



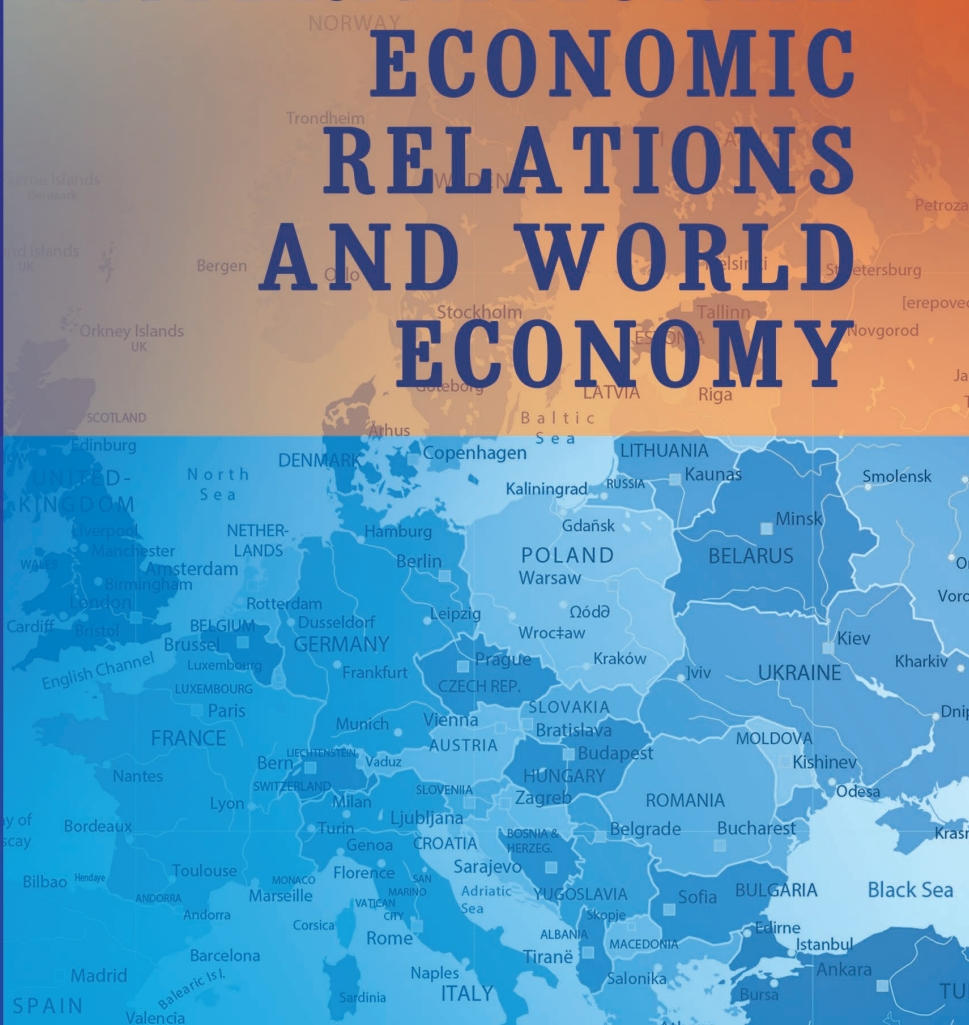
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ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

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INSTITUTIONAL SUPPORT ARRANGEMENTS OF LOW INFLATIONARY SPHERE

The oretical questions and directions of institutional arrangements maintain low inflation environment. Considered analysis of the major deficiencies functioning institutional arrangements and identify areas of institutional change..

Keywords: inflation environment, monopoly, competition, monopolization, institutional arrangements.

Problem statement. High rates of economic growth based on upgrading and innovative development, advancement of modern, stable, open and globally competitive economy and improvement, on this basis, of the well-being of the people of our country is the necessary prerequisite for reaching the strategic goals of the economic development of Ukraine.

We can, with a high degree of certainty, to assure that nowadays there is a situation when inflation and, consequently, financial fragility, may not be overcome with the aid of just appropriate restrictions characteristic of standard programs of financial stabilization as inflation does not disappear completely but just changes its nature. Under such circumstances the price growth occurs due to a growth of supply. Regretfully, currently in Ukraine there exist real obstacles that, actually, preclude human development and make it impossible to raise well-being of households while the available living conditions do not meet world standards in such spheres as: living standards, supremacy of the impartial law, democracy and ecological safety.

The actual task of consolidation of the institutional measures aimed at supporting low

inflationary is based on the determination of the peculiar features of the institutional measures as applied to the inflationary environment that can be used when developing recommendations aimed at the stabilization policy improvement.

Analysis of latest studies and publications. Recently the problem of studying the institutional aspect becomes increasingly the object of studies and analysis of scientists. Theoretical and practical issues of the inflationary environment were partially reviewed in the works by such prominent scientists as O. Vasylyk, T. Vakhnenko, V. Geiets, A. Galchynskyi, A. Gryshchenko, O. Dzyublyuk, V. Kozyuk, I. Mykhasyuk, I. Lyutyi and V. Soskin. However, even now the scientists do not have a single opinion on the essence of contemporary inflationary environment.

Highlighting parts of the general problem that have not been solved earlier. In compliance with the Law of Ukraine «On the National Bank of Ukraine» the National Bank should, when executing its functions, base itself upon the priorities of achievement and support of price stability in the state. The main criterion of the successful monetary policy is supporting, in

the medium term (from 3 to 5 years), of low and stable inflation rate, which is measured by the consumer price index. The annual increment of the consumer price growth during 2013–2014 is to stabilize within 4-6% and, beginning from 2015, to be kept within 3-5%. Progress of economic and social reforms in the country may, in certain periods, result in the advent of objective situational fluctuations of prices on the market of consumer goods and services. Such fluctuations may result from structural changes in the economy, adjustment of certain prices and tariffs in accordance with economical substantiated levels, impact of essential external shocks, etc. Under such circumstances it is allowed that the consumer inflation growth indices deviate, to some extent, from the preset target figures. At the same time such deviation should not influence the achievement of the determined inflationary reference points in the medium-term perspective [1, p. 1-2].

Objective of the paper. The main object of this paper is to study and analyse the basic deficiencies in the institutional measure functioning and to determine the direction of institutional changes. Their further study and development of proposals will necessitate deeper analysis to be made both by the state and the scientists of various branches.

Presentation of the basic material. The last global economic and financial crisis proved that the price stability is the necessary but insufficient condition for achieving strategic goals of the economic development. Having that in mind and in compliance with the legislation of Ukraine, the monetary policy should also be directed at facilitating stability of the banking system (as it is the key factor in assuring financial stability of the state) and supporting the economic policy of the Cabinet of Ministers of Ukraine which is aimed at economic development. The National Bank will, within its competence, facilitate the higher crediting of the real sector of economy. The necessity to achieve these goals may not contradict the major objective of the monetary policy. Success of the National Bank's work in that direction will take place in combination with the results achieved due to implementation of the economic and financial steps taken by the government and on the basis of the criteria stipulated in the relevant

prognostic and program documents related to economic and social development.

The distinctive feature and essential economic achievement of the country in 2011 and in the first half of 2012 was the achievement and maintenance of price stability. During 2011 the consumer price index growth equalled 4.6% only while at the results of July 2012 it became negative and was -0.1% both before the beginning of the year and for the entire year.

Decline in inflation took place due to a complex of internal and external factors, the main of them being good harvest, deferral of the increase of tariffs for gas and municipal heating for population, improvement of the fiscal discipline (the deficit of the consolidated budget as to GDP decreased by 6.0% in 2010 and by 1.8% in 2011) and well-balanced monetary policy that limited excessive growth of the consumer demand and provided for the predicted dynamics of the currency market. Decrease of inflation encouraged macroeconomic stabilization and created basic prerequisites for intensification of the investments, conservation of the value of savings of population as well as for higher price advantages of Ukrainian producers due to favourable dynamics of the actual exchange rate.

Economy of Ukraine is characterized by a considerable level of openness. Therefore, the disturbances in the world economy are adequately reflected upon the economic development of Ukraine. Still, as distinct from many economically developed countries, Ukraine preserves economic growth – the real GDP 2011 increased by 5.2%, and in the 2nd quarter of 2012 – by 3.0% as compared with the corresponding quarter of 2011, which is due, above all, to the higher internal demand.

Decline in the situation on the global commodity markets also influenced the balance of payments dynamics. The overall of the consolidated balance of payments in 2011 and the first half of 2012 were negative and equalled USD 2.5 bln and

USD 1.1 bln, respectively. In 2011-2012 Ukraine did not receive credits from International Monetary Fund (IMF) and other global institutions (World Bank, EU) and had a limited access to other external sources of funds; in 2012 the country began to repay the IMF cred-

its and performed all other external obligations timely.

Under such circumstances the National Bank managed to minimize a decrease of international reserves that played a considerable stabilizing role during 2011 and 2012. As of 01.08.2012, the international reserves exceeded USD 30 bln (in equivalent) which is sufficient to finance the future import of goods and services during 3.3 months. The support of macroeconomic and financial stability in Ukraine was facilitated by conservation of the forecast condition of the currency market. During 2011 the exchange rate of UAH versus USD at the interbank currency market reduced by 0.84% only – to 8.0284 UAH/USD, and for 7 months of 2012 – by 0.48% – to 8.0669 UAH/USD.

The National Bank flexibly reacted to money supply so as to ensure balance between commodity and currency markets. Both in 2011 and in January – July of 2012 the money stock grew, to a large extent, due to active role of the money multiplication mechanism. It is true because we witnessed greater growth rate of the money stock increment (for 2011 – by 14.7% and for 7 months of 2012 – by 5.2%) as compared with the indices of the money stock growth (6.3% and 2.1%, respectively).

Peculiar features of the monetary policy were directly due to non-homogeneity of the macroeconomic dynamics. So, during the major part of 2012 positive trends in the consumer price dynamics were stabilized and the monetary policy was moderate enough. On the contrary, in 2012, with the positive trends in the consumer price dynamics, the monetary policy became stimulating. During this period it was characterized by a permanent use of measures aimed at facilitation of economic growth though creating conditions for active crediting activity of banks.

Stable currency unit and the measures aimed at development and strengthening of the banking system facilitated further extension of bank resources. The volume of deposits made by natural persons increased in 2011 by 13.1%, and for 7 months of 2012 – by 11.3%. The deposits in the domestic currency grew more rapid as compared to the deposits in foreign currencies.

The dynamics of loans is still unstable. While in 2011 the increment of loans issued by the real

sector banks was 14.9%, for 7 months of 2012 it reached 1.6% only. Such instability is connected, above all, with considerable external risks and uncertainty of further developments in the markets. Many countries try to settle the price stabilization problem on their own. To these ends they resort to various instruments that can be classified in a wide sense as:

- seasonal price stabilization when the price of harvested crops is made public before sowing so that the producers can better distribute their resources;
- price adjustment throughout the year in order to stabilize incomes of producers;
- price adjustment throughout the year in order to control inflation and maintain the steady level of the consumers' budgets;
- adjustment of export gains in order to stabilize proceeds to the state budget or support the exchange rate.

With a view of reaching the stabilizing effect, the following institutional measures are used: reserves of physical commodities; stabilization funds; various tariff schemes; marketing chambers; competition, de-monopolization; and deregulation.

The new institutionalization theory is based upon belief that for each society there exists the unique system of institutions, therefore the government is able to develop an action strategy that meets the requirements of the individual culture of the society and facilitate economic growth. That is why there no countries that are doomed to poverty; for each society it is possible to create such institutional boundaries that ensure economic growth in the long-term perspective. It is necessary to be ready for the difficulties arising from the «institutional change dilemma» as D. North called it. This dilemma means that rapid and radical institutional changes necessitate the appropriate informal institutions and ideological concepts, otherwise they will lead to societal chaos; slow and gradual changes are sabotaged by bureaucracy that obtains «corruptive rights». Thus, the new institutional economic theory launched by Douglass North, a Nobel Prize Winner, opens new possibilities to carry out economic studies. With the aid of its categories such as transaction expenses, institutions, organizations, institutional boundaries, institutional changes, «dependence of the way»

and «dilemma of institutional changes» it is possible to conceptually understand and describe those economic events that do not fit traditional economic theories. The most significant of such events is a transformation of the former socialist camp countries into the countries with market economies. The new institutionalism theory proper makes it possible to determine the strategy and priorities in reformation of the transitional economy countries.

Complexity of the studies devoted to events and processes of transitional economy is due to continuous development and never-ending changes of their features and properties. Economic reality and «economic tissue» of the society change permanently [2, p. 246].

V. Geiets remarks that at the beginning of the 21st century the emphasis has moved from the competitive struggle to competitive existence of an enterprise. Intensity of changes within a competitive environment makes any competitive advantage nondurable, i.e. establishment of competitive advantages should be permanent, innovations should succeed each other which is to be achieved by integration agreements to be concluded between economic entities [3, p. 4].

Competitive ability is achieved due to efficient use of the aggregate competitive advantages, and it is reflected in a low price, high quality and considerable volumes of production and sales.

Thus, under administrative command system an enterprise, even a single producer of a particular kind of product, is a monopolist just formally because it possess no actual self-dependence and monopolistic power neither in production nor in its sales. Monopoly of an enterprise is a form of the monopoly of the state [2, p. 247].

The enterprises that dived in the market environment aspired to gain maximum profits and bloated prices of their products. Buyers of raw materials, fuel, parts and semi-finished products which prices went up considerably compensated their price losses and included in their prices the monopolistically high profit. Catastrophic growth of prices put limits on the aggregate demand. The logical outcome of that situation could be a transition to the establishment of inter-sectoral complexes and inter-sectoral integration [2, p. 251].

In order to overcome a no-win situation in the economic policy it became necessary to apply other methods, that is, de-monopolization and antimonopoly policy.

V. Geiets [2] indicates that de-monopolization means a set of measures of the state economic policy aimed at de-monopolization of producers.

With a view of de-monopolization, introduced are: state regulation of natural monopolies, control of mergers and takeovers, transformation, liquidation of the existing market entities and acquisition of large stocks of shares.

The general condition of the environment may be determined with the aid of such groups of indices (factors):

1. Condition of the economy and markets (economic factors):

- economic situation and economic processes (including inflation or deflation);
- taxation system and quality of the economic legislation;
- scale of economic support given to individual sectors (enterprises);
- general situation of the domestic market;
- size and rate of growth or shrinking of the market;
- size and rate of growth in the economy segments corresponding to the company interests;
- situation on the stock market;
- investment processes;
- bank interest rates;
- pricing system and the level of centrally regulated prices;
- land value.

2. Activity of the government (political and institutional factors):

- stability of the government;
- state privatization policy;
- state control and regulation of the enterprise activity;
- level of protectionism;
- interstate agreements with other governments;
- governmental decisions as to provision of support to individual sectors;
- requirements as to provision of the adequate employment level;
- level of corruption in the government institutions;
- level of economic freedom of the state.

3. Structural trends:
 - sectoral structure of the national economy;
 - emergence of new sectors;
 - wind-up of old sectors.
4. Scientific and technical trends:
 - technological breakthroughs;
 - shortening or extension of the life cycle of technologies;
 - requirements to the scientific and technical level of production that ensures:
 - competitive capacity;
 - requirements to qualification of the personnel engaged in high-tech production;
 - requirements to scientific and technical level of competitive products.
5. Natural and economic component:
 - natural and economic conditions;
 - spatial distribution of mineral deposits and natural resources;
 - spatial distribution of big industrial and agricultural centres;
 - legislation concerning economic issues;
 - condition of the environment and its impact on production.
6. Trends in resource provision:
 - structure and availability of the national resources;
 - import/export;
 - deficiency level of the resources used by the available enterprises;
 - access to resources (prices and transportation costs).
7. Demographic trends:
 - number of potential consumers (population structure, changes in groups and of their incomes);
 - available and potential quantity of labour;
 - qualification characteristics of labour (labour quality).
8. Social and cultural component: acceptance/distrust to private business; relations between the enterprise and NGOs; attitude to foreigners; activity of trade-unions.
9. International environment: structure of the country's economy; nature of income distribution; average level of wages; cost of transport services; inflation and bank interest rate; exchange rate of domestic currency versus the partner country currency; GDP level and taxation level.

A low-inflationary environment continues to govern in the Ukrainian economy. Such was

the declaration voiced by Mr. Oleksander Arsenyuk, Deputy Director of the General Department of Monetary Policy of the National Bank of Ukraine, when describing the situation in the money market in January 2012, the regulator's notice asserts.

«The National Bank in close cooperation with the government ensured performance of its main constitutional function – provision of the monetary unit stability and priority of achievement and support of price stability, – he said and continued that the Ukrainian economy is still governed by a low-inflationary environment: the increment of consumer prices index in January 2013 equalled 0.2% and, for the year, -0.2%». Low inflation is one of the main guarantees to protect private economic interest of each citizen of our country. It is also a guarantee that the strategic goals of economic development of Ukraine are achieved», – Mr. Arsenyuk said. He remarked that a stable monetary unit also facilitates a support of positive trends of monetary market development. Under restrictions the Central and Eastern Europe achieves progress by solving a considerable number of problems on the way to growth. The region adjusts itself to a slower growth rate of the trade partners, however there are, also, a certain signs that the business activity improves. Such were some basic results of the latest study made by CEE Quarterly and published by the Unicredit Department of Economy and FI/FX. Industrial growth improved recently while crediting is at its lowest level. External banking de-leverage considerably weakened in the young ERU countries. Actually, the years preceding 2008 were unique as to growth but its models will not reiterate. Instead the Central and Eastern Europe countries introduce «new standards». The region is still conquering the low level of external demand and limited foreign capital investment.

Similar to the production sector, improvement is being manifested through better influence of crediting the domestic demand, however this process takes place step-by-step and is rather scattered across the Central and Eastern Europe countries. «External de-leverage slowed down considerably while in the rich countries we witness that the growth of deposits exceeds the growth of credits, which makes conditions

for the new credit distribution though this trend is materialized rather slowly in the young EU countries only», said Mr. Gillian Edgeworth, Chief EEMEA Economist of UniCredit. Bulgaria, Czech Republic, Poland and Lithuania became the only countries that exhibit positive growth of credits in the annual terms, though at a low level. Among the most important problems still there is a high level of bad loans and a lack of demand for credit.

In Hungary, Latvia, Romania and Croatia credit shrinking becomes slower while in Romania and Croatia the situation is still doubtful. Turkey and Russia are exclusions as the credit growth there is more considerable and the number of banks with foreign ownership is less. While the spread of new crediting in Turkey is being accelerated, its growth is inhibited because of restrictions of financing and regulatory difficulties.

Such improvements in the industry and credit environment are combined with low rates of fiscal consolidation. The budget balance in many countries has no problems, the most essential improvements being recorded in young countries of the EU. Czech Republic, Hungary and Romania, for instance, were able to keep their structural budget balances at 3% GDP level. Many countries slow down the consolidation so as to support the business activity. However, further consolidation in such countries as Croatia, Slovenia, Serbia and Ukraine is necessary in connection with weaker fiscal indices and a threat to exceed deficit figures [4].

Fortunately, the current inflation environment gives certain countries a chance to ease their monetary policy. Inflation pressure decreased due to lower oil prices and regulated prices. Moderate inflation of prices for products, in combination with the expected good harvests, also creates less problematic environment. Many countries have already implemented important measures to achieve fiscal consolidation, therefore the taxation steps will make a lesser threat of the inflation growth. However, same as in the other sectors of the economy, the vivid considerable differences in the regions are within the power of the central banks that can bring total inflation in accordance with the target figures. As far as Czech Republic and Poland are outside

of the target, Turkey and Russia struggle against the exceeded inflation figures.

Negative conditions of the external financing are the initial risks for renewal. As far as the global appetite for the risks subsided, more limited inflow of external capital to the countries of Central and Eastern Europe will take place. Under conditions of a considerable outflow to the regions the risk of paying debts by the countries with high prices increases. And again, a considerable differentiation among the Central and Eastern Europe countries is noticeable. In Poland and Turkey the external portfolios are rather big. Croatia and Lithuania also depend on external inflows.

Accumulation of gold and currency reserves did not coincide in time with the capital inflow. The majority of central banks did not approve of the reserve accumulation policy so that it can coincide with the capital inflow.

Though there is an improvement in the regional activity and the inflation pressure upon central banks weakens, the financial stability risks should be revised by each country – again, it should take place through a considerable differentiation inside the region – in various monetary policies and actions. Monetary policy will facilitate relaxation in those countries that have already made steps to achieve inflation goals and create financial stability, i.e. in Poland, Hungary and Czech Republic. «Tentative renewal which we see in the industry across the entire region is risky because of less favourable conditions of external financing, therefore the issue of building up buffers is of the utmost importance», – Gillian Edgeworth stated. Plenty of countries feel a lack of gold and currency reserves and the negative internal and external preconditions present a risk for the fiscal systems. The Central and Eastern Europe countries need anchors in order to have a chance of stabilizing their financial environment. Some of these anchors can be IMF programs or a bank union within the EU that can raise the level of trust in the financial systems [4].

Conclusions and proposals. We are of opinion that the evolutionary turns in the scientists' views on the methodological factors of competitiveness and formation of the competitive policy have radically changed the understanding of the role of monopoly in the competitive environment development.

Monopoly was recognized as the main subject of international activity. Integration of Ukraine with other states at the regional level with a view of improving mutually profitable economic and political relations with neighbouring countries may become the way to increase competitiveness. Deregulation envis-

ages improvement of methods of state influence on the societal reproduction mechanism and on reduction of the administrative and legal regulation of economic relations taken in combination with the measures aimed at lower interference of state bodies in the entrepreneurial activity.

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THE TRANSFORMATION OF THE MATERIAL INCENTIVES SYSTEM: ANALYSIS OF THE INTERNATIONAL EXPERIENCE

Directions of material incentives transformation in developed countries, which are influenced by the transition to a new mode of production, are defined. Causal relationships between changes in the mode of production and the employees needs evolution has been discovered and revealed. Their impact on the material incentives of work activity is revealed. International experience of work activity material incentives is generalized.

Keywords: material incentives, material incentives mechanisms, work activity, labor costs, wages, salary, wage labor.

The statement of the problem. Formation in the developed world the new post-industrial mode of production has changed the content, composition and structure of the needs of employees. On the one hand, there were efficiently new needs appeared; on the other hand, there was a change of comparable importance of existing needs. All this has forced employers look for those mechanisms of material stimulating work which would meet the new economic realities. In this regard, it is necessary, first, to identify trends and reveal the transformation of the financial incentives in developed countries, and to identify the factors that cause them; and secondly, to summarize international experience of financial incentives work and identify opportunities of its adaptation on domestic energy companies.

Analysis of the recent research and publications. The Analysis of the changes that occur in the system of material incentives of work activity under the influence of the transition to post-industrial mode of production, received considerable attention from both domestic and foreign scientists (M. Armstrong, T. Stevens [1, p. 8], A. Buzgalin [3], D. Verba, Y. Zaitsev [9], V. Grinyova [6], A. Grishnova [7], A. Kolganov [4, p. 132], A. Colot [11, 12, p. 276], E. Lawler [21], J. Lions [5, p. 304], A. Marchenko [2, p. 215-225], M. Semykina [14, p. 12], A. Sobolev [15], S. Tymbaliuk [17, p. 3], L. Shevchenko [2, 18-20] and other).

Selection of the unsolved aspects of the problem. However, the causal relationship between changes in industrial relations, the appearance of new needs and the resulting transformation of financial incentives mechanisms remains poorly studied. The directions of transformation require systematization and generalization. There is also a need to identify opportunities to use international experience in domestic enterprises.

The purpose of the article. The aim of the article is to identify areas of the financial incentives transformation in developed countries, which are influenced by the transition to a new mode of production, establishing causal relationships between changes in the mode of production and the evolution of the employees needs, identifying and disclosing their impact on the mechanisms of financial incentives work activity.

Presentation of the main material. Since the mid-twentieth century under the influence of scientific and technological revolution in the world economy there was a gradual change in the mode of production. The main feature of the new, post-industrial mode of production and its difference from previous – industrial – is the focus on the use of intelligent components – knowledge, information, science and technology as independent, sometimes decisive factors in economic development. Inalienabil-

ity of these components from person significantly increases its role in social production, fundamentally changing value orientations and motives of economic behavior. The main criterion of social progress under these conditions no longer stands the accumulation the material wealth, increase production and improve the products, and the development of the man himself and his abilities. The technological and socio-economic transformation, which is accompanied by the formation of post-industrial production mode, determine new needs, changes in the relative importance of individual forms, thus causing a significant change in the motivation of employees and system of material incentives for work. Among the most important factors that determine it, in our opinion, should provide the following:

- *alignment the balance of economic power between wage labor and capital.* The economic basis of a new production mode is the ownership of information with which worker is connected directly, without an intermediary capitalist. Specificity of intellectual work requires that the employee has all the skills to create the finished information product and sometimes opportunities acquisition of the necessary means of production [10, p. 24]. Gradually overcome the alienation of the worker from the means of production and created product, a large proportion of skilled workers become owners, mitigated the contradiction between wage labor and capital: the owner of the workforce is able to not only effectively resist, but also significantly influence the behavior of the employer. The tools of economic power employee under such conditions may include: a high degree of uniqueness and specificity of human resources involved in transactions on the labor market; monopolization of certain types of employment, membership in trade unions and trade union activities, the availability of alternative sources of income (from owning securities, real estate, bank deposits, etc.) to support market asymmetry to their advantage [9, p. 19; 18, p. 9].

Transformation of the ownership changes motivated workers engaged in intellectual production. With inalienable unique abilities, which is the main source of income for the company, they are trying to implement all the rights associated with the use of their own labor, and then

claim not only to pay for the results of work, but also the full reimbursement of the cost of labor and the share additional income. According to many investigators changes in the system of motivation necessitate the introduction of new models of labor, revocation of the final product (A. Colot [12, p. 276], A. Buzgalin, [3] J. Lions [5, p. 304], L. Shevchenko [18, p. 9-10], P. Tsymbaliuk [17, p. 3], M. Semykina [14, p. 12] A. Marchenko [2, p. 31, 36], and others).

For example, M. Semykina notes that "amid signs of a gradual transformation of industrial society in the post-industrial... widely used alternative methods of financial incentives for staff, such as participation in the profits, free transfer of shares, equity, accumulation of funds in special accounts "[14, p. 11-12]. A similar view is expressed in the works of A. Colota [12, p. 276]. D. Lvov emphasizes that workers who have unique knowledge and skills obtained a monopoly on their use in solving specific, non-standard tasks facing the firm, and all rights to quasi-rent through profit sharing [5, p. 304]. A. Buzgalin and A. Kolganov also consider it appropriate to building relationships between staff-bearers of knowledge and the owners of the company's capital on the basis of the agreements on distribution of profits [4, p. 132].

S. Tsymbaliuk proposed to include fees that are not part of the wage fund (dividends, interest, loans to improve housing) and payment of income (premiums, bonuses, payments under the profit-sharing) of the compensation package that provides employer hired workers [17, p. 3]. It is interesting view of L. Shevchenko, which connects labor remuneration with the features of the utilization of the labor force, whereupon the payment for labor may take the form of rent, investment income, wages, premiums, profits of the business, intangible income and charges planned for the future [19, p. 25-29].

However, not all scientists agree that under the transition to a post-industrial mode of production the balance of economic power aligns between wage labor and capital. So Y. Zaitsev and D. Verba, exploring the features of remuneration in the information society, concluded that in some cases firms tend to compensate the decline in the quality of work of one professional group with an additional loading on others, rather than increasing the cost of training

[9, p. 19]. S. Gafurov, I. Nikolaenko indicate the conversion operation on self-exploitation. On the conquest of the capital not only of labor, but as human beings, emphasize Buzgalin A. and A. Kolganov [4, p. 136-137] A. Zadorozhna [8, p. 31]. On the exploitation insists V. Mandybura: growth beyond retirement age (FRG), the elimination of job security for certain groups of workers (Spain, Italy, France), the extension of working hours to 50 hours despite protests from trade unions (Japan, New Zealand, Australia, USA, UK) [13, p. 28-29]. A. Colot indicates that over the last 20 years was "desocialize relationship between wage labor and capital" [11, p. 3];

- *prevention of traditional forms of forced labor, built on the personal and economic dependence of the worker from the owner of the means of production.* The worker engaged in the information sector of production – is not only co-owner of inseparable from it the means of production. He economically secured by significant social guarantees from both the state and direct clients, institutional consolidation of their rights in the contract of employment, collective agreements, participation in trade unions, the availability of alternative income and so on. Employee's economic power is significantly enhanced with the appearance of the significant transaction costs to find new employees, severity informal knowledge transfer, dependent of the market value of the current firm's from the intellectual capital of workers [20, p. 223].

In combination with the growth of labor productivity, the increase in production it leads to the empowerment of satisfaction of material needs, reducing their relative importance. Staying significant, they cease to be dominant, especially for workers in information sector. In the foreground run out the non-material needs in self-realization, expansion of freedom of choice, the implementation of which is impossible in the face of economic coercion. Under such circumstances, the employer is obliged to form attitudes towards employees as partners, to conquer the creative work based on capital than coercion, but through compromise [20, p. 222].

Economic partnership is connected with significant changes in the social status employment: employees acquire features, functions

and powers that in industrial society were considered inherent to owners of means of production. The worker becomes more independent, he goes out of management's control. Implementation forms of economic or socio-labor partnerships are diverse: government decentralization, replacing rigid hierarchy for flexible forms of business organization, defragmentation of production, distribution, remote employment. Corresponding changes occur in the mechanism of material reward: the role of premiums increases associated with group rewards, variable pay allocated to teams and work groups as well as individual contributions to collective efforts to improve the business [15, p. 96-97];

- *the change of interaction mode in the "individual – group – society".* Technological change in the productive forces of society, the emergence of factors of production, whose existence makes sense only if their collective use (global Internet network, etc.) became the basis of socio-economic strain of ownership. On the one hand, according to A. V. Buzgalin in the post-industrial economy there is a decrease in comparable importance of private property, as the prominent place occupied resources which lost signs limitations [3, p. 12-14]. Under these conditions physical limitations imposed on human action, gradually removed, yielding social and institutional limitations [2, p. 18-19]. So one of the weight reasons of economic activity is participation in the formation and management of such constraints: the membership in trade unions, employers' organizations, socio-labor partnerships, the increased importance of the contractual regulation of wages.

On the other hand, the associated ownership become widespread which leads to the change of competitive relations within the organization for partnerships, joint, cooperative attitude. Also forms a new type of corporate culture – the organization, which facilitates transfer of individual and collective knowledge [2, p. 174]. This allows significantly mitigate one of the major contradictions of post-industrial society – a contradiction between information appropriation of some social groups, which leads to an increase in their material well-being and growth of information exclusion of others that in accordance reducing their welfare;

- *the main production factors become knowledge and information, creativity of man and his ability to create and use information products.* Under these conditions, the work becomes intelligent, innovative, creative nature that increases the satisfaction of it. However, the product of such work is difficult to precisely estimate. As noted by A. Marchenko, completely intangible dimension of intellectual work takes the form of employee evaluation, its place and role in the production process, the degree of specificity of knowledge and skill level of the labor potential [2, p. 225]. Under such circumstances, the employer has to establish close partnerships with hired workers not apply the procedural but substantive concepts of motivation, consider a more complex hierarchy of human needs.

An important area of financial incentives employed in the information sector is the production of investment in intellectual resources as a wit-specific capital firm. It should be emphasized that this process is interested not only employee who takes possession of new knowledge, receives the basis for the accumulation of personal intellectual capital and firm. For firms investing in the intellectual capital allows to improve the business climate, improve efficiency and control to create a stable working team. Employees tend rather to learn new activities, increase revenue and become more competitive in the labor market, thus reducing dependence on the employer.

Investing in brand-specific human capital can take different forms, such as: costs of employees of the firm to adapt to proprietary technology, the cost of additional training, training, training of employees, the cost of an internal network of business and project teams, the cost of securing the firm specific intellectual labor [2, p. 218]. But particularly important are the costs of corporate education, because during training, as noted L. Shevchenko, formed specific workforce that can be implemented mainly within a particular company and its technological specialization, or even inter-specific human resource can be used only within the firm [19, p. 180-181].

Investment in human capital has significant risks. On the one hand, the company has a direct threat to the loss of expected income in the event of layoffs, significant transaction costs of finding new employees. On the

other hand, the employee also risks losing the opportunity to find employment in other firms. Function of investment under such conditions do: 1) social security – investments in securing and maintaining staff, such as investment in the creation of social infrastructure which provides a high standard of living (housing, recreation, medical care) [2, p. 223]; 2) shift to support the internal balance of salaries within the organization to support external competitiveness in foreign wages, including international labor market [21, p. 27, 15, p. 96]).

Socio-economic transformation taking place in the transition to a new mode of production, significantly change the balance of economic power between employee and employer. Inalienability of new production factors from employee enables the latter to influence the nature redistribution. Under such circumstances, the employee motivation in knowledge production has expanded: he is interested in not only the size of remuneration, but also the presence of institutionally embodied capabilities of ownership of their labor.

With this in our opinion related changes in the system of material incentives for work:

- In the nature of remuneration: rises the role of measures of compensate the cost of labor (employer expenses for social, medical, pension insurance, housing, transportation, communications, etc.); increases the price of labor;

- In the mechanism of payment of remuneration: the transition from setting salaries for internal proprietary ranking system under evaluation activities and their relationship with the company to establish salaries and rates based on the combination of flexible labor market prices, individual and group performance and the level of competency, the growing role of variable share of wages;

- Dissemination of new forms of financial incentives: profit sharing, purchase options, corporatization, investment in human capital and its further consolidation within the firm as inter-specific resource.

Cumulative result of these changes is the emergence of increasing capacity to meet the material needs that significantly reduces their comparative importance. However, they don't disappear, simply the presence of institutional conditions for their implementation pushes

them into the background in comparison with other types of needs.

On the other hand, changes in the nature of work that gets creative, informative, innovative features change the type of social interaction in the system of “individual – group – society” with a competitive, antagonistic to the partnership, cooperation, solidarity. There is a need to build a corporate culture based on economic partnership. Motivating factor is the presence of institutional conditions for the implementation of partnerships, namely the widespread involvement of workers in management; opportunity to participate in in-house knowledge transfer, corporate education, participation in shaping the social, institutional constraints of the firm.

New requirements for labor cause increasing its value, and thus increasing costs for employers to attract skilled workers. Under these conditions, accelerated implementation of labor-saving technologies, part of the labor force is released. However, skilled labor characterized by high productivity, therefore parallel with a reduction in the number of employees increased Gross added value. This process is especially noticeable in the industrial manufacturing sector. Employers are forced to resort to the creation of a system of material incentives work, which would on the one hand helped to attract qualified personnel and consolidation in the enterprise, on the other – allowed to accumulate income for the purposes of technological modernization and development.

Conclusions and recommendations. The transition to the new post-industrial mode of

production led to significant changes in the system of employees needs. Among the most important changes are the following: increasing the role of non-material needs associated with the accumulation of human capital, reducing the relative importance of material needs, a full degree of satisfaction, increased demand for institutional consolidation possibilities of full property rights for labor, building organizational culture based on economic partnership, industrial democracy.

Under the influence of these changes takes place a substantial transformation of the system of material incentives in the developed world, the main areas are: changes in the nature of remuneration (increase in the price of labor, the role of measures to compensate for the cost of labor); changes in the mechanism of payment of remuneration (transition to establish salaries for in-house system to establish salaries ranging from keyboard price labor market outcomes of work and level of competency, growing role of the variable part of salary); proliferation of new forms of financial incentives (profit sharing, joint-stock company, investment in human capital).

Given that the socio-economic modernization, which is implemented in Ukraine, is impossible without the development of competitive systems of financial incentives, the normalization of the level of pay, the prospects for future research in this area is closely related to the search for new forms and methods of financial incentives, defining the institutional prerequisites for their implementation in practice of domestic enterprises.

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THE ROLE OF THE TRANSNATIONALIZATION PROCESS IN THE DEVELOPMENT OF MODERN ECONOMIC SYSTEM OF UKRAINE IN THE CONTEXT OF GLOBALIZATION

Article investigates the essence of multinational corporations, comprehensive assessment of problems of interaction of TNCs and national economies is made in order to create approaches to reducing the proportion of conflicting interests and potential threats to the development of the nation state.

Keywords: multinational corporations, globalization, process of transnationalization, economic security, the national interests of Ukraine

Introduction. Statement of the problem. The processes of transnationalization of production and capital, the expression of transnational corporations (TNCs), today are the foundation and driving force of the global economy. Globalization leads to the appearance of economic interdependence of states, resulting in the gradual erosion of national economic sovereignty and the appearance of new supranational economic entities – global corporations – transnational management structures. In the conditions of global economic market infrastructure forming under the influence of globalization and integration of world economy transnational corporations conquer all new markets and seek to further expand economic power.

The specialty of modern TNCs is in their some kind of «double standard». On the one hand, the management of TNCs interested in further liberalization and democratization of the world economy, on the other – the laws of free market, operating globally, do not work within the structure of the TNC, where in fact planned economy is implemented, domestic prices are set due to the strategy of the corporation, not the market.

The research of transnationalization influence is actualized in the present conditions, when national governments lose their own sovereignty not through traditional methods of aggression, but due to reasonable expansion in the field of economy, policy, indirect influence. Thus, substantia-

tion of the future prospects of the world economy, defining the strategic objectives of the national policy of Ukraine in the context of national security and interests cannot be done without in-depth study and evaluation of globalization processes, the main driving force of which, as we noted earlier, are modern transnational structures.

At the current stage of development of the economy of Ukraine TNCs play an important role in forming strategy of the national economic system. For modern Ukraine transnationalization of companies can act as economic mechanism that will determine new priorities of social reproduction, goals and foreign economic policy, characteristics and conditions of the country's participation in the international division of labor.

Analysis of recent research and publications. Problems of researching the nature and activities of TNCs, and the processes of transnationalization for a long time are the focus of many scientists and research institutions, both foreign and domestic, such as: M. Aoki, R. Vernoy, C. Hill, R. Griffin, J. Dunning, H. Cose, T. Oryekhova, M. Pastei, A. Plotnikov, A. Rogoch, V. Rokocha, L. Rudenko-Sudareva, S. Yakubovsky.

However, despite this scientific achievement and ongoing research interest in these problems in recent years, has not been formed a consensus interpretation of the essence of modern transnational corporations, in many ways the

evaluation of their impact on national economies is controversial, particularly in the context of their economic security and national interests that require further research and monitoring.

The purpose of the article. The main purpose of the article is to analyze the origin and nature of economic TNC, determine the main directions of TNCs, research the current stage of transnationalization of the world economy and identify prospects and possible consequences of the intensification of transnational processes in Ukraine for the national economic system in the terms of globalization.

The Main Body of Text. Theoretical understanding of transnational corporations began in the 30s of the twentieth century with D. Williams' research that showed the presence of conflict between the neoclassical theory of international trade and the development of

international production and M. Baia, who investigated the effectiveness of vertically integrated companies. However, the real scientific development of transnationalization perspective of economy was in the 60's – 80's of the twentieth century [7]. At this time the basic theoretical concepts of TNCs were formed, grounded causes and spread of TNCs (Table 1). Researches of scientists from different scientific schools allowed forming major factors of emergence of transnational corporations: a low cost or quality of inputs, access to new markets, reduction of competition, reduction of production costs, increasing competitiveness.

