



LJUBLJANA SCHOOL OF BUSINESS

**SUSTAINABLE DEVELOPMENT UNDER THE CONDITIONS OF
EUROPEAN INTEGRATION**

Collective monograph

Part I



Ljubljana, Slovenia
2019

Editorial Board:

Darko Bele – Director of Ljubljana School of Business, Slovenia.

Lidija Weis – Doctor of Business Administration, Professor, Dean of Ljubljana School of Business, Slovenia.

Nevenka Maher – Doctor of Economics, Professor, Ljubljana School of Business, Slovenia.

Scientific Board:

Ivan Toroš – Doctor of Management, Professor, Ljubljana School of Business, Slovenia.

Milena Fornazarič – Doctor of Business Administration, Professor, Ljubljana School of Business, Slovenia.

Julija Lapuh Bele – Doctor of Educational Sciences, Professor, Ljubljana School of Business, Slovenia.

Reviewers:

Jelena Badjanova – Doctor of Pedagogy, Associate Professor, Daugavpils University, Latvia.

Mariana Petrova – Doctor of Science in Physics and Mathematics, Professor, Associate Professor, St.Cyril and St.Methodius University of Veliko Tarnovo, Bulgaria.

Ryszard Pukala – PhD, Professor, Bronislaw Markiewicz State Higher School of Technology and Economics, Poland.

CIP - Kataložni zapis o publikaciji Narodna in univerzitetna knjižnica, Ljubljana
502.131.1:061.1EU(075.8)

SUSTAINABLE development under the conditions of European integration: collective monograph / [editorial board Darko Bele, Lidija Weis, Nevenka Maher]. - Ljubljana: VŠPV, Visoka šola za poslovne vede = Ljubljana School of Business, 2019

ISBN 978-961-91021-5-2 (zv. 1)

ISBN 978-961-91021-6-9 (zv. 2)

1. Bele, Darko

COBISS.SI-ID 300136960

This collective monograph offers the description of sustainable development in the condition of European integration. The authors of individual chapters have chosen such point of view for the topic which they considered as the most important and specific for their field of study using the methods of logical and semantic analysis of concepts, the method of reflection, textual reconstruction and comparative analysis. The theoretical and applied problems of sustainable development in the condition of European integration are investigated in the context of economics, education, cultural, politics and law.

Publisher: Ljubljana School of Business

Tržaška cesta 42, 1000 Ljubljana

info@vspv.si

Authors are responsible for the content and accuracy.

CONTENTS

Chapter 1. EDUCATION, PEDAGOGY AND PHILOLOGY

Natalia Kolesnichenko FORMATION OF THE EGALITARIAN CULTURE OF FOREIGN LANGUAGE SPECIALISTS IN THE PROCESS OF THEIR PROFESSIONAL TRAINING: THE THEORETICAL-EXPERIMENTAL BASES	6
Oleksandr Bezruchko TWO FORGOTTEN FIGURES OF UKRAINIAN AND RUSSIAN CINEMA AND PEDAGOGICS	20
Nanouchka Podkovyroff THE INTER-CULTURAL EDUCATION IN FRANCE: DESCRIPTION OF THE STAGES OF ITS DEVELOPMENT	34
Olena Bielova, Yana Raievska THE STUDY OF THE AGGRESSION STATE OF THE CHILDREN WITH THE DISORDERS OF SPEECH DEVELOPMENT	46
Olena Mizinkina MEDIEVAL INTERIORS IN UKRAINIAN HISTORICAL NOVELS	63
Ihona Dychkivska, Iryna Uliukaeva COMPARATIVE ANALYSIS OF FUTURE PRESCHOOL TEACHER TRAINING IN FOREIGN EDUCATION SYSTEMS	79
Nina Atamanchuk, Svetlana Yalanska, Valentyna Onipko, Volodymyr Ishchenko MOTIVATION OF FRESHMEN OF HIGH EDUCATIONAL ESTABLISHMENTS: PSYCHOLOGICAL RESOURCE OF ART PRACTICE	89

Chapter 2. PHILOSOPHY, JOURNALISM AND LAW

Olha Haran, Oksana Plekhanova ELECTRONIC EVIDENCE IN THE ADMINISTRATIVE PROCESS OF UKRAINE: NOTION AND SIGNS	103
Oleksandr Mykolenko FEATURES OF FORMATION AND REALIZATION OF ANTICORRUPTION POLICY IN UKRAINE	116
Olena Mykolenko RESTRICTIVE AND PUNITIVE FUNCTIONS OF ADMINISTRATIVE AND TORT LAW AS A GUARANTEE OF SECURITY AND PROTECTION OF HUMAN AND CITIZEN RIGHTS	132

Mariia Plotnikova

CONCEPTUAL PRINCIPLES OF STATE MONITORING IMPLEMENTATION IN
THE FIELD OF MONETARY CIRCULATION IN UKRAINE 149

Yyuri Kravtsov, Alla Yakunina

PHILOSOPHICAL PURPOSE OF SOCIAL COMMUNICATIONS IN THE
ASPECTS OF SUSTAINABLE DEVELOPMENT OF MODERN SOCIAL
REALITY 160

Chapter 3. MANAGEMENT, ECONOMICS AND SERVICE

Julija Lapuh Bele

BENEFITS AND ISSUES IN IMPLEMENTING BUSINESS INTELLIGENCE IN
ENTERPRISES 173

Janez Kolar

POSSIBLE CONNECTIONS BETWEEN GLOBAL COMPETITIVENESS INDEX,
WORLD HAPPINESS INDEX AND CULTURAL DIMENSIONS IN DANUBE RIVER
REGION COUNTRIES THROUGH THE PRISM OF SOCIAL FIELDS THEORY 197

Leonid Shmorgun

BLOCKCHAIN TECHNOLOGIES IN THE ANALYSIS OF INDUSTRY
INFORMATION IN ORDER TO REGULATE THE ANTHROPOGENIC LOAD
ON SPNAS 205

Lilia Ukrainets

STRATEGIC PRIORITIES OF UKRAINIAN-CHINESE FOREIGN ECONOMIC
RELATIONS 217

Oleksandra Kononova

ANALYSIS OF APPROACHES TO THE STRATEGIC POTENTIAL
ASSESSMENT 236

Nataliia Kochkina

DYNAMICS OF PESTLE FACTORS OF UKRAINIAN MARKET ENVIRONMENT 250

Olga Smaglo

GLOBALIZATION TRENDS FOR THE DEVELOPMENT OF THE FINANCIAL
MARKET 266

Halyna Dzyana, Rostyslav Dzyanyy

DEVELOPMENT OF COMMUNICATIONS BETWEEN THE AUTHORITY AND
SOCIETY IN THE PERIOD OF STRUCTURAL TRANSFORMATIONS 280

Viktor Koval, Lidija Weis

STATE REGULATION AND INVESTMENT MANAGEMENT IN THE
DEVELOPMENT OF CIRCULAR ECONOMY 296

Nevenka Maher FROM HUMAN CAPITAL TO INTANGIBLE CAPITAL	310
Valentyna Stadnyk, Galyna Sokoliuk, Oksana Zamazii SOCIAL DETERMINANTS IN IMPLEMENTING THE COMPETITIVENESS POTENTIAL FOR PROVIDING SUSTAINABLE DEVELOPMENT OF ECONOMIC SYSTEMS	341
Iryna Petrova, Olga Anishenko, Iryna Hubanova MODERN UKRAINIAN REALITIES OF BANKRUPTCY OF ENTERPRISES	357
Iryna Tarasenko, Antonina Verhun, Julia Bondarchuk SUSTAINABLE DEVELOPMENT CONCEPT UNDER GLOBALIZATION	371

Chapter 4. POLITICAL SCIENCE, PSYCHOLOGY AND SOCIOLOGY

Natalia Gerasimova, Inna Gerasymova THE INFLUENCE OF INTRAPERSONAL CONFLICT ON THE COURSE OF ADAPTATION OF STUDENTS AT THE ESTABLISHMENTS OF HIGHER EDUCATION	384
Elena Sheremetyeva, Elena Plotnikova, Alena Kovaleva VERBAL AND NONVERBAL MEANS OF COMMUNICATION AS A PHENOMENON IN MODERN THEORETICAL STUDIES	398
Tamara Hovorun, Oksana Kikinezhdi, Iryna Shulha GENDER IN THE DIMENSIONS OF STUDENTS' YOUTH SOCIAL AND ECONOMIC ASPIRATIONS	414
Iryna Voronenko COMPOSITION OF INFORMATION SPACE REGULATION	427

Chapter 1. EDUCATION, PEDAGOGY AND PHILOLOGY

Natalia Kolesnichenko

Doctor of Pedagogical Science, Assistant Professor,

Chair of the German Language Philology,

Odessa National I.Mechnikov University

orcid.org/0000-0003-2534-2624

FORMATION OF THE EGALITARIAN CULTURE OF FOREIGN LANGUAGE SPECIALISTS IN THE PROCESS OF THEIR PROFESSIONAL TRAINING: THE THEORETICAL-EXPERIMENTAL BASES

***Abstract.** In this article we have attempted to elucidate the results of a theoretical-experimental research carried out and focused on the issue of modernization of the professional training of future foreign language specialists in the context of new democratic European values, in particular, those grounded on the gender-related approach. We have also managed to reveal the essence of the egalitarian culture under which we understand the integral combination of the general and the professional culture of future foreign language specialists grounded in the execution and implementation of the principle of the gender equality in all social spheres. In addition, we have been able of specifying the structural components of the egalitarian culture, its criteria and indicators and also have managed to characterize the relevant levels of its manifestation as displayed by future foreign language specialists. The pedagogical conditions which are believed to enhance effectiveness of formation of future foreign language specialists' egalitarian culture, - have also been revealed therein. Furthermore, we have elaborated a model of innovation of the contents, forms and methods of professional training of future foreign language specialists aimed at formation of their egalitarian culture. Special attention has thus been devoted to the elucidation of peculiarities of the author's technology elaborated and related to the formation of future foreign language specialists' egalitarian culture throughout their professional training as well as to the analysis of the results achieved.*

JEL Classification: Y80

Introduction

The well-known contemporary tendencies related to the integration and unification of the contents, forms and levels of foreign language education (Nikolaiva, 2003), have proved to call for adjustment of the BA and MA philological and pedagogical education programs in conformity with the up-to-date requirements (Ammon, 2006; Wright, 2008). Therefore, in the national theory and practice of the University Pedagogy, functioning in conformity with the contemporary governmental and state bills, - there has arisen an issue of foreign language specialists' training as being truly proficient (Yeremenko, 2017), competitive (Kolesnichenko, 2013), gender-educated (Tsokur, 2011) and also egalitarianly-interacting agents of the sphere of inter-cultural communication and high-school foreign language education (Yoder, 1999).

Meanwhile, despite numerous scientific research already carried out which bear witness of the existence of a specific theoretical basis pertinent to gender-related research, the issue of formation of future foreign language specialists' egalitarian culture in the process of their professional training has proved to be insufficiently studied thus far. Consequently, in the system of foreign language pedagogical and philological education there has been a series of controversies detected: between the socially-determined increasing requirements set out by the contemporary democratic and multi-cultural society and addressed to foreign language specialists treated as cultural mediators and the insufficient level of the latter's awareness; between the opportunities for the education and preparation of the Romanic-Germanic Faculty BA and MA specialists as being universal professionals of the inter-cultural communication, the organizers of multi-cultural education and managers of foreign language education and the shortage of the up-to-date technologies based on the principles of the gender-related, multi-cultural and individual-oriented approaches pertaining to teaching the major subjects and the professional-pedagogical training in general.

The aim of the given abstract of the monography under study boils down to granting substantiation of certain conceptual-technological factors pertinent to the formation of future foreign language specialists' egalitarian culture in the process of their professional training. The above-mentioned aim has thus required fulfillment of the following tasks:

- the exposure of the essence of the egalitarian culture, specification of the relevant criteria and indicators, the levels of its formation with future foreign language specialists.
- the exposure of the relevant pedagogical conditions, elaboration of the technology of foreign language specialists' formation of the egalitarian culture in the process of their professional training, the verification of its efficiency.

1. The methodology of the research

When proceeding with the research under study, focused on the future foreign language specialists' formation of the egalitarian culture in the process of their professional training, - we have been relying upon the following beliefs:

- the gender-related approach is an exotic educational phenomenon (Kravets, 2011), which is an inseparable component of the individual-oriented type of education;
- the implementation of the gender-related approach tends to be based on the principles of gender equality and democracy, equal access of each of the genders to education and data resources, the latter's equality in the joined educational-cognitive, problem-solving, cultural-leisure and creative activities;
- the realization of the basics of the gender-related approach in education tends to promote elimination of the traditionally-established gender-related "patriarchic" stereotypes by means of formation of special, egalitarian relations as well as combating any manifestations of "sexism" as a form of discrimination on the basis of a person's gender.

In order to accomplish the set aim as well as fulfil the outlined tasks we have utilized a complex of methods of scientific-pedagogical research:

– theoretical methods: analysis, synthesis, systematization, generalization of data of respective philosophical, psychological-pedagogical and gender-related research carried out and devoted to studying the issue of formation of future specialists' egalitarian culture, the analysis of particular regulatory and judicial national and European documents related to the perspectives and factors of development of foreign language education, the adopted standards for the higher philological and foreign language pedagogical education thus highlighting the gender-related focus of attention for the future foreign language specialists; analysis and generalization of the relevant educational programs, study materials in social-humanitarian subjects, methods of teaching foreign languages and other linguistic subjects for the sake of singling out the peculiarities, principles and pedagogical conditions designed for enforcing the formation of the egalitarian culture of future foreign language specialists; the pedagogical planning and modelling, specification and schematization for substantiation of the essence and specificity of the technology of formation of future foreign language specialists' egalitarian culture;

– empirical methods: questionnaires and interviewing designed for researching the degree of the students' comprehension of the objectives, contents and consistency of the final results of the professional training of future foreign language specialists achieved as organized on the basis of the gender-related approach; the pedagogical surveillance, diagnostics of the levels of formation of the future foreign language specialists' egalitarian culture; the pedagogical experiment (formational, diagnostic) aimed at the implementation of the technology of formation of future foreign language specialists' egalitarian culture;

– methods of mathematical statistics designed for the elaboration of the empirical data gathered with the aim of summarizing of the results achieved in the process of the experiment conducted for the purpose of verification of efficiency of the experimental technology introduced, proof of validity of the data collected, in particular in accordance with the λ – criterion designed by scholar Kolmogorov-Smirnov (Sidorenko, 2001).

The validity of the scientific results and summaries achieved has been enforced by: the methodological substantiation of the initial statements; the representativeness of the sources used therein; the integral theoretical analysis of the issue under study; the active utilization of the contemporary and advanced achievements in pedagogy, philosophy of science, psychology, didactics, gender-related research works, the relevance of the methods used to the objective and the tasks set; the experimental verification of the elaborated theses and recommendations; the qualitative and quantitative analyses of the results achieved.

2. The essence of the pedagogical experiment aimed at formation of the future foreign language specialists' egalitarian culture

Taking into consideration the contemporary achievements of the gender-related pedagogy (Kravets, 2003; Tsokur, 2011) it has been substantiated that the modernization of the professional training of future foreign language specialists grounded on the gender-related approach – tends to imply execution of major changes in each of its structural components:

– the motivational (the objective: future foreign language specialists' education and guidance with the emphasis placed on the egalitarian culture);

– the didactic-strategical (planning of the educational process grounded on the principles of egalitarianity, gender equality, problem-solving, dialog encouragement, personalization, inter-subject integration of the gender-related research carried out, combating violence, abuse and discrimination of a person based on his/her gender);

– the organizational (creation of certain favorable conditions: introduction of the gender-related component into the contents of the social-humanitarian subjects taught; encouragement of the future foreign language specialists for self-cognition and self-development of the gender-related traits of personality; the latter's training and mastering the methods of successful tackling the linguistic manifestation of "sexisms" and neutralizing the gender-related asymmetry in the sphere of foreign language education);

– the essence-technological (the introduction of special study courses in both the major subjects («The Gender-Related Linguistics»; «The Linguistic Feminology»; «The Gender-Related Research») and the psychological-pedagogical subjects («The Gender-Related Pedagogy», «The Gender-Related Psychology»; «The Essence of the Gender-Related Upbringing»); the implementation of the active and interactive methods, forms and educational techniques, holding various study classes: lectures of the problematic type, lectures-visualizations, press-conferential lectures; seminars-discussions, research-based seminars, seminars-debates; the gender-related practical activities; workshops; presentations of the individual experience achieved in neutralizing of the linguistic manifestation of "sexisms"; the pedagogical practical work aimed at implementation of the concepts and principles of the gender-related approach in the sphere of foreign language education, the formation of the gender-related identity of students);

– the evaluative methods (diagnostics of the levels, correction and control of the dynamics of formation of the future foreign language specialists' egalitarian culture).

The essence of the pedagogical experiment focused on implementation of the author's technique of organization of professional training of future foreign language specialists based on the gender-related approach has thus boiled down to enabling the formation of the future foreign language specialists' egalitarian culture by means of taking into consideration certain principles, expansion and updating the contents of the academic data taught and also creating a series of conducive pedagogical conditions. Under the "egalitarian culture" we understand an integral part of the general and professional culture of future foreign language specialists which is based on enforcement and implementation of the principle of the gender equality in all the spheres of life. The egalitarian culture is a special way of life of future foreign language specialists which is determined by the latter's aspiration and striving for maximal realization of their aptitudes and capabilities as reflected via a complex of respective intellectual, moral and behavioral features of an individual based on the knowledge of the essence of the gender-related theory, development of the moral and

spiritual demands, interests and preferences which substantiate the choice of the strategy of the gender identity which corresponds to a biological gender of a person, adequate comprehension of the values, merits and rules of the gender-related behavior.

During creation of the first pedagogical condition named as “introduction of the gender-related component into the contents of the major academic subjects” the leading role has been performed by the author’s special study course under the title “Practical Recommendations For The Gender-Related Linguistics” (Kolesnichenko, 2013); in the process of studying it a group of future foreign language specialists have been guided through the contents of such courses as “The Object and Tasks of the Gender-related Linguistics”, “The Feministic Critique Of A Language”, “The Gender-Related Aspects Of Studying A Linguistic Personality”, “The Linguistic Mindset From The Viewpoint Of The Gender-Related Research”, “The gender-related Aspects Of The Linguistic Tolerance, “The Feminology”.

The rapid development of “feminology” as a science which tends to substantiate the social, economic, political and spiritual role of a woman in the modern society reflecting the objective regularities of her existence, the actual capabilities and the place in the social development, – has made a significant impact upon the actualization of certain philosophical-methodological issues related not only to the general language studies and philology alone but also to the theory of the world’s literature, the literature critique and poetics. That impact has largely been enabled by a series of fundamental research carried out in the following spheres:

– psycho-linguistics (L. Kalmykova, A. Leontiev, C. Osgood, O. Selivanova, D. Slobin, S. Erwin-Tripp) which, on the one hand, renders research of a language and the reflection of humans of all genders in it in the context of specification which particular evaluation is attributed to men and women and in which semantic fields they most distinctly manifest themselves; on the other hand – it tends to study the similarities and diversities of the male and the female associations, the gender-related particular development of a human’s linguistic aptitude, the speech and communicative behavior of men and women with the aim of exposure of the latter’s typical strategies and tactics, particular choice of vocabulary and syntactic units, ways of their success achievement in communication, the description of the essence of speech rendered by particularly men or women;

– the gender-related linguistics (O. Goroschko, A. Kirilina, R. Lakoff), which is focused on exposure of the “asymmetries within the language system that oppose themselves to women”, which have been defined as “language sexism”, reveal certain patriarchic stereotypes that tend to impose a particular mindset upon language speakers which has proved to allocate a secondary social role to women and ascribe primarily negative traits to women; it also studies which images of a woman are established in a language, in which semantic fields women are presented, which connotations tend to match this perception;

– the feministic linguistics (E. Bueken, L. Irigarey, Y. Kristeva, L. Pusch, E. Cixous, S. Tremel-Platz), which tends to substantiate the andro-centrism of a language and the vulnerability of a woman’s image as represented by relevant language means and tends to prove the existence of the “anti-feminine asymmetry” within the language system on the basis of a hypothesis of a linguistic relativity: thus, a language is not deemed only as a product of the society development, but also as a means of formation of its mentality and thinking, – which sets forward the need for revision of the established patriarchic linguistic norms;

– lingua-culturology (N. Arutyunova, V. Vorobyov, V. Karasik, V. Krasnykh, U. Stepanov, V. Teliy), which tends to reveal the general and specific features pertinent to the formation of the gender-related phenomenon in its dependence on a particular language and culture of a given society, making it possible to ascertain the degree of andro-centrism of different languages and cultures and also reveal relevant female personalities who, in varying measure, have proved to influence the cultural and linguistic process.

As a result, the phenomenon of the “women’s literature” has increasingly been singled out as a separate category despite certain discussions that tend to deny this statement as the facts of writing fiction by a female and its focus on the feminine themes, is not accepted as a valid reason for classification of it as the “women’s prose”. Nevertheless, as scholar E. Buchan pointed out, the term “women’s literature” (“women’s prose”) may justify its existence not mainly because it is written by a female writer but rather because a given piece of fiction proves to reflect the author’s mindset and present the author’s own variant of the world’s conceptualization from the point of view of the social status of a woman under conditions of the andro-centric culture. Thus, when we talk separately of the “men’s prose” or “women’s prose”, it is virtually not that much important *who* wrote it but rather more important *how* it was written; that is, - not particularly which aspect of the world has attracted the author’s attention but rather how its conceptualization has been exercised and which were the criteria of evaluation as well as the linguistic ways of expressing such mental activity (Buchan, 2001: 83).

It is also essential that specifically radical feminism in the context of the printed materials rendered by such leading French (L. Irigarey, H. Cixous, Y. Kristeva) and German (S. Tremel-Platz, L. Pusch) writers-feminists as has dictated an ample separation of the “women’s prose” (*écriture féminine*), thereby suggesting “sharing with the world the knowledge and perceptions which had always been silenced throughout centuries by the masculine-driven society, the latter being enforced by its own, emancipated products and also by the analysis of the printed works of their female compatriots which had eventually been brought to light (Cixous, 2001: 217). And, since the main emphasis of the feministic-driven criticism was being placed on analyses of “women’s prose” reflecting sexism, therefore, its principal segment being the “women’s novel” which is denoted in the German language as *Frauen-, Liebes-, Damenroman*, whereas in English -as *Romance*, – had almost completely been ousted from the sphere of their research-driven interests.

Taking into consideration the fact that the monographic psycho-linguistic research of the “women’s prose” both on the national and the international levels are almost fully absent, – the research of the distinguishing features of the lingua-poetics of a women’s romance novel as “a piece of fiction written by a female, about females and for females” (Buchan, 2001: 82) appears to be well-substantiated and promising in the context of the goals and functioning of psycho-linguistics and gender-related linguistics. The topicality of the research under study has proved to be determined by a series of factors: the advancement of women’s creativity in literature as opposed to the necessity of identification of the peculiarities of the “women’s prose”; the absence of scientific works dedicated to the lingua-poetic analysis of both particular pieces of fiction and the entire genres which contain their own target groups – age, social, gender-related, – and the critical need for filling this particular gap.

The creation of the second pedagogical condition named as “the encouragement of future foreign language specialists to cognate themselves and develop their own gender-related traits” has been performed primarily during conducting a series of psychological-pedagogical subjects which contained such study modules as “The Gender-Related Psychology” and “The Gender-Related Pedagogy”, and also during the practical activities carried out at the extra-curriculum Gender-Related Study Workshop. During their studies, the future foreign language specialists have been involved in a series of practical activities such as: the diagnostic surveillance of basic beliefs as for the “typical” feminine and masculine traits of character, the established gender-related roles (social, family, professional) (the questionnaire elaborated by scholars L. Schtilevaya and E. Petruschikhina named “What I Make Of The Feminine and Masculine Features In Upbringing?”; tests related to the exposure of peculiarities of the gender-related behavior of an individual (the questionnaire elaborated by S.Behm named “I, Woman” and “I, Man”; the questionnaire introduced by scholars M. Kuhn and T. MacPartland named “Who Am I?”); observations over the potential manifestations of the gender-related stereotypes (the Observation List named “Types And Description Of Boy’s And Girl’s Activities”; “The Mode Of Interaction Of An Adult With Boys And Girls”); compilation of a gender-related autobiography (Klyotsina, 2003) designed for the cognition and comprehension of the methods and mechanisms of the gender-related socialization of an individual.

During creation of the third pedagogical condition named as “training of future foreign language specialists to combat the linguistic sexism and neutralizing the linguistic asymmetries in the sphere of school foreign language education” – a special role has been performed by such study courses as “The Pedagogy” and “The Methodic Of Upbringing” which contained a series of academic modules such as “The Gender-Related Approach For The Foreign Language Education In Schools”, “The Gender-Related Education Of Students” and also the pedagogical practical activities for the implementation of which a special study module named “The Daybook Of A Pedagogue-Genderologist As The Organizer Of The Foreign Language Education And Multi-Cultural Upbringing Of Students”.

Throughout the lectures and seminars conducted, the future foreign language specialists have been involved in performing a series of independent and creative projects, training tasks and exercises elaborated and dedicated to such themes as: “The Gender-Related Approach In Studying Foreign Languages”, “A Foreign Language teacher As The Subject of The Gender-Related Education of Students”, “The Gender-Related Analysis of The Study Materials And The Fiction”).

In particular, the author’s study module named “The Lingua-Poetics of German and English Women’s Novels: The Gender-Related Aspect” has proved to be conducive for promoting the future foreign language specialists’ comprehension of the features of the “women’s prose” as well as for the acquisition of the skills of the gender-related analysis of a piece of prose. Having studied the peculiarities of the “women’s prose” through the prism of the gender-related aspect, the students have reached the conclusion that the artistic heritage of Hera Lind displays also innovations in the compositional-linguistic framework of her novels: the change of image of the heroine has entailed alteration of the central conflict of the novel, positioning of the characters, elaboration of each of them and also the change of the structure of the narration, the quantitative increase and qualitative diversity of the detail types, the complexity of the syntax and the vocabulary used.

Being remote from reality, the undetermined in time heroines of the canonical romance novels have also proved to be quite impersonalized in their own dialogs. The speech patterns displayed by a character are absent in the post-canonical romance novels.

Table 1. The framework of study of the given research are 8 novels written by H. Lind

Publisher: Fischer Taschenbuch Verlag / Frankfurt am Main			
Index	Title	Year Published	Size in pages
L-1	Ein Mann für jede Tonart	1989	288
L-2	Frau zu sein bedarf es wenig	1992	272
L-3	Die Zauberfrau	1995	524
L-4	Das Superweib	1996	400
L-5	Das Weibernest	1997	368
L-6	Der gemietete Mann	1999	448
Publisher: Ullstein Taschenbuch Verlag			
L-7	Mord an Bord	2001	423
L-8	Hochglanz Weiber	2002	448

The emancipated (post-canonical) romance novel and Hera Lind being its typical representative tend to introduce the inner speech as well as the indirect speech rendered by the heroine as well as the first person narration (L-1 – L-8). The latter has proved to entail a significant modification of the system of presentation of various viewpoints – the narrative perspective, the adjustment of the narration to the norms of colloquial speech, the subjectivity and biased judgements of the events, the intensification of the effect of reality of the “probable world” created and presented by the author.

Thus, a post-canonical romance novel presents itself not anymore as an unreal, locally and temporarily independent narration, but rather as a recognized portrayal of the real-life environment. The critique therefore suggests separation of it from the canonical romance novel, naming them “antipodes” and acknowledging the non-typical of the canonical romance novel’s autobiographic form of narration based on “a private, personal experience of a woman” (Helwerth & Schwarz, 1995: 112). In addition, emphasizing the metamorphosis of the structure and the language of the new type of romance novel in question, all scholars tend to recognize the undisputable impact of the feminism: “the reflection in the text of the feministic perception in the specifically female-like form, where the heroine possesses good looks, is smart and successful (*schön, intelligent und erfolgreich*), whereas the hero is presented as big-sized and sexually-appealing (*groß und erotisch*) (Thiel, 1991: 3-26). It is also noteworthy, that the epithets like *intelligent, gebildet, vernunftbegabt*, which are used to describe the mental aptitudes and the educational level and being totally absent in canonical romance novels, tend to emerge in post-canonical romance novels thus reflecting the new preferences of the female gender-related identity. The heroines therein tend to be especially proud of their independence and progressiveness. Compare: *die emanzipierte, jungdynamische Alleinlebende im fortgeschrittenen Stadium ihrer Selbstverwirklichung herauskehrt* (L-1, 32); *bin Ich wirklich so eine Scheinemanze?* (L-7, 13); *ausgesprochenes Emanzipationbewußtsein* (L-4, 82); *du hattest ja nein sagen können. Wo du doch emanzipiert bist?* (L-3, 227).

Another issue elucidated in the post-canonical romance novels is children. Whilst in the naïve dreams of the former heroines “those angels” had to imminently round up the family bliss and happiness. However, it looks to be quite the opposite as related to the emancipated heroine who appears to be in a habit of defending her own right to be independent yet eventually bumps into the inequality created by nature – she must be impregnated and give birth to a baby, go through the experience inaccessible for men thus philo-genetically placing each gender in different positions. The birth of a child for all heroines of the post-canonical romance novels stands for ample or partial loss of independence to the benefit of the father of a child, or the nurse, doctors. The contemporary heroine strives to preserve both her professional/ financial/ social independence and appeal and also the children who need to be raised in a family. Can that be possible to achieve? It has turned out to be quite unlikely.

Even being in the role of mother of three kids on a vacation and freed from having to attend to her professional duties, the heroine, who was called by her beloved husband “a Lioness” *Löwenfrau*, still experienced a need for male help and had to admit that fact in despair: *anscheinend war ich ohne Mann kein bisschen lebensfähig* [L-5], although prior to that confession she had been dreaming of the time when she would be able of demonstrating her own independence and proficiency in her career to everybody around: *Drei Wochen Urlaub lagen vor uns. In dieser herrlichen, paradiesischen Gegend. <...> Ich hatte es so gewollt – Ich wollte wissen, ob ich ihne Enno klarkommen würde. Und ich war mir ganz sicher, dass genau dies der Fall sein würde* (ibid, 7).

Another heroine, portrayed as suffering from a performance failure at her concert and also having missed her train, would call in despair for the previously-neglected male: *Als ich den roten BMW sah <...>, warm und trocken und einladend, da fing ich an zu weinen. Klaus stellte den Koffer auf den Rücksitz, umarmte mich fest und verfrachtete mich in die lederne Nussschale. Legte mir eine Decke über die Knie und setzte sich hinters Steuer. Ich weinte bis zur Autobahnauffahrt* (L-4, 194).

The “at-home” life of the heroine would also change. The new heroine would turn out to lack homelike habits: she was not taught how to cook – *weder kochen konnte noch irgend etwas von stilvollen Abendessen verstand* (L-1, 59); the well-to-do everyday life of the local provincials would irritate her – *keine zwei Tage und Nächte hier aushalten* (ibid, 150); being accustomed to wearing stilettos and elegant suede, she would be at a loss what she had to be wearing while walking out with a baby buggy – *man sonst nicht zu dem Modell passte* (L-6, 277). And, most importantly, she herself would feel that despite being so very much self-sufficient and independent, she would all the same need someone to defend her and provide to her his strong and warm shoulder: *Warum kümmerte sich der Drückeberger nicht um die Mutter seines Kindes?* (L-5, 278); *er legte den Arm um mich, alle Welt konnte sehen, welch harmonisches, glückliches junges Paar wir waren.* [ibid, 82]. Hence, despite emancipation, everything would go back to its traditional form: *Eigentlich bin ich eine Emanze, aber ich tue so, als wäre ich keine* (L-1, 20). Therefore, the heroine, being totally a modern and progressive woman, would nevertheless suffer and feel despair over her numerous predecessors who had been featuring in the first wave of women’s romance novels.

The vulnerability of women particularly in the centennial traditions of marriage and family, the authority and advantages of men has been narrated in post-canonical romance novels by means, alternate to those used in the canonical romance novels – therein no obvious acknowledgement of the eternal gender-related stereotypes can be traced, quite the contrary: *Karrierefrauen* although being considerably encouraged, yet the idea of the harmonious and balanced image of a woman has been proclaimed, which would be impossible to achieve without a family and children, being in their turn, a serious obstacle for the heroine’s career aspirations.

Having not abandoned her function of the human reproduction, the heroine had to accept those responsibilities which had been performed exclusively by men 50 years earlier – that, making her a Superwoman, in Hera Lind’s own words. The issue of non-identity of the sex and the gender, the complexity of formation of the latter has been presented in a post-canonical romance novel as reflecting certain collisions: quite unpleasant, caricature-like characteristics and descriptions of women surrounding the heroine and, unlike her, being totally engrossed in their everyday house chores and focused solely on their children (L-3 – L-7) or progressive „emancipé“ who have forgotten their femininity, being also shabbily dressed: *gestriegelte Karrierefrau mit dem weichgespülten Pferdeschwanz und*

dem Pelzesatz auf dem Schnürschuhen (L-4, 244); den Eindruck einer braven Sekretärin, völlig pep- und witzlos irgendwie (L-5, 157).

The extremes which the women displaying the old or the new gender-related stereotypes are likely to fall into were thus called upon to create a favorable background for the heroine, the latter combining genuine femininity with the effects of female emancipation.

3. The results of the diagnostic experiment carried out and aimed at formation of future foreign language specialists' egalitarian culture

In the process of implementation of the diagnostic experiment carried out throughout 2015-2018 on the basis of a group of students of the Faculty of Romanic-Germanic Languages at Odessa National I. Mechnikov University in the years 2013-2018 (Kolesnychenko, 2014), 3 diagnostic tests (initial, intermediary, final) were conducted which were devoted to exposure of the dynamics of formation of future foreign language specialists' egalitarian culture who were enrolled in 5 experimental groups (total of 187 persons) and 5 control groups (190 persons). In the process of diagnostics of the intensity of exposure of relevant indicators of formation of the future foreign language specialists' egalitarian culture (throughout the initial, intermediary and final diagnostic tests carried out) – each of the participants under study was awarded with a certain coefficient (K) which was calculated according to the following formula:

$$K = (Zc + Za + Zp): 72,$$

Where K – is the coefficient of formation of the future foreign language specialists' egalitarian culture; Z_x – is a total of all the points collected in the intensity of exposure of the 3 components of the egalitarian culture (“c” – cognitive, “a” – axiological, “p” – practical) measured on the basis of the commonly-accepted scale; 72 – is the maximal possible quantitative result achieved as the total of 18 indicators of exposure of the future foreign language specialists' formation of the egalitarian culture.

Under the level of formation of future foreign language specialists' egalitarian culture, we understand the qualitative description of their personality which is determined by the degree of intensity of exposure of its components – the cognitive, axiological and practical as well as the latter's coherence as presenting an integral structure.

Taking this fact into consideration, the variance of the levels of formation of future foreign language specialists' egalitarian culture has been revealed within the following range: from 1,0 up to 0,81 points – the high level; from 0,61 up to 0,80 points – the sufficient level; from 0,41 up to 0,60 points – the average level; from 0,21 up to 0,40 points – the low level; 0,20 points and any lower points gained – is the level where the egalitarian culture was detected merely at the bottom stage of its formation.

Furthermore, in the process of the experimental work conducted it has been ascertained that those of the future foreign language specialists displaying a high level of formation of the egalitarian culture - have also revealed the following trends:

– according to the “cognitive” component they have displayed quite profound knowledge of the terms and notions pertaining to the gender-related research carried out; the comprehension of the contents and the importance of the main ideas have been well-substantiated by them; the adequacy of perception of the respective roles, duties and norms attributed to masculinity or femininity in both the historical retrospective as well as their up-to-date functioning in the society; the profound knowledge of the essence of the basic psychological theories related to masculinity and femininity (the psycho-analytical, complementarian, androgenic, of the social upbringing, etc.); the adequate and consistent comprehension of the functions of the gender-related stereotypes and schemes; the profound understanding of the peculiarities of formation of the gender-related identity of an individual;

– according to the axiological component, the students have displayed a conscious recognition of the ideas of the gender equality, the value of each person and his/her development irrespective of his or her gender; the distinct acceptance of the need for ensuring the equal opportunities and participation of all the genders in both public and private spheres of life; the principal rejection of the old patriarchic gender-related stereotypes (the negation of female experience or the role of women in the society, the polarization of the masculine and feminine traits or activities, the asymmetries in distribution of power and access to relevant resources; the restrictions in the choice of a profession, distribution of roles in homes); the distinct focus on the autonomous research of the gender-related features of their own personality and the positive attitude and self-esteem reflecting his/her own gender; the solid striving for self-development with the help of expansion of the scope and range of the gender-related social roles;

– according to the “practical” component the students have displayed genuine respect for a person regardless of the latter’s own gender or self-expression, the authentic tolerance when interacting with people of various tastes or gender-related identities; the demonstration of certain expertise in the egalitarian behavior when interacting with representative of the opposite gender in miscellaneous situations (academic, professional, business, family-related); the resoluteness in combating the old-fashioned gender-related stereotypes; the active participation in the activities which are deemed non-typical for the men’s and women’s social roles; exercising the systematic self-upbringing as related to the establishment of the gender identity of a positive kind which corresponds to the biological nature.

Henceforth, according to the data received on the basis of the final diagnostic test carried out and displayed on Graph 1, all the students of the experimental groups despite their academic majors (English, German, French or Spanish philology), a distinct positive dynamics of formation of the egalitarian culture has been detected. Thus, the latter has been manifested at its high level (29–37%), sufficient level (21–38%), average level (19–34%) and low level (6–10%). On the contrary, the students of the control groups who were being taught according to the traditional educational program, – their egalitarian culture has proved to be displayed merely at its “sufficient” level at the highest (20–28%), whereas the average level (31–39%), low level (32–41%) have also detected. In addition, 2–4% of the participating students have displayed the degree of formation of their egalitarian culture at its bottom-level.

Conclusions.

Thus, in the process of the research under study it has been ascertained that the egalitarian culture is a special way of life and special mindset of future foreign language specialists which tends to be determined by the latter's aspiration for the maximal development of their skills and aptitudes as representing a particular gender which has proved to be manifested via a series of respective intellectual, value-oriented and behavioral traits of a person, based on the awareness of the fundamental notions and ideas stipulated by the gender-related theory, meeting certain moral and spiritual personal needs, interests and tastes which tend to determine the choice of a strategy for promoting the gender identity based on the biological nature of a person, acceptance of the values, merits and rules of the gender-related behavior.

The results of the pedagogical experiment carried out have proven that formation of future foreign language specialists' egalitarian culture tends to be better manifested specifically when the latter's professional training should undergo certain modernization based on the gender-related approach introduced therein; in particular, when the author's suggested technology has been implemented including creation of the required conducive pedagogical conditions such as: the introduction of the gender-related component into the framework of the academic subjects studied, the encouragement of the students to cognate themselves and develop their individual gender-related traits; training devoted to successful combating the linguistic sexism as well as neutralizing certain gender-related asymmetries occurring in the sphere of foreign language education in schools.

In addition, we have been able to reveal that the implemented technology of formation of future foreign language specialists' egalitarian culture tends to promote a higher efficiency when implemented specifically for female students than male students since the female student group has proved to display a higher interest for comprehension of the essence of the issues of the gender-related regulatory norms, democracy, the existing gender-related theories, attaining the gender equality and formation of the gender identity as well as for personal development based on their own biological nature. On the contrary, the male student group of future foreign language specialists has proved to display higher interest for studying the psycho-sexual development which were being discussed, thus quite frequently revealing the old-fashioned gender-related beliefs and stereotypes which had been established on the basis of the androcentric philosophy, the patriarchic ideology and psychology.

In general, the group of future foreign language specialists participating in the experimental work carried out, - has proved to accept and positively perceive the new gender-related themes and also take an active part in various activities aimed at the gender-related education and mastering the methodological issues pertaining to the gender-related research carried out, studying the primary aspects of the gender-linguistics, gender-pedagogy and gender-psychology. Hence, further scientific research may require a more detailed exposure of the didactic-methodical and psycho-diagnostic support of the technology designed for the enhancement of formation of future foreign language specialists' egalitarian culture.

References.

- Ammon, U. (2006) Language conflicts in the European Union. On Finding a politically acceptable and practicable solution for EU institutions that satisfies diverging interests [*International Journal of Applied Linguistics*], 16, 3–8.
- Helwerth U., Schwarz G. (1995) Von Muttis und Emanzen. Frankfurt a/Main: Fischer.
- Kletsina, I.S. (Ed.) (2003) Praktikum po gendernoy psikhologiyi. SpB.
- Kolesnichenko, H. IO. (2013) Praktikum z gendernoyi lingvistiki. Odesa.
- Kolesnichenko N. U. (2014) Shchodo analizu rezul'tativ professiynoyi pidgotovky bakalavriv romano-germans'koyi fililogiyi na zasadakh gendernogo pidkhodu [*Problemy suchasnoyi pedagogichnoyi osvity. Pedagogika i psykholohiya*]. Yalta, 46. 3, 87–93.
- Kravets, V. (Ed.) (2011) Genderna osvita – resurs rozvytku paritrtnoyi demokratiyi. Ternopil.
- Nikolaiva, S. Y. (Ed.) (2003) Zagalnoyevropeiski rekomendatsii z movnoyi osvity: vyvchennia, vykladannia, otsiniuvannia [Common European framework of reference for languages: learning, teaching, assessment]. Kyiv (in Ukraine)
- Sidorenko, Y.V. (2001) Metody matematicheskoy obrabotki psikhologiyi SpB.
- Thiel C. (1991) Liebe, Sex, Karriere: die Modernisierung des trivialen Liebesromans.
- Tsokur, O.S. (Ed.) (2012) Problemy formuvannya profesionalizmu osobystosti ta diyal'nosti maybutnyogo fakhivtsya v konteksti vymog yevropeys'koyi integratsiyi. Odesa
- Tsokur, O.S. (2011) Formuvannya gendernoyi kul'tury maybutnikh fakhivtsiv uprodovzh ikhnyoyi profesiynoyi pidgotovky u vyshchomu navchal'nomu zakladi: analiz kontseptual'nykh zasad doslidzhennya problemy [*Genderna osvita – resurs rozvytku parytetnoyi demokratiyi*]. Ternopil: TNPU, 640–646.
- Yeremenko, T. Ye. (2017) Developing Master Students' Professional Speech Competence in Pre-Service English Teacher Training: Possibilities, Problems and Recommendations [*Nauka i osvita*]. N10, 32–39.
- Yoder, J. (1999) Women & gender: transforming psychology [*Upper Saddle River*], 20-29.
- Wright, S. (2008) Language Networks in European Parliament: the Rise of English [*The 15th Congress of Applied Linguistics. Multilingualism: Challenges and Opportunities*]. Essen, 37–43.

Oleksandr Bezruchko

*Doctor of Study of Art, Doctor of Philosophy, Professor,
Vice-rector for scientific work of Kyiv University of Culture,
Professor of Department of Cinema and Television Arts of
Kyiv National University of Culture and Arts,
Kyiv, Ukraine.
orcid.org/0000-0001-8360-9388*

**TWO FORGOTTEN FIGURES OF UKRAINIAN AND RUSSIAN CINEMA
AND PEDAGOGICS**

***Abstract.** In this chapter of the collective monograph investigational cinemapedagogical, scientific and creative activity of the forgotten figures of Ukrainian and Russian cinema and theater pedagogics, culture and science: film and theatre director, philosopher-Neo-Kantian of the Mamburg School, mathematician, pedagogue of the B.V. Tchaikovsky Acting School and the Department of Art (Creative Department) of Kyiv State Institute of Cinematography (All-Ukrainian State Institute of Cinematography), Doctor of Philosophy Oleksandr Iosipovych Gavronsky (1888–1958) and an outstanding Ukrainian film expert, one of the pioneering Ukrainian tutors in screen arts, Doctor of Philosophy in Arts, founder of the major “Bili stovpy” USSR State Film Fund (“DerzhFilmFund”) Film Archive, the pedagogue of the Actor School under the auspices of “MosFilm” Film Studio in Moscow, Actor School under the auspices of Kyiv Film Studio and the Higher State Institute of Cinematography (All-Soviet State Institute of Cinematography (VGIK), now – All-Russian State University of Cinematography named after S.A. Gerasimov), the Dean of the Department of Art (Creative Department) of Kyiv State Institute of Cinematography (All-Ukrainian State Institute of Cinematography) Georgii (Yuriy) Oleksandrovich Avenarius (1903–1958).*

JEL Classification: A20

Introduction.

Problem formulation. The significance of this research is based on the need to study the creative, scientific and pedagogical activity of the leading representatives of Ukrainian culture and science, including film and theatre director, philosopher-Neo-Kantian of the Mamburg School, mathematician, pedagogue of the B.V. Tchaikovsky Acting School and the Department of Art (Creative Department) of Kyiv State Institute of Cinematography (All-Ukrainian State Institute of Cinematography), Doctor of Philosophy Oleksandr Iosipovych Gavronsky (1888–1958) and an outstanding Ukrainian film expert, one of the pioneering Ukrainian tutors in screen arts, Doctor of Philosophy in Arts, founder of the major “Bili stovpy” USSR State Film Fund (“DerzhFilmFund”) Film Archive, the pedagogue of the Actor School under the auspices of “MosFilm” Film Studio in Moscow, Actor School under the auspices of Kyiv Film Studio and the Higher State Institute of Cinematography (All-Soviet State Institute of Cinematography (VGIK), now – All-Russian State University of Cinematography named after S.A. Gerasimov), the Dean of the Department of Art of Kyiv State Institute of Cinematography (All-Ukrainian State Institute of Cinematography) Georgii (Yuriy) Oleksandrovich Avenarius (1903–1958).

Analysis of recent research and publications. Soviet secret police falsely accused him of “Trotskyism” in the so-called Kirov Flow. 25 years of imprisonment was the reason why man’s name in the days of the USSR was mentioned in a negative context, and he was avoided even after his rehabilitation. Creative, scientific and cinemapedagogical activity of the film and theatre director, philosopher, mathematician, pedagogue Doctor of Philosophy O. Gavronsky was described L. Goseyko (Goseyko, 2005), O. Bezruchko (Bezruchko, 2009, 2011, 2017). Nevertheless, we can admit that Oleksandr Gavronsky, actually remained beyond the attention of modern Ukrainian and Russian cinema researchers. Avenarius’s research track record in general and the one in cinematographic academic activities in particular was reviewed in various articles and monographs L. Goseyko (Goseyko, 2005), O. Moussienko (Moussienko, 2009), I. Zubavina (Zubavina, 2008), M. Filkevich (Filkevich, 2003, 2006), V. Illashenko (Illashenko, 2004), O. Bezruchko (Bezruchko, 2014, 2016, 2017, 2018).

However, one may identify the gap seen by the Ukrainian and Russian film experts within the studies of Georgii (Yuriy) Oleksandrovich Avenarius’s last years of life and research & academic career in the field of cinematography.

The scientific tasks of this chapter of the collective monograph are to investigate the creative, scientific and cinemapedagogical activity of Oleksandr Iosipovych Gavronsky: to give him the basic scientific monographs; to describe the pedagogical activity of the B.V. Tchaikovsky Acting School and the Department of Arts of Kyiv State Institute of Cinematography; to analyze all his full-length feature films, which were made at the Leningrad Film Factories “Derzhvoyenkino” (“Gosvoyenkino” in Russian), “Radkino” (Russian: “Sovkino”), “Belderzhkino” (Russian: “Belgoskino”), Odessa Movie Factory of the All-Ukrainian Administration of Cinema and Photography, Kyiv Film Factory “Ukrayinfilm”; to explore the final stage in G.O. Avenarius’s research and academic career in the field of cinematography; to specify the principal research works on history and theory of cinematography within the established timeline; to restore his track record with academic activities in the field of cinematography at the Higher State Institute of Cinematography, All-Union State University of Cinematography (VGIK), Actor School under the auspices of “MosFilm” Film Studio.

1. The purpose of this chapter of the collective monograph.

To thoroughly elucidate the final stage in Georgii (Yuriy) Oleksandrovich Avenarius’s research and academic career in the field of cinematography, being a prominent Ukrainian film expert of genius and one of the first national screen arts educators. And to study and analyze the cinemapedagogical, scientific and creative activity of Oleksandr Iosipovych Gavronsky.

2. Doctor of Philosophy Oleksandr Iosipovych Gavronsky

Oleksandr Gavronsky was born on June 11 (23, according to the new style), 1888 in Moscow in a wealthy family of a tea vendor. Boris Pasternak often visited the house of D. Vysotsky, whose cousin was Oleksandr Gavronsky. B.L. Pasternak, as well as O. I. Gavronsky, studied philosophy at the University of Marburg (Germany) from the head of Neo-Kantian School, Professor Herman Cohen. Perhaps, just for this reason Oleksandr Iosipovych Gavronsky became a prototype of two characters in the works of Boris Pasternak: Shchtutz in “Three Chapters of the Story” (1922) and Oleksandr Baltz in the novel in verse “Spektorsky” (1925–1931). Moreover, Anatoliy Anatoliyovych Vaneyev wrote that O.I. Gavronsky “was mentioned in one of Blok’s poems” (Vanieiev, N.d.), but did not specify the poem.

Oleksandr Gavronsky got an excellent European education, graduated from the Department of Philosophy of Marburg University and the University of Geneva and the J.-J. Rousseau Institute. O.I. Gavronsky was a very gifted man, because already at a young age he wrote scholarly monographs “The Logic of Numbers” and “Methodological Principles of Natural Science”. In 1915, Oleksandr Gavronsky became interested in art: he was working as a film director in Zurich theatre and a main film director of Geneva theatre. After the revolution, he headed the Nezlobinskyi theatre, and then became the director in charge of the State Theatre Studio named after Fyodor Chaliapin.

In 1924, Oleksandr Gavronsky left the theater, and became infatuated with cinematography. First, he was cinematography pedagogue. Oleksandr Gavronsky was heading the B.V. Tchaikovsky Acting School from 1924 to 1925.

After closing the cinema acting school O. Gavronsky moved to Leningrad, where at the studio “Derzhvoyenkino” (“Gosvoyenkino” in Russian) with Iu. Rayzman he directed his first film “The Circle” (1927, another name – “Duty and Love”, in seven parts). Scriptwriters: S. Yermolynskiy, V. Shershenevich; operator: L. Kosmatov; artist: V. Komardenkov. Cast: A. Ktorov (Vladimir Polyansky, a Soviet official from the province), V. Popova (Maria, his wife), A. Zhylynskiy (Boris Bersenyev, assistant prosecutor), B. Chernova (Vera, his wife), S. Getz (Vovka, their son). Unfortunately, the film remained incomplete, and therefore, one can realize its artistic level only from contemporary publications. In the film, two directors-debutants showed the conflict between a public duty and a personal feeling that could be resolved in a new manner in the Soviet reality.

The years of the New economic policy. Boris Bersenyev, assistant prosecutor, overload with official duties, was paying little attention to his wife Vera, who was not pleased to play a role of the “room lapdog”. The family “idyll” was shaky and destroyed at the first ordeal. Zhuyir Polyansky appeared in Bersenev’s house, and fell in love with Vera, who was exhausted from idleness. Her lover appeared to be a prodigal of public funds, and this is why Bersenev got him. Bersenev, assistant prosecutor, found out that his wife Vera was an accomplice of the crime.

However, in Polyansky, he recognized a lawyer who gave him shelter when the king's agents pursued him. After much deliberation, Bersenyev decided to give the case a legal move. The prodigal was given to the court. Communist Bersenev took his child and left his wife forever. The following year O. Gavronsky, at the same studio, already independently shoots a drama "Krivoy Rog" (1928, Derzhvoyenkino, in six parts). Writer: S. Yermolynsky; operator I. Gelein; artist: V. Komardentov. Cast: I. Chuvelyev (Andriy), N. Chertyakova (Katerina, his wife), E. Tokmakov (Father Paisius), I. Strauch (Stepan), V. Rundaltsev (Ilka, their son), D. Vasiliev (city reporter), E. Malolyetnova, E. Melnikova, Iu. Chernyshova, A. Zhilinsky, I. Moskvina.

Gavronsky appealed to the subject of cultural work in the countryside during the "dispossession". The story by writer S. Yermolynsky was not different from similar propaganda films and became fully suitable for stamps and schemes of that time. Soldier Andrey during the leave came from the Red Army to his native village Krivoy Rog. Brought up by the Red Army, he could not remain an indifferent observer of the struggle for a new life that took place there. By his initiative, a military group of rural youth was organized. Backward villagers led by Father Paisius were armed against Andrey. Being accustomed to new life conditions, Paisius tries to oppose his "Cultural enlightenment" to Andrey's team. Supported by village activists, Andrey wanted to make independent of the priest influence, who was hiding skillfully, not only youth, but also the village adults. During the feast drunk kulaks (rich peasants) staged a drunken brawl aimed at Andrey and other initiators of closing churches. In the house of drunk Stepan, the leader of the kulaks, the fire emerged. Andrey mobilized village scouts, members of his group, defended neighboring houses from fire and saved the only Stepan's son. The touched kulak gave his gun, hidden just in case, to Andrey's team. Then Father Paisius, finding no more support from the villagers, left Krivoy Rog forever.

Most likely, the film was not successful because O. Gavronsky was working on his next film as an assistant director, and his third film was shot in collaboration again. Oleksandr Gavronsky, who received an excellent foreign education, continued training though all his life, when he felt the deficit of experience in some areas. Thus, simultaneously with shooting "Krivoy Rog", Gavronsky worked as an assistant film director to Ie. Chervyakov in the film "My Son" ("Son", "The Old Doesn't Let You Go") at the Leningrad [movie] factory "Radkino" (Russian: "Sovkino").

O. Gavronsky shot his third film "Bridge over Vyp" (also called "Blizzard", Derzhvoyenkino, five parts) in 1928 with the film director N. Verkhovskiy. The film tells about the heroism of the Red Army fighter, who continued fulfilling his revolutionary duty to the end. Writer: A. Medvedkin; operator: Ia. Tolchan; artist: V. Komardentov. Cast: I. Chuvelev (Semen Pyrsa, soldier), N. Kostromsky (railroad security guard), A. Norvylo (watchman's wife), V. Uralskiy (Kurilov), L. Roksanova (his wife), P. Ilyin (their son). The Years of the civil war. The White Army suddenly broke through the front, took the bridge over the river Vyp and captured the Red Army guards. One of them, Semen Pyrsa, managed to escape.

The railroad security guard sheltered Semen by telling that he was his nephew. The young Red Army soldier learned of the death of his comrades from the security guard. Semen accidentally met the villager Kurilov, whose son was mobilized to the White Army by force. They decided to blow up the railway bridge in order to stop the advance of the Whites. The villager managed to steal the Whites' blasting bombs while his son was guarding the warehouse. Semen blew up the bridge over Vyp, but the Whites caught and shot him. The film did not survive.

Then there was the practice to "send" film directors, who fell short of the management trust, from the center (which, of course, was Leningrad) to the provincial Odessa. However, in this case the situation was different: a picture of Oleksandr Gavronsky decorated a magazine article about the Leningrad film studio "Belderzhkino" (Russian: "Belgoskino") and the thematic plan of the film studio had two launches: "Woman – a hero of the Civil War". The film task was to show the active role of women (peasants, party members, workers) in the Civil War. The principle of construction – three stories united not by plot but by the thought unity. Script: A. Osynskaya, film director: Oleksandr Gavronsky, operator: I. Gelein.

"Cooperation and Defense of the USSR". The value of cooperation in the case of strengthening the Red Army and the country defensive capacity. Script: Kaponikin, film director O. Gavronsky (A. Sh., 1930).

So, Gavronsky was respected in Leningrad. However, he went to Odesa film studio of the All-Ukrainian Administration of Cinema and Photography. Most likely, Gavronsky lacked creative freedom. The director Pavlo Neches was a very visionary man then, and so he tried to pick the best film directors.

In Odesa, Oleksandr Gavronsky met Olga Ulitskaya who was his assistant in the first film "Dark Kingdom" ("Tinkling"). Later, Olga Ulitskaya became his wife and a co-director of the last movie "Love".

O. Gavronsky wrote the script of "Dark Kingdom" with S. Yermolynsky, and a co-director (in modern terminology, the second film director) was Isidor Vinokurov. Cast: Oleksandr Chistyakov, Leonid Barbe, Bella Chernova, Nina Alisova, Maria Parshina, Volodimir Uralsky, Mykola Palnikov. The film tells about the cruel customs of the provincial bourgeoisie in old Russia. The graduate student of Odesa State College of Cinematography Georgii (Yuriy) Oleksandrovich Avenarius was starring in the film (a high official). In the small town of pre-revolutionary Russia, once there lived a butcher's family. The butcher was a bestial man, despotic and dull, brought his wife to death with endless hits, and his son turned into a miserable, suppressed creature. At the wife's funeral, the butcher fell in love with cobbler's beautiful granddaughter – his son's bride, a shy and humble girl. The butcher pushed his son aside arrogantly and rudely and married her instead of him. The son left home and became a vagabond and a drunk. However, the son's fate did not make the butcher worry.

The official premiere took place on December 30, 1929. In the magazine “Cinema and Life”, B. Alpers published a long article in which he accused the film director that his film will be understood only by a narrow circle of educated intellectuals, not the proletariat masses, “It (the film by O. Gavronsky – O. B.) may appear interesting only to the small groups of aesthetically prepared spectators who, not without pleasure, will reread together with O. Gavronsky several literature works of the past and will manage to evaluate the art taste of the director and the scriptwriter. But for wide audience, “Dark Kingdom” will rightly remain a dead piece of art” (Alpers, 1930).

Like most movies by Gavronsky, “Dark Kingdom” did not survive, but there were many publications in the contemporary press.

After shooting for a while, Gavronsky returned to Leningrad, where in 1930 he shot a drama about the personal and social life of the Soviet people “in reality” (“The act of Komsomol Member Vira”, “Life” 6 parts) at the studio “Belderzhkino” with his new wife Ulitskaya. Writer: L. Zalkind; operators: D. Schlugleit, N. Sokolov, artist: M. Litvak, assistant directors: R. Prokopyev, P. Mikhailov.

A Komsomol member Vira works at a match factory. As young people surrounding her, she is involved in social work, and enjoys it. However, at the factory, there is a young man – a journalist Kostya. He falls in love with Vera, and becomes her husband shortly. Kostya assures his sweetheart that the true sense of life is a quiet family comfort. Under husband’s influence, she gives up the factory when the whole staff is fighting for the elimination of “breakthrough”. This term meant failure to perform the plan before the revolutionary holidays, reduced production rates, etc. Comrades see Komsomol girl dismissal at these harsh times as desertion and insist on her return. Having tasted the fruits of “family comfort”, Vera starts realizing that real life is possible only at work, so she returns to the factory. The film remained without parts numbers two, four and six.

In summer 1931, Gavronsky returned to Ukraine – to start work on the film “Love” at the Kyiv Film Factory “Ukrayinfilm” and to read lectures at the Department of Art (Creative Department) of the Kyiv State Institute of Cinematography.

During filming “Love” movie, Gavronsky managed to organize a wonderful atmosphere of creativity, which “didn’t disappear for a moment. And the atmosphere created by Oleksandr Iosipovych was full of creativity and conversations about life, loved by the enchanted Oleksandr Iosipovych” (Yesypova, N.d.).

The feature film “Love” can be characterized as a psychological drama. A director of the state farm “Gigant” (Vasyl Zaichikov) falls in love with a journalist (Raisa Yesypova). A main female character’s friend (Tamara Adelheim) is against this romance. The main female character requires complete dedication from her man in love, but he cannot pay her enough attention because he is completely devoted to his business. The film was completed in the draft form.

Vasyl Tymofiyevych Likot (1899–1937), famous for his script for the film “Girl in a Hurry for a Date” (1936), wrote the script of “Love”. The operator was Ivan Ivanovych Shekker, whom Gavronsky, apparently, met at the Odessa Movie Factory. Shekker was a graduate of Odesa State College of Cinematography Department of Operator’s Work, and Gavronsky was a film director of the film “Dark Kingdom”.

Together with Ivan Shekker, after the failure with “Love”, Oleksandr Dovzhenko started to shoot “Shchors”, but in autumn 1937, he replaced him with Georgii Yekelchik. I.I. Shekker was famous as the director of photography for “I Love” (1936), “Great Life”, 1st episode (1939), “Taras Shevchenko” (1951) and others.

The art director of the film “Love” was then a debutant Moritz Umansky, who worked later on another prohibited Ukrainian film “Strict Young Man” (1936), Dovzhenko’s “Shchors” (1939), “The Undefeated” (1945) “The Scout’s Feat” (1947).

“Love” was filmed with difficulty, party management in Ukraine, unlike, for example, their colleagues in Leningrad feared that artists would study the characters’ inner state, so “the script was modified many times” (Grigorev, 1932).

Despite all the difficulties, Gavronsky not only completed the film “Love”, but had future plans concerning the Kyiv Movies Factory. On August 17, 1933 in the thematic plan of the Kyiv Film Studio for 1933–1934 provided to run O. Gavronsky with the film “My” under Yadin’s script: “... on the collective farm, the collective farm worker re-education process” (Dmyterko, 1933).

Nevertheless, an obstacle for these plans became so-called “combing-outs” swept across the Soviet Union. They did not pass the Kyiv Film Studio, whose management demanded immediate provision of a film from its director who had the “hostile class” aristocratic social origin: “By order of the Factory director, film director Gavronsky must submit his film “Love” on September, 5” (Dmyterko, 1933).

Gavronsky not only delayed the film submission but did not start repenting at the “combing-out”, as angrily reported in an editorial of the factory newspaper, “condemn the film director Gavronsky who hides the real causes of his mistakes in the film “Love”, “Gavronsky doesn’t provide even a brief analysis of his mistakes, trying not to reveal the shortcomings of the film “Love”. Moreover, Gavronsky tries to shove the blame for the fallacy of “Love” in our reality, which, according to him, is growing too rapidly” (N.a., 1933).

Broken Oleksandr Gavronsky in the newspaper of the Kyiv Film Studio “For the Bolshevik Film” was forced to make excuses for the film “Love”: “We have failed to show how a person subjects to the social aspects, and didn’t reveal the class basis of the characters’ relationships. Instead of a vibrant picture of fight and victory in front of the country socialist reconstruction, we gave something resembling a psychological study” (Gavronsky, Ulytska, 1934).

After rework in late 1933, the film “Love” was completed showed to the management of the Kyiv Film Studio. Finally, the film must have been approved in Kharkiv, which was then the capital of Ukraine. However, the highest party USSR management saw counterrevolution in “Love”. The result is that on the night of January 3 to 4, 1934, Oleksandr Gavronsky was arrested and spent almost twenty-five years in the Soviet camps.

Oleksandr Iosipovych Gavronsky died in Kishinev on August 17, 1958, but the scientific, artistic and pedagogical legacy of this extraordinary man has not been properly evaluated still. Despite the fact that, shortly before his death, he was completely rehabilitated.

3. The Doctor of Philosophy Georgii (Yuriy) Oleksandrovich Avenarius

Avenarius moved from Kyiv to Moscow early 1936 and was appointed *ad interim* Associate Professor of the Film History Department (generally tailored, Western and American cinematography) at the Higher State Institute of Cinematography (VGIK, now known as All-Russian State University of Cinematography named after S.A. Gerasimov).

On the sidelines of his tutorial and administrative functions, Avenarius put a strong focus on scientific researches in the field of motion picture arts. Thus, back in 1938, a book by Georgii Avenarius dedicated to Jean Renoir was published in one of the central editorial houses in Moscow. The following characteristics to G.O. Avenarius’s scientific and M.I. Romm gave research professional attainments: “Comrade Avenarius is a man of merit in his literary activities. The systematic approach to material exposition and factual accuracy of material compilation are the main features of his articles on cinematographic issues and monographs (40 articles and separate works were published from 1930 till 1941 both in Russian and Ukrainian)”. When in the USSR, the World War II had started with Western Ukraine and Belarus involvement, and many foreign films had been captured, Georgii Avenarius was forced to be transferred to another job on sorting out and systematizing the fund of foreign captured motion pictures, following the execution of directive by the Head of the Committee on Cinematography.

With no restricted access to motion pictures fund with “banned” status in the Soviet Union, for one year and a half (From 1939 till 1941) Avenarius conducted the workshops on modern foreign motion pictures for artists in the cinematographic field at the Committee on Cinematography under the USSR Council of People’s Commissars at Houses of Cinema both in Moscow and Leningrad, as well as at “MosFilm” Film Studio in Moscow.

While taking his job on sorting out the fund of captured motion pictures, G. Avenarius tried to transfer his knowledge not only to professionals in the field of cinematography but also to the students. With that in mind, in the course of 1938–1940 he had been lecturing the history course on foreign cinematography at the Actor School under the auspices of “MosFilm” Film Studio in Moscow.

At this time, G.O. Avenarius presented his PhD thesis for defense for the first time with PhD degree being just approved in the Soviet Union. USSR Supreme Certifying Commission acknowledged the Doctor of Science (D. Sc.) degree in Arts to S.M. Eisenstein due to his achievements and overall contribution to the Soviet screen arts, so had awarded PhD in Arts to L.V. Kuleshov, while other applicants should have applied for degree defense within the general application procedure.

At the end of 1940, G.O. Avenarius submitted his “Avant-garde” PhD thesis (on “Avant-garde” French Artists Society) to All-Soviet State Institute of Cinematography Academic Board for defense to be awarded a scientific PhD degree in Arts with simultaneous request to release him from PhD candidacy examinations. The Academic Board satisfied his request, and following the Feinstein’s statement, ex-director of Kyiv State Institute of Cinematography, who headed All-Soviet State Institute of Cinematography straight after re-locating Director of Photography Faculty to Moscow, the decision was based upon “highly impressive field knowledge and expertise (history of cinematography), fluency and principal foreign language competence, profound training in dialect and historical materialism, set out in the PhD thesis”.

Despite positive feedback and reviews given by leading Soviet cinematographic community, namely S.M. Eisenstein, O.Y. Kapler and M.I. Romm, certain formalities, i.e. the lack of academic activities as an educator, did not allow Georgii Avenarius to defend his PhD thesis. The above wording was considered a sort of a twisted one, taking into account the aforementioned fact of G. Avenarius having led a history course on foreign cinematography at the Actor School within “MosFilm” Film Studio in Moscow during 1938–1940.

All-Soviet State Institute of Cinematography’s senior management took an interest in his PhD defense, and thus G.O. Avenarius was granted a teaching load just in the middle of an academic year, and as from March 31, 1941 he started to conduct a tailored workshop on modern foreign cinematography at Screen Writing, Film Directing, Acting and DOP Faculties at the All-Union State Institute of Cinematography (VGIK, now referred to as All-Russian State University of Cinematography named after S.A. Gerasimov). However, it took less than three months for Nazi-Soviet War (the Great Patriotic War) to break out, and the submission of his PhD thesis for defense was postponed by the times of victory in the war.

From 1943 until 1946, Georgii Avenarius had worked as a deputy head of public relations department in RadKinoExport. After the war as from May 1945 till February 1946 he was commissioned to Germany (Babelsberg, Berlin, Werder, Glindow, Potsdam) by command of a tactical formation at the German front with a mission to have all captured motion pictures selected and systematized, having had an officer military ranking (Major or Colonel), even though his personal record stated his factual “private soldier” status.

This work attached a great value to further development of motion picture arts, and on March 21, 1946 Georgii Oleksandrovich Avenarius was awarded a medal “For Valiant and Selfless Labour in the Great Patriotic War” by the Presidium of the USSR Supreme Court.

In 1946, G.O. Avenarius was finally given a free hand to defend his PhD thesis on “Avant-garde” to be granted a Doctor of Philosophy in Arts title.

However, Georgii Oleksandrovich Avenarius is best known for his co-founding and heart and soul devotion to further developing “Bili Stovpy” USSR State Film Fund. Since 1948, he was the one at the helm of Foreign Film Department at the Film Vault.

At a later stage TV broadcasts of “Foreign cinematography in historical terms” program package were scheduled in Moscow and then in Kyiv. The featured content was a popular-science lecture format about foreign cinematography with G.O. Avenarius as a TV-presenter, telling about prominent figures in motion pictures art, displaying scenes from films by them and providing commentary on broadcasted material.

M.I. Romm in a character reference referred to Avenarius as follows: “In the course of his repeated performances as a speaker while watching greatest films of Western cinematography and entering into a discourse on them before different and mainly highly professional audience (involving writing community, film makers, experts in arts and editors etc.) comrade Avenarius has proved himself as a vastly experienced lecturer. It is recognized that comrade Avenarius had proved to be a gifted speaker, making the perception of seriously complex material, he popularized, very easily understandable in the course of his lectures before highly professional audience”.

Georgii Oleksandrovykh Avenarius delivered a considerable number of lectures and hold meetings with professionals in the field of cinematography and people interested in motion pictures arts in many cities throughout the Soviet Union. Obviously, Avenarius could not fail to pay a visit to Kyiv, where many of his friends lived.

After G. Avenarius had moved to Moscow, he had a lot of his works published in “Isskusstvo Kino” journal with “Theory of Film Editing by S.M. Eisenstein” and “Propaganda of Espionage and Sabotage in Bourgeois Cinematography”; also in “Sovetskiy Ekran” journal with his “Freedom of Arts in Foreign Motion Picture” and “Musical Films at the West”, “American Comedy”; as well as his articles “French Revolution in Foreign Motion Pictures” and “Social Film in America” appeared in “International Literature” journal in French. Many of his articles, i.e. “A Note on Genre”, “La Marseillaise and its composer”, “A Great Waltz” etc. were published in “Kino” central cinematographic paper.

In view of increased tensions between the USSR and the USA, escalating into the Cold War after the World War II, the vast majority of Soviet artists were forced to appear at the forefront of the aforementioned struggle. Herewith it is worth to recount the disastrous epic production of O.P. Dovzhenko’s “Farewell, America!” feature film, who was urged to

take charge of this obviously propaganda film production, underestimating his filmmaking capacities, following the Stalin's onslaught after Dovzhenko's "Ukraine in Flames" film release. G.O. Avenarius suffered the same fate. After his work "Avant-garde" met quite a tough critical response, Avenarius published his book entitled "American motion pictures at service response", featuring a collection of articles, i.e. "A School of Violence and Murders", "Aesthetics of Hollywood", "Latin American Cinematography in struggle against Hollywood" "Hollywood's Philosophy", which appeared in "Iskusstvo Kino" journal and "Sovetskaya kultura" newspaper.

At the same time, the majority of his publications were dedicated to foremost figures in the field of world cinematography. Avenarius published a collection of articles and books, retracing life and career of French film director Jean Renoir entitled "From Avant-garde to People's Front. Renoir's career", "Jean Renoir"; as well as William Dieterle, an American film director of German origin, published at "Iskusstvo kino" journal and "Kino" paper; David York Griffith, an American film director, screenwriter, producer and actor appeared as "History Essays on Foreign Cinematography. (Griffith, Chaplin)"; Erich Stroheim, an American film director, screenwriter, actor and artist – "Erich Stroheim", "History Essays on Foreign Cinematography"; "T. Ince and his School, Erich Stroheim"; Sir Charles Spencer Chaplin, an American actor, film director, screenwriter, producer and composer – "History Essays on Foreign Cinematography (Griffith, Chaplin)", "Charlie Chaplin's early films in the Soviet film distribution network", "A Great Master (Chaplin's Jubilee)", "Charles Spencer Chaplin: the essay of early period of creativity" (Avenarius, 1960); Walt Disney (Disney with Walter Elias being an original name), an American film director, artist and producer: "Walt Disney Animation", "Walt Disney and Feature Film Cinematography", "Walt Disney Filmography"; French Film Director Rene Clair (Chomette as original surname): "Rene Claire. Sources of the film director's creativity" (Avenarius, 1960); Thomas Ince, an American film director, screenwriter, producer and actor, i.e. "History Essays on Foreign Cinematography", "T. Ince and his School, Erich Stroheim", "List of Thomas Ince Feature Films within Soviet film distribution network".

Also G.O. Avenarius published a number of interesting works, highlighting the lives and careers of prominent Soviet artists in broad lines, with "Gogol's screen adaptations" (1952), "L.M. Tolstoy screen adaptations in foreign cinematography" (1953), "Fedor Chaliapin in front of a film camera" (1955), "Bernard Shaw and cinema" (1956) in particular.

In fact, in the course of his entire life G. Avenarius had been working on "History of World Cinematography", which regrettably he did not manage to finish in his lifetime.

One of the streets in the town, where "Bili Stovpy" State Film Fund of the Russian Federation (former USSR) is located, is named in honor G.O. Avenarius, as he had contributed much of his efforts to its establishment and further development.

Even posthumously, the research and academic legacy of a genius Ukrainian and Soviet film expert and educator G.O. Avenarius is still being found and published by national experts in motion picture arts. For example, in 1988 a number of expert's works appeared in one of the leading Russian periodicals, i.e. "Kinovedcheskiye zapiski" ("Cinematology messages") with particular publications of his review on "History of World Cinematography" by Jorge Sadul, "At a New Stage" article dedicated to USSR State Film Fund entry to the International Federation of Film Achievers (FIAF) back in 1957, as well as an extract from the lecture (Avenarius, 2008) etc.

Conclusions.

Summarizing the above we can note that the scientific targets which were set are reached: the cinemapedagogical, scientific and creative activity of Oleksandr Iosipovych Gavronsky was investigated; him the basic scientific monographs was recollected; the pedagogical activity of the B.V. Tchaikovsky Acting School and the Department of Art (Creative Department) of the Kyiv State Institute of Cinematography was described; all his full-length feature films, which were made at the Leningrad Film Factories "Derzhvoyenkino" ("Gosvoyenkino" in Russian), "Radkino" (Russian: "Sovkino"), "Belderzhkino" (Russian: "Belgoskino"), Odessa Movie Factory of the All-Ukrainian Administration of Cinema and Photography, Kyiv Film Factory "Ukrayinfilm" are analysed; the final stage in research and academic career in the field on cinematography of G.O. Avenarius, being an outstanding Ukrainian film expert, one of the pioneering Ukrainian tutors in screen arts, PhD in Arts and founder of "Bili Stovpy" principal Film Fund in the entire Soviet Union, has been thoroughly scrutinized and investigated; his principal research works on history and theory of cinematography within the established timeline have been listed; his track record with pedagogical activities in the field of cinematography at the Higher State Institute of Cinematography, All-Soviet State Institute of Cinematography (VGIK) and Actor School under the auspices of "MosFilm" Film Studio has been restored.

Nevertheless, the perspectives of scientific researches remains great as Oleksandr Iosipovych Gavronsky and Georgii Oleksandrovich Avenarius actually remained beyond the attention of Ukrainian cinema researchers.

References.

- Alpers, B. (1930). Dark Kingdom. *Kino i zhizn*. January, 1, 3–4 [in Russian].
- A., Sh. (1930). Rare exception. *Sovetskiy ekran*, 1, 8 [in Russian].
- Avenarius, G. (1960). Rene Claire. Sources of the film director's creativity. *French Cinema Art: collection of articles*. (pp. 236-291). Moscow: Art. [in Russian].
- Avenarius, G. (1960). Charles Spencer Chaplin: the essay of early period of creativity. Moscow: Publishing of Academy of the Science of USSR. [in Russian].
- Avenarius, G. (2008). Course of filmography. *Cinematology messages*. 86, 59–63. [in Russian].

Bezruchko, O. (2009). O. Y. Gavronskiy: philosopher, producer, teacher. *Visnyk Natsionalnoi akademii kerivnykh kadriv kultury i mystetstv*, 3, 90–94 [in Ukrainian].

Bezruchko, O. (2009). The teacher of trade of film director O. Y. Gavronskiy. *Visnyk Natsionalnoi akademii kerivnykh kadriv kultury i mystetstv*, 4, 72–77 [in Ukrainian].

Bezruchko, O. (2011). *Directors-teachers: O.Y. Gavronskiy, O.P. Dovzhenko, V. I. Ivchenko*. Vinnytsia : HLOBUS-PRESS [in Ukrainian].

Bezruchko, O. (2014). Cinemapedagogical and scientific activity of G.O. Avenarius in Odesa and Kyiv. *Announcer of the Kyiv National I.K. Karpenko-Kary Theatre, Cinema and Television University: collection of scientific articles*, 15, 106–111. Kyiv: Education of Ukraine [in Ukrainian].

Bezruchko, O. (2014). *First period of cinemapedagogical activity of G.O. Avenarius*. Vadym Chubasov: rezhyser, naukovets, pedahoh, collective monograph [scientific editor-in-chief of O. V. Bezruchko, O. V. Shcherbatiuk], (Vol. 2), (pp. 43–57). Kyiv: KiMY. [in Ukrainian].

Bezruchko, O. (2014). *Second period of cinemapedagogical activity of G.O. Avenarius*. Vadym Chubasov: rezhyser, naukovets, pedahoh, collective monograph [scientific editor-in-chief of O. V. Bezruchko, O. V. Shcherbatiuk], (Vol. 3), (pp. 33–50). Kyiv: KiMY. [in Ukrainian].

Bezruchko, O. (2014). *Third period of cinemapedagogical activity of G.O. Avenarius*. Vadym Chubasov: rezhyser, naukovets, pedahoh, collective monograph [scientific editor-in-chief of O. V. Bezruchko, O. V. Shcherbatiuk], (Vol. 4), (pp. 69–86). Kyiv: KiMY. [in Ukrainian].

Bezruchko, O. (2016). Cinemapedagogical and scientific activity of one of founders of gosfil'mofond is the «White posts» of G.O. Avenarius. *Nauchnyie zapiski OrelGIET*, 5 (17), 112–120. [in Russian].

Bezruchko, O. (2016). Ukrainian period of cinemapedagogical and scientific activity of Georgii Avenarius. *Nowoczesna edukacja: filozofia, innowacja, doświadczenie*. Łódź: Wydawnictwo Naukowe Wyższej Szkoły Informatyki i Umiejętności, 2 (6), 85–90. [in Russian].

Bezruchko, O. (2017). Philosopher and film director Oleksandr Gavronskiy: return of the forgotten figures of European science and culture. *European philosophical and historical discourse*. Praha, 3, 1, 83–88 [in English].

Bezruchko, O. (2017). Scientific and cinemapedagogical activity of Heorhij Avenarius is in Kyiv. *Sotsialni komunikatsii: teoriia i praktyka*, 4, 86–90. [in Ukrainian].

Bezruchko, O. (2017). Scientific and mediapedagogic activity of Georgii Avenarius in Russia. *European philosophical and historical discourse*. Praha, 3, 4, 65–70 [in English].

Bezruchko, O. (2017). Subjected to repression film director Oleksandr Iosipovych Gavronsky. *Represovani knematohrafisty. Aktualna pam'iat: Statti y dokumenty*,

Kinematografichni studii. Vypusk p'iatyi. (pp. 109–129). Kyiv: Kino-Teatr, ART KNYHA. [in Ukrainian].

Bezruchko, O. (2018). *Cinemapedagogical inheritance of V. S. Yunakivskiy and G. O. Avenarius*. Geneza idei i dynamika rozvytku ekrannykh mystetstv, collective monograph [scientific editor-in-chief of O. V. Bezruchko], (Vol. 4), (pp. 4–24). Kyiv: Vydav. tsentr KNUKiM [in Ukrainian].

Bezruchko, O. (2018). The final stage of research and educational activity of G.O. Avenarius in the field of cinematography. *Visnyk Natsionalnoi akademii kerivnykh kadrov kultury i mystetstv*, 1, 106–109 [in English].

Dmyterko, A. (1933). Basis of bases is high ideological quality. *Za bilshovytskyi film*, on August, 17 [in Ukrainian].

F.–H.–K (1933). Films «Love», «Youth», «Steppe songs» – to hand over in time. *Za bilshovytskyi film*, on Septembers, 2 [in Ukrainian].

Filkevich, M. (2006). Dovzhenkivci: pages of our history: [history of creation and activity of the Kyiv film studios]; [arrangement: Halyna Filkevich, Heorhij Filkevich]. Kyiv: N.p. [in Ukrainian].

Filkevich, M. (2003). Pages of our history [arrangement: Halyna Filkevich, Heorhij Filkevich]. Kyiv: N.p. [in Ukrainian].

Gavrinsky, O., Ulytska, O. (1934). Answer of film director Gavronsky. *Za bilshovytskyi film*, on January, 2 [in Ukrainian].

Goseyko, L. (2005). History of Ukrainian cinema, 1896–1995. [Trans from fr.: S. Dovganyk, L. Goseyko]. Kyiv: Kino-Kolo. [in Ukrainian].

Grigorev, G. (1932). On Kievan «Ukrainfil'm». *Kinogazeta*, on June, 16 [in Russian].

Illashenko, V.V. (2004). History of the Ukrainian cinematographic art [1893–2003]. Kyiv: Age [in Ukrainian].

Moussienko, O.S. (2009). Ukrainian cinema: text and context. Vinnytsya: Globe-press. [in Ukrainian].

N.a. (1933). To condemn a film director Gavronsky, which hides the real reasons of the errors in the film of «Love». *Za bilshovytskyi film*, on December, 17 [in Ukrainian].

Vanieiev, A. (N.d.) Two years in Abezi. *The Museum of the National Film Studio of Feature films named of Oleksandr Dovzhenko*, Fund of Oleksandr Iosipovych Gavronsky [in Russian].

Yesypova, R. (N.d.) Flashbacks about Oleksandr Iosipovych Gavronsky. *The Museum of the National Film Studio of Feature films named of Oleksandr Dovzhenko*, Fund of Oleksandr Iosipovych Gavronsky [in Russian].

Zubavina, I. (2008). The art to love cinema. *Cinema-theatre*, 3, 47. [in Ukrainian].

Nanouchka Podkvyroff*Senior Lecturer,**Chair of Foreign Languages of the Humanitarian Faculties,**Odessa National I.Mechnikov University,**Odessa, Ukraine***THE INTER-CULTURAL EDUCATION IN FRANCE: DESCRIPTION OF
THE STAGES OF ITS DEVELOPMENT**

Abstract. *This abstract of the monography under study is devoted to elucidation of the peculiarities of establishment as well as the dynamics of development of the ideas of inter-cultural education in France. The social factors which have given birth to the ideas of the inter-cultural education in France as well as the latter's essence and the leading methods of implementation, – have been singled out therein. In addition, the major stages of the evolutionary development of the ideas of the inter-cultural education have been outlined, its methodological fundament treated as a certain social-political strategy and the relevant pedagogical practice – have been analyzed. The alternative viewpoints held by certain French scholars and related to comprehension of the social importance and pedagogical value of various technologies and models of enhancement and effective implementation of the inter-cultural education, - have also been elucidated therein. The research and analysis of the French experience in the inter-cultural education has proved its due importance and value for potential utilization in the theory and practice of the national pedagogy. Thus, during elaboration and implementation of the policies pertaining to the national education, it is necessary to embrace both the positive and the negative educational experience gained in France. The ways of interaction of the French and the Ukrainian educational systems should not be aimed at destruction or negation of the Ukrainian educational achievements, its essence, peculiarities and the historical-cultural uniqueness. It has been duly demonstrated that while functioning under conditions of globalization, the ideas of the inter-cultural education have proved to gain wider recognition in the world due to their universality. Thus, on the basis of analysis of the achievements of French scholars and pedagogues, it has been proven that the inter-cultural education is in fact a new philosophy of education of the contemporary multi-cultural society which tends to evolve under the influence of massive migration as it is focused primarily on the integration of the European educational sphere on the basis of democracy and humanization.*

JEL Classification: A20**Introduction**

As a matter of fact, functioning under contemporary conditions, the ideas of inter-cultural education appear to gain wider recognition in the world at the present time due to their universality. That can also be proven by a fact that the inter-cultural education is in fact a new philosophy of the modern society which develops under the conditions of massive migration since it is focused on the integration of the European educational sphere on the basis of democracy and humanity. The progressiveness of the ideas of inter-cultural education is also endorsed in the Declaration of Human Rights where it is stipulated that education must be devoted to the ample development of a person irrespective of his or her social background, race, ethnicity, religious beliefs, physical state or gender identity.

Therefore, globally, the inter-cultural education presents itself as a solid and broad segment of relevant scientific-pedagogical research (D. Banks, G. Holm, K. Grant, R. Ebel, D. Campbell, R. Cohen, P. McLaren, S. Nieto, L. Rosa, K. Slither) as well as of the professional pedagogical practical work carried out (L. Doerman-Sparks, M. Jenkins, G. Lewis, S. Ramon, W. Watkins, B. Wing).

Thus, not only the American or Canadian experience can serve as an example of efficient realization of the ideas of inter-cultural education, but also a series of research conducted by French scholars (M. Abdallah-Preteuille, N. Dittmar, R. Labonte, Le Thanh Khoi, M. Marquis, P. Toussaint, G. Vermes), who have proved to significantly enrich the respective philosophical bases of the theory under study and also have introduced certain innovations as for the latter's practical implementation under the existing contemporary socio-cultural conditions of social development.

In particular, France is acknowledged as one of the first European countries which has initiated realization the inter-cultural education in general educational institutions (Kerzil, 2002, 131). On the one hand, this has been determined by the fact that ever since France had established itself as an independent state, it has always supported the principles of democracy and equality of its citizens.

Being a major asylum for immigrants throughout the past 150 years up to the present day, French government still guarantees equal rights for the various nationalities residing on its territory, which has entailed the intensive development of the pedagogical practice pertinent to the inter-cultural education (Camilleri, 1990). On the other hand, the social unrest experienced by France at the end of the XX century – in the beginning of the XXI century, the illegal migration and the ever-increasing number of refugees from different parts of the world, the frequent international conflicts, - bear witness of the existence of certain issues related to the implementation of the national and social policies as well as the practical realization of the ideas of inter-cultural education in France (Chagnollaud, 1996), which requires fundamental research and critical analysis thereof.

Taking into consideration the contemporary demands of humanitarian development of the national educational systems of European countries, the objective of the article under study, boils down to elucidation of the factors of establishment and the stages of development of the inter-cultural education in France.

1. The establishment of ideas of the inter-cultural education in France

Despite the fact that when differentiating the periods of establishment of the multi-cultural approach as an innovational pedagogical paradigm as well as the stages of development of the inter-cultural education in France, there appears to be no commonly-shared views held by scholars, the majority of them hence tend to rely upon the history of the French Immigration which has several “waves of migration” (Dittmar, 2006).

Thus, the first wave of immigration which began in France in the middle of the XIX century, tends not to be related by a number of French scholars to the establishment of multi-culturalism (M. Abdallah-Preteille, N. Dittmar, R. Labonte) as a social-ideological and political trend, nor is it associated by them with a relevant concept of the inter-cultural education since the latter is considered as still underdeveloped throughout the said historical period. That can be explained by the fact that the immigrants to the country of the first wave, representing predominantly European countries, have proved to successfully merge and assimilate themselves with the French society (Camilleri, 1990).

Nevertheless, the scholars in question also note that since the said historical period until the 30ies–40ies of the XXieth century, when the inter-cultural education in France officially had not yet been adopted and, consequently, did not possess a clear-cut legislative fundament or the distinctive theoretical substantiation, there gradually started to appear certain tendencies for a deeper comprehension of the social-pedagogical demands and needs for the establishment of the multi-cultural programs and educational technologies, revision of the language-related policies, search for new, progressive ideas aimed at establishment of quality education and upbringing of an individual living in the multi-cultural social environment.

According to the views shared by such scholars as Le Thanh Khoi, M. Marquis, P. Toussaint, G. Vermes, the need for the efficient tackling of the existing educational and social issues faced by numerous migrants in France, has proved to gradually pave the way for the recognition by the French society of the phenomenon of their country's multi-culturalism. As the major criteria for updating of the essence of education pertinent to ensuring a more humanistic, that is the multi-cultural development) these French scholars have pointed out the following: the study materials should reflect the leading humanistic ideas of the mankind, the distinguishing features displayed by representatives of the miscellaneous ethnicities should be well-portrayed; the common elements of the traditions of various cultures should be revealed; the inter-relations between countries and nations should be well-illustrated; the study materials should enable assimilation of the students with the global and the national cultures and should not contradict the ideals of patriotic upbringing (Chevrolet, 1977).

The actual indicators for the formation and development of the ideas envisaged by the multi-cultural approach to the system of education in France have, in fact, manifested themselves after the beginning of the second wave of immigration (50ies – 60ies of the XXieth century), which was characterized by a larger number and diversity of the immigrants to the country (Diallo, 1990). During that period, French educational institutions had already faced a situation of having to accept a vast number of children-immigrants who did not speak French nor did they possess the required educational background. Consequently, there appeared a topical necessity in France for the formation of such an educational system which would safeguard the cultural, peace-making and compensatory

functions, based on the principles of the cultural pluralism, dialog of cultures and the social justice. It was determined, according to a series of scholars (O. Meunier, F. Lorcerie, P. Simon, M.-C. Viguier and others), that specifically during the said period which can well be treated as the initial stage of formation of the ideas of inter-cultural education, there started to emerge certain controversies between the state educational policies focused on the Republican model of education and upbringing and the cultural traditions of the immigrants, especially those representing the non-European, Oriental nationalities (Kerzil J.& Vinsonneau, 2004).

Generally, the colossal number of the immigrants that arrived in the country and also their cultural diversity, had set a task for the French government which boiled down to enabling transformation of its educational system in the direction of democracy which was shortly reflected in the French Constitution dated 1951. In particular, formation of the contemporary system of colleges (the 1st, compulsory stage of education which was introduced at the end of 1950ies – in the beginning of the 1960ies) had promoted the accessibility of obtaining education for children-immigrants and of the national minorities. The introduction of the non-compulsory studying of the regional languages which had turned out to be the first step to realization of the function of cultural preservation of the national minorities and also enabled successful combating the tasks of the bilingual and inter-cultural education.

However, at that stage of development of the inter-cultural education – there prevailed the conservative approach since the French state educational institutions although supporting the policy of tolerance to the values of various ethnical groups, nevertheless proved to rest upon the model of the latter's cultural assimilation as the contents of the academic subjects taught, – reflected the norms of the Western European culture. Therefore, the compensatory function of the inter-cultural education (studying the language and culture of the immigrants and the national minorities served as a means of promotion of the latter's opportunities of obtaining the required level of education) as well as the principle of social justice – played the leading roles in the society. The policy of assimilation proved to determine solving the issues and tasks of formation of a patriot from the "voluntarist's" point of view thus reflecting mainly the official governmental interests of France. That implied that the cultural values of the immigrant's homeland were not seriously considered within the framework of the state education of France. The absence of national conflicts thus granted nominal respect to the peace-keeping and the culture-protective functions of the inter-cultural education whereas the principles of preservation of the nature and culture unlike proclaimed – were aimed at attaining the ideals of France as the country of residence. The aim of the inter-cultural education was in ensuring equal initial opportunities for obtaining the required level of education by means of creation of auxiliary conditions for teaching those children who did not speak French (Lonschakova, 2010, 71).

Thus, due to the initial steps undertaken by the French government in the 50ies-60ies of the XX century and aimed at creation of the comprehensive system of education of children-immigrants and also those representing the ethnical minorities from all around the country as well as granting the equal access to education, – the inter-cultural education eventually started to complement the essence of the traditional, Republican education which was dominant in the country at the time. However, the integration of the inter-cultural education was merely conducted by means of implementation of the strategies which bore in themselves a distinct political content: the support and protection of the French language as the primary and virtually the sole language of the international communication within the country (thus, knowledge of the French language was treated as the decisive factor for obtaining the prestigious type of education); the upbringing of immigrants with the latter's conversion to French patriots, as stipulated by the French state power.

2. The peculiarities of the 2nd stage of development of the inter-cultural education in France

It is here noteworthy that in the period of the beginning of the 70ies until the second half of the 80ies of the XX century in France, there were detected distinct attempts aimed at institutionalization of the inter-cultural education which took place. They had been caused by the serious modification efforts and reforms which took place in France in the 70ies of the XX century (the reform proposed by R. Abi, The Law of Savary, etc.) which were focused on attaining the overall democracy over the French educational system, and aimed at creation of the favorable conditions for equal educational opportunities for the immigrants as well as at instilling the tolerant attitude for other cultures thus promoting the national consciousness of each of the French citizens. The said historical period throughout which the issues of education and upbringing of the ethnic minorities had proved to gain topicality, needs therefore to be viewed as the 2nd of development of the multi-cultural approach conducted within the educational system of France (Kuropyatnik, 2003, 140). According to a series of French scholars (M. Abdallah-Preteille, J. Berque, C. Clanet, C. Camilleri and others), it can be proven by the fact of the drastic makeover of the formerly prevailing “conservative” theoretical-methodological concept with the eventual formation of an alternative, a more democratic – pluralistic paradigm which is based on the concept of establishment of inter-cultural dialog within an educational system (Kerzil, 2002, 158).

Generally, within the conceptual framework of the pluralistic ideas, the primary functions of the inter-cultural education are considered not only the culture-protective and the compensatory ones, but also the peace-keeping function which envisages organization of the educational process with the inclusion of both national and religious traditions (for instance, observing the canons of behavior for Muslims throughout various religious festivals, special meal and menu organization, etc.).

In general, the primary targets of the inter-cultural education at the 2nd stage of the latter's development were: studying the fundamental concepts of the native culture as well as the French national culture, promotion of the national consciousness, further compensation of the unequal accessibility to the prestigious education experienced by the ethnic, cultural and religious minorities in France. The pluralistic variants of formation of the framework of the inter-cultural education based on respect of the cultural variances and promotion of the national consciousness, – prevailed at the time. The study materials introduced into the curriculum of schools and colleges were modified with the purpose of inclusion of data pertaining to other students, representing miscellaneous cultural groups, their values, beliefs, behavioral models.

Thus, the everyday practice of French pedagogues focused on education and upbringing of children-immigrants, is considered nowadays as one of the most versatile and advanced. Moreover, a number of schools in France may boast that invaluable expertise in educating students-immigrants which demonstrates a variety of methods of the latter's integration into the multi-cultural and multi-lingual educational environment. Students-immigrants, as it is widely accepted in France, are of utmost care and attention provided by all teachers. Aimed at their rapid adaptation, it appears to be reasonable to carry out special testing related to revealing the actual command of the French language and other subjects formerly studied by students-immigrants in their own language as well as revealing the interests and creative aptitudes and capabilities of each of the students-immigrants which is believed to be of paramount importance for planning the relevant psychological-pedagogical activities in the future.

Should the insufficient command of the French language be detected, which is quite often the case of a student's poor academic performance, there are nowadays special classes, set up and hosted by specially-educated teachers, and aimed at correction and enhancement of studies by students-immigrants. However, we may also witness implementation of certain intensive educational methods designed for students-immigrants without the latter's extraction from the regular classes studied. In that context, special attention is to be devoted to studying the advanced expertise gained by French teachers which boils down to creation of special classes designed with the aim of submersion of students-immigrants into the language-based environment, in particular – those integrated classes designed to help catch up with the curriculum taught both in elementary schools and colleges as well.

It is important to note that along with the above-mentioned pedagogical techniques used, there also exists an opportunity of hosting classes in the native language for students-immigrants. Based on the principles set forth by the multi-cultural education for immigrants and ethnic minorities, besides teaching the French language, French Literature and Culture, – the knowledge in the native language of the students-immigrants tends to be rendered as well. The latter is enforced by the practice of vast utilization in French schools of specific programs devoted to integration of students-immigrants into the multi-cultural educational

environment and presenting comprehensive, detailed and consecutive psychological-pedagogical projects. The latter's successful implementation is ensured by organization of special psychological trainings as well as those trainings related to successful inter-cultural interaction of students-immigrants. Besides, as we may judge by the French expertise studied, the availability of the adaptive programs in schools and colleges – seems not to be able of resolving the issue of the deviant behavior of youth provided that the said measures are not part of the state policy for immigrants on the whole (Gukalenko & Levitskaya, 2001).

In general, the pedagogical practice of the inter-cultural education in France during the said period of time had proved to incorporate various methods and forms of teaching children-immigrants being considered as one of the most advanced in the world (the ELCO program, CRI classes, CLIN classes, the prioritized educational zones ZEP, the reforms introduced by scholar R. Abi, the new type of college, centers for preparation and guidance for teaching children-immigrants, the socio-cultural animation, miscellaneous French language study courses for students-immigrants, etc.). As a result, a series of the regional languages spoken in France, have obtained their official status and started to be taught in French schools.

However, as per the critique rendered by scholar V. Lonschakova, while practicing the inter-cultural education, the resolving of the issues of nurturing the tolerant attitude to representatives of alternative cultures, – had not yet transformed into preparation of an individual for the dialog between the Western and Oriental cultures and had thus not gained the expected wide governmental significance as it has proved to depend largely upon the pedagogical initiative, in particular. Therefore, it was quite often the case that the realization of the programs and projects devoted to cognition and protection of the unique ethnic cultures, to overcoming the stereotypes related to unacceptance of an individual belonging to an alternative culture, - was not sufficiently supported by the relevant program of upbringing of an individual which would facilitate the dialog between the Western and Oriental cultures on the state level despite the fact that the model of the multi-cultural education had already considerably been implemented. In addition, the official level which accompanied resolving of the tasks of the patriotic upbringing in France as the country of residence (that is the absence of relevant programs devoted to ensuring the pedagogical support of the process of upbringing, nurturing respect and appreciation of the cultural values of France, particularly those pertinent to the language spoken, the state power, society, etc.) as well as the insufficiently elucidated and outlined pedagogical cycle of their implementation (for example, tackling the issue of upbringing of an individual capable of conducting the dialog between the Western and Oriental cultures), in the author's own opinion, had proved to intensify further ambitions of the immigrants, especially those representing the Islamic ethnic groups to establish and safeguard their own cultural and religious values (Lonschakova, 2010, 68–70).

3. The peculiarities of the 3rd stage of development of the inter-cultural education in France

The latest wave of immigration which broke out in mid-80ies, has turned out to differ significantly as per the number of immigrants and the goal of their staying in the country in question as the compact accommodation of the immigrants has proved to be conducive for their seclusion. The ethnic and socio-cultural seclusion of the immigrants was also largely impacted by the injunction issued by the Supreme Council of France in 1993 in regards to the latter's integration into the cultural and educational spheres of France. Thus, the French government-issued doctrine devoted to opposing the cultural, religious and social segregation, tends to envisage limitations in acknowledgement of the ethnic minorities' special status which has imminently led to the return to the policy of assimilation, proclamation of the concept of segregation of the church from the state power and extinction of the term "multi-cultural" from all the official documents issued ever since (Dittmar, 2006). The 90ies of the XX century saw considerable restraining of the policy of usage of the French language: the European Charter of the Regional Languages which was signed in France in 1992 has not yet been ratified; the Law passed in 1994 already prescribed usage of French notions and terms instead of the English ones in all of the official documents, commercials, on the television and radio.

The education of the national minorities in that period again proved to be dedicated to implementation of the compensatory function, that is granting of certain additional favorable conditions and services related to obtaining education by children-immigrants and visitors to the country. The tasks and goals of the inter-cultural education were thus limited to the organization of the equal initial opportunities of obtaining quality and prestigious education by students of miscellaneous social and ethnic groups by means of enhancement of the opportunities of studying of the official language and culture treated as the primary factor of promotion of education for children-immigrants.

The actual unpreparedness of the educational system for acceptance of that comparatively enormous surge of immigrants displaying inferior academic knowledge as well as the insufficient awareness of the perils of the latter's devotion to their religious traditions, have proved to impede tackling the tasks related to their patriotic upbringing. That situation dictated a theoretic substantiation and elucidation of such an efficient strategy of education which would help resolve not only the issues pertinent to overcoming the behavioral stereotypes and cultural preservation but also successfully promote formation of the tolerant attitude to the values of the Western and Oriental culture as well as foster love and respect to the country of residence. There has arisen a necessity of elaboration of the concept of patriotic upbringing of the immigrants which would encompass the peculiarities related to the latter's consciousness as well as promote the essence of such upbringing on its cognitive, emotional and behavioral levels on the basis of belief of "the other homeland".

It is no surprise, therefore, that this particular period (middle 80-ies – 90-ies of the XX century) is being treated by a series of French scholars (M. Abdallah-Preteceille, S. Boulot, B. Bozon-Fradet, F. Lorcerie, L.-A. Vallet) as the 3rd stage – that one of a crisis of the multi-cultural education in France which has pointed out certain unresolved controversies related to tackling the issues of elucidation of its essence as well as elaboration and implementation of the strategies of the crisis elimination. As a consequence of the said crisis, immigrants (predominantly Muslims) have started to demand integration of their own religious traditions and values into the educational programs taught (the left-essentialistic approach which tends to recognize the leading role of the national and cultural diversities, also idealize the priority of observing the national, especially the religious traditions). The state power, upon its return to the policies and ideas of assimilation and the official-patriotic upbringing of the immigrants, has proved to support the “critical approach” (acknowledgement of the national, cultural and other diversities solely as the factor of creation of conditions in education for promotion of the individual social mobility of each immigrant to the country). There have been serious clashes of the governmental ideals with those cherished by the immigrants from the Orient as for the formation of the essence of education for the latter (Cesari, 1999, 131).

Meanwhile, the implementation of a series of educational programs continued (ELCO, functioning of CLIN and CRI classes, special centers for international students were being established, for example, The National Center For University and School Matters (Charle & Verger, 1994); also, Muslim-affiliated colleges and universities were being founded with the aim of education and preparation of the cultural elite on the basis of immigrants with the tolerant emphasis on the European culture). The realization of that task was of high importance as the elite is deemed to perform not only the managerial function but also presents a normative group, the exemplary performance of which is expected to promote the values of the cultural pluralism in the minds of the society in general. In the sphere of higher education, there have been certain processes of internationalization which took shape, the distinguishing features of which are the mobility as well as formation of new educational standards, the integration of the educational programs into the relevant academic curricula, formation of strategic educational alliances.

Thus, in general, the educational policies pursued by the French government which reflected the strategies of supporting the prestige of the French education as well as the leading role of the French language as a language of international communication, the internationalization of the education, – has proved to display a positive effect for the enhancement of the educational status in France within the international society thus enforcing its multi-cultural essence (Kerzil, 2002). However, the insufficient comprehension of the immigrants’ cultural values, traditions and behavioral patterns (especially of the immigrants representing the Oriental countries), – has led to manifestation of the official and voluntaristic nature of combating the said issue and shifting the peace-keeping function of education onto the peripheral position.

4. The review of the current stage of development of the inter-cultural education in France

It needs to be emphasized that despite the complicated situation of the development of the inter-cultural education in France at the end of the XX century – beginning of the XXI century, its rich humanitarian experience has been preserved so that contemporary pedagogues have continued to seek ways of further development of the said challenges in the framework of the Bologna Process. That activity has launched the beginning of a new phase of development of the ideas of the multi-cultural approach through the prism of the “European viewpoint” which can be considered as the beginning of the 4th stage of its development, the Bolognese stage. It can be explained by a fact that due to the latest modernization, the evolving structure of university and college education in France has been focused on its development strictly with the principles stipulated by the Bologna Declaration (Dittmar, 2006). Thus, significant progress has been achieved in the French university-level educational sphere as for meeting of the requirements set forth by the Bologna Process which suggest implementation of the ideas of the multi-cultural approach by means of introduction of further strategies:

- creation of additional favorable conditions for the international students’ adaptation and integration into the French higher educational sphere (tuition, obtaining governmental grants and stipends for education, additional French language study courses, access to relevant educational centers for guidance and data distribution);

- the cultivation of the global, national and state cultures in the process of education and upbringing (development of the multi-cultural competence, the socio-cultural animation);

- the preparation of elite for foreign states focused on upholding the dialog between diverse cultures (education of the supreme clerical representatives in the framework of instilling the tolerant attitude to the European culture within the newly-established Islamic institutes and faculties, enrollment of both French and international students in joined activities, preparation of certain bilateral agreements);

- the internationalization (the social mobility of students and teachers, introduction of international academic curricula and programs, students & teachers exchange programs).

According to assessments made by certain experts, the modern education in France tends to pursue such prioritized goals as: the instilling of patriotism and state-mindedness, organization of interaction between families and educational establishments under the conditions of the social segregation experienced today, formation of sound and positive micro-climate within a school community, enforcement of overall security in schools, ensuring equality of the initial educational opportunities for both students and teachers and, most importantly for the multi-cultural topicality, the effective and peaceful tackling of various ethnic, gender-related, religious challenges which may arise in schools, colleges or universities in France (Maksimenko, 2007, 126).

However, despite the innovational features of the contemporary pedagogical expertise gained, the strategic role of the formation of the multi-cultural educational environment in France is deemed to be played by the higher pedagogical education which tends to demonstrate the distinctive rise of popularity of French universities worldwide and the latter's compatibility with the most up-to-date requirements and demands.

That fact is determined by the recent achievements which have taken place, in particular, the French recent success and leadership in displaying of its students' and teachers' social mobility achieved due to the established transition to multi-culturalism and the dialog-based forms of communication which are seen as rapidly gaining their popularity and recognition in France. The French ideologists who have been elaborating the French national educational and language policies hereby admit that the pedagogical support aimed at the establishment of the multi-cultural mindset of each member of the society is of paramount importance when dealing with protection and enforcement of the unified multi-cultural world.

Conclusions.

The essence and the practical value of the reforms and regulatory documents as well as the contents of the academic programs and curricula initiated by the French government and the Ministry of Education of France bear witness of the high topicality of the ideas expressed by the multi-cultural approach for the pedagogical practice in French schools and other educational institutions. The French experience in education has proven the effectiveness of utilization of the pluralistic models for the formation of the framework and technologies of the inter-cultural education. The analysis of the peculiarities and the distinguishing stages of development of the ideas expressed by the multi-cultural approach in France have substantiated the high demand in implementation of the models of the inter-cultural education not only for those countries that experience high-volume immigration but also for the multi-national countries.

Therefore, the research and analysis of the French experience in the inter-cultural education has proved its due importance and value for potential utilization in the theory and practice of the national pedagogy. Thus, during elaboration and implementation of the policies pertaining to the national education, it is necessary to embrace both the positive and the negative educational experience gained in France. The ways of interaction of the French and the Ukrainian educational systems should not be aimed at destruction or negation of the Ukrainian educational achievements, its essence, peculiarities and the historical-cultural uniqueness. A comprehensive review of the ideas and principles expressed by the multi-cultural approach to education at each stages of development of the national education in Ukraine – may prove highly effective for attaining of the goal in question.

References.

- Abdallah-Preteille M. (1996) Education et communication interculturelle. Paris: PUF.
- Batarchuk D.S., Kopeykin A.N. (2006) Pedagogicheskoye soprovozhdeniye stanovleniya mul'tikul'turnogo samosoznaniya lichnosti [*Vestnik AGT*]. N 5 (34), 302–307.
- Camilleri, C. (ed.) (1990) Stratégies identitaires. Paris: PUF.
- Chagnollaude, D. (1996) Le gouvernement de la France sous la V-e République. Fayard, nouvelle édition.
- Charle, C., Verger, J. (1994) Histoire des universités. Paris: PUF.
- Chevrolet, D. (1977) Les problèmes d'adaptation des étudiants étrangers au système universitaire français [*Revue Française de Pédagogie*]. N 40, 30–44.
- Cesari, J. (1999) Le multiculturalisme mondialise: le défi de l'hétérogénéité [*Les anonymes de la mondialisation*]. Paris: L'Harmattan, 127–135.
- Diallo, M. (1990). Religiosité africaine en milieu étudiant: le cas du Calvados. Thèse de doctorat, Université de Caen.
- Dittmar, N. (2006) L'Europe et ses minorités quelle intégration ? Paris: Éditions Dittmar.
- Gukalenko, O.V., Levitskaya I.B. (2001) Problemy adaptatsiyi detey-migrantov i ikh semey v mnogokul'turnom sotsiume [*Teoriya, praktika I perspektivy obrazovaniya, polikul'turnogo vospitaniya, kar'yery I integratsiyi bezhentsev, migrantov i ikh detey v sovremennom mire*]. Rostov-on-Don. Vypusk 1. URL: rspu.edu.ru/page-loader.php.
- Kuropyatnik, A.I. (2003) Mul'tikul'turalizm, natsiya, identichnost' [Globalizatsiya i kul'tura: analiticheskiy podkhod]. SpB, 126–150.
- Lonschakova V.V. (2010) Mul'tikul'turnoye obrazovaniye v Rossii i Frantsii: sravnitel'nyy analiz [*Gumanitarniy vektor*]. N 2 (22), p. 68–73.
- Maksimenko A.P. (2007) Universytets'ka osvita Frantsii: stanovlennya I rozvytok u XIX–XX stolittiyakh: monografiya K.: Vydavnychiy tsentr KNLU.
- Kerzil, J. (2002) L'éducation interculturelle en France: un ensemble de pratiques évolutives au service d'enjeux complexes [*Carrefours de l'éducation*]. N°14, 120–159.
- Kerzil J., Vinsonneau G. (2004) L'interculturel: principes et réalités à l'école. Paris: Éditions Dittmar.

Olena Bielova

Doctor of Pedagogical Sciences,

Kamyanets`-Podilskyi Ivan Ohienko National University,

Department of Correction and Social Pedagogies and Psychology,

Kamianets-Podilsky, Ukraine

orcid.org/0000-0001-6162-4106

Yana Raievska

Doctor of Psychology Sciences,

Kamyanets` - Podilskyi Ivan Ohienko National University,

Department of Correction and Social Pedagogies and Psychology,

Kamianets-Podilsky, Ukraine

orcid.org/0000-0003-3802-2304

**THE STUDY OF THE AGGRESSION STATE OF THE CHILDREN WITH
THE DISORDERS OF SPEECH DEVELOPMENT**

Abstract. *This article introduced the results of studies of aggression in early elementary school kids. According to the results of the summary of the scientific methods there have been discoveries of three types of aggression and six pro-types of aggression and also their symptoms: self-controlled types of aggression includes controlled and completed pro-types of aggression; hidden type – protective and depressed; behavior type – demonstrative and physical. There have been discoveries of sides of aggression and a level of aggression shown in kids with normal physical and psychological development and also in kids with phonetic underdevelopment of speech and also with signs of slightly underdevelopment of speech. Also there was a comparison of specific signs of aggression in 3 subjects: “I am an individual”, “I am in a family”, “I am in a social mind”.*

JEL Classification: A20

Introduction.

The detailed analysis of the scientific theoretical approaches as for the determination of aggression gives the reasons to confirm, that the majority of modern and classical scientists have analysed the concept of aggression from two points of view: the aggression is any form of behavior, aimed to the insult, doing harm to another living being (A. Adler, 1995; H. Aizenk, 1999; A. Bandura, 2002; R. Berns, 1972; A. Buss, 1957; L. Berkovits, 2002; K. Bjutner, 1991; J. Dollard, 2006; Z. Freud, 1989; O. Kernberh, 1998; J. Ramirez, J. Andreu, 2006 and others), or "the aggression" is one of the forms of activeness, which can have positive as well as negative manifestation (N. Levitov, 1972; K. Lorents, 1994; R. Maj, 1997; E. Fromm, 1994 and others). That's why our investigation is devoted to the analysis of the children's aggression from two points of view: positive phenomenon which corresponds to the vital interest, self-defense as well as negative, which corresponds to the cause of suffering (harm) of the other person or oneself.

It is worthy of note that the peculiarities of aggression's manifestation were examined not in all the categories of children with speech disorders, though the emotional sphere in whole was examined in the researches, devoted to stammering, voice defects, congenital cleft palate and cleft lips (S. Konopljasta, 2010). Aggression as a personality feature of the children with general speech underdevelopment (GSU) was studied only in connection in the researches of (N. Havrylova, 2012; S. Konopljasta, 2010; E. Sobotovych, 1992; V. Tarasun, 2004 and others. Only senior schoolchildren with GSU were included into the systematic researches of the emotional-motivational sphere and the pupils of senior forms of the specialised schools but the emotional manifestations and aggression of the junior schoolchildren of the comprehensive school with GSU IV (or UGSU - unsharply manifested general speech underdevelopment) haven't been studied in particular.

The problem of the mechanisms, the structure and the dynamics of aggression, attached to the speech disorders, and its undecidedness have negative influence on the effectiveness of the correctional bringing-up process, slow down th mental development of these children and prevent their socialization into micro- and macro-environment. Theoretical analysis and summing up all the scientific researches prove that the peculiarities of aggression's manifestation of the junior schoolchildren with GSU and UGSU haven't been the subject of the special researches in logo-psychology.

Probably, the profound studies of the emotional sphere, aggression in particular, will allow to understand the structure of logo-psychological dysontogenesis of such children more fundamentally and prevent them from psycho-speech disorders caused by psychologo-pedagogical conditions and educational-preventive methodics.

Generalized analysis of major scientists' researches in the branch of logopedia by O. Belova, 2015, 2016; N. Havrylova, 2012; S. Konopljasta, 20104; R. Levina, 1967; M. Savchenko, 1992; E. Sobotovych, 1989; V. Tarasun, 2004 and others, proved that among children with speech disorders, except of speech disorders, the underdevelopment of mental processes, motivation, will, emotional-personal sphere can be observed.

The detailed analysis of the scientific views on the problem of aggression in the psychoanalytical (O. Kernberh, 1998; Z. Freud, 1989 and others), behavioral (A. Bandura, 2002), cognitive (J. Dollard, N. Miller, L. Doob, O. Mowrer, 1939; L. Berkovits, 2002 and others), evolutionary (K. Lorents, 1994 and others), humanistic (R. Maj, 1997; E. Fromm, 1994 and others) approaches and modern psychologists (K. Bjutner, 1991and pedagogs (I. Bekh, 2003; O. Belova, 2015, 2016 and others) proves that aggression is an integral part of life of a person and society. The majority of scientists consider aggression as the negative action, aimed to harm another person or oneself. But a lot of scientists (N. Levitov, 1967; K. Lorents, 1994; R. Maj, 1997 and others) represent it as a positive one, aimed to overcome the obstructions without intention to harm another person and which is possibly to use as means towards the end. It gives us opportunity to examine not only negative manifestations of aggression among children with DSD, but to study its positive components.

The analysis of the scientifically-theoretical sources on the problem of the research proves that aggression exists in conscious (A. Adler, 1995; O. Leontjev, 1975; Z. Freid, 1989 and others) as well as in unconscious (K. Yunh, 1991) forms; represents various views on the matter of the aggressive behavior (A. Bandura, 2002; E. Fromm, 1994 and others), aggressiveness (O. Belova, 2016), the aggressive state of the personality (N. Levitov, 1972); determines the spheres of studies devoted to aggression from the biological (neuro-psychological) position as internally-caused ("I - Personality") (O. Luria, 1958; E. Khomska, 2005 and others) and from the social point of view - externally-caused ("I am in the family" "I am in the society") (M. Ljusher, 1995; O. Romanov, 2003; S. Rosenzweig, 1964; I. Furmanov, 1996).

On the basis of the empirical analysis we specified the concepts "the aggressive state", which emphasizes the internal experience of a personality; "the aggressive behavior" as specific form of the human's actions with verbal or non-verbal features; "aggressiveness" as a personal characteristic; "aggression" as the internal cognitive component of the aggressive behavior, which unites three components: the aggressive state, the aggressive behavior and aggressiveness.

Thus, the systemic-dynamical analysis of the classical and modern approaches gives the reasons to maintain that aggression as an integral component includes the internal experience, personality features and behavioral reactions, which can be corrected among children with PhUS, Ph-PhUS and UGSU exactly through the perception of their state and behavior. As the base of the study of aggression of children with speech development disorders were used scientifically-methodical workings-out of A. Buss, A. Dark 1957; R. Berns, S. Kaufman 1972; M. Ljusher, 1995; S. Rozentsvejg, 1964; O. Romanov, 2003; I. Furmanov, 1996 and others. The diagnostic algorithm consists of two blocks. The first block deals with the study devoted to the unconscious aggression. The diagnostic sense of the block was maintained by the modernized picture methodology ("The picture of a non-existent animal", "The picture of my family", "The picture of my class"), which were aimed to the examining of the aggression state, and also the modified methodology ("Anecdotal-situational-illustrated"), which found out the modeling of behavior types in the consciousness.

The second block dealt with the study of conscious aggression, that is the comprehension by schoolchildren their state and behavior according to the questionnaire, and aggression in actions in the micro- (a family) and macro-groups (a collective of classmates) (due to the method of disconnected observation).

Basing on the first-primary source (G. Ajzenk, 1999; A. Buss, 1957; R. Maj, 1997; S. Rozenthveig, 1964; O. Romanov, 2003; E. Fromm, 1994 and others) there are determined the three types and six subtypes of aggression, which further were maintained by the methodical sense and fulfilled by the qualitative characteristics for the evaluation's criterion determination of the methodologies, chosen for the research.

Due to the analysis of the theoretic-methodical literature, the positive aggression was represented in the self-regulated type (controlled and emulative subtypes of aggression), which were pointed out in the researches of G. Ajzenk (1999), K. Lorenz (1994), R. Maj (1997), E. Fromm (1994), I. Furmanov (1996) and others. The negative aggression was analysed in the concealed (defensive and depressive subtypes of aggression) and behavioral types (demonstrative and physical subtypes of aggression) (G. Ajzenk, 1999; A. Buss, A. Darki, 1957; S. Rozentsveig, 1964; O. Romanov 2003).

In particular, the self-regulated subtype of aggression was compared in the researches of I. Furmanov (1996) and S. Rozentsveig (1964) with the vitality and activeness of children. N. Levitov, 1972 also described it as purposeful, insistent and brave kind of activeness. The scientists A. Freud (1989), E. Fromm (1994) found out that this kind of aggression fulfills the self-defense reaction. So, the self-regulated type of aggression, formed by us, is or the norm in the man's behavior, or aggression, which emphasizes on the activeness and self-control of the emotional manifestations of a personality, and corresponds with the norm.

This type of aggression were fundamentally analysed by S. Rozentsveig (1964) and I. Furmanov (1996) in the impunitive type of aggressive reactions.

Though, the controlled subtype mostly coincided with self-defensive and obstinately-prudent types of aggressive reactions, and emulative - with obstructionally-dominant. The concealed type of aggression mainly included intraputive types of aggressive reactions, defensive coincided with self-defensive and obstinately-prudent types, and depressive - with the obstructionally-dominant. The extrapunitive type of the aggressive reactions belonged to the behavioral type. Its demonstrative subtype corresponded to the obstinately-prudent and obstructionally-dominant types of aggressive reactions, and physical - to the self-defensive.

Basing on the analysis of the personality test-questionarie by A. Bass and A. Darki (1957) we have divided eight types of the aggressive reactions on two types of aggression: concealed and behavioral. The concealed type included susceptibility in the defensive subtype; depressive - the sense of guilt and suspiciousness. The behavioral type included verbal, indirect aggression, disposition to the irritability, negativism in the demonstrative subtype of aggression; Physival - aggressive reactions, which emphasised on the use of physical aggression.

The symptomatology of the aggression types, by O. Romanov (2003), was also referred to the concealed and behavioral types of aggression. The concealed type, the defensive subtype of aggression corresponded to the aggressive-apprehensive type of the personality; the depressive - to the aggressive-impressionable. The behavioral type, especially, the demonstrative, and defensive subtype of aggression corresponded to the characteristics of the aggressive-oppositional and aggressive-hyperactive types; Physical - to the aggressive-indifferent type of the personality.

Thus, aiming to create the criteria of the estimation for the analysis of the aggressive state, aggressive behavior, aggressiveness and also the understanding of the aggression by us, three types of aggression were pointed out on the base of the analysis of the scientific resources, each of them included two subtypes. So, the self-regulated type of aggression included two subtypes of aggression: controlled and emulative. The state of the controlled aggression was manifested in the internal assurance of the personality, it modified later in the state of stress. The verbal manifestations of behavior models were characterised by the ability to motivate one's position logically, to listen and to argue the own point of view without shouting and insulting; non-verbal - to show the actions, which could be noticed in discipline, self-control and assuredness in self-innocence. The emulative subtype of aggression as a state was manifested in the activeness assuredness and also in the dissatisfaction by oneself, if somebody better appeared near. The behavior models of verbal character differed by the emotional communication, inspired stories about self achievements, etc.; non-verbal - relaxedness in actions, purposefulness in the aim achieving, incomppliance and obstinacy in the situations, etc.

The concealed type of aggression included the defensive and depressive subtypes. The defensive subtype of the aggression was manifested in the passiveness, diffidence, anxiety. The verbal manifestations of behavior models were represented in the verbal disquietude, unfranked phrases, justification of the own actions, accusation of all, except oneself etc: non-verbal in the irresolute actions, being aside of the other children, adults, etc. The state of the depressive subtype of the aggression as a state, pointed on the passiveness, diffidentness, anxiety and fair. The verbal behavior models were characterised by the apprehensiveness, uncertainty in the speech patterns, frequent accusations of oneself, avoiding the communicating with people, etc; non-verbal behavior models pointed on the passive, uncertain actions, humble attitude towards punishment, etc.

The behavioral type of the aggression included demonstrative and physical subtypes. The demonstrative subtype of aggression, as a state, was characterised by the activeness, assuredness, satisfaction by oneself and own actions. The verbal behavior models were manifested in the emotional freedom and irrepresibility in speech, sarcastic behavior, insincerity in the communication, assuredness in the own rightness, etc.; non-verbal behavior models pointed on the unmannered uncontrolled actions, exactingness to people, to cajole, etc. The physical subtype of aggression as a state was manifested by the higher excitable, unbalance. The behavior models of verbal character pointed on the intense, emotional-impulsive communication, rude phrases towards others, verbal violence, reproaches and disparagement of interlocutors etc.; the non-verbal behavior models shown out the uncontrolled, reflective provoking actions, the use of physical strength, etc.

The worked out diagnostic algorithm gave the opportunity to study the peculiarities of the manifestation (by types and subtypes) of the aggression state of the junior schoolchildren with DSD in three spheres of the research ("I am a personality", "I am in the

family", "I am in The society"): the modeling in the consciousness the different types of behavior, understanding of the internal and external mechanism of aggression and its manifestation in actions. In the process of diagnostics it is predicted the determination of levels (by the ball scale) for each index of aggression of the noticed in the diagnostic methodology, and comparing them with the normative indexes of the development.

The aim of our research is to study the unconscious aggression of the junior schoolchildren with DSD, as a state which is directed to oneself - "I - Personality" by the methodology of M. Druzkevych "The picture of non-exist animal"; to family members - "I am in the family" by the methodology of R. Berns, S. Kaufman (1972) "The picture of my family"; to the collective - "I am in the society" by means of the picture methodology, which is based on the scientifically-practical researches by R. Berns, S. Kaufman (1972), J. Di Leo (1973), M. Lusher (1995) and others - "The picture of my class".

The next stage of our research has predicted the determination of types and subtypes of aggression by means of the qualitative analysis of the symptomatic, which was represented in the children's pictures and in the characteristic of these features due to the methodology R. Berns, S. Kaufman (1972), J. Di Leo (1973), M. Lusher (1995) and others. We have worked out the protocol of the examining for studying the types of aggression by children's pictures; its results have been placed horizontally and vertically .

Parameters in the horizontal rows analysed aggression by six features of the child's picture: space, line, content, structure, colour and e hero. Thus, for example, the features of the picture placing in space, represented the level of self-estim and the level of self-controll of the child in the critic situations. The higher from the bottom of the sheet of paper the picture was placed - the higher were the claims of the pupil to be recognized in his surrounding.

The thickness of lines represented the emotional stability, assuredness in own abilities of junior pupils. If the line had thick dotted-like appearance, it manifested their emotional uncontrollness, obstinacy, ambitions or the usage of their authority power in the solving of any conflict situations.

The sense of the picture has helped to show out the activeness and emotions of pupils. The pictures in the whole sheet of paper, were overdetailed, or had the aggressive features (fists, weapon, evil intentions of the heroes, etc.) pointed out the manifestations of deep frustration, emotions of evilness towards the environment, disposition to uncontrolled irritation and attacks. The structure of the picture has characterized the child's attitude to himself and to the others. If a pupil refused to draw the members of his family or classmates, this proves, that he has disliked them. And if a child has drawn himself next to the authorities, or represented big-sized heroes, it manifested the contest and psycho-traumatic influence of this heroes on the child.

The use of the color in the picture manifested the internal emotional state of a pupil. Brightly-red colors have characterised the energy and unusual activeness of the children, which was noticeable in the slowingdown the general rules, in their demonstration performances, steep demands to themselves and to the others.

Black color and its shades were used by children, who has experienced the negative attitude towards themselves and towards the environment. Their main emotions were oppositioning, oppositiveness, nonsusceptibility the thoughts of the others.

The drawing of the heroes manifested the children's interest in the environment. If the hero has had clear drawn teeth, tongue, fists, it proves the egocentrism, light-mindedness, talkativeness and impulsivity of pupils, their constant need of attention and self-praise. If a child draws the heroes without analyser's systems - he shows the protest against people in such a way. This features of the pictures have been divided into six types, each of them determined the quality of doing the assignment by the child. The types, divided horizontally (each feature separately), have had their own characteristic corresponding to the certain type and subtype of aggression vertically.

Thus, self-controlled type of aggression by the features of junior pupils' pictures, manifested their ability to control the emotional sphere. This type had in its structure controlled subtype, which manifested the feeling of assuredness, virtue, internal calmness of the children, and the general subtype of aggression characterised their energy, optimistic mood in all the activity spheres.

The concealed type of aggression on the basis of pictures pointed to increased anxiety, isolation, lack of implementation of pupils in their environment. Its defensive subtype argued that children feel their own inadequacy, inner anger, dissatisfaction with the place in society. The depressive subtype of aggression characterized their fears and feelings of self-worth in the society. The features of the chaotic pictures of junior pupils proved the behavioral type of their aggression. These children differed from other pupils by their increased self-esteem, lack of balance and ambition. The demonstrative subtype characterized their excessive activity, impulsiveness, exaggerated egocentrism. The physical aggression subtype - the tendency to uncontrolled irritations and attacks.

The features of the chaotic pictures of junior pupils proved the behavioral type of their aggression. These children differed from other pupils by their increased self-esteem, lack of balance and ambition. The demonstrative subtype characterized their excessive activity, impulsiveness, exaggerated egocentrism. The physical aggression subtype - the tendency to uncontrolled irritations and attacks. In the protocol the study, each child's painted feature was evaluated by one point and zero points if this type was not indicated in the picture. The total sum of points defined the type and subtype of aggression that prevailed in his picture. The worked out protocols covered the group of parameters and quality characteristics, which reflected the peculiar features of the child's tasks. The defined in our work type of estimation based on the works of N. Havrilova (2012), A. Luria (1958) and the others.

Thus, in the process of the literary sources analysis, we have modernized three picture methods: "The picture of non-existed animal", "The picture of my family", "picture of my class" which allowed to study aggression as a state in the three areas of research: "I am a Person" "I am in the family," "I am in society." On the basis of the analysis of revealed symptoms the following types and subtypes of the unconscious aggression have been allocated.

Results.

The analysis of the results of unconscious aggression study. The peculiarities of projective picture methods, performed by junior pupils have proved that self-regulatory type of controlled subtype was predominating for children with normal speech and for pupils with PhUS. The self-regulating type with adversarial subtype and concealed type with its protective and depressive subtypes were mainly inherent for pupils with PhUS and Ph-PhUS. The behavioral type with its demonstrative subtype were manifested by children of all categories, but mainly it was observed among children with DSD, and the physical subtype of aggression of junior pupils was observed less.

In our research by children's drawings "The picture a non-existed animal", "I am in the family" and "I am in society" the types and subtypes of aggression were examined in the progressive growth - from its smallest to the largest manifestations. Thus, the state of the controlled aggression subtype of the self-regulating type was experienced by children with PhUS (96.9%), with normal development (95%) slightly less by pupils with Ph-Phus (91.3%) and the least - with UGSU (87.5%).

The presence of this subtype of aggression was the best manifested in the pictures where the image was placed slightly above the bottom line of the paper and a clear, smooth and flexible lines with a predominance of green colors were used. Such peculiarities of pictures according to the interpretation of the authors picture methods (R. Berns, S. Kaufman, 1972; J. Di Leo, 1973; M. Lusher, 1995 and others) characterized the personal sense of confidence, self-control, emotional balance and flexibility of will qualities. By the content, the pictures were well drawn, decorated with natural phenomena, or supplemented by details of clothing. The structure of the Image estimated the proportionality of the heroes, their activity, positive attitude, adequate behavior. The details, represented in the pictures, indicated the presence of children's self-esteem, inner peace, balance and ability to distribute the forces.

For example, while drawing "The picture of non existed animal", the children used to draw the smooth rounded lines, without sharp protrusions. They depicted one more animal alongside another animal that characterized the sign of teamwork and the need to adorn themselves before others. Not always the pupils of various categories who took the majority of the points due to the subtype of the controlled aggression, managed to make a creative approach to the problem. Although the features in their drawings were positive, though most of them remained on a low level, because instead of creating a new character they made a banal transferring of their favorite animals, characters from cartoons, etc. on a sheet of paper.

Representing theirs family, junior pupils, in the pictures of whom the subtype of the controlled aggression was predominant, were trying to show their relatives from the best side in the process of any activity. Usually, they were drawn outdoors where the sun was shining and sometimes smiling.

The results of the analysis of family pictures show that the children draw favorite family members firstly and from the left, favorites were higher and bigger than the other family members. The details of the picture are also shown carefully. Most children of this subtype found out that the favorite characters were mothers who were leaders in the family and, therefore, an example to follow; they thought the family was leading. The second, equally important, role in the family the children devoted to dads. They are pictured next to their mothers, but not in very bright colors and small in size. These figures show that fathers are optimistic, fun, energetic, happy to spend their free time with their children. The brothers and sisters are claiming the, but it's not the leadership in the family and it is not very tangible, what is indicated by such peculiarities in the pictures as drawing them along with their favorite family members because of severe aggression in children before they were observed. Some of the pupils paid the considerable importance to grandparents in their picture, who were drawn next to the child, that proved the respect and trust of children to the older generations.

The children of the same class represented in their pictures those pupils, whom they were friendly with, and, of course, they drew their with flexible lines, choosing them some pleasant colors. The drawn characters were smiling, well-dressed, with balloons or flowers in their hands, or just holding each other's hand. All this characterized the ability to value adequately in any situation and to analyze own capabilities, do not allow the emotions to conquer and settle disputes peacefully.

The condition of the competitive subtype of self-regulating type of aggression was experienced more by children with normal psychological development (95.9%) and PhUS (90.9%), somewhat less - pupils with UGSU (87.5%) and Ph-PhUS (82.6%) .

The pictures that indicated the competitive subtype of aggression by three pictures methods were located above the mid-line of the paper that according to their qualities disclosed optimistic mood of their authors and the attempts to be in the spotlight, get some encouragement and rewards for their activities. Using too much shadowing characterized their rejection of limits and a sense of anxiety. By the content, color, structure and the way of depicting the characters, the pictures differed by the complicated details and characters - brightness, individuality, large size, particularly of the eyes, ears, fingers, and also by the predominance of blue color. This, of course, indicated on the energy, commitment, activity of these children as well as a great impulsive in decision-making and attitudes to oneself as a unique individual.

So, when creating a fantastic animal the children could give her mystical, courage, make unusual, drawing unconventional wings, clothes, various natural phenomena. Such drawing of the additional details with non-functional content and coloring the characters in bright blue colors disclosed the creative and energetic natures of these children. Typically the characters were located in the middle or at the bottom of the paper made by clear confident lines without sharp protrusions.

In their creative works they often portrayed some unusual animals that characterized the desire of children to communicate with people. Brightness, the fantastic, untypical of pictures showed on their activity, which could be expressed in a competition, or in the competition for leadership positions in their environment.

The picture of their family the majority of junior pupils with different speech development allocated all of their close relatives, placing themselves near strong and respected people, which was characterized by the desire of children to take the same thing and authoritative leadership position in own family. On people's faces they painted big eyes, ears, long fingers, and clothes and decorations - shades of blue colors, indicating a high level of aspiration of children, the desire to be the best, a unique and inimitable even in the family.

Working on the task "The picture of my class," the majority of children depicted only those pupils who were the leaders of the team. Junior pupils, especially girls, in the faces of their characters painted eyes, eyelashes, nose, lips, and on his head - a good haircut. Guys depicted the stature, positive attitude, occupation. In each picture they draw themselves in the middle or near the authoritative person, that determines their high self-esteem, commitment, activity, desire to control others. Children are extremely worried about the opinion of others about themselves, so they are always trying to be the center of events and be interested in new information.

The state of protective subtype of hidden form of aggression was observed among the majority of children with PhUS (100%) Ph-PhUS (100%), somewhat less with normal mental and physical development (97.3%) and UGSU (87.5%).

Pupils who have been exposed to protective subtype of aggression placed their pictures in the corner; usually, their characters were "hanging" in the, space of the paper. Depicted characters were drawn thin with interrupted lines, they often erased and redrawn; main color, they used mostly - was yellow. The plot and structure of the were marked with primitivism, lack of creativity. Depicted characters were mainly "stacked" with geometric shapes, have an open mouth without lips or tongue, hands or paws tucked away behind one's back, sometimes pressed to the body. Dedicated to the drawings signs of aggression in children characterized by low activity, fear, increased anxiety, and isolation in the environment. The children were characterized by the features of aggression, pointed out from the pictures. They proved the low activity, hiddenness, fear, increasing anxiety, and isolation in the environment.

For example, junior pupils with different speech development who painted a fantastic animal, marked her thin, insecure lines, painted predominantly yellow. In work they used the eraser for many times, they erased some details, then painted them again. They borrowed the creative ideas of their classmates, adding to them some functional or extra parts. This disclosed the children's uncertainty, lowered activity in their actions, inability to the creative fulfillment.

When drawing of their family junior pupils depicted themselves little, surrounded by parents. This indicated the helplessness of children and their dependence on the careful care in the family. Distance between adult and child pointed to anxiety, low self-esteem that keeps them in constant emotional stress. Some children from this group generally do not painted their parents who disclosed the hidden form of aggression relatively to most native people. The pictures were placed at the bottom of the sheet, indicating uncertainty, dissatisfaction, low self-esteem, indecision. Children with such features always liked to dream more than to realize their intentions, because are still do not be ready for the activity.

