomenon in order to decrease its probability in future.

The object of the study is the default as the phenomenon in the modern world economy. The subjects of the research are the kinds of default, its causes and consequences as well as historical examples in different countries. The purpose of this research is to give a problem of default in world economy a full consideration.

First of all, we would like to define the concept of «default». According to the Cambridge Dictionary: «Default» is «to fail to do something, such as pay a debt, that you legally have to do». In Marriam – Webster`s dictionary «default» is defined as «a failure to pay financial debts» [6].

According to the viewpoints of researchers, there are different types of default which are usually categorized as a debt service default, a technical default, or a sovereign default [7]. For each type of default the consequences will vary for non-payment of the loan. Let us have a more precise look at these types.

A technical default is the result of not meeting a condition of the loan, and has nothing to do with missing a scheduled loan payment. Technical default indicates that the borrower may be in financial trouble, and can trigger an increase in a loan`s interest rate, foreclosure or other negative events.

A debt service default is missing a scheduled payment on a loan. A borrower`s inability to pay a loan will not keep it from going into default

status. Delinquencies on a scheduled loan payment are reported to credit agencies usually after 60 days late. Once a loan goes into default status, the principal plus interest must be paid in full.

And finally, a sovereign default occurs when countries can default on debt, however, since they are not subject to any bankruptcy court, usually no legal consequences are taken. Even though a nation is not likely to be held to any legal action, it is in their best interest to honor the debt re-payment, because they are likely to lose an access to international lending in the future. If they are extended a credit, the cost to borrow from a foreign lender increases since they are charged more. When a nation is on the brink of loan default, the creditor works with the nation to restructure the loan. The loan term may be extended and the re-payments may be reduced.

The most important question arises is how can the probability of default be predicted for particular country? To meet this demand there is a distinct type of swap designed to transfer the credit exposure of fixed income products between two or more parties – Credit – Default Swap (CDS) [4]. In a credit default swap, the buyer of the swap makes payments to the swap's seller up until the maturity date of a contract. In return, the seller agrees that, in case the debt issuer defaults or experiences another credit event, the seller will pay the buyer the security's premium as well as all interest payments that would have been paid between that time and the security's maturity date. The recent studies showed that sovereign credit default swaps are effective at representing the credit risk of governments.

There are several causes of defaults, namely:

- 1) Disbalance in budget of the country or company;
- 2) Reduction in income;
- 3) General crisis in economy;
- 4) The change in political regime;

Usually, the main cause of default is this or that political issue. Moving on to consequences, it should be noted that the case of default is really a serious problem for country's economy, as it may cause a failure of trust. Investors refuse to help the country which faced the default because they consider its economy unstable. It usually takes government years or even decades to restore the economy of the country to the original form, let alone to develop it. There are several consequences of the sovereign default to be named:

- 1) Devaluation of the national currency;
- 2) Increase in inflation rate;
- 3) Reduction in economic development (decreasing of GDP – Gross Domestic Product and other production factors);

- 4) Changes in financial and budget politics;
- 5) Drop in the living standards of citizens and reduction of their income;
- 6) Raising of unemployment level;
- 7) Fundamental change in the banking system.

The most typical and outstanding examples of defaults at the end of the twenties century as follows: Mexico, Russia and Argentina. The first example is Mexico with its crisis in 1994. At that time this country was one of the world's importer of a "black gold", therefore, when the prices on oil decreased, the Mexico's economy faced serious difficulties. Another reason for the crisis was the armed conflict in the western part of the country as a result of which one of the candidate from the dominant party was killed. These problems led to the concerns in political stability of the country. As a result, such industries as building and car-making were the first to suffer from default and consequent crisis. What is more, about twenty thousands of business enterprises went bankrupt, more than 700 thousands people became unemployed.

An experience of Mexico shows that markets react at risk fast and massively and the crisis can expand unbelievably quickly. That's why government needs to provide the protection in case if the investor-country refuses to help.

The events which happened in Russia in 1998 can be provided as the second example [2]. The main cause of the crisis in the country was the dissolution of the USSR which led to the economy of Russia being weak and unstable. As a result, the country had the huge external and internal debts. The total sum of payments to the advantage of non-residents was more than 10 milliards dollars per year. As in the case with Mexico, Russia also faced the reduction in prices on oil and gas. All these causes led to the strong block of the economy. According to the calculations made by Moscow's Banks Unity in 1998, the total losses of the Russian economy amounted to 96 milliards dollars. Russia became one of the most famous debtor in the world. The external debt of the country rose to the figure of 220 milliard dollars what was bigger than 147% GDP. According to the experts' opinion, there were both negative and positive consequences of default in Russia. Talking about negative, it is definitely the devaluation of the rouble, the fall of its banking system and the fall of living standards. As for the positive consequences, Russian economy started to evolve different industries (not only the output of oil and gas), in addition, the development of the small business in the country was noticed.

The third example of a huge default happened in Argentina in 2001. The government of Argentina made a currency peg between peso and dollar. This

action led to the inflexibility of prices and salaries. Also, here we can see another common cause of crisis and defaults – political instability. Finally, what made matters worse, the government took a credit aid from the banks which had not already hold out the reserves [5]. Consequently, the banks had to devalue the peso and freeze the accounts. The trust to the financial system of the country was totally lost. What is more, the default in Argentina resulted in Uruguay's crisis, because its economy was in dependence on Argentina's. In conclusion, the reconstruction of Argentina's economy presented a complicated issue. The government needed to rebuild the key-institutes and restore the confidence in them, which in its turn demanded fundamental reforms.

Finally, I would like to mention some general rules how to avoid the sovereign default [1, p. 76], as follows:

1) The development of the domestic market which can replace the expenses on foreign markets;

2) In order to avoid the currency crisis it is necessary to keep the balance of payments;

3) The government and citizens should support the national production;

4) Financial crisis can be avoided by anti-inflationary policy and the development of bank reserves. The last step is important to make the investors trust the banks.

In conclusion, sovereign default is a serious problem for country's economy which leads to such consequences as devaluation of national currency, the fall of living standards and the lack of trust to the government. In addition, it damages the reputation of the country on the world scene.

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POLAND AS ONE OF THE MAJOR CROSS-BORDER PARTNERS OF UKRAINE IN THE TOURISM INDUSTRY

N.Y. Olendarenko, M.M. Medvid, PhD (language supervisor)

V. N. Karazin National University, Kharkiv

Olendarenko N.Y., Medvid M.M. Poland as one of the major cross-border partners of Ukraine in the tourism industry. The paper deals with the research of crossborder cooperation of Ukraine's tourism (Ukraine and Poland). Crossborder cooperation in the tourism sector of Ukraine and Poland has been analyzed. Problems have been identified and prospects for the future research have been suggested.

Key words: euroregions, Poland, transborder cooperation, Ukraine.

Олендаренко Н.Ю., Медвідь М.М. Польша як один з головних транскордонних партнерів України в сфері туризму. Роботу присвячено дослідженню транскордонного співробітництва України в сфері туризму (Україна–Польша). Проаналізовано взаємовідносини в туристичній сфері України та Польщі та сформульовано проблеми та перспективи їх розвитку.

Ключові слова: євро регіони, Польша, транскордонне співробітництво, Україна.

Олендаренко Н.Ю. Медведь М.Н. Польша как один из главных трансграничных партнеров Украины в сфере туризма. Работа посвящена исследованию трансграничного сотрудничества Украины в сфере туризма (Украина–Польша). Проанализированы взаимоотношения в туристической сфере Украины и Польши и сформулированы проблемы и перспективы их развития.

Ключевые слова: еврорегионы, Польша, трансграничное сотрудничество, Украина.

Cross Border Cooperation (CBC) is a key element of any country policy towards its neighbours. It supports sustainable development along the external borders, helps reducing differences in living standards and addressing common challenges across these borders [1].

Ukrainian-Polish cross-border cooperation in the field of tourism envisages territorial stimulation of tourism development, the use of tourist connections for strengthening the mutual understanding and trust between countries, the

development of common standards and technologies for tourist services, the analysis of evaluation of tourist resources and infrastructure, the analysis of investment proposals at the level of certain administrative-territorial units.

Cross-border cooperation in the field of tourism between the countries is expressed in the joint tourist flows.

In 2016, 24.6 million Ukrainians traveled abroad as tourists [2].

The ranking of the countries most visited by Ukrainians most often include Poland, Russia, Hungary, Moldova and Belarus (tab.1).

Table 1

**The rating of the 5-countries-leaders
of outbound tourism of Ukraine**

Country	The number of Ukrainian citizens traveling abroad – total	Percentage
Poland	10111086	41%
Russia	3859820	15%
Hungary	2893370	11%
Moldova	1655775	6,5%
Belarus	1114457	4,5%

Source: The table is compiled by the author on the materials [2]

As can be seen from Table 1, most Ukrainians visited Poland, namely 10.1 million, Russia is in the second place in the ranking (3.8 million), which in the previous years was the leader in the first place. The third and fourth steps are divided between Hungary and Moldova of 2.8 and 1.6 million respectively. Belarus is closing down the five leaders, which in 2016 was visited by 1.1 million Ukrainians.

Among the countries most visited by Ukraine are Moldova, Belarus, Russia, Poland, Hungary, Romania and Slovakia (Table 2).

Table 2

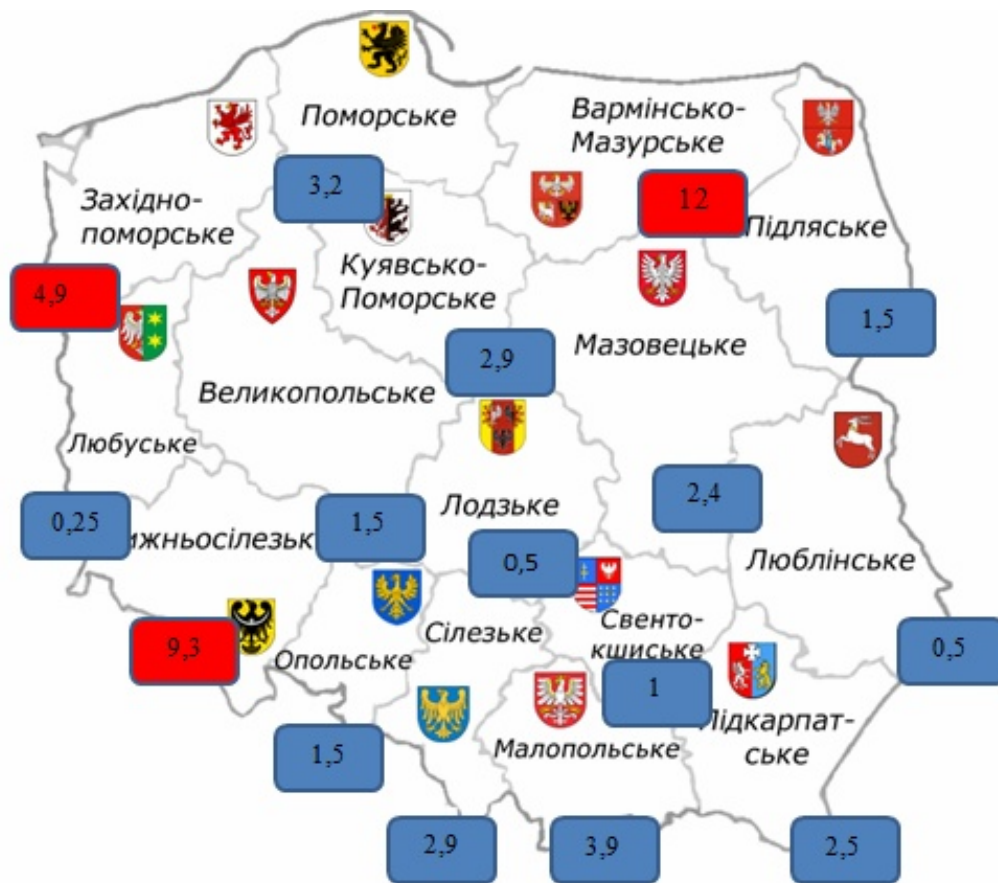
Countries whose residents most visited Ukraine in 2016

Country	The number of foreign citizens who entered Ukraine	Percentage
Moldova	4296409	32,2%
Belarus	1822261	13,6%
Russia	1473633	11%
Hungary	1269653	9,4%
Poland	1195163	8,9%

Source: The table is compiled by the author on the materials: [2].

As can be seen from Table 2, the Moldavians were the leaders in visiting Ukraine, 4.2 million people. Next come Belorussians and Russians, 1.8 and 1.4 million people respectively. Tourists from Poland and Hungary visited Ukraine less often – 1.2 and 1.1 million people respectively.

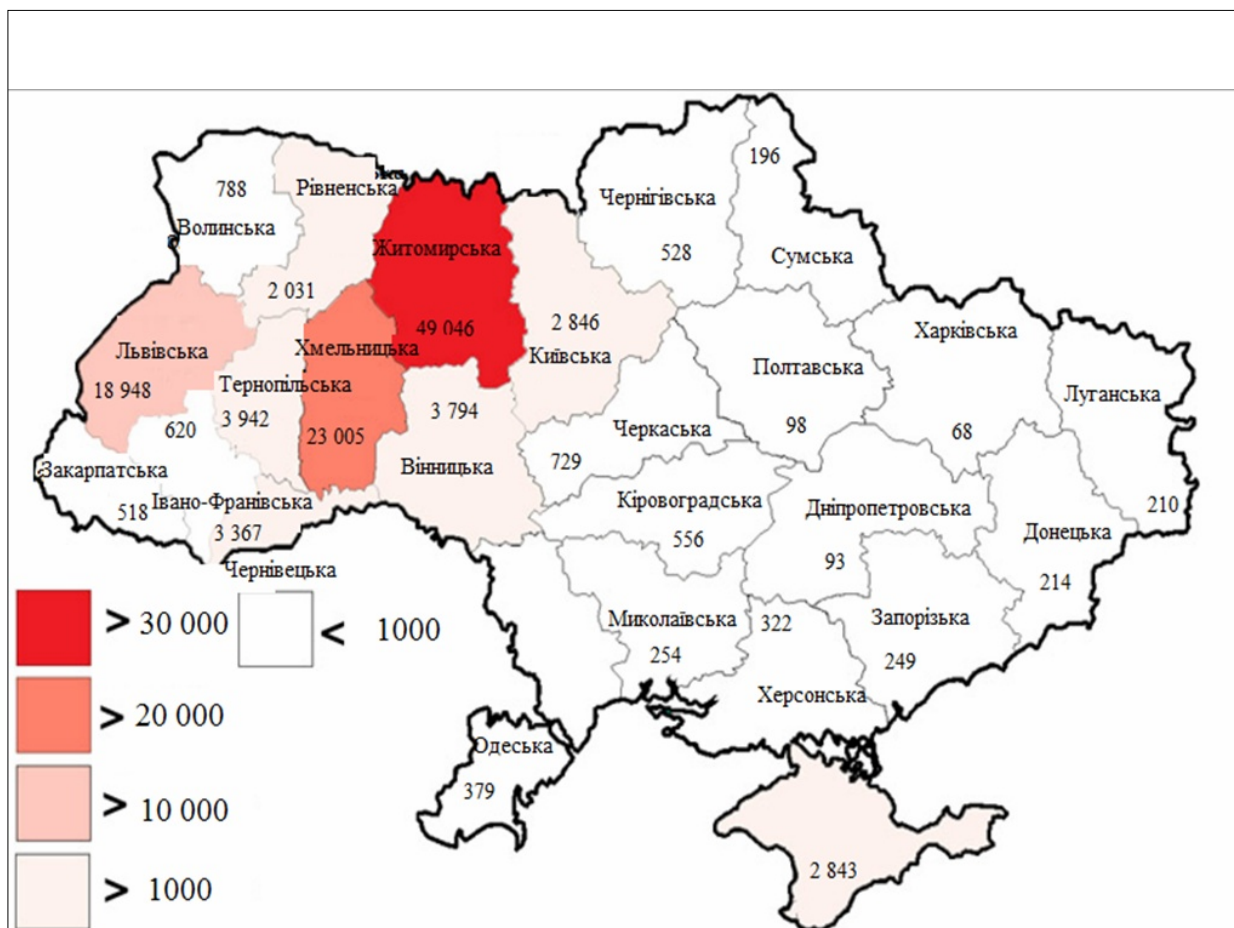
A special place in the system of Ukrainian-Polish relations in the field of tourism is taken by the fact that according to the last general census of the population held in Poland in 2011, the number of citizens of Poland who declared their affiliation with the Ukrainian nationality is 49 thousand people, 10 thousand people recognized themselves as Lemkos [3].



Picture 1. Map of compact Ukrainians living in Poland (thousand)

In turn, the Polish national minority in Ukraine accounts for 144,130 people. The resettlement of Poles in Ukraine historically was connected primarily with the Right Bank and Eastern Galicia, and the most numerous Polish ethnographic communities were formed here.

The largest number of Poles live in Zhytomyr region (4,906 people, 3.5% of the population), Khmelnytsky region (23,05 people, 1,6%) and Lviv oblast (18,948 people, 0,7%) (Pic. 2) [4].



Picture 2. Compact residence of Poles in Ukraine [3]

Important centers of intensification and development of Ukrainian-Polish interregional and cross-border cooperation are the so-called Euroregions "Carpathian" and "Bug" operating in the Ukrainian-Polish border. Carpathian Euroregion operates on the basis of the Declaration on the Cooperation of Communities Living in the Carpathian Region, as well as on the basis of the Statute of the Interregional Association "Carpathian Euroregion" signed on February 14, 1993 in the city of Debrecen (Hungary) by the Ministers of Foreign Affairs of Ukraine, Poland and Hungary.

Activities of Euroregion Bug are regulated by the Agreement on the Establishment of the Euroregion Bug Transboundary Union, signed on September 29, 1995 in Lutsk between Volyn Oblast and the former Kholm, Lublin, Tarnobazhskaya and Zamosc Voivodeships of the Republic of Poland (prior to the change in the administrative division of this country in 1999) [5].

Thus, we can conclude that Poland for Ukraine is a strategic partner not only in the sphere of business and economy, but also in the field of tourism. At the same time, in the first place, the main centers of the development of cross-border cooperation in the sphere of tourism between the two countries will be the euroregions.

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FACTORS OF IMPROVING TOURISM INDUSTRY IN KHARKIV

*N.I. Omelchenko, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Omelchenko N.I., Medvid M.M. Factors of improving tourism industry in Kharkiv.

The article analyzes the definition of tourism attractiveness of the region. The brand of Kharkiv is determined. Ways to increase the attractiveness of Kharkiv as a tourist region are considered through the formation of a well-known and easily recognizable brand of the city. Ways to promote the city's attractive image are proposed.

Key words: brand of the region, competitiveness, regional tourism, tourist attraction.

Омельченко Н.І., Медвідь М.М. Чинники стимулювання туристичної індустрії Харкова. У статті аналізується визначення поняття туристичної привабливості регіону. Визначається бренд Харкова. Розглядаються шляхи підвищення привабливості Харкова як туристичного регіону через формування відомого та легко пізнаваного бренду міста та пропонуються шляхи просування привабливого іміджу міста.

Ключові слова: бренд регіону, конкурентоспроможність, регіональний туризм, туристична привабливість.

Омельченко Н.И., Медведь М.Н. Факторы стимулирования туристической индустрии Харькова. В статье анализируется определение понятия туристической привлекательности региона. Определяется бренд Харькова. Рассматриваются пути повышения привлекательности Харькова как туристического региона через

формирование известного и легко узнаваемого бренда города и предлагаются пути продвижения привлекательного имиджа города.

Ключевые слова: бренд региона, конкурентоспособность, региональный туризм, туристическая привлекательность.

Tourist activity is more developed in cities than in villages. Each region is interested in the development of tourism on its territory, because it provides not only the inflow of foreign currency to the region, but also creates new job opportunities, and conditions for the intercultural exchange. That is why considering the issue of improving the attractiveness of Kharkiv city is becoming a topical issue, and it requires some actions to stimulate the interest to our city.

A. Parfinenko argues «... the key element of the national brand of any country depends on its tourist attractiveness. Any country rating is based on the analysis of changes in the image of tourist popularity. After all, the high tourist attractiveness of the country contains a number of components that determine the high competitiveness of the state (for example, a high level of security, service, a developed infrastructure, emphasized national culture and traditions, etc.)» [3].

The promotion of the city is a system that reveals all the competitive advantages of its territory, helps to create a positive and bright image, and a brand of the town. The city infrastructure and marketing strategies for the development of the tourism business require some optimization to achieve a higher level of tourist attractiveness than Kharkiv has today. It should be noted that an indicator of the number of tourists (both domestic and foreign) describes the level of the tourist sector development in the city the best.

Table 1

Tourist flows to Kharkiv region (2000–2016)

Year	Number of tourists served by the subjects of tourist activity of the region (persons)	From the total number of tourists (persons)		
		Foreign tourists	Tourists-citizens of Ukraine who traveled abroad	Domestic tourists
2000	73135	6454	5915	60766
2010	138440	12951	75236	50253
2012	105663	1701	87814	16148
2015	31233	6	25946	5281
2016	40429	1	33716	6712

Source: Summarized by the author according to the data [4]

The undoubted factor of tourism development is the state of development of tourist infrastructure, transport networks, standard of living, educational and cultural level the citizens have.

Foreign experience shows that, in addition to recreational potential, the development of tourism involves the presence of certain conditions that stimulate the development of this industry. It happens due to the creation of tax system privileges, the availability of transport and city infrastructure, as well as the developing the entertainment industry.

The next step in optimizing the tourist potential of Kharkiv should be eliminating the advertising vacuum, especially for foreign tourists, through the involvement of various advertising companies, namely, by means of social ones as Facebook, Twitter, Instagram. Creating an effective advertising campaign, holding tenders for Kharkiv cultural heritage objects restoration and popularization will help solve many problems related to the destruction of historic and cultural monuments, as well as form and strengthen the positive image of the region.

One of the important barriers in the development of Kharkiv tourism industry is the technological backwardness – practically no innovative tourism technologies, which are widely applied in the developed countries, are used. One of the main areas of technology innovation is the use of virtual space to promote and market their tourist services. Organizations that provide tourist services should realize the need to introduce and use modern softwares and interactive information systems that will facilitate the expansion of the opportunities of tourism enterprises in Kharkiv. Such systems store and save in memory a significant amount of information on past bookings and customers, on the basis of which you can determine the best directions for product and services promotion, taking into account demographic factors, customer interests, the best facilities and many other parameters.

On the basis of generalizations we can draw the following conclusions: the economic and social development of the city should focus on high technologies and innovations, building of international cooperation, infrastructure improvement and investor access to Kharkiv. It is necessary to improve the management of existing resources and human capital, invest in the renovation of urban infrastructure and transport. In order to prevent the negative impact of tourism on the development of the region, appropriate regulation by local authorities is required.

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TOURISM DEVELOPMENT IN THE ODESSA OBLAST: ANALYSIS OF NATURAL RESOURCES AND CULTURAL POTENTIAL

*A. Paduryan, O.I. Radchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Paduryan A., Radchenko O.I. Tourism development in the Odessa oblast: analysis of natural resources and cultural potential. The article deals with the problems of the development of natural resources and cultural potential of the Odessa oblast. The aspects which influence the development of the tourism industry in the Odessa oblast are analyzed. It is presented the evaluation rating data of the Odessa oblast and its districts. It is shown the advantages, drawbacks and prospects of tourism development in the Odessa oblast.

Key words: cultural potential, development, environmental issues, natural resources potential, tourism.

Падурян А., Радченко О.І. Розвиток туризму в Одеській області: аналіз природних ресурсів та культурного потенціалу. У статті розглянуті питання, які пов'язані з розвитком природних ресурсів та культурного потенціалу Одеської

області. Проаналізовані фактори, які впливають на розвиток туристичного бізнесу у регіоні. Представлена таблиця рейтингу Одеської області та її регіонів. Розглянуті переваги, недоліки та перспективи розвитку туристичного бізнесу в області.

Ключові слова: екологічні проблеми, культурний потенціал, природні ресурси, розвиток, туризм.

Падурян А., Радченко О.І. Развитие туризма в Одесской области: анализ природных ресурсов и культурного потенциала. Стаття посвящена вопросам развития природных ресурсов и культурного потенциала Одесской области. Проанализированы факторы, оказывающие существенное влияние на развитие туристического бизнеса в регионе. Рассмотрены преимущества, недостатки и перспективы развития туризма как в Одесской области, так и в ее отдельных регионах.

Ключевые слова: культурный потенциал, природные ресурсы, развитие, туризм, экологические проблемы.

The purpose of the article is to determine the place of the Odessa oblast in the tourism potential of the country, give a critical assessment of natural resources, economic, ecological and cultural and historical potential of the region for the further adjustments made by the authorities to increase the efficiency of tourism activities.

Tourism is an important component of the world economy. According to the International Tourist Organization, the share of tourism in world GDP is about 9% and about 30% in world services exports. By the year 2016, UNWTO forecasts international tourism growth by 3-4%, which will continue to contribute to global economic recovery. The Odessa oblast with its potential should also join the world's trends.

The Ukrainian and foreign scientists consider separate tourism issues in their studies: the analysis of tourism by type, by region, the effectiveness of different types of tourism, etc. Natural resources, economic and other potentials of the territory are analyzed separately. The study based on the combination of tourism aspects and potentials of the oblast is proposed in this article.

The Odessa oblast is the largest in Ukraine and occupies 5.5% of the country's territory with 5.6% of the population. The oblast accounts for 2.9% of the volume of industrial products sold; 3.3% of capital investments; 4.6% of the country's exports and 2.7% of imports. The fishery industry produces 27.7% of biological resources.

The total number of tourists in the Odessa oblast over the period from 2000 to 2016 was constantly decreasing and the most significant was the year of 2016 (18% compared with the level for 2000). Due to the military and political

situation, the unfavorable economic state in the country, the number of domestic tourists has fallen to a record low level of 4% compared with 2000.

The number of tourists who visited the oblast was only 0.6% of the total amount; the number of citizens of Ukraine who travelled abroad was 1.5%. The number of foreigners who visited the Odessa oblast in 2016 was very low (only 0.02%).

At the same time the contribution of the Odessa oblast to the potential of Ukraine in 2014 was:

- health centers and boarding houses with treatment – 10%;
- preventative medical clinics – 7.6%;
- holiday centers – 8.9%;
- other recreation facilities – 26.9%;
- children's health camps – 7.1%.

As you can see from the above- mentioned statistics over the period from 1995 to 2016, the oblast significantly increased its share in the development of recreation centers and children's health camps in the country's potential.

The main natural resources of the Odessa oblast which are widely used in practice in health centers and for spa treatment are the unique climatic zones of the Black Sea coast, medical mud and rocks of Budak, Kuyalnitsky, Tiligul, Hadzhibey estuaries and the Tuzla group of lakes (Shaganah, Alibey, Burnas lakes) as well as various mineral waters.

The natural reserve fund of the Odessa oblast includes 122 objects with a total area of 98.9 thousand hectares, which makes up 2.97% of the territory compared to the average in Ukraine which constitutes up 3.95%. The nature monuments are Mikhailovsky Yar and Odessa catacombs.

In terms of total natural resource, the potential of the Odessa oblast occupies the ninth place among 25 regions of Ukraine (excluding Kyiv and Sevastopol). The total natural and resource potential of the region is lower than the total Ukrainian one and amounts to 73% of its level. The oblast is rich in recreational resources (82% of the average level in Ukraine), but poor in water (62%) and forest (80%) resources.

The detailed analysis of the separate districts of the area is required for the development of various types of tourism. In the evaluation rating table (Table 1), the data for 26 rural administrative districts of the Odessa oblast as well as 7 cities are presented. According to the indicators of the development level of natural potential, Berezovsky district leads at the expense of a considerable area and reserves of groundwater, Velikomikhajlovsky – due to significant forest cover, resort and health and recreation areas.

The environmentally highest potential has Tatarbunary district, due to the minimum number of flammable territories and landfills with dangerous substances.

The lowest natural potential for the development of tourism (including rural) has Kilia (lack of groundwater, ecological networks, and resort areas), Reni (lack of ecological networks and resort areas) and Savransky (insufficient groundwater reserves) districts. The lowest environmental potential has Reni district: there are 8 landfills (solid household wastes) and 87 storage depots that are unsuitable for use of pesticides (pesticides).

According to a combination of negative and positive indicators of natural and ecological potential, B.Dnistrovsky, Velikomikhajlovsky, Rozdilnyansky and Tatarbunarsky districts have the best conditions for the development of rural tourism.

Table 1

**Natural and Ecological Potential Evaluation Rating
of the Districts of the Odessa oblast**

№	Region	Natural potential rating					Ecological potential rating			
		Resources of water supply <i>m³/d</i>	Total area of ecological networks thousand hectares	Area of forest coverings thousand hectares	Resort and health-improved territories thousand hectares	Recreational areas thousand hectares	Storage of unsuitable pesticides		Number of flammable territories	
							amount	rating	amount	rating
1	Ananevsky	11	20	3	-	-	1	19	15	21
2	Artyzsky	10	6	19	-	-	1	18	28	12
3	Baltsky	14	14	1	-	-	-	22	33	7
4	Berezivsky	7	2	12	-	-	1	17	67	1
5	B-Dnistrovsky	3	3	20	4	9	4	9	34	4
6	Bilyaivsky	21	12	9	5	6	10	2	21	16
7	Bolgrad	24	7	13	-	17	2	14	18	19
8	Mikhailovsky	8	9	4	6	-	2	13	26	11
9	Ivanivsky	20	13	18	-	18	3	12	26	13
10	Izmail	1	17	21	-	14	1	21	19	18
11	Kilia	26	22	24	7	12	5	7	15	27
12	Kodima	13	23	18	8	-	5	8	26	10
13	Kominternivsky	22	11	22	19	1	1	16	21	15
14	Kotovskyy	6	19	5	17	-	4	11	29	8
15	Krasnoknyansky	15	18	11	11	-	6	6	15	23
16	Lyubashevsky	16	15	17	-	-	7	4	15	22

Table 1. Continued

17	Mykolayiv	9	16	10	10	-	8	3	37	3
18	Ovidiopol'sky	23	24	25	13	4	6	5	15	25
19	Renaissance	2	25	26	12	16	-	22	8	26
20	Rozdilnyansky	4	8	16	-	10	-	22	27	9
21	Savran	25	26	6	16	-	11	1	20	20
22	Saratsky	19	4	15	9	13	4	10	33	6
23	Tarutinsky	17	1	8	14	-	1	15	33	5
24	Tatarbunary	18	10	4	-	8	-	22	20	17
25	Frunze	12	21	7	-	-	-	22	21	14
26	Shiryaevsky	5	5	14	15	-	1	20	40	2
27	B-Dnistrovsk city	-	29	30	1	13	-		3	-
28	Ishmael city	-	28	27	-	11	-	-	-	-
29	Illichivsk city	-	31	-	-	7	-	-	-	-
30	Kotovsk city	-	30	29	18	-	-	-	-	-
31	Odessa city	-	27	28	2	2	-	-	1	-
32	Yuzhne city	-	33	-	3	5	-	-	-	-
33	Teplodar city	-	32	-	-	15	-	-	-	-
	Total	-	-	-	-	-	84	-	664	-

Source: prepared by the author [2, 3, 5].

Historical and cultural potential is the basis of cognitive tourism. It is represented by various types of historical monuments, memorial sites, folk crafts, museums, i.e., combinations of objects of material and spiritual culture. The situation with promoting tourism with the use of historical and cultural potential in the oblast is unsatisfactory, taking into account the fact the Odessa oblast claims to be the third (after Kiev and Lviv) capital of tourism in Ukraine.

Conclusions. The Odessa oblast has the significant resources that can be used for tourism and recreation activities (climate, seawater and spa and biological resources). The challenge of the tourism infrastructure of the oblast is the unsatisfactory conditions of the significant number of tourist facilities and attractions.

The most important part of the Odessa oblast is the coastal area, where 68% of the population of the oblast lives and more than 80% of the industrial potential is concentrated. For these territories, the challenge is to identify the external boundaries which can limit the coastal zone and should be granted the special status. The necessary regulations must determine this status. It is essential to develop a state program of coastal development, including the areas which are of particular importance for the economy of Ukraine.

It is required the document that will clearly define the principles of economic activities coordination: the Black and Azov Sea coastal zones owned by Ukraine within the state borders and economic zones. The basic principle

of management in the contact zone of the land and the sea is the combination of the integrated development of natural resources potential of the adjacent land and the marine area with partial reservation for maintaining the optimal level of development and sustainability; ecological balance of extensive and intensive development of natural resources potential.

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IMPORTANCE OF INTERNATIONAL TRADE

A.N. Palienko, N.N. Startseva, PhD (language supervisor)

V.N. Karazin National University, Kharkiv

Palienko A.N., Startseva N.N. Importance of international trade. The article deals with the meaning and essence of international trade. The author analysis the importance of trade, as well as the dynamics of the world's export growth from year to year.

Keywords: essence, importance, international trade, tendency, trade, world exports.

Палієнко А.М., Старцева Н.М. Важливість міжнародної торгівлі. У статті розглядається значення і сутність міжнародної торгівлі. Автор аналізує важливість торгівлі, а також динаміку зростання світового експорту з року в рік.

Ключові слова: важливість, міжнародна торгівля, світовий експорт, сутність, тенденція, торгівля.

Палиенко А.Н., Старцева Н.Н. Важность международной торговли. В статье рассматривается значение и сущность международной торговли. Автор анализирует важность торговли, а также динамику роста мирового экспорта из года в год.

Ключевые слова: важность, международная торговля, мировой экспорт, сущность, тенденция, торговля.

International trade is a system of international commodity-money relations, formed from the foreign trade conducted in all countries of the world.

The importance of international trade in the world economic system is caused by important factors and practicability of international exchange of goods and services.

There are some factors predetermining the necessity of international trade. They are:

- Emergence of the world market.
- Unevenness of development of individual industries in different countries.

Products of the most developed industries, which can't be realized at the internal market, are transported abroad. In other words, both the sales requirements at foreign markets and the need in receiving certain goods from outside, appear.

- Tendency to unlimited expansion of the production. Since the capacity of domestic market is limited by solvent demand of population, production is overgrowing the limits of domestic market and businesspeople of every country are struggling for foreign markets.

- Tendency to get higher income in connection with the usage of low-paid manpower and raw materials from developing countries.

International trade is especially important because there is no country in the world, which can exist without foreign trade. They are all depicted on international trade but their level of dependency is different. It's determined as the ratio of the half value of the volume of the foreign trade turnover (export + import) to GDP. According to this indicator, all countries can be divided into 3 groups: high dependent (45–93%), medium dependent (14–44%) and low dependent (2,7 –13%) countries.

International trade is rational, when it provides some benefits, which can be received on three levels: national, customer and on the level of domestic international firm.

Due to taking part in the international trade, countries gain:

- the opportunity to export those goods, production of which takes more national resources, which country has in relatively large numbers;
- the opportunity to import those goods, which can't be produced in their country because of the lack of needed resources;

- economies of scale effect in production, specialized on more narrow set of goods.

There are two points of view on benefits from international trade for home international firms. The first point of view concerns the export opportunities, the second one – the import ones.

From the point of view of export activity, enterprises obtain benefits at the expense of:

- using excess capacity, which is hold by companies, but are not desirable by domestic demand;
- getting greater profits. Because of the difference between the foreign trade competitiveness environment and the national one, the producer can sell goods there with higher income;
- considerable volumes of foreign sales which make natural producers less dependent on domestic economic conditions;
- reduction of production costs, connected with: fixed costs, covered by the expense of bigger volume of outputs; effectiveness rising due to the experience, gained while manufacturing large batch of produce; bulk purchases of materials and their transportation by large batches;
- distribution of risk. Producer can reduce the fluctuations of demand by organizing the production distribution on foreign markets, due to the countries' economic activity being in different phases, and some goods being on different stages of the life cycle;
- knowledge and best practices, received by firms in the functioning process on foreign markets.

From the point of view of import activity, enterprises obtain benefits at the expense of:

- avoiding limits of the domestic market by reducing production costs or by upgrading quality of production;
- getting cheap high-quality materials, components, technologies to be used in its production;
- using excess capacity of trade distribution network;
- expansion of commodity line due to which a firm can increase its supply of product line;
- possibilities of distribution of operative risks, as by expanding the suppliers range, the company will be less dependent on a singular supplier.

International trade has occurred since the earliest civilisations began trading, but in recent years international trade has become increasingly important with a larger share of GDP devoted to exports and imports.

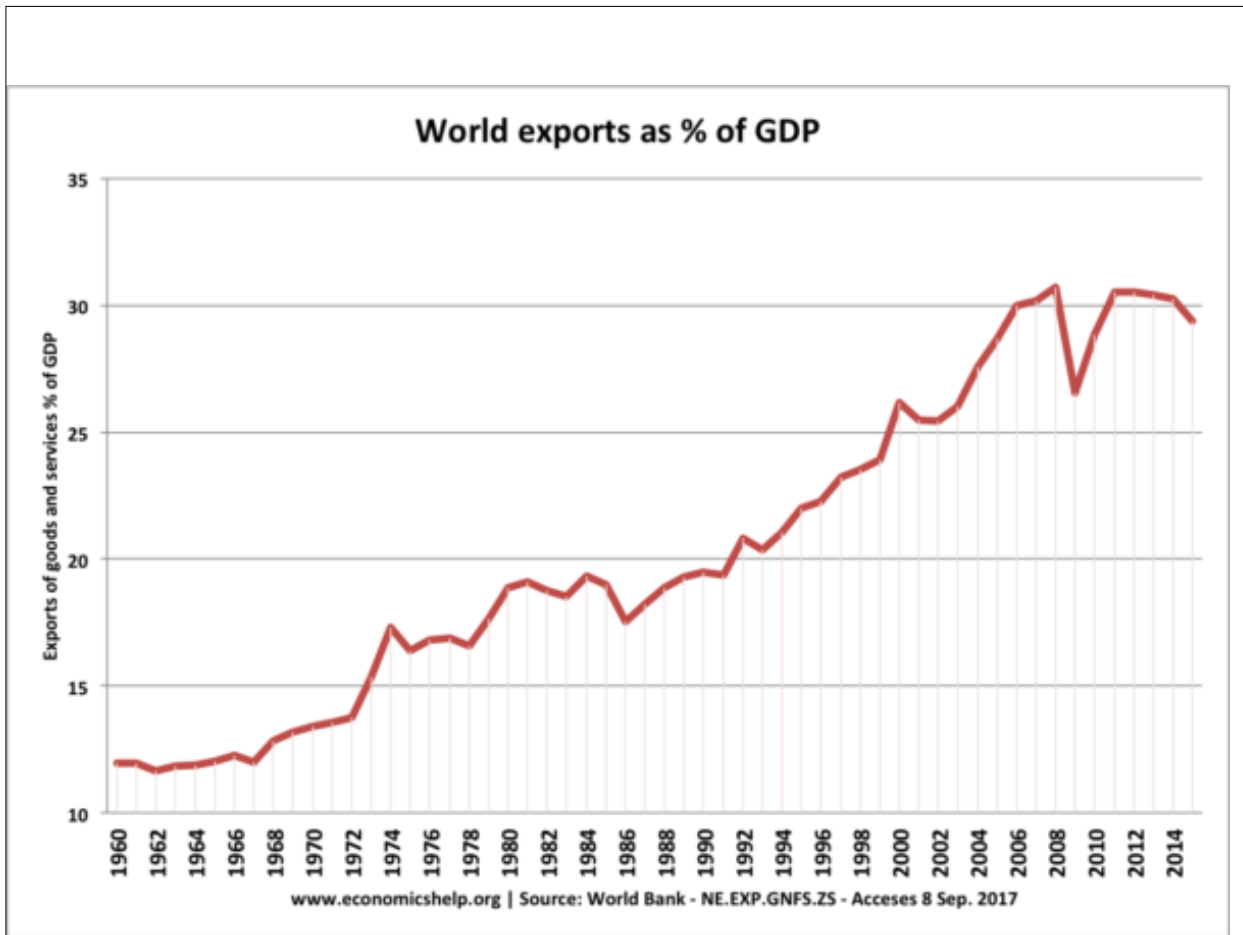


Figure 1. World Bank stats show how world exports as a % of GDP have increased from 12% in 1960 to around 30% in 2015

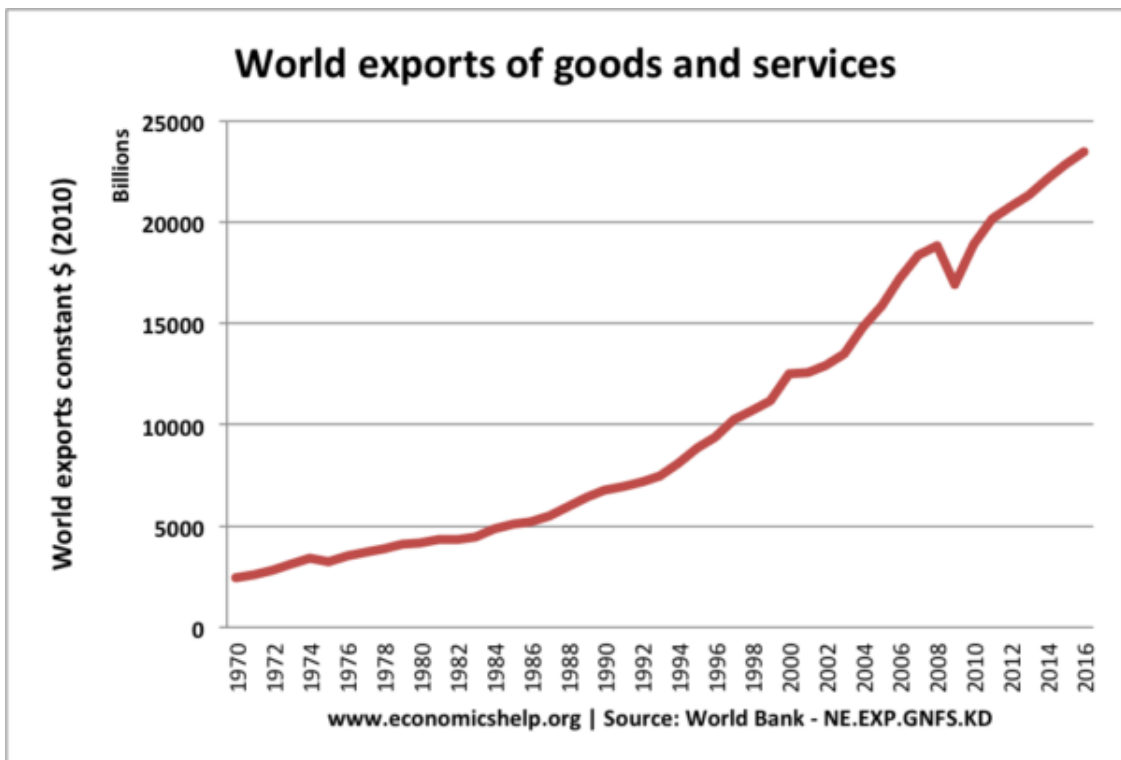


Figure 2. World exports of goods and services have increased to \$2.34 trillion (\$23,400 billion) in 2016

With an increased importance of trade, there have also been growing concerns about the potential negative effects of trade – in particular, the unbalanced benefits with some losing out, despite overall net gains.

Problems arising from free trade.

Given importance of free trade to an economy, it is unsurprising that people are concerned at the potential negative impacts.

Infant industry argument. The fear is that ‘free trade’ can cause countries to specialise in primary products – goods which have volatile prices and low-income elasticity of demand. To develop, economies may need to restrict imports and diversify the economy. This isn’t an argument against trade per se, but an awareness trade may need to be ‘managed’ rather than just rely on free markets. See more at Infant Industry Argument.

Trade can lead to cultural homogenisation. Some fear trade gives an advantage to multinational brands and this can negatively impact local produce and traditions. Supporters argue that if local products are good, they should be able to create a niche that global brands cannot.

Displacement effects. Free trade can cause uncompetitive domestic industries to close down, leading to structural unemployment. The problem with free trade is that there are many winners, but the losers do not gain any compensation. However, free market economists may counter that some degree of creative destruction is inevitable in an economy and we can’t turn back to a static closed economy. On the upside, if the uncompetitive firms close down, ultimately new jobs will be created in different industries.

Thus, no country in the world can do without foreign trade. World trade is the engine of the production of both of the individual countries and regions, and of the world economy as a whole. World production, as well as production of individual countries and regions, has become increasingly dependent on foreign trade over the past 30 years.

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EDUCATION AND CULTURE AS THE EFFECTIVE TOOLS OF CHINA'S SOFT POWER

*D.I. Parafiniuk, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Parafiniuk D.I., Davydenko I.V. Education and culture as the effective tools of China's soft power. The article deals with the concept of soft power and its main sources, such as Government, Culture, Global Engagement, Education, Digital, and Enterprise. The article shows the application of traditional sources of soft power in China.

Key words: China's policy, Confucius Institute, education and culture indexes, soft power, traditional and new sources of soft power.

Парафініук Д.І., Давиденко І.В. Освіта та культура як ефективні інструменти реалізації м'якої сили Китаю. У статті розглядається поняття м'якої сили і його основні джерела, такі як Управління, Культура, Глобальна залученість, Освіта, Цифрові технології, Підприємництво. Висвітлюється застосування традиційних джерел м'якої сили на прикладі Китаю.

Ключові слова: індекси освіти і культури, Інститут Конфуція, м'яка сила, політика Китаю, традиційні та нові джерела м'якої сили.

Парафиниук Д.И., Давыденко И.В. Образование и культура как эффективные инструменты реализации мягкой силы Китая. В статье рассматривается понятие мягкой силы и его основные источники, такие как Управление, Культура, Глобальная вовлеченность, Образование, Цифровые технологии, Предпринимательство. Освещается применение традиционных источников мягкой силы на примере Китая.

Ключевые слова: индексы образования и культуры, Институт Конфуция, мягкая сила, политика Китая, традиционные и новые источники мягкой силы.

The subject of the study is soft power in modern world and the role of its educational and cultural aspects in the Chinese policy. The purpose of the study is to determine the importance of traditional tools of soft power, such as educational and cultural influence on obtaining political outcomes using the example of China. The relevance of the study is determined by the fact that nowadays soft power in its new and traditional forms is the most effective tool of getting political results, and China uses it effectively to form desirable image.

Modern world becomes more and more complex and interdependent. Hard power by itself can no longer provide the result countries are intend to achieve.

Instead, it is the ability to encourage collaboration and build networks and relationships.

A Professor of Harvard University Joseph S. Nye Jr. in his article “The Benefits of Soft Power” defines power as the ability to influence the behavior of others to get the outcomes one wants. There are several ways to do it:

- to coerce them with threats,
- to induce them with payments,
- to attract or co-opt them [2].

The first two ways are typical for “hard power” that is based on concepts of inducements or threats. But there is also another indirect way to get the desirable result. A country may obtain the outcomes it wants in world politics because other countries admire its values, emulate its example, aspire to its level of prosperity and openness. This is how soft power works.

Cambridge dictionary defines soft power as “the use of a country’s cultural and economic influence to persuade other countries to do something, rather than the use of military power”. Thus soft power is based on the ability to shape the preferences of others.

There are six sources of soft power: Government, Culture, Global Engagement, Education, Digital, and Enterprise [3].

1. The Government index determines if a country has an attractive model of governance and if it can deliver broadly positive outcomes for its citizens. It is designed to assess a state’s political values, public institutions, and major public policy outcomes and includes measures such as individual freedom, human development, violence in society, and government effectiveness.

2. The Culture index includes measures of culture that provide international penetration of a country’s cultural production. When a country’s culture promotes universal values that other nations can be readily identified with, it makes them naturally attractive to others. The Culture index includes measures such as the annual number of visiting international tourists, the global success of a country’s music industry, and so on. However, the reach and volume of cultural output is important to develop soft power, but mass production does not necessarily lead to mass influence.

3. The Global Engagement index measures a country’s diplomatic resources, global footprint, and contribution to the international community. Essentially it captures the ability of states to engage with international audiences, drive collaboration. The Global Engagement index includes metrics such as the number of embassies a country has abroad, membership in multilateral organizations, and overseas development aid.

4. Though elements relating to the economy may seem more of a hard than soft power concern, the Enterprise index is not a measure of economic power or output. This index is aimed at capturing the relative attractiveness of the country's economic model in terms of its competitiveness, capacity for innovation, and ability to foster enterprise and commerce.

5. The Digital index capture the extent to which countries have embraced technology, how well they are connected to the digital world, and their use of digital diplomacy through social media platforms. It changed the practice of public diplomacy, foreign policy, soft power.

6. The Education index is aimed at capturing the contribution countries make into global scholarship and pedagogical excellence. Metrics in this index can include the number of international students in the country, the relative quality of its universities, and the academic output of higher education institutions [3].

As it can be seen from the information given above, soft power is an integral part created to promote interests. It's especially important for countries with a different political system, such as China.

China's spending on soft power over the last decade has hit \$10 billion a year, according to David Shambaugh of George Washington University. This is more than the US, UK, France, Germany, and Japan spend on soft power.

As China continues posting strong performances in innovation and R&D, such efforts have led to the increasing global influence of Chinese brands like Huawei and Alibaba, but China's greatest soft power assets are in Culture [3].

That's why Beijing's leaders have also turned to more traditional tools of soft power: promoting the Chinese language, educational exchanges, media expansion and pop culture icons.

Strong performances across the arts, sports, and tourism metrics are testament of China's rich and diverse cultural assets. Improved global engagement also makes an impact on how China is seen worldwide. The opening of hundreds of Confucius Institutes, combined with extensive international branding initiatives, have only strengthened China's cultural offering.

China opened the first Confucius Institute in 2004 in Seoul, South Korea. Now there were five hundred institutes all over the world. The centers are nonprofit organizations affiliated to China's ministry of education, that provide Mandarin language courses, as well as cooking and calligraphy classes, and celebrations of the Chinese national holidays. The institutes are often compared to language and culture promotion organizations such as the United Kingdom's

British Councils, France's Alliance Française, Germany's Goethe Institute, and Spain's Cervantes Institute [1].

Now China has over 400,000 international students studying. It ranks third among the world's most popular study destinations, according to the Institute of International Education. The ability of the country to attract foreign students is a powerful tool of public diplomacy.

The majority of international students pursue self-funded courses of study; however, the China Scholarship Council provides student with financial aid. Students come from South Korea, the United States, Thailand, India, and Russia, according to the statistics from the China Scholarship Council, which is affiliated with the Ministry of Education. Still, only a handful of the country's esteemed schools are among the world's top ones. Among them there are Peking University, Tsinghua University, and Fudan University. The image of Chinese schools suffers from a combination of skepticism over educational quality and pedagogic methods that often emphasize rote memorization instead of independent development of thinking [1].

China keeps limiting the influence of Westernizing. Current president of China Xi Jinping has recently urged Chinese universities to limit the impact of Western scholarship on their teaching, including preventing the use of imported textbooks or blocking Facebook, Twitter, Google, and Instagram [3].

Conclusion. As far as the hard power is aggressive, it is less useful in the modern world, so the global system is changing in favor of soft power. The term «soft power» means the ability of a country to persuade others to do what it wants without force or coercion. There are six sources of soft power: Government, Culture, Global Engagement, Education, Digital, and Enterprise. Traditional tools of soft power, such as language promotion, educational exchanges, media expansion are widely used in China.

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PROSPECTS FOR THE DEVELOPMENT OF RURAL GREEN TOURISM IN UKRAINE

M.O. Parnyuk, O.M. Petrenko (language supervisor)
V.N. Karazin National University, Kharkiv

Parnyuk M.O., Petrenko O.M. Prospects for the development of rural green tourism in Ukraine. The article outlines the issues of essence and meaning of rural green tourism and farm tourism, identifies the prospects of rural tourism development in Ukraine, points out the ways of their implementation in national culture.

Key words: farm tourism, prospects of development, rural green tourism.

Парнюк М.О., Петренко О.М. Перспективи розвитку сільського (зеленого) туризму в Україні. У статті розглядаються питання сутності та значення сільського (зеленого) туризму та агротуризму, вказуються перспективи їх розвитку в Україні та зазначаються способи впровадження їх до національної культури.

Ключові слова: агротуризм, перспективи розвитку, сільський (зелений) туризм.

Парнюк М.А., Петренко Е.Н. Перспективы развития сельского (зеленого) туризма в Украине. В статье рассматриваются вопросы сущности и значения сельского (зеленого) туризма и агротуризма, указываются перспективы их развития в Украине и описываются способы их внедрения в национальную культуру.

Ключевые слова: агротуризм, перспективы развития, сельский (зеленый) туризм.

Over the last several decades a tourism industry has reached a frantic tempo of development and tourism nowadays is not only the way of recreation and spending leisure time but also a significant means of earning income in the spheres of tourism business and market relations. There have been new forms of tourism that appeared in the last couple of years and have eventually taken their place in the world. The rural tourism is one of such forms. Rural tourism implies spending spare time in a rural environment, the main features of which are corresponding buildings, village life, picturesque landscapes and other features that enable to solve a number of problems regarding the development of rural territories [9, p. 11].

The issues of essence and meaning of rural tourism as well as its forms and factors of development are in the focus of scientific research for many domestic scientists such as Parfinenko A., Gorishevsky P., Guben Y., Zinko Y., Prokopa I., Tovt M., Kifyak V., Shkola M., Sumshenko I., Gaponenko G.

Among foreign scientist who investigate problems regarding rural tourism Verbka Y., Kennon A., Rotge N., Holovey E. and others should be emphasized. It's especially important to define the essence and basic concepts of rural green tourism and to make an overview of rural tourism tendencies in Ukraine [3, p. 52]. The definition of 'rural tourism' is frequently equated to 'farm tourism', even though the meaning of 'rural tourism' is much wider [1, p. 23].

Farm tourism is an entertainment tourism which provides the usage of a rural (farm) enterprise. Farm tourism can be manifested in various forms but it always provides tourists with accommodation [6, p. 10]. The connection between separate definitions in the field of green tourism is presented on Figure 1.



Figure 1. The connection between separate definitions in the field of green tourism

As you can see on Figure 1, rural green tourism is a much wider concept, while farm tourism and ecotourism are narrower concepts and combine only one of the tourism fields: recreation in the village or active recreation that aims to preserve and restore nature.

The formation of rural green tourism dates back to the 13th century when the first guesthouses chalet were established on the territory of the French and Swiss Alps. This kind of tourism became popular in the second half of the 20th century together with temporary accommodation and food services (Great Britain and USA – 'Bed&Breakfast' / B&B) [7, p. 22].

The definition of 'rural green tourism' is enshrined in Ukrainian legislation and is interpreted as a recreation in a Ukrainian village. This definition appeared in the legal field of Ukraine in 1996 [8, p. 99].

In most Ukrainian regions tourism development gets lots of attention. In spite of the lack of regulation of this kind of tourism on the legal basis, there are still such programmes of tourism development as ‘The programme of tourism development and recreation’ in Lviv oblast (2014–2017), ‘The programme of resorts development’ in Odessa oblast (2017–2020), ‘The programme of tourism and touristic infrastructure development’ in Kiev oblast (2017–2018), ‘The programme of tourism development’ in Ternopil region (2016–2020) and ‘The programme of the development of the tourism industry’ in Ivano-Frankivsk (2016-2020) etc [2, p. 11].

The village recreation in Ukraine must become of a national importance due to the preservation of an ethnic identity. Firstly, it gives a boost for the revival and development of a traditional culture: folk architecture, art, crafts and everything that specifies the color of local culture and, together with natural recreational factors, is considered to be attractive for tourists. Secondly, the residents of urbanized territories are enabled to know real Ukrainian traditions due to the village recreation. And thirdly, the ethnic culture of villages represents Ukraine on the world arena and attracts foreign tourists [4, p. 11].

The development of a rural green tourism in Ukraine helps to create conditions for rest and recreation and for solving the problem of local budgets replenishment for building estates and agricultural ventures on a traditional theme. In this way the development of rural and green tourism becomes a source of knowledge in the Ukrainian culture and lifestyle. It has a positive influence on the employment of rural population, especially women.

It helps peasants to get an extra income and gives more employment opportunities not only in a production field but also in a service sector.

Rural tourism is considered to be a very lucrative activity and an alternative way of developing rural territories. It is important to promote an idea of rural tourism in Ukraine. The development of this programme aims to increase people’s awareness about Ukrainian traditions and create positive attitude to such a kind of recreation [5, p. 55].

There are enthusiasts in each region of our country who can launch tourist centers where there is not even a single one. There is a need to create departments that will contribute to the development of green tourism in cities having opportunities for its development with such departments providing consulting service as well.

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METHODS OF ANALYTICAL FORECASTS DEVELOPMENT IN THE FIELD OF INTERNATIONAL RELATIONS

*D.O. Patsai, N.O. Bolibok (language supervisor)
V.N. Karazin National University, Kharkiv*

Patsai D. O., Bolibok N.O. Methods of development of analytical forecasts in the field of international relations. The article describes different methods of developing analytical forecasts in the field of international relations and is classified a set of methods that are used today in political forecasting in the international arena.

Key words: methods, analytical forecast, international relations, policy, political forecasting, subsystem, analytical activity, modeling, system approach, schemes, concepts.

Пацай Д. О., Болібок Н.О. Методика розробки аналітичних прогнозів у галузі міжнародних відносин. У статті описуються різні методи розробки аналітичних прогнозів у галузі міжнародних відносин та класифікується сукупність методів, що застосовуються сьогодні в політичному прогнозуванні на міжнародній арені.

Ключові слова: методи, аналітичний прогноз, міжнародні відносини, політика, політичне прогнозування, підсистема, аналітична діяльність, моделювання, системний підхід, схеми, концепції.

Пацай Д.А., Болибок Н.А. Методика разработки аналитических прогнозов в системе международных отношений. В статье описываются различные методы разработки аналитических прогнозов в области международных отношений и классифицируется совокупность методов, применяемых сегодня в политическом прогнозировании на международной арене.

Ключевые слова: методы, аналитический прогноз, международные отношения, политика, политическое прогнозирование, подсистема, аналитическая деятельность, моделирование, системный подход, схемы, концепции.

The subject of study is methods of development of analytical forecasts in the field of international relations. The purpose of study is to classify a set of methods that are used today in political forecasting in the international arena. The relevance of study is to determine the most effective methods of analysis in the context of increasing amount of subjects in international relations.

International relations as a sphere of human coexistence include political, economic, legal, diplomatic, social, psychological, cultural, scientific and technical, trade, military and other ties and relations between states, peoples, social groups and organizations operating on the international arena. Because of the presence of such a large number of participants and the importance of their relationships, there is a need to forecast this area in order to determine trends in their development and impact on each subject.

The political forecast has the object of the political system and the political process, and the subject – the knowledge of possible states of political events, phenomena, processes. Under the political forecast we can understand the development of scientifically substantiated judgments about the possible state of the whole political system or its individual entities in future and the possible ways and timing for their achievement. The forecast of the system's movement is mainly probabilistic because it is impossible to identify all the processes that are forming, to determine the degree of influence of all the factors on their dynamics and the reaction of processes to external and internal incentives. This also applies to the forecast of the political system -- the political forecast [1, с. 6-11].

By studying these factors, it is important to take into account the following points: no factors or trends will have a decisive impact on the state of affairs around the world; each factor will have different effects in different regions and countries; factors do not necessarily reinforce each other, in some cases they can act in opposite directions [1, с. 8-9].

There is no single approach to the methods of modern political forecasting today – different authors singled out a different set of methods for prognostication. At the same time, the lack of a methodologically unique approach complicates the expert perception of existing forecasts, and may also lead to disinformation of the layman (especially in a large number of different pseudoscientific predictions). This article attempts to classify a set of methods that are used today in political forecasting in the international arena.

There are both relatively simple and more complex prognostic methods. The first group includes the following methods: the method of simple extrapolation, the Delphic method, the construction of scenarios, etc. The second is the analysis of determinants and variables, system approach, modeling, analysis of chronological series (ARIMA), spectral analysis, computer simulation, and others. Let's consider briefly some of them [3, c. 3-5].

Delphic method. It is about systematic and controlled discussion of the problem by several experts. Experts make their assessments of an international event in the central body, which conducts their generalization and systematization, and then returns to the experts again. Being carried out several times, such an operation allows us to state more or less serious differences in these estimates. Taking into account the generalization carried out, experts either make adjustments to their initial assessments, or strengthen themselves in their thoughts and continue to insist on it [4, c. 4].

Building scripts. This method consists in constructing ideal models of probable development of events. On the basis of the analysis of the existing situation, hypotheses are presented simple assumptions and they are not subjected in this case to any verification of its further evolution and consequences [4, c. 6].

System approach. The concept of the system is widely used by representatives of various theoretical areas and schools in the science of international relations. Its advantage is that it gives the opportunity to imagine the object of study in its unity and integrity and, therefore, helps to find correlations between the interacting elements, helps to identify the "rule" of such interaction, or in other words, the regularities of the functioning of the international system.

Simulation method. Modeling takes a special place in the analysis of various processes and is now widely used to build possible scenarios for the development of situations and the definition of strategic tasks. The method of modeling is associated with the construction of abstract objects, situations, representing systems, elements and relations that correspond to the elements and relations of real international phenomena and processes [2, c. 1].

Conclusion. Political forecast – a scientific analysis of phenomena and processes of policy in order to determine the specific prospects for the development of a particular process within the country or in international relations. When constructing a model of a system of international relations, all proposed models can be applied, and it is difficult to determine which one is more suitable. Application of either model depends on the specific objectives of the study and the solved problems.

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E-COMMERCE DEVELOPMENT IN TERMS OF FORMATION OF GLOBAL INFORMATION SPACE: OPPORTUNITIES AND CHALLENGES

*E.E. Pavlenko, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Pavlenko E.E., Davydenko I.V. E-commerce development in terms of formation of global information space: opportunities and challenges. The article describes the features and impacts of electronic commerce development. The research covers the main trends of e-commerce, analysis of the opportunities and challenges this process gives to enterprises in both developed and developing countries.

Key words: B2B, B2C, electronic commerce, e-commerce development, ICT, international trade.

Павленко Е.Е., Давиденко І.В. Розвиток електронної торгівлі в умовах становлення глобального інформаційного простору: можливості та виклики. У статті розглядаються особливості та наслідки розвитку електронної торгівлі. Надаються основні тенденції розвитку електронної торгівлі, оцінка і аналіз

можливостей та загроз, що несе цей процес для підприємств як у розвинутих країнах, так і країнах, що розвиваються.

Ключові слова: B2B, B2C, електронна торгівля, ІКТ, міжнародна торгівля, розвиток електронної торгівлі.

Павленко Э.Э., Давыденко И.В. Развитие электронной торговли в условиях становления глобального информационного пространства: возможности и вызовы. В статье рассматриваются особенности и последствия влияния развития электронной торговли. Поданы основные тенденции развития электронной торговли, анализ и оценка возможностей и угроз, которые несет данный процесс для предприятий как в развитых странах, так и в развивающихся.

Ключевые слова: B2B, B2C, ИКТ, международная торговля, развитие электронной торговли, электронная торговля.

The subject of the study is the development of electronic commerce in terms of formation of global information space. The purpose of the study is to evaluate the opportunities and challenges this process gives to enterprises in both developed and developing countries. The promise of ICTs to allow entrepreneurs and enterprises to buy and sell their products over digital networks has been among the development priorities for the international community since the end of the 1990s. In 1999, UNCTAD emphasized that "electronic commerce has the potential to be a major engine for trade and development on a global scale" [4]. Nowadays the external sector of the economy is greatly affected by digitalization. Products and services are increasingly purchased and delivered across borders using electronic networks. The growing role of this new mode of trade determines the relevance of the study.

With reduced costs of collecting, storing and processing data, and greatly enhanced computing power, digitalization is transforming more and more economic activities around the world, making e-commerce a prominent feature of the evolving digital economy.

There are various definitions of e-commerce. This article draws on the one adopted by OECD: e-commerce is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online. An e-commerce transaction can be between enterprises, households, individuals, governments, and other public or private organizations [3].

The Work Programme on Electronic Commerce adopted by WTO states that electronic commerce is the production, distribution, marketing, sale or delivery of goods and services by electronic means [1].

According to the UNCTAD there are four main types of e-commerce:

1) B2B involves transactions between a manufacturers and a wholesaler, or between a wholesaler and retailer. There are various specialized B2B platforms, typically catering to certain industries or value chains.

2) B2C involves sales by "pure-play" e-commerce enterprises to consumers and by traditional bricks-and-mortar retail or manufacturing firms that add an online sales channels. There is a wide range of channels to reach consumers, including social networks, crowdsourcing platforms, dedicated e-commerce websites, mobile applications and more.

3) C2C covers online auction platforms (such as eBay or Taobao) and sales within online communities. C2C platforms offer possibilities for informal enterprises to engage in e-commerce.

4) B2G is similar to B2B, except that the buyer in this case is a government entity, such as in the case of public e-commerce [4].

There are various electronic relationships between governments, enterprises, individuals/consumers and other public and private organizations. The prime focus in this study is on B2B and B2C transactions.

Despite the lack of detailed official data (as few countries publish official estimates of such transactions), it is possible to estimate the total value of global e-commerce sales (table 1).