The modern definitions of transnational companies, with a single source – transnationalization of economic relations, reflecting different approaches to expression forms of the latter. The definition of TNCs is based on, firstly, the

Table 1

Theoretical concepts of TNCs

Title of the theoretical approach	Founders	Core
The theory of market power	S. Haymer	Company in the early stages of growth, expanding its share in the domestic market through mergers and acquisitions, increasing the concentration of production and capital. When further strengthening of the market power in the country is impossible, the firm invests profits abroad.
The theory of internalization and appropriation	R. Cose, O. Williamson, E. Penrose	The development of international production is analyzed from the perspective of reducing transaction costs and economy of scale sectors.
Theory of international competitive ability of industry	R. Vernon, R. Stobauh	Finally, at the end of the life cycle of the product, its production and sales in the domestic economy decreases. In order to maintain profits companies are forced to look for new overseas markets for the product – to prolong its life cycle
"Tax" theory	V. Rokocha, O. Khoroshun	According to the theory, the purpose of foreign direct investment is the desire of TNCs to reduce the amount of tax deductions.
Theory of organization of TNC forms	M. Aoki, I. Samson	The main indicator of the efficiency of TNCs is a form of organization. National characteristics in the organizational structures of TNCs have been steadily losing value and TNCs, without dependence from the location of their headquarters, gradually become supranational associations that have the same goal – maximizing profits by establishing economic entities on a global scale.
Eclectic theory of international production	J. Dunning	Eclectic concept absorbed the main provisions of all the above-described approaches and based on basic scientific lines of economic research: financial management, marketing, organization theory, international relations, law, economic history.

criteria of ownership – a company is defined as transnational only when the parent company is owned by citizens of at least two countries. Secondly, the criterion of the national board of the company – the company is transnational when management of the parent company consists of several citizens of different countries. Thirdly, economic and entrepreneurial criteria – transnational companies are defined by their organizational structure and business strategy. In particular, R. Vernon considers transnational company as “parent company, which controls a large group of corporations of different countries”. J. Behrman, defining the essence of transnational companies by attempting to «interpret different national markets as one,» emphasizes the existence of a single center of management (or strategic center), which controls the actions of foreign subsidiaries. It should be noted that most leading economists propose to classify corporations of modern world economy by the number of branch-based countries, decision-making and the type of production, where we can allocate transnational, multinational (multinational) and global (international) corporations (Table 2).

The core of the modern world economic system create nearly 500 TNCs with almost unlimited economic power. Total in the world there are about 60 thousand business groups and TNCs with 250 thousand branches outside their home countries, controlling 50% of world industrial output, 65% of foreign trade, 80% of patents and licenses for new equipment, technology and know-how. At the same time, most of the payments related to the transfer of new technologies made within TNCs: their share in the U.S. is 80%, in the UK – 90 [10]. On the background of the aforementioned process there is the growth of international production. Sales, value added and exports 78,000 TNCs and their 780,000 foreign affiliates increased accordingly by 18, 16 and 12%. They accounted for 10% of global GDP and 1/3 of world exports. On the first place in the world by number of existing foreign affiliates in the country is China, and the growth rate of the number of TNCs from developing countries and countries with economies in transition for the last 15 years exceeded TNCs from developed countries. Among transnational companies dominate the TNCs of developed countries, however, the number of non-financial TNCs from developing

Table 2

Classification of corporations

Indicator	Transnational corporations (TNCs)	Multinational corporation (MNC)	Global (International) Corporation (GC)
Number of branches-based countries	At least in two countries with different political and legal, economic environment.	Not less than three countries with different political and legal, economic, socio-cultural and infrastructural environment	Not less than six countries (required arrangement of branches in countries 'Triad' – the EU, U.S., and Japan).
The process of decision-making	Decision-making takes place mainly in the parent company.	Decision-making occurs independently in each country-based affiliates with the need of the current reporting separately established multinational governing center.	Decision-making occurs independently in each country-based affiliates with the need of the current reporting separately established governing center (according to the group of countries "Triad").
Type of production	Transnational production – the corporation has a single strategy that comprises key indices that affect the overall efficiency of the corporation.	Multinational production – the corporation has a number of policies relating to each country to compete with local companies or running their own market position	Global production – the corporation has a strategy concerning the functioning of the market of each of countries "Triad".

countries is growing, in the list of 100 largest TNCs: from 5 in 2004 to 9 in 2012. This occurs because of the rapid internationalization of operations with emerging markets. In 2012 the volume of foreign sales and number of employees abroad 100 largest TNCs in developing countries have increased accordingly by 48 and 73%. The list of the top 100 TNCs in developing countries, dominated by Asia (78 TNCs), the following positions are occupied Africa and Latin America (in 11 companies) [9, 10]. TNCs of this regional affiliation in its activities cover a wide range of industries than the largest TNCs from developed countries.

Domestic national economic system, developing transnational activities is to address two main objectives: to attract the necessary capital for development and persuading its own expansional policy in foreign markets. From this point of view, let's consider the dynamics of spreading the ideas of transnationalization in Ukrainian business. In Ukraine, in October 1, 2012 there were 2,307 foreign enterprises compared to 2011 (2323) shows the decrease of foreign activity on the Ukrainian market.

Among the reasons of doing business in the Ukrainian market in the first place of the ranking there is «the size and potential of the market» (20%), followed by – «interest in market access» (15%) than such reasons as «an increasing share in the world market «(7%),» export opportunities «(12%),» export support «(9.8%),» access to resources «(9.8%),» cost of resources «(9.8%), «quality resources» (9.8%), «business conditions» (7%).

At the same time, due to deliberate expansionist actions and mechanisms of expansion their own internal corporate organizational structure under partial or even full control of the TNC has got quite powerful and strategically important national enterprises, in particular Zaporozhye aluminum plant, Mykolayiv aluminous plant and others. However, it should be noted that the transnationalization of Ukrainian economy must take place not only through foreign corporations' investment, but also through the creation of national transnational corporate structures.

As for this area, the development of Ukrainian TNCs, it is too early to talk about any progress. Today the highest form of economic

activities, that exists within the country, is the financial and industrial groups that are aimed to further expansion of their activities and transformation in transnational corporations. Among these groups can be noted financial-industrial group «Privat» financial-industrial group «Interpipe». However, even such powerful industrial and financial systems fail to act in the international arena at the same level as other TNCs. According to the rating of «Financial Times» and consulting company «Deloitte» on 01.01.2013, the share of Ukrainian companies is 13.4% in the list of 500 largest companies in Central and Eastern Europe, the share of Polish companies is 34.3% Czech and Hungarian – 15.4% and 14.4%. Leading positions among the largest companies in Ukraine have metallurgy, petroleum industries and companies associated with transporting Russian gas to Europe and selling gas in Ukraine.

Among the objective problems, that exist in Ukraine, connected with formation of domestic TNCs there are the following: unstable political and legal environment of the country, lack of market infrastructure, instability of the national currency, lack of domestic investment market, limited external business orientation, information backwardness of the country, small (globally) the sizes of the business groups, overtaking the nature of scientific and technological activities, innovative component of management, crisis tech industries and so on.

Special attention should be paid to the issue of economic security, which refers to the condition of the national economy, providing critical needs of the country in material goods regardless of the origin of the global economic system in the country or force major circumstances, socio-political, economic or environmental. [8]

At the same time, trends and perspectives of sustainable development of the national economic system of Ukraine and the transnationalization of the economy should be determined perspective and economically safe to state objectives:

- development of the energy integration processes the former Soviet states;
- prospects of Ukraine's integration into the world market of steel products;
- prospects of Ukraine's integration into the global services market;

– areas of developing cross-border cooperation with Ukraine.

The study of foreign and domestic literature concerning transnationalization of the economy showed that there are both positive and negative effects of this process. For each country such consequences will be specific while in the national economic development of Ukraine should be considered generalized factors (Table 3).

Taking into account possible negative impact of transnational corporate structures on the domestic economy, there must be selective, apparently quite tough, state policy, focused on the formation of their own multinationals. Formation of business model organizational components of domestic TNCs may primarily by adapting international experience, including the Russian Federation, the United States, South Korea and Japan in the creation and development of financial and industrial groups.

Partnership of global companies with small Ukrainian companies may become an important point of domestic transnationalization that have mostly innovative profile. Small knowledge-intensive business interaction (due to the high risk of the activity) with global companies using their production capacity, human resources and great potential to attract a wide range of funding sources. This type of interaction stabilizes business and economic connections of small businesses, allowing them to take a niche in the market, and provides access to the path of sustainable development. According to domestic scientists, including L. Rudenko, the most level and the «quality» of market relations in Ukraine, which are characterized by a high degree of imperfection and even lack the necessary cooperation for the development of the legal framework, corresponds such a form of large and small businesses partnership, as entrepreneurship (creation of small,

Table 3

Impact of transnationalization on the development of modern national system of Ukraine in the context of globalization

Positive features	Negative features
International specialization based on the interpenetration of capital	Increasing competition in the domestic market, the decline of domestic producers and industries that are not attractive to TNCs
Formation of international industry and business units (clusters)	The sharp rise in cross-border mergers and acquisitions of domestic companies
Alignment of national production of reproductive structures	The gradual destruction of national economic sovereignty – the emergence of supranational economic entities – TNC, TNCs' impact on the economic power of the country
Possibility of target funding of priority areas and sectors of the national economy	The emergence of monopolies in certain vital sectors
Increased competitiveness	Possible slowing the processes of restructuring, the location in the state of labor-intensive, energy-and material-, environmentally hazardous activities
Opportunities of entering new international markets while maintaining traditional	The threat of shortages of certain products due to the active development of exports on preferential terms
Attracting of foreign capital with a focus on national production priorities	The probability of outflow of capital from the country through the manipulation of prices.
Capacity utilization, job creation	The distribution of financial resources between large TNCs with limited funding of medium businesses
Strengthening the role of the state (country of TNCs basing) in the international area	Avoidance of profit taxation

often temporary staff to implement a particular purpose or design ideas needed to improve the technical level of large enterprises) [6, p. 215]. Unlike satellite (organization of small firms satellites – various subsidiaries that store «family connections» that are legally independent but economically closely dependent on native structure) and incubator («growing» small firm providing various assistance stages of development) form of interaction entrepreneurship helps to ensure competitiveness and economic efficiency through synergy organizational and industrial advantages of big business and the flexibility and mobility of the creative potential of small businesses, including innovative. Harmonization of the partnership based on agreement on the strategic priorities of small innovative sector of Ukraine with the interests of TNCs may be in the future one of the determining factors of economic security, the development of high-tech sector.

In Table 4, in the result of the study, we presented the factors arranged as a table in order from highest to lowest impact on the success of cooperation of Ukrainian companies with TNCs. Based on these factors, Ukrainian firms may be involved in corporate systems of TNCs according to the requirements of most multinationals.

At the same time, there is number of factors that contribute to the transnationalization of the economy of Ukraine: the transition to International Financial Reporting Standards, purchase of assets abroad, purchase of shares in foreign companies (the creation of vertically integrated systems), institutional changes in the companies, long-term supply contracts with foreign partners, the implementation of government guarantees.

It should be noted that the creation of Ukrainian TNCs can be greatly accelerated and advanced in the industry spectrum in case of attracting foreign partners. For this companies that cooperate with foreign firms on the basis of specialization and cooperation, can form common structures with them, join strategic alliances by creating international corporations. It should be noted that in its history Ukrainian business knew a lot of alliances among domestic firms in different configurations. However, they differ the fact that were created or to lobby for joint projects, or for political support for their business projects. For these reasons, economic unions identified, usually short-lived and few functional. However, the need for expansion and entry into foreign markets makes top managers of Ukrainian companies pay attention to business capabilities. Alliances have become

Table 4

Factors of successful cooperation of Ukrainian companies with TNCs

Factors / impact strength	Strongly affects	Influences	Slightly affects
Culture (Values)	Attitude to work discipline	Creating values reputation	subordination
Personnel	Experience education	Lack of specialists in human resources	Training of personnel, motivation and encouragement
Organization of work (organizational structure)	Compliance with international standards	Flexibility of organizational structure	
Management (delegation of powers)	Education management Experience Global Vision	Mobility The ability to quickly and adequately respond Openness to innovation	Readiness for Change (co)Responsibilities (delegation)
Finance	Solvency Co-financing and investing	Accounting timeliness	Willingness to share risk

an essential for doing business. For example, within banking for successful bond placement, especially when the issuer is a large company and it comes to serious amounts already almost impossible to do without forming a pool of banking institutions. As an example, a pool of the three largest Ukrainian banks «Raiffeisen Bank Aval», «UkrSotsbank» and «UkrSibbank» that held the country's first issue of mortgage bonds.

The Alliance is also convenient form of cooperation of national companies with transnational capital. Establishing an alliance, as opposed to the type of cooperation acquisitions, private equity or contractual arrangements are the easiest and most reliable way to meet the interests of both parties. Share alliances for emerging markets as a percentage of total foreign investment, according to the agency McKinsey, as at 01.10.2012, the costs: in South Korea – 77% in China – 72% in Eastern Europe – 54% in Latin America – 52%. However, despite all the profitability of such a partnership in the Ukrainian market, it is hard to find examples. The reason for this is, above all, strict legal restrictions and lack of transparency of the domestic market. Possible forms of cooperation with the international companies at this stage, according to independent consultants may be licensing the technology to local companies and the conclusion of agreements on distribution.

Thus, building relationships of the receiving state, what is especially important for Ukraine, with TNCs should be based on several important points, including specific principles of opti-

mal interaction TNCs and national economies in today's international business development: respect of the sovereignty of the countries where they operate, ensuring of legal systems compliance in these countries, in creating its strategy to base on the priorities of economic policy, compliance with competition and antitrust regulation, non-interference in the internal politics of host countries, refrain from corruption, respect for cultural purposes, values and traditions of the host countries, ensure the requirements of the global environmental safety, respect for the principles of social responsibility to the community, providing the implementation of the principles of relations with governments based on the model of «strategic partnership».

Conclusions. So, the actual problem for Ukraine's national interests in the global environment is the system integration of national economy in the world economy and providing real competitive international position. Due to the growing systemic threats and challenges, it should be solved through transnationalization of Ukrainian economy not only through foreign direct investment by the world's TNCs, but also focusing on the transnational business formation of own enterprises without losing control over the strategically important enterprises and the priority areas. Thus, the basis for mechanism of providing effective management of domestic competitive TNCs and economic security in the process of transnationalization of the economy is constant purposeful state activity to create competitive advantages of leading sectors of national economy on foreign and domestic markets.

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WORLD ECONOMY AND INTERNATIONAL ECONOMIC RELATIONS

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REASONS OF DEBT CRISIS IN EU: LESSONS FOR UKRAINE

Peculiarities of flow of debt crisis in European Union are taken up in this article and experience of European crisis for Ukraine is defined. The EU countries classification regarding funding type and levels of financial stability is implemented; classification criteria are revealed; macroeconomic dynamics in EU countries during crisis period is analyzed. Characteristics of complexity of current debt crisis is given; probable solutions are disclosed.

Kew words: debt crisis, European Union, Ponzi-financing, Euro convergence criteria, stability of financial system, macroeconomic regulation.

The problem of the debt crisis repeatedly slows economic growth in many countries. It has escalated significantly in recent years. The difficulties associated with excessive public and external debt influence countries of different regions, including members of the European Union are affected at the present stage of development. However, it is completely wrong to generalize complications faced by the EU countries, due to the obvious differences in the premises of the crisis; the nature of their course and prospects of exit of them differs.

Scientists and experts from different countries research the current debt crisis in Europe. The most relevant among recent studies are: K. Perez and T. Hirano revealed the relationship between the economic situation and the degree of use and popularity of financial innovation [1]. Economist J. Titarenko in the analysis of the current situation in the EU gives one's attention to the relation of bank assets to GDP as a factor of stability of the national economy. [2] Analysts Grigoriev and F. Chapkovsky [3] believe that destabilization of the EU economy is a total violation of the Stability and Growth

Pact, which was intended to keep the situation under tight financial control, but actually has no real power. There are unresolved problems of true causes of the European debt crisis, but also the ways out of this situation, debt problems through further and deeper unity of the EU, or revision of the union functioning principles.

The main objective of this article is a detailed analysis of the dynamics of the macroeconomic situation in each of the 28 countries of the European Union to identify the true roots of debt difficulties experienced by countries; grouping of countries due to the fact that not all of the 28 countries facing problems similar forces; description of the main characteristics of each group, the forecast development scenarios, as well as the designation of the lessons that carries the current European crisis in the Ukrainian economy in particular.

According to the conclusions of H. Minsky, a market economy have developed financial institutions that can generate different behaviors of investors. The dominance of one of them is explained by institutional relations, the structure of financial relations and historical features of

the economy. H. Minsky identified three forms of investment behavior: Hedge (provided), speculative and Ponzi – financing. Classification was based on the ratio of cash flow from normal operations and payment obligations due to the existence of the debt. Hedge investment implies the expected gross income of the investor exceed cash receipts from the repayment of debt at any given time in the future. Speculative financing occurs when for some time debt obligations exceed the expected value of the gross revenue. Ponzi – financing differs in that kind that for most short-term periods, the cash interest payment obligations are not covered by income gain which received as a result of the excess of income over the expected operating costs to pay for labor and materials.

Keep in mind that rising of interest rates will inevitably transform speculative “Ponzi-financing”. All this increases economic insecurity and creates an almost imminent threat of mass bankruptcies which are caused by the inability to repay debts, and economic crisis. The fact is that sooner or later the company applying Ponzi financing, will be unable to get new loans to repay old debt or because of falling confidence level to bankers, either because of a general lack of financial resources (money and their substitutes) in the economy.

The essence of the H. Minsky’s concept, is that «market economy generates a financial structure that is prone to financial crises.» Credit system in the process of its development became a powerful destabilizing factor of the economy. It developed as a pyramid scheme to an institution that can pay old loans, only by constantly attracting new lenders. Such institution can operate for a long time, but its debt must also grow exponentially. This type of borrowers naturally begins to dominate in the process of sustainable economic development, but in the end turns out to be insolvent, and then there is a «Minsky moment». Result is the collapse of the Global economic system. [4]

By extrapolation of the Minsky’s theory, on the EU countries, it is possible to distinguish three groups of EU countries by type of financing. The countries with a hedge (secured) Financing costs are Austria, Germany, Netherlands, Finland, Estonia, Denmark, the Czech Republic and Bulgaria. The group of countries

with speculative financing includes Belgium, Luxembourg, Slovakia, Slovenia, France, Great Britain, Poland, Sweden, Hungary and Croatia. Ponzi-financing at this stage is observed in Greece, Cyprus, Ireland, Italy, Malta and Portugal.

For this classification were used macroeconomic indicators of EU countries: the ratio of public debt and external debt to GDP, ratio of budget deficit to GDP, ratio of the current account to GDP, government bond yields, as well as the convergence criteria.

The group of countries living under precarious principle of Ponzi-finance is purely country representatives Eurozone. Ten countries outside the euro zone, despite its rather serious macroeconomic difficulties caused largely the severity of the debt crisis, have been identified or to countries with speculative financing, or to countries with secured financing.

In the last group, whose debts are the most reliable and groundless entered Denmark, Czech Republic, Bulgaria. From the group of speculative financing into the group of countries representing hedge financing, «jumped in» Austria, which in 2012 year has significantly changed the situation in its economy, the necessary amount of debt repaid, developed export-oriented industries, revealing yield government bonds, budget deficits, and the ratio of current account to GDP.

Some changes undergo the macroeconomic situation in Germany and France. Vital signs of the German economy deteriorated, French – improved, however, it can not cause the transition of the countries in other groups by type of financing state that the nature of these changes are not so significant, although noticeable. Still Ponzi – financing is observed in Malta, but the Maltese economy over the past year was more successful than other «colleagues» in the group struggled with economic decline and a few succeeded in this. Further progress in this direction will help Malta to move to safer group of countries by type of financing. Luxembourg, worsened their position in 2012, was moved to a group of countries where there is a speculative financing. This is confirmed by the fact that banks’ assets that exceed the Luxembourg economy 22 times, while macroeconomic indicators for the period 2010-2011 had shown sta-

bility and could be a guarantee for inclusion in the group of countries where there is a hedge financing.

One of possible explanation for this situation, consisting of non-compliance by many Eurozone countries Maastricht criteria, is that in relation to the offending countries penalties are not applied. The lack of effective enforcement mechanisms conditions Stability and Growth Pact led to the aggravation of the crisis of the European Monetary Union. However, the importance of compliance with the criteria merging is high and explains the fact that the Eurozone was originally not an optimal currency area.

In the Eurozone, there is a discrepancy in the dynamics for a number of macroeconomic indicators between the more developed part of it (Germany, France, Austria) and the so-called «periphery» (Greece, Portugal, Spain, Ireland). In the last group wages grew at a high rate, and especially the labor market did not create such salary increases like in Germany, where appetites of unions were not so great as in the periphery. Wherein in some peripheral countries increased budget deficits, public debt grew rapidly (Greece, Portugal), which was an additional cause of inflationary pressures. As a result it has been observed difference in inflation rates between the «core» and «periphery». Since the average annual inflation rate for the years 1999-2007 was 1.8 % in Germany, 3.3 % in Spain, 3.5% in Greece. And here the unity and Currency, including the absence of currency risks played a «cruel joke» with the euro zone, forming two different types of behavior of economic agents in the «core» and «periphery». Nominal interest rates (including sovereign bonds) are very close in these groups of countries. When averaged over the years 1999-2007 nominal yield of five-year bonds in Germany 3.8%, Spain 3.9 % and Greece 4.4 %, but different rates of inflation, the real return receives various euro. As a result, differences in real rates in the single currency savings stimulated resident in Germany (the real rate of 2% in euros) and the accumulation of debt by residents of the peripheral countries (the real rate of 0.6 % in Spain and 0.9 % in Greece). Capital inflows into the periphery even more dispersed aggregate demand and inflation. The result was a vicious circle «investment (consumption) boom – infla-

tion – capital inflows – investment (consumption) boom» [7].

Solving the problem of debt crises requires both surgery and more complex structural changes. According to the expert Poloskin, creating a new stabilization fund, the so-called European Stability Mechanism, will allow for short-term support to troubled countries. However, in the absence of reforms at the national and supranational level, this measure may not yield the expected results in the long term. Fiscal agreement is only the first step in solving the problems of the European debt crises. Tightening fiscal discipline itself does not remove from the agenda the issue of « non-optimality » of the Eurozone, rather it returns to Europe to ensure stability in the absence of the optimality. There are two possible scenarios. In the first scenario, the EU Member States be limited fiscal agreement that will lead to the stabilization of the economic situation, but without confidence in its long-term preservation. The second scenario for tighter budgetary discipline to follow fiscal integration that will bring Eurozone to optimality.

Solving European problems will contribute to the centralization of fiscal policy in the EU. It's necessary to establish a single European finance ministry, which will determine the cost of options. Greater integration of countries – members of the union is not the way out of the debt crisis and the cause of the current financial problems of the EU. Carried out in the countries affected by the debt crisis, reform – it is only necessary but not sufficient component of successful overcoming it. Source of the full recovery of troubled countries is in the hands of supranational European governments, which must find a solution that has already become truly systemic crisis [8].

According to I. Potapova [9], the ability of the peripheral members of the union to overcome the debt crisis depends on Germany to a greater extent than any others of the EU economy. In the same way as German prosperity is inextricably linked with the EU: more than 38% of German exports go to the euro zone partners and almost 58% – 27 countries – participants of the European Union. In the last 1.5 years of economic growth in Germany created an additional incentive for the development of its partners, but in recent months, this growth has slowed considerably.

Lessons from the first wave of the crisis – the need to «live within our means» and structural reforms in the EU – were already learned. In the future, the EU needs to revise the results of the achieved level of development of integration processes, making further steps towards a common fiscal policy.

The economic crisis of the EU will continue long enough period and lead to serious consequences for the world economy. In all likelihood, in 2012, Europe went through the lowest point in its development. In the future, the «old» EU member states may be in a recession, and his «new members» will lose their high growth rates, which in future may cause regional problems (in particular, the problem of equalization of socio-economic development) [9].

As can be seen from the distribution of countries by type of financing, financial systems of countries in each group have similar characteristics. Financial systems of the group of countries with secured financing were characterized by a high level of resilience to external shocks. High stability of financial systems includes such features that allow them to demonstrate similar macroeconomic indicators in the period of economic growth, and during the crisis. Fluctuations on indicators such as the ratio of debt to GDP, external debt to GDP, the budget deficit to GDP did not exceed 20%.

Financial systems of the countries in which there is a speculative financing, appropriate to classify as moderately resistant. During the crisis, the economy of these countries experienced tangible problems, the main macroeconomic change significantly (and the ratio of public debt to GDP is exacerbated by relatively pre-crisis years – up to 50%, the ratio of budget deficit to GDP – up to three-fold increase), but it does not require thorough structural changes in the economy and reorientation.

Least stable financial system of the countries in which there is a Ponzi-financing: where financial system is determined by low resistance to external shocks. External shocks by themselves often provoke worsening economic imbalances and situations of instability within the national economic system, which leads to the need for a life of austerity policies, budget constraints, and sometimes more drastic steps, such as the output of the integration association,

use of active foreign exchange intervention, the devaluation national currency. Fluctuations in the basic macroeconomic indicators exceed 50% per year. For these countries are characterized by more than two-fold excess of the real ratio of public debt to GDP or debt to GDP over the recommended rates, marked the convergence criteria. Low resistant financial systems are critical point of the economic development of the country, and to get out from it, as practice shows, strict government intervention is needed.

The most drastic and painful step – should the country exit the monetary union, which would entail a chain of negative consequences as for the both country which has left the Eurozone and for most associations. The leaders of the euro zone will take all possible measures to protect the currency union from collapsing and hopeless label association. Countries who has left the euro zone, can expect monetary difficulties, including a sharp devaluation of the currency.

According to I. Grigoriev and F. Chapkovskogo [3], the optimal currency area do the two things: freedom of movement of workers and the general budget or at least strictly adhered to by all common budgetary rules. Both of these factors have had problems in Europe. Lack of labor mobility pulls down even healthy economy like the Spanish. Fiscal discipline in Europe complies not very good. The creators of the euro were aware of the potential threat of non-compliance with the prescribed standards. Therefore, in 1997, was created the Stability and Growth Pact – a set of strict rules of budgetary discipline, which not allows governments to surrender to the temptation of «cheap money.» But in the early functioning of the monetary union in Germany, insisted on the adoption of the Covenant, was the first country who broke Pact in 2002. Later a similar thing was seen in Portugal, and a year later they were joined by France and Italy. No country has been subjected to fines. Thereafter no incentive to comply the pact was at other governments, and, as experts say on EU problems it was a dog that did not bark.

Accordingly, at this stage of development in the EU there is a situation characterized by conflict between crisis management and measures to stimulate the economy. Introduction sharp saving mode based on «domino effect », which is the

probability of a collapse of the financial markets of some countries group under the influence of the crisis on the financial and other markets of other countries. Amid growing amounts of liquidity in the economy remains positive dynamics in the stock markets, however, can hardly be called a stable situation, as there is a direct relationship of financial systems from regulators which are trying to support the real sector of the economy.

All the above mentioned indicates that the fixed exchange rate is one of the main sources of deterioration of European economies. Governments would be advantageous to carry out currency devaluation, however, to devalue the Euro they can not afford. That's why, most governments are forced to accumulate a large amount of debt, growing exponentially. This situation exacerbates prevailing in the country functioning on the principles Ponzi-financing. In an analogous situation is Ukraine.

Taking into account only the ratio of government debt to GDP, it should be noted that Ukraine remains on par with the countries of the Eurozone, which have been attributed to countries where there is a hedge (provided) Funding: Austria, Slovenia, Finland, as well as on a par with countries that pose no Eurozone Denmark, Czech Republic, Bulgaria. However, you must take into account the foreign debt, which in Ukraine in 2012 amounted to 165.2% of GDP.

In Ukraine, the attraction of cheap foreign credit resources, due to the high cost of resources in the national currency, has become one of the main reasons for the significant deterioration in international competitiveness of national producers and significant growth in external debt. The influx of cheap foreign resources, on the one hand, to stimulate domestic demand and, consequently, economic growth and purchasing power of the population, on the other – the further deterioration of the structure of the current account and external debt increase [10]. The ratio of external debt to GDP with tight monetary policy in Ukraine allows assigning a group of financial systems with the lowest resistance – the group of countries with Ponzi – financing.

EU experience shows that the rejection of a fixed exchange rate, now used in the Ukraine, have a positive impact on the economy as a whole. Lower of inflation expectations, tangible slowing of inflation, setting the floating exchange rate mechanism will free Ukrainian regulator from the need of constant flooding the economy with the national currency, and therefore have a positive impact on the reorientation of monetary policy of the country, reducing the dollarization of the economy. That, in turn, positively affect both the competitive position of the country on the world stage, and the level of income of citizens and their real purchasing power.

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SOCIO-ECONOMIC TRANSFORMATION OF POST-SOCIALIST COUNTRIES OF EURASIA IN THE CONTEXT OF NATIONAL DEVELOPMENT PRIORITIES OF UKRAINE

In this article revealed especially socio-economic transformations in post-socialist countries of the Eurasian region including globalization. Determine the impact of these processes on Ukraine in the context of national development priorities.

Keywords: transformation, postsocialist countries, globalization, social and economic development, geoeconomics.

The problem statement. At the turn of XX-XXI century started sweeping and yet unique socio-economic and political changes associated with the transformation of the entire European and geopolitical space, in which is the formation and consolidation of new institutions, norms, economic relations, which, in turn, cause a significant impact on the pace and quality further economic development. Implemented forming new of contractual relations and property relations together with the restructuring of the existing and establishment of new technical, industrial and financial institutions, public organizations.

New trends in the global economic system connected with its globalization, deepening inequalities between the developed countries and the rest of the world, restructured global economy, which is determined by the strengthening of new centers of power and change institutions world economic order, growing shortages of energy and, consequently, their value increased role infrastructural factors in the socio-economic development, increasingly stringent conditions of international competition, which includes not only the commodities markets, but market capital, technology and labor.

The aim of the article is to outline the characteristics of the socio-economic transformation of post-socialist countries of Eurasia in the context of Ukraine's national interests.

Analysis of the latest investigations and published works. Socio-economic processes in national economies as a result of stages of changes in their research work examines Yu. Pahomov, V. Budkin, L. Antonyuk, D. Lukyanenko, N. Tatarenko, V. Geets, E. Panchenko, E. Libanova, Z. Varnaliy and other scientists.

Presentation of the main material. In the 90 years under the influence of globalization, countries with economies in transition, especially given the establishment of sovereignty young independent states, dynamics of socio-economic transformation and completion of economic reforms, as well as geo-economic and geopolitical situation, made the transition from a socialist to a market economy methods namely:

- Central Europe – Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Yugoslavia (consisting of Serbia and Montenegro), Slovenia, Croatia, Bosnia and Herzegovina, Macedonia, Albania;

- Asian countries – Mongolia, China, Vietnam;

- the countries of the former Soviet Union – Russia, Ukraine, Belarus, Lithuania, Latvia, Estonia, Moldova, Georgia, Armenia, Azerbaijan, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan.

The main features of postsocialist economies are in a high level of social and territorial division of labor, branched and fully formed functional and territorial economic systems, whose characteristics differ little from the corresponding structures of developed countries. However, at the present stage countries lack capital and most industries (especially agriculture, light industry and commerce) using outdated technology. In most countries, the formation of modern organizational and management structures of the market economy is almost over. Started economic restructuring based on market principles, and some states have already achieved some success.

It is well known that the second half of XX century was marked by increasing post-industrial trends in the economy leading the world. In the last decade of the last century in the European Union stepped up the process of forming one of the main vectors of modern social development – growth of advanced services sector compared with the sphere of material production. Enterprises in this field actively disseminate information, innovations, new technology, software, education, educational, medical, financial, managerial services and more. Among post-communist EU countries the highest proportion for this sector are Hungary (58,6%), Slovakia (54,4%), Slovenia (52,7%) and Estonia, Latvia, Lithuania – respectively, 59,0%, 57,4%, 52,4% [8].

It can be noted that the successful completion of the transformation period of postsocialist countries included in the European Union. However, if you assess not only the processes of liberalization and stabilization, but also the establishment of institutions and microeconomic transformation, it becomes apparent that a complete transformation in these countries too early.

Different conditions in which economies were at the beginning of «great change» had a corresponding impact on the process of transformation. The most favorable conditions that have developed as a result of previous mar-

ket reforms were in Poland and Hungary, the worst – in Albania and Romania.

Experience transformations in post-socialist world still denies allegations of unilateral causal relationship between economic growth and social development. We can only say that if the trend towards interaction between processes when cause and consequence are constantly changing, mutually reinforcing. Rather, the opposite thesis justified character correctly aligned priorities and institutions of social policy not only impede economic activity, but rather to encourage it, besides providing the necessary political support for economic reforms.

There is the direct correlation between the extent of private sector and economic growth. The greatest effect was achieved already at the stage of commercialization of public enterprises in most of this countries. Privatization of the economy can make a positive impact on the activities of entities only if accompanied by the necessary institutional transformation and especially the formation of an effective competitive environment. The basis of the market is competition, but not ownership. The result is a relatively high rate of economic growth as demonstrated by the different models implemented privatization and private sector created the scale countries like Slovenia (advantage over 90-years of autocratic enterprises), Hungary (domination of foreign capital) and Poland (mass privatization in late 1996).

The main lesson of reforms in post-socialist world wasn't in mechanical transfer institutions, standards and criteria of the European Union, but the creation of «enclaves actual solidarity» with interested partners in the CIS and the parallel formation of the former Soviet Union working FTA with natural leadership.

For example, in Poland has been implemented program «Strategy for Poland», which contributed to making the economy on the path of rapid growth. Have been achieved some principles of the social market economy: the combination of production efficiency to equitable distribution of profits. As a result, in 1994-1997 the real per capita GDP rose from 6,4% to 28%. Then the Poles who returned home were much more than those who are leaving. This period was characterized by the emergence of peer institutional order by creating a system of nego-

tiation involving the social partners (especially trade unions), business and government. But in 1998-2001, the inhibition of constructing social market economy through reform uncoordinated actions and populism [3,7].

Only in 2002, Poland managed to achieve an increase in GDP growth. Experts note that even after the EU accession, the problems of economic and social issues remain. For example, almost 80% of the turnover of Polish foreign trade is with the EU, which produces only 20% of world production. To export became the engine of economic growth necessary to increase foreign trade with other countries, which account for 80% of the planetary output. In the next 2-3 years in Poland was likely to significantly accelerate growth. In order to achieve this goal, it is necessary to conduct an effective macroeconomic policy, change the structure of revenue and expenditure budget for its transformation into a more progressive, aimed at development. Of great importance for the further development of the country certainly has the state and the private sector, especially in regard to investment in social capital, and in Poland there is a clear understanding that the private sector can not at the proper level to stimulate human capital, without which not possible dynamic development.

Priorities for economic development largely also depends on the intersection of geopolitical and geostrategic interests it is located. In Ukraine, for example, is a particularly important issue, because it is located at the intersection of the interests of the most powerful countries. Because of its geographical location of the state supposedly «sandwiched» between the civilized worlds of East-West, which often leads to conflicts between political and economic priorities.

Ukraine, like many countries, is in a transformation period – the transition from a planned economy based on state ownership domination and bureaucratic control to a market economy, which relies on private property, unfinished reforms in the political, economic, social, humanitarian, legal and other spheres of social life, and the uncertain political and economic strategy. That is the replacement of the previous system of new institutions. The post-socialist transformation means a more complex transformation than just economic change. This, as already noted,

first of all, changing political, legal, social, cultural and psychological, which in turn give rise to many contradictions and conflicts.

Since independence, Ukraine has made a final break of the administrative-command system; legitimate way launched a new model of political order, overcame a one-party system and ideological monopoly, laid the basic principles of governance based on the principles of separation of powers, strengthening the implementation of parliamentary and the executive branch, an independent judiciary and local government. Substantive significance acquired since 1994 transformation processes after the proclamation of the course of radical economic reforms, resulting embarked on a transition to a modern market economy. In 1999 for the first time, in the last decade, have found themselves some early signs of economic stabilization and in 2000 already have began economic growth.

Since 2005, Ukraine has started to change the model of economic and political development through consistent transnationalization in one direction since the formation of the great Ukrainian capital internationalizes its activity is rather slow. As a result, Ukraine has returned to the path of most of the countries of Central and Eastern Europe, where the leading integrated production-supply chain multinationals, foreign capital plays a dominant role, exercising great influence on political decisions, and forms a model of dependent development in which innovative development in most parts depends on the initiatives of multinationals, not the policy of the national government [6].

The experience of Poland, like other countries of the post-socialist period, can significantly assist Ukraine in implementing effective reform of economic and social system.

It should be noted also that the specificity of Ukraine's economy is the fact that it became predominant development industry (especially heavy) and agriculture. It produces more than 80% of the social product. Given that Ukraine has a strong industrial and technological potential, trained personnel, state impractical choice model of market economy, dominated by small private property and market economy governed exclusively by the laws. This path would not progress and regression, and would lead to Adam Smith and appropriate methods of economic life, where

everything is solved free pricing «spontaneous mode», however, this pathway is inefficient.

The experience of post-socialist transition countries for Ukraine suggests that the way to market in drift mode leads primarily to large losses and rejects society for decades ago. Some experts and economists believe that the benchmark for the state to be developed countries with mixed economies. Ukraine does not have anyone to copy, repeat, and has to build a model of a market economy that is most relevant features of our development, economic structure, geographical location, the mentality of the people. The most acceptable model for Ukraine is socially-oriented market that eventually based its activities of the functional structures to the material and spiritual needs. This strategy should be based on clearly defined priorities of economic development that would facilitate the achievement of these objectives.

Conclusions. Nowadays, globalization has a special period that caused the level of technological development and the emergence of

new players in the face of post-socialist countries. Terms of post-socialist countries is complicated by the fact that they make the process of integration between its own transformation. However, this does not prevent countries to develop their own economy. Globalization can have certain preferences only if the national strategy for socio-economic development and a clear, consistent policy implementation. The social component in the national and global strategy and policy is so important that ultimately may decide the fate of globalization not only post-socialist countries, but also the planet as a whole.

It should also be noted that the drastic changes in foreign political and economic development strategies and integration vectors allowed postsocialist Eurasian region gain a foothold in the European and global geopolitical structure in the system of global economic relations as a sovereign state, full-fledged actors in world politics and international economic relations.

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ECONOMY AND OPERATION OF NATIONAL ECONOMY

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RISKS OF MODERNIZATION AND REFORMING OF RUSSIAN HIGHER PROFESSIONAL EDUCATION

Investigated the process of modernization and reforming of the Russian system of higher professional education and risks associated with the organisation of this process. The proposed innovative model of management of the system of higher professional education.

Keywords: risk, modernization, reform, vocational education, a model of management.

Education is one of the most problematic areas in development of modern Russia. Public political and socio-economic reforms of the last decade of the previous century had a great impact on the education in Russia. The aforementioned reforms allowed to realize an academic autonomy of higher education, to provide the variety of educational institutions and curricula, to develop Russia's multinational school and private sector. At the turn of the century the question of bringing the national educational system of the Russian Federation in correspondence with the challenges of the time acquired a special topicality. The aforementioned processes are reflected in the laws of the Russian Federation in the field of relation regulations in the education sphere. However, the continuing crisis has significantly slowed the positive changes. In many respects, the Government doesn't pay attention to the education. Thus, the education itself is forced to survive, putting aside the real needs of the country.

The first decade of the twenty first century laid the foundations of the modern educational system in Russia [3]. The first and the main

principle states that it is the society and employers that turn up to become the customers of educational services, the latter being the end consumer of the services. Business representatives were involved to the creation of educational standards, infrastructure and the content renewal in the primary, secondary and higher vocational institutions. They also added to the development and commercialization of the higher education science.

The second principle comprises such important factors as efficiency and work result. It is connected with the transfer to capitation financing and the competitive principles of additional financial resources' allocation.

The third principle is dedicated to the informational openness. It is also underlines the importance of involvement of all interested parties in the discussion of the main initiatives and bills. The recent «On education» bill can serve as an example of a broad public discussion.

Thus, the results of vocational education modernization are as follows:

Creation of a network of leading universities, a significant renewal of educational mate-

rial base, the transition to the modern educational standards, the rapid development of higher education science, the establishment of the necessary relation level between the subjects of educational system, namely between the state and the people, businesses and universities, enterprises and individual employees or future specialists.

The further movement continues on the basis of these foundations. First of all, the realization of national project «Education» is still not finished. Secondly, the year 2011 saw the beginning of the new federal target Russian program. The development of the vocational education is among the main priorities of the program.