The analysis of the pictures, in which their classmates are depicted, confirmed that children mainly painted those who either humiliated or did not considered them. These "authorities" were often depicted in the corner of a sheet of paper, or in space, that disclosed the low self-esteem, increasing anxiety, hiddenness, isolation of these children. Such state was provoked, of course, by strong leaders of the team. The children have painted the body of their characters as geometric figures, what indicated the lack of creativity and characterized their isolation, closeness from the inner world and the reluctance to talk something about themselves again.

The depressive subtype of the hidden form of aggression -is one of the most difficult states, that manifests itself equally in different categories of pupils. According to the results of research it was determined that the depressive feelings were experienced by more children with PhUS (96.9%) and UGSU (93.7%), somewhat less - pupils with normal speech (92.6%), and Ph-PhUS (91 3%).

The pictures, where signs pointed to the depressive subtype were performed at the bottom of a sheet of paper with a lack of detailisation, with vague, weak, almost gossamer lines, with a predominant use of brown colors. Children in this subgroup also preferred drawing of the parts by ordinary pen or pencil. The images were often erased without subsequent renewing. Sometimes children refused to draw the proposed characters. The head of the characters was depicted in profile, sometimes in full face; mouth was sketched or absent; hands or paws were not marked or covered with clothing. A certain number of signs of aggression from the pictures was characterized by the uncertainty of the child in themselves, low self-esteem, depression, indecision, lack of tendency to self-disclosed which was lack of interest to their position in society. Psychological defense of such a person was manifested in isolation, weakness, suspicion, hiddenness, resistance, mistrust. These children had clearly manifested wariness, diffidence, passivity in decision making, mood instability, the overwhelming tendency to anxiety, emotional experiences, physical discomfort as well as unpleasant pain and fear. The example of fantastic animals representing, which manifested pupils' depressive aggression, were pictures that we're done at a primitive level, a character was without a head, or without functional parts: ears, eyes, mouth, animal was painted very small and disproportionate. The heroes, of course, were brown and orange and made from the usual thin lines with pencil or pen.

They often erased the pictures, without renewing. The animals were placed at the bottom, in the corner or at the top of the paper, indicating indecision, self-doubt and low self-esteem. A family in the children's works was different: some children used geometric shapes to depict their parents, didn't paint their eyes, ears, nose, mouth, and did not devote their clothes. Others painted their family only selectively. Mother or father or the child itself could be missing in the picture. Some children depicted everything they wanted, except for their own family, or generally refused to perform this task. There were pupils who painted themselves small, helpless, and aside from the whole family. Each of the presented depressive symptoms expressed depressive of type aggression, which characterized the self-defense from close persons who didn't provide the child care, love, injured the mental sphere of the children by punishment, insults, excessive criticism, causing the anxious, helpless state.

At school, children with this form of aggression were kept away from the energetic leaders, classmates, and communicated only with calm and balanced, or left alone, as reflected in their drawings. They painted their classmates in thin lines, some were wept by rubber, or even sketched. Also, there were such works, where children painted only himself without classmates, or depicted a school, class, sometimes a teacher. Pictures with such sense indicated the rejection of the children the team in which they were. Suffering from abuse, criticism and contempt of their classmates, these children became extremely anxious, unsure of themselves and alone, hidden, powerless and helpless. The state of the demonstration subtype of behavioral type of aggression was found in the majority of children with PhUS (100%), somewhat less than it was observed in pupils with normal psychophysiological development (97.3%) and Ph-PhUS (91.3%), and least the less experienced in this this subtype were pupils with UGSU (75.0%). The pictures pointed out the analyzed subtype, images in which were on the top edge of the paper, took a whole page, or were painted in thick interrupted shading and different shades of red. The heads of the characters were drawn in front view, isolated big lashes, open smiling mouth and sometimes with the tongue. In general, characters, decorated with non-functional parts, had lightweight support and were near the brave, strong people. Some characters in the pictures had primitive appearance, because the clothes could not be seen. This subtype of aggression by the quality indicator described the child as egocentric personality with inflated self-esteem, leading to emotional imbalance, impulsivity, lack of control, tenacity and ambition. And the increased activity of such pupils caused a strong sense of rivalry, self and desire to take an authoritative position in their environment. The analysis of drawings "The picture non-existed animal" showed that children depicted animals in the upper or middle part of the paper. Contour lines were clear, but with a strong advantage of drawing and red shades of color. Heads were drawn in the front view, they had big eyes, mouth, canines, ears. Animals may have wings, but in some there was no body because the head and front legs were connected to the legs, which were not always ready to resist.

Such details in the pictures revealed pupils' desire for behaviorally-demonstrative actions in society. Their behavior is entrenched and developed in conditions of chronic dissatisfaction, lack of love from the immediate environment. Most elementary school students with different speech development who used the demonstrative signs of the aggression in the pictures of their family, primarily drew fathers, with very large and long arms, fists. Of course, they were shown in front and showed that the punishment of children in families occupied the educational position. The moms were depicted with big ears, opened mouth, protruding tongue. Children could represent themselves as big, wearing some clothing, decorated with jewelry and was distinguished by bright red color. A number of features marked the desire of pupils to leadership among brothers and sisters, so children draw relatives next to the head of the family, or even excluded them from the general space, wiping by the eraser or crossing out.

These features are also indicated a high level of self-esteem, self-centeredness and unrealized inflated claims for recognition, which caused the confusion and aggressive acts in relations between the examined children and their siblings. Grandparents also had a great impact on family relationships in families and on the children themselves. This proves such images as a great grandmother ("mother-in-law"), next to the child's mother, and father is painted as a little and at a great distance; or great grandfather, with long arms (the child deliberately portrays his badly). All this confirms that the described characters were the source of tension in the families. The demonstrative features of aggression in elementary schoolchildren were also observed in the pictures of their class. Pupils depicted the authority figures as plump, with big eyes, opened mouth, long arms with fingers or fists, indicating their desire to control and leadership in the team, in which they were. In the class, the examined pupils perceived only those children who recognized them and obeyed to their authority.

Another group of children ignored their classmates in the picture, they depicted only themselves in nice bright-red things, with big hairstyles, or with hair down. Some even painted a crown on the head, that disclosed their own self-centeredness, inflated self-esteem, desire to prove their uniqueness, uniqueness in the eyes of others. This position often resulted in children unperceptive, and sometimes in mockery and ridiculing them by their classmates, of course, they did not pay attention, and continued to feel the "king" of society.

The most difficult subtype of the behavioral type of aggression was the state of physical aggression. It was more fundamentally observed in children with PhUS (90.9%) and UGSU (87.5%), somewhat less - pupils with normal psychophysiological development (82.5%) and Ph-PhUS (82.6%). The presence of physical aggression was indicated by the details in the pictures, which showed the children attempt to change the rules of the task, for example, when the image is beyond the scope of standardized paper. The lines in the pictures were too thick and long, with a predominance of black and gray colors, a large number of sharp edges, spikes, growths, and the awkwardness of the characters and their huge size were observed in addition.

The picture heroes showed negative emotions, their teeth were painted clearly, long arms, clenched fists or fingers with nails, some were without eyes, ears or mouth. The features of this type of aggression characterized personality with high self-esteem and level of aspiration, with claims for recognition and a tendency to uncontrollable stimuli and attacks. Children in this category strongly objected information and opinions of others, showed indifference towards the feelings of other people, were in constant combat readiness to protest remarks. As a rule, they used their force the solving of any conflicts. For example, depicting the fantastic animals, pupils pointed out its spikes, needles, plain coat, mane, changed the contents of the task and designated major teeth, tongue, etc.

They used primarily black and gray colors, combining them with a bright-red, which, of course, indicates the increased level of inadequate self-esteem, self-confidence, lack of mechanisms for targeting to social norms. In the pictures of their family, the physical signs of aggression manifested in that fact that the children themselves were the aggressors in the family. They depicted themselves brighter and more detailed, than parents, who were only the background for them. In their works the features, which pointed to the self-attitude, as someone unique, were dominant, and parents were in the background. Generally, these children are alone in the family or there was a great age difference between siblings.

These pupils were distinguished by their activity, noise, egocentricity, talkativeness, did not want to accept information from others, wanted to be more independent. In the pictures they emphasised the details that indicated the distance between the parents, or did not paint them at all. Other works indicated that pupils really respect their fathers, the behavior of whom is an example to follow, and it caused the strong sense of rivalry and desire to take the same authoritative position in the family. Selfishness of these pupils put mothers in the third place. Kids love them, but often do not follow their advice. Siblings were the biggest rivals for children.

The aggression in this case was manifested in a constant struggle for supremacy in the family. Some junior pupils painted grandparents, but in bright colors, they weren't pointed out, however, painted the wrong faces or complete them with odd details. In the pictures of their class they depicted only those pupils with whom they are friendly and compete for leadership in the team, drawing them long arms, fingers, fists, but sometimes without eyes, mouth or ears, and of course, black or gray.

This made it possible to assume that children self-determine themselves through the aggressive actions such as: fighting, verbal insults, humiliation, gossiping, bad jokes, others. They do not want to listen to the comments of adults. All they have too much confidence in their own abilities and capabilities, which is a major cause of conflicts among the children of the same age. Such a high self-esteem causes mistrust, negative attitude, which leads to a constant feeling of tension in children with physical aggression.

Thus, the results of picture methodology researches indicate that the majority of students with normal psycho-physiological development, with PhUS and Ph-PhUS have experienced the state, which coincided to the defensive, demonstrative subtypes of aggression, less pupils preferred competitive and controlled and the least - depressive and physical. Most children with UGSU experienced the depressive aggression, less - controlled, competitive, defensive and physical and the least - demonstrative. In order to determine in what way the speech underdevelopment of the junior pupils influences on their internal state, we have implemented a generalized analysis of the research materials, and it allowed us to distinguish three levels of the aggression state - a low, medium and high.

Conclusions.

The analysis of the results of the study confirmed that the state of aggression at the medium level was experienced by pupils with normal mental and physical development (58.3%), with PhUS (57.5%) and Ph-PhUS (47.8%), a high - with UGSU (62.5%). The low level of aggression was characteristic of a small number of children with UGSU (12.5%), with PH-PHUS (4.3%) and with normal speech development (1.3%). Therefore we can assume, that the level of experience of the aggression state of junior pupils has some dependence on the complexity of speech disorders.

Thus, the more complex speech disorders the child has, the deeper are its internal emotions, what is indicated by the high level of aggression of the most children with UGSU (62.5%). This state is less manifested among pupils with PhUS (47.8%), with normal mental and physical development (40.2%) and Ph-PhUS (42.4%). Medium and low level of pupils with PhUS (57.5% and 0%) and PH-PhUS (47.8% and 4.3%), in contrast to the pupils with UGSU (25.0% and 12.5%) is approached to the indicators of children with normal speech (58.3% and 1.3%).

References.

- Adler, A. (1995) *Praktyka y teoriya yndyvydualnoi psykholohyy*. M : KSP, s. 294.
- Aizenk, H. Yu. (1999) *Struktura lychnosti*. M.: Yuventa; KSP, s. 98.
- Bandura, A.(2002) *Exercise of personal and collective efficacy in changing societies* . Self-efficacy in Changing Societies . Cambridge University Press.
- Bekh, I. D. (2003) *Vykhovannia osobystosti* : U 2 kn. Kn. 2 : Osobystis no oriientovanyi pidkhdid: naukovo-praktychni zasady: Navch.-metod, posibnyk/ I. D. Bekh. — K. : Lybid, s.344
- Belova, O. (2015) *The study of the aggression state of the junior schoolchildren with the disorders of speech development*. I nternational Journal of Pedagogy, Innovation and New Technologies. Warsaw.: Maria Grzegorzewska University, Vol. 3, No. 2, pp. 32-37.
- Belova, O. (2016) *The study of the instrumental aggression in the junior schoolchildren with the disordered speech development*. I nternational Journal of Pedagogy, Innovation and New Technologies. Warsaw.: Maria Grzegorzewska University, Vol. 3, No. 2, pp. 32-37.

- Berkovyts, L. (2002) *Ahressyia: prychnyny, posledstvyia y kontrol*. Praim-Evroznak : Neva; M. : Olma-Press, s. 510.
- Bjutner, K. (1991) *Zhyt s ahressyynnyty detmy*. M.: "Pedahohyka", 144 s.
- Bozhovych, L. Y. (1995) *Problemy formirovaniia lychnosty*. L. Y. Bozhovych ; pod. red. D. Y. Feldshteina. – M. : Voronezh, s.352.
- Berns, R., Kaufman S. (1972). *Actions, style and symbols in Kinetic Family Drawing (K-F-D)*. An interpretative manual. – N. Y.; L.
- Buss, A. & Durkee H., (1957). *An inventory for assessing different kinds of hostility*. Journal of Consulting and Clinical Psychology, 21, 343-349.
- Di Leo J. (1973). *Childrens drawings as diagnostic aids*. -N. Y.
- Dollard, J., Miller, N., Doob, L., Mowrer, O. and Sears, R. (1939) *Frustration and aggression*. New Haven: Yale University Press ISBN 0-313-22201-0 (see Frustration aggression theory).
- Freid, Z. (1989). *Psykhohohyia bessoznatelnoho*. M. : Prosveshchenye, s.448
- Fromm, E. (1994). *Anatomyia chelovecheskoi destruktyvnosty* M. : APK, s.354.
- Furmanov, Y. A. (1996). *Detskaia ahressyynnost*. Mynsk : Ylyn V. P., s.199.
- Harbuzov, V. Y. (1990) *Nervnye dety: Sovetu vracha*. L.: Medytsyna, s.176.
- Havrylova, N. S. (2012). *Klasyfikatsii porushen movlennia*. Zb. nauk. pr. KPNU imeni Ivana Ohienka. Ser. sots. ped. Vyp. KhKh : u 2-kh ch., ch.1. za red. O. V. Havrylova, V. I. Spivaka. – Kam.-Pod. : Medobory, s. 293–315.
- Kernberh, O. (1998). *Ahressyia pry rasstroistvakh lychnosty*. M. : Klass, s.126.
- Khomskaia, E. D. (2005). *Neiropsykhohohyia*. 4-e yzd. – SPb. : Pyter, s. 496.
- Konopliasta, S. Yu., Sak T. V. (2010). *Lohopsykhohohiia*. M. K. Sheremet. – K., Znannia, s.293.
- Leontev, A. N. (1975). *Deiatelnost. Soznanye. Lychnost*. M. : Polytyzdat, s.304.
- Levyna, R. E. (1967). *Kharakterystyka obshcheho nedorazvytyia rechy*. M. : Proveshchenye, s. 67–85,
- Levytov, N. D. (1967) *Frustratsyia kak ody n yz vydiv psykhycheskykh sostoianyi*. .Voprosy psykhohohy, № 6, s. 118–129.
- Levytov, N.D. (1972) *Psykhycheskoe sostoianye ahressyi*. Voprosy psykhohohy.– №6, s. 168–173.
- Liusher, M. (1995). *Syhnalu lychnosty: Rolevue yhry y ykh motyvu*. M. – Voronezh, s. 25.
- Lorents, K. (1994). *Ahressyia*. – M. : PROGRESS, s. 30 – 62.
- Luryia, A. R. (1958). *Rol rechy v rehuliatsyy normalnoho y anomalnoho povedeniia*. M. : APN RSFSR., – T.2., s. 78–80.
- Maksymova, N. Yu. (1996) *Osnovy dytiachoi patopsykhohohii*. navch. posibnyk / N. Yu. Maksymova, K. L. Miliutina, V. M. Piskun. – K. : Perun, s.464.

Martynenko, I. V. (2006) *Osoblyvosti formuvannia volovoho komponenta motyvatsiino-volovoi hotovnosti do shkilnoho navchannia u ditei z zahalnym nedorozvytkom movlennia*. Zbirnyk nauk. prats Kamianets-Podilskoho derzh. un-tu. Ser. sotsialno-pedahohichna. – Kamianets-Podilskiy : PP Moshynskiy V. S. Vyp. 6, s. 265–269.

Maj, R. (1997). *Liubov y volia*. M.: «Refl-buk» — K.: «Vakler».

Ramírez, JM; Andreu, JM (2006). *Aggression, and some related psychological constructs (anger, hostility, and impulsivity); some comments from a research project*. *Neuroscience and biobehavioral reviews*. 30 (3), 276–91. doi:10.1016/j.neubiorev.2005.04.015. PMID 16081158.

Romanov, A. A. (2003). *Yhroterapyia: kak preodolet ahressyvnost u ditei : dyahnostycheskye y korrektsyonnye metodyky* M. : Shkolnaia Pressa, s. 48.

Rosenzweig, S. (1964). *Investigating and appraising personality*. In T. G. Andrews (ed). *Methods of Psychology*. New York: Wiley, 539-568.

Savchenko, M. A. (1992). *Metodyka vypravlennia vad vymovy fonem u ditei*. K.: Osvita, s.176.

Sobotovych, Ye. F. (1989). *Kontseptsiiia zahalnomovlennievoi pidhotovky ditei do shkoly*. Defektolohiia. –1989. – № 1, s. 2–7.

Tarasun, V. V. (2004). *Lohodydaktyka : navch. posibnyk dlia vyshch. navch. zakladiv*. – K. : Vyd-vo nats. ped. un-tu im. M. P. Drahomanova 3, s. 48.

Yunh, K. H. (1991) *Arkhetyp y symvol*. M. : Renessans, s. 304.

Olena Mizinkina

Candidate of Philology, Associate Professor,

Odesa I. I. Mechnikov National University,

Odesa, Ukraine

orcid.org/0000-0001-5732-5138

MEDIEVAL INTERIORS IN UKRAINIAN HISTORICAL NOVELS

***Abstract.** This text deals with the Ukrainian historical novels through its connection with the Medieval in the frame of the genre and content view. The connection is the interior, which clearly represents both the historical epoch and the literary problem in the novels. The study of the poetics of interior spaces of buildings was made by the principle of their division into national (which wererepresenting the life and culture of the Rusichy) and foreign nationalities. The analysis of the interiors in the novels allowed to show their diversity and authenticity, and systematized the characters according to their social status, to their purpose, to the dynamics of the shown things, to the completeness of the description, by the way of the narration. The functions of interiors in the artist's art world are determined.*

JEL Classification: N93, Y30, Y80

Introduction.

The creation of the Medieval was a tradition of the Ukrainian historical Romanticism. This trend has been shown by the writes and poets of the 20-th century during the period of the lush blossom of genre. At this time, the novels of Pavel Zagrebelnyj, Roman Ivanychuk, Raisa Ivanchenko, Oles Lupiya, Volodymyr Malik, Dmitro Mischenko, Julian Opilsky, Peter Uhglyurenko, Roman Fedoriv, Valentin Chemeris and others have been appeared.

Also another argument about Medieval images prevalence's in the historical Romanticism had been made by the scientists of the XXI century who have connected this genre with Gothic cause (Bovsunivska, 2009; Malkyna, 2002). Viktoriya Malkinahas said that one of the main genre-making principles of historical novel wasa connection between the Historicism and the Gothic Anthropologism (Malkyna, 2002). It should be noted that all researches pointed the Historicism as one of the required and determinative feature of the historical novel. Some features specified the relationship between the historical and the Gothic novel, one of them was the special chronotope. So events in the novel unfolded during The Meddle Age in the space of such buildings as castles, towers, fortresses, cathedrals, abbeys, churches, monasteries, etc. The peculiarities of architectural structures helped to ensure the originality of the represented epoch in Romanticism.

The period of history that was known as Medieval has been more represented in the different time period. The Middle Ages has been divided into three periods: early Medieval (middle of the 1st millennium BC – the first half of the XI century), developed Medieval (the second half of the XI – the middle of the XIV) and the late Medieval (the second half of the XIV and XV centuries).

Researchers has associated this time for our country with formation, prosperity and decline of Kievan Rus. Orest Subtelny has noted that "Kievan Rus was the largest political formation in medieval Europe" (Subtelnyi, 1993), and clarified that "Western historians would rather consider KievanRus as a unique and original social system than the general category of feudal societies" (Subtelnyi, 1993). Our contemporary LeontiyVoitovich made conclusions about the opinion of most European scientist that history of Middle Ages hasbelonged to the Western Europe. Discarding the ideological and political reflections, this scientist proved that "the Medieval period had been on the territory of the whole Europe" (Voitovych, 2012) (including Kievan Rus), so these facts had made influence on the feudalization process of the society. The changes and transformations which had taken place in the territory of the future Ukraine were reflecting in various spheres of life of that society. One of them – the culture of the interiors of buildings – we should try to examine in the discourse of her evidence in Ukrainian Romanticism.

In one of the recent research (Biriukova, 2016) the literary problem of the interiorwas generalized and review in two directions. The first direction reviews the problem of the interiors as an environment and place of heroes' residence (N. Kolbyna, E. Malek, N. Pascharyan, E. Phesenko and etc.), the second – as the exploration of the ways and means of its display in some writer in the context of his/her ideological and artistic searches and style uniqueness (R. Golod, V. Gulenko, N. Gorodniuk, E. Kostiuk and etc.)

Academic reference publications deals with the interior as a description of "furnishing and interior decoration of a certain space, which characterizes the time, ethnic culture, social status and personal tastes of the main heroes" (Study of literature encyclopaedia, 2007). It is these images of interior spaces of buildings that will be the subject of our research. Towards the goal and taking into account the peculiarities of the historical period of the Romanticism, it is necessary to examine the types of reproduced interiors, their functional sense in the artistic world; to establish a typology of such a plot element.

According that the object of our research is the historic novels it should be taken into account that the writers describe the events wider the state measure in the creating the historical panoramas. So it is advisable to divide the national interiors and that which are in the different countries, other cultural environment.

1. Interiors of the Middle Ages in the artistic space of Kievan Rus

Middle Ages of Eastern Europe mainly captures achievements of its neighbors from the west and the south, where various artistic styles prevail – Byzantine, Romanesque, Gothic. "The influence of Western European culture on Ukrainian is connected mainly with the late Middle Ages. Western Europe in the early Middle Ages was influenced by the high culture of KievanRus, which at this time creatively transformed the achievements of powerful Byzantine culture" (Kompan, 1971), – Olena Kompan writes. Really, at the beginning of its being Ukraine had adopted a lot of things from one of the most powerful and developed states of the Middle Ages due to the partnership relations.

As the expression of the culture and creative human being, the interiors characterize the habitation's owner, and peculiarities of the epoch. We sure, that in Ukrainian Romanticism the describing the surrounding of the main heroes things plays very important role in the replication of their inner world. Not coincidentally Boris Ghalanov thinks that "perhaps, in larger extent then a landscape, the writer is able to explain better the character of the main heroes as well as social contrast, poverty, misery, wealth, richness using the descriptions of the housing interiors, rooms, descriptions of the streets and alleys, where the heroes live, dress and clothes" (Halanov, 1974). So all details of the internal and external space, some things "work" for the recreation of the epoch.

It should be noted that interiors is "attached" to hero, in the text it appears in connection with some events of the main characters. The artist world of the novels where the Medieval epoch are inhabited by the large number of heroes. Among them there are representatives of different social classes which need the description of the relevant interiors. For example, in the novel "Golden Stirrups" there are description of the typical housing in XIII century : *"Fedir timidly got out of bed. He looked around a spacious home with the poor eyesight window, which were closed by bulls bug. The same interior he with the grandfather Mykulohave. The empty cot was near the bad and was hooked in the ceiling. Across the walls – the bail of dry straw under blankets, perhaps, the little mouth play here all day long. The loom took place most of the home"* (Ivanchenko, 1984). Or such: *"Here trug which has blacked from the time. Her mother Dobrogniva has drawn little cup on it – own vino. Among them the little idol, carved of wood, pinks – in high fur hat and with mustache down. He is the old friend – he is a Polyan's patron, God Perun. Good day for you, our God! Where are your golden curls? They also has blacked from time... Slavik Gods bowed from fireplace, windowsill, doorjamb – Rid and Roganica, Lada and Lelya, Oberig and Bereginia... They saw from towels which had been embroidered, perhaps, by great-grandmothers, amused and defended their home, outside and kin from evil spirit..."* (Ivanchenko, 1988).

Also interesting is the picture of the most poor interior of the hero: *"Small snack of Gordyatynahad cuddled to the straw and had weight down the snowed ground. It was easy here, smelled warmth, a mud floor and slightly bitter smoke. Two half snowed windows saw the glimmers of the bright winter day through the closed by bulls bug. The oven had the more part of snack and it was made from the uncouth stones. There was a heart into it, maybe, it has never burned out. Grandfather Gordyata sat on the bench near the window, behind a large wooden table"* (Ivanchenko, 1984). In these examples the details of the housing indicate on the small wealth of the owners of home. For these purposes the writer has highlighted such things as bad, eyesight window, which were closed by bulls bug, the cot hooked in the ceiling, dry straw, the loom, trug which has blacked from the time, the little idol, carved of wood, blacked, oven, wood table. Sometimes in the novels the housing details indicate the area of activity of the home owner.

In particular, in the novel "Poison for the Princess" we read: *"The house of the Obolonbarrel maker Gordoslav shivers and creaks from strong storms. The walls have been weighted down, straw roof has been tored and shoved, as the rafters cracked and the chimney fluttered. Rarely came out of the house. Above the door the old blanket had been hanged – they kept the heat in the hut. Day and night, the fire in the oven did not fade, it was breathing warm, and was illuminating the twilight corners, and was appeasing the frightened spirit of human who spontaneously listened to the winter storm, and his thoughts followed him in the depths of the abyss of heaven. Sometimes the crazy wind that broke into the chimney, smoked the fireplace – then the home was filled with smoke, flying soot and sparks. Children on the oven climbed, like little mice, in a corner, covered with blankets until the soot and sparks settled. In the corner, near the oven the spinning wheel of their elder sister Veselin is murmuring"* (Ivanchenko, 1995). Here, besides the highly contrasting things of household (straw roof, old blanket, spinning wheel, oven) there are moving of some elements of the housing. That is the drawn interior isn't stable, but dynamic, because "the house shivers and creaks", "straw roof has been tored and shoved", "the rafters cracked and the chimney fluttered", "was breathing warm", "the crazy wind that broke into the chimney, smoked the fireplace", "the spinning wheel is murmuring". Such interpretation is a good revival of the picture of the drawn world.

In contrast to the poor social groups the writers shows the interiors of the top of the ruling class in the feudal society of Kievan Rus. Such were the boyarands, the richest and the notable grandees. Already in the XI century boyarands were differentiated into "large" and "smaller". Consolidation of the boyarands and the growing of their economic power in the X-XIV century were coupled by serious money savings. Social influence of the boyarands was supported by their soldiers and troops. So at the novel "Golden Stirrups" the interior of boyarand Zhyroslav was described, he was very rich man and it was the main reason of his defense to Prince. The heroes of the novel *"entered to the Palace easily surpassing the other side of the barnyard. By the stairs of the back way they went up the second floor of the boyarand Palace. Across the some rooms they stayed in the mansion. In the four corners here the pine firewood was burning. It lighted up wooden room poorly. From the pine firewood the room was full of the bitter purple smoke, and not at once Fedir saw the pelts of the deer and bears that were hanging everywhere, the surprisingly decorated swords. Under the feet old oak floorboards were squeaking. Along the wall without the window the long table stayed and the bench was near it. It smelled by mice, cold damp and some foreign, and disturbing silence"* (Ivanchenko, 1984).

Imagine about the richness of the Kievan boyarand Buselin the novel "The Treachery or How to Become a Ruler" the writer shows through the emotions of one the main hero when she had saw one room: *"From the dining room Gnyva went in the large hall. Long table, benches along the walls, into the walls there were bins.*

How different Romanesque wonders are here! Dishes and plates, chalices and cups and some glass chimeras! She threw two silver bowls in a bucket of milk on the sly and went back" (Ivanchenko, 1988).

Especially the Novgorod boyarands had distinguished themselves in the history of the Kievan Rus. Historians (N. Polonskaya-Vasylenko) say that famous and success achievements of the Novgorod boyarands in their struggle for independence had been built on their rich domain. So in the novel about IX century striking wealth of the Novgorod boyarand Gostromysl were described: "*Budyata reached the high round tower covered with wood shingles. Here the wealthy always keeping the best textiles, gold, silver, fur. Of course Budyata took all the dishes and plates, bowls and chalices which were here in the bins, took off the famous shamahansk carpets, furs of the deer and bears. He pulled down high-value scabbards of swords, knives, decorated with precious stones crossbow, embroidered by silk thread dresses and clothes. All those profits – from the Romans, Khorezmians, from the Pomors, the Franks and the Germans" (Ivanchenko, 1988).*

At the novel of Yaroslav Yarosh the “medusha” (thecoffers) of the boyarand Kanicar was described succinctly and atthesametimewiththegreat realism. "*The sunlightsandfreshairfellherethroughtheverysmallwindowwhichwasmadeinthewallfromtheci ling. Everywheretherewerebread, meat, ham, fish, kegswithkvass and honey" (Yarish, 2012).* So all details of the interiors brightly indicate the property and social status of heroes.

In Ukrainian Romanticism many descriptions of the room decoration of famous personalities in the history of the princely age have been justified. By a few strokes Valentyn Chemerys gave a view about internal environment of housing of The Prince Yaroslav Mudriy (1019–1054) ("*The walls of the Prince's Palace were richly decorated by chandeliers and armour, from the Eastern side – constant altar" (Chemerys, 2017)).* The description of the Kievan Prince Oleg's (dr.-rus. Олѣгъ, Шлѣгъ, died 912) rest room was made with another aim: "*Oleg couldn't asleep in his spacious lodge. From time to time he came to the window, looked in the light dark of the night <...> Early in the morning Guard stayed before him. And he sleepy blinked by sleepless eyes on candles which were burning in silver candlesticks, on the furs of the deer and bears hanging on the walls, on the shine of precious stones on the swords that were hung in a decent place" (Ivanchenko, 1995).* In this part of the text the details of the interiors represented the status of the hero as well as his psychological well-being.

In the novel of Volodymyr Byrchak among another things the Congress of Svyatopolk Izyaslavich, Volodymyr Monomakh, Vasylo Rostislavich, Vasilko and David Igorevichy, Oleg Svyatoslavich, Davyd, Oleg and Yaroslav Svyatoslavichy in Lyubech was recreated (1097). There the decision about inheriting of the domain was adopted. Importance of this historical event was emphasized by a rather plentiful description of the interior's decoration of the princes' consultative room.

"In the large consultative room of The Lubeck Castle where the ceiling was held by several carved from oak pillars in the center and at the each side. It was made not from the ageing but the main builder had made so just during the construction of this room and set the pillars because of the space of that room. The pale autumn sunlight was barely looming up out of the small windows, so calm and quiet dimness were in the consultative room. Walls and pillars in the center were decorated by different armours. In the center of the wall opposite the door it seemed to be a tall knight. Wirearmour with open sleeves was in the center. The round as a sun convex shield was on his chest, down the shield the short knife with the white ivory handle was. Above the convex where the head there was a conical helm which reminded the graves in Ukraine and it ended with a sharp edge. In the right hand was a shiny, sharp sword rising up. In the left – spear is. Down the convex wire kneepads were. Around the knight there were a lot of different armors. Here, besides the swords, swarms of swords and spears, double-edged knives with short and long handles, and dozens of the most gorgeous bows and quivers on the arrows.

On the second wall there were the knight's ammunitions also. Here there weren't swords, swarms of swords and spears – but there were the filled with stone maces of the old-ancient ancestors and stone arrows and an edge ax with a flint and long sharply stakes, on which the black blood dried by the time over a hundred years. On the pillars of the great consultative room the metal fighting pipes and old ones made of wood were hung.

Near the tables under the small window opposite the door the Princes set down. Opposite them the Kievan Metropolitan with the clergymen and monks set on the wide bench" (Byrchak, 1996). It should be mentioned that the writer drew a typical reality of the Medieval interiors. Besides the room's sizes and expressionless furniture Romanist focused his attention on the detail description of the knight's equipment and armours. These ammunitions showed the culture of the European Medieval feudal.

The rooms of another purpose was drawn about Bodrycki Prince Dobromysl: *"In the large dinning room the long wood tables were. On the white linen tablecloth were so much dishes and treats that Velychar took his breath away. Ruddy white loafs, roasted pigs, lambs, tempura and smoked fish, lot of chickpeas, hays, pieces of smoked deer and boar ... Silver sparkled spells, bowls, jugs with hollow braze and beer; on the benches under the walls there were barrels of honey..." (Ivanchenko, 1988). Here the possible environment of the dinning room created by "long wood tables", "white linen tablecloth", "benches under the walls" and also goods of the Ancient Russian dishes and a variety of food.*

It should be mentioned that the large size of the rooms, filling with valuable hand-made goods and the quantity of details of everyday environment were similar for all these examples of the internal interiors of the representatives of the higher class of the society.

Our observing was verified by the researches of the historian Ivan Krypyakevich. In particular, describing the life of the prince's time, the scientist notes that "the princely chambers, the terraces and rooms were much larger than the ordinary houses, and they were much better and more impressive.

Unfortunately, from these buildings nothing remained until our times. But the Dutch painter Abraham von Westerfeld, who had long been in Kiev in 1651, had the opportunity to see the ruins of various ancient buildings and carefully depicted them. From his drawings we saw what spacious and majestic were these unknown to us the buildings, which mighty walls were raised there, which led the passages and colonnades. In princely houses, the pavilions were made of clay tiles of different colors, so that the terraces looked like a colorful rug. Sometimes the walls were decorated in this way or they were painted. Porch were carved and built on the carved pillars" (History of the Ukrainian culture, 2002).

In Romanticism the completeness of the reflection of the human being in Middle Ages was also ensured by the spaces of buildings, which were modesty and intended to serve punishments. *"She had recognized dungeon from the Father's stories. It was stocky sturdy building from the pine trees. Above the ground there were narrow window, some of them were covered by rag, another were empty as the turrets on the castle. Yanka had guessed: how much windows – so much pits under the dungeon, dark and moldy"* (Malyk, 1992), – we read the comment of the author of the "A candle burns".

Besides the variety of descriptions of buildings for various purposes and accessories, the interior of religious buildings is equally important. Overall, for the Ukrainian historical Romanticism of the Middle Ages one of the key elements is the reproduction of conversion. "Any discussion about the culture of the Medieval society is focused on its religious belief and institutes, – has written Orest Subtelny. – In the history of the Kievan Rus there were two distinct religious and so cultural epoch. Before the 988 the main means of satisfying the spiritual needs of the eastern Slavs was animism, which was based on the deification of the forces of nature and the worship of the spirits of the ancestors. With the adoption of Christianity in KievanRus a new, sophisticated and difficultly organized religion was spread" (Subtelnyi, 1993).

In the novels the descriptions which were relevant to the Pantheon of the ancient Slavic gods had been connected with the Pagans. For example, the function of the fixed exposition which represented time and place of the event was done by the picture of the Perun's Kapishe. *"Above, on the flat of the high cliffs where the walkways or pavements went the big oak stayed. Its top reached the white cloud which hung over coastal cliffs. Down there was a kinked tree trunk seemed to be a serpent by the thick branches. Near the oak tree there was a stone marked circle. In his smooth granite slabs stones stuck with granite idols stamped with stone legs. Long-faced, with thin, flooded eyebrows on a high forehead, under a long nose there was a mustache looked like a horseshoe falling to the chest. A high hat - made of wrought silver - covered the head. The gray stone face of the idol was dead and invincible. Only the eyes ... One, then the second, then both lighted with a transparent blackness. As if those eyes were alive. As if they were hating or dumb courage.*

That Perun was. It seemed he looked beyond the Dnieper land, where the Polyansalso lived. The guard of their dwellings and their nests should have noticed danger from afar.

To guess the approaching of strangers in the often-swords with swords, and, if necessary, to call the Polyansto block them the way, guess the arrival of good guests and eagerly accept them here.

In the hands of Perun – a carved sword. Because he had to protect the Slavic from death. The horses, arrows and bow were carved on the stone slabs of the altar, where the idol stood. Perun had to give the Slavs and Polyans a weapon that protected them. On the same plates was arranged Perun's missal. A thin thread of smoke took off into the sky. Here the wise men brought a victim to their defender ... " (Ivanchenko, 1982), – saying at the novel about XI century. Here the interior's descriptions of the object of worship show the peculiarities in which the main characters will be.

Unlike the wise men, individuals representing Christian faiths have their own specific descriptions of places of residence. As a rule, in novels such interiors are marked by simplicity. *"Four elbows were in width, six – in length. Wood bench was that covered with straw. Shroud was as a blanket. And everything"* (Ivanchenko, 1982), – so looked the cell of Nestor-monk. Also one of the kind of the housing was a cell of the hegumen of the Pechersk vault: *"In the dark-colored cell there was a lot of foolish smells of stinks in the lamps that glimmered in front of the icon. Rich gold and silver settings on the icons of the Virgin, God and his apostles dimly lighted on it. On a large table made from oak planks, a high candle holder stood. The candles burned on five heights of petals burning upward. The clear flame was cracking and spreading the aroma-loud spirit of pure wax along the cell"* (Ivanchenko, 1982). The image of the Abbot of the monastery is evident due to the typical religious services of the monks, which are manifested in the visual and scent recipe of the character.

With the advent of Christianity on the territory of Kievan Rus, the place of worship of God was changing: from the natural environment it passed into closed spaces of temples, cathedrals, churches. As Volodymyr Sichynsky stated, "grandiose construction begun here in the X–XIII century, when Ukraine-Rus begun to live a complete state and cultural life" (Sichynskyi, 1993). Instead, in Romanticism there was a description of one of the first churches of Christian religion. It was in the novel "The Treachery or How to Become a Ruler", we can read about the temple of Sophia (VIII st.) in the city of Surozh (modern Sudak): *"This was the largest stone temple of Sugdeya, where the archbishop sent the service by himself. Marble columns drowned in the twilight, supported a large rounded bath of the cathedral. Throughout the high colored windows the sun lights stumbled and played at the king's gates and iconostasis. For the second time Bravlin saw the great as tall as a man the icons of the holy Apostles in heavy golden frames. Before them there were neat censers-stinks on the long dark chains. The sweetish-fragrant to dizziness smoke flow out of them. Bravlin was going to the king's gate, and at the top, under the high vault of the temple, his steps gave echo, it was almost not heard here, below, on marble white plates "* (Ivanchenko, 1988). Objects of the situation (marble, stained-glass windows, icons), in combination with scent and sound feel, make an unbeatable impression on the conqueror-pagan.

In Kiev, the oldest and largest stone church was the most ancient and the largest stone church was "The Virgin Church (989–996), which received the titles of the Tithe, because according to the chronicle, Vladimir gave to its building a tenth of his profits ... The church was decorated inside a lot of fresco painting, mosaic floors, marble carved details, icons and other decorations which Volodymyr brought as a trophy from the Chersonese victory" (Asieiev, 1963). In such way a specialist art characterizes the interior of the building. In the artistic interpretation of the interior space of the church becomes imaginative due to the feelings of the hero: "*The tall walls split wider and wider, endlessly dispersed in the grey-cherry bluish, revealing the gloomy faces of the unknown gods, then tufted patterns of yellow, white, bright azure, leaving in the middle of the high pillars from the precious stone. On which in stellar the flames of burning candles and the blue, shivering light that flowed through the transparent windows, God's mother gives his infant to Syvook. She was all in tattered colors, all in brilliance and glory*" (Zahrebelnyi, 1982). Departing from the details, the writer draws a large range of colors to convey the first perception of the character of an unknown, "alien" space.

Until the early Middle Ages, connoisseurs of ancient art include the St. Sophia Cathedral in Kyiv. Its interior in verbal art is more due to the fact that the building has survived to this day. For this historical monument Pavlo Zagrebelny devoted a novel called "Miracle", where the name already reflects its significance in the cultural life of the state. "The most glorious and richest building of the princely age is the Kyivan St. Sophia (1017), which, in its size, technical and artistic achievements, is the only model of architectural value for the whole Eastern and Central Europe" (Sichynskyi, 1993), – V. Sichinsky consider.

In the novel, the reader is able to observe the interior mainly through the the internal condition of the fictional architect of the temple. Despite the controversies of Metropolitan Theoplomphet and the bishop Laribonabout the canons of the church, Syvook "*now lives and speak with people only by colors, and everything for him fit into the language of colors, he again began his dying in creation, flung through the ends of his fingers to his mosaics with an unprecedented colors. He would catch the color and show people everything in the world: maiden singing, bird's flight, flashing stars from pure sky and sun, sun. The sun was everywhere, it was moving in the cathedral, the cathedral returned after it, the mosaics seemed to speak out of their hollows, they became free between the wall and the people who looked at them, they moved in a circle, after the sun, and everything moved together with them in solemn silence and inhuman beauty*" (Zahrebelnyi, 1982). Historians also confirm that "the luxuriously decorated interior was upheld by marble and alabaster columns. Probably the beauty of this temple of the Christian God seemed to be just a dazzling accustomed to modest wooden buildings of the Kyivans" (Subtelnyi, 1993). So the writer, reproducing the decoration of the cathedral, takes into account the psychology of perception of its recipients of the XI century.

P. Zagrebelniy emphasizes an unconventional image of the Virgin – Oranta, which adorns the concha of the apse in the cathedral. As the image of the Virgin in the Christian world is distinguished as well as mysterious, she is distinguished among the women of the Slavonic world. Perhaps this is precisely why "gave Oranta eyes of Issa, and, moreover, gave her whole Issa's figure, because he once saw Issa as he was lying under the Kievan shaft dead. Oranta seems to have fallen out of the concha, it seemed she would be possible to fly to death, as Issa had flown on that damned night; it was not a smug calm Mother of God from the Byzantine iconographic canon. When someone noticed Slavonic that Oranta had a big head, he refused: Do not look at her from below, but try to look at her, rising to the same level with her. You will see that she is flying and is falling. And her hands are not hands, but the wings" (Zagrebelniy, 1982).

The writer motivated the feature of Oranta, comparing the role of two unusual, to the end of the unborn and incomprehensible women in the life of the main hero. Entrenched in his ancient Pagan belief, sensitive to the beauty of natural colors, the architect did not strictly follow the rules and dogmas of the church. The modern explanation is found in Anatoliy Zhaboryuk ("the image of Oranta is impressive primarily by its huge dimensions (height of figure 5.5 m, head – 90 cm, total area – 70 sq. m.) and exceptional for durability ... The embodiment of the idea of intercession was, without a doubt, one of the most important tasks of the Oranta's painter. This idea is reflected in the restless, all-pervading sight of the great, eastern type, the eyes of the Mother of God, in full of deep content of the pose, in a characteristic of the gesture of the raised hand") (Zhaboryuk, 2007).

In order the reader could get a general impression of the interior of Sofia, the novelist states and simultaneously describes the volume and affinity of the work of the painter. "Besides the paintings, which was difficult to search somewhere in the world, it were painted of multifaceted twenty-five a frescos, on them one hundred and fifty-four almost in full human growth figures, two hundred and twenty frescoes in full human growth figures and one hundred and eighteen in the waist. Everywhere the cathedral floor was decorated by the multicolored stones, decorated the mediums of the church with a special pattern and written, carved of the red slate" (Zagrebelniy, 1982).

Yuriy Aseyev also notes the unsurpassed of the man-made space of Sophia of Kiev. "The interior decoration of the cathedral created a harmonious artistic ensemble of enormous emotional saturation. Golden backgrounds and multicolored mosaic images and ornaments had successfully combined with soft tones of fresco painting. The combination in a single ensemble of mosaics and frescoes isn't the typical feature for Byzantine architecture and belongs to the peculiarities of Old Russian art. A mosaic floor was very beautiful because of the red, green and yellow smalt plates" (Aseyev, 1963), – the scientist writes.

So, in historic Romantics there is an extremely wide range of interiors of buildings that clearly demonstrate multifaceted life in the medieval state of Eastern Europe.

2. Foreign interiors of the Middle Ages in the interpretation of Ukrainian writers

It should be noted that, in spite of a considerable temporal distance, Ukrainian romanticism about the Middle Ages is marked by a large degree of credibility. Due to the fact of the rebuilt of historical events the appearance of non-national interiors is caused by. For example, thanks to the rebuilt of the Tatar-Mongol invasion of Horde Batiy (1239–1242) to Russ in the plots the descriptions of the interior spaces of the eastern dwellings appeared. The specific interiors of buildings of Western European culture appeared here due to the relations of the Russ princes with the western neighbors.

The sketches of most of the interiors in the novels appear during the journey of heroes to other countries. In particular, in the novel "The Poison for the Princess" Raisa Ivanchenko reliably reproduces the Princess Olga's arrival in 957 to Constantinople, where she getting an audience with emperor. The researchers confirm that this ceremony was described in detail by Konstantin VII Bagryanorodniy by himself. As Wilen Gorsky writes, "the audience took place in a large throne room. She was called Magnavrskaya and was intended for official audiences "famous and great people after hegemony." Built during the time of Emperor Constantine the Great, who established Christianity as a state religion, this hall could impress anyone with magnificent mosaics, graceful marbled decorations, numerous gold ornaments.

There were a lot of cunning mechanisms here, created solely to shock the new man, to give her a sense of his own meagerness to the grandeur of the emperor of the Romans. At the deepness of the halls the throne of Solomon towered on the special high eminence. On this throne, made from gold and decorated with precious stones, the emperor sat. The master of ceremonies, who, under the sounds of organ music, led Olga to the hall and stopped her before the high. During this glorious moment of meeting, the throne with the emperor suddenly began to rise up. Hidden mechanisms raised him up to the vault of the high hall. At the same time, the golden lions, set before the throne, became wild, scratched their hind legs, and began to foolishly beat themselves with tails. The various golden birds sitting on the golden tree began to sing on the different voices and were fluttering their wings, as if they were alive. But these wonders didn't surprise Olga and she was inviolable.

Though the "tricks of Tsargrad" were known in Russ from the travelers' stories and for Olga that was not news. Although, of course, the princess could appreciate the magnificence of the decor of the Magnavr Hall and other remarkable rooms of the palace – Anadendrya (internal garden), Tryklyn Candidates (rooms with kamilavk – an installation of a royal crown), the halls of Onopod and Augustus" (Horskyi, 1994).

It's interesting to compare the best hall of the Palace with the description of the writer. *"Gold ... Gold ... There was so much gold everywhere that its glitter in the eyes shimmered the sequins and as if bursting like golden rain on the ground, on the heads and clothes of people who were crowded under the golden vault of this gigantic golden hall. It seemed as if people in this golden gloss lost their mobility and became trembling golden pillars or dissolved in a golden fog. But only for a moment the head of the princess became dizzy.*

At the other moment, she, tugging with the ringing silver pendants of the Scythian queen who fell from her high-headed, strapped and seemed to have banish away a golden shadows from her. There is no wonder here – Romanian Caesar sits at the end of the hall on a golden chair in a golden crown, sits on a chair, which is called the throne here, and keep an eye on archly" (Ivanchenko, 1995). We could say that in the artistic interpretation the interior appears through the perception of its main character. Drawing the image of a "stranger" environment, the Romanticist used showing the luxuriance and the feelings of the princess. Her analysis of the surrounding world and interior is transmitted by focusing on the precious metal, which is mentioned in each sentence.

The interior of the other hall of the palace appears in the same psychology way: *"From the throne hall, the logophate led Russ to the hall of Justinian, and then to the Kentury hall. Sixteen columns were supported by the high arches of the hall with glowing mosaic images of the Christian saints. Between those columns the loud steps of the Russ ambassadors depleted, as if they were swallowing deep silence and coolness. Here the tension from the golden throne room, from the light of the lamps and the shine of high and shaken words came off. It was easier to breathe here. Set down, get away from exhaustion. And again they lead them to another hall. There at the dining table Constantine already sat" (Ivanchenko, 1995). It's about the audience, where the Empress already invited. "This audience was held in the hall of Justinian. After that, a festive banquet was and, finally, a dessert at Aristyria took place. It was a cozy hall, again with marble and mosaics, where Olga was honored with the highest honor – to sit at the golden table with the emperor and his family" (Horskyi, 1994), – notes V. Gorsky. Consequently, the writer adheres the main details of the interiors hall, focusing on their large and luxury.*

Non national interiors help to develop the plot and in the novel about the XIII century, where the character falls into the halls of the Vatican palaces. *"Strange thoughts were in the Kyril's head, while he was looking the magnificent, luxury halls of the Vatican palaces, where the Pops pulled from everywhere the lime of the creation of human hands and thoughts. As from Olympus of ancient Hellas, here was the majestic marble head of Zeus of the Otrikolsky ... The great beauty of the human body of the Laocoon's groups... Apollo Belvedere ... Hercules ... The pope don't afraid to hold the Greek Pagans idols in their palaces! In the Egyptian Hall the Persian rugs, gold diadems, crowns, pectorals are collected ... In the Christian Hall – there are the things of the first Christians and Christian communities; ancient coins of all empires and states that humanity only remembered. In other halls of the Vatican palaces, where no one is allowed, hidden thousands of ancient wise books, papyrus, inscriptions on the cranium and granite slabs ... from all lands, from all the countries where they only visited" (Ivanchenko, 1984).*

Lately in the novel, the Russ Metropolitan Kyril came to the audience of the owner Vatikan – Pope Innocent. *"Innocent was waiting for guests in the Lapidar Hall of Vatican Palace. The high white ceiling as if in the holy temple, looked like a living echo at the top – there were strangely stinging steps and somebody breathing. No one has caught them. In the*

silent room is empty. Only somewhere under the ceiling was the echo of a movement. And around – there were marble and granite tombstones. Inscriptions, inscriptions, different languages, different patterns were on them. And the whole hall seemed to be a gray cemetery. It was also a museum of tombstones, dumped from everywhere. <...> Together with Kyril, slipping through the bright marble slabs, they went to the depths of the hall on sly. There was nobody anywhere. Only blocks. And statues ... " (Ivanchenko, 1984). Researchers (Bruschini, 2004) today says that the Popes of the church in the Vatican were collecting the best works of art all over the world.

That is why Raisa Ivanchenko describes in the novel unusual interiors of the Pope's Apartments. Moreover, they are portrayed mainly because of their vision of the characters of novel. Besides the traditional description of the indoor environment of the halls, the writer makes a reproduction of the sound senses of the hero ("rumbling stealthy steps", "somebody breathing", "a vault of ceilings was raised at the top of a living moon", "the echo of a movement rushed under the ceiling", "silent hall"). So the visualization is added by other (acoustic) shaped forms of transmission of the hero's feelings, which contributes to a deeper understanding of the interiors.

No less impressive is described the interior spaces of the royal castle of Bela IV. Arriving to the Hungarian king, the Queen Levko (the son of the Russ prince Danylo Halytsky) was surprised by the new situation: *"The spacious, high ceilings rooms were drowned in the shining light that forced their way through the shutters of thin parchment and velvets. Only in a rounded hall where guests were welcomed and where heavy square tables of walnut trees stood in the middle, the shutters of narrow windows were made of glass and placed above colored – red, green, blue, yellow – triangular glasses. Hobling, Levko shambled on a wooden, squares lined floor, sprinkled with grass and flowers. He examined the walls, gently clad in colorful fabrics, heavy box in the walls with silver and wooden dishes, hanging on the walls and on the benches expensive carpets. Being tired he lain down to rest. And was surprised by the size of his bed – it had a width of five acres. He was surprised of blanket on it – if he would, he could dive into them with a head. It would not be necessary to have a cover that was picked up by the fur. And the most amazing was the canopy above the bed : on the gilded columns stretched silver cloth, in large flowers, material was. One thing he couldn't understand: why was not a comfort for a person in that luxury and lipstick there? "* (Ivanchenko, 1984). It deals with the residence of Hungarian kings in the city of Pest on the Danube. In the text portion novelist skillfully showed not only the details of furnishings, the size of the interior, but also highlighted the stained-glass windows. It is this kind the medieval painting represents the artistic Gothic style.

The novel by P. Zagrebelnyj "Yevpraksiia" is also marked by significantly Gothic motifs. According to the plot, the main heroby fate ought to be at the space of the castle of Henry von Stade, the Quedlinburg Abbey, the Cologne Cathedral, the Bamberg Castle, the Goslar Palace, the imperial palace in Verona, the Kanoes Palace, etc.

In detail, the novelist shows the situation of the tower of the "drunken centaur" in the palace complex that was in Verona. It was the place where the Emperor imprisoned Eupraxius: *"It was a spacious high place, up to the top of the tower, where somewhere in the darkness under the ceiling, like volatile devils, bats hidden, near the wall is oven that was roughly composed of stone boulders, a bed, a book shelves, two chests for clothes, a few benches, a support for dishes"* (Zahrebelnyi, 1975). Size and furnishings are typical for such buildings. But besides it, the writer first of all emphasizes the psychological state of a young woman, because *"everything here reminds of the captivity, and most of all – the Empress, who seated near the window all days long, greedily looking world around"* (Zahrebelnyi, 1975).

Quite differently the apartments of the eastern Lords looked in the novels. The most widespread in the novels of the XIII century were the episodes about communion of the Russ with the Mongol invaders. In the "Golden stirrups" R. Ivanchenko Khan's interior tent watching Danyl Galician, in the "The Conqueror of Europe" I. Korsak – the Prince Michael Vsevolodovich did, in "A candle burns" V. Malik – voivode Dmitriy looked, the "The fall of ancient capital" A. Lupiy – captive and so on. d. Arriving to the Mongol Khan and commander Batu, Russ Prince Michael Vsevolodovich was called to his tent. *"This strange and painted tent, when he was told, stands on the pillars covered with plates nailed to the tree by golden nails, and from above and inside the walls are covered with the most expensive in the world materials; in the middle of the tent there was a wooden throne, covered with sheets of silver and gold plated, legs of the throne were from pure silver, and the top was poured with precious stones"* (Korsak, 2011).

As we see from the part of the novel, the decoration and the symbol of power (throne) in the interior of the commander-in-chief of the Tatar-Mongolian horde are designed to impress the foreigner. For a reason Yuri Trusov believes that "a person as a social being not only perceives the interior, but also understands, comprehends it. The interior is not only a habitat for him, but also signs that are a necessary condition for his communication with other people" (Trusov, 2010).

We could see in novels also non-national interiors in the space of Kievan Rus. Emphasizing the presence of the Jewish community in Kyiv in the XIII century, V. Malik clearly drew the non-Slavic character of the living room: *"The room, where the rabbi had entered Dobrynya and Ilya, was all covered with carpets. In the middle there was a table, under the walls – benches covered with colorful veils, and two carved chests, in a corner - a high table on one leg, where the rabbi put the Talmud and covered with a scarf"* (Malyk, 1992). Goods of the material environment, the decor, the name of the religious servant as an actor in the novel – all of these were called for the reproduction of the Jewish environment. According to researchers (Galina Mishchuk, etc.), in the interiors of a traditional Jewish home, religious and ethnic influences have long been manifested primarily (Mishchuk, 2011).

So the writers used the reproduction of non-national interiors of a wide panorama of the Middle Ages. In part, such internal spaces appear in order to highlight historical events and isolate the ties of the Russ who were sent to different cultural environments.

Conclusions.

That is why the problem of the Medieval interiors in Ukrainian Romanticism is multifaceted. By content, they violate a number of important historical and culture issues of the Middle Ages. Bright, unique, majestic interiors of the dominant feudal top's society and objects of worship, realistically shown in the novels, contradict the stable idea about the darkness and obscurity of the epoch. Through the images of the environment of different religions, writers bring to the surface the problem of changing religiosity in Medieval Europe. Describing the departure from the blind copying of the Byzantine patterns in Sofia, Kyiv the question of creating an original school of ancient Russ art is raised. In general, the descriptions of interior spaces show the art of historical styles of the Middle Ages. An overview of the novels in which the interiors appear, makes it possible to distinguish their typology: *for the social status of the characters* – depicts the images of the interior decoration of the *houses, shack, castle, towers, terraces, palaces, tent*; *)for the purpose* – *dinning rooms, halls, bedrooms, rooms, cells, corridors, aisles, chapels*; *according to the dynamics of reflected things* – *static and dynamic*; *for completeness of the description* – *large and laconic*; *by the way of the narration* – *the point of view-narrative of the author, contemplation-impression of heroes*; *by belonging to the culture* – *national and non-national ones*.

So the descriptions of the interiors in the novels contribute to the full-fledged reproduction of historical colouring. They perform a *culture function* being the sign of some epoch or environment, housing. It is the one that is the main for the historical novels.

The descriptions do a the special *chronotope function* in Romanticism, they directly or indirectly indicate the famous historic events or persons, name the Gods of the Pagans or Christianity, frame the space or time of the development of the plot, use the antiquated words. The particularities of the depicted interiors *are served as an additional feature of the heroes*, because the variety of housing's descriptions completes the images of their owners. Partially, furnishings and internal filling are presented through the perception of them by main heroes that indicate on their psychological state. So the image of housing contributes to the transfer of *the psychological state of the heroes*. In the development of the plot, the interiors indicate the environment within the event will develop in the novel. In composition, such descriptions partly act *as a delayed exposure*, exhibiting the circumstances of the characters, explaining the intentions of the narrator.

Thus, the descriptions of the interior spaces of buildings, objectively speaking, enrich the artistic world of the novel, reflect the atmosphere of the recreated historical period and encourage the cognition of the ancient past.

References.

- Asieiev, Yu. (1963). Art of ancient Rus. Kyiv: Art [in Ukrainian].
- Biriukova, D. V. (2016). Intratextual descriptions of interior in English literary discourse (a study of prose works of XIX – XX centuries). Kyiv University [in Ukrainian].
- Bovsunivska, T. V. (2009). The Theory of literary genres : the Genre paradigm of modern foreign novel. Kyiv [in Ukrainian].

- Bruschini, E. (2004). *Masterpieces of the Vatican*. Scala: Florence: Scala Group SPA.
- Byrchak, V. (1996). *Vasylko Rostyslavych: novel*. Ternopil: Malvy [in Ukrainian].
- Chemerys, V. L. (2017). *Anna Kyivska is Queen of France: novel*. Kharkiv: Folio [in Ukrainian].
- Halanov, B. (1974). *Painting in a word. Portrait. Landscape. Thing*. Moscow: Sovetskyi pysatel [in Russian].
- History of the Ukrainian culture / General edition I. Krypiakevych (2002). Kyiv. URL: <http://litopys.org.ua/krypcult/krcult.htm>.
- Horskyi, V. S. (1994). *The Saints of Kyiv Rus*. Kyiv: Abrys [in Ukrainian].
- Ivanchenko, R. P. (1984). *Golden Stirrups: novel*. Kyiv [in Ukrainian].
- Ivanchenko, R. P. (1982). *Perun's Wrath: novel*. Kyiv [in Ukrainian].
- Ivanchenko, R. P. (1995). *The Poison for the Princess: novel*. Kyiv: Spalakh LTD [in Ukrainian].
- Ivanchenko, R. (1988). *The Treachery or How to Become a Ruler: novel*. Kyiv [in Ukrainian].
- Kompan, O. S. (1971). *Problems of Ukrainian middle ages. Middle ages in Ukraine*. Kyiv: Naukovadumka, 1, 9–20 [in Ukrainian].
- Korsak, I. (2011). *The Conqueror of Europe: novel*. Kyiv [in Ukrainian].
- Malkyna, V. Ya. (2002). *The Poetics of Historical Novel. The Problem of Invariant and Typology of the Genre*. Tver: Tverskoi hosunyversytet [in Russian].
- Malyk, V. (1992). *A candle burns: novel*. Kyiv [in Ukrainian].
- Mishchuk, H. A. (2011). *Architectural planning of jews sites. The XXth century Ethnonational dimension and the problem of the Holocaust*. Dnipropetrovsk: Vyd-vo «Tkuma», 291–295 [in Ukrainian].
- Sichynskyi, V. (1993). *Ukrainian Architecture. Ukrainian Culture: The Lectures*, edited by Dmytro Antonovych. Kyiv: Lybid [in Ukrainian].
- Study of literature encyclopaedia / Editor-in-chief Yu. I. Kovaliv (2007). (Vol. 1–2). Kyiv: VTs «Akademiia». Vol. 1. [in Ukrainian].
- Subtelnyi, O. (1993). *Ukraine: history*. Kyiv: Lybid [in Ukrainian].
- Trusov Yu. V. (2010). *To an artistic image problem in design of an interior. Bulletin of the Adygeya State University, a series of. Literature and Art Criticism*. 1.
- Voitovych, L. V. (2012). *The Middle ages: The Encyclopaedia of history of Ukraine* (vol. 1–10). Kyiv: Naukova dumka. Vol. 9. [in Ukrainian].
- Yarish, Ya. (2012). *Blooded Revenge : novel*. Kharkiv [in Ukrainian].
- Zahrebelnyi, P. A. (1982). *Miracle: novel*. Kyiv: Dnipro [in Ukrainian].
- Zahrebelnyi, P. A. (1975). *Yevpraksiia: novel*. Kyiv [in Ukrainian].
- Zhaboriuk, A. A. (2007). *Historical Artistic Styles of the Middle Ages (byzantive, roman, gothic)*. Odesa: Astroprynt [in Ukrainian].

Ilona Dychkivska

*Doctor of Pedagogical Sciences, Professor,
Head of Professor T. I. Ponimanska department of pedagogy and psychology
(preschool and correctional),
Rivne State University of Humanities,
Rivne, Ukraine*

Iryna Uliukaeva

*Ph.D. in education, Professor,
Head of the department of preschool education,
Berdiansk State Pedagogical University,
Berdiansk, Ukraine*

**COMPARATIVE ANALYSIS OF FUTURE PRESCHOOL TEACHER
TRAINING IN FOREIGN EDUCATION SYSTEMS**

Abstract. *The article provides comparative analysis of preschool educators training for innovative activity in foreign education systems. It characterizes higher pedagogical education tendencies in foreign countries: maximum continuity, perspective, succession of different degree education systems, and their mutual integration that guarantees continuing of education. An innovative aspect of preschool teacher training is singled out during the analysis of preschool educators training systems abroad. The future pedagogue training is viewed through a wide use of such innovative methods as discussions, heuristic conversation, "aquarium", method of synectics, didactic games, etc. The results of the analysis of innovative methods used abroad during the preschool specialist training prove the uniformity of its basic criteria, namely conceptuality, consistency, manageability, effectiveness, and reproducibility. The research emphasizes on the fact that in the aspect of integration into European educational system abroad future preschool specialist training acquires the features of knowledge generalization and universalization, curriculum diversification, disciplines courses integration, standardization and unification of education content, and appraisal of students educational achievements etc. Considering these principal statements, the process of Ukrainian pedagogical educational development can be projected saving organizational forms and models that were shaped historically taking into accounts European and world tendencies. Conclusions regarding organization tendencies of future preschool teacher training in the world countries allow focus on those aspects that can be determined as innovative ones for the modern domestic system of preschool teacher training.*

JEL Classification: I 23

Introduction.

The processes of globalization, increasing relationship between countries and nations regularly cause growing interest to international experience research in the different spheres of social life including education. State and dynamic development analysis of foreign education systems suggest that the modern phase is an epoch of global education reformation on the world level. The uniformity of national educational standards, educational models diversification, and teaching technologies improvement take place in the Bologna process.

However, every nation wishes for reaching its historically accumulated education potential, actively researching innovative experience of education organization and content of other countries.

Consequently, the question of preschool teacher vocational training obtains new understanding. Nowadays, preschool educator personality, his/her professional competence, social maturity, and spiritual wealth are the most important features of the upbringing and teaching process efficiency providing of children under school age.

To achieve the aim of specialist training for vocational activity domestic reformers of higher education have already researched a lot of points particularly in the aspects of its philosophical and ideological principles determination (V. Andrushchenko, H. Vasianovych, I. Ziazun, V. Kremen, V. Lugovyi, etc.), vocational education methodology of different branches specialists (I. Bekh, S. Honcharenko, R. Hurevych, O. Dubaseniuk, N. Nychkalo, V. Oliynyk, O. Savchenko), general didactic and technological parameters (A. Aleksiuk, Y. Boliubash, V. Bondar, V. Semychenko, etc.), pedagogical technologies (O. Piekhota, S. Sysoieva, etc.), conceptual principles of future preschool vocational training (L. Artemova, H. Bielienska, L. Zahorodnia, L. Zdanevych, E. Karpova, I. Lutzenko, T. Ponimanska, I. Uliukaeva etc.).

The comparative analysis of graduate education abroad and in Ukraine was made by L. Pukhovska. Active university training as the precondition of the formation of future kindergarteners and teachers' creative personality are represented in researches of I. Dychkivska, I. Konovalchuk, V. Kuzmenko, Z. Kurliand, and S. Harchenko. The functional opportunities of pedagogical practice are investigated in the process of vocational training (L. Artemova, L. Mashkina, etc.). At the same time, analysis of modern conditions of pedagogical education problems and pedagogue training practice in foreign countries provided by scholars as F. Buchberger, P. Brodfud, F. Vaniscott, A. Combs, D. Liston, and I. Hyorst, UNESCO and other international organizations documents outlines deep contradictions between national systems of pedagogue training. High internal complexity of the national systems makes it hard to differentiate types of education institutions and curriculums with the help of any taxonomy (Dychkivska, 2017).

According to the topic of our research, the **aim** of the article is to provide comparative analysis of the development of pedagogical education abroad and to highlight the main approaches in training preschool educators for innovative activity.

1. General Trends and Peculiarities of System of Professional Training of Preschool Editors in Foreign Countries

This scientific discourse outlines the researches, where general tendencies and peculiarities of foreign preschool teacher vocational training are covered. In particular, L. Zdanevych's research stands out because of its detailed review of overseas experience training of future preschool teacher for activity with children under school age.

Opening organizational, meaningful, and value peculiarities of vocational teacher training systems especially of preschool education, the author summarizes higher education trends in foreign countries, to which he refers a maximum continuity, perspective, and succession of the different degree education systems, its mutual integration that guarantees continuing of education. The scholar determines practical training implementation as a basic feature of vocational education organization in foreign countries. He points out on the general amount of practical education hours that lean toward 50 %, use of task-oriented teaching methods, focusing on group (team) working, integration of academic disciplines as the «approximation method» of the case study to the existent occupational one, practical experience in the majority of instructors (Zdanevich, 2014).

In their researches, German scholars define the priority of the competency-based model principles in vocational training organization of future preschool teacher. Primarily, it is a formation of the competency «improve your studying skills» (Pearce, 1994). These authors determine the importance of situational experience for future preschool teacher. It takes the form of the ability to solve unexpected situations. We consider this representation as a relevant one to the problem of student innovative focusing. Precisely situations of comfort breach cause the intention to find new means of activities.

In classical German universities teacher training is actualized due to the widespread use of innovative methods: word methods (discussion, heuristic conversation, «microphone»); visual demonstrations (video presentation, digital resources); practical methods (training, brainstorming, «aquarium», method of synectics (combination of elements), method of free associations, «talk show», «range of ideas», jigsaw, didactic games (Meyvohel', 1998). It is noted that students' involving in innovative activity is effective for skill formation to vary the process of studying. In this way, future pedagogues are sent to use innovations in their future vocational training. Therefore, level of the focus on innovative activity of future preschool teachers in nursery schools depends on the qualitative innovative process of the learning activity that is organized in vocational training institutions (Dychkivska, 2017). According to this point of view Karl Holtz's (a professor of Heidelberg University in Germany) thought is considered as a suitable one towards the diverse existence of forms, methods and means to organize the educational process as a main condition of preschool specialist personal development (PH-Heidelberg).

Comparing German and domestic system of pedagogical preschool education, it should be commented about certain outdistancing of the last one in the context of innovations. Particularly in Germany pedagogical education knowledge and skills formation of children speech development, their mathematic, technical and social development is considered as innovation that is caused by current reformation of educational system (Pchelina, 2008). Meanwhile in Ukrainian system of vocational preschool education this aspect is included to classical physiological and pedagogical training content of preschool teachers.

Simultaneously the probation content is marked in German experience of preschool teacher training. The core of this probation is visiting of families with children under school age to observe the children development. Such an experience transfer can be determined as an innovation for the system of preschool teacher training.

General preschool curriculum is a peculiarity of French preschool education. Its accomplishment makes possible to form a single value system, life competency level. In opposition to the common educational system rating, the future preschool teachers are trained to operate in the conditions of diversification including French ministry of education recommendations. These recommendations deal with alternate operation with different groups, variety of free lessons focused on observation, thinking, and initiative development of children, lessons organization with special preschool training tasks, obligation to explain tasks and marks (Malonga, 2000). Such state policy in the pedagogical education branch causes preschool teacher training curriculum to be oriented on the new techniques, technology familiarization, and the elective courses. The aim of these courses is to prepare future preschool teachers to the child's balanced growth. According to these aspects, the vocational pedagogical training organization can be considered as an innovation-oriented one. That is because of future preschool teacher constant attention to the taking into account changing social competence requirements in children upbringing.

The British preschool education system is oriented on children's life competence formation as well. Herewith child development is set over as a spontaneous process that needs not a strict marking but a regular observation and improvement. Basing on such method in the preschool teacher training the attention is paid to realization of the individualization and differentiation principles, refusing of testing, and actualization of pedagogues' attention to the awareness development, effectiveness of useful for life knowledge and skills of children under the school age (Baeva, 2007).

An opposite to the British system in the context of assessing children is the Chinese preschool education policy. Taking into consideration the fact that children, as future social units, will face strict competition, pedagogues have the idea to habituate them to its pressure with the help of the weekly 100-grades assessment. The preschool teachers training courses provide the information about the children's disadaptation prevention techniques and form the awareness of necessary corporate educational activity with parents (Tszun, 2015).

In the context of the treating the child's disadaptation processes in kindergarten, the Japanese preschool educational system is similar to the Chinese one. The approach «child – preschool teacher» is innovative within the preschool upbringing content. Taking into account child's predilection to trust one tutor, all the group classes are provided by one tutor. At the same time, every year the group tutor is changed to prevent children from getting used to one communicative model with an adult. Japanese experience of providing state interests is interesting for the national pedagogical training system. Particularly the main task of Japanese pedagogue is to form a youth civic consciousness.

As a result, during the studying process in pedagogical universities students absorb the methodical prescriptions to impart the citizen qualities formation in the context of the national goals by the language of the specific tasks (Paramonova, 2008).

In Sweden, vocational training base of future preschool teachers is student-centered education that is provided by the reflexive surroundings in universities. Herewith Sweden preschool teacher training system content is required by the state vocational training system. This system obliges every pedagogue to get ready to work with children of special needs. Except of basic program, the compulsory course that deals with the special teaching methods for such children is obligatory (Fourth Periodical Report...).

2. Innovative Approaches to Preschool Specialists Training

The most well defined innovative aspect in preschool teacher training is presented in Finnish pedagogical education system. From its point of view, future preschool teachers study not only the childcare and early childhood development theory but also the latest researches of the children upbringing branch and the practice of its realization (Paramonova, 2008).

Pedagogical support experience should be considered as an innovation in the vocational training organization of future preschool teachers that is implemented in the British and French educational institutions. In concurrence with this in the support assignment subjectivity to some preschool teacher categories, certain differences should be noted. Within the British system tutoring is covered as students' training aspect (personal teacher attachment to students with the aim of their teaching to act and think by theirs own). French pedagogical training system is focused on the support and young teachers' vocational development (those who have already had a specialty). According to M. Sassilotto-Vasylenko's research results the vocational training phase functions in this country. Such system aims to study the facts of pedagogue career (Sassilotto-Vasylenko, 2007). Thus the experienced specialist's pedagogical support can be singled out as a positive innovation in the preschool teachers training system. Transferring of such support into the domestic curriculum allows adopt young specialists to vocational surrounding.

Belgian preschool teacher training system is characterized by the conservation of traditions. Notably the authors of preschool teachers training programs follow O. Dekroli's pedagogical theory that paid his attention to the principle of the educational program concentration around the child's interest centers according to his/her needs. In this view teacher training program consists of such units as «Child and its needs», «Child and environment (minerals, plants and animals)», «Child and social environment» (Dychkivska, 2015). This idea can be put for the retro innovation that is up-to-date in modern society.

In the context of mentioned aspects, the USA state policy towards preschool teachers training is becoming of great current interest. In American universities, future preschool teachers are taught to follow the democratic approach in kindergartens provided by the

course «Social sciences and art»; to diagnose and assess the projects success (children development, educational process), to use integrative methods (due to the course «Technologies of the integrative studying»), and to study theory and practice of the cooperation with pupils' families (provided with the course «Cooperation with families») (Mel'nyk, 2012).

Innovative approaches to preschool teacher training are stated by Polish state policy, which popularizes the foundation of profiled institutions that realize the Preschool education program that is characterized with a greater number of classes in a certain discipline (Klim-Klimaszewska, 2000). Thus, modern profiled kindergartens are divided into different types. In the artistic kindergartens, preschool teachers give children a possibility to take over various art techniques, develop their speech due to public utterances. The ecological kindergartens emphasize on healthy nutrition (especially for the children who have allergies and need a diet) and formation of energy and water resource conservation competence. The language kindergartens are focused on the active foreign languages learning in the surroundings of the foreign language children and persons belonging to national minorities, etc. Without any doubts preschool teacher training for the working in the institutions of such types is possible due to the students' attention to the innovative methods of working with children. The list of these methods includes: different forms of play activities (relaxing, integrative, activating, problem games and games focused on self-esteem); authors methods of child motor development («creative movement», motor expression, rhythmic gymnastics, educational kinesiology); methods of the relaxation, psychotherapy, psycho educational fairytale; writing teaching through H. Tumichova's and M. Phrostig's methods; reading teaching due to the analytical and synthetic method (Y. Pshywubska, F. Pshywubskiy), method of colors and sounds (O. Metera), method of phonics, letters and colors (B. Rotzlavskiy) etc.

L. Zdanevych's and M. Oliynyk's defensible researches outline the peculiarities of preschool teacher training abroad. It is determined that in the area of world general characteristics of future preschool teacher vocational training scholars discuss the question of innovative processes that deal with both points: university educational process organization and preschool education content in general. Within the systematic and comparative analysis of preschool teacher training models M. Oliynyk singles out the innovative one that is about the authors conceptions realization («activity research», studying «through the practice» (Delli Fish) (Oliynyk, 2016). The scholar determines such strategic models of student training system as provocative and funded ones. The provocative model bases on the stimulation of student motivation and individual potential development. The funded model follows experience enriching with the help of social component that is gathered due to the vocational achievements studying. These models can be considered as innovative for domestic education system.

The core is to provide the accordance of the vocational teacher education organization with the ground statements of the institutions that patronize the problems of the international educational development (UNESCO, United Nations Children's Fund, International standards department). It can be done using the initiation of individual educational ways and personal development course for future pedagogues that is out of the box principle of self-creation process.

In the educational practice of Eastern Europe, the legal and regulatory framework events can be recognized innovative. In particularly standards development of the instructor cumulative hours, budget formation only on the standards base, local government authorities and employers participation in the educational institution financing and its management belong to mentioned events [8]. Whereas social institutions role is intensified in kindergartens, for pedagogues formation of the possibilities to develop new basic skills is becoming up-to-date. These skills are determined as socially necessary for child training to a globalized life. The most effectively such skills can be attained through the continuous learning system. Herewith the idea of occupational mobility is getting on time that is caused by the constant self-transformation and self-improvement of own skills. It should be mentioned about the backsliding of strategic conceptions of pedagogical education in Eastern Europe. In F. Buchberger's opinion, vocational training stability, its absolute priority during the professional life is presented by a certain type of philosophy that is called «backpacking philosophy» (Buchberger, 1994). Such ideas on personal attitude to the vocational self-development is similar to classical idea "education for life" with its absolute priority of the pedagogical basic training as its sufficiency for the whole professional life and thus harmful for the accordance of the preschool teacher vocational competence to the modern social challenges. Therefore, traditional methodological aims neglect the problem of the vocational career and pedagogue development. Focusing on the innovations allows intensify the process of pedagogue self-improvement.

In the aspect of the integration into European education system Eastern Europe future preschool teacher training acquires the features of knowledge generalization and universalization, curriculum diversification, disciplines courses integration, standardization and unification of education content, appraisal of the educational achievements etc. In scientific and pedagogical discourse entry of new notions «euro teacher» and «training of European teacher» is caused by the unambiguous direction of Eastern Europe state education policy. Such kind of teacher is understood as a pedagogue who can be up to speed on the specificity and customs of different nationalities, knows how the educational process is set up in the neighboring countries, and is a participant of a dialogue about the problems of world educational reforms.

According to M. Oliynyk, the main professional task of European teacher is the development of the regional upbringing program for preschool children including the innovations presented in the university curriculums of other countries, search of capabilities

and formation of conditions for sharing experience between pedagogues and students, their overseas probations, and comparative analysis of effective training methods, forms, and methods of teacher's work (Meyvohel', 1998). Similar to M. Oliynyk's position is S. Synenko's definition of the principle statement about European education function. S. Synenko makes a remark on the upbringing of European who is "a citizen of the world" (Synenko, 2001). Endorsing the scholars towards the innovative aspect significance in preschool teacher training it should be noted that the insufficient level of proficiency in a foreign language could become an obstacle for the implication of Ukrainian specialists into innovative educational system whereas this fact reduces the chance of the specialists' free vocational communication.

Analysis of Polish and Romanian pedagogical educational systems particularly in the branch of preschool teacher training determined essential contrasts in its content, which are connected with the traditions and social factors orientation. However, despite of the diverse national factor importance models of preschool teacher training are defined by the uniformity of its organizational approaches among which is an innovative one. In M. Oliynyk's opinion, the organizers' problem of preschool education is in the understanding of the essence how to manage by innovative processes, formation of the conditions that provide continuous improvement and career growth of pedagogues (Oliynyk, 2016). Therefore pedagogical projection mechanisms, certification of qualification, pedagogues' creation, quality standardization of preschool institutions function, attainment of the official innovative educational institution status are intensifying for the development of innovative processes.

According to the methodical providing analysis of preschool teacher training program in Eastern Europe innovative methods of pedagogical interaction are actively used: videotaped classes (Poland), simulations of the provocative activity, stimulation (Romania), portfolio, case method; technologies of the contextual reading, situations of social and psychological cooperation. In return, analysis of innovative technologies used in Eastern Europe preschool teacher training shows the uniformity of its basic criteria: conceptuality, consistency, manageability, effectiveness, and reproducibility. Herewith the criterion of manageability is understood as a diagnostic targeting, studying process projection, phased diagnostics, and variation of influence means to achieve the result.

West-European scholars included innovative content into the definitions of preschool education quality research. Components of knowledge, practice, and values are the constituents of vocational competence definition. Herewith the notion «practice» is used in spite of «skill», because the practice outlines the creative approach while skill delineates the reflexive one. Meaning of values (in spite of skills) distinguishes between the individualized targets of preschool education (focused on the separate child's development) and pedagogical excellence of its process organization (Vandenbroeck, 2010).

Conclusions.

In foreign education systems analysis, generalization of future preschool teacher training for innovative activity focused on certain statements:

- approximation of academic disciplines content to existent professional situations, consideration of personal civic education policy in country;
- focusing of future preschool educators on the formation of single value system, level of life competence;
- orientation of preschool teachers training curriculum on the new technologies and elective courses which conduce training to comprehensive child development;
- pedagogical support organization of future preschool teacher vocational training with the aim of its adoption to vocational surrounding;
- preschool teacher training for vocational activity in the conditions of preschool program diversification (through the profiled establishments);
- focusing of the lifetime pedagogical education on the formation of preschool teacher professional mobility in the conditions of global professional environment.

Consequently, in the other countries tendency consideration of future preschool teacher training organization focuses on aspects that can be determined as innovative ones for modern domestic system of preschool teachers training.

Scientific foundation of prognostication and working out of the basic models and directions of Ukrainian integration into European education system require the understanding and development of fundamental methodological practices in the sphere of European pedagogical education. Prognostic directions of foreign pedagogical ideas and experience implementation in the system of Ukrainian modern preschool education specialists' training can be based on two tendencies: unification (formation of standardized system pedagogical education, obligatory disciplines cycle accentuation and new disciplines implementation into the curriculums) and diversification (development of different ways of how to get higher pedagogical education in the context of obligatory vocational training and in the system of postgraduate education). Basing on the system and comparative analysis of foreign system of future preschool specialist training the modeling of conceptual trajectories of Ukrainian higher pedagogical education modernization is outlined as a possible one. These trajectories are united by the fundamental principles of single European educational space formation that will be realized through the educational programs standardization, knowledge generalization and universalization, academic mobility, instrumental methods acquisition of how to get personal and vocational competences, using of distance, informational and communicative pedagogical technologies etc. Special comparative investigations are needed, conducted according to well-defined criteria and methods that can bring us closer to scientific reasoning of specific recommendations towards the organization, content, and technology of future preschool educator for innovative activity.

References.

- Baeva, L. V. (2007). About modern preschool education content and organization in England. *Doshkol'noe vospitanie*, 11, 21-27 [In Russian].
- Dychkivska, I. M. (2017) *Preparing future preschool teachers for innovative pedagogical activity: theory and methodology*: monograph. Rivne: O. Zen. [In Ukrainian].
- Dychkivska, I. M. (2015) *Innovative pedagogical technologies*. 3rd edition. Kyiv: Akademvydav. 304 s. [In Ukrainian].
- Zdanevich, L.V. (2014). Theoretical and methodical bases of future preschool teacher training for activity with disadaptational children. Zhytomyr [In Ukrainian].
- Malonga, Zh. (2000). Pedagogical work organization and content in modern French and Republic of the Congo institutions. avtoref. diss. ... kand. ped. Nauk. M.. [In Russian].
- Meyvohel', R. (1998). Preschool and child's upbringing in Europe. *Obruch*, 3, 4-6 [In Russian].
- Mel'nyk, N.I. (2012). Comparative analysis of preschool education specialist training in the USA. *Pedahohichna teoriya i praktyka*, № 3, 132-140 [In Ukrainian].
- Oliynyk, M. (2016). Theoretical and methodical bases of future preschool specialist training in countries of Eastern Europe. Avtoref. dys. doktora ped. nauk. Ternopil. [In Ukrainian].
- Paramonova, L.A. (2008). *Preschool and elementary education abroad. History and modernity*. L.A. Paramonova, Y.Y. Protasova. M.: Akademiya [In Russian].
- Pchelina, V.S. (2008). Preschool teacher vocational training in the second half of the twentieth century: avtoref.diss.na soiskanie uchenoi stepeni kand.ped.nauk [In Russian].
- Sassilotto-Vasylenko, M. (2007) Problems of young teacher specialist development: French and Canadian experience. *Pislyadyplomna osvita v Ukrayini*, 2, 61-64. [In Ukrainian].
- Syenko, S. (2001). Teachers postgraduate education problems in the countries of Western Europe. *Pedahohichni innovatsiyi: ideyi, realiyi, perspektyvy*, 4, 78-79. [In Ukrainian].
- Tszun, CH.TS. (2015). Preschool upbringing in China: development experience of education system]. *Sovremennye problemy nauki i obrazovaniya*. №1. URL: <http://www.science-education.ru> [In Russian].
- Buchberger, F. (1994). *Teacher Education in Europe diversity verses uniformity*. Maurice Galton, Bob Moon (eds.) Handbook of Teacher Training in Europe, London.
- Fourth Periodical Report of Finland on the Application of the European Charter for Regional or Minority Languages*. Access mode : [http //www.coe.int](http://www.coe.int).
- Klim-Klimaszewska, A. (2000). *Innowacje pedagogiczne [Pedagogical innovations]*. Podlaskie Zeszyty Pedagogiczne, nr 2, Wydawnictwo AP. [In Poland].
- Pearce, J. (1994). *Cases in Strategic Management*. Pearce J., Robinson R. B. Jr. Burr Ridge, Illinois. Boston, Massachusetts, Sidney, Australia.
- PH-Heidelberg (n.d.). Study: Studying at Heidelberg University of Education. Access mode : <http // www.phheidelberg.de /en/ study-with-us.html>.
- Vandenbroeck, M. (2010). The social and political construction of early childhood education. *British Journal of Educational Studies*, 58 (2), 139-153.

Nina Atamanchuk

*Candidate of Psychological Sciences, Associate Professor,
Poltava V.G. Korolenko National Pedagogical University,
Poltava, Ukraine*

orcid.org/0000-0023-8332-075X

Svetlana Yalanska

*Doctor of Psychological Sciences, Professor,
Poltava V.G. Korolenko National Pedagogical University,
Poltava, Ukraine*

orcid.org/0000-0003-3289-5331

Valentyna Onipko

*Doctor of Pedagogical Sciences, Professor,
Poltava V.G. Korolenko National Pedagogical University,
Poltava, Ukraine*

orcid.org/0000-0000-2260-971X

Volodymyr Ishchenko

*Candidate of Pedagogical Sciences, Associate Professor,
Poltava V.G. Korolenko National Pedagogical University,
Poltava, Ukraine*

orcid.org/0000-0003-3513-2110

**MOTIVATION OF FRESHMEN OF HIGH EDUCATIONAL
ESTABLISHMENTS: PSYCHOLOGICAL RESOURCE OF ART PRACTICE**

Abstract. *The problem of the use of art technique as means of enhancing the training of studying motivation of freshmen is investigated. It has been determined that art exercises make it possible to determine the reasons that change the attitudes towards youth education and, accordingly, accelerate, facilitate the adaptation process in high institutions. It is defined that the use of art techniques, as means of studying and enhancement of educational motivation, at the stage of accepting the student's role at the university. It promotes the attraction of internal resources during the adaptation to higher education; helps to understand the inner self; creates conditions for rapprochement and understanding by students of each other through the perception of created images; allows you to take a fresh look at the problems and find a way to their solution. It has been proven that art technique are the effective method of psychological work that enhances students' adaptive ability to learn at the Institution of High Education. This method reduces fatigue, eliminates negative emotional states and their manifestations, associated with learning. It relies on the person's sound potential, internal self-regulation mechanisms, and develops a sense of inner control. It was established that after the use of art-exercises, the internal motives of training significantly increased, accelerates the adaptation of first-year students to studying in the Institution of Higher Education, and increases the motivation of learning. Art techniques used by us have helped students to learn more about themselves and their surroundings resolve internal and interpersonal conflicts, increase self-esteem, level of aspirations, overcome fears and anxiety associated with studying in the Institutions of Higher Education. The conclusion is made about the effectiveness of the use of the fairy-tale technique and drawing technique in enhancing learning motivation at the stage of accepting the role of a student, who attends the Institutions of High Education.*

JEL Classification: A20

Introduction.

It is extremely important to improve the quality of training in order to ensure the competitiveness of the country at the global level. We are convinced that the positive motivation of young people for their future profession is impossible without sustained motivation for educational and cognitive activity related to the profession. Some students have positive motivation to learn just during the first year. They have chosen the profession of their own and now they are on the way to enjoy it. Nowadays, university students, joining high education institutions (further HEI), are not ready to learn new things, testifying to these lack of motivation to learn. Therefore, an urgent task for HEI is to increase the success of student learning. Despite the lack of ability, high learning motivation can play the role of a compensating factor; therefore, in teaching activities, teachers have to focus on shaping (Atamchuk, Kurilo 2018).

An important component of the formation of motivation to learn from the students of HEI, their self-realization, activity, development of creative abilities is the use of art technique that create the conditions for maximum disclosure of the content of the lesson. The inclusion of art in the educational process will increase the level of interest in learning activities by introducing elements of novelty. Joining art exercises will help the student identify and appreciate his feelings, memory, images of the future, find time to restore vitality and a way to communicate with themselves.

In art technique, we understand the combination of techniques that must be implemented to activate the internal resources of an individual and increase his adaptive abilities with the help of art. Art technology is powerful means of psycho-correctional work with students, because art is an activity at its core, reveals reality in concrete sensual images. For example, memory of the past, certain fears, conflict situations are realized in art images. Art technique contributes to the expression of emotions, feelings, the discovery of creative potential, the development of teamwork skills, so art technologies should be used in work with both, children and adults, because they are based on creativity (Yalanska, 2018).

In art technique, we understand the combination of techniques that must be implemented to activate the internal resources of an individual and increase his adaptive abilities with the help of art. Art technology is powerful means of psycho-correctional work with students, because art is an activity at its core, reveals reality in concrete sensual images. For example, memory of the past, certain fears, conflict situations are realized in art images. Art technique contributes to the expression of emotions, feelings, the discovery of creative potential, the development of teamwork skills, so art technologies should be used in work with both, children and adults, because they are based on creativity (Yalanska, 2018).

It is necessary to determine the advantages of using art technique as means of increasing academic motivation at the stage of accepting the role of the student at the HEI. So, they:

- contribute to the attraction of domestic resources at the stage of adaptation to university studies;

- art techniques are based on the projection method: transfer to the created product (fairy tale, drawing) of your inner "I", help to understand your own hidden states, behaviors that are in "repressed form" or little developed in life (Voznesenska Sidorkina,2015);

- art creates the conditions for rapprochement of students, understanding each other through the perception of the created images, empathy. As a means of non-verbal communication, creativity is valuable for those who find it difficult to put into words their experiences (Kopytin, 1999);

- allow you taking a fresh look at problems and find a way to solve them.

The use of art technique in the educational process HEI will allow you to form and consolidate positive attitude of students to learning activities successfully. Developing a creative product at classes, students become psychologically unchained. In addition, this contributes to easier, faster, and more enjoyable learning material. Performing of art exercises forms the culture of the individual. In particular the culture of students' speech, behavior, communication, interpersonal relations; can help to solve diverse creative tasks, to express themselves and develop hidden talents, to understand themselves and others, to overcome barriers in emotional communication, to reduce anxiety; to contributes to the development of self-realization and self-improvement, to increase motivation to learn in the HEE and successful professional development.

Therefore, the chosen topic is very relevant in theoretical, methodological, and practical aspects.

1. Art technique is an important component of the motivation increasing in teaching first-year students of the HEI.

The approaches to internal and external motivation distinctions (R. R. Bibrikh, I. A. Vasylieva, I. I. Vartanova, P. Ya. Halperin, L. B. Itelson, D. B. Elkonin, H. E. Zaleskyi, V. Ya. Liaudis, A. K. Markova, N. F. Talyzina, N. V. Yelfimova, P. Y. Yakobson, M. H. Yaroshevskyi and others) and art therapy as a method of healing through creativity (Uelsbi Keroul, Edit Kramer, Marharet Naum, L. H. Terletska, Adrian Khill, Karl Yunh and others) were the methodological and theoretical basis of our work. Scientists did not research the problem of the art technique influence on the increase of the academic motivation of the students of HEIs.

According to A. G. Bugrimenko, the educational activities of internal motivated and independent motivated students are different. Intrinsically motivated students delve deeper into the learning process. They differ in the motivation of self-determination of educational activity: active, conscious, satisfied in planning their own learning. Such students pay equal attention to both major and minor subjects. They focus more on the process and result of educational and professional activities than on external factors (Balabanova, 1999).

External motivation reduces students originality, surprise. Students need to be involved in the learning process; only then vocational training will change their personality. The doctrine should combine the following factors: logical and creative, mind and feelings, ideas and meaning. A student's activity, organized and carried out independently, gives tangible results in mastering the system of labor knowledge and skills, and also contributes to the professional growth of an individual (Krasnoholova, 1999).

It is possible to provide motivation for teaching students of high education using an art-technique resource. The art techniques in the pedagogical activity of the HEI contribute to the improvement of the mental health of each individual person, the group as a whole, and the student body by means of artistic activity. The creative process provides opportunities to explore new ideas and ways of existence, discovery and development of the imagination. After all, only work on one's own images broadens creativity (Susanina, 2007).

Art-technique, such as creative process, can help a first-year student to find a solution to certain problems at the stage of adaptation to learning in the HEI.

It should be noted that the term "art therapy" was first used by the British artist Adrian Hill. The method allowed to experiment with feelings, explore and express them on a symbolic level (Kiselev, 1990).

In the United States, Margaret Naumburg was one of the first, who studied the therapeutic art. She has developed several art therapy curricula. In her work, Naumburg relied on Freud's idea that primary thoughts and experiences, which arise in the subconscious mind, are mostly often expressed in the form of images and symbols (Atamanchuk, 2015).

G. V. Burmenska, A.I. Zakharova, A.A. Karabanova state that the important motives of the art technique, which awake productive creativity are:

- the motive of emotional expression, that is, the desire of the personality to express their feelings and experiences in an active, effective form;
- the motive, which realizes the need of the personality in self-education, the desire to understand their desires, to understand themselves;
- the motive of communication, realizes the need to enter into communication with other people, using the products of their activities;
- the motive of knowledge of the world, which expresses the desire of a person to explore the world through his symbolization in a special form, constructing the world in the form of drawings, fairy tales and stories;
- the motive for obtaining social approval, confirmation of self-value and social significance of the individual (Burmenska, Karabanova, 2002).

Today, there are many areas in art technology, since each type of art can be used in psychological correction in order to realise the potential of an individual in various types of artistic activity.

L. G. Terletska affirms that art exercises will help to reveal such potentials in a personality: mind is the ability to develop intelligence and know how to use it. Will is the ability to self-realization, the ability to set a goal and achieve it with adequate means. Emotions are the ability to express one's foreboding congruently, to understand, and accept other people's feelings. Social abilities are the abilities to adapt to social conditions optimally. The desire is constant improvement of the level of communicative competence. Creative abilities are the abilities to creative activity and creative expression. Spiritual abilities are the abilities to develop spiritual nature (Terletska, 2016).

Analysis of the scientific literature suggests that in the educational work of first-year students it is quite effective to use fairy-tale techniques and drawing techniques. To carry out such technology will require materials available for use by students during classroom. Therefore, we will come through their characteristics in more detail.

The fairy-tale technique allows a person to identify certain qualities, and something unrealized and it causes a sense of security. This technique is the process of creating an appropriate chain between fabulous events and behavior in real life, a combination of the past and present. Creative self-expression is connected with creation, belief in one's powers, opportunities, expressions of those feelings that are difficult to speak (Terletska, 2016). When a person perceives a fairy tale, the actions of heroes, their relationships affect emotions, are projected onto everyday life; the events described therein are reminiscent of the social and moral norms in life, the relations between people; it activates the mechanisms of the subconscious, often not comprehensible for awareness.

The use of fairy tales, perhaps, will help to overcome future problems of their own specialists, recreate the emotional balance, and promote intellectual development.

We agree with the opinion of L. Terletska that the mechanism of subconscious influence of a fairy tale on the person lies on the prepersonal level, activates the most powerful physiological mechanisms, those which are responsible for adapting man to stress.

Drawing techniques reduce students' anxiety, emotional stress, fatigue, eliminates negative emotional states and their manifestations related to learning. They rely on healthy personality potential and internal mechanisms of self-regulation, increases concentration, ability to overcome barriers in communication and self-estimation. They make students to enjoy art, to develop a sense of internal control. Drawing techniques are healing with art, first of all, drawing, which allows expressing your own feelings by line, color, form, to understand your creative potential, to change self-estimation and relationships with the environment, to increase the success of training.

It has long been known that fine art positively affects the development of the nervous system, emotional sphere and aesthetic feelings. We considered the following theoretical functions of fairy-tale techniques and engineering equipment as the regulatory one They remove mental stress and form a positive psycho-emotional state. The communicative and

reflexive ones help in correction of communication, interpersonal behavior, self-esteem. The corrective ones participate in psychological correction of problems with learning.

Practice gives grounds to assert that the students' educational activity at the initial stages of study is stressful, includes a number of groups of adaptation indicators for a new (in comparison with school) system of education, namely: cognitive adaptation (high level of mastering of the curriculum, mastery of educational activity, lack of significant difficulties in studying); personal adaptation (taking a role of a student, lack of emotional discomfort, adequacy of self-esteem, moderate anxiety); social adaptation (high status in a group of peers, a good emotional state of health in the process of learning, communicability, mastery of the norms of behavior in higher education).

The fairy-tale technique, complemented by drawing techniques, will allow you to navigate the causes that change the attitude of first-year students to study, and the art exercises accelerate and facilitate the adaptation process at the HEI.

The described techniques are projective techniques that can be used both in individual form and in group work. Such techniques are the search for information about yourself and the environment.

Organizing an empirical study, we were guided by the principles 1) the objectivity of psychological research, 2) multidimensional and multilevel existence of the subject of psychology, 3) the study of psychological phenomena in their development (the principle of development), 4) creative amateur.

At the first stage of the study, we conducted an anonymous survey in the form of a questionnaire to study the internal (1, 2, 3 questions) and external (4, 5, 6 questions) motives for the first year students' studying of HEI.

The questions of the quiz, highlighted in the work of O. B. Vershinskaya, are aimed at identifying the internal and external motives of educational activities (Bakshaeva, Verbitsky, 2006). Thus, internal motives of educational activity are motivation and on their basis it is the satisfaction from the process and immediate results of educational and cognitive activity. In addition, it is the desire to master the new knowledge and methods of cognitive activity, the desire to increase their own competence, efficiency and skill, etc. External motives are motivations, which are not related to the process and the immediate results of the students' educational activities, but those, which play an important stimulating role. Firstly, it is the desire to become a top-notch specialist, to earn the approval of teachers, parents, colleagues, an orientation towards the practical value of learning, its importance for the future, etc.

The respondents were offered to read each unfinished sentence and all variants of answers to it carefully and emphasize those, which coincided with their opinion.

The study of the features of the motivation field is important for predicting the success of educational activities. At the same time, it is also necessary for the formation of the individual, and for improving the efficiency of activities in this area.

During the second stage of the study, we used the fairy-tale technique and drawing techniques to increase the training motivation of the first-year students.

Projective methods, which had diagnostic and psychological and corrective function, were used in group work of 10-20 students during practical classes in psychology and in studying topics, which to some extent related to research problems. They were conducted 1 time per week and 15-20 minutes each, and they were 12 in total number. The subjects of fairy tales and drawings were related to the items of the questionnaire conducted during the first stage of the study, namely: "Learning and knowledge in my life", "I am at a university lesson", "That I have changed at university", "Receiving praise in education", "My motives for learning", "The purpose of my life".

For the second stage of the study, students needed to have: 1. Fairy-tale technique classes require a pen, a sheet of standard typewritten paper. 2. Drawing technique classes require sets of colored pencils or felt-tip pens, simple pencils, colored pens at your discretion and sheets of standard typewritten paper.

In an empirical study, we used an unconventional technology of working with a fairy tale - making a fairy tale, changing the character of the hero, re-mixing events, etc. The fairy-tale technique allows you to operate symbols on your own: choose events and characters, achieve the goals set.

Agree with the opinion of the fairy therapist Elena Petrushkevich: "A man, inventing his own fairy tale, expresses his emotions and begins to better understand himself." Instead of clarifying the relationship with a classmate, a teacher, a student can write a fairy tale for them, depicting himself as the protagonist and thus expressing all his thoughts, feelings, and emphasizing his version of the conflict resolution. So the author of a fairy tale comprehends his feelings, and the reader, a teammate teacher, namely, begins to better understand their relationships that need improvement.

Description of conducting fairy-tale techniques, proposed by Galina Telichuk, was modified by us. Before performing fairy-tale techniques, the first-year students were offered to recall their favorite child's fairy tale, to think with which hero of this fairy tale they associate themselves with. They then suggested creating a fairy tale for 10-15 minutes, while stressing that the researchers thought that their hero was not enough, what he was most interested in, what obstacles he encountered in his path, or whether he could achieve the desired.

Izo-technicians were directed to create their own artistic work (active form). Attention to the students of the first-year students was emphasized on the fact that you do not need to try to paint beautifully, correctly - let the hand paint it, the less artistic self-esteem, the better. Drawings should be drawn by hand (without lines, etc.).

During drawing, the researcher did not interfere in the artistic process and he did not comment, did not specify, did not explain anything, in order not to violate the process of communication of the subject studied with himself. We proceeded from the fact that it is

often easier to conceal the secret desires, subconscious feelings and emotions in the work than to express it verbally. The art technologies used by us will help students learn more about themselves and the environment, resolve internal and interpersonal conflicts, increase self-esteem, level of aspirations, overcome fears, and anxieties associated with learning in HEI.

In order to study the internal and external motives of studying students of the first year of HEI after the application of art techniques, we organized research in analogy with the first stage, during which fixed the manifestation of internal and external motives of studying students.

2. Experimental study of the use of fairy tales, drawing technique, as means of enhancement of training motivation, at the stage of accepting the role of a student of HEI.

In the empirical study, 110 students of the first year of History and Natural Sciences Faculty, the Faculty of Physical Education and the Faculty of Technology and Design of Poltava National Pedagogical University, named after VG Korolenko, were involved. When selecting respondents (freshmen students) for the research, we proceeded from the fact that students, who successfully adapt to new social conditions and without excessive upheaval, will enter the student life will perform their tasks, get pleasure from participating in the educational process, successfully will master the future profession.

The research was conducted in the period from 2016 to 2018 at Poltava National Pedagogical University, named after V.G. Korolenko.

Research results. We will trace the specifics of the educational-professional motivation in the student's age to the use of art techniques and after their use. The results were analyzed and interpreted, that is, their quantitative and qualitative analysis was conducted. Study data (Figure 1) allows us to assess the changes in the responses of first-year students to the question "Training in HEI and knowledge needed me ...?" (Internal motives of training).

It should be noted that certain changes were found in the opinions of the subjects: from "general development, improvement" - from 56% to 78%, "mastering new knowledge" - from 44% to 61%, "intelligence enrichment" - from 35% to 53%, "Skill improvement" - 32% (without changes), "qualification" - from 39% to 46%. As can be seen from the results, the number of freshmen students who consider that training is necessary for general development; mastering new knowledge has considerably increased. The answer to the question was unchanged - "raising skill". Obviously, this problem will be more relevant at senior courses, when students will begin to master the methodological basics of the profession. Our findings, which are related to the educational motivation of student youth, will contribute to improving the quality of knowledge in them. As their own observations show on the basis of the general motive of educational activities, such as cognitive and professional, students have a certain relation to different educational subjects.

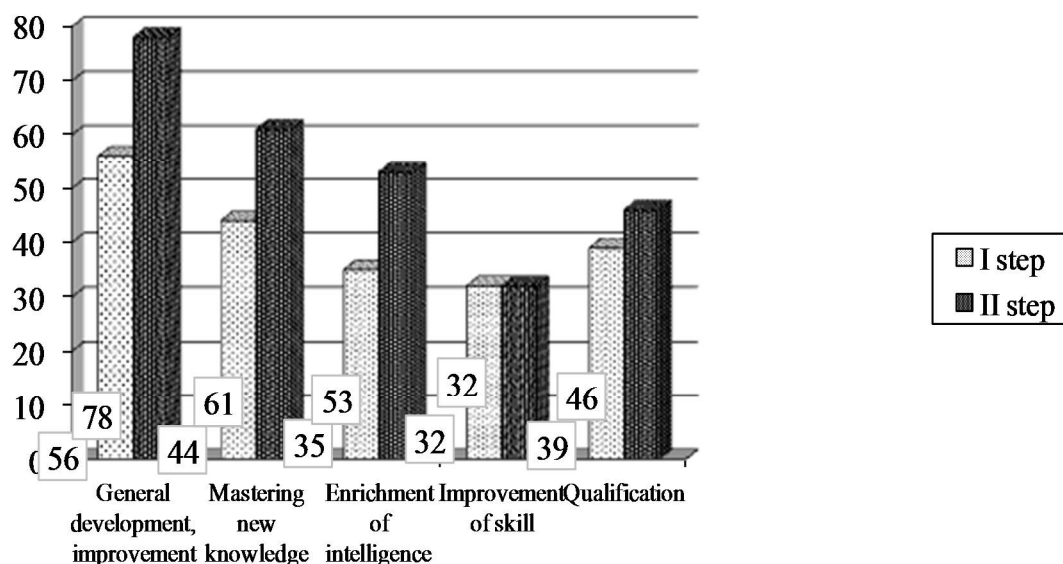


Fig.1. The results of the students' survey on "Learning in HEI and knowledge I need ...?" Before and after the use of art techniques (in% of the total number of subjects)

The next points condition it by the importance of the subject for vocational training; interest in a particular field of knowledge and in certain discipline; the quality of teaching and satisfaction from study lessons in this discipline; the degree of complexity of mastering this discipline, based on their own abilities; mutual relations with the teacher of this discipline. The dynamics of changes in the question answers "My purpose in the occupation ...?" before and after the application of art exercises is shown on Fig. 2.

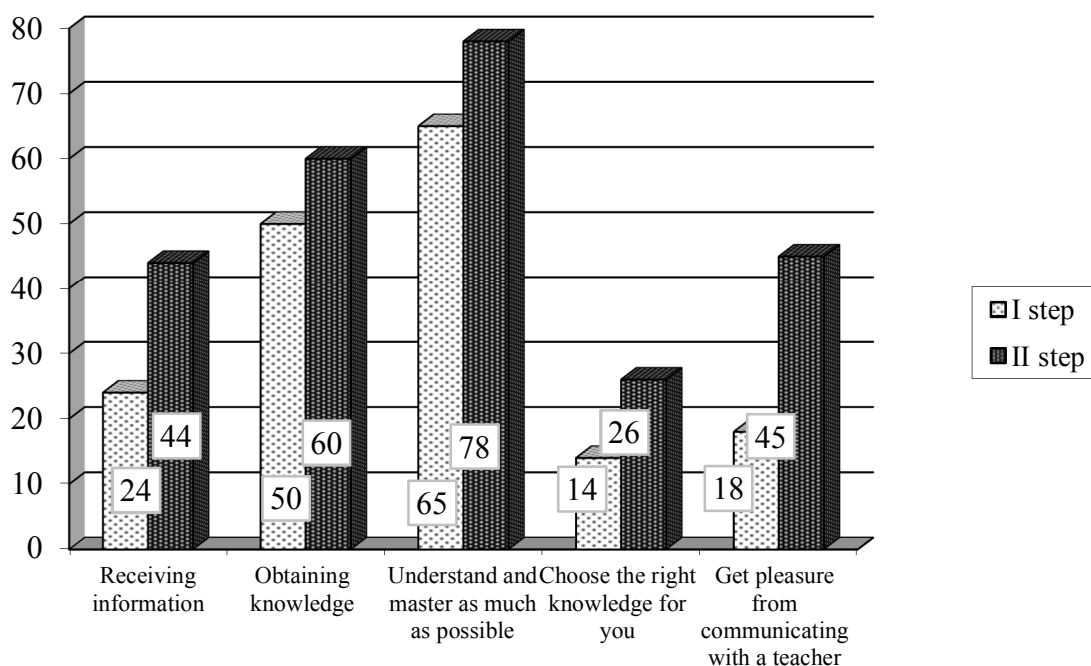


Fig. 2. The results of the survey of students on the question "My purpose in the occupation ...?" Before and after the use of art techniques (in% of the total number of subjects) to be a competent specialist at the level of "time request"

They are the internal motives of training. Here is represented answers of the first-year students: "obtain information" is from 24% to 44%, "gaining knowledge" is from 50% to 60%, "understand and master as much as possible" are 65% to 78%, "to choose for the necessary knowledge" is from 14% to 26%," to enjoy the communication with the teacher "is from 18% to 45% of students. Due to the data received, we have the opportunity to state the changes in the responses of the respondents in the direction of the increase, which will ensure successful copy of the difficulties in the educational work, the manifestation of cognitive activity and initiative, aspiration.

From the presented results, we see that freshmen students (45%) seek to enjoy the communication with the teacher, which gives grounds to argue that the increase in the motivation of education as a guarantee of successful training, the formation of an active life position. The internal motives of studying. The dynamics of changes in the answers to the question "I would not have studied if ...?"

Fig.3, namely: "did not receive or receive pleasure" is from 30% to 44% , "Did not feel or felt what it was necessary" is from 43% to 63%, "I did not think or thinking about becoming more competent" is 30% It is not changed. As we see from the presented results, the percentage (63%) of the answer to the question "did not feel (felt) that it was necessary" increased significantly. Such changes will have a positive effect on the motivation of learning, since first-year students seek to enjoy the learning process, from emotionally colored experiences associated with educational and professional activities.

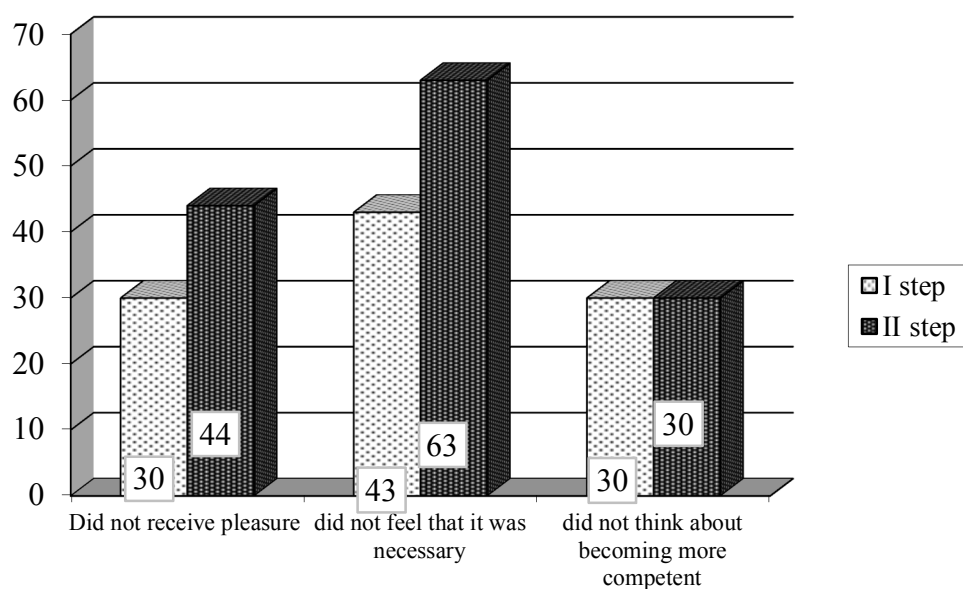


Fig.3. The results of the student survey on "I would not have studied if I ...?" Before and after the use of art techniques (in% of the total number of subjects)

External motives of studying. The answer to the question "did not think (think) about becoming more competent" remained unchanged. Students think less about becoming more competent. The analysis of the answers, received in relation to the question "I like when I

praise me for ...?" is given in Fig. 4, namely: "surpassing their previous achievements" is from 32% to 51%, "success in learning" is from 46% to 49%, "ability and mind" is from 70% to 78%, "hard work and workability" is from 39% to 44%. As we see, after the art exercises, a large number of freshmen students (78%) value abilities and mind, and also seek to surpass their previous achievements (51%). These qualities are essential for successful training and positive attitude towards HEI. Self-expression through art is a process associated with strengthening the mental health of student youth and can be regarded as a powerful psycho-regulatory factor.

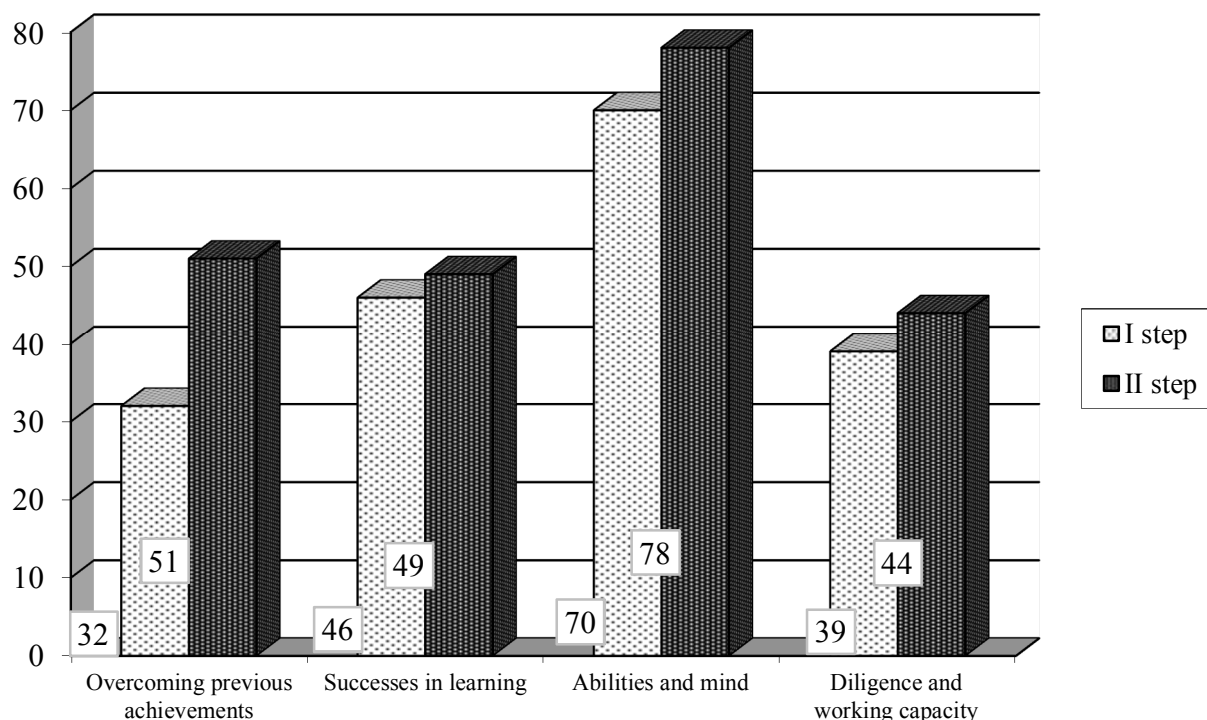
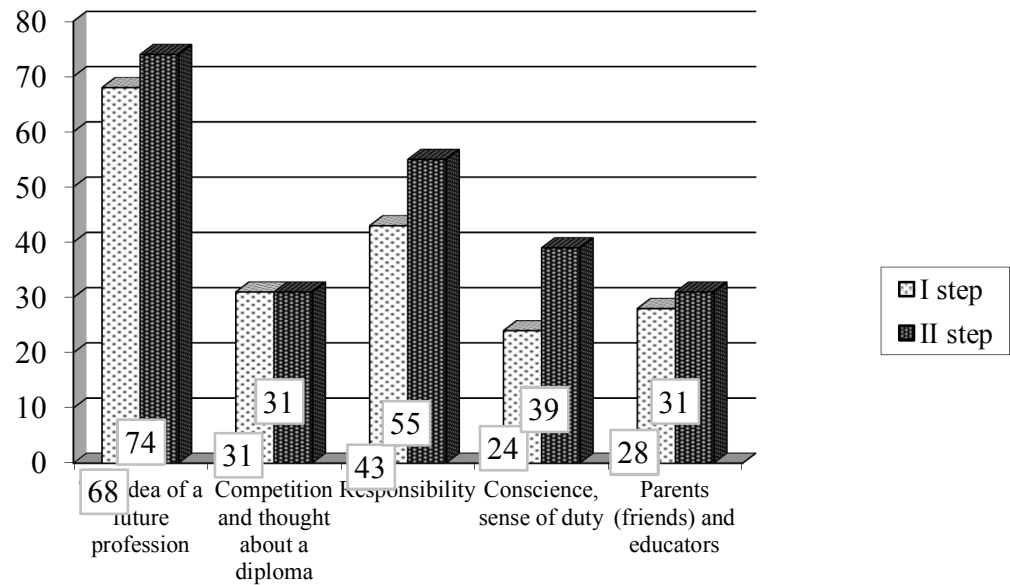


Fig. 4. The results of the student survey on "I like to praise me for ...?" Before and after the use of art techniques (in% of the total number of subjects)

External motives of studying. The dynamics of responds to the question "Learn better induces me ...?" (See. Fig. 5), in particular: "the opinion on the future profession" is from 68% to 74%, "competition and opinion on the diploma" is 31% (unchanged), "responsibility" is from 43% to 55%, "conscience, feeling obliged" from 24% to 39%, "parents (friends) and educators" is from 28% to 31%. The answer to the question "competition and opinion on the diploma" remained unchanged (31%). This is natural, because this problem is more relevant for graduate students.

From the data presented, we see in the students of first-year students certain increase in the manifestations of broad social motives - the desire to prepare well for the chosen profession, in the sense of the need for learning and in the sense of duty.

Consequently, our art exercises have a powerful psycho-correction effect, are effective for use in the educational process of HEI.



Pic. 5. The results of the student survey on "Learn better induces me ...?" Before and after the use of art techniques (in% of the total number of subjects)

The manifestation of narrow social motives is observed in the desire to obtain approval, support for parents (friends) and teachers. These motives are related to the broad need of first-year students in communication, in an effort to get pleasure from the learning process, from establishing relationships with other people.

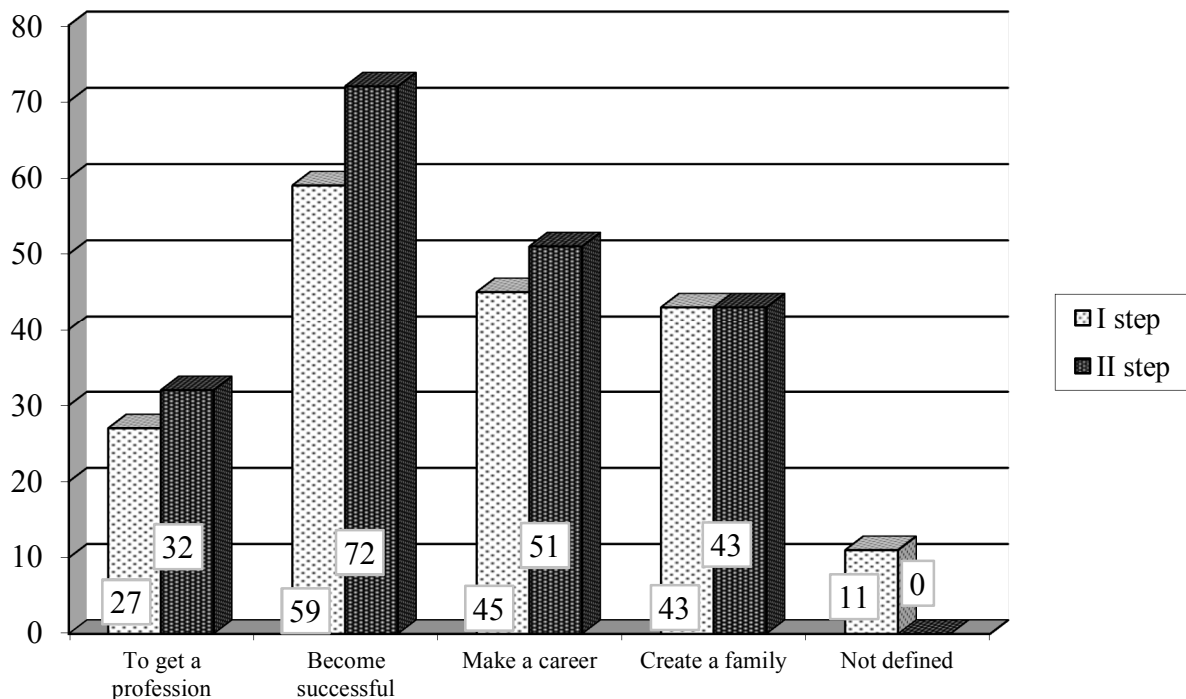


Fig. 6. The results of the survey of students on the question "I think that the purpose of my life ...?" Before and after the use of art techniques (in% of the total number of subjects)

External motives of training. Analysis of answers to the question "I think that the purpose of my life ...?" is presented in Fig. 6, namely: "to get a profession" is from 27% to 32%, to become successful (successful) is from 59% to 72%, to "make a career" from 45% to 51%, to "create a family" "is from 43% (unchanged)," not defined "is from 11% to 0%.

Thus, we see a positive dynamics in the responses of first-year students. Among those who have not been determined for the purpose of his life, not found. But the question of creating a family remains unchanged. Perhaps this is due to the fact that at present in our society there is a tendency to marry in an adult age. Most students see the meaning of their lives in the development and improvement, which is important for the formation of a stable interest in learning in HEI.

Consequently, we can conclude that the positive influence of fairy-tale techniques and drawing technics as means of enhancing academic motivation at the stage of accepting the HEI student's role. The results of the research confirm the efficiency of using fairy-tale techniques and drawing techniques. We observed the growth of both internal and external motives.

Conclusions.

Thus, after the use of art exercises, internal motivations of education have increased significantly, which enhances the adaptation of first-year students to studying in a law enforcement system and enhances the motivation of studying. This was facilitated by the fact that creativity enabled students to overcome internal and external conflicts, better concentrate, relieve stress, get rid of negative emotions that prevent them from realizing themselves fully in educational and professional activities.

Thus, art technique is an effective method of psychological work, which increases the adaptive capacity of students to study in HEI, reduces fatigue, eliminates the negative emotional states and their manifestations related to learning, is based on internal mechanisms of self-regulation, and develops a sense of internal control.

We offer to use isotechnics and fairy-tale techniques, in particular in order to reduce the level of anxiety, emotional stress; develop skills to overcome psychological barriers; develop ability to empathy, ability to overcome barriers in communication, increase self-esteem, ability to express a sense of language in art.

I am convinced that in high education institutions the use of art technique is very effective, which is related to the disclosure of the creative potential of student youth - to find the best ways of solving certain problems that will facilitate their successful employment and professional competitiveness in the labor market, including European ones.

With all the difficulties, complications in the adaptation to training in the HEI period, teachers can use at classes with students of art technology for rapprochement, mutual trust and benevolence. Convinced that only on the basis of mutual understanding between the teacher and the student can be achieved a positive motivation to study.

In the future, it is worth examining the question of the role of art technology in the development of self-consciousness students HEI as one of the conditions for improving their motivation to study, future professional activities.

References.

Atamanchuk N. M. (2015). *Art therapy as means of studying and overcoming barriers in communication between adolescents*. Science and education. Southern Ukrainian National Pedagogical University named after K.D. Ushinsky, 3 (CXXXII), 12-17. [in Ukrainian]

Atamanchuk, N. M., Kurilo Yu.M. (2018). *Motivation for teaching students of a higher educational institution. Origins of pedagogical skill*. Collection of scientific works: Poltava, 21, 14-19. [in Ukrainian]

Bakshaeva N.A., Verbitsky A. (2006). *Psychology of students' motivation*. Moscow. [in Russian].

Balabanova L.M. (1999). *Psychological-pedagogical problems of student's age*. Psychology. Collection of scientific works, NPU, 4 (7), 169-170. [in Ukrainian]

Burmenskaya G.V., Karabanova O.A., (2002). *Age-psychological approach to counseling children and adolescents. Tutorial*. Moscow, 416. [in Russian]

Voznesenska O.L., Sidorkina M.Yu. (2015). *Art therapy in overcoming mental trauma*. Practical guide. Kyiv: Golden Gate. [in Ukrainian]

Kiselev M. Yu. (1990). *Art therapy: problems and perspectives. Integrated program of aesthetic education of the population: ways of development and implementation*. Moscow. [in Russian]

Kopytin A.I., (1999). *Fundamentals of art therapy*. St. Petersburg: Lan [in Russian]

Krashnolova I. B. (1999). *Formation of students' motivation in teaching English*. Dis ... Cand. ped sciences Kyiv, 178. [in Ukrainian]

Susanina I.V. (2007). *Introduction to art therapy*. Moscow, 95 [in Russian]

Terletska L.G. (2016). *Psychology of health: art-therapeutic technologies*. Tutorial. Kyiv: Word. [in Ukrainian]

Yalansky S.P. (2018). *Art technology in the professional and research and innovation activities of a psychologist. Innovative Potential and Legal Support of Ukraine's Socioeconomic Development: A Challenge to the Global World*. Materials of the International Science. conf. Kyiv: University "Ukraine", 146-149. [in Ukrainian]

Chapter 2. PHILOSOPHY, JOURNALISM AND LAW

Olha Haran

*Doctor of Juridical Science, Professor,
Odessa I. I. Mechnikov National University
Odessa, Ukraine
orcid.org/0000-0001-6134-9941*

Oksana Plekhanova

*Dr.Sc. (Public Administration), Associate Professor,
Zhytomyr State Technological University,
Zhytomyr, Ukraine*

ELECTRONIC EVIDENCE IN THE ADMINISTRATIVE PROCESS OF UKRAINE: NOTION AND SIGNS

Abstract. *The author has identified general concept and problems of legal regulation, use and evaluation of electronic evidence, and analyzed trends of the modern theory of proving in the light of informatization the legal proceeding, judicial reform and introduction electronic means of proving. Also, the author has investigated the legal nature and essence of electronic evidence in Ukrainian legislation. The systematization of signs has been carried out and the content of separate characteristics of electronic facilities of proving has been disclosed, and their place among the traditional means of proof in administrative procedural legislation has been determined. The own system of signs of electronic evidence as a specific means of proof has been proposed. Special attention has been paid to current legislative innovations regarding the determination of the legal status of electronic evidence at the legislative level.*

JEL Classification: K23, K41

Introduction.

Challenges of the present time are the use of various information technologies. And, as a result, the creation of a new format of social relations. The new format provides for a new conceptual approach to regulating these relations, taking into account the development of scientific and technological progress, the improvement of communications and information storage, the use of computer equipment and information. Technical progress contributes to the emergence of new types of evidence and, consequently, securing at the legislative level the ability to use new types of evidence, indicates a qualitatively new level of legal proceedings. At the same time, despite the complete introduction of information and communication technologies in all spheres of public relations, the reality of administrative procedural legislation is the complication of collecting, using, evaluating and procedural fixing the electronic evidence as an equivalent means of evidence in administrative proceedings. Inappropriate normative regulation of electronic evidence, the presence of conflicting judicial practice regarding the use of electronic evidence during the resolution of administrative cases hinders the effective use of modern objective sources of information and prevents the development of modern information and communication technologies.

The necessity to consider the question of the legal nature of electronic evidence is increased by the fact that the development of information and communication technologies brought to the procedural theory of evidence new questions, which must be answered.

Therefore, to solve this problem, it is necessary to research question of the essence and legal nature of electronic evidence in modern conditions as an independent source of evidence in the administrative proceedings of Ukraine, taking into account the basic principles, tasks and directions of informatization of legal proceedings, defined in the Law of Ukraine On the Basic Principles for the Development of an Information - Oriented Society in Ukraine for 2007-2015 (2007) and Strategy reforming the judiciary, justice and related legal institutes for 2015-2020 (2015). In scientific publications from the administrative process, the problem of evidence has been investigated within the judicial administrative process. Yes, it should be noted the work of V. Kolpakov (2009), V. Gordeev (2009), C. Dragolyuk (2018), O. Umnovoi (Pavlova, 2017). Questions about electronic evidence and proving in courts has been analyzed, V. Pavlova (2017), O.Lazko (2015), O.Sirant (2017), S. Vorozhbit (2011), A. Kalamayko (2016), T. Lezhuk (2013), V.Markov (Markov, Savchenko, 2014), Yu. Orlov (Orlov, Cherniavsky, 2017) and D. Tsekhan (2013).

It should also be mentioned about individual scientific works of researchers in the field of using electronic evidence (Draguluk (2016).

However, a comprehensive study of the question of determining the legal nature and signs of electronic evidence, taking into account the realities, is absent (Moyseenko, 2007). Despite the definition of the concept "electronic evidence" at the legislative level, participants in the administrative process have difficulties in filing them to the court and therefore there is an urgent need in additional research. The relevance of scientific understanding category "electronic evidence" increases by the fact that Ukraine announced the unification of civil, administrative, criminal and business processes. In scientific works this question was examined fragmentary or within the framework of a broad administrative and legal perspective, without a complex approach, which necessitates a scientific analysis and scientific rethinking of this question under the influence of the tasks of judicial reform. Many questions related to electronic evidence in Ukraine remain unresolved and require further scientific comprehension and justification. The presence of these problems in the application of electronic evidence additionally attracts attention of scientists, practitioners and contributes the improvement of the institution of evidence, taking into account the current realities.

1. Basic concepts of understanding electronic evidence in an administrative process.

Taking into account the article 72 CAPU (2005), electronic evidence are one of facilities of proving , therefore it is necessary to consider conceptual approaches, taking into account the general understanding of evidence. The question of the concept of evidence is one of the debatable in procedural theory. There is no consensus among scholars about what constitutes the informational nature of evidence - a fact or a source of information about it, what requirements of legislation it must answer in order to be considered as reliable, permissible, sufficient, appropriate, etc.

And, although there are different approaches to the understanding of evidence, scientists developed a general concept of the category "evidence", which was enshrined in legislation. According to this definition, the evidence is the information about the circumstances of reality, that got in the statutory order. Based on the indicated understanding of evidence, the last represents the events of the real world and acquires a procedural form, which means accordance of order of receipt of one or another information to the requirements of law. Considering that information and communication technologies are used in all spheres of our life, the study of new types of evidence, which is electronic evidence, is perspective and necessary. The analysis of the scientific literature about the essence of evidence allows to talk about three basic conceptions of understanding of evidence.

The first conception interprets evidence as facts. Supporters of this position, S. Safronov and A. Minbaleev by electronic evidence understand the documented information, that presented in electronic form, suitable for human perception using electronic computers, and for transmission over information and telecommunication networks or processing in information systems (Markov& Savchenko, 2014).

The second conception interprets evidence as information about a fact. For example, N. Lebedeva by electronic evidence means information about the circumstances, established in the case, in a form suitable for storage and transfer using electronic facilities of communication (Drogozyuk,2016). M. Gorelov defines "electronic evidence" as information about circumstances, that are relevant to the consideration of the case, made in the form of digital, sound or video recording (Gordeyev, 2009).

The third conception provides that evidence is a complex legal phenomenon. For example, in the monograph of V. Kolpakov, V. Gordeev "Evidence and proving in administrative proceedings" (2009) indicated that the views of modern scholars are mostly different from each other, sometimes characterized by a double or even threefold understanding of concepts of evidence. In particular, underlined ambiguous use of term «fact» and mixed its different values- evidence, factual data, evidentiary fact etc. This, according to scientists, resulted in appearance of conception of ambivalent character of concept of proof : as a fact of objective reality and source of information about this fact.

V. Kolpakov, V.Gordeev (2009) approve that judicial evidence in administrative proceedings is evidence (information) that can directly or indirectly confirm facts, that relevant to the resolution of a case, expressed in the procedural form prescribed by law (means of proof), received and investigated by legal procedure. So, V. Kolpakov and V. Gordeev (2009) refer to evidence only that information, the objectivity of which follows from the procedural order of their receipt and research, and also underscore the sign of the ability to confirm the facts, that relevant to the resolution of the case. Without denying this approach, it is advisable to point out the necessary to clarify the sign of receipt and research in the procedural order when the concept of evidence in an administrative case (separate categories of cases) is formed.

Thus, an electronic document must be distinguished from written and any other evidence, taking into account its distinctive features. First, electronic documents should be understood as a document, the information in which is recorded in the form of electronic data, including the mandatory details of the document. An electronic document can be created, transmitted, stored and converted into visual form by electronic facilities. Thus, the electronic document has a specific form, which, in turn, can be presented to the court. A form of expression of an electronic document will lead to a special form of research and evaluation of such evidence by the court with the obligatory use of technical means. Therefore, it became necessary to establish and legally fix the order of research and evaluation of an electronic document as evidence in an administrative process. Ukrainian legislator took exactly the last concept in the development and adoption of new procedural laws, as Article 72 The Code of Administrative Proceedings of Ukraine (2005) is separately distinguishes writing, material and electronic proofs.

2. The legal nature of electronic evidence.

All spheres of public life are significantly changing under the influence of the widespread use of digital technology, electronic forms of communication, the Internet. More and more scientists, political and public figures are talking about creating an information society in Ukraine now.

The Law of Ukraine "On Amendments to the Commercial Procedural Code of Ukraine, the Civil Procedure Code of Ukraine, the Code of Administrative Proceeding of Ukraine and other legislative acts" (Law on Procedural Amendments) of 03.10.2017 № 2147-VII. I introduced revolutionary innovations to all procedural codes, in particular in The Code of Administrative Proceedings of Ukraine of 06.07.2005 No. 2747-IV (further - CAPU , 2005).

One of the conceptual provisions of the CAPU is the expansion of evidence by including in the list of proofs electronic evidence that can confirm the circumstances, that relevant to the correct resolution of the case. In accordance with the Law of Ukraine of 03.10.2017 № 2147-VIII - electronic evidence is one of the types of evidence, and evidence in administrative proceedings is any data, on the basis of which the court determines the presence or absence of circumstances (facts), justifying the requirements and objections of participants in the case, and other circumstances, that relevant to the proper resolution of the case. Part 2 of Article 72 of the CAPU (2005) establishes the legal status of electronic evidence, they have the same legal force as written and material evidence, expert opinions, and witness statements. The term "electronic evidence" is new for Ukraine, but in a world practice it has been used as the term "data message" for a long time. According to Article 2 of the Model Electronic Commerce Act of 1996, recommended by the United Nations General Assembly, a "data message" is information that prepared, sent, received or stored by electronic, optical or similar facilities, including electronic data interchange, electronic mail , telegram, telex or telefax, but not limited to them.

According to the national Ukrainian legislation (part 1 of article 99 of the CAPU (2005) electronic evidence is information in electronic (digital) form, containing data of the circumstances, that relevant to the case). Electronic evidence includes: *electronic documents* (text documents, graphic images, plans, photographs, video and sound recordings, etc.); *websites (pages)*. For example, according to clause 3 of Article 1 of the Law of Ukraine "About electronic trust services" (2017), a site is a complex of software tools located at a unique address on a computer network, including the Internet, along with information resources held by certain persons and provide access legal entities and individuals to these information resources and other information services through a computer network; *messages* (text, multimedia and voice); *metadata* (they describe or explain other data (for example, title, date, index, subject and keywords, format, source, speech, scope of use, structure of tables or summary data, bar code, etc.); *databases* and other data in electronic form (CAPU, 2005).

In particular, electronic data can be stored on portable devices (memory cards, mobile phones, etc.), servers, backup systems, and other places of data storage in electronic form (including the Internet). Although this type of evidence was consolidated only at the end of 2017, it has a very large potential. Based on the analysis of scientific literature and legislation, there is a tendency to increase the use of electronic evidence in the administrative process - this is due to signs, that are inherent to electronic evidence.

