



WORLD ECONOMY and INTERNATIONAL ECONOMIC RELATIONS

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INSTEAD OF INTRODUCTION

THE CURRENT STATE OF THE WORLD ECONOMY, INTERNATIONAL ECONOMIC RELATIONS AND THE PARADIGM OF GLOBAL ISSUES

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World economy is a complex global process that contains traditional elements (state economies, transnational corporations, international economic structures and bodies) and new structures ("smart" areas, technology parks, virtual enterprises, gadgets and smart devices, etc.) inter-state relations and international bodies. These events are the consequences of globalization processes, of internationalization of economic life, business activity, economic integration processes, monetary policy, division of labor, economic securing and increasing competition as well as protectionism [2].

The agenda highlights some processes of a global nature, the design of strategic regulations for the development of countries and determination of the investment-economic vector. In the process of economic interaction there are various forms of contacts and collaboration. The main form is international economic relations which encompass a multifunctional, multi-factorial complex, based on the interests of nations, countries and interest groups. The main forms these relationships get are the following (Figure 1):

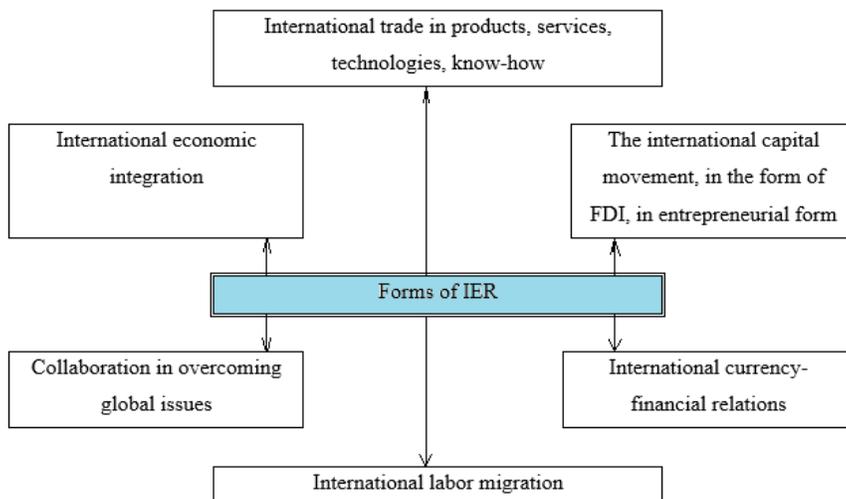


Fig. 1. Forms of international economic relations [authors' research]

A significant feature of the global economy is world GDP. Global GDP reached 84,740.32 billion USD. GDP allows us to estimate the dynamics of a country's economic growth. If GDP increases, then more goods and services are produced domestically. This means that over the year the demand for them has grown, and with it the tax deductions grow and, consequently, the income of the country does the same. If GDP decreases, then, as a rule, this indicates the beginning of an economic crisis [1]. The demand for goods and services falls. State and producer revenues are in decline. Also, the size of GDP indicates the scale of the economy. A country may be small, and GDP may be big, like, for example, Japan.

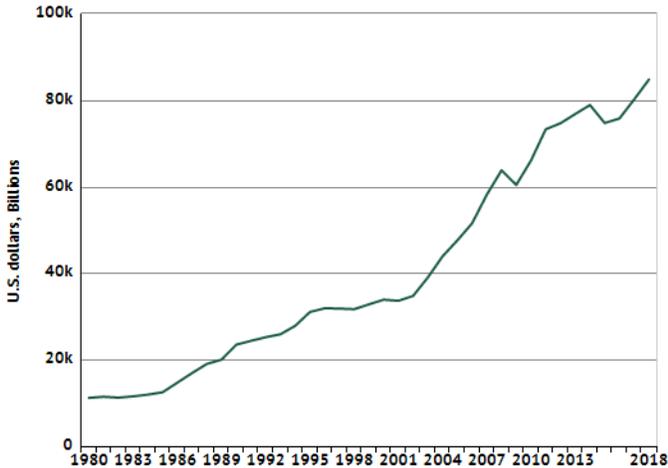


Fig. 2. World GDP dynamics, 1980-2018, USD [3]

This is the list of countries according to GDP per capita at face value. In this table, countries around the globe are represented by GDP per capita in USD, exchange rates and population data.