According to the analysis of theoretical researches in the field, reform process and media discussion, the modernization of Russia's higher vocational education is a controversial form of the government in the developing market.

The ambiguity of the process under analysis lies on the one hand in the government's dominant role and the bureaucratization of the institutional management, on the other hand in the counter-cyclical market regulations. As a result there is a threat of risks and deformations for all the subjects of educational activity, namely for society, the state, the employer, the university and the personality who gets the education.

It should be noted that the specific character of the educational activity under the conditions of market economy, intense competition and unfavorable market is generally compromised, not to mention the educational reformation.

Thereupon, there exists a great risk of intensification of crisis in the system of higher education. The crisis of such kind would result in the complete discrepancy between the given education and the needs of people.

Generally speaking, it should be mentioned that first of all the risks exist in the educational activity itself [2].

The risk analysis of the reformation of the higher education in Russia helped to arrive to the following conclusions:

- modern Russian society is on the way of constant soul-searching. On the one hand, there was an erosion of behavior patterns which resulted in the deformation of existing mechanism in the transmission of intergenerational

values. On the other hand, the semantic interpretation of such basic concepts as labour, recognition, success has changed.

- one can not but mention the existing crisis, especially among the youth. The crisis which is manifested in the consumer society attitude towards life, the pursuit of immediate enrichment, civil nihilism, overestimated claims on success without personal contribution to the achievement.

- economic anemia, officials' corruption, weakness of judges, non-feasance of law-machinery come out to be the main urgent problem.

In previous years, the increased risk was primarily connected with the acute shortage of essential resources for a high-quality educational activity. The factor was determined by the careless attitude of the government towards the problems of institutes of higher education. In these terms, the main risk factor was associated with the problem of survival of higher education institution in the unstable market.

Currently, risk sources have different nature and are realized under the different socio-economic conditions.

The first factor which comes out determine the new risk level of the education activity; the transfer of the higher vocational institutions to the autonomy of educational institutions.

This results in the exclusion of higher education institutions out of educational sector with the corresponding shift to the self-financing and absence of legal protection from privatization with all the ensuing consequences.

Institute of Education is increasingly losing the status of a public institution and becomes one of the many areas of market services.

The reforms under discussion are expressed in the «forcing» of specialists with the higher level of education compared to the Baccalaureate. Thus, as a result we have an automatic reduction in the mass professional education, the loss of the major volume of educational content and teaching techniques accumulated by the national education system for the specialists.

The main risk factor is that the system of modern higher vocational education in Russia, reacting to the established needs of the market which is deformed towards the trade intermediary and financial service activities does not

reflect the real needs of achieving the new education quality. Moreover, the established unreasonable competitiveness and unstable state of the market in the sphere of educational services contain the risk by their nature. At the same time, the situation of riskiness is created, taking into the account the mentality of Russian society which is characterized by the disappointment in previous reforms, non-confirmation of the social and personal expectations. This kind of situation gives rise to various risks of consumers of educational services, universities and risks of the entire system of higher education, the individual and the State risks, as well as organizational and society risks in general, which are expressed in the systematical discrepancy between the expectations, declarations and the real results for each group of consumers of educational services and the subjects of the educational activity. Thus the variety of social, economic, state and personal risks are interrelated as the objectives of the interested parties intersect in the field of quality training, but the means of achieving these goals vary to a great extent.

One of the major risks for Russian citizens is a risk of violation of the principle of accessibility of education. This is an extremely socio- dangerous phenomenon, caused by the departure of the Russian authorities from the financial support of education, causing irreparable damage to the industry, pushing it toward the privatization and commercialization of education services, and indirectly – to the violation of human rights. [4] It is advisable to introduce a moratorium on the deprivation of educational institutions of tax benefits as an additional guarantee of their existence and realization of their essential social function.

The underestimation of the entire spectrum of the social functions of education is expressed in the underestimation of formative function of the stratum as a «social mobility», providing social professional and academic mobility of the individual[4].

This often leads to the increased segregation of the population, the social and socio-psychological inequality between people, to the transformation of the education into a kind of unequal society.

The reform of the vocational education system incurs a risk, having the long- term conse-

quences. Such consequences may be missed by the authors themselves and will hardly match the expectancies of people and the individual groups. The reform incurs a risk as the compensatory actions taken in order to smooth the foreseeable short-term negative effects or to clarify the true meaning of the undertaken measures may be insufficient as a result of the inherent dynamic of value concepts and the motivation of the group affected by the reform.

Despite the fact that the reformation process is mated with the chain of different risks, the modern education can no longer remain in a state of inner isolation and self-sufficiency. The reformation of the modern higher vocational education in Russia demands the clear strategy. According to the researches, there exists a strategy but a paradoxical one. The paradox implies the fact that the strategy is carried out without taking into account the social and economic effects of education. Moreover, there is no understanding of education as a priority-driven channel of influence for the state.

However, a possibility of different threats and risks is great if there is no understanding of the systematic character of all economic, social and mental effects of the reform in higher vocational education.

In the context of globalization of the Russian economy and the formation of new economic systems based on the human and social capital, knowledge and advanced technologies, the education system must respond quickly to the changing needs of the market, that is to develop effectively under the conditions of uncertainty and environmental risk. Modern education should contribute to the innovation climate in Russia, ensuring sustainable economic growth and innovative way of development of the Russian economy. According to our opinion it is necessary to develop and implement innovative management model system of higher education. The distinguishing features of the model are as follows:

- Strengthening of the self-organization learning instead of the use of the strict control system
- The use of openness and negotiation methods in the discussion instead of manipulation and the use of administrative resource

- The use of the conflict in an effort to develop the organization instead of the elimination of conflicts;

- The use of scientific methods in solving problems, the involvement of consultants instead of involvement of the bureaucracy

- The continuous introduction of innovations in the various spheres of the organization instead of the rejection of the innovations

- The formation of an informal relationship to the staff as equal participants of the team-work.

The result of the undertaken reform in the education system can be both positive and neg-

ative, depending on the risks that are realized. Implementation of such management model would help to reduce the risks and threats, making the reform and modernization understandable to consumers of educational services. Only such a comprehensive approach to education reform can initiate functional transformation of the Institute of Education and contribute to creating of new public education system which has a fundamentally different level of efficiency of processes and the end product of which is expressed in the quality of education of the population and its functional mobility.

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THE EFFICIENCY OF INNOVATION POLICY IN THE SPHERES OF TOURISM ENTERPRISES

Paper considers the essence of innovation policy and its features at the enterprises of tourism sphere, trend, directions and methodological approaches to estimation of efficiency.

Keywords: efficiency, innovation, innovation policy, innovative solution, touristic enterprise.

Statement of the problem. In terms of national and cultural development of Ukraine tourism becomes important as one of the factors intersectoral relations and market relations in the economy of the country. Recently, Ukraine has taken more than 23 million foreign tourists annually [1, 2], which amounted to 4.3% from the level of Europe and 2.3% from the world level, and the amount of revenue from the global level to 0.4%. This suggests that the share of Ukraine in the international exchange of tourists is low. Thus, tourism receipts in foreign currency are just over 1% in export earnings of all trade of the country and 2.2% of GDP. However, tourism is one of the leading and most dynamic sectors of the economy and because of rapid pace it is recognized as economic phenomenon of the century.

For 38% of countries tourism—main source of income, and for 83% of countries tourism is one of the five main sources of income [3, p. 113]. From another perspective observed increase in the number of bankrupt enterprises in the tourism sector, thereby in Ukraine from 2008 to 2012 the average figure is 38% -45% of total enterprises in the tourism sector [4].

Under these conditions, management of enterprises should pay attention to one of the key factors in the development of tourism, namely – innovation policy. If this policy is absent at the company or develops very slowly and spontaneously, then the company is in a real danger of a deep economic crisis, especially in condition

of the transition to a higher technological level. At the same time, a variety of innovations, measures for their implementation, independence of entrepreneurs in making decisions and choosing different directions of innovation policy of the company make it difficult to substantiate the issue of the most appropriate and effective one.

Analysis of recent research and publications. The study of scientific publications of V. Novikov, N. Malakhov, D. Ushakov, T. Tkachenko, H. Mikhaylichenko and other scientists on innovation management revealed the following:

1. There are different views on the definition of categorical apparatus of innovative activity of enterprise.

2. Important is the question of innovation activity in tourism, given that for this area most scientists consider the new format and technology services, new channels, new distribution systems, technical solutions and others, as innovation, that's why it is necessary to research key trends of activity in this area and identify the directions of innovative policy [5; 6, p. 131; 7, p. 42; 8, p. 26; 9, p. 51; 10].

3. Offered various methodological approaches to determine optimal ways of innovative enterprise development and evaluation of effectiveness of innovation activities, often not always taking into account comprehensive and systematic approach.

Discussion of different theoretical positions, the practical significance of the effectiveness of

innovation policy, lack of their research in the contemporary economy and enterprises management in tourism led to consideration of these issues and identified the focus of the study.

The purpose of the article. According to these aspects, appeared the goal to consider the above issues and present the results of the author's research that define the essence of innovation policy and innovative decisions in tourism, to highlight the main trends of development, directions of innovation policy and provide methodological tools to assess the effectiveness of innovation policy of these enterprises.

The main material. The development of innovation activities carried out in enterprises of different industries, including tourism enterprises that have their features and characteristics of implementation economic activity.

In accordance with the Law of Ukraine «On tourism», touristic enterprise is authorized independent economic subject that has legal personality, provides commercial and research activities in order to profit. In the special economic literature touristic enterprise often interpreted as any company that produces travel goods or providing services to tourists [11, p. 145]. However, many experts share all tourism industry enterprises by the criterion of belonging to tourist services into three types: primary (operating directly for tourist services (tour operators, transport companies of special purpose, hotel companies, hostels, holiday homes, etc.), secondary (function to meet the needs of tourists and locals (restaurants, shops, community and public service, located in resort areas, etc.) and tertiary (functionate to serve total population of the country but also providing services to tourists (intercity trucking companies, etc.)). As a result of the theoretical study of scientific publications, join the team of specialists who constantly emphasize that touristic under CTEA, is an enterprise whose primary function is related to production (acquisition), the provision and implementation of a complex touristic product (this activity is more than 50% of its total revenue) [ibid, p. 146].

Thus, the specific features of operation of enterprises in tourism sphere reflected in innovations, inherent in this field. In accordance

with the provisions of the General Agreement on Trade in Services (GATS), in the tourism sector innovative activity develops in three areas (Pic. 1) [5, 6, p. 134]:

1. Organizational innovations associated with the development of enterprise and tourism in the system and management structure, including a reorganization, amalgamation, absorption of competing subjects on the basis of latest technology and advanced technology, systems of advanced training and more.

2. Marketing innovations that would allow satisfying needs of target customers or attract not satisfied at this time customers.

3. Product innovations aimed at changing consumer quality of tourism product, its positioning, which would give a competitive advantage.

Exploring categorical apparatus on innovation and taking into account functional aspects of tourism, the author proposed the definition of « innovative solution » – it is the result of mentally-psychological and creative activity of business entities, which leads to the selection of a specific alternative actions, the development of new industries and aims to create new or change existing products, to improve transport, accommodation and other services, familiarization of new markets, the introduction of advanced information and communication technologies and modern forms of organizationally-administrative activity [12, p. 75]. Generalizing basic criteria for the classification of innovative solutions, we believe, the ones, that are shown in Picture 1. In this case, we offer the following features of innovative solutions: functional areas and elements of the operating system of tourist enterprises, kinds of tourist services.

By organizing the basic classification criteria, should emphasize such criteria as «efficiency of innovative solutions», which is the result of realization of effective innovation policy.

Considering the classical definition of «efficiency», which means getting a certain effect, efficacy of the results [3, 5], we can state that the effectiveness of any innovative solutions characterizes the result of innovative activity, which is expressed by certain benefits achieved under certain costs, such as : money, material and information resources, labor and so on.

In order to successful management of innovation, for executives relevant is the implementation of an effective innovation policy. For the analysis of innovation and its effectiveness, was conducted the study of tourism enterprises of Kharkov and region for 2010-2012, which showed that 45% of companies (sample 30) which are implementing innovative solutions, have low levels of innovation policy and didn't reach the desired results. The main reasons: incorrect selection of purposes, types of innovation, their power, irregularity and delays on implementation of program of innovations' realization, rejection by the staff etc. Therefore, it is important to study the question of the nature of innovation policy and the possibilities of its implementation in practice.

Studying the views of various scholars such as V. Medynskoho, V. Vasilenko, V. Shmatko, N. Krasnokutskaya and other professionals, can identify the following key provisions:

- innovation policy – a tool for the implementation of innovative strategy, that can be expressed by some measures, the implementation of which is aimed at achieving the goals of both the innovation policies and strategies in particular;

- each innovation policy has its own approaches, directions and principles;

- innovation policy at the enterprise level provides a mechanism that is aimed at implementation and commercialization of innovations of separate business entity [6, c. 144; 8, p. 59].

Based on the results of theoretical research, the characteristics of realization of innovation policy in enterprises of tourism industry, believe that the term «innovation policy in tourism enterprises» should be understood – as a complex of objectives, principles and measures aimed at the restoration and development of spiritual and physical strength of travelers, improvement of efficiency of processes of formation, positioning and consumption of tourist services, improvement of the efficiency of tourism infrastructure functioning on the basis of various innovations.

Targeted interests of tourism enterprises primarily affecting the economic efficiency of innovation policy, which is proposed to be

considered as the ability to achieve targeted outcomes from implementation a set of measures on the provision of tourism services aimed at innovation in the economic activity of enterprises in relation to the cost of their implementation. But from a systems perspective, should also take into account environmental, social, demographic, and other types of efficiency and its consequences.

Innovative changes at the enterprise can not take place without special measures for certain purposes and directions. As one of the classifications of innovation policy proposed the sign for «directions», which takes into account the object of innovation (innovation), namely: new and (or) improved technology, products and solutions. Therefore, the author proposed the following directions of innovation policy: technical, technological, product, management and combined. According to the directions of innovation policy, the author considers the basic performance criteria of this policy for tourism enterprises and proposes the system of indicators.

The author offers three groups of search of efficiency of enterprise innovation policy, namely:

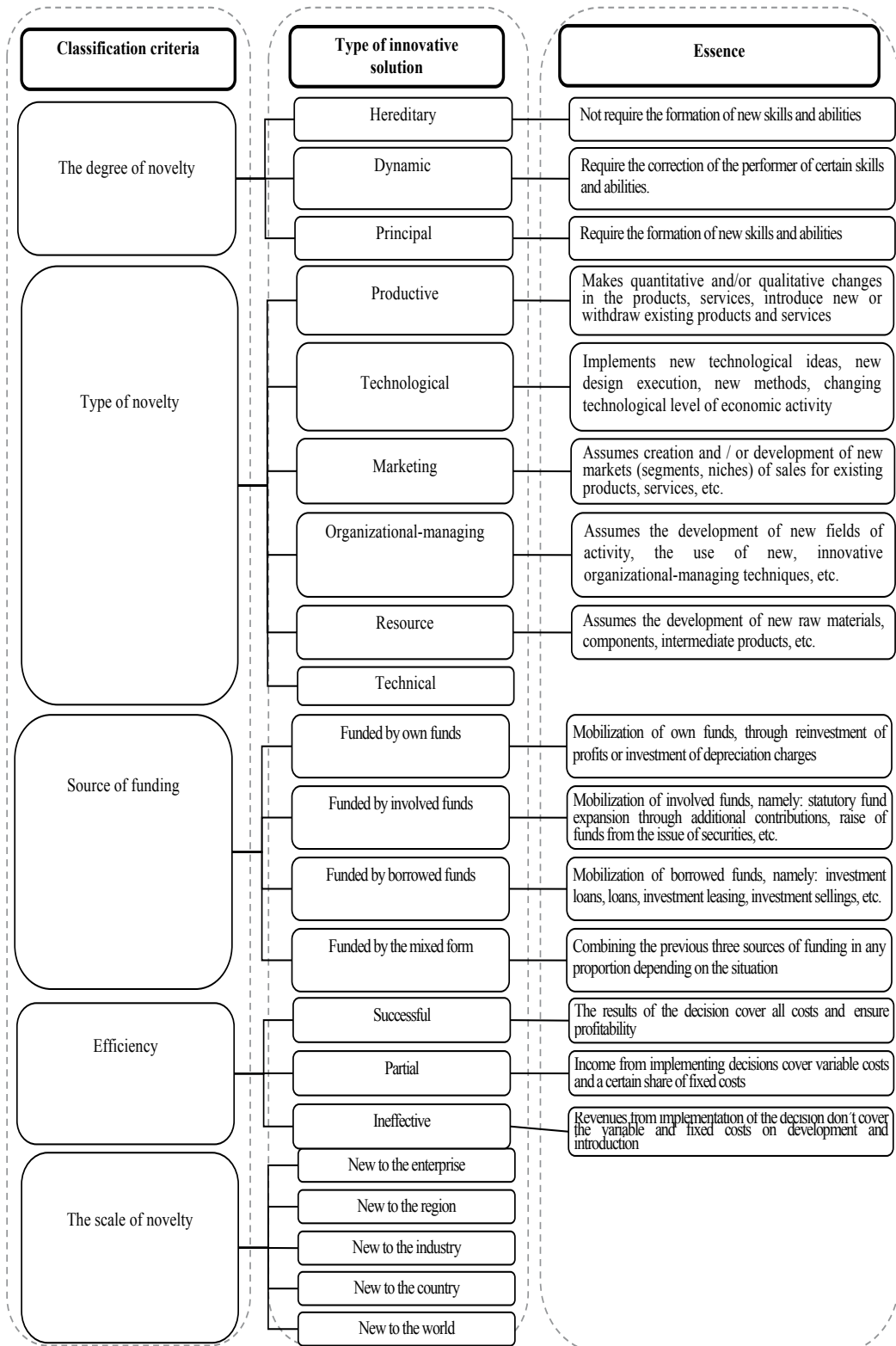
- 1) the creation of a new product (service) – the effectiveness of commercial innovation policy;

- 2) the introduction of new technical solutions – effectiveness of technical innovation policy;

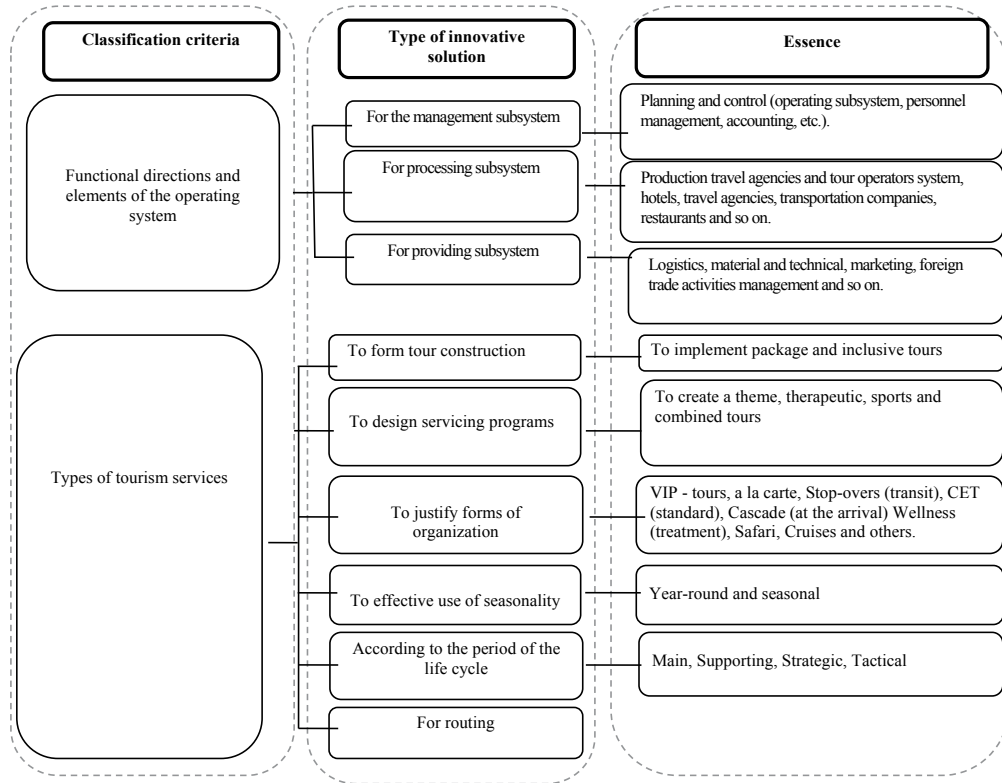
- 3) the transformation of organizational-production functions and informative-intellectual component, R & D – effectiveness of the policy of innovation management or organizational-technical innovation policy (Pic. 2).

In order to show the impact of innovation in the dynamics, in the system of indicators for each direction of innovation policy author focuses on the use of coefficient of variation of individual indicators compared to the baseline period (or traditional version). These factors help to take into account changes that may occur as a result of innovative activities at the enterprise.

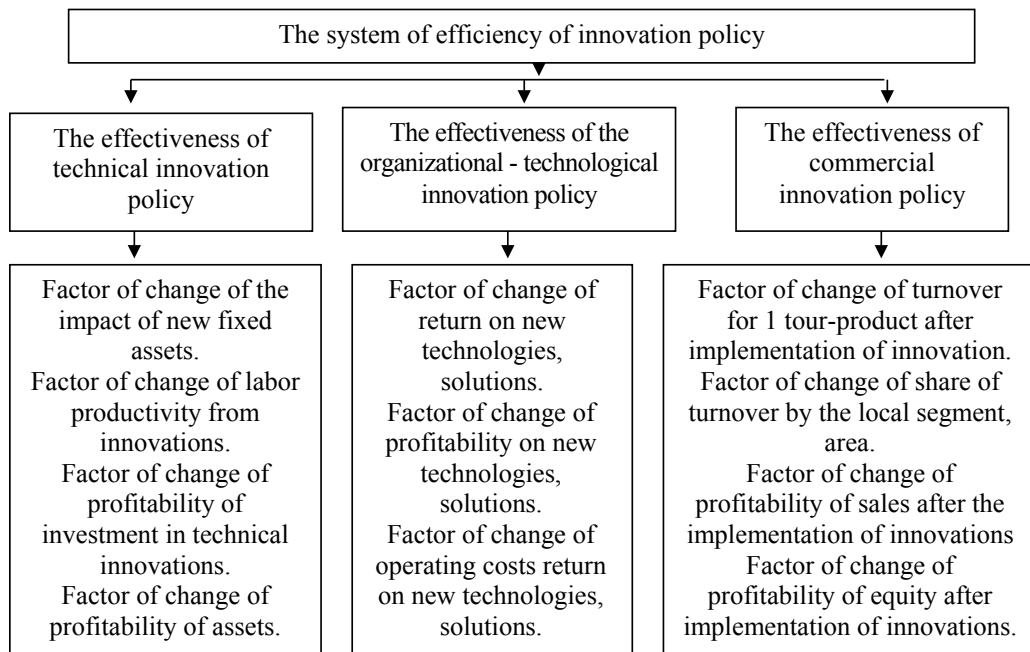
For a more objective assessment of the efficiency of innovation at the enterprises, and also to level the characteristics of each indicator, is proposed to conduct peer review of fac-



Pic. 1. Innovative solutions in tourism



Cont. pic. 1



Pic. 2. Recommended a comprehensive system for assessing the economic efficiency of enterprises innovation policy in tourism

tor effects (weight) of each indicator within the limits of each direction (the amount of influence within the direction is unity).

Calculations of indicators in all directions of innovation policies of enterprises allow to withdraw its integral index. Determination of integrated indicator of efficiency of innovation policy (EIP) takes into account all of the above groups of complex parameters and calculated as follows:

1. Comprehensive indicator of the effectiveness of innovation policy in different fields:

$$EK_v = \sum W_{ij} \times \psi \quad (1),$$

where EK_v – a comprehensive indicator of the effectiveness of innovation policy in different fields; W_{ij} – value of the i -th parameter in the j -th enterprise; ψ – share index for the expert assessment (sum of estimates for areas equal to 1).

2. The integral indicator of the effectiveness of innovation policy (EIP):

$$EIII = \sqrt[n]{EK_v1 * EK_v2 \dots EK_vn} \quad (2),$$

where EK_v – a comprehensive indicator of the effectiveness of innovation policy in different fields; n – number of complex metrics.

It should be noted that the base of indicators can be expanded depending on the goals of innovation policy of the enterprise.

As a result of getting the integral index, business leaders proposed matrix of choices of innovation strategies and directions in the innovation policy, using known techniques BCG (Table 1).

Thus, on the basis of the above the following conclusions and suggestions:

1. Innovation Policy of enterprises in the tourism sector is one of the economic instruments of development and competitiveness.

2. Major trends in this area reflect the direction of STP and go with the times.

3. Determining the nature of innovation policy gives rise to the selection of the major destinations for tourism enterprises: technical, technological, product, management and combined.

4. Proposed above system of indicators of the economic efficiency assessment of the enterprise innovation policy in tourism helps to hold a full assessment of the impact of innovation factors on the level of development of the industry.

5. Determination of integrated indicator of efficiency of innovation policy provides an opportunity to take effective administrative decision on the choice of innovation strategy and direction of innovation policy of the enterprise.

Table 1

The matrix of choices of innovation strategies and directions in the innovation policy depending on the level of EIP

Innovation policy	INNOVATION STRATEGY			
	Protective "Dog"	Strategy of stability, simulation "Snake"	Strong, competitive "Tiger"	Offensive "Dragon"
Organizational-technological	New organizational solutions or improvements, reorganization	Improvement of technological processes, service	Improvement, the use of new technologies, solutions, methods	New formats of enterprises, development of new markets, cooperation
Product	Diversification	Improvement of the quality of products, services	Development of new tours, offering new services	
Technical	Modernization	Technical revamping, reconstruction, implementation of advanced IT	Introduction of new fixed assets, introduction of advanced IT	Expanding on a new basis
Levels of EIP	Low (3 sector)	Medium (2 sector)	High (1sector) .	

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INNOVATION CULTURE AS THE IDEOLOGY MANAGEMENT OF ENTERPRISE'S BUSINESS ACTIVITY

The article describes the characteristic features of management approaches into organization of innovation culture. Special attention is paid to human capital in modern society and the development of high culture among economy agents. The main tasks of innovation culture were shaped and defined, that found a concentrated introduction through the function, structure and factors of enterprise's business activity.

Keywords: ideology management, human capital, innovation, culture, innovative culture.

Problem statement. A historically stable system of norms, rules and methods to implement novelties in various spheres of societal life is characteristic of a given social and cultural community and presents the innovation culture. This is a historically adjusted to a certain society structure of models and algorithms of innovative actions that plays a role of social and cultural mechanism that regulates innovative behaviour of social entities [3, p. 245].

The experience of development of world civilizations tells us that there exists no single for all and optimum balance in the functional field of the innovation culture. Its development is a continuous change of stable and «hyper-functional» periods when there occurs a sudden shift of the social and cultural mechanism aimed at intensified accomplishment of this or that function.

Globalization of economic and social processes compels domestic enterprises to promote their innovation-oriented activity so as to maintain their competitive position on the market.

Nowadays the innovation culture aspects, particularly in large organizations, attract ever increasing attention of theorists and practitioners of management. Innovation culture as an object of studies is intertwined with such sciences as management, sociology, cultural studies and psychology. On one hand, it leads to certain difficulties in the course of a study but on the other hand it allows of better use of the innovation culture as a tool of efficient manage-

ment of an enterprise which makes it possible to considerably improve labour productivity and minimize labour turnover under strong competition conditions.

Analysis of latest studies and publications. Valuable contributions to the studies devoted to the subject matter of the innovation culture have been made by contemporary scientists, particularly by S. Bykonya, V. Solovyov, N. Zhovnir, A. Nikolayev, V. Noskov, L. Kholodkova et al. The innovation culture notion means different things in the scientific literature, consequently, its subject matter is determined in different ways.

Objective of the paper. To determine and substantiate the formation process of the innovation culture as a management philosophy of the business activity.

Presentation of the basic material of the study. Similar to the socioeconomic formation and civilization, the culture is one of the most general and most important forms of human reality. Existence of a great number of viewpoints on the essence of culture and its place and role in human activities as well as the endless number of its definitions (by now there are more than three hundred of them) proves that the culture is a complex and multifaceted phenomenon, arises a considerable interest as an object of the scientific study and attracts attention of experts in various fields.

The notion of culture combines science (including technology) and education, arts (lit-

erature and other branches), morality, style of life and the worldview. Culture is studied by a complex of humanitarian sciences, above all by cultural studies, ethnography, anthropology of culture, sociology, psychology and history [4, p. 46].

Being an exhibition of human essence, culture encompasses all sides of human life, it is manifested as a process of creation and reproduction of a Man with all his wealth of properties and needs, in all his integrity and universalism as well as in all his interactions with the reality. However, the conducted studies prove that the main subject of culture is not just human activity but a Man himself.

The important methodological aspect of cultural studies is, on one hand, revelation of that general basis which makes it possible to understand how it emerged, exists, functions and develops, and on the other hand, description of the culture specificity as a social phenomenon, its essence, meaning, internal structure and logic of development. Such approach enables to show the qualitative predeterminacy of culture, reveal its difference from other social phenomena and define its place and role in the life of a society [2, p. 45].

In the modern world the innovation culture should be viewed as a tool of efficient management. Today, the innovation culture becomes a priority factor of business success as it sets reference points of behaviour: inside an organization, in interaction among employees at their workplaces (work culture), outside of an organization and in interrelations with various institutional subjects and business partners.

Inner culture of a person depends on his or her moral and ethical principles, education and state of conscience. It reflects worldview of a person and, naturally, manifests itself in human behaviour thereby exhibiting signs of the external culture. Work culture of a person is determined, as a rule, by the education level, qualification, available creative abilities and executive diligence. If the inner culture of a person is high, then the will and conscience, being the product of enculturation of instincts and subconscious psychic will be directed at the common welfare of the organization; if not, then the conflicts of interests are inevitable. Due to culture the human will and conscience

can be directed at the development of the organization or at its ruination [6, p. 80].

Innovation culture is a product of interrelation between the external and internal environment of the organization, therefore any influence exerted by them will define further development of the organization culture. In order to develop main basics of the innovation-oriented culture and make practical recommendations to efficiently establish and further develop it, it is required to monitor all factors that impact the organizational culture. Such factors are: the factors describing contemporary state of social development: globalization, intellectualization of labour and socialization which becomes evident through the concepts of human capital. Sustainable development, transition period, etc; economic processes, political processes; innovation processes; ecological situation; stronger culturological trends in the society in general and in the economy in particular; and the inner condition of the organization.

The system of impact factors is important for the culture model of the organization, and the nature of the impacts produced by external and internal factors in various periods are different, therefore, the studies of their behavioural trends facilitates the development of the organizational culture. In the course of evolution the impact of factors change and the culture is reconsidered towards ignoring criticism or braking down the development of culture or its individual components [1, p. 49].

The principles of the innovation culture ensure its goal-oriented development. Main principles of the innovation culture include: generalities, apriorities, transparencies, consistencies and harmonities.

The innovation culture is always a system. To some extent it is based on the aggregate of logical equations that enable to formulate a mission of the enterprise. The only thing is that the movement is not from the bottom and upwards but in the opposite direction. Depending on the main objective of an enterprise the organizational culture elements are being formed and, traditionally, they are considered to be: mission; system of holidays, rituals, ceremonies; interrelations among people; image; basic values and ethical norms; quality standards; communica-

tion system and language of communication; cultural behavioural programs (code of employees' behaviour, internal regulations and norms); artefacts (logos, trademark, blank forms, business cards, colour of walls, company style, etc.); and motivation system [5].

The innovation culture may be viewed as a peculiar management philosophy aimed at higher business activity of the enterprise.

The management philosophy is manifested in the mission and goals of the organization and influences interrelations of employees with the enterprise; main principles of activity of the employees and the enterprise in general; attitude of the enterprise to its business partners, competitors and consumers; positioning of the enterprise in the society and on the Market; general worldviews intrinsic in the enterprise personnel.

The innovation culture tools are speeches and belief, commitment, creeds, allegiance, i.e. immaterial things that come out of heart and soul of a person. Inner convictions determine the kind of behaviour of people, both forming the community and individuals.

Today it can be confidently asserted that the innovation culture is an important factor of renewal of the enterprise's economic status, therefore it is necessary to use it as a management tool which forms in the people's conscience a desire to work to achieve a single goal, use their knowledge and experience to achieve competitive advantages on the market and stable prosperity.

The innovation culture of the organization is being formed gradually because this process is long, takes place according to certain rules, has its own specific technology and comprises many stages.

When forming the innovation culture it is very important to select the tools. Such selection is made in accordance with the specific structure of the organization culture wherein explicit (visible, open part) and implicit (invisible part) can be singled out [7, p.183].

The formation mechanism of the innovation culture should envisage available strategy which helps to forecast the trends and focus efforts joining the business spirit with the culturologic aspects. Under conditions of rapid changes the general attention to strategic

analysis of the enterprise's activity becomes greater in pace with the acute competition that requires rapid reactions to changes of the market situation.

Innovation culture means those moral norms and values, code of behaviour, rituals, etc. that dominate in the collective and determine the mode of joining groups and certain individuals in the organization so as to achieve the preset objectives [8].

Innovation culture makes it possible to gain managerial income through self-organization and synergy which is the valuable effect that the organization obtains not through equipment renovation, replacement of technologies and range of issued products but through better coordination of the goals of the firm and its individual divisions, optimization of the organizational structure, implementation of new methods of planning, work with the personnel and implementation of the innovative methods of management [8].

It is necessary to concentrate the efforts of domestic enterprises upon the development of innovation activity because of general integration processes and really existing oversaturation of markets with obsolete and non-competitive products. In these circumstances the optimum solution is to raise a level of the innovative activity of enterprises involving all efficient mechanisms to implement innovations. It is the innovation culture that belongs to refined planning mechanisms that facilitate creativity and innovative capacity of Ukrainian enterprises as it is the result of the social and economic interaction of all innovation activity entities and encompasses the relations of the entire life cycle chain: germination, formation, commercialization and diffusion of innovations [9, p. 35].

Due to that the innovation culture forms unity, integrity and interaction of external and internal features of the innovation culture that have found their concentrated implementation through functions, structure and factors of the activity as well as determines its role, goal and tasks.

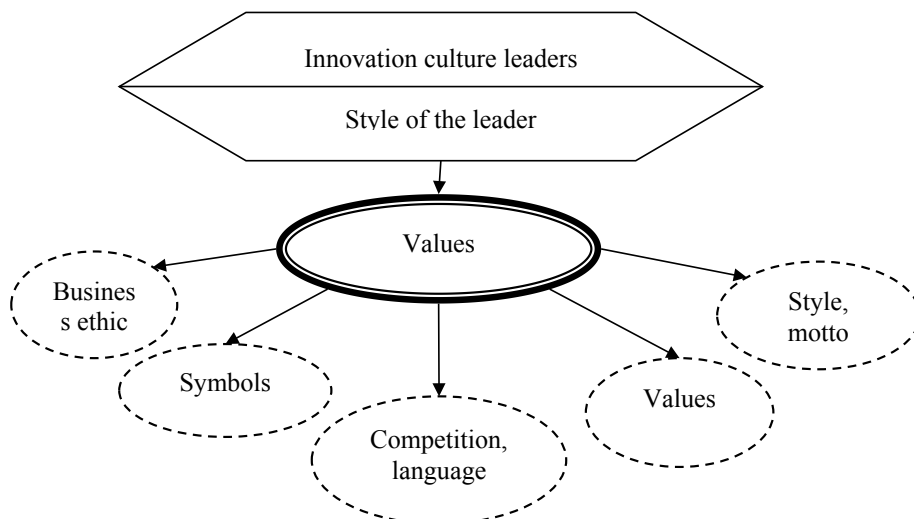
The main role of the innovation culture is to determine and synthesize the main innovation elements, their functioning, interaction and dynamics of the innovation process development, harmonious work of all innovation sys-

tem of an enterprise [10, p. 64]. The innovation culture formation objective lies in the accomplishment of effective innovations in their qualitative dimension, perfection of the mechanism of activation of the required potentials in the innovation process. Among tasks of the innovation culture it is expedient to single out the following: optimization of all potentials that are important for implementation of the innovation process and existence of the innovation system; stimulation of the intellectual capital and its components; activation of the innovation process through the process and meaningful technology; formation of the information and communication system at each stage of the innovation process and inside the innovation system of the enterprise – between its levels and components; facilitation of the formation and implementation of the innovation strategies in the course of development of the enterprise; liquidation of barriers inside the organizational structure of the enterprise, optimization of the existing organizational structure turning it into innovative (matrix, divisionary, etc.); in synthesis with the corporate culture that forms intensive intellectual climate inside the organization, strengthening of the incentive mechanisms as well as creation of the innovation image of the enterprise.

Dynamic functioning of the innovation culture is possible due to a well-balanced structure,

i.e. effective interaction of its levels, subsystems and components. By its nature the innovation culture is a multi-level system that is formed, functions and manifests itself at various structural levels of the enterprise: 1) strategic (in the development and accomplishment of the innovation strategy); 2) managerial (in selection of methods, approaches to the management of the innovation process); 3) functional (as a functional component of the innovation process and innovation system of the enterprise); 4) social (establishes a socially-oriented climate within the organization that is aimed at intellectual and creative search, generation of innovative ideas and their positive implementation) [9, p. 105].

Besides the innovation culture levels there exists their instrumental and symbolic subsystems which include mechanism that form and accomplish the innovation process. The instrumental subsystem includes the information and communication base, intellectual models and development strategies, technological novelties in production and management, innovation organizational structures, novelties in the corporate culture, innovation audit and innovation motivation. In doing so, the symbolic subsystem includes innovation philosophy, mission and ethics. Important are those innovation culture components that reflect its essence and specific features. Three groups of the innovation culture components have been formed:



Pic. 1. Structure of the innovation culture

Source: developed by the Author on the basis of [18; 19]

- the cognitive group joins professional knowledge, creative thinking, qualification, experience, skills, creative potential, i.e. the intellectual capital of the enterprise which forms innovation knowledge and generates innovative ideas to realize the innovation process;

- value and motivation group synthesizes various values, needs, motives, stereotypes, etc. of the innovation system subjects;

- behavioural group generalizes innovation types of behaviour of the innovation system subjects in the course of the innovation process.

The innovation culture, same as the culture of the organization, has its own life cycle of establishment and development which does not always coincide with the life cycle of the enterprise, however it brings in substantial adjustments in the development of the organization, particularly to the innovation development.

Innovation culture is a result of social interactions and is transferred through training, numerous contacts between groups of people, behaviour, regulations, norms, system of values, modes of dressing, ethics of labour relations, symbols, management style, ceremonies, communication and language (Pic. 1).

The innovation culture range is rather wide: from the establishment of the conditions for efficient use of the innovation potential (peculiar features, enterprises, organizations) to its reformation. Innovation culture provides for reception of new ideas by people, their readiness and ability to support and accomplish innovations in all spheres of life.

Innovation culture performs the following functions: of translation – transfers, from the past to the present time and from the present time to future time, the stable types of innovation behaviour of the social subjects who got through long-time testing and acquired certain values within the frame of a given community; of selection – selects the newly formed or borrowed innovation behaviour models that meet the society requirements at a certain stage of its development to the maximum; of innovation – discovers the creative abilities of the described social and cultural mechanism and development of new types of the innovation behaviour that appeared inside the culture or were drawn from outside [3, p. 176].

Our opinion is that the innovation culture reflects not only a development level of innovation process at the enterprise but also a measure of involvement of people in these processes, their satisfaction because of their participation, ensures perception of new ideas, their readiness and ability to support and accomplish innovations in all spheres of life.

Thus, we consider that the formation of the innovation culture is linked with the development of creative abilities and realization of the creative potential of a person which is its subject:

1. Innovation culture reflects the integral orientation of a person which is fixed in motives, knowledge, skills as well as in images and behavioural norms. Development of the innovation culture is based upon a system of values of the organization that are a series of ideas, sometimes not written, which substantiate the objectives and sense of the organization work.