Global e-commerce was estimated at \$25.3 trillion in 2015, up from \$16 trillion in 2013. Global B2B sales were estimated based on official data for China, Japan, the United States and the EU, which accounted for 67 per cent of world GDP in 2015. The United States was by far the largest e-commerce market in 2015, with combined sales of over \$7 trillion, followed by Japan and China. While the United States was ahead by some margin in B2B e-commerce sales, it was just behind China in the B2C segment.

Overall, B2B dominated, accounting for about 90 per cent of the total among this group of economies. The total value of e-commerce was equivalent to 34 per cent of the total GDP of these economies; in Japan and the Republic of Korea it exceeded 60 per cent. Given the highly uncertain figures for B2B, it is not possible to estimate where other countries fit in [5].

The shift towards e-commerce is already transforming the behavior of businesses and consumers, offering them potential benefits.

Table 1

Top 10 economies by total, B2B and B2C e-commerce, 2015

№	Economy	Total		B2B		B2C
		\$billion	Share in GDP (per cent)	\$billion	Share in total e-commerce (per cent)	\$billion
1	United States	7 055	39	6 443	91	612
2	Japan	2 495	60	2 382	96	114
3	China	1 991	18	1 374	69	617
4	Republic of Korea	1 161	84	1 113	96	48
5	Germany (2014)	1 037	27	944	91	93
6	United Kingdom	845	30	645	76	200
7	France (2014)	661	23	588	89	73
8	Canada (2014)	470	26	422	90	48
9	Spain	242	20	217	90	25
10	Australia	216	16	188	87	28
	Total for top 10	16 174	34	14 317	89	1 857
	World	25 293	-	22 389	-	2 904

Source: UNCTAD [5]

For enterprises, e-commerce offers both opportunities and risks. New ICT applications and services are helping to reduce various costs for suppliers. Leveraging different online and mobile channels may enable a seller to reach more potential customers (both consumers and businesses) in domestic and foreign markets in a more targeted way and sometimes at lower cost than through traditional channels. Meanwhile, suppliers that rely more (or entirely) on e-commerce may be able to reduce investments in physical infrastructure (such as buildings) in expensive locations. And, finally, there may be ways to reduce the delivery cost (especially for digital products), and to use innovative ways of delivering physical products through dedicated e-fulfillment services.

In the e-commerce sector itself, entrepreneurs and enterprises in developing countries are discovering new business opportunities. Recent examples include the introduction of payment solutions (for example, Alipay in China or JamboPay in Kenya), e-commerce platforms (for example, Mercado Libre in Latin America and Zoom Tanzania), and innovative logistics, such as the motorbike delivery services of Giao Hang Nhanh in Viet Nam.

At the same time, many consumers and enterprisers remain reluctant to change their behavior and start making purchases online despite the advantages. According to the assessment undertaken by the International Trade Centre (ITC), a list of critical barriers preventing SMEs in developing countries and LDCs from effectively engaging in e-commerce includes:

1) Lack of awareness, understanding or motivation among policymakers, trade and investment support institutions and SMEs about opportunities for increased trade online and how to overcome related barriers.

2) Lack of access, affordability and skills with respect to relevant technologies. Many SMEs do not master technology or they lack relevant skills. Even those able to access online marketplaces may lack competence in using complementary technologies such as inventory control and order handling.

3) Poor availability of international and local payment solutions. Available solutions for small local businesses (e.g. bank transfers or cheques) may encounter trust problems with international customers, or may be costly to use.

4) Lack of access to cost-effective logistics. Often, the international services provided by local postal monopolies are of low-quality, and express delivery may be costly. Without collaboration, the volumes of international transport needs of SMEs remain low, leaving them in a weak position for negotiating better rates.

5) Limited capability to manage requests and relationships with international customers. Cultural and language barriers can hamper the ability of small companies to handle customer enquiries. Moreover, reputation takes time to build, but can be damaged quickly on the Internet.

6) Low visibility, lack of a reputation and poor trust in target markets. Raising awareness of a firm's products and services may be prohibitively costly and requires a certain understanding of the end market. Building trust may require cultural awareness as well as technological solutions, such as access to verified standard security certification and, for B2B transactions, verified digital signatures.

7) Lack of conformity with legal and fiscal requirements in target markets. Failure to account for value added tax and import duties can result in the consumer having to cover unanticipated extra costs on delivery. This may lead to costly returns of goods, a loss of reputation, and the eventual barring of the merchant from e-commerce sites [2].

From the point of view of governments, e-commerce can bring benefits as well as challenges. It may spur new job creation in the ICT sector, related to software development, information technology consultancy services, web

hosting and, of course, in enterprises that become more successful thanks to expanded online sales. It may help to boost exports, when domestic enterprises are able to break into foreign markets to connect with international supply chains, and add competitive pressure in the economy.

On the flip side, there is the risk that technology-savvy foreign competitors outdo local firms, gaining greater market shares from e-commerce compared to local firms. Governments may also be concerned with tax erosion and transfer pricing. Greater reliance on online sales has also been associated with a proliferation of fraudulent activities and various cybercrimes. Moreover, illegal and illicit goods increase the burden on customs and posts, which has led to the implementation of new practices to increase detection and confiscation. Beyond the economic field, e-commerce has given rise to concerns related to the health, safety and cultural dimensions. For example, while "Internet pharmacies" can help improve access to medicines there are doubts related to transparency, fraud, product quality, and even its viability as an ethical business model [4].

Conclusion. E-commerce has expanded significantly in the past decade and is expected to continue to grow rapidly in the coming years. It leads to accelerated economic growth as it offers potential benefits in the form of enhanced participation in international value chains, increased market access and reach, and improved internal and market efficiency, as well as lower transaction costs. However, a number of factors are constraining e-commerce, such as unreliable and lengthy transit times and logistics, high costs of shipment, reluctance to use online payment, and a lack of transparency on delivery and pricing.

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BASIC APPROACHES TO THE DEFINITION OF “PUBLIC DIPLOMACY”

*T.S. Pavlova, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Pavlova T.S., Davydenko I.V. Basic approaches to the definition of «public diplomacy». The article discloses the essence and definition of the comprehensive concept of «public diplomacy» as an independent field of state policy in the international arena; defines the purpose of public diplomacy and analyzes the main approaches to the definition of the term «public diplomacy».

Key words: government, foreign policy, international relations, negative image, non-governmental organizations, political awareness, public diplomacy, society, traditional diplomacy.

Павлова Т.С., Давиденко І.В. Основні підходи до визначення поняття «публічна дипломатія». Стаття присвячена розкриттю сутності та визначенню всеохоплюючого поняття «публічної дипломатії», як самостійної галузі державної політики на міжнародній арені. Було визначено мету публічної дипломатії та проаналізовано основні підходи до визначення самого терміну «публічна дипломатія».

Ключові слова: зовнішня політика, міжнародні відносини, негативний імідж, недержавні організації, політична обізнаність, публічна дипломатія, суспільство, традиційна дипломатія, уряд.

Павлова Т.С., Давыденко И.В. Основные подходы к определению понятия «публичная дипломатия». Статья посвящена раскрытию сущности и определению всеобъемлющего понятия «публичной дипломатии», как самостоятельной отрасли государственной политики на международной арене. Была выявлена цель публичной дипломатии и проанализированы основные подходы к определению самого термина «публичная дипломатия».

Ключевые слова: внешняя политика, международные отношения, негативный имидж, негосударственные организации, общество, политическая осведомленность, правительство, публичная дипломатия, традиционная дипломатия.

The subject of the study is public diplomacy in general. The purpose of the study is to analyze the wide range of different definitions of public diplomacy and find out the comprehensive meaning of this term.

Public diplomacy is a relevant issue for the leadership of all developed countries in the world, because it includes the efforts of the government aimed

at the disclosure of country foreign policy that they carry out to the whole world community. That is why, in the first place, the most important scientific task is to determine the essence of public diplomacy.

Lots of academics have studied basic approaches to the interpretation of the «public diplomacy» concept: Lukin A. V., Plushchak K., Manzhulina O.A., Lebedeva M.M., Munro A.

The purpose of this article is to reveal the essence and define the comprehensive concept of «public diplomacy» as an independent sphere of state policy in the international arena.

The study of public diplomacy is a new and expanding field. The Center on Public Diplomacy defines it as the public, interactive dimension of diplomacy which is not only global in nature, but also involves a multitude of actors and networks. It is a key mechanism through which nations foster mutual trust and productive relationships and has become crucial to build a secure global environment [9].

The most well-known definition of diplomacy is in the English Oxford Dictionary: «Diplomacy is the implementation of international relations through negotiation; a set of tools used by ambassadors and envoys to carry out the negotiation process; work and skills of a diplomat» [8].

Within this understanding, we can also find the concept of public diplomacy. The two most commonly used definitions describe the public diplomacy as the way governments, individuals and groups can directly or indirectly influence those public opinions and positions, which directly influence the foreign politics decisions of another government. Public diplomacy broadens the field of traditional diplomacy. This is not the sphere of “high politics” on the diverse issues and aspects of daily life and this is not the “closed” sphere of governments and diplomats on new actors and target groups. Nowadays, public diplomacy focuses on different individuals, groups and institutions, which are joining international and intercultural communication activities and have influence on the political relations between countries [7].

The purpose of public diplomacy is to explain political actions on the territory of state and on the international scene in favor of government policy, as well as the presentation of their nation to foreign non-governmental organizations. Strategic public diplomacy is defined as the «government-people» (government-public) diplomatic activity, which includes government efforts to influence public opinion and the elite minds in another country [3, 7].

There are two main kinds of public diplomacy. The first is branding, or cultural communication, in which the government tries to improve its image

without seeking support for any immediate policy objective. States use branding strategies to foster a better image of themselves in the world. The second type of public diplomacy includes various strategies designed to facilitate more rapid results – a category which called political advocacy. Political advocacy campaigns use public diplomacy to build foreign support for immediate policy objectives [6].

The diplomat must be like a lobbyist in the host country, acting as a consultant, actively involved in humanitarian issues. In some cases, a direct communication between a diplomat and society can be effective, in other cases is perceived negatively. In general, a skilful combination of official and public aspects of activity gives undoubted advantages, influencing foreign states and society. Variants of such combinations can be very diverse, and in all cases, the state interacts with civil society associations of both its own country and international partners to exert influence externally [1].

The term «public diplomacy» is often confused with propaganda. In fact, public diplomacy builds relationships: understands the needs of other countries, cultures and peoples, respects our views, corrects misplaced ideas, looks for spheres where we can find a society with common problems and interests. The difference between public and traditional diplomacy lies in the fact that public diplomacy consists of a much larger group of people on both sides and a wider range of interests that are not just about government issues. Public diplomacy is based on the argument that the image and state reputation are public goods that can create either favorable or unfavorable conditions for international relations. Work on specific issues in this area instantly affects the reputation of the state [5].

Public diplomacy is relatively young, but a popular field of study in international relations. The practice of public diplomacy or diplomatic engagement with people preceded the integration of its terminology into the work of the government and the Ministry of Foreign Affairs. Public diplomacy, as a practice and field of study, is tend to undergo wider changes taking place in diplomacy, international relations, and society. As a rule, public diplomacy is considered to be different from traditional government diplomacy, since it attracts non-state actors. In recent decades, public diplomacy has become increasingly important in the practice of the state diplomatic activity. In modern times, there are hundreds of different interpretations and there is no universal definition of public diplomacy [4].

Under the modern conditions, diplomacy becomes a more complex activity. If in the past it was largely limited to interaction with the official circles of a

foreign state, today this has been supplemented by communication with various segments of society, which is carried out by diplomats and politicians directly or indirectly through various kinds of structures – NGOs, business, universities. A qualified combination of direct and indirect channels of communication ensures the effectiveness of diplomatic activities [1].

The concept of public diplomacy, as a rule, includes several elements:

1) the great transparency of foreign policy activities, public awareness of this policy;

2) direct appeal of the state to the public of other countries in order to clarify the goals of their foreign policy and create a favorable image of the country abroad;

3) governmental explanatory work with the public of other countries through NGOs (non-governmental organizations) of their country;

4) direct communication between civil societies of different countries and NGOs representing them, aimed at studying other states, organizing events on the themes of the NGOs work, lobbying certain issues in another state.

In order to increase the effectiveness of international activities, governments in many countries of the world have introduced government positions or created entire departments responsible for public diplomacy [2].

Therefore, «public diplomacy» is a multi-component term that defines the efforts of the government aimed at explaining to the world community the implementation of its foreign policy. Public diplomacy includes the preparation of information materials about the country, and their distribution abroad through diplomatic channels and the global Internet. Summarizing this publication, it can be noted, that public diplomacy is an effective tool for the implementation of national foreign policy. At the same time, many aspects of the essence of public diplomacy remain undisclosed. Therefore, further analysis of the newest goals and strategies of public diplomacy and their impact on public consciousness in the international space deserves the attention of scientists.

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INNOVATIONS AS A FACTOR OF THE COUNTRY'S COMPETITIVENESS

*D.O. Petrovska, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Petrovska D.O., Davydenko I.V. Innovation as a factor of the country's competitiveness. The article considers the concept of innovation as one of the key factors for increasing the country's competitiveness in the world. The connection between the introduction of innovation model of development in countries and their high competitiveness is examined on the basis of recent statistics on the Global Competitiveness Index and the Global Innovation Index.

Key words: competitiveness, innovation, innovative development.

Петровська Д.О., Давиденко І.В. Інновації як фактор конкурентоспроможності країни. У статті розглядається поняття інновацій як одного з ключових факторів підвищення конкурентоспроможності країни у світі. Досліджується зв'язок між запровадженням інноваційної моделі розвитку в країнах та їх високою конкурентоспроможністю на основі останніх статистичних даних за Глобальним індексом конкурентоспроможності та Глобальним інноваційним індексом.

Ключові слова: інновації, інноваційний розвиток, конкурентоспроможність.

Петровская Д.О., Давыденко И.В. Инновации как фактор конкурентоспособности страны. В статье рассматривается понятие инноваций как одного из ключевых факторов к повышению конкурентоспособности страны в мире. Исследуется связь между введением инновационной модели развития

в странах и их высокой конкурентоспособностью на основе последних статистических данных по Глобальному индексу конкурентоспособности и Глобальным инновационным индексом.

Ключевые слова: инновации, инновационное развитие, конкурентоспособность.

The subject of the study is the role of innovation in the development of the national economy. The purpose of the study is to show the relationship between the innovation model of development and the competitiveness of the state. The relevance of the study is determined by the global trend of globalization, that has led to the emergence of new conditions for the countries' entry into the world arena, when only countries that have the advantage over the rest are occupying leading positions.

The place and the role of a country depends on a factor such as competitiveness. According to the definition of the World Economic Forum, «competitiveness» means a set of institutions, lines of behavior of the state represented by its higher authorities, as well as factors determining the level of productivity of the country [2].

According to another definition, the competitiveness of the country is its ability, in conditions of free competition, to create goods and services that meet the requirements of the world market, and selling of these goods and services enhances the welfare of the state and its citizens [1].

The country's ability to ensure stable economic growth, the competitive advantages, as well as its place in the world economy can be determined with the help of the Global Competitiveness Index of the World Economic Forum.

The index includes 12 pillars [2], that characterize the competitiveness of countries of different economic development levels in details. All variables are assorted into three groups of factors (see Table 1). The choice of these factors was made due to theoretical and empirical research, in which they are effective in ensuring the competitiveness of the country, being applied in a system. For example, it will be difficult to achieve a high score in the innovation component without having sufficiently educated and well-trained human resources capable to implement the latest technology in all processes within the country. Therefore, countries are competitive if they develop all Index components [3].

Table 1

The Global Competitiveness Index Components

Basic requirements	Efficiency enhancers	Innovation and sophistication
1. Institutions 2. Infrastructure 3. Macroeconomic environment 4. Health and primary education	5. Higher education and training 6. Goods market efficiency 7. Labor market efficiency 8. Financial market efficiency 9. Technological readiness 10. Market size	11. Business sophistication 12. Innovation

Source: Global Competitiveness Index Report [2].

As a rule, countries focusing on the same group of factors and directing all efforts to develop certain indicators of the group, transform their economies into one of the three-sector oriented: factor-driven, efficiency-driven, and innovation-driven. The latter are of the particular interest, since innovative technologies are the most up-to-date and progressive tools for achieving high competitiveness and sustainable economic growth.

Innovation is the introduction of a new or significantly improved product (goods or service), technological process, marketing or organizational method in business practice or external relations [7]. The human factor (development of personalities) and innovations in the social sphere, namely, changes in group behavior, development of needs, culture, values are also added to the concept “innovation” [5].

Innovation and competitiveness are interconnected. The Eurasian Council for Standardization, Metrology and Certification defines innovation as a tool for promoting technology, product and market services.

Innovations are expressed in the structural modernization of the economy, the increase in labor productivity, the growth of high-tech, knowledge-intensive industries share in the structure of production and exports. New technologies in production lead to: reduction of expenses on products, production time, and, accordingly, its value, while increasing its quality; reduce the risks associated with the process of delivery; more perfect organization of production and management at the enterprise [6]. As a consequence, such products are more likely to be selected by buyers who prefer high-quality products or services at affordable prices.

At the macro level, the use of innovation is expressed in the improvement of public or environmental standards of life, the introduction of new socio-political conditions for the functioning of public administration.

The share of innovation in the formation of the Global Competitiveness Index is from 1/3 to 1/2 [2]. The closer the country is to innovation leaders, the greater the advantage of ensuring competitiveness through appropriate innovation becomes. Therefore, innovation and the level of innovation activity are the most progressive factors influencing the national economy competitiveness.

The relationship between the country's competitiveness and its innovative development can also be seen through the analysis of the leading positions in the Global Competitiveness and the Global Innovation Indexes (see Table 2).

Countries like the United States, Sweden, Finland, Singapore, the Netherlands and Germany are in the top ten of both 2016 ratings, with Switzerland's undisputed leadership.

Table 2

**The results of some countries' ratings
on the indicators of innovation and competitiveness**

Innovation Index, 2016			Competitiveness Index, 2016		
<i>Rank</i>	<i>Country</i>	<i>Score (1-7)</i>	<i>Rank</i>	<i>Country</i>	<i>Score (0-100)</i>
1	Switzerland	66,28	1	Switzerland	5,81
2	Sweden	63,57	2	Singapore	5,72
3	Great Britain	61,93	3	United States	5,70
4	United States	61,40	4	Netherlands	5,57
5	Finland	59,90	5	Germany	5,57
6	Singapore	59,16	6	Sweden	5,53
7	Ireland	59,03	7	United Kingdom	5,49
8	Denemark	58,45	8	Japan	5,48
9	Netherlands	58,29	9	Hong Kong	5,48
10	Germany	57,94	10	Finland	5,44

Sources: Global Competitiveness Index Report [2], WIPO [8].

Swiss championship in the development of innovation is confirmed by the creation of favorable conditions for research and development in the country. Thanks to the world-class universities in Zurich and Lausanne, as well as four research institutes in Switzerland, fundamental researches are carried out at the highest level, and their results are easily applied in practice due to the favorable intellectual property law. The Swiss National Fund (SNF) supports

research in all academic disciplines with a budget of 4.7 billion francs for the period (2012-2016), and the Swiss Innovation Park has also contributed to improving the country's competitiveness through innovation [4].

Conclusion. The relationship between the introduction of new technologies into the countries' economies and the increase of competitive advantages is clearly illustrated by particular examples. The development and implementation of innovations is the basis for increasing the efficiency of the economy, increasing production volumes, improving living standards and facilitate entering new markets. Therefore, for the development of an innovation component in the economy, first of all, it is necessary to achieve the state aid. The national policy focused on ensuring the proper conditions for the development and implementation of innovation, will direct the economy to more intensive growth and will give the country a tendency to strengthen national competitiveness, which will increase the country's value in the world.

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THE BACKGROUND AND PROSPECTS FOR THEME PARK DEVELOPMENT IN THE POLTAVA REGION

*Y.Y. Piavka, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Piavka Y.Y., Litovchenko Y.M. The background and prospects for a theme park development in the Poltava region. The article gives an overview of development trends and their impact on tourism industry, analyzes the peculiarities of the historical origins of theme parks and their current position in the tourism market. There is an overview of the background and prospects for development of a theme park in Poltava. The article provides a summary of expediency and usefulness of such a development.

Key words: destination, entertainment Industry, theme park and amusement park, tourism.

Пявка Є.Ю., Літовченко Я.М. Передумови та перспективи побудови тематичного парку на Полтавщині. У статті подано огляд тенденцій розвитку сфери розвитку та їх вплив на туристичну індустрію, проаналізовано особливості історичного зародження тематичних парків та їх сучасна позиція на туристичному ринку. Надано огляд передумов та перспектив побудови тематичного парку в місті Полтава. Підсумовано доцільність та вигідність конструювання даного об'єкту.

Ключові слова: дестинація, індустрія розваг, тематичний парк та парк розваг, туризм.

Пявка Е.Ю., Литовченко Я.Н. Предпосылки и перспективы построения тематического парка на Полтавщине. В статье представлен обзор тенденций развития сферы развития и их влияние на туристическую индустрию, проанализированы особенности исторического зарождения тематических парков и их современная позиция на туристическом рынке. Дан обзор предпосылок и перспектив построения тематического парка в городе Полтава. Подведена целесообразность и выгодность конструирования данного объекта.

Ключевые слова: дестинация, индустрия развлечений, тематический парк и парк развлечений, туризм.

In recent years, entertainment industry is closely linked with tourism industry, creating new attractive destinations. There are such tourism indicators of country's economy and socio-cultural development level as level of satisfaction with the quality of tourist services and attractions and their accessibility for society. Attractive tourism recreation facilities with the latest

technologies which are used there contribute to the promotion of tourist destinations abroad and in other regions of the country, as well as help to create a positive image, what is a part of tourism destinations“ marketing [1].

What is more, the entertainment has become a global industry with huge, fast-growing revenues. An important part of the entertainment industry is various parks. There is no exact classification of this industry nevertheless it is definitely known that the destination with amusement park or theme park becomes much more popular and more appealing for tourists. Furthermore, such parks can be an independent destination, the main purpose of visiting of certain point on the route or even the main purpose of the entire journey.

Gorky amusement park in Kharkiv is an example of successful development of tourism destination. It was founded in 1893-1895 and opened in 1907, but then it was not so popular because of poor technical and natural equipment. But later, after total renovation in 2012, the park became an extremely attractive destination for the whole Left-Bank Ukraine. Nowadays, a large number of people come to Kharkiv for visiting this site or it is an obligatory stop in their tour.

Therefore, Poltava has prospects and premises for the construction of theme park.

The industry of theme parks has not been actively developed in Ukraine, but there are some representatives:

- Children's Town, Nikolaev;
- Ancient Kiev, Obukhiv district, the Kyiv region, Kopachiv;
- National Reserve «Khortytsya», Zaporozhye.

Consequently, this niche is actually free and has prospects for development in Ukraine.

The popularity of theme parks as places of recreation will grow with each passing year. Italian researchers analyzed the statistics of visits by residents and non-residents to major attractions in five European countries: Italy, France, Spain, Great Britain and Germany. The calculations were based on the data from the ticket control. These statistics cannot be considered as absolutely reliable but even despite this it shows that there are a dozen of theme and amusement parks among leading tourist attractions.

Table 1

**The number of visitors
in the most popular theme parks in the world**

№	Name	Number of visitors, millions per year
1	World of Walt Disney in Florida	52,5
2	Disneyland in Anaheim	16
3	Disney Resort in Tokyo	Disneyland
		DisneySea
4	Paris Disneyland	11,2
5	Universal Studios in Japan	10
6	Universal Orlando Park	8
7	Ocean Park in Hong Kong	7,4
8	Everland in South Korea	6,85
9	Disneyland Hong Kong	6,7
10	Lotte World in Seoul	6,5

Source: [3]

The nineteenth century Europe is the origin of the idea of theme parks. There was a corner of attractions with carousel and big wheel at the World Exhibition in Brussels for the first time. Contemporary implementation of the idea of a theme park was done in the Netherlands in 1952, it was a park based on European fairy tales [2].

Structural theme zones (lands) that tell a certain story of park, differ theme parks from the amusement parks.

Thus, the Poltava region is a wonderfully good place for building a theme park. It is considered to be the cultural capital of Ukraine due to this Poltava is rich of various traditions and histories that could become the basis of the theme of the park.

The theme of the park could be based on the works of a well-known figure not only in Poltava, but all over Ukraine – Nikolai Vasilyevich Gogol. Such works as «Evenings on the village near Dikanka», «Viy», «Sorochinsky fair» and many others can serve as the basis for various attractions.

For example, on the basis of the story «Viy» there can be constructed an exciting horror room. Also, on one of the rides instead of regular cabins will be places in the form of devils, which will symbolize part of the work «Evenings on the village near Dikanka», where Vakula flew on the devil.

In addition, gourmet traditions of the Poltava region could serve as a basis for other park. Galuchki in general could be the theme of the entire section of the park. On their basis it is possible to build a big wheel. Cabins for people will look like dumplings and other part of attraction will have form of forks on which dumplings will be located.

Each year various fairs are held in Poltava and the subject of one of them is dumplings, but there is no well-equipped place for it, this park could be the venue for fairgrounds from year to year.

Furthermore, «Victory» park in Poltava can be an ideal site for such a park. It has an extremely convenient location which is in the city center. It is convenient to get there for both local and foreign visitors. The territory of the park is quite large and already has some facilities that will make the construction of the theme park easier.

Today, «Victory» park is in a terrible condition and is no longer a place where the city's residents want to unwind. Most of the attractions are in an emergency or do not work. In addition, natural appointment of the park is in a terrible state.

Regarding the economic benefit of the park, we believe that it will eventually break even and return all investigations for which it was built and will bring significant income, because in Ukraine there is no similar theme park, therefore, the proper marketing strategy and efficient management of this object will become an extremely popular destination.

Consequently, based on international experience and experience of the neighboring region, it can be assumed that development of the theme park in Poltava will be a rational, feasible move and will help the region to attract tourists and revitalize the city's public life.

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DEVELOPMENT OF THE GLOBAL IMAGE OF THE USA

*J.M. Pilguy, S.V. Karlyuk (language supervisor)
V.N. Karazin National University, Kharkiv*

Pilguy J.M., Karlyuk S.V. Development of the global image of the USA.

The article describes the development of a country's image (USA). Through it, the meaning of the term «image» is revealed, different means and methods of its building in the international arena and the modern aspect of the USA image are described.

Key words: country's image, methods of influence, “think tanks”, the USA.

Пільгуй Ю.М., Карлюк С.В. Формування глобального іміджу США. У статті розглядається формування іміджу країни (США). Завдяки цьому розкриваються поняття терміна «імідж», способи і методи його створення на світовій арені та сучасний аспект існування іміджу США.

Ключові слова: імідж країни, методи впливу, “мозкові центри”, США.

Пильгуй Ю.Н., Карлюк С.В. Формирование глобального имиджа США.

В статье рассматривается формирование имиджа страны (США). Благодаря этому раскрываются понятия термина «имиджа», способы и методы его создания на мировой арене и современный аспект существования имиджа США.

Ключевые слова: имидж страны, методы влияния, “мозговые центры”, США.

The subject of study is development of the global image of the USA. The purpose of study is to describe the formation of image strategy. The relevance of study is to analyze different methods of influence in the international arena.

Today a lot of people perceive different facts through the prism of information. Therefore, the image is the key component in the awareness of people, organizations or the country. For the state, the form of its brand is an important component of success and perception among its citizens. The image of a country is supported by its authority in the international arena, and it also assists to promote the realization of its interests.

A country's image is a multilevel image of the state perceived by both its citizens and people abroad, which is developed on the basis of political goals by professionals. The main channel for the formation, transformation and replication of the political image is the mass media. They set the agenda, focus the audience on certain events, interpret socio-cultural and political- and economic life. The content of the country's image includes the awareness of the people about the

past, present and future of the state. It is also influenced by such factors as the historic past, the geographical situation of the country, the actions of state authorities in both the domestic and foreign policy of country.

The image of the state is formed by a number of factors, like:

1. Conditional-static factors that include: natural potential; national and cultural heritage; unregulated geopolitical factors; historical factors that have a significant impact on the development of the country; form of state structure and management structure.
2. Adjusted conditional-dynamic sociological factors that include: socio-psychological state of society; the nature and principles of the activities of public associations, forms of social and political integration; moral and ethical aspects of the development of society.
3. Adjusted conditionally dynamic institutional factors that include: sustainability of the economy; legal space; functions, powers and mechanisms of state regulation of various spheres of public life; efficiency of power design.

The structure includes the following components:

1. Object component – object characteristics of constructed image; these characteristics must be correlated with perception of the intended audience;
2. Subjective component – characteristics and features of the audience that created an affect (settings, stereotypes, values, expectations, demographic indicators, etc.);
3. Target component – purposes of the image.

The US Image Service has shown an interaction that has been transformed into a fail-safe system for decades. The center of this system is the think tank, it develops the cornerstone of America's foreign policy. Consider, for instance, corporations like RAND-corporation. Ideas developed in such corporations acquire, in the future, the form of documents and directives.

State departments are closely linked with private «thinking corporations» through personal contacts and common interests. They are arming these developments and pursuing policies in accordance with the proposed concept. PR-companies, which are also involved in the development and holding of actions and aimed to solve problems. Non-governmental organizations are an important component of image creation. They support a policy that is being pursued and solve problems at the level of international professional communities, cultural organizations, sports, etc.

Impulses of influence, which are transmitted by this system to the outside, are more powerful if they are well-formed. If the reference point is the brain

center, then the power of influence is more useful. If mass media are trying to influence the audience, pursuing their own idea, or not backed up by developments and support at the administrative level, then the effect of this is much diminished.

The objects of this influence can be a community of people, which has completely different levels of perception of certain information. Some people can perceive without asking such questions as:

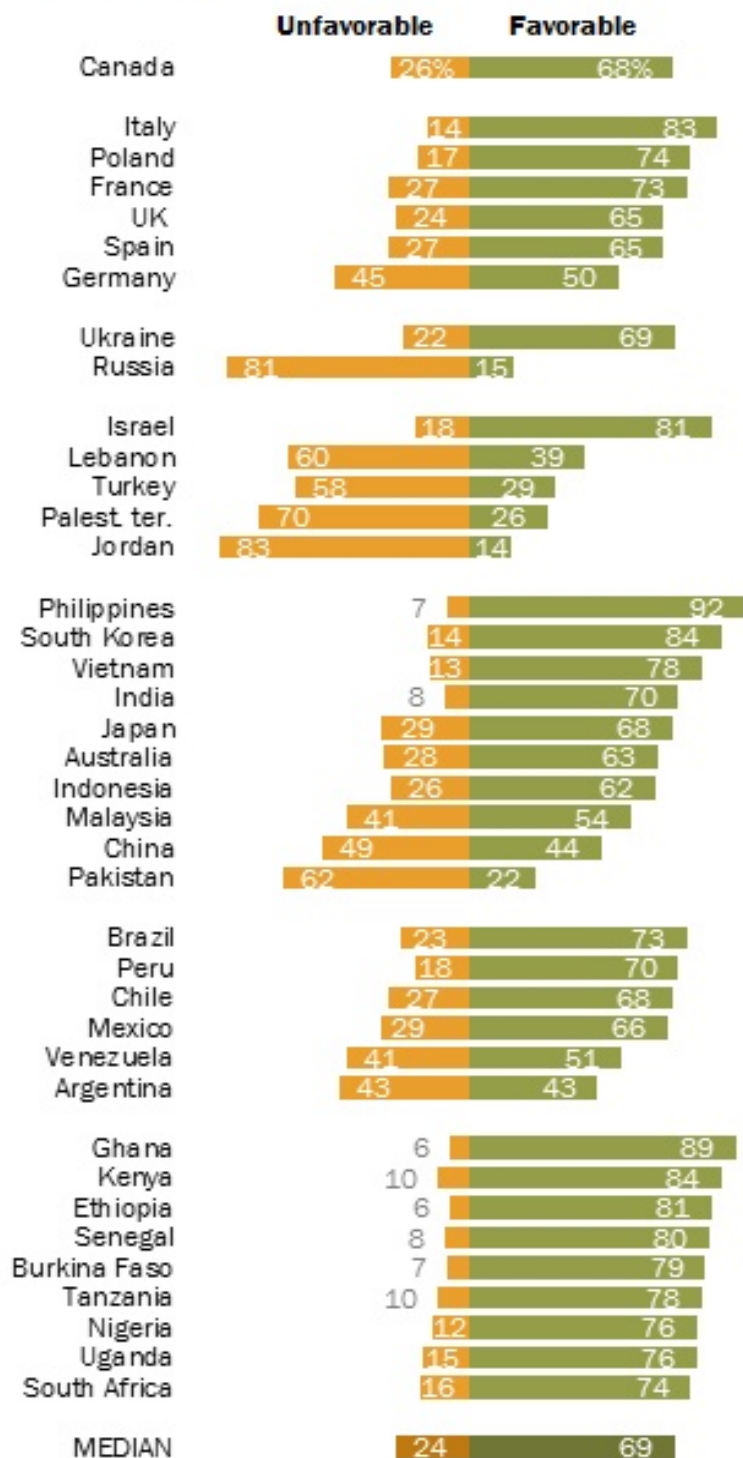
- Who makes a message?
- What purpose is it for?
- Why now?
- Who was it addressed to?

Others ones could ask and analyze such questions. The purpose of such impact is precisely to suppress the reflexive abilities of individuals and easily reset the mass consciousness. Thus, such a directed influence can be considered an object. However, the subject is the capability of developing reverse impulses, directed inside the system.

America's overall image around the world remains largely positive.

Mostly Favorable Ratings for U.S.

Views of the U.S.



Note: Median for 39 countries shown, excluding the U.S.

Source: Spring 2015 Global Attitudes survey. Q12a.

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Across the nations surveyed (excluding the U.S.), a median of 69% hold a favorable opinion of the U.S., while just 24% express an unfavorable view. However, there is significant variation among regions and countries.

The U.S. receives largely positive reviews among many of its key NATO allies. About two-in-three Canadians have a favorable opinion, as do large majorities in Italy, Poland, France, the UK and Spain. The outlier is Germany, where just 50% give the U.S. a positive rating, while 45% express a negative one. America's image has become more negative in Germany over the last few years – as recently as 2011, 62% of Germans gave the U.S. a favorable review and only 35% assigned a negative rating.

In Ukraine, 69% have a positive opinion of the U.S., although there are notable differences between the western (78%) and eastern (56%) regions of the nation.

The conflict has led to a dramatic increase in anti-American sentiments in Russia. Only 15% of Russians have a positive view of the U.S. today, down from 51% two years ago, before the outbreak of violence.

America's image is mostly positive among the Asian nations polled. Particularly large majorities see the U.S. favorably in the Philippines (92%), South Korea (84%) and Vietnam (77%). And following a year in which President Obama visited India, and Indian Prime Minister Narendra Modi came to the U.S., America's image in that country has improved significantly, jumping from 55% favorable to 70% today.

Positive views of the U.S. have declined slightly in China, however, dropping from 50% to 44%. Pakistan is the one Asian nation surveyed where a majority gives the U.S. a negative rating, although favorable views have become somewhat more common over the last year (22% today, 14% in 2014).

Views of the U.S. remain largely favorable in Latin America. As Brazilian President Dilma Rousseff prepares to visit the U.S., fully 73% in her country give the U.S. a favorable review, up from 65% a year ago. And even though Argentina is the only country surveyed in the region where less than half hold a positive view, ratings for the U.S. have nonetheless improved since 2014 (43% now vs. 36% a year ago).

The opposite is true, however, in Venezuela, where President Nicolás Maduro has engaged in considerable anti-American rhetoric in the past year. Only 51% of Venezuelans now rate the U.S. favorably, down from 62% in 2014. There are deep ideological divisions in Venezuela, with 73% of those on the political right giving the U.S. positive marks, compared with 44% of those in the center and just 21% among those on the left.

Conclusion. Today, the USA is the most powerful country with strong image around the world. It was developed through complicated strategy and implemented into the international arena. The think tanks, PR companies and NGOs form the USA's image. Also, they analyze and spread facts and news through mass media, which can affect human minds. The opinion-poll in 2016 proved yet again that America has absolutely positive image in the world.

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SPECIAL FEATURES OF THE SWEDISH INNOVATION POLICY

*O.S. Prasol, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Prasol O.S., Davydenko I.V. Special features of the Swedish innovation policy.

The article describes the level of innovative development in Sweden, deals with main provisions of the national innovation strategy and state bodies' powers in stimulation of innovation activities in the country. The research provides the dynamics of gross domestic spending on R&D in Sweden.

Key words: innovation policy, innovations, investment, R&D, Sweden.

Прасол О.С., Давиденко І.В. Особливості шведської інноваційної політики.

У статті описується рівень інноваційного розвитку Швеції, розглядаються основні положення національної інноваційної стратегії та повноваження державних органів у стимулюванні інноваційної діяльності в країні. Подається динаміка сукупних внутрішніх витрат на НДДКР у Швеції.

Ключові слова: інвестування, інновації, інноваційна політика, НДДКР, Швеція.

Прасол Е.С., Давыденко И.В. Особенности шведской инновационной политики. В статье описывается уровень инновационного развития в Швеции, рассматриваются основные положения национальной инновационной стратегии

и полномочия государственных органов в стимулировании инновационной деятельности в стране. Показана динамика совокупных внутренних расходов на НИОКР в Швеции.

Ключевые слова: инвестирование, инновации, инновационная политика, НИОКР, Швеция.

The object of the study is the process of innovation development in Sweden; the subject is the Swedish innovation policy and its specificities. The purpose of the article is to analyze the main areas of innovation policy in Sweden and functions of responsible bodies. The relevance of the study is determined by the possibility to implement Swedish experience in development of Ukrainian innovation strategy.

Nowadays the introduction of innovations that play the role of driving force of state's economic, technological and social development is a basis of qualitative changes in society. Sooner or later every country takes the path of innovative growth and formation of its national innovation system, but each of them approaches this issue in its own way.

There are states that have made a significant breakthrough in innovative development. But there are many examples of countries which have chosen planned and gradual innovative growth, passing new milestones decade after decade. As a rule, it was facilitated by the creation of a holistic innovation mechanism and the implementation of an effective state policy involving the improvement of the legislative framework in the field of innovation, targeted financing of innovative projects in priority branches of the national economy, and the establishment of centers for development and commercialization of innovations [1, p. 97].

In order to achieve a high level of innovation activity Sweden has gone a long and consistent way. Now Sweden is one of the world's innovation leaders. This country is not only a home to the large number of multinational companies, but it also serves as a base for tomorrow's emerging industries, including environmental technology, life sciences and ICT (information communication technologies). Over 40% of Swedish goods exports consist of engineering goods, which include cars and other vehicles, machinery, electronics, telecom products and metalwork.

The country has a strong economic stability, a focus on critical thinking in education from an early age and a climate that is open to new influences. Sweden also has a tradition of encouraging curiosity, creativity and experimentation. With a small population, just over 9,7 million, which is equivalent to 0,13% of the total global population, the state has succeeded in

making a big imprint internationally. Many of the early innovations formed the foundation for a surprisingly large number of multinational export corporations and brands with their origins in Sweden. Several were founded during a period of rapid economic development in the first half of the 1900s, including Volvo, AstraZeneca, ABB, IKEA, Ericsson, Electrolux, H&M, Saab, Absolut etc. The power of innovation is still strong today. Skype originated there, as well as the Spotify music streaming service and one of the world's most widely read newspapers, the free newspaper Metro [6, p. 7-13].

Sweden holds a leading positions in many international rankings by different aspects, such as innovation and doing business. For instance, the Global Innovation Index, published by Cornell

University, INSEAD and the World Intellectual Property Organization, provides detailed metrics about the innovation performance of 127 countries and economies around the world. Its 81 indicators explore a broad vision of innovation, including political environment, education, infrastructure and business sophistication. In 2017 Sweden was ranked second (after Switzerland) with the score 63,82 out of 100. Sweden has strengths in terms of both output and input. Strong output is demonstrated in quantity of new published researches, technical papers, and registered patents. Sweden is also seen to have a good input basis, with a stable political climate and relevant, high-quality education. Areas of weakness include pupil-teacher ratio, GDP per unit of energy use, conditions of getting credit and FDI net inflows [4; 7, p. 13-20].

The Doing Business Index maintained by the International Finance Cooperation and the World Bank regularly ranks ease of doing business in various countries. The index compares things like ease of starting companies, registering property, getting credit, protecting investors and taxes in 190 countries. Sweden is in 9th place in the most recent ranking from 2017. Two areas in which Sweden's performance is weaker are getting credit and protecting minority investors [2].

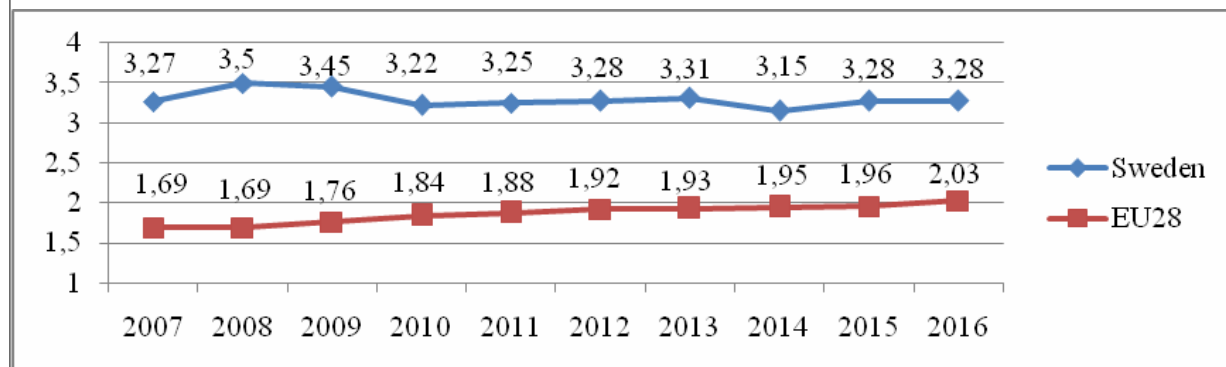
The main factor of this country's success is an efficient implementation of public innovation

policy. In 2012 the Swedish national innovation strategy was launched in a focus document aimed at bringing about concrete political measures. According to the vision for 2020 Sweden is going to be a country characterized by innovative ideas and pioneering new ways of thinking and acting to shape future of people in a globalised world. The Swedish national innovation strategy outlines the focus of efforts to develop an innovation climate in the country so

that Sweden can remain a world-class player. This work involves: identifying and addressing areas where there are currently obstacles hindering innovation or where Sweden has weaknesses in international comparisons; maintaining or further developing the areas where Sweden is strong today in comparison to other countries; increasing cooperation between political spheres and between different levels and sectors of society to make public sector initiatives more efficient and have the greatest possible effect on renewal, sustainable growth and social development in Sweden.

The vision and objectives in the strategy are divided into six categories. They are the following: innovative people, high quality research and higher education for innovation, framework terms and infrastructure, innovative companies and organizations, innovative public sector organizations and innovative regions and environment [6, p. 25-26].

In recent years, increasing investment in R&D has been a priority of the Swedish government. Thus Sweden has been one of the top investors in R&D among the world's nations. Figure 1 shows the dynamics of gross domestic spending on R&D in Sweden from 2007 to 2016.



Source: OECD [3].

Figure 1. Gross domestic spending on R&D (in % of GDP) in 2007-2016 in Sweden and EU28

In 2016 Swedish R&D investments amounted to around 14187 million US dollars, which is equivalent to 3.28% of GDP. It was 1,25% more than the average rate in EU. In 2015 the biggest volumes were received by business enterprises (69,52%) and higher education (26,86%). As for venture capital investments it should be noted that in 2015 Sweden's economy attracted 1,722 million US dollars, which allowed it to become the fourth in Europe after the UK, France and Germany [9].

Public sector R&D investments through the government and municipalities combined can be just over 30% of all of the Sweden's R&D investments.

Today government resources are divided between various authorities, agencies and other organizations directly through appropriations or indirectly by the appointment of committee, board members and/or councils tasked with allocating funds [6, p. 23].

The success of innovation activity in the country largely depends on the state regulation of innovation processes. The role of the Swedish state is to create and effectively operate the innovative

infrastructure of the national system. Innovative infrastructure of Sweden is formed by the bodies of financial support for basic research in universities and research institutes, as well as organizations that coordinate and procure cooperation between business and educational institutions.

In Sweden, there are two ministries, the Ministry of Enterprise and Innovation and the Ministry of Education and Research, which share the main responsibility for the results of the country's innovation policy [1, p. 98]. The Ministry of Enterprise and Innovation is responsible for matters relating to housing and urban development, state-owned enterprises, information technology, enterprise and industrial policy, rural affairs, regional growth, post issues and infrastructure. The Ministry for Education and Research is responsible for allocating public funding to universities, institutes and other bodies.

For more attention to this the problem two key government agencies, Sweden's innovation agency Vinnova and the Swedish Agency for Economic and Regional Growth, were created. Both of them play an important role in implementing various EU programmes in Sweden (Structural Funds and Horizon 2020). The Vinnova's mission is to contribute to sustainable growth by improving the conditions for innovation. It do this mainly by funding innovation projects and the research needed to develop new solutions, investing long term in strong research and innovation environments, stimulating collaborations between companies, universities and other higher education institutions, public services and civil society. Each year, Vinnova invests around 359,6 million US dollars in fostering innovation [8]. The Agency for Economic and Regional Growth works to help companies be more competitive by making it easier to do business and to make regional development environments more attractive.

In February 2015 another important institution, The Swedish National Innovation Council (NIC), was created. The Council has an advisory role, follows the groups' work, gives suggestions that could increase the programmes' contribution to innovation capacity and competitiveness, and discusses strategic issues that arise in the course of the work.

But negotiations on ways to simplify the existing publicly funded innovation support system and render it more efficient so that the various actors can more easily invest in, develop and support prioritized areas together continue [5; 6, p. 23].

Conclusion. High innovative level of the national economy of Sweden is the result of purposeful management actions that provide the basis for innovation policy, which focuses on maintaining and supporting close integration between the development of science, the high level of personnel and future specialist training in educational institutions and the readiness of the state and businesses to invest and implement innovations. Swedish experience in the field of innovations can be implemented into innovation development process in Ukraine. These issues should be covered in further researches.

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E-COMMERCE IN INTERNATIONAL BUSINESS

O.Y. Prikhodko, I.G. Nikulimova (language supervisor)
V.N. Karazin National University, Kharkiv

Prihodko O.Y., Nikulimova I.G. E-commerce in international business. This article considers such a modern direction of international business as e-commerce. There are definition of electronic commerce, the stages of its development, the advantages of using such system of doing business, as well as the forecast of specialists in this field on the success of e-commerce in the future.

Keywords: e-commerce, economics, individualization in business, international business.

Приходько О.Ю., Нікулімова Я.Г. Електронна комерція в міжнародному бізнесі. У даній статті розглядається такий сучасний напрямок у веденні міжнародного бізнесу як електронна комерція. Дано визначення електронної комерції, етапи її розвитку, позначені переваги використання такої системи ведення бізнесу, а також прогноз фахівців в цій області на успішність електронної комерції в майбутньому.

Ключові слова: індивідуалізація в бізнесі, міжнародний бізнес, економіка, електронна комерція.

Приходько О.Ю., Никулимова Я.Г. Электронная коммерция в международном бизнесе. В данной статье рассматривается такое современное направление в ведении международного бизнеса как электронная коммерция. Дано определение электронной коммерции, этапы ее развития, обозначены преимущества использования такой системы ведения бизнеса, а также прогноз специалистов в этой области на успешность электронной коммерции в будущем.

Ключевые слова: индивидуализация в бизнесе, международный бизнес, экономика, электронная коммерция.

E-commerce as an aggregate of economic relations among the subjects of various national economies regarding the exchange, distribution and redistribution of goods by using computer technologies as an information exchange tool becomes a natural consequence of scientific and technological progress, as well as profound changes in structure of global consumption.

Electronic commerce is a sphere of an economy that includes financial and trade transactions carried out with the help of computer networks and business processes related to the conduct of such transactions [3, p. 106].

It should also be mentioned that the terms «electronic commerce» and «electronic commerce» should be considered as synonymous, because semantically they are the same, although some authors interpret the terms in different ways. We also note that electronic commerce is also called «paperless trading,» which should also be considered as a synonym, which, however, unlike electronic trade and electronic commerce, is not a scientific category.

The relevance of the research topic is determined by the rapid progress of Internet technologies combined with the intensive development of international economic relations promoting e-commerce. The advantages of using the Internet are attracting an increasing number of participants who are striving to use new opportunities for doing business, selling and shopping. Information technology has become an indispensable companion for almost any sphere of modern business and the reason for the emergence of a new economy, giving rise to a range of issues and problems.

The main purpose of this study is to analyze the development and current state of electronic commerce in the world, as well as develop methods and recommendations for participants in foreign economic activities to conduct business via the Internet in order to expand companies and improve their performance.

The object of the study is international electronic commerce, as a separate promising form of organization and business.

The subject of the study is the structure, scale and trends of the development of international electronic commerce and its most important systems.

As it is known, modern business is characterized by a constant increase in the capacity of international companies – global manufacturers and suppliers, as well as the continuing expansion of inter-firm cooperation and global competition, as well as an increase in the level of customer requirements. In response to these changes, businesses around the world are changing the way they organize and manage their business. There is a rejection of the old hierarchical structure in the direction of the network. The interaction between the company, its customers and suppliers is simplified. Business processes are rebuilt and go beyond the old framework. That is why the social and economic essence of electronic commerce is inseparably linked with the globalization of the (global) economy. At the same time, this connection is

becoming ever closer, which is accompanied by an increase in the role of electronic commerce in the further development of the globalization process [3, p. 107].

Two factors had a key impact on the development of e-commerce. First, the use of global electronic networks for the transfer and exchange of data in conducting business transactions. The emergence and spread of the Internet fundamentally influenced the business as a whole, allowing the expansion of the range of commercial relations via the Internet. From this point, e-commerce has become part of everyday relationships between individuals and legal entities of various national jurisdictions.

Secondly, the consumer mass in a single global economic space, new, increased expectations about the goods offered to them in the form of both a tangible product (real goods) and services, so-called individualized needs. Each individual consumer in a growing measure makes demand only for such products as:

- adapted and configured in such a way as to satisfy certain needs of the given consumer (individualization of the need);
- delivered in a way that is most suitable for the consumer (individualization of the service);
- delivered only when the consumer wants to receive it (individualization of the time of satisfaction of the need) [3, p. 107–108].

Thus, the relationship between consumers and producers in the international arena has undergone a significant change towards the individualization of requests.

E-commerce is exactly the means of implementation and support for such changes on a global scale. It allows TNK-based efficiently and flexibly implement both internal and external operations, to interact with global suppliers and to respond more quickly to customer requests and expectations. TNCs can choose the best regardless of geographic location, as well as the possibility access to the global market with their goods and services [4, p. 124].

The problematic aspects of using e-commerce. In connection with the rapid development of information technology, legal irregularities common e-commerce relations and their specific character practice there are a number of problematic moments. Among the main ones are the following:

- the problem of individualization of subjects;
- difficulties in confirming acceptance of an acceptance, given using information networks;
- the problem of determining the legislation applied in connection with a transnational nature ecommerce;

- the lack of a clear international unification of provisions in the field of electronic commerce; specific nature of legal relations;
- rapid development of information technology, which complicates operational legal response and making appropriate changes to the legislation.

Experts do not agree on the prospects for e-commerce: many specialists who once predict a rapid spread of the «new economy» today do not see any great prospects for the subsequent development of this sector [1 p. 27]. At present, there are enough reasoned doubts about the recent postulates about the radical impact of e-commerce on the real economy and on the life of the human community in general [2, p. 38]. Nevertheless, in various forms and at different speeds, the development of e-commerce goes on, and new economic phenomena arising in this area should be investigated.

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THE “SMART POWER” CONCEPT BY R. ARMITAGE AND J. NYE AS A NATO DEVELOPMENT STRATEGY

*I.A. Protsenko, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Protsenko I.A., Davydenko I.V. The “Smart power” concept by R. Armitage and J. Nye as a NATO development strategy. The article analyzes the strategies of the North Atlantic Alliance (NATO) based on key aspects of the «smart power» concept. The work considers basic principles of the concept, including the ways of influencing the international arena, and the prospects for using such influence. The author carries out a comparative analysis of key aspects of «smart power» with the key points of the NATO Development Strategy 2010 «Active Engagement, Modern Defence» and with the statement on Heads of State and Government meeting of NATO.

Key words: “hard and soft power”, international relations, NATO, policy, smart power, strategy.

Проценко І.А., Давиденко І.В. Концепція «розумної сили» Дж. Ная та Р. Арміджа в якості стратегії розвитку НАТО. Статтю присвячено аналізу стратегій розвитку Північноатлантичного альянсу (НАТО) на основі ключових аспектів концепції «розумної сили». В роботі розглянуто базові засади концепції, серед яких шляхи впливу на міжнародній арені, та перспективи їх використання. Було проведено порівняльний аналіз основних аспектів «розумної сили» з ключовими моментами стратегії розвитку НАТО від 2010 р. «Активна участь, сучасна оборона» та заявою за результатами зустрічі Ради Альянсу у 2016 р.

Ключові слова: «жорстка» та «м’яка» сила, міжнародні відносини, НАТО, політика, розумна сила, стратегія.

Проценко И.А., Давыденко И.В. Концепция «разумной силы» Дж. Ная и Р. Армитиджа в качестве стратегии развития НАТО. Статья посвящена анализу стратегий развития Североатлантического альянса (НАТО) на основе ключевых аспектов концепции «разумной силы». В работе рассмотрены базовые основы концепции, среди которых пути влияния на международной арене, и перспективы их использования. Был проведен сравнительный анализ основных аспектов «разумной силы» с ключевыми моментами стратегии развития НАТО от 2010 «Активное участие, современная оборона» и заявлением по результатам встречи Совета Альянса в 2016

Ключевые слова: «жесткая и мягкая сила», международные отношения, НАТО, политика, разумная сила, стратегия.

The object of study is a NATO development policy. The study topic is a process of developing the North Atlantic Alliance internal and external policies on the basis of “smart power” concept. The purpose of the study is to define the way that the concept, created for being implemented in the US foreign policy is used by the alliance. The material of the study was derived from NATO official texts, online recourses, devoted to the problem and R. Armitage and J. Nye report “A smarter, more secure America”.

In 2007, special bipartisan commission on smart power prepared an analytical report “A smarter, more secure America”, laying out commission’s findings and recommendations on how the next president of the US can use the smart power strategy as the basis of new foreign and security policy.

The essence of this concept is a consensus of “hard” and “soft” power strategies and their combination into an effective US foreign strategy able to give America the status of intellectual leader and maintain the image and reputation of the United States based on the idea of «global prosperity». The idea of “Smart power” is considered as a synthesis of two concepts – «hard» and «soft» power, which involves the rational allocation of available resources between these two categories. Therefore, according to experts, the prospect of using the «smart power» strategy in US geopolitics may mean significant changes in international interaction [1].

The main differences between “hard” and “soft” powers are the ways they affect other foreign actors. The authors emphasize, that the main distinction is in tools: “hard power” is commonly carried out through the system of coercion and imposition of political will (by using economical recourses or threat of force), while effective “soft power” actions appear due to engaging in wider cooperation, usually based on common values, which support such cooperation [3].

The implementation of following concept within North Atlantic Treaty Organization brings the possibility to go beyond purely military activities and make its mission attractive to the world community. “Smart power policy” can provide the reputation of the alliance through public diplomacy, considering the fact that increased international contacts will contribute to promoting the strategic priorities of the Allies both in the European region and in the world, or, in other words, to include the strategy of «smart power» in the Euro-Atlantic partnership policy [4].

The authors of the concept, R. Armitage and J. Nye stated that it is important to use “smart power” potential as an investment into global future, giving to other countries which do not meet the current level of humankind achievements the possibility for economic, political and social development [1].

Since its foundation, NATO has been regularly reviewing its goals and objectives according to the changes in the strategic environment. Over past two decades, the political situation and the balance of power in the world has changed significantly. New technical means of carrying out international relations and new threats to the member states of the North Atlantic Treaty occurred. Under these circumstances, in order to successfully implement the goals set by the Alliance, there was a need to update the main strategic document [7].

A new Strategic Concept was published during the Lisbon Summit in November 2010. It pointed out new and forming ones threats to the member-states, in particular, after 9/11 terrorist attacks, NATO crisis management experience in the Balkans and in Afghanistan and also the importance of joint work with partners all around the globe, all drove NATO to reassess and review its strategic posture [7].

The 2010 Strategic Concept “Active Engagement, Modern Defence” contains main points of “Smart power” strategy. Following the previous guidelines of the Alliance, and identifying future development vectors, it declares the following key points: crisis management and security on the basis of cooperation. NATO engages a wide range of military and diplomatic activities and focuses not on confrontation but on cooperation with non-member states [7].

“NATO has a unique and robust set of political and military capabilities to address the full spectrum of crises – before, during and after conflicts. NATO will actively employ an appropriate mix of those political and military tools to help manage developing crises that have the potential to affect Alliance security, before they escalate into conflicts; to stop ongoing conflicts where they affect Alliance security; and to help consolidate stability in post-conflict situations where that contributes to Euro-Atlantic security” [7].

“The Alliance is affected by, and can affect, political and security developments beyond its borders. The Alliance will engage actively to enhance international security, through partnership with relevant countries and other international organizations; by contributing actively to arms control, non-proliferation and disarmament; and by keeping the door of membership in the Alliance open to all European democracies that meet NATO’s standards” [7].

Warsaw Summit communiqué, issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Warsaw 8-9 July 2016 stated that Alliance is committed to the new strategy of 2010, at the same time adapting itself to changes in international relations and actively involving the entire complex of the smart power» strategy. Defense

policy and diplomacy are aimed at creating «a united community of freedom, peace, security and common values, including personal freedom, human rights, democracy and the rule of law.» Thus, the Alliance's cooperation with the peripheries of the Member States and the acceptance of new members (Montenegro) are well combined with such measures as opposition to Russia's destabilising actions and fighting international terrorism [6].

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THE PROCESS AND COMPONENTS OF INFORMATION ANALYSIS

*M.Y. Pustovgar, Y.M. Broslavska (language supervisor)
V.N. Karazin National University, Kharkiv*

Pustovgar M.Y., Broslavska Y.M. The process and components of information analysis. The article studies the process and components of information analysis, reveals the essence, principles and tools of analytical activity as well as the practical and theoretical components of this process. The research describes the results of information activity and the components required to meet its goals.

Key words: analytics, document, facts, information, source, trends.

Пустовгар М.Є., Брославська Є.М. Процес інформаційно-аналітичної діяльності та її складові. У статті розглядається процес інформаційно-аналітичної діяльності та її складові частини, розкривається сутність принципів та інструментів аналітичної діяльності, практичні та теоретичні елементи цього процесу. Дослідження описує результати процесу інформаційної діяльності та необхідні компоненти для досягнення поставлених цілей.

Ключові слова: аналітика, документ, інформація, першоджерело, тенденції, факти.

Пустовгар М.Е., Брославская Е.М. Процесс информационно-аналитической деятельности и ее составляющие. В статье рассматривается процесс информационно-аналитической деятельности и ее составные части, раскрывается сущность принципов и инструментов аналитической деятельности, практические и теоретические элементы этого процесса. Исследование описывает результаты процесса информационной деятельности и необходимые компоненты для достижения поставленных целей.

Ключевые слова: аналитика, документ, информация, первоисточник, тенденции, факты.

The subject of the study is the process of information analysis and its components. The purpose of the study is to clearly define the essence, principles and tools of the process of information analysis. The relevance of the study is determined by the possibility to use its material and findings in the process of university education as well as the scientific work of students during their professional placement.

The process of information analysis involves discovery, interpretation, and communication of meaningful data patterns. Being especially valuable in areas rich in recorded information, data analysis relies on the simultaneous application of statistics, computer programming and operations research to quantify

performance. Data analysis is multidisciplinary with an extensive use of mathematics and statistics, descriptive techniques and predictive models to gain valuable knowledge from data. The insights obtained from various data sources are used to recommend action or guide decision making in a business context. It should be noted that obtaining the necessary material as well as activities related to the acquisition, systematization, translation and distribution of books and documents does not apply here [1, p. 22].

The main purpose of analytical activity is to get the maximum benefit from the information available in order to correctly rationalize and evaluate the situation, see its development in the long run, and ultimately to act successfully. The product created as a result of the information analysis process should be suitable for customer use as well as be useful for him at the time of its creation. The very result of information analysis, as a rule, materializes in the form of any document.

Several decades ago, an American intelligence expert Washington Pleat worked out the basic principles according to which the process of information analysis is organized: to communicate reliably, in a timely and clear manner. The authenticity of a message is crucial for the evaluation of any information document created as a result of analytical activity. It is ensured by the correct combination of a number of factors that determine the analyst's efficiency. The main ones are as follows:

- a deep understanding of the reality by those analyzing the message;
- correct selection of facts, that are relevant to the object of analysis;
- allocation of facts, the key features of phenomena and processes, causal relationships based on the analysis [4, p. 23].

As we can see, performers' skills, professional knowledge and expertise, as well as an ability to feel confident and draw conclusions in a challenging situation are crucial for the preparation of reliable analytical content. The second basic principle of organizing the information analysis process is the timely preparation of documents. The timeliness of obtaining information largely determines its value to the user. The third basic principle presupposes clear presentation of the content. This principle is mainly aimed at making the results of an analysis available to other analysts. In fact, the correct perception of information makes it convincing to the consumer, and therefore, ensures the success of the case. Finally, to be sufficiently convincing the message that the document contains should reflect significant causation in an accessible, consumer-friendly form. The obligatory condition for the implementation of this rule is analyst's advanced skills, his ability to find the

necessary arguments to prove his viewpoint on the problem under consideration [2, p. 302].

Information analysis is used primarily for political and economic research with the purpose of making decisions in the field of management. Information analysis services established for governments and administration are aimed at modeling sociological aspects, forecasting political conflicts and voting results, analytical monitoring of current problems as well as identifying potential problems, conducting situational analysis and solving various problems of social, political, financial, and environmental monitoring.

There are three kinds of analytical studies: monitoring, initiated and cumulative studies:

1. Monitoring studies focus on long-term analytical observation of the development of a particular situation in order to ensure the possibility of a priori synthesis of management decisions that have a preventive or precautionary nature.

2. Initiated analytical studies are conducted due to previously unplanned management instructions or as a result of detecting new problematic situations during monitoring research.

3. Cumulative studies are characterized by tight deadlines and the use of ad hoc approaches to processing expert information [1, p. 114].

The main result of information analysis is usually a document in the form of a report, information note or scientific work, containing conclusions and recommendations. Conclusions are absolutely essential as they make the study integrated and maximally useful. They show that the goals of the analysis have been achieved. In many cases, conclusion remains the only part of a document read and remembered, because it shows the results of the analysis. It is necessary to make sure that the most important points are highlighted briefly and clearly, but at the same time, conciseness should not result in a wrong perception. Drawing a conclusion requires the highest level of a specialist's professional skills [5, p. 487].

Conclusion. In the modern world, the role of analytical activity is constantly growing. Analysts are increasingly affecting the development of mankind, influencing all spheres of public life. Many countries, especially economically developed ones, massively create information analysis services in various government bodies, private structures, political parties, etc. In order for such a broad and interesting activity to remain useful, it is necessary to focus on broad and most important issues and show good judgment.

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INVESTMENT ACTIVITY OF TRANSNATIONAL CORPORATIONS

*A.A. Pylypenko, N.M. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Pylypenko A.A, Startseva N.M. Investment activity of transnational corporations.

The article studies the economic aspects of foreign investments of transnational corporations (TNC) and their influence – positive and negative – on the development of the countries receiving them. The essence, the main purpose and the functions of foreign direct investments and portfolio investments are described.

Key words: economic aspects, foreign direct investments, functions, influence, investment activity, portfolio investments, transnational corporation.

Пилипенко О., Старцева Н.М. Інвестиційна діяльність транснаціональних корпорацій. У статті розглядаються економічні аспекти іноземної інвестиційної діяльності транснаціональних корпорацій та їх вплив – позитивний і негативний – на розвиток країн, які отримують інвестування. Описана суть, основна мета і функції прямих іноземних інвестицій і портфельних інвестицій.

Ключові слова: вплив, інвестиційна діяльність, портфельні інвестиції, прями іноземні інвестиції, транснаціональна корпорація, функції, економічні аспекти.

Пилипенко А., Старцева Н.Н. Инвестиционная деятельность транснациональных корпораций. В статье рассматриваются экономические аспекты иностранной инвестиционной деятельности транснациональных корпораций и их воздействие – позитивное и негативное – на развитие стран,

получающих инвестирование. Описана суть, основная цель и функции прямых иностранных инвестиций и портфельных инвестиций.

Ключевые слова: воздействие, инвестиционная деятельность, портфельные инвестиции, прямые иностранные инвестиции, транснациональная корпорация, функции, экономические аспекты.