This type of evidence can be used in the form of audio, video recordings, documents of accounting and tax control, that created, transmitted, received in electronic form, printouts of Internet pages, SMS correspondence, email correspondence, publications in social networks etc.

The essence of electronic evidence must be investigated through their characteristics, inherent features that reflect the specificity and legal nature of electronic evidence. Analyzing the scientific literature and legislation, it is possible to determine the main signs, inherent to electronic evidence as separate means of proving. Different authors distinguish various signs and their different amount. Most scientists identify four signs of electronic evidence.

1. Electronic evidence does not have a material form.
2. The necessary of use software and hardware to explore electronic evidence.
3. Availability of technical media.
4. The specific process of creating and storing information provides the ability to make changes to the content without leaving traces on the carrier, because it makes possible to easily change the carrier without losing the content and vice versa.

According to A. Kalamayko (2016), the following signs of electronic evidence can be distinguished:

1. The impossibility of direct perception of information, which necessitates the use hardware and software for obtaining information.
2. Availability of technical information carrier.

3. The ability to easily change the carrier without losing meaning.

4. The absence of the concept "original" of electronic evidence due to the complete identity of electronic copies.

5. The presence of specific "details", the so-called metadata - information of a technical nature, which is encoded within the files (Kalamayko, 2016). The above signs do not allow to cover all the features of the manifestation of electronic evidence, so it is advisable to expand the list of these signs.

The indicated signs can be conditionally divided into:

a) the general signs of evidence that are inherent to all of means of evidence.

For example, electronic evidence must be appropriate (evidence that contains information about the subject of proof), admissible (evidence, that obtained without violating the procedure established by law), reliable (evidence, where actual circumstances of the case can be established) and sufficient (evidence, that in the totality allow to draw conclusion about a presence or absence of circumstances of a case, that included in a subject of proving) other signs.

B) special signs of electronic evidence, which allow to distinguish certain types of evidence from each other.

The special features of electronic evidence include nine signs, in particular:

1) *Special technical means and systems are necessarily used during their creation and reproduction.*

Several questions are connected with this topic, but valid legislation does not give clearly defined answers:

A) How will the court investigate and evaluate electronic evidence?

After all, the court does not have special authority and knowledge.

B) What is the procedure for attracting a specialist to evaluate electronic evidence?

C) What is the procedure for attracting an expert to evaluate electronic evidence?

Partial answers to the above questions can be obtained after making changes to the procedural codes and improving the instruction of proceeding in administrative courts.

Documents do not refer to official, if they receive by e-mail without a digital signature or fax channels, in accordance with these instructions. At the same time, an appeal to the materials of judicial practice indicates the necessity to clarify this definition - Definition of the Supreme Court of 12.04.2018 in case № 800/295/17.

Gradually, electronic resources become the main source of information, as evidenced by the experience of technologically developed countries. Thus, one of the most famous court cases where information in electronic form played a decisive role was the case on the antitrust lawsuit of the US government against Microsoft. During its consideration, e-mails were effectively used to reduce the court's attention to the witnesses statements (Kalamayko, 2016).

In our opinion, the role of electronic means of proving will grow in Ukraine in the future. That is why it is appropriate to take into account global trends.

2) *Electronic evidence does not lose its properties, when transferring from one device to another, so, they are characterized by the sign of reusing of certain information.* For example, information is identical to the original, when reproducing it in various ways (copying, transmission over the Internet, etc.). According to part 5 of Article 99 of the CAPU(2005), the court may request the original of the electronic evidence at the request of a participant of the case or on its own initiative, if a copy (paper copy) of the electronic evidence is submitted. If the original electronic evidence is not submitted, and the participant of the case or the court questions the conformity of the copy (paper copy) of the original- the evidence is not taken into account by the court (The decision of the District Administrative Court of Kiev. 04/18/2018 p. № 826/97/18).

But this position of national legislation is inconsistent with European legislation. Thus, Article 46 of the Regulation (EU) № 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93 / EC (2014) notes that An electronic document shall not be denied legal effect and admissibility as evidence in legal proceedings solely on the grounds that it is in electronic form.

A) Which electronic proof is the original and which is the copy? The solution of this question lies in the area of clearly stating the criteria in the national legislation for determining the original electronic evidence.

B) How to distinguish real electronic evidence from a fake?

C) What is considered the original of electronic evidence such as a website, database, multimedia storage media, etc.?

The above problems are particular relevance in the light of the development and implementation of the Unified Judicial Information and Telecommunications System, which should provide storage and the possibility of unhindered use of all the evidence in electronic form provided to the court by participants of the process, or transformed from paper from to electronic format by the court. According to Article 7 of the Law of Ukraine “On Electronic Documents and Electronic Documents Circulation” (2003), an original electronic document is considered to be an electronic copy of a document with mandatory details, including an electronic signature of the author or a signature equivalent to a handwritten signature in accordance to the Law of Ukraine “About electronic trust services ” (2017). If everything is more or less clear with the original electronic document - this is an electronic copy of the document with mandatory details, including the certified electronic signature of the author, then the question with other electronic evidence remains open. An appeal to the court can be signed with a simple electronic signature, and in cases that provided by the legislation- must be signed with a reinforced qualified electronic signature. In the European Union also everything is not clear about the reinforced electronic signatures and the new European law- Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93 / EC (2014) confirms this.

The Law of Ukraine On Electronic Documents and Electronic Documents Circulation of 22.05.2003 № 851-IV considers that electronic signature is electronic data that is added by the signer to other electronic data or logically associated with them and used as a signature. The Law of Ukraine About Electronic Trust Services of 05.10.2017 № 2155-VIII considers that an electronic signature is a mandatory requisite of an electronic document that is used to identify the author and / or signer of an electronic document by other subjects of electronic document management.

However, in electronic correspondence between legal entities and individuals are not used electronic signatures, which makes it difficult to provide such evidence to the court. Some judges refuse to accept printed e-mails that are not digitally signed (decisions registered in the Unified State Register of Court Decisions on the numbers +69225208.70605007, 72517880 and others). With regard to copies of electronic evidence, it should be noted that the main requisite of this form of electronic evidence is electronic digital signature, which is equal to a handwritten signature (seal) if: the electronic digital signature is confirmed by using a strong key certificate and reliable digital signature facilities; a strengthened key certificate, that was valid at the moment of imposition the digital signature, was used during the verification; the signer's private key corresponds to the public key that specified in the certificate.

You may check and impose a single digital signature on the website of the Central Certifying Authority. Of course, the question arises: can any electronic evidence be witnessed by a single digital signature and be provided to the court? Technologies allow to certify only electronic documents at the moment. As for other electronic evidence, there is no special need for this, because the procedural law provides the possibility of both inspecting electronic evidence by location and evaluating evidence as real, that does not diminish its evidential value. It is necessary to pay attention to the correlation between the terms “electronic copies of written evidence” and “copies of electronic evidence, analyzing the current legislation. In Part 3 of Art. 94 of the new edition of CAPU (2005) determines that “the participants in the case have the right to provide written evidence in electronic copies, certified by a digital signature and equal to a handwritten signature in accordance with the law”. In this case, the legislator additionally notes that “an electronic copy of written evidence cannot be considered electronic evidence”. Although it is worth noting that the form of providing evidence does not matter from the point of proving view. This is only expands the tools for the parties and simplifies the process. What is more important- any circumstance could have as many proofs as possible, which increases the chances of establishing the actual circumstances of the case. In order to improve state regulation in the area of electronic digital signature, a technical translation of Regulation (EU) no 910/2014 of the European parliament and of the council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999 / 93 / EC was made.

3) *Simultaneous existence of the original in many places* - the indicated sign is due to the existence of a single information space with a large joint database and a developed communication system.

4) *Electronic evidence first exists in non-material form and only if it is necessary, it can be transferred to other means of evidence* (for example, the witness statements and others).

V. Petrenko refers to the main signs of electronic documents as means of proof - the lack of connection with a specific material carrier, because technical means allow copying such document an unlimited amount of times, use it at any time, which is not peculiar to other means of proof (Petrenko,2018). According to part 3 of Article 99 of the CAPU(2005), participants of the case have the right to provide electronic evidence in paper copies, certified in the order prescribed by law. A paper copy of the electronic evidence cannot be considered as written evidence. The vague understanding of the nature of this sign raises the question: "How save and provide electronic evidence safely and correctly?".

5) *The ability to influence on the information at a distance*. So, with the rapid development of information technology - the risk of impact increases, and the possibility of destroying information arises in some cases. So, it is not difficult to "create" the necessary electronic evidence, using special programs, because of the modern level of development of information technologies, on the one hand.

On the other, there is the problem to identify the person who is the author and spreader of an electronic document that can be confessed as electronic evidence. Questions in area of the use of electronic data are not resolved in the administrative process. Especially in the context of publications in social networks.

6) *Legal regulation of separate parties of the category "electronic evidence" is carried out by a considerable amount of special normative acts* - this is the sixth sign of electronic evidence. The main normative acts, affecting to the legal nature of electronic evidence in Ukraine, are: The Civil Code of Ukraine (2003) ; Laws of Ukraine "On Electronic Documents and Electronic Documents Circulation" (2003); "On Protection of Information in Automated Systems" (1994); "On Standardization"(2014); "On Scientific and Scientific Technical Expertise" (1995); On the National Bank of Ukraine (1999).

7) *Electronic evidence may contain a wide variety of information - sound, audio-visual, textual, graphic, and any combination of them*.

For example, the possibility of written evidence is significantly less, because they can contain only textual and graphical information and any combination of them.

8) *The legal nature of electronic evidence is in constant transformation*. This sign is due to many factors of technical and scientific progress.

For example, the reality is the use of the concept "data openness by default" . Its provisions fix the obligation of public authorities to organize the disclosure of public data and take public data on the account, at a minimum. With this, in the current conditions of transparency and openness of management and public attention around public information at an acceptance of management decisions, officials should proceed from the principle of "data openness by default".

That is, to understand that the information will be known by public after they made decision. The main trends of modern development is an increase of amount of information that becomes publicly known. The second factor that influences the increase of amount of public information is the expediency of preserving and protecting certain information.

It's more economical to follow the disclosure process of data than to support long-term storage projects. However, these two approaches have a common goal: to provide citizens to the data, created by public authorities - in the first case, taking into account the provisions of transparency and the re-use of public data by society to increase the effectiveness of public control, and in the second case - to preserve them as evidence and historical memory.

9) *The ability to save electronic evidence indefinitely.* This sign is characteristic to electronic evidence that is due to the not material nature of electronic evidence. For example, the term of keeping written evidence is limited that is due to their physical and chemical properties.

Separate evidence loses "its appearance, qualitative and evidential sign" over time. Electronic evidence may remain unchanged as much as may be required, in a difference of any other evidence (Petrenko, 2018).

The above list of special signs of electronic evidence is not exhaustive. But it may be useful in determining the general concept and principles of using electronic evidence in the administrative process, their types, identifying problems of legal regulation and finding ways to solve them, for analyzing changes and trends in the modern theory of evidence in the light of informatization of legal proceedings and the introduction of electronic means of proving.

Conclusions.

Summing up, it should be noted that informational relations develop very dynamically in almost all spheres of public life, and the court system must correspond to the requirements of time.

The main trends of modernity is a great influence of electronic sources of information on all social relations.

Therefore, legislative consolidation of electronic evidence at the national level, of course, is a positive step, which defines a new stage in the evidentiary process and provides additional opportunities to defend the participants' rights in the trial.

At the same time, the lack of regulation of the research mechanisms, criteria for evaluating electronic evidence, the difficulty of verifying their admissibility and reliability, require some training and knowledge from the participants of the proceedings and court.

Electronic evidence is an independent category of evidence that began to apply in Ukrainian legislation in the end of 2017. They are characterized by two types of signs, in particular: a) signs that are inherent to all evidences and b) specific signs in form and substance.

The selection of two groups of signs of electronic evidence expands the procedural possibilities of participants in the administrative process and brings the evidential process to the modern level. The special signs of electronic evidence include such signs as: 1) special technical means and systems are necessarily used, when they are created and reproduced; 2) the electronic evidence remains unchanged, when transferring from one device to another; 3) the simultaneous existence of the original in many places; 4) the presence in not material form; 5) the ability to influence on the information at a distance; 6) legal regulation is carried out by a considerable amount of special normative acts; 7) electronic evidence may contain a variety of information; 8) the legal nature of electronic evidence is in constant transformation; 9) the ability to save electronic evidence indefinitely.

The procedure of submitting and researching copies of electronic evidence, that enshrined in national legislation is not well understood for participants and the court. As a result, when they are used in the process, a row of problems is arised and it cannot be resolved based on the current legislation, and that indicates the need of revision and amendment of these regulations. You can criticize, agree or disagree with the separate provisions of the CAPU (2005, July 06) about electronic evidence, but it should be noted the possibility of their use in administrative cases and consistency with the norms of the Constitution of Ukraine and Strategy for reforming the judiciary, legal proceedings and related legal institutes for 2015-2020, approved by the Decree of the President of Ukraine dated May 20, 2015, № 276/2015. Thus, taking into account the objective legal reality and, accordingly, the urgent need for such changes, it can be considered that the use of electronic evidence in administrative courts is a movement forward and an approximation of the national legal proceeding to modern international standards.

References.

Bonner, A.T. (2009). Electronic document as evidence in civil and arbitration proceedings. *Law*, 11, 141-157 [in Russian].

Branovitsky, K.L. (2010). Information technologies in the civil process in Germany (comparative legal analysis): monograph. Moscow : Walters Kluver [in Russian].

Civil Procedural Code of the Russian Federation № 138-FZ. (2002, November 14). Retrieved from : <http://base.garant.ru/12128809> [in Russian].

Decree of the President of Ukraine strategy reforming the judiciary, justice and related legal institutes for 2015-2020 № 276/2015. (2015, May 20). Retrieved from: <https://zakon2.rada.gov.ua> [in Ukrainian].

Dragolyuk, C. (2018). How to use screenshots as evidence in court. *Me and the Law*. Retrieved from: <https://yaizakon.com.ua> [in Ukrainian].

Drogozyuk, K. B. (2016). Modern sources of evidence in the civil process in Ukraine and France. *Law and Society*, 1, 52 – 63 [in Ukrainian].

German Civil Procedure Code Service provided by the Federal Ministry of Justice and Consumer Protection and the Federal Office of Justice. Retrieved from: www.gesetze-im-internet.de.

Gordeyev, V. V. (2009). Proof of administrative affairs related to the electoral process: Doctor's thesis. Kyiv : Kyiv National University of Internal Affairs [in Ukrainian].

Gorelov, M.V. (2005). Electronic Evidence in Civil Cases in Russia: Questions of Theory and Practice. *Jurisprudence: Theory and Practice*, 11, 58-60 [in Ukrainian].

Kalamayko, A. (2016). *Electronic means of proof in the civil process: author's abstract*. National lawyer Untitled Yaroslav the Wise. Kharkiv [in Ukrainian].

Kalamayko, A.Yu. (2015). The place of electronic means of proving and separate questions of their use in civil proceedings. *Law and Innovation*, 2 (10), 127-132 [in Ukrainian].

Kolpakov, V.K . & Gordeev, V.V. (2009). *Evidence and Evidence in Administrative Proceedings*: monographer. Chernivtsi: Chernivtsi National University Unt. [in Ukrainian].

Koval V. (2019). Institutional determinants of state policy to regulate services markets. Social and legal aspects of the development of civil society institutions: collective monograph. Part II.BMT Erida Sp. z o.o., Poland. 228 p. (109-125).

Koval, V. Pukała, R. (2017). Implementation of Regulatory Policy in Economic Activity: Development of the Institute Regulatory Impact Assessment. *Economics. Ecology. Socium*, 1 (1),24-32.

Law of Ukraine on standardization № 1315-VII. (2014, June 05).

Law of Ukraine about electronic trust services № 2155-VIII. (2017, October 5). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 45, 400 [in Ukrainian].

Law of Ukraine on amendments to the commercial procedural code of Ukraine, the civil procedure code of Ukraine, the code of administrative proceeding of Ukraine and other legislative acts. (2017). № 2147-VII. *Vidomosti Verkhovnoyi Rady Ukrayiny*, 48, 436 [in Ukrainian].

Law of Ukraine on electronic documents and electronic documents circulation № 851-IV. (2003, May 22). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 36, 275 [in Ukrainian].

Law of Ukraine on notariate № 3425-XII. (1993, September 02). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 39, 383 [in Ukrainian].

Law of Ukraine on protection of information in automated systems № 80/94-BP (1994, July 05). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 31, 286 [in Ukrainian].

Law of Ukraine On Scientific and Scientific Technical Expertise № 51/95-BP (1995, February 10). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 9, 56 [in Ukrainian].

Law of Ukraine on the basic principles for the development of an information - oriented society in Ukraine for 2007-2015 № 537-V. (2007, January 9). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 12, 102 [in Ukrainian].

Law of Ukraine On the National Bank of Ukraine № 679-XIV. (1999, May 20). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 29, 238 [in Ukrainian].

Lazko, O.M. (2015). Prospects for the development of electronic (technical) means of proof in the civil process of Ukraine. *European perspectives*, 1, 125-129 [in Ukrainian].

Lezhuk, T. (2013). Application of electronic evidence in cases on the protection of honor, dignity and business reputation. *Veche*, 16, 13-15 [in Ukrainian].

Markov, V.V.& Savchenko, R.R. (2014). Principles of affiliation of electronic evidence obtained from mobile devices. *Law and Safety*, 1, 89-95 [in Ukrainian].

Michael, R. Arkfeld *Electronic Discovery and Evidence*. Phoenix, Arizona: Law Partner Publishing, LLC. 2006–2007 ed. , 8–49.

Model Law on Electronic Commerce adopted by the United Nations Commission on International Trade Law. (1996, December 16). Retrieved from : <https://www.un.org/documents/ga/res/51/ares51-162.htm>.

Moyseenko, G.V. (2007). *Estimation in Administrative Procedure of Ukraine*. Candidate's thesis. Zaporizhzhia. Retrieved from: <http://phd.znu.edu.ua> [in Ukrainian].

Orlov, Yu.Yu. & Cherniavsky S.S. (2017). Electronic display as a source of evidence in criminal proceedings. *Legal Journal of the National Academy of Internal Affairs*, 1, 12-24 [in Ukrainian].

Pavlova, Y. (2017). Concept and legal nature of electronic proof in the civil processal law. *Current problems of state and law*, 102-109 [in Ukrainian].

Petrenko, V.C. (2018, January). Electronic evidence as an element of information technology in civil justice. *Young Scientist*, 1 (53), 111-114 [in Ukrainian].

Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

Shelepina, E.A. (2013). *Civil-legal aspects of electronic document circulation: monograph*. Moscow: Yurlitinform [in Russian].

Sirant, O. R. (2017). Electronic Evidence As An Object Of The Investigation In The Administrative Right. *European Perspectives Scientific And Practical Legal Magazine*, 2,79-80 [in Ukrainian].

Tatarintsev, T. A. (2012). The concept of evidence in corruption cases. *Scholarly notes of Tavrichesky National University. V.I. Vernadsky. Series: Jurisprudence*, 25 (64),1, 326-331 [in Ukrainian].

The Civil Code of Ukraine № 435-IV. (2003, January 16). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 40-44, 356. Retrieved from: <https://zakon.rada.gov.ua/laws/card/435-15> [in Ukrainian].

The Code of Administrative Proceedings of Ukraine № 2747-IV. (2005, July 06). *Vidomosti Verkhovnoyi Rady Ukrayiny*, 35-36- 37, 446. Retrieved from: <https://zakon.rada.gov.ua/laws/show/2747-15> [in Ukrainian].

Tsekhan, D. M. (2013). Digital Evidence: Concept, Features and Place in the Evidence System. *Scientific Bulletin of the International Humanitarian University. Sir: Jurisprudence*, 5, 256–260 [in Ukrainian].

Vorozhbit, S.P., (2011). *Electronic means of proof in civil and arbitration proceedings*. St. Petersburg. Retrieved from:<http://law.spbu.ru> [in Russian].

Oleksanr Mykolenko

*Doctor of Juridical Sciences, Professor,
Odessa I.I. Mechnikov National University,
Odessa, Ukraine
orcid.org/0000-0002-9755-9454*

**FEATURES OF FORMATION AND REALIZATION OF ANTICORRUPTION
POLICY IN UKRAINE**

Abstract. *The article reveals the content of anticorruption policy as one of the types of legal policy. Characterized by subjects who, firstly, form and implement anticorruption policies in the state within the limits of their powers, which are enshrined in them by the national legislation (parliament, the National Agency for the Prevention of Corruption, etc.), and secondly, mainly implement anticorruption policy in the state (executive bodies, public prosecutor's offices, local state administrations, local self-government bodies, etc.), and thirdly, contribute to the formation and implementation of anticorruption policy in the state (citizens and their associations). The article analyzes the peculiarities of developing and approving the principles of anticorruption policy in Ukraine. It is stated that at the current stage of state building in Ukraine, the requirements of anticorruption legislation on the development of anticorruption policy, as well as the development and improvement of the State Program for the implementation of anticorruption strategy, are not duly carried out. The article reveals the peculiarities of public participation in measures of preventing corruption. It is stated that measures of preventing corruption are more effective when state and local authorities work closely with civil society institutes.*

JEL Classification: K 10; K13; K23; K40.

Introduction.

The need for the formation and implementation of anticorruption policy in Ukraine is due, first of all, to the lack of established democratic traditions in the state, the lack of real experience in controlling civil society in power, and also the level of consciousness of society, which often considers corruption acts as the means of solving personal and corporate problems. The factors that also indicate the need to develop a strategy and tactics for preventing corruption in Ukraine include the institutionalization of corruption relations that are losing abnormal and massive character, centralization of corruption and the transition from single corruption links to the creation of corporate corruption networks. This is evidenced by data from foreign supranational and non-governmental organizations, official statistics on the prevention of corruption in Ukraine and numerous sociological investigations and research works on law.

Chaotic measures of corruption prevention, which were used, for example, in the 90s of the last century, did not yield positive results for Ukrainian society. The lack of clear logic in the sequence of implementation of measures of corruption prevention, low level of effectiveness of interaction between the state and the public and international institutions on the prevention of corruption, showed that Ukraine has no effective national anti-corruption policy.

When formulating and implementing anticorruption policy as a set of measures aimed at reducing the level of corruption in the country, one should take into account the achievements of science on the identified issues, the practical experience of national anti-corruption authorities and the experience of countries in the world on the prevention of corruption. Particular attention should be paid to the powers of the subjects of anticorruption policy and the causal aspects of the spread of corruption in certain areas of public life. The timely elimination of the causes of the occurrence and spread of corruption relations in society, the identification of corruption acts and those who committed them are the main goals of the formation and implementation of anticorruption policy. Currently all conditions are created at the legislative level for the formation and implementation of an effective anti-corruption policy, which will contribute to the recovery of Ukrainian society from corruption.

1. Principles of the formation and implementation of anticorruption policy in Ukraine.

Legal policy is an important component of the effective functioning of the legal system of society. It is impossible to imagine the existence and development of a modern state without it. Namely, a democratic, social and legal state. The term “legal policy” combines two categories of “law” and “politics”. Such a union of two terms became possible only in the conditions of the development of society in a democratic way. Indeed, in the conditions of the existence of a non-democratic regime, politics tends to dominate the law. In this case, the right acts only as one of the tools for implementing the state policy based on the principle of “the power of law”.

In the conditions of democratization of public life and the development of a democratic, legal and socially-oriented state, law begins to dominate politics. This is due to the fact that, firstly, state policy is based on the law, that is, it should not contradict the provisions of the Constitution and laws of Ukraine, as well as violate the rights and freedoms of man and citizen, and secondly, state policy is formed and implemented by subjects, according to which such powers are enshrined in national legislation, and thirdly, state policy is implemented in the manner and according to the mechanisms established by the current legislation. That is, in a democratic state, law acts as the basic element of state policy and the main source of its formation. Any state policy should be legal.

There are many criteria by which legal policy can be categorized. For example, it is possible to distinguish national, regional and local policies from a territorial point of view; in directions of implementation - internal and foreign policy; depending on the social relations, where it is realized, - information, migration, tax, anticorruption policy, etc. That is, anticorruption policy is one of the types of legal policy that is being developed and implemented in Ukraine.

The main reason for the formation and implementation of a national anticorruption policy in Ukraine is the widespread corruption manifestations in various spheres of public life.

Anticorruption policy is a complex of legal, economic, organizational, educational, and other measures aimed at reducing corruption and ensuring the protection of the rights and legitimate interests of citizens and society from its negative consequences. Such a policy should be implemented with clearly defined and established parameters. These parameters are determined by the anticorruption strategy and anticorruption tactics. This is the difference between the concepts of “anticorruption policy”, “anticorruption strategy” and “anticorruption tactics”. Anticorruption policy is a set of measures aimed at reducing corruption in society, while anticorruption strategy is the definition by the government of the main, milestones of legal policy and the system of separate decisions and organizational measures aimed at achieving these goals, and anticorruption tactics are development of separate tasks and ways of their solution within the aforementioned strategic directions of anticorruption policy. Anticorruption policy may not exist in the absence of strategic conceptual ideas and goals, as well as tactical tasks and means of their implementation, based on long-term or short-term forecast. Thus, anticorruption strategy and anticorruption tactics are structural elements of anticorruption policy. In terms of authority and specificity of participation in public relations on the prevention of corruption, the subjects of anticorruption policy in Ukraine can be divided into three groups:

- a) subjects that form anticorruption policy in the state and implement it within the limits of the powers entrusted to them by national legislation (for example, the Verkhovna Rada of Ukraine, the National Agency for the Prevention of Corruption, etc.);
- b) subjects that implement anticorruption policies in the state (for example, executive bodies, prosecutors, local state administrations, local self-government bodies, etc.);
- c) subjects that promote the implementation of anticorruption policy in the state (for example, citizens and their associations).

The Verkhovna Rada of Ukraine refers to subjects who are entitled to form anticorruption policy in Ukraine. For example, in the Law of Ukraine of October 14, 2014, the Verkhovna Rada of Ukraine approved the Principles of State Anticorruption Policy in Ukraine (Anticorruption Strategy) for 2014-2017 (2014). This law defined: firstly, the entire application and a list of necessary anticorruption measures to prevent corruption in representative bodies of power, in the field of public service, in the activities of executive authorities, in the field of public procurement, in the judicial system and in criminal justice, as well as in the private sector; and secondly, a set of measures to improve the criminal procedural legislation on punishment for corruption; thirdly, the list of measures aimed at forming in the society ideas of intolerance to corruption; fourthly, the procedure and methodology for evaluating the results and the mechanism for implementing the anticorruption strategy for 2014-2017.

A more comprehensive list of anti-corruption measures is proposed in the Draft Anticorruption Strategy Law 2018-2020.

Successful implementation of anticorruption policy will reduce the level of corruption in Ukraine and increase public confidence in the government. Parliamentary hearings on the situation regarding corruption and the publication of an annual national report on the implementation of the principles of anticorruption policy are those measures that allow assessing the results and mechanisms of the implementation of the state anticorruption strategy in Ukraine.

The Verkhovna Rada of Ukraine shall, every year no later than June 1, hold parliamentary hearings on the situation regarding corruption, as well as approve and publish on its official website a national report on the implementation of the principles of anticorruption policy, which, in accordance with the requirements of Article 20 of the Law of Ukraine “On Prevention of Corruption” is prepared by the National Agency for the Prevention of Corruption (hereinafter referred to as the National Agency) (2014). For example, on May 24, 2017, parliamentary hearings on the topic “The stage of implementation of the principles of anticorruption policy in Ukraine” were held in the plenary session hall of the Verkhovna Rada of Ukraine (2017). At these parliamentary hearings, the draft National Report on the Implementation of Anticorruption Policies in 2016 was considered (2017).

A special place in the system of newly created and functioning special anticorruption bodies is the National Agency. Unlike other anticorruption bodies (NABU, the Anticorruption Prosecutor’s Office, the Supreme Anticorruption Court), which implement anticorruption policies in our state, the National Agency is the only special body that forms the state anticorruption policy.

The duties of the National Agency include carrying out an analysis of the state of prevention and counteraction of corruption in Ukraine and the state of activity of state bodies and bodies of local self-government in the field of prevention and counteraction to corruption (Clause 1, Part 1, Article 11 of the Law “On the Prevention of Corruption”). This duty of the National Agency is conditioned by the fact that in the course of its activities, a special anticorruption body has access to relevant statistics, as well as the ability to accumulate, process and analyze information related to the implementation of anticorruption policy in Ukraine. The analysis of the state of prevention and counteraction to corruption in Ukraine is: a) in identifying gaps in the current legislation, which contribute to the emergence and development of corruption relations in society; b) in defining the shortcomings in the activities of law enforcement bodies, which equalize all efforts of the state in this direction; c) to develop recommendations for the improvement of national legislation regarding the enhancement of the effectiveness of law enforcement agencies in the field of prevention of corruption, as well as recommendations on how to involve the public in the process of implementation of anticorruption policy.

Only on the basis of knowledge about the current state of prevention and counteraction to corruption in Ukraine we may propose an effective arsenal of anticorruption measures, designed for the long-term or short-term prospect. This explains why the Anticorruption Strategy is being developed by the National Agency.

In addition to developing a common anticorruption strategy, the National Agency, as an element of anticorruption policy in Ukraine, is authorized to develop anticorruption tactics. The tasks and measures related to the anticorruption tactics are set forth in the state program of implementation of the Anticorruption Strategy, which is approved by the Cabinet of Ministers of Ukraine. For example, the State Program on Implementing the Fundamentals of State Anticorruption Policy in Ukraine (Anticorruption Strategy) for 2015-2017 provided the following tasks in the area of the formation and implementation of state anticorruption policy: 1) creation of an institutional mechanism for the formation and monitoring of the implementation of the state anticorruption policy, in particular the launching of the Agency's work, promotion of the active work of the National Council on Anticorruption Policy; 2) creation of tools for obtaining reliable information on quantitative and qualitative indicators of corruption; 3) preparation of a new anticorruption strategy; 4) establishing new forms of cooperation with the public in shaping and monitoring the implementation of the state anticorruption policy. To address these challenges, a list of urgent measures was proposed, which were supposed to ensure the implementation of anticorruption policy in the country. Thus, in order to establish new forms of cooperation with the public in formulating and monitoring the implementation of state anticorruption policy, it was proposed to approve a public memorandum on principles of partnership in the field of anticorruption policy and ensure its implementation (2015).

The procedure for the development of anticorruption programs, which are adopted by other state bodies and local self-government bodies, as well as the requirements for their content, are regulated by the provisions of Art. 19 of the Law "On Prevention of Corruption".

Heads of state bodies are personally responsible for ensuring the implementation of the state program on the implementation of the Anticorruption Strategy. In this case, it is not about legal liability for a corruption or corruption-related offense, which is regulated by the provisions of Section XI of the Law "On Prevention of Corruption", but about the disciplinary liability established by the Law "On Civil Service" and stipulated for the commission of a disciplinary offense. in the form of non-fulfillment or improper performance of official duties, acts of state authorities, orders (decrees) and instructions of directors, taken within the limits of their powers (clause 5, part 2, article 65).

The personal responsibility of heads of state, communal enterprises, business associations and heads of legal entities that are obliged to approve the anticorruption

programs of their organizations are regulated by the Procedure for granting the consent of the National Agency for the Prevention of Corruption to the release of the person responsible for the implementation of the anticorruption program (2016).

Taking into account the results of the implementation of anticorruption measures determined by the anticorruption policy in Ukraine, as well as taking into account the conclusions and recommendations of the parliamentary hearings on the situation regarding corruption, the State Program for the implementation of the Anticorruption Strategy is subject to annual revision. This does not mean that certain changes in the state program must be made annually. Such changes can be made, for example, in cases when: a) the terms of fulfillment of tasks stipulated by the state program were violated, requiring the establishment of new terms; b) there was an optimization of the system of subjects that implement anticorruption policy, which requires the redistribution of powers between these subjects and fixation of this fact in the state program; c) there have been changes in the list of anticorruption policy tasks or in the list of measures aimed at its implementation, etc. For example, in the three years of the State Program on the implementation of the principles of state anticorruption policy in Ukraine (Anticorruption Strategy) for 2015-2017, changes to its content were made only once in 2015 (2015). At the same time, the National Agency in the National Report on the Implementation of Anticorruption Policy Principles in 2016 [6] states that the overall measure of implementation of measures in Section I of the State Program "Formation and Implementation of State Anticorruption Policy" is 54%, Section II "Prevention of Corruption" - 46%, Section III "Punishment for Corruption" - 39%, and section IV "Formation of negative attitude towards corruption" - 50%. On the basis of this, it was concluded that some tasks and measures identified by the State Program have become obsolete, and therefore there is a need to adjust and update the tasks and activities of the State Program, the timetable and indicators for their implementation, as well as the list of bodies responsible for their implementation. To do this, it was planned to amend the Resolution of the Cabinet of Ministers of Ukraine No. 265 dated April 29, 2015 (2015), setting forth for a new version of the State Program. Unfortunately, due to objective and subjective reasons caused by the political and economic situation in the state, changes to the State Program have not been made.

It should be noted that at the present stage state building in Ukraine improperly implements the requirements of Article 18 of the Law "On Prevention of Corruption" regarding the elaboration of the principles of anticorruption policy (Anticorruption Strategy), their legislative consolidation, as well as on the development and improvement of the State Program for the implementation of the Anticorruption Strategy. And the Law on Anticorruption Strategy for 2018-2020 and the State Program for the Implementation of the Anticorruption Strategy for 2018-2020 have not yet been adopted.

2. Procedure for adoption and approval of anticorruption programs by the subjects of the authorities.

In addition to the national program for the implementation of the Anticorruption Strategy, which is developed by the National Agency and is approved by the Cabinet of Ministers of Ukraine, state authorities and local self-government bodies develop departmental anticorruption programs, which establish the principles of anticorruption policy of a specific body. The main objective pursued in the course of the adoption of departmental anticorruption programs is the identification of spheres in the activity of the body, where potential corrupt relations are possible, and the development of measures aimed at timely eliminating the causes and conditions of the emergence of corruption relations both in the middle of the body (internal management relations), and in the sphere of realization by the body of its powers (external organizational activity, for example, with regard to the provision of administrative services, the exercise of supervisory or jurisdictional powers, etc.).

Depending on the way decisions are made, state bodies and local self-government bodies are divided into collegial and individual ones. Individually departmental anticorruption programs are approved by the heads of the Administration of the President of Ukraine, the Office of the Verkhovna Rada of Ukraine, the Secretariat of the Cabinet of Ministers of Ukraine, the Secretariat of the Ombudsperson of the Verkhovna Rada of Ukraine for Human Rights, the General Prosecutor's Office of Ukraine, the Security Service of Ukraine and heads of other bodies provided in clause 1 part 1 of Article 19 of the Law "On Prevention of Corruption". Sometimes departmental anticorruption programs are approved not by the head of the body but by another authorized official. For example, the Anticorruption Program of the Apparatus of the National Security and Defense Council of Ukraine is approved by the Secretary of the National Security and Defense Council of Ukraine. Collegially departmental anticorruption programs are approved by:

a) the decision of the Board of the Bank, if it is an anticorruption program of the National Bank of Ukraine;

b) decisions of collegial bodies in the case of anticorruption programs of the Audit Chamber, the Central Electoral Commission, the High Judicial Council, the Verkhovna Rada of the Autonomous Republic of Crimea, and the anticorruption programs of other bodies provided for in clause 5 part 1 of Article 19 of the Law "On Prevention of Corruption".

All anticorruption programs of bodies, listed in part 1 of Article 19 of the Law "On Prevention of Corruption", are subject to approval by the National Agency. The procedure for the preparation and submission to the National Agency of anticorruption programs that are subject to approval is regulated by the Procedure for Preparation, submission of anticorruption programs for approval by the National Agency for the Prevention of Corruption and their approval dated December 8, 2017 (hereinafter - ORDER of approval) (2017).

The responsible body (person) on the prevention and detection of corruption is responsible for preparing an anticorruption program in the government. In the absence of it – another structural unit (person), which is entrusted with the responsibility to prepare for the anticorruption program.

Anticorruption programs in duplicate (original and certified copy of an anti-corruption program in compliance with the law, together with annexes and cover letter) shall be submitted to the National Agency for approval within three working days from the date of their approval. If an anticorruption program is submitted for re-approval, the cover letter shall indicate the date and number of the National Agency's letter on the abandonment of the anticorruption program without consideration or a decision on its non-approval.

Together with the anticorruption program and the cover letter to the National Agency, the following materials are also submitted: 1) a copy of the administrative document approved by the established procedure in accordance with the established procedure; 2) materials on the assessment of corruption risks; 3) information on the analyzed normative legal acts; 4) informational and analytical materials on the results of public discussion of the draft anticorruption program.

An anticorruption program with cover letter and attachments is filed or sent by mail to the National Agency by the employee of the authorized subdivision (authorized person).

In clause 8 of Section III of the ORDER of approval, the grounds listed in the presence of which the National Agency leaves the anticorruption program unattended and returns it and other materials to the authority within five working days from the date of receipt: a) approval of the anticorruption program by an inappropriate entity; b) submission of an anticorruption program not approved (not signed) in accordance with the established procedure; c) filing an incomplete set of documents for approval. Letter from the National Agency on the abandonment of the anticorruption program without consideration:

- is either personally taken by an employee of an authorized subdivision (authorized person), which is recorded in the corresponding column of the accounting journal of anticorruption programs;

- or sent by mail, if within one working day from the date of signing the letter it was not received by an employee of an authorized subdivision personally (authorized person).

Within ten working days from the date of receipt of a letter from the National Agency, the authority is obliged to re-submit it for approval. The process of approval of anticorruption programs consists of two stages: 1) an analysis of their provisions; 2) adoption by the National Agency of decisions on the coordination of anticorruption programs. The analysis of anticorruption programs is carried out by the structural unit of the Apparatus of the National Agency, which authority includes the organization of work on the prevention and detection of corruption. The analysis of anticorruption programs can involve employees of other structural units of the National Agency, scientists and on a contractual basis, employees of state bodies and local self-government bodies.

The deadline for coordinating anticorruption programs with the National Agency is 30 days from the day following the day the program is received by the National Agency. This period may be extended, but no more than 30 days, if researchers are involved in the analysis or on a contractual basis of employees of state bodies and local self-government bodies.

Anticorruption program with attached materials is considered at a meeting of the National Agency, which may be attended by a representative of the authority (at his request) who approves the anticorruption program.

According to the results of consideration of an anticorruption program by the National Agency, one of the following decisions may be made: 1) on the approval of the anticorruption program; 2) on refusal to approve (disapprove) anticorruption program.

The decision to approve the anticorruption program of the authority is taken if it fully complies or partially does not comply with the requirements stipulated by the current legislation. If the anticorruption program of the authority partially does not comply with the requirements stipulated by the current legislation, then the National Agency decides on its approval with the provision of mandatory proposals for consideration, for example: to specify the measures, deadlines and responsible executives enshrined in it; supplementing measures to eliminate (minimize) corruption risks by additional measures proposed by the National Agency; editorial changes in the text of the anticorruption program.

A decision to refuse to approve (disapprove) an anticorruption program with appropriate justification shall be taken if: the program was developed in violation of the principles of the preparation of anticorruption programs of the authorities; the program does not include one or more obligatory components of anticorruption programs of the authorities; the report on the results of the assessment of corruption risks in the activity of the authority does not contain obligatory components; there is a need for an additional assessment of corruption risks, as the preliminary assessment has been carried out incompletely or incorrectly.

A duly certified copy of the National Agency's approval, refusal to approve (disapproval) with the anticorruption program and the original anticorruption program shall be sent at the location of the relevant authority no later than three working days from the date of such decision (2017).

National legislation contains three groups of requirements for departmental anticorruption programs: 1) requirements for their content; 2) requirements relating to their text and structure; 3) requirements for anticorruption programs.

Part Two of Art. 19 of the Law "On Prevention of Corruption" contains a non-exhaustive list of requirements concerning the content of departmental anticorruption programs. These provisions of the law were detailed in Section II of the ORDER of approval (2017). Thus, the Anticorruption program should include: a provision on the definition of the principles of a general departmental policy on prevention and counteraction

to corruption in the relevant sphere; measures to implement such principles; measures to implement anticorruption strategy and state anticorruption program; information on carrying out an assessment of corruption risks in the activities of the authority; educational measures and measures to disseminate information on anticorruption programs; procedure and entity responsible for periodic monitoring of the implementation of the anticorruption program; procedure for evaluating the implementation of the anticorruption program, fixing the criteria for its implementation, taking into account the timeliness, completeness of implementation of the measures fixed in it and the results of their implementation (for example, the impact of the results of the action taken on the state of compliance with the requirements of the Law of Ukraine and/or the priority of corruption risk by comparing the situation with corruption in the authority before the adoption of the anticorruption program and during its implementation); procedure and cases of periodic review of the program; a report on the results of the assessment of corruption risks and other measures aimed at preventing corruption and corruption-related offenses.

Chapter II of the ORDER of approval includes the requirements related to the text and structure of anticorruption programs:

- anticorruption program should be clear and consistent, its position should be clearly defined, without any misunderstanding;

- anticorruption program should not contain provisions that are duplicate or have no semantic charge;

- anticorruption program must contain the details of the regulatory document, by which it is approved, and the title;

- anticorruption program may contain sections, subdivisions, chapters, clauses, sub-clauses, paragraphs;

- if necessary, the text of the program may contain notes or applications;

- the text of the anticorruption program is outlined in the present or future time. The past time applies only in the provisions relating to the assessment of corruption risks, or when describing the measures that are included in the anticorruption program of the authority in the previous period as non-executed.

The current legislation also contains requirements for anticorruption programs. In the ORDER of approval it is stated that:

- measures identified in the anticorruption program must be clear and specific;

- anticorruption program should include indicators of implementation (anticipated results) of anticorruption measures that can be measured (evaluated) during periodic monitoring and evaluation of implementation of the anticorruption program.

Violation of the above-mentioned requirements is the reason for the decision of the National Agency to agree with the provision of mandatory consideration of proposals or a decision to refuse to approve (disapprove) the anticorruption program.

3. Public participation in anticorruption measures.

Part 1 of Art. 21 of the Law “On Prevention of Corruption” (2014) lists subjects that, on behalf of the public, can take part in measures to prevent corruption, and establishes an incomplete list of rights that the public is implementing in the field of prevention of corruption.

Public entities, their members or authorized representatives, as well as individuals participate in corruption prevention activities on behalf of the public. Public association is a voluntary association of individuals and/or legal entities of private law for the realization and protection of rights and freedoms, satisfaction of public, in particular economic, social, cultural, environmental and other interests. According to the legal form of organization there are two types of public associations - a public organization or a public union. A public organization is a public association, which founders and members (participants) are individuals. Public union is a public association, the founders of which are legal entities of private law, and members (participants) may be legal entities of private law and individuals as well (2012).

It should be emphasized that Art. 21 of the Law “On Prevention of Corruption” (2014) refers exclusively to civil society institutions, while the importance of the formation and implementation of anticorruption policy in Ukraine has not only cooperation with civil society institutes, but also cooperation with business. It would be desirable to reflect this aspect of cooperation in the provisions of the law. For example, in the National Report on the Implementation of Anticorruption Policy Principles in 2016 [6] it was noted that the cooperation of the authorities with civil society and business institutes in the formation of anticorruption policy is quite active and results in positive consequences. Thus, an important step for starting cooperation between the National Agency and the Business Ombudsman's Council was the signing in 2016 of a Memorandum of Cooperation aimed at creating a common effective platform for communication and practical implementation of cooperation and cooperation activities through the creation of an appropriate Expert Group, the main purpose of the activity of which is to ensure the transparency of the activities of state authorities, reduce the level of corruption and prevent the unfair behavior of officials in relation to business.

Thus, measures to prevent corruption are more effective when public authorities and local authorities work closely with civil society institutions. It is possible to constantly intensify measures of state coercion for corruption in society or to create new specialized anticorruption bodies, but all this will be useless without participation in the formation and implementation of state anticorruption policy of the public. In European countries, public participation in the formation and implementation of state anticorruption policy is a key factor in the success of minimizing corruption in society. The system of anticorruption bodies and the severity of punishment for acts of corruption are only additional and secondary factors that ensure the success of anticorruption measures. Therefore, achieving

measurable results in counteracting this problem can only be coordinated by the joint efforts of the state and civil society.

The Law “On Prevention of Corruption” (2014) establishes an incomplete list of the rights of individual citizens, public associations, their members or authorized representatives in the field of prevention of corruption. Unfortunately, the law does not clearly define the forms of cooperation between the state and the public in the defined sphere.

Analysis of the provisions of Part 1 of Art. 21 of the Law “On Prevention of Corruption” (2014) allows the identification of three main forms of public participation in the prevention of corruption: 1) monitoring; 2) informing (conducting information events); 3) control.

Monitoring is a complex system for monitoring, collecting, processing, systematizing and analyzing information on the state of corruption in the country, the state of fulfillment of anticorruption legislation requirements and the state of implementation of the state anticorruption policy, which gives an assessment of the current state, forecasts its possible changes and develops well-founded recommendations for the prevention of corruption in Ukraine. This form of public participation in the prevention of corruption is manifested through the exercise of rights by public unions and citizens: a) request and receive from the state bodies, authorities of the Autonomous Republic of Crimea, local governments in accordance with the procedure provided for by the Law “On access to public information”(2011), information on activities on the prevention of corruption; b) to conduct, order the conduct of public anticorruption expertise of normative legal acts and draft normative legal acts, submit, on the basis of expert examination, proposals to the relevant bodies, and receive from the relevant bodies information on the consideration of the submitted proposals (See: parts 7 and 8 of Article 55 of the Law “On Prevention of Corruption”, (2014)); c) participate in parliamentary hearings and other measures on the prevention of corruption; d) make proposals to the subjects of the right of legislative initiative to improve the legislative regulation of relations arising in the field of prevention of corruption; e) to conduct, commission research activities, including scientific, sociological, etc., on the prevention of corruption.

Informing is a system of events that are connected, firstly, with informing the authorities, heads of enterprises, institutions, organizations about the facts of committing corruption or corruption-related offenses, as well as the existence of a conflict of interest; secondly, informing the population about the state of corruption in the country, the state of fulfillment of the requirements of anticorruption legislation and the state of implementation of state anticorruption policy. This form of public participation in the prevention of corruption is manifested through the realization by the public unions and citizens of the following rights: a) to report on the revealed facts of committing corruption or corruption-related offenses, a real, potential conflict of interest to specially authorized counter-parties

corruption, the National Agency, the management or other representatives of the body, enterprises, institutions or organizations in which these offenses have been committed or which employees have an existing conflict of interests and the public; b) take measures to inform the population on issues of prevention of corruption.

Control is a comprehensive system of monitoring of the activities of specialized anticorruption bodies and other authorities in compliance with the laws in the field of prevention of corruption provided by the current legislation. Item 9 of Part 1 of Art. 21 of the Law “On Prevention of Corruption” (2014) provides for the right of the public to exercise public control over the enforcement of laws in the field of prevention of corruption. For example, to ensure public participation in the formation and implementation of state anticorruption policy, as well as to publicly control the activities of specialized anticorruption bodies, public councils are created for them. Currently such public councils are already operating with NABU and the National Agency. The Public Council under the National Agency has the right: to hear information about the activities, implementation of the plans and tasks of the National Agency; approve annual reports on the activities of the National Agency; to provide conclusions on the results of examination of draft acts of the National Agency; to delegate a representative to the meeting of the National Agency with the right of deliberative vote (See: Part 3 of Article 14 of the Law “On the Prevention of Corruption”, 2014)).

Separate aspects of public participation in the formation and implementation of state policy are regulated in the Decree of the Cabinet of Ministers of Ukraine “On Ensuring Public Participation in the Formation and Implementation of State Policy” dated November 3, 2010 No. 996 (2010) , which approved the Procedure for Public Consultation on Issues of Formation and the implementation of the state policy and the Model Regulations on the Public Council under the Ministry, the other central executive body, the Council of Ministers of the Autonomous Republic of Crimea, the regional, Kyiv and Sevastopol city, district, district in Kyiv and Sevastopol state administration.

Information regarding the competence of the entities engaged in the prevention of corruption, as well as in relation to the main directions of their activity, is public information, the access procedure of which is regulated by the Law of Ukraine “On Access to Public Information” (2011).

Public information is represented and documented by any means and on any medium of the information that was received or created in the course of the fulfillment by the subjects of the authorities of their duties, provided by the current legislation, or which is in the possession of the subjects of power authorities, and other administrators of public information, defined by the Law “On Access to Public Information” (2011).

Access to public information is provided through: 1) systematic and prompt disclosure of information in official publications, on official web sites on the Internet, in a single state

web portal of open data, on information stands or in any other way; 2) providing information on information requests.

Part 1 of Art. 22 of the Law of Ukraine “On Access to Public Information” (2011) provides four grounds in which a public information administrator has the right to refuse to satisfy a request: 1) when the information manager does not possess and is not obliged, in accordance with his or her competence, provided for by law, to possess information about which request is made; 2) when the requested information falls into the category of restricted information, namely, confidential, secret or official information; 3) the person who submitted the request for information did not pay the actual costs associated with copying or printing provided by the legislation; 4) the requirements for the request for information provided for in part 5 of the article 19 of the Law of Ukraine “On Access to Public Information” (2011) are not met.

In all other cases, a public union, a physical person, a legal entity shall not be denied in access to information regarding the competence of subjects involved in the prevention of corruption, as well as in relation to the main directions of their activity.

A separate category of laws and drafts of normative acts for the active participation of the public in their discussion is mandatory on the official websites of the relevant bodies. These are draft laws and regulations, which, firstly, provide for the provision of privileges or benefits to individual economic entities, and secondly, they are connected with the delegation of powers of state bodies or local self-government bodies.

The appearance of this norm in the Law «On Prevention of Corruption» (2014) is due to the following factors:

a) it is spoken about the spheres of public relations with increased corruption risk. Granting privileges to business entities and delegating the powers of state bodies and local self-government bodies are those areas of public relations, where the merger of business interests and private interests of certain state or municipal officials may take place. That is, there are favorable conditions for the emergence and prosperity of corruption relations. That is why, for the purpose of additional monitoring by the public, such draft legal acts are posted on the official websites of the relevant bodies;

b) draft regulatory acts on the granting of privileges to economic entities or the delegation of powers of state bodies and local governments do not require specialized (professional) knowledge to analyze their content and to identify norms that could potentially contribute to corruption in society. For example, draft tax or customs regulations may also be posted on the official websites of the relevant bodies for public discussion, but only on the initiative of these bodies.

In order to provide sufficient time for public discussion of draft legal acts, the Law “On Prevention of Corruption” (2014) obliges state and local authorities to place them on the official websites of the relevant authorities promptly and not later than 20 working days prior to their consideration with the purpose of adoption.

The results of the discussion of draft laws and regulations, which, firstly, provide the granting of benefits or benefits to individual economic entities, and secondly, related to the delegation of powers of state bodies or local authorities, are summarized by state authorities and bodies of local government and are to be made public on the official websites of the said authorities. For example, on December 2, 2014, the Department of Public Procurement and State Purchase under the Ministry of Economic Development and Trade of Ukraine published on the official website the Report on the results of the public discussion of the draft Law “On Amendments to the Law of Ukraine “On Government Procurement (regarding electronic procurement)” (2014). In this report, it was noted that one subject participated in the discussion of the draft law, who provided a number of comments and proposals, which were substantiated by their rejection. Consequently, the public's activity in discussing draft legal acts, such as those listed in part 3 of Art. 21 of the Law “On Prevention of Corruption”(2014), as well as those made for discussion on the initiative of the authorities, remains low. Today, the public interest only comes to those draft laws and regulations that deal with issues of their social protection and professional activities.

Conclusions.

Legal policy is an important component of the effective functioning of the legal system of society. Without it, it is impossible to imagine the existence and development of a modern state, namely, a democratic, social and legal state.

Anticorruption policy is one of the types of legal policy that is being developed and implemented in Ukraine. The main reason for the formation and implementation of a national anticorruption policy in Ukraine is the widespread corruption manifestations in various spheres of public life.

Anticorruption policy is a complex of legal, economic, organizational, educational and other measures aimed at reducing corruption and ensuring the protection of the rights and legitimate interests of citizens and society from its negative consequences. Elements of anticorruption policy are anticorruption strategy and anticorruption tactics. Successful implementation of anticorruption policy will help to reduce corruption in Ukraine and increase the level of public confidence in the government.

A special place in the system of newly created and functioning special anticorruption bodies is the National Agency. Unlike other anticorruption bodies (NABU, the Anticorruption Prosecutor's Office, the Supreme Anticorruption Court), which implement anticorruption policies in our state, the National Agency is the only special body that forms the state anticorruption policy.

Public entities, their members or authorized representatives, as well as individuals, are public unions that participate in corruption prevention activities on behalf of the public. Measures to prevent corruption are more effective when public authorities and local authorities work closely with civil society institutions.

References.

Law of Ukraine on Public Associations № 4572-VI. (2012, March 22). Retrieved from: <http://zakon5.rada.gov.ua/laws/show/4572-17> [in Ukrainian].

Law of Ukraine on Access to Public Information № 2939-VI. (2011, January 13). Retrieved from: <http://zakon5.rada.gov.ua/laws/show/2939-17> [in Ukrainian].

Law of Ukraine on Prevention of Corruption № 1700-VII. (2014, October 14). Retrieved from: <https://zakon.rada.gov.ua/laws/show/1700-18> [in Ukrainian].

The Law of Ukraine on the Principles of State Anti-Corruption Policy in Ukraine (Anticorruption Strategy) for 2014-2017 № 1699-VII. (2014, October 14). Retrieved from: <http://zakon2.rada.gov.ua/laws/show/1699-18/page> [in Ukrainian].

Report on the results of the public discussion of the draft Law of Ukraine «On Amendments to the Law of Ukraine «On State Procurement» (regarding electronic procurement)» (2014). Retrieved from: <https://www.me.gov.ua> [in Ukrainian].

National report on the implementation of anti-corruption policy principles in 2016, approved by the decision of the National Agency for the Prevention of Corruption № 125. (2017, April 4). Retrieved from: <https://nazk.gov.ua> [in Ukrainian].

Resolution of the Verkhovna Rada of Ukraine «On the holding of parliamentary hearings on May 24, 2017 on the state of implementation of the principles of anticorruption policy in Ukraine» № 2030-VIII. (2017, May 16). Retrieved from: <http://zakon2.rada.gov.ua/laws/show/2030-19> [in Ukrainian].

Resolution of the Cabinet of Ministers «On Approval of the State Program for Implementing the Principles of State Anti-Corruption Policy in Ukraine (Anti-Corruption Strategy) for 2015-2017» № 265. (2015). Retrieved from: zakon2.rada.gov.ua [in Ukrainian].

Resolution of the Cabinet of Ministers of Ukraine on Ensuring Public Participation in the Formation and Implementation of State Policy № 996 (2010, November 3). Retrieved from: <http://zakon2.rada.gov.ua> [in Ukrainian].

Resolution of the Cabinet of Ministers of Ukraine on amendments to the Resolution of the Cabinet of Ministers of Ukraine № 625. (2015, August 28). Retrieved from: <http://zakon5.rada.gov.ua/laws/show/625-2015-п/paran2#n2> [in Ukrainian].

Draft Law on anticorruption strategy for 2018-2020. Retrieved from: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=63942 [in Ukrainian].

Decision of the National Agency for the Prevention of Corruption «On Approval of the Procedure for Preparation, Submission of Anti-Corruption Programs for Approval to the National Agency for the Prevention of Corruption and their Approval» № 1379. (2017, August 12). Retrieved from: <http://zakon2.rada.gov.ua> [in Ukrainian].

Decision of the National Agency for the Prevention of Corruption on Approval of the Procedure for Granting Consent by the National Agency for the Prevention of Corruption to release the person responsible for the implementation of the Anti-Corruption Program № 74 (2016, October 07). Retrieved from: <http://zakon2.rada.gov.ua> [in Ukrainian].

Olena Mykolenko

Doctor of Juridical Sciences, Associate Professor,

Odessa I.I. Mechnikov National University,

Odessa, Ukraine

orcid.org/0000-0003-2080-413X

RESTRICTIVE AND PUNITIVE FUNCTIONS OF ADMINISTRATIVE AND TORT LAW AS A GUARANTEE OF SECURITY AND PROTECTION OF HUMAN AND CITIZEN RIGHTS

***Abstract.** The article reveals the content of restrictive and punitive functions of administrative and tort law and determines their place in the general system of functions of law. It is noted that the restrictive and punitive functions of administrative and tort law are closely interrelated. Even a special part of Code of Ukraine on Administrative Offenses (CUAO) is constructed in such a way that in its articles simultaneously the prohibition and sanction in the form of administrative penalty for its violation are recorded. The article states that the difference between the restrictive and punitive function of law is that: 1) the purpose of restrictive function is to remove from the practice of socially dangerous relationships by imposing prohibitions and other restrictions, while the purpose of punitive function is the application to the person of the measure of legal liability (deprivations of moral, property and organizational nature), which is proportional to the degree and nature of the public danger of the wrongful act committed by him; 2) the legal means of implementation of restrictive functions are prohibitions and other restrictions, while means of carrying out punitive functions are measures of legal responsibility (penalties and other sanctions); 3) the consequence of the implementation of the restrictive function is to preserve the regime of detaining persons from unlawful acts (law order), while the consequence of the implementation of a punitive function is the fact that the perpetrator felt the force of state coercion and was or is legally responsible.*

JEL Classification: K 13, K23, K 32, K42.

Introduction.

The upheaval and updating of the provisions of the doctrine of administrative law has given modern scholars a number of conceptual tasks that are related to: the definition of a system of administrative law that would correspond to the realities of the present days and respond promptly to changes taking place in the life of society; clarification of the subject of administrative-legal regulation, which is important for determining the place and role of administrative law in the system of law of Ukraine and for determining its synergetic properties as a branch of law; the development of legal instruments that would create conditions for effective administrative and legal regulation of social relations and ensure the implementation and protection of human and citizen rights and freedoms, etc. One of these conceptual tasks is to define the functions of administrative and administrative and tort law.

The solution to this problem is complicated by the fact that law science offers a wide range of opinions on the concepts of “function”, “the function of law”, as well as the system of law functions and criteria for its development. The question of defining the functions of law and their classification is one of the main in the modern theory of state and law.

Violating the question of the development of the national legal system as a whole or its particular elements, there is a definite problem of defining the functions of law.

The solution of this problem is intended not only to reveal the essence of the right or the role of each of its elements in the general system, but also to determine the goals, means, forms of legal influence on social relations. Administrative and tort law in the status of a legal institute of administrative law is one of the elements of the national system of law, and therefore the disclosure of its essence, the role in the general system of law, the specificity of legal influence on social relations is impossible without defining its functions.

History of the development of administrative law knows cases where the functions of administrative law were replaced by the functions of government and executive power. This distorted the perception in society of the importance and role of administrative law, which in the middle of the twentieth century began to serve not the needs and aspirations of society, but the needs of the state with a vivid prevalence of the interests of the state over the interests of society and the individual. With the transition to a human centered concept of administrative law, there was a need for a correlation between the functions of administrative law, the revision and upheaval of its system, and, at the same time, the need to revise the meaning and place of administrative and tort law in the system of law of Ukraine. From this point of view, the exclusive scientific significance acquires a comprehensive analysis of the sources that laid the foundation for the contemporary understanding and development of the system of functions of law, administrative law and administrative and tort law.

Describing the state of scientific development of issues of the functions of administrative and tort law in modern legal science, it should be noted that in the professional literature there are no complex works devoted to the functions of administrative and tort law. Existing works are, firstly, contradictory in content, and secondly, do not take into account the specifics of the subject, objectives and legal means of administrative and tort law regulation. There is an urgent need for the development of the theory of functions of administrative and tort law and the disclosure of the content of its functions as restrictive and punitive.

1. Restrictive and punitive functions in the system of functions of administrative and tort law of Ukraine.

Administrative and tort law is considered in legal literature in three hypostasis - as a legal institution, as a science and as an educational discipline. Each of the listed statuses of administrative and tort law has its own list of functions, which reveal its functional purpose in the system of law of Ukraine, in the system of legal knowledge and system of educational disciplines, which are studied in institutions of higher education of legal orientation. Administrative-tort functions are included in the general system of functions of law, which includes four levels.

To the first (highest) level of the system of functions of law are the following legal functions of law - regulatory-static, regulatory-procedural (regulatory-dynamic), regulatory-security, regulatory-protective functions.

This level is characterized by the fact that all the norms of law exercise a regulatory influence on social relations, therefore, it emphasizes in the name of the functions of law its regulatory orientation. These types of functions are allocated depending on the method and objectives of legal regulation:

1) regulatory-static function is in consolidating the rights and responsibilities of individuals, the legal status of legal persons, the system of public administration bodies, the system of courts, etc.;

2) the regulatory-procedural (regulatory-dynamic) function is in securing the implementation of the rights and responsibilities of individuals, the powers of the public administration bodies in the public service sphere, the procedure for making administrative decisions in the system of public administration bodies, the procedure for the conclusion of an administrative contract, etc.;

3) regulatory-security function achieves its manifestation in the establishment of a list of prohibitions and other restrictions, as well as the imposition of sanctions for violating established prohibitions and restrictions;

4) regulatory-protective function achieves its manifestation in securing the procedural way for considering a public dispute or offense.

Of the four listed functions of the law of the first level, administrative and tort law externally implements only three - regulatory-static, regulatory-security and regulatory-protective functions. At the same time, within the system of law, administrative and tort law implements protective and regulatory-protective functions.

The second level of the system of functions of law includes the legal functions of the branches of law and legal institutions. These functions detail the functions of the right of the first (highest) level. Installation, stimulating, restrictive, preventive, control, punitive, compensatory, law-restorative, procedural, and others functions can be identified among them. Each branch of law or legal institution may have its own set of functions, which detail the features of the manifestation of regulatory-static, regulatory-dynamic, regulatory-security and regulatory-protective functions. The allocation of such functions helps to disclose the features of sectoral legal regulation or legal regulation better at the level of a separate legal institution.

The third level of the system of functions of law includes the educational function. The peculiarity of this function is manifested in the fact that it is neither a legal nor a social function of law. At the same time, it occupies an important place in the system of functions of law, because it is realized by all elements of the system of law. Not an exception in this sense is administrative and tort law.

The fourth level of the system of functions of law includes the functions of legal norms (for example, the function of state orientation, state evaluation, target and motivational functions). These functions are inherent in any rule of law, and therefore they give a general idea of the purposefulness of all legal norms.

Among the functions of administrative and tort law, which reveal the specifics of its legal regulation, one should distinguish: the constituent, restrictive, preventive, punitive, compensatory, restorative, procedural and educational. Consequently, restrictive and punitive functions are part of a system of functions that reveal the specifics of administrative and tort law.

Restrictive and punitive functions are closely interrelated. Even a special part of CUAO is constructed in such a way that in its articles simultaneously the prohibition and sanction in the form of administrative penalty for its violation are recorded.

At the same time, the distinction of the restrictive function from the punitive function of law is in the following:

- the purpose of the restrictive function is to remove socially dangerous relationships from practice by imposing prohibitions and other restrictions, while the purpose of a punitive function is to apply to a person legal liability (deprivation of moral, property and organizational nature), which is proportional to the degree and nature of the public danger committed by her unlawful deed;
- legal means of implementation of restrictive functions are prohibitions and other restrictions, while measures for the implementation of punitive functions are measures of legal liability (penalties, fees and other sanctions);
- the consequence of the implementation of the restrictive function is to preserve the regime of detaining persons from unlawful acts (law and order), whereas the consequence of the implementation of a punitive function is the fact that the perpetrator felt the force of state coercion and was or is legally responsible.

2. Restrictive function of administrative and tort law: content and its features

If the legal literature mentions the existence of a restrictive function, it usually refers to the legal functions of law (Popovich, 2015), however, sometimes its status in the system of functions of law is specified and called “non-essential legal function of law” (Borisov, Vitruk, Granat, Marchenko et al., 2002 ; Radko, 2009) or referred to the types of security functions and are called “security-limiting function of law” (Gafurova, 2004 ; Oczykisia, 2008). However, in all of the above-mentioned works, the authors mainly concerned with the problems of classification of the functions of law and paid less attention to the disclosure of their content. The limiting function in such works was not a direct subject of the study, and therefore was not characterized by the specificity of its featuring in real life and its comparative characteristic with other functions of law was not offered.

For example, in the legal literature, the idea that the main disadvantage of almost all works devoted to the limiting function of law is the fact that it is identified with punitive and protective functions of law. Only some authors consider restrictive function as an independent function or sub-function of the law. However, so far, in the general theory of law (and branch legal sciences), there has not been a more or less clear idea of the restrictive function, its nature, main properties, structure, content, forms of implementation, place and role in the legal system of society, the importance law enforcement agencies in the implementation of this function (Novikov, 2004).

M. Marchenko explains the expediency of the allocation of restrictive functions in the system of functions of law in the following way and reveals its content. The presence of a limiting function in law is due to its purpose of being a regulator of social relations. And to regulate means to dictate behaviors that should fit the interests of certain social groups, classes, individuals and society as a whole. Therefore, the actions of some subjects of law did not violate the rights and interests of others, so that relations in society evolved more reasonably and did not cause opposition, the law establishes certain restrictions for subjects of social relations. Thus ceases and warns of permissiveness, anarchy and arbitrariness. These restrictions are fixed in prohibitive, binding norms and in other legal orders. In the opinion of M. Marchenko, the restrictive function, in spite of the primary negative character, ultimately gives a positive social result, because of this quality law acts as the guarantor of stability and justice in society, the most important tool of law and order and the realization of citizens' rights (Borisov, Vitruk, Granat, Marchenko et al., 2002)

Firstly, M. Marchenko does not specify the purpose that determines the existence of a limiting function in the system of functions of the law. Such a goal is “prevention of permissiveness, anarchy and arbitrariness”, “elimination of obstacles to the commission of offenses” or “the creation of conditions under which the actions of some subjects of law did not violate the rights and interests of others?”. We believe that the purpose of the legal regulation of the restrictive function should be more clearly defined and, for example, it should be noted that the purpose is to remove socially dangerous relationships from practice by imposing prohibitions and other restrictions. Proposed by M. Marchenko, the characteristic of restrictive function is declarative and can be equally successfully used in describing preventive or law enforcement function.

Secondly, M. Marchenko partially reveals the legal means by which the restrictive function is implemented today: 1) prohibitive norms, 2) binding norms, 3) other legal requirements. There are no problems of a theoretical or practical nature with prohibitive norms, since they are traditionally considered as the main legal means that ensures the implementation of the restrictive function. Unfortunately, M. Marchenko does not disclose the content of obligatory norms and other legal requirements that could be considered as legal remedies of restrictive function, and therefore it is not known whether the author distinguishes between two concepts of “commitment” and “duties”, and which unilateral imperatives

should be attributed to restrictions, and which are not. From examples borrowed from the Constitution of the Russian Federation, it is clear that Marchenko referred to the restrictive norms all the norms in which a one-sided ultimatum form contains a requirement, the key words and phrases in which there is: “no one may not” (for example, Article 5, 27, 28, 29 of the Constitution of Ukraine, 1996), “shall not” (for example, Article 13 of the Constitution of Ukraine, 1996), “may not” (Articles 15, 22, 24, 25 of the Constitution of Ukraine, 1996), “it is prohibited (forbidden)” (Article 15, 17 of the Constitution of Ukraine, 1996), “not allowed” (Article 22 of the Constitution of Ukraine, 1996), etc. At the same time many questions arise to other norms of the Constitution of Ukraine (1996), where the word “duty” is used. It is difficult to determine whether such rules are restrictive in these cases. For example, Art. 3 of the Constitution of Ukraine (1996) stipulates that the establishment and safeguarding of human rights and freedoms is the main duty of the state, Art. 16 of the Constitution of Ukraine (1996) states that ensuring the ecological safety and maintaining the ecological balance on the territory of Ukraine, overcoming the consequences of the Chernobyl catastrophe - a disaster of a planetary scale, preservation of the gene pool of the Ukrainian people is the responsibility of the state, Art. 27 of the Constitution of Ukraine (1996) stipulates that the duty of the state is to protect human life, and so on.

For example, M. Novikov (2004) also draws attention to this, and states that the most difficult is the question of assigning responsibilities to the methods of implementing a restrictive function and to legal restrictions. Legal restrictions in the literature are fairly associated with the restriction of permits, the imposition of prohibitions and additional positive obligations. Novikov (2004) also drew attention to a few important points that, in our opinion, should be taken into account when describing the limiting function of law.

1. It is noted that the restrictive function occupies a relatively independent, autonomous place in the system of functions of law, it reflects the most important aspect, the role and social purpose of law in the legal system of society. The specificity of this function is primarily due to the peculiarity of the tasks for which it is directed (Novikov, 2004). Unfortunately, the more detailed analysis of the works of M. Novikov shows that the expression “relatively independent, autonomous place” means that the restrictive function refers to “non-essential legal functions of law”. That is, the “autonomy” of the restrictive function is explained only by the peculiarity of the tasks for which it is directed, and the “relative autonomy” - its membership in the group of “non-essential legal functions of law”.

2. M. Novikov (2004) states that under the restrictive function of law one should understand such a separate direction of legal influence on consciousness, will and behavior of people, which is aimed at establishing the necessary law and order. Unfortunately, the scientist, like M. Marchenko, proposes, firstly, disassociate in its content definition, which uses concepts that, in its turn, require clarification or interpretation of their content – “rule of law”, “necessary law and order” and secondly, a declarative definition, which with the same success can be used to characterize other functions of law.

3. Novikov (2004) proposes to allocate the following methods for the implementation of the restrictive function of law - prohibition, suspension, termination, duties. Unfortunately, the author has mixed up the restrictions (as a way of legal regulation), duties (as a measure of proper behavior of the person), suspension and termination (as measures of administrative coercion, which by their nature are sanctions). This conclusion reduces the value of the work of the scientist, since suspension and termination is a consequence of the non-fulfillment of prohibitions and other restrictions established by the current legislation. Emphasizing the fact that a restrictive function cannot be identified with a punitive function, M. Novikov himself contradicts, characterizing the content of the restrictive function through the analysis of legal sanctions, which relate to measures of administrative coercion, namely, measures of administrative termination.

At the same time, we agree with M. Novikov (2004) that the classical means of implementation (the author uses the term “method of implementation”) of the restrictive function of law are prohibitions. The ratio of the prohibition and the legal limit can be expressed as follows: “Any prohibition is a restriction, but not any restriction in the field of law is a prohibition.” That is, the notion of “restriction” is general, and the notion of “prohibition” is specific. The prohibition is only one of the forms of legal limitation (Novikov, 2004). With other means of implementation the restrictive function of law (duties, suspension and termination) proposed by M. Novikov (2004), we cannot agree, because, as it has already been noted, the author involves to the content of the restrictive function the categories that characterize and reveal the content of other functions of law.

Therefore, the question to which legal means, besides prohibitions, can be allocated in characterizing the restrictive function of law remains unanswered. In our opinion, the following should be attributed to the legal means of restrictive function of law:

1) prohibitions fixed in the current legislation in the form of offenses. Such prohibitions are widespread within the framework of criminal law and administrative and tort law;

2) prohibitions are presented in the current legislation in the form of one-way rulings using the words “prohibited” or “forbidden”. Such prohibitions are widespread within the constitutional law;

3) restrictions, fixed in the current legislation in the form of one-way rulings with the use of words and phrases “not allowed”, “no one may”, “shall not”, “may not”, etc. Such prohibitions are also widespread within the constitutional law.

Restrictions that sometimes arise when applying legal sanctions or other coercive measures are a side-effects of their application, since the main purpose of such measures is to prevent possible harmful effects of an unlawful act or emergency, or to terminate an offending offense, or punishment of a person who committed an illegal act. The use of all these measures is always accompanied by restrictions on the rights and freedoms of a person or group of persons. Such restrictions have no relation to the limiting function of law, and therefore will not be considered within the limits of this paragraph.

4. Novikov (2004) notes that the restrictive function of law must be distinguished from other functions of law on the legal and factual grounds, the nature of legal acts of the subjects, means and methods of their implementation, objectives and purposes, as well as general social and legal consequences. With this thesis the author agrees completely, but, as it has been repeatedly noted, M. Novikov(2004) himself often identifies the content of some functions with the meaning of other functions of law. We want to offer the results of comparative analysis of restrictive and punitive functions of law later when the content of the punitive function of administrative and tort law is directly disclosed.

Based on the above-mentioned analysis, we can draw the following conclusion. The restrictive function of administrative and tort law is to maintain the rule of law in the country by imposing prohibitions and other restrictions on socially dangerous relationships.

At the same time, the system of prohibitions contained in the Special Part of the CUAO needs to be improved. Almost all the scientists who are trying to analyze homogeneous administrative offenses draw attention to this fact, since the heads of the Special Part of CUAO are built not for one, but for two or more criteria.

For example, V. Berdnik (2012) , when describing offenses that are entitled to consider administrative commissions, noticed that the heads of the Special part of the CUAO sometimes combine not only one, but two or more general objects of encroachment. For example, Chapter 7 of CUAO combines two general objects of encroachment - public relations in the field of nature conservation and the use of natural resources and public relations in the protection of cultural heritage. The scientist suggests that the legislator did not distinguish between administrative offenses that encroach on social relations in relation to the protection of cultural heritage in a separate chapter, since CUAO provides for only two components of offenses in this area (Articles 92 and 92-1 of the CUAO (Berdnik, 2012)). There should be a single criterion for the construction of prohibitions in the Special Part of CUAO. This is due to the following factors.

Firstly, for convenience of use, ordinary citizens and persons authorized to apply administrative tort standards in their activities. The person who first searches qualifying signs of an administrative offense registered in CUAO will be able to quickly find the required article by excluding the logical thinking. If administrative offenses are posted on the chapters of the Special Part of CUAO on one criterion, then finding one particular specific offense in it will not be difficult.

For example, in CUAO there is an article that provides for administrative responsibility for the sale of tickets to the final matches of the UEFA Champions League or the UEFA Women's Champions League for 2017/2018 season by an unauthorized person. The question arises: "In what chapter of the Special Part of CUAO shall it be searched?"

This article is absent in Chapter 12 of the CUAO, which is called "Administrative Offenses in the Field of Trade, Catering, Services, Finance and Business". It is also absent in Chapter 15 of CUAO "Administrative offenses that violate the established order of management". For unknown reasons, the legislator placed it in Chapter 6 of the Code of

Administrative Offenses “Administrative offenses that infringe on property” (Article 51-3). That is, the classification of administrative mistakes, which was used in the formation of the Special Part of CUAO, was developed in the mid-80's of the twentieth century, and therefore does not correspond to modern realities to the fullest. For thirty years, social life in Ukraine has changed significantly, new social relations have emerged, which did not know about the 80's of the last century. Therefore, it is sometimes difficult for the legislator to determine which heading of the Special Part of the CUAO administrative offense is to be fixed with.

Secondly, the existence of a single criterion for placing prohibitions in CUAO is necessary for the construction of an internally agreed structure of a legal act.

Which structure of the Special Part of CUAO could offered today? We believe that among the headings of the Special Part of CUAO there shall be:

- a chapter devoted to administrative misconduct that encroaches on the personal rights and freedoms of man and citizen. Such a chapter should include, for example, non-payment of alimony (Article 183-1 of CUAO), failure by parents or their substitutes, responsibilities for the upbringing of children (Article 184 of CUAO), violation of the procedure for maintaining the State Register of voters, the procedure for submitting information about voters to the bodies of the State register of voters, election commissions, the procedure for compiling and submitting lists of voters, lists of citizens of Ukraine eligible to participate in the referendum, and the use of such lists (Article 212-7 of the Code of Administrative Offenses), violation of the citizen's right to get acquainted with State Register of Voters, with a list of voters, a list of citizens who have the right to participate in the referendum (Article 212-8 of CUAO);

- the chapter “Administrative offenses in the field of economic activity”. For example, today Chapter 12 of CUAO is called “Administrative Offenses in the Field of Trade, Catering, Services, Finance and Entrepreneurship”;

- the chapter “Administrative offenses against the environment”. For example, today Chapter 7 of the CUAO combines environmental offenses (in the field of nature conservation and the use of natural resources) and infringements on cultural heritage;

- the chapter “Administrative Offenses in Occupational Safety and Health”. The valid CUAO contains a similar chapter (Chapter 5);

- the chapter “Administrative misconduct against traffic safety and operation of transport”. Most of the administrative offenses affecting the safety of traffic and the operation of transport are contained in Chapter 10 “Administrative Offenses in Transport, Railways and Communications”;

- the chapter “Administrative Misconducts in the field of Urban Development”. Today, the most offenses committed in the field of urban planning are contained in Chapter 8 “Administrative Offenses in Industry, Construction and Use of Fuel and Energy Resources”, etc..

The proposed structure of the Special Part of CUAO does not claim to be exceptional, but the modern structure of the Special Part needs revision and improvement, which can only be done by codification of administrative and tort law.

The problem of determining the system of administrative offenses is complicated by the fact that in the Criminal Procedure Code of Ukraine the institute of criminal misconduct was established. Today, there is no consensus among scholars, firstly, regarding the meaningful definition of this concept, and secondly, regarding the ratio of administrative misconduct and criminal misconduct, and thirdly, which of the existing administrative offenses can be recognized as criminal offenses and, on the basis of this, removed from CUAO. Stating against the existence of the institution of criminal offenses in the system of law of Ukraine, we believe that their existence can be significantly affected by the number and content of administrative offenses. These changes will also affect other system-forming categories of administrative law - the subject of administrative and tort law, the content of administrative and tort law, the procedure for bringing to justice, etc., that is, all the important legal phenomena that underlie this study and are still underlying administrative and tort legal regulation.

3. The punitive function of administrative and tort law: the content and features

Let's consider in more detail the content and peculiarities of the implementation of the punitive function of administrative and tort law.

In legal literature, they usually mention the existence of a punitive function in the form of a kind (sub-function) of the guard function of law (Abramov, 2006; Pyrozhkova, 2017; Radko, 2009; Shcherbyna, 2009). In separate scientific works punitive function is distinguished among types of power and preventive functions (Sitar, 2009). Most of the punitive function is said within the science of criminal law, but the representatives of this science were limited only to the study of punitive function as one of the functions of punishment (Zubkov, 2002; Struchkov, 1978; Shargorodsky, 1973). Even in these isolated works, the content of punitive function is revealed in part, that is, without systematic analysis of the content and manifestation of this function in real life.

The discussions of representatives of criminal law, which have been debating for a long time, and they are debating today about the fact that the punishment is a punishment or its content. The former argued that punishment should be understood as judgement the perpetrator of suffering and deprivation (Belyaev, 1963; Karpets, 1973), the latter argued that the punishment was not the purpose of judgement, it is the essence of judgement, since the assertion that punishment is a reason for judgement would mean that punishment is an end in itself (Noah, 1973; Struchkov, 1978). In addition, some representatives of the first group of scholars emphasized that causing the perpetrator of suffering and deprivation is carried out as a rebate for the crime committed by him (Belyaev, 1963). Today, such a radical approach to determining the purpose of punishment is not used in scientific literature, since the use of punishment or judgement should not be construed as retaliation by the state for disobedience.

If today we get acquainted with the provisions of the Criminal Code of Ukraine (2001), then we will notice that the first point of view has won, because Part 2 of Art. 50 of the Code stipulates that the punishment is aimed not only at judgement, but also the correction of convicts, as well as the prevention of the commission of new crimes both by convicted and other persons. If you turn to the provisions of Art. 23 of CUAO, then we will notice that at the time of the adoption of the Code, the second point of view prevailed in science and society. Therefore, today the administrative and tort law stipulates that the administrative penalty is used to educate the person who committed an administrative offense, as well as in order to prevent the commission of new offenses by the perpetrator himself and other persons. Despite this, we are convinced that punishment (judgement) is one of the main purposes of applying administrative penalties.

Let's consider the specifics of the punitive function of law, depending on the goals it achieves, the legal means it involves to achieve the goal, and the result that should come after its implementation.

Firstly, the main purpose of punitive function is to apply to a person legal liability (deprivation of moral, property and organizational nature), which is proportional to the degree and nature of the public danger of the wrongful act committed by him. When describing the purpose of the punitive function of administrative and tort law two important principles of administrative liability should be mentioned – expediency and inevitability. It is these principles that help to understand the peculiarity of the goal pursued by the punitive function of administrative and tort law in the course of its implementation. Thus, the principle of expediency of administrative liability requires the correspondence between the chosen measure of influence on the offender and the degree and nature of the public danger of an administrative offense. The principle of inevitability of administrative liability implies the inevitability of administrative liability for a person who committed an administrative offense. The inevitability of administrative liability largely depends on the established work of law enforcement agencies and the professionalism of employees who are empowered to bring to justice and apply sanctions. An administrative offense, which the state has not reacted, causes serious damage to the rule of law. After all, the impunity of the offender encourages him to commit new offenses and gives a negative example to other volatile individuals (Mykolenko, 2010).

Secondly, the legal means for the implementation of the criminal function of administrative and tort law are administrative penalties. The system of administrative penalties today needs improvement, but unfortunately, a number of ways of such improvement are presented in scientific works and bills - from the abandonment of only two types of administrative penalties (warning and fine) in this system to a significant expansion of the list of penalties, among which it is proposed to foresee, for example, cancellation of a license for a certain type of economic activity, cancellation of a certificate (certificate), prohibition of a political party, forcible dissolution (liquidation) of unions of citizens, etc.

Over the past ten years, the system of administrative penalties has been supplemented with new sanctions - public works (2008), penalty points (2015), deprivation of the right to occupy certain positions or engage in certain activities (2015), arrest with detention at guardhouse (2015), publicly useful works (2017). As it could be seen, the system of administrative charges is dynamic. This suggests that legislators and academics are in search of a “perfect” system of administrative responsibility measures that would generally contribute to counteracting unlawful acts in our society. It is also amazing that the system does not remove the charges that have long been outdated and do not correspond to the realities of the present. It is a question of the paid extraction of an item that became either an instrument of committing or the direct object of an administrative offense and corrective labor.

For example, the content of the payment for the removal of an object consists of three interdependent actions: a) the forced removal of an object from the offender; b) implementation of this subject in a specially established order; c) transfer of the proceeds to the former owner, with the exception of expenses for the implementation of the seized object. The mechanism of realization of this administrative penalty is such that it has a minimum of criminal, educational and preventive value, but creates additional conditions for corruption schemes and abuses by the state authorities involved in the procedure for the implementation of the paid extraction of the subject.

In the mid-80s, when CUAO was adopted, it was anticipated that corrective labor would be one of the rigorous administrative penalties. After all, it is imposed on persons who committed administrative offenses with an increased level of social danger, and consists of a long-term coercive influence on the material interests of the offender and the educational effect of the labor collective. For example, today corrective labor is foreseen for committing minor abduction of someone else's property (Article 51 of CUAO), petty hooliganism (Article 173 of CUAO), the dissemination of false rumors (Article 173-1 of CUAO), malicious disobedience to the lawful order or the requirement of a policeman, a member of the public formation of protection of public order and state border, serviceman (Article 185 of CUAO), public appeals for non-fulfillment of the requirements of the police officer or officer of the Military Service of Law and Order in the Armed Forces of Ukraine (Article 185-7 of CUAO) and other unlawful acts. At the same time, firstly, there are significant restrictions on the application of this penalty, since in Ukraine a large proportion of the unemployed and incapable, and secondly, the correctional work lost the social significance that had in the Soviet period, when simultaneously influenced the moral sphere the offender on the part of the labor collective and on its financial sphere by the state.

At the same time, different legal opinions can be found in the legal literature on the development of the system of administrative fines in Ukraine. For example, O. Dulina(2015) believes that the system of administrative fines in the current legislation of Ukraine on administrative responsibility should be, firstly, diversified, that is to say, contain so many administrative penalties that would give an opportunity to alternative choice for

administrative authorities, and secondly, the size or the term of administrative penalty must correspond to the degree of public danger of an unlawful act (Dulina, 2015).

Partly we agree with this statement, since the actual existence of an alternative demonstrates the flexibility of administrative and tort law, which, with the help of a large range of legal means, reaches its goals, one of which is the punishment of the offender. But today, Art. 24 of CUAO fixes an overly ramped system of penalties, which effectiveness in achieving the goals of administrative and tort law regulation sometimes reduces to zero. It is:

1) warning (which is provided in separate articles of the Special Part of CUAO, and hence its application is minimized);

2) fine (which is the most widespread and effective penalty today);

3) penalty points (which have not got their distribution and the effectiveness of which can be discussed only after a large-scale introduction into law enforcement of technical means for fixing offenses);

4) a charge for the removal of an object that became an instrument of committing or a direct object of an administrative offense (the legislator attempts to unsuccessfully rehabilitate this recovery of Soviet times, but it has exhausted all its criminal and educational opportunities);

5) confiscation: an object that became an instrument of committing or a direct object of an administrative offense; money received as a result of the commission of an administrative offense (has areas where it is widely and effectively applied, but in practice those authorized bodies are often abusing this penalty, which grossly violates the rights and freedoms of person and citizen);

6) deprivation of the special right granted to the citizen in the form of deprivation of the right to drive vehicles or the right to hunt (this is a sufficiently effective legal remedy for administrative and tort law, since it not only punishes the offender, but also carries out a preventive influence on behavior);

7) deprivation of the right to occupy certain positions or engage in certain activities (this is a new charge for administrative and tort law, and the relevance of its attachment to CUAO is questionable);

8) public works (the levy, which is quite widespread and effective in European countries, has not yet become widespread and effective in Ukraine due to the lack of clear mechanisms for its implementation);

9) correctional works (this charge has lost its relevance for administrative and tort law in the 90's of the last century, but the legislator leaves it in the system of administrative penalties);

10) socially useful work (is new for the system of administrative penalties, and therefore about its effectiveness to speak in advance);

11) administrative arrest (if petty hooliganism and similar administrative offenses with an increased degree of public danger remain within the limits of administrative and tort law, then administrative arrest should be left in the system of administrative penalties);

12) arrest with detention at the guardhouse (the presence of a specific group of offenses in the CUAO, namely, military offenses, requires the availability of specific means of responding to their commission).

In general, this problem deserves consideration within the framework of separate research work. At the same time, the above analysis allows us to conclude that the following administrative penalties are effective only if they are fully in line with the principle of observance of human and civil rights and freedoms: 1) a fine; 2) deprivation of the special right granted to the given citizen (rights of driving vehicles, rights of hunting); 3) administrative arrest; 4) arrest with detention at the guardhouse.

In this regard, the opinion of O. Stukalenko (2008) is right, which states that in order to improve the system of administrative penalties in the field of land relations, it is necessary to:

- review the current system of administrative charges, removing from it those ones, the actual possibility of application of which is absent at all today, and replace them with charges, the application of which will be really effective;

- revise and harmonize with the requirements of present-day property of administrative penalties that have existed for a long time and which will continue to have a predominant role (for example, to unify the method of determining the size of administrative fines, to reconsider their size in the context of reducing the material well-being of the population), (Stukalenko, 2008).

Thus, the system of administrative penalties is characterized by tendencies towards the constant expansion of its arsenal and is not characterized by tendencies for optimization of existing administrative sanctions, although there are all necessary preconditions for this.

When characterizing the measures of the punitive function of administrative and tort law, we want to draw attention to one more aspect. For example, L. Bagriy-Shakhmatov, in describing the functions of the criminal law, notes that punitive function is not only in the implementation of punishment, but also other criminal and law measures (Bagriy-Shakhmatov, 1996). These are compulsory measures of a medical nature, special confiscation and compulsory measures of educational nature.

That is, L. Bagriy-Shakhmatov (1996) refers not only to punishment to legal measures for the implementation of the punitive function of the criminal law, but also other criminal coercive measures that apply to offenders.

If we turn to the provisions of CUAO, then we will notice that such coercive measures are also provided for in the administrative and tort law. These are measures of influence applicable to minors (Article 24-1 of CUAO), referral to the program for a person who committed domestic violence or gender-based violence (Article 39-1 of CUAO), as

well as imposing on the offender a duty to compensate the caused property damage (Article 40 of CUAO). At the same time, the main objective of consolidation of measures in the administrative and tort law envisaged by Articles 24-1 and 39-1 of the Code of Administrative Offenses and the main purpose of their implementation is to educate individuals in the spirit of precise and steady observance of the Constitution and laws of Ukraine, respect for rights, honor and the dignity of other citizens, to the rules of cohabitation, diligent fulfillment of their duties and responsibility to society. Therefore, it is appropriate to consider these measures in the context of disclosing the contents of the educational function of administrative and tort law. The main purpose of consolidation in the administrative and tort legislation of the measure provided for in Article 40 of CUAO, and the main purpose of its implementation, is the compensation for damage caused by the commission of an administrative offense. Therefore, this measure should be considered in the context of disclosing the content of the compensation function of administrative and tort law.

Y. Pyrozhkova, offers a controversial definition of the punitive function of administrative law. He believes that punitive function is manifested, firstly, in the establishment of sanctions for administrative offenses, and secondly, in the strict definition of administrative and legal prohibitions, and thirdly, in the prescribed guarding legal facts, etc. (Pyrozhkova, 2017). We agree that the punitive function has its featuring in the establishment of sanctions for administrative offenses, and if we recognize the fact that administrative sanctions, which apply to legal entities, are also measures of administrative responsibility. If, however, it is confined exclusively to the provisions of the CUAO, the punitive function is featured solely in the establishment of administrative penalties, whereas other sanctions provided by the CUAO do not have any relation to it (Articles 24-1, 39-1 and 40 of CUAO). Prohibitions, as already emphasized above, are means of implementing a restrictive function and they need not to be included in the content of the punitive function of administrative and tort law.

Thirdly, the consequence of the implementation of the punitive function of administrative and tort law is the fact that the offender felt the force of state coercion and was or is under administrative punishment. For example, O. Krevsun (2016), when describing the punitive function of punishment, notes that its implementation is closely connected with the fact that the court appointed a certain type of punishment and its immediate occupation, since by imposing punishment on the perpetrator, the state thereby punishes him for a committed act.

Based on the above analysis, we can draw the following conclusion. The punitive function of administrative and tort law is the establishment of a system of administrative penalties, as well as their application to a person who committed an administrative offense, in such a way that the imposed administrative penalty corresponded to the degree and nature of the public danger of an offender committed by a person.

Conclusions.

It is substantiated that the functions of administrative and tort law, which reveal the specifics of its legal regulation, include: constitutional, restrictive, preventive, punitive, compensatory, restorative, procedural and educational function. It was established that the restrictive function of administrative and tort law is to preserve the rule of law in the country by imposing prohibitions and other restrictions on socially dangerous relations.

It is proved that the punitive function of administrative and tort law is to establish a system of administrative penalties, as well as their application to the person who committed an administrative offense, in such a way that the imposed administrative penalty corresponds to the degree and nature of the public danger of the wrongful act committed by him. To the legal means of punitive function of law one should include the system of administrative penalties, provided by the current legislation. It is emphasized that the difference of the restrictive function from the punitive function of the law is in the following:

- the purpose of restrictive function is to remove socially dangerous relationships from practice by imposing prohibitions and other restrictions, while the purpose of a punitive function is to apply to a person legal liability (deprivation of moral, property and organizational nature), which is proportional to the degree and nature of the public danger of the wrongful act committed by it;

- legal means of implementation restrictive functions are prohibitions and other restrictions, while measures for the implementation of punitive functions are measures of legal liability (penalties and other sanctions);

- consequence of the implementation of the restrictive function is to maintain the way of detaining persons from unlawful acts (the regime of law and order), whereas the consequence of the implementation of a punitive function is the fact that the offender felt the force of state coercion and was or is legally responsible.

References.

Abramov, A.I. (2006). The concept of the functions of law. *Zhurnal rossiyskogo prava*. 2 (110) [in Russian].

Bagriy-Shakhmatov, L.V. (1996). Social and legal problems of criminal responsibility and forms of its implementation. General part: Course of lectures. Odessa: BAHVA [in Russian].

Belyaev, N.A (1963). The goals of punishment and the means of their achievement in corrective-labor institutions. Leningrad: Leningrad University Press [in Russian].

Berdnik, V.S. (2012). Jurisdictional activity of administrative commissions (material and procedural aspects). Candidate's thesis. Zaporozhye: ZNU [in Ukrainian].

Borisov, V.V., Vitruk, N.V., Granat, N.L., Marchenko, M.N. (Ed.) et al. (2002). General Theory of State and Law. (Vol. 2). (2nd ed., rev.). Moscow: Zertsalo-M [in Russian].

- Dulina, O.V. (2015). Subjects of administrative responsibility for offenses in the field of land relations Candidate's thesis. Zaporozhye: ZNU [in Ukrainian].
- Gafurova, G.D. (2004). Warning start of Russian criminal law. Candidate's thesis. Kazan [in Russian].
- Karpets, I.I. (1973). Punishment. Social, legal and criminological problems. Moscow: Legal Literature [in Russian].
- Krevsun, O.M. (2016). Punishment for a crime. *Yurydychnyy visnyk Ukrayiny*. 34 (1102) [in Ukrainian].
- Mykolenko, O.I. (2010). Administrative process and administrative responsibility: tutorial. Kharkiv: Odyssey [in Ukrainian].
- Noah, I.S. (1973). The essence and functions of criminal punishment in the Soviet state. Political and legal research. Saratov: Saratov University Press [in Russian].
- Novikov, M.V. (2004). The restrictive function of law and its implementation in Russian legislation. Candidate's thesis. Vladimir. Retrieved from: <http://www.dslib.net/teoria-prava/ogranichitelnaja-funkcija-prava-i-ee-realizacija-v-rossijskom-zakonodatelstve.html> [in Russian].
- Oczytsia, A.S. (2008). Security Function of Criminal Law: *Aktual'ni problemy derzhavy i prava*. 44 [in Ukrainian].
- Popovich, V.M. (2015). State and Law Theory: Concept, Practicology and Methodology of Development. Kyiv: Yurinkom Inter [in Ukrainian].
- Pyrozhkova, Yu.V. (2017). The theory of functions of administrative law. Doctor's thesis. Zaporozhye: ZNU [in Ukrainian].
- Radko, T.N. (2009). Theory of State and Law. (2rd ed., rev.). Moscow: Prospect [in Russian].
- Shargorodsky, M.D. (1973). Punishment, its purpose and effectiveness. Leningrad: Leningrad University Press [in Russian].
- Shcherbyna, V.I. (2009). Functions of labor law. Extended abstract of doctor's thesis. Kharkiv [in Ukrainian].
- Sitar, I.M. (2009). Ontological Functions of Law Lviv: LDUVS [in Ukrainian].
- Struchkov, N.A. (1978). Criminal liability and its implementation in the fight against crime. Saratov: Saratov University Press [in Russian].
- Stukalenko, O.V. (2008). Administrative liability for violations of land legislation (material and procedural aspect). Candidate's thesis. Dnipropetrovsk: DDUVS [in Ukrainian].
- Zubkov, V.I. (2002). Criminal punishment and its social role: theory and practice. Moscow: NORMA [in Russian].

Mariia Plotnikova

PhD in Law,

Sumy State University,

Sumy, Ukraine

orcid.org/0000-0002-6330-0874

CONCEPTUAL PRINCIPLES OF STATE MONITORING IMPLEMENTATION IN THE FIELD OF MONETARY CIRCULATION IN UKRAINE

***Abstract.** Effective organization of the country's monetary circulation contributes to the development of economic relations, ensures the proper existence of public funds. The provision of control for the settlement and payment discipline by all subjects of monetary relations is an integral element of state influence on monetary circulation sphere. The study defined the conceptual framework for the implementation of state control in the sphere of monetary circulation. First, the tendency to meet public interest, the inherent features of financial control, the need to adhere to the principles of reasonableness, adequacy, and adequacy of control powers of controlling entities during the organization of financial control system in the country are defined. The organizational complexity of the financial control system in the sphere of monetary circulation is conditioned by the fact that the object of control makes a wide range of social relations. It is expedient to establish the principles and procedures for carrying out measurement control by the authorities, which will promote the protection of the rights and interests of controlled entities for more effective control over money circulation.*

JEL Classification: K23

Introduction.

The implementation of state control over observance of established rules is a prerequisite for state influence. Therefore, it is important to ensure the functioning of an effective control system. Therefore, it is necessary to carry out an analysis of the existing system, determine its adequacy to the existing conditions in detail. Relations in the field of monetary circulation are regulated by the financial and legal rules defining the rules for the circulation of cash and cashless funds, which is due to the protection of the interests of society as a whole. In order to monitor compliance with these rules, the relevant entities are empowered by the controlling nature. It becomes an instrument for ensuring the monetary circulation function for the state-of stable economy.

The cash sector limitation respectively reduces the shadowing of the economy. Control over the implementation of cash payments ensures the formation of subjects of payment discipline. The use of the financial system for the proceeds' legalization, got in criminal ways, requires continuous monitoring of cash flow, which, at the same time, should not hinder the economic relations of economic entities. Risky operations of financial institutions can create new threats to the financial stability of the country, as well as it can damage the interests of clients, who trust them their funds. The application of information and communication technologies in the financial sphere creates new challenges for the controlling bodies and leads to the creation of new forms of control activity. The sphere of monetary relations is constantly being complicated in order to meet the current needs of the economy. There are new opportunities in order to circumvent established rules, which can negatively affect economic processes.

Therefore, the organization of monetary control needs constant improvement. Mentioned above shows that the analysis of the system of state control in the sphere of monetary circulation, the definition of goals, tasks and principles of its implementation are currently relevant.

A sufficient number of works of Ukrainian scholars in the field of administrative law are devoted to the general principles of the state control organization. The principles of organization of state financial control are determined in financial and legal sciences. However, the scope of cash and cashless settlements has its own specifics in organizing control actions in comparison with budgetary or tax relations. Therefore, it requires special separate studies. The mentioned issues are underestimated in the Ukrainian legal literature, although the powers of the tax authorities, the central bank, or entities of financial monitoring are studied separately. Proposals of improvement of their legal status are made as well. Therefore, the purpose of the study is to determine the conceptual framework for the implementation of state control in the field of monetary circulation in Ukraine.

1. Monetary circulation scope as an object of subjects' control activity of authorities

The legacy influence on social relations is carried out in order to direct one or another sphere to the interests of society. The purpose of legal regulation in the financial sphere is primarily to ensure the effective functioning of the state due to the uninterrupted formation of public funds, their effective and targeted spending. The formation and the use of public funds, both, require the movement of funds, for which the state organizes money circulation. Alisov Ye.O. (2006) defines monetary circulation as "a continuous movement of money in the performance of their functions in cash and cashless forms, which serves the sale of goods, as well as non-customary payments and calculations in the economy" (p. 367). It should be noted that the sphere of, both, cash and non-cash circulation objectively requires regulation, including the establishment of the status of national and foreign currencies, the definition of forms of organization of money circulation, rules for the implementation of cash and cashless payments, the possibility of applying information and communication technologies for the implementation of calculations, etc. .

According to Article 92 of the Constitution of Ukraine the bases of creation and functioning of financial, monetary, credit and investment markets; the status of the national currency, as well as the status of foreign currencies on the territory of Ukraine; are established exclusively by the laws of Ukraine. That is, the Verkhovna Rada carries out general regulation of the sphere of money circulation, adopting laws on the specified issues. The authorities have the power to regulate in this area the central bank of the country granted in accordance with the Law of Ukraine "On the National Bank of Ukraine".

The National Bank of Ukraine has the right to monopolize the issuance of the national currency of Ukraine and organize cash circulation, the right to regulate payment orders and payment systems in Ukraine, the right to determine the order and forms of payments, including payments between banks, among other functions as well. (Article 7 of the Law of Ukraine "On the National Bank of Ukraine").

The National Bank of Ukraine, as a special government body, has the regulatory functions specified for the implementation of state influence on the redistributive relations in the country, and, accordingly, ensuring its economic development, in which the whole society is interested. Each individual citizen or business entity needs to be able to make cash or cashless settlements in order to meet their private interests. Therefore, the state delegates the relevant competences to authorities in order to determine the rules for their implementation and monitor their compliance. As it is stated by O.F. Andriyko (2010), the state, which is the protector of the interests of any person, is one of the main actors in exercising control functions in a society. Actually, in order to meet public interest in the financial sphere, there is a need to exercise due control over the subjects of settlement legal relations.

The boundaries of exercising control functions of the correspondent state bodies, empowered to exercise control over the conduct of cash and cashless settlements by individuals, should be clearly defined. The actions of controlling entities may affect the possibility of realizing the rights and legitimate interests of private entities. Describing the public interest as a starting point for the structuring of the financial system, D. Bilinskyi (2013) states that the presence of public interest is the reason for the regulation of relations in the sphere of monetary circulation, which makes economic relations turn into financial legal relations. Therefore, the scope of control liabilities of the subjects of power should be conditioned by the content of public interest in this area.

Having investigated the importance of public interest for financial law, D. O. Hetmantsev (2011) mentions: “the state uses money as a factor for coordinating each individual or corporate interest with national interests at the present stage of development of society.” At the same time, the controlling role of the state should be directed to support stability and ensuring the development of the national economy. The scientist states that the establishment of a balance of private and public interests in the financial sector must be based on such requirements. First of all, the provisions of financial legislation related to restrictions of rights and legitimate interests should be adequate, proportionate, necessary, and consistent with the objectives of the constraints recognized by the Constitution.

Restrictions must also be fair. They can not have retroactive effect. They can be allowed, only if allow constitutional norms to establish restrictions on the rights and legitimate interests of individuals, while the regulation of a particular sphere, including financial ones should not infringe upon the essence of the law enshrined in the Constitution or legal interest. These principles are crucial for the formation of the content of control activities of the subjects of power in the sphere of money circulation. The monetary funds of a physical person belong to the property of this person. Person’s right to dispose of this property is indisputable. The right to property is guaranteed by Art. 1 of the First Protocol to the Convention for the Protection of Human Rights and Fundamental Freedoms. However, in the same article it is allowed to restrict the right to peaceful possession of property. In particular, Part 2 of this article establishes that the right to property does not restrict the right of the state to enact such laws as it considers necessary to exercise control over the use

of property in accordance with common interests or to secure payment of taxes or other duties or fines . Thus, the delegating of control credentials to State Bodies can not be considered a violation of this right, if herein this is a general interest or a guarantee of payment of taxes. First of all, protection of the rights of subjects of legal settlement of the possible violations, in our opinion, creates a common interest-to ensure the correctness and safety of the turnover of cash and cashless funds. It must be agreed with T. M. Yamnenko (2014) that the value of financial control of monetary circulation is that it is an integral component of the state's financial activities due to the need to ensure the circulation of banknotes to ensure that public needs. A. Banchuk (2011) defines the interest, which is the basis of public relations, as "the desire to provide benefits that have a popular weight, that is good, which is important not one individual, but for a significant number of people" (p.147).

The scientist demands the guarantee of national security, sovereignty as an example of the interests of the state, which is a kind of public interest. Faiura N. D., Bodnar N. A (2011) note that "the stability of the financial system and national economy is directly related to the stability of the settlement system" (p. 373). Therefore, the effective functioning of cashless payments is one of the factors that ensure the development of the economy. Moreover, society should be interested in the fact that the subjects of legal settlement should adhere to the established procedure of their implementation. In addition to protecting the rights of participants in the estimated relationship, the shared interest lies in the observance of rules of making of cash transactions by taxpayers. This is what will ensure all accounting transactions of a business entity and, accordingly, guarantee the payment of taxes in full. As A. K. Getman (2016) points it out, the essence of fiscal function of the tax is a tool, which creates public funds in order to provide the economic basis for the functioning of the state. Thus, the fiscal interest of the state, which is a part of the public interest, must accumulate all funds to the budget, where the payment is provided by the tax legislation for the possibilities to carry out public expenditures.

Therefore, public interest requires the imposition of control over the sphere of monetary circulation and it focuses on ,both, cash and non-cash forms. Researching state monitoring of cash and noncash payments, it should be mentioned about its financial focus. Alisov Ye.O. (2006), considering problems of legal regulation of monetary circulation in Ukraine, has to the right conclusion that social relations are a form of financial relations in the sphere of monetary circulation. Therefore, cash turnover, itself, is the object of financial legal regulation. The activities of authorized state bodies for monitoring the correctness of the performance of certain obligations by the participants in settlement legal relationships is one type of financial control. The issue of effective financial control has received considerable attention in financial literature. His concept is not equally determined, although the common signs are always present. Nahrebelnyi, Chernadchuk, Sukhonos(2004) indicate that financial control, in the general understanding, is to "monitor the actual financial performance of legal entities and compare of financial performance with the standard-specific indicators".

According to another approach, the content of this activity is defined as a special form of state control, aimed at detection of violations of law, fiscal discipline and expediency in the formation, distribution and use of state and municipal monetary funds" (Voronov, 2009, p. 94). Muzyka-Stefanchuk O.A. (2007) considers "the bodies of state power, bodies of local self-government, enterprises, institutions, organizations, public associations irrespective of patterns of ownership and other subjects" to the subjects of financial control.

She considers their active direction as "test of the timeliness and accuracy of funds' receipt to the Bank and other funds, to correctness and efficiency of their use" (p.49). Savchenko L. A. (2008) expresses a similar position, describing the financial control activity of the corresponding list of regulatory bodies, including, both, state and non-state organizations and entities, including individuals, the purpose of whom is to "ensure the rule of law, fiscal discipline and efficiency in the mobilization, allocation and use of financial resources" (p.43). Defining the concept of "financial control", Orliuk O. P. also considers it as relevant activities of such entities. His opinion is defined differently. It is defined as "the rule of law, fiscal discipline, and rationality in the implementation of public financial activities of the state. It could be expressed as mobilization, allocation and use of public funds in order to perform the tasks and functions of the state and territorial communities, and effective social and economic development of all subjects of financial relations".

Thus, the financial control is characterized as the activities of the relevant actors, empowered with the Supervisory authority, and its focus is limited by the financial activities of the state. Therefore, the definition of financial control depends on the characteristics of financial activities. Any approach to understanding the essence of financial control, however, means that monetary circulation serves the process of gathering, distribution and use of state and municipal funds. It is also included in the contents of activity of bodies of financial control. Having explored the forms of supervision in the sphere of monetary circulation, Mykhalskyi Yu. A. (2016) found that they are "represented by all the traditional forms of financial control (preliminary, current and subsequent). Financial monitoring is a special form of control of currency circulation " (p. 72). The various tasks of the financial control bodies define different forms of its implementation.

The provisions of the Law of Ukraine "On payment systems and transfers of the funds in Ukraine" provides, that the rules of the payment system shall be agreed with the National Bank of Ukraine. In addition, the procedure of the payment system regulation approval by the National Bank embodied in the Resolution of Board of National Bank of Ukraine "On approval of Regulations on order of registration of payment systems, payment system participants and operators of payment infrastructure services". During the Regulation approval the national Bank of Ukraine checks them for compliance with the law of Ukraine on payment systems and funds transfer. It carries out a preliminary control of the entity, which will carry out the calculations.

According to Article 15 of the Law of Ukraine "On the application of registrars of settlement operations in sphere of trade, public catering and services" the control of observance by individuals about the payment procedure for goods (services), other requirements to this Law, the Bodies of Revenues and Accumulations provide the control in accordance with the Tax Code of Ukraine by conducting a factual and documentary checks. Therefore, in this case, the State fiscal service carries out the subsequent financial control.

The implementation of obligatory financial monitoring according to the Law of Ukraine "On prevention and counteraction to legalization of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction" provides for continuous monitoring of financial transactions that fall under the characteristics defined in Article 15 of the Act. It is generally accepted that financial control must contribute to fiscal discipline of all participants of financial relations. Voronova L. K. (2009) defines financial discipline as "strict adherence to fixed law regulations, governing the procedure of formation, distribution and use of public funds of funds" (p. 94). Elaborated on the concept of financial discipline in the sphere of money circulation, it may be noted that it is a strict adherence to the subjects of legal settlement rules and exercise of cash and cashless payments. Such as activities of regulated entities can be called a design discipline. Thus, the relations in the sphere of monetary circulation is not only an object of legal regulation, but also the object of the control activities of the relevant authorities, which are endowed with power to exercise financial control over the subjects of legal settlement for the public well-being. The multiplicity of objectives of the pilot activities and determine the complexity of its organization, because the impact on the activities of economic entities must be justified and sufficient, however, to ensure settlement discipline.

2. General characteristics of financial system control elements in the sphere of monetary circulation

Financial control organization in the sphere of monetary circulation is a challenge to the state because it is necessary to ensure the interaction of different legal status of the subjects in order to minimize the influence on economic processes, ensuring the protection of public interests.

Control activities in the financial sector can be represented as a system, consisting of corresponding elements. This will allow a better understanding how to implement control activities of public authorities in the sphere of monetary circulation. Nahrebelnyi V. P., Chernadchuk V. D., Sukhonos V. V. (2004) define system of financial control through a set of specific elements, which include entity subjects to financial monitoring. They can be divided into two groups: controlling and controlled. They can be divided into object of control and subject of control. Let us consider the financial control in the sphere of monetary circulation, characterizing the specified items.

Controlling subjects are given control powers in the field of cash and cashless circulation of controlled entities. Analyzing the existing legislation in the sphere of

monetary circulation, especially the Law of Ukraine "On the National Bank of Ukraine", Law of Ukraine "On banks and banking activity", Law of Ukraine "On payment systems and transferring funds in Ukraine", Law of Ukraine "About application of registrars of settlement operations in sphere of trade, public catering and services", Law of Ukraine "On prevention and counteraction to legalization of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction", the Law of Ukraine "On the Accounting Chamber", The Presidential Decree "About application of penalties for violations of the rules for regulation of circulation of cash" and others, you can define entities with the authority to exercise financial control in this area. They include the National Bank of Ukraine, the State Fiscal Service of Ukraine, the State Audit Office of Ukraine, the Accounting Chamber of Ukraine, and entities of state financial monitoring.

On the basis of this you can make some generalizations. Firstly, the legislator has completely not provided financial justified control powers to one Body, but it was distributed among several subjects.

A wide range of Public Bodies was always responsible for the task of financial monitoring. It is clear that it is not possible to ensure the effective implementation of financial control on the use of budget funds and extra-budgetary trust funds, full payment of taxes and control the correctness of cashless payments and etc. Moreover, this thesis is valid not only for financial control as a whole, but also for individual areas of its implementation. According to Article 17 of the Budget Code of Ukraine the Accounting Chamber, the Ministry of Finance, the State Treasury Service, the State Audit Department are authorized to exercise budgetary control. Accordingly, the authority to exercise control in the sphere of cash and cashless monetary circulation is also charged with not one subject, which gives you the possibility to cover all stages of the cash flow and ensure the rule of law and fiscal discipline.

Secondly, the financial control is carried out only by State Bodies and institutions, which are obliged to implement measures of state financial control in the manner prescribed by the relevant legislation. Savchenko L. A. (2008) defines bossy character as a specific feature of the state financial control. The scientist explains that "one side of the control legal relationship with the authority, regarding implementation of the relevant actions, the other party shall not preclude the control of action and facilitate the proper implementation of the rights of the controlling entity" (p.132).

Thus, the constituent entities, authorised to exercise financial control in the sphere of monetary circulation, carry on their activities in such a way. Therefore, we should speak about state financial control. This means that the controlling entity is obliged to carry out activities of financial control according to the method and the procedure defined by Ukrainian legislation. It is the value of monetary turnover for the state, the development of its economy determines the power of the origin and obligation of the control action in this area.

Andriiko O. F. (2010) includes implementation of the authorized state bodies, normative consolidation of controlling authority, which must be carried out in One Act of General Powers of the controlling entity, to the legal foundations of state control. This feature of the legislation, which determines the order of activities and powers of Regulatory Bodies in the financial sphere, should be noted as the lack of uniform basic law, which contained provisions on the content, tasks, powers and procedure of implementation. In Ukraine the need for the adoption of the law "On financial control" has been discussed in the literature, devoted to the problems of financial law. The feasibility of development and adoption of such a law appears due to the need to regulate the control of production, to extend the scope of protection of the rights of regulated entities, which will ensure that the principles of good governance in this area.

Banks, entities, providing financial services, which receive cash in payments for goods, work, services, are the second party of legal control relations in the sphere of money circulation. We should agree with Andriiko O. F. (2010) that "the control cannot be a panacea for solving all problems and a full control under all conditions is a manifestation of democratic governance" (p. 236). That is why it is quite reasonable that the control in the sphere of monetary circulation is carried out over the activities of one subject of legal settlement, the entity that receives the cash or an entity providing financial services.

The object of financial control in the sphere of monetary circulation is an activity of participants of settlement legal relationship, connected with transfer of funds, and the receipt of cash in payments for goods, works, and services. The financial control in this area is focused on the activities of regulated entities, which are obliged to observe the rules of performing operations with monetary funds. In accordance with this the observance of the procedure and procedures for making cash and cashless payments, in particular, not exceeding the limit of cash, cash proceeds, making settlements using electronic payment facilities, the order of conducting the transfer, etc. is the subject of financial control in the field of money circulation.

The power of the National Bank, regarding the organization of money flow, is defined in Article 33 of the Law of Ukraine "On the National Bank of Ukraine". In order to ensure the organization with cash circulation, the National Bank of Ukraine, in particular, provides the definition of rules for the issuance, handling, saving, collection, transportation, withdrawal from circulation and destruction of cash; determination of the order of conducting cash transactions for banks. The National Bank of Ukraine also provides other financial institutions, enterprises, and organizations with cash circulation. It defines the requirements for the technical condition and organization of security of premises of banks, their separate subdivisions, as well as non-Bank financial institutions and postal operators that have received a license from the National Bank on currency transactions. If they are licensed, it allows them to transfer funds without opening an account. The order of cash payments is determined by the Resolution of Board of National Bank of Ukraine "On approval of Regulations on conducting cash transactions in national currency in Ukraine". Certain provisions on the exercise of cash-settlement transactions are determined by the Law of Ukraine "About application of registrars of settlement operations in sphere of trade, public catering and services."

Streliański V. I. (2010) related transactions of the taxpayer, as well as the actual remnants of that documented to the subject of control activity of tax authorities compliance with the order of cash payments; the availability of the necessary special permits for entrepreneurial activities.

It is necessary to apply to the content of Article 40 of the Law of Ukraine "On the National Bank of Ukraine" in order to determine subject control in the sphere of cashless payments. The bank is authorized to establish rules, forms and standards of settlements of the banks and other legal entities and individuals in the economic circulation of Ukraine with the use of both, paper and electronic documents, as well as payment instruments and cash, to coordinate organization of the settlements, to give permissions for clearing operations and settlements.

The relevant provisions are contained in the Resolution of Board of National Bank of Ukraine "On approval of the Instruction about clearing settlements in Ukraine in national currency". The Resolution of Board of National Bank of Ukraine "On approval of the Regulations on the procedure of conducting inspections regarding compliance with the objects of oversight requirements of the legislation of Ukraine on activities of payment systems in Ukraine" and others contain the relevant provisions too. In addition, general requirements regarding the rules of transfer are determined by the law of Ukraine "On payment systems and transferring of the funds in Ukraine."

Determining the place of the state financial control in the financial control system of monetary circulation, T. M., Yamnenko (2014) notes that the state financial control of monetary circulation "focuses not only on the issue (emission) of money, control their future cash and non-cash turnover, but also through the implementation of financial monitoring" (p. 238). In accordance with Article 1 of the Act financial monitoring is defined as a set of activities, which are performed by subjects of financial monitoring in the sphere of prevention and counteraction to legalization of proceeds from crime. Financing of terrorism and financing of proliferation of weapons of mass destruction, which include the state financial monitoring and initial financial monitoring, are also defined as a set of activities. The implementation of financial monitoring involves the participation of the public sector and initial financial monitoring and is a separate form of financial control in the sphere of monetary circulation. The subject of this financial control direction in are transactions of individuals, who receive services from the entities of initial financial monitoring.

Conclusions.

To sum it up, it should be noted that the financial control is regulated by legal norms of activities of authorized bodies for verification of compliance with payment discipline of banks, payment systems, and business entities. They carry out settlement operations in cash or cashless form in the sphere of trade, public catering, and services in the sphere of cash and cashless monetary circulation.

Settlement and payment discipline is a strict adherence to the subjects of legal settlement rules and exercise of cash and cashless payments for the sphere of money circulation. It is necessary to provide financial control in the sphere of cash and cashless monetary circulation due to the need to ensure public interest. It means to provide a stable and well-functioning system of cashless payments, to record all transactions with the purpose of correct determination of tax obligations of taxpayers as well as preventing and countering the legalization of income obtained by criminal means. Specified above determines the overall objective of financial control in this area. The task of financial control in the sphere of monetary circulation, in its general sense, is the detection and prevention of violations of the exercise of cash and cashless payments by subjects of legal settlement.

A wide range of relations in the sphere of monetary circulation determines the complexity of the task of financial control in this area. That is why a great number of entities with the authority to exercise financial control in the financial sphere is quite numerous. The national Bank of Ukraine, the State Fiscal Service of Ukraine, the State Auditing Service of Ukraine, the Accounting Chamber of Ukraine are the subjects of state financial monitoring, because it allows to consider features of the different activities of controlled entities. However, there is the problem of the adoption of the law "On financial control", which should provide standardized rules relating to the exercise of the control of action, fixation of violations, the procedure for the protection of the rights of regulated entities, which will facilitate the implementation of good governance principles in this area.

Financial control in the sphere of monetary circulation has a domineering character and is implemented as a state financial control. This means that the controlling entity is obliged to implement the measures of financial control and empowered with the appropriate authority to carry out the control action, the controlled entity is obliged to comply with its requirements. The scope of control authority in order to determine the forms, methods and procedure of financial control shall be sufficient for the effective implementation and at the same time adequate in order to effect minimum restriction of the rights and legitimate interests of entities controlled.

References.

Protocol to the Convention for the Protection of Human Rights and Fundamental Freedoms. (1952). Retrieved from http://zakon.rada.gov.ua/laws/show/994_535.

Alisov Ye. (2006). *Problems of legal regulation of monetary circulation in Ukraine*. (Dissertation of Doctor of Law). National Law Academy of Ukraine them. Kharkiv

Andriiko O. F. (2010). The Theoretical Basis of Control and Its Role in Strengthening the Democratic Principles of Public Administration. Averianov V.B., (Ed.), *Democratic Principles of Public Administration and Administrative Law*. (pp. 235-247). Kyiv: Yurydychna dumka.

Bilinskyi D., (2013). Public interest as the starting point for structuring the financial system. *Bulletin of the National Academy of Legal Sciences of Ukraine*, № 3, 157–162.

Budget Code of Ukraine, № 2456-VI. (2010). Verkhovna Rada of Ukraine.

Hetmantsev D.O., (2011). Regarding the importance of public interest for financial law. *Journal of Kyiv University of Law*, № 4, 150–154.

Hetman K. O., (2016). *The legal nature of the fiscal function of the tax*. (Author's dissertation, Candidate of Jurisprudence). ZNU "Zaporizhzhya National University" of the Ministry of Education and Science of Ukraine, Zaporizhzhia.

Mykhalskyi Yu. A., (2016). Forms of realization of financial control in the sphere of money circulation. *Scientific Herald of Kherson State University. Series of Laws*, 2, 70–72.

Muzyka-Stefanchuk O.A., (2007). *Financial law* (3 Ed., ad.l and proc.). Kyiv: Atika.

Nahrebelnyi V. P., Chernadchuk V. D., Sukhonos V. V., (2004). *Finance law. General part*: Sumy: University Book.

Orliuk O. P., (2010). *Фінансове право. Академічний курс*. Київ: Юрінком Інтер.

About banks and banking. Law of Ukraine, № 2121-III. (2000).

About Preventing and Combating the Legalization of the Proceeds from Crime, Terrorist Financing and Financing the Proliferation of Weapons of Mass Destruction. (2014). The Law of Ukraine № 1702-VII.

About application of settlement transactions in trade, public catering and services registrars. Law of Ukraine. № 265/95-BP. (1995).

About the application of penalties for violating the norms for regulating the circulation of cash. The Presidential Decree. № 436/95. (1995).

About Approval of the Instruction on Cashless Settlements in Ukraine in the National Currency. Resolution of the Board of the National Bank of Ukraine № 22. (2004).

About approval of the Regulations on the procedure for conducting inspections regarding observance of the objects of supervision (over the site) of the requirements of the legislation of Ukraine on the issues of payment systems in Ukraine. Resolution of the Board of the National Bank of Ukraine № 503. (2013).

About Approval of the Regulation on the Procedure for Registration of Payment Systems, Payment System Participants and Payment Infrastructure Operators. Resolution of the Board of the National Bank of Ukraine № 43. (2014).

About the National Bank of Ukraine. (1999). Law of Ukraine № 679-XIV.

About payment systems and money transfer in Ukraine (2001). Law of Ukraine № 2346-III.

About the Accounting Chamber. (2015). Law of Ukraine № 576-VIII.

Savchenko L. A., (2008). *Legal bases of financial control*. Kyiv: Yurinkom Inter.

Strelianyi V. I., (2010). *Legal regulation of current financial control over observance of the order of cash settlement operations*. (Author's dissertation, Candidate of Jurisprudence). Kharkiv National University of Internal Affairs, Kharkiv.

Faiura N., Bodnar N. (2011). *Status and improvement of the system of cashless settlements in Ukraine*. Bulletin of the Chernivtsi Trade and Economic Institute, 2(1), 368–373.

Voronova L. K. (ed.). (2009). *Financial Law of Ukraine*. Kyiv: Legal unity.

Yamnenko T. (2014). The essence, significance and place of state financial control in the financial control of monetary circulation. *Comparative-analytic righ*, 6, 236-240.

Yyuri Kravtsov

*Doctor of philosophical science, Associate Professor,
Professor of the Department of Philosophy and Ukrainian History,
Dniprovsk State Technical University*

Alla Yakunina

*Ph.D. in Historical sciences, Associate Professor,
Associate Professor of the Department of Philosophy and Ukrainian History,
Dniprovsk State Technical University
Dniprovsk, Ukraine*

PHILOSOPHICAL PURPOSE OF SOCIAL COMMUNICATIONS IN THE ASPECTS OF SUSTAINABLE DEVELOPMENT OF MODERN SOCIAL REALITY

***Abstract.** The authors stressed that the transformational processes which take place in the modern Ukrainian society have embrace all spheres of human life, penetrating into its consciousness, everyday life, in the beliefs, breaking the moral principles, ideals, interests, needs, and finally, the whole system of values. The authors think that although the term "transformation", which in Latin "transformatio" is translated as "transformation", "reconstruction", "reforming", signifies a rather calm and peaceful process, in reality it passes, as we all see today, enough soberly, controversially, sometimes with severe consequences both for a particular individual and for society as a whole. The twentieth century was extremely rich in transformations in all spheres of society and in all fields. This was the period of the peak of the industrial society and the birth of a new, post-industrial one. The profound transformation of society is a symbol, a sense of the modern era. In modern literature, this term is used to indicate changes in society over the past two hundred years, bearing in mind transition from traditional society to industrial. The term "transformation" is not just a synonym for the terms "development", "change", "transformation", "modernization" and others, but an independent sociological category of the theory of social development. This category describes the special state of society, which undergoes qualitative changes of social ties forms, types and ways of development. Transformation includes components of modernization, post modernization, traditional retreat. Such a combination of seemingly incompatible processes without the category of "transformation of society" would look eclectic, mechanistic, if the transformation would be considered independently of globalization.*

JEL Classification: A13, D83

Introduction.

Historical research of social reality developed in several directions. Firstly, this is the direction of finding out the problem of the real existence of two social substances, and secondly, the direction of developing an understanding of the methods of constituting social reality. The first direction finds out the problems of the real existence of two social substances: society (object) and a person (subject), and for a long time at an angle of their comparison. These points of view on social reality were called by S. L. Frank as: "universalist" (society in this case is an exhaustive set of inputs in its composition of individuals) and "singularist" (atomistic) - here the only reality is the social atom, that is, a man (Frank, 2012).

1. Historical discourse of communication research in the aspect of nature of social reality

The origin of both beliefs is in Antiquity (VI - I centuries BC), when the essence of the process of information exchange was determined, as well as the main approaches to its study and application were outlined. Thus, the problem began to attract the attention of philosophers and thinkers of Ancient Greece: Demosthenes, Socrates, Aristotle; of Ancient Rome - M. Aurelius, G. Gracchus, M. T. Cicero, M. F. Quintilian etc.

Platon and Aristotle's have social and philosophical features carry universal character. Thus, Plato compares society with the "great man", that is an independent reality and has its own harmony. The state arises, insofar as any citizen is not autarkic and self-sufficient, a man needs help from many others. Plato underlines the dependence on material factors (food, clothing, housing), on the services of those people who must guard and protect the policy from those who can actually power. According to Aristotle, society is not derived from a person, but, on the contrary, a person depends on society. The ideas of "social atomism" (singularism) also found expression in ancient thought, in particular in the views of Epicurus and his school. The state is in fact a relative institution, which arises from the concord of its citizens as this establishment is useful and does not have an absolute value. Epicurus's moral commandments there is an expression that political life does not enrich a person, but moreover, it disorients a person. The ancient philosopher calls to appeal to himself, and not to the crowd. A.V. Khalapsis, the famous Ukrainian philosopher, writes: "In the early stages of the development of society, the creative minority and the ruling minority are almost the same. Sacralization of power takes place not only directly and postulates its divine nature in societies, but also in any kind of totalitarian state, where the ruler, if he does not have a direct divine sanction, possesses supernatural wisdom, etc. (often the "leader" is at the same time a "teacher"; the essence of the case does not change even if the functions of the ruler are performed by the ruling organization)" (Khalapsis, 2008).

Sophists paid much attention to the quality of information exchange. They, along with "intelligence-logos, treated with respect and speech-logos" (Platon.(1986), considering that it is necessary to teach the culture of monologue speech (explanation, induction to feelings, etc.), speeches, conversations, eloquence. They began to study the style as a language category, which in general contributed to the development of grammar (Goncharenko, 1997). According to Sophists, the word not only frees from the chains of animal life, but also helps to build cities, create laws and comprehend art. "The word is the beginning of all actions and all intentions" (quoted in (Gelen, 1998). The theme of the significance of the word finds its development in the writings of Gorgias: "The Word is the greatest master: small and imperceptible, but does wonderful things - can stop fear and sadness, can distract, cause joy, did force pity" (Mid, 1994).

Thus, we see that perfect language proficiency fluency was important for the philosophers of Antiquity, who attached great importance to the ability to debate, thereby creating a priority basis for dialogue as a form of information exchange. The development of this topic we find in Socrates, who based his works on the famous antique dialectic

Zenon of Elea, who laid the foundations of the dialogical form of information exchange in his writings, considered the ability to debated art. He worked with his pupils in the form of a conversation, where there were no teacher and students, but were only those who speak. At the heart of the Socratic heuristic method is the idea that "the teacher must prove the falsehood of the student's ideas, and then bring the pupils to the correct understanding of the truth. There are no enemies in the conversation - they win and become wiser on both sides "(Kuzanskij, 1979). The philosopher divided his method into two parts: irony (the detection of contradictions in the students' reasoning, realising an error) and of the positive part, finding the truth. According to N.P.Volkova, reflection on our own feelings and feelings of Socrates can be defined as actions of a reflexive character in the process of communication. (Volkova, 2015).

Platon, the pupil of Socrates, argued that only knowing the nature of the human soul, you can through the word put your thought, your own view on another, to promote the development of both the body, and, of course, the soul of the pupil. The well-known philosopher of Ancient Greece Democritus, giving preference to a convincing word in the transformation of man, in comparison with pressure and violence, emphasized that the best results would be achieved by those who "go to the person with internal attraction and verbal conviction" (Platon, 1990). The art of transmission and exchange of information has become creative development and was deepened in the writings of famous thinkers of Ancient Rome. Aristotle in the well-known work "Rhetoric" proposed the first general scheme of communication. He wrote that "any exchange of information requires at least three elements: a) a person speaking; b) the language that this person speaks; c) the person who perceives this language "(Aristotle, 1993). That is, for the first time, he proposed a general scheme of communication.

Mark Tuluiy Tsitseron developed his own theory of eloquence, where the philosopher emphasized: "In order to master the ability to speak beautifully and influence the listeners, one needs to be able to encourage people by word, to engage in active creative activity, to know whom, how much, for what purpose and how to say". The adherent of the theory of Ciceron and his pupil was the teacher-orator, Mark Fabi Quintillian, who substantiated his own theory of gestures, facial expressions, posture, movements, control of breathing and voice. A well-known orator stated: "Evidence, of course, can make judges treat our case more favorably than to the cause of our enemy. But feelings are stronger than proof: they will force the judges to make our case better. And what they want, they believe in it " (Volkova, 2015).

Thus, it can be argued that in Ancient Greece the foundations of hermeneutics - the science of communicative understanding - were laid, this science represented the art of interpreting symbols, composition etc. N.V. Volkova believes that studying the experience of the rhythmical heritage of Antiquity allows us to trace the evolution of the problem of pronunciation and exchange of information, to find approaches for organizing the process of communication ((Volkova, 2015).

The Medieval Christian outlook is universal in nature. At the heart of it is the idea of the "City of God" and "Earth city". According to Augustine, two kinds of love generate two cities: love for oneself, up to contempt for God, generates the Earth city; the love for God, up to complete self-oblivion, generates the city of God. The first one exalts itself, the second is God. The first is looking for human glory, the second is aimed at the highest glory of God. God as the supreme reality is the first layer, the second layer of reality is formed by people living with God. Together they form the "city of God".

In the science of modern times (XVII century.), when was the first scientific revolution (G. Galilei, M. Copernicus, I. Kepler, I. Newton and others), elements and as the facts of science were recognized not any sensual perceived events, but the unique facts that must be interpretable. For the first time, the empirical branch of science was built as a special stratum of the scientific picture of the world, in which ideal objects of a new type - theoretical constructs and scientific models. The crown of this type of knowledge Newtonian mechanics is considered, which laid the foundation for modern natural science and approved the ideal image of the "natural researcher." Classical science (classical natural science) - a system of knowledge and methods of its receipt, built on the abstraction of the subject, carried beyond the very process of knowledge and the more recognizable object. The second scientific revolution took place in the XVIII - the first half of the XIX centuries, when a disciplinary structure of science arose. Particular attention should be paid to the ratio of subjective and objective knowledge in the theories of knowledge. The development of criteria for distinguishing objective and subjective in the results of knowledge - the most important directions of methodology of science in the XX century. Scientific knowledge - as objectively established facts or subindividual schemes of cognition and theorizing, which stand for them receipt - is mediated. Subjective knowledge - is a system of beliefs that a person knows himself, that is, obtained as a result of direct observation of the outside world or the internal plan of thought movement. (Goncharenko, 1997).

Later, I. Kant introduced the concept of antinomy into scientific circles, given the insolubility of the problem of transferring subjectively reproduced knowledge to the objective state of things in the world. Antinomies are equally evidentiary thoughts that contradict each other and are possible answers to the questions posed by rational cosmology, in particular: About the finitude or infinity of the world in time and space; About the law of causality or freedom of causality. M.K. Mamardashvili believed that, actually, the problem of causative determinism was posed by R. Descartes, while I. Kant, who did not directly rely on R. Descartes, "recreated the Cartesian revolution in the self-determination of thought," reformulated the problem in the following way: "Is there a causal the connection between A and B in the general form?" (Mamardashvili, 1984).

R. Descartes of rationale the theory of continuous creation of the world raised the question of the very understanding of the causality and possibility of knowledge of this world. Kant wrote in it one lacking link - "innate ideas".

K. Popper expressed most clearly the position that it is impossible to confuse the laws of individual cognition and the laws of the development of science as knowledge leading to objective knowledge. K. Popper demonstrates this on an example of a well-known inductive conclusion associated with the expectations of any person that the Sun will come again tomorrow. The Sun can still not go away tomorrow, for example, because the Sun may explode, so there will be no tomorrow. Of course, such an opportunity should not be considered "seriously", that is, pragmatically, because it does not imply any action from us: we simply can not do anything here (Popper 1992).

In the history of the New Time, the Descartes *cogito* ("cogito, ergo, sum") from the thought-being turned into an idea of harmony, which was called rationality. The Latin *ratio* means "proportion", "measure". It is spiritual effort that embodies the uncertainty in some sort of harmony, that is, the thought pull out people from chaos - chaos of ignorance. M. Mamardashvili discusses the first of the selected aspects - the possibility of comprehension the system of the world ("intellectuality"), introducing further the notion about the role of culture and science as mechanisms of reproduction of subindividual knowledge. Such a modern understanding of rationalism brings him beyond a separate philosophical direction.

To the problems associated with questions of communications, philosophers returned again in the XVIII century. At this time in Europe the period of development of the becoming of social sciences and the humanities and the theory of opportunities for the transfer and exchange of information was being developed. Thus, in the opinion of John Locke (Lokk, 1985), for effective exchange of information reflection is necessary. According to his statement, "reflection is the internal perception of the actions of our mind when it is engaged in ideas gained, ... ideas are acquired by mind, by help of reasoning about their own inner activities ... the observation of the mind by their own activities and the ways of its manifestation, due to what there are ideas in the head of this activity" (Lokk, 1985). Locke reveals exactly the mechanism of the transition of sensual ideas that arose on the basis of external experience-"sensations" to "reflections" - ideas that are based on experience internally with the help of reasoning. Locke believes that "reasoning is not the essence of the soul, but only its property, which is why" *Cogito* "can not be the primary, the proof of which is the fact that some people almost never reason" (Lokk, 1985). This Locke's sophisticated observation has the value of an understanding of the essence of the process of communication, which requires a developed reflection - "a source of knowledge generated by internal experience" (Popper, 1992).

The principle of tolerant attitude to the interlocutor becomes the main thing in the works of the well-known philosopher-writer J.-J. Russo, according to whom "only the things that go from the heart will enter into the heart" (Popper, 1992). The philosopher believed that tolerance should become the norm of human coexistence. The problem of mutual understanding is also presented in our time, therefore, tolerance remains one of the most important methodological principles in the present day.