2. It is considered necessary to focus attention of managers of domestic enterprises on expedience of using the world experience when financing innovation processes, especially those tools that enable to rapidly attract additional funds in the required amount, getting the maximum effect at minimum cost and during the necessary period.

3. It is required to combine efforts of scientists who are eager to develop innovation management models in order to develop the methodology based on the intellectual product of the evolution of the system of management knowledge, methods to influence people in the course of the innovation activity as well as to develop the efficient motivation system for researchers and developers of novelties and know-how which form the dynamic element of management connected with influencing the interests of the participants to the process of «research – production». The actually existing culture is accomplished every day through various specific forms such as: cultural rituals, procedures, ceremonies, communication with the use of specific and inherent to that particular organization language culture and symbols. Substantiation of expedience to form the innovation culture makes the perspective for our further research.

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MECHANISM OF PROACTIVE MANAGEMENT STRATEGIC MARKETING FIRMNES

The theoretical questions of forming of mechanism of proactive management strategic marketing stability are investigational. The model of choice of scenarios of strengthening of strategic marketing stability is offered by the economique – mathematical model of theory of unclear judgements. Considered requirement in relation to forming of strategic marketing set in accordance with the select scenario of strengthening of strategic marketing stability.

Keywords: marketing strategic firmness, proactive management, scenarios of strengthening of strategic marketing firmness, proactive analysis, proactive prognosis.

Problem statement. At modern conditions of market economy there appears necessity of constant strategic development of companies based on activation of innovation implementation, provision of flexibility and high speed of management decision making. An important aspect of general strategic company development is constant fulfilment of processes of strategic marketing. Firmness of market position of a company, positive dynamics of financial-economic results, business success most of all depend on the extent of company's adaptation to dynamic external changes. In this connection provision of marketing strategic firmness in conditions of infirmness and unexpectedness of business environment becomes the priority strategic task.

Analysis of the latest researches and publications. To understand the essence of the category "strategic marketing firmness" clearly, one needs, first of all to consider the content of the notion "strategic firmness", which in its turn provides for necessity of analyzing different scientific views of this issue. Let us determine some of the scientists' and researchers' present approaches to the essence of the category "strategic firmness of a company". Thus, Dubrova O. S. considers strategic firmness to be "a characteristic of company's activity, which reflects its ability for stable development and achievement of objectives stated (with minimal acceptable deviation from planned ones) regardless

of dynamic environment's influence, in which uncertainty of future results and riskiness of economic processes take place"[1, p. 16]. Zaitsev O. M. distinguishes internal firmness (characterizes proportionality of all company's structures, permitting to provide positive dynamics of basic financial and economic indicators and output expansion) and external firmness (characterizes non-conflict interaction with surrounding environment – consumers, competitors, suppliers, etc.), which in their interaction form firmness of company in whole [2, p. 11]. According to Mokhonko G. A., strategic firmness is an ability of a company to preserve its integrity, achieve mission and objectives stated, function in a set mode at different internal and external influence, preserving its integrity and harmonic development [3]. In the scientific paper by Derzhac N. O. [4] «strategic firmness of an industrial company» is defined by the author as «an ability to create, develop and maintain competitive advantages in segmented market for long time period, thus supporting proper level of liquidity, paying capacity and profitability of a company under the conditions of changing external environment». As one may notice, the basic condition of providing strategically stable work of an industrial company in this approach determines its financial firmness. We consider that a company is able to form its strategic firmness gradually only by virtue of maintaining proper level of financial and at the

same time of professional, technological, innovative and especially marketing firmness.

Statement of earlier unresolved components of general issue. Nevertheless, the components of mechanism of proactive strategic marketing firmness management are not enough highlighted in scientific papers by the above mentioned scientists.

Article's objective. The main objective of this paper is generalization of theoretical and methodical approaches to using the model of selection scenarios of strategic marketing firmness strengthening.

Statement of the basic material. Basing on the above mentioned theoretical views let us define strategic marketing firmness as an ability of a company to concentrate its efforts at priority directions of development of company's marketing activity strategy, to develop and preserve strategically stable competitive advantages at key, from the point of view of marketing success, activity directions in conditions of dynamic marketing environment. I.e. the main emphasis in defining this notion, as we consider, should be put on strategic direction in achieving priority marketing objectives and maintaining market position of a company in balance during constant unexpected changes in marketing environment. A company, which differs from others in higher marketing strategic firmness, is able to form more competitive market position, which is characterized by more stable marketing relations, more perfect marketing potential, which is constantly developed on account of intensification of company's efforts concerning identification and development of new market opportunities and raising realization level of present abilities, with more expressed key marketing competence.

It should be mentioned, that strategic marketing firmness of a company is conditioned by considerable spectrum of internal factors-activators, the most significant of which are: formed competencies regarding preservation of stable market position, available ability of a company to achieve planned sales volume on the basis of adequate assessment of present and future expectations of target consumer market, efficient system of adaptation to changes of marketing environment, developed system of marketing researches.

Thus, marketing strategic firmness is dynamic, complex, complicated and multiform notion, which requires reasonable approach to determination of directions of its provision, factors-activators and key results of this process.

For a modern company strategic marketing firmness provision based on reasonable complex of management actions is an extremely timely issue. We consider that the highest effectiveness in this process can be achieved by using proactive approach to management.

In scientific literature on management and marketing one may find such notions as reactive and proactive business behavior. At reactive behavior companies show their activity as reaction to any given phenomena of external or internal nature (action), without foreseeing changes or influencing them. As opposed to this, companies with proactive behavior carry out, as a result of observations and analytic work, forecast of future actions, aiming at their prevention. Basic objections of proactive management conception are: detection and identification of signals at the stage of latent (hidden) crisis, and also forming further model of company's behavior, taking into account implementation of anti-crisis measures [5, p. 374].

One should assent to opinion of N. V. Kar-tohina that "proactive management of marketing actions is a process, based on preventive management actions, taking into account occurrence of negative results of marketing activity" [6, p. 198].

Thus, one may state that using proactive management of marketing actions, aiming at provision of strategic marketing firmness, a company elaborates its own vector of marketing development and regardless of circumstances acts in the direction chosen. Elaboration of such vector, therefore, is based on the actions, which are carried out simultaneously: company elaborates new marketing measures according to objectives stated regarding strategic marketing development; company corrects the elaborated marketing plans and programs, taking into account minimization of risks of their fulfillment and aiming at leaving competitors behind.

Proactive approach to strategic marketing firmness management provides for constant monitoring of marketing environment, aiming at timely detection of changes, occurring in it,

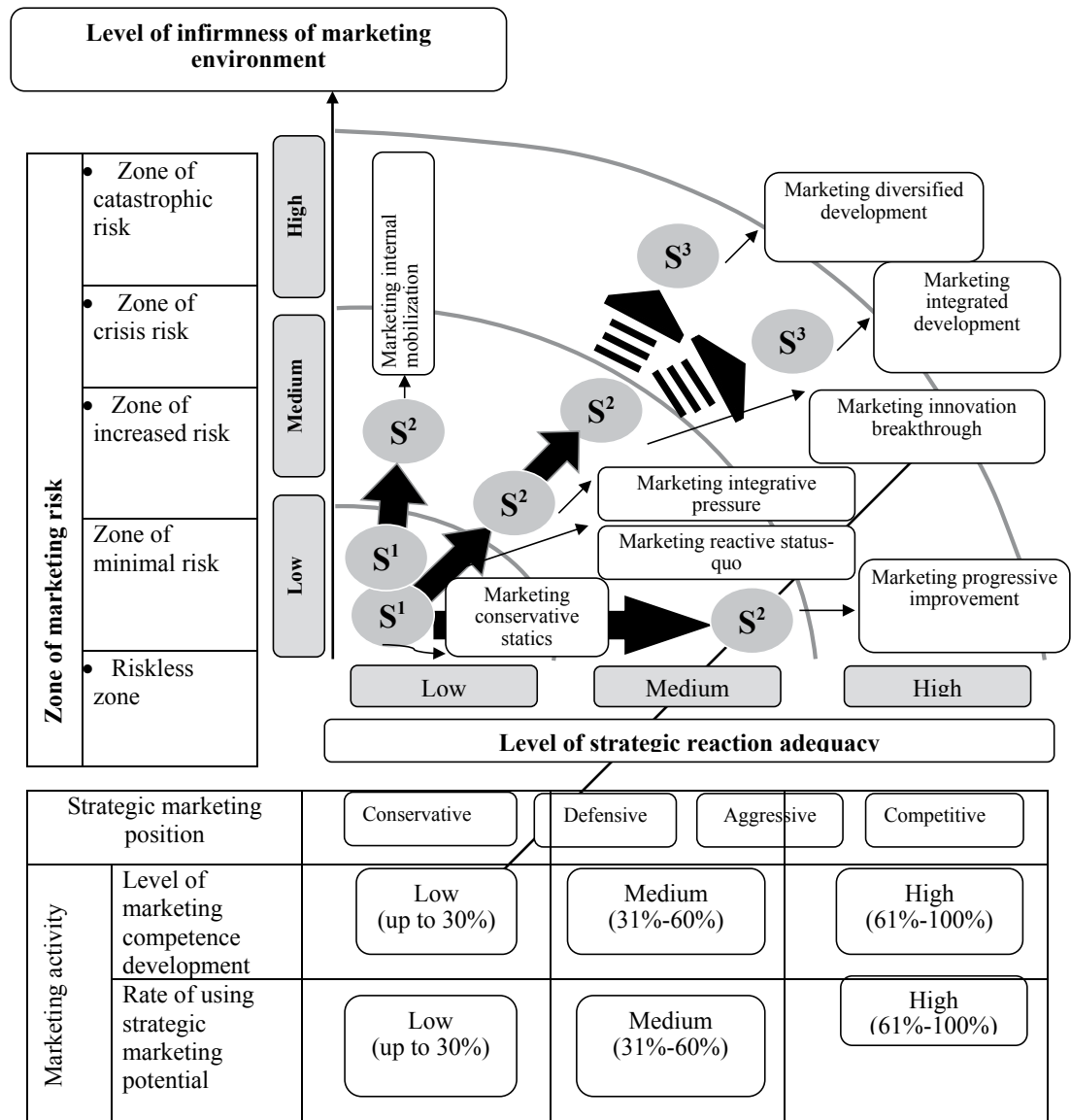
forecasting their future influence on company's marketing activity, elaboration, using this knowledge, of timely relevant measures for provision of preventive development according to dynamics of consumers' needs and competitors' challenges.

Proactive management of processes of strategic marketing firmness provision has considerable advantages as compared to reactive management. Using proactive approach, a company, instead of reacting after occurrence of a problem, reduces probability of marketing risk

occurrence by implementing elements of monitoring and strategic control.

Proactive management of strategic marketing firmness is based upon the following principles:

- integratedness with general system of company's marketing management;
- clear notion of company's strategic objectives in the direction of strategic marketing development provision;
- active reaction to changes in marketing environment;



Pic. 1. The model of selecting among possible scenarios of strengthening strategic marketing firmness

- readiness for correction of marketing strategies aiming at timely adaptation to new market opportunities and prevention of marketing risks;

- concentrating attention at elaboration and using qualitative instruments of reasoning management solutions in conditions of uncertainty and risk.

Mechanism of proactive strategic marketing firmness management includes four important processes:

- Proactive analysis provides for complex analysis of marketing environment factors aiming at assessing the level of its infirmness. The object of this analysis may be potential marketing risks and also signals of marketing environment infirmness. At this stage it is reasonable for companies to concentrate efforts on increasing quality of information support of strategic marketing management processes. For this purpose it is necessary to activate work of marketing system of strategic supervision.

- Proactive diagnosis is aimed at detection of causal connections between the identified marketing risks (infirmness signals) and results of marketing activity of companies. At this stage numerous dependencies between poor signals of potential possibilities or forecasts and future marketing activity results are determined, e. g.: market share, goods turnover, profitability, level of satisfaction and loyalty of consumers, etc.

An important task at this stage is assessment of strategic reaction of a company, which reflects level of company's readiness for taking marketing risks (or signals of infirmness) and for implementation of corresponding proactive measures. Conclusions as to adequacy of strategic reaction of a company can be made basing on assessment of the following indicators: marketing strategic position, taken by company; marketing activity, which is characterized by rate of using strategic marketing potential and level of marketing competence development.

- Proactive prognosis is aimed at modelling marketing strategic behavior in terms of generating and selecting the most rational scenario of strengthening strategic marketing firmness. The scenario approach to marketing firmness management will permit a company to determine possible and necessary ways of influencing marketing processes, so that they lead to acceptable for company results.

The model of selecting among possible scenarios of strengthening strategic marketing firmness is shown in Pic. 1.

In accordance with this model, a company, depending on strength of influence of marketing risks or signals of infirmness it has in its marketing activity and depending on its strategic reaction, may be in three strategic zones: strategic vulnerability, strategic rest, and strategic strength.

- Proactive improvement secures holding necessary marketing measures of adaptive nature, directed to preservation of both internal and external marketing flexibility. Based on the specified at the previous stage scenario of strengthening strategic marketing firmness a company elaborates relevant set of marketing strategies, which will contribute to the best achievement of strategic marketing objectives. Such approach will permit the companies, which strive for stable marketing development, to secure protection from basic threats of marketing environment.

The choice of the most expedient scenario of strengthening strategic marketing firmness is proposed to be carried out with the help of economic and mathematic model of fuzzy sets theory. At the first stage one must conduct indistinct multicriteria analysis of variants of scenarios that will let by the defined criteria to select the best scenario for introduction into effect of concrete company.

Let $S = \{S_1, S_2, \dots, S_k\}$ – set of scenarios, which are subject to multicriteria analysis, $K = \{K_1, K_2, \dots, K_n\}$ – set of criteria, by which the elaborated scenarios are assessed.

The task of multicriteria analysis is to assess accordance of elements of the set S with the determined criteria from the set K .

Let $\mu_{K_i}(S_j)$ – be number in range $[0,1]$, by which certain scenario $S_j \in S$ by criterion $K_i \in K$ is assessed: the more number $\mu_{K_i}(S_j)$, is, the more rational scenario S_j by criterion K_i , $i=1, \dots, n, j=1, \dots, m$.

Then concrete criterion K_i can be represented as fuzzy set \tilde{K}_i at universal set of scenarios S [8, 9]:

$$K_i = \{\mu_{K_i}(S_1)/S_1, \mu_{K_i}(S_2)/S_2, \dots, \mu_{K_i}(S_m)/S_m\}, \quad (1)$$

where $\mu_{K_i}(S_j)$ – is degree of belonging of element S_j to fuzzy set \tilde{K}_i .

To resolve this sum one should use the

scheme of mixed point of extremum (minimax criterion) of Bellman-Zadeh.

The most rational scenario shall be the one, which is the best by all criteria at the same time. Fuzzy solution \tilde{R} is found as cross-up of partial criteria [8,9]:

$$\tilde{R} = \tilde{K}_1 \cap \tilde{K}_2 \cap \dots \cap \tilde{K}_n = \{ \min_{i=1, \dots, n} \mu_{K_i}(S_1)/S_1, \min_{i=1, \dots, n} \mu_{K_i}(S_2)/S_2, \dots, \min_{i=1, \dots, n} \mu_{K_i}(S_m)/S_m \}. \quad (2)$$

Correspondingly, the scenario, which has the highest degree of belonging should be considered the best scenario of strengthening marketing firmness:

$$R = \arg \max (\mu_R(S_1), \mu_R(S_2), \dots, \mu_R(S_m)). \quad (3)$$

If the criteria, by which comparison is carried out, have different values, degrees of belongings of scenarios, which are assessed, to fuzzy set \tilde{R} are found as follows [8,9]:

$$\mu_R(S_j) = \min_{i=1, \dots, n} (\mu_{K_i}(S_j))^{\lambda_i}, \quad j = 1, \dots, m, \quad (4)$$

where λ_i – is coefficient of relative importance of criterion K_i ; the sum of coefficients equals one. This coefficient as an indicator of degree λ_i in the formula (4) concentrates fuzzy set \tilde{K}_i in accordance with the degree of significance of criterion K_i .

To determine coefficients of relative importance of criteria and degrees of expediency of fuzzy set it is reasonable to apply the method of paired comparisons according to Saaty scale [7]. To assess scenarios of strengthening strategic marketing firmness it is proposed to use the following criteria:

K_1 – orientation to leveling external threats;
 K_2 – orientation to realization of market opportunities;

K_3 – expected economic influence on company's activity;

K_4 – expected speed of implementing adequate strategic changes;

K_5 – uniqueness of strategic solutions;

K_6 – complementarity of strategic connections.

Experimental check-up of the proposed methodic approach concerning selection of rational scenario of strengthening strategic marketing firmness was carried out at the researched company of format «Brick-and-mortar» – Commercial Group «Foxtrot». As a result of conducted complex research it was determined that the company is at the zone of strategic rest, has medium level of adequacy of strategic reaction, medium level of marketing activity, which is characterized by medium level of development of marketing competencies (46,24 %) and medium level of use of strategic marketing potential (45,4%). That is why four scenarios of strengthening marketing firmness should be considered as alternative ideas: «Marketing internal mobilization», «Marketing progressive improvement», «Marketing integrative pressure», «Marketing innovation breakthrough». Let us denote these scenarios correspondingly $S_1 \div S_4$. Generalized conclusions of expert assessment of scenario in accordance with the selected criteria are represented in the following matrixes of paired comparisons:

$A(K_1) = \begin{bmatrix} 1/3 & 1 & 2 & 3 \\ 1/5 & 1/2 & 1 & 2 \\ 1/7 & 1/3 & 1/2 & 1 \end{bmatrix}$	$A(K_2) = \begin{bmatrix} 1 & 1 & 3 & 5 \\ 1/3 & 1/3 & 1 & 3 \\ 1/5 & 1/5 & 1/3 & 1 \end{bmatrix};$	$A(K_3) = \begin{bmatrix} 1/5 & 1 & 1/5 & 3 \\ 1 & 5 & 1 & 7 \\ 1/7 & 1/3 & 1/7 & 1 \end{bmatrix};$
$A(K_4) = \begin{bmatrix} 1 & 1/3 & 1/5 & 1/3 \\ 3 & 1 & 1/2 & 1 \\ 5 & 2 & 1 & 3 \\ 3 & 1 & 1/3 & 1 \end{bmatrix}$	$A(K_5) = \begin{bmatrix} 1 & 1/3 & 1/3 & 1/5 \\ 3 & 1 & 1 & 1/3 \\ 3 & 1 & 1 & 3 \\ 5 & 3 & 2 & 1 \end{bmatrix};$	$A(K_6) = \begin{bmatrix} 1 & 1/7 & 1/3 & 1/7 \\ 7 & 1 & 3 & 1 \\ 3 & 1/3 & 1 & 1/3 \\ 7 & 1 & 3 & 1 \end{bmatrix}.$

Using the formulae of fuzzy multicriteria analysis of scenarios we obtain the following fuzzy sets:

$$\tilde{K}_1 = \{0,59/S_1, 0,22/S_2, 0,12/S_3, 0,07/S_4\},$$

$$\tilde{K}_2 = \{0,39/S_1, 0,39/S_2, 0,15/S_3, 0,07/S_4\},$$

$$\tilde{K}_3 = \{0,42/S_1, 0,11/S_2, 0,42/S_3, 0,05/S_4\},$$

$$\tilde{K}_4 = \{0,08/S_1, 0,23/S_2, 0,48/S_3, 0,21/S_4\},$$

$$\tilde{K}_5 = \{0,08/S_1, 0,23/S_2, 0,48/S_3, 0,21/S_4\},$$

$$\tilde{K}_6 = \{0,06/S_1, 0,40/S_2, 0,14/S_3, 0,40/S_4\}$$

As one may see, different scenarios have advantages at particular criteria, that is why for continuation of analysis the degrees of criteria importance were determined. Calculation of coefficients of relative criteria importance was also conducted in terms of expert method of paired comparisons.

Expert expression, which was obtained, accords with the following matrix of paired comparisons:

$$A = \begin{bmatrix} 1 & 1/3 & 1/2 & 4 & 1 & 3 \\ 3 & 1 & 2 & 6 & 3 & 5 \\ 2 & 1/2 & 1 & 5 & 2 & 3 \\ 1/4 & 1/6 & 1/5 & 1 & 1/3 & 1/2 \\ 1 & 1/3 & 1/2 & 3 & 1 & 2 \\ 1/3 & 1/5 & 1/3 & 2 & 1/2 & 1 \end{bmatrix}$$

In accordance with the formulae (1, 2) coefficients of relative importance of criteria K_1, K_2, \dots, K_6 were found:

$$\lambda_1 = 0,16, \lambda_2 = 0,33, \lambda_3 = 0,26, \lambda_4 = 0,05, \lambda_5 = 0,13, \lambda_6 = 0,07$$

that indicates higher degree of importance of criteria K_2 and K_3 while taking administrative decisions.

Finding coefficients of relative criteria importance permitted to obtain fuzzy sets from the formula (1).

Degrees of expedience of fuzzy solution were obtained in terms of cross-ups of fuzzy sets:

$$\mu_R(S_1) = \min(0,919, 0,732, 0,797, 0,894, 0,717, 0,813) = 0,717$$

$$\mu_R(S_2) = \min(0,784, 0,732, 0,552, 0,936, 0,813, 0,938) = 0,552;$$

$$\mu_R(S_3) = \min(0,490, 0,723, 0,797, 0,969, 0,823, 0,871) = 0,490;$$

$$\mu_R(S_4) = \min(0,409, 0,667, 0,456, 0,933, 0,909, 0,938) = 0,409.$$

This permitted to obtain fuzzy set:

$$\tilde{K} = \{0,717/S_1, 0,552/S_2, 0,490/S_3, 0,409/S_4\}$$

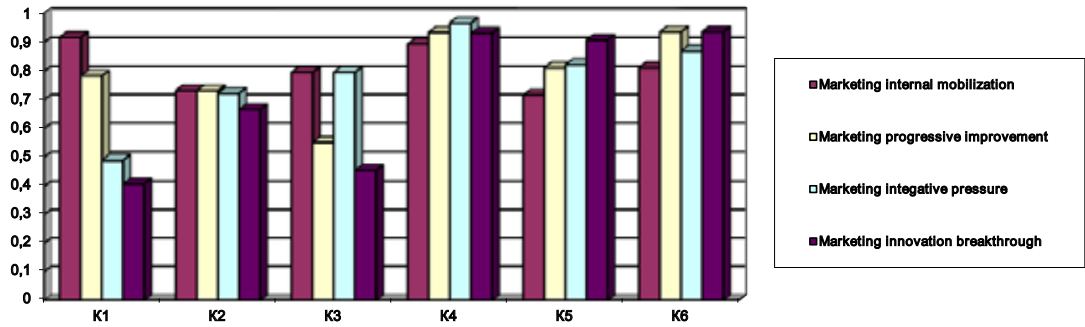
Given fuzzy set points to advantages of scenario S_j , which was selected by CG "Foxtrot", over other scenarios.

To accept the most reasoned decision regarding selecting concrete scenario, let us give fuzzy sets, which show how fully scenarios $S_j \div S_4$ accord with criteria $K_1 \div K_6$, as a

Table 1

Elements of fuzzy sets of full accordance of scenarios of strengthening marketing firmness with the denoted criteria

Scenarios of strengthening marketing firmness	Criteria					
	orientation to leveling external threats, K_1	orientation to realization of market opportunities, K_2	expected economic influence on company's activity, K_3	expected speed of implementing adequate strategic changes, K_4	uniqueness of strategic combinations, K_5	complementarity of strategic connections, K_6
Marketing internal mobilization	0,919	0,732	0,797	0,894	0,717	0,813
Marketing progressive improvement	0,784	0,732	0,552	0,936	0,813	0,938
Marketing integrative pressure	0,490	0,723	0,797	0,969	0,823	0,871
Marketing innovation breakthrough	0,409	0,667	0,456	0,933	0,909	0,938



Pic. 2. Values of the function of expediency of fuzzy sets, which accord with scenarios of strengthening strategic marketing firmness

table of elements of sets and chart of expediency functions (table 1, pic. 2).

The chart reflects how fully the scenarios $S_i \div S_j$ accord with the criteria $K_i \div K_6$. As determined above, when a decision concerning choice of concrete scenario of strengthening marketing firmness is made, criteria K_2 and K_3 are of the highest level of importance.

I.e. with the help of economic mathematic model of fuzzy sets theory it has been proved, that scenario of strengthening marketing firmness «Marketing internal mobilization» in the fullest degree matches criteria K_2 – orientation to realization of market opportunities, K_3 – expected economic influence on company's activity.

Strategic marketing set, in accordance with the selected scenario of strengthening strategic marketing firmness should comply with the following requirements (table 1).

Strategic marketing set, in accordance with the selected scenario of strengthening strategic

marketing firmness should comply with the following requirements:

- to include clear objectives, achievement of which is decisive for securing strategic marketing development;
- to concentrate main efforts at proper time in proper place;
- to foresee such flexibility of marketing behavior, which would permit to use minimum resources for achieving maximum result;
- to secure coordinated management;
- to make allowance for correct order of marketing actions.

Conclusions and recommendations. Practical implementation of the offered model of selecting scenarios of strengthening strategic marketing firmness will permit management boards of companies to introduce changes in strategic marketing programs timely, so that they can adjust themselves to changing conditions of marketing environment.

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METHOD OF ESTIMATION INFORMATIVE RISK IS ON ENTERPRISES OF RETAIL BUSINESS

The question of calculation of informative risk is investigational on the enterprises of retail business. The model of the informative system of record-keeping of point-of-sale enterprise is developed. The method of the public accountant testing of the newest information technologies which are used in activity of enterprises of retail business is improved.

Key words: public accountant risk, informative system of record-keeping, audit, enterprises of retail business, information technologies.

Problem definition. Internal audit of trade enterprises programme is compiled at the stage of check planning, the main aim of which is identification and public accountant risk assessment.

Under paragraph 3 of the ISA 400 “Risk Assessments and internal control”: “Audit risk” means the risk that the auditor gives an inappropriate audit opinion when the financial statements are materially misstated. [1, p. 367]. Such misstatements may appear due to deception or mistakes. Under ISA 400 public accountant risk has three components: inherent risk, control risk and detection risk. ISA 400 gives recommendations concerning their evaluation.

Retail enterprises activity research has shown that trade cycle uses the whole complex of different information technologies, which are aimed at producing a single corporate policy of retail enterprises development. Alongside with advantages of commerce automation system the usage of latest techniques introduces additional risk into the audit work – informational.

Internal audit must provide condition monitoring of the enterprise information security. The control is suggested to be carried out with the help of informational risk calculations which in literature is usually identified as IT- risk.

Nevertheless quantitative evaluation of informational risk is quite a complex procedure which is caused by several reasons. First of all, starting data that are necessary mainly for all

types of quantitative evaluation of IT – risks are hard to collect. The collection of such data demand comprehensive understanding of all the information security threats and their impact on the enterprise assets, beginning with IT- assets and proceeding with a commercial enterprise image. This demands accuracy in recording the information security threats, and the recording must continue during a long period of time, for the data must be usable for IT-risk calculation methodology development.

Secondly, the IT environment of a modern trade enterprise includes various application softwares in order to automatize different spheres that in addition constantly undergo changes as far as operational efficiency is one of the most important advantages of a retail enterprise.

One should also admit, that it takes much time and human resources to hold the audit evaluation of IT-risk. You also need extra time and people to analyze risk exposure. All this doesn’t allow to hold quantitative evaluation of informational risk with a required periodicity.

On the modern trade enterprises the problem of evaluation of IT – risk is of high importance as it aims at building up the system which would take control over the risks. Competitive capacity of the domestic enterprises domestically and on the foreign markets depends on the effectiveness of solving this problem. Theoreti-

cal and methodological analysis of the problems aforementioned specified the relevance of the research.

The analysis of recent studies and scientific publications:

Many native as well as foreign studies are dedicated to the problem of evaluation of informational risks. Among the authors of these investigations stand: Zharikova L., I. Zhevaho, S. Matveeva, P. Strubalina, S. Deveradzha, R. Kohli, V. Zinkevych, D. Shtatova et al. Besides in the opinion of V. Zinkevych, D. Shtatova: informational risks are risks of loss, unauthorized alterations in information due to the malperformance in the information system or due to breakdowns which lead to the losses [2, p. 50].

Accepting the viewpoint of the authors, we shall consider the informational risks as risks of loss occurrence being a result of human influence as well as the influence of external events on the informative system of record-keeping and also due to the malperformance of the informative system of record-keeping on the enterprises of retail business.

Specifications of earlier undetermined parts of the issue:

Until now in spite of the existence of a great amount and variety of studies the sphere of assessment of informational risks lacked system researches dedicated to the topic of organization of audit monitoring of information systems and development of a single methodology of IT risks assessment on the enterprises of retail business which will conform to the International Standards and market demands.

Aim of the article. The article aims at developing the methodology of IT risks assessment, which will satisfy the demands of the audit and which will allow the development of recommendations for the management personnel in order to prevent the information security threats on the trade enterprise.

Results and Discussion. The first stage of informational risks evaluation is informational system and technology analysis that is used on the enterprises of retail business. The analysis allows to single out the separate packages of application software which serve to solve special assessments on different levels of enterprise management.

Among the enterprises of retail business on which record-keeping is computerized the majority uses the "IC COMPANY" software products, which allow to automatize the accounting of receipt, goods transfer and sale of goods on the enterprise, accounting of the income from their realization in accordance with National accounting standard. At the same time tax bookkeeping of merchandise accounts is conducted.

Preparation and placement of accountancy in electronic form using digital signature under the paragraph 49.9 of an article. 49 of The Ukrainian Tax Code has become an obligatory demand for the taxpayer who belong to large and medium-sized businesses. At the time of information technologies and electronic methods of communication, placement of accountancy in electronic form is not only the way to ensure the transparency of relations between the tax administration and a taxpayer but also a reputation of an enterprise which thus demonstrates to the public its' reputation of a prudent taxpayer [4, p. 118-121]. In the modern context, for preparation and placement of tax accountancy, more than hundred thousand taxpayers of Ukraine use software package «БЕСТ-3BIT», among these are METRO Cash & Carry and The Coca-Cola Company in Ukraine.

Introduction of modern technologies into the audit on the domestic market is in a far worse condition. By comparison, nowadays the Russian Federation may present for about 10 varieties of software packages and their versions, among the main are such products as: AuditXP «Комплекс Аудит» of the company «Гольдберг-Софт», «ЭкспрессАудит: ПРОФ» of a consulting group «Терміка», «IT Аудит: Аудитор» of the company «Мастер-Софт» etc.

Ukraine presents only three software products used for automation of auditing services, they are: adapted Russian software package «IT Аудит: Аудитор» domestic programmes «Івахненко & Катеньов Аудит» і «Турбо Аудит». The most adjusted to (adapted for) the merchandise accounts on the trade enterprise is a software complex «IT Аудит: Аудитор», «, which provides control of trade operations in the following areas : testing of application of the declared in accounting policies ways of

leading of record-keeping and tax bookkeeping of merchandise accounts; review of the appropriateness of organization of accounting trade transactions; review of conducting and recording the results of the inventory of goods; testing of operations upon the entry of goods; testing of operations upon the retirement of goods.

Software package allows to import the data from the most common in Ukraine, accounting and financial software (including the accounting systems « 1С », «Бухгалтерія», «Парус», «Галактика»). For maximum convenience, the system keeps methodical and normative reference database, which is updated monthly, allowing the auditors to significantly reduce the time for violations detecting and facilitate the inspection process itself, and develop internal standards on the enterprise for the conduct of the inspections by the internal audit department.

To collect the primary data required for quantitative estimations of IT risks, the internal auditor should examine all information systems that are used on the trade enterprise. Assessment of the reliability of an information system on the enterprise depends on the specifics of the work cycle, and hence on the functions of procedures. To determine the required amount of information for assessment of IT risks, there is a need to study the functional specialization of commercial activity, which is characterized by a definite volume of a certain type of work performed to meet the challenges and achieve the objectives of the enterprise. The functional approach reveals the key business processes that consist of a number of functions that form the organizational structure of commercial enterprise, according to the strategic policy.

Each function is divided into separate components, so that the hierarchy of functions of lower order is generated (subfunctions), which determine not only the nature of an activity, but also the ways of its implementation. General functions of the company are implemented simultaneously, continuously and in the interaction that ensures the integrity of the enterprise as a system, and thus its continuous activity [5, p. 27].

In the process of management of a trade enterprise such functions are distinguished: financial management, marketing, logistics, sales management etc. Each of the aforemen-

tioned systems forms the information flows, for which some specific forms of risks are peculiar. Development of methodology of IT risks assessment by functional approach involves the study of individual blocks of information system of a trade enterprise that reflect all business transactions and objects that take part in them.

Thus, the study of information system and information flows of enterprises of retail business made it possible to identify the following types of IT risks as risks associated with the technical aspects, risks associated with the systems of automation of back-office and front-office; risks which are connected with the information systems of record-keeping (ISRK), risks associated with electronic document management system, the risks associated with automation of audit.

We offer a formula to calculate the IT risk on enterprises of retail business:

$$R_{IT} = R_1 \times R_2 \times R_3 \times R_4 \times R_5, \quad (1)$$

Which R_{IT} – risks associated with the use of information technology;

R_1 – Risks associated with the technical aspects;

R_2 – Risks associated with the systems of automation of back-office and front-office;

R_3 – Risks associated with information system of record-keeping (ISRK);

R_4 – Risks associated with electronic document circulation system;

R_5 – Risks associated with systems of automation of audit.

Each of these elements is necessary to define stagewise. The risks associated with the technical aspects we offer to calculate using the formula:

$$R_1 = \sqrt[5]{R_{11} \times R_{12} \times R_{13} \times R_{14} \times R_{15}}, \quad (2)$$

Where R_{11} – risks associated with the acquisition of cheap equipment or with unreliable suppliers;

R_{12} – Risks associated with the use of illegal software ;

R_{13} – Risks caused by lack of maintenance and control;

R_{14} – Risks caused by the mismatch of the characteristics of hardware and software;

R_{15} – Risks associated with the lack of system of countermeasure to voltage steps.

We offer the following formula to calculate the risks associated with the systems of automation of back office and front office:

$$R_2 = \sqrt[5]{R_{21} \times R_{22} \times R_{23} \times R_{24} \times R_{25}}, \quad (3)$$

where R_{21} – the risks posed by the usage of different software tools to automate the back- and front-office;

R_{22} – Risks associated with the lack of banknote validators at all cash registers;

R_{23} – Risks related to coding of goods with the help of internal barcodes;

R_{24} – Risks related to lack of maintenance operations and inspection technology and other trade equipment

R_{25} – Risks associated with errors in the design, maintenance, modification, exploitation of software for automation of front and back office.

We suggest measuring the risks associated with informative system of record-keeping using the formula:

$$R_3 = \sqrt[7]{R_{31} \times R_{32} \times R_{33} \times R_{34} \times R_{35} \times R_{36} \times R_{37}}, \quad (4)$$

where R_{31} – risks associated with lack of experience and skills of the accountant personnel to work with ISRK;

R_{32} – Risks associated with the lack of licenses for software packages used to automate record-keeping;

R_{33} – Risks associated with unauthorized changes of software, not tested by the developers of the software programme;

R_{34} – Risks associated with the lack of personal account passwords of the accountant personnel, which allow to determine the authorship of conducted operations, to prevent possible errors, loss and falsification of accounting information;

R_{35} – Risks associated with decentralization of databases and imperfect methods of transmitting information between departments of trade enterprises and ISRK;

R_{36} – Risks associated with the customizability of ISRK when changes are made in accounting and tax legislation;

R_{37} – Risks related to the existence and organization of control over ISRK.

The risks associated with electronic document circulation system can be measured by the formula:

$$R_4 = \sqrt[6]{R_{41} \times R_{42} \times R_{43} \times R_{44} \times R_{45} \times R_{46}}, \quad (5)$$

where R_{41} – risks associated with signing of records with the help of uncertified digital signature;

R_{42} – Risks associated with the preservation of information, its archiving, ease of access, encoding, decoding, limitation of the unauthorized access to it;

R_{43} – Risks associated with poor training of personnel on the enterprises of retail business, that doesn't allow to work with the appropriate hardware and software of electronic document circulation.

R_{44} – Risks associated with the use of electronic documents are not tailored to meet the challenges of trade enterprises;

R_{45} – Risks associated with providing control over the insertion of data into the electronic documents;

R_{46} – Risks associated with decentralization of databases and imperfectness of methods of transmission of electronic documents between the departments of trade enterprise and the supply organisations.

Risks associated with the systems of audit automation are proposed to be measured by the formula:

$$R_5 = \sqrt[5]{R_{51} \times R_{52} \times R_{53} \times R_{54} \times R_{55}}, \quad (6)$$

Where R_{51} – risks associated with the lack of tools to test the software products used on the enterprises of retail business, in the automation of internal audit software;

R_{52} – Risks associated with the lack of tools to import data from the accounting software in the automation of internal audit software.

R_{53} – Risks associated with the inability to complement functional possibilities of the internal audit software, with one's own audit methodology adapted to the object of the inspection;

R_{54} – Risks associated with poor computer competence of the internal auditor;

R_{55} – Risks associated with making false conclusions by the internal auditor, because of the inaccuracies during the development, maintenance and technical support of programmes of internal audit automation.

Each of the elements of IT risk with the help of method of expert estimates is evaluated on a scale: 1- low risk, 2- medium risk, 3- high risk.

The following scale of IT risk assessment was developed for the enterprises of retail business «Жизнь -97»: from 1 to 51 – the risk is low, from 51 to 101 – the risk is medium, from 101 to 151 – the risk is high, from 151 to 201 – the risk is critical; more than 201 – the risk is extreme.

Conclusions and recommendations. The proposed model of information risk calculation allows to improve the methodology of audit testing of new information technologies that are used by the enterprises of retail business. The testing of complex software products can be carried out by technical experts. The internal auditors should verify the results of such tests

and take them into account when assessing audit risk of information technologies. The effectiveness of the internal audit largely depends on the quality of electronic data processing, and full implementation of information technologies is the basis for reducing of audit risk.

Generally, materiality and audit risk are assessed both at the initial planning stage, and while summarizing the results of the audit. However, if at the beginning of the audit the internal auditor only predicts the results, then after the end of the audit he receives actual results, that may differ from projected and, as a result, the assessment of audit risk may change.

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IMPORTANCE OF LOCAL MARKETS IN SUSTAINABLE DEVELOPMENT OF REGIONAL ECONOMICS

The article is devoted to the investigation of the essence of sustainability and sustainable regional development. It unveils the concept of sustainable development of the region, the necessity of the development of local markets to ensure the sustainability of the region, determined by its extra significance in the socioeconomic system has been validated. The system of theoretical approaches to the formation of regional and local markets is analyzed. It stands for the theoretical basis of sustainability, balance and improvement of management performance of the economy of the region and the improvement of specification of the subject-object structure of the market for environmental goods and services.

Keywords: sustainable development, regional market, local market.

The Introduction. In the current socioeconomic system, the region should be considered as a spatial substance, that reflects problematic fields, as well as traditional and newly forming trends, that reflect the development process as conflict of interest of different kinds resolution, that are peculiar to elements of the classic triad “man – society – nature”, localized on the given territory of institutions and others.

Long-standing asymmetry of the Russian Federation development increases, or on the contrary, is being neutralized under the influence of a range of interrelated factors, which should include natural-resource potential of the region, the level of regional management administration, the state of environmental consciousness of society, etc., which in every particular case determines the configuration of the vectors of regional development.

The unique conglomerate of sub-paradigms of the South Russian regions development, that are in the continuous transformation dynamics, naturally complements in a single paradigm of institutional and socioeconomic development of the Russian Federation. The inverse proposition is also true, as the reverse process is no less important. A set of interrelated, but retaining their specificity regional paradigms sets the framework conditions in accordance with the conception of sustainable development,

that over the past few decades is chosen by the majority of the leading countries in the world as the main track of national economic development.