Relevance. Transnational corporations (TNCs) once perceived as exploiters and meeting reluctance from the host governments are now welcomed by many developing countries, transition economies and less developed countries who view their foreign investment activity in the way of both foreign direct investments (FDI) and portfolio investments as an important source of their further economic growth and contribution to their social development. The purpose of the article is to describe the impact of the investment activity of the TNC on the global economy and on the emerging markets in particular.

The international investments are characterized in terms of profit which is an ultimate goal of any investment, of time dimension – the process of finance recovery, of risk – a consequence of the economic decision and of the nature of international transactions.

There distinguished two possible ways of investment activity between an issuing trader and the receiver – a foreign direct investment (FDI) and portfolio investment.

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

The ways by which international investments can be carried out by a global investor are the following:

- setting up a subsidiary of an existing company on a "vacant place" in another country (FDI);
- acquiring a foreign company or a merger with such a firm (FDI);
- the creation of a joint venture (FDI);
- the purchase of shares / debentures of a foreign market (portfolio investment);
- granting a financial credit to a trader from another country (portfolio investment);
- signing international contracts for leasing or franchising [2].

The international investment is made outside of the country of origin but within the investing company and it represents a package consisting of finished

and intermediated goods, capital, technology, management, access to markets and control over the transferred resources of the investor and over receiver's activity and decisions [2].

Foreign direct investments (FDI) of transnational companies, take shape of a transfer of modern technology, machinery and equipment, technical specifications and know-how as well as creation of new jobs.

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

There are advantages for both the investing countries and host countries from foreign direct investments. For the investing countries the advantages are in the use of cheap technological and human resources and by providing a market for their products in the host countries. Meanwhile the countries receiving foreign direct investments make a full and effective use of available inputs and of favorable conditions created for the development of their productive capacities for export and achieve the goal of reducing unemployment by creating new jobs [1].

However, there are also disadvantages as TNCs may bring the developing countries on a dependent path where local firms remain focused on low value added activities and where host countries become increasingly vulnerable to the global strategies of TNCs.

The portfolio investment represents a purely financial investment, the control over the resources being transferred by the issuer to the receiver.

Foreign portfolio investments are usually composed of:

- the capital provided by investors to buy shares in the companies abroad;
- the reinvested profits from foreign economic activity (in proportion of the investor's share to the capital);
- the loans from the company – credits granted by the parent-company to its subsidiaries abroad [4].

UNCTAD estimates there are at least 550 state-owned TNCs in both developed and developing countries with more than 15,000 foreign affiliates and foreign assets of over \$2 trillion. FDI made by these TNCs were more than \$160 billion in 2013. TNCs account for over 11 per cent of global FDI flows [3].

Moreover the expansion of TNC is provided through FDI. The IMF define the FDI as the investment which involves a long-term relationship that reflects the interests of an entity resident in an entity resident in another country than

its investor, the direct investor's role is to exert a significant degree of influence over the management of the enterprise resident in another economy. The minimum percentage of control accepted by most countries is 10-25% : U.S. – 10% , France and Britain – 20% , Germany – 25% [3].

Thus, FDI are an important part of international capital movements or international lending process. They represent the international capital flows by which a firm in one country creates a subsidiary in another country. The subsidiary not only has a financial obligation to the parent-company but it is part of the same organizational structure.

The parent-company provides its foreign subsidiaries with capital hoping for an eventual return. While TNC provides financially its subsidiaries abroad, FDI is an alternative way to achieve the same goals as international loans. TNCs sometimes collect money for the expansion of their branches in the country where the subsidiary performs better than in their country of origin [4]. The preference of FDI to international loans is that the former allow the formation of multinational organizations with ultimate goal to obtain control.

Therefore the foreign subsidiaries of transnational corporations can also be funded besides the sources mentioned above (foreign direct financing and loans) through domestic market funds of the host country and by purchasing bonds from sources other than the parent company. All these funding sources increase the transnational corporations subsidiaries' production capacity by influencing the dynamics of the local markets but they are recorded as capital expenditure rather than FDI [1].

Conclusion. Annually the transnational corporations are increasing their investment activities with the purpose of increasing their market share in the world. Foreign direct investments are an integral part of their investment activity. In the modern world all countries are inevitably interested in attracting investors such as transnational corporations to their markets. The impact of TNCs and FDIs on the Ukrainian economy must necessarily be considered.

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METHODS TO IMPROVE HOTEL BUSINESS EFFICIENCY ON THE BASIS OF BUSINESS TOURISM DEVELOPMENT

*A.A. Romanova, Y.M. Litovchenko (Language Supervisor)
V.N/ Karazin National University, Kharkiv*

Romanova A.A., Litovchenko Y.M. Methods to improve hotel business efficiency on the basis of business tourism development. The article describes the challenges in the hotel industry; business tourism and business travel development and its impact on the economic infrastructure of the local and total economy of the Kharkov region. The research outlines a review of existing measures taken by hotel groups and a review of developments in information technology (I.T). The work examines the ways to incorporate the given measures in a simple and functional way to enhance the business activity of business travellers.

Key words: business tourism, business travel, economy, information technology, infrastructure, Kharkov.

Романова А.А., Літовченко Я.М. Шляхи підвищення ефективності готельного бізнесу на основі розвитку ділового туризму. У статті описуються проблеми готельної індустрії у розвитку ділового туризму та ділових поїздок, а також, як це вплине на економічну інфраструктуру місцевої та загальної економіки Харківської області. Дослідження охоплює огляд існуючих заходів груп готелів та огляду розвитку інформаційних технологій (І.Т), а також як це може бути включено у простій та функціональній формі для покращення бізнесу досвіду ділових мандрівників.

Ключові слова: діловий туризм, ділові поїздки, економіка, інформаційні технології, інфраструктура, Харків.

Романова А.А., Литовченко Я.Н. Способы повышения эффективности гостиничного бизнеса на основе развития делового туризма. В статье описываются проблемы, связанные с гостиничным бизнесом в том, как развивать бизнес-туризм и деловые поездки, а затем как это повлияет на экономическую инфраструктуру местной и более широкой экономики Харьковской области. Исследование охватывает обзор существующих мер, принимаемых

гостиничными группами, и обзор событий в области информационных технологий (И.Т), а также то, как это может быть включено в простую и функциональную форму для повышения деловой активности деловых путешественников.

Ключевые слова: деловой туризм, деловые поездки, информационные технологии, инфраструктура, экономика, Харьков.

Due to the information technologies breakthrough in the 1990s there have appeared new opportunities and challenges for the hotel and hospitality industries what proves relevance of the research on methods and impact of information technologies in hotel industry. All forms of tourism rely heavily on information technology and business tourism is no different in its needs except besides the advantages of increased business tourism would have a deeper economic impact on the local infrastructure and national economy by encouraging ongoing trading activities as opposed to the more traditional financial impact of seasonal tourism. The technological needs of the business community are however different from tourists on holiday and hotel groups need to be aware of these differences to ensure that both groups are served in the way that makes their business trip or holiday successful without either feeling that they have chosen the wrong hotel.

To achieve this goal, substantial planning is required and the desired result from the business traveler perspective is that the business tourists feel that their experience is a professional but relaxed one with an easy access to meeting and conference rooms, business hubs, equipment and fast wireless technology being essential, but with comfortable environment available when the working day has finished.

Large, city-centre hotels, for instance, will traditionally attract a mix of business and leisure tourists, coastal and rural hotels attracting predominantly leisure tourists and hotels in close proximity to airports attracting a high proportion of business travelers.

Research shows that large hotel groups such as Hilton Hotels invest significant money into research on methods to continually update and improve their information technology systems [2]. This indicates their awareness of the importance of IT as part of the hotel experience and their success as a hotel group is an example of the type of company that will succeed and capitalize on the opportunities that business tourism will bring.

Table 1

Foreign traveler spending in Ukraine 2016

No	Income Type	Income from foreign visitors	Expected growth in 2017
1	Leisure tourism	89.4%	4.8%
2	Business tourism	10.6%	10.2%

Source: [2]

Table 2

Travel and tourism contribution to gross domestic product (GDP)

No	Income Type	% of GDP	Expected growth in 2017
1	Foreign visitor spending	34.1%	4.8%
2	Domestic spending	65.9%	8.2%

Source: [2]

The data in these tables demonstrates that foreign spending in Ukraine is expected to form a larger part of our gross domestic product (GDP) in the coming years, and Table 1 indicates that income generated from business tourism is growing at a rate of more than double that of leisure tourist spending.

The business travel sector is expected to grow globally by 3.7% per year over the next decade, according to a report by Travelport and the World Travel & Tourism Council (WTTC).

Released at the WTTC Global Summit in Bangkok, the report shows that the fastest growth for the business travel sector is expected in the emerging markets, with Asia-Pacific leading the way at a predicted rate of 6.2% each year to 2027.

All of this is a clear indicator that there are significant opportunities for the hotel industry in Ukraine, and particularly for the hotels in cities served by international airports such as Kiev and Kharkov. Investment by the major hotel group is the key requirement for the business travelers to continue to arrive. An increase in the number of travelers would be greatly improved for Kharkov in particular by a more extensive list of direct international flights. Currently there are only 4 countries (plus Kiev, Ukraine) with non-stop flights from Kharkiv airport and these are ;Istanbul, Turkey ;Minsk, Belarus; Tel-Aviv, Israel; Warsaw, Poland. The inclusion of further Western European cities, such as Berlin, Brussels, London and Paris will increase opportunities for the hotel industry further.

Companies such as the Hilton Group do not yet have hotels in Kharkov and this is likely to continue until direct international flights are expanded from Kharkov airport. As an example of the business opportunities available, the Hilton Hotel in Kiev charges a minimum of \$428 per night [3] and with 262 bedrooms this can generate \$111,000 (approx UAH.3,000,000) per night at full capacity. The hotel occupies part of a large residential complex and the income so the income from such a development is part funded by residential sales and so a faster return for investors is seen. Private funding from Ex-president of «CTC Media» Alexander Rodnyansky and his cousin Boris Fuksman helped complete the development where they invested up to \$100 million. The complex was designed by the renowned British architect John Seifert, who also designed 10 other Hilton hotels in London, Paris, Antwerpen and Dubrovnik [4].

Successful existing hotels in the Kharkov area who receive significant business income include;

- Premier Palace Hotel, 2 Nezalezhnosti Avenue, Kharkov
- Beaux Arts Hotel, 19 Sumska Street, Kharkov
- Cosmopolit Premier Art Hotel, ulitsa Akedemika Proskury 1, Kharkov
- Hotel Kharkiv, Pravdy Avenue, Kharkov

In a survey undertaken by the organization Hotel Management, these are the items of information technology that hotels guests have indicated are their top priorities (1 being the most important).

Table 3

1	More regular power and USB outlets
2	Offering streaming services in guest rooms (Netflix and HBO)
3	In room chargers for laptops and phones
4	Keyless/mobile device room entry
5	'Smart' TV's with internet access
6	Smart phone docking stations
7	Online or mobile check-in/check-out
8	Maintaining "guest profiles" to deliver a personalized hotel stay
9	Body sensors that can detect if a room is occupied to plan housekeeping
10	Offering mobiles or laptops to rent

Source [6].

In conclusion I can state that business tourism in Ukraine is a fast growing area and research indicates that this will continue. Opportunities are available to the Kharkov region where the cost of land for development is still reasonably cheap but investment from hotel groups will be required in suitable buildings for

this to become reality. Airlines will also need to be encouraged to provide further direct flights from Kharkov airport to other major European capitals. Investment in information technology for use by business travelers is essential.

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MOTIVATIONAL ASPECTS OF PERSONNEL MANAGEMENT AT ENTERPRISES IN THE HOSPITALITY INDUSTRY

*T.O. Ruda, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Ruda T.O., Medvid M.M. Motivational aspects of personnel management at enterprises in the hospitality industry. The article focuses on the importance of theoretical and practical study of world and Ukrainian experience of new technologies in personnel management in the field of hospitality, analysis of the organizational environment of the enterprise and new technologies of personnel management, as well as studying the experience of using these technologies in the activities of the hotel company «Premier Palace Hotel Kharkiv».

Key words: hospitality industry, motivation, personnel management, personnel-technologies,

Руда Т.О., Медвідь М.М. Мотиваційні аспекти управління персоналом на підприємствах в індустрії гостинності. Стаття визначає важливість теоретичного та практичного дослідження світового та українського досвіду нових технологій в управлінні персоналом у сфері гостинності, аналіз організаційної середовища підприємства та нових технологій управління персоналом, а також вивчення досвіду використання цих технологій у діяльності готельного підприємства «Premier Palace Hotel Kharkiv».

Ключові слова: готельна індустрія, кадрові технології, мотивація, управління персоналом.

Рудая Т.А., Медведь М.Н. Мотивационные аспекты управления персоналом на предприятиях в индустрии гостеприимства. Статья определяет важность теоретического и практического исследования мирового и украинского опыта новых технологий в управлении персоналом в сфере гостеприимства, анализа организационной среды предприятия и новых технологий управления персоналом, а также изучении опыта использования этих технологий в деятельности гостиничного предприятия «Premier Palace Hotel Kharkiv».

Ключевые слова: индустрия гостеприимства, кадровые технологии, мотивация, управление персоналом.

The hospitality industry is one of the most dynamically developed sectors of the world economy. It is one of the largest export industries. The term «hospitality» refers to the production of services with the manifestation of personal attention to the consumer, the ability of staff to anticipate consumers' needs.

The hotel area is special because the staff is a part of the hotel product. The hotel staff functions to satisfy consumers' needs.

The overall impression of the hotel is formed not only on the basis of the service, but also such details as: appearance, staff attitude to the guest, willingness to listen to the requests, find out and fix the cause of disappointment.

On this basis, it is advisable to distinguish the hotel industry or hotel business as the largest link in tourism and hospitality industry and to consider it on its own, identifying with a single sphere of tourism and hospitality.

Today, the external conditions are changing very rapidly (economic policy of the state, legislation, new competitors), as well as internal conditions of the organization's operation (institution restructuring, strategy and organizational structure of many companies, technological changes, the appearance of new jobs). This puts most companies in the position of having to train personnel to work in new environments.

The development and successful use of a variety of hospitality industry personnel management technologies are the necessary factors in marketing the product and being competitive.

The purpose of the research is to study the existing technologies in personnel management at a Ukrainian enterprise.

The subject of the research is the analysis of technologies in the personnel management at a Ukrainian enterprise.

Motivation of the staff is currently the most important topic in Ukrainian management. Many companies do not have a system for motivating and stimulating personnel. Today, the mistakes that the Ukrainian management

makes are becoming more and more typical. A search for optimal solutions in the field of human resources plays an important role in Ukrainian management.

Therefore, in the world of management practice, a variety of personnel-technologies, models and styles of personnel management are used, aimed at a fuller realization of labor and creative potential for achievement of goals and economic success, and also satisfaction of personal needs. These models are the following: a technocratic model, an economic model and a modern model.

If we ask the question which model can be considered, for example, by one of our Ukrainian hotels, such as «Premier Palace Hotel Kharkiv», then, in fact, it refers to economic model that envisages authority with the use of material incentives, motivation, group activities and collective control and initiative.

Premier Palace Hotel Kharkiv uses economic, social and administrative methods of motivation to stimulate employees' work. The most popular economic method of motivation at this hotel is salary accrued on hourly bonus and part-time pay systems.

In this regard, the first role in the mechanism of motivation is material rewards. It is this method that allows one to create an incentive for employees.

At the hotel «Premier Palace Hotel Kharkiv», a survey was conducted to measure the attitude of hotel staff to rewards, gifts and bonuses. Figure 1 shows what most of the hotel's staff would like to see: bonuses (awards), 35% – gifts for holidays, 22% – salary increase (see Fig.1).

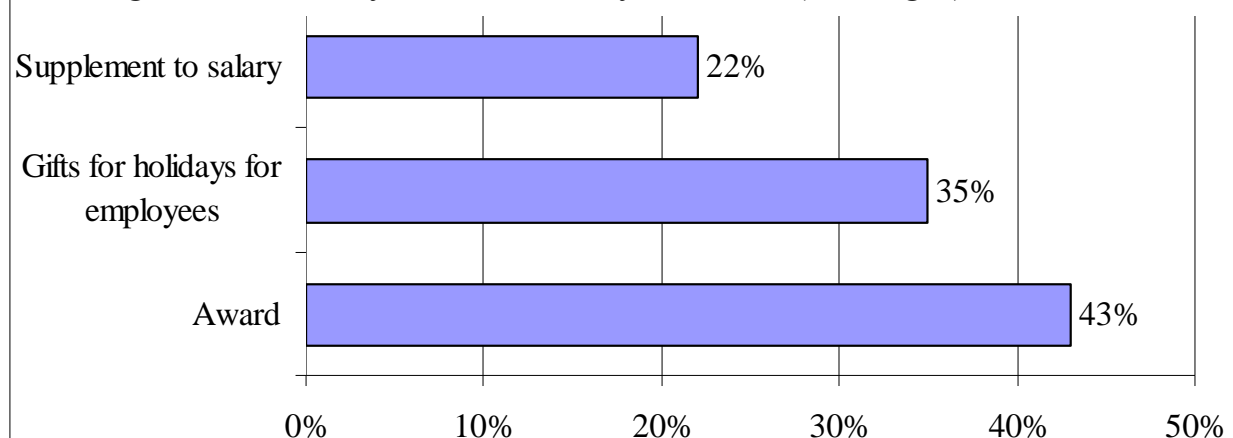


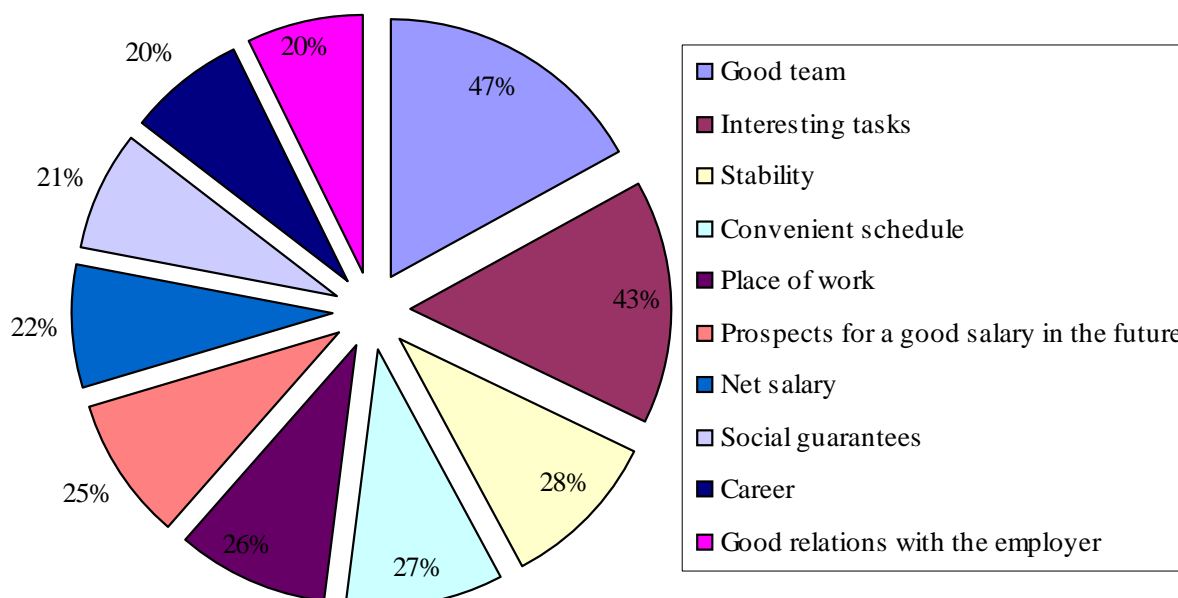
Figure 1. Motivational aspects of the staff of Premier Palace Hotel Kharkiv

If we consider our market, then almost half of Ukrainian office workers like their job, despite a rather low salary. Only 8% of the polled believe that they can work for anyone, anywhere and anyhow. The rest of the non-material working conditions are almost as important as the material component. The following data was obtained during the study of HeadHunter International Personnel Portal [1].

The following factors of non-material motivation included such characteristics of work and the company as a good team, interesting tasks, stability, convenient schedule of work, etc. (see Fig. 2).

Summing up the theme of the peculiarities of personnel management in Ukrainian hotels, it should be noted that Ukrainian management is increasingly trying to implement Western control schemes, not always taking into account the peculiarities of the local mentality.

Thus, managers are increasingly looking to work in Western companies or their representative offices in Ukraine, as the system of motivation and stimulation of work in them is more progressive.



Source: *Half of office workers enjoy work, not salaries [1].*

Figure 2. Popular factors of non-material motivation

Thus, managers are increasingly looking to work in Western companies or their representative offices in Ukraine, as the system of motivation and stimulation of work in them is more progressive.

The Ukrainian mentality combines the Western spirit of individualism, efficiency, and the pursuit of perfection. The most appropriate formula for Ukraine is «Our human resources is our wealth.»

And for successful personnel management it is enough to create favorable working conditions and outline real prospects.

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ATTACHES AND INTERPRETERS, MILITARY ROLES BASED ON US PRACTICE

*O.E. Rudenko, M.V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Rudenko O.E., Karpusenko M.V. Attaches and interpreters, military roles based on US practice. The article deals with the military attaches and military interpreters' activity. Special attention is paid to comparative characteristics of their duties.

Key words: military attaché, military interpreter, military roles, diplomacy.

Руденко О.Е., Карпусенко М.В. Агташе та перекладачі, військові ролі на основі практики США. У статті подано аналіз діяльності військових агташе та перекладачів. Особлива увага приділена порівняльній характеристиці посадових обов'язків.

Ключові слова: військовий агташе, військовий перекладач, військові ролі, дипломатія.

Руденко О.Е., Карпусенко М.В. Агташе и переводчики, военные роли, основанные на практике США. В статье дан анализ деятельности военных агташе и переводчиков, основанной на практике США. Особое внимание уделено сравнительной характеристике должностных обязанностей.

Ключевые слова: военный агташе, военный переводчик, военные роли, дипломатия.

The activities of military attachés cover both diplomacy and economic and scientific aspects. The focus of the article is military diplomacy, and the subject is the role and functions of military attachés. However, it is hard to imagine diplomacy without influence of foreign languages today. Moreover, diplomatic relations involve the exchange of information in different languages.

It is very important to translate correctly and understand certain terms. That is why the article includes a reference to military interpreters, and a description of their activities and the activities of military attaches. The article will also discuss the term «gunboat diplomacy», as well as the term «coercive diplomacy». These two terms, in my opinion, are a great example of what interpreters deal with. Thanks to their work we can understand the meaning of terms correctly. And I am talking not only about translation, but about description as well. Military attaché is a person who is able to collect and transfer information, and an interpreter is the only person, who is able to «understand» this transferred information. Being a military attaché, a person is simply obliged by vocation to be a good interpreter.

According to the manuals which govern the responsibilities of the attaché, it is possible to determine that he has one of the most unique duties within the services. His proficiency at extracting valuable military information from routine situations must be balanced by the ability to work effectively with his civilian diplomatic counterparts. Functional emphasis also differs between countries. While ceremonial duties may be paramount in one country, observation and reporting are prominent in other countries [1].

An interpreter officer (military interpreter) is a commissioned officer of an armed force, who interprets and/or translates to facilitate military operations. Interpreter officers are used extensively in multinational operations in which two or more countries that do not share a common language are undertaking a joint operation, or expeditionary missions in which communication with the local population is crucial but limited by lack of language proficiency among the expeditionary force personnel. Interpreter officers also work in the intelligence gathering and analysis though in many countries, civilian analysts are used instead of the officers in active duty [2].

The activity of the attaché depends on his/her belonging to a particular type of military activity. For example, some of them evaluates and reports information in response to military intelligence requirements as primary mission, and as secondary mission represents the Chief of Staff and/or the Department Of Defense, and maintains good relations and effective liaison between the U. S. Military Forces and the Armed Forces of the country or countries for which he is responsible; provides military advice to the Chief of the diplomatic mission; and plans and directs operational and administrative attaché functions [1].

For example, a U.S. air attaché monitors and reports on the host country's air force, inventory of planes and missiles, condition of airfields, status of air defense systems and the country's senior air force officials.

However, it is important that an attaché's methods of collecting significant military information are legal and are in accordance with the Vienna Convention. Covert attempts to satisfy the assemblage of information are not sanctioned since an accusation of espionage can result in the attaché's status of persona non grata and expulsion by the host government.

It is obvious that diplomacy is based on effective intelligence. While military attaches in embassies abroad are ostensibly present to facilitate smooth military-to-military relations, they are also overt military intelligence collectors. Intelligence discoveries also help set the national strategy. For example, during the 1962 Cuban Missile Crisis, intelligence was important in allowing the President to choose diplomacy over immediate military action when he learned the readiness status of the missiles introduced to Cuba [3].

Another term which helps to expose the concept of military diplomacy is its complete opposite or in other words the notion of gunboat diplomacy. In general this notion denotes a method of a state's pursuit of foreign policy interests which is based on pressure exerted through either the threat or the actual use of military (naval) forces. In this respect, gunboat diplomacy is also defined, for instance, by a British specialist in this topic, J. Cable, which in his opinion means «the use of or threat to use the limited naval forces outside the state of war aimed at ensuring benefits or averting loss in an ongoing international conflict» [4].

Thus, in the context of its nature, gunboat diplomacy is not – unlike military diplomacy – a form of «diplomacy» in the sense of a non-violent tool for the pursuit of foreign policy based mainly on negotiations, but in fact it is a specific method of the use of military force – primarily as a tool for intimidation and pressure – for the purpose of pursuing foreign policy objectives of a state. In practice, gunboat diplomacy may involve, for instance, a situation when a state sends its naval forces off the coast of another foreign country to demonstrate its military power and thus to achieve a change in the behavior or position of the relevant foreign country in harmony with the state's own foreign policy interests [4].

The term «coercive diplomacy» – as well as the term «gunboat diplomacy» – denotes a method of the pursuit of foreign policy interests of a state through either the threat to use or the actual use of limited military force. Unlike the term gunboat diplomacy which is used in specialized sources usually only with respect to the use of naval forces, the term coercive diplomacy associates with the use of all components of the armed forces (i.e. both the air force and ground troops) as a tool of intimidation to achieve foreign policy objectives [4].

The basic functions that military diplomacy performs or may perform today are the following:

1. Gathering and analyzing information on the armed forces and the security situation in the receiving state.

2. Promotion of cooperation, communication and mutual relations between the armed forces of the sending and the receiving state.

3. Arranging working visits of the representatives of the defense authorities and of peaceful stay of the military units of the sending state in the receiving state.

4. Support of business contracts with arms and military equipment between the sending and the receiving state.

5. Representation of the sending state and its armed forces at official ceremonies and other events in the receiving state. Based on the analysis of relevant specialist source-books and of the results of survey among military diplomats, we may single out gathering and analyzing information on the armed forces and the security situation in the receiving state, as relatively the most important function of military diplomacy [4].

The main task of the interpreter is «the unification of peoples and people». a person's life, and sometimes the life of the whole country often depends on the quality of the work of military translators .

Military interpreters took direct part in the war of 1936 in Spain. On the eve of the Second World War it became clear that there was a lack of professionals in this field, and the risk was high.

A military interpreter is a specialist whose main case is the translation of various military documents, technical data and speech in different languages.

What military interpreters do?

1. Translate documents, specifications, etc.;

2. translate of suspects' testimonies during interrogations, their lawyers' arguments, judges' questions etc.;

3. study military materials and publications published in foreign media;

4. scientific work.

It should be noted there is a connection between the profession of a military interpreter and the activities of a military attaché, so it is about international activity.

Representation of attachés in a foreign country involves a variety representational, diplomatic, advisory and analysis duties. The military attaché represents The Armed Forces but not the whole country.

Military attaches are the primary representatives of the United States military in the country to which they are assigned. As such, their responsibilities

include participation in ceremonial functions and military events; meetings with military counterparts from both the host country and other countries; hosting social gatherings for foreign military personnel; and oversight of the military and civilian personnel assigned to the embassy's attaché office.

A military attaché reports back to the Defense Department on a regular basis on events in the host country that might affect military planning, operations or engagements. Of particular interest to military leaders are the host country's acquisition of new weapons systems, substantive changes in its military strategy or tactics, its arms deals with other countries and the views of influential host country military leaders regarding relations between different countries. The military attaché also works with the embassy's economic and political officers to obtain the most current information on host country military budgets and expenditures [6].

In conclusion I must say that only cooperation of military attaches and military interpreters can make the system of defense of the country really effective.

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EUROPEAN ECONOMIC AND MONETARY UNION

A.R. Ruzavina, M.V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv

Ruzavina O.R., Karpusenko M.V. European Economic and Monetary Union. The article provides the background for the establishment of the European economic and monetary Union and the stages of its formation. It analyzes the current state of affairs, problems and prospects of European economic and monetary Union.

Key words: euro, European Economic and Monetary Union, "Five Presidents' Report", monetary policy.

Рузавіна О.Р., Карпусенко М.В. Європейський економічний та монетарний союз. У статті подано передумови створення Європейського економічного і валютного союзу та етапи його формування. Проаналізовано сучасний стан, проблеми та перспективи Європейського економічного і валютного союзу.

Ключові слова: Грошово-кредитна політика, "Доповідь п'яти президентів", євро, Європейський економічний і валютний союз.

Рузавина А.Р., Карпусенко М.В. Европейский экономический и монетарный союз. В статье представлены предпосылки создания Европейского экономического и валютного союза и этапы его формирования. Проанализировано современное состояние, проблемы и перспективы Европейского экономического и валютного союза.

Ключевые слова: Денежно-кредитная политика, "Доклад пяти президентов", евро, Европейский экономический и валютный Союз.

The matic justification: The global financial structure has undergone some dramatic changes and a new "currency geography" has been formed. The most important manifestation of this process is the emergence and strengthening of the common European currency on the international financial markets. The first competitor of the US dollar is the euro and it is able to challenge the status of the dollar as the dominant currency of the world. The new currency contributes to strengthening the position of the European continent as a major centre of the world economy.

The goal of the research is to analyze the functioning mechanism of the European monetary system, consider the process of the emergence of the Euro, to consider problems and to make predictions about the prospects of European Economic and Monetary Union.

The object of the research is European economic and monetary Union.

The subject of the research is the current state and prospects of European economic and monetary Union.

The Economic and Monetary Union (EMU) represents a major step in the integration of EU economies. It involves the coordination of economic and fiscal policies, a common monetary policy, and a common currency, the euro. Whilst all 27 EU Member States take part in the economic union, some countries have taken integration further and adopted the euro. Together, these countries make up the euro area [3].

The first step towards creating the European Central Bank was the decision, taken in 1988, to build an Economic and Monetary Union: free capital movement within Europe, a common monetary authority and a single monetary policy across the euro area countries [2].

The three stages for the implementation of the EMU were the following:

Stage One: 1 July 1990 to 31 December 1993

- Complete freedom for capital transactions;
- Increased co-operation between central banks;
- Free use of the ECU (European Currency Unit, forerunner of the €);
- Improvement of economic convergence [2].

Stage Two: 1 January 1994 to 31 December 1998

- Establishment of the European Monetary Institute (EMI);
- Ban on the granting of central bank credit;
- Increased co-ordination of monetary policies;
- Strengthening of economic convergence;
- Process leading to the independence of the national central banks, to be completed at the latest by the date of establishment of the European System of Central Banks;

- Preparatory work for Stage Three [2].

Stage Three: 1 January 1999 and continuing

- Irrevocable fixing of conversion rates;
- Introduction of the euro;
- Conduct of the single monetary policy by the European System of Central Banks;
- Entry into effect of the intra-EU exchange rate mechanism (ERM II);
- Entry into force of the Stability and Growth Pact [2].

Although all EU Member States are part of the Economic and Monetary Union, but not all EU countries are parts of the euro area, which includes only those that have adopted the euro as their currency and are subject to the monetary policy of the European Central Bank [5].

Nineteen EU member states, including most recently Lithuania, have entered the third stage and have adopted the euro as their currency.

Now the European Union is the second largest economy in the world in nominal terms and according to purchasing power parity (PPP). The European Union's GDP was estimated to be €16.5 trillion (nominal) in 2016 according to the International Monetary Fund [4].

Following the outbreak of the economic and financial crisis, the European Union took unprecedented measures to improve the economic governance framework of EMU (such as the strengthening of the Stability of Growth Pact or the adoption of new mechanisms to prevent economic imbalances and better coordinate economic policies) [3].

The Presidents of four European Institutions and the President of the Eurogroup – in the "Five Presidents Report" laid down a plan to deepen the Economic and Monetary Union and development of monetary policy in two stages as of July 2015 and complete it by 2025 at the latest [3].

Stage 1 or "Deepening by Doing" (1 July 2015 – 30 June 2017): using existing instruments and the current Treaties to boost competitiveness and structural convergence, achieving responsible fiscal policies at national and euro area level, completing the Financial Union and enhancing democratic accountability [3].

Stage 2 or "completing EMU" (by 2025): more far-reaching actions will be launched to make the convergence process more binding, through for example a set of commonly agreed benchmarks for convergence which would be of legal nature, as well as a euro area treasury [3].

The above two stages are envisaged to bring further progress on all four dimensions of the EMU:

- **Economic union:** Focusing on convergence, prosperity, and social cohesion.
- **Financial union:** Completing the banking union and constructing a capital markets union.
- **Fiscal union:** Ensuring sound and integrated fiscal policies.
- **Political Union:** Enhancing democratic accountability, legitimacy and institutional strengthening of the EMU [1].

For consistently successful existence of the European Economic and Monetary Union it is necessary to continue to consolidate budgets and better coordinate the economic policies of the EU members of. For Europe it was a long path towards Economic and Monetary Union and the introduction of a common currency – the euro. It is must be said that the success of the European

monetary system has been possible not only owing to its elaborate internal organization, but also because of favorable external circumstances, primarily because of the good economic environment and accelerated integration process. However, there is no clear hypothesis about its future development. Will the euro strengthen or lose its positions against the dollar? In the changing economic situation it is hard to answer this question.

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GLOBAL CITIES AS A TOURIST DESTINATION

*V.M. Sabadyr, M.M. Medvid, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Sabadir V.M., Medvid M.M. Global cities as tourist destinations. The article analyzes the current state of development of global cities. Also, the rating of global cities for 2016 is given. New cities that are included in the ranking and may compete with the top ones have been identified.

Key words: destination, global cities, income, influence, tourist flows.

Сабадир В.М., Медвідь М.М. Глобальні міста як туристичні дестинації. У статті проаналізовано сьогоденний стан розвитку глобальних міст. Надано рейтинг глобальних міст за 2016 рік. Виявлено нові міста, що увійшли до рейтингу та можуть скласти конкуренцію топам.

Ключові слова: вплив, глобальні міста, дестинація, дохід, туристичні потоки.

Сабадырь В.Н., Медведь М.Н. Глобальные города как туристические дестинации. В статье проанализировано сегодняшнее состояние развития глобальных городов. Приведен рейтинг глобальных городов за 2016 год. Обнаружены новые города, которые вошли в рейтинг и могут составить конкуренцию топам.

Ключевые слова: влияние, глобальные города, дестинации, доход, туристические потоки.

Cities have always played an important role in people's lives. Under the conditions of modern urbanization, the city is gaining new functions, diversifying forms of cooperation between cities and the world. Megacities have become more influential, not only within the framework of the region or state, but also within the framework of the world. Global cities have become the center of important functions for the development of the country and the formation of society, state authorities, political, economic and cultural center, cities have become important elements of the architecture of the world economic system.

Scientists have been discussing global cities since the beginning of the 20th century but scholars did not use the term «global city». They investigated the trade links and market relations of cities that had international significance and significant political influence. The researchers to be mentioned are the following: Patrick Gueddes, a Scottish urbanist, mentions cities that have a certain influence on international relations in his book “Cities in Development” (1915); European historian Fernand Braudel also described the process of gravitation of the world economy for cities and sought a link between the integration of cities into national economic systems and their subordination to the political power of the respective states [2, p. 89]. Another British urbanist, Peter Hall, in his book «World Cities», sets out more scalable, more developed cities, and gives them separate roles. It should be noted that the contribution to the study of global cities was also made by economist John Friedman, who, with his colleagues, formed the theoretical platform for studying global cities. They also characterize the world's cities and indicate the driving forces of their development [3]. The concept of a global city was developed in the early 1990's. By this term, Saxia Sassen (professor of sociology at the University of Chicago), in his work “The global city” (1991) identified cities that are elements of the economic system and have a significant influence (political, economic, and cultural) on large regions, and to a certain extent – to the whole world [2, p. 76].

Having analyzed the research of the consulting company A.T. Kearney for 2016, you can see that top positions rank global cities: London (since 2008 ranked first), New York, Paris and Tokyo [4].

Tourist flows to the top global cities are constantly growing, traveling here with different purposes and various tourists. Megacities take tourist flows that reach the arrival of foreign tourists to some countries. So, in 2016, London was visited by 19.88 million foreign tourists while Sweden was visited by 12.6 million foreign tourists.

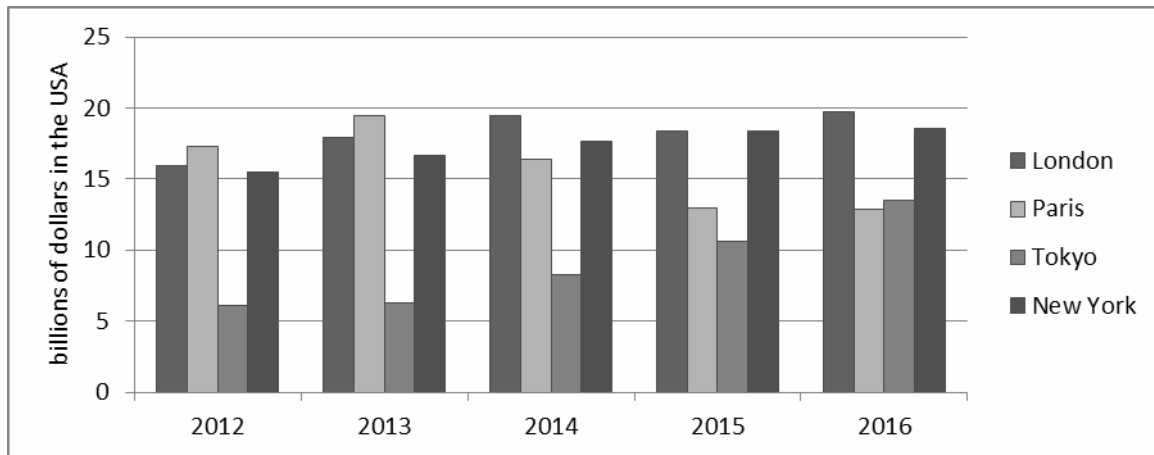


Figure 1. Expenditures of foreign tourists on the territory of metropolitan areas (2012-2016) [1]

It should be noted that in 2015, New York beat its own record. He took on its territory nearly 60 million visitors, 12.27 million of which were foreign tourists. These indicators point to the development of the tourism sector, which is a big plus for the city, because in this way the expansion of the tourism industry also increases the number of jobs (Pic. 2).

Today's focus on globalization puts metropolises out of competition both in terms of tourism flows and tourism revenues. Each city is thrilling tourists to spend on something, for example, Paris attracts shopping tourism, which is why the tourism costs in Paris in 2015 reached \$ 16.61 billion (Pic. 1). Urbanization as one of the characteristics of the modern world gives impetus to the popularization of global cities.

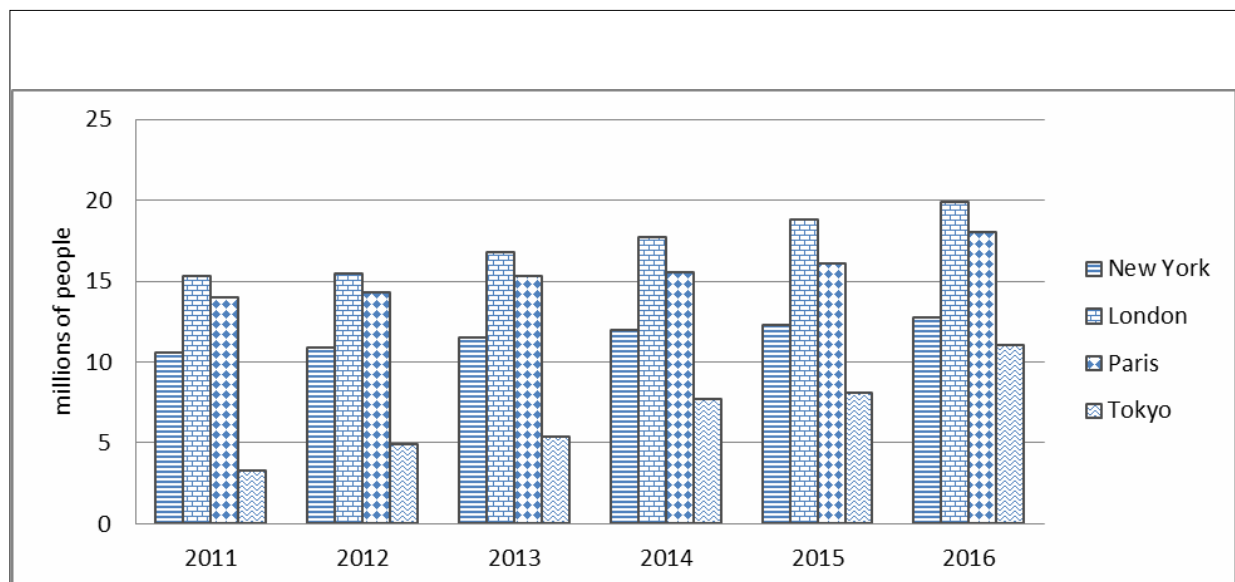


Figure 2. Flows of foreign tourists to metropolises (2011-2016) [1]

In total in 2016, the rating included 125 metropolitan areas, but there were no Ukrainian metropolises in the rating. The company's analysts evaluated the cities by 27 criteria, which were grouped into 5 blocks:

- 1) business climate (capital flows, market dynamics);
- 2) human resources (level of education);
- 3) exchange of information (access to the Internet and the media);
- 4) development of culture;
- 5) involvement of citizens in political activity [4].

The situation with global cities remained steady for several years. In 2016, the current position of the metropolis is the same, but if you look at the ranking of cities that follow the first four positions, we see that things have changed.

In the ranking of the first 10 appearing cities, which by this year have not even been included in the main rating, cities such as: *Singapore* (a state-owned city located on islands in Southeast Asia, Singapore's economy is one of the most open and economically-free countries, stable prices are maintained in the country, and per capita GDP is one of the highest in the world), *Hong Kong* (a special administrative district of the People's Republic of China, one of the leading financial centers in Asia and the world. Hong Kong is an important center for international finance and trade), *Beijing* (the capital and one of the cities under the central authority of the People's Republic of China. In addition, Beijing is the political, educational and cultural center of the People's Republic of China, while the main economic centers are Shanghai and Hong Kong), *Dubai* (the largest city in the United Arab Emirates, the administrative center, the most important trade and financial center of the OAU and the entire Middle East, Dubai – the largest trading, financial and tourist center of

the Middle East), *Shanghai* (the largest city in China and the world in terms of population size, one of the four cities of the central subordination of the People’s Republic of China, an important financial and cultural center of the country, and also the largest seaport in the world.) [1].

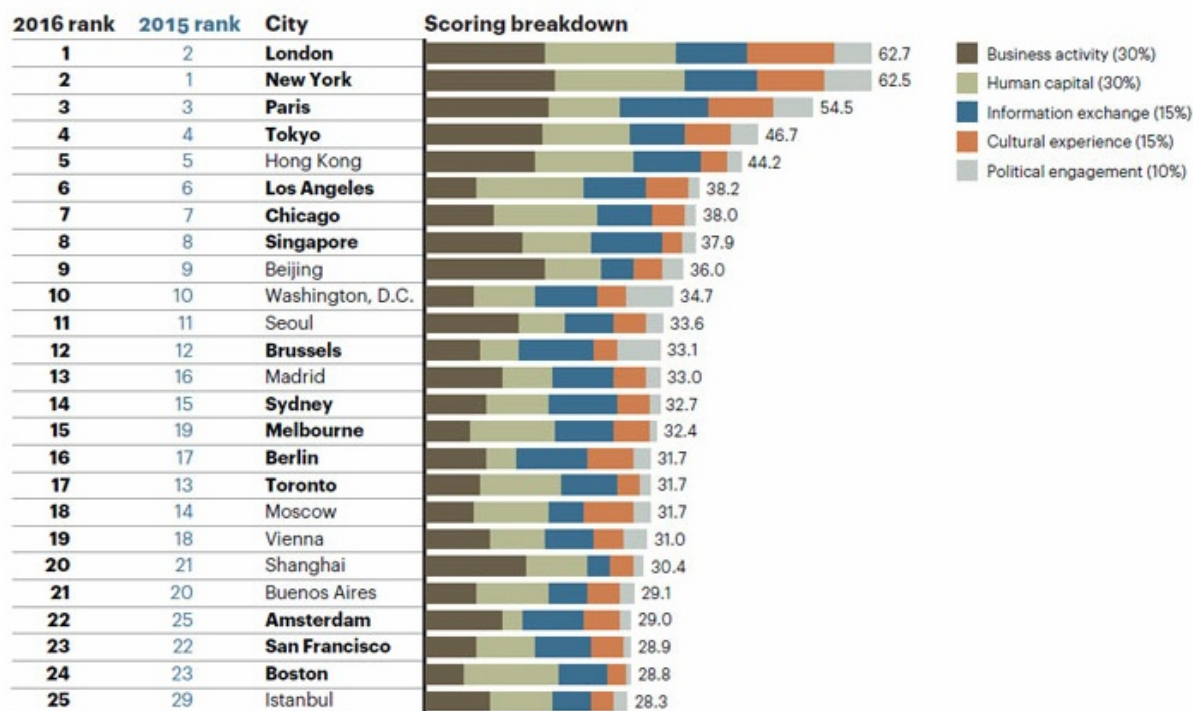


Figure 3. Global Cities Rating (A.T. Kearney, 2016) [1]

Our analysis allows us to conclude that in the next few years, the picture of global cities will change. Their influence will continue to grow, their landscapes and facades will change, the buildings will be higher as well as the activity of the metropolises. Global cities such as London, New York, Paris, Tokyo remain the leaders in the rating of top metropolises. They host millions of tourists in their territories and receive billions of dollars spent by tourists. However, it’s important to remember that in today’s globalization and urbanization, ratings can drastically change, and you can already watch new players in the international arena who are actively holding steady positions.

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THE ROLE OF COMMUNICATION IN THE SYSTEM OF INTERNATIONAL RELATIONS

*D.E. Saksonova, N.O. Bolibok (language supervisor)
V.N. Karazin National University, Kharkiv*

Saksonova D.E., Bolibok N.O. Communication in the system of international relations. This article is devoted essentially to disclosure of communications in international relations. It covers connection between the elements of the system of international relations and foreign policy of the state of communication in this system. The research reveals the basic function of foreign policy activities of the state from its state of communications in international relations. The adequate response to possible threats to national security associated with the use of various communications, requires science-based recommendations can be formulated only as a result of deep study of the considered set of phenomena. In this regard, the article refers to the need for careful consideration of various communications in international relations and taking into account their characteristics when developing a general theory of communication, communication science, political communication and in the interests of political science in general.

Key words: global communication, intercultural communication, international communications, interstate communication.

Саксонова Д.Е., Болібок Н.О. Комунікація в системі міжнародних відносин. Дана стаття присвячена розкриттю комунікацій у міжнародних відносинах. Розглядається як зв'язок між елементами системи міжнародних відносин та зовнішньою політикою держави спілкування в цій системі. Відкриває основну функцію зовнішньополітичної діяльності держави від свого стану комунікацій у міжнародних відносинах. Адекватна відповідь на можливі загрози національній безпеці, пов'язані з використанням різних комунікацій, вимагає, щоб наукові рекомендації могли сформулюватися лише в результаті глибокого вивчення розглянутого набору явищ. У зв'язку з цим, у статті вказується на необхідність уважного розгляду різних повідомлень у міжнародних відносинах та врахування їх характеристик при розробці загальної теорії зв'язку, комунікаційної науки, політичного спілкування та в інтересах політології загалом.

Ключові слова: глобальне спілкування, міждержавне спілкування, міжкультурна комунікація, міжнародні зв'язки.

Саксонова Д. Э., Болибок Н.А. Коммуникация в системе международных отношений. Данная статья посвящена раскрытию коммуникаций в международных отношениях. Рассматривается как связь между элементами системы международных отношений и внешней политики государства общения в этой системе. Открывает основную функцию внешнеполитической деятельности государства от своего состояния коммуникаций в международных отношениях. Адекватный ответ на возможные угрозы национальной безопасности, связанные с использованием различных коммуникаций, требует, чтобы научные рекомендации могли сформулироваться только в результате глубокого изучения рассматриваемого набора явлений. В связи с этим, в статье указывается на необходимость внимательного рассмотрения различных сообщений в международных отношениях и учета их характеристик при разработке общей теории связи, коммуникационной науки, политического общения и в интересах политологии в целом.

Ключевые слова: глобальное общение, межгосударственное общение, международные связи, межкультурная коммуникация.

The subject is the communication in the system of international relations. The purposes of this article are the disclosure of the essence of communication in the system of international relations, consideration of communication between the elements of the system of international relations and foreign political communications of the state in this system. The relevance of this topic is that there is always communication between states, even if this communication is inherent in the system of states of one pattern: there is always interdependence and mutual influence, sympathy or antagonism, which in its turn influences the development of partnership relations between countries.

The term «communication» is often used when considering a variety of phenomena in political theory in general, and in the theory of international relations in particular. Usually it is used in word combinations, for example, «international communications», «interstate communication», «intercultural communication», «global communication». All these concepts reflect the phenomena that occur in the system of international relations. However, the basic concept of «communication in international relations» is not disclosed. Therefore, it is sometimes identified with the activities of states and other elements of this system, with the foreign policy of the state, which is not true [1, p. 85].

And the term “international communication” is a complex and rapidly growing division within the basic field of communication and media research.

It covers issues of culture and cultural commodification (the transformation of cultural products into commodities), the dissemination of information and news from media empires around the world, and the challenges that the developing world is facing in the light of these processes [3, p. 4].

The technology of communication control is based on the following provision: the conflict occurs as a result of inefficient communication, and its resolution should include the process of establishing effective communications. Effective communication is the intentional transmission of information, as well as receiving and interpreting it exactly as it was supposed to be in its transmission, with the subsequent use of information in its original form and its participation in the formation and changing of values, interests and goals. The need for controlled communication is comprehensible if one recognizes that a conflict of interest is a subjective phenomenon and arises when there are conditions that prevent a correct understanding of values and consideration of alternative means and purposes. This statement is disputed by another theory, according to which the cause of the conflict is in the aggressiveness and expansionist aspirations of states; then the power relations determine the essence and structure of the world community, and conflict resolution is possible only with the intervention of a third party, with coercion to peace or a military victory of one side over another. In the latter case, each state will strive to impose its will on the opponent in peace negotiations after his defeat or under conditions that clearly lead to defeat. Here, communication will not be effective, it does not affect the conflict settlement process (unless one of the parties is ready to accept the conditions), and this will continue until one of the opponents is the winner. If we consider that the conflict between states is based on a misunderstanding, an incorrect assessment of the situation, an inability to see alternative means of achieving goals and other behavioral factors, then implies the potential for its settlement with mutual benefit. Consequently, effective communication is appropriate even during the war. Let us consider two different premises and the corresponding different means of ending the conflict in the labor sphere. The first option - when the refusal of negotiations sounds until the strikers start work (or they do not remove the lockout), the settlement of the conflict is achieved only after the defeat of one of the opponents. The second option is when negotiations take place during a strike (or lockout) and the work is resumed on the basis of agreements reached. In the first case, communication does not settle until the victory of any party, and in the second one it exists even during the conflict. The complete resolution of the conflict, unlike its settlement, is based on the achievement of agreements that preceded

the cessation of the conflict, otherwise the victorious party will impose conditions for the settlement of the conflict. Thus, the first step in studying the conflict and resolving it is to establish effective communication.

The effectiveness of communication depends on several characteristics. Communication may be intentional or unintentional, have the purpose of transmitting accurate information or misleading information, the information may be accurately or inaccurately accepted, accurately accepted information can be adequately or inadequately interpreted. Each of these characteristics depends on the form of communication, for example, it can be verbal or visual, direct or indirect, and from the attendant circumstances, for example, it can occur in conditions of fear or security, awareness or prejudice. The complexity and importance of these communication problems, which have so far been virtually ignored by the theory of interstate relations, confirm the hypothesis of close interconnection, conflict and ineffective communication, prove the effectiveness of interpersonal communication technologies and, if necessary, verify the effectiveness of communications using role-sharing methods or gaming methods. It is very important to master all the methods of effective communication in the sphere of international relations, since this will facilitate the development of cooperation and friendly relations between states [4, p. 51–54].

In the system of international relations, all the phenomena arise as a result of the interaction of the elements of a given system and the connections between them. Interaction between states is effected as a result of their foreign policy activity, which is defined as a kind of organized and correspondingly secured activity of the state to provide influence on the objects of its foreign policy interests within the framework of the chosen tactics. Therefore communication is seen as a phenomenon that refers to the multitude of connections of the system of international relations, which includes 3 subsets: the links of the system with its elements, the links of the system with the environment and the connections between the elements of the system [1, p. 86].

The consequence of the communication of the system of international relations as a whole with a single state is the functioning of this element in this system. In this case, communication exists due to the transmission of control signals from the system to a particular state via appropriate communication channels, for example, a regulatory legal act. An example of communication between the state and the system of international relations is the appeal of one of the states to the UN (as one of the system-forming elements of this system) about the violation of state rights by sending relevant messages.

The interaction of the state with the participants in international relations is realized as a result of its foreign policy activity, which, as a phenomenon, is realized in the system of international relations as a function of the link between the elements of the system. The establishment of the state's connection with other participants in international relations means the possibility of starting communications between them. When communication is established, through communication, it can not only be implemented and maintained, but also developed. Since the whole multitude of phenomena connected with the state's communication can be divided into phenomena occurring in the system of internal political relations and in the system of international relations, foreign policy activities take place in the foreign political communications of the state. It follows that one of the forms of communication is a set of phenomena that act as a constituent part of external political activity of the state.

The phenomenon of «foreign policy communication of the state» in the activities carried out by it is determined by the fact that communication performs supporting functions in the implementation of this activity. In this regard, in the conceptual and terminological system of the country's foreign policy activity, the notion of «foreign political communication of the state» should be referred to the set of concepts that correspond to the country's «foreign policy activities of the state» [2, p. 164–186].

C o n c l u s i o n . Thus, communication in the system of international relations is a complex and multifaceted phenomenon. Many aspects related to its nature have yet to be studied. However, on the basis of the above-mentioned statements, it is possible to form a “logical chain”, which reflects in general the key communications in the system of international relations. The given terms can be represented by the following logical chain: «communication in the system of international relations» – «communication of the system of international relations with its environment» – «communication of the system of international relations with its elements» – «communication of elements of the system of international relations» – «foreign political communication of the state».

The more the communication channels in the country, through which they interact with other participants in international relations, the wider the opportunities for the state to realize its interests in the course of foreign policy activities. However, the presence of many channels of state communication in the system of international relations determines the possibility of the emergence of threats to its security as a result of the destructive influence of other participants in these relations on the part of the system of international relations and the system of international relations proper. Therefore, the state

has to pay attention to ensuring its security on different channels of communication with other elements of international relations, Istemi international relations, as well as with the system of relations within the state and its elements.

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THE IMPACT OF SPORT AND EVENT TOURISM ON THE TOURISM INFRASTRUCTURE DEVELOPMENT

K.V. Samofalova, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv

Samofalova K.V., Litovchenko Y.M. The impact of sport and event tourism on the tourism infrastructure development. The article analyzes the influence of sport and event tourism on the development of tourism infrastructure. The article provides examples of holding large-scale sports competitions in Japan, Spain, China, South Africa and Ukraine and also the experience of their organization. The work examines the impact of new tourism infrastructure on generating economic benefits to the country.

Key words: economic benefits, sport and event tourism, tourist infrastructure, tourist flow.

Самофалова К.В., Літовченко Я.М. Вплив спортивно-подієвого туризму на розвиток туристичної інфраструктури. У статті розглядається, як спортивно-подієвий туризм впливає на розвиток туристичної інфраструктури. Було наведено досвід, щодо організації та проведення масштабних спортивних змагань, на прикладах таких країн: Японія, Іспанія, Китай, ПАР і Україна. Також розглянуто, вплив створеної туристичної інфраструктури на залучення потоку економічних вигод до країни.

Ключові слова: економічні вигоди, спортивно-подієвий туризм, туристична інфраструктура, туристичний потік.

Самофалова Е.В, Литовченко Я.Н. Влияние спортивно-событийного туризма на развитие туристической инфраструктуры. В статье рассматривается, как спортивно-событийный туризм влияет на развитие туристической инфраструктуры. Был приведен опыт, касательно организации и проведения масштабных спортивных соревнований, на примерах таких стран: Япония, Испания, Китай, ЮАР и Украина. Также рассмотрено, влияние созданной туристической инфраструктуры на привлечение потока экономических выгод в страну.

Ключевые слова: спортивно-событийный туризм, туристическая инфраструктура, туристический поток, экономические выгоды.

The object of the article is tourism infrastructure whereas the subject is an impact of sport and event tourism on tourism infrastructure development. The aim of the research is to provide examples of holding large-scale sports competitions and to examine the impact of tourism infrastructure on flows of economic benefits to the host country.

The tourism industry is one of the most rapidly developing and promising sectors of the economy of the modern world. Sport and event tourism today occupies a special place in the system of global tourism development, its share increases annually by 1.5% [4, p. 7]. Sports naturally become an integral part of human life in modern conditions. Nowadays tourism with the purpose of attending a sporting event is more and more popular.

It should be noted that holding a major event with proper planning there can be a catalyst for the construction of modern tourist infrastructure. It is often public policy is so blocked that the necessary investment in infrastructure can be delayed for many years, if not holding such kind of events.

Tourism infrastructure is the supply chain of transport, social and environmental infrastructure collaborating at a regional level to create an attractive tourism destination. Transport infrastructure in this chain provides destination access to tourists from the international and domestic markets, and includes roads, airports, and railways. Social infrastructure relates to accommodation facilities in the form of rooms to accommodate tourists and other supporting physical structures for various kinds of activities and services that attract tourists. This infrastructure includes hotels, convention centers, stadiums, galleries, and other necessary facilities. Environmental infrastructure is a natural value, and refers to national parks, marine parks, and reserves which visitors can tour. In addition to these three types of infrastructure, tourism infrastructure includes the shared infrastructure, made of a network of regional, state, and national tourism organizations on the market where there is a tourist destination, and is engaged in the distribution of tourism products [2, p. 72].

In addition to this classification, literature often points to the classification of tourism infrastructure into four categories, namely:

1. Physical (hotels, motels, restaurants, transportation, communication, water, electricity);
2. Cultural (culture, heritage, fairs and festivals, local art and music, dress and dance, language and food);
3. Service (banking facilities, travel agencies, insurance agencies, tourist guides);
4. Governance (law and order machinery, customs and immigration).

Infrastructure development contributes to economic growth and social development of the region and the city, which hosts sporting events, creates the conditions for economic growth and improvement in its macroeconomic indicators [1].

It happened with Tokyo in 1964, after 18 summer Olympic Games it began to turn into a dynamic and comfortable for living city. A high speed rail line «Hokuriku Shinkansen» was built for the 18 winter Olympic Games between the Japanese Nagano city and the capital city Tokyo, which allows you to reach Tokyo in just half an hour [9].

Barcelona became one of the most visited cities in Europe after the summer Olympic games in 1992. So, in 1991 the city took 16-th place in Europe in number of tourists who visited it, and in 1999, Barcelona was awarded the 3-rd place in the ranking, the first two places were divided between Paris and London. The Olympic Games were used by the leadership of the country to create a second (after Madrid) the largest industrial and cultural center in the country. Barcelona showed the greatest growth of urban infrastructure and development in Europe during the Olympic business cycle (in the period between 1986 to 1993) [10].

Olympic games in Beijing in 2008 became a bright example of development of infrastructure. China's leadership spent on infrastructure development almost 20 billion dollars. For example, companies have drastically reduced the level of emissions, 50 thousand old taxi and 10 thousand buses were replaced with new, it was built 110 new hotels (a category from one to five stars) also most of the urban facilities were renovated [6].

Organizers spent 4.5 billion dollars on the world Cup in South Africa. The bulk of the costs were divided between the construction of sports facilities (1.5 billion) and transport infrastructure (1.5 billion dollars). King Shaka International Airport in Durban, its capacity is 7.5 million passengers per year and also high-speed railway in Johannesburg were built specifically for the

World Cup. The number of hotel rooms was increased to 80 thousand for tourist accommodation. The country has gained from the championship about 400 million dollars according to the official data of the government of the Republic of South Africa [10].

It is worth saying that Ukraine also has experience in the conduct of significant sporting events; in 2012 our country hosted the European championship on football.

Table 1

Infrastructure facilities which are used after Euro-2012

Kyiv	<ul style="list-style-type: none"> – national sports complex «Olimpiyskiy» – terminal D in Boryspil airport – passenger terminal A in the airport Zhuliany – 185 buses and 140 trolleybuses – 13 hotels – 26 squares, parks and boulevards – 286,67 thousand km of repaired roads – the road junction at the Paton bridge
Kharkiv	<ul style="list-style-type: none"> – 2 new terminal in the Kharkiv airport – the runway at the airport – 92 km of repaired roads – «Metallist» stadium – railway station – Gorky Central Park of Culture and Leisure – 19 hotels – 11 buses and 97 trolleybuses
Lviv	<ul style="list-style-type: none"> – «Arena Lviv» stadium – new terminal in the Lviv airport – the runway at the airport – 31 km of repaired roads – 24 hotels – 92 buses and 60 trolleybuses

Source: [6]

Ukraine belongs to the countries with poorly developed infrastructure and, therefore, more than 90% of the expenses belonged to the shared infrastructure [9]. It should be noted that a greater number of constructed infrastructure used nowadays. So, the stadiums in Kyiv and Kharkiv are taking football matches of the Ukrainian championship and the prestigious European

tournament the Champions League and also they are taking various musical concerts [6].

In conclusion, the infrastructure that was created in connection with the sporting event can provide the host city or region with a constant flow of economic benefits. Facilities built for these events can be used for many years. More importantly, the improvement of infrastructure can provide significant impetus to the development of local and regional economies, and also to increase the flow of tourists into the country [3].

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REVISITING THE CONCEPT TERMINOLOGY

*B.I. Saprun, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Saprun B.I., Saprun I.R. Revisiting the concept terminology The article deals with the concept terminology viewed from sociolinguistic approach. Different viewpoints on the definitions to the term are given in the survey. The main ways of term formation are distinguished. The basic types of terms as well as their characteristic features are singled out.

Keywords: sociolinguistic approach, term, terminology, term formation, term system, types of terms.

Сапрун Б.І., Сапрун І.Р. Щодо питання о понятті термінологія. Дана стаття розглядає поняття термінологія з точки зору соціолінгвістики. Вивчено різноманітні підходи щодо дефініції поняття термін. Виокремлено основні способи утворення термінів. Представлено і надано характеристику основним видам термінів.

Ключові слова: види термінів, соціолінгвістичний підхід, термін, термінологія, формування термінів, терміносистема.

Сапрун Б.И., Сапрун И.Р. К вопросу о понятии терминология. Данная статья рассматривает понятие терминология с позиций социолингвистики. Изучены разные мнения относительно дефиниции понятия термин. Выделены основные способы терминообразования. Представлены и охарактеризованы основные виды терминов.

Ключевые слова: виды терминов, образование термина, социолингвистический подход, термин, терминология, терминосистема.

There is no field of knowledge that can do without its terminology, nominating its concepts. The study of an appropriate terminology promotes a more active development of this area and a more successful communication within a social group and its representatives. A sociolinguistic approach seems to be the most appropriate in this sense. Sociolinguistics is viewed as a single discipline which was formed at the intersection of several sciences. It studies the influence of social and historical factors on the functional usage of the language in the process of verbal communication, as well as the impact of these factors on the very structure of the language and their reflection in the language structure. The language of each science is represented by its conceptual apparatus, its terminology, which is constantly developing alongside with the development of the society. New concepts and definitions borrowed from other languages appear and remain in the given language of science, or a new meaning evolves from the old one.

The relevance of choosing the topic of this survey is determined by the theoretical and practical significance of the research in the field of terminology, which becomes especially significant during the period of scientific and technological changes going on worldwide. The subject of the study are such concepts as the term, term system, types of terms. The of this survey is to consider the main current trends of the term formation of the English language, researchers' different approaches to the concept term, the types of terms in the science of terminology, the specifics of nomination which is the process of naming new lexical units, as well as the basics of the sociolinguistic approach.