It makes sense to consider those significant steps in the development of objective criteria, that it is not limited to the subjective (empirical) knowledge that made the German classical philosophy. Kant invested the criteria of objectivity in the very scheme of knowledge of the world by man. In the idealist theory I. Kant of knowledge, measurements (categories) of space and time are given to a person a priori. And the rationality of knowledge already exists in the process of obtaining empirical data. It is possible to act with rationally adopted laws outside the context of inductive evidence. I. Kant gave to yumovsky law induction status of a priori law. Firstly, he divided all the proposals, including scientific statements, according to the criterion of their simplicity. To assess the truth of the expressions it is important that the truth or falsity of simple expressions can be set within the framework of logic, or the number of expressions. Secondly, he proposed to consider any sentence or statement according to the criterion of their claims to truth, or fidelity.

A priori statements are statements that do not require empirical verification, since they are initially accepted as true. A posteriori statements are empirically supported, empirically correct statements. A priori analytic statements are correct by definition. However, it is unclear whether synthetic statements can be faithfully a priori?

We can conclude that if, according to Kant's theory of knowledge, objective exists in subjective (with the help of a priori knowledge), then in non-classical paradigms subjective was turned into the process of creating an objective one.

At the turn of XIX-XX centuries the line of universalism was extended by E. Durkheim and T. Parsons, G. Tarda and R. Simmel these scientists can be called as "singularists". G. Tard was the first classics of sociology, who voiced the possibility of scientific study of communication processes. He explained that the emergence of society is associated with the development of social and communication activities in the form of imitation. Language, religion, society are the products of creativity of individuals-innovators; other people began to emulate these innovators, which contributed to the affirmation of social institutions (for Popper, 1992).

This idea is important for us to understand the features of language imitation, manners of expression, etc. in the communication process. The representatives of social communication theories (Y. M. Lotman, G. Tarde, C. Cooley, J.G. Mes, D. Watson, etc.), exploring the social process, interpreted communication as a basic phenomenon that contributes to "social realization of information" (Jaspers, 1931-1932).

Philosophers noted that culture characterizes the style of human thinking, covers all aspects of social life, allows you to reveal the depth of knowledge of the person, the level of his upbringing, the ability to express opinion; listen to others, draw the right conclusions. And precisely the culture of mankind produced a special form of transfer of socially meaningful information, which serves the achievement of interaction and mutual understanding. Existing in the form of rules, orders, symbols, it is enshrined in the etiquette, which carries coded information about methods and techniques of communication, features of the choice of its funds. In this regard, as rightly Y. M. Lotman noted, "the entire material

of the history of culture can be viewed from the point of view of a certain meaningful and from the point of view of social codes that allow this information to be expressed in certain signs and to make the property of those or other human groups "(Lotman, 1988).

The New Time has brought significant advances in the knowledge of the natural of human being. There is a new science - philosophical anthropology. The theory of evolution destroyed arbitrary boundaries between different forms of organic life. The world of culture and the world of civilizations began to be considered as the essential properties that emit man from the natural world. An urgent question is: what is the basis of human nature? Philosophical thought gives different answers: F. Nietzsche stated that this is will to power; in S. Freud, that this is a sexual instinct; in Karl Marx, it is an economic interest.

Then M. Scheler raises the question: what distinguishes a person from animals in an essential respect? Maybe, intelligence and ability to choose? But they have already them, let to a lesser extent - in some kinds of animals. The author makes a paradoxical conclusion: the principle that makes a human is beyond what we can call life, moreover, it is the opposite of life. The name of this principle is spirit; it is characterized by existential inconsistency, freedom, alienation from coercion, from pressure, from dependence on organic (from life). "Concentration, self-consciousness, the ability to objectify the initial resistance to the appeal form, this, one inseparable structure, which is inherent only in a man. Man is a superior being to himself and to the world. The Spirit is a single being, which cannot itself be the subject, and it is a pure and pointless relevance, its existence consists only in the free realization of its acts"(Sheller, 1994).

An independent biological concept arises in the process of development of anthropological ideas. Its representative A. Gelen argues that a person acts as a biologically unfinished creature (the lacks instincts) and, consequently, it is not fixed in the animal-biological organization; he or she needs to look for other means of reproducing social life than animals for the reproduction of social life. Action, culture and community - this is what distinguishes humans from animals. "The fact that a person creates a culture distinguishes it from any animal and at the same time it defines it ... There are no animals that live by a foreseeable active change of elemental nature, there are no animals that have morality and discipline"(Gelen, 1998). The position on the bi-anthropological condition of cultural forms we can find in A. Gelen's manifestation as for the treatment of social life as an epiphenomenon of vital grounds, in the construction of pluralistic ethics, who considers ethical behavior on both sides - biological (and therefore with the use of specific biological categories) and cultural-historical (that is, taking into account the spirituality of a man).

Thus, from the moment of the emergence of philosophical anthropology in socio-philosophical knowledge, it is asserted, in one form or another, the idea of the existence of two social realities, which are, on the one hand, any kind of sociality, on the other hand, human individuality.

2. Specifics of virtual forms of social relations modeling in the information oriented society

Next, we need to analyze the theoretical foundations of the information paradigm, to reveal and ontological and epistemological factors of the emergence of a new historical type of society, in our case - information al from the philosophical position. According to the information al ontology, the reality is identical to information. Within this paradigm the human being is considered as the amount of information contained in it. The concept of the information society refers to the following principle around which this social form is organized - information and knowledge. Information al society appears where the main thing is the management of non-material objects, but symbols, ideas, images, intelligences, and where most of those who work are engaged in the production, storage and sale of information, especially its higher form - knowledge (Mamardashvili, 1984).

In his research, T. Stohner notes that in today's information al society, the role of capital is played by information. Like capital, information can be accumulated, and in this sense, national information resources determine the economy and wealth of the country. In this regard, the most important part of the economy of any country is the information al economy. Economics in postindustrial society is characterized by the fact that industry is increasingly replaced by services oriented towards the production and processing of information by the indicators of employment and the main share in the gross national product (Stouner, 1986).

D. Bell notes that the role of agriculture and industry is changing as a result of the growing importance and expansion of the information al industry. The formation of a post-industrial society promotes a revolution in the organization, functioning and processing of knowledge. A computer plays a decisive role in the formation of an information society. Bell calls this revolution "telecommunication" and highlights three of its most important aspects: the transition from industrial to service society, the decisive value of theoretical knowledge, the implementation of technological innovation, the transformation of "intellectual technology" into a key instrument of decision-making theory, system analysis, etc. In this case, the nature of the information society is determined by internal connections within the society, communications, which is being deployed using telecommunication technologies (Bell, 1986). Thus, we can speak of language as a phenomenon that exists for the accumulation, transmission, and for the creation of new information as a phenomenon that forms the primary informational environment of a person. With this approach, the language researcher inevitably faces the problem of determining the types of speech information and means by which various types of information can be transmitted, because even at first glance it becomes clear that this unusually complex, hierarchically organized communicative system consisting of multi-level units allows to operate information blocks of varying degrees of complexity. In this case, it can be assumed that units of different levels have different for various information functions.

F. de Saussure characterized the linguistic reality as the unity of the opposite sides: sign and meaning, language and speech, social and individual. The twofold nature of language, in the end, is due to its role as an intermediary between activity and knowledge. From the activity it borrows in the converted form the methods of transforming the object: each special method in action - a private model of a single object. From the side of consciousness the language finds the ability to explicate the information fixed in the signs. "Operationalism" and "objectivity" of the language are interdependent, "verbal signs do not simply fix, "dress" thoughts, they act as an instrument for implementing the very process of thinking. These functions of "latch" and "operator" are common to signs of both natural and artificial languages "(Sosiur, 1997).

In this regard, the problem of operating the model is removed, but there remains a problem associated with the very process of modeling, because before creating any model - material, cybernetic - the researcher must build an imaginary model. At this stage, he should take into account the fundamental difference of natural sciences and socio-humanitarian models, namely - the difference in the purpose of constructing models. Conducting experimental research is the main purpose of constructing models in the natural sciences, whereas in the socio-humanitarian field knowledge is the ability to interpret complex phenomena or processes. An educated person finds support of his existence in subjective experience: values, beliefs, knowledge, abilities, etc. She or he understands change, masters and controls them, designs them for the future through goal setting. Innovative education focuses primarily on the formation of creativity and, at the same time, critical thinking, coupled with tolerance. It is oriented towards human growth.

It should be noted that global information society, market economy and scientific and technological revolution require from the person new social and individual qualities. In particular, the essential skill in postmodern society is the ability to give advice considering changes. The fact is that information society does not lack information, but it lacks wisdom, how to use it. Society demands every citizen to be intellectually independent, that is, he or she should not trust others to think instead of him or make a choice. As M. Lipman rightly points out, we must learn to think on our own. Nobody will teach us this, unless it will put us in the research community, where it is relatively easy to achieve this goal. M. Lipman notes that critical thinking is responsible for the democratic way of education, shapes the mentality of not only generations countries of consolidated democracies, but also democratizes the mentality of the citizens of the newly independent states (Lipman, 2005).

The importance of critical thinking grows in times of social change that impede the success of action, require constant adaptation to new political, economic situations, and effective solution to problems that can not be foreseen in advance. In particular, the information society has greatly increased the possibility of choices and complexity of problems that need to be addressed. Conditioned by the informatization transformation is quite significant, because it includes "modeling of information processes, restructuring of organizational structures, document flows, legal norms as well as appropriate training and retraining of personnel.

This is a programmed alteration of the social information environment, the creation of fundamentally new automated ways and conditions for the making, replenishment, processing, transfer and use of knowledge, an effective method of intellectual activity" (Lipman, 2005). The topicality of the issues of communication today is due to the fact that the modern high school was replenished with new educational directions, which with full rights can be called interdisciplinary (public relations, social work, and others). The specialties of the traditional philological cycle also include the applied aspect (linguistics and intercultural communication, linguistics and information science). Many Western universities also have departments and faculties of communication. Research programs are expanding, connected with the study of the peculiarities of communication in the industrial, political, educational, medical and other social spheres. All these directions are connected with the providing of information flows in modern society both on the interpersonal and global level, both with the help of traditional (oral language, typing text) and modern (television, Internet) means.

The theoretical core, around which discipline of this profile are grouped, is again the theory of communication. The theory of communications in English-speaking science in the 90s was developed, first of all, on the issues of the mass media, as well as new communication realities of marketing and management that come as a result of the symbiosis of mass-media and market technologies (communicative management, advertising communication, corporate identity, marketing communications, etc.) Specialist-communicator of the sphere must have some knowledge of the basics of the communicative process and the skills of information and communication activities in different environments (economics, production, management, ecology, culture, health care, agricultural production, mass physical culture, recreation and sport, cultural and tourism exchanges, fuel and energy complex, small business, political, social, scientific, financial and banking spheres). A representative of new professions (spokeswoman, advertising and communications manager, expert, consultant, consultant in state, commercial and public institutions and organizations, structures) need to be familiar with the main theories and concepts that relate to the field of information, communication and the formation of public thoughts, to have the skills of information and communication, advertising, reference work, to be able to self-study and independent research.

3. Informational and communicative context of sustainable development of modern society

In the process of developing an information society, the theory of communication is becoming more widespread. Implementation of computer technologies in social practice, the development of information infrastructure, etc., makes it necessary to study society from the point of view of communication theory. Therefore, today, research on social issues is impossible without resorting to the theory of communication, which can be used as an aspect of research. Analysis of recent research and publications. Consideration of the problems associated with the trends in the development of the world economy, while there is an active expansion of the influence of information technology in all spheres of life is devoted to do M. Castells, M. Maklien, P. Drucker, J. Neysbita, T. H. Erickson, P. Virilio et al. In the domestic economic thought, Y. Pakhomov, A. Galchinsky, V. Heyets and others are developing this problem.

The vast majority of scientific works on this issue touch upon only aspects related to the interaction of the economy as a sphere of public life and the development of information technologies, which leads to the emergence of phenomena of "financial", "informational" economies that form the ethos of a post-industrial society, leaving without attention the global measurement of these processes, which determine the sustainable development of the economic space. The purpose of our research is to identify, assess and generalize the main problems of the formation of a stable economic space in the context of the information revolution as a space of new human existence and society.

In our view, it is not enough to consider the development of the theory of communication only in the aspect of the application of mathematical models in relation to society and culture. A peculiarity of the present is the critical dependence on information and communication technologies in the countries of high economic development. There are a number of realities that have not yet been investigated and described in the information age. For example, scientists around the world have the opportunity to participate in conferences, publish articles, get acquainted with new scientific information, communicate with their colleagues without leaving their offices; students of Ukrainian universities have the opportunity to study remotely at Stanford University. According to A. Galchinsky, a "society without territories" thus formed, the most important sign of which is "the replacement of the territorial principle of the organization of a society of networks" (Galchinskij, 2010).

The information society should not be identified with the post-industrial society. The topicality of industrialism does not change, despite the parallel development of a cognitively oriented economy. There are two known ways to consider infosocium, one of which reveals its characteristics, which today have become reality, the other - considers it from the point of view of the futurological aspect, when the prospects for the development of a "new economy" can be clearly indicated and described, based on the real state of affairs. To these socio-theoretical characteristics should be added network feature of this society: its leading activities are carried out through networks that function in real time.

Thus, we can conclude that the most important feature of the information society is informationalism. According to M. Castells, this means that "key varieties of activities in all areas of human practice are based on information technology and globally organized in information networks and focused around the processing of information (symbols). Therefore, the core of the information economy is a global network of financial markets, based on information technology" (Kastels, 2006).

M.Castells considers the information society to be a new type of social structure, since it expresses the "idea of the becoming of a new socio-economic order, which is replaced by an industrial society, and is associated with the deployment of an information and technological revolution that extends to all spheres of social and economic activity" (Kastels, 2006). Characterizing the information society, it should be noted, firstly, its ambiguity, and, secondly, the heterogeneity of the very concept of the information society.

The ambiguity of the "information society" as a theoretical and economic determinants is due to the fact that information is not the main economic resource, or at least, so far, industrial products are not predominant. At the same time, the structure of the information segment of the economy is also becoming more and more stable, and the impact of information as a resource grows further, due to its peculiarity (as an economic factor). After all, "in the situation where traditional types of material production are increasingly "stumbled" on the problems of "boundaries of growth" that arise from different sides, the information technology horizon is still almost cloudless, since the product itself - information has a specific feature: the more it consumes, the more it becomes (Azroyanc, 2002).

The heterogeneity of the concept of the information society is due to the fact that it can be viewed from two perspectives: within the "post-industrial society" (as one of the stages of its formation) and as an independent construct that describes the strategies and mechanisms of the functioning of the world economic system in the context of economic reorganization, the emergence of new information technologies, the growth of the role of knowledge and the value of intellectual capital, the innovative reorientation of the economy and the legitimization of new transnational economic institutions. The theory of post-industrial society describes the transition "agrarian-industrial - postindustrial" society. Such a transition to date is often seen as controversial, primarily because the question whether the era of post-industrial society has come to an end is not unambiguous. Another factor is that the concept of "information society" always fits into a certain evolutionary picture: it is informative in comparison with the previous, not informational ("industrial", "industrial", etc.). Our evolutionary worldview leads to the bias that the era of infosotsium is a theoretical construct rather than the state of affairs. The problem is "withdrawn" if one agrees with J. Neisbita's argument that the overcoming of one social system of another is not obligatory - it is not so much about the stages of the historical development of societies, as about the forms of their existence. "It is fully possible for one country to be at the same time in the agrarian, industrial and information societies. So, all three life goals are different, as D. Bell pointed out. In the agricultural period, the meaning of life is a game of man against nature. In industrial - the game of man against artificial nature. In the information society, for the first time in the history of civilization, the game is to interact with other people. The number of personal interactions increases in geometric progression, and in all types of interpersonal relationships: telephone conversations, signed checks, memos, telegrams, letters and much more" (Popper, 1992).

Conclusion.

The economic life of modern society cannot be imagined without information technologies, which are "assimilated" through the total inclusion in all economic practices of both productive and non-productive character. In the information center, the problems of the stability of information flows, the speed of the transfer of information and the sustainability of information technology concern not only large corporations and intelligently oriented production (as would be possible to assume), but also the fields, it would seem, far from the activities of economic giants-innovators.

Even production spheres, far from producing knowledge, turned out to be dependent on the information and technical development of society. For these reasons, there are a number of problems that require a rethinking of the development strategies of the world economy.

Thus, today with certain confidence we can state the fact that technologies that are based on information are becoming more and more, they are indispensable for the sustainable development of most types of production, and the prospects for the consumption of this inexhaustible resource are very broad.

Referenses.

- Azroyanc E. (2002). *Globalization: a catastrophe or a path to development? Current trends in world development and political ambition*. Moscow. [in Russian]
- Aristotel. (1983). *Politika*. Moscow. [in Russian]
- Bell D.(1986). *Social framework of the Information Society*. Moscow [in Russian].
- Volkova N. (2015). *Professional-pedagogical communication: theory, technology, practica*. Dnipropetrovsk:Vid-vo DNU [in Ukrainian].
- Galchinskij A. (2010). *Economic methodology. Logic update*. Kyiv. [in Ukrainian].
- Gelen A. (1998). *On the systematics of anthropology*. In Problems of man in Western philosophy (p.p.151-201) M .: Progress [in Russian].
- Goncharenko S.(1997). *Ukrainian Pedagogical Dictionary* Kyiv. [in Ukrainian].
- Kastels M. (2006). *Information Society and the State of Welfare. Finnish model*. Kyiv [in Ukrainian].
- Kuzanskii N.(1979). *About academic ignorance*. Moscow [in Russian].
- Lokk D. (1985) *An Essay Concerning Human Understanding*. Moscow [in Russian].
- Lipman M. (2005) *Critical is misunderstanding: what can we do?*. Moscow [in Russian].
- Lotman Yu.(1988). *Text and audience structury*. – Riga. Daugava [in Russian].
- Mamardashvili M. (1984) *Classical and non-classical ideals of rationality*. Tbilisi [in Russian].
- Mid D. (1994). *From gesture to symbol*. Moscow : [in Russian].
- Platon (1990). *Gorgii*. Moscow.: Mysl [in Russian].
- Platon (1986). *Dialogi*. Moscow.: Mysl [in Russian].
- Popper K. (1992). *Open society and its enemies. Platon's charms*(Vol. 1). Moscow.: [in Russian].
- Sosior F. (1997). *Works on Linguistic* - Moscow: Progress [in Russian].
- Stouner T. (1986). *Informational wealth: the profile of a post-industrial economy* In New Technocratic Wave in the West(p.p. 392-409). Moscow: Progress [in Russian].
- Frank S. (2012). *Spiritual foundations of societs*. Teksts Moscow. [in Russian].
- Khalapsis A. (2008). *Post-non-classical metaphysical histori*. Dnepropetrovsk: [in Russian].
- Sheller M. (1994). *Selected Works*. Moscow: Progress [in Russian].
- Jaspers K. (1931-1932) *Philosophie*. Berlin [in Germany].

Chapter 3. MANAGEMENT, ECONOMICS AND SERVICE

Julija Lapuh Bele

Ph.D. in E-learning, Assistant Professor

Ljubljana School of Business

Ljubljana, Slovenia

Julija.bele@vspv.si

orcid.org/0000-0003-4573-5409

BENEFITS AND ISSUES IN IMPLEMENTING BUSINESS INTELLIGENCE IN ENTERPRISES

***Abstract.** This paper will present the digital transformation and business intelligence. It will focus on benefits and issues of introducing business intelligence in the enterprise and the measures that must be implemented before a BI project is launched in order to eliminate the main causes of discrepancies between project results and the expectations. All factors that must be assessed in individual BI projects are enumerated, along with things that must be changed in a given organization in order to successfully implement such projects. The most crucial parts of a BI project are technology, operations, and human resources' knowledge and skills. In empirical parts, we present the diagnostics used to determine the status of these parts. To facilitate efficient and precise diagnostics, we designed a questionnaire that aids in understanding the operational and technological aspects related to a project, as well as qualifications of available human resources. Using the diagnostics' results, the specific measures to be taken before launching a BI project were determined.*

JEL Classification: O21, O33

Introduction

Modern companies face a range of challenges if they aim to be successful on the market. Productivity and business efficiency must be increased in general, along with flexibility, innovativeness, and the quality of management's decision-making. Digitized operations, which imply new or at least improved business models and business intelligence, can serve as a solution for all these challenges. The process set in motion by such a change is called the digital transformation. Digital technologies are progressing rapidly, facilitating the development of data analytics, machine learning algorithms, artificial intelligence, cloud computing, social media, blockchain technologies, and automation (Kern Pipan et al, 2018).

The world is changing quickly, as digital technologies alter both societies at large and individual behaviors, while of course transforming business operations. New business models are being introduced and globalization is accelerating. According to Gartner, the Nexus of Forces is the convergence and mutual reinforcement of social, mobility, cloud and information patterns that drive new business scenarios (Gartner, 2018).

Many companies are well aware of the opportunities brought about by digital technologies and are investing massive amounts into them. This, however, is by no means enough.

Investments must also be made in knowledge and human resources, and business models must be changed, or it will be impossible to effectively develop a nexus of forces.

Information tools are undoubtedly extremely important for development in science, business, and general society, and as such constitute an integral part of all areas of operation (Egerth & Pseiner, 2016). By themselves, however, they are insufficient; to achieve true, effective change in business, management and other key personnel must change their bases for decision-making and ensure the data they use to make said decisions is of a sufficient quality. Changes should be made wherever analyses show there is room for improvement, taking advantage of all available information that could inform such improvements.

Introducing an analytical organizational culture at a company poses a big challenge (Kern Pipan et al, 2018). The most successful companies constantly strive to achieve greater operational efficiency and to optimize their business processes. In the modern business era, these efforts are made not only through the analysis of past data and the identification of opportunities for improvement, but companies must also make use of other data and methods that will help them achieve their goals and improve their results. For this reason, both commercial enterprises and government entities are beginning to introduce methods of Business Intelligence (BI) and Business Analytics (BA). Successfully implemented BI/BA projects generally involve the introduction of these methods to improve operations and augment the position of a company in the market.

Managers who do not make use of newer methods tend to rely on data collected from Enterprise Resource Planning (ERP) systems and simple intuition. Good intuition is always welcome in business, but it is similar to talent in sports. It is no longer sufficient as a way of winning in a strong competitive field. Research has shown that companies that adopt BI/BA methods early and make decisions based on the results generated by these methods do better than their market competitors in terms of profitability, quick decision-making, and implementation of operational decisions (Pearson & Wegener, 2013).

The management of many companies would like to increase operational efficiencies using BI/BA methods, but fear that they are not sufficiently prepared and sense that the implementation of such projects might fail. Managers often wonder if the company is “mature enough” for the launch of such projects and what they should do in order to ensure that such projects will be successful. These questions go directly to the point as international research shows that many BI/BA projects fail. In addition to the predictable reasons for unsuccessful projects, many other factors lead to failure: ambiguously or unsuitably defined business goals, technological factors such as poor data, inadequate preparation for the transition, and insufficiently trained human resources (Sherman, 2015). Necessary preparations are therefore the first important step on the path toward the successful implementation of BI/BA projects. The task of project leaders and consultants is to run diagnostics and prepare the company and its human resources (for example, managers on different levels of the organization, IT experts, etc.) for the introduction of the project in order to facilitate the achievement of company goals.

This article is written as an attempt to help companies that have decided to introduce BI/BA methods or have already introduced them with unsatisfactory results. It emerged on the basis of known facts, our experience and ongoing development of good practices introducing BI to several successful companies with whom we have collaborated.

In the chapter, we will first define the theoretical framework. In the empirical section, we will present evaluations of the preparedness of organizations for the introduction of BI. We also present key areas that need to be researched before concrete projects are launched. We designed a questionnaire that we use to systematically perform diagnostics and generate a list of necessary steps to take in the preparatory phase in order to successfully fulfil the expectations of our clients. We combine information gathered from the questionnaire with our own expertise to help clients avoid the obstacles and correct the problems that often lead to project failure.

1. Digitalization, Business Intelligence and Related Terms

In recent years, there has been much talk about digitalization. Along with the products and services that have emerged during this period, so too have expressions and jargon. Digitalization means including and integrating digital technologies into everyday life. In the business world this means transitioning to digital operations. Digitalization used to be understood in the sense of converting physical objects (e.g. pictures, sounds, documents, signals, etc.) into a binary code with the purpose of saving it or further processing it on a computer or other electronic device. We have been doing this since computers were invented, sometime around the end of WWII. This begs the question of why, then, has there been so much talk of digitalization of late? Is there some other, greater meaning hidden in the concept of digitalization?

Lately there has been plenty of discussion about the digital transformation. In general terms, we define digital transformation as the integration of digital technology into all areas of a business resulting in fundamental changes to how businesses operate and how they deliver value to customers. Beyond that, it's a cultural change that requires organizations to continually challenge the status quo, experiment often, and get comfortable with failure. This sometimes means walking away from long-standing business processes that companies were built upon in favor of relatively new practices that are still being defined (The enterprisers project, 2019).

All of this is intimately connected to human resources, where the profiles of various levels of management and IT experts should be emphasized. Organizations today need to have clear leadership for digital transformation. Someone needs to be in charge of driving the transformation. Sometimes the chief information officer CIO assumes this role, but often, especially in large organizations, the CIO now works hand in hand with the chief digital officer (CDO) as well as other business leaders as they leverage IT in new and different ways to drive their business. Digital transformation requires a lot of partnering and collaboration (Whitehurst, 2017).

The term digitalization not only means the transition from analogue to digital operations, which has been a continual process since the invention of the computer, but has acquired a deeper and more contemporary significance. Namely: digitalization is the use of digital technologies to change the business model and to provide new revenue streams and value-producing opportunities (Gartner, 2018). It is often added that digitalization facilitates higher earning, leads to higher added value, and makes companies more competitive. They facilitate countless technological, organizational, and professional solutions. An important part of this new, fast-growing industry is made up of various forms of online services, the Internet of Things (IoT), and self-driving vehicles, all of which is characteristic of Industry 4.0. New criminal models and networks are also developing to adapt to these changes, and new challenges in information security are arising as a result.

The focus in this chapter is limited to optimizing operations and the related technological, organizational, and professional solutions. All this requires new know-how, provided inter alia by business intelligence (BI). BI offers the key methods and tools for digitalization. However, there is not yet a unified definition for BI, although certain concepts appear in most definitions, such as efficiency, optimization, and better or quicker management decision-making. David Loshin (2003) defined BI as the processes, technologies, and tools that are necessary for the conversion of data into information, information into knowledge, and knowledge into plans, which leads to more efficient operations.

The following definition of BI is offered by the Gartner Report: BI is an umbrella term that includes the applications, infrastructure and tools, and best practices that enable access to and analysis of information to improve and optimize decisions and performance (Gartner, 2018). Business and the achievement of business goals are clearly at the center of the interest in BI, and the Gartner definition is both sufficiently general and expresses its essence. We also encounter the term Business Analytics (BA) in both the literature and in practice. Our experience indicates that most managers do not distinguish between the two concepts. The following is Gartner's definition of BA: BA is comprised of solutions used to build analysis models and simulations to create scenarios, understand realities, and predict future states. BA includes data mining, predictive analytics, applied analytics and statistics, and is delivered as an application suitable for a business user (Gartner, 2018). As indicated in this definition, BA delivers an understanding of the current state as a predictor of the future state, which is invaluable for generating business plans for the future.

Although we frequently use the terms business intelligence and business analytics as synonyms, they are not exactly the same. However, there is no clear line between BI and BA. They are extremely interconnected and interlaced in their approaches to resolving business issues and providing insights on past and present data, and towards defining future decisions (Durcevic, 2018). Mark Van Rijmenam (cited in Heinze, 2016) describes the difference in a picturesque manner. BI looks through a rear-view mirror and uses historical data that can become obsolete in a few seconds, while BA looks ahead.

BI proves essential in improving decision-making on the basis of past results by using statistics to predict future states. BI is more focused on the present status of data, helping to make decisions (and the future of a company) based on current insights (Durgevic, 2018). However, statistical data and the analysis derived from them are not sufficient to forecast the future. BA enhances the process by using data mining methods, which are essential for not only forecasting the future but also anticipating certain events that might occur. BA focuses, also, on predictive modeling and advanced statistics to evaluate what will happen in the future.

BA takes advantage of BI methods, data mining methods and perform predictive analytics. Every new concept that is introduced requires an additional explanation. However, more important than knowing a definition is understanding how new fields in computer science affect our lives and how our businesses work. These changes facilitate new methods and tools, which have only recently been made available or been as sufficiently developed as they are today. The terms data mining and machine learning will be introduced below, as these are two rapidly developing fields that play big parts both in the evolution of business models and various sciences, as well as in our everyday lives. Data mining is an interdisciplinary subfield of computer science and statistics with an overall goal to extract information (using intelligent methods) from data sets and transform the information into a comprehensible structure for further use. It is the process of discovering interesting and useful patterns and relationships in large volumes of data. The field combines tools from statistics and machine learning with database management to analyze large digital data sets. Data mining is widely used in business (insurance, banking, retail), science research (astronomy, medicine), and government security (detection of criminals and terrorists). Most types of data mining are targeted toward ascertaining general knowledge about a group rather than knowledge about specific individuals—a supermarket is less concerned about selling one more item to one person than about selling many items to many people—though pattern analysis also may be used to discern anomalous individual behavior such as fraud or other criminal activity (Clifton, 2019).

It should be emphasized that data mining is not applied only to traditional databases, but primarily to the extensive amounts of data within all the information an individual company records, stored outside of conventional databases, or even in the cloud. This massive amount of data is called big data. The methods ensuring that new knowledge and insight can be gleaned from big data are advanced statistics and a field known as machine learning.

Data mining uses methods of machine learning, the science of getting computers to act without being explicitly programmed. In the past decade, machine learning has produced self-driving cars, practical speech recognition, effective web searches, and a vastly improved understanding of the human genome. Machine learning is so pervasive today that you probably use it dozens of times a day without knowing it (Ng, 2019).

BI and machine learning must not be equated with artificial intelligence (AI) as the former is connected not only to artificial but also to human intelligence, that is to people and processes as much as to applications. In practice, with both BI and BA, we use predominantly statistical methods to conduct research into the data of a company and to generate visually transparent reports that offer management tools for a better overview of operational processes, better and quicker decision-making, and the optimization of operational processes. We also use data mining to identify patterns in large pools of data as well as the hidden connections between them. Here we usually rely on statistical and machine learning methods (Islovar, 2018). Machine learning is an application in AI that uses algorithms capable of learning and improving their own processes using data and experience from previous implementations. It is based on algorithms for analyzing big data, and although it is a kind of statistical analysis, it has different, or more specific, goals.

We anticipate an expansion in the field of data mining because data are an inexhaustible source, and the study of data represents a branch of science that is quickly growing. This science is called data science.

2. Business Intelligence Project

Though BA offers a range of methods and tools that will all shape the future, this chapter will focus only on BI. All companies and other organizations should start using BI methods as soon as possible, though they are just a subset of what BA in general can accomplish.

Said more simply, BI means automated data processing to support decision making in business.

BI traditionally refers to an information project whose ultimate goal is the automated distribution of messages to various target publics in order to make them more informed, or more important to help them make better decisions. It is nonetheless necessary to transcend traditional obstacles and offer a wide range of users an environment where they can also form their own ad hoc analyses at the user level, which is not accounted for in the traditional system of informing. BI must be developed more broadly in order to achieve this objective, not just technologically but also organizationally (Kern Pipan, 2018).

All of the following development components of a BI project must be considered in order to achieve the set objectives, namely: business, technology (both data and their analysis), and human resources.

3. Business Perspective

In companies we usually use business-management software, which is typically a set of integrated applications that facilitates the collection, storage, management, and interpretation of data from several business activities, such as accounting, manufacturing, purchasing, sales, etc. This kind of application suite is called an ERP (Enterprise Resource Planning) system.

In recent times, managers have begun to expect better information from their technology than ERP systems generally offer. Namely, they expect efficient control over large amounts of data, continual oversight on the achievement of key performance indicators (KPIs), the detection of properties that are not easily observable, regular access to information (24/7/365) through various devices, including mobile devices, and clear reporting that provides key information and relevant visual data (Sherman, 2015).

4. Key Performance Indicators

The principle activities managers engage in are planning, verifying, reaching plans, and taking measures to increase their companies' operational efficiency. Quantifiable objectives are set in the planning stage, referred to as key performance indicators (KPIs).

Key performance indicator (KPI) is a measurable value that helps understand people how certain organization or department is performing. A good KPI should act as a compass, helping managers and their teams understand whether the organization is taking the right path toward its strategic goals. To be effective, a KPI must (Jackson, 2017):

- Be well-defined and quantifiable.
- Be communicated throughout the entire organization and department.
- Be crucial to achieving the goal. (Hence, key performance indicator.)
- Be applicable to a company's or department's line of business.

The trouble is that there are thousands of KPIs to choose from. If we choose the wrong one, then we are measuring something that does not align with our goals. Selecting the right KPIs for the organization is not an easy job (Jackson, 2017).

Jackson (2017) suggests 18 basic and 13 additional KPIs, which are categorized into four groups of metrics: financial, customer, process, people. The right KPIs for a specific organization might not be the right KPIs for other organization, especially if they come from a different type of business. Studying several companies informed the attempt to identify the most frequent goals and related KPIs for implementing BI projects. They generally have to do with the improvement or optimization of important operational processes, including the following: sales profitability, productivity, elimination of a bottle neck in operations that causes delays; reduction or elimination of damaged goods; reduction or elimination of errors; adjustments to activities that do not meet rules or standards; reduction or elimination of activities that do generate revenues; identification of returns/complaints and the reasons for them; introduction of intelligent planning of operational processes and cashflow; introduction of efficient inventory management (Lapuh Bele et al, 2018).

Some companies show an awareness that the improvement of processes can reduce or eliminate frustrations that are the consequence of poor communication, ambiguities in activities, or ambiguities in responsibility for individual activities (Lapuh Bele et al, 2018). Companies have specific business goals. Planning is an important role for management. In order to monitor the implementation of plans and to provide clear visual presentations of the current state, it is essential that goals are measurable and KPIs are clearly defined.

5. Introducing Change

BI project results are reports that suggest necessary changes even when their introduction may be difficult. Many theoreticians and practitioners question why, despite numerous available methods, introducing changes is so often problematic and inefficient.

Organizations change slowly and with difficulty. Most often changes are introduced with the authority of top management, while lower-level employees show little enthusiasm for them. The basic condition for the successful introduction of changes is that participants understand why the changes are necessary. BI and its reports help to clarify and justify recommended changes.

Among the most frequent reasons that the companies with which we collaborate decide for BI projects is to create conditions in which a wider circle of employees will understand the state of the company, and the gap between the current state and defined goals, and will work enthusiastically to achieve the defined goals. In essence, BI is a way for top management to empower lower-level employees to work toward concrete results. It makes it easier to introduce changes and to monitor whether changes have a positive influence on business results. We observe that in organizations that have high-quality BI, more attention is directed toward looking for changes, inventions, and innovations in the area of products and business processes on all levels (Lapuh Bele et al, 2018).

6. Technological Aspect

As mentioned in the introduction, technology is an important factor in digitalization and in all BI projects. Technology in this sense refers to data and the analytical methods and tools that help us glean valuable information to aid decision-making.

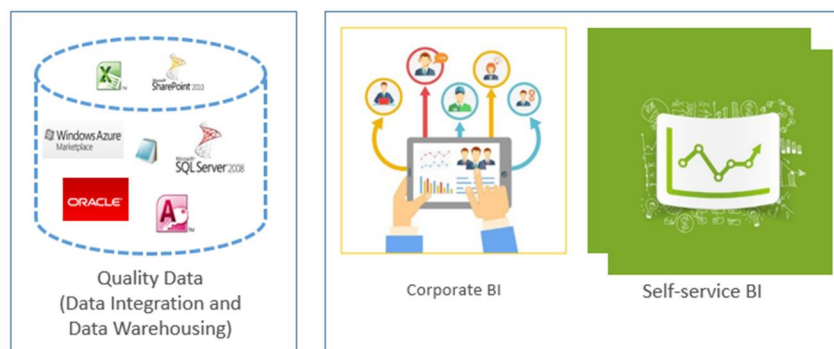


Fig. 1:BI Technological Aspect

When introducing BI, most companies analyze their own structured data and ignore the massive amounts of data they have stored in the cloud. Many companies find it a challenge to use this type of data, as they are usually of insufficient quality to be immediately used for analysis.

The three core technological building blocks of a BI project are:

- data integration,
- data warehousing and
- analyzing and presenting information (Sherman, 2015).

In a technological sense data sources must be addressed first, and then a data warehouse must be established. When that warehouse contains refined, processed, and integrated data, then BI methods can deliver useful information to business users and give them access thereto. BI is what businesspeople see through their tool interfaces and dashboards (Sherman, 2015). The technical aspects of a BI project are shown in the picture (Fig. 1). Data are extracted from the ERP system and various other applications. Today's BI projects largely use data stored in databases. Advanced enterprises in the sense of BI/BA already take advantage of the many sources of data that exist, whether in structured or unstructured format stored in a company's records, in purchased bundles, or available online (e.g. social media data, cloud applications). In the future such data will be used by organizations that have not yet even dreamed of doing so.

No matter what your data sources are, it is recommended that you build a data warehouse. The procedures used in doing so are extremely technical. As such, managers do not necessarily need to understand them, but need to know that they are necessary.

When data are ready, there are several tools and methods available for their analysis.

7. Quality Data

It is sometimes said that data is the new oil, implying that data has a similar role in technology as oil has in the energy industry. Data sourcing is in its infant stage, but whoever has data and knows how to use them will be able to draw conclusions, forecast the future, and also change it (Toonders, 2012).

The quantity of digital data, both for individuals and companies, is growing constantly and precipitously. Data have many forms. In addition to structured data saved in fixed fields in databases and spreadsheets, there are also unstructured data such as photographs, sound recordings, e-mail messages, etc. Data, both structured and unstructured, come from a range of sources. One of the key deliverables in BI is providing consistent, comprehensive, clean, conformed and current information for business people to enable analysis and decision-making. We need data that meets the 5Cs requirements:

- clean – without missing parts or incorrect entry;
- consistent – there should be no arguments about whose version of the data is the correct one;
- conformed – the business needs to analyze the data across common, shareable dimensions if business people across the enterprise are to use the same information for their decision-making,
- current – because up-to-the-day data is sometimes not current enough;
- comprehensive – all of the needed data is available (Sherman, 2015).

Company data are mostly saved in databases. For the use of BI, data must be suitably prepared, designed, and stored within data warehouses. Of course, it is not enough to merely copy data from a database to a data warehouse. Below it will be made clear why simple copying fails to ensure high-quality data in a data warehouse.

Firstly, what exactly is meant data warehouse will be explained in detail.

Bill Inmon (1992), known as the father of data warehousing, described data warehousing as the subject-oriented, integrated, time-variant, and continual collection of data to support management decisions. Data stored in data warehouses are usually read only. The latest data from the company's transactional databases, summarized data, and data from older time periods are stored in the data warehouse. This term means a virtual space that contains more data than in transaction bases, from which data can be extracted for regular operations and conducting everyday processes.

The data in the data warehouse serve as the foundation with which we conduct our analytics. BI/BA mostly makes use of data from transactional databases and other sources, as well as data in other forms that are not usually stored in relational databases. Companies, for example, can use data from the worldwide web and other external sources in their forecasting models. In many projects that introduce BI, the importance of the data warehouse for quality analysis is overlooked or neglected, and this is later recognized as the principle cause of the project's failure (Loshin, 2012).

Companies all have extensive data but for the most part they are not of sufficient quality to generate optimal analytical results. For this reason, it is essential to prepare data prior to analysis. Specifically, data need to be assessed prior to use as they are often not clean, consistent, conformed, current and/or comprehensive.

Often the same data are duplicated in several databases, which present a problem if they are not consistent. Therefore, the first step in data preparation is data integration, and the second step is data cleansing.

Well-prepared data is as important to a BI project as a good foundation is to a building. It is estimated that data preparation may represent 80% of the time spent on a BI project (Mueller & Massaron, 2016). We are often confronted with the problem of missing data that must be replaced with data from other sources or using statistical methods. Sometimes it is necessary to implement methods for companies to begin to collect certain kinds of data so subsequent BI and BA will yield desired results.

Data integration combines data from different sources to provide a unified view of them. Sherman (2015) compares data integration to an iceberg. BI gets all the attention, just like the part of the iceberg that is visible. But the vast majority of the iceberg is below the waterline, just as the vast majority of the work in a BI project is designing and developing data integration processes. As much as three quarters of time is devoted to data integration when new data sources are added to data architecture.

Readying data for storage in a data warehouse is a demanding task, to be performed by IT experts with special training in this field. Such experts are called data architects. The processes and methods used are technically complicated, so they will not be described in detail in this paper. In terms of data we should emphasize data integration business requirements (Sherman, 2015):

- Data velocity or latency: data velocity or latency refers to how up-to-date the data needs to be in relation to the source system (daily update cycles, near real time updates or how in between).
- Tracking changes to data: the business people have to tell if they need to track changes in reference data, including business hierarchies.
- Historical and archiving requirements: the business needs to determine how far back in time historical data should be stored for business analysis, and at what age data should be archived off-line.
- Security and privacy: data integration needs to comply with security and privacy levels that are required in the enterprise. It is likely that security will need to be implemented using mechanisms in networks, applications and databases.
- Regulatory compliance: industry or government regulations need to be complied with. Multinational corporations have regulations that vary by geopolitical boundaries.
- Information delivery to BI applications: key goals of data integration architecture are to enable 5Cs data and lowering enterprise BI time to analysis, and increasing productivity.

Entrepreneurs, managers, and data architects alike must realize the described requirements. In practice this means that data architects need to ask the right questions and heed the answers in their data integration design process.

Once the data integration is complete, the data warehouse is up and running. The data stored in the data warehouse form the bases for BI analyses.

8. BI Tools and Methods

Methods and tools will be introduced that make it possible to glean useful information from data, supporting managers' decision-making processes.

There are two approaches available: Corporate BI, Self-Service BI.

Corporate BI is a traditional approach. Data scientists and IT professionals control access to data and deliver reports using BI tools and methods. A BI project starts with managers' requests for new reports. Managers submit a list of business requirements in order to obtain the information they need for business decisions. After the project is approved, data scientists prepare and load data into an operational data warehouse. Then the BI team produces a report. Dashboards and various charts are extremely meaningful for BI reports. As we will see later, data visualization has a huge role in presenting a BI project's results to managers. On the contrary, a type of self-service BI is used by people who may not be IT experts. Self-service business intelligence (BI) is an approach to data analytics that enables business users to access and work with corporate data even if they do not have a background in data science or statistical analysis. Self-service BI tools allow users to filter, sort, analyze, and visualize data without involving BI or IT professionals. For example, Excel Power Pivot and Power BI are tools that provide power users with independent and rapid data analysis and data visualization.

Gartner, the world's leading information technology research and advisory company, every year evaluates BI software and publish Magic Quadrant for Analytics and Business Intelligence Platforms. Their assessment from February 2018 is presented in



Fig. . Among leaders are Qlik, Tableau and Microsoft.

For 11 consecutive years, Microsoft is positioned in the Leaders quadrant in the Gartner Magic Quadrant for Analytics and Business Intelligence Platforms (Howson et al, 2018).



Fig. 3. Gartner Magic Quadrant Magic Quadrant for Analytics and Business Intelligence Platforms (Gartner, 2018)

Microsoft's Office software suite offers rudimentary tools in the form of Excel. Excel has an add-in called Power Pivot available for business analytics. There is another special Microsoft tool called Power BI, which facilitates the flow of an entire project from data integration, analysis, and ultimately visualization. Projects that are more complex usually call for additional tools.

Microsoft Office is one of the most common software suites that supports office work, as it is regularly used by countless people around the world, giving them what is at the same time a very handy and an extremely capable tool for data analysis. Nonetheless, Excel, its add-on Power Pivot, and Power BI do not just help power users for the purposes of self-service BI, but they also help IT professionals, who use them within corporate BI projects.

BI projects whose scope falls within Corporate BI take advantage of several other tools, while many solutions have to be coded from scratch. It should not be forgotten that most work on a BI project is spent on readying the data. This process is aided by Microsoft Power Query, which helps users discover, combine, and refine data across a wide range of data sources, including relational databases, structured and semi-structured data. Power Query was designed for power users to run their own self-service BI. Microsoft also offers the SQL Server Integration Services tool, which is a platform for building enterprise-level data integration and data transformations solutions. This tool is primarily intended for IT professionals. The chapter above Business Perspective showed how to measure business goals and what is important in doing so.

Analyzing data often means calculating metrics. A business metric is a measurable value that is used to track and assess the status of a specific business process or activity. Each company has specific performance metrics that should be monitored. We can measure quantities (e.g. stock per storage, ordered items, unique visitors), calculated values (e.g. sales, return rate, inventory turnover) or discrepancies (e.g. compared to the day before, the week before, the average).

The metric is generally expressed with a formula, and values are generally calculated. There is a formula language, called DAX (Data Analysis Expressions), which assists in producing formulas. Simple metrics can be calculated using Excel.

Metrics are interesting in terms of set KPIs. This means we are often interested in comparing metrics that are tracked through appropriate KPIs. The results of such analyses are then clearly presented with appropriate data visualization. If, e.g., we are tracking progress towards a set objective, then a gauge infographic might be used, showing whether we have almost reached the goal (yellow) or whether we have exceeded it (green). If a goal remains entirely unachieved, the infographic shines red. An example of this is shown in the picture below (Figure 3).

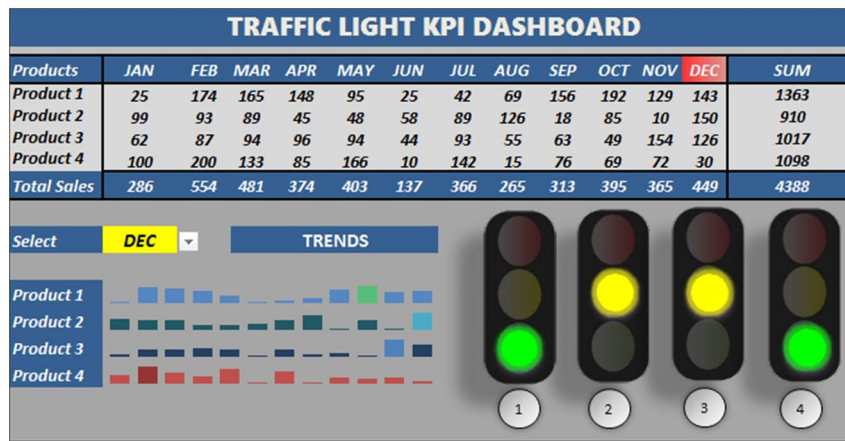


Fig. 2. Traffic light KPI dashboard example

Source: <https://exceldashboardschool.com/excel-traffic-light-dashboard/>

Data visualization will be addressed in a following chapter.

9. Data Visualization

A common adage says that a picture is worth a thousand words. When it comes to numbers and understanding the relationships between various values, many people would agree with this bit of wisdom, agreeing that pictures are invaluable. It is hard to make any sense of numbers that are just listed in a table. The same numbers presented in the form of infographics become much clearer and more useful.

Data visualization is a general term that describes any effort to help people understand the significance of data by placing it in a visual context. Patterns, trends, and correlations that might go undetected in textual data can be extracted and recognized more easily with data visualization software (Techartget, 2014).

The main goal of data visualization is to communicate information clearly and efficiently to users. It is one of the steps in data analysis. To convey ideas effectively, both aesthetic form and functionality must go hand in hand, providing insights into a rather sparse and complex dataset by communicating its key-aspects in a more intuitive way (Friedman, 2008). Modern data visualization tools go beyond the standard charts used in Microsoft Excel spreadsheets. In data visualization statistical graphics, information graphics (infographics) and other tools are used.

Infographic is a term that emphasizes a manner of communicating the information contained in data without making the data themselves any more attractive, though they might be visually stimulating. Data visualization is described as both a science and an art at the same time. An infographic should make complex data more understandable and to identify important findings, causality, patterns, and relationships among data more quickly. Data can be displayed in many ways, with many different popular strategies available. The picture below (Fig. 3) shows some of the more popular ones.

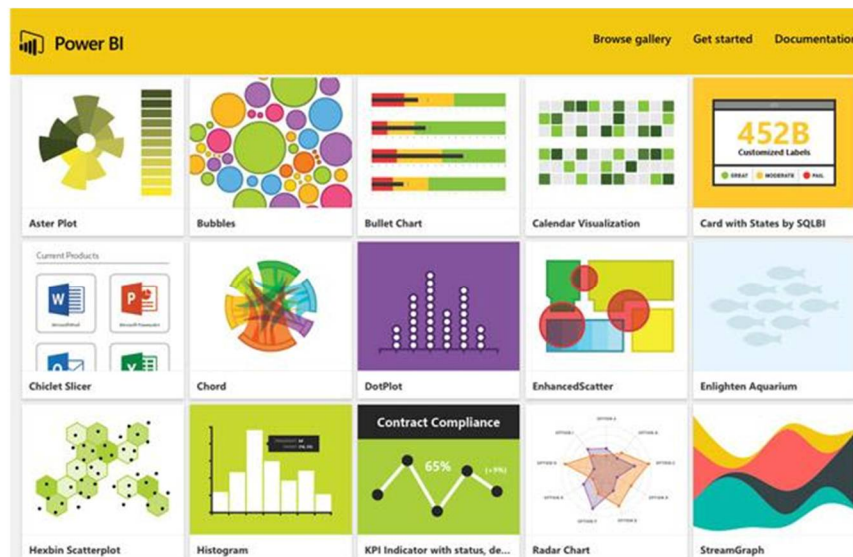


Fig. 3. Power BI sample of charts

Modern data representation is made possible inter alia by interactive tools, which make many visualizations more vivid and dynamic.

Sometimes infographics include interactive functions that let users manipulate them or drill into the data for query and analysis. Indicators designed to alert users when data has been updated or when predefined conditions occur can also be included (Techtarget, 2014).

Managers expect that results be displayed on dashboards. A dashboard's aim is to show useful information automatically. It is essential to build a dashboard based on meaningful KPIs, which help managers answer critical business questions, align business actions with corporate strategy, and boost productivity. This is easy with a combination of the right tools, such as Power BI, Tableau or one of the others, presented in

Fig. .

An example of a dashboard can be seen in the picture below (Fig. 4).

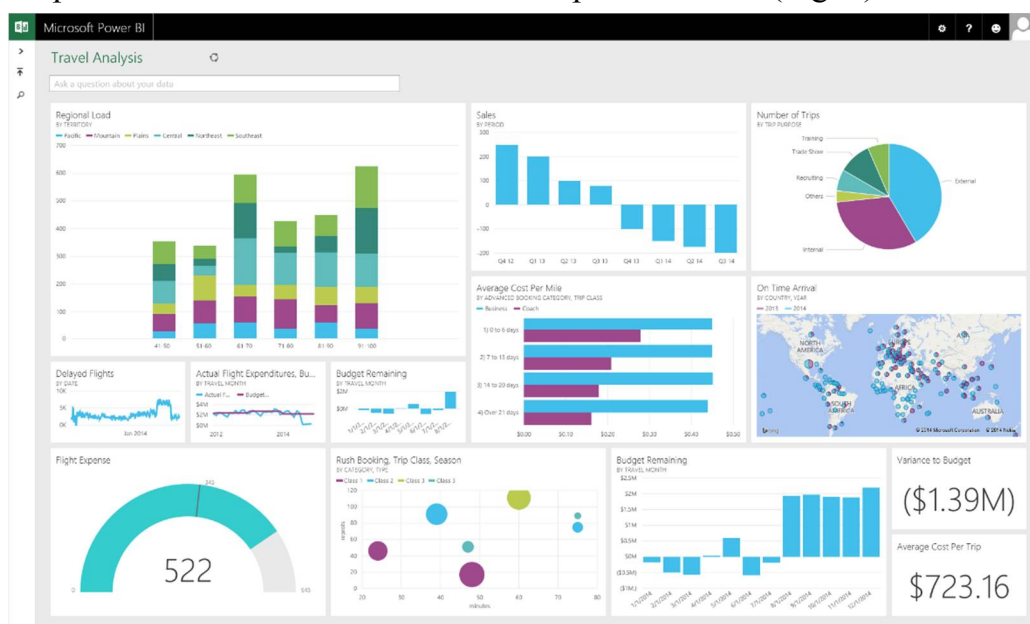


Fig. 4. Dashboard example (<https://powerbi.microsoft.com/fr-fr/blog/new-power-bi-features-available-for-preview/>)

Human Resources

Human resources are of the utmost important in implementing any BI project. Sometimes we are concentrating too hard on products or technological aspects of a BI project. In today's society, people often assume technology is going to magically solve their problems. However, a solution's critical success factors lie within the three Ps: people, politics and policies. Politics and policies also depend on people. Successful BI projects focus on business needs, not IT needs. The business people expect to get the right information to do their jobs in the right way. One of the biggest reasons BI projects are considered failures is because they do not meet expectations (Sherman, 2015).

The human factor in BI projects means IT experts, managers, and other users of BI solutions. All of these must work together on the BI project as partners. Managers as well, not just IT experts from the project group, must understand the professional and technological requirements and challenges that must be solved before launching an integration and data analysis project. They must therefore understand that which was described in the chapters Business Aspects and Technological Aspects of a BI Project.

The areas to focus on include (Sherman, 2015):

- The relationship between business and IT groups,
- People's roles and responsibilities,
- Organizational structure,
- Peoples' involved in the BI project and maintenance skills,
- Training.

The human resources allocated to implementing, and later maintaining and using the results of, a BI project must be properly trained. The challenges related to HR can generally be listed as the motivation, mood, know-how, and diverse experience of managers, analysts, data architects, and database administrators.

Although it may seem that management's knowledge in the field of BI is irrelevant, this is not the case. If managers understand the significance of structured data collection, are able to distinguish between data for transactional work and data for analysis, understand the importance of the data warehouse and know how to use analytical tools to the extent that they can clearly express demands, the planning and implementation of the project will proceed much more quickly and efficiently than in cases where management employees do not possess this knowledge and skill base. In cases where management do not possess these skills and do not receive appropriate training, and only receive it once the BI project is already underway, there are often delays in the project, additional demands for changes, as well as conceptually incomplete or even illogical demands.

Analysts' expertise varies greatly from organization to organization, and also depends on the complexity of the data sources that they manage. Analysts must be adept at directly linking to data sources, modelling data, using various analytic languages (e.g. DAX, MDX), basic analysis (e.g. pivot tables), and basic data representation.

Data architects require specialized knowledge of ETL (Extract Transform Load), data preparation, and data warehouse construction. Knowledge of several programming languages is also a prerequisite for extracting data through several interfaces and dashboards, along with broad system knowledge for managing server infrastructure (Bele et al, 2018).

10. How to Know Whether a Company is Prepared for BI

BI is a growing field and there is a shortage, both around the world and here in Slovenia, of skilled and experienced personnel. For this reason, in addition to theory, good practice is exceptionally important. We have observed this in many companies where a decision has been made to introduce BI. We must first discover if they are sufficiently prepared, and what it is necessary to do at the beginning of the project in order to maximize the possibility that all activities in the project will be well directed and managed.

On the basis of the existing theoretical framework and our experience from numerous projects for successful Slovenian companies, we created a questionnaire that helps us to assess the preparedness of companies for the introduction of BI. The diagnostics phase involves intense conversations with all relevant participants. In addition to doing diagnostics on the state, needs, and expectations of the client, it is also important to prepare the entire ecosystem of the company for new methods of management and decision-making on the basis of data that is generated by BI in real time.

Each BI project should include the following phases: diagnostics, planning, data integration, cleansing and the creation of a data warehouse, analysis of data and visualization, training of users, adaptation and maintenance.

None of these phases can be omitted or neglected because a poorly implemented transitional phase can cause the whole project to fail. This article focuses particularly on diagnostics, the least technical of all the phases, and therefore the one that often receives the least attention. BI is closely connected to the three areas:

- operations: goal-directed management, operational goals and client's expectations, change management;
- technology: data about key processes, planning data, data sources (ERP system and other business software);
- human resources: management, business analysts, data architects and IT experts.

During the diagnostics phase we dedicate special attention to these three areas.

Successfully implemented BI projects require understandable and measurable indicators of operational success (KPIs), goal-directed leadership, high-quality data, and that management and other employees are trained in the principles of the BI project, and in providing data and analytic services.

Once diagnostics have been carried out, it is necessary to present the results to management along with conclusions about necessary changes in areas of the company where there are indications that business goals would not be achievable.

The purpose of the diagnostics phase is to generate a detailed understanding of the client: its activities, organization, business, its needs, challenges, and strategic goals, its human resources training, level of information and communication technology, the state of its data infrastructure, and previous experience in BI and BA. The omission or superficial implementation of the diagnostics phase can lead to a discrepancy between client expectations and results, which can cause even well implemented later phases and resolutions to not achieve client goals.

The first step in the performance of better diagnostics is the preparation of a questionnaire that helps the project consultant to understand the general state of the company. It is also important to interview key participants with the goal of acquiring answers to essential questions and discover as much relevant information as possible that will provide the foundation for high-quality project preparation. Because the time of both the project consultant and the client is valuable, the interviews should be well prepared. Information that is publicly available and that the client provided during the decision-making phase should have already been incorporated into the questions. The goal of the good consultant is to provide not only what the client has ordered, but also what the client needs in order to achieve the greatest business success. Once we perform the diagnostics phase, we determine which of the client's goals cannot be realized without certain changes.

The result of the diagnostics phase is a report that contains general context, identifies gaps or missing BI elements in the environment, defines KPIs, a data warehousing plan, and access metrics. Using the questionnaire, we find out the preparedness of the company to start a successful BI project. We are focused on operations, technology and employees' skills.

11. Operations Diagnostics

The operational area is the starting point for the analysis of the company's needs as well as its current state. All processes must be directed toward the final goal, the final goal being suitable management support for quicker and better decision-making for the introduction of measures that will lead to ongoing improvement in all operational processes. The achievement of the final goal requires the detailed definition of all subsidiary operational goals.

Three areas must be checked at all organizations aiming to implement a BI project: goal-oriented management, operational goals and client's expectations, management of change.

12. Goal oriented management

It is important to ascertain if the business has specific, clear, realistic operational goals that are also defined in terms of when they should be achieved. The goals must also be defined in such a way that their achievement can be measured. First, we assess whether KPIs have been defined and written in a suitable way. We also try to assess whether, to the contrary, the company has goals that have not been defined in a suitable way, and, if this is the case, we rearticulate them and also identify measurable KPIs.

Another key element for the successful implementation of a BI project is that specific employees or departments are responsible for each KPI. We need to know who is responsible for the achievement of individual operational goals, and responsible parties must have sufficient authority to achieve success (typically the authority of personnel in lower management).

13. Operational Goals and Client's Expectations

It is extremely important at the very beginning of the project to define and understand the client's expectations and goals. It frequently happens that certain goals need to be developed and expanded in the preparatory phase. Sometimes it is necessary to collect more data, or at least to start the process of collecting that data.

Together with the client, we also define additional KPIs if necessary, which will help us to both achieve and measure the expectations and goals of the company.

It also happens in certain cases that there are too many indicators and we have to decide which are the most essential and will be included in the project. Certain clients may decide to start with specific and narrow goals, for example with the optimization of production and sales, and will later expand BI to cover other areas.

Although it may appear that determining the expectations and goals of a company is simple, it often happens that clients fail to express themselves in a clear manner, or the project consultant fails to understand. This relates to the level of knowledge of human resources and the ability of the project consultant to conduct interviews in a way that reveals and clarifies the client's expectations and goals in cases where they are not clearly expressed.

14. Management of Change

During the diagnostics phase of the project, we take a particular interest in the culture of the company and how employees in position of authority introduce changes. A well-managed BI project will inevitably demand changes in operational processes. For this reason, it is very important that the management team is aware of the significance of and reason for proposed changes, and that they are ready and able to carry them out. Changes promise improvement but they also bring inevitable difficulties during their implementation. They should be introduced quickly in order to avoid a situation where delays demand the search for different solutions.

15. Technology Diagnostics

In terms of technology, we are mostly interested in data. We have identified three specific areas: ERP systems data, planning data, and data about key processes.

16. Operational Data

In most BI projects, the first step is to calculate the most important KPIs, which for most companies is sales. The data for the calculation of this indicator can usually be found in the ERP system, which is why it is one of the main data sources.

The development of operative BI, that is BI about key operations processes, usually has the greatest impact on performance. But we often encounter the problem that key operational processes have not been digitalized. In order to introduce operative BI in production processes, for example, there needs to be a structured method for collecting data about production quantities, number of quality pieces produced, number of non-quality pieces produced, etc. Only with this data can indicators, such as Overall Equipment Effectiveness (OEE) and scrape rate, be correctly calculated.

During the diagnostics phase, we must evaluate whether the existing data collections provide all data necessary for analysis. We must also evaluate the technical accessibility of the data collections, and the obstacles or limits related to transferring data to the data warehouse.

We often encounter data collections that permit unsupervised correction of past data, or contain only partial data reflecting conditions at a given moment (for example, inventory levels), which cannot be cross checked with transaction documents. The preparation of data from such sources requires additional verification, and results derived from them are often of questionable value.

It is important to verify if data sources are IOT devices, how data is stored, and if their quality is suitable as input to analysis.

We also evaluate data collections and their normalization levels. It is important to ask whether the organization implementing the project has a data warehouse or not, and if it does, whether the warehouse contains all the data necessary for the successful implementation of the project.

17. Planning data

Planning data is usually generated with Excel, the ERP system, and other applications. In order to calculate KPIs, we need data with comparable values. In order to calculate KPIs on the company level, it is sometimes acceptable that plans are divided into separate timeframes have just two dimensions (time and quantity or amount), but for the best decision-making it is necessary to go into greater depth. In this way, we can recognize deviations within indicators. In order to visualize these deviations in depth, in the case of sales, we must have complete plans that include data on buyers, articles, and month. With certain companies, it is necessary to have more detailed plans, in others less, but all must be clearly defined in the diagnostics phase.

We have discovered that in the first year of implementation of a BI project, companies tend to give little attention to the defined plans. This is often because the plans are poorly prepared. Seasonal components have not been considered, and comparisons with forecasts and actual results are relatively rare. Most participants prefer to use data from previous years in comparative studies.

18. ERP System and Other Data Sources

Most companies that decide to implement a BI project have extensive and efficient ERP systems. However, we have experienced difficulties in project implementation with even the most successful companies. Certain clients have their ERP systems adapted to specific needs, and this specificity prevents the upgrade of the system. If we conclude on the basis of initial results that the implementation of a BI project requires changes to the ERP systems and that these systems cannot be upgraded, this can become an obstacle to changing operational processes. For this reason, finding resolutions for such situations should take place before problems occur.

Because BI projects require changes in organization and processes, and this includes data processing, it is essential that the ERP system is able to accommodate these demands. In our experiences, most BI projects end up requiring the collecting of additional data.

The condition for the collection of high-quality additional data is that the company's ERP system is both flexible and up-to-date. Many companies have information solutions that support key operational processes separated from ERP systems. These systems usually contain a large amount of transactional data that do not include any financial valuation, and this can limit their use in analytics. We have to research applications that support key business operations and the data these operations use and provide.

19. Human Resources Diagnostics

Questions related to human resources are usually associated with availability, knowledge (or skill base), and experience. The level of knowledge and experience must be assessed in the following employees: managers, analysts, data architects and custodians of data collections.

20. Management

We need to check if managers understand the significance of structured data, are able to distinguish between data for transactional work and data for analysis, understand the importance of the data warehouse and know how to use analytical tools to the extent that they can clearly express demands. In cases where management do not possess these skills, managers should receive appropriate training before launching a BI project.

21. Analysts

Most companies employ analysts that perform business analysis but do not necessarily master BI tools. Also, here, many levels of knowledge must be assessed. The first and most basic question is whether analysts master the concept of merging many data sources and conducting analysis with rotation charts. The next skills we verify among analysts are direct networking with data sources, modelling data, and the mastery of state-of-the-art analytical languages (such as DAX and MDX). At the highest level, we evaluate skills in the field of data mining, advanced statistical methods for forecasting, profiling, extracting hidden properties of data, and the explication of pattern-consequence structures from the past.

22. Data Architects and IT Experts

We also have to check data Architects and IT experts' knowledge and skills needed in a BI project. Because useable data are especially important, we need to find out if the organization has employees that can perform the structured preparation of data for analysis. Skilled specialists in the field of ETL (Extract Transform Load) and in the creation, adaptation, and upgrades of data warehouses are extremely important. It is essential that the company has employees with knowledge of a range of programming languages for data extraction through various interfaces, and are versed in system skills related to server infrastructure. The results of this discovery process should provide information as to what extent it will be necessary to rely on consultants and external data architects in the phase of data preparation. It is also important to evaluate the skill and knowledge of personnel in charge of data collections. Some data collections are extremely complex. If the data warehouse is to contain only correct and useable data, it is necessary to establish certain rules and recognize details in the data entry process. The search for data and the effort to understand its content can result in excessive use of time during project implementation.

23. The Analysis of Diagnostics' Results

After company participants fill out the questionnaire and are interviewed, the questionnaires are analyzed. In cases where there is a lack of clarity or discrepancies in the answers, additional interviews are conducted. On the basis of the diagnostic analysis, we evaluate the preparedness of the company for the BI project, which we present in graphic form (Fig. 6). In this process, we consider the insights of both external and internal participants, that is of the consultant and client respectively. The second component in the project design is the client's assessment of which parts of the project will be implemented internally and which parts will be outsourced to the consultant. The content of the project, its timeline, and the product set are determined on the basis of this assessment.

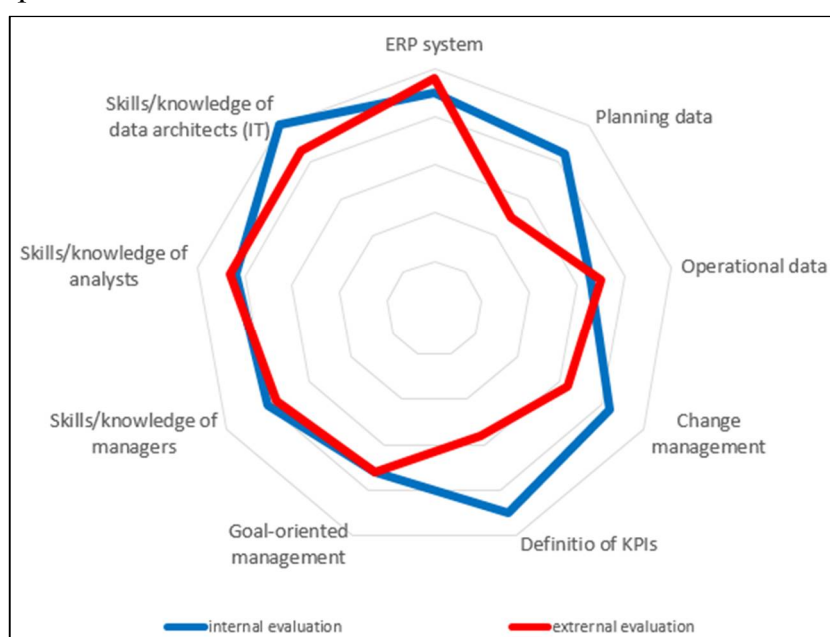


Fig. 5. Example of evaluation of the company's preparedness for the development of its business ecosystem and the implementation of a higher level of BI

Conclusions.

In successful companies, managers are generally aware that, in order to maximize business efficiency, it is necessary to adopt BI technology and make use of all of the company's available information. Some clients have made the initial decision to implement a BI project; others have already begun implementation and have encountered difficulties and challenges. In either case, skills, knowledge, and experience of good practices are extremely important for the company to successfully implement the project. It should not be necessary to repeat the mistakes that others have already made and learned from.

We have written this article with the intention of encouraging and helping interested companies to thoroughly prepare for BI projects so that all participants will be satisfied with the results. If companies are to implement a successful BI project, it is necessary to undergo appropriate preparations either in the case of a wide-ranging project or a more specific project. We call this phase diagnostics and its purpose is to first evaluate the current state of preparedness of the company and second to introduce necessary changes prior to project implementation. We have concluded that successful project implementation requires a sufficiently developed business ecosystem that includes three main areas: operations, technology, and human resources. We present problems from practice and pose questions that help us to assess how well-prepared an organization is for the implementation of BI, and what elements are necessary to upgrade or improve before the project is launched in order for successful implementation and fulfilment of the goals of the company.

Both the client and the consultant must agree on the company's current state, what segments of their business require special attention, and what specific changes or activities need to be introduced. The diagnostics phase is essential in order to avoid the traps and delays that hinder many such projects.

References.

Clifton, C. Data mining. *Encyclopedia Britannica*. Retrieved from: <https://www.britannica.com/technology/data-mining> (15.01.2019)

Durcevic, S. (2018). What Is The Difference Between Business Intelligence And Analytics? *Datapine blog*. Retrieved from: <https://www.datapine.com/blog/difference-between-business-intelligence-and-analytics/> (14.01.2019)

Egerth, H. in Pseiner, K., (2016). Information and communication technologies are our future. ICT of the Future. Time for Great Ideas. Project Examples 2012- 2015. *Austrian Federal Ministry for Transport, Innovation and Technology*, Conference proceedings. Retrieved from: <https://www.bmvit.gv.at>

Friedman, V., (2008). Data Visualization and Infographics. *Smashing magazine*, january, 2008. Retrieved from: <https://www.smashingmagazine.com/2008/01/monday-inspiration-data-visualization-and-infographics/> (19.01.2019)

Gartner, 2018. Gartner IT Glossary. Retrieved from: <https://www.gartner.com/it-glossary/> (28.11.2018).

- Howson, C. et al. (Gartner group), 2018. Magic Quadrant for Analytics and Business Intelligence Platforms. Retrieved from: <https://www.gartner.com>
- Heinze, J., 2016. Business Intelligence vs. Business Analytics: What's the Difference? Retrieved from: <https://www.betterbuys.com>
- Inmon, W. H., 1992. Building the Data Warehouse. *New York: John Wiley & Sons.*
- Islovar, 2018. Information Processing in Slovenian Society. Retrieved from: <http://www.islovar.org/islovar> (19.12.2018) [in Slovenian].
- Jackson, T. 2017. 18 Key Performance Indicator (KPI) Examples Defined. Retrieved from: <https://www.clearpointstrategy.com/18-key-performance-indicators/> (19.01.2019)
- Kern Pipan et al., 2018. The Challenges and Benefits of Business Analytics in the State Administration on the Case of Project Skrinja 2.0. *Conference on Informatics in Public Administration*, Conference Proceedings [in Slovenian].
- Lapuh Bele, J., Dular, T., Mis Smalc, H., Pirnat, R., 2018. The challenges of implementing business intelligence. In: Urh Popovič, S. (ed.). *25nd Conference on Slovenian Informatics*. Slovenian Informatics Society [in Slovenian].
- Loshin, D., 2012. Business Intelligence. *Morgan Kaufmann*
- Mueller, J. P., Massaron, L., 2016. Machine Learning for Dummies. *John Wiley & Sons, Inc, Hoboken, New Jersey*
- Ng, A. (2019), Machine learning, online course. Stanford. Retrieved from: <https://www.coursera.org/learn/machine-learning>, (21.01.2019)
- Pearson, T., Wegener, R., 2013. Big Data: The organizational challenge. *Baind & Co.* Retrieved from: <http://www.bain.com> (28.11.2018).
- Sallam, R. L., Howson, C., Idoine, C. J., Oestreich, T. W., Richardson, J. L., Tapadinhas, J., 2017. Magic Quadrant for Business Intelligence and Analytics Platforms. Retrieved from: <https://www.gartner.com/doc/3611117> (19.11.2018).
- Seliškar, V. (2017). Poslovna analiza, analitika in inteligenca – jih res ločimo? [Business Analysis, Analytics, and Intelligence – What's the Difference?] *Monitor*. Retrieved from: <http://www.monitor.si> [in Slovenian].
- Sherman, R. (2015). Business Intelligence Guidebook: From Data Integration to Analytics. *Isevier Inc.*
- Toonders, J. (2012). Data is the New Oil of the Digital Economy. Retrieved from: <http://www.wired.com/2014/07/data-new-oil-digital-economy> (28.11.2018).
- The enterprisers project (2019). Red Hat. Retrieved from: <https://enterpriseproject.com>
- Techtarget (2014). Advanced data visualization guide: How visualizing data can boost BI. Retrieved from: <https://searchbusinessanalytics.techtarget.com>
- Whitehurst, J., 2007. Revenue-generating CIOs: Smart Strategies To Grow The Business. A Harvard Business Review Analytic Service Report. Retrieved from: <https://enterpriseproject.com> (10.01.2019)

Janez Kolar

M. Sc., Lecturer,

Ljubljana School of Business,

Ljubljana, Slovenia

orcid.org/0000-0001-5237-3202

**POSSIBLE CONNECTIONS BETWEEN GLOBAL COMPETITIVENESS INDEX,
WORLD HAPPINESS INDEX AND CULTURAL DIMENSIONS IN DANUBE RIVER
REGION COUNTRIES THROUGH THE PRISM OF SOCIAL FIELDS THEORY**

***Abstract.** Through history, humanity seeks a response (also) to the question of where innovations come from and how to accelerate, orientate and utilize them at our best interests. In this article we attempted to highlight possible connections between Global Competitiveness Index, World Happiness Index and Cultural dimensions in Danube river region countries in order to provide a platform for understanding common points and areas of differences, which might influence on innovation generation, as well as the diffusion of knowledge, innovations and technology itself. Leaders in development and wealth of the observed region, Germany and Austria do not linearly excel in all the categories and out of deviations we were looking for roots of possible development acceptance. As a pursuit in replicating of success stories can be questionable, there might be many approaches needed, as perhaps as innovative as innovations researched.*

JEL Classification: A13

Introduction.

The most influential explanations of economic growth along the past five decades rely on two main items: Human capital accumulation and the dissemination of knowledge/technological diffusion. Physical capital accumulation plays just a subsidiary role in terms of long run growth (Gomes, 2005).

It is about 12000 years since *somebody* planted the first seed in fertile soil. Simple, but profoundly innovative and boldly courage act that changed practically everything. It happened in so called fertile crescent, place of many innovations. Before that moment, most of the day to day activities, most of our history as a species, our ancestors were looking for food to feed themselves and their tribes. From hunters'-gatherers we changed to farmers. There was no need for constant wandering around anymore and specialisation of roles in tribes. Surplus of food made, putting it simply, possible to build settlements and villages, what have led to today's cities and megacities. So, invention of farming, as much as it can be taken for granted nowadays, was clearly one of most important invention ever.

As the general theme of technology diffusion has been the subject to more than 4000 studies over the past half-century (Cortada, 2008), we will go back to the fields. Literally. Corn fields. Interestingly, the Diffusion of Innovation Theory has its roots also in farming and it actually started with Ryan and Gross (1943) study of the diffusion of hybrid seed corn, according to Rogers (1983) one of most influential diffusion study of all time, that could also be called: Mother of all diffusion studies.

1. Mother of all diffusion studies

We have to mention here the Ryan and Gross (1943) study of the diffusion of hybrid seed corn as one of the most influential diffusion studies of all time. The hybrid corn investigation includes, regarding to Rogers (1983) each of the four main elements of diffusion: 1) The Innovation, 2) Communication channels, 3) Time and 4) The Social system. The innovation of hybrid corn was one of the most important new farm technologies when it was released to Iowa farmers in 1928, and it ushered in a whole set of agricultural innovations in the 1930s through the 1950s that amounted to an "agricultural revolution" in farm productivity. The diffusion of hybrid seed was heavily promoted by the Iowa agricultural extension service and by salesmen from seed companies. All but 2 of the 259 farmers had adopted hybrid corn between 1928 and 1941, a rather rapid rate of adoption. The innovation-decision period from first knowledge to the adoption decision averaged about nine years for all respondents, a finding that led to a clearer realization that the innovation-decision process involved considerable deliberation by most adopters, even in the case of an innovation with spectacular results. The average respondent took three or four years after planting his first hybrid seed, usually on a small trial plot, before deciding to plant 100 percent of his corn acreage in hybrid varieties...(Rogers, 1983).

Fundamental laws of Physics teaches us that "the amount of steady current through a large number of materials is directly proportional to the potential difference, or voltage, across the materials" (<https://www.britannica.com/Science/Ohms-Law#Accordion-Article-History>.) An electric current can only flow when there is a closed path in which electrons can move, from the point with higher to the point of lower voltage. Also The flow or diffusion of Innovations flows from the points of higher knowledge to the points where this very knowledge is understood, desirable and wanted.

Although there is no consensus in the research community on whether successful cases such as that of Silicon Valley can be replicated, various expensive attempts to recreate its unique and spectacularly successful innovation system have provided less than satisfying results (Modic and Rončević, 2018).

Regional innovation policies operate in various social, cultural, political and economic contexts; hence there is a need to enhance our understanding of the dynamics of regional innovation systems and in particular of the nuanced perspective of the impact of institutions, social networks and cognitive frames on the social topography of regional innovation systems. (Modic and Rončević, 2018).

As the process of innovation radically and uniquely changes the key processes (Rončević and Damij, 2011), countries have to be prepared for and capable of these changes.

In trying to establish, what conditions should be met in order for a country to be prepared for adopting new knowledge, we will turn to Becker's Social fields theory, Hofstede's Cultural dimensions, which will be met with some elements of Global

Competitiveness Index (Klaus index) and also (where information is available) with European Innovation Scoreboard. Additionally, we will provide data for Danube river region countries from World happiness report which will put another piece of stone in the mosaic of understanding the main question of this article.

Danube river region consists of EU member states (Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Romania, Slovakia and Slovenia), Accession Countries (Bosnia-Herzegovina, Montenegro and Serbia) and Neighbouring Countries (Moldova and Ukraine). Just to illustrate the proportions, total population of this region is 207,2mio, what is approx. 1/40 of global population, which is almost exactly half way between the populations of Pakistan (with 204,6mio 6th most populated country) and Brazil (with 212,4 mio 5th most populated country).



Fig. 1. Danube river region map

Source: <https://www.danube-region.eu/about/the-danube-region>, 8may2019

As countries in this region vary quite a lot in many parameters, which will also be presented in Table 1, it makes a sense to try to observe diffusion potentials among the region from different perspectives. Sociological approaches to the Economy explain economic outcomes based on the influence of social structures on individual action (Beckert 2010). From sociological point of view, we will reach on the shelf for Theory of social fields, where we will mostly combine notions by Beckert and Fligstein, who states that “Fields are understood here as a local arena where actors gather and frame their actions vis-à-vis one another” (Fligstein 2001b: 108).

Three types of social forces have been identified as being relevant in explaining economic outcomes: social networks, institutions and cognitive frames (Beckert 2010). Only from the simultaneous consideration of all three forces important aspects of the dynamics of market become comprehensible (Beckert 2010). To simultaneously consider all three social forces in market fields and their reciprocal influences allow us to consider their interrelations as sources of field dynamics. (Beckert 2010). This reciprocal influence of the three social forces in market fields is presented in Figure 2.

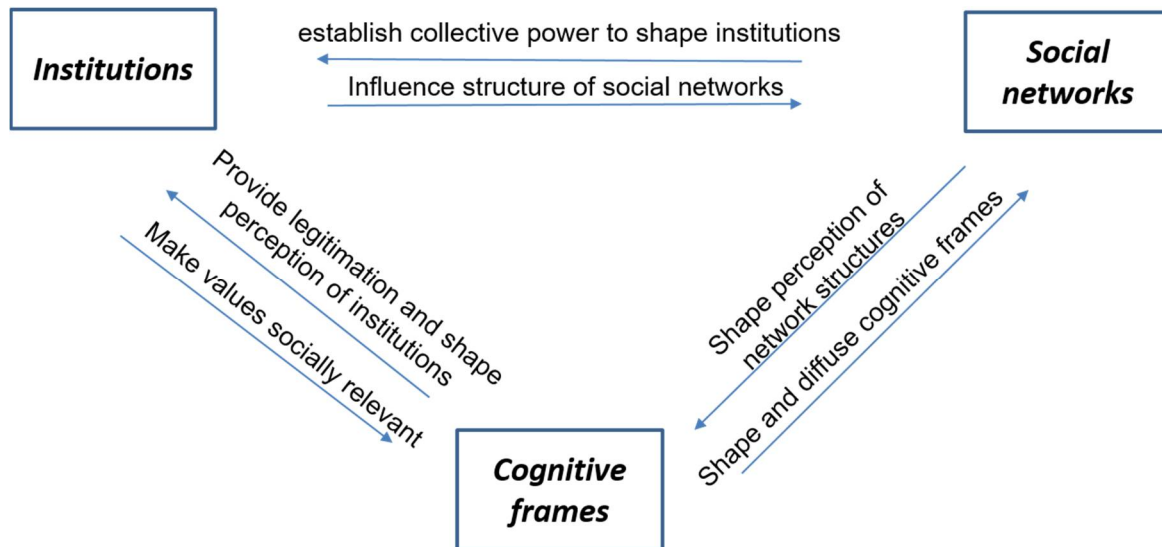


Fig. 2. Reciprocal influence of the three social forces in market fields

Source: Beckert, 2010

Although a deeper explanation of elements of social fields could exceed the format of this writing, it is important to mention that, for instance, a relationship toward institutions shapes structure of social networks, which are also shaped in diffused by cognitive frames. The later also provide legitimation and shape perception of institutions, and on the other hand, Institutions make values socially relevant.

In Table 1 we can see that Danube river region countries vary a lot in the different categories as it can be seen in the Table 1. As Germany and Austria clearly represent the most developed and wealthy pole of Danube river region, in most of the categories, but not in all of them, Germany and Austria enjoy highest levels of indicators, so in these categories we will focus on following country or two. In exceptional categories, where Germany and Austria do not represent best practices, we will try to explain possible reasons from data in Table 1.

The development of countries, institutions, skills, etc. is included in GCI - Global Competitiveness Index, known also as a Klaus index by its main author, Klaus Schwab. As a new tool for understanding and assessing competitiveness, this report became the main lens through which World Economic Forum measures country performances. GCI Index is made of 12 pillars in four groups: A) Enabling Environment: Institutions, Infrastructure, ICT adoption and Macroeconomic stability; B) Human Capital: Health and Skills; C) Markets: Products market, Labour market, Financial system and Market size and D) Innovation Ecosystem: Business dynamism and Innovation capability.

Table 1. Danube region countries and their GCI, WHR and Cultural Dimensions Scores

		GCI 4.0 - KLAUS INDEX						Civic engagement	WHR			Hofstede Cultural Dimensions					
		GCI rank2018	Institutions	ICT adoption	skills	Innov. Capab.	Income GINI		Happiness rank	money/charity	time/charity	PDI	IDV	MAS	UAI	LTO	IVR
1	Austria	22	73	65	78	74	30	44	10	53	26,9	11	55	79	70	60	63
2	Bulgaria	51	54	70	65	44	37	22	97	17	5,4	70	30	40	85	69	16
3	Croatia	68	52	60	63	38	31	20	75	21	8,6	73	33	40	80	58	33
4	Czechia	29	60	66	74	57	26	22	20	n/a	n/a	57	58	57	74	70	29
5	Germany	3	90	69	85	88	32	46	17	49	25	35	67	66	65	83	40
6	Hungary	48	54	61	68	48	30	23	62	21	9,5	46	80	88	82	58	31
7	Romania	52	58	67	62	40	36	27	48	22	6,7	90	30	42	90	52	20
8	Serbia	65	52	57	68	40	n/a	21	70	22	5,1	86	25	43	92	52	28
9	Slovakia	41	56	68	69	47	26	28	38	29	14	100	52	100	51	77	28
10	Slovenia	35	63	66	73	58	25	39	44	37	33	71	27	19	88	49	48
11	Moldova	88	51	62	61	30	26	27	71	21	17	n/a	n/a	n/a	n/a	71	19
12	Monte-negro	71	55	57	68	35	32	24	73	20	8	n/a	n/a	n/a	n/a	75	20
13	Bosnia /H	91	46	46	58	28	33	28	78	33	5	n/a	n/a	n/a	n/a	70	44
14	Ukraine	83	46	51	69	39	25	29	133	18	20	92	25	27	95	55	18

Source: Author

Comparison among countries of Danube river region leads us from Germany, as global number 3 to Austria at 22nd place and perhaps also Czech Republic at 29th place on the ladder. On the lower end of GCI Index among countries in region, we can find Ukraine (83), Moldova (88) and Bosnia and Herzegovina (91). In Institutions brackets, beside top performers, speaking German language, we shall mention Czech Republic (60) and Slovenia (63), on the other side, most room for improvement can be found in Ukraine (46) and Bosnia and Herzegovina (46). At ICT adoption, German language speaking countries are not leading, but “medals” go to Bulgaria (70), Slovakia (68), Romania (67) and Slovenia (66). The other pole of the stick brings us to Bosnia and Herzegovina (46) and Ukraine (51). In the “skills category” Germany (85) and Austria (78) are leading again, but followed closely by Czech Republic (74) and Slovenia (73). Poorest performance in this category has been found in Bosnia and Herzegovina (58). Also in Innovation Capability brackets, Germany and Austria lead the way and are again followed by Slovenia (58) and Czech Republic (57), poorest scores are registered in Moldova (30) and Bosnia and Herzegovina (28). Situation on the field of Income Inequality GINI is much different, as most equality is found at equal performance in Ukraine (25) and Slovenia (25) and most inequality can be found in Romania (36) and Bulgaria (37).

Interesting situation is, on the other hand, when checking Civic engagement, where highest scores, beside Germany (46) and Austria (44), which are followed by Slovenia (39), but on negative side of performance among Danube river region countries this time comes Bulgaria (22).

When comparing above mentioned performances with results from World Happiness Report, we can see that, beside Danube river region overall champions, this time headed by Austria (10) and Germany (17), nearest place is occupied by Czech Republic (20), and on the other side of the stick, unhappiest countries seem to be Bulgaria (97), which is ranked at 51 in GCI and Ukraine (133). Another interesting aspect, possibly related to social networks elements of social fields, the percentage of population, which donated to charity last month (in %) and similar group of Percentage of population, which did volunteer time to charity in the past month (in %), we can see, that when we measure the percentage of population, which donated to charity last month, Austria (53) and Germany (49) are leading again, and closest came Slovenia (37) and the most distant results were recorded in Ukraine (18) and Bulgaria (17). In the question of allocation of time to charity situation is little different, where Slovenia is a clear leader (34), which is followed by Austria (27), Germany (25) and Ukraine (20).

Including cultural dimensions in the equation makes a picture much more complex, as we introduced Hofstede's Six Dimensions of Culture. Psychologist Dr Geert Hofstede published his cultural dimension's model at the end of the 1970s, based on a decade of research. Since then, it's become an internationally recognized standard for understanding cultural differences. Hofstede studied people who worked for IBM in more than 50 countries. Initially, he identified four dimensions that could distinguish one culture from another. Later, he added fifth and sixth dimensions, in cooperation with Drs Michael H. Bond and Michael Minkov. These are: 1) Power Distance Index (high versus low), 2) Individualism Versus Collectivism, 3) Masculinity Versus Femininity, 4) Uncertainty Avoidance Index (high versus low), 5) Long- Versus Short-Term Orientation and 6) Indulgence Versus Restraint.

Results are again for Danube river region are presented in Table_1, but probably we should shortly introduce a short description of these 6 cultural dimensions (Hofstede 2010):

1) Power Distance Index (PDI) refers to the degree of inequality that exists – and is accepted – between people with and without power. A high PDI score indicates that a society accepts an unequal, hierarchical distribution of power, and that people understand "their place" in the system. A low PDI score means that power is shared and is widely dispersed, and that society members do not accept situations where power is distributed unequally.

2) Individualism Versus Collectivism (IDV) refers to the strength of the ties that people have to others within their community. A high IDV score indicates weak interpersonal connection among those who are not part of a core "family." Here, people take less responsibility for others' actions and outcomes.

In a collectivist society, however, people are supposed to be loyal to the group to which they belong, and, in exchange, the group will defend their interests. The group itself is normally larger, and people take responsibility for one another's well-being.

3) Masculinity Versus Femininity (MAS) refers to the distribution of roles between men and women. In masculine societies, the roles of men and women overlap less, and men are expected to behave assertively. Demonstrating your success, and being strong and fast, are seen as positive characteristics. In feminine societies, however, there is a great deal of overlap between male and female roles, and modesty is perceived as a virtue. Greater importance is placed on good relationships with your direct supervisors, or working with people who cooperate well with one another.

The gap between men's and women's values is largest in Japan and Austria, with MAS scores of 95 and 79 respectively. In both countries, men score highly for exhibiting "tough," masculine values and behaviours, but, in fact, women also score relatively highly for having masculine values, though on average lower than men.

4) Uncertainty Avoidance Index (UAI). This dimension describes how well people can cope with anxiety. In societies that score highly for Uncertainty Avoidance, people attempt to make life as predictable and controllable as possible. If they find that they can't control their own lives, they may be tempted to stop trying. These people may refer to "mañana," or put their fate "in the hands of God." People in low UAI-scoring countries are more relaxed, open or inclusive.

5) Long- Versus Short-Term Orientation. This dimension was originally described as "Pragmatic Versus Normative (PRA)." It refers to the time horizon people in a society display. Countries with a long-term orientation tend to be pragmatic, modest, and thrifter. In short-term oriented countries, people tend to place more emphasis on principles, consistency and truth, and are typically religious and nationalistic.

6) Indulgence Versus Restraint (IVR), as Hofstede's sixth dimension, discovered and described together with Michael Minkov, is also relatively new, and is therefore accompanied by less data. Countries with a high IVR score allow or encourage relatively free gratification of people's own drives and emotions, such as enjoying life and having fun. In a society with a low IVR score, there is more emphasis on suppressing gratification and more regulation of people's conduct and behaviour, and there are stricter social norms.

Before commenting scores, we should mention that for Bosnia and Herzegovina, Moldova and Montenegro we only have results for 4th and 5th cultural dimensions, LTO and IVR, what makes comparison a little bit harder.

As all six dimensions vary between 0 and 100, it is interesting, that one country, Slovakia, achieves the top result at 100 points in two dimensions: Power Distance Index – PDI and Masculinity Versus Femininity - MAS and on the other side, Slovakia's lowest cultural dimension score is Indulgence Versus Restraint – IVR (28), where lowest were detected in Bulgaria (16) and Ukraine (18), and the highest score in IVR is found in Austria (63), Slovenia (48) and Bosnia and Herzegovina (44). PDI Index is with distance the lowest in Austria (11) and Germany (35) and highest, beside above already mentioned Slovakia is registered in Ukraine (92), Romania (90) and Serbia (86).

IDV Score of Serbia and Ukraine (both at 25) which is also the lowest among all countries in the region, where, according to this result, we could expect, for instance people to work more for intrinsic rewards and where maintaining harmony among group members overrides other moral issues. Highest result in IDV can be found in Hungary (80), followed by Germany (67). While at MAS, Slovakia (100) scores top score, Slovenia (19) got lowest score, where Slovenia is quite alone. Slovenia (49) is leading also in lowest LTO score, while highest scores can be read in Germany (83), followed by Slovakia (77) and Montenegro (75).

Conclusions.

Understanding possible connections between Global Competitiveness Index, World Happiness Index and Cultural dimensions is not straight forward as most developed countries in observed region (Germany and Austria) are not automatically best performing in different categories. Danube river region is a colourful playground of different development, quite different cultural dimensions and also Happiness index varies a lot among selected countries, which could make them really interesting in terms of researching the effectiveness of diffusion of knowledge, innovations, technology, or best practices inside the region. Considerable amount of work is to be done, first in collecting data, especially on Cultural dimensions for all above mentioned countries, second in understanding and following the dynamics of measurements selected and, finally, adequate improvement in both objective (GCI 2020 and beyond) and subjective variables (WHR 2020 and beyond). As a pursuit in replicating of success stories can be questionable, there might be many approaches needed, as perhaps as innovative as innovations researched. Without understanding and considering these factors research might quickly be found in a dead end.

References.

- Beckert, J. (2010). How do Fields change? The Interrelations of Institutions, Networks, and Cognition in the Dynamics of Markets. *Organizational studies*, 31 (5), 605-627.
- Fligstein, N. (2001). Social Skill and the Theory of Fields. *Sociological Theory*, 19(2), 105-125.
- Gomes, Orlando. (2005). Knowledge creation and technology Diffusion: A framework to understand economic growth. *Revista de Analisis Economico*, 20 (2), 41-61.
- Hofstede, Geert and Gert Jan Hofstede and Michael Minkov. (2010). *Cultures and Organizations: Software of the Mind*. Revised and expanded. 3rd Edition. McGraw-Hill.
- Danube Region (n.d.). <https://www.danube-region.eu/about/the-danube-region>
- Worldometers (n.d.). <https://www.worldometers.info>.
- Schwab K. (2018). *Global Competitiveness Report 2018*, World Economic Forum.
- Modic, D., Borut R. (2018). Social Topography for Sustainable Innovation Policy: Putting Institutions, Social Networks and Cognitive Frames in their place. *Comparative Sociology*, 17, 100-127.
- Rogers, Everett M. (1983). *Diffusion of innovations*. The Free Press.
- Borut R., Damij N. (2011). Steering Innovation and Change in Complex Societies. *Innovative Issues and Approaches in Social Sciences*, 4 (3), 5-25.

Leonid Shmorgun

Doctor of Economics, Professor,

Department of Art Management and Event Technologies,

National Academy of Culture and Arts,

Kyiv, Ukraine

orcid.org/0000-0002-9729-4249

**BLOCKCHAIN TECHNOLOGIES IN THE ANALYSIS OF INDUSTRY
INFORMATION IN ORDER TO REGULATE THE ANTHROPOGENIC LOAD ON
SPNAS**

***Abstract.** Subject of research - a set of organizational and economic relations arising in the process of managing the resource potential of natural territories protected by special law. The purpose of writing the article is the development of scientific methodological and practical recommendations for improving the management of special territories of the tourist and recreational sphere. Methodology of work - system-structural, comparative analysis and analysis of industry information with the use of monochrome block technologies (in studying the problems of functioning of the economic potential of natural territories protected by a special law); economic modeling and forecasting. Results of work -the conceptual and theoretical bases of analysis of tourist-recreational potential of any territorial biocenoses are determined taking into account the international experience in the sphere of tourism and digital transformations; systematized approaches to the study and assessment of tourism-recreational potential under changed conditions; metrics were created and the mechanism for collecting material on the tourism resources of the study areas, including specially protected natural areas, was determined (SPNA); blockade technology in the analysis of industry information in order to optimize anthropogenic load on protected areas and preserve their biological potential. Conclusions - the system of scientific principles for managing tourism and recreational resources of protected areas, the tourism and recreation sphere will allow identifying unused reserves, and also includes methods, tools and directions for solving the tasks of strategic development of the potential of natural territories protected by a special law.*

JEL Classification: O3

Introduction.

To manage sectoral resources, including regulatory pressure on various types of tourist zones affecting natural areas specially protected at this stage, in order to reduce the anthropogenic load on these natural territories and utilize the capabilities of the digital economy. There are innumerable new opportunities for resource management in various types of tourist space, including specially protected natural areas (SPNAs). The main task in this case is the guaranteed preservation and multiplication of specially protected species of plants and animals. It seems that in the case of the formation of the information framework for managing the natural resource base, due to the complexity of both the control object itself and the description of its individual characteristics, the elimination of semantic gaps is possible only when ranking the elements of the inventory system (Miroshnikova, 2007).

This issue can be solved with the help of blockchain technologies from the point of view of regulating these processes in the digital transformation of society.

1. Materials and Methods.

The purpose of this article is to adapt the existing and develop fundamentally new approaches to managing tourism and recreation resources in SPNAs based on spatial differentiation and integration of tourism and recreation resources based on GIS as a geoinformatics process. Geoinformatics is closely related to computer science. Therefore, all information resources used in computer science, such as texts, databases, information technologies and software (Shaytura, 2015), are also used in geoinformatics. Consequently, the use of blockchain technologies in GIS is an expectable fact associated with the adaptation of blockchain technologies, with the mandatory consideration of the characteristics of specific biocoenosis.

Because GIS datasets display individual objects with their geographic location and shape, just like layers on a map, their properties are stored in explanatory information for each spatial object including a description of the main biotopes. The geo-information model contains several levels of description:

- objective: related to the area of information processing; system related to the organization method and processing methods;
- basic: determined by the choice of basic data models, independent of the scope of the information model (Rosenberg, 2016).

The nature of the use of industry information distinguish information retrieval and information-solving systems:

- Information retrieval systems created without systematic conversion, systematically providing information for storing and user data;
- Information systems perform all transactions.

Processing information about a specific algorithm. The consequence of the decision-making process is that they are classified according to the level of influence of existing information, and the three classes are divided into managers, consultants and researchers.

Managing IS compile and generate information on the basis of which decisions are made. These systems are characterized by the type of problems of a calculated nature and the processing of large amounts of data. An example is the system of operational planning in marketing, or in modern accounting systems.

There are also expert (advisory) ISs that generate information that is taken into account and does not require immediate action. These systems are characterized by the processing of knowledge, not data. The information content of the GIS is justified by the need for information representation of the territory from the standpoint of the needs of its development, the functioning of the economy and the livelihood of the population.

Prior to GIS, users created a series of map layers that were used for geographic description and location characteristics. Often, they were made on projection slides, which

can be superimposed on each other on a light table. Thus, it was possible to visually show the spatial relationships and the characteristic features of the territory.

Currently, blockchain technology has significantly expanded the capabilities of analyzing geographic information by the following characteristics: recognition, detailing, segmentation and identification.

The achievement of these goals will be achieved by solving the following tasks:

- improvement and systematization of approaches to the allocation of various types of tourist space on the basis of their biological specifics;
- formation of a mechanism for the continuous collection and analysis of relevant information from “open sources” about tourist and recreational resources of the territories, involving the use of crowdsourcing and crowdfunding;
- creation of a knowledge base of objects of display (classification and descriptions of study methods), equipped with intelligent mechanisms for the formation of individual routes, taking into account the customer’s ranked preferences;
- formation of multi-factorial, complex characteristics of a tourist area, taking into account its biological specificity, in order to optimize the use of the resource, depending on the status of the territories, taking into account the optimal and current level of anthropogenic load;
- geographic and environmental information is divided into a series of logical information layers, and not into sets of random objects; sets of homogeneous objects can be managed as separate layers.

In GIS, information is organized into separate “topics” that describe the distribution of the phenomenon and how each topic will fit into the geographic and ecological environment. At the same time, it was revealed that it is possible to use the simplest types of GIS data (points, lines, polygons and sorted lists). They can be combined depending on their location, that is, bind data sets that subsequently form a map, or explore their overlay using geoprocessing operations (for example, polygon overlaying).

In addition, GIS proposed a protocol for data sets and methods for managing them as graphic data layers.

A rationally considering territorial information system (TIS) of regions is a geographic information system designed to support the development of optimal spatial solutions based on the use of up-to-date, reliable and complex geo-information and geo-information processing methods.

The generalized goal of creating a TIS is to form the mechanism of geo-information support of life support systems and the socio-economic development of the region.

In essence, TIS is a graphical information system designed to support the processes of a single geo-information space (Kolesnikovich, 2018).

We propose to apply the blockchain technology without changing the meaning of the proven and justified concept only by arguing that it is advisable to apply modern technologies and their unique capabilities.

For example, homogeneous areas can be identified: by delineating various areas representing the predominant type of objects, or blockchain technology implementation values for analyzing spatial data (that is, layer polygons of object types and their descriptions or blockchain identification as attribute values) Fig 1.

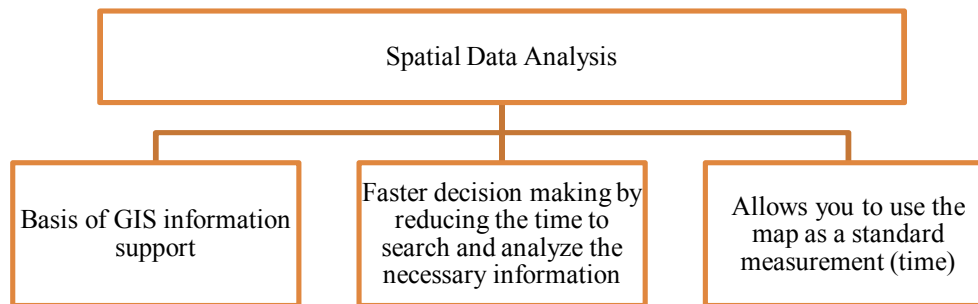


Fig.1 Spatial Data Analysis

The time aspect is divided into the following main compositional (complex) goals:

The short-term goal is integration and a comprehensive presentation of geo-information that is heterogeneous in thematic direction. There are three types of tasks for which information systems are created: structured (formalized), unstructured (non-formalized) and partially structured.

A structured (formalizable) task is a task where all its elements and interrelations between them are known.

An unstructured (non-formalizable) task is a task in which it is impossible to select elements and establish connections between them.

In a structured task, it is possible to express its content in the form of a mathematical model that has an exact solution algorithm. Such problems usually have to be solved many times, and they are routine. The purpose of using an information system for solving structured tasks is to fully automate their solution, i.e. reducing the role of the human factor to zero. An example of a structured task is, for example, payroll accounting (Karmanov, 2015).

The solution of unstructured tasks due to the impossibility of creating a mathematical description and development of the algorithm is very difficult. The possibilities of using the information system here are small. The decision in such cases is made by a person from heuristic considerations on the basis of his experience and, possibly, indirect information from various sources.

By the nature of the use of information, there are information retrieval and information-decisive systems:

– Information retrieval systems produce input, systematization, storage, delivery of information at the user's request without complex data transformations. For example, the information retrieval system in the library, at the box office etc.

– Information-decisive systems carry out all information processing operations according to a specific algorithm. Among them it is possible to classify, according to the degree of impact of the generated result, information on the decision-making process and distinguish two classes: managers and advisers.

IS managers produce information on the basis of which a person makes a decision. These systems are characterized by problems of a calculated nature and the processing of large amounts of data. An example would be a system of operational planning and optimal development of a sectoral resource, as well as a modern accounting system, etc.

Expert (advisory) ISs produce information that is taken into account by a person and does not immediately turn into a series of concrete actions. These systems have a higher degree of intelligence, since they are characterized by the processing of knowledge rather than data. In total, this makes it possible to formulate and achieve specific goals:

1. The medium-term goal is to provide the main groups of consumers with relevant, reliable and comprehensive geo-information to assess the state of the territory, the current situation and make spatial decisions;

2. The long-term goal is the introduction of geo-information methods for modeling, analysis and forecasting directly into the processes of developing spatial solutions in order to optimize them, increase efficiency and reasonableness and make more rational use of available resources.

At all stages of the study the execution of a full-scale environmental impact assessment is planned, as well as the allocation of segments (Mapexpert, 2018) associated with the development and formation of recreational activities in order to create tourist and recreational complexes, using an integrated approach and taking into account the laws governing the formation of the tourist and recreational potential of the Republic of Belarus. Work in this area involves the adaptation of international experience and participation in the planning of global projects, taking into account the risk of overloading specially protected natural areas (SPNAs) with excess tourism. Geographic and environmental information is processed in a GIS using three initial data structures:

1. Spatial object classes (individual graphic elements) (Table 1)

Table 1. Spatial objects classes

GIS	BLOCKCHAIN
Road network	Detailing
Water system	Segmentation
Administrative boundaries	Identification
etc.	Recognition

Consequently, it is assumed that the formation of new tourist attraction management mechanisms aimed at creating tourist and recreational complexes results in a territorial gene

pool consisting of two aspects of natural and artificial (“civilizational”) origin. Usually GIS is used to process several different data sets, each of which contains data on a specific set of features (for example, a road network) geographically attached to the earth’s surface.

GIS data sets are logical collections of various objects (Mapexpert, 2018). A data set is a collection of homogeneous features collected by topic. The technology of development of the information society ensures the implementation of the principles of “open data” by providing access to information-virtual resources that contribute to the development of new forms of tourism (cognitive, auxiliary, organizational), allowing management of the anthropogenic load on the territory (Fig. 2).

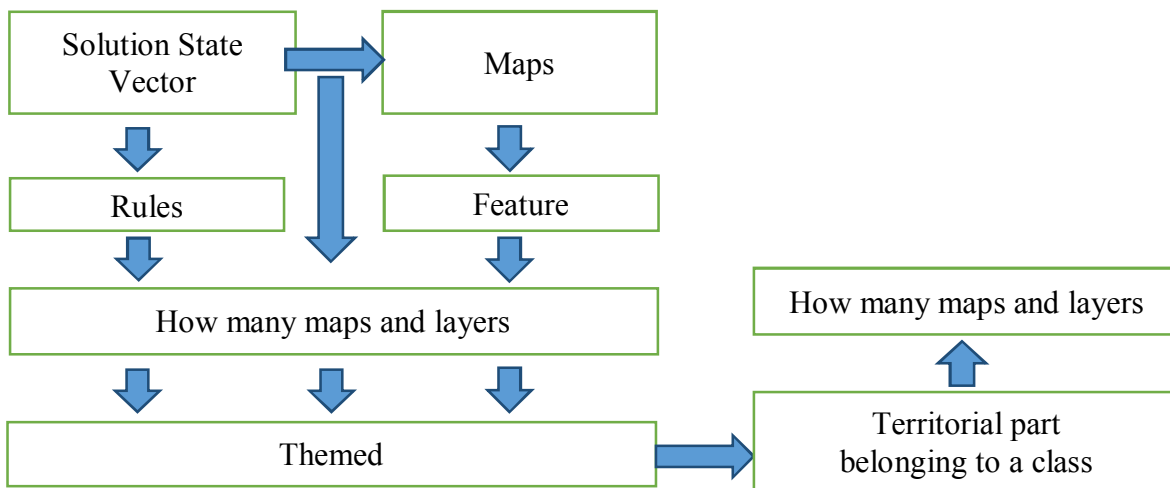


Fig.2 Statevector

2. Attribute tables (in the form of descriptive attributes)

Table 2. Main parameters

Mainparametersof GIS	BLOCKCHAIN
Geographicalcoordinates	DigitalCadastrre
Typeofprotectedareas	Segmentation
Area	Detailing
Administrativeaffiliation	Indentation
Landscape	Detailing
Protectedplantworldobjects	Segmentation
Localization	Recognition
Quantification	Detailing
Basicbiologicalcharacteristics	Segmentation
Opportunitytovisit	Detailing
Protected objects of the animal world	Indentation
Habitatarea	Detailing
Quantification	Segmentation
Features of observation (seasonality, availability of weapons ..., etc.)	Detailing
Capabilities:	Recognition
Hunting	Detailing
Fishing	Detailing
NaturalMonuments (InanimateNature)	Identification
Transportlogistics:	Segmentation

The presence of roads (type)	Detailing
Type of transport messages	Recognition
Waterways	Segmentation
Accommodations:	Detailing
The presence of hotels (feature)	Recognition
Agriturismo	Segmentation
Campsites	Detailing
Equipped parking	Recognition
Tourist flows:	Segmentation
Organized groups	Detailing
Independent tourists	Recognition

The design of the GIS database is based on a series of themes with data, each of which has a specific graphical representation. For example, individual elements can be represented as features (points, lines, and polygons), as bitmaps, or as surfaces using features, cross line screens, or as descriptive attributes stored in tables.

Representation of territorial objects using geo-information technologies provides an opportunity to analyze them, taking into account various target sets of factors, detailing, grouping and target management of individual researchers. Formation of key features of various types of tourist space and determining the list of objects in the system of the selected type of tourist space is one of the planned practical results of the work.

It is assumed that the key features will form the “core of features” (Mapexpert, 2018), representing the multifactor characteristics of selected objects within individual types of tourist space, which forms the basis of the forms for characterization (object description) for solving various optimization tasks, in particular, considering the optimal anthropogenic load on the territory.

In GIS, spatial data sets are usually organized as sets. The proposed structure of the sectoral knowledge base founded on corporate geographic information systems, as well as the studied integrated indicators for assessing the tourist and recreational potential of regions, can become the basis for supporting management decisions at various levels of building an e-economy during the digital transformation of the government (Decree, 2017) feature classes or raster-based datasets.

3. Raster datasets “layers” (raster-based digital elevation models)

Table 3. Raster datasets “layers”

Land	Identification
Wells	Identification
Buildings	Recognition
Orthophoto	Detailing
Digital elevation models, etc,	Identification

In GIS, homogeneous collections of geographic features are organized around topics with data such as land, wells, buildings, orthophoto images and raster-based digital elevation models (DTMs).

The technology of development of the information society ensures the implementation of the principles of “open data” by providing access to information-virtual resources that contribute to the development of tourism (cognitive, auxiliary, organizational), taking into account the anthropogenic load on the territory. Distinguishing territorial objects using an interactive map of the state allows them to be analyzed taking into account various sets of factors, to drill down, then group and assign to individual researchers. An accurate and simple definition of geographic data sets is very important for the usefulness of geographic information systems, and the concept of data theme layers is an important GIS concept.

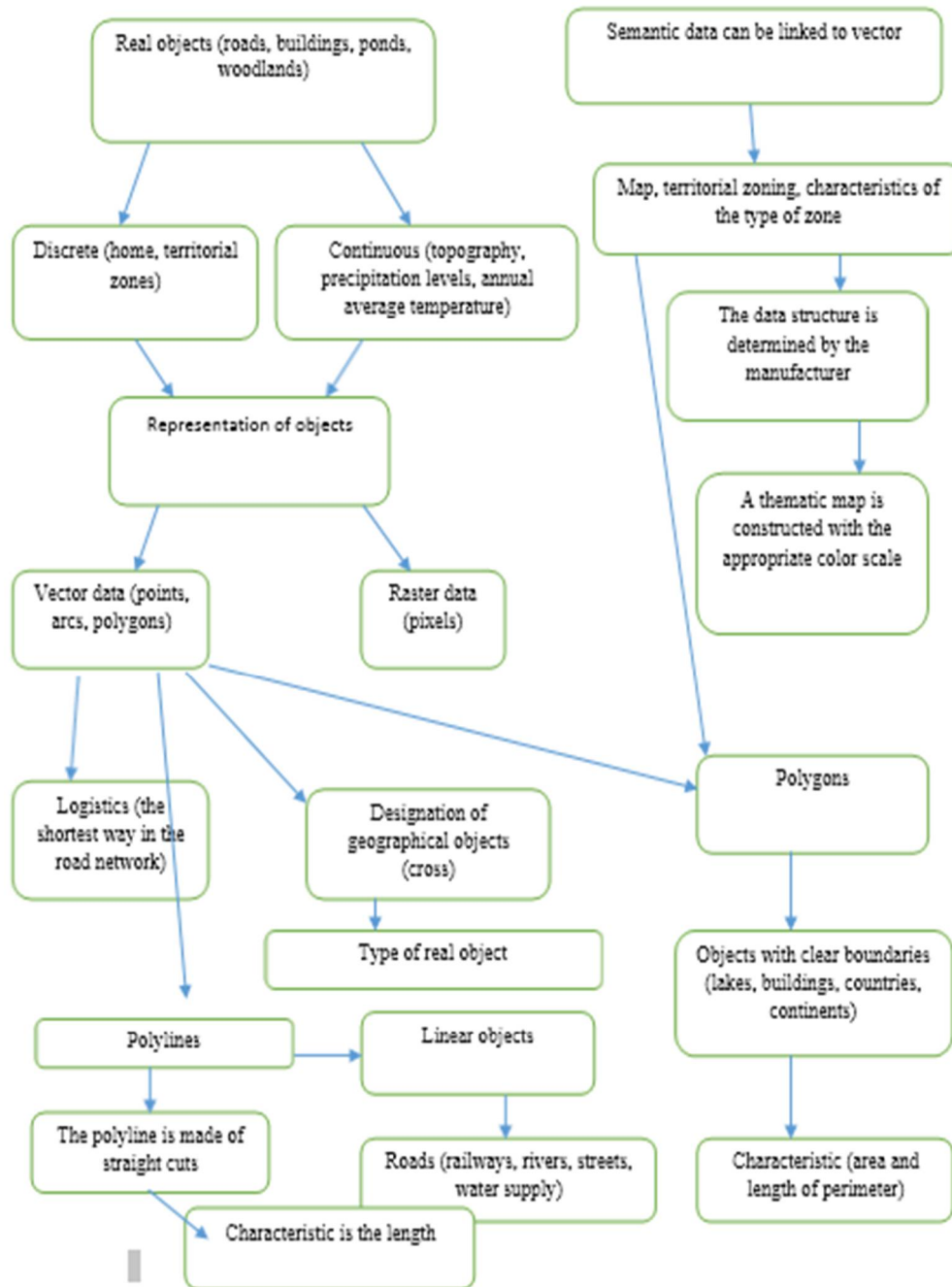


Fig.3 Principles and algorithms for data presentation

The formation of key features of various types of tourist space and the definition of the list of objects in the system of the chosen type of tourist space is one of the planned practical results of this work. It is assumed that the key features will form a “core of features”, characterizing the selected objects within the individual types of tourist space (Karmanov, 2015), which will be the basis of the forms for characterizing the object. Each of these basic data types can be extended with additional features to maintain data integrity (for example, using topology), to model geographic relationships (network connectivity or flow), or to add extended behavior.

Many data topics are best represented as a single data set, for example, soil types or wells. Other topics, such as the road network, are best presented in several data sets (separate feature classes for streets, intersections, bridges, railways, etc.). For example, a transport network can be represented as several classes of street objects, intersections of streets, bridges, motorway exits, railroads, etc. The table below shows how the terrain can be represented using several data sets.

Raster datasets are used to represent spatially attached images, as well as continuous surfaces of heights, slopes, and aspects (Table 4).

Table 4. Graphic representation of the main parameters of the database.

Geographic representations	Characteristics	Blockchain
Streams	Lines	Detailing
Largewaterbodies	Polygons	Identification
Vegetation	Polygons	Segmentation
Built-uparea	Polygons	Detailing
Centrallinesofroads	Lines	Recognition
Wells	Points	Identification
Orthophoto	Rasters	Detailsof
Satelliteimage	Rasters	Identification
Groundheight	Rasters DEM	Identification
Isolines	Digital	Recognition
Elevationpoints	Models	Detailing
Rasters of relief with washing	Reliefines	Segmentation
Land	Polygons	Identification
Records of the value of land, etc.	Tables	Identification

This principle of organizing information layers with address decoding by means of blockchain technology can become the main universal principle of GIS, which determines the structure of geographic information systems, operations and management, as well as the application of geographic information

Thematic layers become data sets. This is a key principle of organization in a GIS database. In addition, each GIS contains many themes for a common spatial area.

The theme set works as a set of layers. With each topic you can work as with a set of information that is independent of other topics. Each has its own idea (in the form of a set of points, lines, polygons, surfaces, rasters, etc.). Since the layers are spatially attached, they overlap and can be combined in a general map display. In addition, GIS analysis tools such as polygon overlays can aggregate information from several layers of data to identify and work with derived spatial relationships.

Any effective GIS database will inherit these general principles and concepts. Each GIS requires a mechanism to describe geographic data in these terms, as well as extensive tools for using, managing, and providing general access to this information, as well as improving resource management. The process of transition of the region's economy to sustainable development should be based on the regional digital economic model which, in turn, should take into account the potential of the region (including natural resources) and its socio-economic specifics (Zatonsky, 2015). The use of blockchain technologies allows us to combine and accelerate the decision-making process in the formation and control of anthropogenic load on SPNAs.

The principal novelty of the studies conducted to date:

1) the conceptual and theoretical foundations of the analysis of the tourist and recreational potential of any territorial biocoenosis have been determined, taking into account international experience in the field of tourism and digital transformations;

2) systematized approaches to the study and assessment of tourist and recreational potential in altered conditions;

3) metric indicators were built and the mechanism for collecting material on the tourism resources of the studied areas, including SPNAs, was determined;

4) a theoretical substantiation of the methodology for the study of substances of artificial (“civilizational”) origin has been developed;

5) blockchain and GIS technologies in the optimization of tourism activities in order to preserve biological potential;

6) blockchain technology in the analysis of sectoral information in order to optimize the anthropogenic load on SPNAs and preserve their biological potential.

Conclusion.

The system of scientific principles for managing tourism and recreational resources of protected areas, the tourism and recreation sphere will allow identifying unused reserves, and also includes methods, tools and directions for solving the tasks of strategic development of the potential of natural territories protected by a special law.

When applying the results of this research, the understanding of the need for a clearer conceptual distinction between tourism and recreation and the elimination of significant scientific differences in the correlation of these terms increases significantly, the differences between them relate primarily to the scope of concepts and meaningful content of the industry knowledge base knowledge base, I can throw a flowchart.

Further, when studying patterns of formation, analyzing the state, modeling the development dynamics of the sectoral (tourist and recreational potential), it is advisable to analyze the methodology of a more detailed content of individual factographic and heuristic forecasting methods, which are most often and effectively used in practice when analyzing industry information on protected SPNAS.)

This activity in a targeted way is aimed at protecting entire sectoral natural ecosystems (at the level of biotopes) with all their components, interconnections and processes occurring in them and forming them in SPNAS.

The use of sectoral management methods will improve the efficiency and simplify the achievement of goals in the processing of large amounts of information and the development of long-term forecasts, in addition to the formal, based on scientific methods of sectoral management. A competent analysis of construction and forecasting methods will be presented, forming a sectoral combination of natural and socio-cultural prerequisites for the organization of tourist and recreational activities in a certain administrative territory, taking into account the permissible anthropogenic load on SPNAS with the use of a map-scheme of tourism and recreational infrastructure and areas with signs of tactile transformation of landscapes.

References.

Decree of the President of the Republic of Belarus (2017). №8 dated 21.12. Minsk: *"About digital economy"*. [in Belarus].

Mapexpert (2018). Electronic resource: http://mapexpert.com.ua/index_ru.php?id=9&table=obychenie [in Belarus].

Karmanov, A.G., & Knyshev, A.I., & Eliseeva, V.V. (2015) *Geoinformation systems of territorial management*. St. Petersburg: [in Russia].

Kolesnikov, V.P., & Kireikov, A.A. & dr., (2018) *"Predposilki razvitiya turistsko-rekreatsionnykh resursov v Respubliki Belarus v usloviyakh informatsionnoy transformatsii"*. "Geografia, biologia, informatika ..." Minsk: Vest BGPU Seria 3 [in Belarus].

Miroshnikova, R.R. (2007) *Information support of resource potential management of the region*. Orenburg: Bulletin of the Orenburg State University. [in Russia].

Rosenberg, I.N. (2016) *Geoinformation modeling as a fundamental method of cognition*. Moscow: Prospects of science and education. International Electronic Science Magazine. (Online). [in Russia].

Shaytura, S.V. (2015) *Information resources in geoinformatics*. Moscow: Educational resources and technologie. [in Russia].

Zatonsky, A.V., & Sirotina, N.A. (2015) *The value and role of the natural resource potential in ensuring the sustainable development of the region*. St. Petersburg: Scientific journal NRU ITMO. Series of "Economics and Environmental Management". [in Russia].

Lilia Ukrainets*PhD, Associate Professor,**Ivan Franko National University of Lviv,**Lviv, Ukraine*

STRATEGIC PRIORITIES OF UKRAINIAN-CHINESE FOREIGN ECONOMIC RELATIONS

Abstract. *China is as an important partner for Ukraine, not only in the field of foreign trade and investment, but also for the implementation of the strategic vector of Ukraine's economic development and its integration into the modern world economy. Under the current conditions in the global economy a stable development of the Ukrainian economy is impossible without active participation not only in the European integration, but also in the Asia-Pacific and trans-regional integration processes. Accordingly, there is a need to develop alternative and complementary strategies of Ukraine's cooperation with all major centers of world economic relations. The article analyzes foreign economic relations between Ukraine and China at the present stage. The deformed structure of exports and imports with a low share of high-tech products in exports and the prevalence of high-tech imports leads to external technological dependence and deepening of structural imbalances in the Ukrainian economy. The technological backwardness of industrial enterprises, the low level of scientific knowledge of production is also compounded by ineffective state policies and imperfect institutional provision of international cooperation, lack of effective tools for supporting innovative enterprises. The empirical study shows that Chinese investors receive additional incentives to invest in Ukraine if there is a prior positive investment experience, increasing market potential, and openness and economic freedom. As Ukraine is generally perceived as a path to European markets, the signing of the Association Agreement with the EU is a positive factor. However the readiness of investors from China to support corruption schemes in the Ukrainian economy arouses concern. Therefore, in order to enhance and improve the structure of investment flows from China to Ukraine, it is necessary to take a number of measures to overcome corruption.*

JEL Classification: F130, F210**Introduction.**

In 2013 Ukraine and China declared the existence of a strategic partnership between the countries, signing the Treaty on Friendship and Cooperation and the Joint Declaration on the Further Deepening of Strategic Partnership Relations. In reality, this level of relationship is not used at its highest efficiency. In 2014 China has been very cautious about the political events in Ukraine taking a wait-and-seeing position, since revolutionary events will never cause unequivocal approval in China. It is very significant that the first meeting of the two leaders, Petro Poroshenko and Xi Jinping, took place only in April 2016 during the Washington Summit on Nuclear Security.

But even such cautious political contacts somewhat improved the overall situation, which immediately affected the dynamics of foreign economic relations. Although Chinese companies are very cautious about investing in the Ukrainian economy, but they have been involved in infrastructure projects more active.

Between China and Ukraine there is a relatively good political base for the deployment of trade and economic cooperation. There is no history of tensions and geopolitical conflicts between the two countries. Ukrainian crisis has resulted in a situation where a large number of programs and projects within the "Silk Road" Economic Belt were postponed for indefinite periods.

The stable development of the national economy, the ensuring of a high scientific and technological level and the international competitiveness in global markets are the main directions of economic policy of any country in the world under modern world economy. These tasks are of key importance for Ukraine. Ukraine follows a course on European integration; accordingly "Agreement on Association between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand" was signed in 2014.

But under the current conditions that have emerged in the global economy, a stable development of the Ukrainian economy is impossible without active participation not only in European integration, but also in Asia-Pacific and transregional integration processes. Accordingly, there is a high need to develop alternative and complementary strategies of Ukraine's cooperation with all major centers of world economic relations.

International trade as part of foreign economic relations of Ukraine with the China is reflected in the research of Halperina & Shapoval (2003), Levkivsky (2013), Makogin (2011), Moki at al. (2006), Wang Peng (2005), Cheng Hongji (2015).

Foreign economic relations in the context of strategic development of cooperation between Ukraine and China are considered in the works of Kurnishova (2010) and Matusova (2011). Some aspects of economic cooperation including foreign trade and investment are highlighted in the researches by Velychko (1999), Holod (2014), Pogorelova (2010). The current state and prospects of the development of trade in services with China were considered by Vysotka (2013) and Ermachenko (2015). However, the current state of bilateral cooperation between Ukraine and China, the problems of further transformation of foreign economic relations, its impact on the country's economic development is not sufficiently highlighted.

1. China in the system of foreign economic relations of Ukraine.

China is the leader of economic development among the countries of the Asian region and given its strong economic expansion it is the key economic center of the Asian and Eurasian mega-regions. It should be noted that the economic interests of China have long gone beyond the Asian-Pacific Region. Beijing defends its economic interests in Central Asia and Western Europe, in the Baltic and Balkan regions, there is boosting Chinese economic expansion in Africa, Southeast Asia and Latin America, and China is interested in exploring and developing the Arctic. Europe is one of the priority directions of foreign economic cooperation of China.

China is interested in enhanced cooperation with the countries of Central and Eastern Europe (CEE), as well as with the countries of the Eastern Partnership (Georgia can be a bright example, which has become an important transit point for China's foreign trade operations). The "16 + 1" format, which combines China with the sixteen CEE states, the Baltic States and the Balkans, is also of interest (Gerasimchuk & Poita, 2014). In the context of the launch of Belt and Road Initiative, Ukraine's European integration aspirations are an important factor that increases the attractiveness of the state for the Chinese partners.

China's interest in cooperating with Ukraine is also linked to the Chinese leadership's decision to create "foreign food bases." In particular, it includes the use of agricultural capabilities of Ukraine in conjunction with investment and technological capabilities of China. China's growing political and economic interests in the EU and New Eastern Europe (Belarus, Ukraine, Moldova, Latvia, Lithuania and Estonia) are strongly influencing the current Ukrainian-Chinese relations. China plans to implement its global strategy to increase exports and investments in potential markets located between Russia and the EU. Ukraine can become an important place for promotion of Chinese products and brands, access to new markets and the acquisition of strategic assets.

Thus, for Ukraine China acts as an important partner not only in the field of foreign trade, but also for the implementation of the strategic vector of Ukraine's economic development and its integration into the modern world economy. Accordingly, the expansion of cooperation with China means the emergence of new prospects for foreign economic cooperation with both Asian countries and the EU.

During the years of Ukraine's independence, these relations generally followed the upward trend and reached a peak in December 2013, when the Treaty on Friendship and Cooperation between Ukraine and the People's Republic of China and the Joint Declaration of Ukraine and the People's Republic of China on the further deepening of the strategic partnership relations were signed. According to official data of customs statistics of Ukraine, total import and export of Ukrainian goods in 2018 amounted to \$104.19 billion, which is 12.3% more than in the previous year. In particular, the exports amounted to \$47.37 billion (increasing by 9.4%), and import - to \$56.82 billion (increasing by 14.9%). The deficit of foreign trade made \$9.45 billion (increasing by 53.3%).

In 2018 the deficit was observed in Ukrainian trade with China (\$5.44 billion, an increase of 47.8% compared to the previous year), Russia (\$4.43 billion, growth by 36.3%), Germany (\$3.75 billion, an increase of 2.0%) and Belarus (\$2.48 billion, an increase of 20.6%). The positive trade balance of Ukraine was observed in the foreign trade operations with India and Egypt, with a surplus of \$1.56 billion (see Table 1). The base metals and articles thereof (\$11.65 billion) and crop production (\$8.99 billion) are predominate in the commodity structure of Ukrainian exports: in 2018 exports of these two categories accounted for 45.5% of Ukrainian exports. Table 2 shows the geographical structure of trade with the five major categories of Ukrainian exports.

Table 1. Trade balance of Ukraine with individual countries, 2018 (USD million)

Country	2018	2017	To the previous year, %
Total balance	-9.448	-6.165	53.3
The main sources of the deficit			
China	-5,395	-3,650	47.8
Russia	-4,431	-3,252	36.3
Germany	-3,752	-3,678	2.0
Belarus	-2,481	-2,058	20.6
USA	-1,850	-1,693	9.3
Switzerland	-1,416	-1,413	0.2
France	-940	-1,145	-17.9
Lithuania	-535	-309	73.2
Japan	-505	-505	0.0
Sweden	-395	-356	11.0
The main sources of surplus			
India	1,562	1,645	-5.0
Egypt	1,461	1,754	-16.7
Netherland	822	1,037	-20.7
Spain	742	681	9.0
Moldova	672	605	11.0

Source: based on the data of the State Statistics Service of Ukraine

Table 2. Major trading partners of five major categories of Ukrainian exports, 2018 (USD million)

HS72-83: Base metals and articles thereof			
Country	Value	To the previous year, %	Country share, %
Italy	1,519	11.7	13.0
Turkey	1168	1.8	10.0
Russia	957	-10.4	8.2
USA	858	36.1	7.4
Poland	687	17.2	5.9
HS06-14: Vegetable Products			
Country	Value	To the previous year, %	Country share, %
Egypt	726	-27.2	7.3
Spain	711	43.2	7.2
Netherland	673	-13.6	6.8
China	573	19.8	5.8
Turkey	543	-6.1	5.5
HS84-85: Machinery / Electrical			
Country	Value	To the previous year, %	Country share, %
Hungary	863	17.0	18.5
Russia	739	-13.0	15.9
Germany	533	6.6	11.4
Poland	451	17.7	9.7
The Czech Republic	233	28.9	5.0

HS15: Animal or vegetable fats and oils			
Country	Value	To the previous year,%	Country share,%
India	1,791	13.0	39.8
China	426	-16.8	9.5
Iraq	262	208.7	5.8
Netherland	258	-24.8	5.7
Spain	239	-45.3	5.3
HS25-27: Mineral Products			
Country	Value	To the previous year,%	Country share,%
China	660	-4.2	15.2
Poland	516	34.9	11.9
Hungary	395	58.4	9.1
The Czech Republic	392	24.2	9.0
Slovakia	356	-4.1	8.2

Mineral products, mechanical / electrical products and chemical products are the main import items of Ukraine (see Table 3).

Table 3. Major trading partners of five major categories of Ukrainian imports, 2018 (USD million)

HS25-27: Mineral Products			
Country	Value	To the previous year,%	Country share,%
Russia	4,520	29.7	32.6
Belarus	2,549	17.1	18.4
Switzerland	1,051	-18.0	7.6
Germany	961	8.9	6.9
USA	955	38.7	6.9
HS84-85: Machinery / Electrical			
Country	Value	To the previous year,%	Country share,%
China	3,632	41.1	30.4
Germany	1,527	17.0	12.8
Russia	836	6.5	7.0
Italy	676	18.5	5.7
Poland	611	4.1	5.1
HS28-38: Chemicals & Allied Industries			
Country	Value	To the previous year,%	Country share,%
Germany	998	10.3	14.2
Russia	867	-27.0	12.3
China	601	19.8	8.5
France	596	6.8	8.5
Poland	502	31.3	7.1
HS86-89: Transport equipment			
Country	Value	To the previous year,%	Country share,%
Germany	708	-7.8	15.6
USA	608	18.8	13.4
Japan	419	-1.7	9.2
Poland	315	45.6	6.9
China	270	53.1	5.9
HS72-83: Base metals and articles thereof			
Country	Value	To the previous year,%	Country share,%
China	759	32.9	21.2
Russia	721	17.8	20.2
Poland	324	17.6	9.1
Germany	259	18.2	7.3
Turkey	184	51.7	5.2

As we can see from Tables 2 and 3 China is in the top five for the four main categories of Ukrainian imports and three main categories of Ukrainian exports.

If we look at the data dynamic from 2001, we can conclude that Chinese share in the structure of Ukrainian foreign trade amounted to an average of 5.37% - 3.37% for exports and 7.08% for imports (see Table 4). For reference the share of Ukraine in Chinese foreign trade for the same period amounted to an average of 0.19% (the share in imports was 0.13%, the share in exports was 0.23%). On the one hand, there is a positive trend towards a steady increase in Ukrainian total trade with China (see Figure 1) which confirms the prospects for foreign trade cooperation between two countries. Since 2001 the foreign trade turnover of Ukraine with China has increased by almost 15 times (average annual growth rate was 20.8%). However, after 2013 when the volume of trade with China reached its maximum, there was a certain reduction in trade flows due to external factors, but after 2015 the growth trend has been restored. For the period from 2001 to 2018 exports grew from \$0.48 billion to \$2.2 billion (the average annual growth rate was 16.3%), and imports rose from \$0.2 billion to \$7.6 billion (average annual growth rate of 32.6%).

Table 4. Foreign trade in goods between Ukraine and China, 2001-2018.

	Total trade with China, billion dollars	China's share in total trade of Ukraine, %	Ukraine's share in China's total trade, %	Export of Ukraine to China, billion USD.	China's share in Ukrainian exports, %	Ukraine's share in Chinese exports, %	Ukrainian import from China, billion dollars.	China's share in Ukrainian imports, %	Ukraine's share in Chinese imports, %
2001	0,68	2,12	0,13	0,48	2,95	0,07	0,2	1,26	0,19
2002	0,93	2,66	0,14	0,67	3,73	0,07	0,26	1,53	0,22
2003	1,52	3,29	0,17	1	4,33	0,11	0,52	2,25	0,24
2004	1,56	2,52	0,13	0,82	2,50	0,12	0,74	2,55	0,14
2005	2,52	3,57	0,17	0,71	2,07	0,23	1,81	5,01	0,10
2006	2,85	3,41	0,16	0,54	1,40	0,23	2,31	5,12	0,06
2007	3,74	3,40	0,17	0,43	0,87	0,27	3,31	5,45	0,04
2008	6,15	4,03	0,23	0,55	0,82	0,39	5,6	6,54	0,04
2009	4,16	4,88	0,18	1,43	3,60	0,22	2,73	6,01	0,14
2010	6,02	5,36	0,20	1,32	2,56	0,29	4,7	7,73	0,09
2011	8,45	5,59	0,23	2,18	3,18	0,33	6,27	7,59	0,12
2012	9,68	6,31	0,25	1,78	2,59	0,38	7,9	9,33	0,09
2013	10,63	7,58	0,25	2,73	4,31	0,35	7,903	10,26	0,14
2014 *	8,08	7,46	0,18	2,67	4,95	0,23	5,41	9,94	0,13
2015 *	6,17	8,15	0,15	2,4	6,29	0,16	3,77	10,05	0,14
2016 *	6,49	8,59	0,17	1,8	4,94	0,22	4,69	11,97	0,11
2017 *	7,74	8,34	0,18	2,1	4,84	0,24	5,64	11,40	0,11
2018 *	9,8	9,40	0,21	2,2	4,64	0,30	7,6	13,37	0,10

* - 2014-2018 excluding the Autonomous Republic of Crimea and the city of Sevastopol.