The regional socioeconomic system, from the viewpoint of territorial localization is the space of synergistically interrelated local markets. It is within this localization that all primary processes proceed and the mechanisms of functioning and cooperation of its players arise and develop. On the local (from the viewpoint of territorial and commercial (service) belonging) markets, the laws of supply and demand, the reproduction processes, price formation are quite vividly manifested. Investment, financial, industrial, resource, product portfolio, environmental policies and other types of policy are formed and implemented.

Combining the afore-mentioned, the study of the directions supplying sustainable development by improving local markets management, accomplished by the evidence from one of its segments – the market for environmental goods and services (as the space of circulation of innovative artifacts) is an example of a relatively new local market for the scientific study and an up to date trend of numerous scientific researches that has great practical importance for the Russian territories. The importance of the local market functioning, (in order to

achieve sustainable economic development of the territory of regional, national and global levels) is extremely high in scientific and theoretical gnoseologico – methodological and applied aspects.

Literature review: The regional paradigm of economic development is put forward and substantiated in the works of the local and foreign scientists : A. Granberg, P. James, V. Ilyin, J. Martin, P. Minakir, I. Rodionova. V. Suslov, A. Tatarkina et al.

Theoretical problems of regional economics and the sustainabilities of regional development were considered by the domestic and foreign scientists : L. Abalkin, A. Aganbegyan, V. Baturin, O. Bogomolov, O. Bodrov, A. Buzgalin, S. Bulgakov, M. Weber, B. Gourman, K. Gusev, V. Danilov – Danilyan, O. Dmitrieva, V. Dokuchaev, B. Zlobin, V. Zolotarev, O. Inshakov, H. Joffe, F. Klotsvog, I. Komarov, N. Kondratiev, V. Lexin, K. Losev, N. Markova, N. Nekrasov, V. Ovchinnikov, I. Omelchenko, V. Parfenov, A. Chayanov, N. Chortov, A. Shvetsov et al.

The questions of sustainability of the development of systems of various levels are covered in the works of the following Russian and foreign scholars: V. Galperin, V. Senchagov, L. Valsar, D. Keynes, V. Leontiev, K. Arrow, P. Samuelson.

The problems of sustainable development of regional socio-ecologico-economic systems are reflected in the scientific works of such scientists as M. Guzev, A. Druzhinin, V. Ignatov, A. Kuklin, Lemesheva M., O. Lomovtseva, P. Oldak, N. Pakhomov, R. Popov A. Tatarkin, S. Tyaglov, Ursul A., I. Shabunin et al.

In modern conditions theoretical aspects of the ecological, economic and social development are investigated by the following scientists: V. Bilchak, E. Buchvald, Y. Vasiliev, Y. Gladkij, Y. Kolesnikov, D. Lvov, A. Shvetsov, J. Yandyganov.

Selection of the unsolved aspects of the research problem. Alongside this, the issues of improving local markets functioning, in terms of sustainable development of the regional economics are still insufficiently investigated. Nevertheless within the terms of the doctoral dissertation, the significance, principles and trends in the local markets development, have been

analyzed using the example of a relatively new and dynamic ecological market, which altogether determined the author's interest towards the chosen topic.

The purpose of the article. Based on current trends in the formation and development of local markets and approaches to their analysis and evaluation to reveal the contents of the local market for environmental goods and services, highlight the key components to justify the principles of operation and development, and basic functions, as well as to identify factors braking market-based approach to the regulation of the local market environmental goods and services.

Discussion. Despite some similarities between the concepts of regional and local markets, allowing some authors to consider them as identical phenomena, the author's position is that they are not synonymous. Criteria for their differences – territorial parameters (from the regional markets have a higher territorial parameter), the breadth of the merchandise lines assortment (Table). Moreover, according to the author, the second sign prevails.

The research shows that the processes of globalization and regionalization carry a contradictory impact on the process of socio-economic development. The author sees the solution within the concept of sustainable development, which considers economic growth within the harmonious and balanced development of three areas: social, economic and environmental under the steady increase of the importance of the latter. One of the ways of practical solutions for sustainable regional development is the formation and development of a civilized market for environmental goods and services.

Proceeding from the author's generalization the conceptual bearing construction of the dissertation research, is the accentuation on the stability of the market as the ability to maintain certain parameters of functioning and development, under the influence of cooperation of various factors in the desired direction by the self-regulated or controlled variation of the level of interaction and structure of local markets.

In the process of Strategy of local markets development one needs to apply a complex and integrated approach, taking into account modern requirements and economic trends in the region and in the country as a whole, the main of which

Table

The comparative analysis of regional and local markets characteristics

		Market		
		Regional	Local	
			on grounds of territorial features	on grounds of commercial belonging
1	on grounds of location scale	Wider location (usually tends to administrative boundaries of constituent territory of the federation (in a narrow sense) and as a market, which occupies a certain space (in a broad sense)	A narrower location (usually does not go beyond the administrative regions)	Weakly correlates with the spatial location
2	on grounds of homogeneity of commodity composition	Heterogeneous	Heterogeneous (by this indicator it is inferior to the regional market)	Limited number of similar goods, usually within similar commodity groups
3	on grounds of functional features	Distinctions are not found		
4	Product specialization	Insufficiently identified, largely depends on regional specific features.	Insufficiently identified, largely depends on local specifics.	Well-defined
5	Infrastructure components	Developed, taking into consideration regional features	Less extensive considering local specifics	Does not depend on regional specifics.
6	The correlation between the sustainable market and territory development (the basic justification document)	Yes (conception of RF sustainable development)	Yes (to a lesser extent) (The conception of sustainable development of the territory)	Yes (the conception of dissertation research)
7	Presence of specific forces of motivation			Mental-psychological

is sustainable balanced regional development, which consists in ensuring the process of change in which the rational exploitation of natural resources, the direction of investments, the orientation of progress in science and technology, personality development, institutional and market changes are consistent with each other and contribute to the strengthening of the current and future regional potential, to improve the quality of life, to satisfy the human needs and the implementation of humanistic aspirations.

The paradigm of sustainable development of the region as an area of functioning of local markets is thus graphically presented in the research (pic.).

The potential of sustainable development of the region is due to the natural resource, economic, infrastructural, political and other features. It is at the regional level, that the principle of sustainable development can most effectively be implemented, as at the meso-scale it is possible to develop and use any

mechanisms, that solve the problem of sustainable development through the establishment of rules, norms, industrial safety parameters for life, health and property of citizens and the environment, the introduction of confirmation of products conformity (works, services) to the requirements of monitoring of compliance by the state with these parameters, to establish amenability for their violation. It is proposed to consider the orientation of the development of innovative local markets, as a key parameter for sustainable economic development in the region, because it consists in the production and sale of environmental goods and services, in the use of resource-saving technologies, and in the search for new raw materials sources and resources.

Proceeding from the theory of regionalistics [1], the local market is defined as an open, elaborate subset of commodity markets that function in a single business environment, which is formed by the ensemble of natural and climatic, socio- economic, political and mental- psychological factors which are peculiar to concrete territorial and commodity (product groups) localization.

The market for environmental goods and services is an integral part of the “big market”,

which, in its turn, is represented by labor markets, capital markets, means of production markets, etc. At the same time the environmental segment is somehow represented in each of them. For example, the market of means of production, certified in accordance with environmental regulations is a segment of the market for environmental goods and services and at the same time the market of production factors.

The subjective structure of the market of environmental goods and services specified by the author consists of the following blocks:

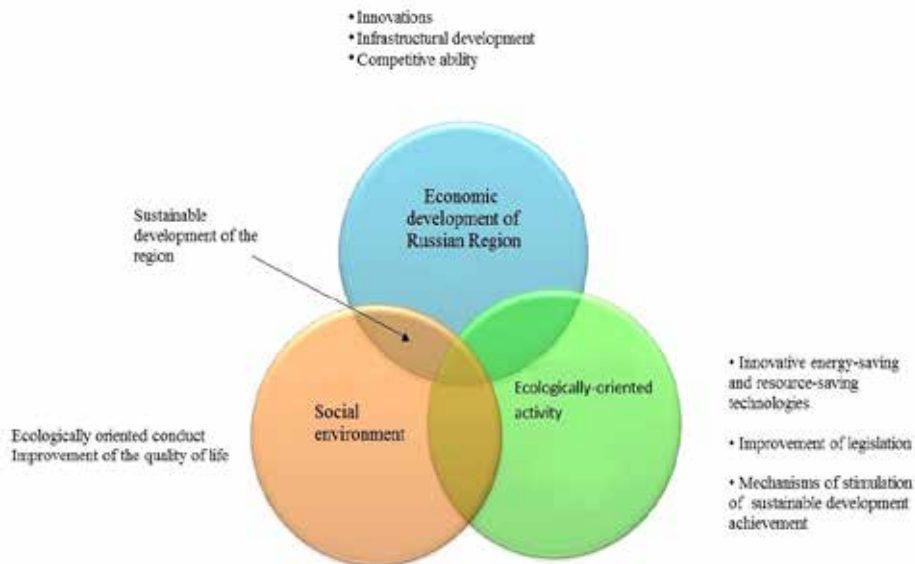
1. Manufacturing unit:

- Companies and organizations that dispose of environmental commodities and environmental services on a commercial basis;

- Enterprises and organizations that dispose of environmental goods and provide both environmental and conventional (traditional) services on a commercial basis;

- Companies and organizations that provide environmental goods and provide environmental services free of charge.

Thus, each of these elements can be represented by groups of the market objects, which are environmental goods and services (agricultural production, recreation, health and recreation, medical and other services).



Pic. Graphic expression of the paradigm of sustainable development of the region as an area of operation of local markets

2. Consumer unit:

- Companies and organizations of the region;
- Population;
- Households.

3. State management unit:

- Federal and regional bodies of legislative power;

- Regulatory agencies;
- Licensing authorities;
- certifying authorities etc.

4. Social unit:

- Social agencies and nonprofit organizations for the Consumer and the environmental protection;

- International Funds for consumer and environmental protection ;

- Nonprofit organizations of manufacturers who adhere to the principles of Corporate Social Responsibility and environment protection;

- Mass media

In order to obtain a more complete specificity of the market exploration the author offers his set of principles of its operation and development:

1. The principle of sustainability maintenance, which means achieving a Pareto optimal combination of the state interests, society and business.

2. The principle of innovation, which lies in the priority of innovation in technology and methods of production organization at all management levels.

3. The principle of scientific sustainability maintenance of the economy on the basis of ecologization with the strong interrelation between the concerned scientific institutes.

4. Principle of social responsibility for the environmental protection and damage mitigation.

5. The principle of transparency provides the formation of available transparent information realm in relation to market players' activity.

6. Feedback principle which is intended to exclude the phenomenon of information asymmetry between market players.

7. The principle of integrity, which is oriented on the integrated result, social, environmental and economic components.

8. The prevention principle is aimed at forestalling the negative consequences by planning activities based on strategic and environmental assessments.

9. Principle of adaptability and socio- environmental risk management.

10. Environmental component priority principle as an activity of players of the market of environmental goods and services.

11. Principle of permanence, which consists in carrying out activities aimed at sustainable development provided by all market players.

The logic of observance of the principles aforementioned allowed the author to prove the specificity of functions of the local market for environmental goods and services, formulated on the basis of the classical market functions: informative, price forming, accumulating, social, stimulating, and intermediary.

Methodological basis of operations support and local markets development includes the specifics selected in the research such as mesofaktors of inhibition of the market driven approach to its regulation.

The research postulates the core message, under which badly-formulated principle and functions realization leads to the inefficiency of measures proposed by the author.

Functioning and development of the local market is influenced by internal and external factors that have a direct or indirect impact on the processes occurring in it, which, according to the applicant, can be divided into the following groups:

1. Socio-economic – characterizing the economic, demographic, innovative and other aspects of the region development.

2. Sociocultural – representing culture-historical features of the region, forming the economic and environmental behavior of citizens.

3. Informational – reflecting the degree of informatization of the economic space of a region.

4. Political – including support by the authorities of environmental entrepreneurship and support of the adaptation to the WTO, etc.

5. Administrative – determines the level of development of market- regulating system in the region.

6. Regulatory – characterize the degree of development of the legal framework for the protection of the environment; the existence of standards for the production and consumption of green products and services, etc.

7. Climatic and geographical – and reflecting the diversity of the natural landscape features and climate of the region.

8. Ecological – reproducing qualitative state of natural and resource capital of the region.

9. Institutional – evaluating the level of infrastructure development (financial credit system, academic environment, efficiency and transparency of the authorities t, etc.).

Conclusions and recommendations. Formulated principles, limitations and functions allowed us to construct a methodological functional model and development of the local market for environmental goods and services, which can serve as the basis for the formation of the corresponding concept.

Thus, the market for environmental goods and services is an open market segment of the

national economics, the object of which (goods, works, services) corresponds to the criteria implemented at all stages of the reproductive process: organicity (nonexploitation in the process of manufacturing, distribution, exchange and consumption of pesticides, chemical additives, the achievements of genetic engineering, synthetical feed additives and growth regulators, food colourants, flavorings and aerosols) and ecological safety provision for humans and the environment (absence of repugnant and other non-natural substances that have an adverse effect on human health and the environment in the released product, safety withdrawal and use of raw materials resources, minimization of negative impact on the environment at all production stages, harmless elimination of waste and recycling of waste products and packaging waste.)

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ECONOMY AND ENTERPRISE MANAGEMENT

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FACTORS AFFECTING ON COMPETITIVE POTENTIAL OF ENTERPRISE ENGINEERING

The paper analyzes the main factors influencing the competitive potential. Grouped by factors belonging to the local potential overall competitive potential. Proved to take into account the competitive potential of engineering Ukraine.

Keywords: potential, competitive potential, factors engineering industry.

Introduction. Formation of market relations in new ways poses the problem of enterprise performance, bringing to the fore not only efficiency, but the efficiency of businesses in a particular competitive environment. Because of the high competitiveness of the industry appears not an end in itself, but a means to strengthen the position of the national economy and social problems. Key positions in Ukraine's economy are industry, and what makes a dominant role in the structure of the national economy. Despite the deep recession, which has affected primarily large industrial enterprises, industrial production, still holds the largest share in the gross domestic product.

Analysis of recent research and publications. The development of enterprises associated with the presence not only of market, financial and other capacities, but also competitive. It should be noted that the issue of setting methodologies and assessment of the competitive potential seen in the works of local scholars such as A.G. Andreev, E.A. Gorbashko, I.V. Konstantinova, A. Fedonin, I. Repin, A. F. Parfenov, Y. Taranuhyn, A.D. Shadryn, S. Shevchenko, G. Shepelenko, N.S. Krasnokutskaya, I.P. Otenko, I.M. Kyrchata and others, and works by foreign scholars such as I. Ansoff, W. Demynh, J. Juran, Shewhart W., M. Robson and others.

The purpose of the article. Development and study of factors influencing the competitive potential of the machine based on statistical index the industry.

Of the content of the research. Development of engineering – the foundation of science and technology in all sectors of the economy, much support the country's competitiveness. The task of building complex – production machinery and high-tech equipment level, which should provide increased productivity, reduced material consumption and energy intensity, enhance the quality of products.

Mechanical engineering is a complex industry that is based on the use of achievements and accomplishments in almost all industries (chemical, power, light, metal, etc.), it is the basis of industry and plays a crucial role in the implementation of scientific and technological progress in all areas of the economy. In Ukraine today, the industry is not sufficiently developed.

Competitive potential of the machine is formed and developed under the influence of numerous factors, given their sources, may be submitted as factors external and internal environment. In the most general terms, environmental factors are described as conditions and factors arising out of or dependent on its activities to the list of internal environment factors include those that are influenced by the same

entity [1]. By the uniqueness of differentiation factors by source of origin, during their group researchers have different approaches, due to the peculiarities of the simulation environment. Conceptually, the environment supplied by hierarchical and non-hierarchical model, subject to any release of the relevant factors. In particular, the environment serves as a set of defined forces (model M. Porter), a hierarchical system that consists of direct and indirect environmental effect (Model M. Meskon, K. Bowman), one-tier system in which all factors have the same influence on the development of a business subject (model J.D. Danielsa and Lee H. Radebe), system key factors (model A. Thompson and A. Strickland) and others [1-5]. Most environmental factors combined for the allocation factors macro-level, meso level, micro [6, p. 71], social, political, industrial and opportunities for companies [5, p. 89-90], international, national, sectoral [7, p. 202 -203], political, economic, legal, social and cultural [8] et al. In further studies, we adopted as a basic hierarchical model in which the environment is represented as macro and micro, the main difference between them – level of exposure and the degree of approximation to the entity. Macro creates the general conditions and microenvironment directly affects the decisions that are formed within a single entity.

During the study, the influence of the environment on the formation and use of competitive potential of mechanical engineering major groups of factors into account macro-and micro-environment, which highlighted the evaluation frequency of their use in the scientific literature. As a result, to assess the conditions of formation of the competitive potential of mechanical engineering studies economic, legal, technological

and socio-cultural factors that reflect the macro factors. To evaluate the factors evaluated micro level of competition in the segment of engineering, the influence of suppliers and consumers for the development of engineering enterprises, especially cooperation with the local governance, contact the audience. Influence of environmental factors is reflected in terms of industry development. This provision is included in the study. Specifically defined not only the main trends in the macro- and micro-engineering enterprises, but also the main effects of such exposure to the industry.

Under macro-level factors occupy a prominent position economic factors that are formalized through a set of indicators of economic development, the level of competitiveness, inflation, investment in fixed assets and more. All other things being equal, the favorable economic situation creates the basis for the development of competitive potential of mechanical engineering, especially its financial and market components.

Changes in the environment are reflected in terms of engineering enterprises. In particular, to assess the impact of economic factors used general indicators that reflect the economic aspects of the industry, such as performance and dynamics of production, profitability, liquidity of engineering. Research carried out in the context of the main areas of engineering and the whole industry.

Mechanical engineering is one of the most important industries. It causes the development of higher productivity and cost- efficiency of all sectors of the economy, reflecting the level of scientific and technological potential of the country is an indicator of the level of economic development. Back in 1990 topped Engineering

Table 1

Indices of industrial production in Ukraine in 2007-2011, % to previous year

Types of industry	2007	2008	2009	2010	2011
industry	107,6	94,8	78,0	111,2	107,6
Manufacturing	109,9	94,0	73,5	113,9	108,2
engineering	119,0	100,3	55,1	136,1	117,2
including: production machinery and equipment	103,0	98,2	62,4	121,1	112,5
Manufacture of electrical, electronic and optical equipment	129,1	93,2	71,8	124,2	114,7
manufacture of transport equipment	130,0	105,7	42,1	161,9	122,6

within the structure of industrial production (it accounted for more than half of the total), for twenty years, its share decreased significantly. The level of production during this period fell by more than two-thirds volume of production of important products (steam turbines, tractors, electric hoists, bearings) decreased in 3-21 times. For the past years, both in the industry as a whole and in the engineering segment domi-

nated upward trend in the index of industrial production (Table 1).

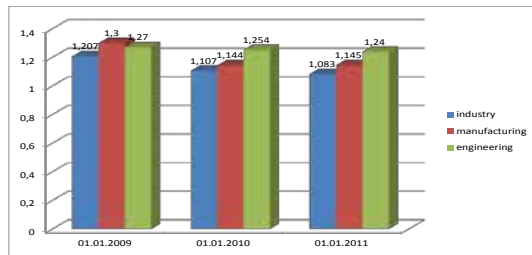
According to the 2011 index of industrial production in mechanical engineering was 117.2%, which is significantly higher than in industry (107.6%). In general, the engineering of the period 2007-2011 is allocated two periods, namely the period of decline of the index of industrial production (2007-2009) and growth (2009-2011). Despite the stability and positive dynamics of production quality characteristics Ukraine is second leading countries according to the criteria of the industry in general and engineering in particular. Global trends in industry structure focused on the development machine, whereas in the structure of industrial production in Ukraine accounted for the largest share in the manufacturing sector in general and mechanical engineering including. The share of machinery in the period 2001-2011 he was the total volume of industrial production (works, services) ranged from 10.2... 13.7% over the years. As a result in 2011 the figure is set at 11,6% [9].

The main economic indicators that reflect the performance of enterprises of any kind of economic activity is the sheer size and dynamics of their financial performance and profitability indicators of activity. As for machine building, for them as a whole during the years 2009-2011 is characterized by a positive financial result, which for the period grew at a considerable pace.

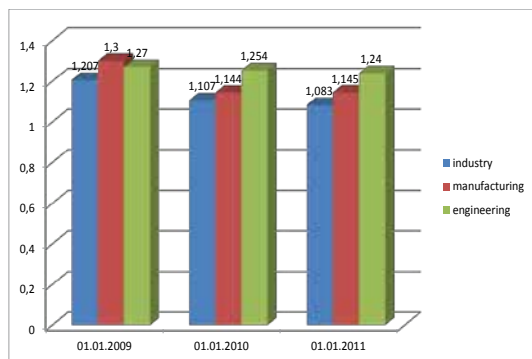
In addition to the main indicators reflecting the economic aspects of machine-building enterprises of Ukraine, studied liquidity, based on which the conclusion on the overall financial situation of the industry. Background and results of calculations of liquidity for companies building complex shown in Pic. 1-3.

As a result, concluded on a high level of liquidity for the engineering enterprises compared with the industry in general and manufacturing in particular. According to the estimates in 2010-2011 liquidity by segment Engineering 1.5... 2.0 times higher than the corresponding figures industries.

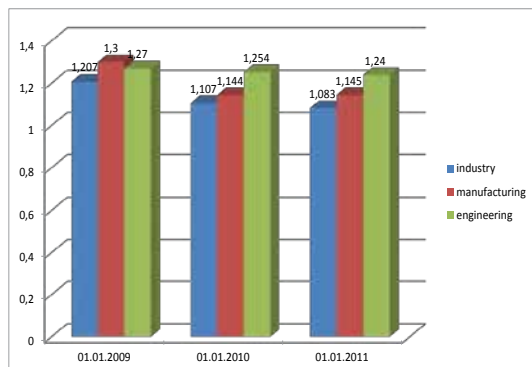
General Dynamics indicators in mechanical engineering segment is unstable and does not coincide with the trend in the whole industry. Against the background of relative stabiliza-



Pic. 1. Absolute liquidity ratio for the engineering enterprises compared with enterprises of the industry as a whole



Pic. 2. Interim ratio for the engineering enterprises compared with enterprises of the industry as a whole



Pic. 3. Overall liquidity ratio for the engineering enterprises compared with enterprises of the industry as a whole

Table 2

The amount of income tax paid by a company, the industry in 2009-2011*, mln.

Types of industry	2009 p.	2010 p.	2011 p.	Diversion million UAH		Rate of growth, %		
				2010/2009 pp.	2011/2009 pp.	2010/2009 pp.	2011/2010 pp.	2011/2009 pp.
industry	9431,8	19690	26183,4	10258,2	6493,4	16751,6	208,8	133,0
Manufacturing	5155,4	8587,9	12916,0	3432,5	4328,1	7760,6	166,6	150,4
engineering	1937,5	2937,3	4241,9	999,8	1304,6	2304,4	151,6	144,4
including: production machinery and equipment	887,6	1045,7	829,0	158,1	-216,7	-58,6	117,8	79,3
Manufacture of electrical, electronic and optical equipment	603,4	523,5	752,2	-79,9	228,7	148,8	86,8	143,7
manufacture of transport equipment	446,5	1368,1	2660,7	921,6	1292,6	2214,2	306,4	194,5
								595,9

* Calculated independently according to [9]

Table 3

Trends in income tax for the years 2009-2011 by a group of industrial enterprises in Ukraine*, % of total sales

Types of industry	2009 p.	2010 p.	2011 p.	Deviation		
				2010/2009 pp.	2011/2010 pp.	2011/2009 pp.
industry	1,17	1,85	1,97	0,68	0,12	0,80
Manufacturing	0,92	1,18	1,47	0,25	0,29	0,54
engineering	2,26	2,52	2,75	0,27	0,23	0,49
including: production machinery and equipment	2,59	2,63	1,72	0,04	-0,91	-0,88
Manufacture of electrical, electronic and optical equipment	2,46	1,89	2,19	-0,57	0,30	-0,28
manufacture of transport equipment	1,65	2,80	3,72	1,15	0,92	2,07

tion of liquidity for the industry as a whole an increase in the absolute, reduction factors common and diverging dynamics in the interim ratio for enterprise engineering.

Among the macro factors significant for the development of the real sector of the economy in general and engineering enterprises in particular are the legal factors that presented a system of legislation and regulations on the rights and ownership, organizational and legal forms of enterprises, the conditions of their operation and so on. The work of the enterprise guided by the Constitution of Ukraine, as well as breaking civil law, legislative support for investments and investment, labor legislation, financial and tax legislation. Experts functioning of the legal environment are complex, which affects the business activities in the country in general and in particular the engineering segment. According Doing Business in 2012 for ease of doing business in Ukraine occupies position 152 out of 183 countries. Compared to 2011 the country lost three positions. The worst situation is assessed to taxation (position 181), the registration of construction (position 180), registering property (position 166), resolving the issue of insolvency (position 156), registration and protection of investors (respectively 112 and 111 positions). Successful on this background are the arrangements for lending (24 position) and contract enforcement (position 44) [10]. In furtherance of the overall assessment of business conditions in Ukraine will present data on the

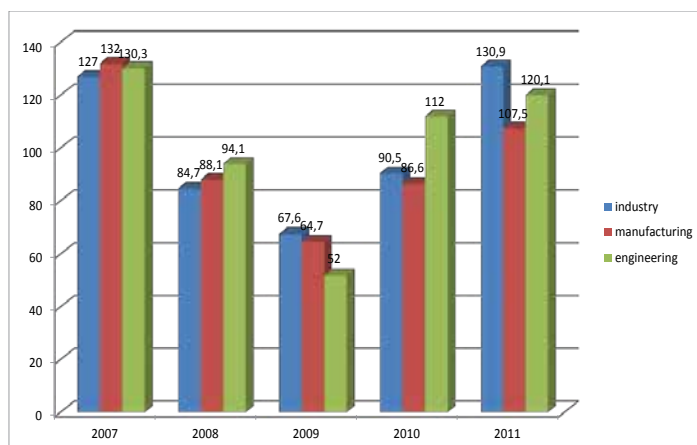
income tax industry enterprises in general and engineering in particular (Table 2).

How are the calculations (Table 2) for the period amount of income tax paid as the whole business industry and mechanical engineering by segment growing. In 2009-2011 he was the figure for the industry increased by 2.8 times, in the mechanical engineering sector – by 2.2 times.

Given that the amount paid depends on income tax and the taxable value to determine general trends calculated level of tax per unit of sales (Table 3).

Technological factors affect the productive capacity of enterprises in different industries. At the level of business entities this question is as follows as the level of use of new technology and innovative technologies, the level of depreciation, capital investment, and the amount of scientific and technical work. Given these figures, the following conclusions. In the overall assessment of Ukraine is a leader in advanced areas of engineering. As stated in the document [11] current state machine characterized by low levels of technological processes, which are more than twice, lower than the European one.

Depreciation of assets in the engineering segment is 65-75%, and the average age of technological equipment and facilities – [11, p. 30]. The high level of depreciation of fixed assets and low level processes in engineering due to lack of funding in sufficient quantities. According to the 2007-2011 bienniums observed unstable



Pic. 4. Index of investment in fixed assets in enterprises of Ukraine, % over the previous year

trend in the development of capital investment in the field of mechanical engineering, namely – decline in investments during the crisis (2007-2009) and their growth in the post-crisis period (2009-2011) (Pic. 4).

Compared with 2010 the volume of investments in fixed assets amounted to 130.9% and 120.1 % respectively in the sphere of industry in general and engineering in particular.

Despite significant investments dynamic parameters is insufficient for updating Technical Park of mechanical engineering.

According to the State Statistics Committee of Ukraine investment in the industry in 2011 totaled 86,313 million., which provided 7% of fixed assets. For investments directly in engineering, then this value was only 6.8% of total investment industry, in absolute amount was 5888 million.

Lack of investment affects the level of innovative activity of industrial enterprises. The issue of innovation enterprises considers many academic economists [12, 13, 14]. It is estimated that the share of industrial enterprises that introduce innovations into production has declined over the past 10 years. In particular, if in 2000 the figure was 14.8%, while according to the 2011 – 12.8%. Note that despite the low value is the best indicator for the last three years. In 2009 and 2010 the proportion of such enterprises accounted for only 10.7 and 11.5%, respectively [9]. The dynamics is observed decline in the development of innovative products for industrial enterprises, and reducing the share of sales in total sales.

The formation of the competitive potential of mechanical engineering affect socio-cultural factors, such as such as supply and demand in the labor market, the level of workforce skills, system of training and retraining in the country and so on. Regarding the relationship between the main characteristics of the labor market, in general in Ukraine throughout the study period (2000-2011 years) observed excess labor supply over demand, which is consistent with market fundamentals of the economy and some of its markets. Number of unemployed persons according to 2011 amounted to 505.3 thousand for the total supply of up to 59.3 thousand people. In total excess labor supply over demand load unemployed per vacancy for the

period ranged considerably. During the crisis, the decline in production has led to reduction proposals on the labor market, resulting in increased load on one workstation with 4 to 10 people. In the post-crisis situation has stabilized, but the ratio of supply and demand for jobs are high. At the end of 2011 the figure was 8 person/place, which is twice higher than the same period in 2007 [9]. Despite the increase in the overall burden of unemployed people per job in the economy as a whole, and in industrial enterprises during the period studied there is a growing need for workers. According to the 2011 in the segment of the industry as a whole and the need for manufacturing workers was 16.6 and 13.0 thousand respectively.

One of the factors influencing the formation of labor potential businesses of any type of industry and engineering enterprises is particularly financial incentives work. To evaluate this factor studied the absolute amount and dynamics of the average wage in the industry. As a result, determined that in the mechanical engineering sector average wage is less than the corresponding figure for the industry as a whole. According to 2011 industry average wage set at 3120 USD./month. For engineering enterprises, in this segment the highest average wage does not exceed the value of 2926 € / month, which was recorded in manufacture of transport equipment. On the dynamics, in the mechanical engineering sector average wage increases more rapidly than the industry as a whole (Table 4). Compared with 2010, in 2011 the growth rate of the industry determined to rivni120, 9% versus 122.9%, 121.0% and 121.4%, which was observed in segments of machinery, electrical, electronic and optical equipment and transport equipment, respectively.

The higher growth rate of average wages in selected segments indicate the potential for attracting qualified data fields and increase production at this major employment potential of the industry.

Microenvironment engineering enterprises is determined by such basic forces as suppliers, customers and competitors. Identify key trends in the business environment machine-building enterprises.

Machine-building, among other industrial activities are highly capital intensity of produc-

tion and a significantly higher level processing of raw materials, which indicates a significant dependence of mechanical engineering from forming their procurement policies and perfor-

mance of transactions within the inventory of production. Establishing and maintaining supplier relationships affect the transaction costs of the enterprise that is the basis of decision-

Table 4

Dynamics of average salary for Industrial Activities* % previous year

Types of industry	2005	2006	2007	2008	2009	2010	2011
industry	100	125,3	128,2	129,8	105,0	121,9	120,9
Manufacturing	100	125,6	128,1	127,0	100,4	122,9	121,0
engineering							
including: production machinery and equipment	100	128,4	129,2	129,8	97,4	129,2	122,9
Manufacture of electrical, electronic and optical equipment	100	129,2	132,8	129,2	101,5	126,5	121,0
manufacture of transport equipment	100	1307,6	13,2	127,4	89,6	141,5	121,4

* Calculated independently according to [9]

Table 5

Dynamics of shares payable in current liabilities industrial enterprises, %

Types of industry	01.01.2009	01.01.2010	01.01.2011	Deviation		
				2010/ 2009	2011/ 2010	2011/ 2009
industry	78,9	83,0	81,8	78,9	-1,3	2,8
Manufacturing	79,3	81,2	80,0	79,3	-1,2	0,7
engineering	73,3	74,9	80,9	73,3	6,0	7,6
including: production machinery and equipment	77,9	80,1	81,6	77,9	1,5	3,7
Manufacture of electrical, electronic and optical equipment	77,2	73,1	80,0	77,2	6,8	2,8
manufacture of transport equipment	68,6	71,6	80,8	68,6	9,2	12,2

Table 6

Dynamics of particles receivables in current assets of industrial enterprises, %

Types of industry	01.01.2009	01.01.2010	01.01.2011	Deviation		
				2010/ 2009	2011/ 2010	2011/ 2009
industry	62,5	65,3	64,9	2,8	-0,5	2,4
Manufacturing	59,6	62,8	63,8	3,2	1,0	4,2
engineering	52,5	53,1	52,1	0,6	-1,1	-0,5
including: production machinery and equipment	50,4	49,7	49,3	-0,7	-0,4	-1,0
Manufacture of electrical, electronic and optical equipment	51,7	54,5	52,2	2,7	-2,3	0,4
manufacture of transport equipment	54,8	55,6	54,4	0,8	-1,2	-0,4

making to support/resource reduction potential of the entity. To assess the impact of suppliers in the investigated volume and dynamics payable by industrial enterprises in general and engineering in particular. As a result, the absolute size of the increase in diagnosed payable for the industry as a whole and for engineering companies in particular. During 2009-2011 years the amount payable by industrial enterprises increased by 1.4 times, in the mechanical engineering sector – 1.2 times and amounted on 01.01.2011 and accordingly 439,920.9 58,684.7 million. Defined as that payable has a significant share in total current liabilities as the industry in general and engineering enterprises (Table 5).

According to the 2011 this figure was 81.8 % for industrial enterprises in general and 80,9% – for businesses including engineering. In the dynamics of this indicator tends to grow large share of payables and its growth over time periods indicates greater dependence of machine-building enterprises of suppliers.

With market conditions no less important factor in shaping the competitive potential consumers is affecting the production and sale of industrial potential of enterprises through the development of the product range, pricing entity, its volume of production and sales. To assess the influence of consumers on the enterprise engineering investigated the proportion of receivables in the current assets of enterprises and defined its change over time. The analysis identified a positive trend in the development of accounts receivable. However,

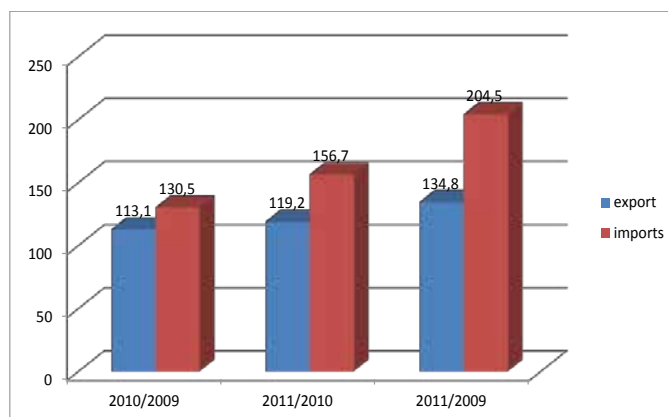
the pace of growth in engineering is much lower than the industry as a whole. Given that the industry volume of receivables 2009-2011 bienniums increased by 1.3 times for engineering companies increase was only 3.5 %. There were also stabilizing the share of receivables in current assets of mechanical engineering (Table 6).

This figure for the mechanical engineering sector is essential in particular for more than ½ of current assets, but varies slightly 52,1... 53,5 % of the total value of current assets over time.

High proportion of receivables in current assets of mechanical engineering indicates the significance of buyers in the formation of productive capacity, and the immutability of the indicator in the dynamics of resistance – marketing communications engineering enterprises.

A key factor is the influence of the microenvironment competitors. Features of competition in the market and activity of competitors considered a separate economic entity during the development of corporate strategy and inform decisions about functional strategies of the company. In various fields of industrial competition differ. In particular for electricity and food industry is characterized by monopolistic competition. For engineering enterprises – oligopolistic competition.

As competition in the segment of mechanical engineering, then estimated that domestic enterprises have low competitiveness due to inefficient technological structure of production, high energy costs. As a result, the pres-



Pic. 5. Dynamics of export and import of machinery in 2009-2011

Table 7

Value of exports and imports of machinery in Ukraine in 2009-2011, th. USA

Years	Import	Export	Value for import / export
2009 p.	5014319,1	6257044,8	1,25
2010 p.	5670416,3	8166974,9	1,44
2011 p.	6758995,2	12795104,9	1,89

ence of strong demand for machinery Ukraine is a large dependence on imports of machinery (Pic. 5).

Compared with 2009, the volume of imports engineering industry increased more than 2.0 times the volume of exports during the same period increased by only 1/3, the growth rate amounted to 204.5 and 134.8%, respectively. It is estimated over 2009-2011 biennium advance ratio of imports over exports of machinery increased and made according to the 2011 1.89 (Table 7).

Higher growth rates of imports of machinery compared to the volume of its exports, and

increasing the ratio of imports and exports of engineering products indicates a low level of competitiveness of domestic enterprises and weak competitive position of businesses both foreign and domestic markets.

Conclusion. Thus, the article was considered the main impacts on the competitive potential. Found that macroeconomic factors directly affect a particular local potential, which is part of the competitive potential. The study was conducted in the mechanical engineering. Further proposed to measure the impact of these factors on the competitive potential.

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REDUCTIONISM APPROACH TO COMPETITIVENESS OF REGION AND ITS EXPORT-IMPORT POTENTIAL

In the article from the position of reduction approach results of analysis of export-import operations of the Zakarpattia area as to the factor of influence on a regional competitiveness are offered. Basic obstructions which slow development of foreign economic activity of regions of Ukraine and reduce the level of their competitiveness are selected, which the special place is occupied among: : imperfection of methods of strategic management regions and their competitiveness, absence of adequate the modern requirements of legislative base, error, in price strategy, a technical platform, absence of the proper system of preparation and retraining of shots, became antiquated.

Keywords: reduction approach, potential, foreign economic activity, obstructions, region, competitiveness.

Raising of problem. A competitiveness of regional economy is ability of it economic system to provide leading positions not only on internal markets but also to form and realize the export portfolio of region. The processes of integration of Ukraine were lately accelerated in a world economy, by investigation what became all more close co-operation and interdependence both national economies in the world market and regional economic complexes. Thus separate regions provide realization of certain functionally procedural directions in relation to development of foreign economic activity of national economy and subjects of manage. For example, regions are created by attractive terms for arrival of multinational corporations to the internal market through the complex of actions in relation to support of oversea investor.

Review of the last publications. The questions of competitiveness of region are shown in labours of Yaremko L.A., Polyakovoy Y.V. (2013), what suggest to enter the concept of global competitiveness of region as ability to resist to the calls of global environment and to provide external economic safety, but emphasized is not foreign economic activity, but on fiscal-financial aspects [9]. V. Smochko limits to problem of competitiveness of region the factor analysis. He considers administrative and managerial the main factors of competitiveness of region, that activate human and natural potential (2012) [5]. Quintessence of researches of the Zakarpattia scientists is determination of approach of the systems to the competitiveness of region. So, in a monograph, devoted to the strategic management of region a competitive-

ness, authors (2013) expose epistemological approaches and determine the practical ways of forming of regional competitive edges. But the subject of competitiveness of regional economy leaves foreign economic activity of enterprises out of eyeshot, that reduces project part of research substantially [8].

From other hand, foreign economical activity is lighted up in scientific publications limitedly, not taking into account regional aspects. Opinion of researchers in relation to foreign economic activity is concentrated mainly on such problems as determination theoretically-methodological bases (O.E. Novikov, T.S. Sadridinov, 2014r.) [4], description of foreign economic activity of enterprises (O.M. Vakulchik, D.P. Dubitskiy, 2012) [2], mechanisms of adjusting of foreign economic activity (O.P. Borisenko, 2011) [1]. Problems of foreign economic activity as does not find a factor and sign of competitiveness of region the proper illumination, at that exactly foreign economic activity comes forward the indicator of clearness of economy and its activation is the factor of construction of competitiveness of the economic system.