Term system is viewed as a total of units of terminological vocabulary that can reflect basic concepts, the peculiarity of the nominated objects, subjects, processes and phenomena of a certain field of knowledge and a sphere of human activity. The current task of modern science of terminology lies not only in the analysis of the well-established terminological systems, but also in «the analysis of vivid, changeable and complex facts of the formation of the language of science and the justification of the genesis of terms due to the real demand of science itself» [2, p. 35].

The topicality and versatility of the modern science of terminology can clearly be manifested in the recent decades. The science of terminology is represented by the most actively developing part of the vocabulary of any language which reflects some progressive changes in the science and the society. Without studying the structural and semantic composition of the science of terminology and its changes, it is impossible to fully understand the laws of the language development. It makes up the main and the most significant and informative part of the lexical system of a common-literary language.

Many prominent researchers in linguistics and sociolinguistics and such as D.S. Lotte, 1961; V.V. Vinogradov, 1961, 1972; A.A. Reformatsky, 1967; V.M. Leichik, 1971, 1989; L.B. Tkacheva, 1987; V.P. Danilenko, 1987; A.V. Superanskaya, 1989; S.V. Grinev, 1993; V.A. Tatarinov, 1994; L.M. Alekseeva, 1998; Yu.N. Marchuk, 2000; K. Ya. Averbukh, 2004. considered the problems of the term and its correlation with the common lexis.

The analysis of the linguistics literature dedicated to the theoretical issues of the science of terminology demonstrate a large number of definitions of the concept term. As a result of a high usage of the word «term» in relation to different objects, there has not been any unified definition of the concept so far. Thus, an actual task of the science of terminology is still to give a relevant unified definition of this concept. Namely, D. S. Lotte and his followers have got a viewpoint which is based on the fact that terms are special words in the structure of any developed national language that require ranging and targeted consideration [7, p. 80]. G.O. Vinokur considers terms not as special words, but as the words in their special function, stating that any word can come into a term [10]. Based on the existing definitions, we support the opinion of E.A. Khudinsh who views the term as a word or a word group that makes up a special object and performs a special function in a certain area of knowledge, which is used for the exact nomination of concepts or phenomena specific to a certain field of activity [10].

For many years scientists have made attempts to classify the basic mechanisms of the formation of new terms. Summarizing the results of these

studies, the following main ways of term formation can be distinguished: 1) semantic (a word or word group of common lexis used as a term); 2) morphological (creating a new term by means of composing, affixation); 3) syntactic (the formation of terminological word groups); and 4) borrowing words and phrases from common lexis, other terminological systems, other languages); 5) making up abbreviations [1].

From the point of view of the formation and the development of the science of terminology the following types of terms can be defined: original and borrowed terms, basic and non-borrowed terms, acquired terms. Linguistic borrowing means the process of acquiring words from other languages, as well as the result of this process, i.e. the language material itself. In English *there are not only borrowed words, but also word-forming affixes (-able, -ment, -ity, etc.) and word combinations or word groups (coup d'etat, vis-a-vis)*. In its second meaning, the notion linguistic borrowing is sometimes used in a broader sense.

Linguistic borrowing extends to the so-called linguistic calques and semantic borrowings. Linguistic calques are defined as some words and expressions created from the elements of the English language according to its models, but under the influence of foreign words and expressions («*mother tongue*» from Latin «*lingua materna*», «*it goes without saying*» from the French «*cela va sans dire*», «*wall newspaper*» from Russian «*стенгазета*»). Semantic borrowing is an extension of the meaning of a word by analogy with a partly synonymous term in the other language/ For example, the words «*propaganda*» and «*reaction*» acquired some political significance under the influence of the French words, «*deviation*» and «*bureau*» became the *part of political vocabulary under the influence of Russian expressions «right and left deviation», «Political bureau»*.

Basic terms are viewed as terms borrowed during the origin of a certain terminology from the field of lexis, which used to be its basis, the basis of its formation. Basic terms denote «the concepts of basic sciences and other fields of knowledge used in the term system, which form the foundation of this science» [7, p. 127]. Thus, the researcher E.A. Khudinsh singles out 628 terms as basic ones in the term system of economics. Among them there are *dividend, tax, money, capital, credit, price, purchase, wealth, rent, etc.*

Any branch of science and technology develops relying on a certain system of concepts which is fixed in terms. Each discipline and a field of expertise need their own corpus of terms. It is necessary to attract new linguistic means by means of expanding and deepening the links between units of terms to

nominate objects, processes and phenomena. At the same time the demand for the formation of new terms leads to an expansion of the naming unit base at the expense of attracting new types of productive elements. «The need for the specialization of term elements and models leads to a narrowing of the terminology apparatus to a computable set of typical productive models, with facilitate the process of providing different industries with terms» [6, p. 65].

Summing up, the formation and functioning of term of any language are inextricably linked with the development of social concepts. Scientists agree that the bulk of them are the words that are formed and made up as a result of a secondary nomination, in other words, those units which are acquired by reinterpreting borrowed or basic, original words that have already existed in the given language.

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THE BUSINESS MODELING AND OPEN INNOVATION

*I.I. Sarga, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Sarga I.I., Davydenko I.V. The business modeling and open innovation. The research on open innovation suggests that companies benefit differentially from adopting open innovation strategies. One possible explanation is that companies' business models are not attuned to open strategies. The research illustrates an open innovativeness, differentiating between four types of open business models. The article is contributed to the open innovation literature and specifies the conditions under which business models are conducive to the success of open innovation strategies.

Key words: business, business model, innovation, innovation strategy.

Сарга І.І., Давиденко І.В. Бізнес моделювання та відкриті інновації. Стаття на тему відкритих інновацій ставить під питання можливість компаній вигравати від застосування відкритих інноваційних стратегій. Одне з можливих пояснень – бізнес моделі компаній не здатні використовувати відкриті стратегії. Це ілюструє концепція відкритих інновацій, розрізняючи чотири типи відкритих бізнес-моделей. У статті розглянуто різні погляди на те, за яких саме умов бізнес моделі пристосовані до успішного використання відкритих інноваційних стратегій.

Ключові слова: бізнес модель, інновація, інноваційна стратегія, компанія, концепція інновацій.

Сарга И.И., Давыденко И.В. Бизнес моделирование и открытые инновации. Статья на тему открытых инноваций ставит под вопрос возможность компаний выигрывать от применения открытых инновационных стратегий. Одно из возможных объяснений – бизнес модели компании не способны использовать открытые стратегии. Это иллюстрирует концепция открытых инноваций,

различая четыре типа открытых бизнес-моделей. В статье рассмотрены различные взгляды на то, при каких именно условиях бизнес модели приспособлены к успешного использования открытых инновационных стратегий.

Ключевые слова: бизнес модель, инновация, инновационная стратегия, компания, концепция инноваций.

The subject of the study is business models in different companies and their ability to use innovations. The purpose of the study is to figure out the conditions under which the business models become successful. The relevance of the study is determined by high demand to implement innovative strategies in rapidly growing business world.

The business model construct, being widely used in management research as well as by practitioners, suffers from the lack of clarity. The construct was introduced in the late 1950s but had been hardly used in publications until the 1990s, and it was only with the hype of the Internet and the emergence of e-businesses when it started to be used. Since then the business model construct has been used to denote different things, “such as parts of a business model (e.g. auction model), types of business models (e.g. direct-to-customer model), concrete real world instances of business models (e.g. the Dell model) or concepts (elements and relationships of a model). This conceptual ambiguity is reflected in the variety of business model definitions to be found in extant literature. Starting from the theoretical essence of business models, that is, the minimum set of core components that must be common to all business models and which set the business model construct apart from other constructs.

Notwithstanding these differences, the majority of studies seem to converge on the basic understanding that business models denote the company’s core logic for creating and capturing value by specifying the company’s fundamental value proposition(s), the market segments it addresses, the structure of the value chain which is required for realizing the relevant value proposition, and the mechanisms of value capture that the company deploys, including its competitive strategy. To summarize this by stating that the essence of a business model is in defining the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit.

An influential and expanding stream of literature in innovation research argues that in the face of increasing global competition, rising R&D costs and shortening product life cycles, companies can no longer rely on the traditional model of closed innovation. Thus, increasingly they depend on accessing external sources of knowledge and collaborating with individuals, companies

and other organizations that possess relevant knowledge that may be deployed in the context of the company's innovation process [3, p. 26] The collaboration with having needed information partners has, to a large extent, become possible by recent trends in information and network technologies that have led to decreased costs of knowledge dissemination, communication and coordination costs which make it easier for companies to find and access knowledge distributed all over the world. Recognizing the fact that the appropriate knowledge required to solve innovation problems is either widely distributed or sticky leads many companies to adopt an open innovation model. So many studies have contributed to a further clarification of the concept.

These definitions illustrate three important points that are essential for understanding an open innovation. First, the open innovation studies are congruent because they offer to their understanding of open innovation as a set of practices that facilitate both purposive inflows and outflows of knowledge; thus open innovation generally encompasses both inbound and outbound dimensions of innovation processes. While outbound open innovation refers to innovation activities to leverage existing technological capabilities outside the boundaries of the company, inbound open innovation relates to the internal use of external knowledge. Second, studies seem to agree that pursuing open innovation requires a certain degree of permeability of organizational and innovation process boundaries to guarantee successful innovation. Third, extant definitions of open innovation are kept broad, arguably to reflect what [6, p. 5] is called the "appeal" of open innovation, namely what it provides the "umbrella that encompasses, connects and integrates a range of already existing activities"

In sum, the literature on business models indicates that a company can choose from a variety of business models – that have to match its (open) innovation practices on the corporate as well as business-unit level [2, p. 200]. Relatedly, originating from organization and innovation management literature, an emerging research stream strongly suggests that companies that adopt open innovation practices need to carefully design the internal organizational aspects of their business models to positively influence the sourcing of knowledge from external parties and its subsequent exploitation for innovation [3, p. 981]. However, while open innovation research illustrates the heterogeneity of open innovation practices, extant studies linking business models to open innovation do not discriminate between different open innovation strategies and thus do not theorize how different open innovation strategies call for different supporting business models. This means that there is currently

no contingency framework that helps us to precisely understand how open the innovation is.

Inbound open innovation or external knowledge sourcing refers to the practice of establishing relationships with external organizations or individuals with the purpose of accessing their technical or scientific competencies for improving internal innovation performance [7, p. 226]. By definition, inbound open innovation can range from inward-licensing of IP to crowd-sourcing to establishing R&D alliances. Thus, in the context of inbound open innovation, companies can access external knowledge sources by various means of collaborative and contractual agreements involving individuals, companies and other organizations that possess relevant knowledge to complement the company's internal R&D efforts [1, p. 372]. Hence, a company can choose to engage in a variety of open innovation practices that can differ with regard to the extent and the intensity to which the company relies on external sources of knowledge.

Having given this heterogeneity in open innovation practices, the open innovation literature commonly differentiates inbound innovation strategies with regard to the "breadth" and "depth" of knowledge search.

"Search openness" [7, p. 142] or "breadth of knowledge search" captures the diversity of a company's external sources of knowledge, often defined as the number of different types of external parties involved in the innovation processes of the company. Crowd-sourcing is an example of an open innovation practice that relies on a diversity of external sources to provide knowledge input to its innovation activities. Here, the diversity of external sources, in terms of diverse backgrounds and skills, ensures a rich breadth of new ideas. "Depth" of knowledge search refers to the intensity with which companies draw knowledge from external sources and is often measured as the number of external partners that are deeply integrated into a company's innovation activities.

Figure 1 illustrates the resulting 2×2 matrix of inbound open innovation strategies.

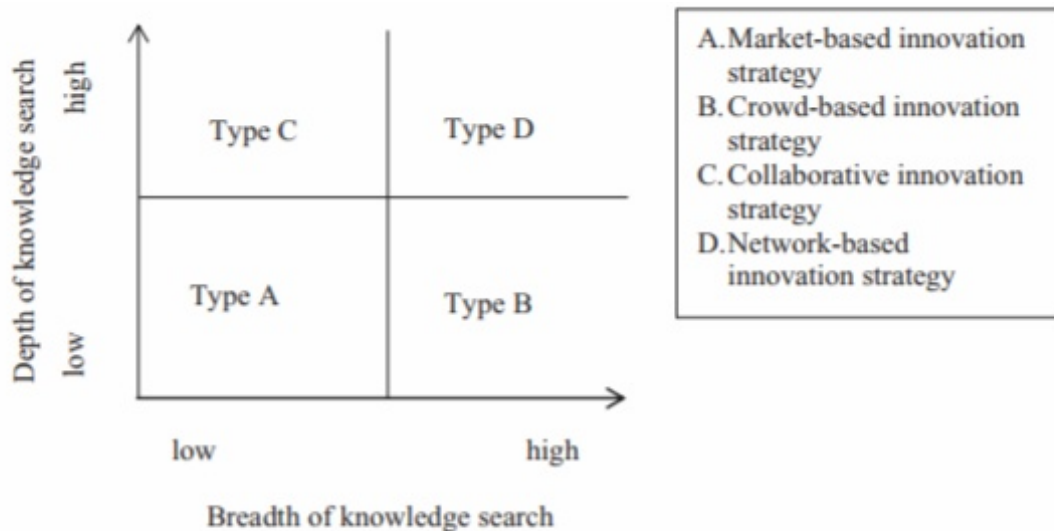


Fig. 2. Typology of inbound open innovation strategies.

Source: Harvard Business Review (December 2016) [4].

To conclude the importance of governance mechanisms and organizational practices there are 3 important insights offered.

First, different open innovation strategies do in fact require different business models.

Second, the extent of business model reconfiguration varies with different open innovation strategies. Certain open innovation strategies require more fundamental restructuring of business models as compared to other open innovation strategies and result in different degrees of openness of the business model.

Third, strategies characterized by high diversity in knowledge sources require business models which are geared toward handling a vast amount of information. Governance mechanisms need to be in place that can help to organize and manage the vast amount of information. In contrast, strategies that involve the deep integration of external sources into the company's innovation activities require business models which are designed to allow for the close collaboration with external partners and facilitate the mutual exchange of knowledge between partners.

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NAFTA AND ITS INFLUENCE ON THE DEVELOPMENT OF THE ECONOMY OF MEXICO

*E.L. Sargsyan, M.V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Sargsyan E.L., Karpusenko M.V. NAFTA and its influence on the development of Mexico's economy. The article considers the prerequisites of the NAFTA integration association and evaluates its impact on the development of the Mexican economy. The article provides the dynamics of Mexico's GDP growth, the volumes of Mexican trade with NAFTA member countries, and analyzes changes in the structure of Mexican exports.

Key words: dynamics of GDP growth, export, integration association, Mexico, NAFTA, trade.

Саргсян Е.Л., Карпусенко М.В. НАФТА та її вплив на розвиток економіки Мексики. У статті розглядаються передумови інтеграційного об'єднання НАФТА і оцінюється його вплив на розвиток економіки Мексики. Надана динаміка зростання ВВП Мексики, наведені обсяги мексиканської торгівлі з країнами-членами НАФТА, проаналізовані зміни в структурі мексиканського експорту.

Ключові слова: динаміка зростання ВВП, експорт, інтеграційне об'єднання, Мексика, НАФТА, торгівля.

Саргсян Э.Л., Карпусенко М.В. НАФТА и его влияние на развитие экономики Мексики. В статье рассматриваются предпосылки интеграционного объединения

НАФТА и оценивается его влияние на развитие экономики Мексики. Показана динамика роста ВВП Мексики, приведены объемы мексиканской торговли со странами-членами НАФТА, проанализированы изменения в структуре мексиканского экспорта.

Ключевые слова: динамика роста ВВП, интеграционное объединение, Мексика, НАФТА, торговля, экспорт.

The subject of the study is NAFTA and its impact on the Mexican economy. The purpose of the study is to analyze the impact of NAFTA on Mexico. Nowadays all countries willing to develop are involved in the integration processes. Ensuring a country's economic efficiency and competitiveness is impossible without its integration into the world economy. To date, NAFTA remains one of the most developed regional integration associations, so it is important to analyze the role of this agreement, and its impact on Mexico as its member state, which constitutes the relevance of the study.

In today's world almost no country can effectively develop without interacting with other states. The present global integration processes cover all spheres of life, and international eco-integration is one of the most important factors in the development of national economies.

B. Balassa noted that economic integration can take several different forms that correspond to a degree of integration. Among them, the following can be singled out: free trade zone, customs union, common market, economic union and full economic integration. In the free trade area, customs barriers are abolished in mutual trade, but each country retains its own tariffs for countries that are not members of an integration association.

The most developed integration group on the American continent is North American Free Trade Agreement (NAFTA). Canada and the USA introduced the free trade pact in 1989. In 1994, NAFTA expanded the free trade area when Mexico joined the integration association [5].

NAFTA is currently the world's largest regional free trade zone. According to the World Bank, the total population of the integration group is about 486.95 million people, and the aggregate GDP equals to 21.25 trillion USD [6].

The creation of NAFTA in the first place was determined by the geographic proximity of the integrated countries (all three countries are located in North America), the existence of close trade relations and the experience of economic cooperation between these countries. It should also be noted that the strengthening of the positions of the EU, Japan and the new industrialized countries in the world economy played an important role, which gave a push

to the creation of a counterbalance in the form of the North American Free Trade Agreement.

As Pisov notes, the North American Free Trade Agreement was created also to support the effective functioning of the US economy, which has become global and now requires a large amount of raw material resources from outside and large markets for their goods and services. [1, p. 164].

The NAFTA's distinctive feature is that this coalition consists of two developed countries (the USA and Canada) and a developing country (Mexico).

Each member state had its own motives for signing the agreement: Mexico sought to raise its economic level of development, get access to the achievements of the scientific progress, attract additional investment; the US expected to strengthen the positions of its national TNC capital in Mexican and Canadian economies, to increase access to Mexican and Canadian economic resources, and to spread the influence on Latin America through Mexico. Canada wanted to export goods to the Mexican market and to the markets of Latin American countries.

NAFTA has been around for almost 24 years, and one can see its such a significant advantage as the dynamic growth of the volume of mutual trade between NAFTA member states. Table 1 demonstrates that almost 70% of Canada's and Mexico's trade and about 30% of the US trade is within NAFTA. However, it should be noted that there is an asymmetry among the three member countries. Table 1 shows that the total volume of trade between Canada and Mexico and NAFTA countries is 67.9% and 65.2% respectively. And only about 5.7% and 4% stand for Canada's trade with Mexico and Mexico's trade with Canada, while the United States account for about 95% of these two countries' exports and imports.

Table 1

NAFTA trade (2016)

	Exports (billion USD)	Exports (%)	Imports (billion USD)	Imports (%)	Foreign trade turnover (billion USD)	Foreign trade turnover (%)
The US trade with:						
Canada	266.76	18.39	282.96	12.59	549.72	14.86
Mexico	229.70	15.84	296.76	13.20	526.46	14.23
NAFTA	496.46	34.23	579.72	25.79	1076.18	29.10
world	1450.46	100	2248.21	100	3698.67	100

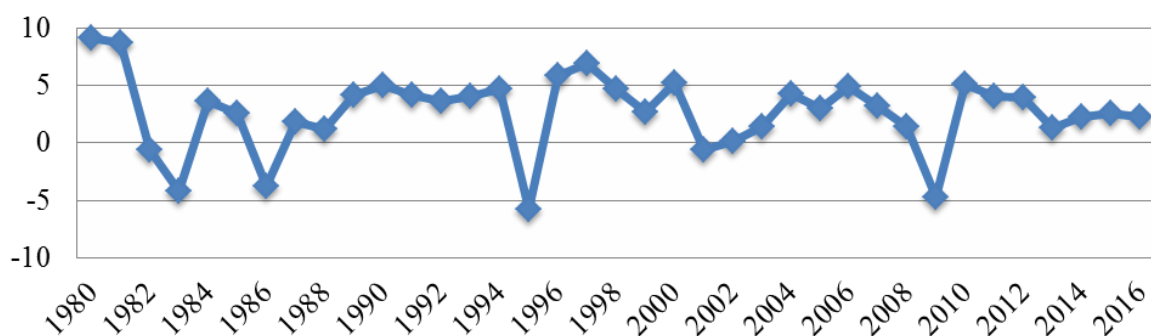
Continued Table 1

Canada trade with:						
The USA	296.61	76.24	210.25	52.18	506.86	63.99
Mexico	5.76	1.48	25.08	6.22	30.84	3.89
NAFTA	302.37	77.72	235.33	58.40	537.7	67.89
world	389.07	100	402.97	100	792.04	100
Mexico trade with:						
The USA	302.94	81.02	179.98	45.28	482.92	62.60
Canada	10.43	2.79	9.63	2.42	20.06	2.60
NAFTA	313.37	83.80	189.61	47.70	502.98	65.20
world	373.93	100	397.51	100	771.44	100

Sources: [4, 9].

So, the interaction of economic structures of Mexico and Canada is far behind the depth and extent of Canadian-American and Mexican-American integration. Canada and Mexico are more likely the competitors on the US market of goods and labor, competitors in attracting capital and technology of US corporations than partners in the integration process.

During its participation in NAFTA, Mexico's key macroeconomic indicators have improved. The average GDP growth rate has increased: if in 1980–1994 it was about 2.2%, in 1995–2007 it increased to 3.33%. As a result of the global crisis of 2008, growth rates became negative and amounted to -4.7% in 2009, and since 2010, as we can see from Figure 1, the situation has improved significantly and now Mexico's GDP growth is on average 3.11% per year.



Source: [6].

Figure 1. Dynamics of Mexico's GDP (1980–2016)

One of the reasons that has pushed Mexico to sign the agreement, as we have mentioned earlier, was Mexico's desire to improve its economic development and bring it closer to the level of developed countries.

Table 2

GDP per capita of NAFTA member states

	GDP per capita in USD, 1990	GDP per capita in USD, 2000	GDP per capita in USD, 2016
The USA	23913.76	36432.51	59495.37
Canada	21945.15	24221.27	44773.26
Mexico	3211.34	6735.91	9249.27

Source: [6]

Table 2 demonstrates that Mexican GDP per capita increases year by year. The gap in the level of economic development is gradually decreasing. We can calculate that if in 1990 the ratio of GDP per capita between Mexico and the US, and Mexico and Canada was 13.4% and 14.63% respectively, in 2000, after 5 years of the agreement, these figures were 18.49% and 27.81%, and today they amount to 15.55% and 20.66% respectively. So there has been a slight decline in the lag of the Mexican economy from its northern neighbours.

As Robert Blecker noted, NAFTA contributed to the strengthening of integration in the United States and Mexico and helped to turn Mexico into a major exporter of industrial goods [3].

The participation in NAFTA drastically changed the structure of Mexico's exports. Oil is no longer the main export commodity, it was replaced with the industrial products of *maquiladora* - industrial enterprise which uses import components for the production of products intended for export.

Since the creation of NAFTA, the share of the raw materials in total Mexican exports has declined significantly (see Table 3). The share of industrial products has increased in recent years to 81%, while exports of electronics and high tech equipment has reached almost 2/3.

Table 3

Commodity structure of Mexico exports

	Exports (%) – 1990	Exports (%) – 2016
Agricultural products	25.32	7
Industrial products	17.6	81
Fuels and raw materials	48.72	8.9
Other	8.36	3.1

Sources: [7, 8, 9].

The signing of the agreement opened the Mexican loan system for foreign investors. During the years of the bloc's membership, foreign investment to Mexico amounted to 247.5 billion dollars, of which half fell on the manufacturing industry, the remaining funds were distributed between the financial services sector, transport and communications, and trade.

However, the northern states of Mexico are still the main centres obtaining foreign investment while a significant part of the population of the south lives at the expense of remittances from relatives who emigrated abroad. The volume of such transfers in recent years significantly outpaced the foreign direct investment (FDI) inflow.

Initially, it was assumed that NAFTA would reduce the differences in wage levels between the United States and Mexico (19.50 USD and 4.50 USD per hour, respectively). Although membership in the association contributed to the welfare of Mexicans, especially in the northern states and in the capital, it failed to solve the problem of migrants. Legal and illegal migration from Mexico has increased, 12 million Mexicans having crossed the US border over the past 40 years both legally and illegally. Also, small and medium-sized companies of Mexico, which could not compete with major US companies, suffered from NAFTA's involvement [3].

Among other losses from membership in an integration agreement for the Mexican economy one can distinguish the following: the larger gap in income levels; the bankruptcy of about 30 thousand small and medium-sized industrial enterprises; lower wages at enterprises that are located outside *maquiladoras*.

Attitudes towards NAFTA in Mexico are controversial. A large part of society positively evaluates the membership due to trade liberalization with the US and Canada, the creation of new jobs, lower poverty levels and better living standards. Criticism of the deal is associated with a negative impact on agriculture, small farms, and insufficient government measures to promote competitiveness [3].

With the election of D. Trump, the US administration is reviewing its geo-economic course, which was previously aimed at expanding free trade and the formation of regional and interregional integration associations. Negotiations are still underway, and the head of Mexican state emphasized the interest of his country not in curtailing, but in the development of North American integration, in particular, in the extension of the rules of free trade to new promising sectors of the economy, such as telecommunications, energy, online trade, previously excluded from the mechanisms of NAFTA. [1, p. 8]

Conclusion. When signing the agreement, Mexico sought to raise its economic level of development, get access to the achievements of the scientific progress, attract additional investment. The advantages of participation in NAFTA for Mexico are increased trade with the US and Canada, changes in the exports structure – the main export goods are industrial products, – creation of new jobs, lower poverty levels. The drawbacks include larger gap in income levels, bankruptcy of many small and medium-sized industrial enterprises, negative impact on agriculture, small farms, and lower wages at enterprises located outside maquiladoras.

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MODERN TRENDS IN THE HOSPITALITY INDUSTRY

*I.Y. Serbenyuk, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Serbenyuk I.Y., Litovchenko Y.M. Modern trends in the hospitality industry. The authors reveal the essence and significance of the hotel and restaurant industry. The article outlines approaches to the classification of restaurant facilities and the peculiarities of the process of formation and implementation of service in the restaurant economy.

Key words: modern trends in the hospitality industry, restaurant business.

Сербенюк І.Я., Літовченко Я.М. Сучасні тенденції розвитку ресторанного бізнесу. У роботі авторів розкриваються сутність та значення готельно-ресторанної індустрії, підходи до класифікації ресторанних закладів, особливості процесу формування та здійснення обслуговування у заклад ресторанного господарства тощо.

Ключові слова : ресторанний бізнес, сучасні тенденції розвитку ресторанного бізнесу.

Сербенюк И.Я., Литовченко Я.Н. Современные тенденции развития ресторанного бизнеса. В работе авторов раскрываются сущность и значение гостинично-ресторанной индустрии, подходы к классификации ресторанных заведений, особенности процесса формирования и осуществления обслуживания в заведение ресторанного хозяйства и подобных заведений.

Ключевые слова: ресторанный бизнес, современные тенденции развития ресторанного бизнеса.

The subject of the study is modern trends in the hospitality industry. Modern processes of the world economic development clearly demonstrate the growing role of the service trades in society, and the hotel and restaurant industry becomes the dominant element of the economic system that proves the relevance of the chosen topic.

The modern industry of restaurant business is a farsighted industry for investing capital, which guarantees a fairly quick backwardness of the investment. The profit from investing is about 15-25%, which is interested in new entrants of this market and stimulates its distribution [1]. There is a clear link between the trend of tourism's development, overall economic development and personal earnings [6].

Standard requirements for the implementation of services are declared in (DSTU 3279-95 "Standards of services", GOST 30335-95 "Services for the

population"). These normative and technical documents provide a standard list of services for the population using the products and services of public food services establishments (enterprises) [10].

The sharp rise in food prices and, consequently, the increase of prices in restaurant menus influenced the activity of restaurant customers. It was particularly evident in February this year, when the value of the dollar increased to 35 UAH. At that time, many importers increased the selling prices by 30% per day. Consumers were frightened and stopped visiting such institutions. Restaurants that survived and even benefited from the situation were the ones that balanced and kept their prices adequate.

In 2015 the first six months, sales of food services grew by 20% on average and the volume of the capital's restaurant market amounted to 950 million UAH during this period. Optimistic prediction will only come true, if the government manages to keep the hryvnia exchange rate [2].

One of the trends in the restaurant business development in Ukraine is the organization of catering companies based on types of cuisines from different countries. Asian cuisines, such as Japanese, Chinese, Turkish, as well as Italian and French cuisines continue to be the most popular. The type of cuisine in such institutions is mixed, with the special focus on the way of cooking. Prominent food companies can be institutions that serve residence areas, the so-called "restaurants in a one street" proving for catering in eating out sector. It is congruence with the traditional comprehensive service, which includes cooking, table setting and providing assistance in conducting an out-of-nutrition activity [9]

In addition, today there are mainly small and middle-sized catering firms in Ukraine suitable for catering banquets and receptions, when the number of guests is 50 people or more [4].

The penkitchen format is gaining popularity too: customers want to see how and where their food is prepared. There was a trend like "slow-food", which is based on the slow consumption of tasty and healthy food, the cultivation of the taste of customers and the return of their respect for food [3]. Dishes are cooked in such a way that their additional processing is reduced, the purpose of the dish is to emphasize the main product. More and more restaurants in the design of the menu emphasize the natural use of products, and not the complexity of recipes [1].

Also, one of the top trends in restaurant business is combination with art through the catering for various exhibitions, creative evenings, concerts.

"Roof-restaurant business" is an interesting trend of the modern European food market, it is the creation of restaurants on the roofs of houses.

The Ukrainian restaurant market is different from the European, first of all, it's attention to the interior. In general, it can be described as follows: European restaurant focuses more on food than the interior while a typical Ukrainian restaurant on the contrary. This phenomenon is called "eat an interior". The insufficient number of restaurants per capita is also a major difference in the domestic restaurant market [3]. In the first six months of 2015, nearly 90 catering establishments closed down in the capital (almost 7%), while only 30 were opened [10].

If we track the dynamics of the number of restaurant business enterprises in the various branches of the restaurant business, we can draw the following conclusions: the first place is occupied by a network of fast food establishments (growth rate 326.8%), the 2nd place on the growth rate is restaurants (134.6%), on the 3rd – cafes (121.2%), 4th – bars (104.9%), 5th – dining rooms (75.3%) [2].

To conclude, Ukrainian food services market offers its consumer a wide choice of concepts suitable for different incomes and meeting different social needs, the market is under development. The restaurant business remains a promising area for investors who can invest their money in the most demanded restaurants in the restaurant industry.

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INTERNATIONAL HOTEL CHAINS AS GLOBALIZATION MARKERS IN TOURISM

*V.V. Shapoval, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Shapoval V.V., Saprun I.R. International hotel chains as the globalization markers in tourism. The article considers the advantages and the role of hotel chains in the process of globalization. The main ideas, advantages and disadvantages of hotel chains as a type of business have been analyzed. The factors that influence the hotel chains development have been clarified. The examples of different brands, including its financial component, have been given. The current state of the sector in tourism sphere has been examined. The dynamics of hotel chain development at the present stage has been analyzed.

Key words: globalization, hotel business, hotel chains, tourism.

Шаповал В.В., Сапрун І.Р. Міжнародні готельні мережі як маркери глобалізації в туризмі. В статті розглянуті переваги та роль готельних мереж у процесі глобалізації. З'ясовані основні ідеї, переваги та недоліки готельних ланцюгів, як один із видів бізнесу. Визначені фактори, які впливають на розвиток готельних мереж. Розглянуто приклади деяких брендів, зокрема їхньої фінансової складової. Вивчено сучасний стан даного сектора в туристичній сфері. Проаналізована динаміка розвитку готельних мереж на сучасній стадії.

Ключові слова: глобалізація, готельний бізнес, готельні мережі, туризм.

Шаповал В.В., Сапрун И.Р. Международные гостиничные сети как маркеры глобализации в туризме. В статье рассмотрены преимущества и роль отельных цепей в глобализации. Выяснены основные идеи, преимущества и недостатки отельных цепей, как одного из вида бизнеса. Определены факторы, влияющие на развитие отельных цепей. Рассмотрены примеры некоторых брендов, в том числе их финансовой составляющей. Изучено современное состояние данного сектора в туристической сфере. Проанализирована динамика развития отельных цепей на современном этапе.

Ключевые слова: глобализация, гостиничные цепи, отельный бизнес, туризм.

The hospitality industry is one of the most dynamic industries in the world economy. This can be explained largely due to social, economic and political progress, since in recent years tourism has become more accessible to a wide range of people. Simultaneously with the growth of a total number of tourists, the tourism infrastructure, particularly, the hotel sector, has improved. The example of the most effective possession of tourism is the creation of hotel chains, that is why this topic is relevant. It is this system of company management that helps to create a number of advantages that allow more tourists to improve the quality of the tourism product which is sold [2].

The object of this work is the role of hotel chains in globalization. The subject of this work is the dynamics of the development of hotel chains in the modern world.

The industrialization of hotel services, as well as the processes of globalization and integration, existing in the global hotel industry, has put forward the leading and well-organized, technically and technologically equipped hotel chains that combine thousands of hotels around the world. In the XXI century hotel networks have become a major element of the economy of most countries worldwide, playing their leading force in development and efficiency. Thus, 90% of all hotels in the United States are integrated into the network. In Europe these figures reach about 40% [1]. There are more than 300 hotel chains in the world that go beyond national boundaries, accounting for more than 50% of hotel rooms, which only emphasizes the role and the fate of hotel chains in modern globalization.

Table 1

The largest hotel chains in 2017

Chains name	Number of rooms	Number of hotels	Number of countries where hotel claims are located
IHG (Inter-Continental Hotels Group), USA	742,000	5,034	100
Wyndham Hotels Group, USA	697,600	8,000	77
Marriott International, USA	759,330	6,080	120
Hilton Hotels Corp., USA	800,000	4,900	104
Accor, France	554,517	3,700	94

Source: The table is compiled by the author on the materials: [4].

The presented table demonstrates that hotel chains are developed in more than 100 countries of the world with a number of about 750,000 rooms. Most hotel chains are American ones, but at the same time they are active in European countries and create significant competition. This is due to the fact that each hotel chain has its own booking system, which is aimed at the primary loading in the hotel chain. It is also important to note that the hotel reservation system itself is prone to integration processes (hotel reservation systems owned by large airlines, as well as hotel reservation systems owned by independent consortiums, etc.). One of the main advantages of hotel chains is, of course, their brand; it is well-known and perceived by consumers of hotel services as a guarantee of quality. There is also some standardization of services that allows users to have an idea of the services they provide and the only booking system allows you to book a hotel in any country. The comfort and convenience of hotel chains contributes to their rapid development (Fig. 1).

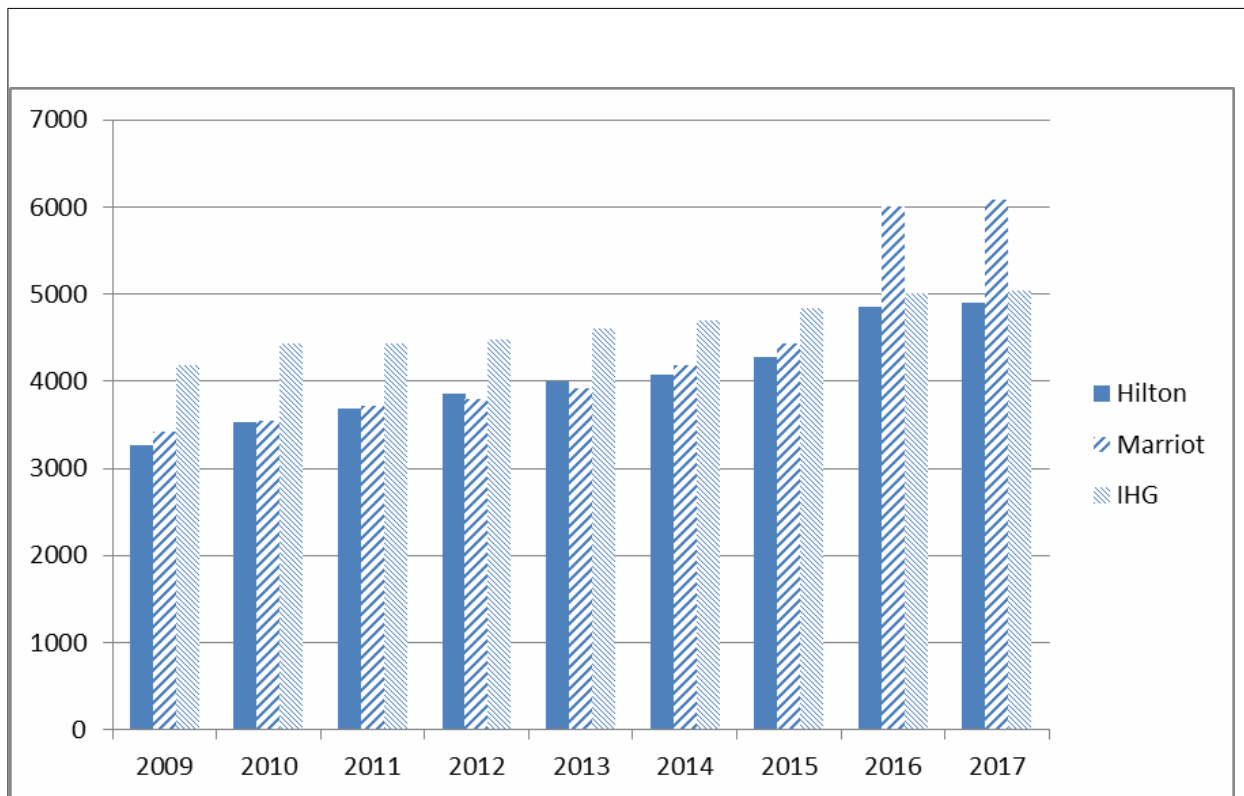


Figure 1. Dynamics of hotel chains development (number of hotels) [4]

Having analyzed the chart, a tendency to increase the number of rooms in the world networks from 2009 to 2017 can be observed. If initially they were about 3000 hotels, then in 2014 there were more than 4000. A sharp increase came in 2016, when the number of hotels increased by 1000 per each network. The graph also demonstrates that the Marriot has the biggest growth. The number of their hotels increased by almost 1500 over 2 years and this trend was likely to continue. As for the other chains, in the last 2 years, they did not increase the number of their hotels, but they were expanding their geography. There is also a small difference between the Hilton and the IHG.

I can conclude that almost all hotel chains of the world are trying to increase their potential by increasing the number of hotels. The centralization of management in small networks is more intense than in large ones. Managing companies, on the other hand, are less prone to centralization.

At the present stage, hotel business is characterized by two opposite directions: on the one hand, many hotel chains are trying to grow geographically and be presented in as many countries as possible; on the other hand, they create national hotel chains, for example, in our country, which can successfully compete with world leaders in terms of the pricing policy. The domestic tour product is cheaper than the foreign one. The consolidation of hotel chains takes place, first of all, by attracting new hotels through the franchise system (about 80% of hotels are on the franchise network).

The today's stage of development depicts the following tendencies of the international market of hotel services which have been formed out:

1. Recently the intensification of the activity of foreign hotel chains in the regional markets has become one of the trends in the development of the network form of organization of hotel business. They have reached such a high level in their development that international companies manifest their interest in them. It should be noted that nowadays the most popular types are budget types such as three-star hotels. So hotel chains are developing in this segment.

2. Most international hotel chains are currently being somewhat «cautious» and prefer not to act as hotel owners in the network. They give the hotel network names, manage them and monitor the quality of services provided to on the basis of contractual agreements (franchise, management contract).

Summarizing, the formation and expansion of international hotel chains is due to the development of the world market of hotel services and reflects the general tendency towards globalization. Network forms of organization of the hotel business gradually occupy a leading place among the various forms of management systems. It is worth noting that modern international hotel chains are one of the most profitable elements of the tourism industry.

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LEGALITY, REASONS AND REQUIREMENTS FOR AN INDEPENDENCE REFERENDUM

A.S. Shestopalova, M.V. Karpusenko (language supervisor)
V.N. Karazin National University, Kharkiv

Shestopalova A.S., Karpusenko M.V. Legality, reasons and requirements for an independence referendum. This article describes particularities of an independence referendum, its legality according to international and national law, its reasons and

international requirements for it. The paper is illustrated with examples of the Scottish, Catalan and Crimean independence referendums.

Key words: examples, independence referendum, international law, legality, national law, reasons, requirements.

Шестопалова А.С., Карпусенко М.В. Законність, причини та вимоги до референдуму про незалежність. У статті розглядаються особливості референдуму про незалежність, його законність відповідно до міжнародного та національного права, причини та міжнародні вимоги до його проведення. Статтю проілюстровано прикладами референдумів про незалежність Шотландії, Каталонії та Криму.

Ключові слова: вимоги, законність, міжнародне право, національне право, приклади, причини, референдум про незалежність.

Шестопалова А.С., Карпусенко М.В. Законность, причины и требования к референдуму о независимости. В статье рассматриваются особенности референдума о независимости, его законность в соответствии с международным и национальным правом, причины и международные требования к его проведению. Статья проиллюстрирована примерами референдумов о независимости Шотландии, Каталонии и Крыма.

Ключевые слова: законность, международное право, национальное право, примеры, причины, референдум о независимости, требования.

The subject matter of the study is an independence referendum and its key features. The scope of the paper is regulations of an independence referendum by international and national law, the reasons and requirements for this type of referendum. The purpose of the article is to provide impartial comprehensive analysis of legal documents on independence referendums. The latter are increasing in frequency nowadays; this fact determines the relevance of the study.

First of all, it is necessary to be aware of the definition of a referendum as it refers to a form of direct democracy in which people of a county, state, etc., vote deciding between (usually two) options on a particular issue. Next, the type of a referendum this article is aimed to consider is an independence referendum in which people of a particular area decide whether the area should become an independent sovereign state or not.

There are a number of factors which can cause an independence referendum, viz. economic, political and cultural ones. However, not all of them are legally justified. The international practice shows that the discrimination and violation of human rights, severe conflicts and persecution are often included in the list of those factors. In particular, the Declaration on the Granting of Independence to

Colonial Countries and Peoples states that «the subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights» [7, p. 67]. On the other hand, the declaration was adopted by the UN General Assembly in 1960, so it originally had a completely different aim, namely to resolve the issue of the colonial regime. So, the issue of territorial self-determination was discussed within the framework of determination of the status of dependent states. It did not provide for the self-determination of peoples in the existing state. Nowadays, there are no classical colonies in the world, so principles of the declaration cause heated discussions about their modern interpretation [1, p. 2].

Nevertheless, the phenomenon of self-determination of nations is becoming increasingly popular. Pursuant to international practice, there are two main requirements for a particular area to become a sovereign state: to declare itself sovereign and to receive international recognition. While the former does not raise questions, the latter deserves particular attention.

There is no certain plan for a state to receive international recognition because very often it is political interests that become decisive [11]. However, it is possible to outline the main requirements for it. First of all, the declaration must be in compliance with principles of international law and national legislation.

In the context of international law, two basic principles are essential to consider. The UN declaration specifies that all peoples have the right freely to determine their political status. Simultaneously, it stipulates that any attempt aimed at the partial or total disruption of the national unity and territorial integrity of a state is incompatible with the purposes and principles of the UN Charter [6]. Some scientists consider the above a collision between the principles but the analysis of the international documents shows another explanation. Thus, the General Part of the declaration clearly prescribes that “all the principles are interrelated and each principle should be construed in the context of the other principles” [6, §2]. It means that international law does allow self-determination of peoples but it protects the national unity and territorial integrity from outside aggressor countries.

Now, it is reasonable to move on to international procedural requirements. Although they are not binding, it is essential to note that international law has a habitual nature. Therefore, in order to achieve results (sovereignty, in particular) a state has to follow the recommendations. Such documents as the Code of Good Practice on Referendums [3] and the European Commission for Democracy through Law [10] provide recommendations which regulate following points:

1. Age: a minimum age is acquired, at the latest, the age of majority [3, p. I, art. 1. 1 (a)];
2. Nationality: nationality requirement may apply but it is advisable for foreigners to be allowed to vote in local elections after a certain period of residence. [3, p. I, art. 1. 1 (b)]
3. Equality of opportunity must be guaranteed [3, p. I, art. 2. 2 (a)]
4. The authorities must provide objective information. [3, p. I, art. 3. 1 (d)]
5. The question of bulletins must not be misleading or suggest an answer [3, p. I, art. 3. 1 (c)]
6. It is advisable not to provide a quorum. [3, p. III, art. 7]
7. Countries may allow or prohibit the use of public funds [10, p. I (F), art. 2 (101, 102)]

Having considered the general requirements, we can move on to the Scottish independence referendum that took place in 2014. The national legislation of the UK allows holding a referendum, as legislation of most European states does [10, s. I(A), §14]. The Scotland Act 1998 itself does not devolve power to the Scottish Parliament to authorize an independence referendum [15]. So, the Scottish government had to request the central government for the referendum. The latter approved it and it resulted in the Agreement between the United Kingdom Government and the Scottish Government on a referendum on independence for Scotland [2]. Then, the governments promoted an Order in Council under Section 30 of the Scotland Act 1998 in the United Kingdom and Scottish Parliaments to allow a single-question referendum on Scottish independence to be held before the end of 2014 [13]. As a next step, the central government provided the Draft Referendum (Scotland) Bill Consultation Paper.

So, the referendum was described by the following points:

1. Although the age of majority is 18, 16–17-year-olds had the right to vote [8, art. 2. 11]
2. British, EU countries, Commonwealth and Republic of Ireland citizens had rights to vote provided they are residents in Scotland [8, art. 2. 10]
3. The coverage by the media, billposting and advertising was equally provided.
4. More than 50 public opinion polls since the beginning of 2014 were provided.
5. The question submitted to the electorate was clear. The answers were «Yes» or «No».
6. There was no requirement for a quorum
7. The parties were allowed to spend \$ 2.5 million on agitation the election campaign.

Thus, the referendum in Scotland can be considered as exemplary in all respects.

The next example is the referendum in Catalonia. As stated by international law, the power of local authorities may not be limited by central authority except as provided for by the law [9, p.1, art. 4, §4]. Moreover, Section 92 (1) of Spanish Constitution does allow referendums. However, it is Section 92 of the Constitution that stipulates that the referendum shall be called by the King on the President of the Government's proposal after previous authorization by the Congress [4]. Obviously, it is necessary to get the central government's approval for a referendum.

In fact, the Catalan government initially asked the central government for funding but Spain did not allow the use of public funds for the referendum [10, p. I (F), art. 2 (101, 102)]. On the other hand, it is not only about public funds as any attempts of the Catalan government to receive the permission of Madrid failed. Moreover, the central government ordered to stop all the preparation for the referendum but there was no reaction instead. So, Madrid applied Section 155 of the Constitution according to which if a Self-governing Community does not fulfill the obligations imposed upon it by the Constitution the Government may take all measures necessary to compel the Community to meet said obligations [4]. However, the Catalan government ignored the above, adopted an organic law which is provided by the Constitution and held the referendum [4, 92 (3)] [12].

Considering the fact the referendum in Catalonia is a mutual violation of rights and law by the central and local governments, there is no point to analyze the referendum procedure.

Now, we need to have a close look at another example, viz. the referendum in Crimea. This study suggests that the violation of the principle of territorial unity derives only from outside aggressor countries when they use armed force against the sovereignty or territorial integrity of another state [14, p. 143, art. 1]. Obviously, holding a referendum in such conditions is considered a violation of human rights and international principles in all respects. Moreover, it is a smoke screen used to hide the act of annexation. Also, it is essential to mention that according to the Ukrainian Constitution, a referendum must be designated by the Verkhovna Rada of Ukraine or by the President of Ukraine; a referendum must be called on a popular initiative on the request of no less than three million citizens of Ukraine, on the condition that the proper signatures have been collected in no less than two-thirds of the oblasts, with no less than 100 000 signatures in each oblast [5, art. 72]. Instead, the Verkhovna Rada of Crimea called the referendum in which only a small percentage of residents of Crimea took part. Therefore, this referendum is contrary to both international law and the national legislation.

Conclusion. An independence referendum allows peoples to realize their right to self-determination. The violation of the principle of territorial unity refers to the acts of an aggressor country. In most cases, the national legislation requires central government's permission for an independence referendum. There are a number of international requirements for an independence referendum; all of them are not binding. The study describes three examples of the independence referendum. The Scottish referendum was held in accordance with both international and national law. The referendum in Catalonia was initially legal according to international law but broke the provisions of the Spanish Constitution and therefore became illegal in all respects. The referendum in Crimea was held illegally according to international and national law. Moreover, the referendum was held to hide the act of annexation.

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INTEGRATION OF THE TRANSPORT SYSTEM OF UKRAINE INTO THE WORLD TRANSPORT INFRASTRUCTURE

*A.M. Shtykolenko, I.M. Lavrinenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Shtykolenko A.M., Lavrinenko I.M. Integration of the transport system of Ukraine into the world transport infrastructure. The article describes problems of the integration of the transport system of Ukraine into the world transport infrastructure. The research covers the tendencies of development of the international transport system and the current state and prospects of Ukraine's integration into the world transport system.

Key words: English language, infrastructure, integration, transport system, Ukraine.

Штыколенко А.М., Лавріненко І.М. Інтеграція транспортної системи України у світову транспортну систему. У статті розглядаються проблеми інтеграції транспортної системи України у світову транспортну інфраструктуру. Дослідження охоплює тенденції розвитку міжнародної транспортної системи та сучасний стан і перспективи інтеграції України у світову транспортну систему.

Ключові слова: англійська мова, інтеграція, інфраструктура, транспортна система, Україна.

Штыколенко А.Н., Лавриненко И.Н. Интеграция транспортной системы Украины в мировую транспортную систему. В статье рассматриваются проблемы интеграции транспортной системы Украины в мировую транспортную инфраструктуру. Исследование охватывает тенденции развития международной транспортной системы и современное состояние и перспективы интеграции Украины в мировую транспортную систему.

Ключевые слова: английский язык, интеграция, инфраструктура, транспортная система, Украина.

The object of research is the infrastructure of the world economy. The subject of the study is the integration of the transport system of Ukraine into the world transport infrastructure. The purpose of the study is to determine the trends and prospects for the integration of Ukraine's transport system into the global transport infrastructure. The relevance: In recent decades there has been an intensification of the processes of globalization of the economy. Trade in the transport services covers virtually all countries and is one of the catalysts of the ongoing globalization. Improving transport infrastructure and reducing transportation costs can intensify trade and economic cooperation between geographically remote regions, leading to a reduction in the cost of spatial organization of international economic systems. In the process of deepening Ukraine's integration into the world economy, one can not underestimate the role of the domestic transport system.

The transport industry is extremely important for the development of the economy and foreign economic relations of our country. On the one hand, transport is a key infrastructure component of foreign trade in goods, and on the other hand, it is a large part of the growing trade in services, which provides about a quarter of all foreign trade turnover in services. Operations under this article show a steady positive balance (export is about one and a half times the import value), which distinguishes the transport sector from most other types of services. A disturbing tendency is the lack of competitiveness of Ukrainian transport in the foreign market at some positions, which is due to the aging of fixed assets and rising costs in the industry. As a result, Ukraine

in the global market continues to play a rather modest role, not corresponding to its potential.

At present, we can state the fact that English became the dominant language in all spheres of our life [4]. As for "international English", one can only wonder why, despite the modern historical, political and economic context in Europe, it has become a universal language, called lingua franca. His domination is so strong that even an ever-resisting France was forced to admit that English can no longer be regarded as a foreign language. That is why our country must understand the importance of a foreign language in the process of globalization.

For successful integration of Ukraine into the world transport system, it is necessary to join the world society and take into account the importance of English language in realizing the process of integration into the world transport infrastructure. Because more than 59 independent countries of the world and 28 non-sovereign objects on almost all continents of our planet have English as the official language of the state [3].

Ukraine has developed all types of transport. Combined with transport centers and nodes, the road network together with rolling stock, ports, warehouse and other businesses forms the transport complex of the state. There are 372 km of railways, 78 km of inland waterways and 2,800 km of hard-roads with 100 thousand km of territory. The largest number of goods and passengers is transported by rail and motor vehicles [6].

Table 1

Ways of Ukraine's connection (km)

	Operating length of railways of general use	Including electrified ones	Operating length of river navigable roads of general use	Length of public roads	Including hard coatings
2000	22300,7	9144,0	2413,5	169490,9	163827,0
2001	22217,7	9243,5	2280,5	169629,9	164089,0
2002	22078,0	9285,2	2282,0	169678,5	164245,4
2003	22051,0	9301,7	2241,0	169738,9	164633,4
2004	21990,2	9370,4	2253,2	169447,1	164772,2
2005	21980,4	9383,8	2191,2	169322,8	164956,7
2006	21870,4	9556,8	2151,7	169104,2	165155,0
2007	21852,2	9647,5	2175,7	169421,6	165611,2
2008	21654,7	9727,9	2165,8	169501,6	165799,9
2009	21657,5	9732,7	2150,2	169494,9	165820,0

Table 1. Continued

2010	21684,2	9853,7	2184,7	169496,2	165843,6
2011	21644,4	10067,2	2144,7	169636,8	166024,6
2012	21619,4	10242,2	2125,7	169693,9	166095,1
2013	21604,9	10237,5	2120,7	169648,5	166084,9
2014	20948,1	9975,5	1613,1	163027,6	159463,2
2015	20954,2	9974,5	1562,6	163024,2	159447,1
2016	20951,8	9926,4	1569,4	163033,0	159462,1

Source: The table is compiled by the author on the materials [5].

In the transport for a short distance, there is road transport outside of competition. Its big advantage is that it almost does not depend on the natural environment and can deliver cargo by technology from door to door. According to the density of roads (280 km / 1000 km²) with hard cover, Ukraine ranks first among the CIS countries [6].

Table 2

**Delivery (transportation) of cargoes
by types of transport, thousand tons**

	Rail: departure	Railway: transportation	Marine	River	Auto- mobile	Air	Pipeline
2000	295921,0	357381,6	6316,3	8349,8	938916,1	23,2	218164,9
2001	313089,0	370199,1	8231,6	6969,8	977268,8	26,9	216441,1
2002	330188,3	392592,0	8785,7	7608,3	947263,8	90,3	201274,6
2003	363364,7	445534,7	8851,4	9974,9	973283,0	148,4	216699,9
2004	388295,0	462367,6	8793,6	11858,5	1027396,3	101,0	220927,0
2005	378911,7	450277,3	8575,2	12868,6	1120715,3	126,3	212556,8
2006	398148,3	478711,4	8664,9	14297,1	1167199,7	98,9	203693,7
2007	415910,7	514192,9	9123,9	15120,6	1255225,3	104,0	195990,7
2008	399679,7	498536,8	8228,2	11293,5	1266598,1	102,1	186797,0
2009	322221,8	391523,4	4652,0	5145,5	1068857,9	85,1	154594,6
2010	357969,1	432897,0	4067,8	6989,5	1168218,8	87,9	153436,6
2011	388715,6	469308,1	4145,6	5720,9	1252390,3	92,1	154971,2
2012	378102,3	457454,5	3457,5	4294,7	1259697,7	122,6	128439,8
2013	377318,3	443601,5	3428,1	2840,5	1260767,5	99,2	125941,1
2014	325171,0	386276,5	2805,3	3144,8	1131312,7	78,6	99679,5
2015	294301,2	349994,8	3291,6	3155,5	1020604,0	69,1	97231,5
2016	292104,7	343433,5	3032,5	3641,8	1085663,4	74,3	106729,2

Source: The table is compiled by the author on the materials [2].

Table 3

**Delivery (transportation) of passengers
by types of public transport, thousand passengers**

	Railway	Marine	River	Automobile	Air
2000	498683,0	3760,5	2163,3	2557514,6	1164,0
2001	467825,3	5270,8	2034,2	2722001,6	1289,9
2002	464810,4	5417,9	2211,9	3069136,3	1767,5
2003	476742,4	6929,4	2194,1	3297504,5	2374,7
2004	452225,6	9678,4	2140,2	3720326,4	3228,5
2005	445553,1	11341,2	2247,6	3836514,5	3813,1
2006	448421,7	10901,3	2021,9	3987982,0	4350,9
2007	447093,7	7690,8	1851,6	4173033,7	4928,6
2008	445465,7	7361,4	1551,8	4369125,5	6181,0
2009	425974,8	6222,5	1511,6	4014035,2	5131,2
2010	427240,6	6645,6	985,2	3726288,6	6106,5
2011	429784,9	7064,1	962,8	3611829,9	7504,8
2012	429115,3	5921,0	722,7	3450173,1	8106,3
2013	425216,9	6642,0	631,1	3343659,5	8107,2
2014	389305,5	29,4	565,1	2913318,1	6473,3
2015	389794,1	25,5	550,8	2250345,3	6302,7
2016	389057,6	30,3	448,5	2024892,9	8277,9

Source: The table is compiled by the author on the materials [2].

Road transport holds first place for passenger transportation, and the second – for cargo turnover. The length of the roads is almost 170 thousand km (155 thousand km of roads has a hard cover), but their quality is unsatisfactory according to European standards. The imperfect fleet, the lack of the necessary service on the roads, high prices for gasoline make motor transport one of the most expensive modes of transport [6].

Ukraine has all the prerequisites for creating a powerful international transit system. Thus, our state has a number of advantages over other European countries, because the territory of Ukraine has the shortest land, sea and air connections which are connecting Europe and the countries of the Asia-Pacific region. Interstate transit to the territory of Ukraine is a large but still unrealized national resource [7].

In the long run, the transport network will increasingly integrate into the highly developed European communications system. In particular, it is planned to build a trans-European highway Kiev – Madrid. The following international transport corridors pass through Ukraine's territory: Pan-European № 3; Pan-European № 5; Pan-European № 7, Danube (water); Pan-European

№ 9; Gdansk – Odessa (Baltic Sea – Black Sea); Europe – Caucasus – Asia [1, p. 19].

Conclusion. All means of communication, transport enterprises and vehicles together form the world transport system. It was formed in the XX century and tested on itself a strong effect of the scientific and technological revolution. Transport systems, according to their technical level, scale, organizational forms and quality of transport development of international passenger and freight flows, adapt to new requirements of clients. Among them, the factor of quality of transport services is increasingly in the forefront, while costs go to the background. Ukraine has a developed infrastructure of rail and water transport.

The advantageous geographical position of Ukraine causes the passage of Pan-European transport corridors № 3, 5, 7, 9; the corridors of the Organization for the Cooperation of Railways № 3, 4, 5, 7, 8, 10 and the transport corridor: Europe – Caucasus – Asia (TRACECA). [1, p. 19]. Significant transport potential of Ukraine makes it possible to build competitiveness as a state. The direction of expansion of international transport corridors is one of the priorities in the state transport policy of the country on the way of its integration into the international economic system.

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THE PECULIARITIES OF COOPERATION BETWEEN UKRAINE AND THE EU IN THE TOURISM INDUSTRY

*N.V. Shulha, I.R. Saprun, PhD (language supervisor)
V. N. Karazin National University, Kharkiv*

Shulha N.V., Saprun I.R. The peculiarities of cooperation between Ukraine and the EU in the tourism industry. The features of development of international tourism as a factor of deepening and intensifying relations between the EU and Ukraine were analyzed in the article. It is gone out an appropriate place to the characteristics of the prospects of attraction of Ukraine to the international tourism programs and projects. It is alleged that the implementation of the TACIS program in the Carpathian region resulted to a significant increase in tourist flows, indicating the validity of accession to international programs. The prospects of use of international tourism were defined in the context of a positive image of Ukraine.

Key words: European Union, international tourism, international travel programs, Ukraine.

Шульга Н.В., Сапрун І.Р. Особливості співробітництва України з Європейським Союзом в галузі туризму. У статті проаналізовано особливості розвитку міжнародного туризму як фактора поглиблення та інтенсифікації відносин між країнами ЄС та Україною. Належне місце в роботі відводиться характеристичі перспектив залучення України до міжнародних туристичних програм та проектів. Стверджується, що реалізація програми Тасіс у Карпатському регіоні привела до суттєвого зростання туристичних потоків, що свідчить про дієвість приєднання до міжнародних програм. Окреслено перспективи використання міжнародного туризму в контексті формування позитивного іміджу України.

Ключові слова: Європейський Союз, міжнародний туризм, міжнародні туристичні програми, Україна.

Шульга Н.В., Сапрун И.Р. Особенности сотрудничества Украины с Европейским союзом в отрасли туризма. В статье проанализировано особенности развития международного туризма как фактора углубления и интесификации отношений между странами ЕС и Украиной. Должное место в работе отводится характеристике перспектив привлечения Украины в международные туристические программы и проекты. Утверждается, что реализация программы Тасис в Карпатском регионе привела к существенному росту туристических потоков, что свидетельствует о действенности присоединения к международным программам. Очерчено перспективы использования международного туризма в контексте формирования позитивного имиджа Украины.

Ключевые слова: Европейский Союз, международные туристические программы, международный туризм, Украина.

The target of survey is the peculiarities of cooperation between Ukraine and the EU in the tourism industry. The scope is the characteristics of the international tourism programs. The purpose of the survey is to analyze the peculiarities and determine the prospects of using international tourism as a factor of strengthening of the EU-Ukraine. The material of the study was derived online resources devoted to the cooperation between Ukraine and the EU. The prospects for analysis an appropriate place to the characteristics of the prospects of attraction of Ukraine to the international tourism programs and projects.

The global economy is changing substantially, the reflection of these changes is a globalization of economic processes and an increase of socio-economic interdependence of countries and regions that strengthen integration processes. Tourism takes a big part in these processes as now it is considered as one of the most important sectors of the economy in the world. The strategic goal of Ukraine, declared in 1998 when the Partnership and Cooperation Agreement (PCA) was signed between Ukraine and the EU, is entering into the EU and the development of business and institutions according to European requirements and standards.

It requires a concentration of top management of the tourist business on the investigations of tourist markets, on the implantation of corporate governance principles on determining factors of the commercial success of corporate tourism with the aim of forming the image of the country at the macro level, identifying the strengths and weaknesses of tourist firms in the process of transformation of the economy and the privatization initiated by The State Property Fund of Ukraine.

One of the basic principles of Ukrainian foreign policy is the ensuring of its integration into European political, economic and legal space with the goal of membership in the European Union. The document «EU-Ukraine Association Agenda» is said that: «Ukraine as a European country has a common history with Europe and the common values with the members state of the EU».

So the main goal for Ukraine is an economic cooperation with the European Union, which must be effectively and rapidly developed. In this regard, the relations between Ukraine and The European Free Trade Association have become effective and successful. The accession of Ukraine to the European Travel Commission (ETC) has become the apparent success of European integration. Thanks to the participation in this organization, the positions of the national tourist product on the European market are consolidating, the trade of high-performance component of economic growth of our country is changing,

the regions are supporting, the currency incomes to the state budget are increasing, there are a lot of new work places and living standards of Ukrainian citizens are being risen. Ukraine is also seeking to achieve similar results in this sphere, as well as member countries of the EU. Therefore, the main goal of cooperation between Ukraine and the EU countries in international tourism is the creation of a single tourism space as a free trade area of tourist services and the freedom tourist movements; the effective exploitation of tourist-and-recreational potential for intensification of tourist flows, the development of the common competitive tourist product of the participating countries and the improvement of economic efficiency of tourism as precondition of socio-economic development of the countries.

In addition, Ukraine pays great attention to cooperate with the European Union on the definition and implementation of global tourism policy, the inclusion of our country in the perspective programs of financial and technical assistance and investment projects of the EU in the tourism sphere.

It stands to mention that Ukraine is an attractive place to relax for European tourists. For example, hunting lands of Volyn region have become the hotspot for hunters from Italy, France, Germany and Belgium; mountain and ski resorts of the Carpathian Mountains, recently developed by domestic tourists and tourists from the CIS countries, are gradually becoming attractive for visitors from neighboring Eastern European countries. The interest of the latter's should be facilitated by the implementation of the «Carpathian Tram» project commonly used in the framework of the Carpathian Euroregion involving Romanian and Hungarian partners for the using sections of mountain narrow-gauge railways constructed in the first half of the last century.

It should be noted that one of the areas of cooperation in the field of tourism is the TACIS project «Support for local development and tourism of the Carpathian region», which has been implemented since June 1999 on the territory of Chernivtsi, Ivano-Frankivsk, Lviv and Transcarpathian regions.

There is also a systematic work on the adaptation of tourism legislation in according to the EU directives and standards in Ukraine. The legal and contractual foundation of double-sided cooperation with the EU countries is in progress. Today 8 international agreements of tourism cooperation with the EU member states, in particular with Greece, Estonia, Latvia, Poland, Slovakia, Hungary, Finland, Lithuania, Austria, have been signed. More active engagement of Ukraine in international projects would have a qualitative impact on the development of the tourism industry in Ukraine and would help our country to develop socio-economic and cultural areas.

Thus, it can be said that as a result of the active state policy and concerted actions of all state and local government authorities in the development of tourism, in particular in international transport corridors, the establishment of acceptable and transparent «rules of the game», the perception of international tourism as an instalment of integration into the world and especially the European space, as well as form of development of integration communications, tourism will become a high powered industry. It will be a source of significant and stable revenues to the budgets, will promote the development of complementary industries and regions of visitation, as relevant the sustainable development of these regions and the country on the whole, as well as the improvement of the image of Ukraine in the world and deepening its cooperation with the EU as a whole and with each its member country in particular.