Calculated on data of Trade Map: International trade statistic

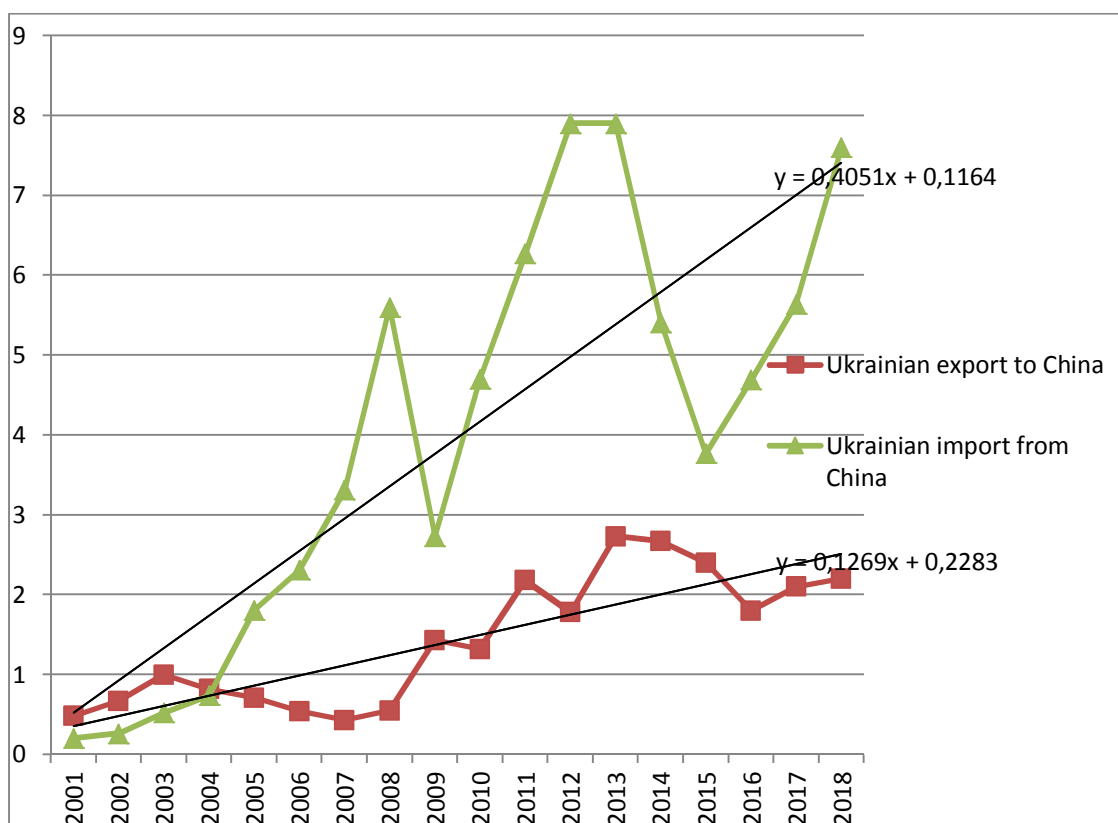


Fig. 1. The growth trends of foreign trade (export and import) between Ukraine and China, billion dollars, 2001-2018.

On the other hand, Fig. 1 shows that the growth rate of imports is much higher than the growth rate of exports. Consequently after 2004 there is a permanent negative trade balance between Ukraine and China (see Table 5).

Table 5. The normalized trade balance of Ukraine with some trading partners

Year	Trade balance of Ukraine with China, billion dollars.	Normalized trade balance of Ukraine with China	Normalized trade balance of Ukraine with the Russian Federation	Normalized trade balance of Ukraine with Germany	Normalized trade balance of Ukraine with the USA
2001	0.28	0.41	-0.23	-0.31	0.2
2002	0.41	0.44	-0.34	-0.37	0
2003	0.48	0.32	-0.33	-0.24	0.17
2004	0.08	0.05	-0.34	-0.17	0.43
2005	-1.1	-0.44	-0.26	-0.45	0.16
2006	-1.77	-0.62	-0.23	-0.54	0.14
2007	-2.88	-0.77	-0.14	-0.57	-0.12
2008	-5.05	-0.82	-0.11	-0.6	-0.19
2009	-1.3	-0.31	-0.22	-0.53	-0.63
2010	-3.38	-0.56	-0.25	-0.51	-0.38
2011	-4.09	-0.48	-0.19	-0.59	-0.41
2012	-6.12	-0.63	-0.22	-0.62	-0.49
2013	-5.173	-0.49	-0.22	-0.62	-0.51
2014	-2.74	-0.34	-0.13	-0.54	-0.46
2015	-1.37	-0.22	-0.22	-0.51	-0.5
2016	-2.89	-0.45	-0.17	-0.51	-0.62
2017	-3.54	-0.46	-0.29	-0.49	-0.52
2018	-5.4	-0.55	-0.38	-0.46	-0.46

Calculated on data of Trade Map: International trade statistic

It is obvious that with all major trading partners with the exception of Russia, Ukraine has been facing a steady tendency of the trade deficit increasing. A particularly striking trend towards the growth of imports was noticed after 2008, that is, after Ukraine's accession to the WTO. Of course the chronic negative trade balance adversely affects the development of the national economy and reduces the attractiveness of Ukraine as a foreign economic partner.

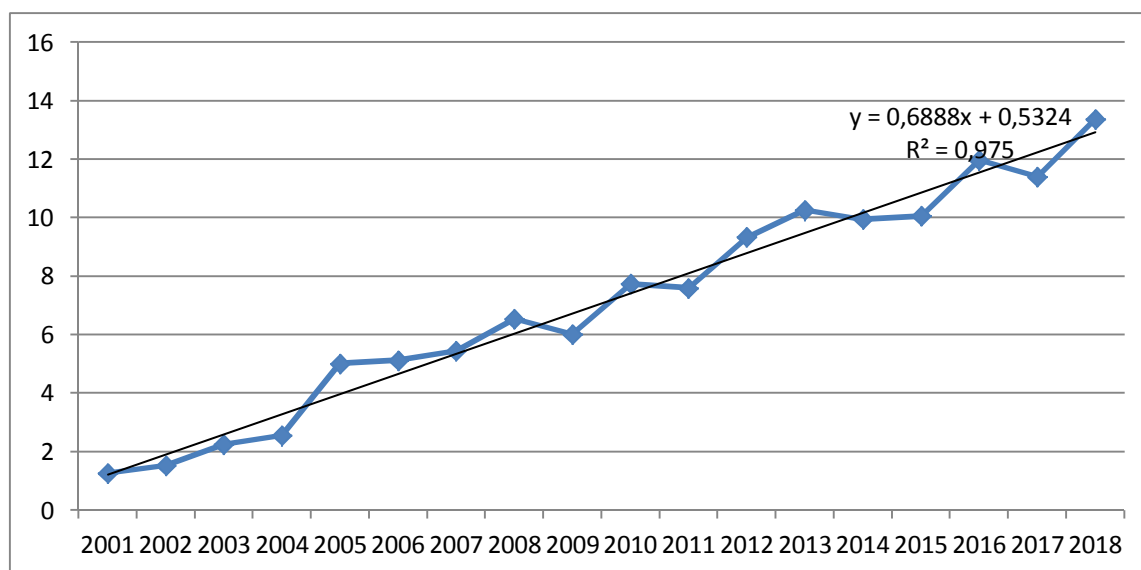


Fig. 2. The share of China in the total import of Ukraine, %, 2001-2018.

Another negative trend is observed in foreign trade relations between Ukraine and China: while China has grown increasingly important for Ukraine, becoming the second largest trading partner in the world, the importance of Ukraine to China is steadily declining. Fig. 2 shows that Chinese share of Ukraine's total imports is steadily increasing.

From Fig. 3 we can see that the weight of imports from Ukraine in the trade of China is constantly decreasing.

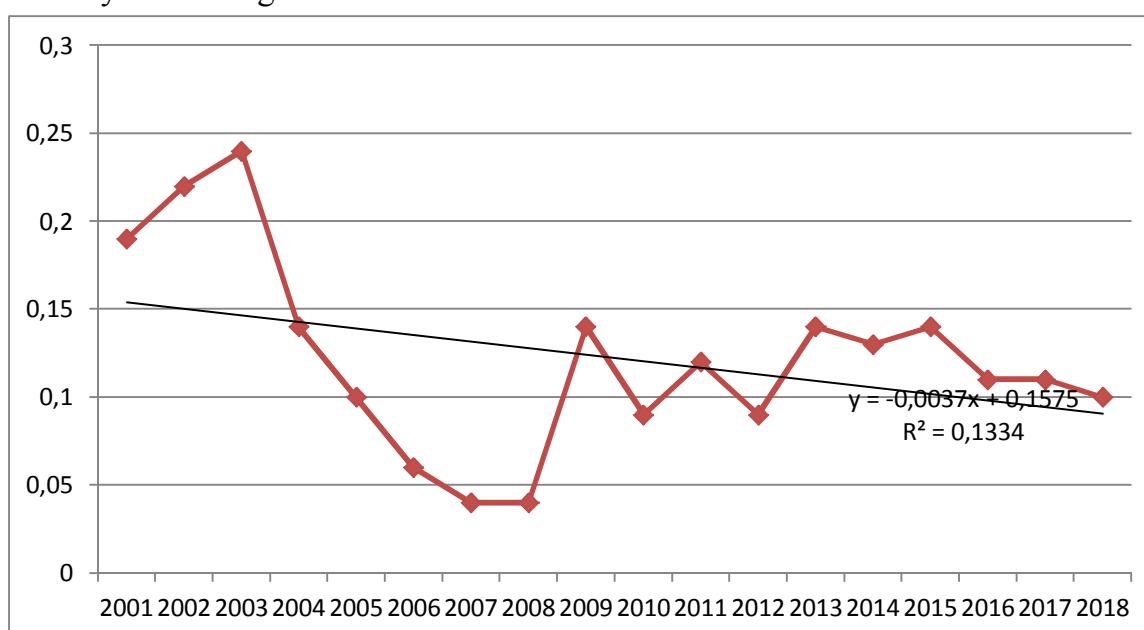


Fig. 3. Ukraine's share in total imports of China, %, 2001-2018

Consequently, we can conclude that the relative importance of Ukraine as a supplier of goods to China is not only small on its own account but also shows a negative dynamics. At a time when China has been growing weight in Ukraine's foreign trade, Ukrainian position as a potential partner of China is weakening.

Another indicator of the development of foreign trade relations between Ukraine and China is the export-import coverage ratio (see Table 6). During the period under study the predominance of import over exports grew steadily. After 2005 this figure never exceeded 1, and in 2018 it approached to the historical minimum and was only 0.29.

Table 6. Export-import coverage ratio in trade between Ukraine and China, 2001-2018

Year	Export of Ukraine to China, billion USD.	Import of Ukraine from China, billion dollars.	Export-import coverage ratio
2001	0.48	0.2	2.4
2002	0.67	0.26	2.58
2003	1	0.52	1.92
2004	0.82	0.74	1.11
2005	0.71	1.81	0.39
2006	0.54	2.31	0.23
2007	0.43	3.31	0.13
2008	0.55	5.6	0.11
2009	1.43	2.73	0.52
2010	1.32	4.7	0.28
2011	2.18	6.27	0.35
2012	1.78	7.9	0.23
2013	2.73	7.903	0.35
2014	2.67	5.41	0.49
2015	2.4	3.77	0.64
2016	1.8	4.69	0.38
2017	2.1	5.64	0.37
2018	2.2	7.6	0.29

Calculated on data of Trade Map: International trade statistic

The analysis of the main indicators of the foreign trade relations between Ukraine and China proves the instability of terms of trade, a strong increase in Ukrainian imports, and at the same time, falling of Ukrainian export attractiveness for buyers from China.

2. Chinese foreign direct investment in Ukraine

The inflow of foreign direct investment is an important indicator of the attractiveness of the national economy and ensuring its competitiveness in world markets.

As of December 31, 2018, the economy of Ukraine attracted \$32.3 billion of FDI (State Statistics Service of Ukraine), although according to the calculations of the Ukrainian Ministry of Economy, the total investment need for structural adjustment of the economy ranges from \$140 to 200 billion. (Kirichenko & Kharchenko, 2010, p. 65). The number of countries that invested in the economy of Ukraine at the beginning of 2019 amounted to 125. The largest volumes of direct investment came from 10 countries: Cyprus, Germany, the Netherlands, the Russian Federation, Austria, Great Britain, France, the USA, the British Virgin Islands, and Sweden, which owns more than 81% of the total direct investment in Ukrainian economy.

The number of enterprises involved in foreign investments is almost 19 thousand as of January 1, 2019 (Ovdenko, 2018). Unfortunately, China is not among the listed countries, which form the basis of investments in the Ukrainian economy, although the country is considered to be the largest creditor of the world.

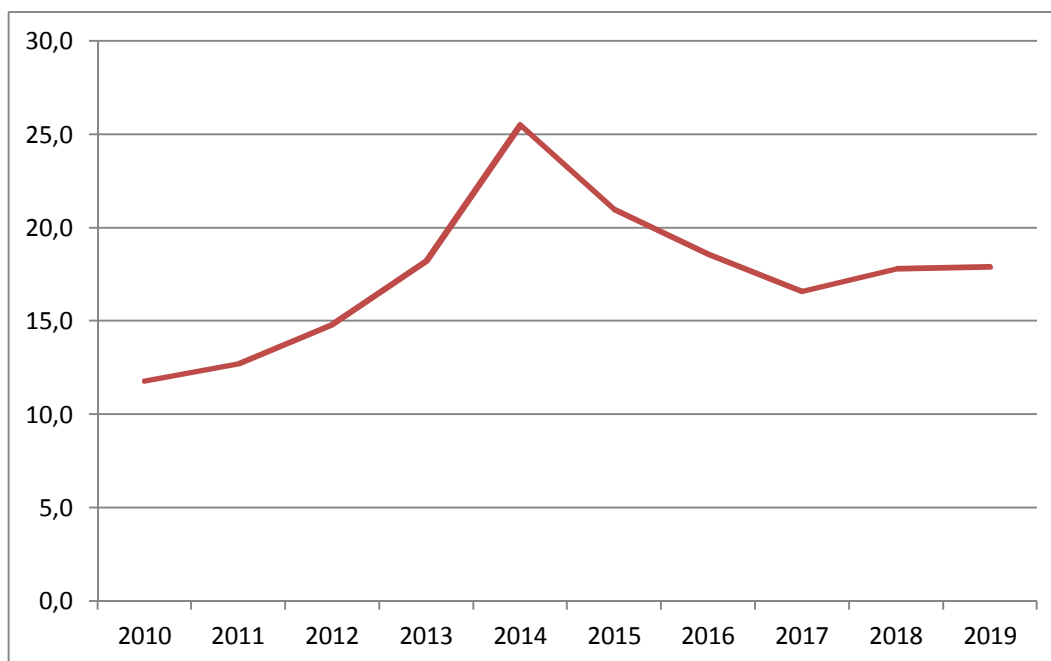


Fig. 6. Direct foreign investment in Ukraine from China (at the beginning of the year, million USD)

Over last 30 years despite the positive dynamics of investment from China (Fig. 6), their volume remains at a rather low level, indicating that Chinese companies are not aware of the potential investment proposals of the Ukrainian business community.

At the beginning of 2019 Chinese investments in the Ukrainian economy amounted to \$17.9 million, which is 0.05% of the total volume of attracted investments. Given China's potential such numbers are not comforting. At the moment the priority areas for Chinese outward FDI is the extraction of natural resources, since China's own raw material base is gradually being exhausted; the financial sector considered by the Chinese business community as an opportunity for quick earnings and a separate brand (Mikheeva, 2005, p. 24). In Ukraine Chinese capital is directed to agriculture and wholesale trade (Table 7)

Table 7. Direct foreign investment from China into the economy of Ukraine by types of economic activity (mln. USD)

Areas of engagement	01/01/2018	01.01.2019
Total	16.6	18.2
Agriculture, hunting, forestry	6.57	7.36
Manufacturing industry	3.22	3.53
Trade; repair of cars, household goods and personal items	1.86	2.03
Transport and communications	1.82	2.00
Real estate operations, leasing, engineering and business services	1.56	1.64

Source: Embassy of Ukraine to the People's Republic of China

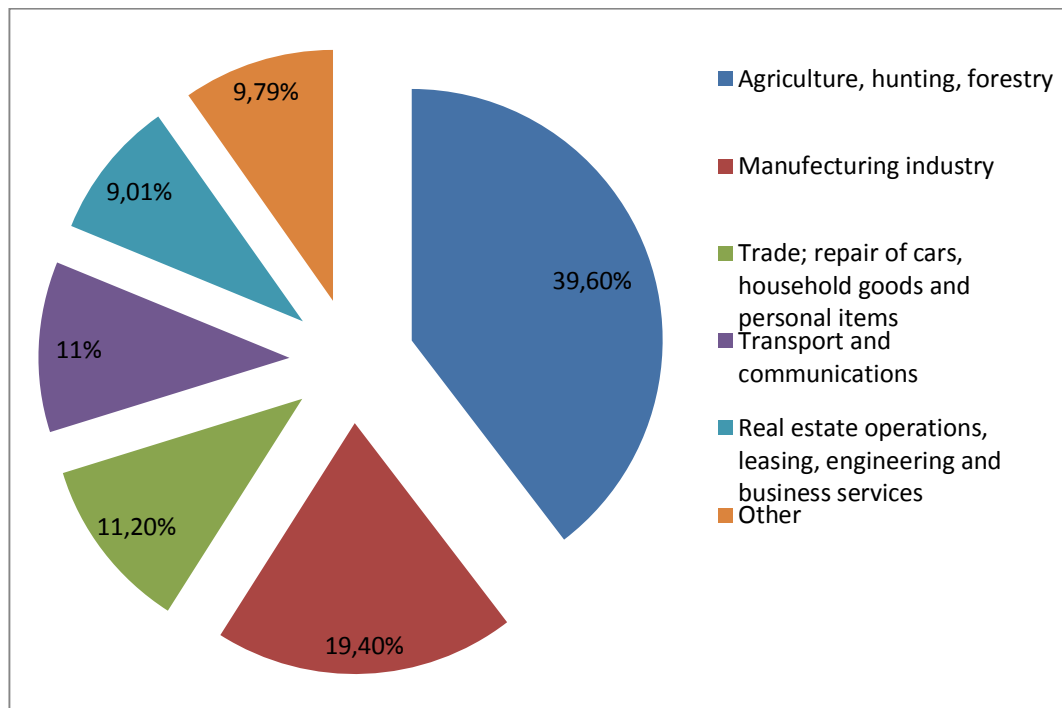


Fig. 7. Chinese FDI into the Ukrainian economy by types of economic activity as of 01.01.2019 p., %

Agriculture accounted for the largest share of investments - 39.6%. In the second place is the manufacturing, which accounts for 19.4% of all investments from China that is \$3.53 million. Among them \$1.9 million (56.5%) goes to processing industry, while \$702 thousand (1.99%) – to the mining industry.

3. Determinants of Chinese FDI in Ukraine

Now we try to explain how different factors can influence the investment decisions of Chinese enterprises in relation to Ukraine. Variables that will reflect the relevant factors will be related to macroeconomic indicators, indicators of political stability and a number of dummies. The model for analysis of investment flows from China to Ukraine is as follows:

$$FDI_t = a + \beta_1 FDI_{t-1} + \beta_2 MS_t + \beta_3 IL_t + \beta_4 TO_t + \beta_5 CT_t + \beta_6 HC_t + \beta_7 I_t + \beta_8 Crpt_t + \beta_9 EF_t + \beta_{10} EU_t + \beta_{11} ER_t + \beta_{12} Recession_t \quad (1)$$

FDI_t – is the investment flows from China to Ukraine in time t . This is our dependent variable. Data were obtained from the State Statistics Service of Ukraine and the Ministry of Commerce of China for 2002-2017. Independent variables in the model are as follows:

FDI_{t-1} – lagged investment flows from China to Ukraine. A number of studies (Quazi & View, 2007) prove that the previous FDI implementation in the country directly influences further inflow of investments.

MS_t – size of the Ukrainian market in the year t . Calculated as GDP at purchasing power parity. China in recent years have been proven to pay more attention to access to markets, respectively, the bigger the market is, the more attractive it looks for Chinese investors. Data were obtained from the statistical base of the IMF and the State Statistics Service of Ukraine.

IL_t – the income level in Ukraine for the year t . To measure this indicator we use GDP per capita. The level of income is not only related to effective demand, it also correlates with labor productivity, and research suggests that for Chinese investors in recent years it is also an important factor. Data were obtained from the statistical base of the IMF and the State Statistics Service of Ukraine

TO_t – this is the country's trade openness in the year t . This variable is obtained as the import quota. Before Ukraine's accession to the WTO, there were more obstacles to the flow of imports, which could have been the reason for Chinese enterprises to invest in Ukraine instead of importing their products there. These data were calculated based on World Bank statistics.

CT_t - the level of corporate tax in Ukraine in the year t . The level of tax burden can be a significant factor for the company when it decides to invest in the country. Relevant data was obtained from World Bank databases.

HC_t -- the variable of human capital in the year t . Studies show that Chinese enterprises value low-cost, but well- educated labor force. As the result of migration processes this indicator in Ukraine has deteriorated for the most part, it can be a significant determinant of Chinese investments. As a measure for human capital, we used R & D expenditures as a percentage of GDP - another indicator that is often used for such researches, namely, the literacy rate of the population, is not indicative for Ukraine. Relevant data was obtained from World Bank databases.

I_t - is an indicator of infrastructure quality in year t . Infrastructure itself is a major factor in making foreign investment decisions, but for China, with its specialization in major infrastructure projects, it can be one of the key determinants. We have received the relevant indicator from World Bank statistics.

$Crpt_t$ - the index of corruption in the country for year t . As shown by the example of African countries (Ukrainets, 2013), corruption has a great impact on Chinese investors, compared with investors from developed countries. The high level of corruption is less frustrating for the Chinese firms, as it provides some protection against competition from developed countries that are not accustomed to acting in such an environment. The data is obtained from Transparency International.

EF_t - the variable reflecting the level of economic freedom for the period t . This index is determined by Heritage Institute and includes many other indicators. This is a good measure of the business environment in the country, which can also affect investment from China.

EU_t - a dummy reflecting the signing of an agreement on a free trade area with the EU. The Free Trade Area provides for the free access of a number of goods produced in Ukraine to European markets that are in the interests of China. This variable equals 1 since 2014, when the provisional application of the Association Agreement between Ukraine and the EU begins to be implemented.

ER_t - a variable reflecting fluctuations in the exchange rate of hryvnia against the dollar per year t

$Recession_t$ - dummy variable that reflects two major recession, from 2008 to 2010 due Global crisis and in 2014-2016 due to the annexation of the Crimea and the military operation in the east of the country.

Before moving directly to model analysis, it is important to investigate the data for the presence of statistical problems. The biggest problem that may arise in studies of this type is the multicollinearity error, which results in distortion of the results.

Table 2 shows the correlation matrix of our variables. The existence of an error of multicollinearity occurs when there is a correlation greater than 0.9. It is evident from table 2 that this situation arises in one case - there is a strong correlation between the level of corruption and GDP per capita. This is an interesting finding that in Ukraine GDP per capita can be used as an indicator of corruption.

Other high (but not critical) levels of correlation are observed between variable infrastructures and per capita GDP, corruption level and R & D expenditures, corruption level and infrastructure indicator, dummy of the Association Agreement between Ukraine and the EU and indicator of economic freedom. In these cases, however, interpretation of the results should be interpreted with caution.

Table 2. Matrix of the correlation of variables of the econometric model of determining the factors influencing FDI from China to Ukraine.

Variable		A	B	C	D	E	F	G	H	I	J	K	L	M
FDI flows	A	1.0												
Lagged FDI flows	B	0.6	1.0											
GDP	C	-0.3	-0.5	1.0										
GDP per capita	D	-0.3	-0.4	-0.1	1.0									
Foreign trade openness	E	0.5	0.7	-0.6	-0.3	1.0								
Corporate tax rate	F	-0.3	-0.2	0.2	0.1	0.3	1.0							
R & D to GDP	G	-0.2	-0.3	0.0	1.0	-0.4	0.0	1.0						
Infrastructure	H	-0.1	-0.1	-0.2	0.8	-0.1	0.3	0.8	1.0					
Corruption	I	-0.1	-0.1	-0.3	0.9	-0.1	0.2	0.8	0.8	1.0				
Economic freedom	J	0.1	0.3	-0.6	0.6	0.5	0.4	0.4	0.7	0.7	1.0			
Association Agreement with the EU	K	0.1	0.3	-0.7	0.4	0.5	0.5	0.2	0.4	0.6	0.7	1.0		
Exchange rate	L	-0.4	-0.3	0.3	0.5	-0.3	0.6	0.5	0.5	0.4	0.2	0.2	1.0	
Recession	M	-0.3	0.2	-0.1	0.0	0.0	-0.2	0.0	-0.1	0.0	0.0	0.5	-0.1	1.0

We analyzed time series models using the least squares method - the most commonly used method for such models. Table 3 shows the results of model calculation.

In the first column, the calculations are based on the basic equation (1), taking into account all independent variables.

Tables 3. Results of model analysis for identification of factors influencing FDI from China to Ukraine.

Variables	Basic equation	Corrected equation
Lagged flows of FDI	0.101 *	0,341 ***
GDP	0.019 *	0.008 **
GDP per capita	0.003 *	-0,001
Foreign trade openness	0.154 ***	0,177 ***
Corporate tax rate	-0.015 *	-0,010 ***
R & D to GDP	0.007	0.002
Infrastructure	0.025	0.020 **
Corruption	-0.011 **	0.012
Economic freedom	-0.019	-0,033 **
Association Agreement with the EU	0.032 *	
Exchange rate	-0.014	
Recession	-0.017 *	
Constant	0,142 **	0,077 **
Adjusted R ²	0.577	0,767
Average square error	0.020	0.032

*Note: Significance at level *** < 1%, ** < 5%, * < 10%.*

As can be seen from Table 3, the investment experience (FDI indicator), market potential (GDP), and income level (GDP per capita) are statistically significant at 10%. Positive and significant impact of these indicators was predicted by the hypothesis of the study.

The absence of obstacles in Ukraine's foreign trade is very significant and positive. The more open the foreign trade policy was pursued by the country, the more investments came from China. This means that the motive for China in the case of Ukraine is not penetration into the domestic "fenced" market of the country, but the use of Ukraine as a platform for access to other, larger and more affluent markets of neighboring countries.

The growth of corporate taxes has negatively impacted on investments from China, which also corresponds to the hypothesis identified at the beginning of the study. As can be seen from the example of the Baltic countries, low taxes contribute to the improvement of the investment climate and the attraction of foreign investment. This result would probably be even more statistically significant if, instead of the corporate tax indicator, we used an effective tax rate (De Mooij & Ederveen, 2006), but our capabilities were limited by the lack of necessary statistical data.

High corruption, as in the case of African countries (Ukrainets, 2013), can be a stimulus to increase investment from China. Not least this is due to China's desire to reduce its production processes and to avoid harsh environmental and labor protection requirements, which forces the Chinese firms to pay attention to countries with high levels of corruption, including Ukraine. In addition, operating in a corrupt environment, the

Chinese firms avoid direct competitive collision with western companies that choose to escape such markets. Of course, this factor cannot be considered favorable from the point of view of the strategic prospects for the development of the national economy: the Chinese investments attracted by high levels of corruption cannot be an engine of economic revival and are aimed mainly at the pumping of resources.

Dummies - the recession and the Association Agreement - also showed some significance for the inflow of foreign investment from China with a sign that coincides with the hypothesis.

In the next column of Table 3, an analysis of the corrected equation (1) was performed: the exchange rate indicator and dummies were dropped out. The major difference compared to the basic equation is that the indicators of economic freedom (with a negative sign) and infrastructure (with a positive one) were statistically significant at the level of 5%.

Consequently, from our research it can be concluded that Chinese investors receive additional incentives to invest if there is a prior positive investment experience, increasing market potential increases, and openness and economic freedom. As Ukraine is generally perceived as a path to European markets, the signing of the Association Agreement with the EU is a positive factor as well. However the readiness of investors from China to support corruption schemes in the Ukrainian economy arouses concern. Therefore, in order to improve and improve the structure of investment flows from China to Ukraine, it is necessary to take a number of measures to overcome corruption.

Summarizing existing researches on China's foreign economic relations, as well as analyzing recent changes in the country's economic development and politics, we can highlight the following trends in China's strategy, which are also relevant to Ukraine:

1. China's leading direction in expanding its economic influence on the world economy is foreign direct investment. China prefers to invest in countries with a larger market size and good growth potential, with relatively cheap local currency and better economic conditions. According to the resource search strategy, the availability of mineral resources in the country influences positively the Chinese FDI. China's important goal of FDI is to control the supply of raw materials through the purchase of foreign companies or direct contracts and government concessions for the development of natural resources by Chinese enterprises. Reliable access to raw materials and energy sources determines the interest of China in cooperation with developing countries, with significant resource potential. Sometimes China does not want to begin the development of deposits immediately, but reserves them for the future (Danilchenko, 2008 , p. 95).

The main limiting factor for investments in developing countries may be the growth of political risk, although the level of corruption is not a significant obstacle to the development of investment cooperation with China.

Although the Chinese economy is gradually transforming, the role of the government remains very high. The scope of the FDI is no exception. Empirical results confirm that the company's political affiliation, along with its productivity, is an important factor influencing the decision on the implementation of FPI by firms in China (Ukrainets, 2016).

2. Dependence on the import of raw materials and strong motivation to invest in the countries with supply of natural resources also affects the formation of China's foreign economic strategy. An urgent issue is ensuring the sustainable supply of raw materials, especially energy, as China is one of the world's largest energy consumers. Such a supply, apart from investment and concessionary development, can be provided through practice of long-term purchases of large volumes of raw materials (Danilchenko, 2008 , p.94)

3. The third important way of China's economic expansion into developing countries and transition economies is long-term government economic aid programs. By providing this assistance, China has moved from the political or ideological criteria that were decisive in the 1970's and 1990's to the criteria of economic feasibility. Through its aid programs, China not only gets access to resources and transforms recipient countries into its reliable sales markets, but also enhances its reputation and image as a global player. (Chen Jun, 2014) .

4. China's strategy for the formation of its foreign-economic relations system is based primarily on bilateral contacts with the government of the partner countries. It is bilateral contacts makes main instruments of China's economic expansion - namely, credit lines, important infrastructure projects, humanitarian aid programs - work most effectively. In addition at the expense of bilateral contacts, China is trying to synthesize a public and private initiative. Due to intense diplomatic contacts and the involvement of firms with government support, Chambers of commerce and industry and Forums are founded in countries that are interesting for China from the strategic point of view (Petinenko, 2012) .

5. Lately the motives for the economic expansion of China and its FDI, in particular, have ceased to be limited to seeking access to resources. As the Chinese economy grows, the expansion into the markets of countries with prices lower than China's, in particular, with lower cost of production and with cheaper labor force, becomes more and more important. At the same time, the FDI in such countries is not always accompanied by the transfer of production technology, the spread of know-how or the creation of jobs for the local population. As the experience of many African countries shows, China's economic expansion is accompanied by the relocation of Chinese workers to recipient countries. The local population is attracted only to the lowest-skilled and dangerous work, which, at the same time, is paid at the lowest rates (Deich, 2017) .

6. Even taking into account the strong liberalization of the Chinese economy and foreign economic relations, the accession to the WTO and the formation of partially market-based economic mechanisms, the actions of Chinese BNPs are under the powerful influence of the government. The strategy of Chinese economic expansion involves the formation of "national champions" - powerful multinational companies that operate in sectors identified as priorities by the government. Accordingly, current large-scale international expansion is not entirely due to the activities of individual Chinese companies, but as part of the country's public sector (Danilchenko, 2008, p.93). Therefore, cooperation with Chinese investors and trading partners primarily depends on the decision of the Chinese government, which defines the priority directions for the promotion of Chinese business abroad.

7. A huge concern is the threat to the environment in countries where is a significant economic expansion of China. If in Chinese domestic market there is a tough competitive struggle for profit, can it be expected that Chinese enterprises abroad will behave in a different way? Therefore, the Chinese expansion can be devastating to the environment of developing countries and countries with economies in transition.

8. To strengthen economic expansion China is actively using its diaspora abroad. The system of foreign companies founded by Chinese migrants who have close ties with the mainland of the People's Republic of China through the complex system of family and clan relations was called "bamboo net" or "China Commonwealth" (Cheung& Gomez, 2012). At the same time, family and friendly ties play a greater role in managing this informal association than formalized relations. Elements of the "bamboo net" can occur in any country in the world where there is an influential Chinese diaspora (Ren&Na, 2014).

In addition, Chinese migrant entrepreneurs serve as sources of capital inflows, information on markets and business opportunities, especially for developing countries. Direct investments of private entrepreneurs from China, often combined with migration flows, are becoming more and more significant even for developed countries. At the same time, most Chinese migrant entrepreneurs operate in areas of low value added and target low-cost markets, which perceives them as a kind of "dumping" kind. This, coupled with the constant growth of Chinese communities, has become a major concern for European recipient countries (Hungary, Italy, Spain). As Ukraine with the growth of integration processes can repeat the path of the countries of Central and Eastern Europe, the issue of inflow of Chinese migrants will become relevant in the near future. (Ukrainets, 2014a, 2014b).

Consequently, the analysis of the strategic directions of the policy of economic expansion of China shows that the benefits or threat of expansion of foreign economic cooperation between our country and China depend on the position of Ukraine in the system of international relations. At the same time, FDI remain the one of the most important channels of influence of China's expansion into the foreign economies.

Conclusions.

The unstable dynamics of cooperation between Ukraine and China in the foreign economic sphere is primarily related to military actions in the East of the country, the instability of the regulatory framework for the protection of foreign investors and the excessive corruption of the participants in the investment process. The most important task in foreign economic relations at the present stage is the substantial attraction of Chinese investments into the real sector of the Ukrainian economy and the implementation of large infrastructure and energy projects. Investment cooperation remains a key prerequisite for qualitative and quantitative improvement of the structure of bilateral trade, which in the conditions of crisis phenomena can increase the level of development of the country, contributing to its sustainable economic growth in the XXI century.

The deformed structure of exports and imports, characterized by a low share of high-tech products in exports and the prevalence of high-tech imports over exports, leads to external technological dependence and deepening of structural imbalances in the Ukrainian economy. The technological backwardness of industrial enterprises is also compounded by ineffective state policies and imperfect institutional provision of international cooperation, lack of effective tools for supporting innovative enterprises.

The analysis of cooperation forms and dominant tendencies in foreign economic relations between Ukraine and China makes it possible to conclude that the existing elements of cooperation and prospects for its development in general correspond to both the national economic interests of Ukraine and the Ukrainian foreign policy course to the European integration. In the context of rational prospects for the development of bilateral trade relations with China, development of a strategy of diversification of export-import operations with the partners, aimed at counteracting foreign trade dependence on the EU and the Russian Federation, and the improvement of trade balance through the deepening of trade relations with the countries of APEC, in particular with China, is necessary.

The European Union is also interested in conceptualizing and modernizing the strategy of cooperation with China, as this country is a regional leader in Asia and the second EU partner in international trade. Formation and development of the institutional framework for cooperation with the China will improve the competitive position of the Ukrainian economy, provide additional tools for influence during the negotiation process on the European integration process. China should be considered not only as an important partner and participant in integration groups, with some of which Ukraine has economic and political relations, but also as a separate geographic vector of foreign economic activity at the level of the CIS and EU countries. Ukraine can avoid some of the negative effects of Eurasian integration and accelerate its accession to the EU through cooperation with China.

References.

- Chen Jun (2014) Economic Security System (ecosystem): essence, structure. *Effective economy # 11*. Retrieved from: <http://www.economy.nayka.com.ua/?op=1&z=3555>
- Cheung, Gordon C., Gomez, E. T. (2012). Hong Kong Diaspora, Networks, and Family Business in the United Kingdom: A History of the Chinese "Food Chain" and The Case of W. Wing Yip Group. *China Review. Chinese University Press. 12 (1)*
- Danilchenko A., Kalinin D., Hu Zun Rong . (2008) The foreign economic strategy of the state in the conditions of globalization of the world economy: the experience of the People's Republic of China . *Journal of international law and international relations. 4, 92-97.*
- De Mooij , R. and Ederveen , S. (2006) What a difference does it make? Understanding the empirical literature on taxation and international capital flows. *European Commission, Directorate-General for Economic and Financial Affairs, Economic papers, No. 261.*
- Deich T.L. (2017) Chinese Companies in African Commodity Markets. *Institute of Africa, RAS*. Retrieved from: <http://www.inafran.ru/node/57>
- Ermachenko V.E. (2015) Perspectives of application in the national economy of the experience of transformations of the tourism industry in China . *Chernigiv Scientific Journal. Series 1: Economics and Management. No.1. 25-38.*
- Halperina L.P. and Shapoval A.V. (2003) Strategic directions of trade and economic relations of Ukraine with China. *Strategy of development of Ukraine. 3, 31 -35.*
- Holod V. (2014) Internationalization of the Yuan, the new changes in the world order . *Ukraine - China . Institute of Oriental Studies. # 1 (6)., 14-15.*
- Hongji, Chen. (2015) China's Choice and Strategic Opportunities in the Context of the Ukrainian Crisis. *Foreign Trade: Economics, Finance, Law. No. 3. , 175-180*
- Kirichenko A. A., Kharchenko, O. I (2010) Anticrisis Investment Policy of Ukraine. *Current problems of economy, 1 (103), 64-74*
- Kurnishova Y.(2010) Topical Principles of Strategic Partnership Between Ukraine and the People's Republic of China. *Analytical Report Kyiv.*
- Levkivsky V. M., Levkivsky , V.V (2013) Ukrainian-Chinese Economic Cooperation in the Context of Foreign Economic Security. *Scientific Bulletin of the Chernihiv State Institute of Economics and Management . Series 1 : Economics, 2, 95-103*
- Makogin Z. (2011) Influence of complementary Index onto the dynamics of foreign trade between Ukraine and China. *Problems of post-crisis economic policy in Ukraine. Lviv*
- Matusova O.M., Goncharov O.V. (2011) Ukraine in Foreign Economic Policy of China. *Modern issues of economics and law. Iss. 2., 69-75.*
- Mikheeva E. (Eds). (2005) *China: Threats, Risks, Challenges for Development.* Moscow: The Carnegie Center.
- Mokiy, A. ,Yaremko, L., Fleichuk, M. (2006) *The People's Republic of China as a strategic partner of Ukraine in the context of accelerating the process of European*

integration . Lviv: Regional Branch of NISS in Lviv, Lviv commercial Academy, NGO "Institute for International Economic Research"

Ovdenko L. M . et.al. (Eds) (2018) *Investments of foreign economic activity*. Kyiv.

Petinenko, I. A. (2012) Features of China's Foreign Trade Policy in the Conditions of Globalization: The Price Aspect .*Vestn . Tom. Gos.Un-ta.: Economics* , No. 1 (17).

Pogorelova, I.S. (2010) Modern Ukrainian-Chinese relations: the history of formation and development . *Visnyk of the Lviv University . No. 19 (206)*, 80-89

Quazi, R. and View, P. (2007) Foreign direct investment in Latin America: a panel regression study. *The International Journal of Business and Finance Research*, 1, 1.

Ren , B., and Na Sh. (2014) The bamboo network in China. *Handbook of East Asian Entrepreneurship* . Abingdon: Routledge

State Statistics Service of Ukraine (2018). Retrieved from: <http://www.ukrstat.gov.ua/>

Trade Map: International trade statistic (2018). Retrieved from: <https://www.trademap.org/Index.aspx>

Ukrainets, L. (2013) The Key Factors of Chinese Foreign Direct Investment to Africa Determined by Means of Tobit-Analysis. *Journal of European Economy*, 12(4), 441-454

Ukrainets, L. (2014a) The Impact of International Migration on Trade And Foreign Direct Investment Between China and African Countries. *Visnyk of the Lviv University.Series Economics*, Issue 51.,429-437

Ukrainets, L. (2014b) The Role of Migration in Shaping China's International Economic Relations with Europe. *Herald of Khmelnytskyi national university.*, 6, 1., 79-85

Ukrainets, L. (2016) The Impact of Political Connections of Chinese Firms on the Outward Foreign Direct Investment. *Visnyk of the Lviv University. Series International Relations*. Issue39., 261–277

Velychko, V.V. (1999) China as foreign trade partner of Ukraine. *Ukraine -China: Information and analytic review* , 1, 47-50

Vysotska, M. P. (2013) Analysis of the main trends of economic relations between Ukraine and China. *Strategy of development of Ukraine*, 4, 14-20

Wang Peng. (2005) Features of the development of trade relations between the People's Republic of China and Ukraine in the conditions of globalization. *Actual problems of international relations: Collection of scientific works*, .51, 108-111.

Oleksandra Kononova

Ph.D. in Economics,

Prydniprovska State Academy of Civil Engineering and Architecture,

Dnipro, Ukraine

orcid.org/0000-0002-7215-8574

ANALYSIS OF APPROACHES TO THE STRATEGIC POTENTIAL ASSESSMENT

***Abstract.** Due to the large scale and complexity of the modern economy of Ukraine, the methods for evaluating the strategic potential of various facilities have been recently increasingly used. The purpose of the assessment is to take into account the potential-forming factors for the foreseeable future, providing favourable conditions for the normal operation and development of facilities. Effective activities of national companies is impossible without systematic identification and evaluation of opportunities, since without taking into account their strategic potential it is unpractical to suggest long-term goals and to develop an optimal strategy for their achievement. Today, the strategic potential of any enterprise cannot be fulfilled in a static coordinate system - its development must take into account the remarkable dynamics of markets and the variability of technologies. With an increasing environment versatility, the degree of response and adaptation of the management system to the changes with the maximum use of the existing strategic potential should increase, which necessitates the development of methodological approaches to the assessment of the category under study.*

JEL Classification: C41, O29

Introduction.

The topic was studied in the works by V.G. Andriychuk, F. Beloborodov, S.V. Generalova, I. Godmane, M. Zhudro, V.S. Kabakov, A.E. Karlik, T.M. Konovalova, O. Krastin, A.I. Muravyev, V.V. Okrepilov, B.I. Paskhaver, S.G. Strumilin, Tarasevich, S.V. Uspensky, V.P. Urvantsev, T.S. Khachaturov, B.M. Shtulberg et al., whose works describe certain aspects of the subject matter. However, no integrated system for assessing the strategic potential has been proposed so far. In view of the above, we can say that the task of assessing the strategic potential has not only retained its relevance, but has also transformed into one of the most important conditions for ensuring intensive economic development of facilities. “Strategy”, narrowly defined, means “the art of the general” (the Greek *stratos*, meaning ‘field, spread out as in ‘structure’; and *agos*, meaning ‘leader’). The term first gained currency at the end of the 18th century, and had to do with stratagems by which a general sought to deceive an enemy, with plans the general made for a campaign, and with the way the general moved and disposed his forces in war. Also was the first to focus on the fact that strategy of war was a means to enforce policy and not an end in itself. Strategy is a set of key decisions made to meet objectives. A strategy of a business organization is a comprehensive master plan stating how the organization will achieve its mission and objectives.

The term “strategy” has a long history. Its origins in the west are found in classical Greek history. Whipp (1999) noted that strategy originated in the military, and for most of history in the west strategy was thought to have originated in Greece; however, in the year c.500 BCE Sun Tzu wrote “The Art of War” in China. Other strategic writers soon followed. Throughout history strategy remained mostly a military subject. However, the concept of strategy, as found in business literature (Mintzberg, 1987; Rumelt, Schendel, & Teece, 1994) can be found to date back to the early 1960s, when the body of knowledge known as strategic management was introduced for corporations to ‘wage their wars’ in business terms.

The beginnings of strategic management go back to the early 1960s, the origin of strategic management is found in three publications of that time. The founders are: Chandler, (1962); Ansoff, (1965); and Andrews and his colleagues, (1965, 1971). The first publication, ‘Strategy and Structure’, included the roles of managers in making long-term decisions, assigning resources, and defining plans so that decisions work. Additionally, it was demonstrated that a change in strategic direction could fundamentally change an organization. Ansoff (1965) viewed strategy management in the same way, and discussed current popular concepts such as competitive advantage. Andrews and his colleagues (Andrews, 1971; Learned, Christensen, Andrews, & Guth, 1965) view was an extension of Chandler’s with some additional concepts presented such as ‘competitive advantage’, as well as the influence of and uncertain environment’. These have become important additions in current strategic management, and the concept of ‘uncertain environment’ forms the basis of the SWOT analysis. It was also the beginning of using strategic management tools as aids to conducting a strategy process. This implied that strategists had come to terms with what strategy involved and became better at developing a strategy.

A typical business firm should consider three types of strategies:

-corporate strategy – which describes a company’s overall direction towards growth by managing business and product lines? These include stability, growth and retrenchment. For example, Coco cola, Inc., has followed the growth strategy by acquisition. It has acquired local bottling units to emerge as the market leader.

- business strategy - usually occurs at business unit or product level emphasizing the improvement of competitive position of a firm’s products or services in an industry or market segment served by that business unit. Business strategy falls in the in the realm of corporate strategy. For example, Apple Computers uses a differentiation competitive strategy that emphasizes innovative product with creative design. In contrast, ANZ Grindlays merged with Standard Chartered Bank to emerge competitively.

- functional strategy – it is the approach taken by a functional area to achieve corporate and business unit objectives and strategies by maximizing resource productivity. It is concerned with developing and nurturing a distinctive competence to provide the firm with a competitive advantage. For example, Procter and Gamble spends huge amounts on advertising to create customer demand.

-operating strategy - these are concerned with how the component parts of an organization deliver effectively the corporate, business and functional -level strategies in terms of resources, processes and people. They are at departmental level and set periodic short-term targets for accomplishment.

The next step is definition of strategic management. Kamensky (2014) defines strategic management as the act of setting strategic goals, analyzing, measuring, planning, implementing and monitoring strategic choices. It can also be seen as the company's resource management aiming to fulfill the company's goals. Strategic management is essential for surviving in the competitive environment, evolving and adjusting to changes (Kamensky, 2014).

Successful strategy. Succeeding in strategic management requires succeeding in many different fields. The ground rule is that every employee should understand the strategy of the company, regardless of the position in the company, in order for the whole company to follow the strategy. This means that the strategy should be explained in a way that everyone understands it. Another important factor is the willingness to change and evolve, which often seems to be difficult for companies. Companies typically only evolve when it is essential for the survival, when it is pressured by the management or initiated by the superior. However, evolving requires also teamwork, innovation and a careful analysis, in order to take actions before it is too late. Strategic management also needs the ability of seeing smaller divisions as a whole and identifying the relationships between each division. While seeing the big picture is essential for strategic management, it is also important to prioritize, and focus on the most relevant factor. (Kamensky 2014) Strategic management requires long-term thinking and planning how to achieve the goals also in the future, and not only focus on how to make a profit as fast as possible. In order to make good strategic plans, a knowledge of the company's resources is required as well as a clear understanding of the industry and how it is connected to the company. Strategic management also needs good leadership skills and communication skills (Kamensky, 2014).

Benefits of successful strategic management. Strategic management enables the company to predict the changes influencing them and to react to them faster. Good strategic management involves every manager and employee in the processes, meaning that everyone in the company knows what the goals of the company are and how they can be accomplished. This results in more motivated and committed workforce who shares the same goals and aims for the company's success, which in turn increases the productivity and therefore profitability of the company. Strategic management also improves communication and problem-solving, and makes it possible to track competitors' strategies, come up with new opportunities, and have better control over the company (Athapaththu, 2016).

With the introduction of the "strategic potential" concept in economics, scientists faced the problem of its quantitative and qualitative assessment. The very concept of potential, comprising a generalized, collective characteristic of resources, "place- and time-specific", indicates the need to search for a single value of its expression.

The complex structure and composition of the strategic potential, as well as the particular importance of taking into account the interrelationship of its elements requires the development of methods for solving the problem of intercomparison and taking into account heterogeneous resources in terms of their quality to establish their total value at any ratios of structural elements. That is why a unified methodological approach is needed to develop criteria and indicators of comparable assessment and to bring all components to a common dimension.

1. Strategic potential assessment using the method of value relation of resources

In economic research, the following main solutions for the problem of strategic potential assessment can be distinguished:

- the first solution aims to determine the total estimate of the resources themselves;
- the second solution is aimed at determining the potential volume of production that a facility can produce using available resources;
- the third solution is based on the indicator method;
- the fourth solution is based on a static approach to assessing potential.

In the national economics, the production resources valuation method (1999, 1979) has become widespread. First suggested by academician S.G. Strumilin, this approach was further developed in the works of T.S. Khachaturov, B.I. Paskhaver, F. Beloborodov, M. Zhudro, and others. Evaluation of the strategic potential using the method of value relation of resources is carried out in three stages (Fig. 1).

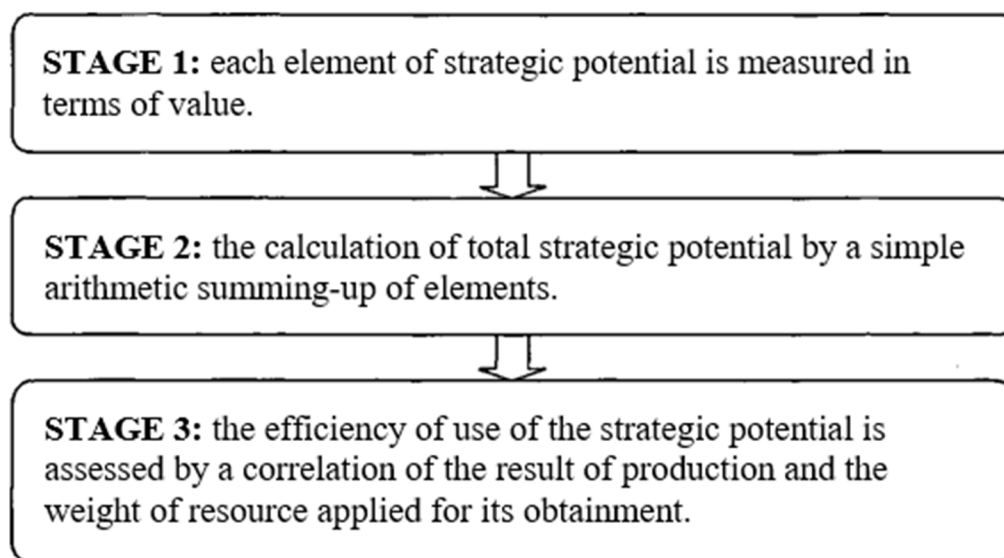


Fig. 1. Strategic potential assessment using the method of value relation of resources

According to supporters of this approach, the value appraisal is most justified, as it allows estimating the value of the strategic potential using comparable values in terms of qualitatively heterogeneous resources, its structure, growth rates, dynamics, utilization rate, and on this basis to develop the measures for its formation. The method eliminates the indirectness and relativity inherent in other methods, and enhances the degree of objectivity of the potential in time and space.

However, this method received the following critical comments:

1. The method does not take into account the nature of the influence of the resource potential components on the final results and production efficiency, therefore, a simple arithmetic summation does not provide correct calculation (1990). Simple cost summation is justified only if an increase or reduction in each resource per unit of its measurement equally affects the economy of the enterprise. But in reality, such an adequate dependence is impossible (1990). Therefore, with the same total amount of production resources, and with different ratios, the facilities may differ significantly in production capabilities.

2. The method is time consuming and requires improvement of the mechanism for determining comparable units. The difficulties, first of all, are associated with the determination of cost of labor resources. F. Beloborodov and M. Zhudro, for example, suggest assessing the labour resources "by the criterion of socially necessary costs of the expanded reproduction of labour." In other words, "the costs of "production" of an employee, i.e. its "upbringing", training and normal current reproduction of physical and spiritual needs should be determined" (1991).

3. Each group of capacity-building factors has its own reproduction and inflationary dynamics inherent in it only. These features do not take into account the integration mechanism of the method under consideration, which does not allow considering its results objective (2000).

4. Capacity-building resources may have the same amount of capitalized value, but at the same time they will differ significantly in both technical and quality indicators.

The disadvantages of the valuation method have stimulated the economists to search for different approaches to strategic potential assessment. This is how the method of calculating standardized values of availability of certain types of resources to the entities appeared, requiring no use of cost parameters in the calculations. At the moment, there are two approaches in such an assessment:

1. The method of rank standardization, which consists in correlating the individual values of indicators of entity resource availability and the total value of the indicator for the industry and in the assignment of rank values on this basis to economic systems.

2. Rank method using regression models. The share of each enterprise resource at the industry level is measured and weighted by the regression coefficients to enhance the significance of the result.

The latter approach is considered the most reasonable and is worth a special consideration.

2. Evaluation of strategic potential by rank method using regression models

One of the first developers of the method of weighted summation of resources relative values is V.G. Andriychuk (1990). According to him, when justifying the method of quantitative determination of potential, it is necessary to proceed from the following premises:

First, "various resources not equally affect the economic results of the facilities, due to their specificity and indispensability."

Secondly, "in each economic subsystem, resources can be in different proportions, which directly affects the results of economic management."

Thirdly, "with a change in the level of resources availability for the facilities, as a rule, all most important performance indicators of economic activity decrease or increase." To take these prerequisites into account when assessing strategic potential, the author believes that it is necessary to "quantify the impact on the facility economy of all resources, considering them taking into account the requirements of the system approach, not in isolation, but in close relationship and interdependence" (1990). For this purpose a multi-factor resource correlation model is used.

The assessment of the weights is based on the correct principle of taking into account the degree of influence of each resource on the result, i.e. it is not just the resources that are comprehensively evaluated, but the resource capacity in terms of production. V.G. Andriychuk suggests the following algorithm for assessing the strategic potential of a facility (Fig.2). The advantages of this approach are the simplicity of calculations (provided that computer technology for data processing are applied) of the final indicators of facility resource availability, comparability and universality of estimates. The disadvantages include the possibility of conducting such calculations only within one industry, for enterprises with the same or similar line of business.

The methodological approaches discussed above assess the strategic potential only in terms of its resource content. However, in our opinion, the effective form of assessing the strategic potential, i.e. the scope of the possible output with the rational use of available resources and their existing structure, is more important.

For many decades in Ukraine, the strategic capabilities of the economic subsystem (enterprise, industry, region, country) have been judged by its production capacity.

The production process is impossible without the interaction of its components - the capital stock, working assets and labour force. Therefore, the attempts to assess the strategic potential on the basis of only one of its components can result in significant errors in economic calculations. The long-term practice of the planning authorities of our country, equating the potential of the economic subsystem to its physical infrastructure - the capital stock, led to an unbalanced development of national economy in terms of production factors.

In economic studies, linear programming methods are also effectively used to assess strategic potential. All economic problems solved with the use of linear programming and reduced to finding the extreme values (maximum and minimum) of some functions of variable values are distinguished by alternativeness and certain limiting conditions. The importance and value of using this method in economics is that the best option is chosen from a significant number of alternative types. N.N. Pashkang applies a linear optimization model to assess the maximum strategic opportunities of the construction industry (1998).

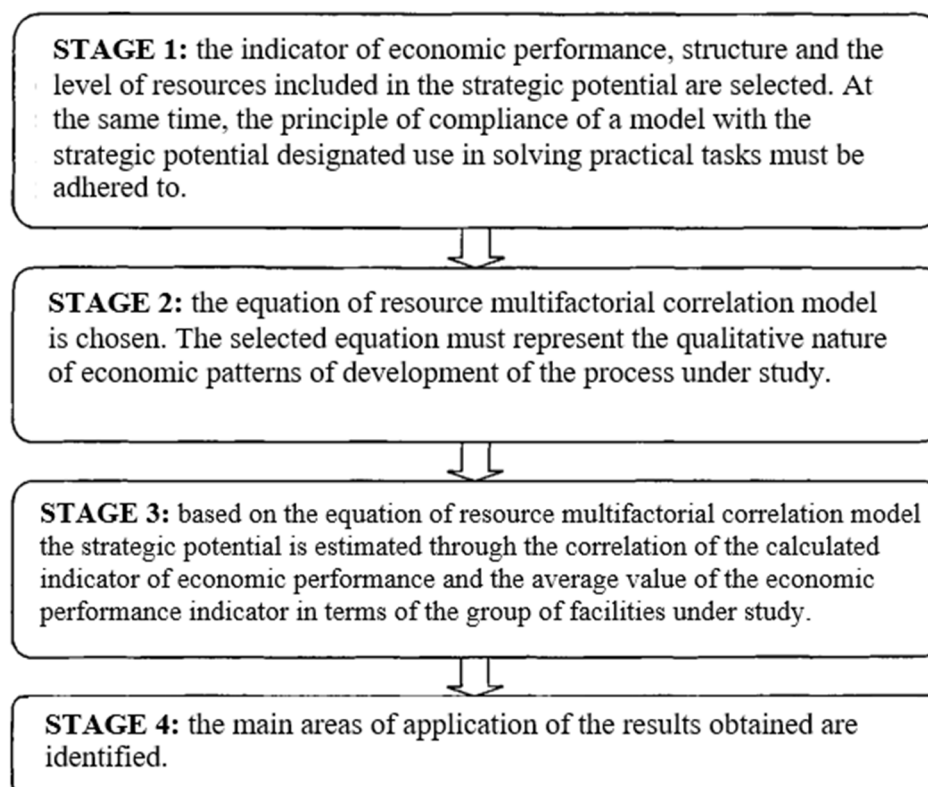


Fig. 2. Evaluation of strategic potential by rank method using regression models

The maximum production result in physical and monetary terms serves as the objective function in the model. The variables are the main types of products produced by the industry, and restrictions are imposed on the capacities of the processing companies, on the available raw materials and labour forces. As a result of solving the optimization problem, the calculated values of production are compared with the actual output of a particular branch of the construction industry. Based on this, conclusions are drawn on the size of the reserve for increasing the production and on the degree of use of the strategic potential of the industry. In this case, the choice of this particular method is justified to some extent, since the author means by strategic potential precisely the maximum system performance. An advantage of this method is the absence of the need to use cost estimates of potential elements that are subject to strong fluctuations during periods of economic declines, inflationary changes, imbalances in various branches of the construction industry related to economic liberalization and underdeveloped market relations. However, there are disadvantages:

1. The maximum output of industries producing monoprodukt is estimated by the author by production capacity, which excludes taking into account the influence of other factors.
2. Orientation to linear forms of simulating can lead to significant estimation errors, since many potential capacity-generating factors in dynamics have non-linear forms. Therefore, with all its external attraction, this method requires, in our opinion, the development of methodological corrections for the non-linearity of individual connections or the introduction of reliability criteria for the used linear forms.

There are other methods for determining the maximum performance of the facility. T.M. Konovalova, for example, uses for this purpose the indicators of the national accounting system (1998). The author proceeds from the fact that the full use of the available economic resources is achieved with the full employment of the able-bodied population, i.e. when the actual unemployment rate is equal to the natural rate (unemployment rate at full employment). If the economy of the region is unable to provide jobs for everyone who can and wants to work, then part of the potential production of goods and services is lost forever. This state is characterized by T.M. Konovalova as the GRP (gross regional product) lag.

Then the potential production capacity of the region will be defined as the sum of the GRP achieved and its lag.

Despite the obvious simplicity, such calculations have a very limited range of applications. They are legitimate only in macroeconomic analysis with a relatively high level of permissible errors, when one can abstract oneself from the influence of certain production factors (no less significant than the labour force).

The methods for the strategic potential assessment discussed above are aimed either at evaluating the facility resources or at measuring its possible production result. However, in our opinion, it is impossible to give a full, comprehensive assessment of the strategic potential in only one of these areas.

3. A method based on using economic and statistical models that represent the relationship between resources and production results

A method that became popular in early 70s, based on using economic and statistical models that represent the relationship between resources and production results, has a higher practical value for assessing the strategic potential of a facility (1972, 1976, 1989). This approach, as a result of which the basic production functions are defined or the use of resources in production is optimized, allows evaluating the facilities resource capacity as a generalizing characteristic. Some researchers compare the estimated performance of the facility with its actual performance, based on which it is concluded about the degree of strategic potential utilization, and also the optimal amount of the resources is established, which is required for the production with the specified goals and conditions of the facility development. Thus, O. Krastin and I. Godmane state directly that "the degree of usage of strategic potential is evidenced by the deviation of the actual value of the effective attribute from the standard one" (1976).

The advantage of this method is that it provides a real opportunity to get the estimated indicator of economic performance, taking into account the economic subsystem resource availability. At the same time, most of the methods based on economic and statistical dependencies are characterized by some drawbacks:

1. A high degree of instability of probability models in an attempt to calculate the "contribution" of an element of production to a physical product or its increase (1979).

2. The strict requirement of homogeneity of a set of facilities for constructing a model that is very difficult to provide, failure to adhere to this principle can lead to significant errors in the assessment results (1990).

3. Production functions do not allow taking into account the human factor consisting in the level of production and labour management, which, due to a high degree of variation in time and space, significantly affects the results of production (1989).

In our opinion, the modern apparatus of production functions and computer data processing technologies allow successful application of probability methods both to assess the strategic potential as a whole and to assess the role of individual elements in the process of its formation and implementation.

4. The indicator method

In foreign practice, the indicator method is widely used to assess the strategic potential of various facilities. It consists in the development of indicators - characteristics allowing the description in a formalized form of the state of parameters of a particular facility under study. On their basis, a comprehensive assessment of the facility potential capacity is carried out, and recommendations are developed to improve its performance. In the system of indicators, an important place is given to the state of production management.

The indicator method has become widespread among the national researchers. In particular, S.V. Generalova uses it in a somewhat transformed form to assess the strategic potential of the agribusiness facilities (2000). The estimation algorithm is as follows:

At the first stage, the author suggests defining a system of absolute indicators of the main elements of the strategic potential of a facility: scientific and technical, labour, financial and economic, natural and resource, organizational, and informational potential capacities. At the next stage, the criteria levels of each absolute indicator are determined. The identification of criteria is carried out in various ways: by finding the necessary regulatory values in the reference and regulatory literature, by the method of expert assessments, by a computational method. The computational method is considered the most acceptable. It includes two ways to identify the criteria. The first and easiest method of extreme assessments is the assessment of the maximum and minimum absolute indicator values. In this case, the minimum level of the indicator is defined as the average of the first third of the values, and the maximum level - as the average of the third part of the distribution.

The second method of statistical analysis of the dynamics of individual indicators and identification of their extreme values includes calculating the polynomial form regression equation with the least deviations of the actual values from the theoretical ones, obtained using the equation, and identification of the exposure extreme values by defining the derivative of the regression equation and setting it equal to zero. The identified extreme point (maximum or minimum) is taken as a criterion.

At the last stage, partial relative indicators are calculated by comparing the absolute values of the indicators with their criterion (regulatory) quantity and the subsequent reduction of partial indicators to lagging indicators by the elements and by the facility as a whole. The advantages of the indicator method include:

First, the possibility of taking into account virtually all factors and business conditions, including organizational and economic ones.

Secondly, the opportunity of a comparative assessment of the facility strategic potential of various technological and industry specialization.

This approach indeed allows a comprehensive assessment of the facility strategic potential, its competitiveness not only at the intra-industry, but also at the inter-industry levels. Such data is an important information source for making optimal management decisions in specific situations.

Despite the obvious positive aspects of this method, there are drawbacks that significantly limit the possibility of its use. This, above all, relates to the need of collecting a large amount of source data. Often, the production and economic activities of Ukrainian companies are half-shadow in nature, due to both the imperfection of the legal framework and the absence of the managers' market mentality and business culture.

Estimation of the aggregate strategic potential in the regional market using the indicator method of V.P. Urvantsev is based on the study of the internal and external environment of the construction company. In addition, he recommends an assessment of the strategic potential of construction companies, taking into account the significant characteristics of the industry. The purpose of the analysis is to determine the conformity of its models of behaviour and strategy with the external market conditions and internal resources and competitive opportunities, as well as to establish the advantages and disadvantages of the company, its strengths and weaknesses.

The total indicator of the potential of a construction company is calculated as a weighted sum of local potentials:

- the production potential (indicators: the annual scope of construction and installation works, fixed capital stock, the level of usage of the fixed assets);

- the financial potential (indicators: profit, loss, accounts receivable and payable, profitability);

labour potential (indicators: the number of employees, labour productivity, market share in regional construction);

- innovation potential (indicators: intangible assets, the ratio of intangible assets to tangible ones, the share of products);

- consumer potential (indicators: customer base, amount of orders, assets at the end of the year);

- infrastructure potential (indicators: participation in joint action systems, availability of subsidiaries, representative offices).

Summing up the partial indicators of potential capacities, weighted by their weight numbers, the total rank is calculated by the weighted sum of the partial indicators, allowing the determination of the potential capacity of a company both as a developer and as an investment project. Subsequently, the company is referred to one of the following groups (2004):

- a) with maximum potential;
- b) with high potential;
- c) with average potential;
- d) with reduced potential;
- e) with insignificant potential;
- f) with low potential.

Combining the construction companies into groups provides a better understanding of the particular features of competition in the regional sector of the economy, to determine the intensity of competitive pressure and the profit potential of the companies within a particular group.

The analysis of the methodology suggested by the author for assessing the cumulative strategic potential in the regional market has the following advantages:

- firstly, the technique is suitable for use both by individual construction companies and in a comprehensive study of trends in the industry or region;
- secondly, the assessment results are easy to understand.

Besides the advantages of this method, there is also a disadvantage consisting in a subjectivity, since the weights of each component contribution to the total strategic potential are assessed as a result of a survey of experts.

The national scientific literature also distinguishes different approaches to quantitative assessment of the company potential: structural (functional) and target (problem-oriented). The first approach is based on the definition of a rational potential structure and evaluates its level, taking into account the regulatory ratios set by more advanced technologies. The second approach to assessing the capabilities of the company is aimed at diagnosing the potential from the point of view of goals achievement and its value is measured as a level of compliance of individual components with the given parameters.

However, existing theoretical approaches to assessing the strategic potential of companies include certain scientific problems unsolved at this stage, which are stated on the demand of practitioners and for the solution of which the scientists are conducting research and developing recommendations. A certain approach to the solution of these problems was developed by the scientists V.N. Gavva and E.A. Bozhko (2004), who assessed the value of strategic potential through the quantitative assessment of the competitive strength index, using the scale of evaluation of various parameters of the external and internal environment, taking into account the stages of the life cycle of a competitive advantage of the company.

However, the assessment method suggested by the scientists is cumbersome and of little practical use.

The study of researches by national scientists I.P. Otenko, L.M. Malyarets (2006, 2007), N.I. Ryabykina (2003) concerning the assessment of the potential of companies allowed us to highlight number of methods applied depending on the objectives of the entity: cost, result, and market methods.

The cost method of assessing the value of strategic potential is to determine the value of all aggregate and available to the company types of resources. In our opinion, the level of use of strategic potential considering this concept is determined by the ratio of the result obtained to the cost estimate of the use of certain types of resources.

When applying the results method to assess the value of strategic potential, we consider it necessary to take into account the number of manufactured and sold products, financial performance of the company. According to this approach, the amount of the strategic potential is considered as the ability of the business system to transform the inputs to obtain outputs in accordance with the objectives set.

Since a company is an open system that interacts with a dynamic environment, the market approach must be considered when assessing the amount of its strategic potential. According to this concept, the value of the strategic potential will be estimated taking into account the capacity of the market, the market share of a particular commodity producer, the growth of consumer demand and the increase in the volume of production and sales of the products by the company. With active adaptation to changing market forces it is necessary to produce an effect on the state of environment (changes in the system of contracts, searching for the new resources). With the passive adaptation to a dynamic environment, it is necessary, using the existing mechanism of company management, to effectively apply internal reserves (2003).

Conclusions.

The assessment of the strategic potential of the company contributes to the identification and mobilization of production, financial, management and marketing reserves. The company managers are faced with a rather important task of choosing a criterion for assessing the potential. Recently there were various suggestions regarding an alternative criteria for assessing the company potential and the efficiency of the management strategy: the "production potential", "information provision", "financial potential", "customer loyalty", "intellectual capital index", "upgrading and development", "brand value" are taken into account, on the basis of which the "balance control cards" are developed.

The existence in Ukraine of a large number of loss-making companies results in methodological problems that arise in calculating and interpreting the economic performance of their activity.

These features require a special approach to the development of methods of analysis of the company strategic potential using a relevant criteria system that would provide objective and adequate information about the state and level of its application for corporate entities. Using the strategic potential assessment, the methods of identification and mobilization of reserves by the most important factors are developed in order to increase the production performance.

References.

Beloborodoy F., Zhudro M. (1991). Cost estimate of the production potential. *APK: Economics and Management*, 2, 15-19 [in Russian].

Paskhaver B.I. (1979). Integral indicator of the efficiency of agricultural production. *Questions of economy*, 10, 70-78 [in Russian].

Surkov M.I. (1990). Improving the methodology for determining the productive potential of the agroindustrial complex. *Economics of Agricultural and Processing Enterprises*, 3, 25-27 [in Russian].

Andriychuk V.G., & Vikhor N.V. (1990). *Improving the efficiency of agro-industrial production*. Kiev: Harvest [in Russian].

Generalova C.B. (2000). *Formation of a measurement system of the production and economic potential of agricultural enterprises (on the example of the grain-food subcomplex of the Saratov region)*. Extended abstract of candidate's thesis. Saratov [in Russian].

Pashkang H.H. (1998). *The production potential of the food industry (on the example of the Saratov region)*. Extended abstract of candidate's thesis. Saratov [in Russian].

Konovalova T.M. (1998). *Management of updating the production potential in the region (on the example of the Tambov region)*. Extended abstract of candidate's thesis. Tambov [in Russian].

Crastin O.P. (1976). *Application of regression analysis in studies of agricultural economics*. Riga: Zinatne [in Russian].

Vaitauskas Y., Grakulskis A., Petrule R. (1972). *Evaluation of the economic activities of agricultural enterprises with the help of computers*. Vilnius [in Russian].

Vishnev S.M. (1989). *Economic parameters*. Moscow [in Russian].

Vasilenko, Yu.V. (1989). *Production potential of agricultural enterprises*. Moscow: VO Agropromizdat [in Russian].

Generalova C.B. (2000). *Formation of a measurement system of the production and economic potential of agricultural enterprises (on the example of the grain-food subcomplex of the Saratov region)*. Extended abstract of candidate's thesis. Saratov [in Russian].

Urvantsev V.P. (2004). *Guidelines for assessing the aggregate potential and competitive positions of construction companies in the regional contracting market*. Novosibirsk: SORAASN [in Russian].

Gavva V.N., & Bozhko E.A. (2004). *Potential of the enterprise: formation and evaluation: a textbook for universities*. Kyiv: Center for Educational Literature [in Ukrainian].

Otenko I.P., Ivashchenko G.A., & Malaryts L.M. (2007). *Analysis and evaluation of the strategic potential of the enterprise*. Kharkiv: KHNEU [in Ukrainian].

Otenko I.P. (2006). *Strategic Management of Enterprise Capacity*. Kharkiv: KHNEU [in Ukrainian].

Otenko I.P., & Malaryts L.M. (2003). *Mechanism of management of enterprise potential*. Kharkiv: HSEU [in Ukrainian].

Ryabikina N.I. (2003). *Theoretical and methodological principles of estimation and optimization of the use of the potential of an industrial enterprise*. Extended abstract of candidate's thesis. Odessa [in Ukrainian].

Repina I.M. (1998) Entrepreneurial potential: methodology of evaluation and management. *Bulletin of the Ukrainian Academy of Public Administration under the President of Ukraine*, 2, 262-271 [in Ukrainian].

Chukhray N. (2002). *Formation of innovative potential of the enterprise: marketing and logistic support*. Lviv: Vid. National University "Lviv Polytechnic" [in Ukrainian].

Nataliia Kochkina

*PhD in Economics, Associate Professor,
Taras Shevchenko National University of Kyiv,
Kyiv, Ukraine*

DYNAMICS OF PESTLE FACTORS OF UKRAINIAN MARKET ENVIRONMENT

***Abstract.** This chapter offers analysis of the dynamics and interdependencies between factors determining Ukraine's market environment. The analysis suggests that over the past year Ukraine has improved its rating in relation to political components of global competitiveness and cyber security. At the same time, the population's law abidance remains low. Significant positive changes are observed in GDP (PPP) per capita and in the ease of doing business. Continued negative trends are seen in population decline and the ecological situation in the country. Gender equality index is also low. Meanwhile, the analyzed indicators demonstrate a high level of interdependence.*

JEL Classification: F20, C01

Introduction.

Assessing the influence of market environmental factors on the market players' business activity does not lose its relevance. It is the basis of the PESTLE-analysis, which in turn is the basis of market threats and opportunities identification in the SWOT-analysis. Ukraine is known for its high dynamism of market environmental factors. This necessitates continuous monitoring in order to develop apposite market forecasts. The purpose of this study is to identify the dynamics and correlations between PESTLE factors in Ukraine.

Over the past year, Ukraine has made headway in relation to political constituents of global competitiveness. The most positive trends are observed in the sphere of intellectual property protection, freedom of the press, conflict of interest settlement, governmental orientation for the future, judicial independence, and budget transparency. The population's law abidance remains low, which adversely affects the competitive position of Ukraine and its innovativeness.

In 2018, Ukraine's position in the Global Competitiveness Ranking worsened. Conversely per capita GDP (PPP), grew by 17.7% (according to other estimates – by 20.2%), but still remains extremely low. The worst situation is observed with indicators of macroeconomic stability and development of the financial sector. However, over the past 3 years, Ukraine has consistently improved its position in ease of doing business. The biggest positive developments are observed in the field of construction permits. According to the World Economic Forum, the main obstacles to doing business in Ukraine are inflation, corruption, political instability, the level of taxation and fiscal policy, governmental instability, low availability of financing, inefficient government bureaucracy and so forth.

Continued negative trends are observed in population size dynamics. During its years of independence, Ukraine has lost more than 9m inhabitants. The last significant loss of population was observed in 2014 with the occupation of the Crimea.

Education level is traditionally high in Ukraine, English proficiency, however, remains mediocre. Gender equality indicators are also on the average level. The worst situation is observed with women's involvement in political life of society.

High education level and technological innovations have stimulated growth of the Ukrainian economy. The hybrid war with Russia stimulated a significant improvement in Ukraine's cyber security. However, in terms of digital competitiveness, Ukraine still holds an extremely low position.

Over the past 12 years, the environmental situation in Ukraine has deteriorated more than double. The worst dynamics are observed with forestry and air quality. Negative tendencies are also seen in the agriculture sector. Water supply and wastewater systems have also deteriorated, nevertheless, the quality of drinking water remains quite high – Ukraine ranks 55th in the world.

Econometric analysis shows that the PESTLE factors are closely interrelated. The higher the rule of law index in the country is, the higher the intellectual property protection is. In turn, rise in the rule of law and property rights indices stimulates growth of per capita GDP and global competitiveness. The last two indicators are interrelated: increase in global competitiveness by 0.1 points causes increase in per capita GDP (PPP) by USD 3128.4.

A positive correlation is observed between the level of proficiency in English and the country's economic growth and advancement. This is due to intellectual development of people who are able to receive up-to-date information without being tied to the native language. Direct correlation exists between digital and global competitiveness. The higher the degree of cyber security and ICT sector development is, the higher the country's global competitiveness and progress is.

The increase in the environmental index strengthens the country's position in the global competitiveness and innovation rating. On the other hand, rule of law and high level of individualism by Hofstede positively influence the ecological situation.

Let's consider the dynamics and interdependence between PESTLE factors of the Ukrainian macro environment in more detail.

1. Political and legal environment in Ukraine.

The World Economic Forum calculates the *Global Competitiveness Index* (World Economic Forum [WEF], 2019), which considers, among other things, the political and legal environmental factors. It includes the sub-indices of the “Institutions” group: property rights and intellectual property protection, public trust in politicians, judicial independence, etc., that vary from 1 to 100 (previously from 1 to 7). In 2018, according to this group, Ukraine increased its position in the rating from 118th to 110th out of 140 countries (Fig.1). Ukraine has for the most part improved its position in 2018 by the overwhelming majority of indicators. The most significant developments are observed in intellectual property protection, freedom of the press, conflict of interest regulation and judicial independence. Budget transparency holds the highest position for Ukraine (49th out of 140 countries).

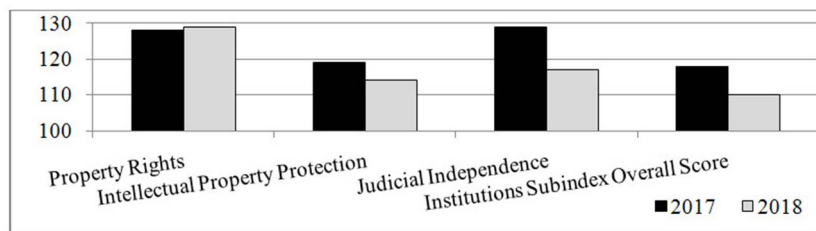


Fig. 1. Dynamics of Ukraine's Position in the Global Competitiveness Rating by Political and Legal Factors

Source: compiled by the author according to *Global Competitiveness Reports 2017-2018, 2018*

Another indicator of the political situation in the country is the *International Property Rights Index* (Levi-Carciente, S., 2019), which is calculated by the Institute for Liberty and Democracy (Peru). It includes three groups of factors: legal and political environment, physical property rights and intellectual property rights. That index varies from 1 to 10. The first indicator is characterized by a degree of judicial independence, rule of law, political stability and control of corruption. The sub-index of physical property rights reflects the degree of these rights' protection, the specificity of ownership registration and ease of obtaining a loan. The intellectual property rights indicator demonstrates the degree of patent, intellectual and copyright protection.

In 2018, Ukraine regained its position from three years ago and is rated 110th out of 125 countries, rising by 17 positions compared to 2017 (127th place in 2017, 115th – in 2016, and 109th – in 2015). However, this rank is still extremely low. Russia is 84th, having improved its position by 27 points. The dynamics of the International Property Rights Index in Ukraine still remains negative, although the rate of decline has slowed down significantly over the past year (Fig. 2).

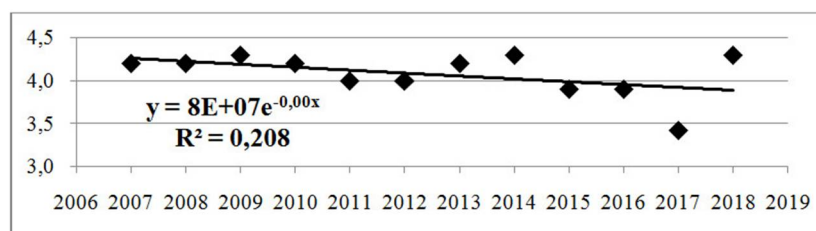


Fig. 2. Dynamics of the International Property Rights Index in Ukraine

Source: compiled by the author according to *International Property Right Index 2006-2018*

Analysis of the current situation in the context of partial indicators shows that the country has regained its position on a sub-index of physical property rights (see Fig. 3). The fall of 2017 was apparently due to the nationalization of PrivatBank, problems with Nova Poshta logistics company and other negative trends in this area. Over the past 4 years the worst situation is observed in relation to sub-indices of the political and legal environment: they are 2 times lower than the world's average. The best situation is observed with intellectual property protection. In relation to this indicator Ukraine holds a position only 20% lower than the world's average.

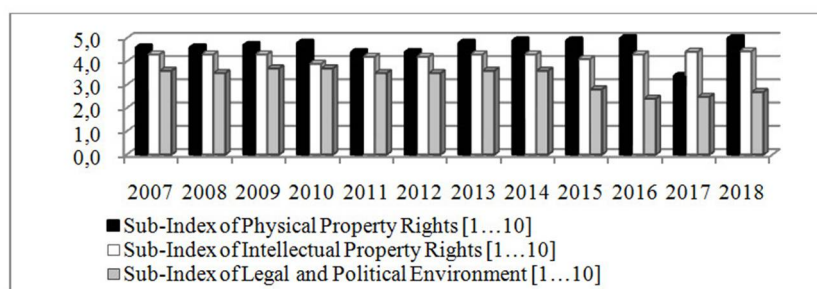


Fig. 3. Dynamics of Property Rights Indicators in Ukraine

Source: compiled by the author according to International Property Right Index 2007-2018

Another direct indicator of the political macro-environment is the *Rule of Law Index* (The World Justice Project, 2019). It is calculated based on a survey of a representative sample of 1000 respondents in the three largest cities of the country and a number of experts from practicing law firms and representatives of the academic community. The index demonstrates level of the population's law abidance in 8 indicators, including: lack of corruption, government transparency, respect for fundamental rights, etc.

In 2018, Ukraine retained its position on the Rule of Law Index and ranked 77th out of 126. It may be noted that among all the index components, the indicator of order and security in the country is the most important - 0.73 with a maximum value of 1.00. On the whole, in recent years, Ukraine has been steadily improving its position on the Rule of Law Index (Fig. 4).

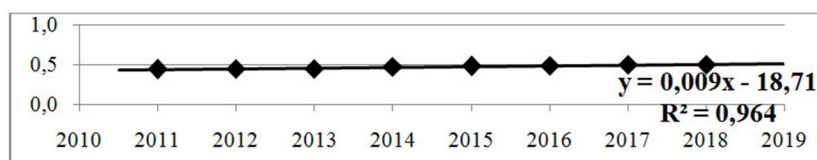


Fig. 4. Dynamics of Rule of Law Index in Ukraine

Source: compiled by the author according to Rule of Law Index 2010-2018

The analyzed political and legal indicators are interrelated with each other and other indicators of the external market environment. The greater society law abidance is, the higher the degree of intellectual property protection in the country is. In turn, the intellectual rights protection and the rule of law stimulate the country's innovative development. Companies that invest in innovation are confident that their investments will bring them the expected return through the exclusive right to sell their product in the market.

The analyzed indicators have a significant impact on a country economic growth and competitiveness as well (Kochkina, N., Maticchioni M., 2016). With the increase of the Rule of Law and Property Rights indices, GDP per capita is growing faster. Correlation is also observed with Global Competitiveness Index (Fig. 5).

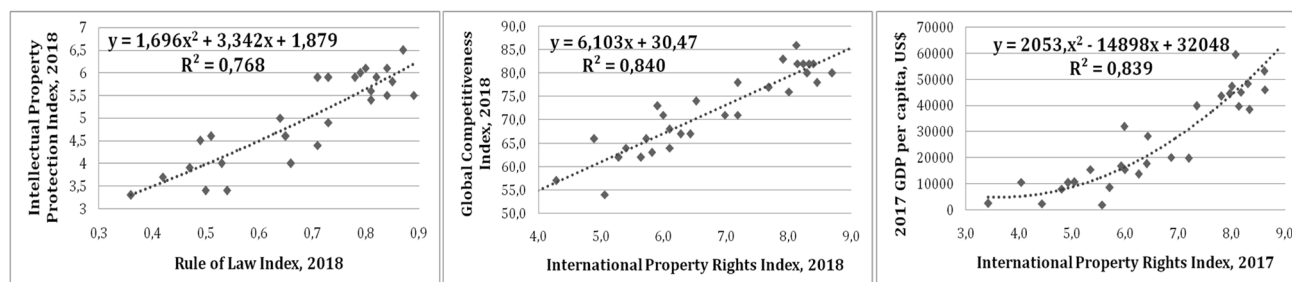


Fig. 5. Correlation between Political and Economic Indicators

Source: compiled by the author

An important factor in Ukraine's political and legal environment is the introduction of the *General Data Protection Regulation* (2018) - the new EU law, which entered into force on May 25, 2018. The GDPR regulates the behavior of business entities that collect or process personal data. It is based on the human right to privacy, which should always be able to export, correct or delete personal information, and to deny access to it. In turn, business entities are obliged to protect personal data by working with personnel and recording the activities of information processing, including the immediate notification of authorities about unauthorized access. Improper compliance with the GDPR requirements provides for a fine of 4% of a company's annual turnover or for a criminal liability.

GDPR is extraterritorial: it regulates the activity of business entities that collect or process personal data of EU citizens regardless of the location of such activity. Thus, GDPR regulates Ukrainian companies that have EU citizens amongst their employees, conduct marketing and other research of EU actors, use information of EU citizens in their own products or deliver goods and services to EU citizens. This means that in addition to the obvious types of Ukrainian internationalized businesses, travel agencies, hotels, air and railway companies, financial and educational institutions, and even private entrepreneurs who sell their goods to citizens of the European Union also fall under the regulation of the GDPR.

2. Economic environment in Ukraine

GDP per capita and the *Global Competitiveness Index* (WEF, 2019) are important economic indicators, annually calculated by the World Economic Forum and published in The Global Competitiveness Report. The global competitiveness index consists of 98 indicators in 12 areas, half of which are economic, namely: macroeconomic environment, consumer and labor markets' efficiency, financial sector development, market size and business development.

In 2018, Ukraine ranked 83rd out of 140 countries. GDP (PPP) per capita increased by 17.7%, but still remains extremely low (Fig. 6). Over the past 11 years, a significant decline in Ukraine's GDP and global competitiveness has been observed twice: in 2009 and 2014-15. The latest fall was because of the political and economic crisis and the war in the East of Ukraine. The worst situation is observed with the indicators of macroeconomic stability and the financial sector development. In 2018, by these indicators Ukraine ranked 131st and 117th, respectively.

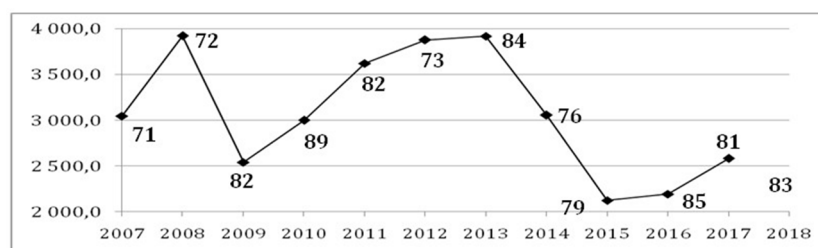


Fig. 6. Dynamics of GDP (PPP) per capita (USD) and Global Competitiveness Index in Ukraine

Source: compiled by the author according to Global Competitiveness Reports 2007-2018

This low position in the first indicator is related to high inflation rates, the national debt and low credit rating of Ukraine. By 2017, the inflation index decreased by 3.9% and dropped to 9.8% (Fig. 7). This is well below the 2015 crisis year figure. As of February 1, 2019, the National Bank interest rate was 18% (Ministry of Finance [MoF], 2019a). Over the past 15 years, higher rates were observed only in 2015-16. This is another evidence of low availability of credit funds.

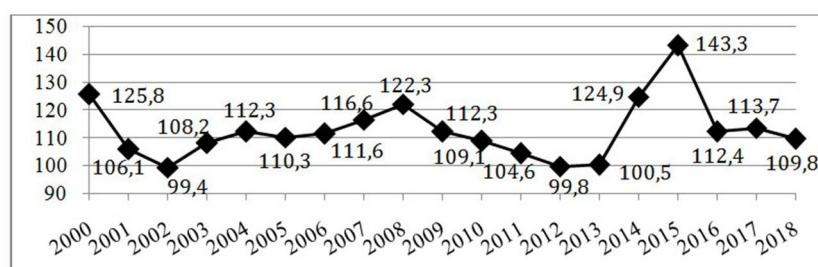


Fig. 7. Dynamics of Consumer Price Index in Ukraine, %

Source: compiled by the author according to the Ministry of Finance, 2019b

National debt in 2018 increased by 3.0% and amounted to about \$50 billion (Fig. 8). This constant growing trend has been observed for the last 8 years. Conversely, gross external debt, that includes the debt of non-state institutions (banks, joint-stock companies, etc.) has had a tendency to decrease: its trend is described by a polynomial function. In 2018, there was a significant increase in the level of GDP - by 20.2%. As a result, Ukraine's gross external debt as of December 31, 2017 exceeds GDP by only 3.0% (in 2016, this figure was 22.0%). External state debt is covered by foreign exchange reserves by only 38.4% and amounts to 43.6% of the country's GDP.

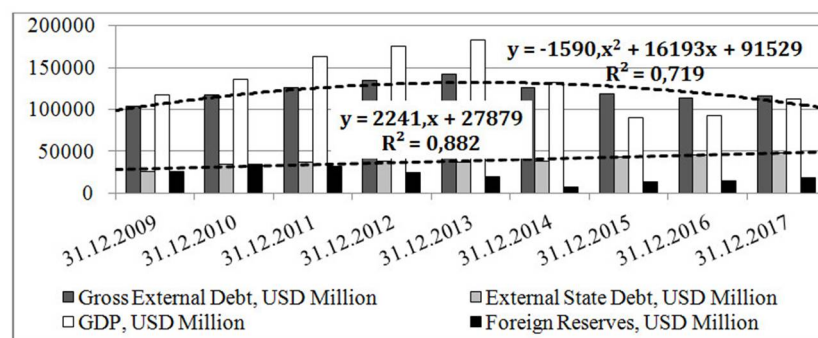


Fig. 8. Dynamics of National Debt, GDP and Foreign Exchange Reserves in Ukraine, USD Millions

Source: constructed by the author according to the Ministry of Finance, 2019c,d

An important indicator of the economic macro environment is the *Ease of Doing Business Index* (World Bank Group [WBG], 2018a), which covers 190 countries. The index takes into account 11 indicators, including the ease of starting a business, registering property, obtaining a loan and construction permit, etc. For the last 3 years, Ukraine has consistently improved its position on this indicator. Thus, in 2018, it was 71st (76th – in 2017, 80th – in 2016 and 83rd – in 2015).

Meanwhile, the dynamics of sub-indices is ambivalent (Fig. 9). The strongest positive changes are observed in the sphere of construction permits. By this indicator, Ukraine has significantly improved its position due to reduction of required payments, rising from the 140th position in 2016 to the 30th in 2018. The introduction of an electronic payment system has simplified the process of paying taxes. As a result, the country rose from 84th (2016) to 54th (2018).

Getting Electricity and Trading across Borders indicators have taken low values, even as Ukraine has improved its position in relation to the second indicator. Meanwhile, after improving the situation with ease of setting up a business, in 2018 Ukraine dropped to 56th position.

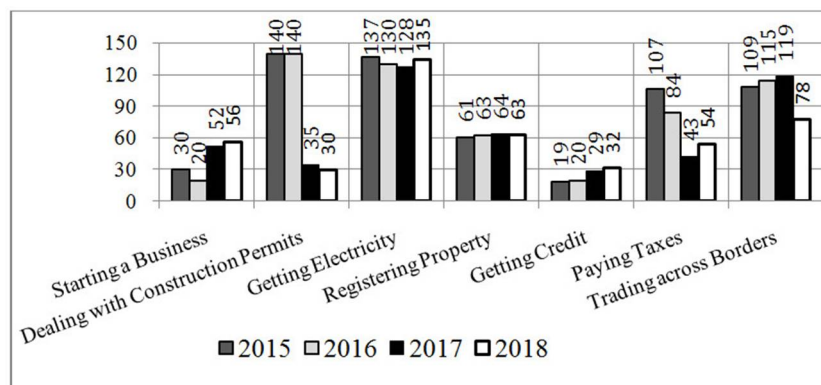


Fig. 9. Dynamics of Ukraine's Position in the Ease of Doing Business Rating

Source: compiled by the author according to Doing Business 2015-2018

According to the WEF (2018), the main obstacles to doing business in Ukraine are inflation, corruption, political instability, the level of taxation and fiscal policy, governmental instability, low availability of financing, inefficient government bureaucracy, etc. The country has a high position in terms of market size due to the considerable number of potential consumers (47th in the world).

On January 1, 2016, a simplified mechanism for unified social tax (UST) calculation began to operate. The floating UST rate was replaced by a fixed rate of 22.0%, which is 12.4% lower than the minimum UST rate in recent years. Such a move was intended to unshadow the Ukrainian economy. As a result, in 2017, according to the *Paying Taxes Rank*, Ukraine has risen from 84th to 43rd position (WBG, 2018b).

There is a linear correlation between the indicators of economic development (Fig. 10). With an improvement in global competitiveness by 0.1 points, GDP (PPP) per capita increases by USD 3128.4, which is more than Ukraine's per capita GDP.

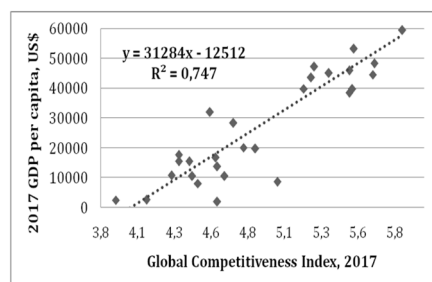


Fig. 10. Correlation between Economic Indicators

Source: compiled by the author

3. Social environment in Ukraine

The main factor determining Ukraine's demographic situation is its population dynamics (Country meters, 2019). For this indicator, Ukraine consistently demonstrates negative trends (Fig. 11). In the last 70 years, the largest number of inhabitants was observed in 1991 – over 51m people. Thus, over the years of its independence, Ukraine has lost more than 9m inhabitants. The last significant loss was observed in 2014 with the occupation of the Crimea. This demographic trend is an ideal parabola with a coefficient of determination $R^2=1$. If that trend does not change, in 2019, the number of inhabitants in Ukraine will decrease by another 153,400. Mortality will prevail over births, and immigration over emigration.

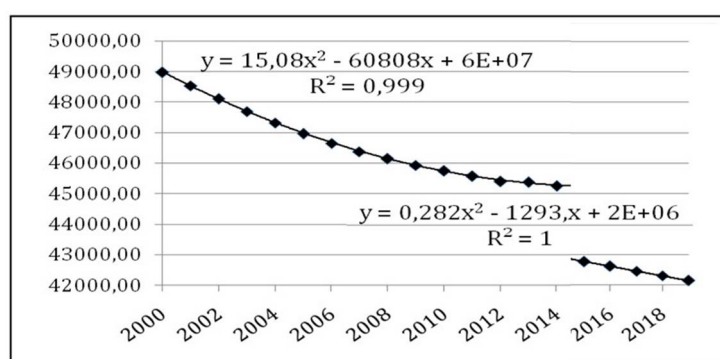


Fig. 11. Population Dynamics in Ukraine

Source: compiled by the author according to Countrymeters 2000-2018

The male to female ratio averages 0.85. Under the age of 15, the number of boys is slightly higher than the number of girls. Over 65, the number of women is twice the number of men (Fig. 12). The average age of the Ukraine's nation is 40.3. Life expectancy: 62.8 – for men and 74.8 – for women.

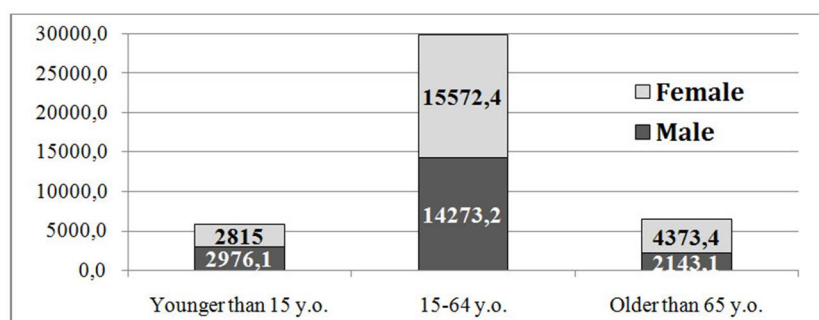


Fig. 12. Breakdown of Ukraine's Population by Gender and Age, mln. inhabitants

Source: compiled by the author according to Countrymeters 2018

Besides political, legal and economic factors, The Global Competitiveness Report (WEF, 2019) also considers 2 demographic indicators: health and skills (the latter is determined, among other things, by education level). According to these indicators, Ukraine holds 94th and 46th positions respectively. In 2018, the WEF significantly changed the methodology for calculating these indicators. As a result, the state of population health is currently assessed only by average life expectancy. In the past, a large number of factors were considered. So in 2017, the worst situation was observed in the prevalence of tuberculosis and HIV: 92nd and 104th positions, respectively. The report indicated 91 cases of tuberculosis per 100,000 people, and 0.9% of the adult population as HIV positive. The infant mortality rate was low: 7.7 per 1,000 newborns (50th position in the ranking).

Education level of Ukrainians is traditionally high. In 2017, 99.76% of the population over the age of 15 was able to read and write. Primary education was obtained by 96.2% of the population, secondary – 99.2% and higher – 82.3%. On the last indicator, Ukraine ranked 16th in the world. The 2018 report no longer considers these data, and Ukraine holds highest position in the number of students per primary school teacher – 32nd in the ranking.

A significant indicator of education quality in the country is proficiency level in English, calculated based on the online language test conducted by Education First (2019). Ukraine's *English Proficiency Index* is relatively low. In 2018, the country was 43rd among 80 countries, which is 4 positions better than the previous year. Meanwhile, there is a positive parabolic correlation between this index and the country's economic growth and innovativeness (Fig. 13). English is a language of international communication. So the better the population speaks English, the more access to up-to-date information it has. In turn, intellectual development of inhabitants promotes increase in their economic activity and creativity. This stimulates the innovativeness of the economy and its development.

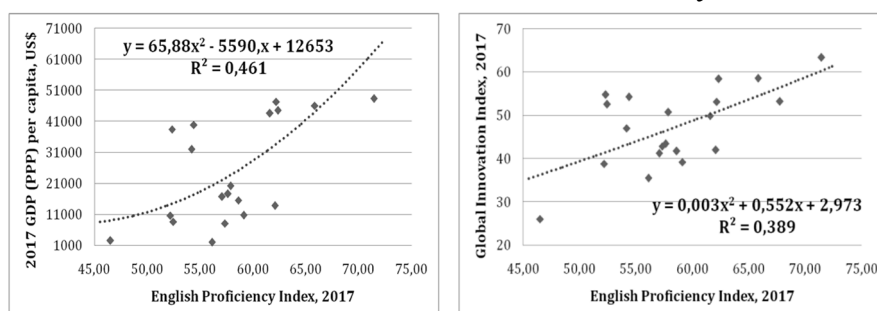


Fig. 13. Correlation between English Proficiency Index and a Country's Economic Growth and Innovativeness

Source: compiled by the author

Social and cultural situation in society can be described by 6 indices according to G. Hofstede: Power Distance, Individualism / Collectivism, Masculinity / Femininity, Uncertainty Avoidance, Long / Short-term Orientation, Indulgence / Restraint. Fig. 14 shows situation in Ukraine is described by high indices of Power Distance and Uncertainty Avoidance (92 and 95, respectively). This explains the reluctance to change significantly the current way of life.

Meanwhile, the Long-term Orientation Indicator's value is 55, which means the society has begun to understand the need for change for the sake of its future.

The low Masculinity Index (27) shows the country's orientation towards compliance with social standards and the value of human life. At the same time, there is an extremely low degree of tolerance to any public manifestations of happiness and enjoyment of life (the corresponding index's value is 18). As we move to the West of Europe, the Power Distance begins to decrease. Individualism, Masculinity, Indulgence and Long-term Orientation indices, on the contrary, are growing.

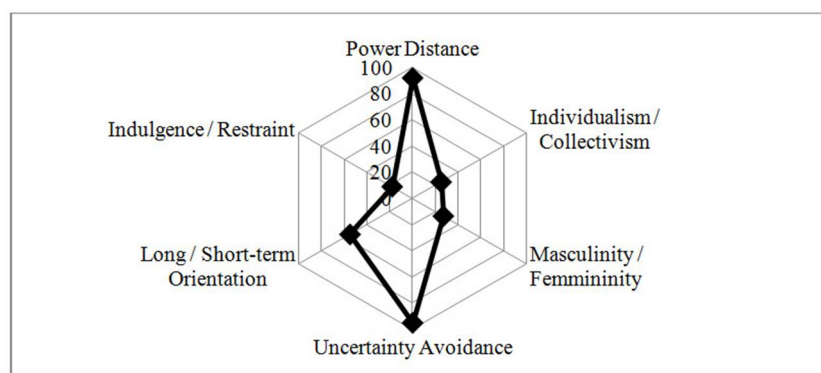


Fig. 14. Hofstede Indices in Ukraine

Source: compiled by the author according to G. Hofstede Insights

An important component of a country socio-economic development is gender equality. Studies show that the gender factor directly influences the country's economic growth (Kochkina, N., Stavvitskyi, A., 2016). This happens due to the increasing role of women in society, which is reflected in the expansion of their involvement in social processes and business.

The gender asymmetry problem has recently been raised regularly. Reports on gender issues are frequent these days. One of the most important is The Global Gender Gap Report (WEF, 2018a). This study covers 144 countries and ranks them by the *Gender Gap Index*. In 2018, Ukraine dropped 4 positions and ranked 65th (Fig. 15). The best situation with gender equality was observed in 2006, when the country ranked 48th. The main problem is that women still have a disproportionately smaller involvement in the political life of society. The country ranked 105th by this indicator. The ratio of men to women in legislative and executive bodies is 7:1.

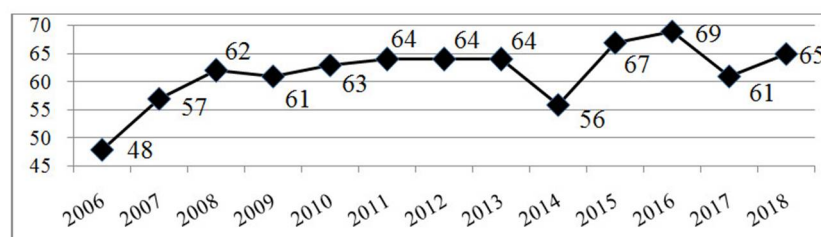


Fig. 15. Dynamics of Ukraine's Position in the Gender Gap Rating

Source: compiled by the author according to Global Gender Gap Reports 2006-2018

By 2018, the male-female wage gap decreased from 29 to 22% (Ukrstat, 2018). The largest gap is observed in the arts, sports and recreation (34%), financial and insurance sectors (35%). Traditionally, the service sector is considered as being “feminine”, namely: fitness, beauty, art, media, science and education, tourism and marketing. Women’s involvement in steel and construction industries, energy and ICT sectors is the lowest.

The United Nations (2018) publishes the Human Development Report, which considers 2 gender indicators: the *Gender Development Index* and the *Gender Inequality Index*. For the first indicator Ukraine belongs to the group of countries with no gender difference in human development index. In 2017, according to the Gender Inequality Index, the country dropped from 55th to 61st position among 189 countries.

Social development indicators demonstrate strong nonlinear correlation with indicators of economic growth, innovativeness and law abidance (Kochkina, N., Stavytskyi, A., 2017). The greater the power distance is, the weaker the country's economy is. At the same time, rate of economic development in society is dependent on personal responsibility of its inhabitants. Gender gap reduction also contributes to economic growth and innovativeness (Fig. 16).

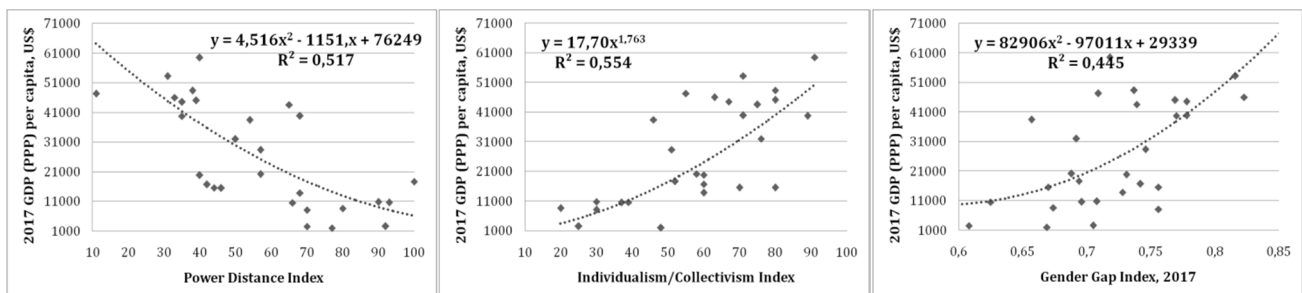


Fig. 16. Correlation between Social and Economic Indicators

Source: compiled by the author

4. Technological and ecological environment in Ukraine

Technological environmental factors are formed under the influence of the fourth industrial revolution and have a global impact on economic actors. The main indicator is the *Global Innovation Index* (Cornell University, 2018). This index is calculated as a simple average of investments in innovation activity (human capital, infrastructure, etc.) and its effectiveness (knowledge, technology and creativity).

Over the past 10 years, Ukraine has significantly improved its position in the innovation index. In 2018, it was 43rd among 127 countries (7 positions higher than in 2017). The greatest shifts were observed in 2009/10, when the country's innovativeness increased 1.6 times. Now the trend is also positive (Fig. 17). The highest rates are observed in the level of education and technological innovations – registration of patents, industrial designs and trademarks (for the last indicator, Ukraine ranks 5th). In addition, the country ranks 15th in terms of IT services’ export, which is 4.8% of total exports.

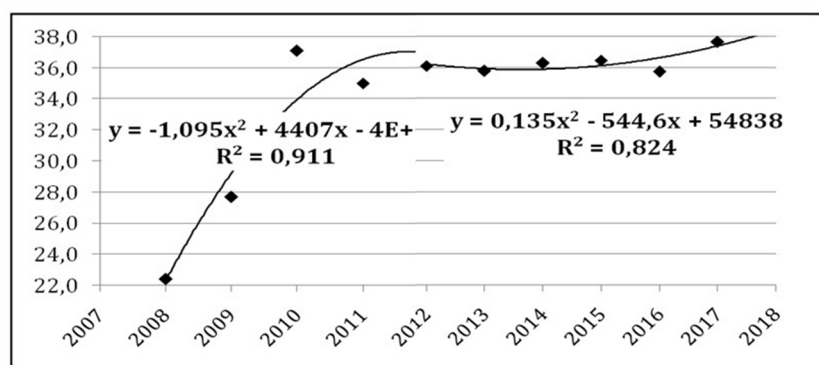


Fig. 17. Dynamics of Global Innovation Index in Ukraine

Source: compiled by the author according to Global Innovation Indices 2007-2018

Along with technological development, the associated risks are also increasing. Over the past 10 years, technological risks were among the five largest threats of modernity in 2012, 2014, 2017 and 2018 (WEF, 2018b). All of them are caused by cyber security problems. The main indicator of cyber security in society is the *Global Cyber Security Index* (International Telecommunication Union [ITU], 2017). It considers existence of a legislative basis, technical and coordinating institutions responsible for implementing cyber security strategies at the national level. It considers also the availability of educational and training programs in this area, as well as certified specialists and agencies engaged in cooperation in the field of cyber security. This index takes values from 0 to 1.

In 2017, Ukraine ranked 59th among 165 countries. Compared to 2015, it improved its position by 15%. By comparison, Russia ranks 10th in this rating. Despite the fact that Ukraine regularly accuses Russia of cyber attacks, our position is extremely low in this rating. With this in mind, a step was taken to block access for Ukrainian users to Russian social networks (Guardian, 2017).

The International Telecommunications Union also calculates the *ICT Development Index* (ITU, 2018), which includes 11 indicators divided into three groups: accessibility, usage, and level of ICT education. The index takes values from 0 to 100. In 2017, Ukraine dropped from 78th to 79th position among 176 countries. Moreover, availability of information technology is much higher than its usage (71st and 116th position, respectively). For every 100 residents there are 19.8 corded and 132.6 mobile phones. 90% of the population takes advantage of 3G connection, which is 5% higher than the world average. Prices for mobile communications and the Internet are much lower than the world average. 65.1% of households have at least one computer and 54.8% have access to the Internet. Ukraine consistently holds high positions in quality of ICT education ratings. Meanwhile, in 2017 Ukraine dropped from 11th to 15th position on this indicator.

In 2017, the IMD World Competitiveness Center launched the *Digital Competitiveness Ranking* that measures the country's ability to adapt and use digital technologies that promote transformation at all spheres of social development. The rating covers 63 countries and is based on three groups of factors: knowledge, technology and future readiness. The digital competitiveness indicator takes values from 0 to 100.

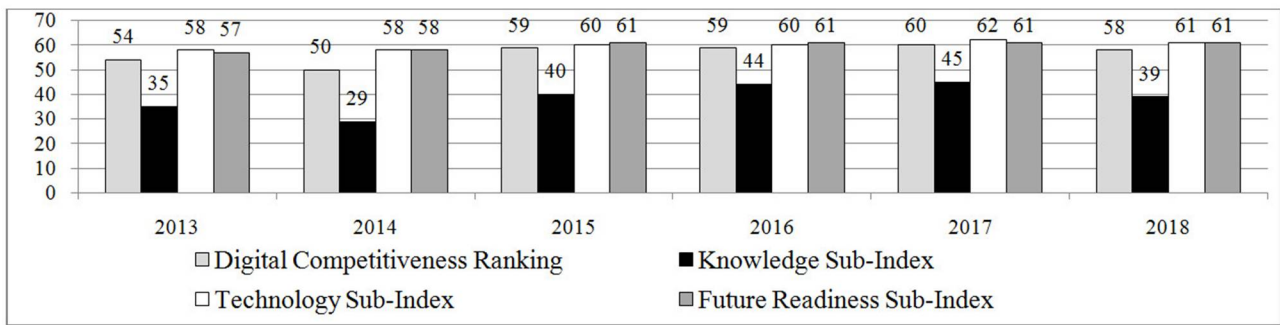


Fig. 18. Dynamics of Ukraine’s Position in the Digital Competitiveness Ranking

Source: compiled by the author according to IMD World Digital Competitiveness Rankings 2017-2018

Ukraine is in a low position in this rating – 58th out of 63 countries (60th in 2017). A worse situation is observed only in Colombia, Peru, Mongolia, Indonesia and Venezuela. In terms of sub-indices, Ukraine ranks 39th in “Knowledge” and 61st in “Technology” and “Future Readiness”. The best state is observed in the education sphere. Even here Ukraine dropped from 4th position in 2014 to 22nd in 2018. On the whole, the dynamics of digital competitiveness sub-indices is negative (Fig. 18).

A close correlation is observed between the technological and economic indicators in a society (Fig. 19). A 10 point increase in the Global Cyber Security Index provides the global competitiveness index to increase by 0.29 points, which in turn gives rise to GDP. The higher the degree of cyber security and ICT development are, the higher the country's competitiveness and innovativeness are.

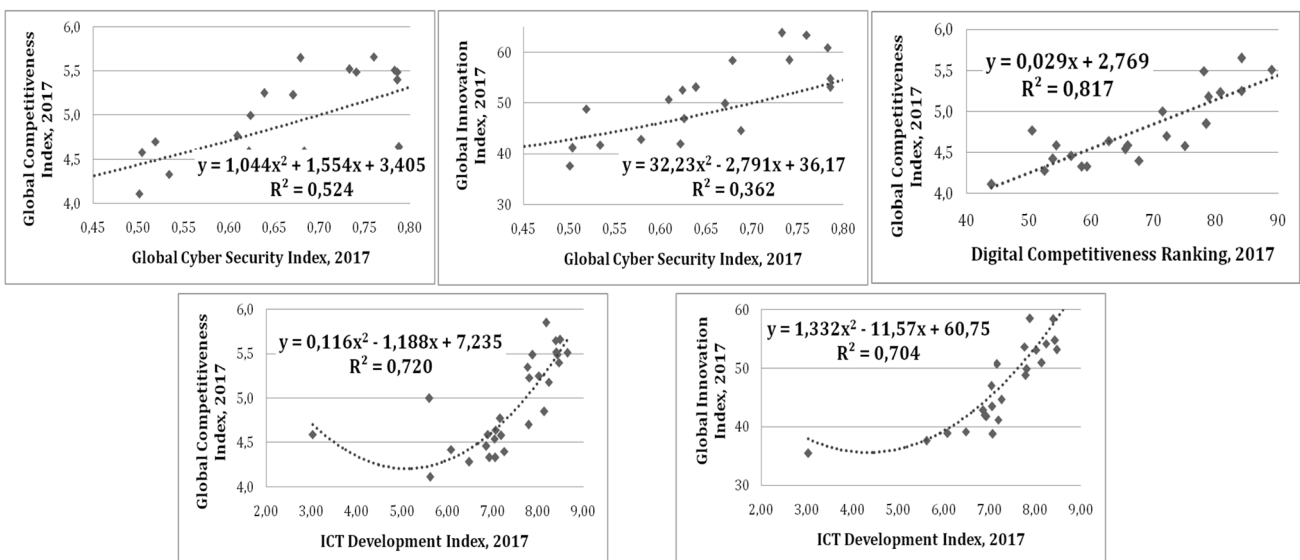


Fig. 19. Correlation between Technological and Economic Indicators

Source: compiled by the author

According to WEF (2018b), the largest global risks are associated with environmental factors. Since 2011, environmental risks have consistently hit the top five largest risks in terms of likelihood and impact. In 2018, 3 of 5 global risks were environmental, namely: events caused by extreme weather conditions, natural disasters and the inability to adapt and minimize the impact of global climate change.

The main environmental indicator is the *Environmental Performance Index* (Yale Center for Environmental Policy [YCEP], 2018a), which is calculated for 180 countries and is based on 24 environment indicators. The index takes values from 0 to 100. In 2018, Ukraine was 109th in this rating (YCEP, 2018 b; YCEP, 2014). Over the past 12 years, it has worsened its position by more than 2 times, dropping down from 51st position in 2006. The worst dynamic is observed with forestry and air quality (Fig. 20). Because of this the country ranks 154th in terms of SO₂ emissions. Negative tendencies are also seen in agriculture sector. Water supply and wastewater systems have also deteriorated. Despite this, the quality of drinking water remains quite high, and Ukraine ranks 55th in the world. At the same time for the ecosystem viability, it sank to 139th position.

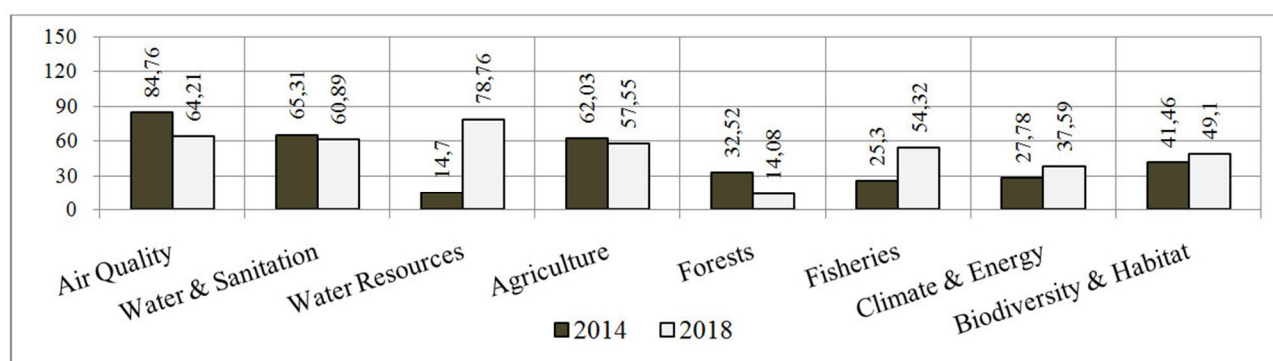


Fig. 20. Dynamics of Ukraine's Position in the Environmental Performance Rating
Source: compiled by the author according to Environmental Performance Indices 2014, 2018

The situation with access to water, fisheries, biodiversity and natural habitat, climate and energy has improved. However, according to the last indicator the country's position is still extremely low – 143th in the world ranking.

Econometric analysis shows that environmental factors have a significant interdependence with the country's political, social, technological and economic indicators (Fig. 21). The environmental index growth strengthens the country's position in the global competitiveness and innovation rating.

On the other hand, population's law abidance improves the ecological situation. Compliance with the laws aiming to reduce environmental pollution (in particular, waste management) has a positive impact on the environment. Similarly, the growth of ICT sector contributes to the improvement of the country ecological situation.

Certain correlation is observed between ecological and social indicators. Increase in degree of individualism, according to Hofstede, leads to the growing feeling of a person's responsibility for his or her own life. The byproduct of this is a more responsible attitude towards the environment. On the other hand, increase in power distance decreases the environmental index. This happens as a result of decrease of political activity in society, which also affects compliance with environmental standards.

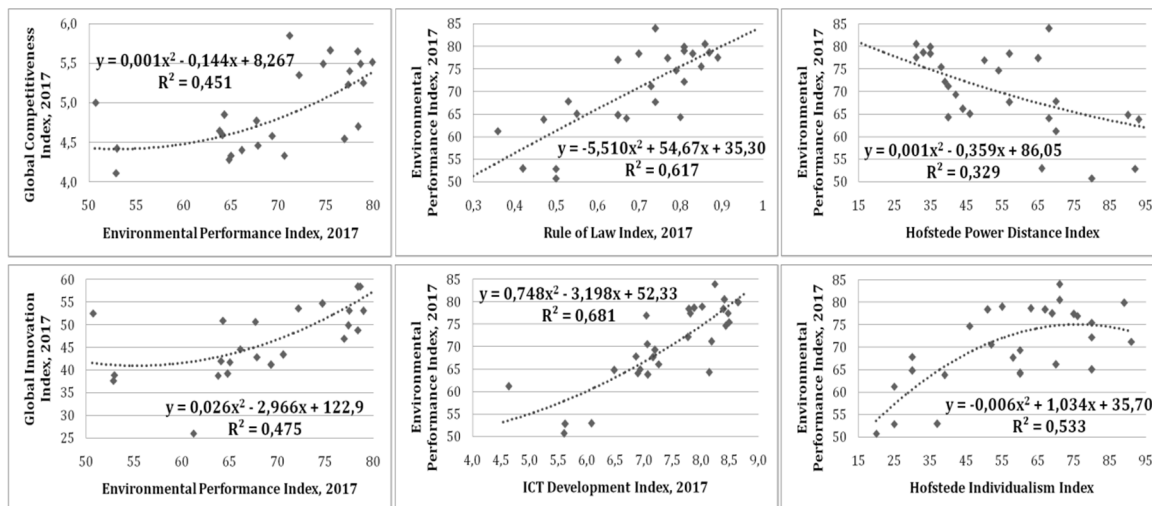


Fig. 21. Correlation between Ecological and Other PESTLE Indicators

Source: compiled by the author

Conclusions.

This study has demonstrated a high dynamism of the market environmental factors in Ukraine. Positive changes were observed in Ukraine's political, economic and technological environment. Negative trends were seen in the demographic sphere and ecology. This urges us to consider the identified trends when making economic forecasts at the global, sectoral and local levels.

References.

- Cornell University, INSEAD & WIPO (2018) *Global Innovation Index 2018*. Retrieved from <https://www.globalinnovationindex.org/>.
- Countrymeters (2019) *Ukraine Population*. Retrieved from <http://countrymeters.info/>.
- Education First (2019) *EF EPI English Proficiency Index*. Retrieved from <https://www.ef.com>.
- European Commission (2019) *What does the General Data Protection Regularion (GDPR) Govern?* Retrieved from <https://ec.europa.eu/info/law/law-topic/data-protection/>.
- Guardian (2017) Ukraine blocks popular social networks as part of sanctions on Russia, *The Guardian*, May 16, 2017. Retrieved from <https://www.theguardian.com/>.
- Hofstede Insights (2019) *Geert Hofstede's: the Dimention Paradigm*. Retrieved from <https://www.hofstede-insights.com/>.
- IMD World Competitiveness Center (2018) *IMD World Digital Competitiveness Ranking 2018*. Retrieved from <https://www.imd.org/>.
- International Telecommunication Union (2017) *Global Cybersecurity Index 2017*. Retrieved from <https://www.itu.int/>.
- International Telecommunication Union (2018) *Measuring the Information Society Report 2018*, Volume 1. Retrieved from <https://www.itu.int/>.
- Kochkina, N., Maticchioni M. (2016) "Intellectual Property Rights in the EU Preferential Trade Agreements", in Zukovskis, J. & Shaposhnykov, K. (Eds.), *Innovations in*

the Development of Socio-Economic Systems: Microeconomic, Macroeconomic and Meso-economic Levels, “Izdevnieciba “Baltija Publishing”, Kaunas, pp. 230-246.

Kochkina, N., Stavtyskyi, A. (2016) Gender Factors of a Country Social and Economic Growth, *Visnyk KNU imeni Tarasa Shevchenka [Mercury of Taras Shevchenko National University of Kyiv. Section in Economics]*, vol.184, pp.14-20.

Kochkina, N., Stavtyskyi, A. (2017) Gender Factors and Economic Growth: Is there a Correlation? *Bridges*, vol.1, pp.15-18. Retrieved from <https://www.ictsd.org>.

Levi-Carciente, S. (2019) *International Property Right Index 2018*. Retrieved from <http://internationalpropertyrightsindex.org/>.

Ministry of Finance (2019) *External National Debt of Ukraine*. Retrieved from <https://index.minfin.com.ua/>.

Ministry of Finance (2019) *Gross External Debt*. Retrieved from <https://index.minfin.com.ua/>.

Ministry of Finance (2019) *National Bank Refinancing Rate from 2001 to 2019*. Retrieved from <https://index.minfin.com.ua/>.

Ministry of Finance (2019) *Summary Table of Consumer Price Indices from 2000 to 2019 (%)*. Retrieved from <https://index.minfin.com.ua/>.

Ukrstat (2018) *Average Monthly Salary by Gender and Types of Economic Activity for the Quarter in 2018*. Retrieved from <http://www.ukrstat.gov.ua/>.

United Nation Development Program (2018) *Human Development Report*. Retrieved from <http://hdr.undp.org/sites/>.

World Bank Group (2018) *Doing Business 2019*. Retrieved from <http://www.worldbank.org/>.

World Bank Group (2018) *Paying Taxes 2018*. Retrieved from <http://www.doingbusiness.org>.

World Economic Forum (2018) *The Global Gender Gap Report*. Retrieved from <http://www3.weforum.org/>.

World Economic Forum (2018) *The Global Risks Report 2018*. Retrieved from <http://www3.weforum.org/>.

World Economic Forum (2019) *Global Competitiveness Report 2018*, Geneva. Retrieved from <http://www.weforum.org/>.

World Justice Project (2019) *Rule of Law Index 2018-2019*. Retrieved from <http://data.worldjusticeproject.org/>.

Yale Center for Environmental Law & Policy (2018) *2018 Environmental Performance Index*. Retrieved from <https://epi.envirocenter.yale.edu/>.

Yale Center for Environmental Law & Policy (2018) *Country Profile. Ukraine*. Retrieved from <https://epi.envirocenter.yale.edu/>.

Yale Center for Environmental Law & Policy (2014) *Country Profile. Ukraine*. Retrieved from <http://archive.epi.yale.edu/epi/>.

Olga Smaglo

Candidate of Science in Economics, Associate Professor of Finance Department,

Vinnytsia Institute of Trade and Economics, KNTEU

Vinnytsia, Ukraine

orcid.org/0000-0002-5856-6053

GLOBALIZATION TRENDS FOR THE DEVELOPMENT OF THE FINANCIAL MARKET

***Abstract.** The financial market, as a set of social and economic relations, as well as a system of economic and legal relations connected with the sale, sale and circulation of financial assets, is defined. The role of the financial market in social reproduction, connected with accumulation and redistribution of temporarily free money with the transformation of public savings into investment is considered. The component of the globalization process as a system of international relations is revealed. The globalization tendencies of financial markets are investigated: growth of competition in the international financial markets, integration of international capital markets; conversion of international financial markets; the concentration of international financial markets.*

JEL Classification: B26, D47, D53, E44

Introduction.

At the present stage of economic development, there is a need for the creation of a reliable, highly liquid and transparent financial market that will allow the allocation of financial resources between the relevant sectors and sectors of the economy, facilitate the intensification of investment processes and achieve success in carrying out structural reforms. The financial market is an important sector of the economy, which ensures the transformation of savings into investments and allows economic entities to expand the possibilities of attracting free financial resources.

Financial results are provided on a loan or on a co-ownership basis for the acquisition of tangible and intangible assets for investing. The financial market is a system of economic and legal relations related to the purchase, sale or issue and circulation of financial assets. The subjects of these relations are the state, as well as those who wish to make available free financial resources, those who need investments, and financial intermediaries, which on a stable, orderly basis provide redistribution of financial resources among market participants. In the conditions of the modern economic system for the subjects of entrepreneurship the main source of free cash to finance investment is the financial market, which ensures efficient redistribution of capital within the economic system, the formation of the material basis of economic growth and begins to play a decisive role in the expanded reproduction of social production.

The financial market is extremely important in the structure of a market economy, as it is found that there are those who have a shortage of funds and the need for additional investments, and owners of savings that can be used to finance investments.

In the process of mediating the financial market of financial resources, financial resources acquire a specific form of fictitious capital, which is denoted in financial assets.

Despite the fact that the financial market mediates the movement of real financial resources, the object of exchange on it are financial assets, which is one form of implementation of financial instruments. Thus, the financial market can be defined as a set of socio-economic relations arising from the purchase and sale of financial assets. With the help of financial assets, the transfer of financial resources from those who have their surplus, that is, from investors, to those who are experiencing their shortage, then to the issuers of financial assets.

Accordingly, at the current stage of development of economic relations, fictitious capital in the form of financial assets mediates and legally consolidates the movement of real money capital within the financial market.

Thus, there is an extremely close relationship between the financial market and the real sector of the economy. The development of social production is impossible without an efficient redistribution of capital within the framework of the economic system, which today can provide only financial market. At the same time, the financial market itself exists only at the expense of the real sector of the economy, since the yield of financial assets is provided by the profit derived from the productive use of money raised in the financial market.

This relationship allows us to fully characterize the prominent role of financial relations arising from the purchase or sale of financial instruments at the present stage of development of a market economy. And the peculiarity of the relevance of the development of financial relations takes place in a transit economy with its multitude of constructions, low efficiency of the use of available capital and the gap between savings and investments.

Within the economic system, the financial market performs functions of integration, regulation, redistribution, rehabilitation, stimulation and information. In our opinion, the functions of regulation, redistribution and information are fundamental.

The function of regulation is that the financial market provides an orderly interaction between economic agents for the purchase and sale of financial assets and thus helps to establish prices for financial resources that balance demand and supply on them. Accordingly, the change in the market price of financial assets determines the proportions and directions of the distribution of financial resources within the economic system.

The redistribution function consists in the fact that the financial resources released at separate stages of the reproduction process, with the help of the financial market, are directed to other sectors of the economic system, which accelerates the circulation of capital, promotes the progressive adjustment of the entire structure of production, creates opportunities for the introduction of the latest technologies.

The market provides efficient allocation of financial resources through the intermediary activity of financial institutions, which accumulate free financial resources, and then redistribute them among economic entities.

The information function involves the formation of a single market price resulting from the interaction of supply and demand for financial assets, creates the preconditions for predicting its future conjunctures and allows its subjects to adjust their own economic plans accordingly and make effective decisions in the conditions of their own limited rationality.

The international financial market arose on the basis of integration processes among the national financial markets. The integration of the markets of individual countries began in the mid-60's and subsequently began to develop at an accelerated pace. It manifests itself in the strengthening of ties, the expansion of contacts between national financial markets. Banks began to provide, and their clients receive financial services outside of the countries where they are located, simultaneously in several currencies.

The development of the process of integration of national financial markets has gradually led to the beginning of their globalization. This was manifested in the emergence and rapid growth of the global financial system, which circulates currency, credit and other financial resources. Markets in different countries, where you can mobilize funds, not only interact, but also depend on each other. Taken together, they develop into a global holistic system, united by common conditions of functioning and laws. Therefore, today, the investor or borrower, in making the decision, sees itself not isolated national markets, but different segments of the single world financial system.

1. Financial market in the modern economic system

The financial market is an integral part of the state financial system. It can function successfully in the conditions of economic development, when the bulk of financial resources is mobilized by the subjects of entrepreneurial activity on the basis of their purchase and sale. The purpose of the establishment and functioning of the financial market is the accumulation and effective allocation of savings in the economy, the state of which is largely due to the efficiency of the transfer of investment funds from those who have savings to those who at present have a need for capital.

The more diverse the subject and size of the structure of savings and investment opportunities, the greater the need for investment in the financial market.

In domestic economic theory, usually in the first place during the definition of the essence of the market put forward a system or a certain set of economic relations. This is the economic relationship between enterprises, the state and the population over the redistribution of temporarily free cash on the basis of complete economic independence and the mechanism of self-regulation of the economy.

Also, these economic relations are determined by objective economic processes and phenomena, which, in the end, forms the content of the category "market". At the same time, relations are important both in the market itself and in its interrelation with other spheres of the economy. (Garbar,2015)

On the market there are objective economic laws of value, demand and supply, marginal utility, competition, which determine the real possibilities of rational activity of all economic actors in accordance with the conditions of market relations.

The financial market is a complex economic system that is:

- a sphere of manifestation of economic relations in the allocation of value added and its implementation by exchanging money for financial assets;

- a sphere of manifestation of economic relations between sellers and buyers of financial assets;

- a sphere of manifestation of economic relations between the value and consumer value of those goods that are rotated in this market. (Droneva, 2013)

Thus, it can be argued that the financial market is an economic relationship, which act as the state, as well as financial intermediaries, which, on a stable and orderly basis, ensure the redistribution of financial resources among market participants and those entities that wish to make available free financial resources.

The relations under consideration are formed in a certain economic space, with the established legal, technical, economic, tax infrastructure, which is constantly changing. On the basis of the functioning of the market, the continuity of all spheres of social reproduction is ensured.

This is primarily about the direct and indirect link between production and consumption, and this ensures the integrity of the economic system. An important role in achieving such integrity is played by the reciprocal economic links coming from consumers through the market to commodity producers. The specifics of the financial market are manifested in the fact that it serves as a superstructure through which the coordination of the functioning of the economic system as a whole - and how the field of financial relations covers the circulation of financial resources as a specific product and is an important component of the financial system. (Kovalenko, 2010)

Modern socio-economic realities in states that are at the stage of systemic transformation to a large extent depend on processes related to solving the cardinal tasks of sustainable economic growth. In this difficult economic situation, mobilizing financial resources and finding the optimal mechanism for the formation and efficient use of various forms of capital in the real economy of countries with a transformational economic system is a priority issue for activating the activities of economic actors. Solving this complex problem is possible only in the presence of an important segment of the economic system - the financial market.

Under the conditions of the economic system for business entities, the main source of free cash to finance investments is the financial market, which ensures efficient redistribution of capital within the economic system, the formation of the material basis of economic growth and begins to play a decisive role in the expanded reproduction of social production.

Thus, the financial market can be defined as a set of socio-economic relations arising from the purchase and sale of financial assets.

With the help of financial assets, the transfer of financial resources from those who have their surplus, that is, from investors to those who are in deficit, ie, to the issuers of financial assets.(Khimich, 2013)

Consequently, there is an extremely close relationship between the financial market and the real sector of the economy. The development of social production is impossible without an efficient redistribution of capital within the framework of the economic system, which today can provide only financial market. At the same time, the financial market itself exists only at the expense of the real sector of the economy, since the yield of financial assets is provided by the profit derived from the productive use of money raised in the financial market.

This relationship allows us to fully characterize the prominent role of financial relations arising from the purchase or sale of financial instruments at the present stage of development of a market economy. Particularly relevant development of financial relations takes place in conditions of a transitive economy with its multitude of constructions, low efficiency of use of available capital and the gap between savings and investments.

The financial market is characterized by a lack of clear traditions and rules of operation, which necessitates the development of conceptual approaches to building an effective financial market regulation mechanism. The system of state regulation of the financial market should ensure improvement of the investment environment, protection of interests of consumers of financial assets, fair pricing, elimination of systemic risks, functioning of the financial market as a mechanism of economic development.

Measures related to the prospects of deregulation of the financial market and the preservation of state interference in those sectors, which are of primary importance for national economic security, should be considered.

Formation of an effective system of regulation of the financial market requires: the formation of favorable prerequisites for the emergence of new financial institutions; direction of economic reforms in the country to raise the level and quality of life of the population, stimulate savings and increase the potential in the development of the financial market; strengthening the competitiveness of domestic financial institutions; dissemination of information transparency on the implementation of activities, implementation of the regulatory framework and the introduction of international standards in the provision of financial services in the workshop; creation of a favorable investment climate; transparency of financial transactions.

The financial market is a global system of accumulation of free financial resources and providing them to borrowers from different countries on the principles of market competition.

The international financial market is one of the most important sources of financial resources that develops under the influence of the following factors:

- intensive introduction of electronic technologies, communication means and information;
- expansion of the number and volume of offered securities;
- strengthening the role of financial markets as the main mechanism for redistribution of financial resources both nationally and globally;
- the influence of privatization processes on the potential offer of securities.

The leading trend in world economic development at the beginning of the third millennium is financial globalism associated with the processes of internationalization of the national financial systems of countries of the world and the development of economic relations with regard to the accumulation, use and appropriation of financial resources outside national borders.

It is objective in nature and is a logical result of increasing the scale of transboundary movement of financial assets; dynamization of investment and credit activity of transnational corporations and banks; the growth of the internationalization of national financial systems and the strengthening of interstate financial ties; strengthening of the liberalization and convergence of currency, investment and credit markets; as well as diversification of the mechanisms of accumulation and redistribution in the economy of investment and credit resources.

The synergistic effect of these factors led to the formation of a single planetary financial market, the trends and nature of which are determined by the global nature of operations carried out by its subjects.

The development of financial markets over the last decades is directly dependent on the dynamics of globalization and integration processes in the world.

Relevance is reflected in the analysis of the global financial market, the impact of global factors that influence the development of international financial markets, the definition of its trends and trends in the development of non-bank financial institutions based on reports of the US Economic Security Council, the European Central Bank, the Council of the international organization of the Securities Commission.

In the structure of economic globalization, the process of globalization of the financial sector, which has led to the formation of international and global (global) financial markets, takes on a special place.

Explosive growth in recent years of the world financial market, financial transactions carried out between different entities of world economic relations, is one of the most vivid forms of manifestation of the process of globalization. An obvious trend today is to increase the influence of supranational regulatory bodies on the mechanisms of liquidity circulation in the national financial systems.

The complex of scientific problems associated with the globalization of financial markets is the subject of research by many, both foreign and domestic scientists.

In particular, the issues of the development of the world economy and the economies of individual groups of countries around the world in the context of financial globalization are at the center of attention of scientists, Nobel Prize winners in economics Dzh.Tobin and L.Kline, as well as specialists: Y. Akiuzi, M. Shirakavi A.Teit, Dzh.Helbright, V.Inozemtsev, A.Nekipelov and others. Among domestic scholars should be P. Haiducky, V. Heytsya, O. Gerasimenko, V.Korneeva, D.Lukyanenko, Z.Lutsishin, Y.Makohon, Y.Mirkina, Y.Pakhomenov, A.Prouchnik, O.Sohatskaya etc. However, the study of the current state of development of world financial markets in the context of globalization challenges to them is in need of further research. (Orlova, Svechkina, 2007).