The purpose of research, the results of which are offered in this article, is a making of analysis of foreign economic activity of the Zakarpattia area and other regions of Ukraine which will allow to estimate the state of export-import activity and define the obstructions of construction of competitiveness of the economic system.

Research results. Potential of competitiveness shows by itself the aggregate of capabilities of economic subject, which is the result of experience of the previous functioning, and also possibilities which will provide the uniqueness of certain positions of economic person in the future. Research of essence of competitiveness of region and its potential it can be conducted from position of reductionism, that is instrumental in more detailed determination of factors of influence on forming of potential.

Reductionism shows by itself methodological approach which provides for report difficult to simple or whole to its separate part. Reductionism must be instrumental in opening of general acts and imperatives of existence and action of certain object and on this basis to build the

image of all reality. The method of Reductionism is foreseen by simplification of the phenomenon, report of higher level of organization, to more low on condition that conformities to law of functioning of object of lower level can explain, as a system of higher level functions. Historically and methodically Reductionism are connected with mechanism which foresees that all phenomena in outward things are inferior the same physical or mechanical laws. Mechanical actions can be seen in such forms:

1. Passing in the process of scientific analysis of way from difficult to simple, that from more difficult forms and objects of the existent world to simple and less developed.

2. A report of high-quality descriptions is to quantitative.

3. Application of principle, in accordance with which the whole phenomenon shows by itself the arithmetic sum of component parts.

Mechanical and reduction actions lean against a postulate, that existent reality shows by itself a difficult machine which manages all included in its device of objects. At all narrow-mindedness mechanical and reduction actions allow to select objects, which make the probed phenomenon which gives possibility to set connection between them in future, and consequently, to pass to application of approach of the systems in an analysis.

A competitiveness of region in the context of theory of potentials is the aggregate of strategic potentials among which the special place is occupied by an external economic resource.

After the structural filling potential of foreign economic activity in composition potential of regional competitiveness can be presented as an additional model of such constituents:

1. Resource potential of foreign economic activity. Resource potential is assumed by a presence, both financial facilities and immaterial assets. To it can be taken resource potential. The special value is acquired by human potential, which shows by itself such qualities of labor force, which enable to arrive at certain goals. Thus human potential plays a double role. From one side, human potential will be realized in the process of production as an important element, factor of economic activity. From other – human potential shows by itself the aggregate of reasons, necessities, values, relations which

show up in the process of economic activity. Exactly the aggregate of the noted descriptions and properties of human potential is determined efficiency of functioning of the second component competitiveness – to potential of subject of management.

2. Potential of subject of management of foreign economic activity includes an organizational constituent, informative component, skilled element and jurisdictions. An organizational constituent foresees such lever of mechanism of competitiveness, which provides co-operation of all structural subdivisions of subject of economic activity, connected with the improvement of organization of production and labor, payment of labor and responsibility, for quality of products, providing of culture of production and proper level of working force qualification. An organizational constituent provides a complexity which foresees the degree of division of labor in a company, region or separate organization, level of specialization, amount of levels of hierarchy; formalization, that set of rules and procedures, in other words – institutional architectonics of the economic system; correlation of centralization and decentralization which assumes the selection of levels with certain plenary powers and responsibility.

Statistical expositions show that for the last ten years Ukraine and its regions increased export-import operations substantially. As data i of national statistics show, the general volume of import of goods to Ukraine in 2003 years

made 23020,1 million dol. of the USA, and in 2013 years – there is 76986,8 million dol. THE USA [6, s. 410, 437].

The most high level of import of goods in 2003 years was observed in Kyiv – 5017,6 million dol. of the USA, it was 21,80% from the general volume of import. The lowest level of this index in 2003 years was observed in Sevastopol – 39,9 million dol. of the USA, it only 0,17% from the general volume of import of Ukraine. Also a low volume was observed in the Kirovohrad area, in 2003 years made 50,3 million dol. of the USA, it 0,22% from the general volume of import of Ukraine. In the Zakarpattya area this index in 2003 years made 453,3 million dol. of the USA, that was 1,97% from the general volume of import of goods to Ukraine.

As evidently from a table 1, there is an improvement of foreign economic activity by the enterprises of the Zakarpattya area. By an important index which characterizes export potential of region there is an indicator of export on one person of population.

What factors slow development of ZED of the Zakarpattya area and other regions of Ukraine:

1. Absence of the real strategic vision and grounded conceptions of development of Ukraine and its regions is at state level, and accordingly and mechanisms of activation of them foreign economic activity. A general orientation on European Union does not yet provide approach of the systems to forming of levers

Table 1

Indexes which characterize the competitiveness of products of enterprises of the Zakarpattya area in 2003 and 2013 [7]

An index	2003 p.	2013 p.	Absolute rejection
Volume of export of goods from the Zakarpattya area, million dol. USA	414,6	1300,0	885,4
Volume of export of goods from Ukraine, million dol. USA	23066,8	63320,7	40253,9
Part of export of goods from the Zakarpattya area in the general volume of export of goods from Ukraine %	1,80	2,05	0,25
A volume of export of commodities is from Ukraine in a calculation on one person of population, dol. USA	484,4	1390,1	905,7
Volume of export of goods from the Zakarpattya area in a calculation on one person of population dol.USA	331,4	1036,4	705,0

which create competitive edges the players of foreign economic activity. The management of regions foreign economic activity carries in a greater degree conjuncture character and does not allow to form long-term competitive edges. Inattention to the mechanisms of support at state level of including of the Ukrainian subjects to the European markets brakes forming of potential of foreign economic activity.

2. Legislatively institutional principles of realization of export-import operations. ZED takes place in the conditions of imperfection of the Ukrainian external economic legislation. The deficit of mechanisms of realization of these laws takes place in the wide circle of situations. For lack of the proper institutional norms of ZED there are problems with realization of contracts, which results in the hidden and obvious losses of enterprises, worsening of them, financial positions, and it causes diminishing of tax deductions in budgets. Except for it, reputation of enterprise, region and country, goes down, that is negatively represented on their competitiveness and capacity for a strategic collaboration with oversea contractors.

3. Absence of adequate the modern terms of marketing strategies of competition is on oversea markets. Accents are put on a lead through only of price competition, that characteristically for regions which are specialized on the export of resources. It is known that marketing strategy is in close intercommunication with corporate strategy, and predominance of price levers of competition in foreign economic activity slow introduction of types of activity and productions of goods, which can be a competitive as for not price parameters.

4 Old condition of the fixed assets, the level of wear of which on the end of 2013 on Ukraine attained and exceeded 77% [6]. And introduction of new technologies is impossible on a backward technique and ramshackle technology, that together with a previous obstruction slows introduction of innovations and production of goods on principle new quality. The increase of investments in these terms is instru-

mental in circulating of ramshackle technologies and production of uncompetitive goods.

5 The imperfect structure of capital investments is marked in Ukraine and its regions. Yes, in 2013 years in the Zakarpattia area capital investments were carried out at the level of 2645,8 million Uah, here their part in immaterial assets was less than 1% [7, p. 154]. Thus in the structure of balances of enterprises of the USA part of immaterial assets in middle exceeds 50% irreversible assets of enterprises. Ignoring of immaterial assets, underestimation of investments in immaterial assets also result in the scientific and technical backwardness of country, its regions and enterprises, in comparing to the front-rank countries of the world.

6 Insufficient level of qualification of personnel. So, every year of in-plant training not more than 5 percents on the average on Ukraine pass. It means that on the average one person has in-plant training or raising skills one time in twenty years. In the conditions of speed-up scientific and technical progress a personnel with such level of preparation is not able to work on a modern technique and apply front-rank technologies.

Conclusions. The conducted research has shown that in the Zakarpattia area an index of import in 2003 years was a not mark 453,3 million dol. USA, that was 1,97 % from the general volume of import of goods to Ukraine. In 2013 years the import of goods in the Zakarpattia area made 2062,5 million dol. of the USA, that attained 2,68% from the general volume of import of goods to Ukraine. In the Zakarpattia area the size of export operations in 2003 years overcame 414,6 million dol. of the USA, that was 1,80 % from the general volume of export of goods in Ukraine. In 2013 years the export of goods from the Zakarpattia area made 1300,0 million dol. USA, that was 2,05% from the general volume of export of goods from Ukraine. The indicated dynamics testifies to activation of export-import activity of the Zakarpattia area which characterizes the increase of its competitiveness at the international market.

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MANAGEMENT OF REPUTATION RISK OF ORGANIZATION: MODERN STATE AND PROBLEM ASPECTS

The management of a reputation risk of organization was investigated and the directions of further developments are pointed out.

Keywords: reputation, reputation risk, risk-management.

Raising of problem. In a new economy – «economy of values» – successful there can be only business which is able to generate intelligent values and report them to the separate subjects, able to do so that subjects believed in them and divided them. In this sense reputation acquires the actual essence as the valued aspect of activity of organization, which represents ability to generate values, follow them and send them to a special purpose audiences. Idea about the degree of public respect and about the level of respectability of company begins to play more important role in a decision-making about a business collaboration with a company, about the purchase of its products and services. In the conditions of general economic instability reputation factors more frequent all appear decision in a fight for advantages of organization and become the major method of management a public trust, pulled out in the grade of more priority objects of modern business-technologies in comparison to optimization of working spends. As a result, interest to the phenomenon of corporate reputation arises up both for practical managers and for the representatives of different sciences (economic, legal, social, communication), which the processes of forming and management of organization reputation are studied within the framework of.. Specialists are mark the necessity of leading of more detailed analysis and estimation of reputation and related to it to the reputation risk, generalization of its management experience, that can stimulate further development of theory and practice of forming and management of subjects of entrepreneurial activity.

Analysis of the last researches and publications. In the last years there is growth of amount of publications, devoted both the general issues of reputation management and lighted out the results of empiric researches of different aspects of reputation. There is plenty of works from the sociological analysis of reputation in the context of PR (public relation), imaging, public communications the separate aspects of reputation subject are examined in which.

In the area of reputation management it is necessary to mark works of S. Gorin, G. Dauling, G. Martin, R. Dj. Olsop, D. Kononovoy, A. Koshmarov, A. Lapshov and I. Oliynika, L. S. Salnikovoy, A. Trubetskogo, G. Tulchinskogo, F. Sharkov.

A company image in the context of pr-activity (connection with public) is presented in works of ZH.P. Boduan, L. Braun, F. Dzhevkins, D. Nyusoma, Dzh.Tyorka, R.Fridman, A. Bineckogo, A. Vasilenko, A. Viketeva, M.Gorkin, A. Mamjntov, A.Man, G. Pochepcov, V. Shepely.

The practical aspects of management a reputation risk are contained in the works of E. Griffin, A. Zaman, Dzh. Larkin, G. Khoney.

Meaningfulness of business reputation and corporate image for effective activity of organization stimulates research on this issue from the side of large companies. There are the specialized editions on a corporate subject, where an important place is occupied by the publications of works from the problems of image and reputation of organization. It follows to mark such magazines, as «Fortune», «Harris Interactive» (THE USA), «National Business Bulletin» (Australia) and «Reputaciologiya» (Rus-

sia), newspaper «Financial Times» (THE USA). Useful from point of selection of factors a reputation risk is domestic research a «goodwill-factor» is a general project of research company «Noks of fishes» and business magazine «The power of money».

Pointing out of unsolved parts of general issue. The conducted analysis shown that the special industry of scientific knowledge which has business reputation the main article of the study, it is not formed for today. It complicates comprehensive research of reputation risk, and also creation of the proper administrative conception which provides the stable functioning of organization. In addition, for today determination of reputation risk is debatable, not enough investigational the process of his origin and influence of separate factors on the size of risk, recommendation, in relation to the management of reputation a risk does not differ a complexity. Thus, actuality of this research is conditioned the necessity of decision of contradiction which was folded between the necessity of management a reputation risk and absence scientifically methodical rules on a background of insufficiency of practical recommendations in relation to realization of pointed problem in the modern economical conditions.

Purpose of the article. The main aim of this work is summering up of the existent approaches to the management of organization and determination of necessary directions of further researches a reputation risk.

Presentation of basic material. Incompleteness and inaccuracy of information forms the vagueness of business processes, including related to forming of business reputation and image. In a modern company information spreads practically instantly. It erects possibility operatively to react on negative (for a company) development of situation to the minimum. As a result of action of vagueness the put purpose can be attained not to a full degree, or not attained in general. Divergence of the got result with set in the moment of decision-making is characterized such category as a risk. A risk is the special case of vagueness, related to the rejections of the expected and actually attained results at making decision. First about a risk, as a necessary element of business, an economist Frank Nayt began to speak in 20th of the last century. He

entered a risk concept as a measurable vagueness and declared, that business existed only because there is a risk.

Without regard to the enough long period of development of risk management, in economic science and practice of management of corporations of business-processes until now confessedly theoretical positions about a risk are absent, and the spectrum of approaches, utterances and assertions, in relation to its essence is very wide.

A term «reputation risk» first appeared in 1988 and all is lately used more frequent. In obedience to information, to resulted in-process [1], from 2003 to 2011 year amount of printing and electronic publications concepts «reputational risk» are used in which, «corporate reputation» annually grew in middle on 13%. Results of research of «Management risks in the conditions of global vagueness», conducted at the end of 2011 year Harvard Business Review Analytic Services and Zurich Financial Services Ltd, show the growth of meaningfulness of risks, related to reputation of organizations, confession of destructive character of their influence, considerable frequency of events, related to the risk of reputation [2]. In a lecture «Reputation. Review of 2012», prepared by analysts and consultants of firm Oxford Metrica, expressed supposition, that for a public company there is a 80% authenticity of loss at least of a 20% equity value as a result of reputational crisis in any month during a 5-year period [3].

If to talk about business reputation as legal category, it in any case immaterial thing, under which understand: results of intellectual, creative activity (an item 199 TSC); information (an item 200 TSC); personal not property thing (an item 201 TSC). First in domestic practice legislative determination of concept «business reputation» was fastened by Law of Ukraine «About banks and bank activity» from December, 7 of 2000 r.: «business reputation is an aggregate of the confirmed information about a person that enables to draw conclusion about the professional and administrative capabilities of such person, its decency and accordance of its activity the requirements of law». However, analysis of Ukraine Law articles «About banks and bank activity», a term «business reputation» is used in which, testifies that talking mainly

goes about business reputation of founders, participants, chairman or members of rule, other public servants of bank establishment. Thus, business reputation is the not property things, which is guarded a legislation, and which a person can give in the use other civil legal subjects (in obedience to chapter. 1, article 1116 TSC business reputation can be the subject of agreement of commercial concession). Coming from the domestic norms of right, influence on reputation is closely related to distribution of information, regardless of truth or untruth of expandable information. However, a current legislation does not determine kinds and composition of relations the article of which is business reputation of organization, does not contain the signs of business reputation, does not fix the level of property responsibility in the case of humiliation of business reputation of organization.

For understanding of reasons of origin of reputational risk and problems, related to the management by it, it is expedient to consider the process of formation of business reputation of organization. Creation of reputation starts with forming of image of organization, a purpose of which is bringing in of attention and authentication of subject. Under the image of organization it is accepted to count it certain appearance which arose up in the insignificant interval of time in consciousness of company. It is a superficial, emotional picture of activity of company. The feature of image is that it is created purposefully and quickly enough under act of only external factors (publications in MASS-MEDIA, promotional purposes, and other). From the point of view of A.E. Bogoyavlenskogo, an «image is effective, when external influence is directed on sense of inexperienced man, which does not realize that thus manage it» [8, p. 61]. The special value of emotional is components of cognition, which provides an evaluation and taste, underlines G. M. Andreeva [9, p. 140]: «exactly emotional reactions, that characteristic at inter personality perception, arise up earlier «cold knowledge». Visual influence of emotional constituent of image (through colors, offenses) and evaluation (through the key and specific of presentation of facts) able to stimulate more immediate action, than it would take place during cognitive work with information far. Acknowledging the presence of influence of

emotional components on the reputational risk of organization, leading specialists in industry of reputational risk management accent attention on emotions only in the questions of mutual relations between employees and promotion of products of company [10, s. 140]. An emotional constituent is ignored specialists at the estimation of reputational risk of organization.

Not decided for today there is a question of determination of probability of offensive of risk event and scale of future events, estimation of potential loss, from realization of reputational risk, determination of alternative cost of limitation of loss, speed and cost of proceeding in a trust.

Because of complication of problem, the quantitative estimation of reputational risk is not carried out for today – exceptionally high-quality, expert. The example of expert estimation of this risk are approaches, offered the National bank of Ukraine (NBU) in the Methodical pointing from the inspection of banks «System of estimation of risks» [14]. Basic factors, which, from point of the National bank, influence on the level of risk of reputation of bank establishment, are:

- perception of quality of management and financial stability of establishment a market;
- perception of products or services which are offered a bank;
- desire and ability of guidance to adapt to the changes in regulation requirements;
- presence of control of quality of existent or new services;
- volume of services of confiding management and condition of their realization;
- character and volume of complaints and appeals from clients and ability and desire of guidance accordingly to react on them;
- existence of very loud or noticeable case against a bank, or its leaders;
- fines, and other financial losses, a bank had in the past as a result of prosecution of bank, or its leaders, to administrative, civil or criminal responsibility;
- a reaction of leaders on verifications of regulation organs;
- participating of bank in the State fund of guarantee of holdings of physical persons;
- presence of the developed codes of ethics or conduct.

The circle of the interested parties, presented in determination of NBU of concept of risk of loss of business reputation restrictedly clients, contractors, shareholders (by participants) and organs of supervision, that is why and the offered list of factors not in a complete measure characterizes the reputational risk of bank and its management quality, not finished and needs clarification. An evaluation method does not give the clear criteria of estimation of both influence of separate factors and combined risk of reputation, calibrating it as «low», «moderate», «high».

Conclusions and propositions. Thus, the conducted analysis enabled to define such necessary questions in relation to the leading of research of management of organization's reputational risk:

- specification of concept «reputational risk»;
- improvement of approaches to determination of groups of stakeholders after the features of their expectations in relation to organization and next influence on its activity;
- determination and arrangement of sources of threats for business reputation of organization;
- determination of indicators of reputational risk;
- development of method of evaluation of reputational risk;
- development of complex approach in relation to a management and determination of possible strategic directions of its decline.

So, in such order the organized research is presented by practical interest in further introduction.

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DEVELOPMENT OF PRODUCTIVE POTENTIAL AND REGIONAL ECONOMY

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QUANTITATIVE PARAMETERS OF STRATEGIC PLANNING IN ENTERPRISE MANAGEMENT SYSTEM KHERSON REGION

In this work there have been considered the scientific and methodological approaches to the formation of mechanisms of providing a sustainable development that is caused by exhaustion of the majority of natural resources, domination of monocultural model of management in many countries of the world and extensive type of environmental management in the states with transitional economies. This is consequently leads to ecological and natural resource restrictions of social and economic growth, which at the present level of redistribution of financial flows make it impossible to use the full potential of most industrial and information factors of expanded reproduction. In view of that, theoretical and methodological principles of sustainable development need to be deeply studied. In particular, it is necessary to formulate a set of principles of the transfer of national economy to the model of sustainable development, taking into account global trends in the markets of natural raw materials, changes of the centres of gravity in geopolitical space, the dynamics of implementation the resource-saving technologies and institutional gaps between the countries with various level of social and economic development.

Keywords: Sustainable development, mechanisms of providing, natural resources, balanced environmental management.

Statement of the problem. With the development of economic relations in the domestic business environment businesses increasingly seek to explore in their work own strengths and weaknesses that allow them to function effectively in the environment. Enterprise planning system, which is based on the implementation of the main strategies for their development, enabling detailed study of all quantitative elements that reflect the positive financial performance of companies. The parameters of each element in this system are the representation of relations, attributes, properties and characteristics. An important condition for the use of a systematic approach to management should be considered the ability of the system to adapt to external perturbations and internal changes.

Analysis of recent research and publications. Research options in the management of enterprises justified by such experts as: E.A. Beltyukova [1], R. Kaplan [4], A. Redkin, N.A. Khrushch [7], J. S. Zipkin [8]. Thus, in our view, it is necessary to focus on the quantitative parameters that reflect the most commercial, financial and economic situation of domestic enterprises and suggest their effective development in the business environment.

Problem. Based on the above we formulate the research problem, which consists in identifying and disclosing quantitative parameters strategic planning management system that enables their use in the construction and implementation of specific strategies of enterprises Kherson region.

The main material of the study. Exploring scientific approaches to selecting options tendency of their distribution into two groups: economic and technical, which in our opinion does not reflect the richness of systemic signs. Complementing the systemic approach in management should focus on our proposed differentiation parameters strategic planning, which is a crucial attribute in constructing strategies for the effective functioning of domestic enterprises, the distribution parameters on quantitative and qualitative. At this stage we will consider is quantitative companies.

The classification of quantitative parameters of strategic planning (Pic. 1) provides for the separation of groups based on their reflection components, the nature and structure of [2, p.187]. Separation parameters strategic planning carried out by the method through which the separation of quantitative, allowing the group to identify and show the structural elements of the strategic planning options.

Figure 1 shows the indicators, indices and indicators that appear in the form of quantitative parameters and their division into industrial, economic and financial group settings and are

able to conduct quantitative analysis of corporate enterprises on the use of human resources, fixed assets, material costs, ensuring financial balance and break-even activity, count the number of working capital, investments, return on securities, insurance risk, the rate of profit, cost and so on.

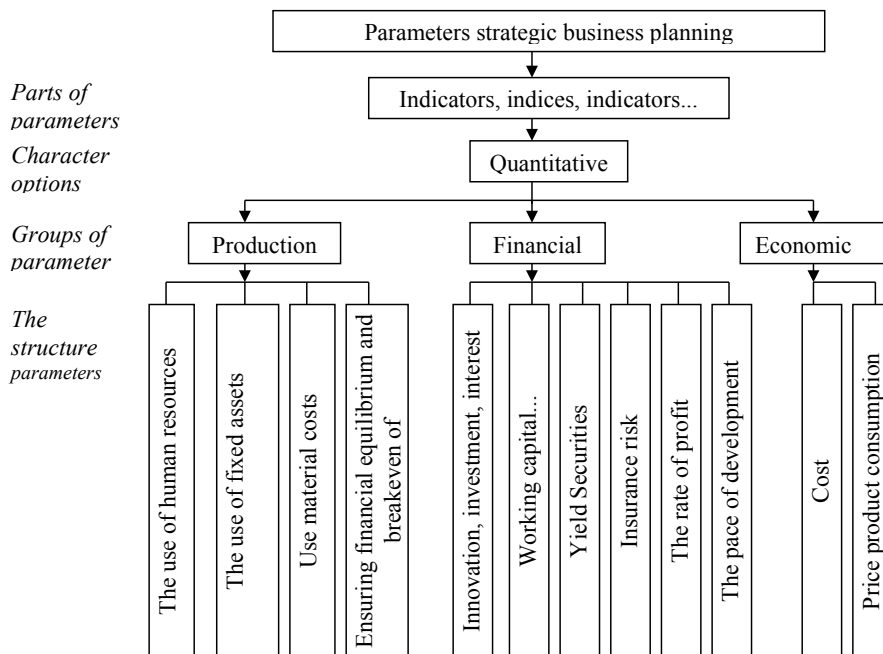
Under the selection below quantification component will assess some of them.

Quantitative parameters of strategic planning we distributed in the following classification:

1. Production parameters are: the use of human resources, the use of fixed assets, the use of material inputs, ensuring financial balance and break-even operations.

Thus, the analysis of human resources in enterprises of Kherson region showed that most of the disabled population figures in 2012 were employed in the business areas such as agriculture, hunting and forestry, trade, repair of cars, domestic wares and articles of the personal consumption, industry, which are the most attractive to the population (Table 1) [5].

By studying the restructuring of assets in terms of value, find out how much worn out in



Pic. 1. Classification of quantitative parameters strategic planning businesses

Source: Developed by the author according to [2, p. 187]

the business buildings, structures, machinery, equipment and other of fixed assets, and in what sequence should be updated. Here we present data that indicate the degree of depreciation of fixed assets in enterprises of Kherson region (Table 2) [5].

Analysis of the composition and structure of the fixed assets management company will pro-

vide information on the composition of assets and the ratio between their groups, allow identification of trends in the structure of assets by group.

The main factors that affect the structure of the fixed assets of enterprises are: the level of automation and mechanization, the level of specialization and cooperation, climate and geographical location businesses. Improve the

Table 1

The dynamics of employment not employed, by type of economic activity (people)

Economic activity	Years				
	2008	2009	2010	2011	2012
Agriculture, hunting and forestry	9215	5494	5348	5313	5937
Industry, with its	7097	2742	3119	3007	2521
- mining and quarrying	96	123	116	4	22
- manufacturing	6180	2113	2457	2357	1846
- production and distribution of electricity, gas and water	821	506	546	646	653
Construction	1486	448	497	496	351
Trade, repair of motor vehicles, household goods and personal use	6305	2454	3303	3639	3886
Hotels and restaurants	956	525	496	454	670
Transport and communication	1390	678	732	849	918
Finance	355	96	122	98	99
Real estate, renting and business activities	1146	336	348	429	439
Governance	1217	794	717	720	923
Education	1082	687	725	999	1133
Health care and social assistance...	1915	1275	1230	1263	1252
Other economic activities	1059	511	592	711	585
Total employed	33223	16040	17229	17978	18714

Source: [5]

Table 2

The cost of fixed assets in 2000-2010

	At current prices at year-end, million UAH		The degree of wear, in %
	Initial (revalued) cost	Residual value	
2000	17362	9034	48,0
2001	17056	9056	46,9
2002	17628	8733	50,7
2003	22006	8328	62,5
2004	18219	8417	54,5
2005	19234	9032	54,2
2006	24067	10090	59,3
2007	29851	13728	55,9
2008	42452	15239	65,5
2009	49369	17129	66,8
2010	58080	24189	67,3

Source: [5]

structure of fixed assets may be due to: update and modernize equipment, more efficient use of production facilities installation of additional equipment on the free space, eliminate unnecessary and inefficient equipment.

The main elements of financial balance in enterprises of Kherson region are receiving and capitalization of profit conservation values of the company, ensuring sustainable growth and value companies reduce the cost of capital. It is based on the positive results achieved, financial stability of enterprises, the implementation of management tasks of financial stabilization and adjustment decisions on financial stability and the process of their implementation.

The financial results of enterprises of Kherson region in January- September 2012 amounted to 161,9 million UAH loss (in January-September 2011 – 237,3 million UAH loss). Losses of loss-making enterprises decreased by 19 % and the corresponding figure in 2011 and amounted to 500,2 million UAH. On the negative financial result triggered by industrial enterprises (104,9 million UAH Loss), trade (27,1 million UAH), Transport and communications (14,3 million UAH), Construction (11,8 million UAH) [3].

2. Financial parameters: growth rates, rates of return, insurance risk, yield securities, working capital, innovation, investment interest.

Based on the report of the Head of Kherson Regional State Administration will determine the most capital investments are in the construction industry (28,9% of the total), agriculture (26,4 %), industry (19,9 %). A significant proportion (54,5 %) of capital investments covered by own funds of enterprises and organizations. Total foreign direct investments in the region on October 1, 2012, amounted to 262,2 million USD, which is 27 % higher than at the beginning of 2012. Growth of FDI in January- September 2012 amounted to 55,8 million USD [3].

Profitable companies in the region, whose share in the total number of firms that report, is 57,9% received 338,4 million UAH profits. Income received financial results in agriculture (7,1 million UAH) and scope and hotels and restaurants (1,3 million UAH) [6].

Regarding the implementation of investments in enterprises of Kherson region, it must be said, this figure is a gradual decrease during the period from 2000 to 2011 respectively from 18,8% to 11,9% (Table 3) [5].

3. Economic parameters: the price of product consumption, cost.

In the consumer market, Kherson region in December 2012 prices for food and non-alcoholic beverages increased by 0,1%. The largest (3,2%) went eggs. Vegetables increased in price by 2,4%, namely beet – by 2,4 %, onions –

Table 3

Implementation of innovations in industrial

Year	The share of enterprises that implemented innovations, %	Implemented new processes	including low-waste, resource	Mastered innovative products, names	of these new types of technology	The share of sales of innovative products in industrial,%
2000	18,8	20	5	280	15	20,0
2001	16,9	116	4	262	22	8,5
2002	16,8	16	2	282	8	21,5
2003	13,3	16	6	114	12	7,5
2004	9,6	12	2	72	9	6,4
2005	8,7	10	2	62	6	4,9
2006	10,8	5	5	27	4	4,7
2007	10,8	22	3	33	6	4,5
2008	9,1	61	18	95	30	4,2
2009	8,7	18	9	112	13	3,6
2010	11,3	17	5	71	22	6,2
2011	11,9	78	1	146	49	4,9

Source: [5]

1,9%, cabbage – by 1,1 % and potatoes – by 0,9 %, while with the carrots fell by 2,9%. 2,1% were more expensive milk, fish and fish products, cream, soft drinks, pasta, vegetable oil and milk products. However, this was a 4% decrease in the price of sugar, fruits, processed cereals, pork, rice, poultry, beef and butter. Alcoholic beverages and tobacco prices increased by 0,4% due to rise in alcoholic beverages and tobacco (0,5% and 0,3 %, respectively) [5].

Prices (tariffs) for housing, water, electricity, gas and other fuels increased by 0,3% due to the rise in liquefied natural gas by 4,3%. Prices (tariffs) in the health sector increased by 0,3% due to increased cost of diagnostic services by 2%. Prices (tariffs) in the transport sector decreased by 0,1% due to less expensive fuels and lubricants 0,3%. 1,6% were more expensive

variety of goods and services, household items, appliances and routine maintenance of housing, services, restaurants and hotels. However, this is 0,3% cheaper communication services, and recreation and culture [5].

Findings from the study. Our analysis of quantitative parameters of the components of strategic planning to let you use strategic management decisions in the planned enterprise. That is the basic strategy is the deliberate decision about the direction of the company, which is revealed through the identification of the main parameters and the means of its implementation. The use of a specific set of parameters allows their use in the construction and implementation of specific policies of the company, and that will determine its effectiveness in the future.

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REGIONAL ECONOMY AND ECONOMIC SECURITY OF REGION

The questions of economic security in the region are studied. Determined by the need to ensure the economic security of the region, its national importance. The dependence of the economic security of the region from the regional economy and the region's economic potential is considered.

Keywords: region, regional economy, economic security of the region, depressed regions, economic development of the region, economic potential of the region, mechanism to ensure the economic security of the region.

Statement of the problem. Economic security in the country as a whole is determined by individual economic security of its individual regions and their close interdependence and sustainable development of each. The economic security of the region – a certain economic independence (autonomy), which is especially evident in the exercise of control over the resources of the region and is determined by market opportunities maximize the competitive advantages of the region. The economic security of the region, on the other hand, the stability of the regional economy, defined reliability in the region of all elements of the economic system, the establishment of guarantees for the effective management of enterprise and curb the influence of destabilizing factors.

Thus, the requirement to ensure the economic security of the region must be included in the basic principles of formulation and implementation of regional policy. In the context of the economic security of the region is expected primarily the ability to develop and progress of the regional economy, determined to realize their own property and protect regional economic interests, to modernize and expand production, make efficient investment and innovation policies to stimulate entrepreneurship and more.

The economic security of the region reflects a certain set of conditions and factors that characterize the current state of the regional econ-

omy, the level of stability and resilience, as progressive development. Traditionally, economic Security is considered as the most important quality characteristics of the economic system of the region that determines its ability to maintain normal living conditions of the population, providing resources for regional economic development and consistent implementation of national and state interests.

The economic security of the region – a set of measures aimed at sustained, continuous development and improvement of the regional economy, necessarily involves a mechanism against external and internal threats. The complex activities that form a system of economic security of the region is crucial to belong mechanism against threats that arise.

From the standpoint of economic security is important to assess and predict the impact of all anticipated threats, as well as economic and non-economic impact on their course, but most importantly – it is an opportunity to show a sharp decline and a critical threshold. Along with forecasting and analytical arises inverse problem, which consists in the development and implementation of measures aimed at preventing the onset of the crisis and to overcome the critical threshold.

Ideally, the economic security of the region is identified, on the one hand, the interests of the population, on the other – with the interests of the state as a whole. Although in reality

the interests of the region are often replaced by other terms, Ukraine's interests – the interests of the central government in the state and public interests – the interests of individual groups.

The economic security of the region, therefore, is an important quality characteristic of the regional economic system. Transformation processes at the regional level is usually accompanied by economic recession, unemployment, destabilization of the economy, is manifested through imbalances between aggregate demand and supply, high inflation, significant lack of local (regional) budget, unstable exchange rates and other negative aspects.

Based on the totality of the prerequisites of a stable situation in the regional economy, the issue of economic security in the region has been one of the main, due to its nationwide importance. Top level of economic security in the region achieved provided that the full range of performance is within acceptable limits thresholds and thresholds of one indicator is not achieved at the expense of others. However, the existing evaluation system of economic security is not universal and is designed for more industrial regions. They are not pragmatic for the regions where the priority of economic development is non-productive sphere or tourism. Irreversibility of economic processes taking place in Ukraine and aimed at creating a strong modern state is dependent on the economic development of the regions and their economic security.

Analysis of recent research and publications. The economic security of the region determines the ability of regional economies to maintain consistent implementation of national and state interests, stable and reliable capacity of economic agents, the normal living conditions of the population.

The economic potential of the region is the basis for its development. At the end of the twentieth century concept of “development” was qualitatively new addition – “sustainable”. The concept of sustainable development adopted at the UN Conference in Rio de Janeiro in 1992, Sustainable development – the development that meets the needs of the present, but did not threaten the ability of future generations to meet their own needs [10].

The concept of “economic security” was first introduced in 1994, A. Pasternak-Taranush-

enko. In general, A. Pasternak-Taranushenko defines economic security at the macro level, noting that “economic security – a state of the state, which provides the ability to create and develop conditions for the productive life of its people, long-term development of the economy in the future and welfare of its people” [8].

The regional economy is often seen in the context of the national economy. Accordingly, first defined national level of economic security and the future – and the economic security of the region. These are the work of many studies, such as [5, 13].

Given the economic basis of security in the region, a range of issues related to the comprehensive nature of the economic restoration and development at the regional level. This is the basic in determining the level of economic security in the region. It is at this position focuses in numerous papers [4, 11, 12].

General principles of national economic security and economic security regions provided for in the Constitution of Ukraine [1]. National legislation defined the basics of economic security regions in the context of macro-economic security in the country. The Law of Ukraine “On National Security of Ukraine” (№ 964-IV, dated June 19, 2003) states that in Ukraine “provides integrity of the national economy” and “create a competitive, socially oriented market economy and continued growth of living standards and welfare”. The same applies to the regions and their economic security in respect of which should be indicated and the possibility of a risk as “a manifestation of the threat of separatism in some regions of Ukraine”.

The Law of Ukraine “On the promotion of regional development” (№ 3275-VI dated April 21, 2011) specifies that “the promotion of regional development is carried out to ensure their sustainable development for the benefit of the whole Ukraine, raising living standards to create equal conditions for dynamic, balanced socio-economic development of Ukraine. Special attention is given to depressed areas and mechanisms of recovery and development.

Thus, the economic security of the region and ensure it is clear. At the same time, constantly stressed the need to strengthen policies to stimulate economic development as the basis and foundation of economic security areas.

Problem. The purpose of the proposed work is a generalized description and analysis of the problematic elements in the process of economic security of the region. We analyze the direct correlation of economic security in the region with the regional economy.

The main material of the study. In modern terms in scientific, economic or domestic turnover using different concepts and definitions of the region, which could complicate the study of regional issues. This is denoted respectively by formulating concepts of the regional economy and economic security of the region.

In general, in the region can be understood: 1) much of the country with similar geographic, climatic conditions, like a major industrial and economic systems, socio-economic problems (despite the fact that these regions are relatively closed in industrial and economic terms, nevertheless, they are not public entities have no legal status and well-defined boundaries; such a thing region is the least severe and is used in non-scientific use); 2) economic region of the country (this definition is more accurate first kind, as have certain economic areas limits, but they have no official status and controls, the concept of region growing based on turnover and is used mainly in the economic geography); 3) a unit of government in the country (in terms of regional management, this concept is the most accurate because the region is a public entity that carries on its territory state power).

Region as an economic system reflects a part of the territory within which the system operates and develops the interaction between economic actors and between business entities and authorities and management at different levels. In a market economy, the diversity of ownership and so the region as an economic system can be considered as relatively independent object of economic regulation.

The economic system of the region is endowed with all the characteristics of complex socio-economic system: 1) territorial integrity (administrative boundaries); 2) the complexity of the organization; 3) hierarchical; 4) commitment functioning of the entire economic complex as a whole and its individual parts; 5) self-organization; 6) the specificity of development. Thus, under the regional economy (regional economic system) refers to a complex socio-economic system that provides interconnected

and interdependent development of productive and non-productive (social) areas in order to create better living and working conditions in the region. Obviously, the regional economic system has dualism. It is as complex socio-economic system and the economic subsystem of a higher order, the national economy.

Regional economic system has the following distinctive features: 1) as an integral part of the national economy, it can't be considered in isolation, therefore its independence is also relative, 2) the economy of any region is closely related to its climatic conditions if at the level of the national economy by virtue of its scale of influence of climatic conditions is offset, at regional level, due to the smaller size, it can be crucial, 3) it is complex, because it includes, as a rule, many industries and industries, but it is not self-sufficient, has no harmonic structure that determines the need for its interaction with the economies of other regions, achieving economic independence can't be regarded as benchmarks for regional development, 4) it must provide stable playback of all subsystems: the economic, financial, industrial, social, infrastructure, incomplete reproduction of any subsystem will mean a transition region in the category of crisis. Crisis (depressive) region more susceptible to the negative impact of economic risks that affect the dynamics of the regional economy and the level of economic security in the region.

Thus, the challenges and characteristics of the functioning and development of regional economies are closely linked with the territorial organization of society on the administrative structure of the country, as well as levels of government.

In general, the regional development of Ukraine is characteristic traits such as increased intra-regional differentiation, the concentration of economic potential in a small number of regions, mainly focused on resource extraction and export resources, the loss of the current value of old industrial regions that previously formed the basis of the economy. That is, the economic security of the region should be provided, especially the efficiency of the regional economy.

The relationship of economic security and regions is obvious. Combining interests cen-

ter and the area has a dual character. On the one hand, the area is the ground of localized socio-economic, environmental, demographic processes.

These processes may threaten the economic security of the state, and their expression can be worn geographically differentiated character. On the other hand, a separate area is subject to regulation within a certain amount of authority, acting leader of their own economic policy affects the economy as a whole.

Thus, the development of the program of economic security should be based on a clear understanding of a variety of modern threats, which have varying degrees of severity. Among the most significant of which are: the growing recession, the destruction of scientific and technical potential; deindustrialization of the economy, the risk of loss of food independence, rising unemployment and weakening of motivation, increased external and internal debt, criminalization of the economy, increasing property differentiation of the population and increasing poverty, the growth deficit [2].

The issue of economic security in the region also has facilities for crossing with other possible areas: social, environmental, information. Therefore, the problem of economic security must be seen as fact in the economic sphere and in areas adjacent to the intersection of economic areas.

Traditionally, the internal structure of the economic security of the region are generally displayed through three major components: 1) the economic independence which is relative because of economic and political dependence on the region from the center and the interconnectedness of various regional economies (in terms of economic independence of the region suggests the possibility of control regional authorities by regional resources, achieving this level of production efficiency and product quality to ensure its competitiveness and allow for equal participation in interregional and international trade relations of cooperation and exchange of scientific and technological advances), 2) stability and stability regional economy (involving the protection of all forms of ownership, the establishment of reliable guarantees and favorable conditions for entrepreneurship; contain factors capable of desta-

bilizing the situation, such as the fight against criminal organizations in the economy, preventing serious gaps in income distribution that threaten to cause disruption, etc.), 3) the ability to self-development and progress (creating a favorable climate for investment and innovation, constant modernization and expansion of production, the professional development of employees, etc.).