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BUSINESS TOURISM IN UKRAINE: THE MAIN PROBLEMS OF DEVELOPMENT AND THE WAYS OF SOLUTION

S.D. Shumkova,

I.S. Posokhov, PhD, O.I. Radchenko (language supervisor)

V.N. Karazin National University, Kharkiv

Shumkova S.D., Posokhov I.S., Radchenko O.I. Business tourism in Ukraine: the main problems of development and the ways of solution. The article deals with the problem of the current situation in business tourism in Ukraine. The challenges concerning its development are analyzed. The directions of promotion of this tourism activity and ways of increasing its competitiveness are proposed.

Key words: business tourism, competitiveness, problems of development, ways of solution.

Шумкова С.Д., Посохов І.С., Радченко О.І. Діловий туризм в Україні: основні проблеми розвитку та шляхи вирішення. У статті розглядається сучасний стан ділового туризму в Україні, узагальнюються проблеми, пов'язані з його розвитком, пропонуються напрями стимулювання та підвищення конкурентноздатності цього виду туристичної діяльності.

Ключові слова: діловий туризм, конкурентноздатність, проблеми розвитку, шляхи вирішення.

Шумкова С.Д., Посохов И.С., Радченко Е.И. Деловой туризм в Украине: основные проблемы развития и пути решения. В статье рассматривается современное состояние делового туризма в Украине, обобщаются проблемы, связанные с его развитием, предлагаются направления стимулирования и повышения конкурентоспособности этого вида туристической деятельности.

Ключевые слова: деловой туризм, конкурентоспособность, проблемы развития, пути решения.

Nowadays business tourism is the promising direction of the modern tourism industry which is rapidly developing. The increasing number of Ukrainian companies are involved in this activity, so that they can find new business partners, improve their qualifications, establish new business relations. The rapid development of business tourism in our country is naturally – determined. Ukraine is located in the center of Europe at the intersection of transport routes and has great industrial and scientific potential, various tourist infrastructure, which help attract business people from all over the world.

The main problem of business tourism is the lack of proper hotel infrastructure. Hotels and business centers play an important role in business tourism organization. They must be specialized and have all the amenities for business tourists. Five – star domestic hotels should promote the possibility of providing business tourists with a complete set of necessary conditions for professional work. In fact, however, it is reduced to the proposals of a small room «Business Center» with limited services. The business center is typically associated with an office which provides the Internet, fax, and conference facilities. But a business center abroad is an organization that offers a range of services of indoor and outdoor activities for any category of hotel business guests during the whole period of the client's stay at the institution [1, p. 225].

Only 18% hotels in Ukraine meet the international quality standards of a business class comfort level. Almost all five-star hotels are located in the largest regional centers such as Kiev, Donetsk, Odessa, Lviv, Kharkiv, and Dnipropetrovsk. At the same time, Ukraine's five – star hotels are significantly worse than the appropriate hotels in Eastern Europe [1, p. 225].

The complex of problems connected with the accommodation of business travelers in our hotels can be solved by creating large national hotel chains and then international chains including five –star hotels. The wide use should be provided by means of franchising which does not require changes in ownership, since Ukrainian hotels have different forms of ownership and management. An organization that is capable of performing the functions of consolidating hotels in a network does not have to own accommodation companies. The uniting of hotels under the unified control will give enormous benefits to the owners of these enterprises and their operators. The main advantage a chain hotel receives is a reduction in overall costs. In addition, it will allow the chain to break into international markets expanding its sphere of influence [2].

Also the problem of professional training and personnel management is considered to be relevant. The analysis of the personnel potential of hotel enterprises in Ukraine shows that only 10-15% of staff has higher or secondary specialized education. A significant proportion of the staff completed short-term fee-based training seminars or courses. The problem of professional training and qualification of structural units and hotel department managers is particularly crucial. The main challenge of personnel training for hotel enterprises is working knowledge of the basic concepts of hospitality, i.e., foreign languages, psychology, ethics of communication and behavior, etc. The opening of professional higher education institutions, faculties, departments which train specialists learning two foreign languages will contribute greatly to improving the quality of organizational and managerial processes and the technology of service in this area.

It is necessary to conduct refresher training including the hotel conference services issues for highly qualified staff. Thus they would be able to serve at the appropriate level not only forums, conferences, seminars, congresses, presentations, etc., but also to organize corporate events of cultural and entertainment destination, for example, holidays, parties, city tours, etc. [3]

In the conclusion it should be noted that the modern business-oriented tourism industry is becoming the most promising direction of tourism due to its non-seasonality and orientation towards a high-income client. The main obstacle for the development of business tourism in Ukraine is the lack of an adequate level of the hospitality industry. However, our state is a member of the great number of international organizations, it initiates and holds different European and world forums, sports competitions and championships, so all these facts will allow to change quickly the situation for the better.

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THE IMPORTANCE OF SOCIAL MEDIA MARKETING IN BUSINESS DEVELOPMENT

*D.D. Skalozub, O.V. Drachuk (language supervisor)
V.N. Karazin National University, Kharkiv*

Skalozub D.D., Drachuk O.V. The importance of social media marketing in business development. The article describes the impact of social media marketing on business. The research covers justification of importance of social media marketing, taking into account such aspects as brand awareness, inbound marketing, customers service and enhancing brand loyalty.

Key words: advertisement, business, social media marketing.

Скалозуб Д.Д., Драчук О.В. Важливість маркетингу в галузі ЗМІ в розвитку бізнесу. У статті описується вплив маркетингу в галузі ЗМІ на бізнес. Дослідження охоплює обґрунтування важливості маркетингу в соціальних мережах з урахуванням таких аспектів, як впізнаваність бренду, вхідний маркетинг, обслуговування клієнтів і підвищення лояльності до бренду.

Ключові слова: бізнес, маркетинг в соціальних мережах, реклама.

Скалозуб Д.Д., Драчук О.В. Важность маркетинга в области СМИ в развитии бизнеса. В статье описывается влияние маркетинга в области СМИ на бизнес. Исследование охватывает обоснование важности маркетинга в социальных сетях с учетом таких аспектов, как узнаваемость бренда, входящий маркетинг, обслуживание клиентов и повышение лояльности к бренду.

Ключевые слова: бизнес, маркетинг в социальных сетях, реклама.

The subject of the study is the use of social media marketing for business development. The purpose of the study is to analyze the main aspects of the impact of social media marketing on business. The relevance of the study is

determined by the possibility of wider usage and implementation of new tools of social media marketing in Ukraine.

As marketing evolves and changes, it seems like there are constantly new platforms and strategies being touted as the next big thing. It is impossible to keep up with all of them, but every once in a while, one comes along that actually delivers the results that they all promise. When that happens, it's important to get on board so that the business does not appear outdated.

Nowadays social media is growing at warp speed. With more and more people joining social media sites and using them regularly, the social media industry is bound to become bigger in the coming years.

The three top social networks – Facebook, Youtube and Instagram – have over 3 billion monthly active users combined [3]. That's almost half of the entire earth's population!

According to last research by Hootsuite [1]:

- The number of social media-using adults has gone from 7% in 2005 to 69% just ten years later.

- Social media use on mobile devices is seeing a 30% growth every year.
- 2 million businesses today use Facebook advertising for promoting their products and services.

We can highlight the following reasons why taking the social media advertising route makes total sense [2]:

- Lower ad costs: When compared to traditional advertising methods such as print media, TV and radio advertising, social ads are not only dependable, but also cheaper. What's more, people are allowed to engage on various social media channels for free before scaling with paid ads.

- Targeted reach: Traditional advertising doesn't give business the luxury to reach out to its target audience the way social media ads do. It simply doesn't work that way. When doing offline advertising, people are taking the blind, shotgun approach where returns are dismal even if the big investments are made. Using social media ads there is an opportunity to reach out to targeted prospects, increase conversions and ultimately get a higher return on investment.

- Real-time performance analysis: Knowing if ad is working or not is integral in order to improve it. When doing any type of offline advertising, it is impossible to analyze the performance of ad campaign. Social media ads, on the other hand, allow to constantly keep track of how well (or how bad) ad is performing. Companies are able to change their ad on the fly and instantaneously see the results.

Social media proves to be a powerful tool when it comes to growing brand awareness. There are businesses who dismiss it as a way to build a brand, but by doing that, they're leaving an open ground for competitors. On the other hand, many reputable chief marketing officers agree that social media has a definite impact on brand awareness.

Inbound marketing is one of the most effective ways to generate targeted traffic to company's website. It's the kind of traffic that actually converts because it's super relevant. However, if company ignores the importance of social media in business, it will be limited to its inner circle of customers or the people that are already familiar with its market or brand. By putting in more effort in social media promotion, there is an opportunity to create a whole new channel to draw in laser targeted inbound traffic and get more inbound links. Having an active blog makes it easy to connect with the audience with the help of fresh content. But by having them share this content (on the right time) on Twitter or Facebook increases this reach in 10 times. Companies are suddenly reaching out to a bigger audience that may like plus share the content, follow the brand and ultimately become a customer. For instance, serious professionals may find the website via LinkedIn while the younger crowd or the millennials may find the profile on Instagram. Each piece of social media content that you create is a new door for new customers to enter. Ultimately, it boils down to creating enough high quality content that can be posted on social media sites, and in the process can attract high-converting inbound traffic [4].

Losing a customer is hard, and gaining a new one is harder. But retaining an existing customer is 10 times easier. That is why customer satisfaction should be the topmost priority. By using social media to connect with the customers, companies have the opportunity to monitor what customers want, the problems they're facing and how companies could serve them.

In order to truly satisfy customers and make their life easier, companies need to offer them customer service that is more personalized and effective. And social media helps to do just that. Customers these days know that social media is a lot more approachable and friendly than a call center executive, thousands of miles away, who has a hard time resolving problem. In other words, customers want superior service without the hassle.

Increasing customer satisfaction with social media includes [2]:

- Monitoring conversations to see if the customers are talking about the brand and in what context.
- Broadcasting important messages, announcements and offers to customers via a social media platform such as Twitter.

- Offering prompt customer service to customers who are facing genuine problems or need some help with the product or service.
- Holding regular question & answer sessions with customers to understand their concerns, get real feedback and see how things can be improved.
- Connect and build a relationship with power users or customer advocates so that they can help serve other customers.

A lot of businesses are stuck on their follower count, which is nothing but a vanity number. It doesn't serve a real purpose if the followers aren't loyal to the brand. There's a difference between a random follower and loyal one, because the latter adds real value.

If companies want to get the most out of their social media marketing efforts, it's crucial that they focus on increasing brand loyalty. Having a loyal following means better engagement and better conversations.

Enhancing brand loyalty on social media can be implemented by following steps [2]:

1. Having a Solid Social Media Strategy. Social media platforms are evolving, and each has its own personality. Facebook is not Twitter, and Twitter is definitely not LinkedIn. Which means that the same old, outdated marketing and advertising methods cannot be taken and applied to social media. Companies need to formulate a social media strategy that clearly aligns the goals with other areas such as content marketing, search engine optimization, etc. This should give a fair idea of what type of value they can create for their loyal social media followers. It'll allow not only to retain them, but also help them spread all over the world.

2. Sharing Value-Oriented Content. There's a reason why the followers are loyal. They're looking for value, which has to be delivered at all times by sharing quality content. For example, sharing a detailed case study is much better than a 500 word article. The more useful and relevant the content will be posted, the better. It is very important to create the plan on how and what type of content will be shared.

3. Being Consistent. The brand has a personality, and certain aspects that are unique to it. By identifying these personality traits and by bringing them out, it gets easier to connect to the target audience. The aim should be to be consistent in the approach and maintain the same voice throughout the interactions. The shared content should reflect your brand's personality.

4. Responding to Queries. Companies may not be famous for social media followers, but they do look up to company for answers. So when they approach

company with a relevant query, it should get back to them with the right answers. This way they will know that companies are the real deal. And that this business actually cares about others. By answering these questions, companies establish themselves as an expert or an authority.

5. Showing the Human Side.

Personally interacting with other people and humanizing the brand will go a long way. It will keep the followers/fans keeping coming back for more.

A lot of businesses try to present themselves as big corporations, which is a mistake. People need people, not auto bots. That is why companies need to connect to them on a more personal level and engage in real conversations. Even if it is just for the sake of interacting.

Conclusion. The whole marketing landscape has changed with the introduction of Social Media. New avenues were opened for marketers that before did not exist or were too complicated. Now we have an easy to use and powerful tool at our finger tips that can share a piece of content all over the world in seconds. When it comes to monetary investment for a business, social media is the most affordable way to generate quick revenue. They will give you a highly economical way to reach out the target consumers and increase brand awareness. Being a wide communication channel, the platform of social media provides an instant way to receive customers' feedback. Ukrainian social media marketing is on the stage of development right now, that is why this issue should be covered in further research.

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CHARACTERISTICS OF THE TOURISM INDUSTRY DEVELOPMENT UNDER WORLD'S INSTABILITY: THE CASE OF THE KHARKIV REGION

*I.V. Skoriak, Y.M. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Skoryak I.V., Litovchenko Y.M. Characteristics of the tourism industry development under world's instability: the case of the Kharkiv region. The article provides an analysis of existing potential of the Kharkiv region as a tourism destination and examines the factors that are currently slowing down tourism development in the region. It also highlights the ways to get round these obstacles. The article also outlines key sectors of tourism industry and tools to transform it into an economic driver of the Kharkiv region.

Key words: budget revenues, excursion industry, taxation policy, tourism in the Kharkiv region.

Скоряк І.В., Літовченко Я.М. Особливості розвитку туристичної галузі в умовах світової нестабільності на прикладі Харківської області. У статті проаналізовано наявний потенціал Харківської області як туристичної дестинації, визначено фактори, які гальмують розвиток туризму у регіоні та шляхи їх подолання, а також пріоритетні галузі для розвитку туристичної індустрії Харківщини та інструменти для максимізації надходжень до бюджету від надання туристичних послуг.

Ключові слова: екскурсійна галузь, максимізація надходжень до бюджету, політика оподаткування, туризм у Харківській області.

Скоряк И.В., Литовченко Я.Н. Особенности развития туристической отрасли в условиях нестабильности в мире на примере Харьковской области. В статье проанализирован имеющийся потенциал Харьковской области как туристической дестинации, определены факторы, тормозящие развитие туризма в регионе и пути их преодоления, а также приоритетные отрасли для развития туристической индустрии Харьковского региона и инструменты для максимизации поступлений в бюджет от осуществления туристической деятельности.

Ключевые слова: максимизация поступлений в бюджет, политика налогообложения, туризм в Харьковской области, экскурсионная отрасль.

The relevance of the chosen topic is grounded by growing revenues from tourism business in the world and searching new ways to fill the Kharkiv region budget which is essential problem under the world's financial instability. The material of the study is derived from magazines, newspapers and online

resources devoted to the problems of tourism industry in the Kharkiv region. The purpose of this research is to investigate current trends in sector of tourism industry and emphasize tools to make tourism as an economic driver.

The tourism business is one of the most profitable income sources, which now accounts for 10% of all work places in the world [4]. The contribution of the tourism industry to the total GDP of developed countries is up to 15 percent. In most cases, this type of business does not need fundamentally new resource base, because the cultural and historical heritage of the nation has a crucial significance.

However, tourism is very sensitive to socio-political and economic actions taking place in the world. An increase of social tension can cut down the tourist influx, damage the public image of the destination.

Unfortunately, Ukraine has found it hard to maintain its tourism industry. We have experienced a tremendous decrease in incoming tourists since 2014 because of the military conflict in the East that has proved to become a major economic and social problem. Rapid devaluation of hryvnia which happened in February-March 2015 forced travel agencies and travel companies to raise rates, or close their businesses. The number of travel agencies in the Kharkiv region decreased from 344(in 2013) to 290(in 2015). Consequently the revenues from providing tourism services dropped from 45 million UAH in 2013 to 28 million UAH in 2015 [2]. Rising prices have cut down the number of customers, who can't buy the tourist product at a higher price. However, the demand for a quality tourism product still exists, despite hard times.

On the other hand, a significant devaluation of hryvnia could have become an additional factor for tourists from Europe and the USA to visit Ukraine. But the situation hasn't come up to expectations, it is not happening due to the complicated socio-political situation. Yet this obvious obstacle is not a single one, there are still many issues that prevent the development of the tourism industry and maximize revenues from it.

One of the essential problems acting as a stumbling block for tourism development is a lack of quality infrastructure that meets the requirements of up-market tourists. Only the budget accommodation sector is well-developed in the Kharkiv region the majority of which was built in the Soviet times [3]. The stagnation of the material base is getting more and more pressing.

Moreover, almost each object of cultural-historical heritage is publicly-owned facing a lack of budget in terms of social crisis. This leads to their rapid destruction. Investing in such objects is extremely unprofitable and complicated from the legal point of view and because of red tape.

Unfortunately, today there is no state regulator in the tourism sector, consequently, the state policy is not consistent. Currently the essential points are tax issues, licensing and categorization [1]. It should be noted that «The law about tourism» is out of date and it needs to be totally improved and sized up to the current terms of tourism business.

Tourism needs capital investment and can attract significant amount of extra costs to the national budget for a short time. It could be reached through the accumulation of finance spent by tourists. Take the example of Truskavets: local budget uses tourism as an economic driver and receives significant revenues from the tourism industry [5]. However, it is not the case of the Kharkiv region.

I believe the main problem of the tourism development in the Kharkiv region (except for economic instability) is a low level of awareness of the existing cultural potential, and not-consistent marketing policy.

Considering various options for the extension of the tourist industry in the region, I suggest focuings on the extension of the excursion sector [6]. According to surveys, this sector of tourist industry is an emerging market for Kharkiv. A wide variety of special interest tours promoting Kharkiv as an industrial and architectural-historical capital of Ukraine can attract plenty of tourists. Tourism product should be connected to existing city destinations; new attractions should also be built up. The product of excursion market is supposed to be diversified (product for youth with elements of leisure sector, product for middle-aged tourists, etc.) which will let us attract more revenues. Surveys show that with the rational usage of available resources and advanced marketing policy, Kharkiv can attract up to a million tourists per year.

Currently, travel agencies are showing little interest in promoting local attractions, they claim that local excursions and itineraries don't bring them significant revenues. Obviously, the Kharkiv region as a tourism destination should be strengthened and promoted, then local product will generate a profit.

At present, the promotion of the Kharkiv region as a center of business and cultural tourism of Ukraine is essential point which will build up a public image of the region. There still exist some ways to transform tourism industry into an economic driver of the region in the conditions of fragile economic situation: to attract funds in the emerging tourism markets, to modernize tourism infrastructure and to renovate key objects of the cultural heritage.

Thus, it is crucial to attract funds to modernize tourism market infrastructure in the Kharkiv region, to diversify existing tourism product into several segments and create appropriate business environment. In addition local tourism

authorities should create high-quality tourist product and adopt new legislative and taxation policy. I deeply believe that effective promotion of the Kharkiv region as a tourist destination both nationally and internationally can turn out to be an effective economic tool.

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MARKET ANALYSIS OF MOBILE APPS

A.V. Sokolova, T.I. Skrypnyk (language supervisor)

V.N. Karazin National University, Kharkiv

Sokolova A.V., Skrypnyk T.I. Market analysis of mobile apps. This topic deals with market overview of mobile apps worldwide. The author makes examining of functioning of the market of mobile apps. The author makes an overview of the main online platforms for the placement and downloading of mobile applications, as well as the satisfaction of demand and the characteristics of the supply to identify the main trends and forecasts of selected market.

Key words: app economy, AppStore, Google Play, mobile app development, mobile apps, smartphones.

Соколова А.В., Скрипник Т.І. Аналіз ринку мобільних додатків. В роботі розглянуто функціонування ринку мобільних додатків. Автор роботи виконав огляд основних онлайн-платформ для розміщення і скачування мобільних додатків, а також задоволеність попиту і характеристику пропозиції для виявлення основних трендів і прогнозів даного ринку.

Ключові слова: економіка мобільних додатків, мобільні додатки, розробка мобільних додатків, смартфони, AppStore, Google Play.

Соколова А.В., Скрышник Т.И. Анализ рынка мобильных приложений.

В работе рассмотрено функционирование рынка мобильных приложений. Автор работы выполнил обзор основных онлайн-платформ для размещения и скачивания мобильных приложений, а также удовлетворенность спроса и характеристику предложения для выявления основных трендов и прогнозов данного рынка.

Ключевые слова: мобильные приложения, разработка мобильных приложений, смартфоны, экономика мобильных приложений, AppStore, Google Play.

The subject of the topic is market of mobile apps. The goal is to analyze the market to identify the main trends and forecasts for further development.

Relevance of the topic is the steady increase in the number of mobile applications and their popularity among end users. The growth of the profit of this branch is forecasted and developers are available both in the developed industries and in those that are only developing. That is why it is necessary to conduct an analysis to identify the forecast of the development of mobile applications in various sectors of the economy.

Developing of mobile apps is a relatively new phenomenon, which is developing very rapidly due to the growing ubiquity and popularity of smartphones.

Mobile app development is a term used to indicate an act or process by which a mobile application is developed for mobile devices such as personal digital assistants, corporate digital assistants, etc.

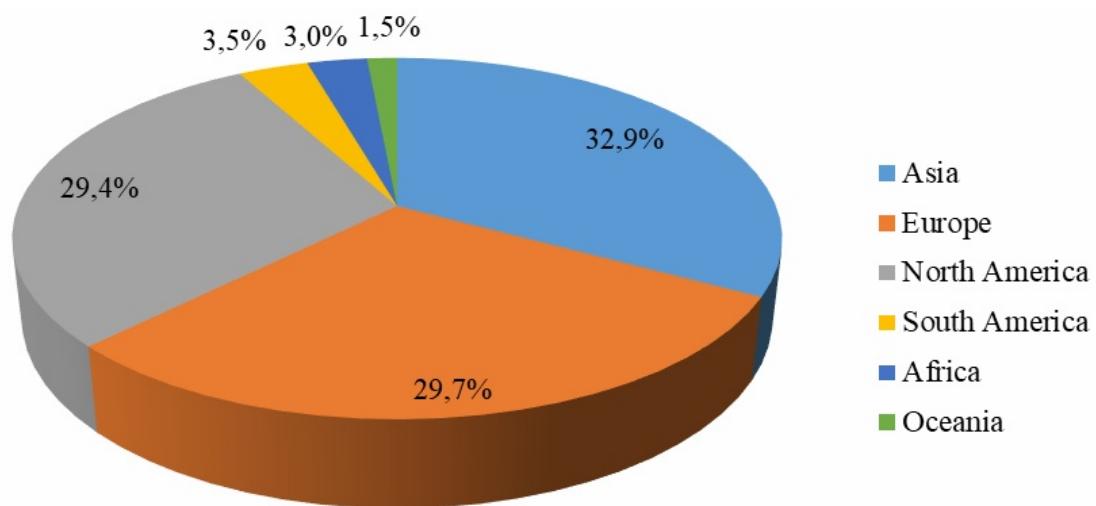
«App economy» and the traditional economy are moving to a new level. Mobile applications integrate into all traditional branches of economy from the regular store to the taxi order service, this trend creates additional profits in almost all sectors of the economy, which may even be greater than the profit from operating activities.

Lately the growing ubiquity and popularity of smartphones among end-users has increased the attention of software developers. Now there are about 2,2 million mobile apps in the Apple's AppStore (34% market share), 2,8 million on the Google Play Market (43%), 669 000 in the Windows Marketplace (10%), 600 000 in the Amazon Appstore (9%) and 234 500 in the Blackberry AppWorld (4%). According to estimates in 2016, more than 70% of all mobile devices are smartphones that can download mobile apps.

The development of mobile applications is steadily increasing both in revenue and in job creation. In early 2015, the number of mobile app developers reached 5.7 million, an increase from mid-2014 to nearly half a million. 23% of them are in Europe.

According to the latest estimates, there are 12 million mobile app developers around the world, representing more than half of the global developer community, and more than a half of the focus is on Android. It is also projected that the total number of developers by 2020 will reach 14 million.

The data was obtained from Evans according to the results of the Global Development and Demography Study, which also shows that, when the study began in 2006, there were only two million mobile developers. The geographic distribution of developers is as follows: 3 regions, Asia, Europe and North America, are the center for developing mobile applications, among which Asia has the largest share – 32.9%, which is equal to almost 4 million people. Of these, 2.5 million are app developers on the Android device.



Source: Business of Apps: VisionMobile.

Figure 1. Mobile app developers by region in 2014

In general, developers prefer Android to iOS. 5.9 million developers consider the Google Android platform as their number one choice, while 2.8 million are focused on Apple iOS.

There are many trading platforms for major mobile OS. The most popular among them are:

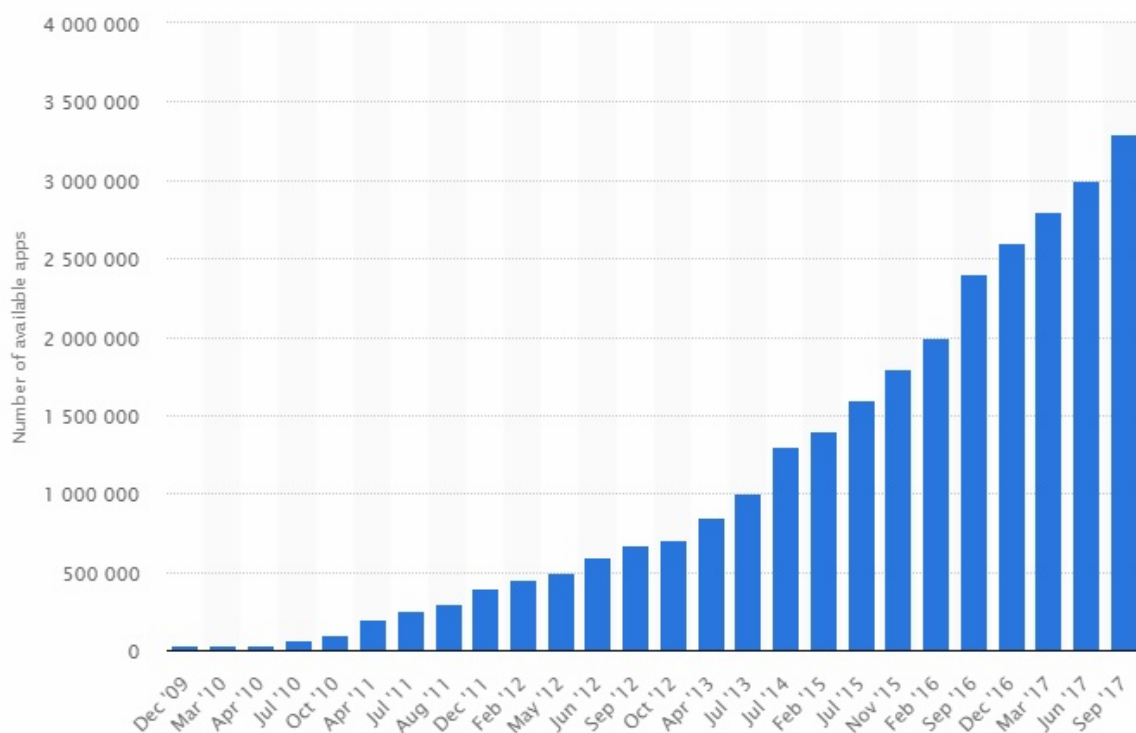
- Google Play
- App Store
- Windows Store
- Amazon Appstore
- Samsung Galaxy Apps

Let's consider two the most popular market platforms in details.

Google Play was originally launched in October 2008 under the name Android Market and is the largest download site for mobile applications (more

than 2.7 million apps in February 2017 and already 3.3 million in September 2017). Developers have the right to publish their mobile apps after paying \$25 fee. After that, they receive 70% of the profit, the remaining 30% goes to the service of billing and tax processing. Google does not receive any sales revenue. Despite the strong revenue from gaming applications, most gaming applications can be downloaded for free and rely on monetization through in-house purchases of items such as ad blocking, buying of additional accessories, gems or coins.

This graph shows the number of available apps on the Google Play Store, formerly known as the Android Market, from December 2009 to September 2017.



Source: *tecnCrunch; App Annie.*

Figure 2. Number of available apps on the Google Play Store from 2009 to 2017

The App Store is a part of the online iTunes Store that sells various applications to iPhone, iPod Touch and iPad owners. A large number of programs are distributed free of charge and chargeable from \$ 0.99 to \$ 9.99, with some exceptions. Developers have several options for monetizing their programs, among which are: completely free, free, which allows you to purchase subscription through the application and chargeable. Developers have to pay \$99 annually for apps publishing.

According to a study by Shared2You in 2017, the demand for Android applications is satisfied by more than 90% in categories such as social tools, video players and editors, travel and local information, productivity. The high level of demand satisfaction, from 90% to 60%, is in the categories of music and audio, entertainment, newspapers and magazines, books and personalization. Other categories satisfy demand by less than 50%, and some even by 5%. Therefore, there is a high demand among the population for mobile applications in such areas as raising children and family, dating, events, beauty, home, art and design.

As mobile applications are becoming increasingly popular and the mobile Internet is more widely available, revenues generated by apps reach unprecedented levels. In 2016, global revenues for apps, including in-app sales and app sales, are estimated at \$ 88 billion, but this figure is expected to more than double by 2020.

There are many different ways to generate revenue from applications, in particular, simply charging users a small amount of money for download, but this is not the most popular monetization model among global developers who claim to use it for about 20 percent of the time. In fact, statistics show that the number of apps in the Google Play store charging download fees declined in 2015 compared to previous years. The most common revenue stream is advertising, but according to developers, it is also the most hated. Advertising revenue in applications will be \$ 117.2 million in 2020, which will increase from \$ 40.5 billion in 2015.

Conclusion. Nowadays there are more than 6,5 million mobile apps in the world and this number is constantly growing every day. There are around 10 trading platforms, and only 2 have timeless confrontation – Google Play Store for Android devices and Apple’s AppStore for iOS with 43% and 34% of market share accordingly. There is also the same confrontation between developers for Android and for iOS. As the number of Android end-users is bigger, it effects in dependence of number of apps (55% share), so as number of developers (68% share). the center for developing mobile applications are 3 regions, Asia, Europe and North America. Mobile apps have its developing in all branches of economy. In 2016, around 35% of all big enterprises are likely to have their very own app development platforms.

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PROBLEMS AND PROSPECTS OF RURAL TOURISM DEVELOPMENT IN UKRAINE

M.O. Soroka,

I.S. Posokhov, PhD, Y.M. Litovchenko (language supervisor)

V.N. Karazin National University, Kharkiv

Soroka M.O., Posokhov I.S., Litovchenko Y.M. Problems and prospects of rural tourism development in Ukraine. The article outlines problems of rural tourism emergence in Ukraine, analyzes trends of rural tourism in the world and in Ukraine. The research presented in this article is an initial step of a complex research of nature tourism on the theoretic basis of social geography. The article considers nature tourism as a phenomenon that affects the development of rural areas, and makes a multiplier effect in the socio-economic and cultural spheres of rural areas. The work focuses on the regional difference in tourism development. The findings by O. Beydyk, who developed the recreational ranking methods, are used as a methodological basis

for the research. The economic estimation of GDP and the index of recreational and tourist potential of the regions in Ukraine are compared at this stage of the research.

Key words: agri-tourism, farmsteads, homesteads, nature tourism, rural tourism.

Сорока М.О., Посохов І.С., Літовченко Я.М. Проблеми та перспективи розвитку зеленого сільського туризму в Україні. Стаття присвячена проблемам виникнення зеленого туризму в Україні, аналізуючи тенденції екологічного туризму у світі та в Україні. Дослідження, представлені в даній статті, є початковим етапом комплексного дослідження зеленого туризму на теоретичній основі соціальної географії. Зелений туризм, який ми розглядаємо як явище, яке впливає на розвиток сільської місцевості та робить мультиплікаційний ефект у соціально-економічній та культурній сферах сільських районів. Робота зосереджена на регіональних відмінностях у розвитку туризму. Висновки О. Бейдика, які створили методи рекреаційного рейтингу, були використані як методологічні основи цього дослідження. На цьому етапі дослідження порівнюється економічна оцінка ВВП та індекс рекреаційного та туристичного потенціалу регіонів України.

Ключові слова: зелений туризм, садиби, сільський туризм, сільськогосподарський туризм, ферми.

Сорока М.А., Посохов И.С., Литовченко Я.Н. Проблемы и перспективы развития зелёного сельского туризма в Украине. В статье рассматриваются проблемы появления зеленого туризма в Украине, анализируются тенденции экотуризма в мире и в Украине. Исследование, представленное в этой статье, является начальным этапом комплексного исследования зеленого туризма на теоретической основе социальной географии. Зеленый туризм, который мы рассматриваем как явление, которое влияет на развитие сельских районов, и оказывает мультипликативный эффект в социально-экономической и культурной сферах сельских районов. В документе основное внимание уделяется региональным различиям в развитии туризма. Выводы О. Бейдыка, которые создали методы рекреационного ранжирования, были взяты за методологическую основу для этого исследования. На этом этапе исследования сравнивается экономическая оценка ВВП и показатель рекреационного и туристического потенциала регионов Украины.

Ключевые слова: зеленый туризм, сельский туризм, сельскохозяйственный туризм, усадьбы и фермы.

Nowadays we observe a prevailing trend to multifunctional development of rural areas in Ukraine that makes it possible for several economic activities to develop simultaneously. At the same time a special attention is paid to non-agrarian ways of such a process. It becomes apparent that in the era of information technologies and rapid development of scientific and technological progress, the time when the service sector is given the priority role, the agrarian

production as such can't provide the necessary wealth to rural inhabitants. Prolonged socio-economic crisis reflects on social problems of population, mostly rural, moreover, raises an acute issue of overcoming inequalities of social and economic development between the regions. This topic is widely debated between scholars of public administration, economics, geography. Famous works by F. Zastavny, Z. Varnaliya, Y. Shevchuk, I. Prokop, O. Topchiev, M. Baranovsky and many others embrace the extremely wide spectrum of research points like depression areas and their rehabilitation, their development, management issues, etc.

O. Beydyk developed seven major recreational resource blocks ("big seven" recreational resources: social, geographical, natural and anthropogenic, architectural and historical, infrastructure, biosocial, event units) which are evaluated in the amplitude out of 5 points. To ease evaluation process minimal and maximal criteria (from 1 and 5 points) were determined. V. Oleynik developed ranking in GDP by regions of Ukraine (25 points) [2].

Rural tourism can be a substantial factor in solution of regional problems. The main factors to encourage the process of economic regional growth are ethno-cultural and socio-demographic changes in society, securing a healthy lifestyle, understanding of the environment values, production of completely natural products instead of artificial and synthetic materials in mass production, need for urban residents to rest in rural areas; difficult economic situation in agriculture; need for new jobs in rural areas; desire of "self-sufficient" rural families to get an extra income from renting accommodation and free sale of quality agricultural natural products; popularity of alternative tourism that promotes recreational activities; ecologically clean environment; need to protect and restore rural landscapes.

There are several types of tourism nowadays. The rural tourism is a form of recreation in the countryside which is closely related to local history, ethnic, cultural tourism and directly uses the attractiveness of rural areas. This form of tourism is valued for the fresh air, hospitality, local natural and cultural attractions. It is possible to identify several forms of rural tourism (Kravchenko, 2007): rural tourism is recreation in the countryside; agro-tourism is a form of rural tourism closely connected with agriculture (fishing, gardening) or agro-recreational tourism that develops on the basis of households of rural or farmlands, provides for recreation in the open air and voluntary participation in the farm work on the farmer's farmland which is the main source of family needs for food and getting extra cash benefits; nature rural tourism implies strong client's requirement for ecologically clean areas, natural diversity,

attractive landscapes. The basis for its development of rural settlements is located within or near the sites of nature.

There are different possible combinations of types and forms of tourism. It may be cultural, educational, industrial, sports and health, developing on the basis of rural settlements. This can vary greatly in range of services. Each separate homestead can specialize in hunting, fishing, horseback riding, organizing holidays. Significant spread of rural tourism is greatly observed in Europe and operates in two areas: first – based on farms that specialize in various kinds of agricultural production and provide additional travel services, the second – only focuses on providing services to tourists. Nature tourism provides employment for 0.5 to 0.9 million in EU (Oleynik, 2010).

Along with the development of Ukrainian agriculture Ukraine's rural tourism is different from European one in organizational terms. Unlike the practice of European countries Ukrainian began to develop this sphere involving local authorities. However, every year more and more local authorities and governments, civil society organizations involved in rural tourism development are approving policies and programs. The media has special role in this process that promotes the possibility of rest in the village, pays attention to existing unused resources. For example through the activities of the Union to promote rural tourism, in Ukraine actively implemented in tourist market agro-tourism product, known as the “nature tourism”. Twenty-two regions of the country representing the properties of homestead that provides accommodation, meals, attraction to the work of local residents and foreign tourists [4].

Promoting of rural tourism in Ukraine is suspended by the absence of adequate legislation system. In January 2009, in Ukraine a law on rural or ecological (nature) tourism was not adopted – unlike some neighboring countries (Poland, Hungary). In consideration taken as the basis – the first reading – the draft law “On rural and nature tourism” (Resolution of Parliament № 2179 of 16.11.2004 town) was not repeatedly discussed at Ukrainian Parliament. In Parliament (Verkhovna Rada) there were bills “On rural tourism” № 0920 from 25.06.2006, and “On the village nature tourism” № 3467 of 12.04.2007. However, in the autumn of 2007, the Verkhovna rada of Ukraine the next convocation withdrew them from consideration. Currently the Parliament is not pending any special law on nature tourism. Law of Ukraine “On Tourism” № 324/95 of 15.10.1998 spreads on all types of tourism areas and tourist activities. Some clarification of policies explains procedure to provide services to temporary accommodation, approved by the Government (Cabinet of Ministers) of Ukraine on March 15, 2006, N 297.

In conclusion there is a need of funds in addition to the organization of rural tourism. The modern village has no better times. For proper execution of homesteads, procurement of necessary equipment and transport the help from the state is necessary. It's paramount to establish a public fund for the development of rural tourism, to introduce the provision of targeted loans at low interest rates. The problem is also how to create competitive regional tourism products: it is important to improve bad roads, inadequate development of rural infrastructure, and low information basis for potential tourists, reducing the attractiveness of recreational resources of natural and anthropogenic origin due to irrational use and lack of effective measures for their protection.

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AGRITOURISM AS ONE OF THE PERSPECTIVE DIRECTIONS THE TOURISM INDUSTRIES IN UKRAINE

D.O. Sosenko, N.O. Bolibok (language supervisor)

V.N. Karazin National University, Kharkiv

Sosenko D.O., Bolibok N.O. Agritourism as one of the perspective directions of the tourism industry in Ukraine. In the following agritourism is considered as one of the large and highly profitable dynamically developing branches of world economy.

The research presented in this article is the initial stage of a complex research of green tourism on theoretical fundamentals of social geography. Agritourism is considered as the favorable direction of development of the agrarian sector of economy focused on environmentally friendly goods and ecological services capable to make a sufficient contribution to the regional budget as the independent direction which can involve investors in development and expansion of the modern agritourist massifs which are already available to creation in the future. The main characteristics of agritourism are distinguished. The main models of the Ukrainian agritourism are considered. Also we have paid attention to the conditions interfering development of the Ukrainian agritourism.

Key words: tourism, agro-tourism, rural tourism, agro-tourism characteristics, agro-tourism model.

Сосоєнко Д.О., Болібок Н.О. Агротуризм як один із перспективних напрямків індустрії туризму в Україні. У пропонованій статті розглядається агротуризм як одна з великих і високоприбуткових галузей на ринках світової економіки. Дослідження, представлене в цій статті, є початковим етапом комплексного дослідження зеленого туризму на теоретичній основі соціальної географії. Агротуризм розглядається як вигідний напрямок розвитку аграрного сектора економіки, орієнтоване на екологічно чисті товари і екологічні послуги, здатне внести достатній вклад в регіональний бюджет як самостійний напрям, яке може залучити інвесторів до розвитку і розширенню вже наявних створення в майбутньому сучасних агротуристичних масивів. Виділено основні характеристики агротуризму. Розглянуто основні моделі українського агротуризму. Також звернено увагу на умови, які перешкоджають розвитку українського агротуризму.

Ключові слова: туризм, агротуризм, сільський туризм, характеристики агротуризму, моделі агротуризму.

Сосоєнко Д.А., Болібок Н.А. Агротуризм как один из перспективных направлений индустрии туризма в Украине. В предлагаемой статье рассматривается агротуризм как одну из крупных и высокодоходных динамично развивающихся отраслей мировой экономики. Исследование, представленное в этой статье, является начальным этапом комплексного исследования зеленого туризма на теоретической основе социальной географии. Агротуризм рассматривается как выгодное направление развития аграрного сектора экономики, ориентированное на экологически чистые товары и экологические услуги, способное внести достаточный вклад в региональный бюджет как самостоятельное направление, которое может привлечь инвесторов к развитию и расширению уже имеющихся созданию в будущем современных агротуристических массивов. Выделены основные характеристики агротуризму. Рассмотрены основные модели украинского агротуризму. Также обращено внимание на условия, препятствующие развитию украинского агротуризму.

Ключевые слова: туризм, агротуризм, сельский туризм, характеристики агротуризму, модели агротуризму

At the beginning of the 21st century tourism is one of the leading directions of social and economic and cultural life of many countries and regions of the world.

Today tourism is one of the most highly profitable and dynamically developing branches of economy exerting strong multiplicative impact on cumulative activity of various sectors of economy. The industry of tourism and hospitality should be considered the complex and new forming branch based on the integrated use of all economic, cultural and natural capacity of the territory.

According to the leading experts, the tourism industry in the 21st century stands a good chance to be one of three major driving forces in the service sector of world economy along with telecommunications and information technologies. About 212 million people, or 10,7% of able-bodied population of the world are employed in tourism branch now.

According to the non-governmental international organization – The World Travel and Tourism Council (WTTC) – total investments to the sphere of tourism are estimated almost at 700 billion. Dollars makes 11,3% of investments into economy of all countries of the world. In total by the year 2013 the world tourist industry provided services for the sum about 9 trillion dollars. Average growth rates of the international tourism till 2020 will be 4,1 percent.

According to the forecasts of World Tourism Organization (UNWTO), the most perspective segments of the market growth at the advancing rates are: ecological, rural, cultural and informative, thematic or specialized (scientific, educational, sports, event, medical and improving, etc.), cruise types of tourism.

The role of agritourism becomes more and more significant in the light of widespread introduction of the international concept of sustainable development of agro-territories.

Agritourism is considered by economists from European countries as rather a small branch of agriculture [4, p. 67]. This activity allows to involve in business the segment of population living in the country as well as to keep local color, customs, and culture. The advantage of rural tourism isn't also focused on simultaneous attraction of large credits. It is capable to develop gradually, leaning on local means are shattered, attracting small investments from the most different sources.

Agritourism can be regarded as the most important, integrated, local growth point as a promising strategic direction for the province with the following aspects.

1. Economic aspect:

- source of income for the rural population in a crisis situation in the agrarian sector and in the situation of rural areas degradation;
- embedded in the new dynamically developing tourism industry sector, which involves the use of information technology,
- modern organization of the industry (production and sales of competitive tourism products);
- the use of predominantly non-expendable resources, especially natural, socio-cultural and historical heritage;
- microeconomic contribution to the improvement of their own home and homesteads – increasing their market value.

2. Socio-cultural aspect:

- interaction of the village with the inhabitants of large cities and megacities (the effect of cultural and psychological enrichment in communication);
- new control point appears and a technology development panel is established in agritourism;
- «host-guest relations» and the demand for local community proposals increasing self-esteem among villagers.

3. Ethnocultural aspect:

- possibility to increase resources;
- promotion of national cultural traditions.

4. Personality aspect:

- personality development, first of all, taking into account the need to acquire new knowledge, skills, improve qualification for the organization of guestsreception, etc .;
- personality self-esteem increasing: consciousness of independence, reliance on own forces, resources of own economy.

5. Social aspect:

- cooperation at the level of local community in the creation of a complete tourism product ultimately leads to an improvement in the socio-psychological climate in this community;
- agrarian tourism cuts down destructive layers and is aimed at creating conditions for the successful development and quantitative growth of the vanguard of the local community.

Agritourism is developing, quickly enough in the world, and it is pleasant to note that Ukraine is chosen in this economic sector in increasing frequency. According to the union «Association of environmental protection and development of agritourism of the macro-regions of the world» of assistance

to development of rural green tourism in Ukraine, the closest neighbors – Poles, Czechs, Hungarians and also tourists from the USA and Canada like coming to our villages.

In Ukraine 950 estates are ready to accept the most exacting – as they say, for every taste and a purse, – guests. The most popular regions – Odessa and the Carpathians though have a lot of fans from the Central and East regions whereas – each separate area has its own unique color and traditions.

Rural tourism in Ukraine is of great importance. For coordination of its development in Transcarpathia the representative office of Federation of rural tourism of Ukraine is opened. The tourist branch of the Transcarpathian region is reflected in the Concept of stable development of Transcarpathia now. The profit of this branch in the regional budget makes 10% annually. Rural tourism in the region now is represented by over 400 owners of private estates and farms. The federation undertakes mediatorial function between owners of estates and Transcarpathian region tourists on internal and external markets.

In the Western Ukraine often main place where tourists have a rest, the rural areas Pylypets, Izki, Khust, Chinadievo, Upper Studioas exactly there landscapes are combined with ecology are. It is necessary to distinguish from advantages which are characteristic of agrotourism that people are engaged in rendering of services at the village. For this reason this direction is considered as a real opportunity which is aimed at the development of rural infrastructure. It promotes delay of degradation of rural areas outflow of local population which serves as a reason the lack of jobs.

Conclusion. Agritourism is the favorable direction of development of the agrarian economy sector focused on environmentally friendly goods and ecological services capable to make a sufficient contribution to the regional budget. This successful and independent direction, it is interesting in attracting investors to development and expansion already available and to creation in the future modern agritourist massifs. Agritourism, acting as an incentive for formation of agriparks, ecoclusters, promotes maintaining national identity of regions of the country, is one of the factors of development of rural areas: promotes employment increase of country people, reduction migration of rural youth to megalopolises.

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THE THEORY AND PRACTICE OF FISCAL TRANSPARENCY IN DEVELOPED COUNTRIES AND UKRAINE

O.I. Starik, Y.M. Broslavska (language supervisor)

V.N. Karazin National University, Kharkiv

Starik O.I., Broslavska Y.M. The theory and practice of fiscal transparency in developed countries and Ukraine. The article describes the recent problem of providing public data on finances and ensuring fiscal transparency by the government. The research covers the experience of developed countries, implementation of the theory of fiscal transparency in Ukraine, current problems and ways for their solution.

Key words: finances, fiscal policy, fiscal transparency, public data, Ukraine.

Старік О.І., Брославська Є.М. Теорія та практика прозорості фіскальної політики в розвинених країнах світу та Україні. У статті розглядається актуальна проблема надання державою публічних даних про фінанси та забезпечення прозорості фіскальної політики. Було проаналізовано досвід розвинених держав, впровадження теорії прозорості фіскальної політики в Україні, наявні проблеми та перспективи їх вирішення.

Ключові слова: прозора фіскальна політика, публічні дані, фінанси, фіскальна політика, Україна.

Старик Е.И., Брославская Е.М. Теория и практика прозрачной фискальной политики в развитых странах мира и Украине. В статье рассматривается актуальная проблема предоставления государством публичных данных о финансах и обеспечение прозрачной фискальной политики. Был проанализирован опыт развитых государств, внедрение теории прозрачной фискальной политики в Украине, существующие проблемы и перспективы их решения.

Ключевые слова: прозрачная фискальная политика, публичные данные, финансы, фискальная политика, Украина.

The subject of the study is the theory of fiscal transparency as well as the process of its implementation in various countries of the globe. The purpose of the study is to analyse the key features of fiscal transparency and the

experience of its provision in developed countries and Ukraine. The relevance of the study is determined by the possibility to implement European experience in the sphere of fiscal transparency within the Ukrainian fiscal policy.

Nowadays the key problem of developed countries is providing public data on finances and ensuring fiscal transparency. The economic crisis that affected both Europe and the United States led to careful examination of fiscal policy. It revealed a vast number of problems concerning its implementation and monitoring. Even in the late 1990s after the Asian crisis fiscal transparency was named as an essential attribute of governance.

The International Monetary Fund (IMF) defines fiscal transparency as “the clarity, reliability, frequency, timeliness, and relevance of public fiscal reporting and the openness to the public of the government’s fiscal policy-making process” [4]. However, a more detailed definition was suggested by George Kopits and Jon Craig. They describe fiscal transparency as “openness toward the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections. It involves ready access to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities – whether undertaken inside or outside the government sector—so that the electorate and financial markets can accurately assess the government’s financial position and the true costs and benefits of government activities, including their present and future economic and social implications” [5, p. 1–5].

When rational fiscal management becomes an election issue politicians usually hide the true picture of financial situation in the country. The government often overestimate potential benefits from reforms and tax revenues while underestimating risks, especially in a period of recession, or do not report honestly about the use of government spending. A vivid example of government’s financial manipulations was a sudden revelation of the scale of the Greek deficit in 2009 [2, p. 102].

However, it was proved that a high level of transparency increases voters’ loyalty. A free access to information about political decisions may change social attitude to them. In other words, if voters understand the reasons for tax increases, they are likely to be sympathetic to such a policy.

In economic terms, public financial reporting can provide 205 billion euros to the EU annually or 1.1% GDP growth to the G-20. Particularly, the public sector will get the highest revenues of up to 22 billion euros in 2020 [1, p. 1–2].

The Global Initiative on Fiscal Transparency suggested 10 principles of the implementation of fiscal transparency [7]:

1. Everyone has the right to seek, receive and impart information on fiscal policies. To help guarantee this right, national legal systems should establish a clear presumption in favour of the public availability of fiscal information without discrimination.
2. Governments should publish clear and measurable objectives for aggregate fiscal policy, regularly report on progress against them, and explain deviations from plans.
3. The public should be provided with high quality financial and non-financial information on past, present, and forecast fiscal activities, performance, fiscal risks, as well as public assets and liabilities.
4. The government should inform the public about the goals they are pursuing and the desired results.
5. All financial transactions of the public sector should have their basis in law and be subject to independent review.
6. The Government sector should be clearly defined and identified for the purposes of transparency and accountability. Government financial relationships with the private sector should be disclosed, conducted in an open manner, and follow clear rules and procedures
7. Fiscal functions should be clearly outlined in legislation and distributed between the three branches of government (the legislature, the executive and the judiciary).
8. The legislatures should be provided with the authority to raise taxes and incur expenditure on behalf of the public.
9. The audit of public funds must be carried out by the body completely independent from the executive.
10. Citizens should have the right to participate in public debates and discussions over the design and implementation of fiscal policies.

In 2003, the EU adopted the directive on the re-use of public sector information (“PSI Directive”). It established a legislative framework that regulates the exchange of data between the government and society. In 2013, amendments to the directive were adopted. According to the new edition, all documents provided by public organizations may be reused for any purpose, commercial or non-commercial, except for cases when they are protected by a third party’s copyright. In 2017, the European Commission has launched a public online consultation on the Review of the Directive 2013/37/EU, fulfilling the periodic review obligation prescribed by the Directive [3].

In 2008, the Europe 2020 Strategy was announced. It states that promoting transparency and preventing corruption should be core objectives in all EU policies [6].

In Ukraine, the public financial reporting started in 2014. Initially, it was presented as a public anti-corruption initiative. During 2015–2016 a vast number of financial reporting programs were developed. On September 15, 2015, The Law on the Openness of the Use of Public Funds was adopted. It included diverse commitments focusing on the access to public information, civic engagement, e-governance, and prevention of corruption.

An open-source internet technology (IT) platform “Prozorro” for low-cost public procurement was launched in February 2015. It was designed to reduce risks of corruption and bid rigging. Since 2015 the E-Data portal on public spending has been successfully functioning and implementing the idea of “Transparent budget” [1, c. 6–11].

Joining the Open Data Charter in October 2016 was an important step for Ukraine. In 2016, Ukraine officially joined WTO Agreement on government procurement that enabled a free access to markets of 45 member states.

However, today the fiscal transparency policy in Ukraine has a number of drawbacks:

1. Financial operations of the central government are not subject to reporting;
2. In practice, transparent fiscal strategies are not applied properly and just exist on paper.
3. Lack of proper software and hardware hampers the process of optimizing work with large informational flows.
4. Reports are biased and focused only on positive results of the policy and so on.

Conclusion. A high level of fiscal transparency plays a decisive role in the successful governance, prevention of corruption and conducting reforms in all spheres of national economy. Nowadays developed countries tend to disclose political information about fiscal policy to the public. Open data and fiscal transparency constitute a central component of the reform process in Ukraine. A number of initiatives have already been implemented in this direction. Despite the existing disadvantages, they continue their promising development.

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THE ROLE AND IMPORTANCE OF A BUSINESS PLAN

*D.V. Stepchenko, V.S. Kuzmina (language supervisor)
V.N. Karazin National University, Kharkiv*

Stepchenko D.V., Kuzmina V.S. The role and importance of a business plan. The article deals with research on finding out the main purposes of business plan and its influence on the success of an enterprise.

Key words: business plan, international research on business planning, the necessity of a business plan.

Степченко Д.В., Кузьміна В.С. Роль та значення бізнес-плану. Стаття присвячена дослідженню головних цілей бізнес-плану та його впливу на успішність підприємств.

Ключові слова: бізнес-план, міжнародні дослідження в бізнес-плануванні, необхідність бізнес-плану.

Степченко Д.В., Кузьміна В.С. Роль и значение бизнес-плана. Статья посвящена изучению главных целей бизнес-плана и его влиянию на успешность предприятий.

Ключевые слова: бизнес-план, международный исследования в бизнес-планировании, необходимость бизнес-плана.

The relevance of the chosen topic is grounded by the fact that nowadays, a business plan is becoming an increasingly important document for an entrepreneur. No company will be able to formulate the purpose of its existence or receive funding without a competently developed business plan. If you do not submit a competent business plan, nobody will take your idea seriously. The material of the study was derived from the books and online resources devoted to the problems of business plans functioning. The purpose of this research is to investigate the role and importance of a business plan nowadays.

A business plan is a short, accurate, accessible and understandable description of the alleged business. It is an essential tool when you are considering a large number of different situations, it allows you to select the most promising solutions and determine the means to achieve them [6].

Now in the Western world, it goes without saying that any firm must have a business plan. It is must-have to get a carefully thought-out business plan, which is systematically adjusted in accordance with changing conditions. Its absence in the eyes of foreign partners is a significant disadvantage of the company, reflecting the weakness of the company's management [8].

In domestic practice, a business plan has become widespread since the 1990s, when the transition to a market-based mechanism of investment required changes in the principles of financing capital investments. The development of a new model of investment planning was due, on the one hand, to the reduction of governmental investment, which determined the necessity of finding alternative sources of funding, and on the other hand – to the task of achieving compliance projects, developed by international standards [1, p. 37].

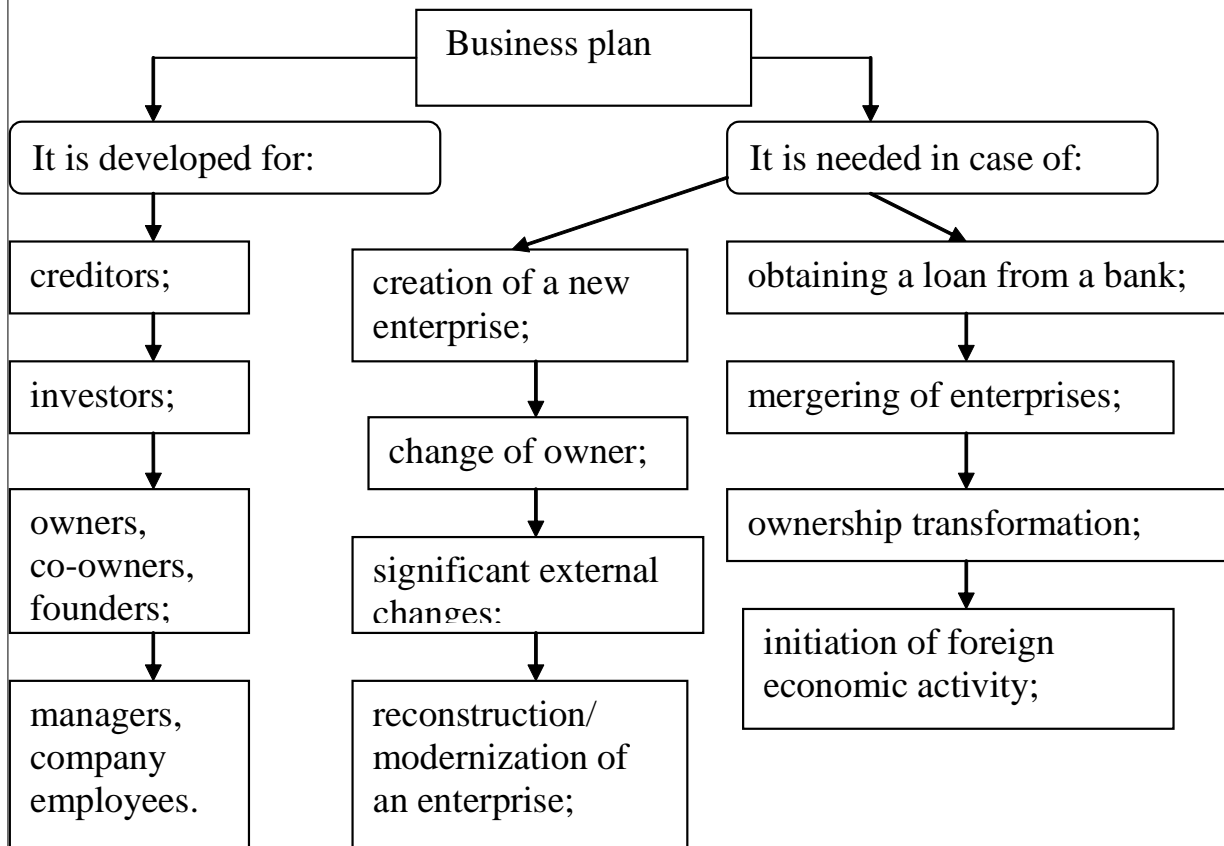
A business plan is developed:

- for creditors, to evaluate the possibility of granting loans to the enterprise, the degree of liquidity and risk of projects;
- for investors to interest them in investing in promising projects;
- for owners, co-owners, founders to evaluate the opportunities and prospects of an enterprise, to set and track goals and objectives, to identify resource requirements, to test their ideas for expediency;
- for managers, company employees – to understand the ideas and implement them in practice and to form a united team for solving the tasks [4].

Traditionally, a business plan is primarily developed for bank-lenders. At most Western banks, as well as in Ukrainian banking institutions, the presentation of a business plan is an indispensable element for making a decision on the allocation of loans, because it gives an opportunity to obtain a general conception of the enterprise [7].

A business plan is needed in the following situations:

- when you need to obtain a loan from a banking institution;
- in case of creation of a new enterprise;
- in case of changing the owner;
- in case of privatization of property of state-owned enterprises, ownership transformation;
- in case of reconstruction and modernization of the enterprise, transition to a new technology, organization of production of new products, affiliates;
- when there are significant changes in the external environment that directly affect the company's activities (for example, strong pressure from competitors, the introduction of new taxes, a sharp decline in sales);
- in case of the introduction of foreign economic activity;
- in case of the merger of existing enterprises and the creation on the basis of this integrated organizational and legal education (association, concern) [5].



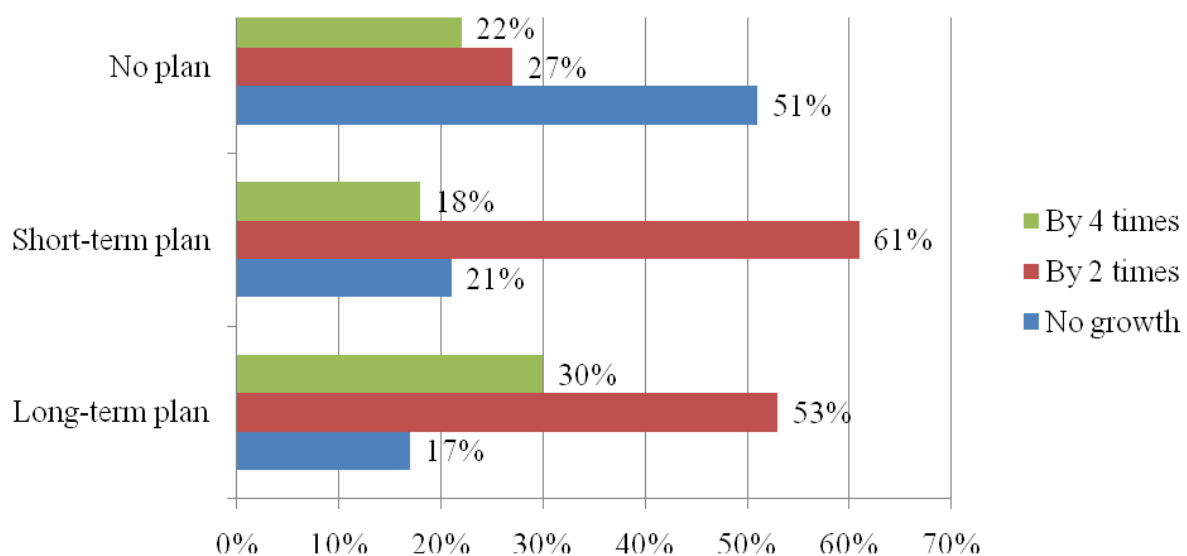
Source: [5].

Picture 1. A Business Plan Assignment Scheme

It has been proven that business planning has had a positive impact on business in the research conducted by the University of the Oregon Economy. The research has shown that a business with a business plan is more successful

than a business without it in two important areas, i. e. financing and business growth. In the first sphere, an enterprise with a business plan achieves by 15% more success than without it, and in the second sphere, the business with the investigated document achieves better results by 28% than without it [2].

The AMX Business Survey, published in 2017, revealed regularity of influence the short-term / long-term business plans on enterprise growth. This study showed that 51% of business projects without business plans did not have any growth, while in the presence of a long-term business plan, there is an increase by 2 times in 53% of enterprises and by 4 times in 30% of enterprises, while in the short-term plans the increase comes to 61% and to 18% respectively.



Source: [3].

Figure 1. The results of the impact of business plans on the enterprise

The founder and director of the Bettane Center for Entrepreneurial Productivity and Economics at Cranfield School of Management, Professor Andrew Burke, states in his works that business plans really add value to businesses, both small and large, and these effects are quite impressive. The growth of an enterprise is increased by 30% as a result of writing business plans [3].

Conclusion. A business plan is a business development plan for the upcoming period, in which the subject, main goals, strategies of an enterprise are formulated. Developing a business plan is necessary to achieve financial success as well as for a long-term and effective work of a firm or enterprise. A modern entrepreneur should be able to determine the prospects of his enterprise, substantiate the expediency of obtaining bank loans and attract

investment, and be prepared for structural changes within the process of production. Planning is an integral part of market economic activity.

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MILITARY BUDGETS OF LEADING COUNTRIES IN THE WORLD AND WAYS OF THEIR DISTRIBUTION

*S.S. Suprunets, I.M. Lavrinenko, PhD (language supervisor)
V. N. Karazin Kharkiv National University*

Suprunets S.S., Lavrinenko I.M. Military budgets of leading countries of the world. Subject and structure of military budgets are considered in the paper. Priority directions of military budgets, factors that influence on the size of military expenditures are determined and analyzed dynamics of military budget distribution.

Key words: maintenance of military personnel, military budget, military expenditures, operations and maintenance, procurement and military construction, research and development.

Супрунець С.С., Лавріненко І.М. Військові бюджети провідних країн світу та напрями їх розподілення. У роботі розглядається сутність, структура військових бюджетів. Визначені пріоритетні напрями військових бюджетів, фактори, що впливають на об'єми військових витрат і проаналізована динаміка розподілення військових бюджетів.

Ключові слова: військові витрати, військовий бюджет, експлуатація та технічне забезпечення, закупівлі та військове будівництво, науково-дослідні та дослідно-конструкторські роботи, утримання особового складу.

Супрунец С.С. Лавриненко И.Н. Военные бюджеты ведущих стран мира и направления их распределения. В работе рассматривается сущность, структура военных бюджетов. Определены приоритетные направления военных бюджетов, факторы, влияющие на объёмы военных расходов, и проанализирована динамика распределения военных бюджетов.

Ключевые слова: военный бюджет, военные расходы, закупки и военное строительство, научно-исследовательские и опытно-конструкторские работы, содержание личного состава, эксплуатация и техническое обеспечение.

The subject of the study is the structure and factors, which influence distribution of military budgets of the USA, the Russian Federation, China, United Kingdom and Germany. The purpose of the study is analysis of military budgets of countries, which have the strongest military forces, and identifying of their main ways of distribution. The relevance of the study is determined by international conflicts acting in the present-day world, existence of which causes increase of military expenditures of belligerents and their geographical neighbours. At the same time, military power is one of the parts of might of a state and depends on financing of military forces and other courses.