Table 1. GDP per capita according to IMF, USD [3]

Place	Country	USD	Place	Country	USD
1	Luxembourg	101,994	11	Sweden	50,050
2	Switzerland	80,603	12	San Marino	49,615
3	Norway	74,598	13	UK	43,902
4	Qatar	68,940	14	Austria	43,724
5	Ireland	61,206	15	Netherlands	43,603
6	USA	56,084	16	Canada	43,413
7	Singapore	52,888	17	Finland	42,413
8	Denmark	52,139	18	Germany	40,952
9	Australia	51,181	19	Belgium	40,529
10	Iceland	50,277	20	UAE	38,650

World states are different according to the level of development, geographical location, population, economic orientation, GDP and others. World states by level of economic development can be grouped in the following way [5]:

1. Highly developed industrialized states - G7
 2. Highly-developed economies - 28 are in number and can be divided into 4 subgroups.
 3. States with average level of economic development - there are about 50 in number, which are divided into 4 groups of states.
 4. States in development - 120 states, which fall into 2 groups.
- States with average economic development include:

- Medium-developed economies with a complex, market-driven economy are named key countries – Saudi Arabia, Turkey, Cyprus, Mexico, Brazil, Argentina, Indonesia, Malaysia, the Philippines and Thailand;

- Medium-developed states with a transition economy; - post-socialist states and China, which, although in terms of industrial and agricultural products they are world's leading manufacturers, according to production per capita, they yield to many countries of the world;

- States of the world, major oil and gas exporters: Saudi Arabia, Iran, Iraq, UAE, Kuwait, Qatar, Bahrain;

- Small islands suitable for financial evasion, the so-called tax havens - Antigua, Barbuda, Bahamas, Barbados, Malta, Cyprus.

According to the degree of *mineral resources available*, the countries are grouped: (Russia - 120 types of mining resources), the USA - 110 types), China, India, Canada, Australia, Brazil, Mexico, Saudi Arabia, Indonesia.

- Countries of the world well-endowed with 1 or 2 types of mineral resources of global importance. Most are petroleum and gas reserves: Saudi Arabia, Iraq, Kuwait, Qatar, Bahrain, UAE, Oman, Venezuela, Nigeria, Egypt, Libya, Algeria, Trinidad and Tabago.

- Countries well-insured with a wide range of mineral resources of national importance: Germany, France, Great Britain, Ukraine, Romania.

- Countries poorly insured or practically devoid of mineral resources: Japan, Denmark, Switzerland, Iceland, Moldova, South Korea, etc.

As a result of economic interaction, countries establish various relationships, being led by absolute and relative advantages as well as economic pragmatism.

The main trends in the development of international economic relations are currently the processes of international economic integration, globalization and transnationalization of the world economy.

International economic integration – is the convergence and mutual adaptation of national economies, their inclusion in a single reproduction process on an international scale.

The world market is the sphere of trade between different countries. The world market is built as an ensemble of national markets integrated into the unitary system. The world market on the basis of competition ultimately determines the structure and world production, the level of export, the degree of development of international division of labor. Economic relations in the world community are necessarily under the influence of the world market.

The world market represents all the relationships that are established between manufacturers and consumers in different countries in the process of international exchange of activities through economic transactions due to the international division of labor. The world market has an objective character that results from the development and deepening of economic interdependencies between all nations, regardless of the differentiation in the social system or the degree of economic development. The necessity of its existence stems from the fact that no country, regardless of its size and economic potential, can achieve top performances in all areas of world production cannot produce, even in most efficient conditions, the entire range of commodities needed for ever-increasing consumption and diversification. That is why the global market has been a capitalist world market as a system of commodity-money, economic and commercial relations, and financial loans being a component part of the world community. Overall, the global market reflects the defining structures and traits of the world economy.

Globalization is a process of global economic, political, cultural and religious integration and unification. The globalization of the world economy is the transformation of world space into a single zone where information, capital, goods and services freely circulate, where ideas freely spread and their carriers move freely, stimulating the development of modern institutions and debugging the mechanisms of their interaction.

Global trade has ceased to be the engine of the global economy

The existing model of international economic relations is experiencing a serious crisis, and in order to overcome it new agreements based on the concepts of sovereignty and responsibility are required. We witness the end of the existence of a unipolar world leadership system. In fact, global trade has ceased to be the unconditional engine of the global economy. And the new engine, the role of which should have been played by highly-advanced technologies, is still being

debugged and not working at full capacity. The world economy has entered a period of trade wars and a growing level of protectionism, both direct and hidden. When this comfortable, familiar system began to loosen up, when competitors grew up, both ambitions and the desire to maintain their dominance, at any price, have risen, then the states that previously preached the principles of free trade, fair and open competition spoke in the language of trade wars and sanctions, open economic raiding with unscrewing hands, intimidation, elimination of competitors by so-called non-market methods. These are the economic wars between USA and EU, China and USA, USA and Russia, Russia and Ukraine, Mexico and USA, etc.

Against the backdrop of increasing anti-globalization, hegemonism and power politics, new problems and challenges are arising. Once again, humanity stands at a crossroads. Sustainable development as the best way out of the current situation coincides with the initiative to form a community of a single destiny of humanity according to its goals and values. It will serve as a common good for all mankind and the world as a whole.