Thus, the report of the US Securities and Exchange Commission provides information on the dynamics of financial intermediation assets. The largest share of non-bank financial intermediaries in early 2013 was concentrated in the United States (35%), Eurozone (33%) and the United Kingdom (14%). If in the US and the UK this is due to the institutional features of the financial systems of these countries, here under the Eurozone is understood 20 European Union countries, where the market of financial intermediation is the most developed. The peculiarity of the world financial market is to ensure the redistribution of accumulated free financial resources between countries for the sustainable economic development of the world economy and the receipt of certain operations from a certain income. The main function of the global financial market is to ensure international liquidity.

The basis of the globalization of the financial system lies in the interaction of such phenomena: technological progress, which allows real-time international financial transactions and significantly reduces the costs of transport and communications; increasing competition between lending and financial institutions in the financial market; restructuring of credit and financial institutions; wide internationalization of business due to the increasing transnational nature of corporations; consolidation of regional integration associations (in Europe - Economic and Monetary Union); weakening control over the implementation of international agreements related to the movement of capital stock exchanges; macroeconomic stabilization and reform in a number of developing countries and countries with economies in transition that have created a favorable climate for foreign investors (Kovalenko,2010).

2. Development of the financial market in the context of globalization

Due to the fact that the global economic system is constantly changing and new globalization factors affecting the world's financial markets are emerging, research on the national markets of developing countries and their integration into the global financial system are very relevant. Nor can we take into account the fact that there are barriers to international investment that continue to hold back the globalization of world financial markets.

First and foremost, they should include ignorance of foreign products, companies, business practices, accounting and reporting standards, political preferences, and state regulation.

Some spheres of globalization, in particular financial, are characterized by a certain coercion, they are associated with severe external influences on national, regional capital markets. Such influences not only regulate the activities of individuals, groups, corporations in the most direct way, but also determine the rules of the game of national and regional financial markets; they also influence the socio-political and spiritual life of countries and regions of the world, sometimes not taking into account their national-cultural peculiarities. (Kovalenko, 2010).

Therefore, financial globalization has a danger both for developed countries and for countries with a low economic development level. There are real dangers of financial globalization: the danger of global financial crises; the danger of undermining the sovereignty of countries with a low level of development due to debt and other financial dependence; a break in the level of financial and overall economic development of individual countries (Bazilevich, 2009).

The main factor in the globalization of the modern financial environment is the liberalization of international monetary and credit relations and financial markets. In the last decade, the governments of many industrialized countries have significantly reduced their interference in operations in the domestic financial markets.

In the UK, for example, the control of the capital market was weakened, a substantial stock market reform was carried out, and serious steps were taken in Japan to liberalize the foreign exchange market and the domestic financial market. Deregulation of the capital market has made it possible for the owners of financial assets to quickly transfer them from one country to another and thus operate in essence in the global financial environment.

The globalization of financial markets is to strengthen their role in the flow of financial resources between countries, accompanied by the growth of the international network of financial institutions and the emergence of qualitative changes in their governance structure and management philosophy.

To date, the globalization of financial markets includes the following trends:

1. Growing competition in international financial markets between creditors and borrowers, as a result of two factors.

First, transnational financial organizations are constantly looking for profitable investment opportunities, given that the profitability of operations in the financial markets of developing countries is significantly higher than the profitability of operations in the markets of developed countries. However, the riskiness of such operations is much higher. Operations in some countries and regions provide an optimal correlation between the level of profitability and the degree of risk, precisely because of this the competition in these parts of the capital market is extremely high.

Secondly, consumers of financial resources require significant amounts of funding, with the demand for funds being bigger than their offer. Therefore, borrowers make each other a competition for the possibility of using low-cost sources of capital.

2. The integration of international capital markets, the impetus of which was the elimination of many barriers to entering the national capital markets of international lenders and borrowers, increasing the mobility of debt capital, reducing transaction costs, the rapid development of information systems (databases, global computer networks) etc. In recent years, one of the most important events in this field was the introduction of the euro, which has changed the role of European financial markets in the world monetary and financial system.

3. Converting international financial markets. The process is similar to integration and is the gradual disappearance of the boundaries between the various sectors of the international financial markets, which became possible as a result:

- weakening of the legislative distribution of investment and commercial banking business;
- creation of financial holdings on the basis of financial organizations of different specializations. (Lukyanenko, 2010).

4. Concentration of international financial markets, characterizing the process of merging both creditor organizations and borrowing organizations. As a result, huge amounts of financial resources are concentrated in the hands of a limited number of global players who not only carry out operations in many segments of the debt capital market, but also act as "market makers," or determine the cost of financial resources on the market, based on their offer and demand for them. The processes of concentration have actually affected all developed countries of the world.

The positive aspects of the development of the global financial market in the context of globalization can be attributed to: promoting international division of labor and, consequently, deepening specialization; economies of scale; free trade; the possibility of mobilizing a larger amount of financial capital at a lower cost.

But at the same time, there are a number of negative consequences of this process, in particular: the uneven distribution of the benefits of globalization between individual countries and sectors of the national economy; threat of transition of control over the economy of a certain country into other hands; the rapid spread of crisis phenomena to all countries, regardless of the level of development; intensifying technological lag in developing countries. (Kravchuk, 2012).

The main goals and objectives of the forum are: policy coordination among G20 members in order to achieve global economic stability and sustainable growth; promotion of financial regulation, which would reduce risks and prevent future financial crises; creation of a new international financial architecture.

The main achievements of the twenty in the context of combating the global financial and economic crisis were the reform of international financial institutions, discipline and

increased oversight of the activities of national financial institutions and regulators; improvement of the financial regulation system, especially in countries where the gaps in regulation led to the emergence of a global crisis, the creation of financial and organizational "airbags" to prevent new serious economic downturns. (Kovalenko, 2010).

In June 2009, in order to implement financial market reforms at the international level, the Financial Stability Forum, launched in 1999 on the initiative of finance ministers and heads of central banks of the Group 7 countries, was transformed into a Financial Stability Board (FSB) is an informal platform for communication between national financial regulators and international organizations in order to foster financial stability.

It is currently comprised of the countries of the Group 20, as well as international organizations such as the Bank for International Settlements (BIS), the European Central Bank (ECB), the European Commission (EC), the International Monetary Fund (IMF), the Organization for Economic Co-operation and Development (OECD), World Bank (WB) and international bodies setting various standards, such as the Basle Committee on Banking Supervision (BCBS), the Global Financial System Committee (CGFS), the Payment and Settlement Systems Committee (CPSS), the International Association Insurance Supervisory Authorities (IAIS), the Council on International Financial Reporting Standards (IASB) and the International Organization of Securities Commissions (IOSCO).

The Financial Stability Board consists of representatives of national financial authorities (central banks, ministries of finance, other regulatory and supervisory bodies), international financial institutions, standards-setting bodies, and committees of central bank experts. The main tasks of the Board are to improve the functioning of financial markets, identify vulnerabilities in the financial system, strengthen financial stability in all regions of the world, reduce systemic risk through information exchange and international cooperation between national and international supervisory bodies, and support the work of the supervisory boards.

The main activities of the Board are: the regulation of the activities of systemically significant financial institutions, including the improvement of capital requirements and insolvency regimes; regulation of shadow banking activity; reform of the OTC derivatives market; Improving the practice of financial incentives for financial institutions staff members; Depending on ratings of rating agencies; creation of the Uniform Global Code of Legal Entities; monitoring implementation of recommendations and implementation of standards. The Forum for Financial Stability in 1999 launched the Compendium of Standards. (Rumyantseva, 2014).

International Association of Securities Commissions is an association of regulators of securities markets. The main objective of IOSCO is to work towards the introduction of high regulatory standards in support of equity and market efficiency, exchange of experience in regulating national securities markets, international securities transactions, mutual assistance to ensure the integrity and efficiency of markets.

On the one hand, the financial market is an integral part of any market economy, and on the other hand, under certain conditions, it can serve as a factor in the spread of crisis trends in the economy, creating a permanent threat to the stability of both national and world economic systems. All this indicates the need for effective regulation of the financial market by the state and, above all, effective control over the activities of financial institutions.

The problems of globalization can be solved on the basis of wide international cooperation, strengthening the role of existing and creating new supranational governance bodies. The ongoing reforms in the financial markets regulation systems at the national and supranational levels show increased global coordination, but at the same time obvious conflicts of interest between jurisdictions will be evident, and these processes should be closely monitored to generate adequate financial responses to the financial market, which is at the stage of its formation.

The system of state regulation of the financial market should ensure improvement of the investment environment, protection of interests of consumers of financial assets, fair pricing, elimination of systemic risks, functioning of the financial market as a mechanism of economic development.

Measures related to the prospects of deregulation of the financial market and the preservation of state interference in those sectors, which are of primary importance for national economic security, should be considered.

Formation of an effective system of regulation of the financial market requires: the formation of favorable prerequisites for the emergence of new financial institutions; direction of economic reforms in the country to raise the level and quality of life of the population, stimulate savings and increase the potential in the development of the financial market; strengthening the competitiveness of domestic financial institutions; dissemination of information transparency on the implementation of activities, implementation of the regulatory framework and the introduction of international standards in the provision of financial services in the workshop; creation of a favorable investment climate; transparency of financial transactions.

Financial globalization has led to the development of the following trends in the globalization of the financial market, among which the most important are: deepening processes of consolidation and integration into the world (stock exchanges, intergovernmental movements of capital, the application of international legal acts); raising the level of organization of the stock market and strengthening state control (functioning of the world stock market on the basis of common rules and procedures); standardization of all financial assets and activities (introduction of international standards in the field of securities circulation in order to improve the mechanism of their pricing and circulation in international stock markets); transition to a monocentric system of organization of stock exchanges (as a manifestation of an active process of centralization in national stock

markets); distribution of rating infrastructure (assigning ratings to issuers and their securities, which will allow investors to navigate their reliability); computerization of the securities market (conversion of stock exchanges and trade information systems to computerized centers that have means of operational communication with the rest of the world); introduction of innovations in the market (for example, Internet trading, which allows investors to own transactions of real-time purchase and sale of securities); further securitization (the trend of transferring money into securities is the issue by enterprises, banks and other institutions of securities secured by assets).

Analyzing the impact of globalization on the economic development of a country, one can not set the task of finding a single universal mechanism for the elimination of the negative effects of globalization. The consequences of globalization should be considered in the context of individual groups of countries.

On the one hand, as a result of globalization processes, the acceleration of scientific and technological progress, the involvement of all countries in world production and new opportunities for expanding trade, the intensive movement of capital is taking place. But this process creates serious difficulties in developing countries, which do not have time to adapt quickly to the changing requirements of economic development.

In these countries, the problems of environmental, political, economic crises, security are lacking, there is a stratification of the population, inequality and poverty are increasing.

Analyzing the contradictions of globalization, it is necessary to emphasize their growing character. First of all, it relates to the contradictions between a group of leading developed countries with market economies, which receive the maximum economic effect of globalization, and other countries, especially the least developed ones.

National production in most developing countries appears not to be ready for the increasing liberalization of foreign economic ties, due to significantly lower competitiveness in relation to firms in developed countries, which cause a sharp increase in the pressure on the economy of these states. It is no coincidence that the contradictions between developed and significant parts of developing countries are exacerbated.

Economic globalization can be interpreted as a comprehensive interdependence of national economies and the world market, integration into the global system through foreign trade, foreign direct investment, short-term capital flows, labor movements, and the exchange of international technologies. At the same time, one of the areas of economic globalization is the international trade in goods, services, technologies, and objects of intellectual property.

Conclusions.

Summarizing the foregoing one can distinguish several key properties that determine the essence and peculiarities of the process of globalization:

- firstly, this is the process of forming a single space;

- secondly, it is a process of increasing the dependence of national economies and their transformation into a globalized economic system;

- thirdly, this is the process of merging the national market into a single global market.

By the beginning of the 21st century, the world economy has advanced into a qualitatively new phase of internationalization of economic life, which is defined as the globalization of the world economy.

Globalization represents the interpenetration, interconnection and interconnection of economies of the world, when the economic processes taking place in one country are reflected in other countries, based on new information technologies and represent the whole world as a whole.

The development of information technologies, on the one hand, is the determining factor in the modern process of globalization, and on the other hand, together with globalization, affects the structural evolution of the economy, economic growth and the competitiveness of national economies.

The current stage of globalization differs from its earlier stages by the fact that in the beginning of the century globalization was caused by the necessity of reducing transaction costs to increase the level of competitiveness of goods and services, and today it is due to a decrease in the cost of communications and the depth of integration of world markets.

With regard to the future globalization processes in the financial sector, it depends not least on how the risk of international financial transactions will change.

The reasons for reducing the level of risk should undoubtedly include the progress in risk management technologies and telecommunication systems, which minimize the risk of cancellation of part of the costs associated directly with the implementation of international transactions.

Among the risk management technologies should be a separate focus on hedging risks with derivative financial instruments, their rapid development in recent decades has contributed to complicating these tools and expanding the range of risks that they can cover. So, derivatives may appear in the near future that will allow you to insure against macroeconomic fluctuations.

The future direction of the globalization movement will be that the "internal shift" of investors will be weakened, while the distribution of economic agents for residents and non-residents will lose their role. At the same time, the globalization of the real economy will establish a closer relationship between the profitability of firms from different countries, which will lead to greater synchronization of asset price fluctuations.

As a result of the development of a financial innovation process, the spectrum of financial assets in the market will be much wider than in the past, which, in a globalized market, will lead to interdependence of prices for financial results on an international scale, which may help to synchronize economic cycles in countries around the world.

The financial systems of different countries, as a result of the fact that financial institutions are vulnerable to fluctuations in asset prices, will be able to significantly affect one another by way of exporting inflation of asset prices to other countries, such as the absorption of fluctuations that arise from them.

References.

Bazilevich V.(2009) Development of the financial market in modern conditions. *Finances of Ukraine*. 5-12

Garbar Zh. (2015) In the financial market: a monograph. Kyiv: KNETU, 455.

Droneva AN (2013) The Impact of Globalization on the Development of Financial Markets. Kyiv: *Center for Educational Literature*, 240

Financial Globalization: Retreat or Reseat. *Global Capital Markets 2013*. McKinsey & Company

Kovalenko Yu. M. (2010) Structuralization of the modern financial market. *Finances of Ukraine*. No. 9

Khimich I.(2013) Fundamental analysis of the financial market. *Galician Economic Herald*. No. 22 (41). 134 - 141.

Kravchuk N. (2012) Divergence of global development: the modern paradigm of formation of geofinance space: monograph. Kyiv: Knowledge, 389.

Lukyanenko D.G.(2001) Strategies of Economic Development in the Conditions of Globalization: *Monograph*. Kyiv . KNEU, 538

Mamotenko D.Yu. (2009) Globalization of international financial markets. *Humanitarian Bulletin ZDIA*.229-237.

Omelyanovich L.O. (2011) Financial globalization. Trade and the market of Ukraine: thematic. save sciences 31, t. 2. Donetsk: DonNUET, 407 *Electronic resource*. http://www.nbu.gov.ua/portal/Soc_Gum/Tiru/2011_31_2/Omelyan.pdf

Orlova N.S., Svechkina A.L. (2007) Features of development of the world financial market in the conditions of globalization. *Succession* №5 (83). .5-9.

Rosit T.V.(2013) Supranational and national authorities in the regulation of world financial markets *.Bulletin of the TU (KhPI)*. №67 (1040) 3-10

Rumyantseva S. (2014) Financial market: development according to European standards *Securities of Ukraine*. No. 41 (836). 9

Halyna Dzyana

*Lviv Regional Institute for Public Administration of the National Academy
for Public Administration under the President of Ukraine,
Public Administration Department, Associate Professor
orcid.org/0000-0002-9133-3307*

Rostyslav Dzyanyy

*Associate Professor,
Lviv Polytechnic National University,
Administrative and Financial Management Department,
orcid.org/0000-0003-1530-8633*

**DEVELOPMENT OF COMMUNICATIONS BETWEEN THE AUTHORITY AND
SOCIETY IN THE PERIOD OF STRUCTURAL TRANSFORMATIONS**

***Abstract.** The theoretical substantiation of the basic principles of communication of the authorities with the general public during the period of the reforms was carried out a classification of the principles of communication between the authority and society was proposed. The role of communication in the implementation of the competences of public authorities in the modern conditions of transition to a society of sustainable development was substantiated. It was proved that the success of the state in carrying out reforms depends on the competences of public authorities, implemented on the basis of the competent actions of public officials in the process of communication with society. The consolidated and “helicopter” communications were identified as a priority mechanism in the implementation of the reform strategy.*

JEL Classification: Z18, D79, D83

Introduction.

Establishing a full-fledged dialogue between the authority and society during the period of reform requires a communication system which covers not only the dissemination of information, but also establishment of a bilateral dialogue in order to involve the public in the decision-making process. The transition to a society of sustainable development provides citizens with the right to know about the activities of the authorities, and the authorities are obliged to provide information to citizens in a timely manner and in full to meet their needs. In other words, the development of society and the state today requires their appropriate consolidation. Decentralization and other reforms cannot be successfully completed if people do not understand them, and therefore do not accept them. That's why, in order to achieve successful results of government reforms, it is necessary to establish communication as a two-way communication between the government and society through various communication channels and tools.

The works of such foreign researchers as Ju. Habermas, and N. Louman, M. Brun, F. Kotler, M. Taylor, R. Pearson and others are significant contribution to the formation of a modern science of communication in the public sphere. Among the Ukrainian scientists, considerable attention is devoted to the construction of effective communications between

the authorities and society by V. Bakumenko, R. Voitovych, I. Gritsyak, T. Gromova, T. Dzhyga, D. Kislov, D. Konyk, V. Knyazev, V. Kuybida, M. Lashkina, L. Litvinova, G. Pocheptsov, A. Semenchenko, S. Solovyov and others.

An analysis of recent researches in the sphere of public administration indicates the considerable attention of domestic scientists to the problems of communicative interaction between state bodies of power and local government bodies and the public during the period of structural changes. At the same time, the scientific community should focus on determining the role of communication in the implementation of the competences of public authorities during the reform period.

The goal of the work is to theoretically substantiate the basic principles of communication between authority and the public and to define the role of communication in the implementation of public authorities' competences in the modern conditions of transition to a society of sustainable development.

1. Communication Between the Authority and Society During the Reform Period

The activity of any democratic government depends on well-established communications between the state and society. State communication is a regulating and coordinating mechanism in the relations between the state and society, ensuring the stability and efficiency of the functioning of the social organism as a whole.

The process of state communication consists of elements that are typical of any communicative act: communicator (state administration bodies of various branches and levels of government); messages (official and unofficial information, oral or written, verbal and non-verbal); recipient (society as a whole, various institutions of civil society, individual recipient) channels of information dissemination (interpersonal, institutional and mass); feedback channels (request, citizens' appeal, various forms of political participation, etc.); the process of encoding-decoding of information (preparation of informational messages, their adequate interpretation by the audience, etc.); obstacles (technical, semantic, psychological).

State communication is to carry out the following functions (Lashkina 2013): conservative, aimed at preserving the status quo of the state system, contributes to the stable existence of a social organism; coordinating, is act to ensure the coordination of power effects of the subject of management in accordance with the parameters of the management object, with their possible changes; integrating, associated with the implementation of such a state policy that would take into account the interests of all elements of the public system, contributed to the development and adoption of coordinated management decisions; mobilization, aimed at ensuring the legitimacy of the existing public order, obtaining public support and approval regarding management decisions; socializing, associated with the assimilation in the process of information exchange of socio-political norms, increasing the level of political competence of citizens.

All these functions have different values in different periods of the existence of different states. Obviously, that for modern Ukraine, the function of reducing social tensions is important, which is aimed to ensure the forward movement in the direction of democratic transformations. Communication functions are a special skill that can be acquired, improved and developed. Public management in our time is inseparable from communication as a form of interaction between subjects and objects of management and exists at all levels of the public administration system. Communication is effective if the information message can be decoded and understood by its recipient. After all, information is what goes to the general public, and communication is what comes to target groups.

In public administration, the following types of public (external) communication can be distinguished (Lytvynova, Zbyranyk, 2015): 1) communication to inform; 2) communication to provide public services; 3) communication to discuss draft decisions that cannot be taken without public participation.

Anyway, the effectiveness of public communication, that is, communication between the authority and society, will be ensured in the way that effective and strategically adjusted interaction with society is established.

Today, it is extremely important to establish communications between the authority and society, because the confidence of the population of Ukraine in state structures remains low. Numerous sociological researches conducted in recent years show that almost the entire population is skeptical about the effectiveness of government actions. Research conducted by the Center for Social Expertise of the Institute of Sociology of Ukraine, conducted in October 2015, showed that the majority of respondents considered communication between the government and the population rather or completely ineffective. Besides the fact that the information from the government is not enough, 48% of respondents rate it as which most likely does not inspire confidence, and 26.3% - as such that it does not at all credibility (Konek, 2016).

The most common reasons for citizens' distrust of government structures are: corruption - 54%; the absence of visible results of activity - 38%; bureaucracy - 29%; bad attitude of officials to the citizens who turn to them - 22%; 11% do not know how state structures plan to develop and, therefore, do not trust them. Factors that have changed the attitude of the population to the state authorities and probably motivated citizens to trust officials more are: the fight of state structures against corruption - 54%, openness and transparency of activities - 31%, improvement of service quality - 22% (Lashkina 2013).

The development of the Ukrainian state, the priority directions of its development, decentralization and other reforms envisaged by the Strategy "Ukraine - 2020" is a common cause of the authority and society, which must be implemented in partnership and mutual trust. In the conditions of changing the managerial paradigm from informational to communicative, the implementation of a number of measures to realization of the new - communicative policy - the authorities will be able to reduce the distance between the

institutions of power and civil society and achieve full public agreement and understanding (Kovbasyuk et al., 2012). For this systemic and decisive changes in state communication are need.

The development of the Ukrainian state, the priority directions of its development, decentralization and other reforms envisaged by the Strategy "Ukraine - 2020" is a common cause of the authority and society, which must be implemented in partnership and mutual trust. In the conditions of changing the managerial paradigm from informational to communicative, the implementation of a number of measures to realization of the new - communicative policy - the authorities will be able to reduce the distance between the institutions of power and civil society and achieve full public agreement and understanding (Kovbasyuk, Vashchenko, Surmin, 2012). For this systemic and decisive changes in state communication are need.

It is very important to understand what communication is, because it is not just "informing", but "a process of two-way exchange of ideas and information", leading to mutual understanding, involvement of interested parties in making and implementing decisions. Only then we can expect significant changes towards the formation of partnerships between the authority and society. After all, the main purpose of communication is to create trusting relationships between concerned parties, the formation of correct expectations from the public and building partnerships between the subjects of communication. So, it can be said that state communications are a process of two-way communication of authority with the public through various communication channels and tools in order to increase citizens' confidence in authority through the process of building state reputation.

Effective communication involves communication at all levels, despite the hierarchy. It is necessary to increase confidence, to improve the understanding of the actions of the authorities, to manage in times of crises. The first steps in this direction have already been done. The Ministry of Information Policy of Ukraine at the beginning of 2016 presented the Concept for the Reform of Government Communications, which was developed on the initiative of the Ministry of Information Policy with the participation of the Secretariat of the Cabinet of Ministers of Ukraine, a group of independent experts and with the support of the UK Government (Zhurba, Andrusiv, 2015).

As it is noted in the Concept, the main goal of the reform is to establish a systemic dialogue between the authorities and society, to build a system of state strategic communications and to reform the management structure of government communications. According to experts, with the implementation of the Concept, the country's population will be able to influence systematically the decision-making authority, there will be a convergence of the authority and the public through the establishment of an ongoing dialogue. In addition, the Ministry develops a roadmap for the implementation of the reform, which is also part of a larger initiative, namely, building a system of state strategic communications.

The task of this document is to find out what needs to be changed in government communication in order to start the process of forming partnerships between government and society. Within this framework, we note the basic principles on which effective communication of government with the public should be built. In general, the principles of communication are the basic rules, guidelines, standards of activity for achieving effective communication between public authority and society. Among the latter, we will single out organizational and substantive ones. Organizational principles are principles that show how communication between the authority and society should be built, and substantive principles show the substantial content of the state communication process.

Among the organizational principles, let's highlight the following:

The principle of transparency is that the authority must constantly, promptly and regularly explain the goals, objectives, principles of implementing public policy, cover its activities, create an understandable system of internal relations and competences, respond to public requests, be responsible to citizens.

The principle of openness contributes to the responsibility of the public authority for the creation of such communication processes that will allow citizens to understand the decision-making mechanisms and their impact on the development of society.

The principle of accountability provides for reporting to the public on the results of the work of the public authority.

The principle of partnership is to build partnerships between the authority and all stakeholders, will help to understand the needs of all stakeholders or target audiences when making decisions.

The principle of tolerance, which involves the perception and tolerant attitude of the authorities towards those who has different thoughts and views, different points of view.

The principle of dynamism allows the public authorities to take into account changes in society and respond to them in a timely manner.

The principle of progressiveness contributes to the reflection of the modern level of information and communication technologies with a view to their use in the process of communication between the authority and society.

To the substantive principles are as follows:

The principle of complexity allows the public authorities to take into account objectively the influence of various factors that affect the efficiency of information dissemination and its perception by society.

The principle of efficiency and reliability contributes to the timely provision of relevant, accurate information by the authorities, which is necessary and expedient and is important for citizens.

The principle of informativeness and adequacy is the dissemination of information, filled with content in accordance with the actual situation.

The principle of accessibility is to provide the authorities with information in an understandable, accessible form, understandable language that will facilitate the rapid perception of information exactly when it is needed.

The principle of promotion contributes to the orientation of public authorities to the needs of society, by promoting advanced ideas and the most useful information, using the latest achievements and prospects for the development of information and communication technologies and expanding marketing opportunities by informing, persuading and reminding.

The principle of strategic planning provides for the development and implementation of a communication strategy aimed at supporting the long-term strategic goals of a government body, because the strategic goal of communication is to establish trust between the relevant government body and its target audiences that are important and capable of influencing its activities.

The basic principles of communication that complement each other are given; it is necessary to consider them interconnectedly, resulting in a synergistic effect that public allows the authorities to achieve the result of effective communication with the public. Thanks to this, it becomes possible to implement the main objectives of the "Ukraine-2020" Reform Strategy and, in particular, to reform the system of state management system and local self-government to change drastically central, regional and local public authorities interact with citizens, communities and civil society institutions based on the written above principles of mutually beneficial cooperation.

It is clear that the desire of the authorities to carry out reforms should be accompanied by consideration of public opinion for such transformations. At the practical level, communication is an extremely important component that allows authorities to build (Konyk, 2016): ability - consultation and dialogue between the state and citizens can improve public understanding and support of public policy and encourage citizens to feel their responsibility for reforms; responsibility - access to information and transparency of government actions are of vital importance to ensure opportunities for citizens to control the government and demand responsibility for their actions from it; response - an informed and politically active public reinforces demands on the government regarding its accountability. The usage of communication in order to hold government accountable will engender a better understanding between the state and citizens and increase the level of governance.

Today, the authorities have begun to involve actively various institutions of civil society in working groups on the development of draft laws, they are actively introducing e-government technologies that allow to provide transparency and openness of government, reduce corruption, improve the quality of administrative services, thereby increasing the efficiency of power. Thus, public opinion should be at the center of a state communication policy. In order for decisions made by the authorities to be accept by society, it is necessary to begin to take into account the interests of various groups of the public, instead of manipulating public opinion. Consequently, the need to reform public communications, as a

strategy for establishing trust between the state and society, requires a change in attitudes and increased participation of all participants in the public administration process.

2. Communication in the Implementation of the Competences of Public Authorities

Achieving the goals that Ukraine has set for itself today needs focused actions from all stakeholders: authorities, state and public institutions, the business environment, experts and international donors. The development vectors declared by the Sustainable Development Strategy "Ukraine-2020" envisage the implementation of 62 reforms and state development programs. Among the identified priorities are decentralization and the reform of local self-government. Decentralization is a way that envisage the delegation of powers to solve local problems to the level closest to people - from central state structures to local governments directly to communities, and also to provide them with their own financial resources that will make them capable for solving these problems. Thanks to the introduction of the responsibility of local governments to the voters, the efficiency of their work increases, and to the state - responsibility for the legitimacy (Bilyk, 2015).

A departure from a centralized model of governance in the state can be called the goal of decentralization, ensuring the ability of local self-government and building an effective system of territorial organization of authority in Ukraine, and ultimately creating and maintaining a full-fledged living environment for citizens, providing high-quality and affordable public services, formation of direct institutions of democracy, satisfaction of interests of citizens in all spheres of life in the relevant territory, coordination of interests of the state and territorial communities (Denysov, 2015).

So, decentralization, as one of the priority reforms in Ukraine, is aimed at avoiding the centralized model of governance in the state, implementing the principles of subsidiarity, ubiquity and financial self-sufficiency of local self-government and increasing the role of local governments in implementing economic and structural reforms.

The peculiarity of the reform of local self-government in Ukraine is the unification of territorial communities in order to improve their financial condition, to provide effectively administrative and social services. Unlike foreign countries, Ukraine introduced a unified competence for all territorial communities, which is established through a system of bodies and officials of local self-government. In combination with the mentioned above features, it conserves the municipal activity of territorial communities, deprives them of their dynamics and hinders the establishment and development of local self-government in Ukraine in accordance with generally accepted standards of local democracy (Golikova, 2002).

For this reason, the principle of subsidiarity, according to which the state should not solve issues that can be successfully resolved directly on-site, should become the basis for the division of powers between state authorities and self-government bodies of local communities. It should be noted that at the legislative level only sectoral lines of activity and the corresponding powers of local authorities are fixed and there is no list of functions of the territorial community.

An analysis of the domestic model of local self-government testifies that a model of positive regulation of local issues has been chosen in Ukraine. Local self-government in Ukraine may be carried out according to the Constitution and laws of Ukraine. The Law of Ukraine “On Local Self-Government in Ukraine” is a kind of catalog of the functions and powers of the bodies and officials of local self-government. The legislation of Ukraine provides for the separation of powers in their own (self-governing) and delegated. Domestic constitutional and municipal law does not provide for the separation of powers of local self-government into mandatory and optional. This greatly weakens the imperative (from the point of view of the general state policy) the implementation by local governments their main functions (Shevchenko, 2017).

The issue of the division of functions and powers of central and local executive authorities and local self-government with the expansion of the powers of the latter is still relevant in Ukraine. The issue of expanding the autonomy and responsibility of local authorities in solving problems relating to the livelihood and development of territories is also important, taking into account local specifics, socio-economic characteristics and cultural and historical traditions.

An important role in the implementation of these tasks is assigned to the territorial community, the members of which, realizing the existence of common interests, take an active part in their realization. Therefore, the embodiment of the principle of subsidiarity is to encourage citizens to cooperate with local authorities and increase the level of public confidence in local authorities.

Thus, the distribution of powers according to the principle of subsidiarity is one of the main principles of decentralization, according to which the authorities that are closest to people and at the level of which solving tasks and providing services is the most efficient and least resource-intensive should have more powers.

Decentralization is primarily is intended to reform local self-government and the territorial organization of authority in Ukraine, which envisage voluntary association of citizens, but lack of confidence in their own forces and distrust of the new, of changes make it more difficult for the population to actively decide to unite communities.

Today, the overwhelming majority of the territorial communities of Ukraine, having the right to solve local issues, cannot do this because of a lack of own funds, a decline or lack of infrastructure, and a lack of qualified personnel. Self-governing bodies in a democratic society are an important institution of real democracy and a means of implementing the interests of the territorial community. It is right through self-government bodies that citizens exercise their right to participate in solving local issues, to defend the interests of their territorial community.

It is noted in the Big Encyclopedic Law Dictionary that the main form of implementation by the state institutions their competence is to issue legal (normative) and

individual acts by them, and by officials - the implementation of organizational and administrative actions towards subjects subordinated to them (Shemshuchenko, 2007).

A democratic society does not strive to bring in some kind of social system or model designed a priori, but develops in search of the best options for social progress in order to prevent the emergence of totalitarianism. Open political discourse is important in society (Petrovsky, 2006), the optimal interaction of various types of social mechanisms, a special place among which is occupied by the information and communication interaction of public authorities and society (Radchenko, Pogorely, 2012).

Thus, the competence depends on the purpose of the state institution, its place in the public administration system, and the status of a public officer on the position he occupies. So, we judge the competence of the authorities on the basis of the competent actions of public officers in the communication process.

It is clear that the implementation of any reform is a joint process in which everyone participates within their capabilities and powers. The success of reforms directly depends on the coordinated work of various categories of stakeholders, the determination of their interests and the level of perception of information about the reform. After all, information is what goes to the general public, and communication is what comes to target groups. Today, the authorities, acting within their competence, should be very interested in communicating with the population in order to form citizens' understanding of their actions and, as a result, to support such actions.

For this reason, timely information, changes in the perception of the reform of decentralization, persuasion, management of expectations and ensuring effective communications will simplify and accelerate the reform process in this area.

It is difficult to overestimate the importance of communications in disseminating information among the general population about the success of the reforms implemented in Ukraine. Effective communication involves communication at all levels, despite the hierarchy. It is necessary to increase confidence, to improve the understanding of the actions of the authorities, to administrate in times of crises.

It is difficult to overestimate the importance of communications in diffusion the information among the general population about the success of the reforms implemented in Ukraine. Effective communication involves communication at all levels, despite the hierarchy. It is necessary to increase confidence, to improve the understanding of the actions of the authorities, to administrate in times of crises.

In scientific discourse, it is customary to single out five models of communicative interaction between the state and civil society (Radchenko, Pogorely, 2012): 1. Propaganda, the information pressure of the state on society is the mechanism of total public coercion. 2 One-way information without feedback - the mechanism of command and control management. As a result of the implementation of the first and second models, there is a fall in confidence, an increase in protest, illegitimacy and inefficiency of power.

3. Informational manipulation - a mechanism of political and administrative manipulation. As a result, a temporary increase in trust with its unavoidable decline. 4. Bilateral informing with feedback - the mechanism of patronage social interaction. 5. Communication dialogue on the principles of partnership - the mechanism of information and communication partnership. As a result of the implementation of the fourth and fifth models - the growth of trust, legitimacy, stability and efficiency of power.

The most desirable for a democratic society is the usage by state authorities of the two latest technologies - patronage social interaction and information and communication partnership, which will contribute to the growth of trust, legitimacy, stability and efficiency of power.

To our mind, the need to form effective internal and external communications; the introduction of vertical and horizontal communications in local government and public administration will contribute to the implementation of certain competencies in order to improve cooperation between them; ensuring communication dialogue on the principles of partnership; establishing successful relationships with community residents; the development of community activity; their participation in decision making and society management; applications of Internet communications are the factors shaping public opinion, the positive image of the community and the competence of the authorities.

To our mind, the need to form effective internal and external communications; the introduction of vertical and horizontal communications in local government and public administration will contribute to the implementation of certain competencies in order to improve cooperation between them; ensuring communication dialogue on the principles of partnership; establishing successful relationships with community residents; the development of community activity; their participation in decision making and society management; applications of Internet communications are the factors shaping public opinion, the positive image of the community and the competence of the authorities.

Ukraine already has a positive practice of uniting territorial communities, which began in mid-2015. Each united territorial community has its own achievements and results and is ready not only to share its positive experience, but also to draw original ideas of development from the communities that have achieved significant results in the implementation of various creative projects in their territories. For this, united territorial communities need to establish effective public communication. The main target audiences of the UTC for establishing communication can be: local government, local population, non-state sector, public organizations, partners-investors.

It should be noted that in the process of establishing public communications it is necessary to adhere to the basic principles of communication between the authority and society, among which we consider the principle of partnership, which is to establish partnerships between the authority and all stakeholders, to help to understand the needs of all stakeholders decisions (Dzyana, Dzyanyi, 2017).

It is clear that the government is more interested in supporting the community, which is actively developing and willingly cooperating with state institutions. For this, the society must be active and inform the authorities about its activities.

The members of the united community actively support all the plans and decisions of the UTC when they become themselves convinced that the society is successful, really creates the best conditions for their life. And this means that people should be shown the results of each successful UTC step. Considering the mentioned above, that very active community plays an important role, which is interested in supporting local initiatives to establish effective communications and cooperation with other territorial communities in order to solve common tasks.

Besides, representatives of the non-state sector and public organizations are of great importance in the life of territorial communities. Their role in establishing communications and ensuring the cooperation of territorial communities is to conduct consultations and explanatory work among the population and local governments in order to mobilize their efforts to ensure the development of the UTC. Attracting this target audience to fruitful cooperation is effective provided that the plans and intentions of UTC coincide with their goals and activities.

To attract partner investors, the community needs to show that it is investment-attractive, and the community leadership works openly and transparently. Potential investors in the first place can receive such information from the website of the integrated community and its corporate pages on social networks (Public Communication Practice for United Communities, 2018).

So, the most common communication tools for UTC both with state institutions and with representatives of the non-state sector, public organizations and investors are: traditional methods of mass communication, that is, “direct” communication, communication via the media and via Internet.

So, consolidated communication as a process of versatile communication inside society with the help of various communication channels and tools to strengthen, unite, integrate and consolidate society to form a common coordinated approach to solving social problems (Dzyana, Dzyany, 2018) becomes a mechanism for implementing the reform strategy.

Ambitious tasks that set themselves communities need ambitious solutions, the implementation of which is possible only in a consolidated society, where the interests of each person coincide with the interests of society, and the interests of society reproduce the interests of each person. Only a society consolidated around a common goal will be able to fulfill the ambitious goals underpinning the Development Strategy. Indeed, only this way, “together to victories,” even “materially poor” societies, but which are consolidated in their aspiration, can achieve synergies in social development.

Consolidated communication will allow to realize the following thesis - from each according to the possibilities - that is, everyone will be involved in the formation of a common solution at their own level, irrespective of their competencies, but only at the expense of the competencies they possess. Namely, the knowledge of each will be the driving force of the whole society. The force of society is in its success. Success can not be achieved by quantity, but only by joint work in a consolidated society from simple to complex, that is, from the unification of people, communities, regions to a unified country - civil society. This work begins with the writing of the first minimum project, which will bring not subsidized funds (subsidies, subventions, etc.), but will allow by the means of consolidated efforts to create the conviction that money can be earned and one can be successful. So, a successful society is formed through the positive experience of communities.

A successful community is a “growth point” that forms a positive image of the reform strategy, the possibility of its particular implementation, effective public authority and society as a whole. In each small success of the community lies the common victory of the state. The success of a consolidated society is precisely that very “lobbying” that the state lacks so much for recognition and promotion in the world and the return of lost territories.

3. Communicative Aspects of Successful Development of Territorial Communities

One of the main reforms in Ukraine is the reform of public administration. Its main meaning is to transfer a significant part of administrative powers and financial resources from the central (governmental) level to the level of local self-governing bodies.

At the same time, the decentralization of management should be accompanied by the formation of united territorial communities capable for their further development. For implementation of this plan, they most frequently resort to formal (organizational and legal) institutional levers of influence on the formation and development of united territorial communities, while forgetting that problems in the public administration of the state have arisen primarily at the informal level (“unwritten rules”, change of behavioral stereotype, traditions, customs, culture). The overwhelming majority of the existing informal institutions are becoming the source of the spread of destructive influence on the formal institutions in the context of the development of united territorial communities at the present stage of decentralization of management.

In this sense, it is worth to highlight several key informal problems dealt with the functioning of formal institutions. Firstly, it is the remoteness and estrangement of civil society and government institutions. Even after association, communities often cannot develop on the basis of the mutual formation of long-term plans and strategic priorities; the short-term personal-group interests of the government and society dominate.

Secondly, the authority “rules”, but does not manage. This heritage of the administrative-command system does not allow communities to establish effective interaction with the elected authorities and vice versa, which offsets the potential of the

UTC. The definitions of authority adopted in modern treatment generally do not go any further than trying to interpret it as “the ability, the right and the opportunity to dispose of someone, something, to have a decisive influence on the fate, behavior and activity, customs and traditions of people by the various means - law, right, credibility, will, court, coercion” (Khorunzhyi, 2001). This reduces the essence of authority in the subject-subject and subject-object relations. Considering the theory of communications, it looks like this: the subject-communicator transmits a managerial semantic message to the recipient -subject, regarding the latter as an object of his managerial (authority) action.

Thirdly, the "faith" in their own failure. A few poor communities, when united, will not become capable, successful and rich, that is, the community reproduces the position of “extreme pessimism”. The system-forming effects of this institutional trap can be described by the following chain of events: the demoralization of the majority of residents, was formed thanks to the current state of the economy, especially the rural (low living standards, loss of personal and social development prospects) - the absence of noticeable changes for the better after the formation of a unified territorial community (the effect of "coordination") - children's mastering of behavioral patterns of social pessimism of parents, stereotypes of their deviant behavior (the effect of “learning”) - spread of the social pessimism on all aspects of the life of the residents of the united territorial community according to the principle: “decentralization only generates new problems” (effect of “communication”) - the formation of the tradition of “social pessimism” as a kind of “cultural norm” that “pushes” to the roadside all the carriers of alternative cultures: individualism, free enterprise, developed civil society, etc. (effect of “cultural inertia”) - a firm unwillingness to change “social apathy” to other forms of socio-economic behavior, a bellicose rejection of socio-behavioral alternatives (“lobbying” effect) (Borshevskyi, Voloshyn, 2018).

Fourthly, indifference, disinterest, leveling feedback. Reducing the tone in the field of authority may be linked with the insufficient need of respondents for managerial messages and, above all, the interest of the manager-communicator in the appropriate response of the recipient. Communication activity turns into a ritual, the fulfillment of which at the end stops and disintegration begins (as in the last hours of the Soviet Union). The picture can be complemented by the fact that the recipients start to experience the communication channels of other authority fields that are more intense than the previous one – the final result is the same (except with the connection of some of the recipients to other systems).

Fifthly, the problem of cognitive complexity. Here we deal with the eliminated contradiction: only an adequate level of cognitive complexity (including one of the factors of development and social dynamics - “cultural capital”) ensures proper competence both the communicator-manager and the recipient-performer; but it also makes the performer's reaction unpredictable, due to the so-called cognitive dissonance. The higher the level of cognitive complexity is, the more likely the risk of significant cognitive dissonance is, which entails rejection, disregard, distortion or purely ritual execution of management messages (Khorunzhyi, 2001).

Thus, it is necessary to eliminate certain informal institutional barriers and dysfunctions that have a destructive impact on the implementation of decentralization of management, limiting the development of united territorial communities.

Without effecting such significant factors that reduce the level of authority efficiency, such as uncertainty of political decisions, lack of real experience, lack of formation of political elites, low political culture, etc., it is appropriate to pay attention to the general patterns of the authority in terms of the communication science.

So, we are primarily interested in the effectiveness of the authority in terms of the successful transmission of the managerial message by the communicator and the adequate response of the performer (respondent). What can hinder? Of course, the incompetence of the communicator, the intersection (absence or weakness) of the communication channel, the disturbance of feedback between the communicator and the recipient, which do not allow the first to formulate the correct management message, reducing the tone in the so-called "the field of power" (which slows down both direct connection and feedback), an increase in the level of cognitive complexity and the presence of recipients with significant differences in the level of cognitive complexity.

More precisely, we are talking about measuring the efficiency and adequacy of the response of the control object to the managerial impulse, the content of the managerial impulse to the requirements of management and the needs of society.

It is clear that the way of managerial communication, despite their extraordinary efficiency, is rather complicated. In our opinion, it is "helicopter" communication - the formulation of managerial messages based on groups of recipients with different levels of cognitive complexity, will allow communicators, paying special attention to the quality of message perception, to reduce manifestations of cognitive dissonance.

So, the improvement of the perception of the authority is possible through the use of "helicopter" communication and diverse communication channels, through which management messages and feedback signals are transmitted simultaneously for different groups of recipients with different levels of cognitive complexity.

Conclusions.

The basic principles of the authority communication with the public during the reform period was theoretically substantiated in the conducted research and their classification was proposed. Organizational principles are principles that show how communication between the authority and society should be built, and substantive principles show the contentfulness of the state communication process. The organizational principles of communication include the principles of transparency, openness, accountability, partnership, tolerance, dynamism, progressiveness. The substantive principles of communication include the principles of complexity, efficiency and reliability, information content and adequacy, accessibility, promotion, strategic planning. Since these principles are complementary, they need to be considered in a comprehensive manner, resulting in a synergistic effect that allows the authorities to achieve the result of effective communication with the public.

It was established that the success of the state in carrying out reforms depends on the competences of bodies of public authorities, implemented on the basis of competent actions of public officers in the process of communication with society.

It was determined that consolidated communication as a process of versatile communication within society through various communication channels and tools in order to strengthen, unite, integrate and consolidate society to form a common coordinated approach for solving social problems becomes a priority mechanism for implementing the reform strategy. The improvement of the perception of the authority is possible through the usage of the "helicopter" communication and diverse communication channels through which management messages and feedback signals are transmitted simultaneously for different groups of recipients with different levels of cognitive complexity. It is the "helicopter" communication - the formulation of management messages based on groups of recipients with different levels of cognitive complexity, will allow the authorities-communicators, paying special attention to the quality of message perception, to reduce the manifestations of cognitive dissonance.

The "Helicopter" communication presupposes the existence in the society a developed, tightly-knit social groups (authority, community) that would be capable for self-governing activities and an adequate response to external and internal signals of the public administration system and civil society. That is, the use of the "helicopter" communication in public management contributes to overcoming informal institutional barriers and dysfunctions, and will increase the effectiveness of the implementation of the reform of decentralization of the authority.

References.

Lashkina M.G. (2013). New approaches to communication in the public domain of public administration. *Publichne upravlinnya: teoriya ta praktyka*, 1, 10-18. [in Ukrainian].

Lytvynova L.V., Zbyranyk Yu.V. (2015). Theoretical aspects of communication development in public authorities in Ukraine. *Derzhavne upravlinnya: teoriya ta praktyka*. 2. Retrieved from: http://nbuv.gov.ua/UJRN/Dutp_2015_2_3 [in Ukrainian].

Konyk D. (2016). *Strategic communications*. Kyiv: Mizhnarodnyj bank rekonstrukciyi ta rozvytku [in Ukrainian].

Lashkina M.G. (2013). New approaches to communication in the public domain of public administration. *Publichne upravlinnya: teoriya ta praktyka*, 1, 10-18. [in Ukrainian].

Kovbasyuk Yu. V., Vashhenko K. O., Surmin Yu. P. (Eds.). (2012). *Public administration*. (Vol. 1). Kyiv: NADU [in Ukrainian].

Zhurba Ya., Andrusiv V. (2015). Communicating government with society. Retrieved from: <http://analytic.org.ua/wp-content/uploads/2015/06/Brief.pdf> [in Ukrainian].

Konyk D. (2016). *Strategic communications*. Kyiv: Mizhnarodnyj bank rekonstrukciyi ta rozvytku [in Ukrainian].

Bilyk R. R. (2015) Mechanisms and tools for ensuring economic security of Ukraine's regions in the process of decentralization. *Biznes Inform.* 9, 67-72 [in Ukrainian].

Denysov K. V. (2015) Decentralization of power in Ukraine: administrative and budgetary aspects, national security. *Biznes Inform.* 12, 60-64 [in Ukrainian].

Golikova T. (2002) Institutionalization of the Ukrainian territorial community as a carrier of corporate interests. *Ekonomika Ukrayiny.* 12, 43-50 [in Ukrainian].

Shevchenko A. O. (2017). Ways of Education and Competence of Territorial Communities. *Yurydychnyj chasopys Nacional'noyi akademiyi vnutrishnix sprav,* 2 (14), 178-190. [in Ukrainian].

Shemshuchenko Yu.S. (Ed.). (2007). *Great encyclopedic legal dictionary.* Kyiv: Yuryd. Dumka [in Ukrainian].

Petrovs'kyj P. M. (2006). Open political discourse as a condition and factor of democratic development of Ukraine. *Efektivnist` derzhavnogo upravlinnya,* 10, 164-172 [in Ukrainian].

Radchenko O. V., Pogoryelyj S. S. (2012). Modeling of information interaction between public authorities and society. *Publichne upravlinnya: teoriya ta praktyka,* 3. Retrieved from: <http://www.kbuapa.kharkov.ua> [in Ukrainian].

Dzyana H.O., Dzyanyy R.B. (2017). Establishing communication between the authorities and society during the period of reforms. *Teoriya ta praktyka derzhavnogo upravlinnya,* 2 (57), 14-21 [in Ukrainian].

Public communication practice for united communities. (2018). Retrieved from: <http://old.decentralization.gov.ua> [in Ukrainian].

Dzyana H.O., Dzyanyy R.B. (2018). Consolidated communication to ensure the success of reforms. *Publichne upravlinnya XXI st.: svitovi praktyky ta nacionalni perspektyvy: zb. tez XVIII Mizhnar. nauk. kongresu* (pp. 43-46). - Xarkiv: XarRIDU NADU «Magistr» [in Ukrainian].

Xorunzhyj A.F. (2001). Several arguments in favor of decentralizing power in Ukraine: communicative aspects. *Politychni nauky: naukovi praci,* (Vol. 12), 98-101 [in Ukrainian].

Borshhevs'kyj V., Voloshyn V. (2018). Institutional levers of the development of united territorial communities in the conditions of decentralization of management. Retrieved from: http://www.niss.gov.ua/content/articles/files/vazheli_rozvutku-a6b6a.pdf [in Ukrainian].

Xorunzhyj A.F. (2001). Several arguments in favor of decentralizing power in Ukraine: communicative aspects. *Politychni nauky: naukovi praci,* (Vol. 12), 98-101 [in Ukrainian].

Viktor Koval

Doctor of Economic Sciences, Professor,

*Odessa Institute of Trade and Economics of Kyiv National University of Trade and Economics,
Odessa, Ukraine*

orcid.org/0000-0003-2562-4373

Lidija Weis

Doctor of Business Administration, Professor,

Dean of Ljubljana School of Business,

Ljubljana, Slovenia

orcid.org/0000-0001-5193-5103

**STATE REGULATION AND INVESTMENT MANAGEMENT IN THE
DEVELOPMENT OF CIRCULAR ECONOMY**

***Abstract.** The organizational and economic principles of state regulation of entrepreneurship development in the modern market economy are substantiated. Multilocation processes lead to the strengthening of the role of economic management processes under cyclic economic conditions, which increases the significance of the state as the guarantee of economic and legal environment. Principles of recycling and investment management in the field of utilization of domestic waste products are disclosed. The closed-loop economy is considered as the basis of a sustainable development strategy, therefore, an urgent need appears to justify and implement public policy measures to create the conditions for institutional management and regulation in the field of waste products management according to the diversity of cycle phases, structural restrictions and availability of opportunities to conduct such a policy .*

JEL Classification: E02, E60, G18, O17

Introduction.

In the conditions of market economy, the balance between the liberal approach to entrepreneurship and state control to harmonize the interests of all actors at the markets of goods and services is characterized by the need for measures to improve the mechanism of state regulation in the direction of institutional promotion of the development of a competitive environment. In turn, the development of the sectors of the economy produces transformations in the legislative field regarding the creation of organizational and legal conditions for increasing competition (Klein, 1996). Approaches to the regulation of goods and services markets in Ukraine in recent years have significantly changed with current realities, which is due to the substantiation of the principles of market analysis with the identification of the need for regulatory influence in the limitation of competition (Porter, 1988). However, in today's conditions, the problem of the emergence of a competitive market is highlighted by the question of the further development of the national economy.

**1. Organizational and economic principles of state regulation of entrepreneurship
development in the modern market economy**

Taking into account world trends, the effectiveness of the development of modern national economy, attributive feature of which is the loss of its main monopolistic properties, is conditioned by the balance between methods of state influence and market self-regulation.

Violation of the balance leads to structural imbalances, which at the beginning of the 21st century is evidenced by the negative tendencies in reducing the incomes of enterprises with a natural monopolistic infrastructure system. The development vector of effective market relations of the national economy in the world has proved the necessity of structural changes in the state policy, that is, adjustment of economic regulation forms and strengthening of the institutional environment of entrepreneurship. However, the transformational nature of the domestic economy, with the weakening of regulatory mechanisms for protecting natural monopolies, reflects the processes of complicating the maintenance of stability and efficiency of its functioning in the conditions of privatization and liberalization, and as a consequence, the openness of access to market infrastructure of other entities. These opposing trends in the measures taken, in the absence of competition, produced a reduction of the field of state control and regulation of structural changes in the transition economy.

Due to the special situation of the infrastructural sectors there is a scientific and practical problem of analyzing the mechanism and structure of effective regulation of the post natural monopoly activity. In addition to these phenomena, the effectiveness of the mechanism of state regulation of the competitive environment and the activity of economic entities is influenced by the influence of external network effects and the high level of market concentration. Therefore, the formation of an institutional mechanism for preventing the negative effects of external influences needs to be adapted to the peculiarities of the national economic system with the incompleteness of its structural transformation.

An analysis of the approaches related to the development of the theory of monopolization in the markets, as well as the factors of their origin, were investigated the issue of developing a methodology of state regulation of markets with ineffective competition (Porter, 1988; Tirole, 1988; Williamson, 1996), however, the lack of coverage and analysis of specific cases of the peculiarities of oligopolistic competition under the conditions of the effect of network effects, objectively confirms that without regulatory and purposeful influence of the state it is difficult to solve the most acute problems of development in the infrastructural sectors of Ukraine.

In addition, the dual nature of the state's functions in the markets of goods and services, both the consumer of services and the regulator, causes ambiguity in the approaches of institutional regulation and state policy that may manifest itself in the deformation of economic relations caused by the creation of additional barriers to limiting the market potential of telecommunication operators, low institutional support for the interaction of actors at the market. Complexity and fundamentality of the approach to the decision of the state on the strategic issues of the development of the national economy are determined by its high socioeconomic significance, which is not only related to the market mechanism, but also to the corrective regulatory influence through possible restriction of competition through the use of a substantial market advantage or a discriminatory approach to tariff policy (Fuentelsaz, 2012).

The methodological necessity to justify the importance of regulatory influence on the market structure increases during the restoration of the economic and technological base of production, that evidenced at the initial stage of post-industrial development of the society, namely: the rapid growth of its innovation orientation at the expense of scientific and technological progress in all spheres of economic activity and the formation of large infrastructural objects. High-tech industries occupy a special place, the most important characteristic of which is the presence of a natural monopoly core, which implies objectively the need for a regulatory mechanism. Under the conditions of transformational transformations, the mechanism of regulatory influence should complement market self-development that require limited state intervention with the development of public and private partnerships and joint regulation. Since some common regulation covers the interaction between institutional and self-regulation, we will present the possible structures of joint regulation in the field of telecommunications (Table 1).

Table 1. Structures of joint regulation in high-tech industries

Countries	Bodies of joint regulation	Bodies providing compliance with regulatory norms and rules	Types of measures of influence
USA (FCC)	Commission on Standards and Control in Telecommunications	Council of representatives of the industry and the public	Compensation of fines, civil penalties
England (Ofcom)			
Georgia (GNCC)			
Italy (AGCOM)	Association of Infocommunication Service Providers	Government, Department of Communications, NCCR	Exceptions to the industry association
Canada (CRTC)			
Ukraine (Telecommunication Chamber of Ukraine)			

The peculiarities of the functioning of high-tech industries give rise to the need for their state regulation through emerging "market failures" characterized by the presence of natural monopoly and other forms of imperfect competition, the restriction of free entry of new entities or even the possibility of excessive competition. Since the problems of improving the regulatory impact on the activities of telecommunication operators cannot be solved with the help of market mechanisms, they need effective methods of state regulation. The influence of organizational, technological and institutional factors on the markets of goods and services is gradually changing their structure, which requires the adaptation of the mechanism of structural and tariff regulation to the processes of reforming the mechanisms of public administration and restructuring (Crocker, Masten, 1996):

- technological restructuring involves diversification of products and changes in applied technological processes;
- economic restructuring is characterized by ensuring competitiveness and level of profitability of production;
- institutional restructuring is due to deregulation, taking into account self-regulatory factors in the development of the telecommunications market.

Emerging political, economic and technological developments create certain conditions for the introduction of a strategy for regulating markets for their effective functioning, taking into account the interdependence of national strategies of the economic sectors and transborder policies. The strategy of market regulation should be based on the basic aspects (technological, organizational and economic, scientific and educational, information and communication, institutional, social, etc.) to increase the competitiveness of the economy and should take into account the sectoral features of the activity and development of natural monopoly infrastructure. State regulation of high-tech markets with a naturally-monopoly core, as a socially significant industry, reaches efficiency in conjunction with market mechanisms and acts as a defining direction in the strategy of reforming the economy as a whole. As a result, there is a need to strengthen the regulatory influence of the state on a radical change of economic policy due to technological, legal and other barriers to support the development of the national economy (Schumpeter, Opie, 1934; Richman, Boerner, 2006).

Multilocation processes lead to the strengthening of the role of economic management processes under cyclic economic conditions, which increases the importance of the state as the guarantor of the economic and legal environment.

2. State regulation and its impact on investment in terms of cyclic management

Capital investment into production and construction, as well as surplus commodity stocks, which are considered as a kind of forced investment, is understood under investments into macroeconomics. Taking into consideration the purchase of shares and other securities, these financial transactions, themselves, are not considered as investments in the macroeconomic sense, because there is a risk of a recurring account, which distorts the total volume of investments in this case. Accumulation of capital means an increase in fixed capital stock. Therefore, the main methodological purpose of savings and investments' analysis, as the two components of the only one process of capital accumulation, is to attract attention to real investment. Such methodological approach is also important in practical sense, as it can contribute into the justification of a particular investment policy, including at the regional level. In general, Capital accumulation is a classical theory, which deals with savings and investments in their direct unity. In classical model, the unity of these two sides of a single process is supported by the capital market due to the formation of an equilibrium interest rate on it. This rate is equilibrium because it balances total savings and investments. Thus, thanks to the capital market and the interest rate, the market system automatically maintains their equilibrium. Their aggregate values can not be separated from each other essentially, since the market rate of interest can not substantially deviate from the equilibrium level for a long time (Koval et al., 2017).

However, the modern mechanism of the relationship between savings and investments differs from that picture of their almost complete unity significantly, which is drawn by the classical and neoclassical theory of accumulation of capital (Koval et al., 2018).

It is important to mention that the fact of long existence of global savings' surplus, which is characteristic of the modern world economy, does not fit to the framework of the classical model. This model provides an automatic mechanism of the fast maximum "clearing" of the capital market from excessive savings.

The main danger of a global savings' surplus for the world economy is that it can be a direct impetus for production decline. Thus, the global savings' surplus means danger to the world economy in terms of a breach of the two component unity in the process of capital accumulation (Koval, Slobodianiuk, Yankovyi, 2018).

It is well-known that the equality of aggregate savings and investments creates a key condition of the macroeconomic equilibrium, which involves the equality of aggregate demand and supply.

The fact is that savings mean deductions from the aggregate value of consumer demand. However, aggregate demand is not limited by consumption. It includes investment demand along with consumer demand, i.e. demand for means of production. However, investment demand can compensate those deductions from consumer demand, what aggregate savings are. Due to such compensation, the macroeconomic equilibrium is established, and the aggregate demand corresponds to the aggregate supply. Nevertheless, it is necessary the cumulative investment exactly corresponds to the aggregate savings. However, in today's world economy, this key condition of the global macroeconomic equilibrium is affected by the existence of a global surplus of savings in relation to investment (Koval et al., 2017).

It is important to mention that the fact of long existence of global savings' surplus, which is characteristic of the modern world economy, does not fit to the framework of the classical model. This model provides an automatic mechanism of the fast maximum "clearing" of the capital market from excessive savings. Their long surplus is nonsense according to classical theory, and it appears to be incapable of explaining and indicating ways to eliminate it.

As for Keynesianism, it usually offers two standard ways of these process regulations. One of them is related to the interest rate, which is oriented to monetary policy.

In case of excessive savings over investments, monetary policy should be aimed at the interest rate decreasing in order to stimulate investments. If it does not help, Keynesianism recommends compensating for the lack of private investment by expanding government spending, which is financed by the budget deficit. In this case, the monetary policy is combined with fiscal regulation, implemented on the basis of scarce financing.

The development of the branches of the economy involves the introduction of innovative technologies, which requires the appropriate instruments of state regulation. There is a necessity of state regulation at the first and last stages of the life cycle (LC) of the development of capital-intensive new technologies (Fig. 1).

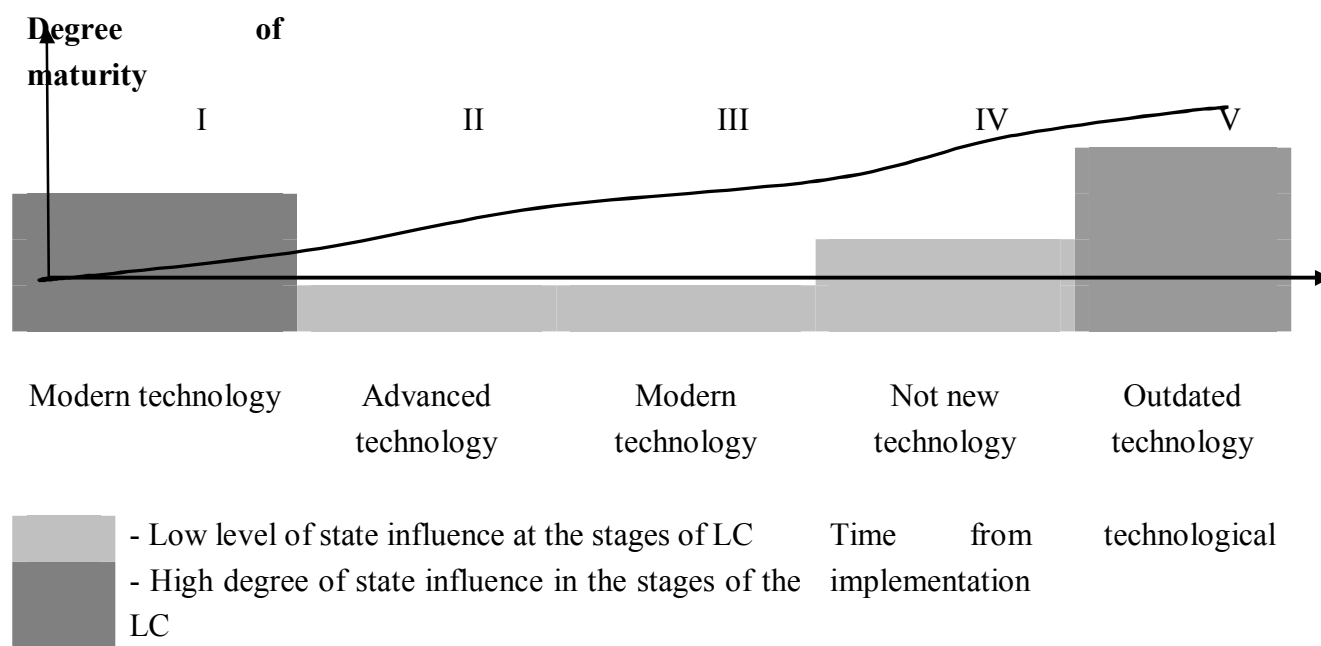


Fig. 1. The degree of state regulation at the stages of the technology lifecycle

The market state regulation of at the initial stage of the life cycle of technology implementation aims at the following: ensuring technological neutrality; protection against uncompetitive advantages of any product of individual manufacturers due to discriminatory technical, licensing, financial, and other requirements; the availability of regulatory processes, including the development of standards that are used in them (Koval et al., 2017). At the second and third stages of the life cycle, the objectives of regulation are the following: the facilitating access to basic services, based on appropriate technology; the creating of favorable climate for the investment and infrastructure expansion. The fourth and fifth stages of the life cycle are determined by the regulatory influence on the prevention of the use of obsolete technology through anticompetitive concerted actions or collective behavior of oligopolies, which can result in a sharp decline for participants' income in market, but also, respectively, the limitation of resource opportunities for investing in new technologies.

Therefore, it is advisable to change the approach to antitrust regulation in terms of institutional enhancement of the competitive relation effectiveness, creating an effective mechanism for managing and ensuring the possibility of a competitive impact of market entities (society, business, population) through the advancement of the programmed and targeted management initiatives in public and private partnership (Richman, Boerner, 2006). In order to analyze the competitive model of state regulation, we consider the following measures (Table 2).

Table 2. Analysis of measures of state regulation of competition

Measures of the market regulation reform		Results
Privatization	Increase of direct foreign investments and other capital investments into the industry	+/-
	Receipt of revenues to the state budget from the privatization of industry monopolists	+
Antitrust policy	Limitation of discrimination by monopolies, including:	
	in the sphere of tariff policy	approximate
	on the M & A market	-
	Developing a single consistent concept of significant market power (with significant market gains)	+
	Ensuring the transition from the open competition state	-

Under the conditions of the transition of telecommunications services markets to a stable model of oligopoly, it has been shown that the activities of market players in competitive environment require new approaches to state regulation that favour the gain not only operators, but state and population (Koval, 2013; Koval, 2018):

a) on the state part it is the increase in revenues to the Consolidated Budget of Ukraine, based on harmonization of interests;

b) on the part of market participants it can be done through the restriction of monopolization in the strengthening of integration trends in the markets and the leveling of discriminatory and opportunistic actions;

c) on the part of the population it is minimization of costs or increase of offered services.

One of the most important problems to be solved by the cycle of economic reforms is to ensure the process of transition to market-based methods of management in a competitive environment and to develop an effective mechanism that allows taking into account the presence of network effects in high-tech industries in Ukraine.

The possibility of abusing oligopolists by its provisions shows that state regulation does not meet current requirements and needs to take into account the merger and acquisition processes in the telecommunications market, with the improvement of its organizational structure, the reform of the regulatory framework, the establishment of effective regulatory methods and control over the activities of enterprises. The state competition protection needs to be improved through coherence with modern legal regulation of developed countries, harmonization between antitrust, preventing discrimination of alternative operators, regarding access to the market and infrastructure, and tariff for discrimination against pricing, price disproportion and innovation and investment policy. It is preferential taxation, institutional provision of favorable investment climate. The main tasks in their compatibility will be to achieve an incentive the subjects to the development of technological infrastructure and innovation in the market

The addressing competition policy of the state should be aimed at institutional provision of market players' behavior on the basis of improvement of formal rules, taking into account the state of the competitive environment. It must be aimed at the need to support small and medium businesses and the formation of competition in the infrastructure through the provision of investment preferences, especially in the field of informatization of Ukraine. Due to the effective combination of administrative and market mechanisms, strengthening and development of the most important institute of the economy and competition require the use of a set of consistent interrelated measures in order to optimize regulatory measures, to promote the effective functioning of all members of the "social" triangle, where they are state, population and business. It also needs changes in legislation in publicly available services, taking into account their interchangeable types, in the context of the transformation of the sectoral structure.

3. Recycling and management of investment in utilization of household waste

The deterioration of the environment, the degradation of natural systems, as well as new negative trends in economic development, along with the slow implementation of tools for responding to emerging problems created a threat to the ecosystem as a whole.

Along with the over-growing of agro-landscapes, there is a constant accumulation of waste and the creation of waste landfills. The creation of landfills, in addition to removing theoretically productive soils from the circulation, poses a threat to the cultivation of agricultural products on a large area in the vicinity of landfills.

A balanced land structure contributes to increasing the stability and productivity of agro-landscapes and the sustainability of ecosystems in general. The decomposition of waste has the greatest impact on soil, underground water resources, and atmosphere. Since landfills have an impact on the quality of water in reservoirs, the effect of their operation can be observed on the quality of soils and agricultural products through the ingress of filtrate. At the same time, landfills promote the spread of parasites and diseases; separate fractions of garbage during decomposition are converted into radioactive compounds or poisonous substances; they cause pollution of atmospheric air and other negative consequences.

Sanitary, hygienic and toxicological standards are used for the general assessment of the state of the environment and the determination of the influence of individual sources in its pollution, but to predict the impact of human factors on both the ecosystem and the health of people we should take into account indicators that characterize the response of individual organisms and ecosystems as a whole to the anthropogenic impact.

Cultivation of grain products is the main branch of agriculture. Developed countries produce 35% of the world's gross harvest of grain, which is the leader in terms of yield and grain per capita. It should be noted that 50% is consumer grain and 45% is forage. In recent years, there has been a fall in crop yields.

FAO and the European Bank of Reconstruction and Development calculations in Ukraine, Kazakhstan and Russia are derived from a productive cycle of about 23 million hectares, and 13 million are likely to be carried out at no additional cost. The State Service of Ukraine for Geodesy, Cartography and Cadastre provides the following data: for 2016, Ukraine's land fund amounted to 60.4 million hectares, of which agricultural land was 43 million hectares (33 million hectares of arable land) (Koval et al., 2019).

According to the current norms, the cultivation of agricultural land at the level of 60-80% is unfavorable, 25-60 - conditionally favorable and less than 25% - favorable. In Ukraine, unfavorable plots of land - 54% of the land fund and almost 79% of agricultural land, for comparison in the United States - 19%, France and Germany - 34, Italy - 32 (Generowicz et al., 2012).

Table 3. Level of anthropogenic loading of land in Ukraine

Level of anthropogenic load	Rating	Category of land	Total, million hectares	% of the total $S_{Ukraine}$
The highest	9	Earth of industry, transport, communication, energy, and others	1,0	1,8
Very high	8	agricultural lands	41,8	71
High	7	Earth residential and public buildings	0,79	1,29
Between Medium and High	6	Earth Water Fund	2,39	3,99
The average	5	Earths of historical and cultural destination	0,39	0,59
Between Low and Middle	4	Lands for recreational purposes	1,0	1,59
Low	3	Lands for health purposes	0,029	0,049
Very Low	2	Earth Forest Fund	10,59	17,59
Lowest	1	Earths of natural reserve and other nature conservation purposes	2,39	3,99

Source: systematized by State Service of Ukraine for Geodesy, Cartography and Cadastre (2012)

The coefficient of relative tension of the ecological economic condition of the territory, which takes into account the land of the entire territory, is calculated.

$$K_R = \frac{\sum S_{6-9}}{\sum S_{1-5}} = \frac{45.97}{14.43} = 3.2$$

where $\sum S_{6-9}$ the area of a group of lands with high anthropogenic load; $\sum S_{1-5}$ - the area of a group of lands with a low anthropogenic load. It shows the level of environmentally hazardous development of the territory and indicates the shift of the natural-human system to anthropogenic impact, or to increase the potential for renewal of natural resources.

This indicator for Ukraine is 3.2, which indicates a critical anthropogenic load that can not be balanced with its environmental potential. It should be emphasized that food

security in Ukraine is provided by the critical anthropogenic load on the natural environment. In some regions, land cultivation reaches more than 80% (with a standard 25%); 5 million hectares of arable land are not used in agricultural activities under various circumstances (Generowicz et al., 2012; Czop, Kajda-Szcześniak, 2013).

Dynamic processes in the formation and development of a closed-loop economy in Ukraine are not sufficiently studied. There are no studies dedicated to the evaluation of the efficiency of recycling of polymer waste, which is determined not only by minimizing damage from natural environment destruction due to the removal of non-renewable resources, but also in the context of obtained total social, economic and ecological effect from the waste products process in the form of an indicator of integral efficiency of recycling. In addition, there is a necessity to study the assessment of green investments in the field of waste products management, which does not show significant growth rates, and the share of capital investment in waste products management in total volume of capital environment-oriented investments did not exceed 18%, taking into account the rapid increase of domestic and industrial waste products requiring a transition to a model of the economy that will reduce the pressure on natural resources and contribute to sustainable economic growth. The closed-loop economy is considered as the basis of a sustainable development strategy, therefore, there is an urgent necessity to justify and implement public policy measures to create the conditions for institutional management and regulation in the field of waste products management according to the diversity of cycle phases, structural restrictions and availability of opportunities to conduct such a policy (Koval, 2019).

The problem of recycling and utilization of domestic waste products has become acute under the conditions of European integration of Ukraine, as a result of changes in legislation that prohibits the dumping of nonrecycled and unsorted rubbish, creating challenges not only for local authorities, but also for enterprises involved in the processing of solid domestic waste products.

Therefore, efficient usage of solid domestic waste products should be included in the priority directions of work of both local authorities and any enterprise, whose type of economic activity belongs to the E class - water supply; sewage, waste products management. In order to reduce the technogenic pressure on the environment, there is also a necessity to develop new approaches in the management and utilization of solid domestic waste products. The set of state and business actions should be aimed at environmental safety, which is one of the indicators of Ukraine's investment attractiveness. Maximization of the profit from enterprise economic activity by means of reducing the economic losses and consequences that enterprises can incur in their activities due to changes in the legislation on waste products management, forms the necessity to find ways to capitalize them through the partial usage of added value of expanding production in the field of waste products management. However, many problems connected with recycling and utilization of solid domestic waste products and the state role in this process remain unresolved.

Unfortunately, there are very few enterprises in Ukraine that deal with the recycling of solid domestic waste products, and they require support. In addition, there is still a demand for the creation of new enterprises for recycling and utilization of solid domestic waste products.

It is of great importance the problem of formation the ways of effective state management in the field of management and utilization of solid domestic waste products both at the levels of local authorities and at national level, as well as the search for economically effective approaches to increase the capitalization of enterprises operating in this field. Altogether it forms the actual scientific direction of research in economics and management of the national economy. Therefore, there is a demand to research the condition of solid waste products recycling, and to identify the directions of development of enterprises that carry out this type of economic activity. To substantiate the demand for their support and creation of new enterprises for recycling and utilization of solid domestic waste products, among the performance indicators of which should be considered the indicator of their capitalization.

Table 4. Generation and utilization of waste products by categories of material in 2016, th. Tons

Waste products structure	Generated	Utilized	Burned in order to obtain energy
Belgium	38802,0	1480	2008
Bulgaria	14701,9	10270	11
Czechia	12505,5	2735	78
Denmark	8373,0	240	3
Germany (until 1990 former territory of the FRG)	147205,6	15674	-
Estonia	11212,5	9301	0
Ireland	3712,1	1154	44
Spain	47097,5	21386	14
France	86348,4	17903	4825
Croatia	3134,7	1423	12
Italy	80309,1	15620	3825
Cyprus	740,2	499	0
Lithuania	2278,5	437	3
Luxembourg	1279,3	223	5
Hungary	9553,7	4356	80
Malta	422,2	237	6
Netherlands	45625,9	1220	1147
Austria	14493,7	1238	-
Poland	68235,2	19701	571
Portugal	8720,8	2893	24
Romania	19741,1	10732	100
Slovenia	2322,2	111	42
Slovakia	6470,1	3017	36
Finland	10218,4	1202	55
Sweden	17767,3	1394	200
United Kingdom	82822,5	20035	5697
European Union - 28 countries	737700,0	179020	21670
Ukraine	295870,1	84630,3	1035,3

Source: Eurostat

In the EU countries are operating the state system “Duales System Deutschland GmbH” (Germany), the non-polygon system of solid waste products recycling (Switzerland) and the system of total solid waste products recycling. The separation of solid waste products in the EU takes place in several directions: 1) unsorted solid domestic waste; 2) organic waste; 3) paper; 4) packing and plastic; 5) colored glass; 6) transparent glass.

Let us analyze statistics data in 2016 about generated and utilized waste products by categories of material in the EU and Ukraine (Table 4). From table 4, we see that the share of recycled waste is less than 30% (28.6%) of the total volume of generated ones, that is, from almost 300 million tons of waste, from which only 0.35% of the total amount of generated waste was burned in order to obtain energy. Taking into account that in Ukraine, from the 1st of January 2018, a law, which prohibits the dumping of non-recycled and unsorted rubbish, has come into force, we research the real condition of the problem with dumping, utilization and recycling of solid domestic waste products.

In the structure of the amount of waste generated in Ukraine, the waste generated by the activity of households accounts for 2.35%, and the volume of solid industrial waste is 1.25%.

Table 5. Waste structure by category of material in Ukraine in 2016,%

Industrial waste sediment	1,32%
Waste of ferrous metals	1,25%
Animal waste and mixed food waste	0,33%
Waste of vegetable origin	2,91%
Animal excrement, urine and manure	1,45%
Domestic and similar wastes	2,35%
Mixed and non-differentiated materials	3,19%
Ordinary sediment	0,23%
Mineral wastes of construction and demolition of objects, including mixed building waste	0,28%
Combustion waste	4,67%
soil waste	0,17%
Empty breed from dredging works	4,22%

Source: State Statistics Service of Ukraine (2016)

Today we require not only enterprises that are engaged in waste products management, but also new models of solid domestic waste products management, which will allow not only to get rid of rubbish, but also to obtain economic benefits. The construction of the newest TPPs using solid domestic waste products as alternative energy sources will allow to produce not only thermal but also electric energy, which will help reduce the energy dependence of the state as a whole, as well as take advantage of the green tariff.

Therefore, let us pay attention to certain elements of the financial markets and their institutions that contribute to the processes of capitalization. By analogy with the stock market and the work of its institutions, we offer to take into account the specifics of waste management activities as follows.

We suggest to consider solid domestic waste products as a specific commodity under the conditions of rigid resource saving, which transforms demand for it into a separate market economy, forming a logistic system of management of solid domestic waste products at the national level. The processes of recycling and utilization of solid domestic wastes become effective tools for reducing destructive environmental impact, while, at the same time, they positively affect the enterprise itself, increasing its revenues. From this point of view, it is possible to consider households, which use modern green technologies, being able not to pollute the environment by recycling solid domestic waste, as well as to earn profits by capitalizing their activities in this direction.

Conclusions.

The existence of real environmental threat caused by the generation of a great amount of non-recycled solid domestic waste products has been established, and to solve this problem, new plants for recycling and utilization of solid domestic waste products should be built up. The field of recycling of solid domestic waste products requires significant investments, including foreign investors and international organizations, since we require not only enterprises that are engaged in waste products management, but also new models of solid domestic waste management, which will allow not only to get rid of rubbish, but also to get both energy and economic benefits. Among the innovative directions of solving the investigated problem, it is necessary to invest money in the construction of the newest CHP using solid domestic waste products as an energy resource. Such an innovative approach will allow to produce not only thermal but also electric energy, which will help reduce the energy dependence of the state as a whole. The study calculated the ratio of relative tensions of the ecological economic status of the territory, which takes into account the land throughout the territory, which indicates the level of environmentally dangerous development of the territory and indicates the shift of the natural-human system in the direction of increasing human impact, or to increase the potential for renewal of natural resources.

References.

Crocker, K. J., Masten S. E. (1996). Regulation and Administered Contracts Revisited: Lessons from Transaction-Cost Economics for Public Utility Regulation. *Journal of Regulatory Economics* 9, 5-39

Czop, M., Kajda-Szcześniak, M. (2013). Evaluation of Basic Fuel Properties of Waste from Renovation and Construction Selected from Municipal Wastes. *Rocznik Ochrona Środowiska*, 15, 1426 – 1440.

Fuentelsaz, L. (2012). Switching Costs, Network Effects, and Competition in the European Mobile Telecommunications Industry. *Information Systems Research*.

Generowicz, A., Kowalski, Z., Banach, M., Makara, A. (2012). A glance at the world. *Waste Management*, Vol. 32, Issue 2, pp. 349 – 350.

Klein, P. (1996). *New Institutional Economics*. Ghent, Edward Elgar and University of Ghent.

Koval V. (2013). Integration processes in the telecommunication sector in Europe. *Současná Evropa*. №2, pp.129-141.

Koval V. (2017). Competitive policy and regulation of oligopolistic markets with network effect. *Zeszyty Naukowe Państwowej Wyższej Szkoły Techniczno-Ekonomicznej im. ks. Bronisława Markiewicza w Jarosławiu. Współczesne Problemy Zarządzania*, 11, 143-162.

Koval V. (2019). Institutional determinants of state policy to regulate services markets. *Social and legal aspects of the development of civil society institutions: collective monograph. Part II.*BMT Erida Sp. z o.o., Poland. (109-125).

Koval V. (2018). Investment and capitalization of assets in the management of economic development. *Eastern European studies: economics, education and law: Proceedings of the International Scientific Conference. Volume I.* Burgas, 98-100.

Koval V., Slobodianiuk O., Yankovyi V. (2018). Production forecasting and evaluation of investments using Allen two-factor production function. *Baltic Journal of Economic Studies*, 4(1), 219-226.

Koval V., Polyezhaev Y., Bezhlibna A. (2018). Communicative competences in enhancing of regional competitiveness in the labour market. *Baltic Journal of Economic Studies*, Vol. 4, № 5, pp. 105-113.<http://dx.doi.org/10.30525/2256-0742/2018-4-5-105-113>

Koval V. (2018). The impact of competition on the economic security of enterprises. *European integration of economics, education and law: Proceedings of the International Scientific Conference, March 22-23, 2018.* Warsaw: BMT Eridia Sp. z o.o., pp. 19-21..

Koval, V., Prymush, Y., Popova, V. (2017). The Influence Of The Enterprise Life Cycle On The Efficiency Of Investment. *Baltic Journal of Economic Studies*, 3(5), 183-187. doi:10.30525/2256-0742/2017-3-5-183-187.

Koval, V.; Petrashevskaya, A.; Popova, O.; Mikhno, I.; & Gaska, K. 2019. Methodology of ecodiagnosics on the example of rural areas. *Architecture Civil Engineering Environment*, 12(1), 139-144. doi: 10.21307/ACEE-2019-013

Porter M. (1988). *Clusters and the New Economics of Competition*. Harvard Business Review, November-December.

Richman, B. D., Boerner C. (2006). A Transaction Cost Economizing Approach to Regulation: Understanding the NIMBY Problem and Improving Regulatory Responses. *Yale Journal on Regulation*, 23(1), 29-76

Schumpeter, J. A., & Opie, R. (1934). *The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle*. Cambridge, Mass.

Tirole, J. (1988). *The theory of industrial organization*. Cambridge, Mass: MIT Press. Chicago.

Williamson, O. E. (1996). *Efficiency, Power, Authority and Economic Organization*. Boston, Kluwer.

State Statistics Service of Ukraine (2016). Basic indicators for the generation and treatment of wastes. Retrieved from <https://ukrstat.org>.

Nevenka Maher

*Dr., Associate Professor,
Ljubljana School of Business,
Ljubljana, Slovenia
neva.maher@telemach.net
orcid.org/000-0001-7012-6395*

FROM HUMAN CAPITAL TO INTANGIBLE CAPITAL

***Abstract.** European Economic Integration means values, active citizenship and deep understanding of EU policies and their measures. General problem is that there is no economic integration without Institution capacity building, neither without knowledge, competences and skills building of individuals. In this context, while in the XXI. century every subject is to be competitive: a state, a corporation, a SME and individual, it is important task to research and analyse intangible assets potentials as intangibles have become an important driver of growth. That is why economic subjects invest in intangibles as it brings more added value as investment in tangibles. This paper turns attention to intangibles in the context of sustainability for European Future we want for European Integration. The paper summarise abundant research and publications which contain background for solution of the problem why corporation have intangibles under control, while public sector, EU and SMEs lag behind in identifying, measuring and valueing intangible assets as property, and intangibles are also not also reported in balance shet. Although in EU innovations became a concept for development, growth and quality jobs, even link among innovations and intangibles is not transparent. The paper turns attention to the basic of European Integration and sustainability, starting from the key value as human capital is. Nowadays, in intangibles based economy, when the development and sustainability are relevant for economy, human capital per se it is not an economic cathegory as intangibles are. It is to understand the transformation of human capital to intangible capital that brings multiple added value, its context and EU background.*

JEL Classification: A20

Introduction.

The global development challenges have become increasingly interrelated, requiring us to take interdisciplinary approaches and seek non-linear solutions. Important development trends like urbanization, climate change, and inequality pose significant challenges on the path to achieve the 2030 agenda of achieving the Sustainable Development Goals. These transformations are happening as the Fourth Industrial Revolution 4.0 and are questioning our traditional approaches to development design and its delivery. The innovation brought the huge potential and opportunities to transform the economies, societal and governance structures and boost the ability to make 2030 Agenda reality. However, concerns and uncertainties, technologies on labour market, the nature of work, inequality, economic and political structures, growth models, and how public institutions serve people - are to be discussed. Though the scope and scale of these concerns are way beyond the view of any single entity, the innovative responses could be generated with collective efforts: from governments, international organizations, private sector, civic society, academia, think tanks, and other partners. The current smart economy has defined new rules for economic leadership – governance and management as intangible assets have become the foundation of wealth creation.

The ability of institutions and organisations to compete in today's complex political and business climate relies on effective governance and management of intangibles and the development of strategies to leverage and exploit knowledge assets. Knowledge, competences and skills are individual capabilities to execute activities as knowledge processes, and to drive performance in creating value, overcome challenges and confront uncertainty.

While implementing innovative approaches in development, governments strive to support countries to design effective solutions to tackle complex development challenges and accelerate action on the progress towards achieving the sustainable development goals, SDGs, through collaborations with changemakers and other stakeholders in the ecosystem to strengthen the network of knowledge, experience, resources and capacities.

Innovation is the creation, selling, marketing and using of new ideas and products. »Innovation is more than technology. EU innovation policy must be based on a definition of innovation that acknowledges and values all forms of new knowledge – technological, but also business model, financing, governance, regulator and social – which help generate value for economy and society and drive systemic transformation« (LAB-FAB-APP, pp.12). The promotion of innovation within a country and investment in R&I cannot succeed if it is not system driven and by central authorities that can effect nationwide changes. The supporting context of institutions, policies, infrastructure, logistics, technology, culture, communications, marketing, knowledge production, business environment, entrepreneurship, intellectual property protection, information and communication technology connectivity - all provide a foundation upon which innovation could take place. Innovations are also a concept as they are competitiveness drivers. Innovation dynamic makes rapidly change, digitisation, artificial intelligence and robotics grow exponentially. On macro level it is to rethink policy and measures, in business to renew business model. Relevant strategy is needed and its operationalization, management, marketing and entrepreneurship that investments in R&I will perform added value, growth and new quality jobs.

The European Union changed a lot from its establishment and throughout its evolution. The globalisation in the XXI. century brought tremendous changes: the sustainability and human capital, which is incorporated within a worker, as a basic values, becoming of great importance to be under control. European Communities are involved in evolution – of human capital and significant changes in sustainable development; the evolution of economic integration is identified. A worker is no more just a blue collar: a worker is owner of its human capital. He has knowledge, competence and skills that are potentials through a contract transferred to an enterprise. However, there must be systemic managing and governance, that management is result based to produce added value. Management is responsible to perform know-how from knowledge. Management is to have knowledge, competences and skills to identify, measure and value intangible assets. As intangible assets are economic categories, as an assets they are property with specific characteristics – they bring power and multiple impacts. That is why the role of institutions in the process of economic integration increases. Institutions must take care for property as property supports development, growth and new quality jobs (what ensures sustainability in capitalism). Many transnational firms grew bigger as states are, what can jeopardise resources of

community budget, its structure and use. It is crucial for sustainability to identify the factors that determine the budget resources system, to be capable to do EU-financed actions and projects. Eleven recommendation for European Future we want are important precondition for European integration in future, as the relevant strategy along the financial perspective is important. It is important research and development (R&D), research and innovation (R&I) and to invest in intangibles. In this context OECD highlighted: «The uneven economic recovery has widened the gap between countries experiencing low growth, and which have difficulty maintaining research and development expenditure and investments in intangibles assets, and countries experiencing higher growth, and expanding their national intellectual assets portfolio. Even within Europe, noticeable cross-country differences in investment profiles signal a growing threat to the cohesion of the European Union» (OECD, 2013).

Key stakeholders, as governance, public administration, Academia, long life learning institutions and SMEs are to understand how millenium changes affect their know how as most important potential of producing added value. As research and innovation (R&I) are key drivers of competitiveness, growth and quality jobs, it is awareness to rise, disseminate information and promote how to overcome existing barriers for future we want. However, there are some specific implications for the sustainability and development to be met in statistical data: Europe is the first, who invest most, however its progress is not so fast. What can we say about the present implications for development, with special regard for Europe? Is Europe good in investing in human capital, but does not take enough care about property of intangibles: their identification, measurement and valueing? If not unlocking intangibles potential, the gap within equality will continue to be deeper, on micro and macro level.

Management in SMEs and public management must be more result based and investment in R&I creating more intangibles as intangible asstes are important property on which is based sustainable development. Globalisation and fast growth of digitisation has been already turning knowledge based economy to economy based on intangibles, still EU is lagging behind. That is why the recommendations for EU future exposed that it is crucial that investments in intangibles increase and knowledge is to capitalise. Efficiency of governmental policies and quality of public policies measure are to sustain development. Paper exposes the need that awareness, dissemination of information and promotion of knowledge about intangible assets. LAB-FAB-APP Investing in the European future we want, Report of the independent High Level Group (HLG) on maximising the impact of EU Research&Innovation Programmes, exposed intangibles value from the point of view of needed investment in R&I, as EU added value should increase for sustainable development. Mentioning intangibles is important as LAB-FAB-APP sets the scene for a public and political debate on R&I in the Multiannual Financial Framework post-2020 wider audience: EU institutions as well as the broad range of stakeholders are involved. As economy based on intangibles economy is different from the tangible one, stakeholders must be aware of new problems and to manage them. That is why this paper exposes aspect of activities needed for key stakeholders groups, as they are: governance on EU and state level, public administration, Academia, long life learning institutions and SMEs.

1. Methodology

The paper answers to research question: What are key stakeholders and what activities are to be performed that intangible assets as economic categories will be benefit for future we want.

Methodology is based on empirical, teoretical and practical experiences, also discussion with relevant stakeholders, all is presented in LAB-FAB-APP annexes. I did also my personal research and analyse as one of High level group members. HLG was invited from European Commission through Carlos Moedas, Commissioner for research, science and innovation, to draw up a vision and strategic recommendations for R&I. »We need to continue investing in science, whether disruptive or incremental – LAB. We need to become much better in fabricating added value products and services, converting the results of sciences into innovative solutions that generate value for economy and society – FAB. We need to ensure that these solutions find their application for the benefit of society, and with the more active participation of citizens – APP«, Pascal Lamy, High level group's president, stressed at the public presentation of LAB-FAB-APP recommendations (Conference proceedings, 2017, pp. 6). High level group have been building analysis, findings and recommendations on the results of the interim evaluation of Horizon 2020, on a collection of documents and also on issue papers prepared by the Commission services at request within a focus to maximise the impact of future European Union (EU) research and innovation (R&I) programmes (details of the Group's mandate are in LAB-FAB-APP, pp. 23, Annex 1).

As the document the Interim Evaluation of Horizon 2020, was a framework for the HLG's work, HLG's members did their additional observations and took a new look in many a document and data for better focus on this paper questions. I read again documents and analysed data of: Eurostat, Organisation for Economic Co-operation and Development (OECD), European investment bank (EIB), World Intellectual property Organisation (WIPO), etc. The stakeholders' input was received as a part of the Horizon 2020 interim evaluation , additionally there were HLG consultations with a range of predominantly European-level stakeholder organisations and received feedback from stakeholders. Interim evaluation methodology used text- and data-mining tools to investigate the relevance and impact of the Framework Programme and applied relevance-assessment methodology. Methods used for the in-depth 'thematic assessments' include: expert groups, case studies, surveys, interviews, text mining, statistical analysis, documentary reviews, internal assessments, bibliometric analysis, patent analysis and social network analysis. Extensive analysis were carried out by the responsible Commission services on the different programme parts of Horizon 2020 as thematic assessments, on the cross-cutting issues, on the Horizon 2020 funding model and various Horizon 2020 instruments/actions (initiatives from Articles 185/187, Fast Track to Innovation, Small and medium size enterprise (SME), European Institute of Innovation and Technology (EIT), on the new management modes (based on external evaluations of agencies and internal data), and on participants' networks.

2. Activities to be performed while investing in the European future we want

A vision and strategic recommendations for the European future are defined in the European Commission (EC) document 'LAB-FAB-APP investing in the European future we want'. Recommendations for EU future exposed that It is crucial that investments in intangibles increase and knowledge is to capitalise. LAB-FAB-APP is a vision but also sending important messages: »Europe can have the most impressive talent pool on earth, but it will fail to capitalise on this if the education system does not foster a more innovative and risk-friendly culture« »EU lags behind in investing in intangibles (40 % compared to 60 % in the US) (LAB-FAB-APP, pp. 13).

Eleven recommendations on EU future we want are:

1. Prioritise research and innovation in EU and national budgets.
2. Build a true EU innovation policy that creates future markets.
3. Educate for the future and invest in people who will make the change.
4. Design the EU R&I programme for greater impact.
5. Adopt a mission-oriented, impact-focused approach to address global challenges
6. Rationalise the EU funding landscape and achieve synergy with structural funds
7. Simplify further.
8. Mobilise and involve citizens.
9. Better align EU and national R&I investment Action.
10. Make international R&I cooperation a trade-mark of EU research and innovation.
11. Capture and better communicate impact (LAB-FAB-APP, pp. 9-22).

When reading LAB-FAB-APP recommendations there is a mentioning intangibles. There are messages and references to key instruments and activities to act that investment in intangibles will bring more added value: »...in turning knowledge into innovation and growth there is in EU a comparative disadvantage"...“When looking ahead to the future of Europe in a global world, the contrast is striking between Europe’s comparative advantage in producing knowledge and its comparative disadvantage in turning that knowledge into innovation and growth” ... “EU trails well behind many trading partners when it comes to innovation« (LAB-FAB-APP, pp. 7). It is »to help bridge the valley of death between fundamental research and commercialising a new product and service«. Turning knowledge and knowhow to intangible assets also include »consistent indisciplinary as a source of technological and other innovation such as educational, business and social innovation« (LAB-FAB-APP, pp. 14).

LAB-FAB-APP is also exposing new definition of innovation as innovation is more than technology. EU innovation policy must be based on a definition that acknowledges and values all forms of new knowledge – technological, but also business model, financing, governance, regulatory and social – which help generating value for the economy and society and drive systemic transformation. Due to the new definition of innovation acknowledges and values - all forms of new knowledge: «Innovation is more than technology (LAB-FAB-APP, pp. 12).

3. EU values and policy background to research and innovation

Basic values are put down in Acquis Communautaire, Sustainable Development Goals and in Lisbon Treaty. Agenda Lisbon 2000 was adopted EU strategy to come to knowledge based economy. That is why it is to invest in people, that is why Europe is to become »knowledge based economy« (Lisbon 2000 Agenda and Bologna reform 2004). In 2019, we live in intangibles based economy in which economy and management function different from knowledge based economy.

Treaty, EU primary and secondary legislation, support functioning European Union; also EU policies with their instruments and measures are important for EU to function. EU strategy 2020 objectives are growth, quality jobs and sustainable development. The same objectives are on EU and national level, on macro nad micro level.

In Europe 2020 Strategy there is a target of 3% of gross domestic product for research and development across the Union by 2020. It shall thereby support the implementation of the Europe 2020 Strategy, its eleven priorities and other Union policies, as well as the achievement and functioning of the European Research Area (ERA). Investment in people became a crucial growth factor, particularly in the current digital context, innovation and rapid technological change. Both at individual and at the aggregate level, human capital role is particularly crucial in EU Strategy 2020 for economy based on knowledge and innovation. EU policy priorities are defined within EU strategy 2020. Its main objectives are growth, quality jobs and sustainable development. EU policy measures focus to competitiveness and stakeholders act to be competitive. Policy measures have been facilitating the emergence of the knowledge economy and are facilitating intangible based economy. Policy may stimulate investment in intangible assets and the creation of a knowledge-based economy. This can be done by means of direct public support (e.g. investing in public R&D and building a strong science base), by tailoring taxation schemes accordingly, public procurement and promoting business-science linkages and knowledge transfer. Governments can stimulate investment directly by supporting firms in getting access to finance for (e.g. by loan guarantees, state backed venture capital or public procurement). Direct public support also includes investment in infrastructure: ICT, digital, innovation eco system, start-up, eco RI system. Digital society is a part of economy based on knowledge and innovation what management should be aware. To create a digital society means to act for Digital Single Market: it is a policy and one of EU 2020 strategy priorities. EU functions through its policies and their measures besides EU legislation and EU fundings. Building smarter cities, improving access to eGovernment, eHealth services and digital skills to enable a truly digital European society are within functioning EU building EU competitiveness.

European Semester monitors and follows up growth and development by policy measure indicators. (It is to mention there is no monitoring indicators about intangibles. Smart specialisation strategy is a EU country precondition to use EU structural funds, all in the context of EU strategy 2020. (The economic rationale for investments in knowledge and R&I is at utmost importance, as EU added value should be increased, also efficiency of managing

funding, effectiveness of institutions and enterprises and policy measures impact). There is also Strategy of the commitments of the Innovation Union strategy that seeks to achieve smart, sustainable and inclusive growth in Europe, as well as the achievement and functioning of the European Research Area (ERA). ERA confronts EU within its: Constitutional issue as governance to support EU policies. Institutional make-up and also brings up questions of accountability. toward a more social attitude of responsibility, where the focus of policies and business is shifted away from purely financial goals towards contributing to the welfare of society. Gender and equality values. Socio-economic and cohesion policies. Multi-stakeholder partnerships need greater local involvement to fulfil their peace-building potential.

Also Horizon 2020 as a Framework Programme was adopted in the context of the Europe 2020. Framework Programmes are the EU's main instruments for the funding science, research and innovation. In future, it will be Europe Horizon or Framework Programme 9 and its general objective in period 2021-2027 is to contribute to building a society and economy based on knowledge and innovation. That is why 'R&I as a concept' is explained in EU legislation framework and as EU policy.

4. A renewed European Agenda for Research and Innovation

A renewed European Agenda for Research and Innovation is explaining 'R&I as a concept' in detail: "Investing in research and innovation is investing in Europe's future. It helps to compete globally and preserve unique social model. It improves the daily lives of millions of people here in Europe and around the world, helping to solve biggest societal and generational challenges." (Agenda for Research and Innovation, pp. 3). "This reflects the fact that society can only move forward as fast as it innovates. It can only provide lasting prosperity if it makes the most of the knowledge, entrepreneurial spirit and productivity of its people. And it shows that any economy can only stay ahead of the competition if it stays at the frontier of cutting-edge research and innovation." (Agenda for Research and Innovation, pp. 3) The next wave of innovation, combining physical and digital, will be rooted in science, technology and engineering, where Europe has and needs to maintain a competitive edge: The EU should encourage new market opportunities for innovative goods and services. It should also stimulate synergies and cross-border investment in research and innovation bringing mutual benefits to people and businesses, however Europe is experiencing an innovation deficit. This is not down to a lack of ideas or initial start-ups: the problem is rather a lack of scale-up and diffusion, with innovations not always being translated into new market and growth opportunities. Industry investment in research and innovation has to step up. As the EU is behind China and the United States of America in levels of investments in the technologies that are set to dominate in the future, the study what is happening in innovation era with intangible assets: who performs (or not) intangibles and who is the owner of intangibles. The EU is currently spending close to EUR 80 billion for its Horizon 2020 Research and Innovation Framework Programme over 2014-2020. The European Structural and Investment Funds are investing over EUR 44 billion in research and innovation. To make the most of its potential, and to overcome its obstacles, Europe must focus its approach on three levels.

First, substantial investment is needed in scientific and technological research, with a focus on major societal and industrial challenges such as security, climate change, and the impact of an ageing population. Second, the business environment must be made more innovation-friendly and less risk-averse. Third, European citizens must be supported through what will be a fast and, for some, turbulent transition.

Europe's chance to lead the next wave of innovation will depend on ability to put together the right mix of policies and instruments. It is essential for Europe to support the competitive development also of strategic value chains of the future. The European Innovation Council stimulates strong collaboration between the innovative companies it funds and large corporates, investors, technology giants and industrial leaders to spur new partnerships and help small companies scale-up their business. Events with leading European and global players are sure to unlock opportunities for companies across Europe. Bridging the gap between SMEs and large companies can prove to be a vital strategy for business acceleration and growth. Large corporates have scale, but are often limited when it comes to developing new ideas that challenge existing business models. The EIC is an opportunity for small and large European companies to collaborate and leverage the diversification of Europe in order to win in the digital era and develop new sustainable business models and opportunities.

5. Digitisation and innovation era demand to develop intangibles as economic categories

The context of economy based on knowledge and innovation brought responsibility to management to implement relevant approach and use competitive business model in order to perform added value. As intangible assets are concept development within European Union policies, digital society and result based management, concepts as: intangibles, EU policy, digitalisation and management are important; their relationship have to be clearly understood in the context of industry 4.0. last, but not least - identifying, measurement and valueing intangible assets contribute to productivity through higher added value.

We live in Industry 4.0, in economy based on knowledge and innovation; digital is connected to every product, service and property. European society is driven largely by technological and market innovation. As innovation appears as the first driver of growth, it brings new tasks to management: innovation is to bring more added value. As innovation became key driver of growth, for jobs and sustainable development, for management this involves its understanding of the approaches, models and tools for assessing and managing intangible assets to support the renew and the development of new business models aligned with the strategic competitive scenario design. Traditionally a company's value stemmed from its working capacity while its competitiveness was associated with all the following: its material resources, its ability to procure raw materials at a reasonable cost, the standardisation of its production, a rational division of labour, transport »... now this value has increasingly been seen to be based on know how, while competitiveness is fruit of the company's store of knowledge...« (Unlocking Investment in intangible Assets, pp. 7). Best firms are branding; their services and products are sold as rights of intangible property.

Digitisation of resources and activities empower economy on micro and macro level. Digitisation, innovation, research and knowledge, they are all interrelated and impact each other. This is a context in which business is (to be) managed to come to result. But, in EU »...in turning knowledge into innovation and growth there is in EU a comparative disadvantage”...“When looking ahead to the future of Europe in a global world, the contrast is striking between Europe’s comparative advantage in producing knowledge and its comparative disadvantage in turning that knowledge into innovation and growth. It does mean that managing of knowledge into innovation and growth is not effective« (LAB- FAB-APP, pp. 7-8).

Public intervention are policies and their measures. The EU strategy access is intervention, through policies and measures. In 2000, in EU a great reform was done (Lisbon Strategy) for knowledge based economy in which subsidies were substituted by intervention measures. In globalization, relevant intervention is needed to foster growth, on macro and micro level. So measures are needed to create intangibles, but taking into account the context when intervening.

6. Intangible assets concept development within European Union policies

Knowledge-based society and economy capable of sustainable economic growth with more and better jobs and greater social cohesion brings new challenges: not only to the development of human resources but know how and developed intangible assets. It is also to add an important role of management to find adequacy of all existing methods to perceive and develop business capacities.

Digital capital (among them are key human resources and their knowledge and know how that stands behind processes which were key to develop products and services for organisation and economy) takes two forms: tangibles assets as servers, platforms, and intangibles: big-data, analytics capabilities, business models, patents and processes – they all can be licenced for royalty income and not by least, brand equity that company can create also through digital engagement.

As there is a disruptive nature of digital assets in research, e-commerce, social media,... it is important to embrace digital capital as real capital – equity, identified, measured and valued as an economic category in accountancy system. It is a challenge for management to be result oriented. Management must be aware of new ways of doing things and to propose relevant accountant policy. Basic management task is to use resources efficiently and perform best result. »Also largely uncounted, intangible digital assets may hold an important key to understanding competition and growth in the Internet era«¹.

Management responsibility, on micro and macro level, is to be close to economic reality and to implement matching between digital and innovation economy and the way we account for it: to invest and to capitalise. To deal with such problems management has to further seek

¹ In 2013 US Bureau of Economic Analysis in GDP figures categorized research and development as fixed investment and joined software in a new category called intellectual-property products (<https://www.mckinsey.com/industries/high-tech/our-insights/measuring-the-full-impact-of-digital-capital>).

for transparency, orderliness and continued system action. The only method that can be proposed for such an action is nothing new: to be pragmatic, all the time very close with real life to test actions and activities in practise.

In EU, on macro and micro level, It is expected that new knowledge and key competences could be developed and open R&I knowledge translated into economic and societal values. There are policies, smart specialisation strategy, measures and funding as added value dimensions of research and innovation mobilise EU potential at global level by coordinating national and EU programmes, structures the EU R&I community and brings to unification of science & technology, contributes to societal objectives and exploits opportunities, also for digital society, for European science, technology and industry.

The results show, moreover, that trends of investments in intangibles have been rather stable even during the recent crisis. Intangibles are found to be vital for productivity and economic growth and can help explain productivity differentials (e.g. across Member States) as intangibles are at the core of what makes firms competitive. »In the EU-15, the contribution of total intangible assets to output growth is between one and three times as high as the contribution from tangible assets. Moreover, closing the gap in investment in intangible assets vis-à-vis the US was found to contribute positively to closing the gap vis-à-vis the US« (Unlocking investment, *ibid.*, conclusions).

7. Role of intangible assets in digitisation

Intangibles are economic categories which bring benefit. They are property with a power of equity capitalisation. »In many of today's ICT-related firms (information technologies, mainly Internet and telephony firms) the value of the intangibles accounts for over 90% of the total value.«(Unlocking Investment in intangible Assets, pp. 7).

Intangibles specific characteristic is that they are created in virtual world and are not seizable. Examples of intangible assets are: trademarks, customer lists, motion pictures, franchise agreements, computer software, etc. Most of today investment in intangibles are in trademarks. Trademarks capture ability of companies to introduce offerings in the market and create business success.

Important groups intangible assets are: Marketing-related intangible assets (trademarks, internet domain names, noncompetition agreements), Customer-related intangible assets (customer lists, customer relationships), Contract-based intangible assets can be licensing agreements, service contracts, lease agreements, franchise agreements, employment contracts and Technology-based intangible assets are patented technology and computer software.

An intangible asset needs by definition to have the following three features:

1. It is identifiable: It is separable and future economic benefits from the asset can be individually determined as an economic category (economic categories have their defined place in account plan).

2. As they are identified, measured and valued, they are under control and the firm has the power of obtaining future economic benefits. As they are on paper, the firm can restrict third party access there to.

3. Future economic benefits are expected to accrue there from: It generates income, savings or returns on use. Intangible assets capitalisation brings more equity.

There are two big differences between tangibles and intangible assets. First, most measurement conventions ignore intangibles. Intangibles can be formalised or not. To be formalised, it means to be economically /within accountancy system following accountancy standards/ identified, measured and valued (International Accounting Standard, IAS 38 is about Intangibles). Second, the basic economic properties of intangibles make an intangible-rich economy that behave differently from a tangible-rich one. While value of tangible is through its use lower, there is a reverse situation with intangibles. Management should turn his attention to the principle of prudence advocates against the inclusion of intangibles in balance sheets to avoid giving a false impression of the company's worth. The non-recording of intangible assets in accounts statements explains the difference between companies' book value and market value. The book value takes into account only the value of the physical assets while the market value includes the valuation of the firm as a whole.

Intangible investment as a real investment are investment in brand names. Innovative property refers to the innovative activity built on a scientific base of knowledge as well as to more broadly defined innovation and new product or process R&D. (In everyday life, management speak about investment as costs as they are: investment in economic competencies as spending on strategic planning, worker training, redesigning or reconfiguring existing products in existing markets).

Intangible assets and human capital make firms competitive. Investments in intangibles raise added value, long-term they increase capital accumulation. The advent of the 'knowledge economy' has led to the recognition of intangible assets as essential value creators. Intangible assets are specific to perform and sell. They impact economic subject and characteristics of the company that produce them. Intangible investments generate spillovers, while tangibles do not. In time, their value increase, while tangibles do not. Intangibles have also virtual effects, due to reputational effects what is of great importance for marketing and business. Buyers, sellers, stakeholders, management and employees are attracted by brand as a reputational value.

Human capital is skills and technical ability of people. Social capital is skills and technical ability of all people, still in the context how people fit together. Physical capital, human capital and social capital, all together, are often named as intellectual capital. Intellectual capital is not an economic category and as such it is not put in balance sheet. Knowledge-based economy concept is building and transforming human resources into skilled workforce equipped with innovative and creative abilities. The economy based on intangibles can create capital: i.e. intangible capital. This intangible capital is replacing physical capital - tangibles. Intangibles are economic category: but to do entries in balance sheet, intangible assets must be identified, measured and valued (International Accounting Standard, IAS 38).

Intangibles are economic categories which bring benefit. They are property with a power of equity capitalisation; the same as tangibles. In industry 4.0, due to digitisation and

innovation, investment in intangibles brings more added value as in tangible assets. Intangibles can be formalised (following International Accounting Standard, IAS 38) or not.

In economy intangible act as a resource and intangibles are results as a value of property. They could be complementary among different intangibles. That is why their nature, their content and the context in which they could be capitalized is significant. On their nature, their content and upon their context, governance, management and business needed activities depend when there is investing in R&I. Their nature, their content and context defines entrepreneurship and marketing management to be performed. That is why corporation, SMEs and public administration study intangibles from their three main aspects: (1) specific characteristics, (2) materiality and risks and (3) complementarities among asset types.

Intangibles specific characteristic is there must be commercialization and innovation to be brought to a market. It is not production that brings most of added value but it its good selling and marketing. Most added value is performed through strategic management marketing and its branding. Strategy, management, entrepreneurship, marketing – all these activities bring to competitiveness and higher added value. “There is evidence of a positive correlation between the market value of a firm and its investment in intangible assets” (Unlocking, p. 36). The prove is that market and book value of a company is never the same and even increasing.

8. EU Knowledge based economy (2000), EU research Area (2003) and eco-system R&I (2015)

What have in common EU Knowledge based economy, EU research Area and eco-system R&I? To perform from knowledge, competences and skills know how and intangibles as property – a special non-financial capital.

Economies function within different degrees of 'distribution power'. In the knowledge-based economy, the science system must balance not only its roles of knowledge production (research) and knowledge transmission (education and training) but also the third function of transferring knowledge to economic and social actors, whose role is to exploit such knowledge. Joint research projects and other linkages are calling for attention to economic issues such as exclusive licensing, intellectual property rights, equity ownership, conflict of interest, length of publication delays and commingling of funds.

Academia, enterprises/SMEs, public institutions responsibilities in science, research, innovation and education are to work more on methodology for competences and intangibles as they are key EU resources for EU growth, quality jobs and competitiveness: this meant to perform 'Knowledge based economy'. The shortfall in human capital development is the key weakness: from inadequacies of the schooling and training systems to retention of public sector academics, researchers and science council staff. Strengthening of relevant human capital development means education, training, HC standards and other. Spend human resources effectively and manage them within EU Knowledge based economy underlined also EU research AREA, following Lisbon Agenda 2000. Nowadays, the economies are strongly dependent on the production, distribution and use of knowledge than ever before. Knowledge,

as embodied in human beings (as “human capital”) and in technology, has always been central to economic development. When there is a capital in question, EU cannot compete in financial capital, however, there is one capital, EU could be stronger: it is to develop human/intellectual capital; nowadays – intangibles based economy. All subjects within R&I system play an important role and diffusion of knowledge.

Knowledge stocks and flows, knowledge distribution and the relation between knowledge creation and economic performance are still unmapped. New knowledge creation is not necessarily a net addition to the economically relevant knowledge stock. It is still actual from the year 2000: »Research activities at national and Union level must be better integrated and coordinated to make them as efficient and innovative as possible«..., and ...«innovation and ideas must be adequately rewarded within the new knowledge-based economy«(Lisbon strategy, pp. 12). In 2000, Lisbon Agenda declared knowledge based economy and its link with EU research area was put in EU documents. Still, the invisible part of knowledge based economy and science and innovation contribution to added value and its exploitation, all stakeholders need to understand and implement in practice. As all actors meet every day on local level, there can be some push arranged and academia to take an active role. OECD since decades has been doing an excellent job and prepared a lot of literature about competences, intangibles, etc. It is still awareness to rise to this knowledge first of all to public sector and SMEs as is not enough known neither disseminated.

9. Move from research to innovation pose new demands

The achievement of an innovative and technology-rich economy and society depends on the quality of human capital, people who have expertise informed by knowledge experience of research, vision to provide leadership for innovation; inspiring teachers technical personnel at a variety of levels; entrepreneurial, driven business-people; competent managers and public servants; and a citizen that can effectively participate in. Human capital requires institutional infrastructure (space, logistics, administration, strategic support, advice and collaboration, and research students), hardware and information technology.

For employment, productivity and longterm growth effects driven by science, research development and innovation involvement, collaboration of all potential actors is important. As innovation should be supply and demand driven, actors are: firms , corporations and SMEs, academia, public sector and civil society. Also financial success of R&I exploitation is relevant for their common sustainability as all are involved in creation of added value. Human capacities are to be built in areas of management, entrepreneurship competences and skills, accountancy, engineering and design – from elementary school to doctor degree. Government policies relating to science and technology, industry and education need them for enhancing knowledge diffusion and upgrading human capital – skills and competencies, the capability to learn for improving the matching of labour supply and demand.

As stakeholders are to act accountable for sustainable goals, as first, they must have a basic knowledge of accounting and its link with R&I in regional context. More and more authors are turning the attention that the weight of accounting in the economy of different

areas should be considered and the possible vulnerability may cause a decline in added value production. Industry 4.0 push innovation as the first driver of growth and the main productive factor of added value. That is why the potential of human capital is to perform result. Successful human capital policy and intangibles management include effects and further innovation or changes.

When policy should consider the social differences between public accountancy, corporate or SME, also their regional/territorial/state influence, and progressing with using indicators such as tangibles and intangible assets, the role of academia is to be involved with relevant competence teaching. Also academia taking leading role about basic competences within long life learning is important. In the process of creating knowledge based economy it is further to create relevant knowledge as competences and skills are. It is in parallel also creating innovative based economy and performing from knowledge embodied in people (human and intellectual capital) to know how. Know how functions intangible asset, formally identified as intangible property in balance sheet or not. These invisible world causes in practice differences between stakeholders. In practice, there is lack of knowledge and academia should deal more with managerial accounting and its need to be taken into account for knowledge based economy. Knowledge-based economy building is transforming human resources into skilled workforce equipped with innovative and creative abilities; creating knowledge capital is replacing physical capital required less and less.

In order to manage intangibles both as a source of growth at the macroeconomic level, and as a driver of value creation for individual firms, it is important to measure them well. While nobody would disagree with their long-lasting benefits, the costs of most intangibles are still expensed in company financial statements and in national income and product accounts, implying that they detract from value-added growth rather than increasing it. Conventional measures of investment in the accounts consist primarily of tangible assets such as plant and equipment, vehicles, office buildings and other commercial structures. In reality, as the reported estimates in this article show, investment in intangibles in many advanced economies approaches the value of investment in tangible assets, and in some cases (such as in the United Kingdom and the United States) it even exceeds tangible investment.

10. EU role in global governance activities

There are four areas where identification of potentials in intangibles is important to be under control. That is why EU should play its role in global governance activities and to be organised around four main themes:

1. Identification of key elements in the regulatory framework of governance.
2. Policy issues in global governance (particularly those involving trade, finance, sustainability, technology as human capital as growth drivers and productivity factors, development, gender and inequality) in the context of Science&Research&Innovation.
3. The role of the EU in managing the knowledge as human capital is and its embedded knowledge in intangible property - for science, research and innovation as driver s of growth.

4. Human resources and intangibles/knowledge based economy .

The changing nature of industries is changing patterns of technology upgrading at industry level and factors that affect the building of technology capabilities at the firm level. These processes are increasingly becoming dependent on external sources of knowledge, but we do not have a precise understanding of the main stylised facts of patterns of upgrading at the firm and industry level in a globalised economic context.

To achieve long-term policy goals, activities of different stakeholders to four areas are to be focused: Giving innovation a central role in European policy. Focusing of EU policies culture to HC as potential of growth and structural change. Critical HC resources: competences, skills, intangibles property. Teaching and learning KBE society.

As process innovation assures high quality and efficiency, driving demand from business for greater productivity, efficient management is need for managing innovation in its creation of added value. Management is responsible to turn problems to challenges that challenges become opportunities and to give result. EU will need better co-ordination between national and EU policies as well as different policy areas. EU is to combat fragmentation and weak coordination in EU research through EU management, regulation and multi-level governance, to act as a corrective force for intangibles based society, promoting European Integration and sustainability culture, methodology framework and activities of cross-border cooperation forging closer ties among the diverse stakeholders.

When innovation is main driving force, it comes systematic scientific production and managing value added as international markets play in driving innovation and knowledge spillovers must come from technological advancement. “international markets and competition encourages firms to innovate. Countries that depend on technological advancements from abroad, however, may face disadvantages. In the participation of division of new added value brands are winner. The framework conditions for innovation should provide not to fail adequate incentives and rewards: that is why networks are needed for innovation – to be well enough developed within the private sector and between the public and private sectors. Also public policy instruments should consider the ‘demand’ side (e.g. lead markets and public procurement) as well as the ‘supply’ side (i.e. education, risk financing and developing R&I, science and technology). Policy issues in the context of Science&Research&Innovation today influence all over economy, policy, social life and sustainability.

11. EU sustainable economic growth and human potentials

Investment in people became a crucial growth factor, particularly in the current context of rapid technological change, and a key instrument for enhancing social cohesion; therefore it is supportive to the policy strategy set out in Lisbon 2000.

In Lisbon following broad conclusions about strategy were reached:

1. Investment in human capital contributes significantly to productivity growth.
2. There is clear evidence that human capital plays a key role in fostering technological change and diffusion.

3. Human capital investment appears attractive relative to alternative assets, both from the individual and from the aggregate perspectives.

4. Policies that raise the quantity and quality of the stock of human capital are compatible with increasing social cohesion.

Both at individual and at the aggregate level, human capital role is particularly crucial in EU Strategy 2020 for economy based on knowledge and innovation. Knowledge-based society and economy capable of sustainable economic growth with more and better jobs and greater social cohesion brings new challenges: not only to the development of human resources but know how and developed intangible assets. It is also to add an important role of management to find adequacy of all existing methods to perceive and develop business capacities. To deal with such problems management has to further seek for transparency, orderliness and continued system action. Management is not only to take leadership, but to plan and programme, to organise and coordinate business functions within a firm, management has to take care about human resources and to have all business linked actions under control. Management basic care is in fact that the system to work to perform results. The only method that can be proposed for such an action is nothing new: to be pragmatic, all the time very close with real life to test actions and activities in practise.

In EU, on macro and micro level, it is expected that new knowledge and key competences could be developed and open R&I knowledge translated into economic² and societal values . There are policies, smart specialisation strategy, measures and funding as added value dimensions of research and innovation mobilise EU potential: national and EU programmes, structure the EU R&I community and bring to unification of science & technology, contribute to societal objectives. Stakeholders are to exploit opportunities. Still, EU is not competitive enough and if there will be a huge investment in research and innovation as R&I are key drivers of EU growth and jobs, afore mentionned interrelation between digitisation, R&I and knowledge is to be under control.

The results show, that trends of investments in intangibles have been rather stable even during the recent crisis. Intangibles are found to be vital for productivity and economic growth and can help explain productivity differentials (e.g. across Member States) as intangibles are at the core of what makes firms competitive. In the EU-15, the contribution of total intangible assets to output growth is between one and three times as high as the contribution from tangible assets« (Unlocking conclusions). Management and institutions need to know the value of what might be the single most valuable asset in the company and business managers should know, the value of all assets under their control. In today's market the ability to understand and analyse the intellectual property and intangible asset strategies of your business has never been more important.

The starting place is to understand valuation and to be able to judge whether be able to exploit the assets better. Nowadays corporations are the best in their ability to create, manage

²IAS 38, International accounting standard intangible assets <https://www.iasplus.com/en/standards/ias/ias38>

and exploit ownership of intellectual property rights, IPR and intangible assets, as their rights to maximum. However, this effect is a required core business skill for companies both large and small, also in public sector.

In practice management is responsible for economic value and economic categories. Economic value is the maximum amount a buyer or consumer is willing to pay for an item in the market economy. Value is market value on labour market, market of goods, market of services and capital market. Intangibles are linked with all four. Economic value, often exceeds market value. The economic value of a good or service or worker or intangible asset as capital property is determined by the preferences of a given population and the trade-offs its members make given their resources. That is why the strategy should be complex and a business plan renewed. Successful corporations including brands may have indefinite useful lives.

Assets as economic categories can be individually accounted for under IAS38 and IFRS3 and can be categorised as follows:

- Technology-based - Patented technology, computer software, unpatented technology, databases, trade secrets;
- Marketing-related - Trademarks, brands, trade names, internet domain names, non-compete agreements;
- Contract-based - Licensing, royalty and standstill agreements, contracts for advertising, construction, management, service or supply, lease agreements, construction permits, franchise agreements, operating and broadcasting rights, use rights such as water, air, mineral, timber cutting and route authorities, servicing contracts, employment contracts;
- Artistic-related - Plays, operas, ballet, books, magazines, newspapers, musical words, pictures, photographs, videos, films, television programmes; and
- Customer-related - Customer lists, order of production backlog, customer contracts and related relationships, non-contractual customer relationships.

Besides IAS 38 economic point of view, there is in use a good concept from Hunter, Webster and Wyatt for intangible asset structure, as:

1. The human capital embodied in the skills, knowledge and experience of the management and workforce;
2. Organisational (or infrastructure) capital in the form of organization-specific structures, procedures and business or operational routines;
3. Relational (or market) capital, the established set of relationships with suppliers, customers, partners and business associates; and
4. Intellectual property, comprising assets like patents and trademarks, design titles, copyright and plant and seed breeders' rights, with a legal ownership embodied in the company.

4.0 industry brings a fundamental change for sustainable development. For a firm longterm efficiency and effectiveness it is not only to develop necessary cognitive skills and firm cognitive capability – but also relevant accounting methods. Intangibles and intellectual capital refers to the stored knowledge and cognitive abilities of the workforce. However,

although people are often using wording as 'human capital' or 'intellectual capital' they are not economic categories. Managers responsibility is to develop them into an economic category so as to become a property. Still, many surveys done showed that intangibles commodities such as training and staff development, innovation, marketing, management expertise are neglected. What is put in balance sheets, in most cases there is a value of soft ware computer programmes, entities even do not think about economic value of intellectual resources, most organisations still do not know how to reveal the value of these resources and how to give direction to future value creation. Many are not aware that intangibles are economic categories which bring benefit. They are property with a power of equity capitalisation; the same as tangibles. In industry 4.0, due to digitisation and innovation, investment in intangibles brings more added value. Intangible assets bring more to growth, to new jobs and sustainable development.

There are two big differences between tangibles and intangible assets. First, most measurement conventions ignore intangibles. Intangibles can be formalised or not. To be formalised, it means to be economically /within accountancy system following accountancy standards/ identified, measured and valued (International Accounting Standard, IAS 38 is about Intangibles). Second, the basic economic properties of intangibles make an intangible-rich economy that behave differently from a tangible-rich one. While value of tangible is through its use lower, there is a reverse situation with intangibles. Firm management should be aware that firm's profit is a result of its competitive characteristics and the combination of resources and marketing economic categories management as firm resources involves in business model.

12. Intellectual capital and management accountability

One of basic questions which appear nowadays, especially in a transition country it seems to be: how to develop capability and skills to perceive and to activate various type of knowledge for development goals and to solve problems of operating activities linked to intellectual capital. Nowadays there are three crucial elements of progress possibility: technology, science know-how and capital. The attention paid by economists to social capital has been rapidly increasing in the last decades. It is a peculiar form of capital, whose specific characteristic consists in the fact that it is not incorporated only in physical goods but also in single human beings, as physical and human capital. It is to monitor what is happening and performing if a management and its accountancy does a real push towards branding, managing management and its cognitive innovation knowledge. The Bologna reform introduced the measurement in credits and competences.

Within the private and public sector to link competences to activities to attain better results. This task focuses to a fundamental change first of all in management and in accountancy. For a firm longterm efficiency and effectiveness it is not only to develop necessary cognitive skills and firm cognitive capability – that leads and in fact means intellectual capacity of a firm, but also management access and relevant accountancy methods. That is why it is also on accountancy and management not to neglect human capital role as it is

particularity crucial in today knowledge based economy. It is of crucial importance to be aware what is happening with human capital. It is up to accountancy to report and management to be accountable.

Transition towards a knowledge-based society and economy capable of sustainable economic growth with more and better jobs and greater social cohesion brings new challenges to the development of human resources only if it is supported with suitable accountancy. It is also to add an important role of management to find adequacy of all existing methods to perceive and develop cognitive capacities. To deal with such problems management has to further seek for transparency, orderliness and continued system action – all with help of accountancy. The only method that can be proposed for such an action is nothing new: to be pragmatic, all the time very close with real life to test actions and activities in practise.

The age of knowledge has come and the enterprises present themselves as »knowledge enterprises« and their employees as sources of knowledge - »knowledge workers«. Knowledge has become not only a merchandise – but a capital, to be on the knowledge market. In economic sense there are four main markets: of goods, services, labour and kapital. In an enterprise there are human resource potentials and their competences - knowledge to become the capital. It is important to achieve competitive advantage on the market but also to develop knowledge as an economic category that brings added value.

The important concepts and definitions for intellectual capital include an emphasis that intellectual capital is based on knowledge and is usable in any enterprise. Knowledge and skills determine the possibilities of an individual to actively influence the social development and ensure their quality of life. an employee is not only an employee: it is also a service provider and intellectual capital who could provide intellectual properties (patents, licences, technical assistance, etc.). All these factors are very important economic categories and they demand a lot of accountancy evidence, analyse, record and reporting.

Accountants have traditionally concentrated on recording what has happened in the past; nowadays they are more and more providing information for decision-makers and frameworks for systematic making decisions to be as much profitable. As financial statements only represent a small part of the budgeting process, mostly it is performance reporting and setting performance standards what has already become a must to attain proper added value.

Further it is important to recognise and to value all kind of intellectual capital. Periodically it is carrying out an aggregation of data at the programme level so that progress against targets can be monitored³. If there is not developed accounting there is no success in good money absorption.

Also working document exposes that key steps from monitoring to effects are:

– Forecasting - beneficiaries should be asked to forecast outputs/results from a project.

³ Working document no. 6 (2007) Measuring structural funds employment effects, European Commission, DG Regional Policy, Thematic development, evaluation, additionality and innovative actions, pp. 20.

- Updating – at agreed points in the project lifecycle, beneficiaries should provide an update on actual expected outputs/results. Monitoring systems should be designed in a way that is versatile enough to handle revisions to the forecasts.
- Comparison with targets – the updated monitoring data on jobs should be checked periodically against targets.
- Quality checks – checks should be occasionally undertaken to ensure that project data on job outputs/results is accurate, e.g. there is no double or triple counting.
- Transition towards a knowledge-based society and economy capable of sustainable economic growth with more and better jobs and greater social cohesion brings new challenges to the development of human resources only if it is supported with suitable accountancy. It is also to add an important role of management to find adequacy of all existing methods to perceive and develop cognitive capacities⁴.

For management and accountancy, in this process, the key steps are:

- Providing clear definitions and guidance together with a common template for beneficiaries and intermediary bodies to use in collecting and reporting project data.
- Developing the necessary monitoring systems at a programme level so that data on projects can be stored and analysed.
- Debt holders, creditors, and customers have an interest in full and objective information about the future prospects. Employees likewise have concerns over their future employment and earning prospects. Shareholders want assurance that management is looking after their interests, which can be identified with the long run value of the firm.
- Accounting standards leave considerable discretion regarding their application, which means that management has the power to manipulate/create accounting methods to provide reports that will favourably reflect performance indicators in ways that suit them, rather than maximising longer-term value. Because of the apparent scale of intangible investment in modern enterprise and the problems associated with reliable measurement, it is arguable that the level of information asymmetry between internal management and external stakeholders is increasing⁵.

13. Intangible assets potential

Managers are making important decisions about investment in human resources - intangibles, whether they explicitly realise strategy decisions and business plans or not. The current deficiencies in formally accounting for intangible investments has meant that managers either seek out alternative information sources about the composition of the firms' assets and expected future benefits or take decisions about intangibles expenditure with little information about the returns from past expenditures of this type or the likely future returns from such expenditure. In both these cases, decisions about intangible investment are likely to be sub-optimal and will have an unknown impact on performance – defined as profitability or market value of the business.

⁴ Ibid., pp. 22-24.

⁵ Ibid., pp. 24.

There are critical to the success of modern organizations customer loyalty, speed to meet customer expectations, development of intellectual properties, employee development, and product/service quality accountancy as an important managerial instrument seeks new ways (and standards) to be useful (e.g. IAS 38⁶ economic point of view of intellectual properties). Further an employee is not only an employee: he is also a service provider and intellectual capital who could provide intellectual properties (patents, licences, technical assistance, etc.). All these factors are very important economic categories and they demand a lot of accountancy evidence, analyse, record and reporting.

To deal with such problems management has to seek further for transparency, orderliness and continued system action – all with help of accountancy. The only method that can be proposed for such an action is nothing new: to be pragmatic, all the time very close with real life, to test actions and activities in practice. When such changes occur in the business, accounting must do a change, to make a new step. Managers of companies must not fail to make appropriate modifications in their accounting systems. They must have accurate product cost figures and relevant data for making decisions to come to results; more over, they may lose their competitive edge because they do not have the necessary information for operating in the new manufacturing environment.

Intellectual capital refers to the stored knowledge and cognitive abilities of the workforce. This includes investments in both the skills and knowledge of a firm's workforce and the invention and development of new products and processes. As registered intellectual property includes the rights embodied in patent, trademark and design titles, as well as copyright, rights. However, there is no agreement on how to classify intangible investments or account for them as accounting regulators have suggested items that would be considered intangible assets although no formal classification has been proposed.

A firm (enterprise or company) is considered a set of assets, technologies, skills, knowledge, etc., which are involved in business to come to result as a unique combination of capacities and resources. Resources of intangible character, are more and more supporting the company's competitive performance as tangible ones. They are based mainly on information and knowledge. They have their capabilities and resources.

As information and knowledge are key factors in creating value for the firm, management is responsible to find out and analyse the specific characteristics of these resources to be able to use them as the basis for creating firm competitive edge. As they are invisible and difficult to quantify, they still can be identified, measured and valued. Then, it is a firm owner to decide, whether to be formalised or not: this means not to be recorded in accounts.

⁶ IAS 38 – international accounting standard exposes economic point of view of intellectual properties. Intangible investments have economic properties that for the most part do not fit into conventional accounting principles. Accounting treats these investments as long-lived assets only when the expenditures are expected to give rise to future economic benefits, But it is uncertainty that creates an obvious problem for accounting.

Management should turn his attention to the principle of prudence advocates against the inclusion of intangibles in balance sheets to avoid giving a false impression of the company's worth. The non-recording of intangible assets in accounts statements explains the difference between companies' book value and market value. The book value takes into account only the value of the physical assets while the market value includes the valuation of the firm as a whole by economic agents. Intangibles appreciate with use. Tangible resources tend to depreciate with use whereas new information and knowledge increase their value.

Building intangibles is a continuous action. They are slow, step-by-step build up, and costly to accumulate, usually based on the firm's particular business or project experience. They constitute an unrepeatably process and are build up as company image, corporate culture, programmes, business models or technological knowledge. Through building them up, a firm grows and gains potential. It is often difficult to define what is a cause and what is an effect within this process; still, this is good, as competitors can not imitate and reproduce it as they can do it with a product.

Intangible assets are not property rights nor intellectual capital. Intellectual capital differs from intangibles, intangible assets or intellectual property. Intellectual capital incorporates people (Human Capital), the value inherent in relationships (Relational capital), and the knowledge and systems that form the foundation of the business (Structural capital).

Human capital are individual capacities, knowledge, skills and experience of the employees. Structural capital are infrastructure that incorporates, forms and sustains the human capital. It is defined as the pool of knowledge that stays with the firm at the end of the working day. It takes in the organisational routines, procedures, systems, cultures, databases, etc. Relational capital are company relations with customers, measured by indices of satisfaction or loyalty, among others. Intangible assets are related to clients/suppliers, contractual and non-contractual, order book. Organisational capital is the company outlay in operating philosophy, systems and tools. Innovation capital is a firm's renewal capacity and innovation results in terms of protected commercial rights, intellectual property and other intangible assets used to create new products and services.

In 1999, OECD, the Organisation for Economic Co-operation and Development, convened an international symposium in Amsterdam to deliberate on the experience, issues and prospects on measuring and reporting intellectual capital. At the same time a number of European Institutions were collaborating to produce a common framework for the identification, measurement and control of intangibles as well as to suggest criteria for the disclosure of information on the intangible determinants of the firm's value. This activity is known as the Meritum Project, produced in 2001.

When managers identify, measure and value economic categories, as an intangible asset - by definition - the following three features are must:

1. It is identifiable: If it is separable and future economic benefits from the asset can be individually determined as an economic category (economic categories have their defined place in account plan).

2. As they are identified, measured and valued, they are under control and the firm has the power of obtaining future economic benefits. As they are on paper, the firm can restrict third party access there to.

3. Future economic benefits are expected to accrue there from: If it generates income, savings or returns on use. Intangible assets capitalise and bring more equity.

Both intangible assets and intangible resources bring to the firm's total value. The main difference is that intangible assets can be capitalised and valued in the company's balance sheet; they are therefore measurable and manageable. So there is a lot of managerial work as intangible resources are much more difficult to measure objectively although each firm may lay down internal rules for valuing and managing them. The rules of one company, however, would be no good for another one. The financial regulation should be put down very concrete, with concrete financial accountancy policy and its methods used in firm. Reasons for valuing intangible assets are: Accounting, Fiscal, Corporate transactions, Raising Finance, Business reorganisation, Legal action/disputes, Strategic planning, Business transactions, Strategic planning, Distribution of resources, Human resources evaluation.

Intangibles create value for companies as potential of intangibles is in human potential capacity for making a firm outstanding from others. The innovation incorporated in intangible asset or in product must be good sold. Classical marketing is dead. Aspects like quality, price or distribution, which were overriding only a few decades ago, no longer differentiate one commercial package from another. Consumers' purchasing choices prefer brands or brands are stored in consumer minds. There is also a worker's respect for brand as intangible asset as worker respect their own knowledge and know how that created it. Then there is loyalty: not only of customers but also employees and other company stakeholders. Respect and loyalty are closely connected to identity of brand. Intangibles also have an additional value in times of crisis. No firm can afford to turn its back, even temporarily, on its intangibles and their management during a crisis. Also data show that financial crises in 2008 did not influence intangible assets. These are all facts why management should have a comprehensive understanding of intangibles as a source of growth at micro and macro-economic level and to work efficiently within internal and macro regulatory framework. In this context – through business model management can perform its crucial role – to unlock potential from intangible assets.