According to Cambridge Dictionary definition, defense spending stands for an amount of money spent by a government to provide its military forces with weapon, equipment and soldiers. In compliance with Stockholm International Peace Research Institute (SIPRI), military expenditures include all current and capital expenditures on the armed forces, including peacekeeping ones, defence ministries and other government agencies engaged in defence projects, paramilitary forces when they are to be trained, equipped and available for military operations and military space activities. All of the mentioned categories are typical for military expenditures of all countries, but each of them can be top-priority or low-priority, depending on capabilities and priorities of a certain country [6].

In concordance with the United Nations classification the main lines of national defence financing are personnel expenses (including payments to active military and civilian personnel, reserves and military pensions); operations and maintenance (related to military equipment); procurement (of all kinds of military equipment and ammunition) and construction (of military infrastructure objects, including defence family housing); research and development (inclusively its testing and evaluation) [5].

In the first instance, the analysis of military budgets needs determination of developed countries, which have political muscles in certain regions of the world. These countries are the USA, China, Germany, the United Kingdom and Russia. According to estimates of SIPRI all of these countries were included in top 10 countries, with the highest military expenditures in 2015. USA and China were at first and second positions correspondingly, Russia and United Kingdom placed the fourth and fifth places, and Germany – the ninth one [6].

Military expenditures of the USA in 2015 were equal to 596 024 million USD, and constituted 36% of all military expenditures of the world. The part of it in the amount of 141814 million USD has been spent on personnel and 199 201 million USD – on operations and maintenance. Far less was spent on procurement – 90 357 million USD and research and development – 63 534 million USD. Relatively small amount of money has been spent on the construction – 5 368 million USD. All other finances that aren't used for budgeting main lines, are appropriated on other trivial lines such as: military aid grants, nuclear power, activities related to defence etc. [3].

In such a way, top-priority line for the USA is operations and maintenance; at the second place there are personnel expenditures. Procurement line is on the third place, and less money has been spent on research and development. Nevertheless, the USA has one of the most developed military technologies in the world.

China military expenditures in 2015 were equal to 214 787 million USD and their share in world is 13% [6]. But due to inadequacy of accounting in the country and insufficient economic transformation, it's impossible to find any information concerning certain budgeting lines that year. The most updated official data dates back on 2012, when total military expenditures were equal to 157 446 million USD and were sharply allocated between three directions: personnel, military exercises and logistic support, military equipment. In this case the last direction includes financing research and development [4].

Consequently, in 2012 52 482 million USD was spent on each line. If the main principle of military expenditures distribution in China hasn't been changed in 2015, 71 595 million USD has been allocated to the same lines that year.

Military expenses of Russia in 2015 are equal to 66 421 million USD according to SIPRI data, and 43 595 million USD in response to United Nations (UN) report. Such difference could be explained by the presumption that the country doesn't want to display some information. In compliance with the UN report 8261 million USD has been spent on personnel, 750 million USD – on operations

and maintenance, 18 656 million USD – on procurement and construction and 15 926 million USD has been expended on the category called “other”. However Russia hasn’t provided any information concerning expenditures on research and development. But the difference between total expenditures and the sum of expenses on other lines is equal to 2 million USD [5].

Consequently, among all main lines the biggest share of Russian expenses is devoted to procurement and construction, the second most important one is personnel expenditures. Thereat, operations and maintenance and research and development lines are low-priority.

United Kingdom was the last country in top five in the world military expenditure ranking with 55 460 million USD spent in 2015. This country has spent 31,7% (17 580 million USD) of military budget on personnel, 28,3% (15 695 million USD) - on operations and maintenance and 27,8% (15 417 million USD) has been spent on procurement and construction. The least sum of money has been spent on research and development line, it’s just 8,2%, that is equal to 4 547 million USD, and 4% (2 218 million USD) on other items [7].

Therefore, given country spends almost a third part of finances, assigned to military needs, on personnel and just a little less on operations and maintenance and procurement and construction, when research and development lines have been financed as low-priority.

According to the UN report on military expenditures, Germany assigned to its defence 35 358 million Euro (40 108 million USD) in 2015. 20 667 million USD has been spent on personnel and 12 787 million USD – on operation and maintenance. The country has spent comparatively less on procurement and construction – 5 638 million USD, and just 1 015 million USD – on research and development [5].

We can draw a conclusion that Germany assigned most on service of personnel and military equipment. Much less has been spent on procurement and maintenance, and the least part has been spent on research and development items.

The given analysis would have been impossible without a system of compulsory standardized reports that should be annually provided by the UN members to the United Nations Office for Disarmament Affairs (UNODA). Of course, military expenditures are a category of government assignments that is usually distorted or classified by the majority of the countries. Nevertheless, data on military expenses is now structured and available for a huge number of people worldwide in all the UN official languages: Arabic, English, French, Chinese, Russian and Spanish.

Firstly, accessibility of such information influences possibility of scientific researches in this sphere. Nowadays, people from different regions: students, their instructors and scientists can use data on military expenditures for their academic papers.

Secondly, military officers, diplomatic officials and politicians can turn to it for their personal tasks as well as for solving problems of national or world standing. Of course, people of such profession may have more detailed information of such type, but the mentioned data may be a good basis for analysis. At the same time availability of such data may allow to detect militarization of economies or warlike preparations, that is very important not only for particular countries, but for the world community in whole [6].

Conclusion. On the basis of the foregoing, we can claim, that the USA is a leader as for the amount of military expenditures, as the sums which this country invests in military forces are unattainable for other economies, even for the Chinese economy which is the second one in the world. Russia, the United Kingdom and Germany have much lower expenditures. Among the three countries the highest personnel expenditures can be seen in Germany – 20 667 million USD. United Kingdom has spent the most on operation and maintenance that year. And among these three countries Russia has spent the most on procurement and construction.

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THE COMMON EUROPEAN EDUCATIONAL POLICY AT THE BEGINNING OF THE 21ST CENTURY

*Y.M. Svintsov, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Svintsov Y.M, Zmiyova I.V. The common European educational policy at the beginning of the 21st century. This article examines the European Union programmes for improving the system of high education and the implementation of innovations into this area such as “Europe 2020” and “Erasmus plus” as well as the combination of European reforms. The other key aspect of the article is the analysis of trends and prospects of the common educational space which is the EU’s main target in improvement of education quality.

Key words: “Erasmus Plus”, “Europe 2020”, the common educational space, the European Union, the introduction of innovations, the quality of education.

Свинцов Є.М., Зміїова І.В. Єдина політика ЄС у галузі освіти на початку 21 сторіччя. У статті розглядаються освітні програми ЄС з покращення якості освіти та впровадження інновацій в цю сферу, такі як «Європа 2020», «Еразмус плюс», а також комплекс європейських реформ. Другим ключовим аспектом статті є аналіз тенденцій та перспектив розвитку єдиного освітнього простору, що є головною ціллю ЄС в сфері освіти.

Ключові слова: «Еразмус плюс», «Європа 2020», європейський союз, єдиний освітній простір, інновації, якість освіти.

Свинцов Е.Н, Змиева И.В. Единая политика ЕС в сфере образования в начале 21 века. В статье рассматриваются образовательные программы ЕС по улучшению качества образования и внедрения инноваций в эту сферу, такие как «Европа 2020», «Эразмус плюс», а также комплекс европейских реформ. Вторым ключевым аспектом статьи является анализ тенденций и перспектив развития единого образовательного пространства, которые являются главной целью ЕС в сфере образования.

Ключевые слова: «Европа 2020», Европейский Союз, единое образовательное пространство, инновации, качество образования, «Эразмус плюс».

The subject of the study is the EU’s common education policy. The purpose of the study is to analyse the evolution of the education policy of the EU and describe the main trends and prospects of the development of

education in the EU. The actual value of the study is determined by the increasing role of education in the modern world. New educational programs are being created and improved almost every day. These programs allow millions of students go abroad and study.

One of the issues on the agenda of the European Union countries is to improve the quality of education. EU member states has signed a number of important documents in the educational sector including the «Program of Actions for Education and Training 2010», «Continuing Education Program» and «Strategic frames for European Cooperation in Education and Training». The European Union is planning to expand its activities on the basis of new strategic plans covering the period up to 2020. The main goal of the European Union is determined by the Europe 2020 strategy. In particular, on May 12, 2009, the Council of Ministers of Education of the European Union in Brussels adopted a new document for strategic cooperation in the sphere of education and training for the period up to 2020: «Strategic frames for European countries. Cooperation in education and training (ET 2020)». This document identifies four strategic objectives: ensure continuous education and mobility; improve the quality and efficiency of education and training; promote social cohesion, active civic position; encourage innovation and creativity at all levels of education and training [1].

The European Union attaches particular importance to the implementation of the educational and training direction of the EU 2020 Strategy. The target of this strategy is to update and improve the higher education system in the EU countries. It was prepared and published in September 2011. This strategy implies the qualitative modernization of the educational sphere by implementation of innovative approaches, increasing investments in the sphere, formation of qualified labor market, job creation, increasing the employment level among young people. All these points will be implemented through the new EU program “Erasmus plus”.

Ukraine, having the same goals, joined the EU program “Erasmus plus” in 2014, and became a partner country. In order to increase the information presence of the EU program in Ukraine, in autumn 2014, the “Erasmus plus Ukraine” network was established in Kyiv and regions of Ukraine, which provides the necessary advisory support to Ukrainian applicants for participation in program contests [2].

As the determining priority directions for creation the common European educational space in the sphere of education is the development of multicultural education, the scientists, politicians, statesmen in EU countries are working

hard towards approaching the dialogue and mutual understanding between representatives of different cultures of the European space. The network of the European countries lead to a creation of the multi-language environment and necessity of determining certain principles and rules of coexistence of separate member states.

There has occurred a necessity of implementation of organizational and technical measures in management of multi-language process that has been named “multilingualism management”. There has also been created “EU language regime”. So far, linguistic issues are a separate priority area of EU activity, which has the official name «EU Language Policy» [3].

The development of modern society is impossible without close cooperation of peoples and states. In the 21st century International cooperation has become most widespread, which is primarily due to globalization processes, internationalization, democratization of governance and integration into a common economic, political, socio-cultural space in Europe. The leading role in the creation of the united Europe belongs to the field of higher education, because through its efforts, the formation of a person of «European type» – a person who is well-educated and able to translate his or her knowledge into practical life not only within the limits of his country but also all over the world. All this shows the necessity of modernizing the state administration of higher education of Ukraine to adapt it to European norms [4].

At the end of the XX and beginning of the XXI century every country in Europe and the world is looking for ways to improve the quality of higher education in correspondence with the new socio-economic needs and expectations of society. One of the most important spheres of European integration is higher education where it acquired the forms of the Bologna process. Today 46 European countries including Ukraine are its participants. In addition, a significant number of international organizations support the idea of this process and promote its implementation. The Bologna Process is a process of European reforms aimed to create a common sphere of European higher education. The Bologna process was officially launched in 1999 with the signing of the Bologna Declaration. A premise for its creation was the signing of the Charter of the European Universities. The end of the twentieth century and beginning of the twenty-first century is the period of quick development of the higher education sector in Ukraine: the number of students was nearly the same as in the leading European countries such as Germany, Great Britain, France and Italy; the number of young people who enter higher education institutions increased significantly; the direction of state

educational policy is aimed at the formation of a developed and self-sufficient person, a professional.

A harmonious development of society requires a balanced combination of both material and spiritual in it, as the degree of development of these factors determines the degree of development of society as a whole. Therefore, one of priority social functions of any state is the construction and continuous improvement of the education system, keeping it in line with changing demands of society, and, therefore, its effectiveness. This suggests that education issues will always remain relevant [2].

International experience of the society development indicates the increase of the role of knowledge, the importance of the higher education system for the successful development of market economy. In this way, investment in human capital can generate high profits. Taking into account the fact that at the present stage of its development Ukraine is not the country with the most advanced technologies, which seeks for radical innovations achieved only through active research activities; the employment of graduates does not allow the national economy to receive high profits from attracting specialists with higher education.

The European Council has set three strategic objectives for education:

- 1) increase the quality of education and training;
- 2) increase its efficiency;
- 3) increase the level of access to education.

Conclusion. One of the main goals of the European Higher Education space is to harmonize and consolidate the efforts of all the parties concerned in the educational process and the stakeholders involved in the state, employers, citizens in ensuring the high quality of education, which must meet the current demands of the labor market, the development of an innovative society based on knowledge, and the idea of ??education as a common good. Achievement of this goal is possible only in the context of dialogue and partnerships as a way of interaction in which all parties can express their interests and reach agreement on joint actions in the development and implementation of the agreed standards for quality education and the recognition of diplomas and periods of training on this basis.

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THE ENGLISH LANGUAGE IN UKRAINE: PROBLEMS AND OPPORTUNITIES

*O.O. Symonenko, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Symonenko O.O., Zmiyova I.V. The English language in Ukraine: problems and opportunities. The article describes the situation with the knowledge of English among the population of Ukraine. The research covers the description of problems in the development of English language in the Ukrainian society; describes the benefits of high level of English proficiency for the economy of Ukraine and examines the methods of improving the current situation.

Key words: economy, english proficiency, Ukraine.

Симоненко О.О., Зміїова І.В. У статті розглядається ситуація зі знанням англійської мови серед населення України. Дослідження включає в себе опис проблем в розвитку англійської мови в українському суспільстві; описує переваги високого рівня володіння англійською мовою для економіки України та розглядає методи покращення ситуації, що склалась.

Ключові слова: економіка, рівень володіння англійською мовою, Україна.

Симоненко А.О., Змієва И.В. В статье рассматривается ситуация со знанием английского языка среди населения Украины. Исследование включает в себя описание проблем в развитии английского языка в украинском обществе; описывает преимущества высокого уровня владения английским языком для экономики Украины и рассматривает методы улучшения сложившейся ситуации.

Ключевые слова: Украина, уровень владения английским языком, экономика.

The subject of the study is the status of the English language and the level of its proficiency in Ukraine. The purpose of the study is to explain how it could affect the economy of Ukraine. The actual value of the

study is determined by the ongoing European integration of Ukraine and by the importance of the English language in the modern world.

According to the results of an online study by Kantar TNS Company (TNS) made back in 2015, 89% of those surveyed were learning English, but only 18% of them spoke it at an above-average level [3]. In comparison with European countries, Ukraine lags behind in the readiness of the population to communicate in a foreign language. Eurobarometer data «Europeans and their languages» show that more than half of the inhabitants of EU countries know at least two languages, and 38% of Europeans are fluent in English. Best of all, according to the latest Education First (EF) English Proficiency Index (EPI), among the European countries English is best known in the Netherlands (71.65% of the population), Sweden (70.40%), and Denmark (69.93%). At the same time, Ukraine is on the 47th place in this index (50.91%), right after Chile and Bangladesh. Unsurprisingly, this counts as a “low” level of English proficiency [5].

On the way of Ukraine to the European Union, the topic of foreign languages in the state is becoming more and more important. One of the objectives of the EU’s language policy is that every European citizen should speak two foreign languages in addition to their native language. Ukrainians, in their turn, understand the need to know languages – 2/3 of respondents assured that they plan to study them. The most popular among foreign languages is English – half of the respondents are to study it, and 97% would like children to study it [3].

Knowledge of foreign languages opens up a number of new opportunities for people. More than half of respondents believe that a foreign language can provide them and their children with the opportunity to communicate freely with other people. At the same time, 43% believe that knowing a foreign language allows you to get higher salaries in Ukraine [3].

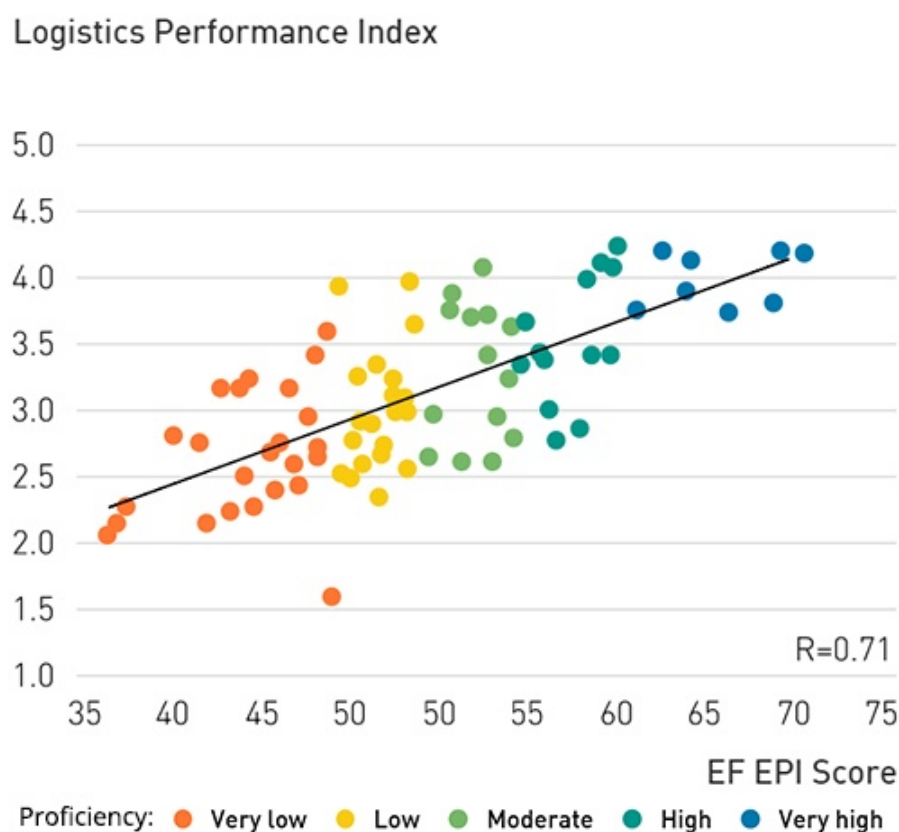
The Council of Europe considers the knowledge of a foreign language a key competence for successful employment and participation in a civil society. In Ukraine, knowledge of a foreign language is increasingly becoming one of the mandatory requirements for hiring. According to the recruitment portals, 12% of the vacancies posted on their website require the knowledge of the English language [3].

However, speaking English is not just a benefit for an employee. Statistics show that the more people know English in a certain state the better it is for national economy as a whole. Most countries depend more and more on international trade. International trade represents more than 30% of world GDP right now – compared to 20% just twenty years ago. The English language,

mainly, acts as a common language necessary for doing business around the world. There is a close relationship between the English language proficiency and many economy indicators [5].

First of all, countries with best logistic efficiency also happen to be countries with the highest EPI. This cannot be a mere coincidence. It is only natural that speaking a common language increases the efficiency of exporting, importing and transiting different goods. Moreover, this is a very important factor for Ukraine, considering the extremely good geographical location of our country and its transit potential.

Figure 1 shows the correlation between Logistic Performance Index (LPI) and English Proficiency Index (EPI) in different countries [7]:



Source: World Bank [7].

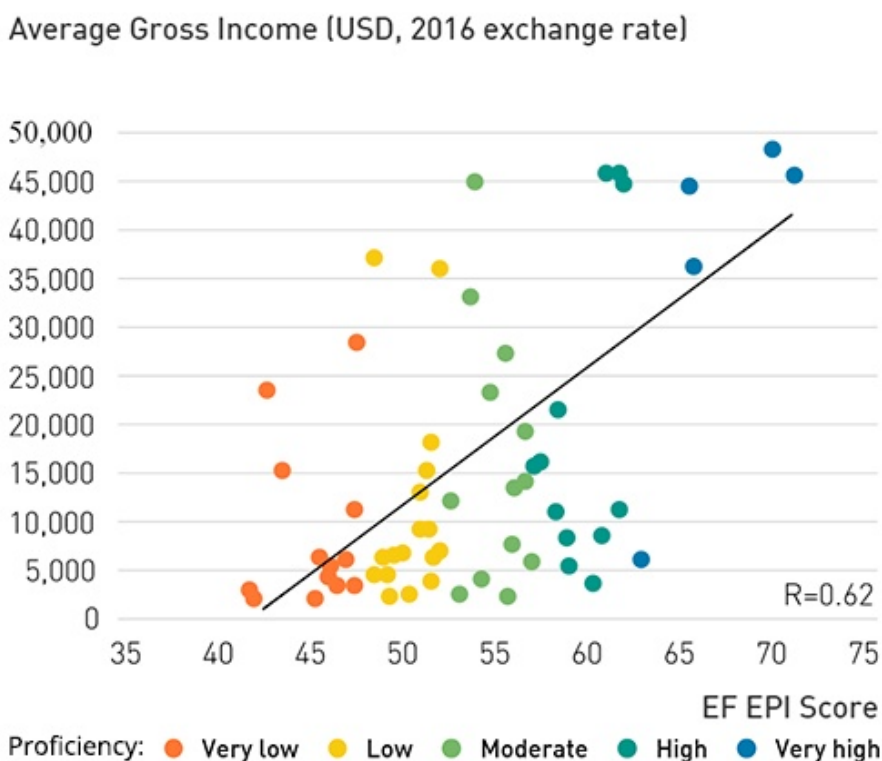
Figure 1. The correlation between LPI and EPI

While entrepreneurs may not need English to conduct business at the national or local level, an increasing number of enterprises operate at the international level: as a global supply chain, consumers of finished products or competitors for enterprises with similar activities abroad.

In addition, for economies around the world higher English proficiency comes with significant benefits. English proficiency correlates with Gross Domestic Product (GDP), Average Gross Incomes (AGI), and other key

economic indicators (see Figure 2). For developing countries like Ukraine, the transition from manufacturing to a knowledge-based economy requires adults with strong English skills who are able to collaborate internationally. Thus, improving the level of knowledge of a foreign language can become a powerful tool for Ukrainian transformation and provide a wide range of opportunities for Ukrainians in the world [6].

Fortunately, there are already some positive changes in this direction. Back in 2015, the President Petro Poroshenko announced that year 2016 would be the year of the English language. And some improvements were definitely made. At the end of 2015, the law «On Public Service» adopted a requirement for knowledge of English by state and public officials. The Administration of the President says that with the support of the British Council and Ukraine-NATO program 1396 state and public officials improved their level of English and 599 received the A-1 and A-2 basic levels of English [2]. Also, according to the later TNS researches, 34% of people studying English began learning it in 2016 [3].



Source: *Euromonitor International* [5].

Figure 2. Correlation between AGI and EPI in different countries

To raise the level of foreign languages proficiency in Ukraine, the studying, teaching and evaluation should be done according to the CEFR (The Common European Framework of Reference) standards, says the Ministry of Education. The first step towards changing the education system in the field of foreign languages is working with teachers. English teachers were prioritized in rising

salaries to lure them from private sector back to government schools. Combined with the new teaching standards developed with the help of the British Council this is supposed to improve the English education quality in Ukraine [2].

In addition, GoGlobal initiative started the “Ukraine’s speaking” program. All activities of the “Ukraine’s speaking” campaign are aimed at the implementation of four components:

- √ Creation of the National program of popularization of knowledge of foreign languages;
- √ Implementation of foreign languages into the system of the State Service;
- √ Introduction of new standards of study and evaluation in the system of secondary and higher education;
- √ Launching a nationwide program of inviting foreign language speakers to Ukraine [1].

C o n c l u s i o n . Currently the situation with English proficiency in Ukraine is dire. In order to continue the European integration and to increase the economic growth of Ukraine it has to be significantly improved. It is undeniable that high English proficiency today is a necessary condition of successful economy in terms of globalization, especially for a European country like Ukraine. Our government has already made some steps in the right direction, but if it is enough is yet to be seen.

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DIE ROLLE DER MASSEN MEDIEN IN DER BILDUNG DES INTERNATIONALEN ÖFFENTLICHEN GEDANKENS

*Y.V. Sytnyk, T.V. Krupkina (wissenschaftlicher Betreuer)
Nationale Wassyl Karasin Universität, Charkiw*

Sytnyk Y.V., Krupkina T.V. The role of mass media in the forming of international public opinion. The article studies the phenomenon of international public opinion and provides a review of the mechanisms of the influence of the mass media on its formation. The phenomenon of creation of political stereotypes in a modern society **is analyzed.**

Key words: international, mass communication, mass media, public opinion, stereotype.

Ситник Ю.В., Крупкіна Т.В. Роль ЗМІ у формуванні міжнародної громадської думки. У статті досліджено феномен міжнародної громадської думки та подано огляд механізмів впливу засобів масової інформації на її формування. Проаналізовано явище створення політичних стереотипів у сучасному суспільстві.

Ключові слова: громадська думка, засоби масової інформації, масова комунікація, міжнародний, стереотип.

Ситник Ю.В., Крупкіна Т.В. Роль СМИ в формировании международного общественного мнения. В статье исследован феномен международного общественного мнения и представлен обзор механизмов влияния средств массовой информации на ее формирование. Проанализировано явление создания политических стереотипов в современном обществе.

Ключевые слова: массовая коммуникация, международный, общественное мнение, средства массовой информации, стереотип.

Die Aktualität des Themas ist dadurch gekennzeichnet, dass die Massenmedien in der modernen Gesellschaft undeutliche Position belegen. Einerseits sind sie beauftragt, das Publikum zu informieren, indem sie objektive Information vermitteln. Andererseits haben die Massenmedien einen starken Einfluss auf das Massenpublikum, was sowohl durch Kontaktanknüpfen als auch durch Kontrolle über die Gesellschaft ausgedrückt wird.

Das Objekt der Forschung ist der öffentliche Gedanke. Der Gegenstand der Forschung ist der Einfluss der Massenmedien auf das internationale Bewusstsein in der Gesellschaft in der modernen Zeitperiode.

Das Ziel der Forschung besteht in der Feststellung der Rolle, die die Massenmedien bei der Bildung des öffentlichen Gedankens spielen.

Der öffentliche Gedanke ist der Zustand des Massenbewusstseins, das sowohl das Verhalten gegenüber den öffentlichen Menschen beinhaltet, als auch gesellschaftliche Beziehungen regelt, indem bestimmte Verhaltensnormen bewusstlos beigebracht werden. Er entsteht innerhalb eines menschlichen Kollektivs, der zusammen ein bestimmtes Problem bespricht. Die Menschen stützen sich auf ihre persönlichen Urteile. Trotzdem sind ihre Gedanken viel von den kollektiven Besprechungen abhängig [10].

O. Mitkina unterscheidet folgende kennzeichnende Merkmale des öffentlichen Gedankens während dessen Definierung bezüglich der bestimmten Frage:

- die Ausrichtung, die die gesamte qualitative Problemeinschätzung reflektiert, Verhältnis dazu als Urteile wie „positiv – negativ – egal“, „dafür – dagegen – nicht entschieden“;
- die Intensität ist ein Zeugnis davon, welche Stärke der öffentliche Gedanke unabhängig von seiner Richtung erwirbt. Als Form für Intensitätsabmessung können Fragebogenantworten wie „völlig einverstanden – einverstanden – egal – nicht einverstanden – gar nicht einverstanden“ dienen;
- die Stabilität, die die Zeitdauer bezeichnet, während deren die meisten Menschen dieselbe Gefühlsrichtung und – intensität feststellen;
- die informative Sättigung demonstriert, welchen Wissensumfang die Menschen der bestimmten Frage gegenüber haben;
- die soziale Unterstützung zeugt vom Sicherheitsgrad der Menschen darin, dass ihren Gedanken auch andere Menschen teilen [5, S. 48–49].

Auf Basis dieser kennzeichnenden Merkmale wird die Studienmethodologie des öffentlichen Gedankens gegründet. Traditionell werden unterschiedliche Umfragen, Beobachtungen, Analyse der Dokumentarquellen benutzt.

Das Phänomen des öffentlichen Gedankens soll als ein bestimmtes System vorgestellt werden, das eine deutliche Struktur hat. In seinem Buch „Rechtsphilosophie“ bestimmte der berühmte Philosoph G. Hegel eine Reihe von Struktureinheiten des öffentlichen Gedankens:

1. das Subjekt, das im Kontext der internationalen Beziehungen als Weltöffentlichkeit auftritt;
2. das Objekt ist das, worum der öffentliche Gedanke herumgebildet wird;
3. die Existenzbedingungen des öffentlichen Gedankens;

Der Soziologe B. Gruschyn stellt fest, dass, erstens, sich der öffentliche Gedanke nur hinsichtlich der Fragen entwickelt, die viele Menschen aufregen und ihre Interessen berühren. Zweitens sollen sich die Gesichtspunkte hinsichtlich eines bestimmten Problems unterscheiden, sonst macht seine

Untersuchung keinen Sinn. Drittens sollen die Menschen bestimmte Vorkenntnisse im Bereich des Problems haben, indem sie eine wichtige Frage besprechen [2, S. 39].

4. der Meinungscharakter, der als der öffentliche Gedanke auftritt, d.h. soziale Bewertung [1].

Daraus lässt sich die Schlussfolgerung ziehen, dass das Subjekt des öffentlichen Weltgedankens die Bevölkerung des Planeten ist, die als „Gedankenschöpfer“ auftritt. Die Vertreter dieser Gedanken sind engere gesellschaftliche Gruppen: Staaten und Völker, Weltorganisationen und Unionen, politische und öffentliche Persönlichkeiten, einzelne Bürger. Was das Objekt des internationalen öffentlichen Gedankens angeht, hängt es viel davon ab, unter welchen Bedingungen sich öffentliche Gedanken entwickeln und funktionieren.

Die Bildung des öffentlichen Gedankens ist ohne Feststellung der Kommunikationsverbindungen unmöglich. Die Massenkommunikation stellt Verbreitung von Mitteilungen innerhalb großer menschlicher Gruppen dar, um geistliche Werte der Gesellschaft zu festigen sowie um diese Werte, Gedanken und Verhalten der Menschen zu beeinflussen [9, S. 22].

Heutzutage erwerben die Massenmedien im System der Massenkommunikation immer mehr Wert. Die Massenmedien sind Anstalten, die die öffentliche Information mittels spezifischer technischer Mittel vermitteln. Als Folge derer Entwicklung sind drei Systemuntertypen der Massenmedien entstanden: gedruckte Medien, Radio und Fernsehen und seit Kurzem wird noch auch das Internet dazu gezählt [7].

Heute eben die Massenmedien geben große Möglichkeiten, ständig etwas Neues zu erlernen sowie die neuesten Nachrichten aus jedem Erdteil zu bekommen. Am meisten aber ist der Mensch nicht in der Lage, die Richtigkeit der von ihm erworbenen Information zu bekommen, deswegen glaubt jeder an die Richtigkeit der oder anderer Information. Das nutzen die politischen Kräfte der Gesellschaft, um einen Einfluss auf das Bewusstsein und auf die Tätigkeit der Menschen auszuüben. Deswegen spielen die Massenmedien eine gefährliche Rolle, wenn die Information tauscht ihre ursprüngliche Funktion der Bevölkerungsinformierung auf die Funktion der Aufgabenerfüllung in Bezug auf Formierung bestimmter Vorstellungen, Ansichten, Gedanken aus.

D. Gurzhij sondert folgende Stufen der Formierung des öffentlichen Gedankens mithilfe der Massenmedien aus:

- Ein Individuum nimmt Information wahr;
- Es zieht Schlussfolgerungen und beurteilt die bekommene Information

aufgrund der gegebenen Kenntnisse, Erfahrung, Analysefertigkeit;

- Es tauscht die gegebenen Informationen sowie Folgerungen mit anderen Menschen aus;
- Ein bestimmter Gedanke von einer kleinen Menschengruppe wird gebildet;
- Die Gruppen tauschen Informationen und Gedanken aus, indem sie die Gedanken der sozialen Schicht bilden;
- Folglich entstehen der gesamtvölkerliche, und dann der internationale öffentliche Gedanke [3].

Für Formierung des notwendigen öffentlichen Gedankens benutzen die Massenmedien eine große Palette von Manipulierungsmethoden. S. Karamura sondert einige davon ab:

- Ein Griff „Gesamtplattform“ – eine Zusammenstellung von Ausdrücken, die bei einem Menschen einen Eindruck schaffen, als ob auf solch eine Weise alle handeln würden. Eine Mitteilung, zum Beispiel, kann mit *folgenden Worten beginnen*: „*Alle normalen Menschen verstehen, dass...*“; oder „*Kein adäquater Mensch wird verneinen, dass...*“. Dank dem „Gesamtplattform“ fühlt der Mensch die Überzeugung davon, dass die meisten Gesellschaftsmitglieder dieselbe Meinung haben;
- Die Nutzung von Gerüchten und Vermutungen in einer ungeklärten politischen oder sozialen Situation;
- Verschweigen der Fakten;
- Mehrmalige Wiederholungen, anders „Methode von Gebbels“ genannt, wenn die offene Lüge möglichst mehrmals wiederholt wird, damit das Publikum daran glaubt;
- Ein Griff „Abstempeln“. Dieser Griff besteht in der Wahl der peinlichen Ausdrücke sowie Namen, um einen Menschen oder eine soziale Erscheinung zu benennen, was negativ beurteilt wird, um den Besprochenen vor der Öffentlichkeit zu verderben [4, S. 104].

Ein gleicher Griff zum Griff „Abstempeln“ ist Schaffen politischer Stereotype. Der Begriff „Stereotyp“ wurde 1992 von einem amerikanischen Journalisten, dem Berater der US-Präsidenten U. Lippmann eingeführt. Das ist die Erscheinung des Bewusstseins, die auf Basis des menschlichen Strebens danach gründet, seine Wahrnehmung, Verständigung sowie seine Beurteilung der umgebenden Welt zu vereinfachen [8, S. 96].

Stereotype stören den selbstständigen Gedanken hinsichtlich einer bestimmten Erscheinung zu bilden sowie sie objektiv zu beurteilen. Das wird aktiv von den Massenmedien benutzt, indem sie den öffentlichen Gedanken *manipulativ beeinflussen*. Ein Beispiel dafür: „*Während der Besprechung*

des militär-politischen Konflikts in Südossetien 2008 wurden Stereotype der Wahrnehmung von Russland als eines feindlichen, aggressiven Staates benutzt. Deswegen hat die Presse solche expressiv gefärbte Ausdrücke in seine Adresse benutzt, wie: „Russland führt einen Kiberkrieg“, „militärischer Eindrang Russlands“, „russische Militärflugzeuge fielen georgische Bewohner in Tshinwali an“, „Russland begann militärische Handlungen in vollem Maße“ usw., obwohl in der Realität Georgien diesen Konflikt verursacht hat [11].

Wie kann sich die internationale Öffentlichkeit gegen den Einfluss der Propaganda wehren? Das Europarlament hat eine Strategie des Kampfes vorgeschlagen:

- Zuschlagsfinanzierung zur Freiheitsunterstützung der Massenmedien;
- Einführung des Plans der Strategischen Kommunikation – Synchronisierung und Koordinierung von allen Massenmedien;
- Anwerbung der Initiativen in Bezug auf den Kampf gegen Desinformierung;
- Betonung der Wichtigkeit der professionellen journalistischen Ausbildung, um die Menschen mit hochwertigen analytischen Materialien zu beschaffen [6];

Als Schlussfolgerung sollte erwähnt werden, dass indem die Massenmedien unterschiedliche Methoden der Bewusstseinsmanipulation benutzen, geben sie den Menschen bestimmte Orientire auf, damit die erwünschten Vorstellungen über ein bestimmtes Subjekt in den internationalen Beziehungen erreicht werden. Die Massenmedien konzentrieren die Massenaufmerksamkeit auf die dramatischsten Ereignisse, indem der reale Situationszustand in der Welt verschlechtert wird. Deswegen sind und bleiben die Forschungen der Rolle der Massenmedien in der Bildung des öffentlichen Gedankens ein aktuelles Weltproblem.

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**THE PROBLEMS
OF THE DEVELOPMENT
OF BUSINESS TOURISM
IN THE WORLD, AND ITS POTENTIAL
OF THE DEVELOPMENT IN UKRAINE**

*A.P. Teslenko,
O.V. Evtushenko, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Teslenko A.P., Evtushenko O.V., Saprun I.R. The problems of the development of business tourism in the world, and its potential of development in Ukraine. The main trends of business tourism development based on world statistics have been considered. The main problems of its development have been identified and listed. The importance of the quality of business trips in world practice has been grounded. The prospects of the development of business tourism in Ukraine have been offered based on world experience.

Key words: business tourism, business trips, prospects of the development, statistics, world practice.

Тесленко А.П., Євтушенко О.В., Сапрун І.Р. Проблеми розвитку ділового туризму в світі та потенціал розвитку в Україні. В статті розглянуто основні тенденції розвитку ділового туризму на основі світової статистики. Встановлено та перераховано основні проблеми його розвитку. Обґрунтовано важливість якості відряджень у практиці світової туристичної індустрії. Висунуто перспективи розвитку бізнес туризму в Україні, застосовуючи світовий досвід.

Ключові слова: діловий туризм, відрядження, перспективи розвитку, світовий досвід, статистика.

Тесленко А.П., Евтушенко Е.В., Сапрун ИР. Проблемы развития делового туризма в мире и потенциал развития в Украине. В статье рассмотрены основные тенденции развития делового туризма на основании мировой статистики. Установлены и перечислены основные проблемы его развития. Обоснована важность качества командировок в практике мировой туристической индустрии. Предложены перспективы развития бизнес туризма в Украине, используя мировой опыт.

Ключевые слова: деловой туризм, командировки, перспективы развития, потенциал развития, статистика.

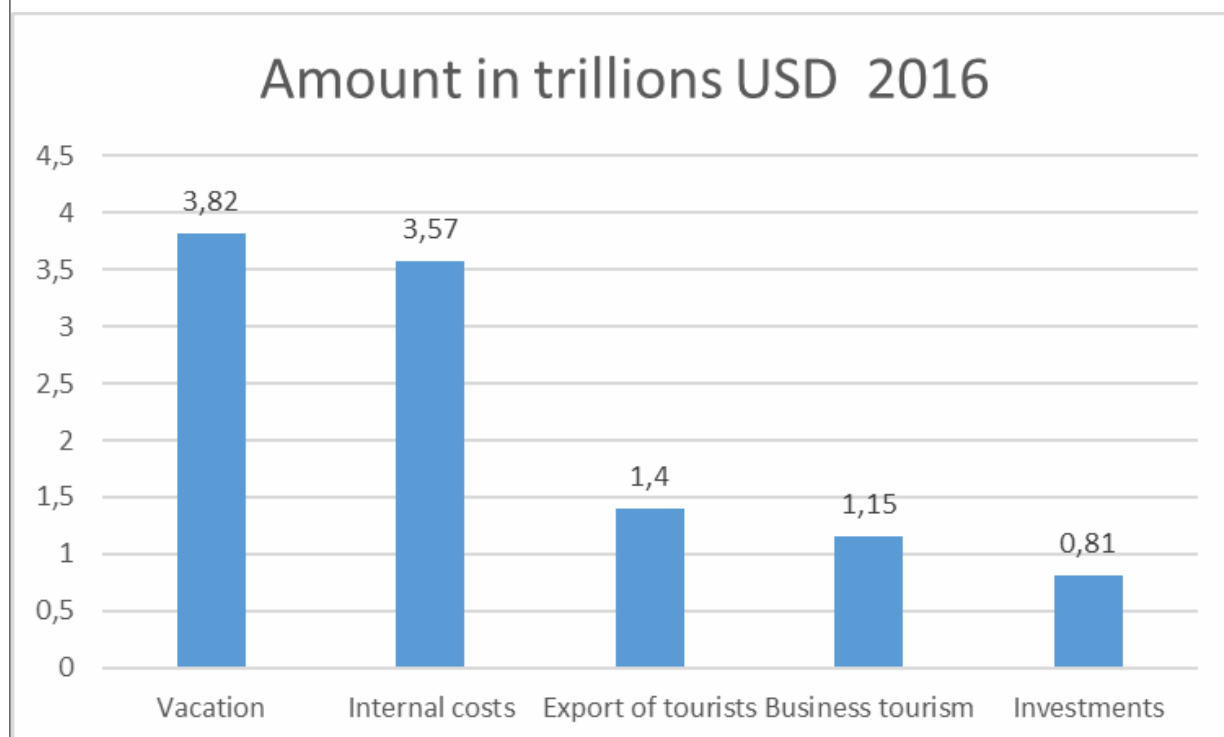
The object of this study is business tourism. The subject of the study is the development of business tourism in the world in recent years. The purpose of the study is to identify the main trends and problems of development of business tourism in the world. The perspectives of this study are possibilities of transferring experience to Ukraine.

Tourism is one of the most workable and profitable economic sectors worldwide. Therefore, it occupies leading places in socio-economic development programs of many countries alongside with food industry, basic industry, education, agriculture. As business grew rapidly in XX century it has become one of the most important parts of international tourism market.

Both foreign and Ukrainian scientists have examined the necessity of business tourism development. The features of its formation have been examined by such researchers as V. Nikiforov, M. Byrjakov, O. Smirnova, L. Volkova, A. Krylov, M. Gasiiev, G. Papiryan, J. Svarbrook, S. Horner, M. Vanneste, R. Freeman, N. Evans, R. Davidson, J. Stonehouse, D. Campbell and others. However, in national scientific literature the theory and practice of business travel has not been fully investigated. The classification of the prospects and forms of tourism, their current state and the issues of international business tourism development have been studied by S. Grynko, O. Lubitseva, M. Sasina, I. Padnyak, S. Nikitenko, I. Prohorchuk, V. Fedorchenko. The ourpose of the article is to figure out the features and business tourism tendencies at the current stage.

The most complete definition of business tourism has been given by O.A. Smirnova: «business tourism is a combination of relationships and appearances, which occurs during the movement of people and their location changing during working hours, the main reason of which is visiting and participation in various types of business meetings, congresses, conferences exhibitions, fairs and events in places that are different from their usual place of residence and work» [9].

According to the World Statistics website, we have found and analysed the following data (Pic. 1):



Pic. 1. Total expenses in tourism sector in the world in 2016 [10]

This bar chart shows the contribution of travelling and tourism to the world economy in 2016 according to the types of its expenditure. The domestic travel and tourism costs in 2016 amounted to about 3.57 trillion US dollars for the world economy. As for business travel, the cost was only 1.15 trillion US dollars. However, it should be noted that the segment of business trips is more stable than the trips for recreation or entertainment. In comparison with the previous year in 2016 the growth of expenses was about 7.1%, according to preliminary estimates, the growth in 2017 and 2018 will be 6.9% and 6.4% respectively [10].

Regarding the geographical distribution, much of the cost fell on several dominant markets. In fact, two third of all business travel expenses were spent in the United States, China, and a number of countries in Western Europe

(Germany, Great Britain, France, Italy, and Spain). At the regional level, the Asia-Pacific region won and retains leadership in terms of business travel (38% of world business tourism falls on the Asia-Pacific Economic Cooperation (APEC)). The following countries entered the top 10 business travel markets in 2015 growth rates: China, Russia, Germany, India, the USA, South Korea, Brazil, France, Australia, and Canada.

Ukraine being far from the top ten in terms of business tourism, its situation in the industry is not catastrophic, despite the general unfavourable political and economic context. According to the opinion of the president of the Association of Business Tourism in Ukraine Vadim Grabarchuk, business tourism in Ukraine suffered less than the whole tourism industry in 2014. The fall in the corporate segment was about 25–30%, which was slightly lower than in the tourist market in general (about 33%) [11]. This proves that the segment of business tourism is less dependent on the geopolitical state of the country, and some experts believe that the crisis situation in the country is the best ground for the development of this tourist segment.

India can be presented as one of examples. The GBTA Foundation (Global Business Travel Association) for India reports that rising business travel costs in 2016 was 11.4%, which forecasts to further 11.6% in 2017–2018. India continues to grow in the world ranking of business travel markets, rising to five points in the early 2000s, and became the 10th largest global business travel market by the end of 2015. Forecasts proved that India surpassed Brazil in its 2016 figures and outran both South Korea and Italy. The GBTA project states that India will become the sixth largest business travel market in the world by the end of 2019 [11; 12].

However, in order to obtain such results it is necessary to understand clearly what motivates people to travel on business and what level of service they might expect. Moreover, it is necessary to understand, what benefits this type of tourism provides.

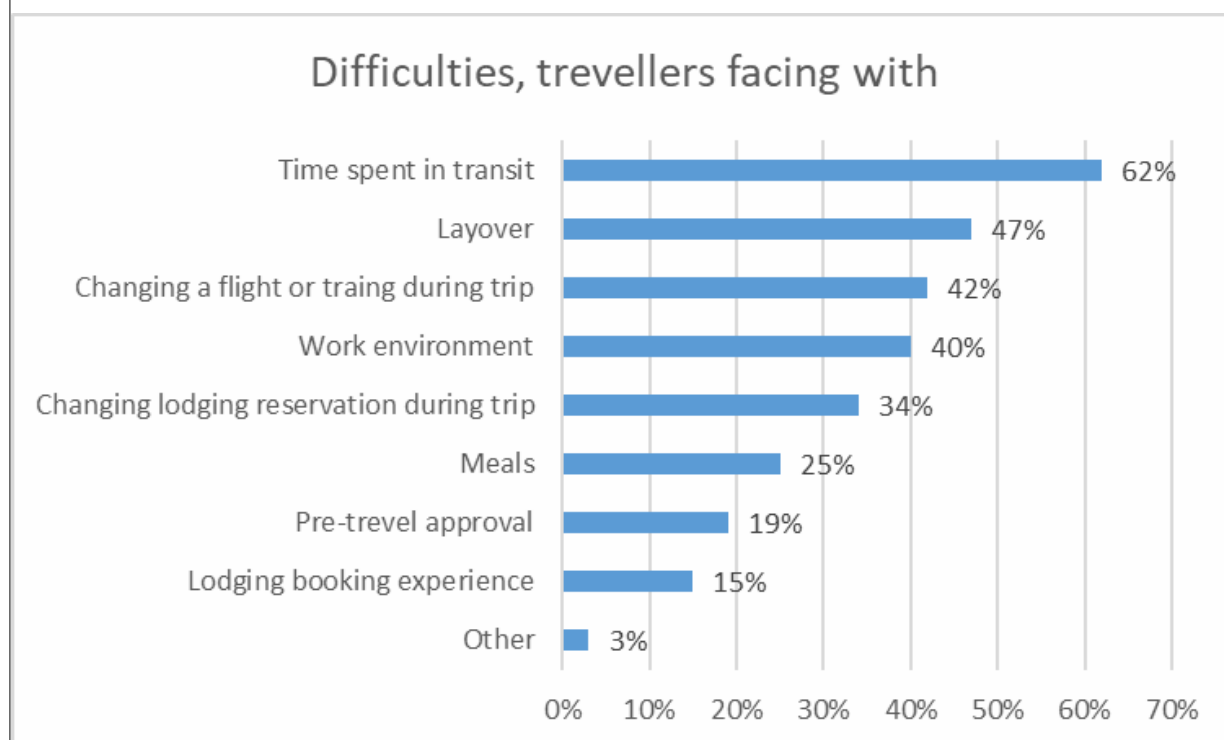
Business trips can have a significant impact on the satisfaction and retention of employees as the overwhelming majority, about 83% of business travellers, says that business travel experience has influenced their job satisfaction. This is especially true for the Millennials, which occupy about 88% of all business trips. This is especially true for Spain and Germany, where 50% and 47% respectively say that travel in employment affairs largely affects their overall job satisfaction and is significantly higher than in most other European countries [11; 14].

Business trips not only affect the way employees relate to their current company, but they also can affect whether they put their work in the first place.

Half of the respondents indicate that the company's travel program is an important factor in considering a potential new employer. In addition, 83% of travellers say that the quality of their business trips effects on their ability to work.

According to a survey conducted by the British airline «Virgin Atlantic», nearly all Virgin Atlantic international business travellers (99.5 percent) are looking forward to their business trips and nine out of ten say they have always got excited to fly. Three out of four Virgin Atlantic business travellers say they feel like «A Call to Adventure» to travel for work [14].

However, there are factors that impede travelling, make a worker never came back to this country, or at least minimize the number of visits. These factors covered in one of the GBTA surveys are the following ones (Pic. 2):



Pic. 2. Difficulties faced by business travellers [11]

According to the results of the survey, it clearly seen that 62% of respondents indicate the time spent in transit, 47% of the respondents indicate Layovers, and 42% of the respondents choose changing a flight or train during the trip, one of the most significant problems during a business trip.

Sum up, business tourism is the most stable segments of tourism activity, therefore we believe that its development is essential for the restoration of the Ukrainian economy. Based on the analysis, we can identify the main problems of its development in Ukraine and the directions of solving these problems. Geopolitical problems seem to be difficult to be solved however the system of booking tickets for airplanes and trains can be improved. One theses steps is

to increase the quality of hotel reservation as well as their service and maintenance of existing business hotels of Ukraine. The quality of the food industry, which is also one of the most important criteria among business travellers, can be monitored.

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THE PHENOMENON OF A POLITICAL LEADER IMAGE IN THE INTERNATIONAL ARENA

*D.Yu. Tkachenko, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Tkachenko D.Yu., Davydenko I.V. The phenomenon of a political leader image in the international arena. The article highlights the peculiarities of an image formation of politicians within international relations. The study reveals the concepts and functions of political leaders' image classification, as well as the system of diplomatic functions.

Keywords: personalization, political image, political situation.

Ткаченко Д.Ю., Давиденко І.В. Явище іміджу політичного лідера на міжнародній арені. Статтю присвячено особливостям побудови іміджу політика у міжнародних відносинах. У роботі розкриваються поняття і функції типів класифікації іміджу політичного лідера, а також система дипломатичних функцій.

Ключові слова: персоналізація, політична ситуація, політичний образ.

Ткаченко Д.Ю., Давыденко И.В. Образ политического лидера на международной арене. Статья посвящена особенностям построения имиджа политика в международных отношениях. В работе раскрываются понятия и функции типов классификации имиджа политического лидера, а также система дипломатических функций.

Ключевые слова: персонализация, политическая ситуация, политический имидж.

The phenomenon of a political image has attracted much attention of scientists in the XIX century. Today, taking into account the publicity and dynamism of the world international political process, the problem of forming a political image of nation leaders within the international arena has become relevant: in international politics, a well-established image determines the credibility of the country, its reliability as a partner. This is an achievement in defending national interests.

Due to the increasing «personalization», international relations are being transformed into a true war of the image; and the leader whose image is becoming the most attractive and responsive to the world community wins. The processes of modernization in modern Ukraine actualize the need of a political leader image formation.

The subject of the article is a political leader image formation within various circumstance.

The purpose of this publication is to reveal the peculiarities of a political leader image formation within international relations, taking into account the state of political culture and political process in the world international arena.

Among modern scholars and practitioners who are developing the current problem, such scientists as Greenberg T.E. [1], Heider D. [4], Lebon H. [2], Pocheptsova G. [3], and others should be mentioned. However, the modern science has not received a generally accepted approach to the process of formation and practical implementation of the image of a political leader in international relations yet.

Various research methods, in particular, system analysis were used to achieve the publication's purpose; for example, the correlation-regression analysis was used to study the influence of the image of the political leader on the effectiveness of defending the national interests of the state; grouping – to identify important factors in shaping the leader's image in the world political process; retrospective analysis – to predict the dynamics of the concept of a political leader of the state on the international stage.

Political image is a complex, discursive phenomenon, the essence of which is disclosed in various interdisciplinary studies. In modern science, there are several approaches to determine the image of a political leader: a) functional, in which its types, based on different functioning are distinguished; b) contextual, in which these types are found in various contexts of implementation; c) comparative, where there is a comparison of close-ups of images [1].

The author analyzes the types of classification of a political leader image, the general foundations of which are such concepts as open image (characteristics attributed to certain politicians, and the image has a certain color) and closed image (characteristics of a politician are hidden to be used as the main ones). The phenomenon of a closed image has political foundations that are associated with a certain uniformity of politicians elected by the nation to represent their interests on the international arena.

Often, various criteria are used to classify a political image. So, depending on whether the emotional image is created for awakening, positive and negative images can be highlighted. Also, the types of political image according to the mechanism of formation and distribution are distinguished: the first arises in the mass consciousness spontaneously; the second is formed artificially, and purposefully implemented in the mass consciousness.

Political image creates an optimal image for the chosen role in a particular international political situation. In this case, it should conquest sympathy, trust

and attention of the society, raise public awareness of important international issues, neutralize the opponent's actions [1].

The image of a political leader must meet certain requirements. The image must be specific and realistic, rely on what is popular in a particular society, reflect its priorities and expectations, and the «team» leader should promote its dissemination.

Also, the national level policy image is determined by three groups of factors: the personality of the leader; how it is presented by the media; historical events or international problems faced by a politician.

There are two levels of a political image: the macro level, determined by the processes in which the politician is involved, which influence his career; and the micro level – the sphere of conscious activity and its unconscious manifestations, which determine the specific activities, professional and status-role potentials [2].

Within the structure of the image it is advisable to distinguish three components: personal characteristics, social characteristics, symbolic underload. In addition, a significant place in the structure of the image of the policy is given to the communication. The basic foundation to create an image is often the phenomenon of «personification» of the country's leader, which can be the starting point for shaping its further image.

Today, the choice of a political leader is carried out by Ukrainian citizens mainly in an irrational way, on the basis of mentality, traditions, political ideal, etc. The choice is often considered as a synergetic one.

Depending on the political situation in the country and beyond, two types of images are formed: soft and hard. The need for the first type of image arises in the conditions of stable internal and external political development of society. The second appears during periods of crises. Applying the synergetic approach, it is possible to consider the choice of a national leader or diplomat, taken on the basis of dynamic and unconscious influence [2].

In Ukraine, image-creating technologies have begun to be used within a non-mature democracy, so there were opportunities for various kinds of manipulations. During the period of crisis, the society opens the opportunity for the emergence of the image of the hero, who is called to unite disparate groups of interests and provide a belief in the possibility of overcoming foreign policy problems.

Any political image is formed in two ways that differ in the mechanisms of formation and practical implementation: image-artifact which is associated with technological methods of its formation, and force-majeure-image, which

is the result of situational formation of ideas about the political leader in relation to his personal position regarding a concrete international situation that can be shared by the majority of society [3].

Conclusion. The conceptual and methodological framework of the image of a political leader is a design based on two important factors – the effectiveness and optimality. Leading scholars explain this the following way: the effectiveness of the image is an indicator of the planned reaction of society to these or those qualities of a political figure, which is formed as a result of the application of political technologies.

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CHINA'S REFORM AND OPENING UP POLICY: RESULTS AT THE PRESENT STAGE OF DEVELOPMENT

*M.P. Tverdokhliebova, O.I. Radchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Tverdokhliebova M.P., Radchenko O.I. China's reform and opening up policy: results at the present stage of development. The main features and particular characteristics of reforms in China and their impact at the present stage of development are studied. The key problems and prospects of China's economy are analyzed.

Key words: China's open economy, economic growth, economic policy, market relations, reform and opening up policy.

Твердохлєбова М.П., Радченко О.І. Реформа «відкритості» в Китаї: її наслідки на сучасному етапі розвитку. Досліджуються основні особливості та специфіка реформи в Китаї та її наслідки на сучасному етапі розвитку. Проаналізовано основні проблеми та перспективи розвитку китайської економіки.

Ключові слова: відкрита економіка Китаю, економічна політика, зростання економіки, реформа «відкритості», ринкові відносини.

Твердохлебова М.П., Радченко Е.И. Реформа «открытости» в Китае: ее последствия на современном этапе развития. Исследуются основные особенности и специфика реформы в Китае, а также ее последствия на современном этапе развития. Проанализированно основные проблемы и перспективы развития китайской экономики.

Ключевые слова: открытая экономика Китая, реформа «открытости», рост экономики, рыночные отношения, экономическая политика.

The object of the study is the process of creation and development of China's open economy. The subject of the study is the definition and study of the main features and characteristics of China's open economy, the basic research and theoretical approaches, the modern problems and their solution, the factors and consequences of the development of China. The purpose of the study is to analyze the general conditions and characteristics of China's open economy; to identify the key problems and ways of their solution at present time; to study all possible prospects for the further development of China's open economy.

China is an example of a developing country. For almost fifty years, this 5000-year-old country has been able to rebuild its economy, which declined in the late 19th century. Being an underdeveloped country, China has risen to the level of the world leaders in a short time. Nowadays China is a worldwide leader in the production of grain, cotton, meat, coal, chemical fibers, yarn, fabrics, garments, cement, television sets, and steel. It is the world's second largest producer of electricity and chemical fertilizers.

But at the end of the 1970s, China was a poor country with two unsolved problems of «warmth» and «fullness» for a major part of the population. At the same time unemployment was an acute problem. So, taking into account this background, the policy of Deng Xiaoping which was directed towards the country's modernization has caused considerable enthusiasm among the general population of China, who was tired of the excesses of the «cultural revolution». That was the policy of «reform and opening up» proclaimed by the Patriarch of Chinese reforms in 1978.

This topic was investigated by outstanding scientists such as V. Sednev, Angus Maddison, A. Illarionov, V. Mikheev, A.V. Onishchenko, N.In. Vasiliev, A. Shenkar, Liu Zhi Rong, Lee Yin Ying, Ya Sheng Hwang, and others. The historical processes and their impact on China's economy, the methods and ways of reforming, challenges and prospects of China's economy have been studied.

Although the policy of Mao Ze Dong raised China to a new level of development, it was focused only on industrialization. The «murderous terror»

which took the lives of thousands of scientists, philosophers, poets, thinkers, public and cultural figures, was a serious obstacle for the further economic development of the country.

The main lesson of China's reforms is that this country has demonstrated the possibility of overcoming poverty and backwardness in a historically short time, while maintaining social stability in the society.

The scientist V. Mikheyev said that one of the main reasons for the rapid development of China was the nature of economic policy. In contrast to Ukraine, where the government has gone out of the nation's economy, in China the state has maintained considerable control over the economy, and its role in economic development has increased significantly. The result of the implementation of the liberal economic model has been an unprecedented reduction in governmental burdens in all spheres, which provided a record level of growth of China's economy [4].

The liberal economic policy in China has not only provided phenomenal results, but also contributed to the significant increase in all human development indices.

But one of the consequences that rapid economic growth has led is the extremely intensive consumption of energy, which caused considerable damage to the environment, problems of overproduction and low labor productivity.

In an effort to the large-scale growth, the country has lost a good opportunity for structural adjustment and great innovation.

The service sector revenues in China accounted for 51 % of GDP and it indicates the beginning of transition to the post-industrial era. However, in developed countries the contribution of the service sector in GDP ranges from 60 % to 70 % [2]. Therefore, China is in need of a structural adjustment programme and changes of its economic development model rather than a quantitative increase, as it is happening now. The structural changes are much more important than an increase in the quantity input. Public and private enterprises must be reformed and go on the path of development through professional management. It is also necessary to reduce poverty in rural areas. Now China's economy began to slow down steadily.

Until quite recently, China belonged to the poorest countries in the world, and the real threat of famine was eliminated not long ago. Before the reforms (1976) the index of GDP per capita in average purchasing power amounted only 13.2 percent (\$619, USA) of the global figure (\$4586, USA) [5]. And only in the early 1980s shifts in the development trends have been made, and China began to decrease the gap between other countries at great speed. The

phenomenal results of China's economic development are indebted to the unique traits of the Chinese national character such as diligence, dedication and capacity for work. But, if everything was like that, China would have had a high rate of economic growth throughout its history. However, during the first three quarters of the 20th century China's economy had very low growth rates. China's economic success became possible primarily thanks to the resurgence of motivation to work for millions of people [2].

The Chinese leader Deng Xiaoping gained people's support by starting the reform from the village, where 90 % of China's population lived. He transferred the attention from ideology to the reforms of economy and improvement of living standards. It has led to his concept of « global reform», its essence was the policy of socialist modernization and openness to the outside world.

At that time China needed investment and new technologies. The policy of openness was intended to solve these problems gradually. Since 1980 five special economic areas were established in the coastal areas of China. In 1984, other 14 coastal cities got the status of «open areas». Over time it appeared «the coastline of openness» where the investment of Chinese emigrants, and then, when there was confidence in reliability and high return on capital, Western capital started to come. The necessary regulatory environment, the financial and industrial infrastructure, effective administrative agencies were formed. Since 1979 till 2004 China has got 743.6 billion U.S. dollars of foreign capital, where 560.4 billion USD was direct foreign investment. Businessmen and companies from 170 countries were the investors [3].

Now the model of China's economy is called “**阴阳经济**” (Yīn yáng jīng jì) – Yin-yang Economy or “socialism with Chinese specific features” because of its socialism and market economy consolidation.

Conclusions. The formula for success of the reforms is in the wide range of approaches to reforming. The key approaches are:

1. The development of its own ways, which depend on the specific realities of each country. (China did not use «shock therapy» and total privatization).
2. Take into account the harmonic unity and the scale of reform, the pace of development and the degree of the burden on the society, striving for progress while maintaining stability.
3. Simultaneous implementation of economic and political reforms.
4. Identify the role of market mechanisms to ensure the dynamic economic development of a country, the improvement of the macro regulation quality.
5. Focus on science and education in order to achieve a breakthrough in science and to become a global scientific and technical leader.

6. The preservation of national identity and the fight against corruption and crime.

The prospect of the Chinese reform model is provided by its conformity to modern progressive trends in the world's economy. The essence of these reforms is that China refused to focus on the values of the consumer society. The country provides rooting of market relations on a national basis for their co-ordination with the principles of Confucian ethics. In this case achieving personal success and benefits is combined with ensuring the prosperity of the Motherland and strengthening prestige of the nation, the search for harmonious coexistence of traditions and modernization, personal and social benefits.

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THE WORLD WINE MARKET

V.A. Ursol, T.I. Skrypnyk (language supervisor)

V.N. Karazin National University, Kharkiv

Ursol V.A., Skrypnyk T.I. The world wine market. The article examines the trends of the World price of wine, the world export and import of wine. The author analyzes the dynamics of the price of wine, export and import flows in 2012-2017.

Key words: market, wine, world exports, world imports, world price.

Урсол В.А., Скрипник Т.І. Світовий ринок вина. У статті розглядаються тенденції світової ціни на вино, світового експорту та імпорту вина. Автор аналізує динаміку ціни на вино, експортні та імпортні потоки в 2012-2017 роках.

Ключові слова: вино, ринок, світова ціна, світовий експорт, світовий імпорт.

Урсол В.А., Скрыпник Т.И. Мировой рынок вина. В статье рассматриваются тенденции мировой цены на вино, мирового экспорта и импорта вина. Автор анализирует динамику цены на вино, экспортные и импортные потоки в 2012-2017 годах.

Ключевые слова: вино, мировая цена, мировой экспорт, мировой импорт, рынок.

Relevance of the topic. The market is constantly growing and comes under influence of different factors that's why studying tendencies on this market and their causes is rather important nowadays

The aim of the study. To analyze the current state of the global wine market, to identify phenomena that arise in this market, and identify the impact of current trends on the world wine market.

The object of research is the world wine market. The subject of the study is the current state and trends of the world wine market.

Wine is an alcoholic drink obtained by full or partial alcoholic fermentation of grape or fruit and berry juice, to which alcohol and other substances are sometimes added (this is so-called fortified wine). The fact that this drink was consumed long before our era is evidenced by two sacred books. For the first time wine was mentioned in the Bible: after stopping Noah's Ark on the Ararat Mountains, its owner planted a vineyard and later drank wine. And the Koran convinces that those who are in paradise will use heavenly wine, from which they do not get drunk. The healing properties of this sunny fragrant drink was noted by Hippocrates. He believed that red wine is absolutely necessary for everyone – healthy, sick or weakened people. The forefather of medicine prescribed this miracle drink to patients suffering from rheumatism, anemia, nervous disorders, dystrophy and other serious diseases [1, p. 7].

The world price for wine for the 2nd quarter of 2017 was within 4.7 and 4.8 dollars. for the liter of wine. This is due to the involutionary dynamics in Asia (from \$ 7 to \$ 6 per liter) and Europe (\$ 4.5 to \$ 3.5 a liter) and to the stability of the American continent (stuck at 5.50) [2, p. 5].

Formation of the price of wine depends on the seasonality, yield and quality of the crop, country of origin and production technology. Great influence on wine prices had played an economic crisis, as of today prices have returned to crisis positions.