Thus, the structure formation of social and economic security of the region must be a range of economic, environmental, legal, geopolitical, and other conditions that are designed to ensure that: 1) the protection of the vital interests of the country and its territories on resource potential, 2) the conditions for the preservation of regional structures in a potential crisis and future development, 3) regional competitiveness in domestic and international markets and the stability of the financial situation of the country, 4) creating internal and external protection against the destabilizing effects, 5) ensuring conditions for sustainable and adequate social reproduction of social and economic processes [3].

Failure of economic security regions can lead to disastrous consequences: the decline of industries, mass bankruptcy of subjects business and ultimately, to undermine support system state with subsequent loss of national sovereignty [7].

The conclusion is obvious that regions provide economic security in the country.

The development and practical implementation of regional security policy shall include, in addition to identifying and neutralizing internal and external threats to the territorial integrity of the country and socio-political stability in the region, and consistent implementation of the strategy of territorial development of Ukraine, the territorial unity of the state.

Political and economic security of the region should fully take into account the violation of homogeneity of trends Economic Area countries are in crisis and structural changes in the economy leads to an increase in regional disparities. As a result, timeliness and adequacy of measures related to the threat and the protection of national interests is based on regional specificity [6].

Thus, lack of elaborated many aspects of economic security at all levels regarding the

transformation period, theoretical and practical importance of the problem of overcoming and preventing crises in the region's economy for the effective functioning of an integrated economic space within a single state lead to new approaches to the economic security of the national economy and regional economy. Extended Play risks and threats in the economic integration of previously separate systems into a single complex region, and their exit from regional and national boundaries makes the task of applying adequate reproductive approaches to the study and evaluation of the economic security of the region and prevent threats to the regional economy.

In today particularly important opportunity to shape a region economic security of the state, while remaining self-sustained and progressive territory, able to effectively neutralize the threat of economic or prevent their occurrence. Table of contents for economic security is the possibility of effective control by the regional authorities for the efficient use of natural, human, material, financial and other resources to achieve economic growth and competitiveness.

Thus, the thrust of economic security in the region can be displayed as: 1) promoting economic independence, 2) the stability of the functioning of the economy, 3) expanding the boundaries of self-region based on self-sufficiency, 4) increased production and the areas of innovation and so on.

The economic security of the region – a system of measures to estrangement economic space in the region from external and internal threats that hinder the effective functioning of all components of the regional economy, namely: institutional infrastructure (of the administrative-territorial governance and financial and credit institutions), the production site, at the objects of transport and communications, science and research institutions, life support systems, social sphere.

In other words, the economic security of the region – the current set of conditions and factors that characterize the stability and sustainability of the economic territory, some independence and integration with the national economy, which manifests itself as follows: 1) to pursue their own economic policies in the country, 2)

the possibility counterbalanced respond to the dramatic geopolitical changes in the country, 3) to carry out, or at least begin to make significant economic measures (without waiting for help from the center) with socially explosive situation in areas related to local “economic” disease, 4) the ability to maintain a stable matching existing prudential regulations in the world practice, allowing to save or restore a decent standard of living.

In a coherent set of activities that make up the system of economic security in the region, the most important system to prevent threats that arise. From the standpoint of economic security is important to assess and predict the impact of all potential and anticipated threats, and economic and economic impacts on their progress. For the area of economic security is fundamental performance thresholds, thresholds, beyond which is a manifestation of destructive, non-regulated processes in a particular area.

Content economic security of the region is realized by means of parameters that allow quantitative assessment of the situation and indicate the possible danger to carry out target-oriented measures to stabilize the situation. There is an integrated structure threats to economic security in the region. The reasons for the emergence and development of the crisis in the region caused by threats to the economic security of the region can be various destabilizing factors:

- A decline in production and the loss of the internal market (permanent underuse of capacity, closure of some industries and the consequent destruction of the technological potential causes progressive collapse of restructuring on its own economic base;

- The destruction of technological capabilities and deindustrialization of the economy (R & D curtailment, decay research teams, reducing orders for high-tech products, the transition of highly qualified specialists in other branches of knowledge and consequently, the development of raw materials and reduction of end branches leading to the degradation of scientific and technical personnel and reduce competitiveness of the territory, the consequences of this threat to the region, on the one hand, have a long-term nature, and on the other, in terms of a territorial specificity, may even result in the loss of certain

parts of the scientific potential and intellectualization society and society);

- Loss of food independence (apparent worsening of price disparities between industry and agriculture, the most complete opening of the domestic market for imported products at reasonable rejection of protectionism on domestic producers leading to increased uncertainty in securing a stable population of products, increased dependence on supplies from other regions, the destruction of its own agricultural sector);

- Rising unemployment, weakening of motivation (increasing burden on working people social support dependents), lower living standards, sharp differentiation in income levels, the destruction of the consumer market is the rise of social conflict and opposition to economic reforms);

- Criminalization of the economy (growth of economic crime provoke distrust to ensure legal protection);

- Irreversible degradation of the environment in the region (increasing anthropogenic stress and imbalance of natural systems leads to an increase in the number of diseases and forced migration of people to other, more favorable regions);

- Violation of financial security in the region (designated primarily for social sphere, reducing subsidies to local budgets, leading to overall instability of the regional economy and the national economy);

- Loss of external markets (increasing exports of raw materials instead of high-tech and high-tech products reduces the possibility of foreign exchange earnings and upgrading of machinery and equipment, generates a negative balance of trade, inefficient use of foreign currency loans in the absence of strict regulatory framework in the region are making transactions on the domestic market unattractive for foreign investors).

The economic security of the region is directly determined by the regional economies and economic potential of the region. Each region's economy has its own structure and specificity.

Regional economic system, as noted, on the one hand, is a subsystem of the national economy, on the other hand, it is a complex and relatively independent of socio-economic system. As a

somewhat autonomous socio-economic system, the regional economy should be characterized as an object of management, it is necessary to determine its structure, identify the internal subsystems and individual elements that make it, to describe the relationship and interaction between them [14].

The main structures that reflect the region's economy are:

- Economic and geographical structure of the region (which is characterized by a geographical region, climatic conditions, availability of natural resources and structure, it is a basic, primary and largely determines the operating conditions and the development of regional economy and its specialization and the level of socio-economic development, geographical location detects and blocks traffic arteries in the region, the degree of proximity (distance) from the major industrial centers of commodity markets and marketing favorable geographical location of the region creates favorable conditions for the operation of the regional economy, the prerequisites for higher competitiveness of the regional economy. Naturally climatic conditions also create conditions for regional specialization in certain sectors of the economy, foreign trade);

- Industrial and economic structure of the region (determined by the level of production and the economic sector and industrial infrastructure, the volume generated gross regional product, the structure of production and the economic sector and characterized by the composition of its constituent sectors, the ratio between them for a set of parameters: the volume created in gross domestic product, the volume of output and sales, the cost of fixed assets, the amount of profit, the total investment in fixed assets, the financial sector contribution to the formation of budget revenues in the region; number of employees and so on. Industrial-economic structure of any region is not closed and has a degree of autonomy to function and thrive independently, without interaction with other regions);

- Socio-demographic structure of the region (characterized by the total population of the region, its dynamics, the ratio of urban and rural population, its age and occupational structure, migration, mortality and fertility, etc., it is obvi-

ous that the socio-demographic structure leads to largely structure workforce in the region, operating conditions and regional economic development);

- Social structure of the region (the system of public service, characterized by the degree of development of social infrastructure in the region, the level of development of the social sectors, the number and quality of services of a social nature to the population of the region);

- Ownership structure in the region (characterized by volume, as property in the region, the relation between different types of property, in every region there are the following types of ownership: state property, which is run by the state or managed by local authorities, municipal property; private property. Ownership to any level includes financial assets, real estate, shares and so on. Depending on what type of property prevails in the region, the regional administration formed its own economic policy);

- Fiscal structure of the region (determined by the total amount of financial resources that are created in the region, their structure (budget and off-budget funds of funds, funds of enterprises and organizations, financial institutions, population, etc., the size and direction of movement of financial flows – internal regional and interregional their quantitative ratio);

- Administrative-territorial structure of the region (determined by the composition of municipalities that operate in the region).

From the above the following conclusions: 1) these patterns are characteristic of any region of the country, 2) the content of each of the structures is individual for each region, 3) the structure and the content determine the specificity of each of the regional economy, especially its operation and Development; 4) control system operation and development should be adequate to its specificity, consider the functional susceptibility region to determine the regional development strategy, development priorities, in determining the goals, objectives, management and so on.

In this regard, subject to regulation in the economic security of the region are: 1) identifying and monitoring the factors undermining social and economic stability of the region in the short term and pre-term, 2) the formation of policy and institutional reforms that neutralize

or mitigate harmful effects of these factors on the economy of the region [9].

In the present economic policy is quite topical issues related to supporting economic growth, creation of conditions for the progress of social relations, providing a holistic and sustainable socio-economic development. The region is classified as a rather complex multi-level structure, with internal dynamics, serving an essential element of the national economy. For regional economies characterized by a combination of social, economic, environmental, information and other components, the presence of many complex elements, a large number of different connections and relationships, the circulation of significant flows of material, financial and information resources. The greater the cumulative production and economic potential of the region, the region has more opportunities for the sustainable development of their own economic independence and security.

Regionalization is a significant and fundamental trend, which has a significant impact on the economy. The obvious result of the transformation of the socio-economic structure of society arose that a significant part of the problems facing the state level, moved to the level of regions. One of the principles of regionalization is the defense of the territory from the negative impact of the global community through the use of regional economic benefits. However, the main problem is not the association areas and the problems of their economic independence, security and sustainable development. Implementation of the State's functions at the regional level (Sustainable Development) in the long term associated with the establishment of mechanisms to ensure the economic security of the regions. The problem of economic security has always existed, but now it has become particularly acute in the aftermath of the economic reform, as well as varying degrees of readiness of regions to function in a market-based economy with a modernized their existing potential.

The principles of sustainable development suggest that the economy should focus equally as satisfying the reasonable needs now, and in preserving the ability of future generations to meet their essential needs. One of the stages of the assessment of sustainable development is to analyze the economic security areas. Today, as

a rule, developed the concept and forecasts for regions that are not associated with the problems of economic security. Economic security should be considered as the most important characteristic of the economic system, which determines the suitability of national and state interests in the region, ensuring living conditions of the population, eliminating emerging threats and neutralize their effects.

Findings from the study. Ensuring economic security – a guarantee of independence, the condition of stability and effective functioning of society guarantee stability and economic progress. The problems of economic security have attracted increasing attention. Ensuring economic security of the region is not the prerogative of any one state agency, and must be supported by the entire system of state bodies and local (regional) government, all links, economic structures and market mechanisms.

The economic security of the region depends on the regional economy and economic potential of a particular region. To ensure consistency

of decisions in the context of national economic policies in some regions with the overall strategy for regional development and the concept of socio-economic security is necessary:

- Ranking of regions according to the degree of negative impact situations prevailing in the regions to the national security of the country, the definition of crisis (depression) regions;

- Identification of priority activities undertaken to change the situation in crisis areas with limited resources;

- Continuous monitoring of the implementation and evaluation of actual performance measures adopted to implement. Such a control will take timely action in case of increase to a critical level of social and economic tensions in the region.

Strategic management of regional economic development in modern conditions, given the importance of each region and its economic potential, determines the objective needs of the region have their own concept of national economic security.

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PROSPECTS OF DAIRY INDUSTRY IN UKRAINE

The current status and features of the functioning of the domestic milk market. The condition of production, distribution, consumption of milk and dairy products during the period from 1990 to 2011. Investigated trends and prospects of the dairy market. Proposed measures to improve the situation in the industry.

Keywords: food market, food, dairy industry, dairy market, exports and imports.

The main problem. The dairy industry has a leading position in the food industry of Ukraine, as dairy products play an important role in alimentation of the Ukrainians and at the same time it is an important component of an individual variety of goods food industry. In Ukraine, for decades the consumption and production of milk and milk products was traditionally high, but during the last twenty years it has significantly decreased due to the development of the crisis in the dairy industry. The growing shortage of raw materials in the country, rising prices for milk and dairy products when the demand reduces, the quality of raw materials deteriorates and there is a lack of infrastructure of the food market and the formation of unfavorable world market of dairy products, these and other reasons prompted the decline of the domestic dairy industry and, consequently, the development of the dairy market has stalled.

Analysis of recent research and publications. The value of the dairy industry in the economy of Ukraine and the importance of milk products in the everyday ration of the population account for increased attention to academics for their further development.

Distinguishing parts of the main problem. Constant organizational and legal conditions change of farming in the dairy industry requires further analysis and case studies.

The purpose of the article. The main purpose of the article is an analysis of the dairy industry in Ukraine, separation of positive and negative trends, taking place in this area and outlining the prospects of the dairy market and ways to improve the state of the industry.

The main content. Dairy market is an important part of the food market as dairy products and ice cream consume about 97% of the adult population, and in terms of implementation they take the first place among other foods. The developed milk and milk products market is able to supply population with the goods corresponding by an optimal way with the lowest cost, but its successful operation depends on the state of the dairy industry. It should be noted that in the current economic conditions the development of the domestic dairy market has slowed considerably. According to the State Statistics Committee of Ukraine the volume of milk production during 1990-2011 reduced by more than a half, if in 1990 24,508.3 tons of milk were produced, so at the end of 2011 the volume of milk produced by all categories of the farms was only 11,086.0 tons. Dynamic of milk production in Ukraine is shown at Pic. 1.

This negative situation is mainly due to a sharp decline in milk production farms, which at that time cut them more than 8 times. Analyzing the output of milk farms, it should be

noted that there is something better speaker output is rising, then falling during the period, but still higher compared to 1990. Another negative trend in the dairy market in Ukraine is to reduce the number of cattle, which in turn provokes a permanent reduction in milk production. For example, in 1990 in Ukraine in all categories of farms, there were about 8 million 378 thousand cows, and at the end of 2012 this figure fell by more than three times and was only 2 million 554 thousand cows. During the period under review there was a reduction in livestock equally as on farms and in households. Such a dramatic loss of interest in keeping dairy animals may be explained by the constant of appreciating feed, electricity, equipment, fuel and lubricants, the lack of state support for dairy farming, negative demographic situation, which is manifested in an annual reduction of rural, low profitability of milk production and other factors. Also, it should be noted that the general trend in reduction of cattle in Ukraine there are areas that for a long time kept its lead in terms of cattle. These regions are leaders Vinnitsa, Poltava, Khmelnytsky, Lviv and Chernihiv regions.

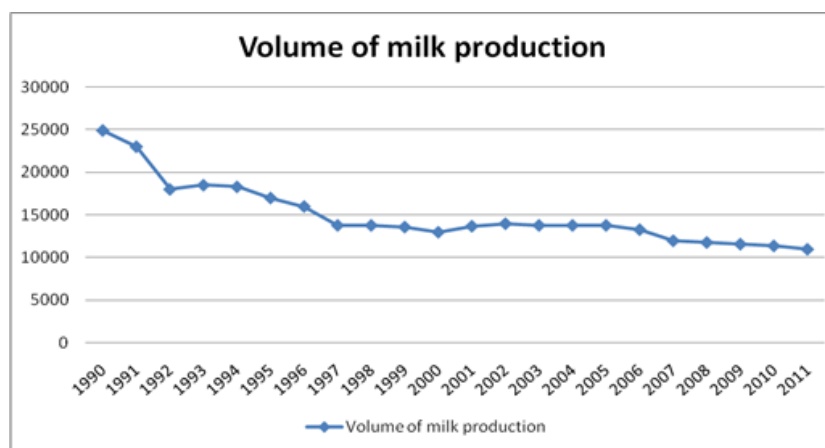
The largest number of cows at the end of 2012 held in Vinnitskaya area – 173 thousand units, Lviv – 152 thousand units and the Khmelnytskyi – 150 thousand units. Positive phenomenon in the dairy industry is a steady growth in productivity of livestock farms. So, for twelve years, intensification of production (2000-2012 years) the average milk yield per cow has increased almost three-fold. How-

ever, if we compare the performance of cows in Ukraine with an average udoymy milk in developed countries, it becomes clear how little progress has made the domestic dairy industry for twelve years. While in Ukraine at the end of 2012 the average milk yield per cow was 4676 kg, Israel – 13,000 kg, U.S. – 8431 kg, of Denmark – 7344 kg, and in Germany – 6281 kg.

Despite the negative trend of decline in milk production in Ukraine are a group of dairy products whose production is increasing every year. Thus, the production of liquid milk processed from 2003 to 2012 increased by 264 thousand tons, or 41%. The situation with cream fat content of 8% of their production during the same period increased from 9.9 tons to 36.1 tons, it is possible to talk about the growth of production by 3.6 times.

Analyzing the production of dairy products, it must be said that their output during the 2003-2012 biennium has not significantly changed. At the end of 2003, the volume of these products amounted to 427 thousand tons in 2008, compared to 2003, production increased by 25% and amounted to 532 thousand tons, followed by a gradual decline in production until the early 2012 year while analyzing the 2012 it should be noted that the volume of production increased by 15 tons over the previous year.

Also, in Ukraine there was an interesting situation with the production of cheese. Production of cottage cheese and cheese unfermented increased from 2003 to 2006 by 62%



Pic. 1. Dynamic of milk production in Ukraine during 1990-2011

since 2006 to 2011, inclusive output gradually fell and reached at the end of 2011. mark of 78.5 thousand tons, which is 14.7 thousand tons less than the amount in 2006 Since 2012 cheese production expanded by establishing new positive trend. The same is true of the fatty cheese whose production grew from 2003 to 2005 inclusive, but since the beginning of 2006 and in our time – constantly falling.

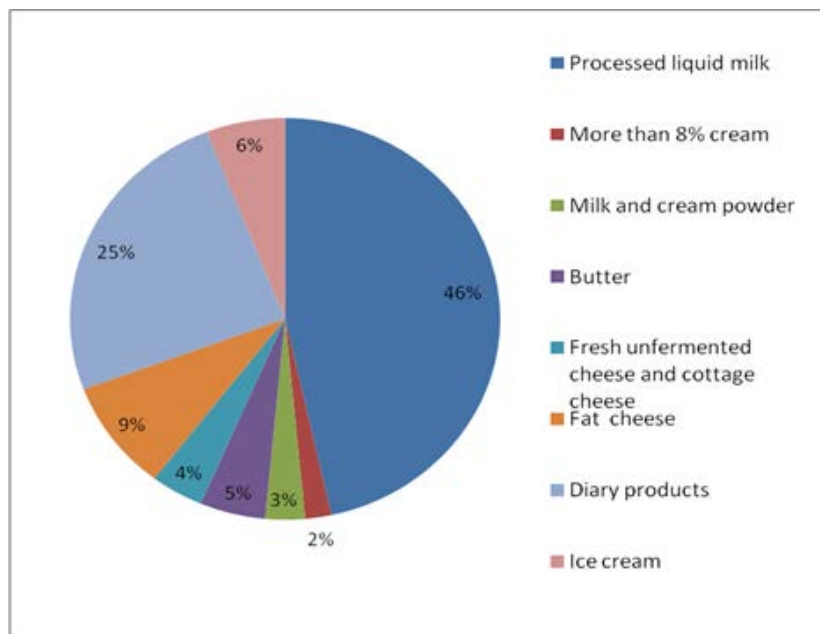
Greater degree of decline in milk production was reflected in the production of butter, which is output from 2003 continuously reduced. A slight increase in oil production is observed only in 2005, when it increased to 4 tons over the previous year, in 2010, which recorded growth in production of 4.7 tons and in 2012, when output oil rose to 11.9 tones from the previous year. Overall, from 2003 to 2012, the volume of oil production decreased by 35% or 48.4 thousands of tons. Analyzing the dynamics of production in the dairy market, consider market segmentation by type of dairy products in 2012, which is presented in Pic. 2.

As the diagram shows, in 2012, Ukraine produced the highest rate belongs dairy milk processed liquid, whose share in the total dairy products is 47%. This group of dairy products

always prevails over the other, because drinking milk consumed almost the entire population and statistics show that every year more and more fully. The second largest volume of production occupies dairy products, which owns 25% of the total milk produced products. In third place are the cheeses, the total share of 11% of the total of this group of milk. And fourth, of course, takes the ice, taking 6% of the total production.

Analyzing the market of milk and milk products consider it necessary to note another trend – in recent years domestic dairy production decreases and the consumer market increasingly filled with imported products, which makes domestic producers to seek new ways to enhance their competitive position. To analyze this situation we consider the main indicators of Ukraine's foreign trade milk and dairy products that are listed in Table 2.1.

The information shows that during the 1995-2011 biennium production of milk and all dairy products fell by 36% and Ukraine moved from 10th to 17th place in the world ranking of milk. In turn, imports of products during the same period increased by almost 4.5 times. On the one hand the growth of imports of dairy results in expanding the range of prod-



Pic. 2. Production of major groups of dairy products in Ukraine in 2012

ucts on the market and improve its quality, as evidenced by an improvement in living standards, but on the other hand, the expansion of imports adversely affected our food security, as domestic producers can not stand the competition with importers of food close its production and withdraw from the market. Considering the export dairy note that Ukraine in world trade of dairy products losing ground.

Analyzing the trade balance of Ukraine, it should be noted that despite the significant increase in imports and fall in exports in recent years, the balance at the end of 2011 remains positive, although it accounts for only 52% of the balance in 1995. Also, it should be noted that to the overall decline in milk production, a decrease of consumption of milk and milk products by about 3.4 % per year, while in Europe the figure is growing every year. Information on the volume of consumption and milk production per capita is shown in Pic. 3.

So, if as of 1990 the consumption of milk and milk products per capita was 373 kg per year, at the end of 2012 it was only 215 kg, which is 42% less than in 1990 and 43% less rational consumption norms milk one person per year.

In our opinion, the main reason for the reduction of consumption of dairy products in Ukraine is:

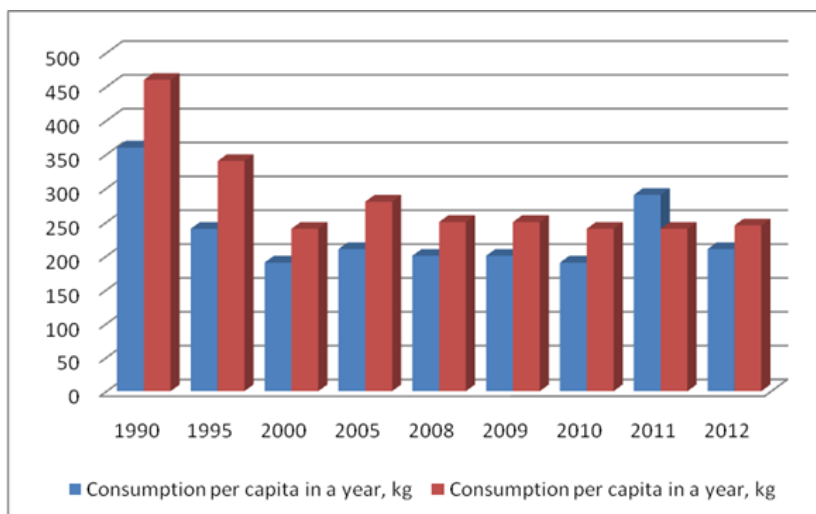
- Poor quality of domestic products;
- Low income;
- Steady increase selling prices of dairy products.

Given the decline in demand for milk products in the domestic market, domestic producers have to seek new markets. Unfortunately, at this time virtually the only Ukrainian market for dairy products is Russia, which is aware of such export monodependency Ukraine, often arranges her "Milk War". It would be nice if the Ukrainian producers managed to enter the

Table 2.1.

**Main foreign trade indicators of milk and dairy products
of Ukraine during the 1995-2011**

Indicators (thousands of tons)	1995	2000	2005	2008	2009	2010	2011	2011 in % till 1995
<i>Production</i>	17274	12658	13714	11761	11610	11249	11086	64
<i>Import</i>	58	50	112	234	455	273	257	443
<i>Export</i>	1420	1100	1901	1140	919	956	964	68
<i>Trade balance</i>	1362	1050	1789	906	464	683	707	52



**Pic. 3. Dynamics of production and consumption of milk
and dairy products per capita in Ukraine during 1990-2012**

global market, where for a long time dominated by the favorable trend of continuous increase in demand for milk, but to realize this idea of Ukrainian dairy producers should urgently improve the quality of products, and government – to conclude new treaties.

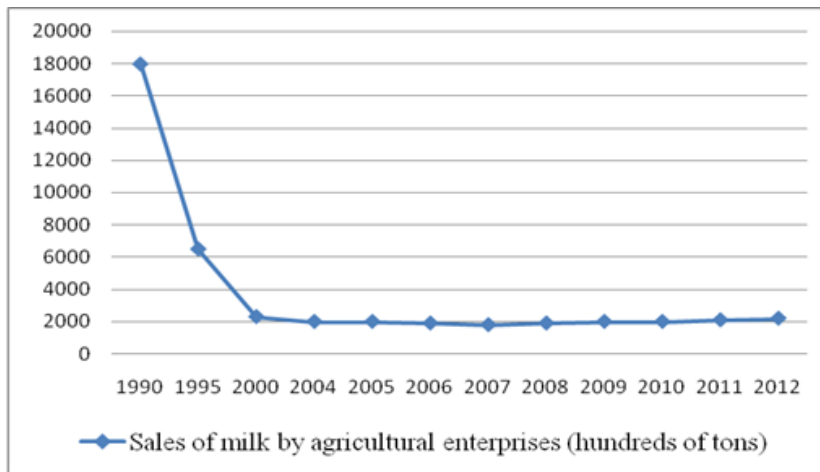
Analyzing the structure of consumption of dairy products by 2012, it should be noted that among the dairy “Leaders consumption” is cream (90%), yogurt (82%), cheese (82%), less – Butter (67%), cheese home (63 %) and fermented baked milk (60%) and others.

Over the period the production of goods per capita has always prevailed in consumption,

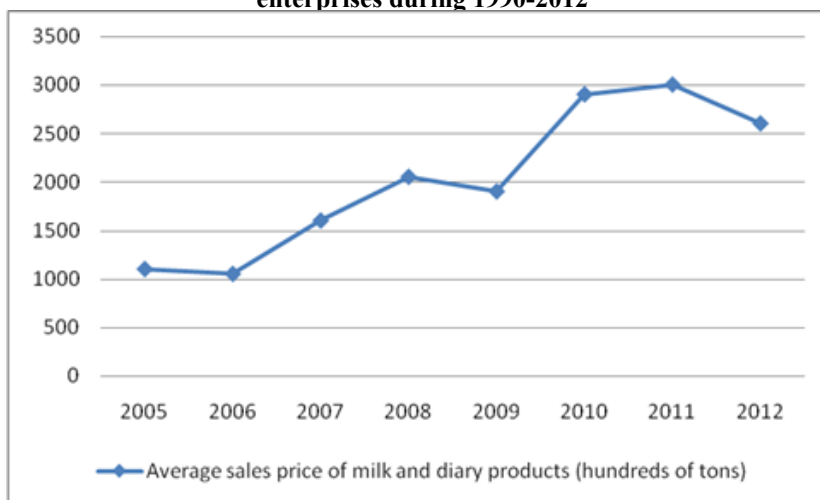
exclusion was only in 2011, when the level of domestic production could not cover the sharp jump in demand for goods.

Exploring the implementation of dairy products, especially note that all milk and dairy products coming from entities for the implementation of direct links and on sale in markets subject to veterinary – sanitary examination.

According to the order № 49 of the Ministry of Agrarian Policy of Ukraine from 20.04.2004, the implementation of raw cow ‘s milk from farms (farms) entities regardless of ownership on sale can be done only in the markets for these conditions:



Pic. 4. Dynamic of milk sales by agricultural enterprises during 1990-2012



Pic. 5. Dynamic of average sales price of milk and dairy products during 2005-2012

- Compliance dairy farm veterinary and sanitary requirements in accordance with legal regulations;

- The availability of veterinary document ;

- Available for each batch of milk waybill with an indication of milk quality parameters (temperature, purity, density, pH, somatic cell, the mass of fat, etc.). Milk when exiting the economy should have a temperature no higher than 6 ° C, and upon arrival at the place of trade – not above 10 ° C;

- Terms of milk should not exceed 12 hours from the time of milking;

- Raw milk, which is sold in the free market must not be below the 1st grade on all counts in accordance with GOST 3662-97 «Whole cow's milk. Requirements of the procurement».

In implementing the raw milk market should observe the following mandatory requirements:

- 1) Sales of milk only in special places for study after state laboratory of veterinary- sanitary examination of the market.

- 2) The place of sale must be provided with water, soap, towels, table with water-resistant coating that is easy to wash and disinfect.

- 3) Persons who sell milk must have personal medical books, provided sanitary clothing (white robe and scarf) and observe good personal hygiene.

- 4) The driver must have a sanitary passport of the vehicle and your personal medical book.

- 5) Containers of milk during transportation are sealed. It should also be noted that the sale of milk and milk products outside the market this piece of legislation is strictly prohibited.

Analyze sales volumes and average selling prices for dairy farms. To do this, consider Pic. 4 and Pic. 5. According to Pic. 4 shows that the peak decline on agricultural production came in 2004, when volumes fell by 89% compared to 1990 Since 2008 there is a slow but steady build-up in sales of dairy products, which tells us about the gradual withdrawal farm crisis.

Despite the poor quality of raw materials and reduction in income, the prices of dairy products from 2005 to 2012 increased by 136%. There is an inspire trend growth, the biggest jump in prices was recorded in 2010,

when prices rose by 56% over the previous year.

After analyzing the current state of the dairy market, we want to point out that despite some crises are present in the domestic dairy industry; milk market has huge growth prospects. First of all, by increasing the number of cattle and increase their productivity. Ministry of Agrarian Policy and Food of Ukraine has the task to run until 2015 to increase the number of cows to 2.72 million goal. Increase productivity of the herd to 5.66 thousand kg / year, and bring the volume of milk to 15.4 million tons per year. To perform the tasks necessary to direct the efforts of the authorities at all levels in the development of large-scale production and support of private farms.

Conclusions and recommendations. Based on the analysis carried out by us, we offer the following basic measures to improve the functioning of the market in milk and milk products:

- Development of standards for dairy products, which meet European requirements and standards for the implementation of such enterprises;

- Assistance in law of agricultural service cooperatives;

- Establish a network of information support milk and milk products;

- Improvement of the financial asset and of concessional lending milk and agricultural production enterprises for the purchase of equipment to modernize production;

- Promoting concentration of dairy production in the most favorable for the natural geographical and socio-economic conditions of the area;

- Rationalization of public subsidies and subsidized milk producers;

- Strengthening of state control over the safety and quality of dairy products in order to increase consumer confidence in domestic products and to stimulate demand;

- Development of measures to stimulate exports of dairy products by improving the quality and diversification of markets in order to avoid the threat of dumping investigations and more.

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CONTRADICTIONS OF PARTICIPANTS INTERESTS OF MARKET CONCENTRATION AND THEIR PARTICULAR FEATURES IN UKRAINE

The article shows an author classification of market concentration subjects. Economic interests of each participants of these processes were analyzed and possible contradictions between them are exposed. The ways of elimination of contradictions between interests of market concentration participants in Ukraine is suggested.

Keywords: economic interest, market concentration, opportunistic behavior, mergers and acquisitions, raid.

Statement of the problem. The processes of concentration, which is characterized by the development of modern national and international markets undergo significant changes under the influence of increasing globalization and deregulation of economic relations. This is especially evident in the expanding geographic and product market boundaries, the use of new methods of competition and forms of concentration, as well as expanding the list of entities that participate in these processes. Under these conditions, the transformation of economic interests of the latter, are increasingly contradict one another. This has a negative impact on the results of concentration for most businesses and on the efficiency of the market and the economy. Especially acute these differences manifest appear in countries with in transition economies and developing countries.

The negative impact of the processes of market concentration on the intensity of competition in the domestic market under conditions of incomplete transformations and deformation of the existing market economy leads to an urgent need to identify the main differences that arise between the interests of participants in these processes and finding solutions to enhance the positive impact of concentration on economic development.

Analysis of recent research and publications. Theoretical aspects of the market concentration have been widely covered in the economic and legal literature of the second half of

the XX century. Significant contributions in the study of this problem among domestic scholars have V. Bazylevych, A. Gerasimenko, A. Ignatiuk, V. Lahutin, A. Lozova, Yu. Umantsiv etc. In their works scientists analyze the necessity and effects of market concentration, assess its level in the commodity markets and offer more effective ways of controlling these processes.

Cover of earlier unresolved parts of the general problem. The question of identifying the main differences between the interests of the participants concentration markets and opportunities for overcoming them, in our opinion, did not find adequate coverage in the national literature.

The aim of the article is analysis of the differences that arise between the interests of businesses subjects in their participation in market concentration and to identify opportunities to overcome them.

The main material. The current development of domestic markets for goods and services is characterized by the active participation of enterprises in the process of concentration. In the economic literature there are many approaches to determine their nature. In theory Cooperations market concentration is defined as the characteristic of its structure, which reflects the relative size and number of companies that offer products [1, p. 87]. Professionals on antimonopoly control define this concept as the concentration of economically important indicators or characteristics in the hands of a

small number of businesses in which accumulated material and Representative Government [2, p. 56]. We proceed in terms of approach and behavior approach under market concentration the system of social and economic relations that arise between economic actors in the process of building market share by market participants is understood.

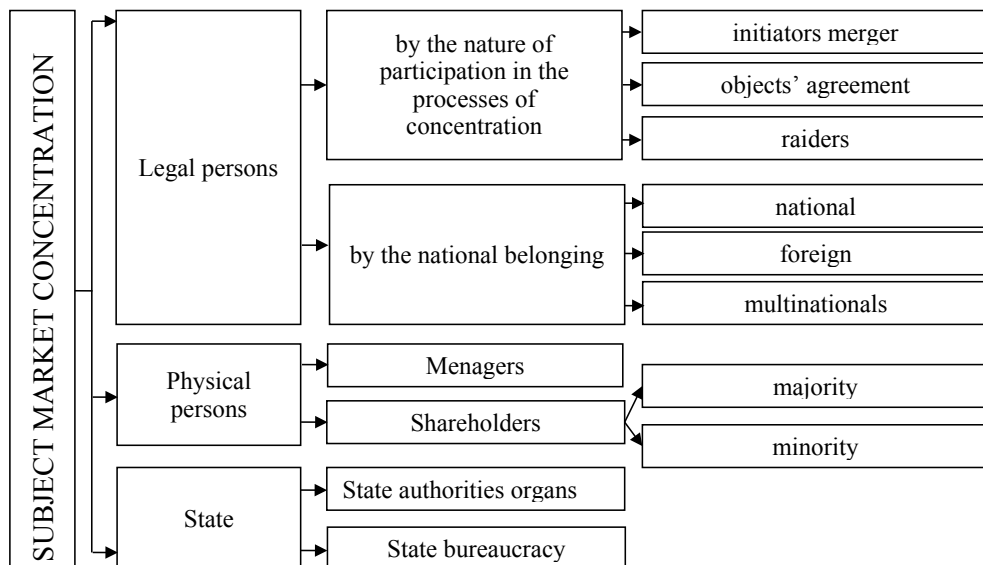
Concentration of market in modern conditions can be done in two main ways. First of all it can be a result of the concentration of capital that is increasing its size by using a portion of profits to expand production [3, p. 253]. Concerning that the increase in market share in this way requires a significant investment of time in business practice market concentration is much more the result of amalgamation (merger or acquisition) companies producing similar or related products. It was during this interaction entities defend their own interests, which often do not coincide or conflict with the objectives of the state of competition policy.

The choice of a particular form enterprises participating in these processes depends on the behavior of all economic agents, which is determined by their needs and interests. For better understanding and clarification the nature of recent conflicts, the occurrence of which they determine is necessary to identify subjects

whose behavior affects the nature and form of market concentration. In this regard, it is necessary to have precise classification.

We believe that all subjects' market concentration can be divided into three main groups – legal entities (companies), individuals and the state (look at pic. 1). Enterprises are directly involved in the process of mergers and acquisitions, while trying to realize their interests, the main of which is profit, increase their own economic power in the market and achieve capital appreciation. Depending on the role in which the entity is involved in the processes of concentration and his nationality, interests and needs of market actors may vary. Thus, for the object of the transaction can be a primary goal of survival in the face of fierce competition for the raiders – a quick profit from speculation, and for foreign companies and multinationals companies – strengthening of its own presence in the domestic market of the country.

To the second group of subjects of market concentration consrn individuals – the owners and managers who are involved in these processes. Although they do not directly involved, their personal needs and interests have a significant impact on the results and processes of concentration. In particular, taking the relevant decisions of the company's shareholders out of



Pic. 1. Classification of subjects market concentration

Source: author's developing

the need to increase the market value of their own company to improve its reputation and receiving dividends. However, senior managers typically pursue only one goal – to improve their welfare.

Consider the fact that the owners and managers is a necessary condition for the existence of each entity that is a party to the merger or acquisition, we believe that interest entity should be considered as the sum of two components: 1) the public interest company, which aims to meet its activities (profit support productive capacity maintenance market position) and 2) the individual interests of its internal stakeholders (shareholders, managers, employees). Their implementation in modern conditions is characterized by a high degree of uncertainty, the dynamic changes of their environment and the ever increasing influence of globalization.

The last subject of market concentration is state, which represented the state authorities imposed regulatory functions that occur in the implementation of antimonopoly control over these processes. However, the state bureaucracy, pursuing personal goals through lobbying individual market participants can promote the participation of some enterprises in the process of market consolidation and restrain others.

Consider this diversity of actors concentrations markets and emerging conflicts between their interests. Even R. Kouz drew attention to the fact that market actors «taking care of their own interests, exert actions that facilitate or impede the actions of others» [4, p. 28]. At the beginning of the XX century activities of all contractors consistent first «invisible hand of the market», in today's increasingly experiencing problems related to neglect the interests of certain groups of people, such as minority shareholders of companies that are subject to takeover, state etc. In this regard it is necessary to introduce additional institutional and legal provisions to guarantee the realization of interests of each subject.

In the process of concentration of markets companies are trying to satisfy their main economic interest – profit. With this aim they unite or absorb other business units and thus increase its presence in the market, meet the growing demand of consumers and trying to take over the exclusive market position. This is especially

true of companies-buyers in the case of mergers and companies-aggressors on the acquisition. However, very often these powerful desires in the financial aspect of businesses do not coincide with the interests of less powerful partners.

Controversy interests of market concentration resulting from opportunistic behavior of one of them. This behavior can acquire exogenous and endogenous nature. External opportunism manifested in the implementation of transactions between entities that actually are the result of mergers or acquisitions, corporate raiding, greenmail etc. That is in fact gives rise to conflict of interests of various businesses. Regarding internal opportunistic behavior, it is associated implementing their own internal interests of stakeholders (managers, employees or shareholders) against the rules and by other entities.

Exogenous opportunistic behavior can occur already in the process of signing the merger. A striking example is the merger nonequal conditions under which shareholders participating companies have different shares (shares) in the share capital of the newly established companies [5, p. 190]. For example, at the confluence of the Swiss commodity trader «Glencore» and mining company «Xstrata», the latter for his share of each share was 2.8 stock «Glencore». On the one hand, the merger nonequal conditions usually are caused by differences in capitalization companies, on the other – leads to the fact that the target company shareholders decreased ability to influence decision-making and, therefore, to defend their interests.

Besides the process of merging into nonequal conditions are often not satisfied with the interests of the target company managers. This situation contributes to the opportunistic behavior regarding past owners of the company. In fact, the association for them two choices: either to bargain with the acquiring company, guided by self-interest (saving his own job after the merger), or traded while protecting the interests of its shareholders, trying to get the highest possible price for the assets of [6, p. 126]. Both variants give rise to conflicts between the interests of managers and shareholders of target company. In the first case, managers receive greater benefits as a result of the transaction, compared with shareholders. This is under-

standable because top managers, who lost his position as a result of acquisitions, it is difficult to find jobs in other companies. If managers act in the interests of shareholders, it usually leads to neglect their own interests, resulting in a loss of work.