Management to be effective need to prepare a careful business design and its implementation, to have system under control and regular evaluation firm policy and instruments to support business investment on their way to become intangible. Situation is that it is continuously adding business intelligence to add. There are needs for system management and its system control on EU, state and regional level and also on micro level, for SMEs and institutions. Management should be mission⁷ and result based. Still the way from investment in

⁷ To be mission oriented is the fifth of eleven recommendations of HLG: »Adopt a mission-oriented impact-focused approach to address global challenges« LAB-FAB-APP, pp. 15.

people and performing knowledge to know how, innovation and intangibles is not transparent. It is to be done a move from cost to investment in people as highly specialized as well as creative and innovative labor produce most value added. There are improvements to be done in management, in organizational design in workers participation in equity, as worker's knowledge and know how perform profit for firm's owner, his equity.

14. Empowering stakeholders for sustainable development and to unlock potentials of intangible assets

It is not well understood what does it mean that innovations became a concept. Innovation to have become also a EU concept, it means: it is a main driver for competitiveness, growth and new quality jobs. That is why it is awareness of all stakeholders is to raise to turn from cost to investment in knowledge, from knowledge to know how. Innovation is know how and know how is formal or informal intangible. All they are economic categories, that mean they could bring benefit and economic result.

Although quality jobs, competitiveness, growth and sustainable development are EU strategy goals there is no strategy about intangibles. To unlock potentials of intangible assets is important as investment in intangibles brings most added value. Each of five big groups of stakeholders: governance, public administration, Academia, long life learning institutions and SMEs and their management are not only to understand how millenium changes affect potentials but also to produce responsible knowledge and knowhow to assist science, research and innovation. It is awareness to raise, to disseminate knowledge and knowhow and to perform best results. If not unlocking intangibles potential, the gap within equality will continue to be deeper on micro and macro level.

Entrepreneurs, owners, managers and polititians are to decide whether to identify, measure and value intangibles and to promote debate among, researches, science, scholars and practitioners how to leverage know how (technical and marketing mix) to intangibles,. It is also to decide whether intangibles will be formal or not formal. The fact is that when intangibles is identified as an economic cathegory, they can create sustainable economic benefit. Activities to be performed as there is a multiple task: awareness about intangibles to rise, disseminate information and promote knowledge needed for intangible based economy.

In the current challenging economic climate, strong stakeholder dialogue is required to better understand how intangibles can best serve other sectors to improve sustainable competitiveness. Each stakeholder must be able to design its own strategic way: from raising awareness of the impact of knowledge and know how, to promote knowlwdge needed and disseminate information about strategy and business model how to add value to products and services. Due to the new definition of innovation that acknowledges and values all forms of new knowledge activities are to be broadly promoted through all life-long learning institutions and organisations and civil society.

It is also to turn attention that research and development (R&D) and research and innovation (R&I) are two complex systems, each with their important specifics. R&D is research and development investment in science, mostly in universities and public agencies.

Data show that their communication and ties with industry could be better, also more spin-offs can be created. This is a huge problem in innovation era when knowledge triangle have to function to perform result – innovation must be sold good. In R&D there is analytical science based know why (Asheim, 2018), while in R&I there is technical know how (synthetic engineering based) and marketing know how. In global competition marketing know how (through symbols – branding and design creating desires, markets, suppliers, etc.) is crucial to increase added value.

Commercialisation in R&D is differently understood as in R&I. R&D among the organisations are doing valuation, among them only one third is performing intellectual property, IP valuation in the IP protection phase (Carrati, 2016). They also use different commercial search tools as e.c. databases. When R&I, there is strategic marketing and system management what is much more than commercialisation. Organisations, most of them corporations, they build first of all marketing capabilities and specialise in a diversified way compared to other competitors. How important is for EU countries to be empowered to use their know how potential, it is to be aware that »Smart specialisation is probably the single largest attempt ever of an orchestrated, supranational innovation strategy to boost economic growth through diversification, and, as such, deserves to be watched closely« (Asheim, 2018).

When there is investing in R&I, there must be also strategic management and managing of multiple marketing mix. This complex system of needed actions is very difficult to understand as there is also needed action in physical and in virtual world, first of all through symbols as branding is. It is to focus on innovation systematic approach, managing system, results and intangibles as result most important property in XXI. century. What really matters for growth and competitiveness is not increasing specialisation itself, but the ability to exploit areas of technological opportunity«. «In considering the potential from benefit from participation in global value chains/.../lead firms in GVCs carry brands and sell branded products and systems in final markets to individual consumers, other businesses, or government agencies« (Brennan, Rakhmatulinnin, 2015).

A lot of good researches and analysis about intangibles are done; they show there is lack of knowledge and know how how to act in intangible based economy. It is awareness to raise to key stakeholders. It is to disseminate information about intangibles phenomena. If there will be more assistance in the context of intangible based society, also for SMEs to design their own story and business model, if management and governance will be more empowered, potentials of intangible assets in the context of era based on intangibles could be unlocked. It is not only politics and administration to act, but also researchers to engage to spread relevant information and promote empowerment for unused potentials.

The post-2020 EU R&I programme needs to provide incentives for the modernisation of universities. Collaborative R&I projects should include training activities for the next generation of researchers and innovators. The transition from traditional academia to a mission role means transforming universities and higher education providers to be critical players in socio-economic development and regional growth.

Important mission of universities becomes the perspective of technology transfer, market driven innovation and its social engagement. Academia is to involve in complexity of activities. Universities and their teaching could assist for quality life-long learning in the context of needs for new knowledge and competences. But, from early stage school a fundamental reform of the role of education is needed to embed creativity needed for innovation and entrepreneurship. Universities are to become more entrepreneurial.

Within the new definition of innovation the first role of management is to unlock potential of key stakeholders in public administration. Academia, long life learning institutions and SMEs and to begin in systematic way to create economic, stakeholders benefit, added value and equality as a social value.

15. Knowledge for scientific, innovation/ economic, social impact

As R&I are key drivers, knowledge and skills needed for scientific, innovation/economic and social opportunities impacts are to be special care. Also knowledge and skills needed for scientific, innovation/economic and social opportunities – if it is to be performed. potentials are not left to be unused. Still, to activate human potential knowledge, quality teaching and learning is must.

The figure 1 shows the way towards scientific impact. In global competition it is presented as EU world class excellence in science, better cross-boarder and cross-sector coordination and integration of R&I efforts, and emergence of new fields of science in the EU.

Human capital development Reinforcing European Research infrastructures		SCIENTIFIC IMPACT
Advancement of knowledge, publication and databases Scientific quality, reputation and scientific breakthroughs Reinforcement of R&I capacities of widening countries Collaboration between business, academia and higher education	Strengthening R&I capacities, reputation and excellence > Achieving and reinforcing for European Research Area > Integrating R&I efforts >	EU world class excellence in science Better cross-boarder and cross-sector coordination and integration of R&I efforts Emergence of new fields of science in the EU
Cross-boarder scientific cooperation Interdisciplinarity networks		

Fig. 1. Knowledge and R&I approach towards scientific impact (Interim evaluation, pp. 107).

To come to these impact there is a lot of activities: they are shown in the first and the second column (as strengthening R&I capacities, reputation and excellence, achieving and reinforcing for European research area, integrating R&I efforts). But preconditions for these results are based on eight inputs, human capital development is the first among them.

Reinforcement of R&D capabilities of companies Knowledge flows and collaborations Leveraging public and private investments		INNOVATION /ECONOMIC IMPACT
Leveraging demand for future solutions Standardisation, interoperability and norms Proof of concept, demonstration and deployment Market-creating innovations and disruptive technologies Growth of participating companies	Advancement of knowledge, IPR and knowledge transfer > Reinforcement of framework conditions for R&I > Progress on achievement of 3% target in the EU of GDP invested in R&D and the Innovation Union Diffusion of innovation in products, services and processes >	Better innovation capability of EU firms EU technological leadership and reinforced competitiveness (incl. SMEs, start-ups and scale-ups) Diffusion of innovation in the economy (incl. in SMEs) generating jobs, growth and investments
Cross-boarder scientific cooperation Interdisciplinarity networks		

Fig. 2. Knowledge and R&I approach towards innovation/economic impact (Interim evaluation, pp. 117).

Links between knowledge in different forms and economic/innovation impacts are presented in next figure. Within this framework, the successful transition to impacts needed for economy based on innovation depends on the key contribution from higher education institutions. University education and its quality teaching and learning is to assist industry 4.0, renewal of business models, institution building knowledge, know how, competences and skills needs. For this, special emphasis needs to be placed on the development of educational infrastructure, curriculum, research, innovation, as well as on the improvement of skills (e.g. communication, teamwork, management, analytical thinking and enterprise skills).

Education, research and innovation policies are more than ever charged with demonstrating societal impact. This raises new issues at all levels of educational policy design and implementation of quality teaching and learning. The consequences are not only strategic and action plans which address the issues how to bring higher education in line with the social, cultural and economic needs of the country, but also quality curriculum, its teaching and learning.

Conclusions.

This paper presents intangibles problem on macro and micro level. There is a broad background, abundant researches and analysis were done, theoretical issues are exposed and EU policy measures were prepared. About them, first among them European Commission papers and reports, are also within this paper presented for further research and to find best solutions for future European Integration sustainability. As the paper is practically oriented, its narrative is less scientific expression; however conclusions of the given analysis description as an situation and needs analysis can be of use for further action, as several key facts are presented in the given direction: to unlock unused potentials.

“Knowledge based economy”, slogan from Lisbon 2000, is not only words, but also must - to turn words in the action. Human capital, intellectual capital, social capital, business intelligence and corporate strategy are these resources and key instruments that as knowledge in people should produce more added value. It is to create programme strategy, to have cognitive skills and intelligence towards the efficient business and long term effective business policy. It is on management to perceive and activate resources and potentials. Within this important task he needs a help of management accountancy: to program activities and to link costs with activities. It is important to perceive and to activate various type of knowledge for development goals and to solve problems of operating activities. So one of basic questions which appear nowadays, especially in a transition country, it seems to be: how to develop capability and skills to perceive and to activate various type of knowledge for development. It is on management to solve problems of operating activities of intellectual capital. As millenium changes occurred, a management system is to be built with incorporated competences and activities. The logic sequences will be intangibles which will be then provided also as economic categories within balance sheets. Accounting must do a change and managers of companies must not fail to make appropriate modifications in their accounting systems to have accurate and relevant data for making decisions to attain results; moreover, they may lose their competitive edge because they do not have the necessary information for operating in the new global trading and manufacturing environment.

In the global changes, it is important to grow intangibles. It is a management duty and its information that provides data on the amount available for result. Not only cost, a performance is important and it notes the relationship of service, program, or project results with the cost and activities for attaining results. For economic and business analysts, this change in emphasis necessitates the selection of a meaningful metric for example intangible investment and the firm's total capital stock of tangible and intangible assets, which is not provided by conventional accounting systems. Not to recognise symptoms of intangibles based society and to act, it means degradation, lower added value even bankruptcy, market and social exclusion, workers to expire and continue with precarious work. As Smart Specialisation Strategy is accepted, in its context intangible action plan is needed.

R&I impact situation of EU added value puts pressure on existing human capital in teaching and in achieving high-quality research outcomes eleven recommendations are exposed as they pave the way for 2021-2027 EU strategy and its financial perspective. The recommendation 'Educate for the future and invest in people who will make the change' exposes the role of education as a critical source for EU future. This recommendation and outlined gaps in knowledge seek to unlock EU human potential. For its unlocking quality teaching and learning are needed. At the same time they will serve as solutions for the great societal problems of our times (unemployment, inequalities) and R&I challenges.

In knowledge creation university quality teaching and learning needs broader attention and deeper understanding. Schools, and especially universities, are currently undergoing major challenges as their role in society constantly changes. Internet and online technologies massive

online offered courses are disrupting the foundations of traditional schools changing the higher education landscape. Universities are becoming more entrepreneurial and are developing courses to attract and retain foreign students. However, R&I impact situation of EU added value puts pressure on existing human capital in teaching and in achieving high-quality research outcomes. Important mission of universities become the perspective of technology transfer, market driven innovation and its social engagement. The transition from traditional academia to a mission role means transforming universities and higher education providers to be critical players in socio-economic development and regional growth. Internationalisation enhancing quality of learning and teaching needed for economy based on knowledge and innovation could unlock potentials.

References.

Abernethy, M.A., Vagnoni (2004) Power, organization design and managerial behaviour, Accounting, Organizations and Society, Elsevier, London.

Asheim, B.T. (2018). The role of Smart Specialisation in driving long-term structural changes, SMARTER Conference on Smart Specialisation and territorial Development, Seville, 26-28 September 2018).

Bouwens, J., Abernethy, M. (2000) The consequences of customization on management accounting systems design, Accounting, Organizations and Society, Elsevier, London.

Brennan, L., Rakhmatulinnin R. (2015). Global Value Chains and Smart Specialisation Strategy; Thematic Work on the understanding of Global Value Chains and other Analysis within the context of Smart Specialisation, EC.

Caratti, G. (2016). Evaluation of intangibles and novel technologies: art or science? TTO-CIRCLE Best Practice Workshop, Brussels, 2016, European Commission, JRC, Head of Unit. Intellectual Property and Technology Transfer.

Corrado, C., Haskel J., Jona-Lasinio, C. and Iommi, M. (2016). Intangible investment in the EU and the US before and since the Great Recession and its contribution to productivity growth, EIB Working Papers 2016/08, European Investment Bank, Luxembourg.

Egert, B. (2017). Regulation, institutions and aggregate investment: new evidence from OECD countries, CESifo Working Paper No. 6415.

European Commission (2017). Innovation and industrial dynamics: challenges for the next decade, Joint Research Centre, CONCORDE, European conference on corporate R&D and innovation 6 th conference, Seville.

European Commission (2017). LAB-FAB-APP Investing in the European future we want Report of the independent High level Group on maximizing the impact of EU Research & Innovation Programmes, Brussels.

European Commission (2007). Measuring structural funds employment effects. Working document no. 6, Brussels.

European Commission (2013). Flash Eurobarometer 369. Investing in Intangibles: Economic assets and Innovation. Drivers for growth, Brussels.

European Commission (2016). Science, Research and Innovation performance of the EU. A contribution to the Open Innovation, Open Science, Open to the World agenda, Brussels.

European Commission (2017). The economic rationale for public R&I funding and its impact, Research and Innovation Policy Brief Series. Brussels.

European Commission (2017). Conference Research & Innovation Shaping our future, Conference proceedings 3 July 2017, Brussels.

European Commission (2019). Intangible value creation through design — EU Industry Days, BEDA conference 5 Feb 2019.

European Commission (2018). A renewed European Agenda for Research and Innovation - Europe's chance to shape its future, The European Commission's contribution to the Informal EU Leaders' meeting on innovation in Sofia on 16 May 2018.

European Commission (2018). Report "Re-finding Industry –Defining Innovation", of the independent High Level Group of Industrial Technologies chaired by Jürgen Rüttgers,

European Commission (2018). Interim Evaluation of Horizon 2020

European Commission, DG Regional Policy, Thematic development, evaluation, additionality and innovative actions, Brussels.

European Commission (2013), Flash Eurobarometer 369. Investing in Intangibles: Economic assets and Innovation. Drivers for growth.

European Commission (2016a). Science, Research and Innovation performance of the EU. A contribution to the Open Innovation, Open Science, Open to the World agenda.

European Commission (2017). The economic rationale for public R&I funding and its impact, Research and Innovation Policy Brief Series, March 2017.

European Commission (2017). Europe 2020, A Strategy for Smart, Sustainable and Inclusive growth

Global Intangible Finance Tracker (2017) An annual revue of the world's Intangible value.

Horizon interim evaluation (2017) https://ec.europa.eu/info/publications/interim-evaluation-horizon-2020_enIRIMA, Industrial Research and Innovation Monitoring and Analysis; 9th IRIMA workshop on intangible investments for competitiveness: micro-macro evidences, Summary Report, Brussels, October 25, 2017

European Investment Bank (2016). The Third Pillar at Ground-level: Case studies and other evidence related to investment barriers under the third pillar of the Investment Plan for Europe. <http://www.eib.org>

Garner, P. and Tsuji, A. (1995) Studies in Accounting History: Tradition and Innovation for the Twenty-First Century, Green wood Press, Westport Connecticut.

Hunter, L.C., Webster, E. and Wyatt, A. (2005) Measuring Intangible Investment, Working paper no. 15/05, Melbourne Institute Working Paper, Melbourne.

Innes, J. and Mitchell, F. (1990) Activity Based Costing: a Review with Case Studies, Chartered Institute of Management Accountants, Edinburgh.

Ittner, C.D. and Larcker, D.F. (1997) *Quality Strategy, Strategic Control Systems, and Organizational Performance*, Accounting, Organizations and Society, Elsevier, London.

Johnson, H.T. and Kaplan, R.S. (1987) *Relevance Lost: The Rise and Fall of Management Accounting*, Harvard Business School Press, Boston.

Kald, M., Nilsson, F., Rapp, B. (2000) On strategy and management control: the importance of classifying the strategy of the business. *British Journal of Management*; 11, 197-212.

Lisbon European Council Conclusions, 2000, 23-24 March. *Global Intangible Finance Tracker (2017)*. An annual revue of the world's Intangible value, New York.

Mazzucato, M. (2018) *Podjetniška država. Razkrinkavanje zmot o javnem in zasebnem sektorju*, UMC0.

Moncada-Paterno-Castelo, P.(2015). In *Sectors dynamics and demographics of top R&D firms in the global economy (JRC Working papers on Corporate R&D and Innovation No 06/2016)*.

OECD (2013). *Supporting Investment in Knowledge Capital, Growth and Innovation*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264193307>(got january 13, 2018).

OECD (2013). *New Sources of Growth: Knowledge-Based Capital – Synthesis Report*. Paris.

OECD (2016)*Science, Technology and Innovation Outlook*.

On intangible investments for competitiveness: micro-macro evidences (2017). Industrial Research and Innovation Monitoring and Analysis; 9th IRIMA workshop Summary Report.

Staff Working Document for Horizon 2020 Interim Evaluation (2017). European Commission, Got at: <https://ec.euro-pa.eu>

Thum-Thysen, A., P. Voigt, B. Bilbao-Osorio, C. Maier and D. Ognyanova (2017). *Unlocking investment in intangible assets in Europe*, Quarterly Report of the Euro Area 16(1).

Thum-Thysen, A., Voigt, P., Bilbao-Osorio, B., Maier, C., Ognyanova, D. (2017). *Unlocking Investment in Intangible Assets*. European Economy Discussion Papers Directorate-General for Economic and Financial Affairs, Authorised for publication by Mary Veronica Tovsak Pleterski, Director for Investment, Growth and Structural Reforms, Bruselj.

Westlake, S., Haskel, J. (2017). *Capitalism Without Capital: the rise of the intangible economy*. New York.

WIPO, *The World Intellectual Property Report 2017* got 14 january 2018 on <http://www.wipo.int/publications/en/details.jsp?id=4225>.

Working document no. 6 (2007) *Measuring structural funds employment effects*, European Commission, DG Regional Policy, Thematic development, evaluation, additionality and innovative actions.

WIPO, *The World Intellectual Property Report 2017* <http://www.wipo.int/publications/en/details.jsp?id=4225> (pridobljeno 19.1.2018).

Valentyna Stadnyk

*Doctor of Economics, Professor,
Department of Management, of Administration of Hotel and Restaurant Business,
Khmelnitskyi National University*

Galyna Sokoliuk

*PhD of Economics, Associate Professor,
Department of Management, of Administration of Hotel and Restaurant Business,
Khmelnitskyi National University*

Oksana Zamazii

*Doctor of Economics, Associate Professor,
Department of Accounting, Audit and Taxation,
Khmelnitskyi National University,
Khmelnitskyi, Ukraine*

**SOCIAL DETERMINANTS IN IMPLEMENTING THE COMPETITIVENESS
POTENTIAL FOR PROVIDING SUSTAINABLE DEVELOPMENT OF
ECONOMIC SYSTEMS**

***Abstract.** The purpose of the study is to identify the factors of the competitiveness of economic systems in the context of the concept of sustainable development, to specify the measures to enhance the intellectual potential of industrial enterprises' employees in the context of various competitive strategies and to fill the relevant content of the social strategy of enterprises. The expediency of using a value-oriented approach in managing the competitiveness of economic systems. The innovation-technological, cognitive-marketing, organizational-structural, and institutional-evolutionary directions of consumer value formation, which ensure the growth of the competitiveness potential of economic systems, are highlighted. The intellectual capital of the enterprise is positioned according to its structural components. It is proved that the basis of a social strategy development should be the structure of the socio-economic genotype of the enterprise, the improvement of its elements should be carried out taking into account the fundamental provisions of the sustainable development concept.*

JEL Classification: D 20, D 41, M 11, O 10

Introduction.

The objective reality of the present is the expansion of the scale of production, due to the constant increase in the population of the planet, and therefore, the growth of the needs of people in the various products necessary to ensure their existence and personal development. In addition, due to the advances in science and technology, consumer preferences change as well as their perceptions of the acceptability or feasibility of traditional ways to meet their needs, the range of these needs expand, which is especially noticeable in the developed countries. The needs to maintain the environmental safety of production activities become more and more urgent, as well as to increase the quality of life, create conditions for development and full realization of intellectual potential of each person. The outlooks of the public in relation to the principles of conducting economic activity on a planetary scale acquire a different meaning.

Taking into account the negative influence of man-made factors of economic activity on the environment, the scale of which grows every year and increasingly degrades the natural processes of self-reproduction, changing the climate and living conditions of all living things on the planet, in recent years, the words of scientists and politicians sound louder about the need for more active action from governments of countries and the world community for the transition of the subjects of the global economy from strategies of intensive (or even extensive) use of limited natural resources to the strategy of sustainable development, which harmonizes the economic, social and ecological component of human activity. This makes relevant the researches related to the possibilities of such harmonization, especially given that in the conditions of highly dynamic markets, maintaining positive economic dynamics of economic entities is possible only because of their high innovation activity and the effectiveness of innovative processes, which provides the emergence of new ways of forming competitive benefits. And such activity (and especially effectiveness) is a consequence of a well thought social policy aimed at the development of the intellectual component of human capital. This gives grounds to speak about the strategic nature of the problem of formation of social environment of modern business entities, their complexity and systemicity in the context of the tasks of sustainable development of the national economy in general and the specifics of the economic activity of its individual subjects.

Many modern scholars are interested in researching the problems of the social sector development and the impact of its state on the general economic dynamics, although, to the large extent, in the context of individual socio-humanitarian challenges. For example, in conjunction with the effectiveness of labor and the construction of an effective motivation system (Armstrong, M. & Taylor, S. (2014), Dubinskyi, S. (2014), Xhavit, I., Enis, M. & Naim, M. (2018), Klymchuk A. & Mykhailov, A. (2018)), improvement of organizational relations (Lomov, B. (2016)) and the team climate (Abubakar, M. Elrehail, H., Alatailat, M. & Elçi, A. (2019)), including in the context of cultural diversity (Fahrin, H., Skowron, E. & Zimmermann, N. (2015); Stadnyk, V. & Veshko, O. (2018)); the development of a social dialogue with the staff (Sytnyk, O. (2017)), social responsibility (Filyppova, S. (2017)) and others. The issues of a social strategy formation and determination of its place in the totality of functional strategies of the enterprise (Soroka, O. & Krivtsova, S. (2014); Bortnik, S. & Levchuk, O. (2016), Tyuhtenko, N. (2018)) are actively studied. Special attention is paid to the development of the staff competencies in the knowledge management system and in relation to future productivity (Chih, W., Huang, L. & Yang, T. (2016)), or in the context of the strategic objectives of an enterprise (Sokoliuk, G. & Khomych, L. (2018)). At the same time, the scientific literature did not find a comprehensive reflection on the issue of contextual and structural filling of social strategy of industrial enterprises in the current views on the factors of competitiveness and sustainability of macroeconomic systems. The relevance of these issues for the industrial sector of Ukraine's economy determined the selection of research objectives and specification of its tasks.

The aim of the study is to identify the factors of the competitiveness of economic systems in the context of the sustainable development concept, to specify measures to enhance the intellectual potential of industrial enterprises in the context of different competitive strategies and to fill the relevant content of the social strategy of enterprises.

1. Competitiveness and sustainable development of economic systems: the dialectic of unity and opposition

A characteristic feature of the current stage of development of the world economic space is the increased competition in all markets and in all sectors of economic activity. "Competitiveness acts not simply as a norm or a way of being of market agents, but also as an imperative to the functioning-existing of the market" (L. Poddubna (2007)). Therefore, the problem of maintaining and developing the competitiveness of economic systems is constantly in the field of scientists and practitioners beginning from the specification of the essential content of the definition in the context of economic systems of various levels (macro, meso, micro, and even nano-scale) and ending with the development of approaches, methods and technologies for management of competitiveness in relation to these levels and their systematic interconnection.

In this case, the greatest attention of researchers is given to the problem of ensuring the competitiveness of economic systems at the micro level. And this is logical, because in a market economy, first of all, individual business units compete, and not only in the domestic market, but also in the world. Thus, our analysis of the interpretations of the competitiveness of economic entities existing in the scientific literature shows that they are explained as:

- the ability to provide a better offer than a competitor; leading marketing experts emphasize that this offer relates to the needs of buyers (J.-J. Lambin's position (2000), F. Kotler (1967); while representatives of the behavioral economy note that the choice of the buyer can be influenced through perception, forming his idea of the value of products (Thaler, R. (2015), Zamazii, O. V.(2015));

- the entity has key competencies, so that it can receive more profits than its competitors (position of Prahalad, K. & Hamel, H. (1996); Wernerfelt, B. (1995)) and other representatives of the resource concept in the theory of competition).

Both positions have a theoretical foundation and practical confirmation. However, they should not be opposed, because the ability of the subject of economic activity to find and defend its place in the market economic space is determined not only by its ability to find a free market niche or create it, offering new public products to the market, but also to seek and effectively use those resources, which can play a decisive role in creating public products that will receive consumer recognition. Both of them together form potential of its competitiveness – as a prerequisite and the basis of the dynamic growth thanks to maintaining its ability to gain competitive advantages over every change in the market environment.

In an effort to preserve its place in the market and maintain a positive economic dynamic, business entities constantly actively search for ways to gain competitive advantage, developing their capacity for their formation and thus increasing their production capacities, and thus becoming industrial corporations of inter-industrial and international nature, which begin to dominate in the market and dictate to the smaller market players the rules of the economic game. Such aggressive behavior of global market players, on one hand, leads to the depletion of natural resources and destruction of the resource balance of the planet, forcing the governments of many countries to consolidate their efforts in an effort to preserve the environment and, at the same time, not to reduce the dynamics of socio-economic progress. The result of such combined efforts was the concept of sustainable development, the main provisions of which proclaimed the transition from extensive to intensive development of countries and economies, provided qualitative improvement in the content and dynamics of socio-economic processes at all levels, from individual to global, including through increase of ecological consciousness of all participants of economic activities.

The transition to such a concept in the globalized world poses the corresponding tasks for the subjects of national economies such as individual enterprises, and especially industrial ones. In the conditions of the dominance of TNCs, they are forced to look for a free market niche, or even create it, based on the results of the analysis of trends in the development of consumer needs. However, this is not possible for all due to the low effectiveness of innovative processes that do not significantly improve their economic dynamics. Particular, in Ukraine, the innovative activity of industrial enterprises for a long time has not been providing an increase in the return on the launch of new products (Fig. 1; on the basis of State Committee of Statistics of Ukraine (2018)).

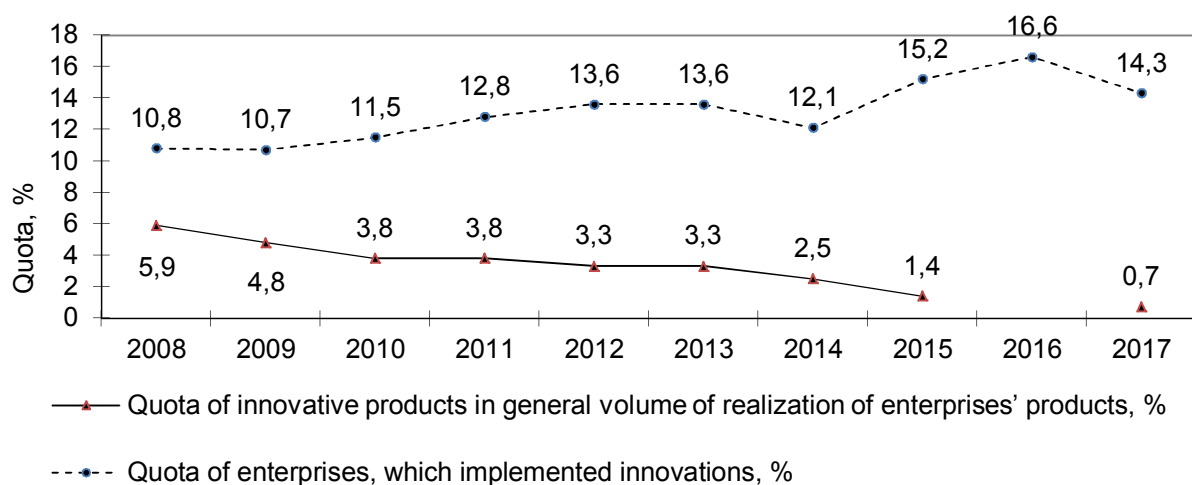


Fig. 1. Comparative dynamics of the results of innovative activity of industrial enterprises of Ukraine

As Figure 1 shows, despite a certain growth in 2008-2017, the number of innovative-active enterprises, the share of innovative products in the total volumes of sales of industrial products has been constantly decreasing. It can be assumed that the main reason for this is that the effectiveness and efficiency of their innovation activities are not high enough to win the commitment of consumers to new products and services, recognizing the latter as having a higher consumer value. Given that today, in the majority of market segments, there is a high dynamics of the structure of consumer demand (and hence the loss of value for consumers of traditional products due to the emergence of new ones), the problem of the competitiveness of market players, in our opinion, should be considered through the prism of their ability to create consumer values.

Moreover, according to the concept of sustainable development, in developed countries in the structure of consumer value of products, more attention is paid to the issue of harmonious coexistence of mankind with nature, preservation of the environment for future generations, and therefore the economical use of resources and environmental safety of production technologies. At the same time, investment in such technologies leads to an increase in production costs, which entails a decrease in the competitiveness of products due to its rise in price. That is, observance of the sustainable development concept at the macro level contradicts the competitiveness concept at the micro level, if we take as a basis the cost component of the latter. And this leads to a conflict of interests between business and the state, reflected in the content of the legislative framework and the effectiveness of regulatory processes in terms of the environmental and social components of sustainable development of the national economy.

Therefore, despite the significant contribution of the technical and technological component to the process of creating consumer value, technological upgrading of production systems is mainly to increase their functional flexibility, rather than environmental safety. Moreover, in Ukraine, in the conditions of the deformed labor market, business is almost not actualized issues of social development of personnel. And this negatively affects employees' loyalty to enterprises, which results in the outflow of skilled personnel. It means that the reduction of the knowledge component in the structure of the competitive advantages of economic systems (from micro and to macro level), which basically forms the potential of their competitiveness under today's market conditions

Modern scholars, analyzing the world experience of economic development, argue that the rapid development of industry and scientific and technological progress in the developed countries became possible due to the accumulation of intellectual, "knowledgeable" resources by large economic entities (corporations) and their effective use to increase the production, technological and labor potential both within corporations and throughout the country. And every day, the role of knowledge resources in ensuring the competitiveness of economic systems is increasingly diversified both in terms of content and contribution to improving the ability to create new consumer values.

This provided the basis for V. Stadnyk (2015) to distinguish four main directions of increasing the competitiveness of market players, which can be realized due to the potential of new knowledge:

1. *Innovative-technological*: to offer products of the market with a higher consumer value than others, due to the application of advanced technologies of designing and production of products (services) and the recombination of available resources; new technologies also expand the ability of enterprises to create product innovations that have no analogues on the market.

2. *Cognitive-marketing*: to recognize trends in the development of consumer preferences faster and better than others, to position their products on the market, prompting consumers to choose their product; this is achieved through the use of effective marketing techniques that affect the perception of the products by consumers.

3. *Organizational-structural*: the development of organizational knowledge, including through integration with other market participants for the recombination of resources and improvement of processes. Integration also contributes to more efficient use of resources within the region or sectoral association (Stadnyk, V., Izhevskiy, P., Zamazii, O., Goncharuk, A. & Melnichuk, O. (2018))

4. *Evolutionary-institutional*: a) consolidation of the best practices of conducting economic activity and their multiplication in the business environment; b) legislative regulation of the business environment to create a stimulating effect in support of innovative-active behavior of its participants.

It should be noted that the institutional and evolutionary approach we have devoted to increasing the competitiveness of the market subjects through the development of the space of economic interaction allows us to abstract from the specification of the factors of achieving their competitive advantages and to generalize the interpretation of the competitiveness of economic systems as their ability to ensure their existence and growth in the selected segment of the market of economic and institutional coordinates current system.

The space of economic interaction is formed in the external environment due to the legislative and regulatory normalization of economic activity and is accordingly extrapolated in the principles of economic interaction of business entities in the market. And, therefore, as an objective precondition for the observance of such principles - to their internal environment. It thereby multiplies those business practices that are consistent with the motivating set of state economic policies. They allow to take into account not only the dynamism and variety of market processes from the standpoint of development of the separate entity market opportunities, but also from the standpoint of social utility.

To date, the claim that competition between business entities operating in the same field of economic activity is the driving force behind the overall socio-economic development is unquestionable. However, sustainable economic growth is characteristic only of those countries whose business entities are able to be ahead of competitors in the

struggle for markets and resources, using the most effective management technologies for this, introducing the latest scientific and technical developments, involving in the close and fruitful cooperation the carriers of unique knowledge and competences that can create new knowledge and transform them into new consumer values.

Competition makes enterprises continually improve, increasing the efficiency of using all production factors, influencing consumer demand parameters, and, by joining with other market players, to increase their economic power. Then the resource potential of the economic system of the higher hierarchical organization, that is the sectoral complex, the economy of the region or the national economy as a whole, starts to grow. In the relationship to these factors, this is reflected in Fig. 2.

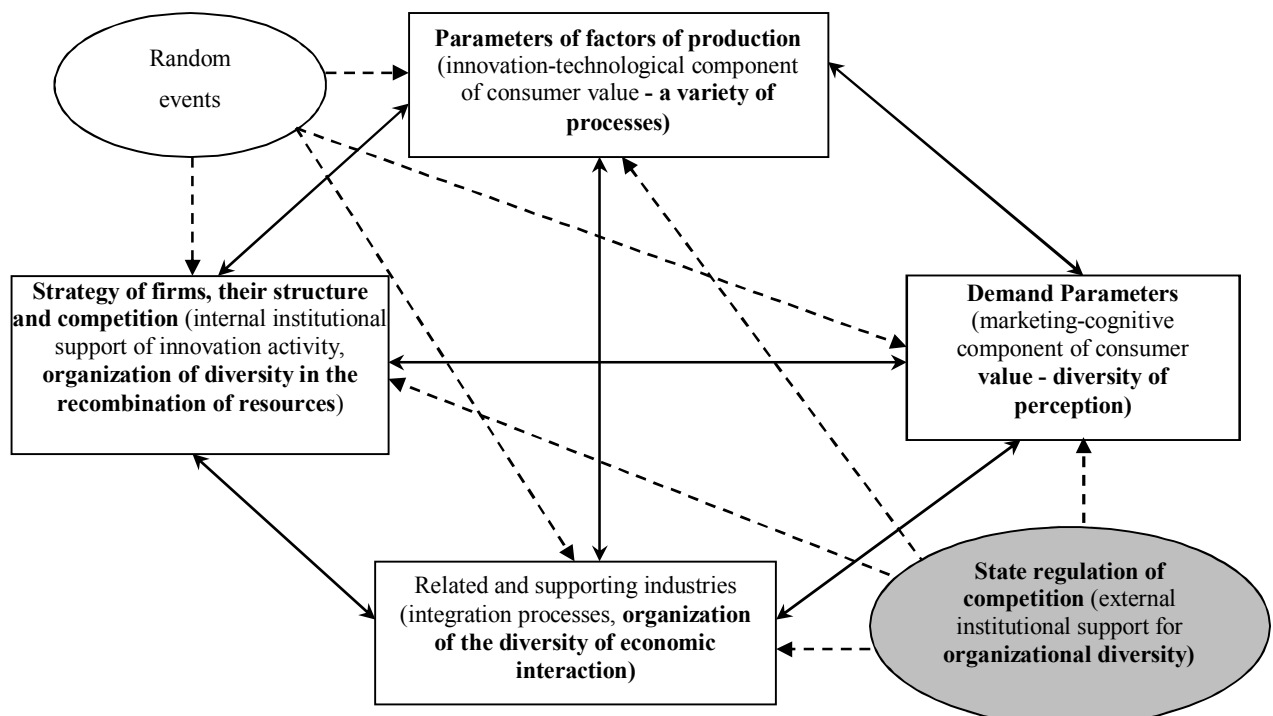


Fig. 2 Factors of diversity within M. Porter's national diamond of competitiveness

In it, based on the model of the national diamond of competitiveness of M. Porter (1990), we emphasized the key role of the factors of diversity in the processes of creation of consumer value, which enables economic entities to increase their competitive advantages continuously and systematically.

In this set of industrial, cognitive, structural and institutional parameters of the competitiveness of economic systems (both micro-, macro- or meso), it is important to emphasize the joint, dominant role of the "knowledgeable" resource, which enables the fullest possible implementation of the diversity factors for creation of consumer values.

It should be noted that we have defined the institutional and evolutionary approach to increasing the competitiveness of the market subjects through the development of the space of economic interaction that allows us to abstract from the specification of the factors of achieving their competitive advantages and to generalize the interpretation of the

competitiveness of economic systems as their ability to ensure their existence and growth in the selected segment of the market in the current system of economic and institutional coordinates.

The space of economic interaction is formed in the external environment due to the legislative and regulatory norms of economic activity and is accordingly extrapolated in the principles of economic interaction of business entities in the market. And, therefore, as an objective precondition for the observance of such principles it is extrapolated in their internal environment. It thereby multiplies those business practices that are consistent with the motivating set of state economic policies. They allow taking into account not only the dynamism and variety of market processes from the standpoint of development of market opportunities of a separate entity, but also from the standpoint of social benefit.

And the greater the potential of the diversity of an economic system is, the more opportunities it has to create competitive advantages, combining resources and processes in new combinations to create new consumer values. This is reflected in the development of technical and technological components of the processes of creating the consumer value, individualization of the ways of its positioning in the market for various target groups, expansion of forms of economic interaction of partners to create consumer value within the various organizational entities, etc.

Hence, the non-material knowledge resource is now the main component of the potential of the competitiveness of any economic system. It is the result of intellectual activity, forming the intellectual capital of business entities, and thus it is embodied in a variety of intangible and tangible assets. Thanks to this, enterprises receive new unique opportunities in working with the market; diversify the ways and conditions of creation of consumer values in the context of trends of scientific and technological progress. However, in the Ukrainian economy there are still many unresolved issues connected with the increase of the contribution of the knowledge (intellectual) resource in increasing the potential of the competitiveness of economic entities. Much of these issues lie in the social area.

2. Social component of the economic system's competitiveness potential

Problems of building up and effective use by economic agents of knowledge resources are considered by modern researchers to be strategic. This is confirmed by the fact that in recent decades, the main motive for many mergers and acquisition transactions is the growth of market value of companies through the combination of unique assets, the vast majority of which relate to non-material, formed by the potential of new knowledge (Gupta, O. & Roos, G. (2001)). To characterize a company in which the intellect (mind) of individual participants can develop and multiply, engaging in the interaction with the intellect of other participants and turning into new knowledge, Gharajedaghi, J. (2012) proposed the term "multi-intelligent organization". Effective knowledge management in the organizational space of modern companies ensures the growth of their intellectual capital, and thus creates the necessary foundation for active and productive innovation.

Understanding the essence and features of the components of intellectual capital (structural, human and capital of relations), one can diagnose the level of intellectual capital development of a particular enterprise and its potential for further build-up. It is necessary to take into account the close relationship and interdependence of the components of intellectual capital, since they all depend directly on the factors lying in the area of social interaction. If it is effective, then it is not only the use of available intellectual capital of the aggregate of individuals integrated into the collective, but also its build-up through the development and materialization of organizational knowledge in the process of solving innovation problems. In this case, as pointed out by V. Stadnyk & L. Hryzovska (2014), there are significant differences in the tasks of management of the components development of the intellectual capital at the enterprise in terms of its life cycle (Table 1).

Table 1. Content and trends of the structural elements' development of intellectual capital by the stages of the life cycle of an enterprise

Stage of the company's life cycle	Structural elements of intellectual capital		
	Human capital	Structural capital	Capital of relations
Creation	It is generated in the process of forming a team of like-minded people on the principle of complementarity and synergy of competencies in business in the context of creating a new consumer value.	It is formed under the influence of the leader's vision of the founders and their system of values regarding the principles, effectiveness and efficiency of human interaction.	It is formed in the process of finding partners for resource supply of production and sales of products (works, services).
Accelerated development	It grows in the process of scaling up activities and generating ideas for the development of products and markets, to a greater extent by attracting new employees in key areas of competitive advantage building	It is improved through the development of communications (information technology), the development of organizational culture	It is developed through the establishment of horizontal links with the business environment.
Sustainable development	It grows in the direction of improving existing and designing new business processes, mainly due to the development of staff.	It is improved through the development of communications (information technology), the development of organizational culture, algorithmization of methods for optimizing processes	It is developed through efforts to improve customer loyalty and expand the range of mutually beneficial relationships with other stakeholders.

Of course, all the components of intellectual capital are important for effective innovation activity, enabling the effective use of the rest of the enterprise resources by creating and implementing competitive advantages based on innovative approaches to meeting the needs of consumers. At the same time, in our opinion, their contribution to the implementation of a certain competitive strategy will be different, depending on the specifics of the enterprise, its competitive position at the time of strategy formation, degree of its integration into inter-corporate relations and economic relations, etc.

Obviously, in the absence of timely changes in the attitude of company's management to intellectual resources (when the distance between the top management of the enterprise and the rest of the staff increases, the attention is reduced to the social needs of staff), the enterprise ceases to be innovative-active, there is stagnation of its activities and decline.

Formation of working groups capable of setting ambitious goals and ensuring their effective implementation must be one of the most important tasks of a strategic nature, without which any business cannot be competitive. In turn, the solution to this problem lies in the field of motivation and is inseparable from the issues of a social nature, because the workers will be motivated to actions that require significant intellectual effort, only on the assurance of the mutual benefit of such cooperation, which ensures the implementation of common goals and allows to satisfy the individual needs, including ones of higher level (respect, self-realization and success, belonging to a successful society, etc.). Therefore, more and more in scientific research we see social development as one of the strategic factors of the company's success. (Bortnik, S. & Levchuk, O. (2016); Sokolyuk, G.O. & Khomich, L.V. (2018)). Thus, issues of developing and implementing *a strategy for social development or a social strategy* are raised. (Soroka, O.V. & Krivtsova, M. S. (2014); Tyuhtenko, N. A.(2018)).

Scholars mostly identify the two definitions and interpret such a strategy as a general direction in the development of competencies, loyalty and efficiency of staff to the level necessary for an enterprise to achieve strategic goals in combination with satisfying the needs and expectations of other stakeholders in the enterprise groups: owners, consumers, business partners, and the public. Accordingly, two directions of a social strategy formation, both in the internal environment and external environment, are distinguished.

This approach corresponds to the areas of development of the intellectual capital of the industrial enterprise allocated in Table 1, but is more focused on working with people (development of competencies, loyalty and efficiency of personnel work). The development of competencies is supported by measures to ensure loyalty of employees with such competencies (working conditions, additional motivational measures, social packages, etc).

However, the effectiveness of the staff work depends on the extent to which carriers of new knowledge can use them to improve the work of all staff employees. And here the important role is played by the ability of management to ensure the efficiency of processes of knowledge sharing, the exchange of information that is necessary for decision-making for all that applies to the area of social interaction, which is interpreted in the scientific literature as "the process of direct or indirect influence of social actors on one another ", ... in the course of which ..." there is an exchange of information, knowledge, experience, material, spiritual and other values; an individual (a group) determine their position with respect to others, their place (status) in the social structure, their social roles. The role, in turn, dictates to the individual certain patterns of behavior and makes the interaction predictable.

The very social structure, social relations and social institutions are the result of various types and forms of social interaction" (Gupta, O. & Roos, G. (2001)).

Hence, additional tasks to be solved in the course of formation and implementation of the social strategy of business entities are the substantiation and selection of such areas and programs for the development of the competences of employees, the improvement of those elements of organizational interaction and organizational relations that would contribute to the processes of dissemination and development of scientific knowledge, capable of becoming a generator of new ideas in the processes of creating consumer values.

The importance of ensuring effective social interaction is also emphasized by Kleiner, G. (2005). He proposes to consider the internal space of any enterprise as a system in which the production and market characteristics of behavior are determined by a set of social components. G. Kleiner considers them as mental peculiarities of workers, peculiarities of organizational culture, institutional peculiarities of enterprise management and cognitive mechanisms that were formed in it. Taken together, they form the mental-institutional foundation of a particular market participant (its socio-economic genotype), which can only change in the long run.

An important place in his system-integration theory, G. Kleiner takes for a functional group of subsystems. It includes organizational, economic and technological characteristics, a set of practices for the implementation of various types of economic activities (behavioral stereotypes, patterns) borrowed from other enterprises (the so-called imitation subsystem), as well as the features of economic behavior of the enterprise in a particular historical society (so-called historical and group industrial memory of workers) (Fig. 3, supplemented and refined, taking into account G. Kleiner (2005).

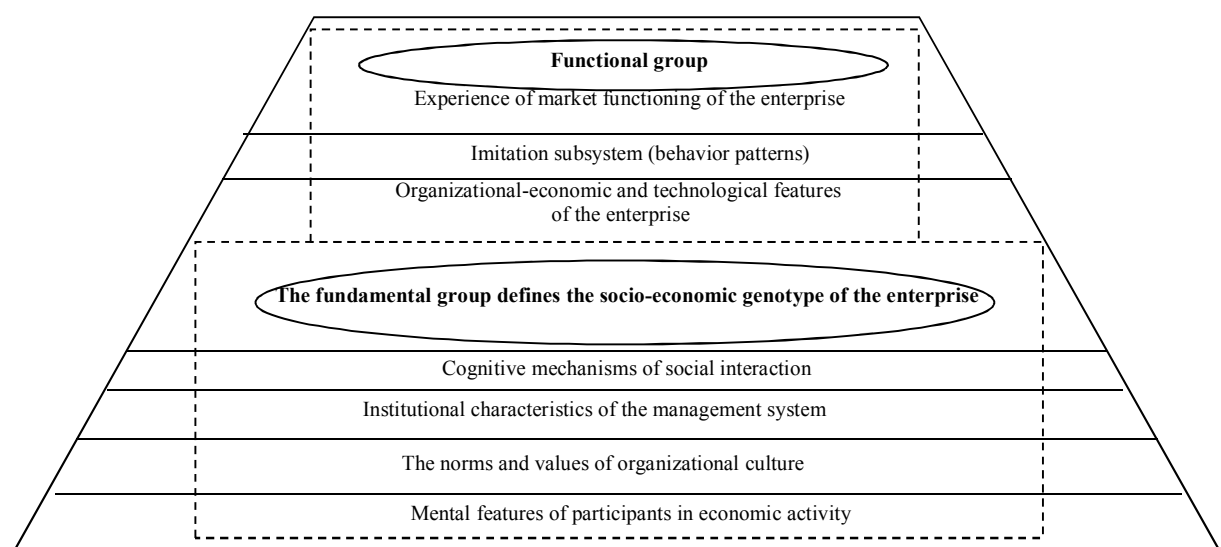


Fig. 3. Set of subsystems of the internal environment of an enterprise

Analyzing the essential characteristics of the defined by G. Kleiner subsystems of the enterprise, we can see that they are by nature predominantly intangible.

And the fundamental group that defines the socio-economic genotype of the company covers the processes of internal social interaction, during which the production tasks are solved. All participants in the joint activity, from managers of different levels and to ordinary performers, come into this interaction. And the effectiveness of this interaction depends to a large extent on the adaptive properties of the enterprise, its ability to respond promptly to the challenges of the environment. If we consider these subsystems in terms of the components of the intellectual capital of an enterprise, then they form their structural capital, which provides the development of organizational knowledge.

At the same time, functional subsystems (with the exception of the production component of the technical and technological processes of the enterprise) are filled with communications with the external environment and form the capital of relations with stakeholders. In the context of sustainable development of the national economy, their social component reflects the attitude of the company's management to issues of social responsibility. Taking into account global trends, it can be argued that such issues are becoming more and more important when the company enters the markets of developed countries. And within the national economy, the issues of social responsibility are in the area of institutional space of the country and are solved under the influence not only of the current legislation, but also those traditional approaches to doing business, which were formed in it historically, taking into account the effectiveness of the relevant regulatory mechanisms.

It is obvious that the effectiveness of social interaction in any field of activity is achieved by balancing the interests of its direct participants, based on the structure of their motivations. Within the organizational framework of the enterprise, this balance is achieved through the implementation of programs for professional development of personnel and the formation of a package of social guarantees, which is traditional for the management of advanced economies. This largely corresponds to the views of domestic scholars on the content of a set of measures that form the basis of a social strategy, although social guarantees in business circles only apply in exceptional cases. The reason is the difficult situation in the labor market in Ukraine. However, it is precisely the balancing of the interests of participants in social interaction in the organizational level of the enterprise that forms their loyalty to it, which means it minimizes the costs of overcoming opportunistic behavior.

The effectiveness of external social interaction is also determined by the motivational preferences of groups of stakeholders, which must be mutually consistent, taking into account the significance of their contribution to achieving the strategic goals of the enterprise. Coherence of interests should be formed taking into account the guarantees laid down in the regulatory mechanisms of an institutional nature. Thus, taking into account the decisive role of intellectual labor in shaping the competitive advantages of the enterprise, which are the basis of its sustainable development in the conditions of globalization and highly dynamic market changes, as well as the interconnection and interdependence of structural elements of the intellectual capital of the enterprise, which is in mutual interdependence with its socio-

economic genotype (since it defines the features of social interaction in its organizational structure), we propose to interpret the *social strategy of the subject of economic activity* as such that aims to mutually develop intellectual capital components according to defined strategy objectives, thereby increasing the effectiveness of social interaction in working groups as the result of balancing the interests of all stakeholders.

Based on this interpretation, it is expedient as the basis for the development of a social strategy of the enterprise striving for sustainable development, to put proposed by G. Kleiner (2005) stratification of the internal environment of the enterprise in the context of the constituent of the fundamental group, which defines the socio-economic genotype of the enterprise and in the interconnection and other functional strategies, which stem from the peculiarities of the components of the functional group of a particular enterprise and its strategic objectives for the planned period. This will ensure: taking into account differences in motivational priorities in the formation of working groups to reduce the level of conflict and increase the effectiveness of joint activities; involving as many potential carriers of creative ideas as possible in the innovation activity, including from different categories of staff; creating a mechanism of coordination of interests taking into account the heterogeneity of the benefits of key participants; forming microinstitutions that encourage intra-firm business, internal competition, the development of mutually beneficial forms of integration and interaction with other market participants in terms of resources, processes and benefits; creating a mechanism for the formation, accumulation and dissemination of new knowledge in the organizational space, which will enable to find and disseminate the best methods and techniques for improving the enterprise's activities.

All this will positively affect the loyalty and innovative activity of employees, the productivity of social interaction and the effectiveness of innovation search, ensure the ability of the company to form and maintain competitive advantages and implement a strategy for sustainable development. At the same time, in order to provide a motivational link between the results of innovation activity and the whole spectrum of tasks identified for implementation of the sustainable development strategy of an enterprise, it is expedient to form the corresponding system of indicators. In our opinion, this is best done on the basis of the concept of Balanced Score Card (BSC). This concept is proposed by Kaplan & Norton (1996) as the result of a synthesis of the work of many scholars engaged in the problem of improving the management of organizations. Since then, its methodological approaches have become the basis for solving many tasks of a strategic nature, linking the achievement of the staff goals of the functional services of various organizations with the corresponding rewards differentiation. In our opinion, the methodological approaches of BSC can be used for the formation and monitoring of the implementation of the social development goals of an enterprise in the context of the overall growth of its competitiveness. The main tasks of the social strategy can be formulated in the form of a set of indicators of a non-financial nature and entered in the system of balanced indicators.

The development of an appropriate system of indicators should be tied to the specifics of the company's competitive strategy by its components, in which consumer value is formed and appropriate competitive advantages are achieved.

Conclusions.

The growing scale of economic activity around the world and the increase of negative technogenic impact on the environment predetermine the need for compliance by economic entities with the fundamental requirements of the concept of sustainable development, which is intended to harmonize the economic, social and ecological components of human activity. This increases the role of innovation factors in the structure of sources of competitive advantages formation of each enterprise and requires the intensification of the processes of increasing its intellectual capital. In particular, due to increased attention to factors that increase the value of such work and lie in the field of social interaction.

The universality and expediency of using a value-oriented approach in managing the competitiveness of economic systems is grounded taking into account its ability to lead the process of creating value beyond the boundaries of individual market players. It is focused on the fact that this reduces the contradictory interests of participants in economic activity in the context of the national economy and expands the range of diversity factors that can be used to form competitive advantages. Relying on the concept of diversity management, the innovation-technological, cognitive-marketing, organizational-structural, and institutional-evolutionary directions of consumer value formation, which ensure the growth of the competitiveness potential of economic systems, are highlighted.

Effective use and increase of intellectual capital depends on the factors lying in the area of social interaction. This interaction is carried out within and outside the organizational framework of the enterprise, acting as an organizational basis for the exchange of information in management and production processes. The effectiveness of interaction is ensured by the coherence of the incentive preferences of its participants, which embraces both economic and social parameters. Achievement of this interdependence can take place also in the process of formation and realization of social strategy, which can be based on a set of tasks for the development of intellectual capital, taking into account the structure of the socio-economic genotype of the enterprise and the principles of the concept of sustainable development.

References.

Abubakar, M. A., Elrehail, H., Alatailat, M., A. & Elçi, A. (2019). Knowledge management, decision-making style and organizational performance. *Journal of Innovation & Knowledge*, 2 (vol. 4), 104-114.

Armstrong, M. & Taylor, S. (2014). *Armstrong's handbook of human resource management practice*. London, United Kingdom: Kogan Page Publishers.

Bortnik, S. & Levchuk, O. (2016). The place of the social development strategy in the strategic set of domestic enterprises. *Scientific Bulletin of the Mykolaiv National University named after V.O. Sukhomlynsky*, 9, 249-254 [in Ukrainian].

Chih, W., Huang, L., & Yang, T. (2016). Prior knowledge, transformative learning and performance. *Industrial Management & Data Systems*, 116(1), 103–121. <http://dx.doi.org/10.1108/IMDS-09-2014-0273>.

Dubinskyi, S.V. (2014). Strategic development of the social sphere of industrial enterprises, *Economic Nobel Bulletin*, 1 (vol. 7), 155-160 [in Ukrainian].

Fahrn, H. , Skowron, E. & Zimmermann, N. (2014). Diversity Dynamics: Activating the Potential of Diversity in Trainings. A Handbook for Facilitators in Active Citizenship Education. MitOst Association Berlin. Retrieved from http://www.theodor-heuss-kolleg.de/flipbooks/diversity_dynamics.html#

Filyppova, S.V. (2017). Social responsibility in the strategy of management of a domestic enterprise: problem issues of integration of the mechanism. *Economy: Realities of Time*, 2 (vol. 30), 5-17. Retrieved from : <http://economics.opu.ua> [in Ukrainian].

Gharajedaghi, J. (2012) *Systems Thinking: Managing Chaos & Complex-ity: A Platform for Designing Business Architecture* / J. Gharajedaghi. – Elsevier.

Gupta, O. & Roos, G. (2001). Mergers and acquisitions through an intellectual capital perspective. *Journal of Intellectual Capital*, 3 (Vol. 2), 297-309.

Hamel, G. & Prahalad, C. K.(1996) *Competing for the Future*. Harvard Business Review Press; Reprint edition.

Islami, Xhavit, Mulolli, Enis & Mustafa, Naim (2018): Using management by objectives as a performance appraisal tool for employee satisfaction, *Future Business Journal*, Elsevier, Amsterdam, Vol. 4, Iss. 1, 94-108. <http://dx.doi.org/10.1016/j.fbj.2018.01.001>.

Kaplan, R.S. & Norton, D.P. (1996). *The Balanced ScoreCard*. Boston: Harvard Business School Press.

Kleiner, G.B.(2005). System Integration Theory of the Enterprise. *Montenegrin journal of economics*, 2, 21-40.

Klymchuk, A.O. & Mykhailov, A.M. (2018). Motivation and stimulation of personnel in effective management of the enterprise and increase of innovative activity, *Marketing and Innovation Management*, 1, 218-234. [in Ukrainian].

Kotler, P. (1967). *Marketing Management*. Englewood Cliffs-New Jersey: Prentice Hall (2^a Ed).

Lambin, J. J. (2000/2007). *Market-Driven Management. Strategic and Operational Marketing*. London. Palgrave Macmillan.

Lomov, B.F. (2016). Interaction and joint activity. . Retrieved from : <https://books.br.com.ua/30572> [in Ukrainian].

Nonaka, I., Toyama, R. & Konno, N. (2001). *SECI, ba and Leadership: a Unified Model of Dynamic Knowledge Creation .Managing Industrial Knowledge. Creation, Transfer and Utilization* Sage, London, 13-43.

Piddubna, L.I. (2007) Competitiveness of economic systems: theory, mechanism of regulation and management: monograph. Kharkiv: INZHEK[in Ukrainian].

Porter, M. E. (1990). *Competitive Advantage of Nation*. New York: Free Press.

Sokolyuk, G.O. & Khomich, L.V. (2018). Motivational factors of social activity in the context of the tasks of sustainable development of economic systems. *Bulletin of the Khmelnytsky National University. Economic sciences*, 5 (vol. 1), 121-126 [in Ukrainian].

Soroka, O. V. & Krivtsova M. S. (2014). Social strategy in modern enterprise management system. *Social-Labor Relations: Theory and Practice*, 1, 315-319. . Retrieved from : http://nbuv.gov.ua/UJRN/stvttp_2014_1_52[in Ukrainian] .

Stadnyk, V. V. (2015). Heterarchy as an organisational shell of effective interaction of varieties in provision of competitiveness of modern companies. *Bulletin of the Khmelnytsky National University. Economic sciences*, 6,132–137 [in Ukrainian].

Stadnyk, V. V. & Hryzovska, L.O. (2014). The factor of heterogeneity of the staff in increasing the intellectual capital of the innovation-active enterprise. *Problems of the economy*, 2,197-204[in Ukrainian].

Stadnyk, V.V. & Veshko, O.V. (2016). Cross-cultural aspects of the formation of «organization of diversity» in the activities of joint international enterprises. *Scientific letters of academic society of Michal Baludansky*, 6 (Vol. 4), 140–144 [in Ukrainian].

Stadnyk, V., Izhevskiy, P., Zamazii, O., Goncharuk, A. & Melnichuk, O. (2018). Factors of enterprises' strategic selection of participation forms in integration formations. *Problems and Perspectives in Management*, 2(vol. 16), 90 -101. [doi.org/10.21511/ppm.16\(2\).2018.09](https://doi.org/10.21511/ppm.16(2).2018.09).

Scientific and innovative activities (1990-2017). Retrieved from : http://www.ukrstat.gov.ua/operativ/operativ2005/ni/ind_rik/ind_u/2002.html.

State Committee of Statistics of Ukraine. Volume of sold industrial products by type of activity. Retrieved from : http://www.ukrstat.gov.ua/operativ/operativ2013/pr/orp/orp_u/orp0313_u.htm[in Ukrainian].

Sytnyk, O. Yu. (2017). Development of personnel through the establishment of social dialogue in Ukraine through the prism of international experience. *Scientific Bulletin of Uzhgorod National University*, 11, 140-144 [in Ukrainian].

Thaler, Richard H. (2015). *Misbehaving: The Making of Behavioral Economics*. New York: W. W. Norton & Company.

Tyuhtenko, N. A. (2018). Social strategies for activating the work of processing enterprises: methodology and practice of formation and evaluation. Kherson [in Ukrainian].

Wernerfelt, B. (1995). The Resours-Based View of the Firm: Ten Years Later. *Strategic Management Journal*. 3 (Vol. 16.),171-174.

Zamazii, O. V.(2015). Value-based enterprise's management: concepts, technologies, strategies. Khmelnytsky, KhNU [in Ukrainian].

Iryna Petrova

*Doctor of Law, Professor Chief,
Researcher of the Kharkiv RIFE,*

Olga Anishenko

PhD in Economics, Head of the Laboratory of the Kharkiv RIFE,

Iryna Hubanova

*Head of the Sector of the Kharkiv RIFE,
Kharkiv, Ukraine*

MODERN UKRAINIAN REALITIES OF BANKRUPTCY OF ENTERPRISES

***Abstract.** The analysis of the proposals of scientists concerning the reasons of economic insolvency and bankruptcy and throwing them into three groups: objective, subjective and general and their characteristics are described. Particular attention deserves the procedure for determining the debtor bankrupt. It is noted that in scientific works it is emphasized that there are several varieties of the state of bankruptcy and detailed details of specific types of bankruptcy are considered. In this work, certain stages of the bankruptcy case were counted and their characteristics were given. In addition, the sequence of satisfaction of creditors' claims, the characteristics and the list of requirements to be satisfied by these creditors is allocated. Particular attention is paid to assessing the crisis factors of production and entrepreneurial activity, as well as to propose the probable bankruptcy of the enterprise, as a rule, long before the manifestation of its obvious signs.*

JEL Classification: M 11

Introduction.

In a market economy, one of the priorities of state policy is to improve the economic environment. The state's activity in this direction depends, first of all, on improving the business environment and the investment image of the country. For example, this is facilitated by the effective functioning of the institution of bankruptcy. It can be argued that it is an integral part of the mechanism of state regulation of the economy, and the bankruptcy procedure is used to clean the market from inefficient business entities. During the withdrawal of the economy from a crisis, a counterweight mechanism is needed that is aimed at restoring the solvency of the debtor enterprises. To do this, it is necessary to determine the probability of bankruptcy of strategic, city-forming and socially important enterprises, to apply in advance measures for proactive financial rehabilitation and organizational restructuring.

The problem of bankruptcy is devoted to the work of many scientists, for example: Bratyschenko Yu., Jun V., Lidina O., Migoryan M., Protopopova N. A., Stepanov O. and others. Certain guarantor of reliability of reporting of an entity is an independent audit, the problems of which in the process of bankruptcy of enterprises in scientific works were given considerable attention by such domestic scientists as F. Butinets, L. Gutsalenko, N. I. Dorosh, M. Ishchenko, O. Kovalenko, O. A. Petrik, V. Ponikar, O. Tereshchenko and others. And today, some of the provisions of the classics of the science of audit R. Adams remain relevant.

At one time V. V. Tovazhnyansky and P. G. Pererva (2013) analyzed the modern domestic and foreign methods of determining the signs and probabilities of bankruptcy of the machine-building enterprise and developed recommendations on the scope of the use of sanation and restructuring in the crisis management of machine-building enterprises. O. V. Kovalenko and K. V. Sklyarenko (2013) consider the possible causes of bankruptcy, its types are presented, the consequences of bankruptcy are determined. Another author reviews the peculiarities of the audit of the processes of liquidation of the enterprise, the stages of the bankruptcy procedure and its reorganization, discloses the sanitary measures that companies use to resolve the crisis, such as: issue and sale of securities, efficient use of bank loans, changes in payables, exchange of debt obligations on corporate rights and acceptance of financial assistance from other economic entities, as well as certain forms of sanation, and its classification (Opryshko, 2018). Despite the serious theoretical and applied importance of significant work, this issue continues to be relevant given the active work of the subjects of the legislative initiative on the reform of bankruptcy law in Ukraine.

The purpose of the article is the purpose of this article is to define the basic theoretical foundations of identifying signs of the conditions and criteria of bankruptcy of the enterprise and also the grounds and on-cedure liquidation of bankrupt entities.

1. Bankruptcy and the reasons for its occurrence

One of the scientific works notes that the institution of insolvency objectively serves as a tool for structural adjustment of the economy, through which the improvement of the quality of the business massif, the channels of circulation of financial flows are healed and progressive macroeconomic developments are taking place. However, in Ukraine, this function is not implemented on all 100% (Jury, 2001). The concept of bankruptcy is inherent in modern market relations. Bankruptcy is one of the key elements of a market economy and an institution of a well-developed system of public and commercial law. This is a mechanism that makes it possible to avoid a disaster and to dispose of the funds profitable (Protopopova, 2009).

In the Law of Ukraine "On restoring solvency of the debtor or recognizing it as a bankrupt" (1992), which regulates the conditions and procedure for the recognition of a debtor-legal entity as a bankruptcy in order to satisfy the claims of creditors, as well as to restore its solvency, bankruptcy means an economic court recognized insolvency of the debtor to restore his solvency and to satisfy creditors' claims recognized by the court are no other than through the application of the liquidation procedure. In other words, bankruptcy characterizes the company's failure to meet the requirements of creditors for the payment of goods, works and services, as well as provide mandatory payments to the budget and extrabudgetary funds. Under bankruptcy should mean the lawful coercive measures in the judicial process as for the most complete satisfaction of claims of creditors in the event of payment complications, that is, insolvent enterprises. Modern bankruptcy laws take into account the interests of creditors, as well as the interests of the society, which consist in the reorganization of the enterprise and the preservation of jobs important for the national economy.

In order to open a bankruptcy case, you must provide reasons for the insolvency of the debtor, such as insolvency and net indebtedness. Bankruptcy does not necessarily lead to the liquidation of an enterprise (Petrova, Fursa, 2015).

The subject of bankruptcy (bankrupt) is the debtor, whose failure to fulfill his monetary obligations is established by the economic court. According to scientists, the structural units of a legal entity (affiliates, representative offices, departments, etc.) can not be separated by subjects of bankruptcy, as well as individuals - entrepreneurs for monetary obligations that arose directly from an individual on unrelated grounds with the implementation of such entity business activities (Krivovozyuk, 2008, p.165).

Debtor is a legal entity – a business entity or an individual in respect of obligations that arose from an individual in connection with the carrying out of his business, is not able to fulfill his monetary obligations within three months after the due date of their fulfillment, which are confirmed by a court decision, which came into force, and a decision to open an enforcement proceeding, unless otherwise provided by law (1992).

For a debtor recognition of himself as a bankrupt is the possibility of termination of outstanding liabilities, as well as the possibility of profitable implementation of their assets to repay debt obligations (Bratyshchenko, 2002, p. 3). It is necessary to distinguish between the concept of insolvency and bankruptcy. Insolvency - an insolvency of a business entity to execute monetary obligations to creditors after the due date of their payment, including on wages, as well as to fulfill obligations on payment of taxes and duties (obligatory payments), not otherwise than through restoration of solvency. It should be borne in mind that the subject of bankruptcy (bankrupt) at this time, may only be the subject of entrepreneurial activity. Separate structural subdivisions of a business organization (affiliate, representative office and department) can not be declared bankrupt (Petrova, Fursa, 2015).

Scientists suggest the causes of economic insolvency and bankruptcy divided into three groups: objective, subjective and general: the objective reasons for bankruptcy, which do not depend on the will and actions of individuals, companies and governments. These include natural disasters, other adverse natural phenomena, as well as the patterns of economic development, such as cyclicity and crises; subjective, which should include the false actions of management and personnel of the enterprise, proceeding from an incorrect assessment of the situation; the general causes of bankruptcy are those that apply to all business entities in the market economy, which are due to the very nature of the market, its spontaneity and the risk of entrepreneurship (Pokporivnogo, 2001, p. 204).

Lenders of insolvent debtors are entities that have confirmed in accordance with the legislation requirements to the debtor regarding monetary obligations, including creditors whose claims are fully or partially collateralised. The rights of creditors in respect of insolvent debtors are also used by the law-making bodies for collecting taxes and fees (mandatory payments). In case if one or more debtors have two or more lenders at a time, they form the fees (committee) of the creditors in accordance with the requirements of the law (Petrova, Fursa, 2015).

The reasons for the bankruptcy of the enterprise can be divided into two groups: external and internal in relation to the subject of entrepreneurial activity, factors affecting its activities. External factors are always the most dangerous because the opportunities to influence them are minimal, and the consequences of their implementation can be devastating. The main ones include: economic (inflation rate, tax rates and bank loans, exchange rates, income levels, etc.); political, driven by actions and intentions of central and local authorities, their attitudes towards different sectors of the economy, country regions and forms of ownership, the presence of different groups of influence in state and economic management bodies; market (trends of changes in the demographic situation, life cycles of products, level of competition, etc.); technological, which is conditioned by the influence on the economy of scientific and technological progress; socio-cultural, covering such phenomena and processes as the customs and traditions dominant in society, the attitude of people to work, the level of well-being, the level of education of the population, the attitude to private business and the possibility of independent entrepreneurial activity; international, related to the globalization of the economy, the activities of transnational companies, economic and military-political associations.

Internal risk factors for bankruptcy due to erroneous management practices, as shown by the practice of countries with a developed market economy, are the reason for up to 80 percent of cases of economic insolvency of companies. The main internal factors include:

- organizational weaknesses in the creation of the subject of entrepreneurial activity;
- excessively fast expansion of business;
- self-complacency and lack of a long-term concept of development;
- low qualification of management personnel;
- lack of equity;
- inefficient production, commercial and investment activity;
- low level of used technology, technology and production organization; inefficient use of resources;
- inappropriate distribution of profits (Kovalenko, Sklyarenko, 2013).

In a crisis, the enterprise is not immediately, and the movement towards it begins with the deterioration of certain indicators that characterize its external and internal environment, that is, there are symptoms of bankruptcy. These include: decline in demand for products and decrease in production volumes; loss of customers and customers; decrease in profitability of production; increase in the value of illiquid working capital; non-rigidity of production; low level of use of production potential and reduction of labor productivity; job cuts; increase in production costs; termination of current payments and systematic violation of terms of repayment of obligations; reduction of cash flow from transactions; the fall in the market price of securities and the reduction of paid dividends (Petrova, Fursa, 2015). All these symptoms can be divided into two groups: those that characterize the total debt of the enterprise; those that characterize complete insolvency.

In cases envisaged by law, the business-debtor, its founders, owners of the property, as well as other persons are legally responsible for violating the requirements of bankruptcy law, in particular fictitious bankruptcy, concealment of bankruptcy or deliberate bringing to bankruptcy. Fictitious bankruptcy is a knowingly false statement of the subject of entrepreneurship in court about the inability to fulfill its obligations to creditors and the state. Having established the fact of fictitious bankruptcy, that is, the actual solvency of the debtor, the court refuses the debtor to comply with the application for recognition as a bankrupt and applies sanctions provided by law. A deliberate bankruptcy is a firm insolvency of a business entity caused by intentional actions of the owner of the property or an official of the business entity, if this has caused material material damage to the interests of the state, society or interests of creditors protected by law. Concealment of bankruptcy, fictitious bankruptcy or deliberate bankruptcy, as well as unlawful actions in insolvency proceedings related to the ordering of the debtor's property, which caused substantial damage to the interests of creditors and the state, entail criminal liability of the perpetrators in accordance with the law (Petrova, Fursa, 2015).

In other scientific works, it is emphasized that there are several varieties of bankruptcy. We will consider more detailed types of bankruptcy.

1. Real bankruptcy is caused by the complete inability of the company to restore its financial stability and solvency through a real loss of capital in the next period. Such an enterprise is legally declared bankrupt.

2. Technical bankruptcy is caused by a significant delay in receivables and the excess of these debts over the auditor, and the amount of assets significantly exceeds financial liabilities. Under effective anti-crisis management, an enterprise, as a rule, is not declared bankrupt legally.

3. Intentional bankruptcy is connected with the intentional creation or increase of the manager or owner of the enterprise of its insolvency, causing an economic loss in the personal interests or interests of other persons, in advance incompetent financial management. The revealed facts are prosecuted by criminal law.

4. Fictitious bankruptcy is conditioned by a pre-false declaration by the enterprise of its insolvency in order to mislead creditors to receive from them a delay in the performance of their obligations or discounts on the amount of accounts payable. The revealed facts are prosecuted by criminal law (Saliga, 2005, p. 73).

2. The procedure for determining the debtor bankrupt

G. M. Chepelyuk (2017), defining certain aspects of the bankruptcy audit of the entity, observes that the audit is an independent professional opinion as to the completeness, accuracy and consistency of a certain structure of financial statements. To date, a significant number of domestic enterprises have suffered significant consequences of the financial crisis of past years. They are still in a difficult financial situation, which borders on bankruptcy and liquidation. At the same time, the author notes that among them there is a

share of enterprises with sufficient potential and in conditions of financial healing they will be able to continue to work normally and restore their solvency (p. 69).

Audit of financial statements - an audit service for the verification of accounting data and indicators of financial statements and / or consolidated financial statements of a legal entity or representative office of a foreign entity or other entity, that presents the financial statements and consolidated financial statements of the group for the purpose of expressing the independent opinion of the auditor on its compliance in all material respects with the requirements of national accounting regulations (standards), international financial reporting standards or other requirements of Clause 1, Article 1 of the Law of Ukraine "On Audit of Financial Reporting and Auditing Activities" (2017).

In case of detecting unsatisfactory financial condition of an enterprise for a long period of time, it is considered insolvent and can be declared bankrupt. According to the legislation of Ukraine, the following bankruptcy procedures are used: disposition of the debtor's property; the settlement agreement; sanation (restoration of solvency) of the debtor; liquidation of the bankrupt.

The conditions and mechanism for determining the legal entity engaged in entrepreneurial activity, the subject of bankruptcy (bankrupt) and the procedure for satisfying the claims of creditors are determined by law. Reasons for initiating bankruptcy proceedings are real facts, in the presence of which, the company has the right (duty), and the court is obliged to break the procedure of bankruptcy. In order to violate the bankruptcy procedure, the law does not provide for one, but a whole series of legal facts is a legal entity (Bratyshchenko Yu., 2002, p. 4).

The following stages of a bankruptcy case can be distinguished:

1. Establishing the insolvency of the debtor.
2. Documentary confirmation of the claim of the creditor who initiated the bankruptcy proceedings.
3. Determination of the property assets of the debtor.
4. Detection of all possible lenders.
5. Substantiation of the possibility of restructuring or reorganization.
6. Restructuring or rehabilitation, if possible.
7. Recognition of the debtor bankrupt.

The application for instituting bankruptcy proceedings shall be submitted by the debtor or the creditor in writing, signed by the head of the debtor or the creditor (another person whose powers are determined by the legislation or constituent documents), a citizen of the business entity (his representative) and shall contain: the name of the economic court, to which the application is filed; name (surname, name and patronymic) of the debtor, his postal address; the name of the creditor, his postal address, if the creditor is a legal entity; if the creditor is an individual, the application shall state the surname, name and patronymic, as well as the place of residence; number (code) identifying the creditor as a tax payer and

fees (mandatory payments); the statement of circumstances confirming the insolvency of the debtor, indicating the amount of debt claims of creditors, as well as the term of their execution, the amount of the penalty (fines, penalties), the details of the settlement document on the write-off of funds from the bank or correspondent account of the debtor and the date of its adoption by the bank's debtor institution; list of documents attached to the application.

According to the applicable law, the application of the debtor must contain, in addition to the information specified above, the following information: the amount of claims of creditors on monetary obligations at the amount not debited by the debtor; amount of arrears on taxes and fees (mandatory payments); the amount of arrears for the compensation of damage caused to life and health, payment of wages and benefits to employees of the debtor, payment of royalties; information about the presence of the debtor's property, including monetary amounts and receivables; the names of the banks, which carry out settlement and cash servicing of the debtor.

The debtor's application is also enclosed with: a decision by the owner of the property (the body authorized to manage the property) of the debtor on the application of the debtor to the arbitration court with the application, except in cases stipulated by law; balance sheet at the last reporting date, signed by the manager and accountant of the debtor company; a list and full description of the pledged property, indicating its location and cost at the time of the right of collateral; the minutes of the general meeting of the debtor's employees, in which a representative of the debtor's employees was elected to participate in the economic process during the bankruptcy proceedings; other documents confirming the insolvency of the debtor.

The debtor submits an application to the economic court in the presence of sufficient property to cover court costs, unless otherwise provided by law. In addition, the debtor is obliged to apply within a month to the economic court with a statement on the opening of a bankruptcy case in the event of the following circumstances: satisfaction of claims of one or more lenders will lead to the impossibility of fulfilling the debtor's monetary obligations in full to other creditors; the body of the debtor, authorized in accordance with the constituent documents or legislation to take a decision on the liquidation of the debtor, has made a decision to apply to the Economic Court with the application of the debtor to initiate a bankruptcy proceeding; at liquidation of the debtor, in connection with the bankruptcy procedure, the inability of the debtor to satisfy the creditors' claims in full (Petrova, Fursa, 2015).

In cases where bankruptcy proceedings instituted at the request of the debtor, the debtor must simultaneously submit a plan of reorganization in accordance with the requirements of the law.

At the same time, a bankruptcy petition can be filed with the court and the creditor. The creditor's application must contain the following information: the size of the creditor's

claims to the debtor, indicating the amount of the penalty (fine, wite) payable; a statement of circumstances confirming the existence of a debtor's obligation to the creditor from whom the claim appeared, as well as the term for its execution; evidence that the sum of the confirmed claims exceeds the amount of three hundred times the minimum wage, unless otherwise provided by law; evidence of justification of the creditor's claims; other circumstances on which the claims of the creditor are based. The relevant documents are attached to the creditor's application: a court decision that considered the claims of the creditor to the debtor; a copy of the unpaid settlement document under which, in accordance with the law, the debit from the debtor's accounts is made, with the confirmation by the debtor bank institution of the acceptance of this document, with the indication of the acceptance date, the executive documents (executive letter, notary's executive seal, etc.) or other documents confirming recognition by the debtor of the claims of creditors; evidence that the value of the pledged item is insufficient to fully satisfy the claim secured by the pledge if the only confirmed claim of the creditor lodging the application is secured by the debtor's assets (Petrova I. A. & Fursa V. A., 2015).

The creditor's claim may be based on the aggregate debtor's debts in respect of various obligations before that creditor. Lenders have the right to combine their claims with the debtor and apply to the court with one application. Such a statement is signed by all the creditors who have combined their requirements. In conducting bankruptcy proceedings, the interests of all creditors are represented by a committee of creditors established in accordance with the law. To the creditor's claim - the body of the State Tax Service or other state bodies that control the correctness and timely collection of taxes and duties (mandatory payments), proof is provided of the implementation of measures to receive arrears of obligatory payments in accordance with the procedure established by law.

The creditor is obliged, upon filing an application to initiate a bankruptcy, to send to the debtor a copy of the application and documents attached thereto. If at the time of filing an application for instituting bankruptcy a court has already received one or several applications for instituting bankruptcy proceedings against a single debtor, the court shall examine all applications, including the application of the creditor or debtor filed by the latter.

A judge of an economic court shall accept an application for instituting bankruptcy proceedings filed in compliance with the requirements of the law. According to the results of consideration of the creditor's claim and the debtor's retraction in the preparatory meeting, an approval shall be made specifying: the size of the claims of creditors who filed an application for instituting bankruptcy proceedings; the date of making the property manager of the register of claims of creditors, which must be drawn up and submitted to the arbitral tribunal for approval not later than two months and ten days after the date of the preparatory meeting of the court; the date of the preliminary hearing of the court, which shall take place not later than three months after the date of the preparatory meeting of the

court; the date of the convening of the first general meeting of creditors to be held not later than three months and ten days after the date of the preparatory meeting of the court; the date of the court sitting on which the decree on the reorganization of the debtor was made, or about the recognition of the debtor by a bankruptcy and the opening of the liquidation procedure, or the termination of proceedings in bankruptcy proceedings, which should take place not later than six months after the date of the preparatory meeting of the court.

If the applicant does not comply with the requirements of the Commercial Court ruling regarding publication of the notice of commencement of proceedings in the bankruptcy proceeding within a specified period, the Commercial Court shall have the right to file a statement of bankruptcy proceedings without consideration. From the date of the decision to initiate a bankruptcy proceeding, a decision on the reorganization or liquidation of the debtor's legal entity shall be adopted in accordance with the procedure established by law. In order to secure the property interests of creditors in a ruling of the Commercial Court on the commencement of proceedings in a bankruptcy case or a ruling made at the preparatory meeting, it is indicated that the procedure for the administration of the debtor's property was introduced and the property manager appointed.

It should be noted that the property manager is an individual who has the authority to supervise and control the administration and disposal of the debtor's property for the duration of the bankruptcy proceeding. In addition, the disposition of the debtor's property is a system of supervision and control over the administration and disposal of the debtor's property in order to ensure and efficiently use the debtor's property assets and to analyze his financial situation.

As already mentioned above, a bankruptcy procedure, such as a settlement agreement, may also be applied to the debtor. The world agreement is an agreement between the producer and the creditors on deferrals and installments, as well as the debtors' debts, which are executed by the agreement of the parties. The peace agreement can be concluded at any stage of the bankruptcy proceeding. The peace agreement is concluded in writing and subject to approval by the commercial court, as indicated in the ruling of the economic court on the termination of proceedings in bankruptcy case (Petrova, Fursa, 2015).

The Commercial Court terminates the continuation of the bankruptcy case if: the debtor is not included in the Unified State Register of Enterprises and Organizations of Ukraine or in the Register of Business Entities; an application was submitted for the recognition of a legal entity as liquidated or reorganized (except for reorganization in the form of a transformation); in the proceedings of an economic court there is a case of bankruptcy of the same debtor; approved reorganization report; world agreement approved; liquidator report approved; the debtor has fulfilled all obligations to the creditors; the lenders did not submit claims to the debtor after the initiation of the bankruptcy proceedings on the request of the debtor.

Founders of the enterprise, property owners, state authorities and local self-government bodies, with economic competence, are obliged under their authority to take timely measures to prevent its bankruptcy. All listed entities may provide financial assistance to the debtor company at a rate sufficient to repay its obligations to creditors, including obligations to pay taxes, fees (mandatory payments) and restoration of solvency of this entity (pre-trial sanation). Granting financial assistance to the debtor implies his obligation to assume respective obligations to the persons who provided assistance in accordance with the procedure established by law. Pre-trial sanation of state-owned enterprises is carried out at the expense of budget funds, the amount of which is established by the law on the State Budget of Ukraine. The conditions for conducting pre-trial sanation of state enterprises at the expense of other sources of financing shall be agreed with the body with economic competence regarding the debtor in accordance with the procedure established by the Cabinet of Ministers of Ukraine.

State policy on prevention of bankruptcy, provision of conditions for the implementation of procedures for restoration of solvency of the subject of entrepreneurship or recognition of bankruptcy for state enterprises and enterprises in whose statutory fund the share of state property exceeds twenty five percent, as well as enterprises of other forms of ownership in cases provided for by law, is carried out by the state authority on bankruptcy issues. This body of state power contributes to the creation of organizational, economic and other conditions necessary for the implementation of procedures for restoring solvency of business entities - debtors or their recognition as bankrupt. The powers of the state body on bankruptcy are determined by law.

Procedures for insolvent debtors envisaged by law to state-owned enterprises that are not subject to privatization under the law are applicable in the part of rehabilitation or liquidation only after their exclusion from the list of non-privatizable objects. In cases stipulated by law, bankruptcy procedures for utilities are not applied. Regarding certain categories of business entities, the law may specify the features of regulation of relations related to bankruptcy. Bankruptcy relations involving foreign creditors are regulated by the legislation of Ukraine, taking into account the relevant provisions of international treaties, the consent of which is binding on the Verkhovna Rada of Ukraine.

3. Liquidation of bankrupt enterprises

From the moment when the debtor is declared bankrupt: the debtor's business is suspended; the liquidation commission passes the right to dispose of the property of the bankruptcy and all its property rights and obligations; are considered to be past due dates of all bankruptcy debts; the payment of interest and interest on all types of bankruptcy debts ceases (Onisko, 2006, p.148-163).

Liquidation - termination of the activity of a business entity recognized by a commercial court bankrupt, in order to implement measures to satisfy the claims of creditors recognized by the court through the sale of its property.

Liquidation of a business entity is carried out by a liquidation commission formed by the owner (owners) of the property of the business entity or its (their) representatives (bodies) or another body specified by law, unless another procedure for its formation is stipulated by law.

The liquidation commission (the liquidating body) evaluates the existing property of the liquidated enterprise, conducts work on collection of accounts receivable and is calculated with creditors, makes a liquidation balance and submits it to the owner or the body that appointed the liquidation commission (Krivovozyuk, 2008, p. 167-175).

The liquidation of an entity may also be entrusted to the management body of the liquidator. The body (person) that has made a decision on the liquidation of the entity shall establish the procedure and determine the terms of liquidation, as well as the term for the statement of claims by the creditors, which may not be less than two months from the day the declaration of liquidation is made.

The liquidation commission or other body that conducts the liquidation of the business entity, holds in the print agencies, reports on its elimination, and the procedure and terms of the claims by the claimants, and explicit (known) creditors shall personally notify in writing in accordance with the statutory time limits. At the same time, the liquidation commission takes the necessary measures to recover the receivables of the subject of the economic activity that is being liquidated and to identify the claims of the creditors, with written notification of each of them on the liquidation of the entity. The Liquidation Commission assesses the existing property of the entity that is being liquidated and is settled with the creditors, prepares a liquidation balance sheet and submits it to the owner or the authority that appointed the liquidation commission. The credibility and completeness of the liquidation balance must be checked in accordance with the law.

From the date of the adoption by the Economic Court of a ruling on the recognition of the debtor bankrupt and the opening of the liquidation procedure: business activities of the bankruptcy ends with the end of the technological cycle of manufacturing products in case of its sale; the term of execution of all bankruptcy obligations and obligations regarding payment of taxes and duties (obligatory payments) is considered to have occurred; the penalty for penalty (fine, penalty), interest and other economic sanctions for all kinds of bankrupt debt is terminated; information about the financial status of the bankruptcy cease to be confidential or constitute a commercial secret; conclusion of transactions related to the alienation of property of a bankrupt or transfer of his property to a third party is allowed in the manner prescribed by law; the arrest imposed on the debtor's property, recognized as a bankrupt, or other restrictions on the disposal of the property of such a debtor is canceled. The imposition of new arrests or other restrictions on the disposal of bankruptcy property is not allowed; claims for obligations of the debtor recognized as a bankrupt, arising during the conduct of bankruptcy proceedings, may be filed only within the limits of the liquidation procedure; performance of obligations of the debtor recognized as a bankrupt, is carried out in cases and in accordance with the procedure provided for by law.

The adoption by the Economic Court of a ruling on the recognition of a debtor bankrupt, in addition to those listed, also has the following consequences: the powers of the bankruptcy authorities regarding bankruptcy and the disposition of his property are terminated if this has not been done before; the head of the bankrupt is dismissed from work in connection with the bankruptcy of the enterprise, which is recorded in his work book; the powers of the owner (owners) of the property of the bankrupt, if this has not been done before, is terminated.

The appointment of the liquidator shall be made by a decision on the recognition of the debtor by a bankruptcy in the manner prescribed for the appointment of the manager of the rehabilitation. They may also be the person who performed the functions of the property manager or the manager of the debtor's rehabilitation. At the request of the liquidator, agreed with the committee of creditors, the economic court appoints members of the liquidation commission. In case of liquidation of a state-owned enterprise or enterprise in whose statutory fund the state share is more than 25%, the economic court shall appoint members of the liquidation commission to a representative of the state body on bankruptcy and, if necessary, to a local self-government body.

Unfortunately, for Ukraine, a liquidation commission is composed of representatives of creditors, energy companies and state fiscal services. They, as a rule, are absolutely not interested in "preserving" the debtor, and all their activities are aimed at selling the most liquid part of the property – the basis on which all the activities of the enterprise are based. Funds from the sale of property of a bankrupt, are directed to satisfaction of claims of creditors. The bankruptcy law states that the term of the procedure for the disposal of property of the debtor, as a rule, lasts 6 months. Since the opening of a bankruptcy case, a moratorium on satisfaction of creditors' claims is introduced and a special procedure for settlements with creditors is established. (Stepanov O., 2004, p. 46).

Legislation defines the functions of the economic court in the liquidation procedure, the powers of the liquidator and members of the liquidation commission, the procedure for transferring the bankruptcy of the bankruptcy management bodies and other bankruptcy documentation, seals and stamps, the material and other values of the bankrupt, the responsibility for failure by the said persons of these provisions. The property of a bankrupt, in respect of which the restriction is established, is sold in closed tenders, which may be attended only by persons who may have the said property in accordance with the law of property or on the basis of another property right.

The liquidator submits to the economic court a report on its activity together with a liquidation balance, ensures the proper registration and storage of financial and economic documents of the bankrupt.

Claims of creditors to a liquidated entity are satisfied with the property of this entity, unless otherwise provided by this Code and other laws. Priority and procedure for satisfying the claims of creditors are determined in accordance with the law.

Claims that are not satisfied due to lack of property of the business entity, claims that are not recognized by the liquidation commission, if their applicants within a month after receipt of the notification of full or partial rejection of the claim will not apply to the court with the relevant claim, as well as the claim, in satisfaction which are denied by the court decision to the creditor, are considered to be canceled. The property remaining after satisfaction of claims of creditors, is used according to the owner's instructions. The composition of separate queues of satisfaction of requirements has certain features in the bankruptcy of certain categories of subjects of entrepreneurial activity.

Elimination of an enterprise is one of the varieties of its termination, which can be called to an extreme extent, which is used when there is no possibility of other measures to overcome insolvency, and it is no longer possible to prevent bankruptcy: in the first place: requirements secured by collateral; payment of the initial aid to the dismissed bankrupt employee, in the amount of compensation for the loan received for these purposes; expenses related to the bankruptcy proceedings in the economic court and the work of the liquidation commission (state duty, publication of information, expenses of the arbitration manager, audit, payment of labor arbitration managers, etc.); the following are satisfied: an obligation to bankrupt workers (except for contributions to the statutory fund); obligations that arose as a result of causing harm to the life and health of citizens; requirements of citizens - trustees (depositors) of trust companies or other business entities, which attracted property (funds) of the trustees (depositors); then meet the requirements for paying taxes and duties (mandatory payments); in the future comes the queue of satisfaction (consistently): the claims of creditors, not secured by collateral; return of contributions of members of the labor collective to the statutory fund of the enterprise and other requirements.

Conclusions.

As a rule, an assessment of the crisis factors of production and entrepreneurial activity, as well as forecasting a possible bankruptcy of the enterprise, takes place long before the manifestation of its obvious signs. Such an assessment and forecasting is the subject of bankruptcy diagnostics. Diagnosis, in this case, is a system of targeted financial analysis and is aimed at identifying the crisis factors of enterprise development, which constitute a threat and can contribute to its bankruptcy in the future. Prevention or overcoming of a crisis situation is possible provided timely and correct application of effective anti-crisis policy, rehabilitation and restructuring of the enterprise.

There are many reasons for recognizing a company as a bankruptcy, from an ineffective company policy to a common mistake in enterprise strategy, but there are ways to prevent and exit from this state. At the same time, both for the country itself and for the enterprise, the consequences of bankruptcy are negative. Nevertheless, for enterprises there is also a positive consequence of the bankruptcy of individual business entities, which consists in the fact that enterprises declared bankrupt and to which the mechanism of their liquidation is used, complete their ineffective activity, and instead they can be created such enterprises, which will carry out their activities effectively.

To effectively counteract bankruptcy, it is necessary to timely solve the problem of introducing efficient, adapted to domestic conditions mechanisms for determining the probability of bankruptcy even before the emergence of obvious signs of insolvency of the enterprise, as well as create an appropriate system for monitoring the work of the enterprise.

References.

Bratyshchenko Yu. (2002). *Basics of bankruptcy. Economy. Finances. Right.* 1, 3-7 [in Ukrainian].

Cheplyuk G. M. (2017). *Bankruptcy Inspection of an Entity: Applied Aspect.* Financial space. No. 2 (26), 69-74. [in Ukrainian].

Juny V. (2001). *Social determination of the formation and application of bankruptcy law.* The law of Ukraine, No. 12. Pp. 55-57 [in Ukrainian].

Kovalenko O.V. & Sklyarenko K.V. (2013). *Bankruptcy of Ukrainian Enterprises: Causes and Consequences.* Retrived from: <http://www.zgia.zp.ua> [in Ukrainian].

Krivovozyuk I. V. (2008). *Anticrisis management of the enterprise: Teach.* A guide for university students. Kyiv: Condor [in Ukrainian].

On audit of financial reporting and audit activity : Law of Ukraine dated December 21, 2017, No. 2258-VIII (with amendments and supplements). *Information from the Verkhovna Rada of Ukraine (VVR)*, 2018, No. 5, p. 50 [in Ukrainian].

On restoration of the debtor's solvency or recognition of it as a bankrupt: Law of Ukraine dated May 14, 1992 No. 5518-VI (with amendments and supplements). *Information from the Verkhovna Rada of Ukraine (VVR)*, 1992, No. 31,440 [in Ukrainian].

Onisko S. M. (2006). *"Financial sanation and bankruptcy of enterprises": handbooks.* Lviv: "Magnolia Plus", publisher SPOFO Picha V. M., 265 p. [in Ukrainian].

Opryshko O. E. (2018). *Audit of bankruptcy processes and liquidation of the enterprise.* Innovative Vsews in the Future ', SWorld - January 2018 [in Ukrainian].

Petrova I. A. & Fursa V. A. (2015). *Legal and Economic Protection of Small and Medium Business: A Guide.* Kharkiv: NikaNova. [in Ukrainian].

Pokporivnogo S.F. (2001). *Collection of practical problems and situations.* Kyiv: KNEU [in Ukrainian].

Protopopova N. A. (2009). *Accounting for operations to stop the activity of the enterprise and restore its solvency.* State and regions, № 5. P. 132-137. [in Ukrainian].

Saliga S. Ya. (2005). *"Anticrisis Financial Management of the Enterprise": Teach. manual.* Kyiv: Center for Educational Literature, 208p. [in Ukrainian].

Stepanov O. *Problematic issues of invalidating the debtor's transaction in the procedure of insolvency (bankruptcy).* (2004). The law of Ukraine, No. 12. Pp. 44-47.

Tovazhansky V. L., & Pererva P. G. (2013). *Definition of Bankruptcy: Reconciliation and Restructuring of Enterprises.* Bulletin of the NTU "KhPI". Series: Actual problems of management and financial and economic activity of the enterprise. Kharkiv: NTU "KhPI", 52 (1025), 152-162. [in Ukrainian].

Iryna Tarasenko

Doctor of Economics, Professor

Kyiv National University of Technologies and Design

Kyiv, Ukraine

orcid.org/0000-0003-3626-4377

Antonina Verhun

Ph.D. in Economics, Associate Professor

Kyiv National University of Technologies and Design

Kyiv, Ukraine

orcid.org/0000-0002-2825-9511

Julia Bondarchuk

PhD in Philology, Associate Professor

Kyiv National University of Technologies and Design

Kyiv, Ukraine

orcid.org/0000-0002-4851-8701

SUSTAINABLE DEVELOPMENT CONCEPT UNDER GLOBALIZATION

Abstract. *The study is aimed at revealing the nature of the impact of economic, social and environmental problems on economic growth under globalization based on the sustainable development concept. As a result of the analysis, the reasons for the transition of Ukraine to the sustainable development model have been substantiated and the specified conditions have been specified. It has also been established that the problem of sustainable development needs to be solved by systematically addressing economic, environmental and social problems at all levels. It has been established that the introduction of international standards of business social responsibility will have a positive impact on the economic, environmental and social spheres of society and sustainable development of the region. The practical significance is to systematize the factors and conditions of sustainable development, on the basis of which the implementation of the sustainable development principles under globalization has been ensured.*

JEL Classification E 21, O 10

Introduction.

In modern times of development, the world is experiencing a profound socio-cultural catastrophe associated with the loss of a single human prospect as a result of the intensification of economic, social and environmental problems on a global scale. The development feasibility, in the center of which there is only material production, is increasingly being questioned, which necessitates a change in the whole paradigm – from the ideology of the material wealth accumulation on the ground to the ideology of "reasonable sufficiency", from the ideology of competition to the ideology of mutual assistance. This has conditioned the need for fundamental research into the nature of economic relations under globalization, resulting in the objectively emerging a society paradigm of sustainable development.

Handling the scientific literature (Heiets, 2003; Sokolenko, 1998; Alimov, 2005) allowed among the problems that hamper the development of Ukraine under globalization, also to distinguish the problems of regulation, namely the absence of a structure of a higher hierarchy capable of removing crisis phenomena; reduction of the state role; inefficiency of existing economic instruments and stimulation levers of introducing ecologically safe, energy-saving and resource-saving technologies; lack of complexity in solving problems of nature use rationalization and nature protection. The research has shown that the significant factors that hinder the development of Ukraine are inconsistency in the development of related industries, including the financial sector, the structural imbalance of the economy, the lack of a clear program of reforms aimed at creating an optimal regime for economic development (Fedulova; Fedulova, 2008; Striha, 2009; Sokolenko, 1998).

At the same time, it should be noted that Ukraine has the means to implement its development concept under globalization, among which (Sokolenko, 1998) are advantageous geopolitical location on the map of transnational transport and communication corridors; sufficient transport and communication infrastructure acceptable for the initial stage to enter the world economic space; the presence of a large number of highly skilled workers, engineering and scientific workers able to provide high-tech technologies in the industrial and technical sectors of the modern economy. These factors should urge the government of Ukraine to develop a system of large-scale measures to integrate the country into the system of the international economic community and in global markets, to promote its sustainable development. Thus, as analysis shows, globalization is an objective process of forming a holistic system of the modern world economy based on the transnational division of labor, characterized by increased global competition and uneven economic development, while maintaining a monopoly of developed countries with financial and technological resources.

1. Paradigm of sustainable development under globalization

The research approaches as for the definition of the notion “sustainable development” have shown that despite the large number of interpretations of this category, none of them has become commonplace. The phrase “sustainable development” is understood by most scientists as a process characterized by continuity, steadiness of change. At the same time, combined with the “development”, which is interpreted as evolution, expansion, growth, improvement, perfection, the word “sustainable”, which consists of two parts – “sustain” (to support, not to be allowed to quit, interrupt, to withstand) and “able” (the one having the ability) forms a phrase that has different interpretations in scientific circles. In addition, as noted in (Alimov, 2005), the phrase “sustainable development” has a contradiction, since development is a process of movement, which does not inherent in the concept of sustainability that this phrase performs in the concept of sustainable development.

The main tasks and basic requirements of sustainable development, as noted at the Johannesburg Summit in 2002, are eradicating poverty, impoverishment, changing unsustainable patterns of production and consumption, protection and rational use of

materialization on the base of economic and social development. Essential for sustainable development, as outlined in this document, is good governance within each country and internationally, and the basis of sustainable development at the national level is environmental, economic and social policies, democratic institutions that meet human needs, rule of law, means on combating corruption, ensuring equality between men and women and creating favorable conditions for investment. In 1999, an International Project “A Program for the Promotion of Sustainable Development in Ukraine” was initiated by the United Nations Development Program and the United States Agency to address the problem of combining the interests of society and nature.

The need for a sustainable development concept is determined by the environmental and socio-economic background (Figure 1).

In the historical document “European Choice. Conceptual bases of the strategy of economic and social development of Ukraine for 2002-2011” ensuring sustainable growth and accelerating overcoming the gap in GDP per capita between Ukraine and the EU member states is considered to be a condition for its European integration. The third section of this document states that since this gap has grown considerably in recent years, in such a situation, it is necessary to develop and implement a “... forward-looking development strategy that could provide one and a half times higher annual GDP growth rates in Ukraine than in general in EU countries. Such a growth must be accompanied by profound qualitative transformations, the realization of the tasks of sustainable development, defined by the world community as a strategy of existence in the XXI century”. Consequently, in this definition, sustainable development is to some extent equated with economic growth and is used in the phrase as “sustainable growth”, which does not correspond to its content according to the sustainable development concept. The study has shown that the paradigm of a sustainable development society is significantly different from the paradigm of an industrial (economic) society, which is based on the priority of economic growth through the widespread use of industrial methods of production, including agriculture. This is explained by the fact that in the industrial society there is a concentration of production and population, urbanization, the values system formation, oriented on efficiency, rationality irrespective of the natural environment. Social and economic progress in an industrial society takes place by increasing the production volume of material goods and obtaining economic benefits at any price. Under such conditions, the environment is subject to economic development, which causes the fundamental inability to protect the environment effectively (Drobnokhod).

In other words, sustainable development should ensure the harmonization and combination of social, economic and environmental goals, their implementation in a single socio-ecological and economic system of a certain territory (country, region). At the level of industry (by types of industrial activity) and individual enterprises, this category is practically not considered by scientists.

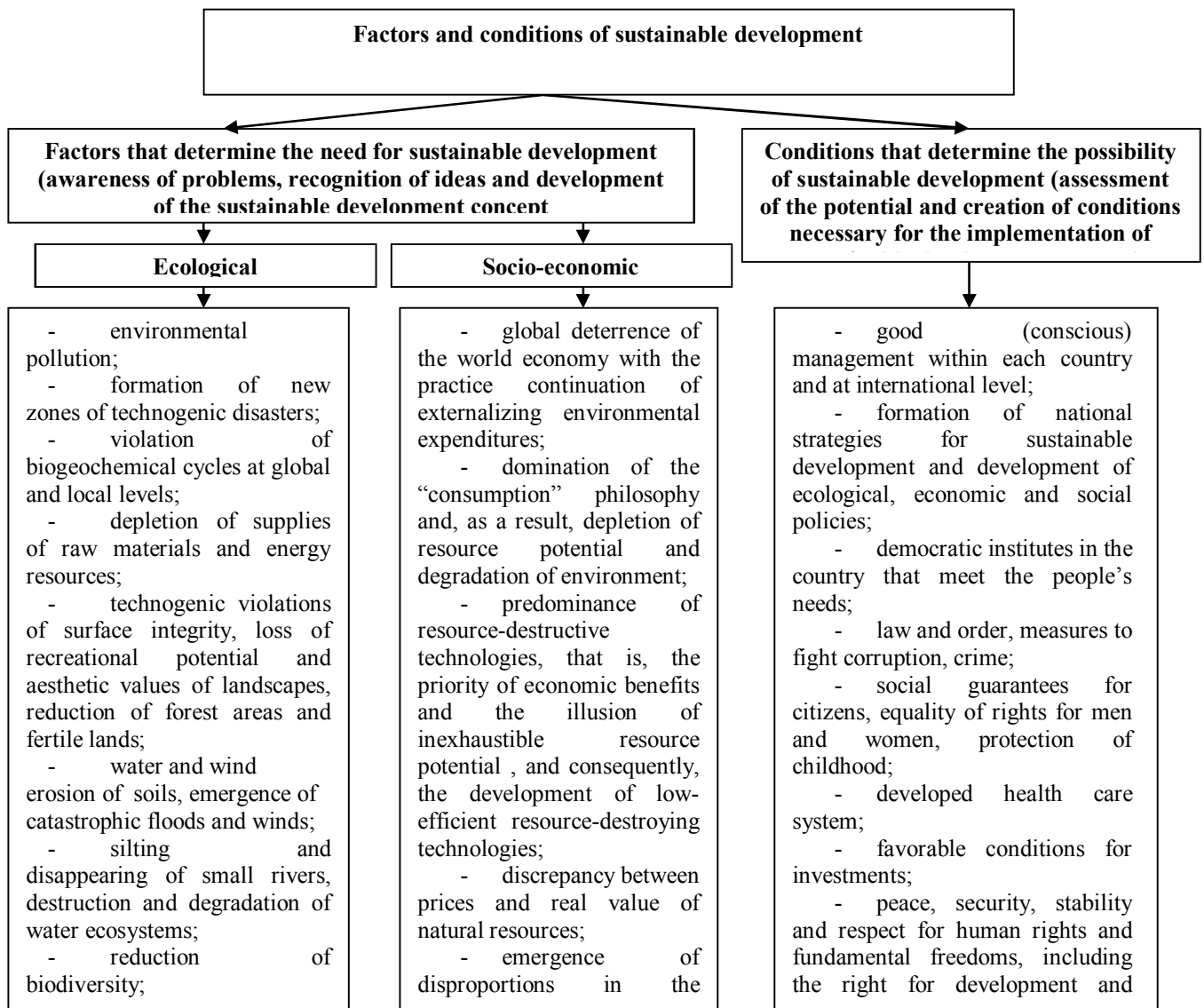


Fig. 1. Factors and conditions of sustainable development (developed by the authors on the basis of elaboration

Source: Trehobchuk 2002, Karaieva, 2008

Nevertheless, the sustainable development of individual territories requires the definition of appropriate strategies for individual industries, enterprises that influence and determine one or another state of biological, geographical, economic and social objects, which, in accordance with the concept of sustainable development, should be considered to be as a whole, as a certain “socio-ecological and economic system”, all components of which are developed in a balanced way. Stability and balance of individual subsystems are signs of sustainable development of the system as a whole. The conditions necessary to implement sustainable development of the territory, as noted in (Karaieva, 2008) include: 1) existence awareness of threats towards sustainable development, the idea of the goals and signs of sustainable development; 2) development of the basic foundations of the sustainable development analysis, creation of methodology and models of sustainable development of territories at different levels; 3) development of the mechanism of sustainable development of territories and mechanisms for their implementation.

The balance disturbance between individual subsystems testifies to the inconsistency of the particular object development (country, region, industry, enterprise) of sustainable development concept. The result of economic development in the socio-ecological-economic system is to provide not only the material but also the whole complex of human needs, including spiritual, social, environmental needs.

In modern times for Ukraine, as well as other countries, the issue of finding ways and mechanisms for managing the country sustainable development, its withdrawal to a new higher level of existence is especially acute. Historically, Ukraine's path to sustainable development began in 1992 at a conference in Rio de Janeiro, when Ukraine signed the Rio Declaration and the Agenda for the 21st century. At the following conferences, "Rio + 5" and "Rio + 10" Ukraine has confirmed its aspirations to follow this path. As a result, in 1997, the National Commission for Sustainable Development under the Cabinet of Ministers of Ukraine was created in Ukraine (Resolution of the CMU dated October 8, 1997, No. 1123).

In 2010, in accordance with Article 20 of the Law of Ukraine "On Environmental Protection", the UNECE Convention "On access to information, public participation in decision-making and access to justice in environmental matters" and, in order to ensure the right of the public to take part in environmental decision making, the Ministry of Ecology and Natural Resources of Ukraine developed and promulgated a draft National action plan on environmental protection of Ukraine for the period from 2011 to 2015 years for organizing its public discussion (Drobnokhod).

The "Strategy of innovation development of Ukraine for 2010-2020 in the context of globalization challenges" notes that the transition of the national economy to the standards of economically safe production and consumption in order to ensure sustainable economic development in general is due to the increasing dependence of the domestic economy on external, mostly negative factors. Among these factors the most significant are the limited and high cost of energy resources, the inefficient use of the raw material base and labor force. The factors that determine the low level of resource efficiency are the following: (1) high resource intensity of GDP, which is 2-3 times higher than the average achieved in the EU; (2) low level of processing of mineral raw materials; (3) the growth of exports of raw materials and products from it (for example, today Ukraine exports more than 85% of the metal produced by domestic metallurgy).

The growing dependence of the national economy on external factors, including negative, limited and high cost of energy resources, the need for more rational use of the raw material base and labor force should serve as an incentive to use innovations in order to increase the return potential from the available in the country and imported because of its limits resources, transition of the domestic economy to the standards of economically safe production and consumption in order to ensure sustainable economic development in general. In addition, these factors, coupled with low added value, cause not only negative economic consequences for Ukraine, but also cause resource and environmental problems that are manifested in pollution and degradation of the environment, land, increase in

quantity and deepening of technogenic threats. The solution of these and other problems requires state intervention, in particular the development of state decisions regarding the effective sustainable economic development of the country on the basis of new knowledge, high technologies and innovations.

At the same time, it should be noted that in order to ensure sustainable development of the economy, Ukraine should not copy the foreign models, but create such mechanisms to implement a new state innovation and investment policy that will overcome the accumulated systemic consequences of carrying out neoliberal economic reforms and actually move to an innovative path of economic development. To do this, the following measures are required: a change in conceptual foundations that determine at present the role and practical functions of the state in a market economy; restructuring the economy and, first of all, industry; overcoming the crisis economic inequality of the population; restoring confidence in the state and the authorities.

During the independence period, a number of legal acts aimed at the gradual transition of Ukraine to sustainable development has been adopted. Thus, in particular, Resolution of the Verkhovna Rada of Ukraine dated on December 24, 1999 approved the Concept of sustainable development of settlements (Androschuk, 2009), designed for a long-term perspective (15-20 years). "The main directions of the state policy of Ukraine in the field of environmental protection, the use of natural resources and ensuring environmental safety", the Land, Forestry and Water Codes of Ukraine, the Code of Ukraine on mineral resources, the Laws of Ukraine "On Environmental Protection", "On the Animal World", "On Plant World", "On Environmental Expertise" are aimed at improving the environment and sustainable development in order to form a well-considered policy, planning and effective management. In April 2003, the Cabinet of Ministers of Ukraine adopted Resolution No. 634 approving the "Integrated program to implement decisions at the national level adopted at the World summit on sustainable development for 2003-2015", the main tasks of which are to develop a strategy and system planning of measures on the transition of Ukraine to sustainable development and its integration into the European and world community. Among the important tasks of the mentioned Program are: poverty elimination, implementation of sustainable production and consumption patterns aimed at ensuring human life, protection and rational use of natural resources, optimization of the resource base of economic and social development.

The "Strategy of Economic and Social Development of Ukraine" (Galchinsky, 2004) states that deep-rooted reform requires an active tool of economic policy. Formed in the conditions of the economic crisis, it naturally remains not aimed at providing qualitative transformations – innovation development, renovation of production structure, overcoming of deep differentiation of incomes, etc. In order to carry out a large-scale modernization of the national economy, significant changes are required in the mechanisms of transformation processes, their substantial upgrading, that is meaningful transition to a model of market transformations, where self-regulation is combined with effective state regulation. Strategic

measures presented in (Galchinsky, 2004) are aimed at adopting European principles and mechanisms of a socially oriented structural and innovation model of economic development, a deep modernization of the Ukrainian economy, and enhancement of its competitiveness, which should become a prerequisite for the implementation of the complex tasks of sustainable development that are defined by the international community as a development strategy in the 21st century.

In order to solve these problems, as well as to improve the efficiency of scientific and innovative activities, its focus on the introduction of a sustainable development model in Ukraine, the Decree of the President of Ukraine “On the national council on science, innovation and sustainable development” was issued in August 2009 (No. 664 / 2009 dated August 21, 2009) and the Regulation “On the national council on science, innovation and sustainable development” was approved. The main tasks of the National council on science, innovation and sustainable development were identified: studying the implementation of state policy in the areas of scientific and innovation activities in the implementation of the principles of sustainable development, preparation of proposals on priorities for the development of scientific and innovative activities; assessment of the development of science and innovation, implementation of sustainable development model, analysis and discussion of constraints; generalization of international experience in the formulation and implementation of state policy in the areas of scientific and innovation activities, its focus on the implementation of sustainable development model and the preparation of proposals for the use of such experience in Ukraine; analysis of draft legislative and other normative legal acts on issues of scientific and innovative activity, implementation of the model of sustainable development; organization, carrying out of public consultations concerning the projects of the relevant acts and preparation of recommendations on the specified issues; consideration of state bodies proposals, domestic, foreign and international organizations, enterprises and institutions with regard to activation, including stimulation, scientific and innovative activity in order to ensure sustainable development of Ukraine.

The work “Ukraine 2020: National modernization strategy” states that the interests of survival and development, the imperatives of the future global economy, require the search for new forms of organization of economic processes geared to the materialization of production, its intellectualization, informatization and electronization, the application of genetic engineering and biotechnology, and the use of extraterrestrial energy. A special role in the implementation of the ecological, socio-economic paradigm of development is given to the support of the public and, first of all, scientific one, which includes the following – creating the potential for wider access to global programs of research and development work; ensuring the widespread use of scientific achievements by research institutes, universities, the private sector, governments, non-governmental organizations, as well as scientists and academicians; networking with research centers in developing countries and between them; improving policy and decision making at all levels, in particular by

strengthening cooperation between scientists working in the natural sciences and social sciences and between scientists and politicians, including urgent measures at all levels.

Ensuring the conditions for the transition of Ukraine's industry to a sustainable development model will increase its competitiveness, strengthen its position in global markets, which will create a basis for improving the economic strength of the state, solving environmental and social problems. Unfortunately, nowadays the role of national industry in the processes of globalization is still minimal: there are virtually no domestic multinational companies that would work on global markets; Ukraine has too few subsidiaries of world producers, and a low level of international cooperative ties.

However, the scientific, technical, industrial and resource potential of Ukrainian industry enables to realize the range of advantages in international economic cooperation, in particular through the participation of domestic enterprises in the implementation of large-scale international projects, the development of high technology transfer and the sale of licenses, the creation of joint venture enterprises up to the fifth and sixth technological processes, and transnational corporations, as well as the participation of Ukrainian specialists in the work of international organizations on industrial development.

The conducted studies have allowed concluding that the implementation of the sustainable development concept should occur at the following levels: global, national, regional; sectorial and at the level of business entities. This has allowed to have a comprehensive approach to solving ecological, economic and social problems. The hierarchical subordination and interconnection of implementation levels of the sustainable development concept are presented in Fig. 2. The above analysis creates convincing reasons for determining such conditions of transition of Ukraine to the sustainable development model:

- ecologically safe development of the economy, the result of which should be the achievement of a higher level of well-being while solving resource-ecological and social problems;

- reproduction and rational use of all kinds of resources, introduction of an effective system of nature management and environmental protection, maintenance of ecological balance as the basis for environment protection for present and future generations;

- need for systematic ecological and economic restructuring of industry, agriculture, coordination of goals and measures to develop industries and regions, individual enterprises that are elements of the socio-ecological and economic system of the country;

- cooperation with international organizations on sustainable development and solving resource and ecological problems on the basis of innovative economic development, introduction of the best practices and advanced scientific, technical and socio-economic achievements in the management practice;

- establishment of the principles of social justice in the society, overcoming social problems and stabilizing on this basis the demographic situation in the country, reducing morbidity and increasing the life expectancy.

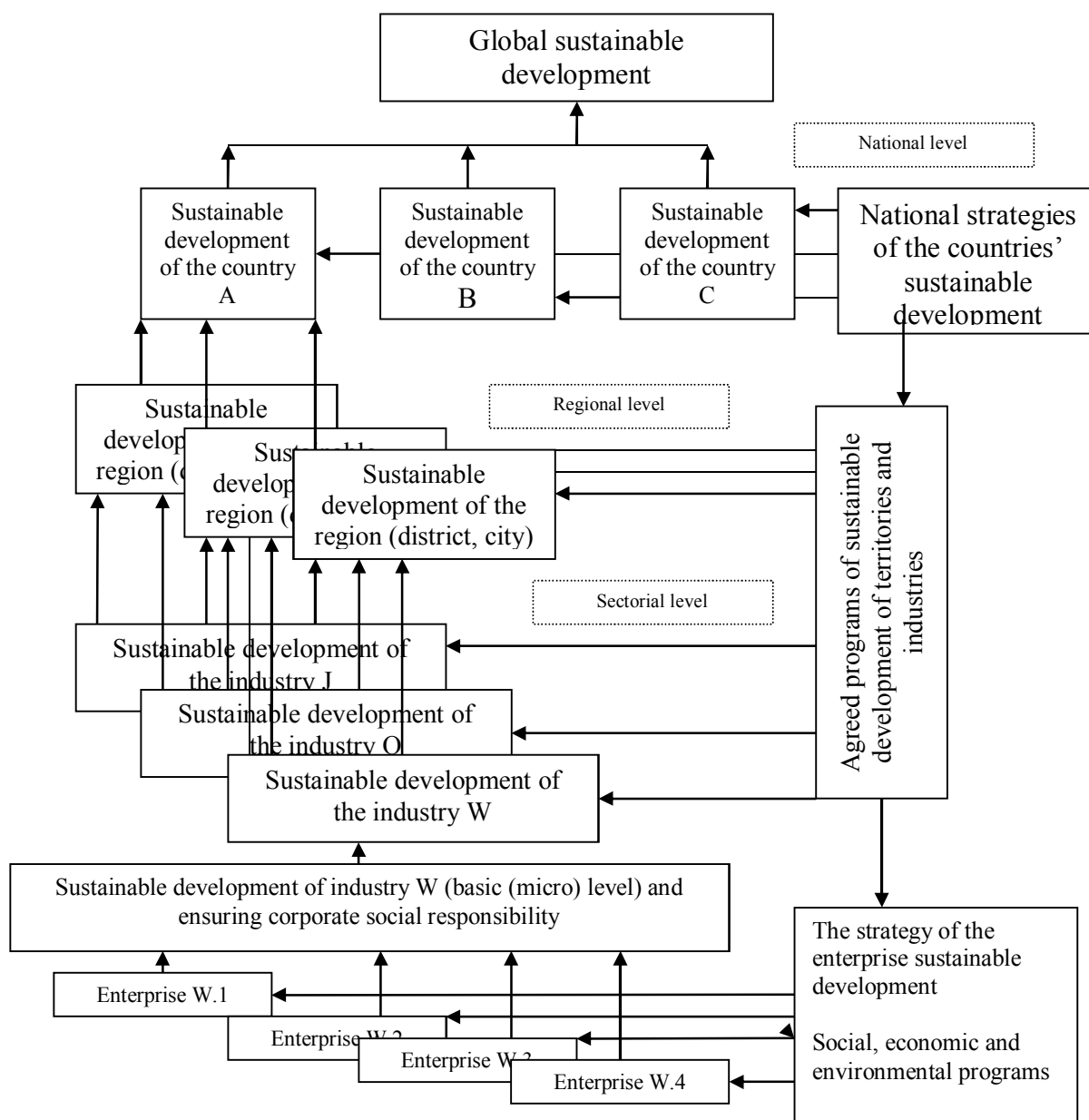


Fig. 2. Hierarchical subordination and interconnection of implementation levels of the sustainable development concept (developed by the authors)

2. Business social responsibility as a prerequisite for sustainable development

The determining role of the enterprise in implementing the principles of sustainable development lies in the fact that it should not only create, maintain and develop a resource base, but also effectively interact with competitors, suppliers and regulators, position itself within the structure of a certain territory with its social and political environment, which includes individuals, organizations, local communities and local self-government bodies, which create a certain organizational wealth and carry risks all together.

The world experience has shown that business involvement in the process of promoting sustainable development throughout the world takes place through a system of social responsibility, in particular through the procedures for compiling and publishing reports on social, economic and environmental performance, which allows comparing financial and non-financial aspects of organizations. In this regard, Section 1 of AA-1000

states that at present, the performance of companies in compiling social reporting, as well as responsible activities is insignificant, and, as a consequence, the credibility of such companies remains low. In fact, the information contained in the reports on the sustainable development of national enterprises, as a rule, does not affect the conclusions and decision-making neither by the parties concerned nor by the management of the enterprises.

It has been established that the management object in the context of sustainable development is the enterprise economic potential, which is considered as a set of its resource and managerial capabilities. This approach is based on the fact that a company with a powerful potential is able to withstand environmental changes and implement programs that go beyond financial and economic sustainability, namely, to carry out activities aimed at improving the environmental and social situation in a certain territory, to promote welfare growth to both owners and staff and society. In addition, an enterprise with a powerful potential is capable not only of preventative actions, but also of active ones aimed at increasing social standards of life, environmental protection activities, including charity.

The basic principles of sustainable development, according to which an enterprise must carry out socially responsible activities and publish reports on sustainable development (voluntary social responsibility) are formulated in the international standards of social responsibility SA 8000 and SA 1000. In accordance with international standards of social responsibility, the parties concerned are “private or legal entities ... that influence the organization and its activities and (or) feel an affect from the organization”. The specified standards emphasize that the organization may have many stakeholders, including those who are knowledgeable about the organization activities results and form their attitude towards it, and have different, even conflictual interests.

The analysis of the theory and practice of socially responsible activities of leading world and national companies proves that the concept of corporate social responsibility has become part of business strategies due to the benefits of the organization, in particular: growth of company profits and increase of socially responsible investments as a result of investors taking into account the indicators characterizing the activities of companies in the social and ethical spheres in environmental protection (indexes FTSE4Good, Dow Jones Sustainable Index, etc.); optimization of business processes and reduction of operating expenses; improvement of the image and reputation of the company, quality and competitiveness of its products, which allows to develop and open new markets and directions of business development; growth of sales volumes and market share, increase of customer loyalty and investors; improvement of company management; increase of staff competences; establishment of effective relations with other companies, government agencies and non-governmental organizations; improvement of financial and economic indicators, etc.

The primary link that causes sustainable development to be made is an enterprise that must adhere to the principles of corporate social responsibility, implement the latest technologies, adhere to the regime of economy of natural resources of all kinds, and reduce pollution. The study has shown that, at the individual enterprise level, the implementation of

the sustainable development principles must take place through the system of social responsibility, be reflected in relevant programs and strategies for the enterprises development, and at the level of regions and sectors – in state target programs.

The enterprise's decisive role in implementing the sustainable development principles lies in the fact that it should not only create, maintain and develop a resource base, but also interact with competitors, suppliers and regulators effectively, to position itself within the structure of a certain territory with its social and political environment, which includes individuals, organizations, local communities and local self-government bodies, which create a certain organizational wealth and carry risks all together. Under such conditions, the development and compliance with the formulated principles of corporate social responsibility will increase the effectiveness of the current management system, and socially responsible activities will be the main means of achieving sustainable development.

The theoretical research of the sustainable development essence has determined the necessity to develop the methodological provisions of enterprises' sustainable development, the main of which are: definition of the system of interconnection and subordination of the implementation levels of the sustainable development concept; definition of the system of goals and criteria to establish the fact of their achievement from the standpoint of enterprise's sustainable development; formulation of the main provisions of the study and, on this basis, the category definition of the enterprise's economic potential in the context of sustainable development; substantiation of the system of performance indexes and efficiency of the enterprise's sustainable development; model construction of formation and realization of the enterprise's economic potential in the context of sustainable development; formulation of the enterprise's sustainable development strategy from the view point of the system approach; definition of evaluation and analysis principles of the enterprise's economic potential of sustainable development as a complex multi-parameter research object; model construction of the dynamic analysis process of the enterprise's economic potential in the context of sustainable development and the development of a methodology for its evaluation, taking into account the influence of the environment; development of methodological provisions to assess the sustainability of the indicator of the enterprise's economic potential in the context of sustainable development both in dynamics and in terms of achieving the established level using the tool of the desirability theory.

Conclusions.

In the course of the research it has been established that the problem of ensuring the sustainable development of industrial enterprises should be solved taking into account biological, geographical, economic and social objects of a particular country (territory, industry, enterprise), as well as a combination of factors and conditions of the environment. Solving global problems is impossible without coordinating action and development strategies at all levels, from the level of the world community as a whole and the level of individual countries to the level of industry and specific enterprises. The result of the systematic solution of economic, environmental and social problems at all levels will be to ensure sustainable development.

In particular, it has been determined that the general objective of sustainable development is to raise the level of well-being of society, owners and staff. The main target benchmarks in ensuring sustainable development of enterprises are: ensuring the enterprise positive influence on the economic, environmental and social spheres of the system (country, city, region); creating proper and safe working conditions, promotion of the development of workers throughout the working life; transition to a cost-effective and environmentally friendly model of management, maximally focused on the realization of human development tasks; ensuring sufficient opportunities for dialogue between the enterprise and citizens and local communities as for the participation and influence on decision-making on issues of nature management, economic and social issues, as well as living conditions of a person in the territory where the enterprise is located.

References.

Alymov O. M., Danylenko A. I. & Venher V. V. (2005) Economic development of Ukraine: institutional and resource provision. Kyiv: NAN Ukrainy [in Ukrainian].

Androshchuk H.O., Zhylyaiiev I.B. & Chyzhevskiy B.H. (2009) Strategy of innovation development of Ukraine for 2010-2020 in the context of globalization challenges. Kyiv: Parlamentske vydavnytstvo [in Ukrainian].

Belorus O. H., Lukianenko D. H. & Honcharenko O. M. (2000) Global transformations and development strategies. NAN Ukrainy [in Russian].

CMU resolution (draft) "On approval of the national action plan on environmental protection of Ukraine for the period of 2011-2015". Retrieved from: <https://zakon.rada.gov.ua>

Concept of the national target program for the industry development of Ukraine for the period until 2017. Retrieved from: <https://zakon.rada.gov.ua>

Draft Concept of Ukraine's transition to sustainable development (No. 5749 of 02.07.2004) Retrieved from: <http://gska2.rada.gov.ua> [in Ukrainian].

Drobnokhod N. Sustainable environmentally safe development: Ukrainian context. Retrieved from: <http://www.zn.ua/3000/3320/31183> [in Russian].

Fedulova L.I. (2008) Technological structure of economy of Ukraine. Kyiv: Ekonomist, 5, 28-33 [in Ukrainian].

Fedulova L.I. Prospects for innovation development of industry in Ukraine Retrieved from: <http://www.ief.org.ua> [in Ukrainian].

Halchynskiy A.S. & Heiets V.M. (2004) "The Strategy of economic and social development of Ukraine (2004-2015) "Through European integration". Kyiv [in Ukrainian].

Heiets V. M., Aleksandrova V. P. & Artomova T. I. (2003) Economy of Ukraine: strategy and policy of long-term development. Kyiv [in Ukrainian].

International standard for social responsibility (SA 8000) Retrieved from: <https://zakon.rada.gov.ua>

Investments and innovation development. Scientific and practical bulletin. (2009) Kyiv: Zovnishtorhvydav Ukrainy [in Ukrainian].

Johannesburg Summit 2002. Resolution 2. Plan of implementation of the world summit on sustainable development. Retrieved from: <http://www.un.org> [in Russian].

Karaieva N.V., Koran R.V., & Nedina I.V. (2008) Sustainable development: ecological and economic optimization of territorial production systems. Sumy: Universytetska knyha [in Ukrainian].

On Approval of the State Program for Industrial Development for 2003-2011 (28.07.2003) Postanova Kabinetu ministriv Ukrainy N 1174.

Poslannia Prezydenta Ukrainy do Verkhovnoi Rady Ukrainy “European Choice. Conceptual bases of the strategy of economic and social development of Ukraine for 2002-2011”. Retrieved from: <http://www.mfa.gov.ua> [in Ukrainian].

Postanova Kabinetu Ministriv Ukrainy (26.04.2003 № 634) “On approval of the comprehensive program for implementation at the national level of the decisions adopted at the world summit on sustainable development, for 2003-2015” Retrieved from: <http://zakon.rada.gov.ua>

Postanova Verkhovnoi Rady Ukrainy (2000) “On main directions of the state policy of Ukraine in environmental protection, use of natural resources and ensuring environmental safety” [in Ukrainian].

Postanova Verkhovnoi Rady Ukrainy (2000) “On the concept of sustainable development of settlements” (1359-14 of 12.24.1999). Ofitsiyni visnyk Ukrainy [in Ukrainian].

Promotion of sustainable development in Ukraine / International project under the initiative of the United Nations development program and the United States Agency for international development. Retrieved from: <http://www.undpsust.kiev.ua/> [in Ukrainian].

Reporting verification standard AA 1000. Retrieved from: <http://ksovok.com/doc/aa1000s.doc>

Sokolenko S. (1998) Global markets of the 21st century: perspectives of Ukraine. Kyiv: Logos [in Russian].

Strategy of innovation development of Ukraine for 2010-2020 in the context of globalization challenges. Retrieved from: <http://search.ligazakon.ua> [in Ukrainian].

Strikha M.V., Shovkaliuk V.S. & Siedov A.O. (2009) Strategy of innovation development of Ukraine for 2010-2020 in the context of globalization challenges. Kyiv: Brok-Biznes [in Ukrainian].

Trehobchuk V. (2002) Concept of sustainable development for Ukraine: (formation of ecologically safe economy, resource-ecological and environmental problems). Kyiv: Visnyk Natsionalnoi akademii nauk Ukrainy, 31– 40 [in Ukrainian].

Ukaz Prezydenta Ukrainy “On the national council on science, innovation and sustainable development” (No. 664/2009 dated August 21, 2009). Retrieved from: <https://zakon.rada.gov.ua>

Ukraine 2020: A strategy for national modernization. Retrieved from: <http://www.uspishnaukraina.com.ua/uk/nsa/185.html> [in Ukrainian].

Chapter 4. POLITICAL SCIENCE, PSYCHOLOGY AND SOCIOLOGY

Natalia Gerasimova

Candidate of Psychological Sciences, Associate Professor

*Scientific-Research Institute of Pedagogical Education, Social Work and Arts,
Bohdan Khmelnytsky National University at Cherkasy, Ukraine*

Inna Gerasymova

Candidate of Pedagogical Sciences, Associate Professor, Transactional Analyst

*Scientific-Research Institute of Pedagogical Education, Social Work and Arts,
Bohdan Khmelnytsky National University at Cherkasy, Ukraine*

**THE INFLUENCE OF INTRAPERSONAL CONFLICT
ON THE COURSE OF ADAPTATION OF STUDENTS AT THE
ESTABLISHMENTS OF HIGHER EDUCATION**

***Abstract.** The article reviews the current state of studying the problem of interpersonal conflict as a factor in adaptation, characterized by consideration of the relationship of these categories on two levels: intrapersonal conflict is studied as a driving force, a source of self in the process of adaptation and as a leading indicator of complications adaptation. The researches of foreign and domestic authors in general have considerably expanded the modern ideas about many issues related to the intrapersonal conflict. At the same time, they did not fill the gaps that occurred in the interpretation of the essence of this phenomenon. Given the fact that the problem of intrapersonal conflict has an interdisciplinary character, additional obstacles are created in the way of adequate interpretation of the methodological approaches that are different for these sciences, methodological as well as categorically-conceptual apparatus. It is generally defined that intrapersonal conflicts do not arise without affecting the personality of the environment, including the social one.*

JEL Classification: I23

Introduction.

One of the most significant features of human behavior is that it is social in nature – it is formed and implemented in society. In general, individual behavior reflects the objective laws of environment that surrounds it. Modern psychological research situation in the period of students indicate an increased social and role ambiguity, complexity of social and psychological problems of growing up, stress the inevitable conditionality to solve them experience moments of inner conflict, psychological, emotional discomfort. Social environment itself primarily affects the formation of certain personality traits and namely this necessary set of qualities and characteristics allows it to perform certain social roles, that adapt to specific social conditions.

The effectiveness of integrating students in professional and social world largely depends on the formation of young people's ability to solve complex life situations, to choose appropriate ways of solving life's problems without irreversible negative consequences and personal strain.

One of the main tasks of high school is the creation of such life competencies of young people that would ensure current and future implementation of their professional and personal potential. Background detection and prediction of the nature of the impact of interpersonal conflicts of students to adapt due to the fact that needs resolving issues related not only to the search for ways to eliminate or prevent critical forms of conflict experiences, but above all with distinguishing the conditions under which a young man can use the positive potential of these experiences.

The problem of interpersonal conflicts in terms of adaptation of students is of particular importance because of rising conflict factors of modern life. Sources of their arising are not only natural deep transformation of value-normative foundations of society that is constantly evolving, but the specific difficulties "growing up" due to the particular "space-time" adaptation between students.

Social adaptation is human adaptation as socio individual personality, with certain rules, requirements, principles, etiquette of new social environment in accordance with the requirements of the environment as well as taking into account by the personality its own individual qualities, peculiarities of mentality in order to adapt to those conditions and demands of social environment that arise in the communication process in interpersonal areas. There are no «pure» intrapersonal conflicts, that is, those which appeared only through internal actions. Proceeding from the nature of the contradictions which underlie the conflict, they can be divided into two groups:

1. Those, that arising as a result of the transition of objective contradictions, external to person, into the inner world (moral conflicts, adaptation conflicts, etc.).
2. Those, that arising from the contradictions of the inner world of the personality (motivational conflicts, conflict of inadequate self-esteem) and reflecting the attitude of the personality to the environment.

The use of the principle of systemicity, the results of the analysis of theoretical sources and experimental researches led to the choice of the theory of personality, which underlies the consideration of the problem of intrapersonal conflict. Distinguished three basic levels of the development of psychological contradiction:

- 1) the psychological balance of the inner world of the personality;
- 2) imbalance, complication, difficulty of the main activities, projection of the psychological discomfort to work, communication (intrapersonal conflict);
- 3) the inability to implement plans and programs, «the rupture of life», the impossibility of fulfilling their vital functions until the contradiction is resolved (life crisis).

Considering the problem of the source of the conflict, it is necessary to see this source in a complex, single, interdependent process of interaction between personality and environment. That is, the state of intrapersonal conflict arises when a certain combination of personality features and factors of the environment, stimuli that affect the personality. In order to have an intrapersonal conflict, personal and situational conditions are required.

Among the personal conditions, in the personality it is possible to isolate the following indicators: 1) complicated inner world and actualization of this complexity; 2) complex and developed hierarchy of needs and motives; 3) high level of the development of feelings and values; 4) difficult organized and developed cognitive structure; the ability of personality to self-reflection and self-reflection.