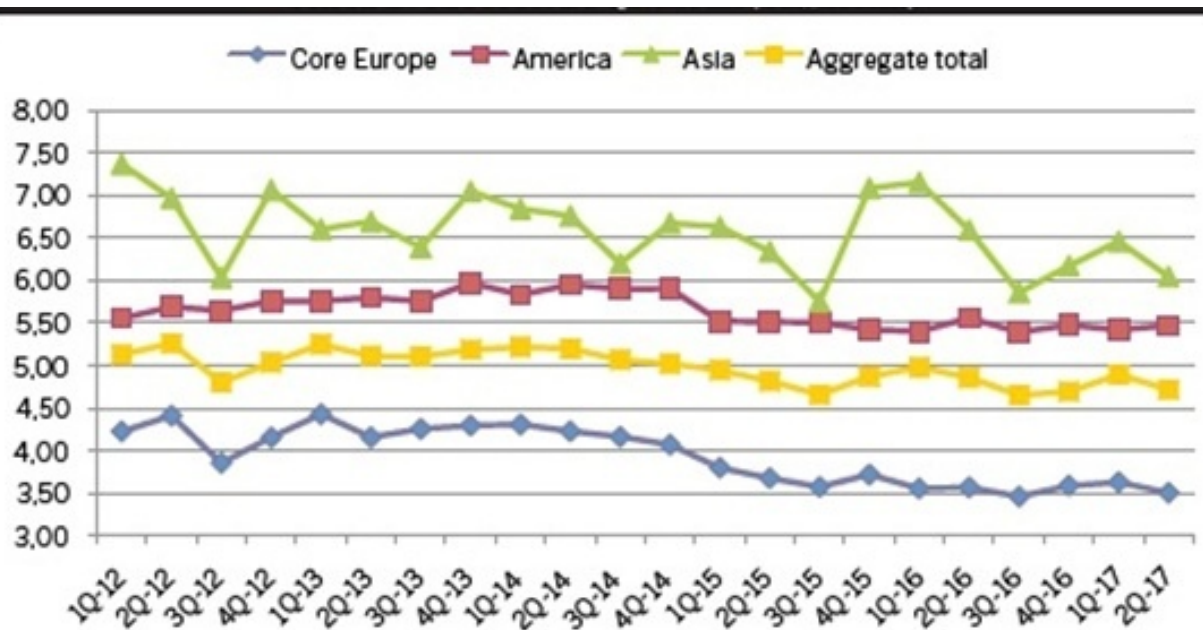


Figure 1. Wine prices in the world US \$ / liter [2, p. 3]

France and Italy remained the main exporters of wine in the second quarter of 2017, but Spain was among Spain's non-bottled wines. China ranks 4th among the bottled wines exports and 3rd place among non-bottled. Thus, by expanding its production, China is rapidly entering and consolidating its position on the world wine market [3, p. 5].

EXPORT / january-june

BOTTLED	Th. liters	Th. Dollars	\$/liter
France	488.851	2.985.001	6.11
Italy	578.685	2.171.259	3.75
Spain	410.929	919.454	2.24
Chile	239.324	718.569	3.00
Australia	174016	657.211	3.78
USA	81.697	517.402	6.33
New Zealand	71.330	412.864	5.79
Portugal	108.936	348.151	3.20
Argentina	84.949	345.340	4.07
South Africa	88.252	221.862	2.51

SPARKLING	Th. liters	Th. Dollars	\$/liter
France	73.019	1.373.590	18.81
Italy	157.827	619.568	3.93
Spain	84.269	209.592	2.49

BULK	Th. liters	Th. Dollars	\$/liter
Spain	605.772	281.315	0.46
Italy	276.519	190.830	0.69
Chile	199.755	162.313	0.81
Australia	185.210	146.923	0.79
New Zealand	43.189	118.749	2.75
France	92.605	112.250	1.21
USA	71.210	86.795	1.22
South Africa	134.406	70.749	0.53
Argentina	15.592	22.383	1.44
Portugal	16.605	10.814	0.65

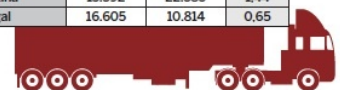


Figure 2. World wine exports in the first two quarters of 2017 [2, p. 2]

Analyzing the import of wine over the past 5 years and the trend line, one can conclude that the cost of wine purchases remains almost unchanged, while the volume of purchases increases. This is the result of a drop in wine prices. It is worth noting that during the economic crisis there was a sharp decline in the demand for wine products and the growth of prices for it. Thus, the growth of volumes at a price reduction is the result of a return to the crisis level (Fig. 3, 4).

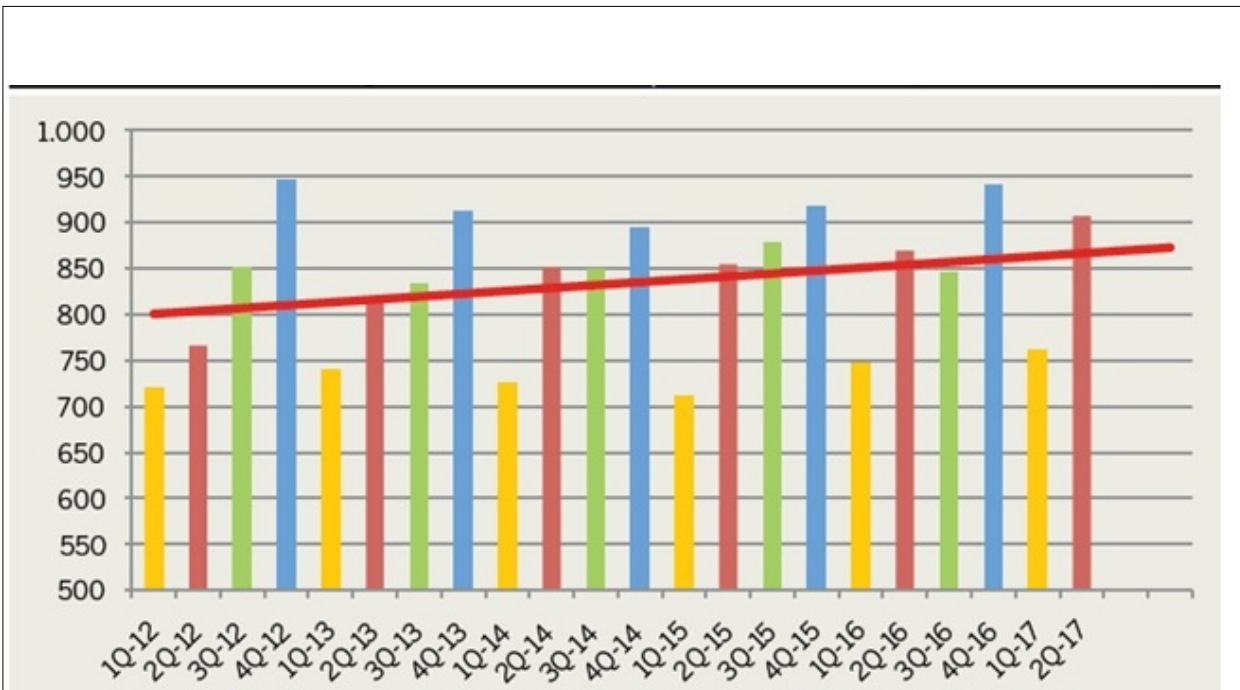


Figure 3. The volume of imports of wine in the world mln. Liter [2, p. 3]

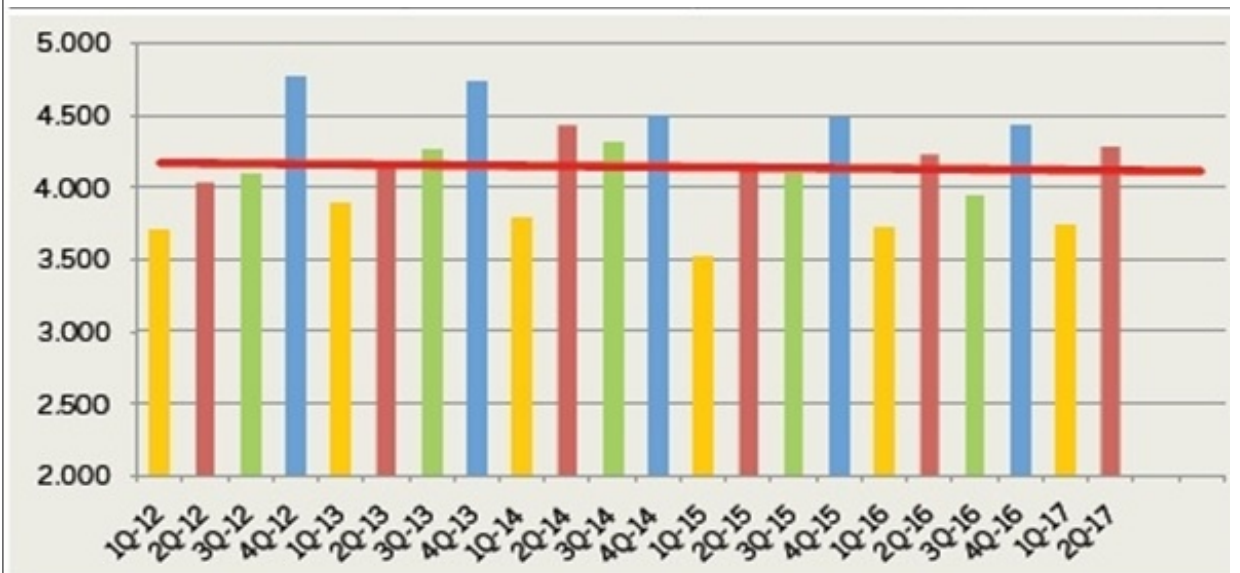


Figure 4. The volume of imports of wine in the world mln. Dollars [2, p. 4]

Considering the import wine countries and types of wine for the first two quarters of 2017 we can see that the United States occupies a leading position on imports of bottled wines and champagne. It is necessary to emphasize the growing role of China in world imports of champagne. Despite the rapid growth of manufacturing, China has the greater share in world imports, occupying the eighth position. Among non bottled wine Germany is leading (Figure 5).

IMPORT / january-june

BOTTLED	Th. liters	Th. Dollars	\$/liter
USA	376.206	2.173.967	5,78
China	253.784	1.145.921	4,52
UK	325.402	1.125.519	3,46
Germany	254.067	783.193	3,08
Canada	135.565	728.748	5,38
Hong Kong	29.192	708.151	24,26
Japan	83.076	430.911	5,19
Switzerland	49.232	409.093	8,31
Russia	103.869	288.414	2,78
Brazil	45.659	134.034	2,94
South Korea	12.538	75.425	6,02

SPARKLING	Th. liters	Th. Dollars	\$/liter
USA	55.393	482.617	8,71
UK	59.719	312.340	5,23
Japan	14.861	214.572	14,44
Germany	28.929	172.210	5,95
Switzerland	7.354	67.065	9,12
Canada	6.751	57.872	8,57
Russia	10.282	45.237	4,40
China	6.719	34.076	5,07
Hong Kong	1.059	24.207	22,86
South Korea	2.308	18.504	8,02
Brazil	1.854	10.110	5,45

BULK	Th. liters	Th. Dollars	\$/liter
Germany	419.828	258.130	0,61
UK	215.957	240.970	1,12
USA	166.412	147.632	0,89
Russia	80.288	43.791	0,55
Canada	62.302	43.213	0,69

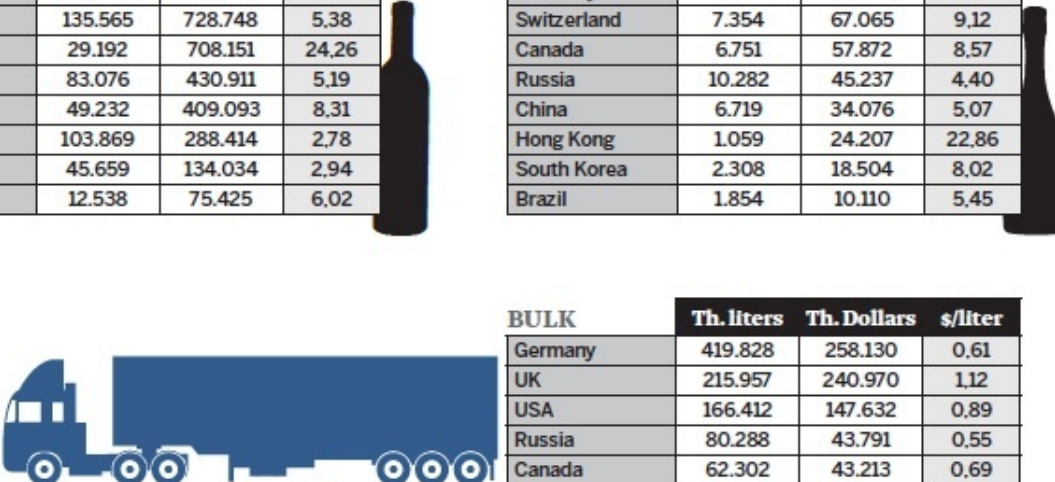


Figure 5. Imports of wine in the world for the first two quarters of 2017 [2, p. 2]

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MERGER AND ACQUISITION TRENDS IN THE TRANSNATIONAL PHARMACEUTICAL MARKET

*D.V. Vaskovska, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Vaskovska D.V., Zmiyova I.V. Merger and acquisition trends in the transnational pharmaceutical market. The article describes the current state and the specifics of the processes of mergers and acquisitions of transnational corporations in the pharmaceutical sector. The research covers the main features of mergers and

acquisitions in the biggest sectors of transnational pharmaceutical market, such as India, Europe and Asia; and provides the patterns of mergers and acquisition in the pharmaceutical sector of the main leading transnational companies.

Key words: acquisitions, merger, pharmaceutical market, transnational corporation.

Васьковська Д.В., Змійова І.В. Тенденції процесів злиття та поглинання на транснаціональному фармацевтичному ринку. У статті розглядаються сучасний стан та особливості процесів злиття та поглинання транснаціональних корпорацій у фармацевтичному секторі. Подаються основні риси процесів злиття та поглинання в найбільших секторах транснаціонального фармацевтичного ринку, таких як Індія, Європа та Азія; закономірності процесів злиття та придбання у фармацевтичному секторі провідних транснаціональних компаній.

Ключові слова: злиття, поглинання, транснаціональна корпорація, фармацевтичний ринок.

Васьковская Д.В., Змиёва И.В. Тенденции процессов слияния и поглощения на транснациональном фармацевтическом рынке. В статье рассматриваются современное состояние и особенности процессов слияния и поглощения транснациональных корпораций в фармацевтическом секторе. Показаны основные черты процессов слияния и поглощения в крупнейших секторах транснационального фармацевтического рынка, таких как Индия, Европа и Азия; закономерности процессов слияния и поглощения в фармацевтическом секторе ведущих транснациональных компаний.

Ключевые слова: поглощение, слияние, транснациональная корпорация, фармацевтический рынок.

Mergers and acquisitions are increasingly becoming strategic for pharmaceutical companies, with firms trying to gain competitive advantage or respond to larger economic forces: some firms seek to acquire market share, expand product lines, combine R&D capabilities, seize control of key inputs or achieve efficiencies of integration [4]. Transnational mergers and acquisitions are one of the fastest ways of companies' increase and preconditions' creation for new organizational forms of transnational corporations (TNC). The importance of studying these new trends in the development of TNCs stipulate the actual value of this research.

The subject of the study is the peculiarities of the processes of mergers and acquisitions of transnational corporations in the pharmaceutical sector. The purpose of the study is to analyze the main features of mergers and acquisitions in India, Europe and Asia, the biggest sectors of the transnational pharmaceutical market.

As deterrence of anti-competitive structures in the market is a pre-condition to avoid abuse of dominant position, merger control must be taken under careful

scrutiny. Therefore, reviewing a transaction, antitrust agencies must attempt to determine whether a merger or acquisition will lead to higher prices, low supply or less innovation and what remedies are necessary to overcome these risks.

However, when pharmaceutical sales are properly divided between narrower sub-markets, in which products are grouped only with their competitors, figures indicate higher concentration. Therefore, besides the fact that the definition of relevant market in the pharmaceutical field is not an easy task, in those cases where a precise definition could be reached, authorities were able to conclude that markets are quite concentrated. Based on this fact, there is no doubt that antitrust authorities must carefully examine the conduct of transactions in this market, focusing on market preemption [1, c. 160–161].

If we were to list the most frequent type of merger and acquisition cases, we would identify two main tendencies in the last decade. The first is the acquisition of small biotech companies, as large laboratories need third generation drugs to guarantee high levels of profit and there is an assumption that small biotech labs may be better at discovering drugs than the giants. The second group include large pharmaceutical companies which enter into transactions with effectively or potentially competing companies, in many cases when patents are about to expire, so as to maintain its market share and try to reduce competition with other new generation drugs. And, to sustain growth rates, there are all sorts of formulas available indicating that firms will need to put out at least three or four new chemical entities per year and there's no firm right now doing anything more than one per year, according to Kenneth Kaitin, director of the Tufts Center for the Study of Drug Development [4].

Therefore, it seems that, in this field, bigger is better. Accordingly, new trends of mergers and acquisitions in the transnational pharmaceutical market may suggest that, for the drug industry, those transactions are an appropriate way of neutralizing competition and securing revenues and high market shares. The rationale that underlies those mergers is to be taken into consideration by antitrust authorities when reviewing the cases: they are not necessarily efficient and, considering the role intellectual property rights play in this market, they must be a particular focus of concern [2, p. 120–122].

In this context, it is worth mentioning that the particularities of the pharmaceutical market require that attention is given not only to transactions involving companies competing in the same market, but also to transactions that may be inhibiting future competition, either by increasing barriers to generic entry or causing potential harm to innovation. In this regard, the Federal Trade

Commission of the United States has required merging pharma companies to divest, license or abandon intellectual property rights in order to resolve antitrust law concerns. In developing countries, however, this experience has been very limited and needs to be matured, specially to guarantee that those transactions will not create artificial barriers to generic entry. This issue is particularly sensitive in these countries, as the existence of generic competition is the minimum necessary requirement to provide some preliminary conditions to promote access to medicines [2, p. 124].

If small biotech and large pharmaceutical companies are targeted in perennial merger and acquisition transactions, the situation is slightly different if refers to generic companies. As these companies may become strong rivals once patent expires, it is possible to identify a tendency of them being targeted by large laboratories subject to some other kind of strategic alliances: co-marketing and/or co-promotion agreements. These contractual arrangements are standard agreements and practice in the pharmaceutical industry, used for selling, marketing and distributing products and it is possible to identify that they are mainly entered once the product is about to go out of patent [1, c. 162–163].

Evidences show that brand name companies tend to engage in strategic alliances with generic companies when a patent of a well-known brand name product is about to expire. This type of alliance might be particularly critical to the generic drug industry because it permits firms to tackle different skills and resources in order to compete more effectively, which may discourage other generic companies from entering in the market, as they will have much higher risks and costs [2, p. 123].

On the one hand, generic drug firms face substantial costs to develop and market individual drugs and, like all pharmaceutical companies, confront sophisticated buyers with the power to bargain lower prices – therefore, arrangements with the brand company may be attractive, especially in the short run, as sunk costs and other risks are reduced. On the other hand, although strategic alliances offer firms the promise of substantial efficiencies in terms of lower cost, better service and faster introduction of generic drugs, on occasion they may raise antitrust concerns.

There are several causes of mergers and acquisitions in the global pharmaceutical industry. Among them are the absence of proper research and development facilities, gradual expiry of patents and competition within specific pharmaceutical genres. The high profile product has also played a major role in the continuing mergers and acquisitions in the industry [4].

Mergers and acquisitions in the Indian pharmaceutical sector have a number of companies that have entered into merger and acquisition agreements in the context of the global market scenario. These companies would be selling off the non-core business divisions like over-the-counter. This is expected to further development, when the consolidation in the mid-tier as far as the pharmaceutical industry in Europe is concerned [2, p. 125].

The sheer number of companies acquiring parts of other companies has shown that the Indian pharmaceutical industry is ready to be a dominant force in this scenario. In the recent times Nicholas Piramal has taken the ownership of 17% of Biosyntech that is a major pharmaceutical packing organization in Canada.

Torrent has got the ownership of Heumann Pharma, a general drug making company and, formerly, a subsidiary of Pfizer. Matrix has acquired Docpharma, a major pharmaceutical company of Belgium. Sun Pharmaceutical Industries is set to make acquisitions in pharmaceutical companies in the US and has set aside \$ 450 million to execute these plans. In Bengaluru, Strides Arcolab has aimed at acquiring 70 % in a pharmaceutical facility in Italy that is worth \$ 10 million [1, c. 166].

As per several financial experts, the mergers and acquisitions in the pharmaceutical industry of Europe and India are meant to go on. In the Indian pharmaceutical scenario the mergers and acquisitions are supposed to go on a medium term. Factors like the execution of new patent regimen and companies dealing in specific pharmaceutical products are supposed to be the main driving factors behind the expected continuance of mergers and acquisitions in the Indian pharmaceutical market.

There are a number of opportunities for the major pharmaceutical products and services providers in the Indian pharmaceutical sector as the price controls have been relaxed and there have been significant changes in the medicinal requirements of the Indians. The manufacturing base in India is also strong enough to support the major international pharmaceutical companies from the performance perspective [1, c. 165].

It may be said that the Indian pharmaceutical market is varied as well as economical. It is expected that in the coming years the Indian pharmaceutical companies would be executing more mergers and acquisitions. It is expected that the regulated pharmaceutical markets in the United States and Europe would be the main areas of operation.

In the recent years the Indian pharmaceutical companies have been venturing into mergers and acquisitions so that they can gain access to the big

names of the international pharmaceutical scenario. One of the major features of mergers and acquisitions in the pharmaceutical sector of the Asia-Pacific region has been the integration of the local pharmaceutical companies. This has happened especially in India and China. Acquisition has made it convenient for a number of companies to do business in various pharmaceutical markets [2, p. 127–128].

Previously the pharmaceutical markets of Europe were closed to companies of other countries due to the difference in language. There were also other problems for companies like the trade barriers for instance [1, c. 160].

Considering the patterns of mergers and acquisitions in pharmaceutical sector Valeant Pharmaceuticals International (VRX), formerly Biovail Corporation, is a specialty pharmaceutical company that develops, manufactures and markets a range of specialized pharmaceutical products. They announced that they would buy Salix Pharma (SLXP), also a specialty drug manufacturer focusing on gastrointestinal diseases. Michael Pearson, Valeant's Chief Executive Officer said of the deal: «The growing GI market has attractive fundamentals, and Salix has a portfolio of terrific products that are outpacing the market in terms of volume growth and a promising near-term pipeline of innovative products» [1, c. 164].

Another pharmaceutical giant – Pfizer (PFE) is buying Hospira (HSP) in a deal worth approximately \$ 17 billion, and giving Pfizer access to Hospira's portfolio of generic acute-care and oncology injectables, biosimilars, and integrated infusion therapy. Ian Read, Pfizer's Chief Executive Officer, says, «In addition, Hospira's business aligns well with our new commercial structure and is an excellent strategic fit for our Global Established Pharmaceutical business, which will benefit from a significantly enhanced product portfolio in growing markets» [4].

Chicago-based pharmaceutical company AbbVie (ABBV) will acquire Pharmacyclics (PCYC) and its flagship asset, an effective treatment for blood-based diseases. The acquisition accelerates AbbVie's clinical and commercial presence in cancer treatment and establishing a leading position in hematological oncology, a rapidly growing market, worth around \$ 24 billion. The deal is worth approximately \$ 21 billion [3].

Conclusion. It is largely considered a good sign for the economy and economic growth when mergers and acquisitions activity picks up, and so far 2015 has been the most active year since the Great Recession. This year's deals have been dominated by takeovers in the technology and healthcare sectors, and if the trend continues, this year is on track to break records.

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HOW TO START A SMALL BUSINESS

*R.D. Vladykin, I. G. Nikulimova(language supervisor)
Vasyl Karazin Kharkiv National University, Kharkiv*

Vladykin R.D., Nikulimova I.G. How to start a small business. In the article were considered the problems of creation of small business in the modern economic situation, were given ways of their solution and step-by-step recommendations for preparation of the project for creation of own business.

Key words: business structure, initial investment, start-up activities, validation process.

Владыкин Р.Д., Нікулімова Я.Г. Як розпочати малий бізнес. У статті розглянуті проблеми створення малого бізнесу в сучасній економічній ситуації, приведені шляхи їх рішення та покрокові рекомендації для підготовки проекту для створення власного бізнесу

Ключові слова: процес перевірки, початкова діяльність, початкові інвестиції, структура бізнесу.

Владыкин Р.Д. Никулимова Я.Г. Как начать малый бизнес. В статье рассмотрены проблемы создания малого бизнеса в современной экономической ситуации , приведены пути их решения и пошаговые рекомендации для подготовки проекта по созданию собственного бизнеса

Ключевые слова: первоначальная деятельность, первоначальные инвестиции, процесс проверки, структура бизнеса.

Object: Business environment.

Subject: Process of creating a new small business.

Goals: Making an overview of modern business situation and giving recommendations for creating a small business.

Actuality: Starting of a small business is complicated and risky step for every person and it is important to make step-by-step research to survive in competitive environment of modern global economy.

There are more than 28 million small businesses in the United States, making up a whopping 99.7 percent of all U.S. businesses, according to the Small Business Administration. When you consider some of the most popular reasons to start a business, including having a unique business idea, designing a career that has the flexibility to grow with you, working toward financial independence, and investing in yourself – it's no wonder that small businesses are everywhere.

However, not every small business is positioned for success. In fact, only about two-thirds of businesses with employees survive at least two years, and about half survive five years. Therefore, you may be in for a real challenge when you decide to become a business owner. The stage is often set in the beginning, so making sure you follow all of the necessary steps when starting your business can set the foundation for success [1].

Step 1: Creating of a business idea

Where do we find ideas then? It is not as difficult as you might think. You may come up with an idea from a variety of sources:

- A job you have done in the past or are doing now;
- School. Something in a class you're taking now or took in the past;
- Something you're good at, like a special talent or pastime;
- Your everyday experience.

Have you ever noticed an unmet need for a product or service?

Therefore, there are several different ways to find new business idea:

- 1) Making something new;
- 2) An existing product or service;
- 3) An existing market with unmet demand;
- 4) Getting the product to customers in new ways [3, p. 8].

Step 2: Do Your Research

Market research will tell you if there is an opportunity to turn your idea into a successful business. It is a way to gather information about potential customers and businesses already operating in your area. Use that information to find a competitive advantage for your business.

In order for a small business to be successful, it must solve a problem, fulfill a need or offer something the market wants.

There are a number of ways you can identify this need, including research, focus groups, and even trial and error. As you explore the market, some of the questions you should answer include:

Is there a need for your anticipated products/services?

Who needs it?

Are there other companies offering similar products/services now?

What is the competition like?

How will your business fit into the market?

Do not forget to ask yourself some questions, too, about starting a business before you take the plunge.

Step 3: Write your business plan

A good business plan guides you through each stage of starting and managing your business. You will use your business plan as a roadmap for how to structure, run, and grow your new business. It is a way to think through the key elements of your business.

Business plans can help you to get funding or bring on new business partners. Investors want to feel confident they will see a return on their investment. Your business plan is the tool you will use to convince people that working with you – or investing in your company – is a smart choice.

There is no right or wrong way to write a business plan. What is important is that your plan meets your needs.

Most business plans fall into one of two common categories: traditional or lean startup.

Traditional business plans are more common, use a standard structure, and encourage you to go into detail in each section. They tend to require more work upfront and can be dozens of pages long.

Lean startup business plans are less common but still use a standard structure. They focus on summarizing only the most important points of the key elements of your plan. They can take as little as one hour to make and are typically only one page [2].

Step 4: Plan Your Finances

Starting a small business does not have to require a lot of money, but it will involve some initial investment as well as the ability to cover ongoing expenses before you are turning a profit. Put together a spreadsheet that estimates the one-time startup costs for your business (licenses and permits, equipment, legal fees, insurance, branding, market research, inventory, trademarking, grand opening events, property leases, etc.). As well as what you anticipate, you will need to keep your business running for at least 12 months (rent, utilities, marketing and advertising, production, supplies, travel expenses, employee salaries, your own salary, etc.).

Those combined numbers is the initial investment you will need.

Now that you have a rough number in mind, there are a number of ways you can fund your small business, including:

- financing
- small business loans
- small business grants
- angel investors
- crowdfunding

You can also attempt to get your business off the ground by bootstrapping, using as little capital as necessary to start your business. The goal here, though, is to work through the options and create a plan for setting up the capital you need to get your business off the ground.

Step 5: Choose a Business Structure

Your small business can be a sole proprietorship, a partnership, a limited liability company (LLC) or a corporation. The business entity you choose will impact many factors from your business name, to your liability, to how you file your taxes.

You may choose an initial business structure, and then reevaluate and change your structure as your business grows and needs change.

Depending on the complexity of your business, it may be worth investing in a consultation from an attorney or CPA to ensure you are making the right structure choice for your business [1].

Step 6: Choose and register your business name

A business name, also known as a trading name, is simply a name or title under which a person, or other legal entity, trades.

Your business name not only identifies you to your customers, but also allows you to differentiate yourself from your competitors and enables your customers to make an emotional connection to your business and brand. For many businesses, the name is often the most valuable asset.

Remember, a business name is only used to identify your business. If you want exclusive rights to that name, you should consider protecting it with a trademark.

If your business name is your or your partner's, first name and surname, then there is no need to register.

For example:

Sally Miller has a jewelry business named "Sally Miller". As her business is trading under her own name, she does not need to register for a business name.

Jodie Hart has a floral business named "Hart Flowers". As her business is

not trading under her own name, she will need to register the business name “Hart Flowers”.

If you are trading as a company, you will need to register a company name when you register your company [4].

Step 7: Choose Your Accounting System

Small businesses run most effectively when there are systems in place. One of the most important systems for a small business is an accounting system.

Your accounting system is necessary in order to create and manage your budget, set your rates and prices, conduct business with others, and file your taxes. You can set up your accounting system yourself, or hire an accountant to take away some of the guesswork. If you decide to get started on your own, make sure you consider some questions that are vital when choosing accounting software.

Step 8: Set Up Your Business Location

Setting up your place of business is important for the operation of your business, whether you will have a home office, a shared or private office space, or a retail location.

You will need to think about your location, equipment, and overall setup, and make sure your business location works for the type of business you will be doing. You will also need to consider if it makes more sense to buy or lease your commercial space [1].

Step 9: Apply for licenses and permits

Most small businesses need a combination of licenses and permits from both federal and state agencies. The requirements – and fees – vary based on your business activities, location, and government rules.

You will need to get a federal license or permit if your business activities are regulated by a federal agency.

Requirements and fees depend on your business activity and the agency issuing the license or permit. It is best to check with the issuing agency for details on the business license cost.

The licenses and permits you need from the state, county, or city will depend on your business activities and business location. Your business license fees will also vary.

States tend to regulate a broader range of activities than the federal government. For example, business activities that are commonly regulated locally include auctions, construction, and dry cleaning, farming, plumbing, restaurants, retail, and vending machines.

Some licenses and permits expire after a set period of time. Keep close track of when you need to renew them – it is often easier to renew than it is to apply for a new one.

You will have to research your own state, county, and city regulations. Industry requirements often vary by state. Visit your state’s website to find out which permits and licenses you need [2].

Step 10: Promote Your Small Business

Once your business is up and running, you need to start attracting clients and customers. You will want to start with the basics by writing a unique selling proposition (USP) and creating a marketing plan. Then, explore as many small business marketing ideas as possible so you can decide how to promote your business most effectively.

Once you have completed these business start-up activities, you will have all of the most important bases covered. Keep in mind that success does not happen overnight. However, use the plan you have created on your business, and you will increase your chances of success [1].

Creating of a small business must be planned and deliberated. Before launching new entrepreneurship person should make fundamental research do decrease failure chance and provide stable development. Every small detail can be important, so planning is the main stage of creating business. Following step-by-step guides, creating new ideas and self-responsibility can start a road to success in modern high-competitive world.

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THE ROLE OF HOTEL ANIMATION IN THE MODERN TOURISM INDUSTRY

*K.V. Volnenko, I.R. Saprun, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Volnenko K.V. Saprun I.R. The role of hotel animation in the modern tourism industry. The article analyzes the hospitality industry. Methods of organizing leisure time for tourists in hotel companies have been studied. The main requirements for the animation service and the position of the main animator are listed. Methods of attracting tourists with the help of the hotel's animation service were studied.

Key words: animation service, hospitality industry, hotel companies, leisure time.

Волненко К.В., Сапрун І.Р. Роль готельної анімації в сучасній туристичній індустрії. У статті проаналізовано індустрія гостинності. Вивчено способи організації вільного часу туристів в готельних підприємствах. Перераховані основні вимоги до аматорської служби і посади головного аніматора. Вивчено методи залучення туристів за допомогою аматорської служби готелю.

Ключові слова: аніматорська служба, вільний час, готельні підприємства, індустрія гостинності.

Волненко К.В., Сапрун И.Р. Роль гостиничной анимации в современной туристической индустрии. В статье проанализирована индустрия гостеприимства. Изучены способы организации свободного времени туристов на отельных предприятиях. Перечислены основные требования к аниматорской службе и должности главного аниматора. Изучены методы привлечения туристов с помощью аниматорской службы отеля.

Ключевые слова: аниматорская служба, гостиничные предприятия, индустрия гостеприимства, свободное время.

The relevance of this study lies in the fact that the hospitality industry is a business aimed industry which provides not only accommodation and food for hotel newcomers, but also it makes leisure arrangements. The object of this research is hospitality industry.

The subject of research is animation activities at a hotel enterprise. A modern hotel is not just a place to live, but a cultural center as well, where people have the opportunity to switch from work to leisure and entertainment. High importance and insufficient practical development of the problem elaborated determine undoubted novelty of this study. The purpose of this work is to study the ways of organizing tourists' leisure time at hotel service companies [3, p. 661]. Hospitality businesses establish economic relations and business contacts with companies providing entertainment, leisure, recreation

and sports. Hotels implement animation services which organize leisure and recreation. In addition, many hotel enterprises have their own sports facilities such as pools, tennis courts, golf, water attractions and others, as well as cinema, concert halls, discos, various clubs, gaming establishments.

Today, you can often encounter such a service sector as hotel animation in the hospitality industry. But now all the diversity and range of services provided by the hotel and other tourist enterprises do not satisfy the needs of the modern consumers, and as a result, many facilities, and hotels in particular, face the problem of attracting tourists.

Animation in the hotel industry can be identified as one of the main and central parts of the entire structure of the hotel. This separate service has a close connection with other hotel services, but has a number of features that successfully affect the hotel's image.

Animation is not just an additional service at the hotel, it is a trademark of the hotel, its hospitality and mood. This is a kind of service that is based on the principles of hospitality, which are characterized by special attention, generosity and goodwill in relation to the hotel guests. The hotel animation makes a significant contribution to the development of the hotel, receiving positive feedback and the joy of the guest.

The animator, to some extent, must be a psychologist who controls the mood, joy and comfort of the hotel's guest. He meets new guests, gets acquainted and communicates with them every day. Visitor feels safe when he or she is in a friendly atmosphere, which is achieved through the animators' efforts and skills.

At the beginning of the holiday, tourists adapt, getting used to the place of residence after their usual habitat. The animator in this case performs a stabilizing function that creates positive emotions and mental stability, which is a basic feeling of comfort and safety [2, p. 254]. The daily communication between tourists and animators, and animators' role in animation programs completes the process of forming a comfortable and safe hospitable atmosphere in the hotel for tourists.

Undoubtedly, the presence of animation at a hotel enterprise raises its competitiveness, which plays an important role when a future guest chooses one or another place of recreation. According to experts, the addition of cultural-cognitive, sports-tourist, entertaining animation programs to the content of tourist trips, and to the work of hotels, increases their prestige and demand in the tourist services' market. It is impossible to imagine an event holding, without organizing any animation programs. When a person having fun, this satisfies his

or her spiritual needs. A person evaluates his or her own personality and analyzes a role in the scale of various social systems. The processes of entertainment are carried out both in the natural and artificially created ambience. The entertainment industry aims to create conditions for entertainment, that is, a set of phenomena, which the process of entertainment depends on.

An animation program itself should provide hotels' guests with complete satisfaction throughout the period of their stay. The animator must identify the subconscious motives of the trip. However, one of the main responsibilities of the animator is to be able to effectively use the climatic, cultural and historical resources of the hotel and its surrounding, as well as its technical resources, to manage the process of transforming the needs of guests into the joy that is provided to them through informational, aesthetic, intellectual, mental, physical comfort and pleasure animation services.

One way or another, this leads to both the spiritual satisfaction of the hotel staff with its work and commercial success.

For the effective implementation of the animation activity, three components are needed:

- 1) The concept of hotel animation with the addition of typical animation programs and techniques;
- 2) Material and technical base of sports and recreation as well as entertainment classes;
- 3) Talented animators who are capable of embodying concepts, programs and techniques in life.

The central and system-forming role in this trio must be performed by the main animation manager who manages the animation staff directly. An animation manager must know the psychological and pedagogical foundations of the temporary team's management who he or she works with, must be a leader in various tourist groups that differ in age, composition, education, social status and must be able to influence the opinion of others. An animation manager must have high business qualities, deep knowledge of psychology of people, practical skills of working in conditions of well-established mechanism [1, p. 111].

In order to succeed in the animation program, you need to make great efforts for a well-organized and effective advertising campaign. Advertising, as it is known, is information for consumers about properties of goods and services, with a view of implementing and creating demand for them. It is a tool which a consumer is provided by with information on the content, features, attractiveness of a specific program in order to interest him, encourage to purchase the advertised product and become a member of the animation

program, since the thematic event differs from other events not only by the presence of the topic and the program, but also by a close merger of information-logical and emotional-shaped lines in a single scenario.

At this stage, animation management is in the stage of development and this is a relatively new-introduced service area of the hotel. Therefore, there is a number of tasks that must surely be solved by the animators. This will make entertainment programs more effective. This will allow to attract more customers, enhance hotel's status, make it more competitive. A successful company needs to constantly improve its service, since those who underestimate their competitors and neglect their service can become the least popular hotels and lose the profit.

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THE DEVELOPMENT FACTORS OF INBOUND TOURISM IN UKRAINE

A.V. Voronina,

I.S. Posokhov, PhD, I.R. Saprun, PhD (language supervisor)

V.N. Karazin National University, Kharkiv

Voronina A.V., Posokhov I.S., Saprun I.R. The development factors of inbound tourism in Ukraine. The article considers the main factors of foreign tourism development in Ukraine. The issue of the relevance of existing works on this topic has been put in question. The current situation in the country has been stressed, taking into account military actions in the West. The aspects and problems of the development of inbound tourism in Ukraine have been examined with a view to further consideration in a different context.

Key words: foreign tourism development, inbound tourism development, military conflict, Ukraine.

Вороніна А.В., Посохов І.С., Сапрун І.Р. Фактори розвитку в'їзного туризму в Україні. В статті розглянуто основні чинники розвитку іноземного туризму в Україні. Ставиться під сумнів актуальність існуючих робіт по даній темі. Наголошується на сучасній ситуації у країні, враховуючи військові дії на Заході. Докладно розглянуто аспекти та проблеми розвитку в'їзного туризму в Україні, з метою подальшого розгляду під кардинально іншим кутом.

Ключові слова: військовий конфлікт, в'їзний туризм, розвиток в'їзного туризму, Україна.

Воронина А.В., Посохов И.С., Сапрун И.Р. Факторы развития въездного туризма в Украине. Статья рассматривает основные факторы развития иностранного туризма в Украине. ставит под сомнение актуальность существующих работ по данной теме; делает ударение на современной ситуации в стране, учитывая военные действия на Западе. Подробно изучены аспекты и проблемы развития въездного туризма в Украине, с целью их дальнейшего рассмотрения под кардинально другим углом.

Ключевые слова: военный конфликт, въездной туризм, развитие въездного туризма, Украина.

The modern conditions of the world development directly influence on the increase in knowledge about Ukraine. The reason for this was a military conflict in the East of our country which started on 6th April 2014 as well as and a long negotiation process with European Union concerning visa-free entry to its territory for Ukrainians. All the details of these facts have been highlighted in news worldwide since 2014, attention to our country and created conditions for active sector's of inbound (or foreign) tourism development in Ukraine. This determines the relevance of the article. The object of the article is the factors of the development of inbound tourism in Ukraine. The subject of the survey is inbound tourism in Ukraine as a whole. The purpose of this work is to list and analyze the current conditions of the development of inbound tourism in Ukraine, the factors affecting tourist development for the subsequent investigation of the situation from a fundamentally different context due to the out datedness of all sources.

It cannot be denied that tourism is one of the most up-coming areas of countries', regions' and cities' socio-economic development nowadays. According to Knoema, free to use public and open data platform for users with interests in statistics and data analysis, visual storytelling and making info graphics and data-driven presentations, the contribution of tourism to the Ukraine's GDP was 5,6% in 2016 and was ranked 139th in 2016, in the world ranking (which is a relatively a low mark among other countries) [3]. It seems

relevant to consider a number of factors which influence the development of inbound tourism in Ukraine in order to understand the causes of this phenomenon.

The topic of factors, perspectives and problems of development of inbound tourism has been considered by such authors as A.O. Melikhova, V.B. Artemenko, V.T. Spysak, A.B. They examined many factors and conditions that could make Ukraine a participant in international tourism, but the relevance of these works can now be put into question because most of the works were written 5–7 years ago, when our country was in a completely different economic and political situation. Therefore this topic needs a new research and analysis based on current conditions and circumstances. From the beginning it should be noted that success in sector's of inbound tourism development in any country is accompanied by work on a multitude of factors that can affect tourism development.

The predominance of one factor development is not a guarantee of the successful inbound tourism's development in general [2]. Moreover, one factor cannot be put beyond the other one, because only the complex development of all factors on the same level is the key to success of the state's tourist activity. For this reason, we can see the need to characterize each group of factors.

Natural resources of Ukraine are the first factor of the development of inbound tourism. The country combines 6 natural zones (taking into account the Autonomous Republic of the Crimea), thus combining a wide variety of natural conditions, which, in turn, are the grounds for the presence of deserts, steppes, deciduous and coniferous forests, swamps, mountains, and many caves, natural sculptures, rocks and lakes on the territory of Ukraine. The geographical location of the country is also a basis for creating favorable climatic conditions. As a result, there is an absence of frequent and dangerous natural disasters and cataclysms on the territory of Ukraine, which, of course, is a positive factor for the development of inbound tourism in the country. However, if we take into account that the subject of these theses is to develop not only internal but inbound tourism, then the only one group of natural factors will not be enough to establish a sustainable tourist flow from foreign countries to Ukraine. In addition, many countries of the world have richer and more diverse tourist resources than Ukraine (for example, the United States, Spain, South Africa, New Zealand, Sweden), which make it difficult for our country to compete with them. The expectations that tourists will start visiting Ukraine just because the country is just «good and beautiful» is a move, which is predetermined for a negative result.

It is worth turning to political factors, because the political situation in the country determines all other dynamic factors. Crises, political instability, militarization of the economy, strengthening of tourist formalities, changes in the exchange rate are the consequences of a state's policy that negatively affects tourism and the image of the state. Tourists will not want to go to a country where there are active hostilities, even if they are localized in one certain area. The state's inability to complete or control the hostilities on its territory changes the image of the country towards the negative one, and the complete lack of state action in the field of creating a positive tourist image of the country does not contribute to the development of inbound tourism.

The next important factor is the socio-historical one, which includes the presence of cultural and historical resources in the country. The historical past of our country is so rich that there are a lot of cultural architectural monuments left, as well as a solid foundation for creating a huge variety of museums. The negative side of this factor is the condition in which the greater part of our cultural heritage is and the state's complete indifference to the issues of its preservation. The confirmation of this fact can be found by examining statistics on the Ukraine's objects included to the UNESCO World Heritage List (the list of 7 objects, located in Ukraine, has not changed in recent years). Thus, the presence of a large number of cultural monuments on the territory of the state is also not a guarantee of a sustainable tourist flow into the country.

The factor of our peoples' mentality is worth adding to the cultural one. Ukrainian people position themselves as a European nation with European values and views. With the rise of the national spirit, which was provoked by military actions started on 6th April 2014 and the forthcoming complicated political situation in the country, there have been many changes in the self-determination of the inhabitants of our country and, in fact, in their desire to adopt European standards of purity and order, fashion and behavior. However, we would like to pay attention to the problem of tolerance, which contributes to the mentality of Ukrainians. Each country aimed at receiving a large number of foreign tourists, should be ready to host them not only on the basis of tourism infrastructure but also on the basis of social factors, namely, on the basis of Ukrainian citizens being ready to welcome citizens of other countries, regardless of nationality, peculiarities of their appearance, style of clothing and sexual orientation. Acceptance and a friendly attitude towards foreigners, who arrived with peaceful intentions, should become a rule for the country's inhabitants, aimed at the development of inbound tourism.

The next factor is the demographic one. It is possible to note that Ukraine has a multinational population. There are many territories of compact residence of Jews, Belarusians, Poles, Moldovans, Bulgarians, Romanians, Hungarians, Tatars, Greeks, Gypsies, Armenians, Gagauzians, Germans, Russians and others, which form the basis for the development of ethnic and nostalgic tourism on Ukraine's territory. The positive feature of Ukrainian multi-nationality is the absence of loud national and religious conflicts, which has a beneficial effect on the image of the country.

Material and technical factors include the availability of the developed tourist infrastructure in Ukraine. The high density of railways and highways, airports, a significant number of accommodation types left after the active preparation for Euro 2012, plenty of places to eat can create an impression of a country fully ready to get a steady flow of foreign tourists. But such an impression is a fictitious, because of the overall poor infrastructure in the country: the road network of our country has been poorly-maintained for years and the small repairs and upgrades of the roads are much inferior in quality to European counterparts. A large number of airports we have in statistics is mainly due to small aerodromes, and large international airports are not ready to receive airplanes of all models and sizes what limits the tourist flow. There is almost no middle ground in the area of restaurant services. The translation of English menus, pointers and other texts in public places is either missing or its quality leaves a lot of room for improvement [1]. We are accustomed to believe that if our country is at the crossroads of international routes, tourism will develop without efforta from the state, however this is not true.

Summarizing, it seems inappropriate to claim that Ukraine is an interesting and desirable country for foreign citizens to visit just because it has a beautiful nature, a rich culture and ancient historic sights. These factors are bound to be important in the development of tourism, however, at the same time it is important to understand that tourism development cannot be continued without an integrated approach to different groups of factors existing within a particular country, and then we can count on the sustainable development of the tourism sector.

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MODERN TRENDS IN THE RESTAURANT BUSINESS IN UKRAINE

*S. V. Yaremchuk, M. M. Medvid, PhD (language supervisor)
V. N. Karazin National University, Kharkiv*

Yaremchuk S. V., Medvid M. M. Modern trends in the restaurant business in Ukraine. Nowadays food service is understood not as just «service» but as service-generating positive emotions and a sense of satisfaction experienced by the customer (the guest) as well by the servicing staff. Due to the fact that restaurant business enterprises have long been improving and changing forms of work, there inevitably appear certain methodological difficulties in determining the trends of their development. This article discusses and analyzes modern trends in the restaurant business in the world and Ukraine.

Key words: restaurant, restaurant business, trends development.

Яремчук С.В., Медвідь М.М. Сучасні тенденції розвитку ресторанного бізнесу в Україні. Під ресторанним сервісом зараз розуміють не просто «вид послуг», а послуги, що приносять позитивні емоції і почуття задоволення не тільки клієнту (гостю), але й обслуговуючому його персоналу. Оскільки в галузі ресторанного бізнесу вже досить давно спостерігається вдосконалення та зміна форм роботи, неминуче виникають певні методичні труднощі у визначенні тенденцій їх розвитку. У цій статті розглядаються та аналізуються сучасні тенденції розвитку ресторанного бізнесу в світі та Україні.

Ключові слова: ресторан, ресторанний бізнес, тенденції розвитку.

Яремчук С.В., Медведь М.М. Современные тенденции развития ресторанного бизнеса в Украине. Под ресторанным сервисом сейчас понимают не просто «вид услуг», а услуги, приносящие положительные эмоции и чувство удовлетворения не только клиенту (гостю), но и обслуживающему его персоналу. Поскольку в отрасли ресторанного бизнеса уже достаточно давно наблюдается совершенствование и изменение форм работы, неизбежно возникают определенные методические сложности в определении тенденций их развития. В данной статье рассматриваются и анализируются современные тенденции развития ресторанного бизнеса в мире и Украине.

Ключевые слова: ресторан, ресторанный бизнес, тенденции развития.

The subject of the study is the restaurant business in Ukraine and its key features. The purpose of the article is to study and analyze current trends in the development of restaurant business in Ukraine. The relevance of the study is determined by the profitability of the restaurant business. It should also be noted that there is no single reference model for conducting such a business. It is also one of the most innovative sectors of the economy. The specifics of this business as well as its insufficient development in Ukraine at the present time served as a basis for writing this article.

The modern word restaurant comes from the Latin word «restaur» which means «restore». For the first time this concept was used by the well-known culinary specialist Boulanger in the early 18th century: he in his establishment offered broth as a means for treatment and restoration of «distressing stomachs».

The first establishments in which food was sold appeared in China in the 6th–7th century, and in Europe – in the 11th–12th centuries. Improvements and changes in the forms of work and the development of the restaurant business have been observed for a long time. Moreover, there is always something new and original. Under the restaurant service is now understood not just the «type of services», but services that bring positive emotions and a sense of satisfaction not only to the client (the guest), but also to the staff serving him/her.

Nowadays, the main trend in the development of the restaurant business is to create a chain and further increase its size. The leader here is considered to be America. Their restaurants pursue a policy of active introduction to the markets of all countries of the world. The advantage is fast-food restaurants with a standard menu: hamburgers, pizza, etc. The standard menu simplifies the maintenance technology, as well as allows a restaurateur to install standard equipment in all the restaurants of the chain.

It should be noted that despite the crisis in Ukraine, the number of restaurants in the country is steadily growing. In 2016, Ukraine had more than 15 thousand commercial catering establishments (cafes, bars, restaurants). Kyiv alone had about 3000 institutions. In terms of the level of the development of the market Odessa is the second (about 2000 enterprises), Kharkiv holding the third place. In total, large regional centers account for 7000-8000 food enterprises which makes about half of all institutions in Ukraine.

However, it should be noted that the restaurant industry in Ukraine is unevenly developed. There is a great difference in development between the center and the regions. Moreover, the distinctive feature of restaurants in the

territory of the former CIS is the preferential location of elite restaurants in the capitals and the largest regional centers, which can be explained by higher incomes of the population in these cities.

Investigating the level of the restaurant market saturation it is necessary to determine the number of seats in catering establishments per the consumer. So, on average in Europe, one seat in a restaurant (cafe, bar, fast food, etc.) falls on 8 residents, in Kyiv – one seat for 35 residents, in Dnepro – for 40 residents, in Lviv – for 25 residents. Proceeding from this, the prospects of the restaurant market in Ukraine are huge, especially if we take into account the fact that the average European level of provision of restaurants is comparable to the level of the largest cities in Ukraine, which have certain restaurant traditions.

In the sphere of restaurant business it is customary to single out two reasons that cause the inadequacy of the domestic restaurant market:

1) The restaurant market has never been saturated despite the fact that the growth of people's welfare differs depending on the region of residence. In general, there is a tendency to increase the demand for the catering market in all its segments.

2) The market is increasing and at the same time it is shrinking – some establishments are closed, first of all, «post-Soviet» canteens, cafes, cafeterias, etc. This is a kind of evolutionary process.

The development of the restaurant business in a certain city depends on two factors: the well-being of the locals and the existing traditions. For example, in many cities of Western Ukraine, despite the relatively low level of income, there is a tradition to have a cup of coffee in the morning, to meet friends in the evening with a glass of beer. Therefore, there are many rather small and inexpensive restaurants, cafes, coffee houses and pubs.

In such large industrial centers as Dnepro, Donetsk, Kharkiv, Odessa and other cities of, there is no such tradition, but the percentage of people with high incomes is quite large. Therefore, elite restaurants are relevant in these cities. There are no cardinal differences between the capital's and regional restaurants. In any city of Ukraine there are institutions with a beautiful interior and kitchen. Perhaps only service in the regions can be called a «weak spot», as the restaurant market is growing, and well-trained staff is not prepared. Many good specialists (cooks, bartenders, managers) leave for the capital.

It should also be noted that the majority of restaurateurs and restaurant business experts are of the opinion that the quality and level of restaurant culture in Ukraine is not high enough. This is due to the fact that most institutions

pay maximum attention to external factors: interior design and the design of serving dishes, while the culture of nutrition is hardly taken into account. Besides, institutions that provide additional services such as swimming pools, billiards, karaoke, etc are popular.

The popularity of the so-called «family type» restaurants is on the increase. These restaurants are distinguished by a homely atmosphere, a constant clientele and a small area. This will also attract visitors to the city. In such restaurants, the owner often knows the regular customers and takes orders himself or stands in the kitchen. In America and Europe, such restaurants are more popular than in Ukraine and this is also due to the fact that their owners there have fairly large tax benefits. In Ukraine, this is not so.

Currently, the state is giving more attention to the development of small business in our country. Creation of favorable conditions for the functioning of small restaurants in various spheres of the real economy sector and the low employment of the domestic restaurant services market ensure the development of chains of family restaurants.

The most popular food establishments in the domestic market are relatively cheap institutions: cafes, fast food, bars, snack bars, as they correspond to the income level of the population as a whole. Elite restaurants are affordable for 2–3% of the population, which is reflected in their market share.

At present, Ukraine has a general trend of democratization of the restaurant business. Increasingly popular are institutions which are relatively inexpensive, but with good cuisine, original interior, simplified service. This is due to the fact that catering establishments cease to be a symbol of social status, customers just come to eat and talk, and not to prove their solvency.

Conclusion. Ukraine has the potential to develop the restaurant industry in the direction of diversifying the types of food enterprises and increasing demand for food enterprises. In spite of economic difficulties, this sector is developing at a moderate pace in the country. There is an increase in the consumption of food services among the population which speaks for the democratization of the price policy of restaurants.

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THE MAIN FEATURES OF UKRAINE MARKET OF AIR TRANSPORTATIONS

*T.Y. Yarmak, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Yarmak T.Y., Skrypnyk T.I. The main features of Ukraine market of air transportations. The article is devoted to the exposure of basic features of the Ukrainian market of air transportations. The author has made the analysis of main problem aspects of functioning of domestic market of air business, distinguished the ways of solving these problems and designated perspective directions of national market of air traffic.

Key words: air carriers, air companies, aviation business, aviation services, market of air transportations.

Ярмак Т.Є., Скрипник Т.І. Загальні риси українського ринку авіаперевезень. Стаття присвячена виявленню основних особливостей українського ринку авіаперевезень. Автор роботи провів аналіз головних проблемних аспектів функціонування національного ринку авіа бізнесу, виділив основні шляхи вирішення цих проблем та визначив перспективні напрями розвитку національного ринку авіаперевезень.

Ключові слова: авіакомпанії, авіаперевізники, авіаційний бізнес, авіаційні послуги, ринок авіаперевезень.

Ярмак Т.Е., Скрипник Т.И. Основные черты украинского рынка авиаперевозок. Статья посвящена выявлению основных особенностей украинского рынка авиаперевозок. Автор работы провел анализ основных проблемных аспектов функционирования национального авиа бизнеса, выделил основные пути решения этих проблем и обозначил перспективные направления развития национального рынка авиаперевозок.

Ключевые слова: авиаконпании, авиаперевозчики, авиационные услуги, авиационный бизнес, рынок авиаперевозок.

The subject of the topic is Ukrainian market of air transportations. The goal is to analyze the market and to identify basic problems and main perspectives for further development. The relevance of the study is determined by the development of world market of air transportations as one of basic elements of world economy, that plays an important role in the process of fixing of intercommunications between countries, including Ukraine.

Air transportations are most globalized, as it is confirmed by the permanent increase of their dynamics. Along with the development and distribution of processes of globalization, information technologies, tendencies of liberalization in the world take place corresponding changes in the conditions of functioning of air carriers.

The civil aviation is the most expensive mode of transport, that is why the large volumes of air traffic are typical for the countries with high economic development, integrated in the world economy, which geographical location assists to development of civil aviation. Hereupon a world air transport is characterized by the high concentration of regional transportations.

At the same time air transport is important for world business and tourism. It creates new workplaces and extends world trade, provides the rapid moving of commodities and services to large distances. Thus, from the one side the condition of the world market directly affects development of air traffic, and from the other – the aviation is the important instrument of economic development.

Analytical researches of transformation of world market of air traffic expose various aspects its dynamic development, that is related to such basic processes as globalization, liberalization, information technologies, appearance of hub model of transportations, low-cost carriers and the various collaboration of airlines (code-sharing, interline, alliances of airlines, merge and association).

Ukrainian market of air traffic has the highest among all means of transport of Ukraine rates of increase. If development of regional and international transportations during the last years is predefined by the increase of economy of country and volumes of transit traffic, then volume of passenger air traffic – by the increase of mobility of population, development of national and international tourism, increase of labour migration and business activity. That is why it is actual to estimate the conditions, features of functioning and prospects of development of exactly these means of transportations, that become leaders at the market in Ukraine.

Regular flights between Ukraine and the other countries during 2016 carried out 10 domestic airlines to 42 countries and 28 foreign airlines to 27 countries,

including 2 new («SprintAir» from Poland and «AirSerbia» from Serbia). The Ukrainian airlines transported 4944,4 thousand passengers, foreign – 3847,5 thousand passengers (increase by 23% and 2,1% accordingly).

In 2016 95 % of general volumes of passenger transportations are executed by 6 leading airlines: the «Ukraine International Airlines», «Azur Air Ukraine», «Windrose», «YanAir», «Bravo» and «Atlsjet Ukraine» [1].

The role of Ukraine in this system of aviation transport is difficult to define. From the one side, our state has enormous potential for development of industry of air transportations. On the other side, it is possible to distinguish such problems of the Ukrainian market of air transportations: it's considerable monopolization; dependence on the level of economic development and purchasing power of population; out-of-date park of aircrafts; disproportional development of ground base; uncompetitiveness of national air carriers; absence of innovations in the field of air transportations market; aviation safety [2].

The main problem of the Ukrainian market of air transportations is its monopolization. In fact one person is the owner of three important air carriers of Ukraine: «Aerosvit», «Windrose» and «Dniproavia». This fact, together with the unfair conduct of business, resulted in establishment of high prices on services of air carriers. At the same time, a civil aviation in Europe is one of the cheapest modes of transport: the cost of ticket is varied from 1 to 45 euro. In Ukraine prices can reach to the several hundred US dollars. On the other side, there are high tariffs on airports services to the airlines, for example, the realization of navigatin systems or air accompaniment. Such tariffs are practically groundless.

The market of air business considerably depends on economic development of Ukraine, especially from purchasing power of citizens and inflationary processes [3]. Although world development also has certain influence on the Ukrainian air market. But those airlines that exist in Ukraine already long time were not able to organize the work effectively and expediently. A park of aircrafts is insignificant: in Ukraine most air carriers have about twenty machines, while in Europe – up to 400, and in the USA – over 700 ships.

The Ukrainian air carriers are uncompetitive not only in the world market of air traffic, but also even at the internal market. The better organization of work and higher level of services allow the foreign companies to conquer the favor of the Ukrainian consumers, and consequently to increase the share at our market of air transportations. Among the advantages of such carriers are more favorable prices, good conditions of aircrafts, a highly skilled and cultural personnel – factors that acquire the greater value. From the one side, foreign

competition considerably diminishes demand on services of domestic air carriers. And from the other – it gives a stimulus to the Ukrainian companies to develop and perfect the work, especially in the field of pricing, spectrum of services and their quality [6]. It is important to mark that development of innovations in the field of air traffic is not at the best level. It concerns both technological and organizational aspects. It can be, for example, creation of low-budget airlines or so-called Low Cost Carriers. For today in Ukraine there are companies that render services of cheap air traffic, but they are not national: Wizz Air Ukraine, that is a part of group Wizz Air. It is possible quickly and cheap to reach to a few European countries from Kyiv, Lviv, Kharkiv or Donetsk, if to appeal to this air carrier. The German company Germanwings opened budgetary direction «Kyiv-Cologne», Italian Air One – «Kyiv-Milan», Near-Eastern Air Arabia – «Kyiv- Sharjah». At the market of air traffic of Ukraine also present such avia discounters, as: Pengasus Airlines (Turkey) and Flydubai [4].

Basic priority directions of government policy in relation to adjusting and development of national market of air traffic are:

- Effective use of transit potential of Ukraine through transformation of international airport «Boryspil» to the modern key airport of Central and East Europe;
- Increase of efficiency of the technical and economic adjusting;
- Reduction of legislative and other obstacles to updating of park of domestic airlines (in particular creation of favorable terms in relation to leasing and acquisition of modern aircrafts);
- Providing the sufficient financing and regulator control of the system of professional education in industry (the profile certification of educational establishments in particular) [5].

Thus, forming of world economic space, internationalization of markets and international character of competition assist the selection of air transport to one of the main factors of development of modern global economy. Permanent tendency of the increase of air services production volumes at the international market of air traffic becomes the feature of modern economy and it is the evidence of steady increase of requirements on mobility of factors of production in outer economic space.

Conclusion. The basic task of national air carriers and public policy in the field of air transportations is improvement of infrastructure and process of services provision that would assist to development of potential and increase competitiveness. Thus, for the improvement of development of industry of

aviation services in Ukraine it is necessary to introduce effective government policy, and also improvement of level of quality of services by national airlines, to compete at the international market successfully.

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INFORMATION ANALYSIS TECHNOLOGIES

K.H. Yaruta, Y.M. Broslavska, (language supervisor)

V. N. Karazin National University, Kharkiv

Yaruta K.H., Broslavska Y.M. Information analysis technologies. The article deals with the concept of information analysis technologies and discusses their various types. This work describes in detail such main types of information analysis technologies as methods of content analysis, focus groups and in-depth interviews.

Key words: content analysis, focus group method, in-depth-interview, information analysis technologies.

Ярута К.Г., Брославська Є.М. Інформаційно-аналітичні технології. У статті розглядається поняття інформаційно-аналітичних технологій та різні види цих технологій. Дана робота детально описує основні види інформаційно-аналітичних технологій, а саме, методи контент-аналізу, фокус-групи та глибинного інтерв'ю.

Ключові слова: глибинне інтерв'ю, інформаційно-аналітичні технології, контент-аналіз, метод фокус-група.

Яруга К.Г., Брославская Е.М. Информационно-аналитические технологии.

В статье рассматривается понятие информационно-аналитических технологий и различные виды этих технологий. Данная работа детально описывает основные виды информационно-аналитических технологий, а именно, методы контент-анализа, фокус-группы и глубинного интервью.

Ключевые слова: глубинное интервью, информационно-аналитические технологии, контент-анализ, метод фокус-группа.

The subject of the study is information analysis technologies. The purpose of the study is to analyze the definition of information analysis technologies and to study in detail their main types. The relevance of the study is determined by the fact that information analysis technologies are constantly developing and improving, and the field of their application is significantly expanding.

Nowadays, when the world is becoming more developed and information-dependent, information systems and information analysis activity are essential. They are becoming an integral part of the working process of different organizations, industrial corporations, and government bodies, because grounded forecasts of future developments or possible risks and consequences, based on the analysis of information, are necessary for their existence.

Information analysis technologies are the main tools in conducting information activity, reaching strategic aims and solving problems of any kind.

Information analysis technologies (IAT) – are a set of methods for collecting and processing information about researched processes (social, political, economic, internal and interstate, etc.), specific methods for their diagnosis, analysis and synthesis, as well as assessing the consequences of adopting various options of political decisions [1].

The types of information analysis technologies include the method of observation, the method of questioning, the method of content analysis, the method of in-depth interviews, the “focus group” method and projective techniques.

The method of observation is a systematized, directed perception of a phenomenon or process whose features and properties are fixed by the observer. The method of observation has much in common with our daily perceptions, when we follow the events that are interesting to us. However, the scientifically organized observation, carried out by professionals, differs in the breadth of the field of observation, the ability to capture a more diverse range of actors’ actions, to identify the degree of recurrence of events, to determine the nature of interactions, and to reconstruct their sequence [1].

The method of observation is characterized by a systematic and purposeful approach. Its most important advantage, in comparison with other methods, is synchronism with the phenomenon or process being investigated. This allows one to directly study the behavior of people under specific conditions in real time environment («right here», «right now.») The researcher personally observes the phenomenon that he studies (working team, micro group, certain person, etc.).

The method of questioning is a standardized procedure for obtaining information by filling out a questionnaire by a respondent. Unlike observation, a questionnaire allows (with properly developed methods) to learn about the processes occurring in the mind of an individual, about a person's dreams, their preferences concerning the type of state structure, state leaders and political parties [1].

Questioning has significant advantages, such as ensuring high comparability of information and data processing. Besides, filling in a questionnaire takes less time than going through an interview, its implementation does not require the involvement of a large number of people, and questionnaires can be distributed through representatives of administration or sent by email. Moreover, with questionnaires anonymity of answers is maintained, which increases their reliability. Questioning is the most common and effective method of collecting primary information. Questions in the questionnaire should be divided into groups (semantic blocks), ensuring consistency of their placement.

Projective method – one of the methods of psychodiagnostics – is a group of techniques intended for personality diagnostics, which are largely characterized by a holistic, global approach to assessing personality, rather than revealing some of their certain features [1].

Scientists have proved that perception has two levels: rational, which can be easily identified through a questionnaire survey, and irrational, which a person is not always aware of, but it has no less important impact on how a political object is assessed. Projective methods, developed by specialists, allow us to identify this irrational level. The information obtained with their help gives a broader picture of the political preferences of certain social groups and while running political campaigns allows to take into account a wider range of factors that determine the motivation for political behavior.

The method of in-depth interview is a type of sociological survey in which the researcher directly communicates with the respondent, offering them to give answers to prearranged questions, prompting them to reflect and evaluate various events. In the course of such an interview, it is possible to identify a

complex gamut of the respondent's views, to understand his emotional experiences, fears, and hopes. This data collection method has both advantages and disadvantages [1].