More controversy arises between the parties to the merger immediately after the transaction. O. Uiliamson said that with the slightest possibility of violating the terms of commercial agreements in their favor, if it is in their long-term interests [7]. In the process of market concentration is clearly seen if it appears that the merger of the newly established company has reached such large proportions that it harms its activities. The company is the subject transaction tries to maintain its production facilities and staff under these conditions. It is not always possible, especially in situations where union was not on equal conditions.

The contradiction between the interests of partners in the merger may also occur as a result of hiding the true intentions of one of the participants on the future direction of the newly created entity unfair disposal of property acquired objects financially weaker partner, use a strong position at the expense of violating the accepted partner agreements [8, p. 71]. However most urgently develop and have greatest manace of conflicts of interest that arise in the process of hostile takeover.

If the takeover occur based on speculative grounds, it is usually used greenmail in which completely ignored the interests of the company – the object of absorption. The company aggressor is doing everything possible to create intolerable conditions of work, including the convening made extraordinary shareholders, submitting a large number of lawsuits, complaints to various regulatory bodies and a number of other measures aimed at forcing management company aims to buy overpriced shares at the hands of the aggressor. This results in a decrease in the efficiency of resource offerings, increased costs, which does not correspond to its interests. Activity greenmail helps loopholes in legislation and the most corrupt officials.

It should be noted that the problem of conflict of interests of victims and company absorber is particularly relevant in the Ukraine. This is confirmed by the following facts. If annual volume

segment of mergers and acquisitions in Ukraine is estimated at approximately \$5 milliard dollars, according to the estimates of investment companies is two thirds of its hostile takeover, which take the form of Ukrainian realities raider attacks. Enterprises' take over in the national economy practice about 50 raider groups, the results of which is up to 90% [9, p. 130]. The problem rises in Ukraine every year. Thus, if in 2010 the Interdepartmental Commission on Combating illegal acquisition and takeovers reviewed about 900 applications for hostile acquisitions (75 applications per month) in December 2011 their number was already 200 [10].

This situation is explained by the low level of protection of private property in Ukraine and imperfection of domestic legislation. This is confirmed by data on the index of economic freedom, according to which this indicator Ukraine in 2013 ranked 16-th place among 177 countries in the world and index that characterizes the efficiency of legal system and protection of property rights it is on the 94-th place [11, p. 445-446].

Really, the national legislation does not clearly spelled out rules of corporate relations and that is why corporations often become targets of hostile takeovers and corporate raids. In addition, the existing legal framework does not contain the explicit procedures absorption characteristics by which these processes can be classified as legal or illegal and there is no general mechanism for evaluating the impact of mergers and acquisitions in the market and the companies that operate on it. Even worse situation is with the protection of property rights (according to analysts, the figure in Ukraine is one of the lowest in the world). Thus, the index of property rights protection Ukraine took place 118 among 130 countries (the index is 4 points). In this sub-index parameter which characterizes the political and legal environment and which includes an assessment of the judiciary, rule of law, political stability and control of corruption, the country also has a very low position – 104 position (3,6) in the world and 23 from 24 countries of Central and Eastern Europe [12].

Special attention should be paid to conflict that arises between the interests of managers and shareholders. According to representatives of institutional theory

M. Dzhensen and V. Meklinh, the source of conflict between corporate managers, acting as agents of the owners of the company and is owned directly by the last payment of their income as dividends [13]. The payment of dividends, return of capital towards redemption of shares and other similar actions reduce the amount of the resource base of the corporation, resulting in reduced capacity management becomes a more flexible financial management resources. It creates certain difficulties and problems for managerial company, because usually there is much greater scope for market analysis resources and their involvement. The use of internal resources by reducing or non-payment of their profits to shareholders makes it possible to effectively manage the finances of the corporation.

Managers are not seeking to maximize the interests of its shareholders under agency theory. In the base of their work are their own interests that do not always coincide with the interests of shareholders. If the evaluation of senior management is largely dependent on sales growth rather than the rate of return for shareholders, then managers may conclude agreements on mergers and acquisitions, guided by their own interests, not the desire to increase shareholder wealth. In some cases it may appear negative on the structure of the market in which the corporation operates them.

The problem is exacerbated by the fact that large companies with complex organizational structure, the ability of shareholders to monitor managers is limited. The desire of managers to avoid supervision by the owners of one of the strongest motives to participate in a variety of corporate conflicts are exacerbated not only in the process of mergers and acquisitions but also in the division of business or other ways of reorganizing the company.

Besides conflicts which arising between the private interests of business entities in the process of market concentration there is also a contradiction between private and public interests. The level of consolidation in the commodity markets primarily depends on what the «rules of the game» established by the legislature in the implementation of economic policy. Their peculiarity is that they should reflect the interests of the state as a public concerning issues of competition and private enterprise interests.

In the process of market concentration some public interest realization of which is provided by the legislative and executive government's branches, as contrary to the interests of market actors and interests of officials who represent these authorities. There is a conflict of interest between the objectives of the policy sometimes. From the one hand, art. 42 of the Constitution of Ukraine proclaimed the need for competition in business and therefore limit the maximum level of concentration and the from the other – in the Strategy of Innovation Development of Ukraine for 2010-2020 in globalization challenges the primary goal of public policy declared ensure competitiveness and increasing innovation activity of enterprises. The last is impossible in conditions of development of the national economy only through the use of internal funds of economic entities and therefore requires combining several companies (including those that act at the same market) which accordingly affects at concentrations commodity markets.

Experience of resolving this contradiction is interesting in countries with developed market economies. Particular experience of government regulation in France, Germany, South Korea and other countries shows that their competition and industrial policy, primarily aimed at investigating companies not to regulate an entire industry. The result was the education of the so-called «national champions». For example in France in every industry were created one or two large companies, competition was that a large number of small and medium enterprises. Company leaders had to compete with foreign enterprises in world markets. The main criterion for selection was the level of technological development entity in a particular commodity niche [14].

It should be mentioned that this scenario does not always work in countries with transition economy. Moreover, it is a threat expression of opportunistic behavior on the part of businesses that occupy a unique position regarding public policy objectives. The privileges granted by the state for activities in foreign markets, they can be used to achieve a monopoly or even a dominant position in the internal market.

The process of selecting companies to «national champions» can be distorted. Results of the process of privatization indicate that

in Ukraine. Get the company to be a «league elite» only close to government officials, as in this case their economic interests will coincide. This will lead to a number of negative consequences such as unjustified distortion of competition and increased concentration in domestic markets, low competitiveness in global markets (as accumulated resources will not be directed at improving the goods and the expansion of activities within the country), inefficient allocation of public resources that lead to underfunding of whole industries, the growth of social discontent etc.

High probability of such a scenario in developing countries and countries with economies in transition is explained because they are characterized by high level of corruption in government. Thus, Ukraine takes 144-th place by Corruption Perceptions Index in the world [15]. Extremely low values of the index are characterized by the development of all countries in the post-socialist camp, which makes it possible to assign them to the category of highly corrupt. In this regard, we can conclude that the strategy of «growing national champions» in these countries will not bring good results.

However, in most industrialized countries the interests of strengthening the position of national companies in the world market given absolute priority in comparison with the principles of free competition, according to which products the market has to offer a large number of manufacturers and demand between them should be evenly distributed. Ukraine should implement such effective economic experience in his own practice in order to ensure the competitiveness of its products in the international market, taking into account the specific conditions of the national economy and historical development.

Given the fact that the conflict of interests of multinational corporations and national enter-

prises and the state covers large economic level and is due to the larger number of factors it will be subject of our further research.

Conclusions and propositions. The existence of a large number of contradictions between the interests of the parties' market concentration has a negative impact on development as the market environment and the economy in general. It is necessary to combine formal and informal measures of institutional adjustment to their partial or total removal. National competition policy should be consistent with the objectives of industrial policy to ensure «healthy» economic competition and a high level of competitiveness of domestic products. In addition, it is necessary to develop measures to intense struggle against green mail, raiding and lobbying the interests of individual business groups in the state bureaucracy.

Together with the creation of appropriate, effective institutional surroundings, based on a set of formal rules and regulations in order to mitigate the conflict between the interests of different stakeholders of market concentration should be formed by a series of informal institutions. They should include a set of unwritten principles, norms and recommendations of the behavior of companies in the competition struggle in general and for their participation in the process of consolidation in particular. Their violation will cause extensive feedback.

A number of civil organizations and media devices will be initiated a public discussion of companies' offenders that will be marked negatively on their image and cooperation with other market counterparties. This will ensure achievement of two goals simultaneously by state: 1) improving the culture of competition in the business sector in particular and society in general; 2) encourage enterprises to responsible and fair actions towards their partners in the process of concentration and competition struggle.

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MONEY, FINANCES AND CREDIT

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FEATURES OF INDIVIDUAL INVESTMENT IN STOCK MARKET OTC UKRAINE

Investigated the process of signing exchange agreements, general technology management and settlement of trades in the implementation of individual activities in the OTC stock market of Ukraine. The features of the technology making deals on counter stock market. The recommendations on the choice of the future direction of the stock exchange infrastructure and technologies in Ukraine.

Keywords: stock market, OTC trading, exchange agreements, individual investment activities, exchange technologies

Statement of the problem. Individual participants of fund market are physical persons (households), that differ in inter se an amount and types of securities, they own that; by the degree of activity with that they prove at the market; by purposefulness; by the method of choice and making decision in relation to the purchase-sale of securities. Although individual participants does not prevail at the fund market, however due to their great number issuers have the opportunity to mobilize monetary resources, dispose of them in economic aims, to produce necessary to the population material welfares.

In developed countries, the foundation of the stock market makes it millions of small investors – individual members, who carry on it the individual activities of buying and selling securities. Population (household) sector is a significant financial relationship for forming the overwhelming majority of cash savings in the society. The wealth of the state is derived from the well-being of the general population and increased primarily due to savings in the household sector. Such increase is the certificate of stability and increase real to the sector of economy. At the terms of market relations economies have clear economic maintenance – investment capital. In the developed countries

a decision role an investment process is played by the economies of population. Thus, the U.S. population owns 70% of financial assets; their share is almost 5 times higher than that of the state. For an overview NYSE, in 1990 over 51 million individual investors owned shares directly, which is about a quarter of the adult population were shareholders [1, p. 131].

Analysis of recent research and publications. Some aspects of the individual investors in the stock markets covered in the works of many local authors. Thus, the theoretical basis of positioning the investor in the stock market are presented in the Revised V. Radzievska, issues investor protection are considered by economists such as AS Moskvina, P. Grom, A. Portnov, the process of transformation of savings into investments revealed in the works of Ramskoho, M. Savluk, S. Panchyshyn, marketing aspects of the process of exploring LA Novoshynska legal – V. Pospolitak, D. Fedorchuk and many others.

Bold unsolved aspects of the problem. Despite the significant contribution of these scientists and a certain degree of elaboration of the theme, severity and urgency of the problem requires further in-depth analysis, rethinking traditional concepts and develop advanced tech-

nologies to implement individual investment in the stock markets of Ukraine. In the theoretical and practical bases of formation mechanism for implementing individual activities of investors – individuals, residents of Ukraine on the OTC stock market of Ukraine no single view on the meaning and function of its basic elements, there is no single scheme of interaction. The needs for the invention of new approaches in the implementation of individual investment in the stock markets of Ukraine under current conditions and justify the relevance of the research topic.

The purpose of the article. The purpose of the article. The purpose of this study is that based on the theoretical positions of management and summarizing practical research experience of individual investment in OTC equity markets of the world to follow the features of these activities for individual investors and offer basic directions of further development of the stock exchange infrastructure and technology in Ukraine

The main material. Let us consider in more detail on the features of stock market activity in Ukraine just individuals, who are self-investment activities. The conclusion of the exchange transaction involves the following steps:

- 1) The introduction of applications in a stock trading system;
- 2) An agreement;
- 3) Verification of the parameters of the agreement;
- 4) Settlements (clearing);
- 5) Implementation of the agreement, that provides cash payments and counter-transfer of securities. Consider the overall technology maintenance and settling trades on the OTC stock market of Ukraine.

In terms of legal and legal registration of trade on the stock exchange and OTC market has significant differences. Just work on the individual investor can exchange only through a broker or trader. With the difference that a trader to act independently on the OTC market in terms of registration permits much easier. However, there are some organizational issues, which, in our opinion, should stay in more detail.

Tech bidding is common to all trading platforms that carry out trades on the OTC stock market. In general terms, it is presented in Fig.

As you can see, there are total technology elements whose implementation requires the involvement of special tools, especially information and communication, providing a unified system and information space. Consider these elements in more detail.

The term “electronic trading system” covers a wide range of different kinds of systems applied Marketplace on financial markets for trading on the stock market. In the Marketplace we mean the exchange, alternative trading systems (ATS) and collective shopping community (MTF – Mutual Trading Facilities). Electronic brokerage of some brokerage firms, which are also sometimes called “electronic trading system,” despite some similarity to the trading system trade organizations have a number of specific features.

Currently, the economy, including the fact the stock market, there is, in fact, technological revolution, characterized by its radicalism and efficiency. Stock transactions can now be entered on the computer screen, information about deals and prices send an unlimited number of investors. They establish many competing dealers who transfer rates of purchase and sale for communication networks.

Thus, in electronic trading system meant an aggregate software (trading platform), computer systems and telecommunications infrastructure that provides standardized tendering various financial instruments for various standard rules.

Establishment of the Ukraine national electronic and telecommunication systems affected primarily on the legislation which defines trade information system (TIS) and electronic trading information network (ETIM). TIS – is a legal entity registered securities dealers, which owns and manages any system or means to facilitate securities trading in the OTC market. TIS includes ETIM, which is intended to link market intermediaries in different places and providing them with means of exchange quoted securities in real time.

TIS provides any interested person the following information: the rules the admission of securities to trading rules laying and Reconciliation Agreement, the order of execution of agreements, rules to limit manipulation of prices for traded securities admitted to trading for securities traders schedule providing services TIS.

Each agreement concluded in accordance with established rules TIS, any person provided the following information: date and time of the agreement, under the name of securities under this agreement, their state registration number, the price of the security, the number of securities. The essential characteristics of electronic trading systems are taken into account in their analysis and evaluation is their functionality:

- Types of financial instruments that are traded in the system – stocks, bonds, derivatives, foreign exchange instruments and money markets, commodity instruments, etc.

- Methods of tendering, which are supported by the system – Order-driven market, Quote-Driven market, Call-type Auction trading, negotiated deals registration, etc.;

- Types of applications that are supported by the system for each of the methods of trading – limit, market, etc.;

- Additional procedures for processing applications and transactions supported by the system – the control authority of the bidder and the trader-range control, keeping retail position, check security, etc.;

- Range of information on the auction market situation and provided to users;

- User access methods supported by the system – through trading terminals of the man-machine interface using API for connecting system brokerage or other client software, via a network connection using standard protocols of information exchange for financial markets, such as FIX and more.

Also, do not distinguish between functional parameters of trading systems:

- Throughput – throughput, number of requests per time unit that is able to handle system;

- Response time – latency, the time from application to transfer the system to obtain a response from the system;

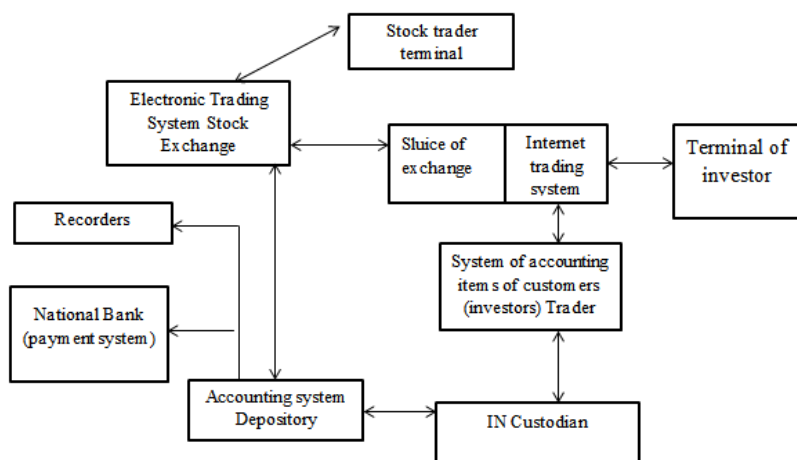
- Accessibility – availability, the ratio of time when the system is ensured smooth implementation of trading, and the time when the system should provide bidding on schedule;

- Reliability (reliability), the system's ability to provide uninterrupted bidding in case of failure of its components);

- "Sustainability" – resiliency, the ability to recover the system and status of the trading session after a serious accident that led to the suspension of trading;

- Interoperability – the ability of a system to effectively interact with systems that perform "related» functions – clearing, settlement, monitoring the markets etc. User – brokerage, dissemination of market information, etc., systems of other trading platforms and regulators;

- Scalability – scalability, the possibility of increasing the capacity of the system without substantial processing, by increasing the capacity and / or the number of used computer systems and telecommunications infrastructure capacity ;
- Functional extensibility and " configurability" – the ability to extend the functionality of the system and change the procedures for processing of information without significant processing [2].



Pic. 1. Technology of bidding

Characteristics of electronic trading systems are largely individual, as determined by the needs of trading platforms that they use.

Internet trading system – is the implementation of trading indirectly through special programs online. Most of the stock exchanges of the world have long abandoned the scheme of sale “on the floor» or “ in the pit “, which suggests the presence of the trader or broker on the stock exchange, and went on e-commerce. This shift means that anyone can buy a particular asset directly from your trading terminal, giving orders over the Internet.

The term “online trading» began to be used on the Ukrainian stock market recently, but has already become very popular among our investors. In Ukraine, the official date of the launch of Internet trading is 26 March 2009. Online Trading we got through stock exchanges – JSC “Ukrainian Exchange” that launched him in the prime financial crisis. Crisis events of 2008 in Ukraine temporarily questioned the use of Ukrainian issuers as a reliable investment tools and inhibited the development of the stock market itself. To stabilize the situation on the stock market of Ukraine JSC “Ukrainian Exchange” launched market applications with direct access to his investors (online trading). When you run the “Ukrainian internet trading» took over all the best practices from neighboring Russia and is adopting a good experience from America, Europe and Asia.

Conclusions and recommendations.

Today in Ukraine to implement on-line securities trading (market bids and market quotes) is the possibility of two market places – is at JSC “Ukrainian Exchange” and OAO “PFTS”. And just when Ukraine will be a real competition between exchanges, it will give a new breakthrough in the development of the stock

exchange infrastructure and technology. Therefore, all waiting to enter the Ukrainian market for new stock operators, including Western ones.

The benefits of online trading for private investors, who are self- activity in the stock market, are clear. Simplified and accelerated sales process contracting, rising to almost limitless number of transactions, the investor can make in a day. In addition, significantly reduces the barrier of entry to the market. If before the advent of Internet trading broker was not profitable to work with the investor, if he had a sum of less than 25 thousand, but now even investors from 1000-5000 UAH can successfully operate on the exchange. Also, online trading has allowed private investors to engage in arbitrage – trading simultaneously on two stock exchanges and make a difference in the prices of securities. Volatility Ukrainian equity market theory gives hope to the high profitability of this strategy, as well as most liquid shares (“blue chips”) often per day can vary in price by 2-10% or even more. Also online trading does not mean that the investor has continuously all day to monitor the market while sitting at your monitor.

It can form the investment portfolio of the most attractive stocks, making adjustments to it from time to time. Some stocks in this portfolio may be months or even years, and the process of applying for the transaction may take a few seconds. Moreover, there are already some Ukrainian investors who previously worked in Western markets seeing that the Ukrainian stock market brings real income, began to move against him. Another worth mentioning that we have successfully traded on exchanges, both residents and non-residents of Ukraine (this allows our law) [3].

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FACTORS OF PROVIDING OF FINANCIAL SAFETY OF JOINT-STOCK COMPANIES

The theoretical aspects of essence of concepts «factor», «determinant», are considered and depending on influence on financial safety of subjects of manage a concept «factors of providing of safety» and «destructive factors is selected». Systematization of factors of providing of financial safety of joint-stock companies is carried out depending on the spheres of their display and levels of securities.

Keywords: factor, factor, determinant, financial safety, joint-stock companies, factors of providing of safety, securities' levels.

Raising of task. A separation and researches of factors (factors, determinants), which determine a level them financial safety, needs in forming of the system of providing of financial safety propulsion MODULE. Exactly it is the source of explanation of pre-conditions and maintenance of forming of the real financial strength security, and also is basis for prognostication the vector of subsequent actions and directions of activity of joint-stock companies.

Analysis of the last researches and publications. Researches of problems of activity of joint-stock companies in the that or other fore-shortening carried out in the works O. Belorus, P.Gaidutskiy, S. Glibko, O. Zhadan, i. Spasibo-Fateeva, I. Funk, I. Zyatkovskiy, I.I. Galiev, A.B. Pedko, L.E. Dovgan, V.A. Evtushevskiy, D.V. Zadikhaylo and other scientists. However majority of labors is devoted to the problems of corporate management. The problems of providing of financial and economic safety of joint-stock companies were probed the domestic research workers of V.I. Franchukom, I.P. Shulgoy, N.M. Davidenko. Without regard to the far of labors, devoted the problems of corporate management and corporate safety, for today there is not the unique going near systematization of factors of providing of financial safety of joint-stock companies.

Forming of aims of the article. A primary purpose is generalization and systematization of

factors of providing of financial safety of joint-stock companies in accordance with levels of securities and spheres of their display.

Presentation of basic material of research.

In the general understanding a «factor» is interpreted as a concept, derivative from a concept to «do», to «operate», to «carry out a certain act, operate», «that which does carries out influence, operating». Among the synonyms of this concept is a concept «factor», «determinant». Without regard to the synonymy of terms, between them there are certain differences.

A factor (from lat. factor, facere) means reason, motive force of some process, phenomenon, which determines his character or separate lines. The large explanatory dictionary of Ukrainian is interpreted by a concept factor as condition, motive force of any process, phenomenon; factor [1, p. 1314]. Determination which is given in the Large economic dictionary some differs: a factor is a substantial circumstance in any phenomenon, process, initial constituent anything [2, p. 23]. N.V. Tarasenko [3, p. 75] and Z.F. Petryaeva [4, p. 38] examine a factor as. O.A. Chemeris, N.G. Sidorchuk examines a factor as reason, which predetermines the increase of some phenomenon, and subject a correction or adjusting within the limits of certain process [5, p. 55-57]. Consequently, majority of existent determinations is near on maintenance and actually differ little

what. Almost in all determinations a factor is examined as a condition; motive force; factor; reason; circumstance.

A term «determinant» the last years all more frequent meets in the publications of domestic scientists and often enough acquires a different value at the use of him in modern realities of scientific approaches, studies, industries of economy. Broadly speaking a «determinant» is a constituent, component, determinant, reason, condition. In obedience to an explanatory dictionary is reason which determines the origin of the phenomenon [7, p. 238]. From position of the economic phenomena under its understand a factor which influences on an economic process is certain; concrete factors which generate the phenomenon stipulate him [8].

On the whole, determinism is a scientific concept and philosophical studies about a causality, conformity to law, genetic connection, co-operate and conditionality of all phenomena and processes which take place in the world [9, p. 11].

Taking into consideration casual connection, which is the base of principle of determinism and coming from the above-mentioned interpretations consider that a concept «determinant» is the concrete selection of factors the display of which resulted in the modern consisting of financial safety of joint-stock companies of Ukraine. That from the sum of different factors and factors, which straight or mediated influence the concrete set of factors which have a most substantial influence on safety gets out on financial activity of joint-stock companies the concrete set of factors which have a most substantial influence on safety of domestic propulsion MODULES gets out. In other words, maybe, that a determinant of financial safety is reason which most substantially strengthens or weakens financial strength of propulsion MODULE security.

As a factor can or to promote, or restrain flowing of concrete process, it is talked or about positive influence (if the action of factor assists development of the system), or about negative influence of factor (if it action restrains the process of development or a process returns regress). Therefore from position of theory of safety factors with positive influence appropriately to examine as, and factors with negative influence – as destructive factors (risks, threats,

calls) which generate the «factors of providing of safety» danger for development of enterprise.

In basis of author research of factors of providing of financial safety propulsion MODULE (and accordingly, and determinants) the fixed going is near their systematization in accordance with strength securities (mega-, macro-, mezo- and micro-).

Mega-level security includes factors, which provide safety and stability at the level of international financial markets, transnational companies (TNK), large international companies and national economies of the different states. A leading role is here played by internationalization and globalization of financial sphere.

In opinion of Nechiporuk L.V. [11, s. 281], internationalization of financial sphere is opened out on the modern stage after three basic directions:

- 1) internationalization of financial services is with penetration in the economy of countries which develop, foreign banks and other financial institutions;

- 2) growth of international streams of equity, taking into account direct foreign investments a volume of which lately was more than streams of promissory duties

- 3) strengthening of streams of promissory duties, the main indicators of which are levels of interest rates and rates of exchange. In opinion of researchers [12, s. 443-444], global finances become the separated sector of world economy which has greater income by comparison to the real sector, distracts part of production capital, creates a virtual money and credit duties.

Influence of global factors on financial safety of domestic joint-stock companies appears through activity of transnational banks and corporations, creation of new investment possibilities and existence of potential threats of global market.

On a macro level financial safety of joint-stock companies on a great extent depends on the level of government control of entrepreneurial activity, efficiency, normatively legal providing, transparency and sequence of public policy. Financial level of the state security, it financial resources, public necessities, level of VNP, are combined demand and supply form the macro-economic factors of providing of financial safety of business entities. For business of joint-stock

form of manage important macroeconomic factors entities are also:

1) money-and-credit and budgetary-tax politicians of the state, what called instrumental in providing of stability in the financial and real sectors of economy;

2) insurance market development which creates necessary terms for providing of property responsibility status is the necessary element of economy of the state, appears the important element of forming of safety of enterprise. In addition, majority of insurance companies in Ukraine function as joint-stock companies;

3) development status and level of capitalization of fund market which to a great extent influences on possibility of emission and investment activity of joint-stock companies;

4) level of development of infrastructure of financial markets (exchange and currency stocks, upstairs point-of-sale-informative systems, depositary and calculation-clearing establishments, pay systems, informational-analytical systems, ratings agencies and others like that);

5) level of shadowing of economy, without the account of which it is impossible to estimate the real economic tendencies, expect macroeconomic indexes which are basis of making decision in relation to the lead through of measures of public socio-economic policy. In essence, a shadow economy has objective character, and it is that is why existed in any economic systems. Threatening for national economic security is a maximum value of shadow economic activity with a critical level 30% official GDP. For subjects of business, the growth of level of shadow economy entities carries in itself the threat of increase of volumes of criminal activity the variety of which is raider attack.

For stable work of companies regional factors which form reputation of region as friendly to the conduct business have an important value. It is possible to take to such factors: a geographical location of region, its placing in relation to a center and scopes of country; level of economic development of region and its investment attractiveness; regional infrastructure; criminal in the field of financial relations; a level of qualification of administrative personnel in a region.

Reputation of region as friendly to the conduct business increases possibilities for growth of business and creates pre-conditions for growth of profits, and accordingly positively influences on financial level of company security.

Conclusions and prospects of further researches. Thus, research shown that financial safety of subject of managing of joint-stock form of ownership in the modern economic system depends on the enormous amount of factors which are generated both external and internal, financial environment. Most substantial influence on safe development of joint-stock companies, in opinion of author, are carried out by high-quality corporate factors which the most value are: presence of the proper planned financial strategy (in its composition – strategy of financial safety of company), belonging to integrated corporate structures, dividend policy. Correct financial strategy and dividend policy provide balance of interests of management and proprietors of company, that warn the origin of corporate conflicts into a company. Features and specific of the use cross-correlation regressive analysis and prognostication for these aims can become an object of further scientific researches.

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MATHEMATICAL METHODS, MODELS AND INFORMATION TECHNOLOGIES IN ECONOMY

UDC 519.8

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MATHEMATICAL DESIGN IN ECONOMY: DESIGN AND ANALYSIS OF SYSTEMS

Basic historical information and general concepts and general meanings about models and designs are presented in the article. Importance of application is analyzed and real examples of application of models and design in economic researches were shown. It was analyzed in detail concept «black box» and structural diagram of the system.

Keywords: model, design, system, structural diagram of the system, «black box».

Introduction. The method of models, which leads economic researches to the mathematical tasks, arose up a long ago. Creation of the computing engineering in last century opened for it the real prospect to become powerful instrument of scientific analysis. Appearance of this technique brought in a number of new conceptions and ideas in the methods of researches, infinitely extending the tool of researcher. The considerable overvalue of existent methods of analysis took place, the new appeared, special role in which began to play the methods of the formalized models, method of examinations and their synthesis, so-called imitation systems. This tool must remarkable possibilities study processes and phenomena which take place in a public sphere. Therefore, knowing a result, consequences of our decisions, we always can carry out the basic act of management: to make decision, which answers a purpose, which is pursued a person (or by persons), responsible for taking a decision. So, knowledge – almost a synonym of management. Service of models of economy, at its presence, can give invaluable information guidance in solving of different questions of economic policy and choice of the programs. A person which does not own the methods of models can not apply on the role of economist.

Section 1. Historical information

History of development of mathematical design is investigated, for example, in the monograph of Dzh. Dantsiga “Linear programming, its generalization and application”. It was noticed, that economists began mathematically to describe the economic systems in the eighteenth age. The simple example of model was built by Kene in the economic table, trying to define interconnection between the landed interests, farmers and craftsmen. In a middle of 19th century JI. Valras offered a linear mathematical model with permanent technological coefficients. The majority of specialists was engaged in the analysis of theoretical problems, connected with possibility of economic equilibrium and its efficiency in the conditions of competition or monopoly. However to 30th of the last century all works in this industry carried separate character.

In 30th of the twentieth age the group of Austrian and German economists conducted work on generalization of linear technological model L. Valrasa. As a result of this work there were certain questions which stimulated appearance of work of mathematician Dzh. fon Neymana (in 1932) “Model of general economic equilibrium”. He shown that market forces would maximize the rate of growth

of economy, and proved that this maximum is equal to the interest rate on a capital, invested in a production. Thus, Neyman took into consideration that economy is the closed system with the permanent rate of growth. This work, as well as most theoretical works, that time, belongs to the high-quality analysis of economy, in which the purpose of mathematical design consisted in description of connection inside system probably from high-quality, than from quantitative side; manipulation equalizations appeared the comfortable method of receipt of logical conclusion than suppositions.

Prosecution of general model of the linear programming conducted fully regardless of afore-mentioned works and pursued practical application. As a result V.V. Leontyev built the mathematical model of the real American economy (1919-1939) in order that it is possible it was to trace influence of policy of government and tendencies in the field of purchases on connected industrial branches. From the formal point of view a Leontyev model can be examined as the simplified model of Valrasa. Basis of analysis of "expense – an issue" in this model makes a table of coefficients, which is named or by the matrix of "expense – an issue", or by a "economic table". A column in this matrix answers the charges of different commodities on one dollar of cost of issue of certain commodity. A column answers every commodity which is produced. Consequently, a formal model becomes the real, if an economic table is built on the basis of the real data. To estimate a difference between formal and real models, it follows to remind that the capture of data, necessary for the real model, needs large enough charges of time and other resources. After that as all information is collected about a model, the second complication is appeared – making of the very large system of linear equations. And, in the end, there were difficulties of "sale" of results of such researches. Consequently, initiative of Leontyev from the beginning was solved with a permanent risk.

Section 2. About models and designs.

A role of mathematics in different areas was and is different. Two basic factors influenced and influence now on it: level of development of mathematical task and level of maturity of knowledge about real object, which is studied,

possibility to describe it the most substantial lines and properties by the language of mathematical concepts or, as accepted to talk, possibility to build the mathematical model of object.

Object is a concrete or abstract object, operating or designed system, existent or designed process.

A model is presentation, produced in imagination of man-researcher, about those or that properties of object (real, abstract) and their connection, designed as description of this object and it is fixed on a paper the language of picture, chart, equalization, formulas, and others like that, or it is realized as models, mechanisms, built on, and others like that.

The construction of models is based on different family suppositions, as the unique method to unstuck from facts truth of which yet needs to be checked up. The role of suppositions (hypotheses) in science is so considerable, that it is vividly possible to say the following: all advanced study consists of advancement and verification of hypotheses.

The main value of models as forms of knowledge consists in that they contain objective truth, that in something correctly represent designed. But, except for sure veritable maintenance in a model conditionally true, that faithful only at certain terms, and consequently, can be erroneous.

Mathematical models are characterized absolute exactness, but, to reach to their use in this industry, in particular, in an economy, it is necessary to be enriched for this purpose sufficient knowledge. After the utterances of Kant and Marks, any area of knowledge can those with greater basis be named science, what in a greater measure mathematics is used in it. Science "Not mathematical" of science, think, its scientific "uncharacterized" does not mean, but is investigation of complication, insufficient cognition of its object, and is the temporal phenomenon.

But, will underline, mathematics allows the unique rank to describe the phenomena and processes, carry out their analysis, provide for as itself it will be to move object under various conditions, that to forecast the results of future supervisions. Well, and prognostication always difficult problem; prognoses which are carried out are the article of the special pride of every science.

Materialistic models (that the real, physical models) are created from real object and processes on the basis of relation of similarity between object and by a model.

A design is research of objects on their models to which the methods of thought are used for analogies, a design is a having a special purpose reflection of object. A purpose is ideal appearance of the desired result, that appearance of that which must be, it would be carried out (part would underline circumstance that aims are both realization and impracticable). From that a model which has a special purpose reflection, multiplicity of models of the same object appeared; for different aims, obviously, different models may need.

A model represents not in itself object- original, but that what gives interest to us, that which answers the put purpose. Exactly the having a special purpose appointed of models allows the plural of models to divide into cognitive and pragmatic, that answers dividing of aims into theoretical and practical.

A cognitive model is the form of organization and representation of knowledge about object, by the mean of joining of new knowledge with present. A pragmatic model is the mean of management of object, mean of practical actions, method of presentation exemplary of correct actions or their result, that is working presentation of purpose. In other words, a cognitive model represents existing, and pragmatic – not existing, but desired and, possibly, feasible.

Other principle of classification of design aims can be dividing of models into static and dynamic. For one aims the model of the concrete state of object can be necessary for us, like “moment picture”. Such models are named static. In those cases, when our aims of are connected not with one state of object, but with its different states, with their varieties, there is a necessity for the reflection of process of state transition (for example, state transitions in time). Such models are named dynamic.

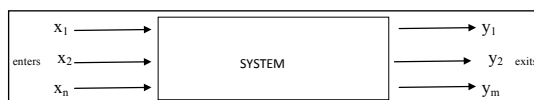
A section 3. Is the “Black box”

As marked already, purposeful character has a design. A purpose is subjective appearance of the non-existent, but desired state of object (it is, that pragmatic models are examined).

Achieving it only due to own possibilities of subject or external facilities which it has now,

it is possible very rarely. Such coincidence is named a problem situation. Consequently, activity which would be instrumental in the decision of this problem must be directed on achievement of the put purpose. Means of achievement of this purpose are named the system. Ratio by aims and systems can be ambiguous: one system can be connected by a few aims, the different systems can answer one purpose.

In this determination of the system an accent is done on setting of the system as means of achievement of the put purpose, but there is nothing said about its internal structure. Therefore the system can be represented as an opaque small “box”, selected from an external environment, but not fully isolated from this environment. Then purpose which try to attain this system, there are the beforehand planned changes in an external environment, some results functioning of the system, which are used behind it. Otherwise, system which is connected with an environment and by the help of connections influences on him. These connections are called the outputs of the system. Outputs in this system answer a word “aim” in the verbal model of the system. In addition, in determination it is said about the presence of connection of the second type: the system is means, that is why ways of the use of these means must exist, possibility of influence, on the system, that such connections, which are directed from outwardly, from an environment, in the system. These connections are named the entrances of the system. The described model of the system is named «black box». The graphic model of «black box» can be illustrated on pic. 1.



Pic. 1. A graphic model is a «black box»

Such model, not because of external simplicity and on absence of information about the interior of the system, often it appears useful. If maximally to formalize a model “black box”, we come to taking of two plurals of $X=\{x_1, x_2, \dots, x_n\}$ i $Y=\{y_1, y_2, \dots, y_m\}$ of entrance and initial variables which no relations are known.

If between these variables some relations are known, it already will be not “black”

and “transparent” small box. As a rule, output variables are dependency variables, and entrance – by independent variables, that y_1, y_2, \dots, y_r is functions, and x_1, x_2, \dots, x_n – by the arguments of these functions. Basic task which decides by this model there is determination of existent functional dependence. $Y=f(X)$.

$$\begin{aligned} y_1 &= f_1(x) = f_1(x_1, x_2, \dots, x_n), \\ y_2 &= f_2(x) = f_2(x_1, x_2, \dots, x_n), \dots, \\ y_m &= f_m(x) = f_m(x_1, x_2, \dots, x_n) \end{aligned} \quad (1)$$

Therefore design with the use of model “black box” name a functional design, and system of functions (1) – by the functional model of object. This model is built in general in two stages. On first from them general functional dependence of Y from X and unknown parameters of $A = \{a_1, a_2, \dots, a_p\}$: $Y=f(X, A)$. This dependence is determined, as a rule, on the basis of knowledges of researcher about the designed object-original, on his intuition. On the second stage, as the stage of adaptation of model, the values of unknown parameters are determined, on the basis of statistical information about the possible values of entrance variables and the proper values of weekend of variables them, what the functional model of the system, which represents functional dependence of Y from X , turns out as a result of. Methods of forming of information about the value of variables X and Y can be different, in particular, they can be formed as a result of experiment, conducted above real object, or as a result of calculations on the basis of existent norms.

Not because of simplicity of model “black box”, there always is a danger of incompleteness of list of entrances and outputs, both by virtue of that the important can be attributed to unimportant and by virtue of that some of them can be unrecognized in the moment of construction of the system.

Section 4. Structural diagram of the systems

An interior of “box”, generally speaking, is heterogeneous, that enables to distinguish its component parts. In same queue, some parts of the system also can be broken up to pieces et cetera Those component systems which are examined by us as indivisible are named the elements of this system; parts which consist more

than of one element are named the subsystems of the system. As a result of such selection of elements and subsystems the model of composition of the system which is description of that is built, from what subsystems and elements it consists of. Terms which specify on the hierarchy of parts of the system are if necessary used, for example, a “sub subsystem”, or “subsystem of the second level”, is the subsystem of subsystem of this system, or subsystem of subsystem of the first level. In connection with it the system can be counted, legalistically, by the subsystem of zero level. Point out, the model of composition of the system is determined ambiguously. By different researchers, possibly, at different aims, for the same object the fully different models of composition of the system can be built.

As already marked, a construction of model of composition of the system is not synonymous. If to give the different researchers of task to define composition of the same system, their job performances will be different, even from that they can have different levels of knowledge about the system; a the same researcher, at different terms, also can offer different models. It is in addition, possible to select three reasons of this fact.

Conclusions. Must be noticed, under a concept the analysis of the systems is quite often understood approach of the systems, that certain sequence of executions, alhorytmychnost, which is the important mean of development of practical activity. Here concept the analysis of the systems is used in the narrow understanding – as an analysis of the systems. An analysis of the system is a division it on element with the selection of properties of each, connection with each other and by an external environment. Purpose of analysis – to separate substantial properties and relations in the system from unimportant and to pass to its more deep study. Analysis of the system closely connected with its synthesis. Synthesis of the system – it is connection of separate elements, properties and connection in one unit with a purpose to get more complete picture of it in form of a model. Consequently, the signs of the system is structural, interconnection of parts, subordination of i a certain goal.

Design algorithms (rules) do not exist. A design is an art. A model is built by a researcher

so that to represent descriptions of object: properties, interconnection, structural and functional parameters, and others like that, substantial for this purpose. A parameter is an index (size a value of which is permanent within the limits of the examined task), which characterizes some property of some process, structure, resource,

products, and others like that. Constructing of model on the basis of previous study of object and selection of its substantial descriptions, experimental and theoretical analysis of model, comparison of results, with information about object, correction of models et cetera make maintenance of mathematical design.

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