It is determined that the impact of interpersonal conflict in the course of adaptation depends on self-identity in a complex interaction of external (socially determined) and internal (individual personality) factors. It is indicated that psychological content intrapersonal conflict experiences have a high degree of individual differentiation and thus determine the uniqueness of perception and interpretation of a specific person. An indicator of the transition from one level to another intrapersonal difficulties acts vulnerability to conflict self-relations context of inner experience. The nature of the adaptation of the student is determined by the internal model and solve interpersonal experiences complications, which are formed in the mind and form the basis of individual experience.

1. Analysis of recent research and publications

Problems of an individual's social and psychological adaptation were studied recently by representatives from many fields of science, namely, philosophers, psychologists, pedagogists and psychologists. In modern psychological science productive approach to solving the problem of functional role of conflict in the development of a personality is the conflictological approach to the problem of adaptation. Its essence is to recognize the conflict nature of interaction between a person and society, the idea of family relationship of all levels of manifestation of the psychological phenomenon "conflict" and it is based on the idea of understanding interpersonal conflict as a subjective reflection of the uneven process of human development (Donchenko, E. A., & Titarenko, T. M., 1989).

An internal conflict appears only when external circumstances give rise to certain internal conditions. The internal conditions of the conflict include contradictions between various parts of the personality: these parts must be meaningful, have approximately equal significance for the personality; personality is aware of the subjective instability of the situation. A conflict arises when a person feels not able to change the situation.

Personality and events are mutually refracted, and depending on the psychological transformation of the personality in different circumstances of life, they cause different experiences and reactions. It is important to take into account not only the personality traits, characteristics of the situation, but, first of all, the nature of interaction in the system «personality – situation», the specificity of reflection in the consciousness of this person, its subjective significance for a particular person. The subjective significance of a complex situation is perceived by the personality from the point of view of those personal values that this situation poses to the threat. This circumstance makes the situation for the Personality conflicting.

About this feature of the interaction of the personality and the situation the researcher L. Antsiferova writes in the following way: «In order to preserve, defend, affirm a certain value, the subject resorted to different methods of changing the situation. Moreover, the more prominent place in the semantic sphere of the person occupies the object that is in danger, the more intense is perceived personality threat, the higher the motivational potential of coincidence with difficulties» (Gerasimova, N. Ye., 2005). If the circumstances of life require the personality of such actions and conditions that are on the verge of adaptive capacities or even exceed existing reserves, the state of the intrapersonal conflict arises. In our opinion, there is a dialectical relationship between the situation and the personality peculiarities in the occurrence of an intrapersonal conflict.

Conflictological analysis of the problems of adaptation was carried out by L. Vygotsky, 1983; S. Freud, 1993; K. Horney, 1997. The problems of personal development in adolescence are described by L. Bozhovich, 1978; Bandurka, A. M., & Druz, V. A., 1997; I. Kon, 1984; psychological specifics of students as a social group – by N. Gerasimova, 2002; Lozhkyn, G. V., & Gerasymchuk, O. S., 1996; Chepeleva, N. V., & Povyakel, N. I., 1995. The issue of interpersonal conflicts are thoroughly revealed in the works of K. Abulkhanova – Slavskaya, 1980; L. Bozhovich, 1978; Donchenko, E. A., & Titarenko, T. M., 1989; Lozhkyn, G. V., & Povyakel, N. I., 2000; M. Piren, 1997; Chepeleva, N. V., & Povyakel, N. I., 1995.

The possibility of occurrence of intrapersonal conflict is predetermined by a complex interaction of negative factors of the environment and personal traits, while, it is they which find individually the weakest in the individual place of resistance to them in a particular person. We define an intrapersonal conflict as an acute experience caused by a long struggle of structures of an individual's inner world, which reflects conflicting relationships with the social environment and impedes decision-making.

On the basis of this, one can distinguish the following main structures of an individual's inner world which enter into conflict (Lozhkyn, G. V., & Gerasymchuk, O. S., 1996):

1. Motives that reflect an individual's aspirations of different levels (needs, interests, desires, attractions, etc.). They can be expressed by the notion of "want" ("I want").

2. Values that embody social norms and act, due to this, as standards of the proper. These are personal values, i.e. taken by an individual, as well as those that are not accepted, but because of their social or other significance, he/she is forced to choose them. Therefore, they are marked with phrases "it is necessary" or "I must".

3. Self-esteem, predetermined by self-evaluation, assessment by a person of his/her capabilities, properties and place among other people. As an expression of the level of a person's claiming, self-esteem serves as a kind of stimulus of his/her activity and behavior. It is expressed with phrases "I can", "I can not" or "I am".

Thus, summarizing the above mentioned, it can be argued that the contradiction between different motives, goals, values, almost of one force, but oppositely directed lies in the basis of the intrapersonal conflict.

Intrapersonal conflict is characterized by some features that must be taken into account when it is detected. These features include:

1. Unusuality from the point of view of the structure of the conflict. There are no subjects of conflict interaction in separate individuals or groups of people.

2. Specificity of forms of flow and manifestation. Such a conflict is a form of difficult experiences. It is accompanied by specific conditions: fear, depression, stress. Intrapersonal conflict often becomes a neurosis.

3. Latency. It is not always easy to perceive an intrapersonal conflict.

The criteria of intrapersonal conflict are:

1. In the cognitive sphere: the contradiction between "the image of I"; lower self-esteem; understanding of personal state as a psychological deaf angle; deceleration of decision making; the subjective recognition of the existence of the problem of value choice, the doubt in the truth of motives and principles that a subject was previously guided;

2. In the emotional sphere: psychoemotional tension; significant negative experiences;

3. In the behavioral sphere: weakening of quality and intensity of activities; decrease of satisfaction with activities; negative emotional background of communication. Integral criteria: violation of the normal mechanism of adaptation; intensifying of psychological stress (Gerasimova, N. Ye., 2002).

Among the important issues of the theory of intrapersonal conflicts, the central place belongs to their typology, which is explained by the need of control and regulation of internal conflicts, prediction of their consequences. Our research of different approaches to understanding the intrapersonal conflict has shown that most theoretical concepts convey one or several types of intrapersonal conflicts. In psychoanalysis, the conflicts between an individual's needs, as well as between needs and social norms, are put on the first place. Role conflicts are subjected to an analysis in interactionism. However, there are many other intrapersonal conflicts in real life.

Studying intrapersonal conflict from different points of view, one can distinguish essential classification criteria and, accordingly, obtain different typologies. Conflicts are distinguished by: 1) source; 2) content; 3) significance; 4) type of solution; 5) duration.

To reduce all classifications into a single typology, a foundation is necessary that would enable to combine the whole diversity of internal conflicts into the system. Such a base is a person's value-motivational sphere. Depending on which aspects of a person's soul world enter into an internal conflict, there are six main types of intrapersonal conflict (Horney, K., 1997).

1. Motivational conflict. This is one of the most frequently studied types of intrapersonal conflict, in particular, in the psychoanalytic direction. There are conflicts between unconscious aspirations, between striving for power and security, between two positive trends, or as collisions of various motives.

2. Moral conflict. It is often called a moral or normative conflict in ethical teachings. It is considered as a conflict between desire and obligation, between moral principles and personal preferences, between the desire to act in accordance with the wishes and requirements of adults or society. It is sometimes interpreted as a conflict between duty and doubt in the need to perform it.

3. Conflict of unrealized desire or inferiority complex. It is a conflict between desires and reality that blocks their satisfaction. Sometimes it is interpreted as a conflict between "I want to be as they are" (reference group) and the inability to implement it. The conflict can arise not only when reality blocks the realization of desire, but as a result of a person's physical impotence to realize it. Such conflicts arise because of dissatisfaction with one's appearance, physical data and abilities. This type also includes intrapersonal conflicts, which are based on sexual pathologies.

4. Role conflict is expressed in experiences associated with the inability to simultaneously realize several roles (inter-role intrapersonal conflict), as well as due to different understanding of the requirements put forward by the person himself/herself to perform one role (intra-role conflict). This type involves intrapersonal conflicts between two values, strategies or life senses.

5. Adaptation conflict is interpreted in the broad sense, i.e. as based on the violation of balance between the subject and the environment, and in the narrow sense, as the conflict caused by a violation of the process of social or professional adaptation. This is a conflict between the requirements of reality and a person's professional, physical, psychological capabilities. The discrepancy of a person's capabilities to the requirements of the environment or activity may be considered on one side as temporary unwillingness, on the other side, as inability to fulfill the proposed requirements.

6. Conflict of inadequate self-esteem. Adequacy of a person's self-esteem depends on his/her criticality, demandingness, attitude to successes and failures. The discrepancy between harassment and the assessment of his/her capabilities leads to the fact that a person has increased anxiety, emotional breakdowns, etc. Among conflicts of inadequate self-esteem, there are conflicts between overestimating self-esteem and the desire to really assess his/her possibilities, between low self-esteem and awareness of objective human achievements, as well as between the desire to increase harassment in order to achieve maximum success and reduce harassment, in order to avoid failures (Lozhkyn, Povyakel, 2000).

In addition, neurotic conflict is singled out. It is the result of long-term preservation of "simple" intrapersonal conflict. Knowledge of psychological problems of the emergence and overcoming of intrapersonal conflicts is an indispensable condition of further

development of communication skills, regulation and resolution of conflict situations. In particular, G. V. Lozhkin and N. I. Povyakel distinguish students' internal conflicts in the process of their professional identification, which manifests itself in the adoption of leading professional roles, values and norms, formed motivational structures that motivate a person to effective practical activities:

1. Conflict of inconsistency, which manifests itself in inconsistency, collision of students' theoretical knowledge and everyday knowledge, formed on the basis of life experience.

2. Conflict "I"-identification associated with inconsistency of representations about yourself with objective information about personal qualities, abilities, opportunities, etc.

3. Conflict of "desemantization", due to inconsistency of autonomy, closure of the totality of knowledge with a professional context.

4. Imitational-and-behavioral (role-based) conflict, which consists in collision of two types of role behavior – educational-and-role-based and vocational-and-role ones (Lozhkyn, G. V., & Povyakel, N. I., 2000).

The essence of the above mentioned suggests that:

- 1) among the issues of the theory of intrapersonal conflicts the leading place belongs to their typology, which is conditioned by the need to control and regulate internal conflicts, to predict their consequences;

- 2) typology plays an important methodological role in understanding the nature of conflicts;

- 3) intrapersonal conflicts differ in a number of features: by source, by content, by significance, by type of solution, by form of solution, by duration of the course.

The problem of intrapersonal conflicts, socio-psychological adaptation and deviance belongs to main objects of the practical realm of the structural protection theory. The unambiguous definition of the content and evaluation characteristics of protection mechanisms, the causes of their formation, functional-and-target features, relations between them, gives an opportunity to answer the urgent questions of age, pedagogical and social psychology. These include, first of all, the real causes of the permanent conflict of an external and internal plan, both latent and actual. Knowledge of reasons becomes the basis for intervention in the process of conflict, and understanding of internal logics of this development provides its purposeful leadership. In particular, an important problem of predicting the behavior of disadapted individuals depending on the change in the real situation is solved.

It should be noted that the main focus of applied work is done on the subject of intrapersonal conflicts of adolescence and early adolescence. Intrapersonal conflicts of the period of late adolescence, to which students refer, is studied in connection with the problem of age as well as with problems of professionalization. However, the problem of interpersonal conflicts as determinants of students' adaptation remains understudied.

2. Presenting main material

A necessary condition for a student's success is learning new for him features of studying at the university, which eliminates the feeling of inner discomfort and blocks the possibility of conflict with the environment. Based on the analysis of the major psychological theories of personal development, it may be noted that the understanding of interpersonal conflicts in the context of adaptation is controversial. Systematization of theoretical approaches to interpersonal conflict as a factor of adaptation allowed scholars to classify such key terms as "content of content contradiction" and "likelihood of constructive conflict resolution." The results of the theoretical analysis identified six psychological models of intrapersonal conflict (Lozhkyn, G. V., & Povyakel, N. I., 2000): psychoanalytic; cognitive; humanistic; role; age; motivational-and-semantic. The current state of studying the problem of interpersonal conflict as a factor in the consideration of adaptation is characterized by the relationship of these categories on two levels: intrapersonal conflict is studied as a driving force, a source of self-development in the process of adaptation and as a leading indicator of complications of adaptation.

Most current researches deal with the study of interpersonal conflicts in terms of destructive course of adaptation: the concept of life crises (Donchenko, E. A., & Titarenko, T. M., 1989); theoretical and empirical research of social, psychological deviations (Donchenko, E. A., & Titarenko, T. M., 1989); numerous works devoted to age-related crises (Kon, I. S., 1984). As a part of these studies intrapersonal conflict is seen as a psychological phenomenon that signals the serious violations of a personality's socio-psychological adaptation. However, in modern psychology the idea of feasibility and necessity of phases of internal conflict, disintegration for the transition to a qualitatively new level of personal development is actively considered. Within approaches that focus on the positive potential of psychological conflicts, much attention is paid to their transforming, developing function. Formation of a new position in the internal situation of new social demands and expectations takes place in the mind under conditions of "semantic explosion", solving problems in conflict meaning "I".

The impact of interpersonal conflict in the course of adaptation depends on self-identity in a complex interaction of external (socially determined) and internal (individual personality) factors. The question of a clear allocation of roles of internal and external factors of interpersonal conflict, its movement to the negative critical phase remain scarcely explored. The perspective for the study of interpersonal conflict as a factor of socialization is situational approach, which involves consideration of "man-society" terms of situational interaction (Lozhkyn, G. V., & Povyakel, N. I., 2000). The basis of understanding the essence of situational interaction is an idea about crucial role of subjective attitude to the situation, which specifically defines its meaning and allows to classify how difficult life situation, problem, conflict, crisis are.

In the literature several levels are singled out at which interpersonal conflict as a characteristics of situational interaction is manifested: intrapersonal complications, namely intrapersonal conflict, intrapersonal crisis (Antsupov, A. Ya., & Malyshev, A. A., 1996). Psychological maintenance of interpersonal conflict experiences have a high degree of individual differentiation and thus determine the uniqueness of perception and interpretation of a specific person. An indicator of the transition from one level to another is vulnerability of system of self-relation to conflict context of inner experience. The nature of a student's adaptation is determined by the internal models of solving interpersonal experience complications, which are formed in the mind and form the basis of individual experience.

The study of students' interpersonal conflicts presupposed gradual solving a number of tasks: the formation of experimental results based on a sample set of techniques to establish links between destructive factors and to single out a number of indicators, hypothetically associated with them. In the study we have analyzed the frequency of interpersonal conflicts at various courses of study. Modified and adapted to the peculiarities of this phenomenon, they were offered by a number of researchers in accordance to students learning conditions at Bohdan Khmelnytsky National University at Cherkasy. As a result of interviews and self-report of respondents who participated in the experiment ($n = 250$), we have analyzed the frequency of interpersonal conflicts among students, depending on the course (Fig. 1). Remarkably, the largest number of this indicator is recorded at the undergraduate. In addition, certain types of this phenomenon are also characteristic of different courses. For example, "motivation" conflict usually occurs on the 1st and 5th courses, conflict of "unrealized desires", "adaptive" conflict is characteristic of middle courses of universities. High rates of youth manifestations create a springboard for a large correction of the psychological service, coaching institute.

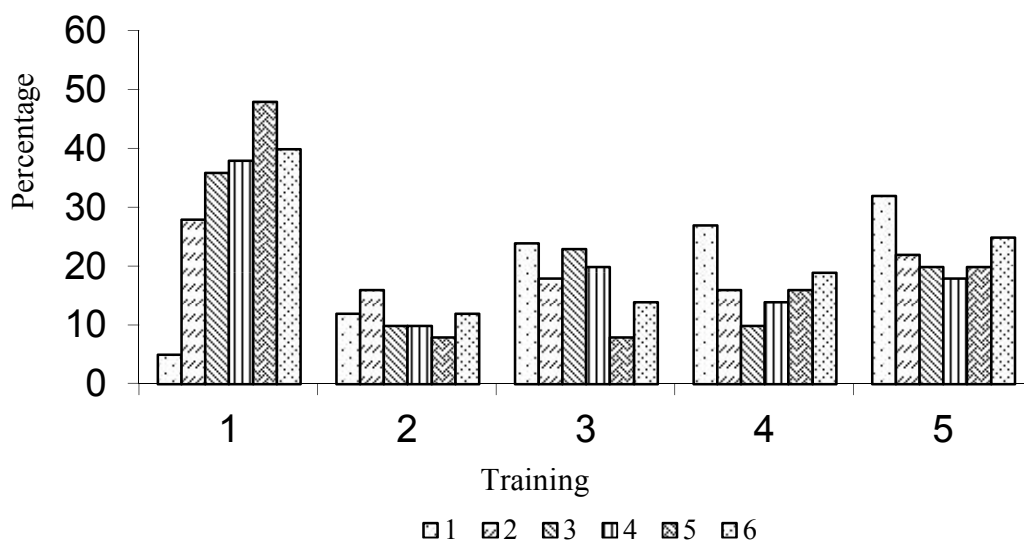


Fig. 1. Distribution manifestation of the state of interpersonal conflicts among students, depending on the course of study

(1 – "adaptation", 2 – "role", 3 – "motivational" 4 – "moral" 5 – "unfulfilled desire" 6 – "inadequate self-esteem")

Distribution of average percentage of values of interpersonal conflicts is like this: the 1st course – 8.9 per cent, 2nd – 1.8 per cent, 3rd – 6.4 per cent, 4th – 4.5 per cent, 5th – 6.5 per cent. The analysis allowed to state that there are some varieties of these conflicts, which are characteristic of different courses. As for the number of manifestations of above mentioned 1st year students with unmistakable solving of tasks, the latter received such distribution: "adaptation" – 5 per cent, "role" – 28 per cent, "motivational" – 36 per cent, "moral" – 38 per cent, "unfulfilled desire" – 48 per cent, "inadequate self-esteem" – 40 per cent. Average similar indicators in a sample of 5th year students were respectively: "adaptation" – 32 per cent, "role" – 22 per cent, "motivational" – 20 per cent, "moral" – 18 per cent, "unfulfilled desire" – 20 per cent, "inadequate self-esteem" – 25 per cent.

Factorization of the results for a group of students with interpersonal conflicts in their adaptation to the university helped to establish a pattern – degree of manifestation of some varieties of this phenomenon in various courses of study is different. Results of the study confirmed the validity of differentiating types of interpersonal conflicts, which makes the latter as typological, on the one hand, and informative for the evaluation phase of adaptation to the course of study in universities, – on the other.

Singled out in the process of studying interpersonal conflicts criteria in their cognitive, emotional and behavioral areas allowed us to identify their specific features. Research was carried out in the course of ascertaining experiment.

Under existence of this phenomenon in students' cognitive sphere reduced internal consistency, congruence of "image I". Therefore, in this state "image I" is more controversial, and between "real – I" and "ideal – I" there is a very high difference. The degree of difference between the images "I – real" and "I – ideal" varies depending on the type of person experiencing the conflict and its psychological characteristics (Table 1) (Gerasimova, 2002).

(Student's t-criterion is the common name for a class of statistical methods for testing hypotheses (statistical criteria) based on a comparison of Student's distribution. The most frequent cases of t- criterion are related to testing the equality of average values in two samples).

Summarizing the results achieved, it should be noted that students with interpersonal conflicts "image I" is more controversial, and between "I – the real" and "I – ideal" there is a very noticeable difference.

Internal consistency, congruence of "image I" are reduced. The positive relationship between "I – real" and "I – perfect" shows the adaptability of actual behavior, lack of interpersonal conflict experiences. Existence of negative relations in self-perception is an indicator of intrapersonal conflicts. The study covered 250 students. Among them, 120 respondents were in the control group, 130 respondents – in the experimental one.

Table 1. The image of "I – a real" and "I – the perfect" of students depending on the type of conflict

<i>Type conflict</i>	<i>The difference between the images, "I - a real" and "I - perfect."</i>				<i>Criterion _t</i>
	<i>Students with no signs of interpersonal conflicts</i>		<i>Students with symptoms of interpersonal conflicts</i>		
	<i>1st year</i>	<i>5th year</i>	<i>1st year</i>	<i>5th year</i>	
Adaptation conflict	28,15	29,00	38,30	30,20	0,066
Role conflict	26,28	25,84	33,30	28,30	0,036
Motivational conflict	20,70	18,75	30,10	25,25	0,020
"Moral" conflict	19,20	19,15	27,25	20,40	0,071
Conflict unrealized desire	15,60	14,85	25,60	19,25	0,057
Conflict inadequate self-esteem	13,12	13,00	22,00	16,00	0,075

The obtained averaged value of the difference between the images, "I – real" and "I – perfect" (where conventional units are indicators of percentage of quantitative content) in the control and experimental group of 1st year students revealed the following picture: in the "adaptation" conflict – 10.15 conventional units; "role" – 7.02 conventional units; "motivational" – 9.40 conventional units; "moral" – 8.05 conventional units; "unfulfilled desire" – 9.66 conventional units; "inadequate self-esteem" – 8.88 conventional units. The obtained results confirm the existence in modern students of deep feelings caused by mismatch of "images I" and the need to provide them with timely psychological help.

Average similar indicators after the correction in the sample control and experimental groups among 5th year students amounted respectively to "adaptation" conflict – 1.2 conventional units; "role" – 2.46 conventional units; "motivational" – 6.25 conventional units; "moral" – 1.25 conventional units; "unfulfilled desire" – 4.40 conventional units; "inadequate self-esteem" – 3.30 conventional units.

The results give us reason to believe that there was a substantial transformation towards the reduction of students' interpersonal conflicts in their adaptation to the university. This increases social status, degree of satisfaction with training, psychological readiness for dialogue with oneself, behaviors that arise in terms of the said conflict, ease in establishing contacts. It should be noted that the socio-psychological adaptation includes:

1. implementation of the mechanism of interaction of the individual with a specific microenvironment by adapting to it through communication, behavior, activities;
2. mastering standards, moral values closest positive social environment through their rational understanding or by internalization;
3. attainment of adaptability entity by establishing a dynamic equilibrium between his personal attitudes and expectations of the environment in the presence of control on his part.

The adaptation of youth is influenced by the environment in a broad sense (the full range of social, economic and cultural conditions of life) – macromedium and under the influence of the nearest environment in which the direct process of identity formation (family, student group, company street) – microenvironment takes place.

During the initial courses a student group as well as skills and ability rational organization of mental activity are formed, the optimal mode of work, leisure and everyday life is produced, the system of self-education and self professionally significant personal qualities is established. Adaptation takes place at several levels: as an adaptation to the new system of education, to a change of work and rest, to joining a student group. All this is accompanied by a substantial restructuring of students' life of mental and physiological states.

A sharp change in long-term, normal working stereotype, which is based on discovered by I. Pavlov (1951) psycho-physiological phenomenon – dynamic stereotype sometimes leads to nervous breakdowns and stress reactions. Because of this the period of adaptation associated with fracture of former stereotypes can start to negotiate a relatively low performance, difficulties in communication. In some students the development of a new stereotype is choppy, in other – it takes place smoothly. Undoubtedly, the features of this restructuring are related to the characteristics of the type of higher nervous activity, but social factors are crucial here. In the process of adaptation of freshmen to the learning environment at the university there are the following problems: negative emotions associated with the departure from yesterday's schoolchildren tight relationship with his staff, which has grown accustomed, uncertainty motivating career choices, lack of psychological preparation for it; inability to carry out psychological self-regulation of behavior and activity that increases the lack of daily monitoring of teachers; search for the optimal regime of work and rest in the new environment; life and self-adjustment, especially in the transition from the home environment into a hostel; lack of independent work, inability to take notes, work with primary sources, directories. All these difficulties are different in origin. Some of them are objectively inevitable, others are personal in nature and associated with poor preparation. To develop the tactics and strategies that ensure optimal adaptation to the conditions of student learning in high school, it is important to know freshmen's life plans and interests, dominating system of motives, level of aspiration, self-esteem, the ability to conscious regulation of behavior, etc.

The results of this psychodiagnosis are necessary for a curator, psychological service employees of the institution and the student himself. However, the specific features of high school classes are that a group supervisor or course gas less features of continuous communication with a student than a class teacher and school teachers with a pupil. A teacher, who lectures to flow naturally, can not take into account an individual rate of assimilation of each student's ability to analysis and synthesis, the level of thinking. It is more difficult for teachers to notice changes in students' mental state in stressful situations (test or exam) because of the fact that they do not have something to compare - listening to a lecture a student is "dissolved" in the total mass audience.

Not surprisingly, many first-year students who felt yesterday the attention and care of school teachers, initially feel uncomfortable at a university. New terms of their activities at universities are a qualitatively new system of responsible dependence where in the forefront the need for self-regulation of their behavior is put as well as the existence of degrees of freedom in organizing their studies and life that until recently were not available.

At the end of the first year about a third of students still can not fully engage in the learning process. It has psychological reasons. Students developed a stereotype mode of learning activities in the classroom, we must first overcome his days in high school. Insufficient attention to the development of productive style of thinking in students leads to the fact that the educational process in universities had to rely on freshmen reproductive thinking, which makes it impossible to make optimal decisions in unusual situations and easily adapt to changing activity (Kon, 1984). Social-and-psychological adaptation is a young man's mastering the rules of student life, inclusion in interpersonal relations of a group. This process is directly related to student participation in the bodies of government, universities; courses, sections. A member of student parliament, student council, trade-union group, responsible for the sports sector, sanitary and aesthetic condition, etc. - all these kinds of socially useful activity to which the student is involved from the early days of training contribute to overcoming the difficulties of social and psychological adaptation, incorporating student in a complex system of interpersonal relationships of responsible dependence, formation of his active life position, give skills of an organizer; an opportunity to implement all the rights and obligations embedded in social roles. Adaptation takes place in each student differently. Boys and girls, who have professional experience, are easily and quickly adapted to the conditions of student life, yesterday's schoolchildren - to the conditions of an academic work (Asmolov, 1990). For freshmen's better adaptation to the new conditions of studying at university system it is necessary to organize special events, like ritual "Dedication to students", conducting course "Introduction to Speciality" performances in the leading group of teachers; familiarity with the history of the institution and alumni that made him famous; organization of counseling centers in hostels by teachers and senior students.

Conclusions.

On the basis of materials of the research it is found out that violation of optimal adaptation of an individual, decrease of self-esteem, inner discrepancy between the images "I – real" and "I – ideal", contradiction of "image I" act as indicators of interpersonal conflicts in cognitive sphere as well as prevalence of negative background of mood, anxiety – in emotional sphere and decrease of adaptability to the conditions of study at the university – in behavioral sphere. The study of the dynamics of the course of "motivational", "role", "moral", "adaptational" the conflicts, conflicts of "inadequate self-esteem" and "unfulfilled desire" showed that the degree of manifestation of certain kinds of interpersonal conflicts at different courses during studies is different. In particular, the "adaptive" conflict and conflict of "inadequate self-esteem" are more characteristic of graduation rates, and conflict of "unfulfilled desire" and "motivational" are more common at younger courses.

Adapting to the conditions of student learning at universities is a complex socially conditioned phenomenon, which is characterized dialectically by contradictory unity of three levels of adaptive behavior: biological, psychological and social decisive role in leading the latter. Psychosocial adaptation is caused by changes in a student's interaction with the environment. On the basis of theoretical analysis of conceptual and empirical research directions of students' adaptation components of structural model of interpersonal conflicts are defined - two interdependent components of individual experience: cognitive-emotional and cognitive-motivational. Content of cognitive-emotional component is expressed by semantic content and the intensity of conflicting feelings caused by the difficulties of growing up, self-relations system, content of cognitive-motivational component – by direction of personal activity in the student age.

The data do not exhaust all aspects of the problem. Prospects for further research of this problem are the question of the definition of factors and conditions of students' intrapersonal conflicts prevention because of a deficit of partnership relations with teachers and peers, lack of personal and professional self-development program of psychological support of students - beginners and seniors.

References.

- Donchenko, E. A., & Titarenko, T. M. (1989). *Personality. Conflict. Harmony*. Kyiv.
- Vygotsky, L. S. (1983). *History of development of higher mental functions*. Collected works: in 6 volumes. Moscow, Education.
- Freud, S. (1993). *Psychology of "I" and defense mechanisms*. Moscow, Education.
- Horney, K. (1997). *Your internal conflicts*. Saint Petersburg, Lan.
- Bozhovich, L. (1978). *Problem of conflict in adolescence*. *Questions of psychology*.
- Bandurka, A. M., & Druz, V. A. (1997). *Conflictology*. Kharkiv: Fortune Press.
- Kon, I. S. (2002). *In finding oneself. Personality and its identity*. M., Politizdat, 1984.
- Gerasimova, N. Ye. *Psychological analysis of factors affecting formation of personality of a university student*. *Psychology*.
- Lozhkyn, G. V., & Gerasymchuk, O. S. (1996). *Interpersonal conflicts of identity // Demographic situation in the Carpathian region: reality, problems, predictions for the 21st Century*. Chernivtsi, Kyiv.
- Chepeleva, N. V., & Povyakel, N. I. (1995). *Dynamics of students' internal conflicts in the process of their professional identification. Conflicts in society: diagnosis and prevention*. Kyiv, Chernivtsi.
- Abulkhanova-Slavskaya, K. (1986). *Activities and psychology of a personality*. Moscow.
- Lozhkyn, G. V., & Povyakel, N. I. (2000). *Practical psychology of conflict*. Kyiv.
- Piren, M. (1997). *Basics of conflictology*. K.
- Antsupov, A. Ya., & Malyshev, A. A. (1996). *Introduction to conflictology*. K.
- Pavlov, I. P. (1951). *A physiologist's answer to psychologists*. M.
- Asmolov, A. G. (1990). *Personality psychology*. M., MGU.

Elena Sheremetyeva

*Ph.D in Pedagogy, Associate Professor,
South Ural State Humanitarian Pedagogical University*

Elena Plotnikova

*Senior Lecturer, Department of Special Pedagogy, Psychology and Subject Methods,
South Ural State Humanitarian Pedagogical University*

Alena Kovaleva

*Senior Lecturer, Department of Special Pedagogy, Psychology and Subject Methods,
South Ural State Humanitarian Pedagogical University,
Chelyabinsk, Russia*

**VERBAL AND NONVERBAL MEANS OF COMMUNICATION AS A
PHENOMENON IN MODERN THEORETICAL STUDIES**

***Abstract.** The article touches upon the issues related to the research of verbal and nonverbal means of communication. The theoretical analysis of the definition of communicative interaction has been conducted. The authors give interpretation and explain the structure of the communication process. The article describes the particular features of the verbal means of communication used in communicative interaction between parents and children of early preschool age. The groups of nonverbal means of communication have been put into system. The nonverbal means of communication were also divided into visual, tactile-kinesthetic, acoustic and olfactory groups. The authors give detailed description of the specifics of acoustic communication forms.*

JEL Classification: I23

Introduction.

The relevance of the research is based on the increasing interest to the problem of study of the verbal and nonverbal forms of communication in the process of communicative interaction, which pervades all the life spheres of an individual and society. Every day a person has social contacts taking part in the acts of interpersonal communication.

The problem of communicative interaction is one of the fundamental issues and at the same time it is significant in various studies, such as Psychology and Pedagogics (Boris Gerasimovich Anan'ev, Andrey Vladimirovich Brushlinskiy, Alexey Alekseyevich Leont'ev, Alexey Aleksandrovich Bodalev, Gennady Mikhaylovich Kuchinskiy, Galina Mikhaelovna Andreeva, Tvan Dijk and others).

The study of verbal and nonverbal means of communication is closely related to communicative approach (Yury Nikolaevich Karaulov, Iosif Abramovich Sternin, Herbert Paul Grice, Tvan Dijk and others). Conceptual research base is compiled from the theories of dialogic subject-to-subject interaction (Andrey Vladimirovich Brushlinskiy, Adolf Ulyanovich Kharash, Gennady Mikhaylovich Kuchinskiy and others), the works of Bakhtin's science school, psycholinguistic and linguistic developments, which present the verbal material handling processes (Alexey Alekseyevich Leont'ev, Tatyana Nikolaevna Ushakova, Tvan Dijk, Walter Kinch and others). However, many questions, concerning the typology of verbal and nonverbal means of communication are still insufficiently systematized.

We offer you the results of the theoretical analysis of existing research in the field of speech and non-speech means of communication used in communicative interaction. In the process of theoretical analysis, we have examined the existing approaches to the study of the concepts of communicative interaction and communication and have conducted a typological and comparative analysis of verbal and non-verbal means of communication. The methods used in the research are: typological and comparative analysis.

Thus, for modern science, the understanding of communicative interaction as a phenomenon appears to be extremely relevant and in demand.

1. The conception of communicative interaction and means of communication

The problem of communicative interaction and means of communication is multidimensional and is the subject of study of different areas of scientific knowledge: Philosophy, Sociology, Ethology, Pedagogy, Psychology, Psycholinguistics.

Philosophical approach considers communication as a way to implement the internal evolution of the social structure of society or a group with the dialectical interaction of an individual and society (Nakashidze, 1981). In Sociology, communication is a social interaction, expressed in forms outside their specific content (Kravchenko, 2004). Sociologists are interested in the patterns of communication as a formal, pure category (that is free from the individual characteristics of the subjects of communication), so, the means of communication are considered at the transpersonal level (means of mass communication, means of social influence). In Pedagogy, communication is “the interaction of two or more people that consists of the exchange of information, experience, knowledge, skills, and that is acting as a necessary condition for the development and formation of individuals and groups” (Kodjaspirova, 2003), while the means - a way or a method of action to achieve a certain result (Voronin, 2006). In pedagogical sciences the emphasis is made on the study of means of pedagogical communication in order to increase the effectiveness of educational activities, as well as the formation of a well-rounded personality.

In Psycholinguistics, communication is viewed from the standpoint of “coding” and “decoding” processes. That means that we study how the speakers' intentions are transformed into signals of a verbal code adopted in a certain culture, as well as how those who listen to such signals convert them into personal interpretations (Kavinkina, 2010).

This problem is most widely studied in Psychology. From the point of view of the psychological approach, communication is defined as a specific form of activity and as an independent process of interaction necessary for the implementation of other activities. Psychologists note that communication, being the main human need, is the main factor in the self-development of an individual (Nalivayko, 2015).

Lomov B.F. (2008) claims that communication is the interaction of people as its subjects, Andreeva G.M. (2007) explains that communication is an implementation of the human relations system, A. Bodalev (1995) defines communication as an interaction of people which content comprises the exchange of information through various means of communication to establish relationships between people.

It is necessary to designate the content of the concept of “communication” in order to bring terminological clarity to the differentiation of the concepts of “relationship”, “communication” and “interaction”. Andreeva G.M. (2007) in the structure of communication identifies three interrelated parts: communicative, interactive and perceptual.

The communicative side of interrelation is the exchange of information between people. Perceptual aspect represents the process of perception of each other as partners of communication and the establishment of mutual understanding. The interactive side of communication is the organization of interaction between individuals, that is in the exchange of not only knowledge and ideas, but also actions (Nalivayko, 2015). We believe that *communication as a communicative interaction using verbal and nonverbal means, carried out between the participants, is based on the perception and understanding of each other in the process of realization of certain (in our case – child-to-parent) relations* (Sheremet'eva, Trofimova, 2017).

In addition, you should pay attention to the distinction between interrelated, but not synonymous concepts of "communication", "interaction" and "relationship". Communication is the process of realization of certain relations. Relationships are derived from interactions, but they are difficult to define and difficult to measure. An interaction is a precisely defined behavior or set of behaviors. They are observable and, therefore, measurable. Meanwhile, knowledge of the relationship does not always make it possible to predict a specific interaction. Thus, the attitude of the mother to the child includes many complex, changing acts of social interaction, which may include not only encouragement and caress, but also restrictions and slaps (Mukhamedrahimov, 2001).

Communication, being a complex socio-psychological process of mutual understanding between people, is carried out through two main channels: speech and non-speech. On this basis verbal (speech) and non-verbal (non-speech) means of communication are distinguished depending on what is the code (carrier) of information between interlocutors. The information carrier can be, firstly, language (speech as a specific real outcome of a language) and, secondly, nonverbal signals: movements of the body and its separate parts, speech sound, eye contact, organization of the microenvironment, material objects, etc. (Shevchenko, 2006). The research made by Mehrablan A. (1972) shows that words comprise only 7% of the information in the everyday act of human communication, and the remaining 93% is the information transmitted through non-verbal communication channels: through acoustic voice characteristics - 38%, through visual and tactile communication - 55%.

In situations of communication, both verbal and non-verbal means are interrelated and interdependent, since even information expressed by verbal means can be incorrectly decoded or not decoded at all without considering paralinguistic means, the so-called "body language". In the following paragraphs we present the substance and specific features of verbal and non-verbal means of communication.

2. Verbal means

As it was noted, verbal means of communication use speech as sign systems. Speech communication is done through language. G.L. Rosengard-Pupko (1963, p. 37) describes 'speech' as "different forms of the use of language in different situations of communication". The speaker selects the words necessary for the expression of thoughts, matches them according to the rules of the grammar of the language and pronounces through the articulation of speech organs.

Language is a complex sign system, where the units (elements) are speech sounds, morphemes, words, sentences. The language units form the appropriate levels of the language system: speech sounds form the phonetic level, morphemes make the morphemic level, words and idioms form the lexical level, word combinations and sentences - the syntactic level. Each of the language levels is also a complex system or subsystem, and the combination of them forms a common language system (Vlasenkov, 2009).

Speech as a means of communication is a culturally determined way of communication, peculiar only to a human (Sheremetyeva, 2017). Speech performs a communicative, cognitive and regulatory function. According to the ideas of J. Piaget (2004), speech is the ability to represent the external world by means of symbols, and the child's language formation closely interacts with one's cognitive development. In other words, speech serves as an important guide for the child in the world of adults, the world that is rich and full of feelings, meanings, values, knowledge - all that makes a person human. Speaking, listening, reading and writing are the types of speech activity. Speaking and writing are the processes of encoding, transmitting of the information, and listening and reading are operations of decoding, receiving. Besides, speaking and listening are carried out through an acoustic communication channel, while reading and writing are done through a visual communication channel.

The process of verbal communication can be carried out in dialogue and monologue forms. It is believed that the dialogue is more effective in the process of interpersonal interaction, and the question itself shows the desire of a person to take part in communicative interactions, ensuring their further focus and immersion into the issue.

A culture of behavior in any communication process is impossible without observing the rules of verbal etiquette associated with the forms and manners of speech, vocabulary, style of speech adopted in a particular situation of communication. The rules of speech etiquette (the use of formulas of greeting, farewell, acquaintances, requests, apologies, thanks, compliments) are learned in the early and preschool years (Formanovskaya, 2009). Special psychological techniques play a big role in communicating between parents and children. These techniques are the so-called "stroking formulas" - verbal constructions expressing approval, acceptance and support of the interlocutor, as well as compliments and formulation of parental instructions and messages in etiquette form of requests and advice, rather than coercion and order (Bern, 2016).

In the research of E.I. Isenina (1983), N.I. Lepskaya (1997), E.E. Lyakso (2003), Sheremetyeva E.V., Trofimova N.E. (2017) and others, emphasis is made upon the fact that the speech of adults addressed to the child is structured in a special way grammatically, it is also formed prosodically and filled semantically depending on the child's ability to perceive and understand certain characteristics of the speech. The communication between an adult and a young child is emotive and empathic, that is in the process of such interaction, subjects exchange emotions and relationships.

Emotional experiences and relationships of communication partners are recognized by the use of certain verbal and non-verbal means. A lot of works of psychologists, linguists and psycholinguists (Leontyeva, 1977, Fesenko, 2004, Shakhovsky, 2008, Shevchenko, 2006) are devoted to the study of verbal means in the emotive-empathic interaction.

Emotiveness (according to Shakhovsky, 2008) - is a category that is used for linguistic expression of emotions. It is presented at all levels of the language system and speech, has its own specific means and ways of expression: at the phonetic level - phonological changes of sounds (eg.: change in duration, aspiration, etc.), accent and intonation means; at the morphological level - features of word formation and a wide range of diminutive, pejorative and other affixes; at the lexical level - means of nomination of emotions, interjections, interjection words and expressions, emotional-intensifying adverbs, amplifying particles, modal words, exclamation pronouns, pronominal words, intensifying words, metaphors, etc.; at the syntactic level - special syntactic models, changing the usual word order, using elliptic constructions, inversions, repetitions, etc. (Karpova, 2011, Shevchenko, 2006).

Thus, verbal means of communication are determined by the fact that as a carrier of information contain language as a complex sign system with all its elements and levels: phonetic, morphological, lexical and syntactic. Verbal means of communication used in the communicative interaction of parents and children of early and preschool age have their own specifics: the almost complete predominance of oral forms of speech over the written, emotive-empathic nature of communication, the desire for a dialogue form of communication with the initial imbalance of the speech capabilities of the child and the adult, the use of special speech forms and formulas (etiquette words, strokes, requests).

3. Non-verbal means

Language is undoubtedly the main and most efficient means of information exchange. However, in terms of a specific speech act, non-verbal means of communication are also used to achieve the desired communicative effect. Non-verbal means enrich, clarify the meanings the words convey, and provide emotional contact between partners. Trager G.L. (1964) called nonverbal means of communication the emotional language, since most often they "tell" us precisely about the feelings of the interlocutor.

The study of non-verbal means of communication is currently engaged in a special linguistic discipline - paralinguistics. One of its founders is Birdwhistel R.L. (1952) who

stated that words conveyed no more than 30-35% of the social meaning of a conversation. Mehrabian A. (1972) went even further with the suggestion that 93% of the total influence of a message on the addressee was the influence of non-verbal communication components.

Non-verbal communication means perform various functions. First, they are able to indicate to the interlocutor the especially important points of the message or to supplement the content of the statement. Secondly, non-verbal means of communication demonstrate the attitude towards the interlocutor, because they express the speaker's feelings. Thirdly, non-verbal means of communication make it possible to understand what the mental state and personal qualities of the speaker are. Non-verbal means of communication are diverse and numerous. It seems appropriate to organize them and arrange them into groups depending on the modality of the communication channel used: visual, tactile-kinesthetic, acoustic, and olfactory (see Table 1).

Table 1. Channels and means of non-verbal communication

Main channels and groups of means of non-verbal communication		Nonverbal means of communication
Visual	Kinesic	Expressive body movements: gestures, facial expressions, pantomimic (pose, gait, posture)
		Visual contact (glance): direction, duration of eye contact and pauses, contact frequency, eye opening width
	Proxemic	Spatio-temporal characteristics of communication: orientation and angle of communication of partners, distance
	Image	Appearance, communication space, handwriting
Tactile kinesthetic	Takesic	Dynamic touches: handshake, kiss, pat, stroke, hug
Acoustic	Paralinguistic	Acoustic voice characteristics: height, strength, timbre, range, intonation, (melody, logical stress, tempo and rhythm of speech, pause)
	Extralinguistic	Psychophysiological inclusions in speech: laughter, crying, sighing, coughing, yawning
Olfactory	Natural body smells	Smells of skin, hair, body (secrets of sweat and other glands with different hormonal and endocrine components)
	Synthetic body smells	Smells of perfume, clothes, cosmetics.

In the course of this work we will complete a general (and at the same time sufficient and amply for solving the tasks set) review of the components of non-verbal communication. We will not consider the systems of image and olfactory means of communication, because this analysis is beyond the scope of our research.

A group of **kinesic** means of non-verbal communication consists, firstly, of *expressive body movements*, and, secondly, eye contact. Expressive body movements include gestures (hand movements), facial expressions (face movements), and pantomime (body movements in general: pose, posture, gait). They are named so because they express

the emotional state of the interlocutors, their relationship with each other, to what is happening and to the situation of communication in general. On a whole, they are perceived as a general motility of various parts of the body (hands - gestures, faces - facial expressions, poses - pantomimics).

Facial expressions are special face motions and positions. The face is so important because it is the main channel of transmission of human emotions. The work of Ilyin E.P. (2013), P. Ekman (2014) and others. At present, there is no a unanimously approved classification of emotions. As part of our research, we will rely on the work of P. Ekman (2014), who described 6 basic emotions inherent to a person regardless of age, gender, culture: joy, sadness, disgust, anger, fear, interest; as well as the work of V.A. Labunskaya (1986), who created the scheme of mimic codes of emotional states.

Emotional demonstrations consist of spontaneous and arbitrary mimic reactions. The conditions for the development of facial expressions are, firstly, the deployment of genetic programs, and, secondly, the mechanisms of social imitation. A person is able to control every single muscle of his face, that allows him to strengthen or restrain facial expression, to neutralize or hide his emotions. However, an experienced interviewee will be able to identify natural and artificial behavior, focusing on the asymmetry of the face (for right-handers, the left side of the face is less consciously controlled) (Kodjaspirova, 2003).

Gestures, due to their diversity and great expressiveness, have been repeatedly analyzed and classified by researchers. For example, G. Wainwright (2002) suggests that the division of gestures should be done according to their functional purpose (illustrative (accompany speech), symbolic (like words, that is, uniquely interpreted in a particular culture, for example, the American symbol "OK"), emotional (expressing the state of the interlocutor, his attitude to the situation), attributive (acting as attributes of a certain subculture)).

Pantomimic includes such components of general motility of the interlocutor in the process of communication, as posture and gait. Pose is the position of the human body, the least consciously controlled by a persons. Any change in posture or synchronization of the positions of the interlocutors indicates a change in the relationship between them.

An important component of posture is a *back posture* - the position of the back and shoulders of a person. It provides information about the partner's self-assessment in general and on the distribution of roles (statuses) during the conversation in particular. The etymology of the word "posture" leads us to this conclusion (the posture is from "positure", which means position, status) (Hall, 1995). There are about 1000 different positions that the human body is capable of taking. The most studied are the three groups of poses expressing attitudes towards a partner (Kunitsyna, 2003): inclusion / exclusion from the situation (in the first case - openness, demonstration of open poses (the person smiles, the head and body are turned to the partner, the body is tilted forward); in the second case - closed, demonstration of closed poses (arms are crossed on the chest, the body is leaned

backwards)); dominance / dependence (in the first case: “overhang” over the partner, intrusive (“familiar”)) touches to the upper shoulder girdle, in the second case: look from below, situational slouch, raised shoulders, “head pulling” into the shoulders); standoff / harmony (in the first case - “warrior posture”: a person stands with his fists clenched, arms crossed, shoulders are bent forward; in the second case, postures are synchronized, open, free).

Gait is an element of the kinesic substructure associated with posture. The nature of the gait indicates both the physical well-being of the person and his emotional state. The elements of gait are the stride length, rhythm, speed, pressure on the surface (Kunitsyna, 2003). In the course of the research, it turned out that the “heaviest” walk is when the person is in anger, the “lightest” – when the person feels joy, sluggish, oppressed – when he is suffering, the longest step length – when the person feels pride (Lomov, 2008).

Eye contact performs the function of regulation of interaction, gives information about the behavior of the partner and the degree of his involvement in communication, provides feedback. Visual contact indicates the beginning of a conversation; in the process of a conversation, it is a sign of attention, support, or, on the contrary, the cessation of communication. Finally, the eye contact marks the end of the remark: a person, having finished a statement, looks directly into the interlocutor’s eyes, making it clear that it’s his turn (Kunitsyna, 2003).

During a conversation, people do not constantly look at each other, but only occasionally exchange views. Ways of exchanging views at the time of the conversation, the organization of visual contact (the time of fixation of the gaze on the interlocutor, the frequency of fixation, the direction of gaze, its localization) are investigated as significant parameters of communicative interaction that can act as indicators of the intimacy of interpersonal relationships. Thus, it was established that the direction of gaze in communication depends on the content of the conversation, individual differences, the established nature of the relationship.

Lack of eye contact is regarded as evidence of inattention, insincerity of the interlocutor or manifestation of shyness, and deliberate refusal of eye contact may be regarded to be a means of rigid manipulation (Kunitsyna, 2003). A long look during a conversation (more than 3 seconds) is regarded by the interlocutor as a sign of non-indifference to his person, that may have both positive (expression of interest, expression of respect, sympathy) and negative (manifestation of aggression, pressure, threat, demonstration of superiority) valence (Kunitsyna, 2003).

Eyes are sensory organs, therefore the degree of openness of sight (wide open, open, ajar, screwed up, closed) can demonstrate the degree of readiness of a person to perceive new information coming from the interlocutor (Lyakso, 2003). A close, direct look is possible only in relation to inanimate objects or in situations of role-playing interaction. The only ones who are allowed to openly gaze at others are children (Pletneva, 2007).

So, the general rule of organizing a visual contact in the process of non-verbal communication is the following: the closer and warmer the relationship between the participants are, the more often and longer the visual contact takes place, the more intellectual the conversation is, the less often the interlocutor will look at the partner.

Thus, the group of kinesic means of communication is the most widely studied. By now lots of interesting studies have been carried out on this issue, for example, the work of N.V. Nakashidze presents the analysis of means of verbalization of kinesic phenomena in art works (1981), analysis of facial asymmetry in the expression of emotions as an indicator of insincerity of the interlocutor is carried out in the work of Ekman P. (2014), Serova T.S. (2005) deals with the analysis of intercultural differences in the manifestation of kinemas, and others. Studies that are close to the problems of our work (analysis of the signals of interaction between the mother and the baby) were conducted by Muhamedrakhimov R.Zh. (2001), Tishevsky I.A. (2012) and others.

The **proxemic** means of communication are such regularities of its spatial organization as the distance between the participants of the interaction, their spatial position (Kunitsyna, 2003).

E. Hall (1995) identified four types of *distance* for communication, each of which implies a certain relationship of proximity and distancing. Each of these types can be relative to the areas of communication:

1) the intimate zone (from direct physical contact to 45-50 cm) implies close and intimate communication, although not necessarily positively coloured (eg., hugging, playing with a child or fighting). At this distance partners do not only see, but also feel each other;

2) personal zone (from 45-50 to 120 cm) is optimal for a friendly conversation, and physical contact is not necessary;

3) the social zone (from 120 to 260-300 cm) is convenient for official communication, as well as dialogue with unfamiliar people;

4) the public zone (from 300 cm) is the distance that is observed when we address a large group of people, when it is so important who exactly is in front of us.

Thus, each person subconsciously sets the boundaries of his personal space. These boundaries depend not only on the culture of a given people, but also on the relationships between people, as well as on the individual characteristics of people (Nalyvayko, 2015).

In addition to distance itself, the spatial location of partners is taken into account in the organization and analysis of the interaction. Regarding the connecting element, partners can take one of the following positions: cooperation (near at a certain angle to each other), confrontation (opposite each other), independence (opposite each other diagonally). Experts in the field of proxemics argue that people who are opposed to each other, move more easily to the situation of confrontation with each other than from other location options, and the most neutral is the mutual arrangement of partners from any angle, so that each of them can regulate the degree of turning to the partner (Kunitsyna, 2003).

Proxemical behavior includes not only the distance and mutual orientation of people in space, but the organization of their metric parameters, which are particularly relevant in situations of communication between parents and children who have a large difference in height. The **tactile** means of communication include dynamic touches that imply tactile contact: handshake, kiss, pat, stroke, hug (Kunitsyna, 2003). Touches carry information about both the emotional state and the nature of the interaction. Studies show that a person (especially a child) needs a tactile form of communication. Thus, in the course of the experiment with the young monkeys separated from the mother, it turned out that they spent more time with the mother's substitute model, which provided them with pleasant tactile sensations rather than food (Mukhamedrakhimov, 2001).

Let us consider in detail **acoustic** means of communication, the most closely associated with the speech of the interlocutor. There are paralinguistic or prosodic means of communication, which include features of pronunciation, acoustic characteristics of the voice and its tempo-rhythmic characteristics and extra-linguistic means of communication, which include pauses between words, phrases and non-verbal inclusions, such as laughter, crying, coughing, shouting, moans, sighs, etc.

Phonic means of communication, firstly, regulate the flow of speech, substituting, replacing or amplifying speech statements, secondly, transmit information about the speaker himself - his biophysical characteristics (gender, age), emotional state, some personal characteristics, and thirdly, point to the quality and changes in the relationship of communication partners (Kunitsyna, 2003, Lyakso, 2003).

The voice indicates the tonal and noise sounds that are made in person's larynx as an exhaled air stream passes through the closed vocal folds. The voice as a physical phenomenon has three main characteristics (Labunskaya, 1986).

– *Pitch* of the main tone- determined by the frequency of oscillatory movements: the more frequent the periodic oscillations of air are , the higher the sound (measured in hertz) are.

– *The strength* of the voice, its power, depends on the intensity of the amplitude of oscillations of the vocal folds and is measured in decibels, the greater the amplitude of these oscillations is, the stronger the voice is. However, to a greater extent, it depends on the subblade pressure of air exhaled from the lungs at the time of phonation. There are two notions: intensity - a characteristic of the sound pressure level produced by the speaker, and loudness - the subjective perception of oscillatory movements, their summation amplitude for those who are listening to a speech (Nakashidze, 1981).

– *Timbre* - is determined by the combination of strength and pitch of the voice, tones and overtones arising in the process of phonation and giving the voice an individual colouring. The quality of voice, such as its sonority and resonance, depends on the frequency range location of overtones. The final design of the voice timbre occurs in the resonators. Conventionally, there are two resonators: the head-register voice, which ensures

the purity and ‘flight’ of the voice, the distinction of speech, and the chest-register, determining the power and strength of sound (Nakashidze, 1981).

Other acoustic properties of the voice are:

- *The tone range* of the voice (voice capacity) is the ability to produce sounds within certain limits from the lowest tone to the highest.
- *Intonation* is a whole complex of speech components: melody, logical stress, tempo and rhythm of speech, pause.

Together with stress, intonation forms the prosodic language system. Intonation is an important means of forming statements and identifying its meaning. In the utterance intonation performs the following functions: distinguishes between the communicative types of utterance - impulse, question, exclamation, narration, implication; separates the parts of the statement according to their semantic importance, emphasis; draws up a statement into a single whole, at the same time dividing it into rhythmic groups and syntagmas; expresses specific emotions; reveals the implication of the statement; characterizes the speaker and the situation of communication (Labunskaya, 1986).

Melody is the relative change in pitch of sounds. The basic tone always rises on the stressed syllable (Labunskaya, 1986).

Logical stress is the tone of voice and the power of exhalation of the word to the fore it in a semantic sense. A word logically distinguished by intonational means (“intonation peak”) usually combines the excretory, expressive function along with the organizing function: by highlighting the syntagmatic center, the logical stress also organizes the whole syntagma around the highlighted word.

Now let us turn to the analysis of the tempo-rhythmic characteristics of speech.

The rate of speech is associated with the speed of its production: fast, medium, slow. The optimal use of the average rate of speech, which is associated with logic, balance (Lyakso, 2003). Slowing the pace to the end of the statement is a means of creating its intonational integrity. The tempo of speech plays a big role in the contradistinction of the important vs. the unimportant in the statement: the most important in terms of meaning are segments of speech (whole syntagmas or individual words in them) are pronounced in slow motion; segments containing secondary information (for example, introductory words) are characterized by a rapid pace. The rate of speech depends on the individual characteristics of the speaker, his emotional state, the situation of communication and the style of pronunciation (Labunskaya, 1986).

Speech rhythm is the equability of pronunciation, alternation of pauses and speaking, it is a regular repetition of similar and comparable speech units, performing structuring, text-forming and expressive-emotional functions (Nalyvayko, 2015). Speech rhythm is one of the manifestations of the fundamental laws of nature, its rhythm. It is most vividly expressed in poetic texts, the least - in spontaneous dialogical speech. The units of rhythm are: in prose - a rhythmic group, a syntagma; in verse - sound, a syllable, rhythmic group, line, strophe.

These units form a hierarchical system. The basic unit is a rhythmic group, which consists of at least one stressed syllable and unstressed syllables adjacent to it (Labunskaya, 1986).

A pause is a break in speech, usually related to the absence of sound (acoustically), and physiologically it is a stop in the work of speech organs. A pause between words (as opposed to interruptions within a word, for example, deaf clashes) perform language functions, being: a) a means of dividing speech into intonational-semantic units — phrases and syntagmas (in this function pauses act together with changes in the melody of speech, intensity and tempo speeches, together with sharp drops of the latter they can replace pauses); b) a means of expressing the nature of the connection between parts of the utterance; c) a means of a semantic and emotional selection of a word or a syntagma. The linguistic function is performed both by the place of the pause and by its length: longer pauses usually correspond to weaker semantic connections. There are inter-syntactic and interfractive pauses, which represent the semantic division of speech, and pauses of citation (reflection) which arise anywhere in the utterance and reflect vibrations and restructuring in the process of generating speech (Labunskaya, 1986).

Observing pause, the interlocutor provides the opportunity to speak to a partner, stimulates the dialogue. The presence of pauses creates a sense of deliberation, reasonableness of what is happening, makes it possible to add something to what has already been said, to correct, to clarify the message. Silence accentuates the opportunity given to the interlocutor to speak, and therefore, when the communication partner speaks in turn, there is a reason to expect that they will listen carefully. In addition, the interlocutors need to pause after periods of self-expression, or following the achieved insight, in order to grasp the experience gained, to integrate it into the existing system of internal ideas. For some interlocutors, such periods of integrative silence are previously untested experiences of human interaction (Lyakso E.E., 2003). In general, pauses are multiple inclusions in speech: silence can be interpreted as concealment, as a lack of thoughts, as overfilling with feelings, as an inability to express in words one's thoughts and feelings, as concentration, as a respite, as a misunderstanding, as a rejection of idle talk, etc. (Klushina, 2013).

If we summarize information concerning extralinguistic means, we'll notice that their main purpose is to convey the interlocutor's emotions and their attitude to what is happening. Kunitsyna V.N. (2003) and others believe that basic emotions (fear, anger, joy, sadness, surprise), as well as such emotional states as benevolence, anxiety, confidence, etc., can be coded quite successfully in an acoustic manner. In the following table 2, on the basis of the theoretical review of the special literature, psychological interpretations of various acoustic parameters of the voice are revealed.

Thus, the markers of the emotional states can be: increase or decrease in sound power; the duration and nature of the pauses; change in tempo and rhythm of speech; the nature of the utterance; timbre change; intonation (Rosengard-Pupko, 1963).

Table 2. Psychological interpretations of voice acoustic parameters

Acoustic voice property	Psychological parameters behind the acoustic property of the voice	Examples (in dichotomies)
Sonority (resonance)	Age, the degree of his interest in this situation (Kunitsyna, 2003).	A clear voice - childhood, youth; interest
		Gruff or toneless voice - late maturity, old age; disinterest
Rhythm of speech	Mood (Kunitsyna, 2003).	Rhythmic speech - high spirits, active state
		Irregular speech - reduced mood, passive state
Speech rate	Emotional state Osgood C. E., & Sebeok T. A. (Eds.). (1954).	Accelerated pace - irritation, anxiety
		Slow pace - indecision
Speech volume	Emotional state Osgood C. E., & Sebeok T. A. (Eds.). (1954). The style of building relationships with the interlocutor.	Increase - anxiety, irritation, nervousness, loss of internal control; Distance in a relationship, detachment, impersonality of addressing a partner, desire to dominate
		Downgrade - discontent, disappointment; Proximity, trusting relationship, personal contact
		Loudness fluctuations - loss of internal control due to experiencing strong emotions
Pause	Emotional state, the degree of complexity of the content of the conversation (Ekman, 2014), preferred form of communication.	The increase in the number and duration of pauses: indecision, reflection, significance of the statement; desire for dialogue
		Reducing the number and duration of pauses: the desire for a monologue, lack of interest in the thoughts, feelings of a partner

Summarizing the foresaid, it should be noted that the means of non-verbal communication implement the general function of sending a message regarding the state of the communicator, its attitude to itself, to the partner and the situation, as well as the nature of interpersonal interaction. In addition, each of the channels retains its specificity. The nature of the message content is determined by the coding means (Kunitsyna, 2003). Facial expressions, gestures and other accompaniments of speech can be just as effective as a word when decoding a message by the addressee. Moreover, they can act as an independent informative layer, fully performing the speech function (Nalyvayko, 2015).

Conclusions.

The analysis of theoretical sources allowed us to substantiate and identify key concepts for organizing and conducting further research. We have studied verbal and non-verbal means of communication in the context of communicative interaction from the point of view of various approaches: philosophical, sociological, ethological, pedagogical, psychological, psycholinguistic. Typological and comparative analysis showed that verbal means of communication are determined by the fact that they use a language, as a carrier of information, being a complex sign system with all its elements and levels. Verbal communication means used in the communicative interaction of parents and children of early and preschool age have certain specific features.

In the course of the analytical review of existing studies, we have found that the study of non-verbal means of communication is engaged in Paralinguistics. After analyzing the work in this discipline, we have had these tools ordered and arranged into groups depending on the modality of the communication channel used: visual, tactile-kinesthetic, acoustic, and olfactory. On the basis of the conducted theoretical review of the special literature, psychological interpretations of the acoustic parameters of the voice were revealed and arranged in the form of a table. Thus, the carried out theoretical analysis of speech and non-speech means of communication used in communicative interaction allows to make a general conclusion that the studied means of communication form a unity in which a complete understanding of some means is possible only if others are taken into account.

References.

- Andreeva G.M. (2007). Social Psychology. M.: Aspect Press. Publ. (In Russian)
- Bern E. (2016). Games, that People Play. M.: Ekcmo Publ. (In Russian)
- Birdwhistel R.L. (1952). Introduction to kinesics. Univ. of Louis. Press.
- Bodalev A.A. (1995). An Individual and Communication. M.: International Pedagogy Academy. (In Russian)
- Ekman P., & Friesen, W.V., & Ellsworth, P. (1972). Emotion in the human face: Guidelines for research and an integration of findings. New York: Pergamon Press.
- Fesenko S.L. (2004). Linguocognitive Models of Emotions in the Context of National Cultures. Moscow. (In Russian)
- Formanovskaya N.I. (2009). Speech Etiquette in Russian Communication: theory and practice. M.:VK. (In Russian)
- G. Wainwright (2002). Body Language. M.: FAIR-PRESS (In Russian)
- Hall E. (1995). How to Understand a Foreigner Without Words M. (In Russian)
- Ilyin E.P. (2013). Emotions and Feelings. Spb.: Peter Pbl. (In Russian)
- Isenina E.I. (1983). Psycholinguistic Patterns of Speech Ontogenesis (pre-verbal period). Ivanovo: IvGU. (In Russian)
- J. Piaget (2004). Psychology of Intellect. Spb.: Peter Pbl. (In Russian)
- Karpova Yu. (2011). Means of Expression of Emotive-Empathic Interaction in Terms of Speech Communication, Herald of Perm University 4(16), 73–79. (In Russian)

- Kavinkina I.N. (2010). Psycholinguistics. Grodno:GrGU (In Russian)
- Klushina N.I. (2013). Deverbalization of Emotions in Modern Mediaculture. Volgograd: Volgograd Nauchnoye Izd. Pbl. (In Russian)
- Kodzhaspirova G.M. (2003). Pedagogic Dictionary. M.: Academy Pbl. (In Russian)
- Koval V., Polyezhaev Y., Bezhlibna A. (2018). Communicative competences in enhancing of regional competitiveness in the labour market. Baltic Journal of Economic Studies, 4 (5), 105-113.
- Kravchenko S.A. (2004). Sociological Encyclopedic Russian-English Dictionary. M.: Astrel: Ast: Tranzitkniga Pbl.
- Kunitsina V.N. (2003). Interpersonal Communication. Spb.: Peter Pbl. (In Russian)
- Labunskaya V.A. (1986). Non-verbal Behavior (social perceptual approach). Rostov-on-Don: Rostov Un. Pbl. (In Russian)
- Lavrova E.V. (2007). Logopaedics Basics of phonopaedics. M.: Academy Pbl. (In Russian)
- Leont'ev A.N. (1977). Activity. Consciousness. Personality. M. (In Russian)
- Lepskaya N.I. (1997). Language of the Child (speech communication ontogenesis). M.: MSU Pbl. (In Russian)
- Lomov B.F. (2008). Methodological and Teoretical Problems of Psychology. M.: Direct-Media Pbl. (In Russian)
- Lyakso E.E. (2003). The Development of Child's Speech. M.: Airis-press Pbl. (In Russian)
- Mehrablan A. (1972). Nonverbal communication. Chicago, IL: Aldine-Atherton.
- Mukhamedrakhimov R. Zh. (2001). Mother and Baby: Psychological Interaction. Spb.: Spb. University Pbl. (In Russian)
- Munin A.N. (2008). Delovoye obscheniye: kurs lektsiy [Business communication: a course of lectures], M.: Flinta Pbl. (In Russian)
- Nakashidze N.V. (1981). Kinesika I eyo verbal'noye virazheniye v kharakteristike personazhey khudozhestvennogo proizvedeniya na material anglo-amerikanskooy khudozhestvennoy prosi XX veka [Kinesics and its Verbal Expression in the Description of the Characters of Anglo-American prose of the 20th century], Moscow. (In Russian)
- Nalivayko T.V. (2015). Psikhologiya [Psychology], Chelyabinsk: South Ural State University Pbl. (In Russian)
- Orlova O.S. (2005). Narusheniya golosa u detey [Children's Voice Violations], M.: Astrel: Tranzitkniga Pbl. (In Russian)
- Osgood C. E., & Sebeok T. A. (Eds.). (1954). Psycholinguistics: A survey of theory and research problems. Baltimore: Waverly Press, Inc.
- P. Ekman (2014), Psikhologiya emotsiy: ya znayu, chto ti chuvstvuyesh [Psychology of emotions: I know how you feel], Spb.: Peter Pbl. – 334p. (In Russian)

Pletneva E.G. (2007). Means of Non-verbal Communication in Intercultural Pedagogical Communication. Chelyabinsk: Herald of South Ural State University, 26(98), 76-79. (In Russian)

Povarova I.A. (2004). Correction of Stuttering in Games and Trainings. Spb.: Peter Pbl. (In Russian)

Pronnikov V.A. (2001), Yazik mimiki i zhestov [The Language of Mimics and Gestures], M.: STELS Pbl. (In Russian)

Rozengrad-Pupko G.L. (1963). The Formation of Speech of Young Children. M.: Russian Academy of Education RSFSR (In Russian)

Serova T.C. (2005). The Formation of Skills of Communicative Interaction in Teaching Foreign-language Business Communication. Perm: Perm State University. (in Russian)

Shakhovskiy V.I. (n.d.). Categorization of Emotions in the Lexical-Semantic System of Language. M.: LKI Pbl. (In Russian)

Shanskiy N.M. (2000). Shkol'niy etimologicheskiy slovar' russkogo yazika. Proiskhozhdeniye slov [School Etymological Dictionary of the Russian Language. Origin of words], M.: Drofa Pbl. (In Russian)

Sheremetyeva E.V. (2017). Communicative and Speech Competence of Young Children with Speech Abnormalities. M.: National Research University. (In Russian)

Sheremetyeva E.V. N. Trofimova, I. Menendez Pidal. (2018). Special aspects of communication skills in young children with deficient language acquisition. INTED 2018. Valencia. Spain.

Sheremetyeva E.V., Schelkova E.G., Lapshina L.M., Mendes P.I. (2018). Features of Speech and Non-speech Means of Communication in the Communicative Interaction "Parent-Child of an Early Age with Speech Deviations." Modern Problems of Science and Education. 4, 106-114. (In Russian)

Sheremetyeva E.V., Trofimova N.E. (2017). Acquiring Communication Skills in Early Childhood. M.: "Rusaliance "Sova" Ltd. (In Russian)

Shevchenko O.A. (2006). The Problem of Categorization of Emotiveness in Linguistics. Perm: Perm National Research Polytechnic University. (In Russian)

Smith S., Shaffer D. (1991). Personality and Social Psychology Bulletin 17.

Tishevskiy I.A. (2012). The Influence of Maternal Comfort Strategies on Infant Mental Development. Chelyabinsk: Herald of South Ural State University, 6(265), 47-52. (In Russian)

Trager G.L. (1964). Paralanguage. A First Approximation, Language in Culture and Society, ed. Dell Hymes. New York: Pergamon Press.

Vlasenkov A.I. (2009). The Russian Language. M.: Prosvescheniye. (In Russian)

Voronin A.S. (2006). The Dictionary of General and Social Pedagogy terminology. Ekb.: SUTU-SUPI (In Russian)

Tamara Hovorun

*Doctor of Psychological Science, Professor,
Jindal Institute of Behavioural Sciences of Jindal Global University,
Delhi, India*

orcid.org/orcid.org/0000-0003-1520-9766

Oksana Kikinezhdii

*Doctor of Psychological Science, Professor,
Head of the Psychology Department
Ternopil Volodymyr Hnatiuk National Pedagogical University,
Ternopil, Ukraine*

orcid.org/0000-0002-9240-279X

Iryna Shulha

*PhD (Candidate of Pedagogical Sciences),
Methodist of the Inclusive Resource Center,
Ternopil Volodymyr Hnatiuk National Pedagogical University,
Ternopil, Ukraine*

orcid.org/0000-0002-0651-047X

**GENDER IN THE DIMENSIONS OF STUDENTS' YOUTH SOCIAL AND
ECONOMIC ASPIRATIONS**

***Abstract.** The article deals with the actuality of the problem of studying a gender dimension of students' youth in the context of their social and economic aspirations. The analysis of professional life is an important indicator of the social system's democratic nature – family functioning, social roles, and the availability of vocational education for both sexes. Their economic functioning in society is an equity indicator of two large demographic groups – men and women. The aim of the study is to find out the distribution of traditional and egalitarian gender preferences among university students and their influence on the assimilation of any professional and financial aspirations. Comparing the content of narratives of male and female students' visions of the self in time perspective it is an obvious influence of descriptive and prescriptive stereotypes in the vision of future family and professional roles for both sexes especially for females.*

JEL Classification: I22, I25

Introduction.

The urgency of the problem is due to the fact that the introduction of a gender dimension in the context of the analysis of the professional life is an important indicator of the social system's democratic nature – family functioning, social roles, and the availability of vocational education for both sexes. Their economic functioning in society is an equity indicator of two large demographic groups – men and women.

The introduction of the economic dimension into the context of gender analysis of vital functions of people enables to understand the internal and subjective factors that determine gender differentiation of the learning economic attitudes. The psychological study is one of a branch of humanities, which researches the role of gender factor in economic socialization of youth, its professional, career, social and political status.

This study is focused on the analysis of the researches concerning the subjectivity of gender in economic psychology, its theoretical and methodological principles, directions and perspectives.

The overall goal of the new Strategy is to achieve the effective realization of gender equality and to empower women and men in the Council of Europe member States, by supporting the implementation of existing instruments and strengthening the Council of Europe acquits in the field of gender equality, under the guidance of the Gender Equality Commission (GEC). The focus for the period 2018–2023 will be on six strategic areas: 1) to prevent and combat gender stereotypes and sexism; 2) to prevent and combat violence against women and domestic violence; 3) to ensure the equal access of women to justice; 4) to achieve a balanced participation of women and men in political and public decision-making; 5) to protect the rights of migrant, refugee, and asylum-seeking women and girls. 6) to achieve gender mainstreaming in all policies and measures (*Council of Europe, 2018*).

A gender misbalance, vertical-horizontal stratification is typical for Ukraine. The division of social life into “male” and “female” as the old paradigm of “male domination – female subordination” goes back in time, because of its inefficiency in its various life spheres, starting from the micro-level of the family and ending with the macro level of the occupations’ division, leadership position, the ideology of the state.

Gender asymmetry is observed in the “masculinization” and “feminization” of students’ society, which can be explained by the one-sided gender socialization of children and youth, a psychological pressure expressed by society, that imposes sexual stereotypes, the activation of anti-gender movements, spreading false information about gender equality online, at schools, and on the streets. It causes a denial of gender equality women and men through gender politics at the regional level, especially in Western Ukraine (Lviv, Ternopil, Volyn, Ivano-Frankivsk region). It proves the necessity to improve national gender policy and develop informational and educational spheres.

The priority task of the humanization of higher education is creating a non-discriminatory environment, preventing the infraction of academic honesty and increasing the academic culture of all subjects of the educational process (students and teachers).

The adoption of European values causing the integration of the principles of gender equality in all spheres of public life; ensuring equal access and opportunities to educational, industrial and cultural resources for both sexes.

The distribution of positions in various educational institution profiles predicts the preservation of the economic imbalance in these areas, as the gender asymmetry manifests itself in the “masculinization” and “feminization” of the student contingent of specialized higher education institutions and the corresponding profile of the training of specialists. For example, educational institutions of humanitarian, medical, socio-cultural and pedagogical orientation remain attractive for females; however military affairs, national security of state administration, transport, engineering, economic and legal – for males.

Such gender imbalance can be explained by the unilateral economic socialization, as well as by the psychological pressure of sexual stereotypes, which are initiated by the society, and which young people assimilate first of all (Kimmel, 2000; Moskalenko, 2005).

From the psychological perspective, there is no need to demonstrate the importance of gender equality for social democratic development. If in the past the education level of students and adults, comparison of the social, productive sector of their employment was considered as a priority, this day the need in their equal part and participation in economic life, socio-financial status balance is becoming more evident. Rapid market changes, that Ukraine is striving to achieve during last years, are inevitably affecting the spheres of economic lives of sexes, their psychological readiness for self-actualization in the market conditions which require from everyone to accept responsibility for their own economic capacity. This is about economic self-actualization, the success or unsuccess of which influences the social functioning of a family, psychological prosperity of an individual. The term of economic self-actualization is directly related to the professional self-sufficiency of an individual, his/her level of social economic achievements. Modern world trends allow for active involvement in economic life both men and women mainly in the developed Western European countries, the United States and Canada (Hankivsky, & Salnykova, 2012; Kiyselova, 2018; Martseniuk, 2014; Skoryk, 2017).

According to the researches of T. Tyshka (2004), most European students consider poverty as a manifestation of personal and professional immaturity, infantilism, and lack of individual socialization. The reason for poverty is perceived in a person himself/herself (his/her reluctance to change, improve, gain new professional competence and work skills). The ability of youth to plan savings, gainings, incomes, investments, that economists call “postponing the profit until the future”, is equally relevant in filling up of economic culture concept in terms of transition to the market economy. In Tyshka’s (2004) view, the economic impatience” trend is observed in the post-totalitarian societies which means students’ orientation to make a profit “here and now. The cross-cultural research of student economic concepts and attitudes towards various forms of economic activity, conducted by T. Tyshka and his French colleague P. Verges, has put a lot of questions, especially relevant to the Ukrainian students in time of economic transformations: in what way does the young generation perceive state economic policy, does it see or it does not see its development possibilities, what economic knowledge does it have, how will it evaluate its economic opportunities in the future, does it have economic knowledge and what is the practice of its male and female application.

An important indicator of the maturity of consciousness and self-consciousness in the orientations on the prospect of social self-affirmation is the reflection by youth on their own meanings and goals of lives; control the lifetime; goal-setting; the acceptance of the finality of human existences, which were diagnosed through Richard Klamut’s (2009) Questionnaire “Life attitudes”.

If the test results were high, it meant that the young person lives through his/her beliefs about filling his/her life with important meanings and has an integrated, harmonious image of him/herself and his/her own self-affirmation, a sense of orderliness of the world, because his/her experience of choose and realization of his/her own goals is ordered, internally coordinated and congruent. Such young people accept their own existence, being of others and life in general. Egalitarianism in the context of humanistic psychology is openness of person to experience and, at the same time, self-reliance, actualization of his/her own aspirations, self-sufficiency, self-perception without protective mechanisms, lack of any stereotyped expectations, searching personal senses, and the position of subjectivity in life-creation.

1. Goals and objectives of the research.

What content are the ideas of young men and women about social psychological principles of person and society functioning filled up with? What scientific development regularities do they know, which ideas do they use in everyday life while evaluating economic realia? In what way does the learned level of economic culture determine the aspiration of women and men to achieve a specific level of material wealth in building personal, professional and family plans for the future? Is the conclusion of a considerable number of researches valid that the cause of lower female financial status next to a traditional family values priority is a low level of the professional capacity and social competence, the insufficient women's ability to present their confidence in achieving professional success to the surrounding of experts?

The aim of the research is to find out the distribution of traditional and egalitarian gender preferences among university students and their influence on the assimilation of any professional and financial aspirations. The main hypothesis of the study is the assumption that despite the vivid current world's tendencies of raising women's status in the most powerful societal spheres of public life, nevertheless the female students professional self-presentations still being determined by traditional gender stereotypes, which cause the discrepancy effect between their real professional self-sufficiency and the image it should be. It connected with the functioning of the future family, which is a vulnerable part of the influence of traditional stereotypes. The object of our research is the social and psychological factors that determine gender differentiation in desirable financial status for students on the way to professional qualification – in self-representations of professional competencies, and in the vision of their own professional self-realization in the near future.

The theoretical basis of the research lies in the explanation of a concept “gender” and its phenomenology as a varied characteristic of social and economic, social and political stratification of society. In social psychology economic gender socialization is determined through the prism of issues, for example, gender stratification of society by educational, professional level, social and civic status; components of economic and professional success in collectivist and individual culture; the position to poverty and wealth and the status and economic position of men and women; the differentiation of their economic socialization; the idea about value of money; the motivation of domestic, reproductive and social work, etc.

The methods of the research included a complex of complementary techniques (theoretical analysis of the achievements of positive psychology; standardized psychodiagnostic tests; author's questionnaires on the interpretation of economic concepts, built on the principle of unfinished sentences; the organization of focus groups on various aspects of gender inequality; and the creation of collages on the themes of social prestigious professional activity, its success–unsuccess).

In total, 298 students (180 female students and 118 male students) participated in the research. Gender differences in the construction of individual scenarios of economic life in the time perspective (present and future) were investigated by method of content analysis of narratives “I am in 10, 15 and more years”, written by students of the Kyiv, Ternopil and Chernihiv Pedagogical Universities, and self-presentation prepared by them as “resume” for imaginary employment in a “hard” competition.

2. The results of empirical research.

According to the data obtained (the method “Questionnaire of three types of competence”, A. Matchak (2009)), Ukrainian female students show a higher level of intimate competence as an important component of social competence (Figure 1).

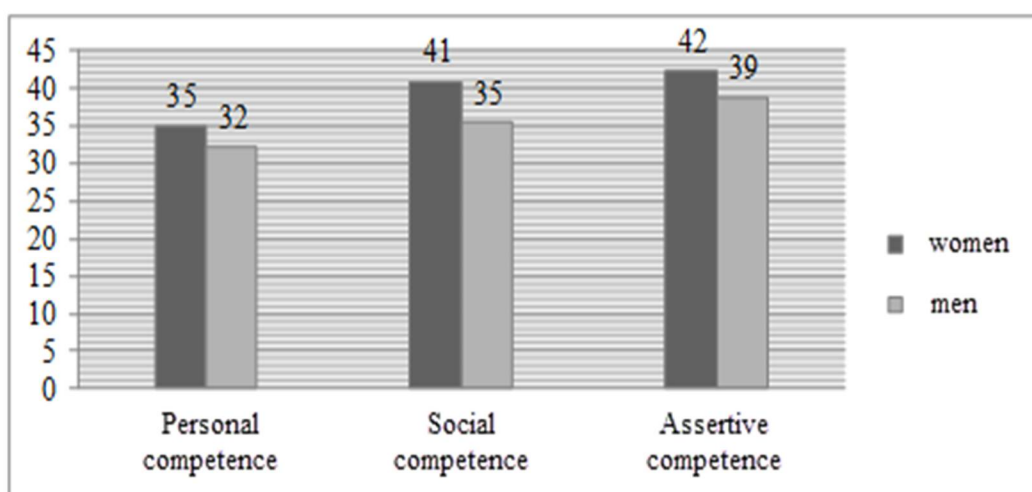


Fig. 1. An average values by “Three types of competence questionnaire” methodology

They are also able to successful presentation their skills and qualities in the social exposition situation compared with the lower men' indicators, which reflects the ability to be guided by certain standards of presentation of their own professional ability in situations where the person is at the center of attention. Young women are more focused on social interaction than young men; they are characterized through more communicative persistence in the process of doing professional duties.

Comparison of the self-determination scale indicators in values of life demonstrates higher results of male selection, reflects their unconditional acceptance of their own life activities, higher self-confidence in successful professional self-actualization. Higher indicators of the most test scales results of “life goals”, “inner consistency”, “search for meaning” reflected that young men had demonstrated a higher level of satisfaction of their own life activity meanings, compared with the female selection.

The higher level of self-satisfaction has been found at women in such components as moral acceptance, moral views consistency with real behaviour, their own ability of people management, compared with their male counterparts. Simultaneously, women show a much higher level on the “self-esteem protective improvement” scale, thus demonstrating, on the one hand, some kind of self-acceptance, and on the other another fear about possible self-decline.

Young women demonstrate a higher level of self-esteem protective improvement, reflecting the enhanced attention to their own self on the basis of which underlie the fear to partially accomplish their own competences, be improperly assessed by social surrounding. This indicator demonstrates a female aspiration to present them in the best light which can sometimes be accompanied by excessive criticism, fury, beating oneself up. That kind of female critical self-reflection can lead to an intentional playing of non-inherent roles that are more accepted by surrounding people, especially by a vulnerable gender indeed. This, for its part, demonstrates stronger inclination of young men to shift the blame onto others for their own unsuccess and conflicts, their social surrounding role exaggeration as an important indicator of professional accomplishments. The female indicator by the “personal control level” scale reflects a higher level of female subjectivity demonstration in the sphere of professional accomplishments based on professional responsibilities, accepting failures as own mistakes, but not the circumstances. Men explain professional failures by an external factor that is not related to their own working capacity, in contrast to women. Low results of women by the “failure” scale may demonstrate their excessive self-criticism regarding professional self-presentation.

Modern economics realities require not only professional education, active economic activity but also subjective self-sufficiency, self-confidence in self-sufficiency from every individual. The contradiction of modern Ukraine economic development processes and crisis phenomena, that accompany domestic market economy growth, indicate to the need of the further research in personality as a direct creator and participant of every economic phenomenon. The data obtained in the research study confirm the results of our previous studies, namely the fact of more purposeful development of the image of economic “I” in male students due to higher coherence of affective, cognitive and behavioral components with learned common sexual stereotypes about the domination of the material and financial status of male persons and the subordination of women to them. Among the young men, there turned to be more those who had a high opinion of the coincidence (congruence) of all three constituents of the presentation of economic “I” in various spheres of public life (68% compared with 32% of girls) and significantly less than those who showed a high level of their disintegration (10% compared with 24% for girls). If the males’ low level of real and future professional competence, was connected, above all, with the awareness of the low level of knowledge acquired or the lack of gained professional experience, then the girls, first of all, with low personal claims, their preference for traditional for females forms of economic behavior, the lack of need for a sense of self-sufficient economic unit.

This again proves the ‘vitality’ in the consciousness of women of the traditional social structure – the focus on economic dependence and subordination of men and the removal of responsibility for their own material well-being.

At the next stage of the study the main hypothesis was the assumption that during the time of market transformations Ukraine was still characterized by the proliferation of descriptive, indicative and directive-prohibited stereotypes regarding economic capacity and financial roles of both females and males, which demonstrates the objectivity of representatives of womanhood and subjectivity of financial solvency of the so-called ‘strong’ sex. In the process of analysis of popular feature films and TV-show of predominantly Russian production, which prevailed at the time on Ukrainian television screens, the focus groups singled out the types of sex-specific clichés that dictated a pattern of the economic behavior of the sexes.

For example, in relation to men, descriptive stereotypes include the norm “can buy to look like a macho”, “generous”, “self-sufficient”, “always with money”, etc., prescriptive stereotypes create the following estimates: “a man must earn», “take care about the needs of the family”, “be the main source of income”, “fulfill the needs of his spouse”, “be able to risk and drink champagne”, etc., and also prescriptive stereotypes are: “real men never sit idle”, “are never losers”, “get themselves under control even having lost everything”, “do not live off their wives or parents”, “always able to make living”, “can afford to shine”, “able to throw everything to her feet”, etc. According to the assessment of focus groups, the influence of modern mass media on the gender ideals of the economic behavior of the “real woman” and “real man” turned out to be a significant negative emotional factor (Table 1).

Table 1. The degree of media imposing on stereotypes of economic behavior (in %)

Varieties (character) of gender prescriptive stereotypes	Percentage of egalitarian stereotypes in the form of women and men <i>Self</i>	Percentage of patriarchal stereotypes in the form of women and men <i>Self</i>
Descriptive (orienting)	25%	75%
Prescriptive (evaluating)	10%	90%
Proscriptive	2%	98%

The content of the articles in the advertising discourses of the Ukrainian mass media is appraised by students according to the results of the work of the focus groups negatively, first of all, because the categories of masculinity and femininity are predominantly in the subject-object role-playing economic relations that are a visible manifestation of sexism. It should be noted that modern mass media play the role of a unique marker of gender economic identity since they take a direct part in the everyday design of the concepts of femininity – economic objectivity; masculinity – economic subjectivity. If the proposed conceptual model of satisfaction with the life of positive psychology is correlated with the social situation of youth development, then its structural components can serve as a prognosis and, at the same time, diagnosis of the psychological states of a young person (welfare or dissatisfaction with life), who masters the bases of profession, decides on future material status.

Indicators of their current, and most importantly, future psychological well-being can be the indicators of Seligman, Martin E. P. “The Hope Circuit”, namely confidence in the professional self-determination and their personal significance, the consistency of the chosen path with their own life values, the belief in their ability to fully realize own potential in harmony with people around.

Integral indicator of the questionnaire “Life Attitudes” (Klamut, 2009) shows the importance of rating own personal existence in time (accepting yourself in future and present), and in the combination of scales – the life orientation to realize his/her own goals and senses. The peculiarities of self-reflection of person own value orientations demonstrate the level of the internal coherence of the life goals (maturity of goal-setting) (Figure 2).

Statistical results demonstrate the superiority of productivity of women’s data, which show their perception of life in its various dimensions, the choice of responsible attitude to life, the integrity, consistency of internal values and goals of being. The overcoming of the psychological pressure of gender stereotypes, which cause strengthening the protection of their own interests and values, affects the lower indicators of scales of existential vacuum and awareness of the finality of life (the inverse scale of assessment is adopted in the calculation of the results of the test).

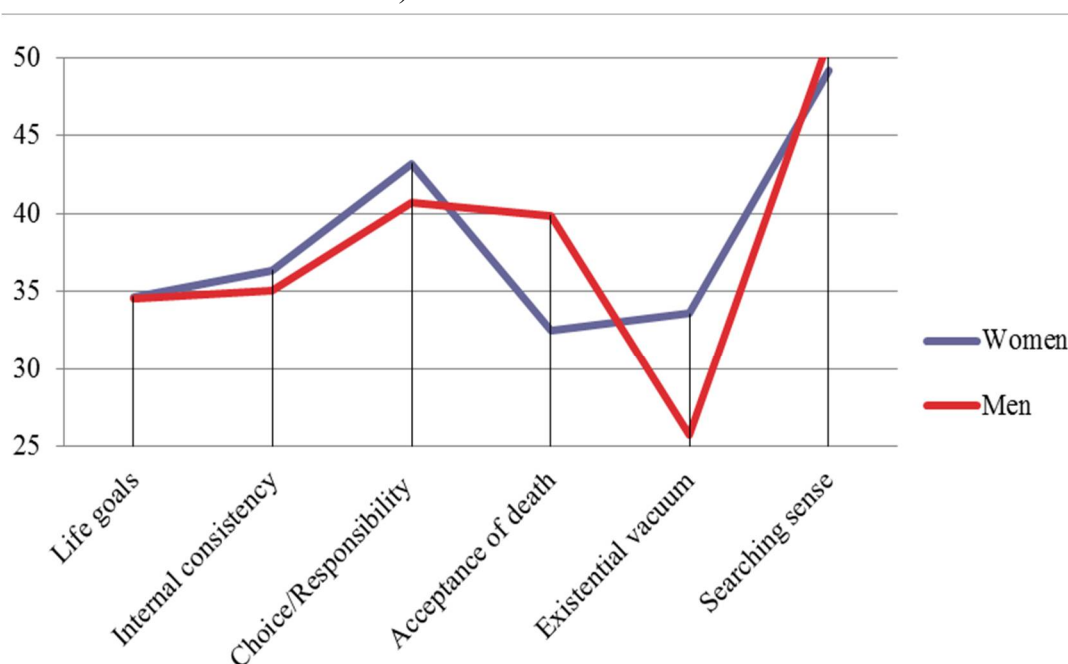


Fig. 2. Average score, received by the method “Questionnaire of Life Attitudes”

The existence (social functioning) by increasing responsibility, the internal coherence of values and interests in the achievement of personal goals and aspirations. Higher indicators of the existential vacuum of young women indicate a high level of their anxiety, uncertainty in the direction of appropriate implementation of their life plans in the future. The comparison of the gender distribution of test indicators shows the unconditional acceptance by the young men traditional male life scenario, which is more structured and dependent on their own life, their own choices and clearly outlined in the environment as gender

stereotypes. According to higher rates on the results of most test scales (“life goals”, “internal consistency”, “searching sense”), male research participants show a higher level of satisfaction with their own sense of life, than women. The lower level of indicators of motivation for control of their own lives causes increased anxiety for psychological readiness to defend their rights, fearing to realize their personal life potential not fully.

Is it possible that higher indicator among male research participants is characteristic of the lower ability of young women to direct their future, including professional? In our opinion, it wouldn't be a correct fully, because women's life goals and prospects must include traditionally expected changes in their social status, such as marriage, the birth of children, maternity leave, and necessity to combine professional and domestic responsibilities. It affects the presentation of their own goal-setting. In a similar way, the lower level of coherence of women's life goals and sense can be explained, which shows the confusion about the implementation of plans for the future; the acceptance of difficulties in realizing their own sense of being (Table 2).

Table 2. A feeling of coherence of young men and women

Measures the feeling of coherence	Men	Women
Understanding the world	49,0	50,5
Sense of being	46,5	46,0
Control of life	52,6	53,0
Total score	148,1	149,5

In our opinion, lower level of the indicators from female research participants as to identify life goals depend on different gender stereotypes, which are capable of breaking the integrity of the perception of the social functioning of the image “I”; the congruence of her long-term and short-term goals and aspirations. The lower results on the scale of “searching goals”, “awareness of life goals” and “the importance of self-realization from birth to death” among female are explained through these social and psychological factors too. It causes a higher level of anxiety, uncertainty in the process of self-realization. Men are less likely to show a lack of anxiety and fear of the finality of life. They are more oriented on its fullness through different events and distance themselves from death, focusing on the activity of social life, because it is more “gender” projected. The aspiration to control their own destiny remains on the level of psychological willingness of women to defend their rights, although be accompanied by anxiety as fears not to realize their professional potency through the finality of human existence. It explains the increased protective reaction of young women as to aversion of death as the finality of life in comparison with men. In a similar way, it is possible to explain the higher results of women on the scale “existential emptying”. Its high rates show that the desire for self-presentation of their professional “I”, their skills and abilities are a blunder against on objective obstacles (due to gender stereotypes) and still remains frustrated very often.

The frustration of the possibility for the realization of their aspirations causes the evasive behavior of women, nihilism, the lack of activity, the dipping into the feeling, which limits the perception of new social challenges, the desire to change something in monotonous apathy everyday life. The higher indicators of the scale of existential desertification prove this data. In contrast to this scale, women's indicators on the scale of the searching goals are increased. On the one hand, it shows the desire to control their own life, the internality of intentions, the desire to take responsibility for them through finding important goals, sense, and on the other hand, to get rid of the feeling of internal anxiety, uncertainty through an existential vacuum.

Young women demonstrate a higher level of consistency between moral perceptions and actual behavior, a higher level of rating their own physical attractiveness, their own popularity, and competence, ability to lead and manage people. Nevertheless, the rating a level of self-control and overall level of self-esteem is lower, compared with their male counterparts. This difference can be explained because society is more focused on the socially successful man than a woman. Correlation analysis showed that there is an interdependence between self-esteem of social competence and experience of existential vacuum ($r = 0290$, $p < 0,05$). It means that women who lack family support and interpersonal communication are more likely to experience a conflict of values, the sense of being, which limits opportunities and desires to be realized and present themselves in socially prestigious roles. Thus, men and women who know how to control their life and think that they are authors of their own decisions are more guided by eternal life values. This is confirmed by direct correlation ($r = 0396$ $p < 0, 01$) of the congruence of the indicators of the system of values and self-confidence in their professional competence.

In addition, the congruence of the feeling of physical attractiveness ($r = -0399$, $p < 0, 01$); the level of locus of control of personality ($r = -0374$, $p < 0, 01$); and the possibility to be loved ($r = -0365$, $p < 0, 05$) indicates the importance of these components of self-presentation in the sense of fullness of being and social self-realization.

The results of statistical data processing confirmed the existence of significant differences in the self-esteem of boys and girls (Table 3).

Table 3. Test scores with a lack of statistically significant differences in male and female research participants

Scale titles	t-criterion
Social competence	4,211, $p \leq 0,05$
Assertive competence	2,573, $p \leq 0,01$
The power of protective self-esteem	-2,654 $p \leq 0,05$
Physical attractiveness	2,431, $p \leq 0,05$
Self-control	-3,285, $p \leq 0,05$
Popularity	2,301, $p \leq 0,05$
Overall self-esteem	-2,621, $p \leq 0,05$
Acceptance of death	-3,459, $p \leq 0,01$
Existential vacuum	4,376, $p \leq 0,05$
Locus of control	-4,445, $p \leq 0,01$
A feeling of control	3,324, $p \leq 0,05$
Success	-4,933, $p \leq 0,01$

According to the questionnaire “Person in Work” (Matczak, & Jaworowska, 2009), which aims to identify the locus control in professional activity and career, people with an internal locus have strong motives for work, which are usually associated with the economic rewards (Figure 3). Students’ gender differences have to answer the question, what gender expectations to the greater extent determine them in building future scenarios of their own financial income sources. It is known that gender development index (GDI) in Ukraine is quite high by female education indicator, their specific weight among people who study to earn a bachelor degree, specialist degree, master degree, and Ph.D. It is also low because of the lack of Ukrainian female representatives on the legislative and governmental authority levels, i.e. in those spheres that determine a socioeconomic level of state development.

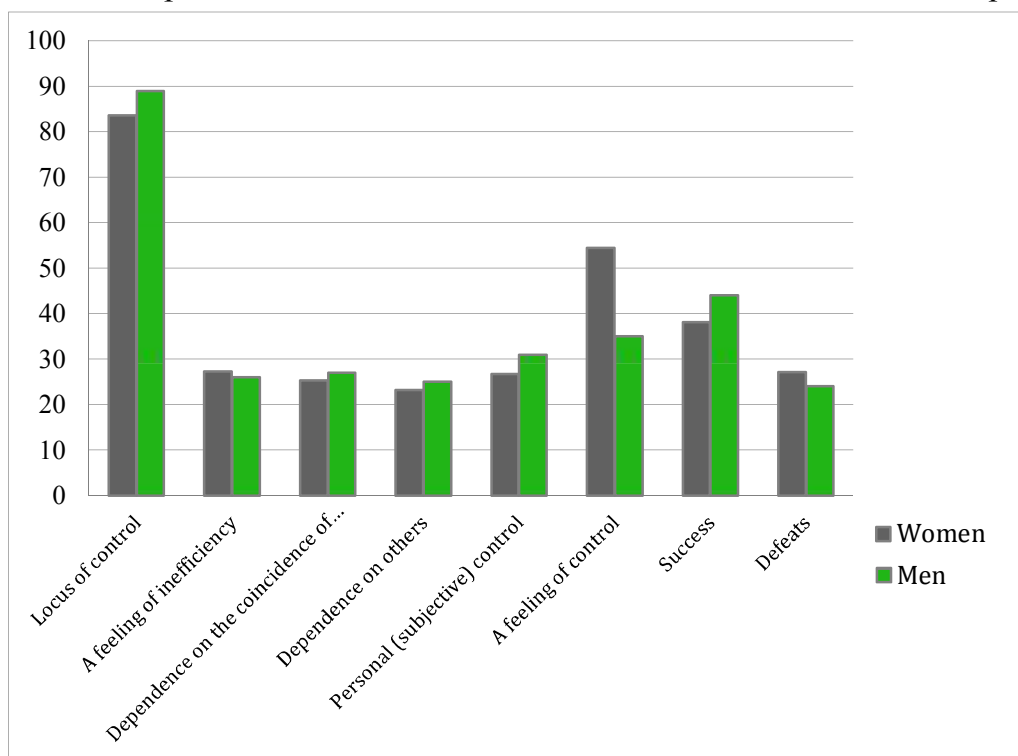


Fig. 3. Average score, received by the questionnaire “Person in work”

Young women demonstrate a higher level of self-esteem in comparison with young men, in particular, in such components: moral acceptance; consistency of moral attitudes with real behavior; ability to manage people. At the same time, women show a higher level on the scale “protective strengthening of self-esteem”. On the one hand, it characterizes acceptance of their own “I” to some extent; and on the other hand, possible rejection of herself, the rejection of important others, the desire to show herself in a better way.

The analysis of results of the questionnaire based on M. Jenkins’ method showed that most young men and women share traditional (patriarchal) values to some degree (Hyde, 1991). However, there were sex differences in gender orientations of young men and women. Young women are more oriented on the egalitarian relations in the domestic sphere, in sex behavior, marriage and pre-marital behavior, but they share patriarchal opinions in relation to financial and legal responsibility of a husband. Traditional views of young men refer to the social and politic legislative sphere.

Majority of men showed agreement with the following statements: “there are a lot of words and phrases which can’t be pronounced by women but they are allowed to be spoken by men” and “women must not visit the same places which are visited by men, and women must not have the same degree of freedom as men”. The students are aware of the myth that the “weaker sex” is subject to psychological disorders, depression and anxiety more frequently. These beliefs found the confirmation in the agreement with the statement “Women are too sensitive to become good surgeons”. The apotheosis of traditional opinions of young men was their denying the professional suitability of women for various types of activities “Woman must recognize their intellectual narrow-mindedness in comparison with men”. Young women showed more egalitarian views than did men in relation to physical attractiveness of both sexes to taking care of the figure, keeping a healthy way of life etc. For example, women showed greater agreement with statements “A modern woman is obliged to care about her figure no more than her husband cares about his” and “Youth and beauty of a woman are the main guaranty of her happiness”.

Conclusions.

In the psychological portraits of young men and women who present their professional potential and the economic future, there is more similar than different. Women show a higher level of subjective general and personal control of locus in their professional activities, psychological efforts to defending their beliefs. They are also more engaged in the labor process, initiative; show a higher level of interest of the content of the proposed tasks, creativity, and executive self-sufficiency. They appreciate professionalism; have better relations with colleagues; they are less anxious because of losing work, more open to labor reforms and changes; advise themselves in the situation of unemployment.

At the same time, differences in economic claims, types of competence, value and semantic life scenarios, the parameters of self-esteem or the perception of their own potentials of work activity are in the lie in the plane of differentiation of gender attitudes than biologically determined characters of personality. The society imposes traditional gender stereotypes which determine the different views between young men and women on their economic self-determination, the assimilation of prejudices, which block disclosure of individual social potential. Male and female understanding of economic categories shows differences between sexes in terms of their application. They demonstrate greater marginalization of a significant proportion of women from the problems of economic functioning of the country, their higher inclusion in microeconomic processes. Male students are more versed in the macroeconomic reality of being. This differentiation corresponds to the traditional distribution of social roles and therefore predicts a possibility of their making financial decisions and material obligations in the social and private spheres of economic life.

Though self-presentations of professional communicational skills by female students are maintained by assertiveness and other traditional masculine features, they prefer to demonstrate feminine features escaping to be androgynous because of phobia of losing femininity as the most respected value of the opposite sex.

Comparing the content of narratives of male and female students' visions of the self in time perspective it is obvious influence of descriptive and prescriptive stereotypes in the vision of future family and professional roles for both sexes especially for females.

References.

Babcock, L., Gelfand, M., Small, D., & Stayn H. (2006). Gender Differences in the Propensity to Initiate Negotiations. *Social Psychology and Economics* / In: David De Cremer, Marcel Zeelenberg, & J. Keith Murnighan (Eds.). NJ: Lawrence Erlbaum.

Biernat, M. (2005). Beyond assimilation: Toward a broader view of stereotyping effects. *Standards and expectancies: Contrast and assimilation in judgments of self and others* / In M. Biernat (Ed.). New York: Taylor & Francis Group. 93–111.

Bosak, J., Sczesny, S., & Eagly, A. H. (2008). Communion and agency judgments of women and men as a function of role information and response format. *European Journal of Social Psychology*, 38, 1148–1155.

Cherba, V., Romashko, I. (2016). Gender Inequality on the Labor Market in Ukraine. *Effective economics*. 5. Retrieved from <http://www.economy.nayka.com.ua> [in Ukrainian].

Council of Europe Gender equality strategy 2018–2023 (2018). Retrieved from <https://rm.coe.int/strategy-en-2018-2023/16807b58eb>

Hankivsky, O., & Salnykova, A. (Eds.) (2012). *Gender, politics, and society in Ukraine*. Toronto: University of Toronto Press.

Hovorun, T. V., Kikinezhdi, O. M., Shulha, I. M. (2016). Economic Indicators of Gender Equality. *The Journal of the Humanities Psychology*, 38. 38–49 [in Ukrainian].

Hyde, J.-Sh. (1991). *Half the Human Experience: The Psychology of Women*. Lexington–Massachusetts–Toronto: D. C. Heath and Company.

Kimmel, M. (2000). *The Gendered Society*. New York: Oxford University Press.

Kiyselova, O. (Ed.) (21 July, 2018). *The Gender Policy of the European Union in Ukraine: analytical report*. Retrieved from <https://ua.boell.org> [in Ukrainian].

Klamut, R. (2009). *Kwestionariusz Postaw Zyciowych KPZ*. Warsaw: Pracownia testow psychologicznych Polskiego Towarzystwa sychologicznego [in Polish].

Kravets, V. P., Hovorun, T. V., Kikinezhdi, O. M., & et al. (2013). *Gender Studies: Applied Aspects*. V. Kravets (Ed). Ternopil: Navchalna knyha – Bohdan [in Ukrainian].

Martseniuk, T. O. (2014). Best Practices for Implementing Gender Equality at Work: International Experience and Ukraine. *“I”: gender magazine*. 2. 16–21 [in Ukrainian].

Matczak, A., Jaworowska, A. (2009). *Czlowiek w Pracy: podrecznik*. Warszawa: Polskie Towarzystwo Psychologiczne [in Polish].

Moskalenko V. V. (2005). *Social Psychology*. Kyiv [in Ukrainian].

Skoryk, M. M. (2017). *Gender Discrimination in Access to Labor and Services: Estimate of the State of Implementation of the Anti-Discrimination Directives of Council of EU by Ukraine: analytical study*. Kyiv [in Ukrainian].

Tyszka, T. (2004). *Psychologia ekonomiczna*. Gdansk: GWP [in Polish].

Women in the Economy: is there Discrimination in the Labor Market in Ukraine? Retrieved from <https://hromadske.ua> [in Ukrainian].

Iryna Voronenko

PhD in Economics, Senior Researcher,

Doctoral student, Department of Economic Cybernetics,

National University of Life and Environmental Sciences of Ukraine,

Kyiv, Ukraine

orcid.org/0000-0002-1839-7275

COMPOSITION OF INFORMATION SPACE REGULATION

Abstract. *The transformation of the information space in Ukraine in recent years has significantly reduced the pace of change that is unacceptable, both in conditions of increased external and internal threats for the Ukrainian economy in the current conditions and on the way to European integration. In this work is implemented an analytical review of international documents and provisions that occupy a significant place in the history of the formation of the information space, which allowed to determine the essence of the information space, its main components and their functional purpose. There are illustrated the results of the analysis of the authorities of the state authorities regarding the regulation of the information space of Ukraine. There are offered results of the comparative analysis of international documents on information and cyber security regulation, which allowed to systematize the basic requirements of their provision. As a result of structural and functional analysis of documents, the most commonly used concepts are identified, namely, "cyberspace", "communication security", "cyber security", "information security", "physical security", "operational security" and "civil / national security".*

JEL Classification: L51, M38

Introduction.

The transformation of the information space in Ukraine in recent years has significantly reduced the pace of change that is unacceptable, both in conditions of increased external and internal threats for the Ukrainian economy in the current conditions and on the way to European integration. The main consequence of this situation is a low investment climate, quantitative growth rates, and, above all, high quality indicators of information and communication services, as well as insufficient efficiency of the organizational and economic mechanism of state regulation of this sector of the economy.

Therefore, it is logical to arise the problem of constructing an effective strategy of state regulation of the information space as a socio-economic factor of the national security of Ukraine, which will promote the emergence of a new level of socioeconomic security in general and, in particular, cybersecurity of Ukraine, as well as solving a number of urgent tasks, which are defined in the Concept of popularization of Ukraine in the world and advancement of Ukraine's interests in the world information space, approved by the order of the Cabinet of Ministers of Ukraine dated June 7 I 2017 No. 383-p, the Concept of the development of e-government in Ukraine, approved by the Cabinet of Ministers of Ukraine from September 20, 2017, No. 649-p, the decision of the National Security and Defense Council of Ukraine "On the doctrine of information security of Ukraine" of December 29, 2016 year, enacted and approved by the Decree of the President

of Ukraine dated February 25, 2017 No. 47, namely: maximizing the effectiveness of the organizational and economic mechanism of state regulation of the information space of Ukraine, its sustainable development, national security of Ukraine and, in particular, cyber security in the relevant sphere of economic activity, speeding up the pace of European integration, popularizing Ukraine in the world and protecting and promoting its interests.

In order to accelerate this process, which is especially relevant for Ukraine in the context of European integration, as well as increased external and internal threats, there is an urgent need to study "best practice" of all components of state regulation of the information space, the primary component of which is the analysis of the external environment, as well as the provisions of the international legislation regulating its functioning and regulation at the international level. The cornerstone of the way to this is the formation of an effective system of security cyberspace, under which in the scientific literature refers to the "information environment (space), which arises (exists) with the help of technical (computer) systems in the interaction of people with each other, the interaction of technical (computer systems) and human management by these technical (computer) systems".

The results of the research of scientific works of foreign scientists make it possible to conclude that they are contradictory in nature and focus only on certain components of state regulation of information and cyberspace. Thus, some scholars in their works cover only the general problems of state regulation of cyberspace (Musiani F., Roberts A.S., Sharma A., Tesfachew T.). Part of the researchers focused on the problems of regulatory and legal regulation of the information space (Ackerman J.M., Radu R., Sandoval-Ballesteros I.E., Shadiyev K. K., Tatham S., Koval, V. Pukała, R. etc.). Other researchers investigate human rights information (Coppel P., Mendel T.). Some scholars view the information space on the need to provide intellectual property (Aplin T., Bently L., Cornish W., Llewelyn G.I., Sherman B.). Among other topics, scientists try to solve problems in implementing their technological changes in the management of this field (Pollitt C.); to explore the influence of information space on public opinion and local government decisions (Isaac-Henry K., Barnes S.), to propose an effective mechanism for regulating cyberspace (Çeleb I., Jääger M., Tarazan S., Tufail T.).

At the same time, certain issues concerning the state regulation of the information space of Ukraine are considered in the scientific works of domestic scientists: Yesimov S.S., Moroz S.S. The issue of information policy in Ukraine in the context of European integration is disclosed in the works of Gubersky L., Kaminsky E., Fursheva V., Yakovenko M. However, the research data are also non-systemic and do not provide clear approaches and guidance on the state regulation of Ukraine's information space in the face of increased risks of external and internal threats.

1. Conceptual principles of regulation of information space. International dimension

Analyzing significant international events, their official results, as well as the documentation that was created during their conduct, we can conclude that the "origin" of the term "information space" on the international bridgehead began with a comprehension of the understanding of the essence of the information society.

The historic point of reference for legislative support to the information society of the European Common Space is generally considered to be a recommendation document for the European Council "Europe and the Global Information Society" dated May 26, 1994 (1994). The authors of this research and analytical work for the first time documented the concept of such a term as "information society". Further, based on the concept of the information society, they put forward the hypothesis that society will be able to reach a qualitatively new standard of living (ignoring all aspects without exception) exclusively moving through a full and comprehensive informatization of all aspects of human life. In the course of the European Commission (EC) meeting in 1997, the EU's information policy was first adopted and the legal framework was first developed, which takes into account both national and international principles of regulation of information relations (1997). In addition, the EC understands and regulates the notion of "information society" as a society:

- formed as a result of the social revolution and generated by the convergence of information and communication technologies;
- in which knowledge is obtained exclusively by unhindered access to information and skills of its perception and processing;
- in which there is no limit to the exchange of information.

The analysis of regulatory documents regulating the regulation of information and cyberspace has made it possible to conclude that for the first time at the international legislative level, this issue was enshrined in United Nations General Assembly Resolution A/RES/53/70 of December 4, 1998, that "the dissemination and use of information technologies and tools affects the interests of the entire international community and that broad international engagement promotes optimal efficiency; expresses its concern that these technologies and facilities may potentially be used for purposes incompatible with the objectives of ensuring international stability and security and may adversely affect the security of States; Aware of the need to prevent the misuse and use of information resources or technologies for criminal or unlawful purposes (1999). Taking into account the above, the General Assembly of the United Nations:

- requests upon Member States to promote multilateral, existing and potential threats to information security;
- requests all Member States to inform the Secretary-General of their views on the issue of: a general assessment of the problem of information security; definition of the basic concepts related to information security, including unauthorized interference or misuse of information and telecommunication systems and information resources;

- notes the expediency of developing international principles that would be aimed at strengthening the security of global information and telecommunication systems and contributing to the fight against information terrorism and crime.

Given the issues raised, it should be noted that the terms "security in the information space" and "security in cyberspace" or in other words "cybersecurity" are quite new concepts that have been proposed by IT professionals, consultants, lobbyists and politicians. The Oxford English Dictionary provides the following definition of the term "cybersecurity": "the state of protection against criminal or unauthorized use of electronic data or measures taken to achieve protection" (Brukson, Tsadzov, Ekmaier, 2016). The expanded definition of the term "cybersecurity" is contained in the Recommendations of the International Telecommunication Union (ITU) b-ITU-T X.1205 (Brukson, Tsadzov, Ekmaier, 2016), the essence of which is the set of tools, strategies, principles of security, security guarantees, guidelines, approaches in risk management, training, best practices, insurance and technology that can be used to protect cyberspace, organization and user resources. The analysis of studies devoted to the definition of the essence of the conceptual apparatus "cyberspace" and "cybersecurity" allowed to identify the main areas of cyber security, depicted in Fig. 1 (2000).

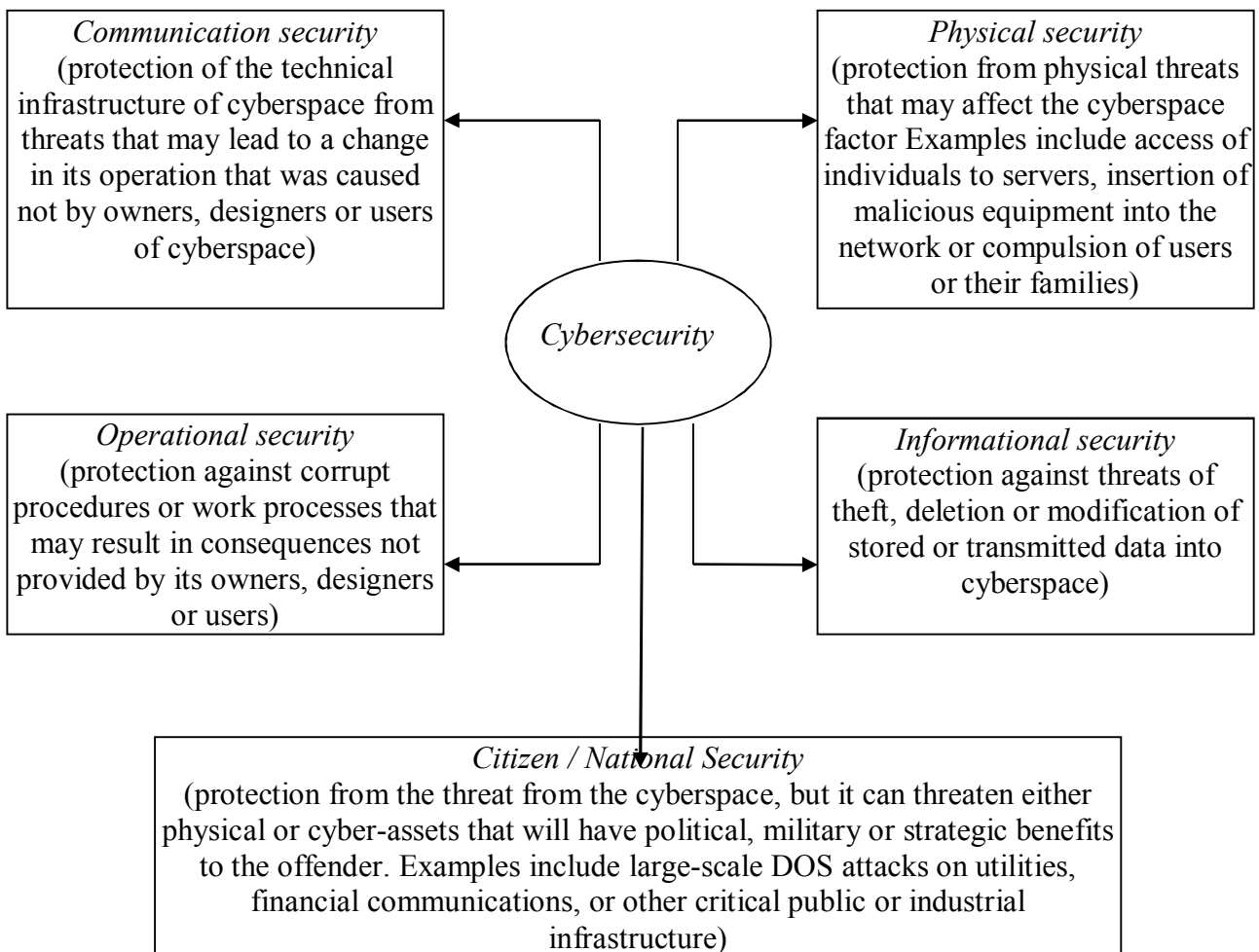


Fig. 1. Key areas of cybersecurity

Three years later, in 2000, another significant meeting of the EC took place in Lisbon. Among the official results of the meeting under the slogan "Information Society for All", the President of the EC, for the first time, called on the rest of the representatives to take part in the active formation of the Action Plan of the new EC initiative, entitled eEurope (e-Europe) (2000). As part of this initiative, international talks have been officially launched under the title "Strategies for work in the information society". Their main goal was to unite and harmonize all national initiatives aimed at the growth and development of the information society.

On July 22, 2000 in Okinawa, the leaders of the G8 countries signed the Okinawan Charter of the Global Information Society - another important document in the history of the formation and development of the information space and society (2000).

Among the main provisions of the Okinawan Charter, one should pay attention to the following: "Everyone, without exception, should be given the opportunity to freely enjoy the benefits of the global information society; the stability of the global information society is based solely on the promotion of democratic values (free sharing of knowledge and information, respect, tolerance, etc.)".

In addition, in P.8 of this document it focuses on the fact that the stability and development of the global information space should be accompanied by joint actions of the country in the formation of a safe and free from the perpetrators of cyberspace. We emphasize that in this document, for the first time, the binding of the terms "cyberspace" and "information space", fixed at the legislative level, is encountered. These terms are linked in the context of the key strategy of the participating countries of the Okinawan Charter "Shared Access for All", where cyberspace is associated as an integral part of the information space.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) has a leading role in addressing the problem of access to world information resources, with a significant focus on broader access to information and the development of international communications. To address this problem, in 2000, UNESCO developed the "Information for All" program, the only intergovernmental program developed and devoted exclusively to the promotion of universal access to information, which is the key to the creation of an information society (2008).

The International Union of Telecommunications (ITU), which was established in 1865 as Telegraph Union and is today the oldest international organization, has a separate place on the international stage of development of cyberspace (2017). In 1947 the Telegraph Union became officially an organization of the United Nations, and in 2003 at the World Summit on the Information Society (at the Geneva stage), ITU became the global coordinator of international efforts to promote the implementation of the cyber security program.

Shortly after the Okinawan Charter was signed, UN General Assembly resolution 56/183 of 2001 decided to conduct a World Summit on the Information Society with the International Telecommunication Union (ITU). The implementation of the appropriate action was envisaged in two stages: in 2003 in Geneva and in 2005 in Tunisia. As a result of the meeting, a number of international documents have been adopted that have become the basis for building a global information infrastructure, in particular: "Declaration of Principles of the Information Society Building: Global Challenges in the New Millennium", "Action Plan", "Tunisian Duty" and "Tunis Program for the Information Society". The main tasks set out in the documents are the use of the potential of information and telecommunication technologies to achieve the United Nations development goals formulated in the Millennium Declaration (2003).

In 2007, ITU, the leading UN agency for information and communication technologies and the global coordinator for governments and the private sector in the development of networks and services, played a key role in the aftermath of the World Summit on the Information Society and the ITU Plenipotentiary Conference 2006 is to strengthen confidence and security in the use of information and communication technologies, announced the launch of the Global Cybersecurity Program (GCP) as the basis for international cooperation in the field of cyberspace with the participation of many stakeholders, aimed at achieving synergy with existing and future initiatives and partners.

The most important initiatives in the area of cyber security under the auspices of the GCP include: a program in the field of national group CIRT (Critical Incident Response Team); creation of regional centers of cybersecurity, which are intended to become catalysts for the expansion of regional cooperation, coordination and joint activities to address the problem of growing cyber threats; Project "Improving the Cybersecurity in the Least Developed Countries"; The Global Cybersecurity Index (GCI) is an indicator of the level of development of cyber security of each state, aimed at ensuring the right motivation of countries to increase their cybersecurity efforts.

In 2012, ITU in Dubai convened the World Conference on International Telecommunications (WCIT-12) in order to review the International Telecommunication Rules (ITR) and adopt a document that would meet the new challenges of the 21st century, the previous version of which was approved in 1998. In addition, it was decided to start the process of internationalization of Internet governance in order to ensure the stability, security and uninterrupted functioning of the global information space.

The most recent UN General Assembly resolution on this issue was adopted at the end of 2014, which calls among other things (Brukson, Tsadzov, Ekmaier, 2016).

- facilitate the multilateral review of existing and potential threats to information security, as well as possible strategies for addressing emerging threats in this area, based on the need to maintain a free flow of information;

- continue to inform about the point of view and assessment on the following issues: general assessment of information security issues; efforts undertaken at the national level to strengthen information security and promote international cooperation in this field; the content of the concepts that would be aimed at strengthening the security of global information and telecommunication systems; possible measures that could be taken by the international community to strengthening information security at the global level.

2. The system of state regulation of the information space of Ukraine

By systematizing the results of the comparative analysis of normative legal acts of Ukraine on this issue, we note that for the first time we meet the terminology tied to the notion of information space in 1992, namely the Law of Ukraine "On Information" of October 2, 1992, No. 2657-12 (1992), which regulates the conceptual concepts important for forming the essence of the information space, such as: "information", "information protection", "information relations and their subjects," etc. Also, the Law clearly demarcates multi-purpose and various-thematic concepts of information, such as legal information, tax, restricted information, etc. Also for the first time at the legislative level, this document regulates the rights to disseminate information exchange and censorship.

During the regular meeting on February 4, 1998, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On the Concept of the National Program of Informatization" No. 75-98 (1998). This document discloses the essence of the term "informatization", which refers to a set of interrelated organizational, legal, political, socio-economic, scientific and technical, production processes, aimed at creating conditions for meeting information needs, the realization of the rights of citizens and society on based on the creation, development, use of information systems, networks, resources and information technologies, created on the basis of the use of modern computing and communication technology. In addition, the document regulates a number of facts that determine the poor state and explain the slowly development of the informatization process on the territory of Ukraine, among which: the lack of connection to the Internet, lack of funding, inconsistency in the use of information resources, lack of a systematic approach, the use of outdated technical equipment, etc. It is worth noting that the following terms are used in the text of the document: "information resource", "information security", "information infrastructure", "information services".

On June 19, 2003, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On the Fundamentals of National Security of Ukraine" No. 964-IV, which identified the main real and potential threats to the national security of Ukraine and the stability of society in various spheres (2003). The threats to the national security of Ukraine in the information sphere include: manifestations of restrictions on freedom of speech and access to public information; media dissemination of the cult of violence, cruelty, pornography; computer crime and computer terrorism; disclosure of information constituting a state secret or other information with restricted access aimed at meeting the needs and ensuring the protection of

the national interests of society and the state; attempts to manipulate social senses, in particular, by disseminating inaccurate, incomplete or biased information.

In 2007, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On the Basic Principles of the Development of the Information Society in Ukraine for 2007-2015" No. 577-16, formally taking the course towards the construction of a "people-centered, open to all and aimed at the development of an information society, in which everyone could create and accumulate information and knowledge, have access to them, use and exchange them, in order to enable every person to fully realize his potential, contributing to social and personal development and raising the quality of life" (2007).

The first normative legal act of Ukraine, which at the legislative level formalizes the notion of the essence of the information space, can be considered as "Strategy of the development of the information society in Ukraine", approved by the order of the Cabinet of Ministers of Ukraine dated May 15, 2013 No. 386-p (2013). The document clearly covers the concepts of e-democracy, e-economics, e-commerce, e-services, e-culture, e-education, e-medicine, information infrastructure and information resources. In fact, for the first time in the history of Ukraine, this document outlined the strategy for the development of the information society and in fact consolidated the essence of the information space at the legislative level.

The main positions mentioned above appear in the Decision of the National Security Council of Ukraine "On the Strategy of National Security of Ukraine" dated May 6, 2015 and put into force on May 26 of the same year by the Presidential Decree of Ukraine (2015).

Law of Ukraine "On the Basic Principles of Cybersecurity of Ukraine" (2018) already clearly regulates the concept of cyberspace and, on its basis, formalises a large number of provisions. According to this Law, cyberspace is an environment (virtual space) that provides opportunities for communications and/or the realization of social relations, formed as a result of the operation of compatible (connected) communication systems and the provision of electronic communications using the Internet and/or other global data transmission networks.

Thus, since 1991 there have been significant changes in the information space of Ukraine, which has a significant impact on all spheres of public life of the country, national security, development of the national economy, ensuring its level of competitiveness, improving the living conditions of people.

In this regard, the priority direction of state policy is to develop approaches and principles of the development of information space depends on the effectiveness of state regulation in this area.

A thorough analysis of the powers of the state authorities in the field of regulating the information space of Ukraine, namely 18 Ministries, 4 National Committees, 19 Services, 10 Agencies, 10 Inspections, 3 other central executive bodies, and 7 central executive bodies with special status, allowed to distinguish the main bodies government in this area:

1. State Committee for Television and Radio-broadcasting of Ukraine: develops measures to prevent internal and external information influence, which threatens the information security of the state, society, person; participates in the formation of a single information space, promotion of information society development; ensures adherence to state language policy in the field of television and radio broadcasting, information and publishing; generalizes information of the executive authorities on informing the public on European integration issues of Ukraine.

2. The National Police of Ukraine uses and provides other law enforcement authorities of Ukraine with access to information and telecommunication systems and data banks of Interpol and Europol, as well as provides data to these banks about the information of law enforcement agencies of Ukraine; within the framework of information and analytical activities, forms the databases (banks) of the data integrated in the Ministry of Internal Affairs's unified information system, uses the databases (banks) of the Ministry of Internal Affairs and other state bodies, carries out information retrieval and information-analytical work, as well as the processing of personal data within powers stipulated by law; provides cryptographic protection of information that is the property of the state, or information with restricted access.

3. The Ministry of Foreign Affairs of Ukraine contributes to the entry of Ukraine into the world information space, the rise of its international authority, the formation of a positive image of the state as a reliable and predictable partner; distributes information about Ukraine, its place and role in the world to strengthen the positive international image of the state, provides foreign diplomatic institutions of Ukraine with relevant information products.

4. The Ukrainian Institute of National Remembrance of UINP organizes a comprehensive study of the history of Ukrainian statehood, the stages of struggle for the restoration of statehood and the dissemination of relevant information in Ukraine and in the world; organizes work on collecting information, creating and filling databases on the testimony of eyewitnesses of political repressions, the Ukrainian liberation movement, wars, victims of the Holodomor of 1932-1933, the mass famine of 1921-1923, 1946-1947, and political repressions, as well as actions aimed at in defense of Ukraine's independence, sovereignty and territorial integrity, in particular participation in anti-terrorist operations; ensures the publication of scientific reports, information and analytical materials, research results of the Holodomor 1932-1933, political repressions, participates in programs executed by other executive bodies.

5. The Ministry of Culture of Ukraine provides informational and organizational support for Ukraine's participation in international book exhibitions, fairs, forums; to carry out informational, advertising and publishing activities in the established manner on matters that fall within its competence.

6. The Ministry of Internal Affairs of Ukraine provides protection of information that is the property of the state or information with restricted access; organizes the development of new types of special equipment, armaments, communications, technical means of information protection.

7. The Ministry of Information Policy of Ukraine ensures the formation and implementation of state policy in the areas of information sovereignty of Ukraine and information security; develops program documents in the field of protection of the informational space of Ukraine from external information influence; ensures the formation and implementation of state policy in the field of state broadcasting; provides for the development of a state strategic communications system in Ukraine; ensures the implementation of mass media reforms regarding the dissemination of socially important information.

8. The Ministry of Defense of Ukraine conducts intelligence and information-analytical activities in the interests of national security and defense of the state; Participates in the analysis of the military-political situation and determines the level of military threat to national security; conducts continuous monitoring of the information environment, identifies potential and actual information threats in the field of defense, carries out appropriate measures; ensures the implementation of state policy in the field of state secrets protection, protection of restricted access information, as well as technical protection of information.

9. The National Commission, which carries out state regulation in the field of communication and information, ensures the implementation of a unified state policy on state regulation, carries out supervision, realizes the state strategy of development in the field of telecommunications, informatization and development of the information society, the use of HRD, the provision of postal services; provides systematic, comprehensive and coherent development of informatization and information society in the state; carries out management and coordination of activities on the issues of the formation and use of state electronic information resources, ensures the maintenance of the National Register of electronic information resources of state authorities.

10. The Ministry of Economic Development and Trade of Ukraine ensures the functioning of the web-portal and information resource on public procurement issues as well as their filling; forms a unified information system for ensuring the implementation of state policy in the field of small and medium enterprises; ensures the functioning of the national information market surveillance system and the system of operative mutual notification of products posing a serious risk; participates in the formation and implementation of state policy in the field of informatization, development of e-governance, construction of a modern information society in the state, provides introduction of modern ICT-technologies, creation of a system of national information resources.

11. The State Service for Special Communications and Information Protection of Ukraine ensures the formation and implementation of state policy in the spheres of cryptographic and technical protection of information, telecommunications, use of the radio frequency resource of Ukraine, special-purpose postal mail, the government's telegraphic communication, protection of state information resources and information in information, telecommunication and information-telecommunication systems and on the objects of information activity, as well as in the areas of use information resources in terms of information security, countering technical intelligence, performance, security and development of the state system of governmental communications, national system of confidential communications; participates in the formation and implementation of state policy in the field of electronic document circulation in the field of information protection of state bodies and local self-government bodies, development and introduction of electronic digital signature in state and local self-government bodies.

12. The State Agency for E-Governance of Ukraine implements the state policy in the field of informatization, e-governance, the formation and use of national electronic information resources, the development of the information society; organizes conducting of forecast-analytical studies on the state of development of the information society, e-government and the sphere of informatization; provides methodological, regulatory, informational and organizational support to the processes of formation and implementation of the National Informatization Program; carries out state registration of electronic information resources of state bodies, bodies of local self-government and other legal entities of public law, access to which is carried out through public telecommunication networks, and issues corresponding certificates; coordinates the activities of executive authorities related to the creation and integration of electronic information systems (Koval, 2013) and resources in the Single Web portal of executive bodies and the provision of information and other services through the electronic information system "Electronic Government"; approves the methodology for the formation of indicators for the development of the information society; develops proposals on the definition of the goals and objectives of the state information policy, ways of its implementation; provision of general coordination of activities of state bodies on the development of the information society; establishment of standards, norms, rules, orders, classifiers in the field of informatization, e-governance and information society development; Determining the order of information content and technical support of the Single web-portal of executive bodies; the order of functioning of official websites of executive bodies; Participates in the definition of priority directions of informatization and provision of information security of the state; informs the public on the state of the development of the information society and promotes the benefits of its construction.

Conclusions.

The notion of information space can be considered as a collection (system) of means and methods for the exchange of results of semantic activity of mankind. Moreover, this aggregate (system) can be banks and databases, technology of maintenance and use of information, information and telecommunication systems that provide interaction between organizations and citizens to meet their information needs (needs for the creation, processing, visualization, transportation, and preservation information in any of its representations). Accordingly, the basis of system analysis, the system is a set of interrelated elements that form a single entity and have a common purpose (but each individual element has its own functions, local goals). If we consider the information space as a heterogeneous system (exclusively from the conceptual point of view), then its elements will be information fields, and communications between them will be information flows. As for the concept of cyberspace, it can't be considered as "indistinct". This is argued by subjectivity, which is directly tied to the areas of its "origin" and "application".

The analysis of international documents regulating cyberspace has made it possible to systematize information and cyber security requirements. As a result of the structural and functional analysis of documents relating to the regulation of cyberspace, the authors identify the most commonly used concepts, namely: "cyberspace", "communication security", "cyber security", "information security", "physical security", "operational security" and "civil/national security".

There are presented the results of the analysis of the authorities of the state authorities regarding the regulation of the information space of Ukraine, which will reveal the shortcomings of the legal and regulatory framework for the regulation of the information space in Ukraine and develop proposals for its improvement, which in turn will contribute to the emergence of a qualitatively new level of socio-economic security in general, and, in particular, the cybersecurity of Ukraine in conditions of increased external and internal threats.

References

Achievements in the field of informatization and telecommunications in the context of international security: resolution (A/RES/53/70). (1999). United Nations Resolution. Retrieved from: <https://documents-dds-ny.un.org>.

Brukson, S., Tsadzov, S. & Ekmaier, R. (2016). *Definition of cybersecurity – gaps and duplication in standardization*. Heraklion: ENISA. Retrieved from: <https://www.enisa.europa.eu/publications/definition-of-cybersecurity> [in Ukrainian].

Presidency Conclusions. (2000). *Lisbon European Council*. Retrieved from: http://www.europarl.europa.eu/summits/lis1_en.htm.

Okinawa Charter on Global Information Society. (2000). *Ministry of Foreign Affairs of Japan*. Retrieved from: <http://www.mofa.go.jp>.

Information for everyone, Strategic plan. (2008). *UNESCO Program*. Retrieved from: <http://www.ifap.ru/ofdocs/unesco/sp813.pdf>.

Global Cybersecurity Index. (2017). *ITU*. Retrieved from: <http://www.itu.int/en/ITU-D/Cybersecurity/Pages/GCI.aspx>.

World Summit of the Information Society. (2003). *ITU*. Retrieved from: <http://www.itu.int/en/ITU-D/Cybersecurity/Pages/GCI.aspx>.

The Law of Ukraine "About the Concept of the National Program of Informatization". (1998, February 04). *The Verkhovna Rada of Ukraine*. Retrieved from: <http://zakon3.rada.gov.ua/laws/show/75/98-%D0%B2%D1%80> [in Ukrainian].

The Law of Ukraine "On the Fundamentals of National Security of Ukraine". (2003, June 19). *The Verkhovna Rada of Ukraine*. Retrieved from: <http://zakon3.rada.gov.ua/laws/show/75/98-%D0%B2%D1%80> [in Ukrainian].

The Law of Ukraine "About the Basic Principles of the Information Society Development in Ukraine for 2007-2015". (2007, January 09). *The Verkhovna Rada of Ukraine*. Retrieved from: <http://zakon2.rada.gov.ua/laws/show/537-16> [in Ukrainian].

Strategy of the Information Society Development in Ukraine. (2013, May 15). *Cabinet of Ministers of Ukraine*. Retrieved from: <http://zakon0.rada.gov.ua/laws/show/386-2013-%D1%80> [in Ukrainian].

The Law of Ukraine "About the basic principles of providing cyber security of Ukraine". (2018, July 08). *The Verkhovna Rada of Ukraine*. Retrieved from: <http://zakon3.rada.gov.ua/laws/show/2163-19> [in Ukrainian].

Koval V. (2013). Integration processes in the telecommunication sector in Europe. *Současná Evropa*. №2, pp.129-141.

Koval V. (2017). Competitive policy and regulation of oligopolistic markets with network effect. *Zeszyty Naukowe Państwowej Wyższej Szkoły Techniczno-Ekonomicznej im. ks. Bronisława Markiewicza w Jarosławiu. Współczesne Problemy Zarządzania*, 11, 143-162.

Koval, V. Pukała, R. (2017). Implementation of Regulatory Policy in Economic Activity: Development of the Institute Regulatory Impact Assessment. *Economics. Ecology. Socium*, 1 (1), 24-32.

The Law of Ukraine "About information". (1992, October 02). *The Verkhovna Rada of Ukraine*. Retrieved from: <http://zakon2.rada.gov.ua/laws/show/2657-12/ed20170101> [in Ukrainian].

Europe and the global information society. (1994, May 26). Recommendations to the *European Council*. Retrieved from: <http://paginaspersonales.deusto.es>.

About the Strategy of National Security of Ukraine. (2015, May 29). *National Security and Defense Council of Ukraine*. Retrieved from: <http://zakon0.rada.gov.ua/laws/show/386-2013-%D1%80> [in Ukrainian].

Cohesion and the Information Society (COM (97) 7/3). (1997). *Brussels, European Commission*.

SUSTAINABLE DEVELOPMENT UNDER THE CONDITIONS OF EUROPEAN INTEGRATION

Collective monograph

Part I

Copying of content is not permitted except for personal and internal use, to the extent permitted by national copyright law, or under the terms of a CC BY-NC 4.0 License.

Publisher:
Ljubljana School of Business
Tržaška cesta 42, 1000 Ljubljana
info@vspv.si

Ljubljana 2019

Circulation 50 copies, free publication



This publication is a result of Erasmus+ cooperation between institutions. The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the EC cannot be held responsible for any use which may be made of the information contained therein.