Some of in-depth interview advantages are as follows:

- Interviewers have much more opportunities to ask follow-up questions, probe for additional information, and return to key questions later on in the interview to generate a deep understanding of attitudes, perceptions, motivations, etc.

- Interviewers can monitor changes to tone and word choice to get a deeper understanding (and if the in-depth interview is face-to-face, researchers can also focus on body language).

- There is a higher quality of sampling compared to some other data collection methods.

On the other hand, the following should be attributed to disadvantages:

- In-depth interviews are rather time consuming, as interviews must be transcribed, organized, analyzed and reported.

- If the interviewer is not highly skilled and experienced, it can undermine the entire process.

- The process can be relatively costly compared to other methods [4].

The information obtained during several interviews can become the basis for preparing a large-scale questionnaire. Interviews are especially useful for representatives of expert groups, when it is necessary to make certain decisions in the shortest possible time under the conditions of a lack of information.

The «focus group» method is guided and regulated by the moderator of the topic discussion, in which from 6 to 12 people take part. The “focus group” method requires much less time questioning, which allows to drastically shorten the period of preliminary research work.

The group usually consists of volunteers gathered to discuss a particular product or idea. They are asked a series of questions or given statements on which they freely share their opinions, ideas and reactions. They may also be asked to try a new product or sometimes react to a particular show or film they have just viewed [1].

Carrying out the “focus group” method requires the participation of a qualified specialist – a psychologist (or an experienced sociologist) who is able to understand the respondents' true attitude to the issue he is going to discuss. The standard time allocated to the discussion of two topics is 2 hours. The discussion usually requires a room, divided into two soundproof parts,

separated by a one-way mirror (this is necessary for observers to record all the nuances during the discussion).

The conversation is audio and video recorded. As in the case of any group discussion, the moderator guides the discussion. The customer has an opportunity to observe the course of the conversation, remaining invisible, using the Gesell mirror.

Compared to individual interviews, focus groups are not as efficient in covering a particular issue to a maximum depth. A particular disadvantage of a focus group is a possibility that the members may not express their honest opinions about the topic at hand, especially when their thoughts oppose the views of another participant. Also, moderators can greatly affect the outcome of a focus group discussion. They may, intentionally or inadvertently, inject their personal biases into the participants' exchange of ideas. This can result in inaccurate findings. Out of fear of going against the moderator's opinion, or even out of fear of disappointing the moderator, participants may not disclose their true and honest opinions [3].

In addition, compared to surveys and questionnaires, focus groups discussions are much more expensive to carry out.

On the contrary, the main advantage of the «focus group» method is that it can be used to measure the reaction of customers to a company's new product or to a company's strategies. Focus groups usually provide immediate ideas for the improvement of particular products or concepts. They also help identify product requirements of an end-user as well as other needs not addressed by a company and its competitors. In addition, focus groups provide insights into the current image of a company's competitors among customers, as well as measuring the reaction of customers to a product's design, packaging, price and message [3].

The method of content analysis is a systematic numerical processing, evaluation and interpretation of the forms and content of information sources. The meaning of content analysis lies in the fact that through an organized method of studying the text, it is possible to reveal the author's attitude to a particular problem, his political preferences, interests and values. Content analysis refers to the information gathering methods that exclude the interaction of the researcher and the object of his research [1].

Content analysis differs from all other ways of studying documents. It allows you to «fit» the content of a document into a social context, to comprehend it both as a manifestation and as an assessment of social life.

Content analysis is aimed mainly at the study of sociological and psychological aspects, which are implemented in the text with different

frequency, so to conduct research it is necessary to involve text arrays. The study of individual texts using this method does not make sense, except for solving specific problems, for example, establishing motivation of a particular communicator or author.

The main advantages of content analysis are as follows:

- It can allow for both quantitative and qualitative operations;
- It can provide valuable historical/cultural insights over time through the analysis of texts;
- It statistically analyzes the coded form of the text;
- It can be used to interpret texts for purposes, such as the development of expert systems;
- It provides insight into complex models of human thought and language use [2].

Unfortunately, like all methods, it has its disadvantages:

- It can be extremely time consuming;
- It is often devoid of theoretical base, or attempts too liberally to draw meaningful inferences about the relationships and impacts implied in a study;
- It often disregards the context that produced the text, as well as the state of things after the text has been produced;
- It can be difficult to automate or computerize [2].

Conclusion. Thus, we have determined that information analysis technologies are sets of methods and procedures that have developed in research practice and allow obtaining the necessary types of information. These technologies are universal, they are used both in research work, focused on the creation of a scientific theory, and in studies conducted to optimize the management problem solving. Besides, we have examined the main types of such technologies, which include the method of observation, the method of questioning, projective techniques, the method of in-depth interviews, the “focus group” method and the method of content analysis.

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AUTOMATION OF THE HOTEL INDUSTRY ENTERPRISES ACTIVITY AS A DIRECTION OF THE INNOVATIVE TECHNOLOGIES IMPLEMENTATION

*V.A. Zaderiaka, Y.N. Litovchenko (language supervisor)
V.N. Karazin National University, Kharkiv*

Zaderiaka V.O., Litovchenko Y.N. Automation of the hotel industry enterprises activity as a direction of the innovative technologies implementation. This article provides an overview of property management system, hospitality property management software, and customer relationship management systems. The article analyzed the international and domestic experience of implementing these systems.

Key words: customer relationship management systems, hospitality property management software, property management system.

Задеряка В.О., Литовченко Я.М. Автоматизація діяльності підприємств готельного господарства як напрям впровадження інноваційних технологій. У статті подано огляд автоматизованих систем управління, програмного забезпечення для управління підприємствами готельного господарства, та системи централізованого бронювання. Проаналізовано міжнародний та вітчизняний досвід їх впровадження.

Ключові слова: автоматизовані системи управління, програмне забезпечення, системи централізованого бронювання.

Задеряка В.А., Литовченко Я.Н. Автоматизация деятельности предприятий гостиничного хозяйства как направление внедрения инновационных технологий. В статье представлен обзор автоматизированных систем управления, программного обеспечения для управления предприятием гостиничного хозяйства, и системы централизованного бронирования. Проанализирован международный и отечественный опыт их внедрения.

Ключевые слова: автоматизированные системы управления, программное обеспечение, системы централизованного бронирования.

At present, the hotel enterprises to maintain competitiveness, keep regular customers and attract new ones, it is not enough just to provide a high level of service and meet the customer needs, it is necessary to constantly modernize work of the hotel and introduce innovative technologies.

To increase the productivity of the hotel, reduction labor intensity and optimize all the hotel departments' work, it is necessary to implement Property management system (PMS), as well as Hospitality property management software (HPMS) [2].

Property management system is a comprehensive software application used to cover objectives like coordinating the operational functions of front office, sales and planning, reporting, etc. Hospitality Property Management Systems help hotel, motel, and resort managers coordinate everything from reservations and billing to marketing their properties. With an estimated market size of several hundred million dollars, hospitality property management software helps to track maintenance requests and housekeeping schedules for a full-picture view of what's going on across the entire facility.

The system automates hotel operations like guest bookings, guest details, online reservations, posting of charges, point of sale, telephone, accounts receivable, sales and marketing, events, food and beverage costing, materials management, HR and payroll, maintenance management, quality management and other amenities. Hotel property management systems may have integrated or deal with third-party solutions like central reservation systems and revenue or yield management systems, online booking engine, back office, point of sale, door-locking, housekeeping optimization, pay-TV, energy management, payment card authorization and channel management systems.

They also help to significantly reduce the number of mistakes in the distribution of hotel rooms, improve the procedure for identification and registration. Automation of hotels is necessary and growing with the number of orders that the hotel receives, so half of all hotels that have already implemented automated systems and software is the hotel chain (Fig. 1).

Figure 1 shows users of property management system and hospitality property management software by type of hotels.

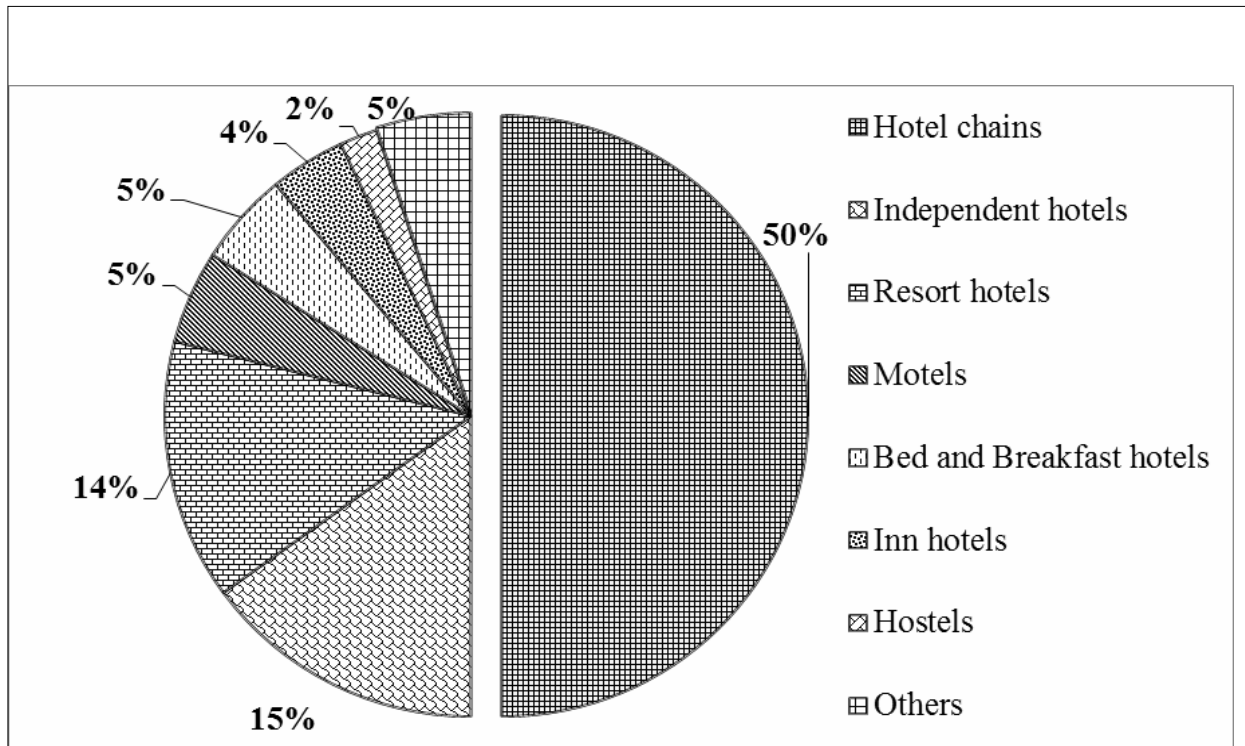


Figure 1. Distribution of users by automated systems and software by hotel type

After analyzing the international experience of using innovative technologies by hotels, I can summarize that there is a tendency to the application software for the management of hotel enterprises. The most popular of all analyzed software is Oracle, which is used by 26,000 hotels and hotel chains around the world.

Figure 2 shows the most popular Hospitality property management software.

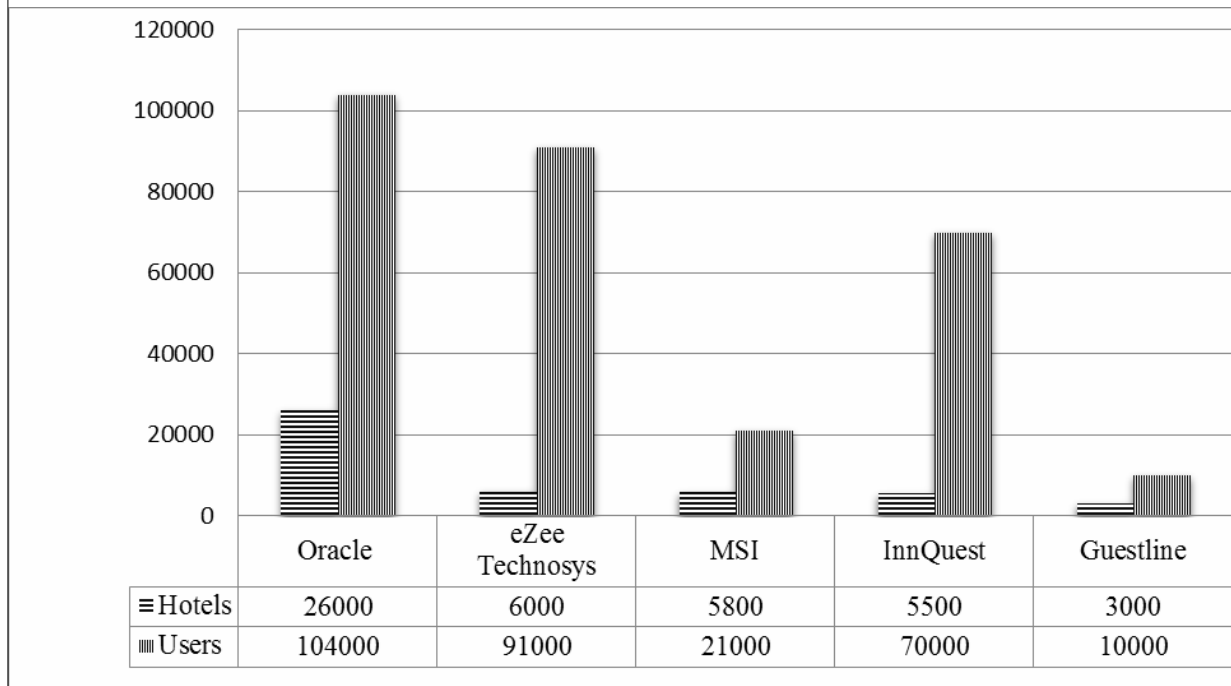


Figure 2. The rating of the most popular Hospitality property management software by the number of users

One of the most popular Property management system of hotel enterprises work is Epitome PMS. Customers can customize the system according to their needs. The basic module provides the functions of the porter, booking, cashier, tariffs and reporting. The Epitome PMS system has already been implemented in about 30 Ukrainian hotels and resorts – in particular: Premier Palace (Kiev), Dnister (Lviv), business hotel Aurora (Kharkov), etc. [4].

Customer Relationship Management systems are able to store customer data for future use. Information such as preferred room numbers or favorite cuisine, this can help to improve guest service by preparing for a guest’s arrival well in advance. Hotel management systems help to improve guest communication and maximize the hotel reviews online.

The Customer relationship management systems (CRM) is also significantly facilitates the work of hotel employees, it allows to control the room availability of all hotels that are part of the network and book an order in several hotels at the same time. The quality management system allows to control room conditions, and respond to guests’ requests, while checking the speed of the employee’s response. International hotel chains, such as: Marriott, Sheraton, Hilton, Hyatt, Holiday Inn, etc. have already used this system. In Ukraine this system is used by more than 50 hotels.

Figure 3 shows the main property management system used by hotels in Ukraine.

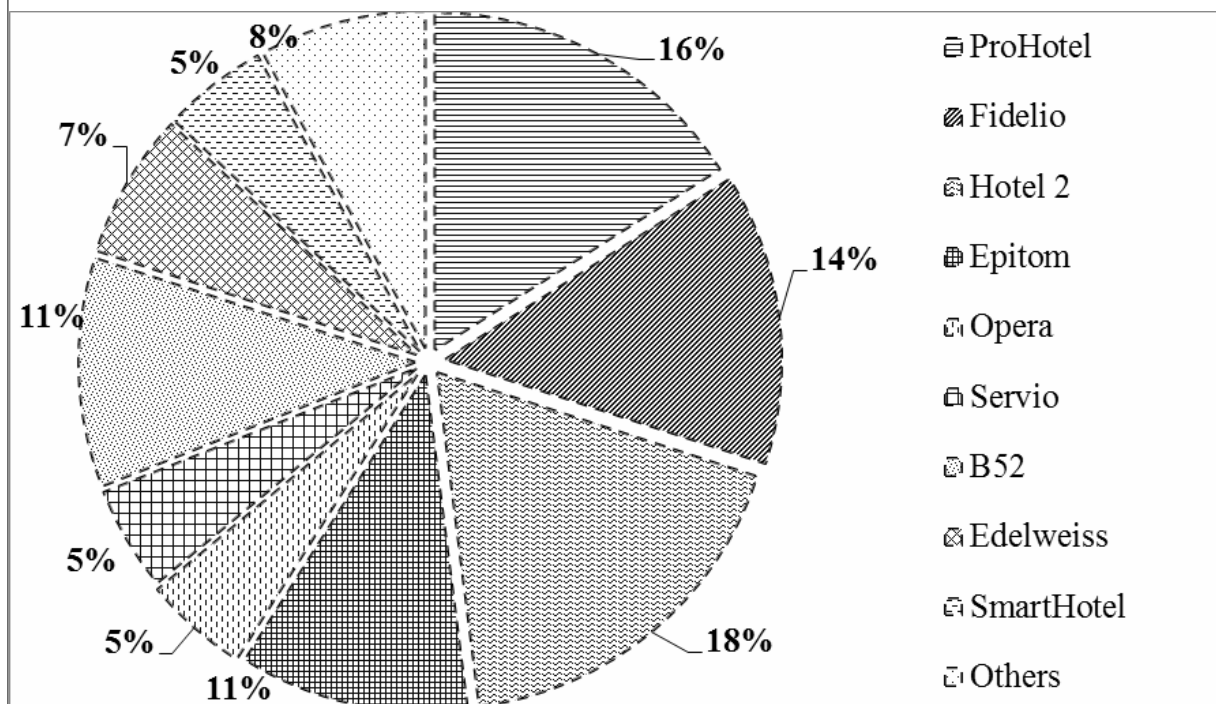


Figure 3. Basic property management system that used by hotels in Ukraine

In conclusion, automation at present, is a necessary component of the hotel industry modernization, it greatly simplifies management, allows to maintain all units at a high level, as well as a tool for introducing new innovative technologies that help attract customers and to take the leading position in the hotel services market.

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THE CONCEPT OF SUSTAINABLE DEVELOPMENT AND ITS USE FOR SUSTAINABILITY SCENARIOS

*V.I. Zadorozhniy, T.I. Skrypnyk (language supervisor)
V.N. Karazin National University, Kharkiv*

Zadorozhniy V.I., Skrypnyk T.I. The Concept of Sustainable Development and its Use for Sustainability Scenarios. The article examines the theoretical bases of national strategy of sustainable development. The problem of conceptual descriptions and evaluation of sustainable development are analyzed in the work. As the objectives, descriptions of the concept of sustainable development are analyzed and classified. Then the analysis of the concept of sustainable development is given. After this analysis the systematic view of the dimensions of sustainable development is provided.

Key words: dimensions of sustainability, sustainability policy, sustainable development.

Задорожний В.І., Скрипник Т.І. Концепція сталого розвитку та її використання для сценаріїв сталого розвитку. У статті розглянуто теоретичні стратегії сталого розвитку, проблеми концептуальних описів і оцінки сталого розвитку. У вигляді мети, опису концепції сталого розвитку аналізується і класифікується. Також аналіз концепції сталого розвитку. У цій статті аналізують систематичний погляд на розміри, забезпечується сталий розвиток.

Ключові слова: аспекти сталого розвитку, політика сталого розвитку, сталий розвиток.

Задороржний В.И., Скрыпник Т.И. Концепция устойчивого развития и ее использование для сценариев устойчивого развития. В статье рассматриваются теоретические стратегии устойчивого развития, проблемы концептуальных описаний и оценки устойчивого развития. В виде цели, описания концепции устойчивого развития разработана и анализируется и классифицируется. Также анализ концепции устойчивого развития. В этой статье анализируют систематический взгляд на размеры, обеспечивается устойчивое развитие.

Ключевые слова: аспекты устойчивого развития, политика устойчивого развития, устойчивое развитие.

Thus, we should take into consideration the fact that the concept of sustainable development may be difficult to understand and may have different meaning depending on the analyzed literature on the concept in which it is used. For this reason, in the article we presented several descriptions of sustainable development that would include multiple aspects of this concept.

Difficulties related to the definition of sustainability show that sustainable development is a complex and multidimensional issue, which combines efficiency, equity, and intergenerational equity based on economic, social, and environmental aspects. Debates on sustainable development presented in the literature can be classified into several thematic areas: a) conceptual; b) contextual; c) academic; and d) geopolitical, which are investigated in the article in more details.

As a general concept, sustainable development encompasses three fundamental approaches: economic, environmental, and social development, which are interrelated and complementary. Traditionally, the concept of sustainable development involves three equivalent components: environmental, economic, and social development; as well as three dimensions of wellbeing, i.e. economic, ecological, and social, and their complex interrelations, which are investigated in article in more details.

We tend to think that the analysis of sustainable development should be based on the assumption, indicating that sustainable development is based not on economic, social, ecological, or institutional dimensions, but rather on their system as an integrated whole.

Not all relations identified in a sustainability analysis have the same relevance and the same meaning for the strategic instruments of regional sustainable development. Relations among sub-systems identified should be relocated in a logical structure, based on the intention of the cognitive tool being built. In order to attain this, a hierarchical framework with coherent sustainability logic is needed.

Since sustainability issues should be analyzed and solved on the system levels where they develop and manifest themselves, one can consistently formulate respective aims of the sustainable development policy for separate dimensions (economic, ecological, social, and institutional) of sustainable development on each of these levels of economic development policy, thus obtaining the matrix of the aims of sustainability policy.

Introduction

The Problem. When trying to identify the essential features of sustainable development, which would allow to understand and provide the models of the management of sustainable development, their comparison and clarification of their processes, one faces a theoretical issue with the conceptual description and evaluation of sustainable development.

The research object is the concept of sustainable development.

The aim of this research is to systematize descriptions of sustainable development and its dimensions.

The Tasks. In order to fulfill these objectives, the following research tasks had to be accomplished:

- To analyze and classify the definition of sustainable development.
- To analyze the concept of sustainable development.
- To provide a systematic view of the dimensions of sustainable development.

The method of the research was logic abstraction that encompasses generalizations on theoretical systems analysis of the environmental and ecological economics; this was based on the conclusions and reasoning of scientists from other countries. The main scientific studies related to the problem have been reviewed and thoroughly analyzed.

Issues related to the definition of sustainable development

The essence of the concept of sustainable development is clear enough, the exact interpretation and definition of sustainable development has caused strong discussions.

Thus, sustainable development may be understood as the process of economic development and structural changes helping to broaden human possibilities (Petkeviciute and Svirskaitė, 2001). This development is determined by the power of knowledge about development and is best seen through sustainable and balanced development of human possibilities and ability to assume social responsibility for oneself, the society, and future generations. Weitzman (1997) stated that sustainability is the measure of future consumption.

Pearce, Markandya and Barbier (1989) provided a more generalized definition of sustainable development that includes the creation of a social and economic system that guarantees support for the following aims: increase in the real income, the improvement of the level of education, and the improvement in the populations' health and in the general quality of life.

The term sustainable development should mean the following: the improvement in the population's quality of life while taking into consideration the ecosystem's regenerating capacity that can be described as the maximal continuous load on the environment (Catton, 1986), and the carrying capacity – the greatest number of population that can survive in the presence of ecological balance (Sorlin, 1997). At the same time, it can be stated that in some aspects sustainable development includes the analysis of conditions under which ecosystems may preserve the regenerating ability, which means making choices in the sense of time and space.

Radermacher (1999) provided probably one of the broadest concepts of the evaluation of sustainability, indicating that the definition of sustainability should include the following elements: a) globalization, b) a long period of time (since environmental consequences are of long-term character), d) external effects, e) environmental policy, f) the approach “from the cradle to the grave”.

The essence of Brundtland's statement is fair distribution of natural resources both among different generations and among the present generation of people from the first, the second, and the third world, and finding a positive consensus between the environmental, social, and economic dimensions of environment. Thus, sustainable development is not about a choice between environmental protection and social progress, but rather more about striving for economic and social development that would be compatible with environmental protection. The definition presented in the report of the Brundtland commission contains two essential concepts:

- 1) the concept of needs, especially the needs of the world's poor, which should be given priority;

- 2) the idea of limitations arising from the effect of technologies and social structures on the ability of the environment to satisfy present and future needs.

An important element in this definition is the possibility for the satisfaction of needs, which may have different meanings. It may be related to the availability of alternatives (production and consumption, or various social and environmental functions) to individuals and the society in general. Pierantoni (2004) closely associated the concept of these possibilities with different types

of capital (economic, human, ecologic, and social), which are essential variables in definitions of sustainable development.

Talking about limitations, one can state, that the sustainable development concept determines only boundaries – not absolute limitations, but restrains, applied to resources of the existing technological and social organisational environment and capabilities of absorbing the effects of human activity.

On the other hand, one may conclude that the sustainable development concept in both merges two urgent goals:

a) to ensure appropriate, secure, wealth life for all people- its is the goal of development,

b) to live and labour in accordance with bio-physical limits of the environment – it is the goal of sustainability.

These goals might seem contradictory but, despite that, they have to be achieved in unison. On the other hand, development, which is frequently understood as a synonym to progress, has become more acceptable, since it was associated with “natural” limitations that were clearly identified in the concept of sustainability.

It has to be noted that the definition of sustainable development used in the report “Our Common Future” was, in fact, a specific turn-point from the previously dominating attitude “growth or environment” towards a possibility of – which is the essential contribution of Brundtland Commission report – complementing each other economic growth and environment. One could even say that the idea of perfect complementary interaction between the environment and development is one of the interpretations of the philosophy of the Brundtland Commission. This idea emphasizes not only quantity, but also quality of economic growth, and people’s wellbeing existing beside economic growth. This idea deals with development rather than only growth, and with the quality of life rather than only with real income.

Debates on the Concept of Sustainable Development from Different Academic Perspectives

It is noteworthy that in different subjects sustainable development is defined differently (Ciegis, Zeleniute, 2008):

a) in economics it is development ensuring that the per capita income of future generations is not lower than that of the present generation;

b) in sociology it is development that preserves the community, i.e. maintains close social relationships in communities;

c) in ecology it is development that preserves the diversity of biological species, essential ecosystems, and ecological processes.

Difficulties related to the definition of sustainability show that sustainable development is a complex and multidimensional issue, which has to combine efficiency, equity, and intergenerational equity on economic, social, and environmental ground. Debates on sustainable development present in the literature can be classified into several thematic areas (Rios Osorio et al., 2005): a) conceptual, b) contextual, c) academic, and d) geopolitical.

Category of the conceptual debate include the works on sustainable development that focus on its etymological origins, the semantic features of the phrase, and the analyses of the concept carried out from a linguistic point of view.

The non-indigenous view is based on the arguments proposed by the Brundtland report, and its analysis of the concept of sustainable development identifies it with a proeconomic, liberal ideology, whose main objective is economic growth. Within this conception, the preservation of the ecosystems, culture, nature, and the environment are just tools for its achievement.

The institutional stance refers to the agreements and strategies involved in the concept of sustainable development, which has been reached by an international consensus

Morin and Kern (1993) who argue that development has two aspects. On the one hand, it is a global myth in which industrial societies reach welfare, reduce their extreme inequalities, and provide individuals with as much happiness as society can offer. On the other hand, it is a reductionist conception, in which economic growth is the necessary and sufficient engine of all social developments, psychic and moral.

The emergence of sustainable development could be explained by the co-occurrence of events of economic, political, and social relevance at a global level, being the environmental aspect the cause and its consequence. Debates discussed on sustainable development constitute a theoretical body on which diverse models of analysis are being built. These models try to approach the phenomena present at today's world conflicts: environmental degradation and its causes and effects in relation to human systems (economic, social, cultural, and political).

Based on the analysis of sustainable development definitions, we would emphasize global, regional, and community level. However, plurality of aspects related to the concept of sustainability makes it a weakly defined object of discussions. This is the reason for confrontations of its concepts. Some lack of certainty in definitions of sustainable development also has advantages, which allow different interest groups for having common ideological

background. At the same time, ambiguity of the definition allows for using of sustainability phrase everywhere, and this leads to losing the essence of sustainable development. The concept of sustainable development itself is changing: new knowledge, experience affect understanding of problems and possibilities of their solutions. These are the reasons for further analysis of the dimensions of sustainable development.

Systemic Analysis of the Main Dimensions of Sustainable Development

As a general concept, sustainable development encompasses three fundamental approaches: economic, environmental, and social development, which are interrelated and complementary. Traditionally, the concept of sustainable development involves three equivalent components: environmental, economic, and social development; as well as three dimensions of wellbeing, i.e. economic, ecological, and social, and their complex interrelations.

In other words, sustainable development is a certain compromise among environmental, economic, and social goals of community, allowing for wellbeing for the present and future generations. Ghosh (2008) presents the concept of sustainable development as a geometric shape, i.e. a triangle encompassing three main areas: economic, social, and environmental.

1) Economic sustainability seeks to maximize the flow of income and consumption that could be generated while at least maintaining the stock of assets (or capital), which yield beneficial outputs. The main goal of implementation of sustainability principles is safeguarding of an optimal amount of general capital (or sum of different kinds of capital) for the future generations.

2) The ecological approach to sustainable development pays most attention to stability of biological and physical systems and refers to Holling's (1973, 1978, 1986) et al. scientific works. Therefore, ecological sustainability (or criterion of "Holling's sustainability"), on the contrary to the criterion of weak "Solow-Hartwick sustainability", concentrates on general vitality and health of ecosystems. It is described as ability to regenerate, vitality and organization's versatility, dynamics, and hierarchy (Common, Perrings, 1992). According to this approach, the primary task of economic development is to determine the natural systems limits for various economic activities.

3) Sustainability forces limitations upon the society's ability to exchange with the surrounding natural systems and upon the society's structure as well. People-oriented the social-cultural sustainability concept reflects the interface between development and dominating social norms and strives to maintain the stability of social systems. Social sustainability seeks to reduce vulnerability

and maintain the health of social and cultural systems, and their ability to withstand shocks. Socio-cultural sustainability requires at least the preservation of certain critical components of social capital, the latter being understood as the ability of the society to solve social, economic, and environmental problems, and to be active in forming the development of the whole system

4) The implementation of the policy of sustainable development requires the evaluation of the organization (institutional) sustainability dimension, since effective, properly functioning institutions are essential for sustainable development in the realization of the social, economic, and environmental aims set by the society.

We tend to think that the analysis of sustainable development should be based on the assumption developed by Jiliberto (2003), indicating that sustainable development is based not on the economic, social, ecological, or institutional dimension, but rather on their system as an integrated whole. That system is not algebraic sum of the four (or more) systems but an entity or system to be identified as the starting point and converted into the object of analysis. One should take into account the fact that the need to identify relationships and indices is strong only when the multidimensional structure of sustainable development is applied, i.e. sustainable development of economics is analyzed together with environmental conditions that do not entail exhaustion of future generations' natural resources. In case on a onedimensional interpretation, sustainability only involves specific problems in a certain dimension, and hence relationships with development in other fields may be very weak.

It is also noteworthy that social life – especially the sphere of social activity – is composed of various sectors, such as education, economics, nature, etc. When analyzed in an integrated manner, these sectors are transformed into systems. These spheres, sectors, or systems are the structural units that should be integrated when analyzing sustainable development of a region.

Conclusions.

1. Analysis of sustainable development concept descriptions proved that none of hundreds of sustainable development definitions found in the literature include all the aspects of the concept and provide perfect understanding of it. Therefore I tend to think that the most appropriate definition that best expresses the idea of sustainable development is provided in the report of the Brundtland commission, stating that sustainable development is the development that satisfies the needs of the current time period without jeopardizing the ability of future generations to satisfy their needs.

2. Difficulties related to sustainability definition show that sustainable development is a complex and multidomain issue, which has to combine efficiency, equity, and intergenerational equity on economic, social, and environmental ground. Debates on sustainable development present in the literature can be classified into several thematic areas: a) category of conceptual discussions, b) contexts of sustainable development, c) academic debates, and d) geopolitical discussions.

3. On the basis of the theoretical statements presented by advocates of various versions of sustainable development, three main groups of concepts of sustainable development may be identified. These groups would then allow for further analysis of sustainable development as the interaction of the ecological, economic, and social systems, taking into account ethical aspects: a) the economic approach to sustainability; b) the ecological approach to sustainable development; c) the social concept of sustainability; d) the organization (institutional) dimension of sustainability.

4. The article is based on the assumption that sustainable development is based not on economic, social, ecological, or institutional dimensions, but rather on their system seen as an integrated whole.

5. The relations identified in a sustainability analysis have not all the same relevance and the same meaning for the strategic instruments of regional sustainable development. Relations among sub-systems identified should be relocated in a logical structure, based on the intention of the cognitive tool being built. In order to attain this, a hierarchical framework with coherent sustainability logic is needed.

6. Since sustainability issues should be analyzed and solved on the system levels where they develop and manifest themselves, one can consistently formulate respective aims of the sustainable development policy for separate dimensions of sustainable development on each of these levels of the economic development policy, thus obtaining the matrix of the aims of sustainability policy, which may be used when preparing sustainability scenarios.

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16 STEPS FOR SUCCESSFULLY LAUNCHING A NEW PRODUCT OR SERVICE

***A.A. Zaidan, I.V. Zmiyova, PhD (language supervisor)
V.N. Karazin National University, Kharkiv***

Zaidan A.A., Zmiyova I.V. 16 Steps for successfully launching a new product or service. This work deals with the development of a new product, because to ensure the company's competitiveness and reduce market risks in a market economy one of the main reasons for the successful life and development is the creation and implementation of new products aimed at the actual needs of consumers.

Key words: economy, market, market research, market risks, product, product development, product implementation, product planning.

Зайдан А.А., Змійова І.В. 16 Кроків для успішного запуску нового продукту або сервісу. Робота присвячена розробці нового продукту, який в умовах ринкової економіки для забезпечення конкурентоспроможності підприємства та зменшення ринкових ризиків однією з основних умов успішного функціонування і розвитку є створення і впровадження нових товарів, орієнтованих на задоволення актуальних потреб споживачів.

Ключові слова: впровадження продукту, дослідження ринку, економіка, новий продукт, планування продукту, ринкові ризики, ринок, розробка.

Зайдан А.А., Змиёва И.В. 16 Шагов для успешного запуска нового продукта или сервиса. Работа посвящена разработке нового продукта, который в условиях рыночной экономики для обеспечения конкурентоспособности предприятия и уменьшения рыночных рисков является одним из основных условий успешного функционирования и развития является создание и внедрение новых товаров, ориентированных на удовлетворение актуальных потребностей потребителей.

Ключевые слова: внедрение продукта, исследование рынка, новый продукт, планирование продукта, разработка, рынок, рыночные риски, экономика.

In a modern world, it is not possible for a company to achieve competitiveness and reduce risks in a market economy without creation and implementation of new products or services that consumers need. That is why the analysis of these processes stipulates the actual value of this research.

The subject of the study is new products or services developed to expand or renew a product range. The purpose of the study is to analyse successful steps recommended to launch a new product or service.

Launching a new product or service is not what is used to be. In the «good old days» you could hire a PR agency to craft a press release and set up a press tour. Before a big launch date you would hit the road and meet with reporters from all the important press outlets. Then on a launch day, you could sit back and watch the articles roll in. In those days, reporters might even spend a few days fact-checking and talking to customers before filing their stories [3, p. 33].

For good or bad, those days are gone. Today, the pace of news is limited only by the speed of light. The new media landscape incorporates far fewer major outlets; instead, it is made up of a smaller number of slimmed-down publications and an inordinate number of specialist bloggers. Getting «ink» might be easier, but paradoxically, getting attention has become extremely difficult. And the attention you do get is forgotten within minutes as the unceasing flow of even «newer news» pushes your announcement out of the collective mind share.

In this article, a lot of information from different sources was analyzed and an optimal and rational list of steps was created to effectively launch a new product.

New tactics are required to get the notice you deserve. So here are some steps for a successful launch in these fickle times:

1. Start early

Don't expect reporters to write about you when you want. Get a head start and begin preparing long before you plan to launch. A rolling launch is a

great way to keep the conversation going. Start your outreach activities 6 to 8 weeks before the official launch date and then keep the news going up to, and beyond the official launch date. The steps below describe how to do this.

2. Idea Conception

New product planning typically commences with a great idea. Company marketers, financial experts and engineers hold brainstorming sessions to decide the types of products to add to their existing product lines. They may also plan new lines of products. Whatever the case, company employees usually devise product concepts to solve consumer problems or fill voids in the marketplace. They then decide which types of customers are most likely to buy their products. Sales and profitability are factored into the evaluation process to determine whether the product idea is viable [5, p. 27].

3. Concept Statement

Product marketers use input from the idea generation session to start drafting a concept statement. A concept statement is a more specific version of the product idea or concept. It is the stage where companies determine what the product will look like, including special features, styles or dimensions. Product pricing and distribution are also determined as are the types of advertising and promotions that will be used to market the product. Many companies will create different versions of products before narrowing their concept statement down to one specific product. This allows for input from consumers who will ultimately determine the products success [9].

4. Focus Groups

Focus groups are used to present the product idea to a group of consumers, according to Knowthis.com, an online marketing reference site. Focus groups are usually run at focus group facilities. Managers observe how consumers react to their product idea through one-way mirrors. The focus group session is typically run by a professional moderator or interviewer. This person uses a discussion guide or questionnaire to introduce the concept statement. They ask consumers if they would like the product as it is presented and whether or not they would purchase it. Companies use the input from focus groups to tweak their product concepts with respect to features, styles and price points [8].

5. Make the product or service available

to important influencers as a first step. Influencers can be friendly customers, prospects, or even bloggers who have a sizable online presence. Encourage these people to use your product or service and then write review articles or posts. These folks are also great resources to talk to analysts about your offering pre-launch [9].

6. Brief industry analysts

during this early phase as well. Scheduling calls with these folks takes time so do this early. Invest the time to write compelling briefing requests. These guys are busy, so you will want to make sure your meeting request clearly states why it is worth their time to hear about your offering [8].

7. Marketing Research Surveys

Marketing research surveys help quantify whether consumers will like and purchase the product. Companies often do hundreds of surveys to ensure that their results are valid and representative of the average consumer. This better ensures that the product will sell in the marketplace. Most companies hire marketing research agencies to conduct surveys by phone, mail or via the Internet. These professionals use experienced interviewers to conduct the surveys and computer software to tabulate survey results [6, p. 112].

8. Seed the social space with «leaks»

Target people who are naturally eager to learn about your offering. For example, ‘coming soon’ tweets and ‘leaked’ photos of your product create an aura of intrigue that builds interest. Apple is a master of this technique.

9. Don’t expect a «big bang» release

Unless your product or service is truly revolutionary or if you are Microsoft or Apple. Unless you have a massive launch event planned, the official launch date should only signify the day your product is actually available.

10. Product Development

Companies will usually start producing their products on a small scale if the survey results prove favorable. Companies start with smaller amounts of products so they can evaluate sales in specific markets. This helps them avoid high production costs if the product somehow fails. Products are usually produced for another phase of testing called beta testing [1, p. 32].

11. Beta Testing

Companies will usually sell the initial products in two or more cities that are comparable in size and demographics like age and income. These tests can run several months to one or more years. During beta tests, companies advertise and promote their products as they planned when creating the concept statement. Financial managers then evaluate sales and profits. They then meet with product managers and engineers to determine whether further expansion is warranted.

12. Keep the release rolling

You don’t know when reporters will have time to write, so give them some opportunity to write about the offering after the official launch date. Continue

to produce fresh news like announcements concerning novel uses of the product, customer stories, details about how the offering provides return on investment to customers, etc.

13. Do something unusual

during the release cycle. Some examples include creating a funny video, doing a stunt centered around an industry event, publishing a survey that supports the value of your product, or creating an interesting infographic that describes the need for your product. As an example, for a recent product launch, I created a mock public service announcement website that warned of the ‘dangers’ of using our new mobile product while walking. The irony created an enormous buzz around the launch and even led to a huge spike in free product downloads. You can check it out [here](#).

14. Get partners involved

Channel and marketing partners who have a financial stake in the success of the launch are natural allies. The more people that are talking about the release, the better chances it will get pickup [5, p. 36].

15. Make it easy for people to learn more about your product with free trials, downloads, products product videos, and demos.

16. Ignore the elements of the launch that do not drive business.

Unless your offering appeals to a mass consumer audience, don’t focus on the number of Facebook likes and Twitter followers you collect. Better use these social channels for more meaningful engagement. See who is talking about your offering online and then make contact with them. See how these folks can help you further promote your offering within their social circles.

During the planning process, company creates potential opportunities, evaluates them, discards the least promising options, takes the thoughts of consumers, creates products, tests it and implements to the market [2, p. 76; 4, p. 342].

New products eventually enter to a phase of decline, their place must be occupied by other goods and services after. New ideas should be deeply thought over and carefully tested before the enterprise expends the resources to implement them. The interaction between the existing products and services and the search for ways to improve and update the company is able to provide the dynamism that is driven by the expansion [7, p. 64].

In order to stimulate the enterprise, it is necessary to learn and create methods of planning and development of new products.

Thus, we can state that a company’s ability to develop and introduce a new product on the market highly depends on the financial performance. In

addition, a company must be able to manage their production in response to changing tastes, changes in technology, and in competition.

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PROSPECTS FOR FURTHER INTEGRATION AND COOPERATION WITHIN THE ASEAN+3

*K.H. Zasid, N.A. Oliylyk, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Zasid K.H., Oliylyk N.A. Prospects for further integration and cooperation within the ASEAN+3. The article examines the current state and the prospects of the processes of integration and expansion of cooperation within ASEAN+3. The research covers the main trends of expansion of cooperation between the ASEAN and three big countries, such as Japan, China and the Republic of Korea as well as provides the prospects for deepening cooperation within the ASEAN+3.

Keywords: expansion of cooperation, processes of integration, the ASEAN+3.

Засід К.Г., Олійник Н.А. Можливості подальшої інтеграції та співпраці в рамках АСЕАН+3. У статті розглядається сучасний стан й можливості інтеграційних процесів та розширення кордонів співпраці в рамках АСЕАН+3. Вказуються основні тенденції поглиблення кооперації країн АСЕАН з Японією, Китаєм та Республікою Корея, а також можливості розширення співпраці в рамках АСЕАН+3.

Ключові слова: поглиблення кооперації, інтеграційні процеси, АСЕАН+3.

Засид К.Г., Олейник Н.А. Возможности дальнейшей интеграции и сотрудничества в рамках АСЕАН+3. В статье рассматривается современное состояние и возможности интеграционных процессов и расширения границ сотрудничества в рамках АСЕАН+3. Указываются основные тенденции углубления кооперации стран АСЕАН с Японией, Китаем и Республикой Корея и возможности расширения сотрудничества в рамках АСЕАН+3.

Ключевые слова: углубление кооперации, интеграционные процессы, АСЕАН+3.

At the current stage of economic development, particular attention not only of scientists, but also of public is focused on the perspective directions of integration and globalization in the world which determines the relevance of this study. The object of the study is the perspectives of the development of current international relations within the Association of South East Asian Nations (ASEAN) and the subject is regional integration as an important feature of the development of current international relations where there can hardly be any state in the world which is not a member of one or several integration groups. The latter have become an important instrument of world politics and the world economy in the sectors of foreign trade and investment.

Changes in the foreign policy having been made by many states in recent years, new priorities of economic and political regionalization of relations set a very different agenda for Asian countries. The continuous transformation of the role of Asian regional cooperation in the direction of deepening integration clearly indicates a gradual and systematic strengthening of global processes in the world.

Among other objectives of the ASEAN, established on August 8, 1967 was to “accelerate economic growth” and “promote regional peace and stability” in the region [6]. What started as a 5-member organization has grown to a 10-member regional group that has been recently sought by other countries. In its core there are the principles of consensus and non-interference among the ASEAN countries.

In 2015, ASEAN established the ASEAN Economic Community (AEC), which is aimed at a freer flow of goods, services, investment, capital, and

skilled labour force into the region. The organization has focused mainly on improving trade, business climate, and the economies while other sectors, in the process, seemed to have suffered.

“In fact it is in economics that ASEAN has advanced a lot – to the chagrin of the political and socio-cultural sectors,” said Jenina Joy Chavez, coordinator for industrial policy team of the Action for Economic Reforms, a Manila-based organization.

In 1983, ASEAN first tried to introduce free trade agreements in the region but it took another 10 years before it succeeded. The AEC only covers free trade of 8 professions in the region – engineers, architects, doctors, nurses, lawyers and accountants, among others. Migrant workers, more so undocumented ones, are excluded [1].

With the displacement of the center of interests of integration tendencies in the Asia-Pacific region to East Asia in the late 1990s the group of ten ASEAN countries and three East Asian countries: China, Japan and South Korea was established [2]. The cooperation expansion of the Southeast Asia region begins precisely with this ASEAN+3 format, within which several Free Trade Areas were established – FTA China, FTA Japan and FTA Republic of Korea. As part of the creation of these zones, measures to accelerate the processes of harmonization of the tariff nomenclature, customs valuation, and the establishment of a system of simplified customs procedures as well as harmonization of commodity standards are being taken [3].

Now the practical implementation of the FTA dialogue between Japan and ASEAN is being conducted. The Japan-ASEAN Economic Partnership Agreement covers trade of goods and services, regulation of investment activities and economic cooperation in general. The agreement promotes the strengthening of economic relations between countries, creates an efficient market with great opportunities in the region. As the ASEAN countries are among the main recipients of Japanese investment, the formation of production and export centers with a high proportion of localization will become an objective reality in the near future.

It should be noted that both Japan and ASEAN countries in the long term prefer to follow the decision of further deepening the interdependence of the countries of the region through the gradual formation of the East-Asian community, consisting of not only 10 countries of ASEAN, China, South Korea and Japan, but also Australia, New Zealand and India. At the ASEAN-Japan Summit it was stressed that the interests of both parties coincide in regional and global terms, opening them opportunities to develop partnerships and maintain

their leading role in building East-Asian community, which must become a primary objective of cooperation of the ASEAN and Japan [4, p.220].

Another economic partner of the ASEAN, the Republic of Korea, also has trade and economic agreements with the ASEAN, including the ASEAN-Korea Free Trade Agreement (AKFTA) which promotes investment flows and sets up a liberal, transparent and competitive investment regime in the ASEAN region and in the Republic of Korea. The agreement provides a gradual liberalization of the investment regime, creation of favourable conditions for investors and investments, promotion of cooperation on a mutually beneficial basis and security of investments. It should be noted, that cooperation between ASEAN and the Republic is not limited by the economic sphere, a number of agreements are aimed to maintain peace and security in the region.

Regarding the FTA with China, this zone is characterized by interdependence and brings benefits to both parties. It promotes not only the rise of the East-Asian economy, but also the cultural exchange [5], and the further cooperation between the People's Republic of China and the countries of the ASEAN have very good prospects. Strong economic positions of the Chinese diasporas in Singapore, Malaysia and Indonesia, the growth of China's specific weight in the trade balance of almost all countries-members of the ASEAN (Malaysia's leading trading partner, one of the largest trading partners for Singapore, Indonesia and Thailand), the growth of mutual investment let us assume that most of the ASEAN countries will focus on the further growth of economic cooperation with the People's Republic of China which is facilitated by the following three factors:

- 1) China's big and fast-growing market;
- 2) favourable geographical position of the ASEAN countries;
- 3) willingness to reduce dependence on developed countries.

It should also be mentioned that the ASEAN plans to sign multilateral and unilateral free trade agreements with many countries (e.g., the establishment of a Free Trade Area with India). But FTAs' functioning with the nearest countries, which dominate in terms of their economic potential, as well as signing new agreements will only create obstacles for the regional integration in Southeast Asia. The processes of integration with other countries can have the following consequences:

- 1) the growth of the difference between trade with the third countries;
- 2) reorientation of investment flows to the third-country markets;
- 3) increasing dependence on developed countries;

4) current structural economic problems of the ASEAN countries, particularly those regarding specialization in similar goods and the vulnerability of this position on the world market.

Further economic integration of the states of the region, as well as deepening cooperation with other countries of the Asia-Pacific region is a priority of the ASEAN's future work. This program is intended to be implemented by the ASEAN Unified Community, established in 2015. Another task of the organization in the near future is to eliminate the gap in economic development between its members. Thailand, Singapore and Malaysia fall behind other countries of the region in the economic race so it is planned to significantly reduce this gap by 2020 [6].

Thus, to conclude, the ASEAN countries are taking their course in their development towards an innovation path, driven by their aspiration for integration into global production. In particular, it requires intensification of integration cooperation, finding completely new approaches to industrial-technological cooperation with foreign countries, and above all, regional integration.

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GLOBALIZATION AND THE BUTTERFLY EFFECT

*T.I. Zhukivets, N.M. Startseva, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Zhukivets T.I., Startseva N.M. Globalization and the butterfly effect. The article presents an analysis of the influence of the butterfly effect on economic processes and financial markets in the current conditions of globalization. The butterfly effect – the term that describes internal characteristics of some chaotic systems. Tiny influence on the system can have big and unpredictable effects somewhere in other place and at other time. Chaos theory addresses the behavior of competing firms in the markets, their strategic and dynamic moves, that are highly sensitive to existing market conditions triggering the butterfly effect.

Key words: butterfly effect, chaos theory, economic processes, financial markets, globalization, unpredictable effects.

Жуківець Т.І., Старцева Н.М. Глобалізація та ефект метелика. В статті запропонований аналіз впливу ефекту метелика на економічні процеси та фінансові ринки в сучасних умовах глобалізації. Ефект метелика – термін, що характеризує внутрішні властивості деяких хаотичних систем. Незначний вплив на систему може мати великі і непередбачувані ефекти де-небудь в іншому місці і в інший час. Теорія хаосу розглядає поведінку фірм-конкурентів на ринках, їхні стратегічні та динамічні рухи, які дуже чутливі до існуючих ринкових умов, що викликає ефект метелика.

Ключові слова: глобалізація, економічні процеси, ефект метелика, непередбачувані ефекти, теорія хаосу, фінансові ринки.

Жуковец Т.И., Старцева Н.Н. Глобализация и эффект бабочки. В статье предложен анализ влияния эффекта бабочки на экономические процессы и финансовые рынки в современных условиях глобализации. Эффект бабочки – термин, который характеризует внутренние свойства некоторых хаотических систем. Незначительное влияние на систему может иметь большие и непредсказуемые эффекты где-нибудь в другом месте и в другое время. Теория хаоса рассматривает поведение конкурирующих фирм на рынках, их стратегические и динамические движения, которые очень чувствительны к существующим рыночным условиям, что вызывает эффект бабочки.

Ключевые слова: глобализация, непредсказуемые эффекты, теория хаоса, финансовые рынки, экономические процессы, эффект бабочки.

Relevance. Globalization brings immense benefits. As barriers to the movement of goods, services and capital have been lowered, many emerging economies have seen extraordinary improvements in living standards and

incomes. The rise of the Internet over the past 15 years, which, together with improving literacy and education, is allowing ideas to spread faster than ever before. Yet growing integration and complexity has however resulted in new systemic risks that must be managed if we are to preserve the gains of recent decades [2]. The purpose of the article is to describe the emerging risk of a butterfly effect onto the world markets.

The phrase "the butterfly effect" was first coined during a scientific meeting in 1972. Scientist Edward Lorenz gave a talk on his work regarding weather prediction models. The phrase suggests that the flap of a butterfly's wings in Japan could create a small change in the atmosphere that might eventually lead to a tornado in Texas [1].

Of course, a single act like the butterfly flapping its wings cannot cause a typhoon. Small events can, however, serve as catalysts that act on starting conditions [4].

Marketplaces are, in essence, chaotic systems that are influenced by tiny changes. This makes it difficult to predict the future, as the successes and failures of businesses can appear random. Periods of economic growth and decline sprout from nowhere. This is the result of the exponential impact of subtle stimuli – the economic equivalent of the butterfly effect.

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

In 2015, the Chinese stock market encountered significant volatility, dropping over 8% in one day. Similar to Black Monday, there was no single event or cause for the drop. This volatility quickly spread to other markets, with the S&P500 and the Nikkei losing around 4%. Also like Black Monday, there had been some weakness in the Chinese markets in prior months [1].

The butterfly effect has become well-known in popular culture, and the concept has clear applications to finance. It together with chaos theory may provide a partial explanation for the unpredictability of capital markets [1].

Most firms use such effect by making a small change in their strategy concerning production, price, place, promotion, posture (developing corporate image), and proliferation to gain higher market share and profit in a short span.

For most businesses, incessant small changes are the most effective way to produce the metaphorical typhoon. These iterations keep consumers engaged while preserving brand identity. If these small tweaks fail, the impact is hopefully not too great. But if they succeed and they are compound, the rewards can be monumental.

By nature, all markets are chaotic, and what seems like inconsequential alterations can propel a business up or down.

Globalization and frequent shifts in consumer preferences as for products and services have accelerated chaos in the market due to the rush of firms, products, and business strategies. Chaos theory addresses the behavior of competing firms in the markets, their strategic and dynamic moves, that are highly sensitive to existing market conditions triggering the butterfly effect.

International economies can be thought of as a single system, wherein each part influences the others. Much like the atmosphere, the economy is a complex system in which we see only the visible outcomes. With the advent of globalization and improved communications technology, the economy is even more interconnected than in the past. One episode of market volatility can cause problems for the entire system. The butterfly effect in economics refers to the compounding impact of small changes. As a consequence, it is nearly impossible to make accurate predictions for the future or to identify the precise cause of an inexplicable change. Long periods of stability are followed by sudden declines, and vice versa.

Benoit Mandelbrot (the "father of fractals") began applying the butterfly effect to economics several decades ago. Mandelbrot and Hudson believe that the 2008 credit crisis can be attributed in part to the increasing confidence in financial predictions. People who created computer models designed to guess the future failed to take into account the butterfly effect. Wall Street banks trusted their models of the future so much that they felt safe borrowing the growing sums of money for what was, in essence, gambling. After all, their predictions said such a crash was impossible. Impossible or not, it happened [4].

The financial crisis represents a watershed in history. It is the first of a new type of systemic crisis which will characterize the 21st century. The four key failures which gave rise to the crisis are present in many other areas. Unless we can manage the new forms of systemic risks more effectively they will lead to the growing global instability. Although the rising threat posed by pandemics, cyber attacks, widening inequality and political fracturing, environmental collapse and climate change, infrastructure

weaknesses and supply chain disruptions and other systemic risks appear unrelated, they have the same underlying causes and solutions. These are: accelerating integration and interdependency as a result of economic and political openness and new technological platforms; growing complexity and an inability to discern cause and effect in the blizzard of big data; technological revolutions leaping ahead of evolutionary institutional reforms.

Conclusion. We enjoy thinking we can predict the future and exercise a degree of control over powerful systems such as the weather and the economy. Yet the butterfly effect shows that we cannot. The systems around us are chaotic and entropic, prone to sudden change. For some kinds of systems, we can try to create favorable starting conditions and be mindful of the kinds of catalysts that might act on those conditions – but that's as far as our power extends. If we think that we can identify every catalyst and control or predict outcomes, we are only setting ourselves up for a failure.

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INFORMATIZATION OF SOCIETY AS A MAIN FACTOR IN THE DEVELOPMENT OF MODERN INTERNATIONAL INFORMATION RELATIONS

*O.I. Zinchenko, I.V. Davydenko, PhD (language supervisor)
V.N. Karazin National University, Kharkiv*

Zinchenko O.I., Davydenko I.V. Informatization of society as a main factor in the development of modern international information relations. The article reveals the concept of information and the process of its influence on the society development, including the information society formation. In addition, the article describes how the social informatization allows to solve global problems of its development, indicates how the developed countries' desire to achieve undisputed information dominance for the sake of solving their national problems is ensured within the rapid globalization of information processes.

Key words: global problems, information, information relations, society, informatization.

Зінченко О.І., Давиденко І.В. Інформатизація суспільства як головний фактор розвитку сучасних міжнародних інформаційних відносин. В даній статті розкривається поняття інформації та процес її впливу на розвиток людства, в тому числі на процес формування інформаційного суспільства. Також в стаття розкриває, як інформатизація суспільства дозволяє вирішувати глобальні проблеми розвитку і вказує, як в умовах швидкої глобалізації інформаційних процесів забезпечується прагнення розвинених країн досягти безперечного інформаційного домінування заради вирішення своїх національних завдань.

Ключові слова: глобальні проблеми, інформатизація суспільства, інформаційні відносини, інформація, людство.

Зинченко А.И., Давыденко И.В. Информатизация общества как главный фактор развития современных международных информационных отношений. В данной статье раскрывается понятие информации и процесс ее влияния на развитие человечества, в том числе на процесс формирования информационного общества. Также в статье раскрывается, как информатизация общества позволяет решать глобальные проблемы его развития и указывается как в условиях быстрой глобализации информационных процессов обеспечивается стремление развитых стран достичь бесспорного информационного доминирования ради решения своих национальных задач.

Ключевые слова: Глобальные проблемы, информатизация общества, информационные отношения, информация, человечество.

The object of the study is the influence of informatization on the process of human and social development. The subject of the study is information and informatization as the civilization engine of growth. The purpose of the study is to analyze how the informatization level development influences on the international relations. The relevance of the study is determined by the fact that today's world is completely dependent on information and communication.

The society development level is determined by the level of technological access, which is provided through the modern means of communication. Possession of such tools and technologies allows to dominate the global world; therefore, the problem studying of the uniform access and usage of experience and knowledge accumulated by human civilization makes it possible to formulate a strategy for boundary-spanning at different levels of development.

In today's modern world, it is impossible to imagine the existence of any person without information. It surrounds us everywhere, and the knowledge of such information begins with the first second of life, with the first breath of an infant. The more mature we become, the more we know the world, each other and everything, surrounding us. The modern life rhythm makes humanity move and think faster, receive more, implement ideas and solutions actively. The world has changed significantly and dramatically. The reason for this is the knowledge and experience of previous generations, and the information accumulated by them. This fact gives our generation the opportunity to save time and resources for creating new products and solutions.

The information possession and usage has become global, and it has international character. The activities of individuals, groups, collectives and organizations increasingly depend on their awareness and ability to make effective usage of available information. Before taking any action, it is necessary to carry out an extensive work on the information accumulation and processing, its learning and analysis. The search for rational solutions in any field requires the large amount of information processing, which sometimes is impossible without special technical devices' usage [1].

So what the term «information» means?

The word «information» comes from *lat.* informatio, translated from Latin it means consideration, explanation, familiarization. Ancient philosophers also considered the concept of information. In the modern world, information is one of the most important resources and, at the same time, one of the driving forces for the society development. Information processes occurring in the material world, nature and human society, are studied (or, at least, taken into account) by all scientific disciplines from philosophy up to marketing [6].

How information perception set in?

First of all, the opportunity to obtain information, and the ways of its obtaining, directly depend on the society development level. The higher this level is, the easier and faster the necessary data can be obtained. The society development occurs through its informatization. In modern science, social informatization is the socioeconomic and technological process of creating optimal conditions to satisfy information needs and realizing the rights of citizens, state authorities, local governments, organizations, public associations within the information resources formation and usage.

Information processes occurring in the material world, wild-life and society, are studied (or, at least, taken into account) by all scientific disciplines from philosophy to marketing [4].

Informatization is a complex social process, connected with significant changes in person individually or society as a whole. It requires serious efforts in many areas, including the computer illiteracy elimination, culture of using information technologies formation and other things.

The information technologies' development is very fast. If, for example, our parents were told that there would be a personal computer in each house, they would not believe in it. However, it is true now. It is impossible to imagine any, even the smallest company or private enterprise where is no computer. The modern information technologies' usage provides almost instant connection to any electronic information arrays (such as databases, electronic directories and encyclopedias, various operational summaries, analytical reviews, legislative and regulatory acts, etc.) coming from international, regional and national information systems and their using in the successful business interests [1].

The necessity for social informatization was caused by the fact that at some point the world realized that a huge information potential had been accumulated, but people cannot use it fully because they have limited capabilities. The information crisis put society in front of the necessity to find ways out of the situation. This prompted society to implement computers, modern means of processing and transferring information to various areas of activity, which was the beginning of a new evolutionary process.

Today's society has entered a new era of its development, the informatization era, and information today is an integral part of the society evolution, and a criterion for its development. Therefore, it is quite right to say that the development level of any nation can be calculated through the prism of its informatization, including the provision of all possible means of access to it and further technologies. The higher this maintaining is, the more

successful the society is and, accordingly, the people who build it up.

The information society is where the majority of workers are engaged in the production, storage, processing and sale of information, especially its higher form – knowledge.

Modern society is an information society where a number of features can be singled out. The most important feature is the information usage in almost all spheres of life. Information has become a strategic resource and in laws of many developed countries, it is protected by the national security system. Society informatization gives humanity the opportunity to solve global problems and move to a new development paradigm, characterized by stability and security. Society informatization is a great opportunity for the intellectual development of both the individual and the humanity as a whole.

However, one should not forget that for a personal comfortable presence in an information society, it is necessary to create conditions and abilities for rapid perception and processing of large information volumes, sophisticated tools acquirement, work methods and techniques. In addition, new working conditions give rise to the dependence of one person's awareness of information acquired by other people. Therefore, it is no longer enough to be able to independently master and accumulate information, but it is necessary to learn such a technology of working with information when decisions are made and made within collective knowledge. This suggests that for a free orientation in the information flow, a person need have a certain level of culture in handling information. I.e. person need have an information culture that incorporates knowledge from those sciences that contribute to its development and adaptation to a specific activity type (cybernetics, computer science, information theory, mathematics, database design theory and a number of other disciplines). An integral part of the information culture is the new information technology knowledge and the ability to use it both for automating routine operations and for non-ordinary situations that require an innovative creative approach.

In the information society, it is necessary to start mastering the information culture since the childhood. For higher education, a student in the university, along with studying the theoretical disciplines of the information direction, needs a lot of time to be given to computer information technologies, which are the basic components of the future activity sphere.

The most important part of the modern person's information culture is also a communicative culture using modern information technologies. The network information technologies development has made the information resources of the global computer network, Internet, potentially accessible for the majority.

Whether it is good or bad for society, it is a rather controversial issue. On the one hand, the machine completely replaces people in production. A person will need the ability to create; the demand for knowledge will increase. The information society poses an increased demand for a variety of information-rich products and services, the transfer of which has become possible through electronic networks. This creates the basis for the distance labor relations development. Yet on the other hand, people of the older generation may be behind the «board» of this innovation, since «communication» with new technologies will be very difficult for them, another disadvantage is the people's private life destruction, which also does not play in favor of this transition. Nevertheless, you can be sure that there are more positive sides, and it cannot but rejoice.

At the same time, the process of obtaining, storing and using international information is closely connected with the process of ensuring global communication between various subjects of international information relations that arise in all activity spheres of the state and society with such receipt, storage and usage of information. Thus, International information is a component of global communication, the purpose of which is to elucidate the interaction patterns between society and information and an information society formation. As a rule international information is aimed at ensuring the state's external and internal policy, the countries' economic strategy, ensuring national security, the progressive international relations and international law development. Each country forms its policy of information strategy, which defines all aspects of information support for international relations [3].

Determining how to consider the influence of society informatization on the international information relations development, one can come to the conclusion that, as a rule, the broader and more developed the information infrastructure of the state is, the greater the opportunities to influence international relations, the domestic political situation, public consciousness and behavior, but it does not concern only state structures. Informatization becomes a communication tool, which unites new emerging movements, parties, organizations, funds, etc. By virtue of information technologies, the opportunity to reach the highest development point of these structures is much higher. These technologies are aimed at improving relations between different nations in the sphere of information exchange as a strategic resource that determines the main vector of the modern society development.

It would be desirable to consider the Internet as a means of universal communication in this aspect. Therefore, the new communication technologies

through the Internet, play a big role in the modern world. Various services and software offer the possibility of text and voice communication, videoconferencing, etc. E-mail is widely used for personal and business correspondence. For the past 5 years, there has been a rapid growth of social networks, providing opportunities for people searching, communicating, exchanging information, creating various virtual communities, etc. The increasingly used information technologies radically change the daily lives of millions of people. The geographical boundaries of specific states for communication purposes have lost their former meaning, since they have not actually needed for the information transfer. The only obstacle to the information movement can only be the absence or lack of appropriate technical tools and devices, i.e. low information potential, as well as the wrong information state policy [7].

For example, in the US, the state's information policy is aimed at ensuring national interests in the international information space; it is part of the US military doctrine and the American security strategy. This is an external aspect. The internal aspect of the US information policy is focused on providing access to information for each individual, ensuring intellectual property rights and copyrights, as well as ensuring the intellectual rights of society members. In Ukraine, we are just beginning to understand the enormous importance of information and communication tools for the interests of foreign policy and for ensuring the internal security of every citizen.

Thus, in the modern world information resources are gradually becoming the main value for society and an individual person, and the problems of the information space formation as a factor to ensure national interests certainly go to the forefront. Under the current conditions of information globalization it is especially important to achieve undisputed information dominance for the sake of solving any national problems.

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Наукове видання

**ІНОЗЕМНІ МОВИ У СВІТОВОМУ
ЕКОНОМІКО-ПРАВОВОМУ ПРОСТОРИ:
СТУДЕНТСЬКІСТУДІЇ**

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