Talks about such an economic world order will remain good and empty wishes if we do not bring back to the center of discussion such concepts as sovereignty, unconditional right of each country to its own development course and, I will add, responsibility not only for our own, but also for universal sustainable development.

The solution to the issue is based on compromises, on pursuing common solutions, developing unified rules and adhering to the norms of international law. A commitment to a similar approach is shown by UN Secretary-General António Guterres.

The Russian head of state paid special attention to supporting business and ensuring freedom for entrepreneurial initiatives. According to him, today there is a growing sound rivalry between regions for an entrepreneur, for investments and projects.

“We equaled the quality of the most demanded administrative procedures for a variety of business services, and in some cases we are ahead of the countries with strong and long-standing business traditions,” Vladimir Putin emphasized.

At the same time, he noted that there are still enough acute problems that concern the business.

“First of all, this is the archaic and obvious redundancy of the control and supervisory sphere, the unreasonable, and at times simply unlawful intrusion of law enforcement agencies into the business environment, into the work of companies,” the president explained.

The process of economic integration is now in a state of stagnation, skepticism and uncertainty. The former economic, financial and political enthusiasm faded somewhat after the crisis of 2007–2010, the crisis of refugee migration to the EU, the deepening protectionist measures by NAFTA. On the contrary, the Euroasia economic integration association gained impetus due to the embargo introduced to Russia after the events in Crimea and Ukraine. This existential crisis, according to EU leaders, consists of several interconnected external and internal crises, which have an ambiguous impact on the future of European integration. There are many expert assessments and classifications of EU crises. The global economic and financial crisis of 2007-2010 became a catalyst for the fundamental problems in the development of European integration that existed previously. This is both economic and political differentiation within the EU due to ill-considered parallel implementation of the deepening and expansion of European integration. This and the incompleteness of the monetary and fiscal structure when creating the Eurozone. There is also a lack of democratic legitimacy, manifested in the citizens' distrust not only in supranational structures and mechanisms, but also in their governments and elites.

The discussion around the methods and models of the EU's further development allows us to conclude that today there is no dominant methodological approach in the theory of European integration, nor a single model. Apparently, the basis of the model will be a permanent structured partnership, that is, the model of differently-speeded Europe. The idea that Europe is prosperous and sustainable (creating conditions for economic growth and jobs; a strong single developing market, including technological transformations, further strengthening the single currency, increasing competitiveness, structural reforms and working to complete the economic and monetary union) was a sort of comfort. More than 60 years after the foundation of the EU (1957), the emphasis on strengthening the euro is important, while in the declarations of 2007 it was said that the single currency made Europe strong. Undoubtedly, this formulation reflected a decade of crisis. The EU, which on the basis of sustainable growth contributes to economic and social progress, as well as cohesion and convergence, while maintaining the integrity of the

internal market, combating unemployment, discrimination, social exclusion and poverty, began to fail in times of crisis. EU calls contain a hidden signal to Eastern European countries in transition, so that they do not use lower wages for the purpose of competition and growth in the single market. Strengthening the stability and prosperity of the closest neighbors, creating a more competitive and integrated defense industry; strengthening common security and defense, including through cooperation with NATO and the United Nations, adherence to international law, indirectly emphasizes the possibility of strengthening defense cooperation when skeptical British leave the EU, but it is repeated that this will be in addition to the US-led NATO.

Eurasian economic integration is not only interaction, mutual adaptation, cooperation, unification of national economies, but also restoration, replenishment of unity - that is, it is a new integrity. Today, the process of Eurasian economic integration is usually viewed in the context of the foundation of the Customs Union and the Common Economic Space within the framework of the Eurasian Economic Community (EurAsEC). Other economic integration associations are frozen in a daze due to economic stagnation in the world.

Currently, innovation is an active part of all spheres of society. It is impossible to imagine the modern world without innovations that have already been fulfilled and became habitual, and without future ones that contribute to further evolution. Most scholars agree that innovation has become the main driving force for economic and social development. Innovative activity has led the world community to a new, higher stage of development. The concept of "innovation" is used almost everywhere, it is the topic of conversations both in the household and at professional level, including the level of heads of state, international organizations, etc. Innovation can be understood as the end result of innovation, embodied in the form of a new or improved product introduced on the market, a new or improved technological process used in practice, a new approach to social problems.

The United Nations (UN) forecasts say that by 2030, the percentage of the European population aged over 65 will reach 23.8%. It should be added that this will be twice as high as in 1990. At present, among the countries with the highest age factor, i.e. the share of the population aged 65 and over in the general population, are Italy, Germany and Greece [6]. In Poland, the elderly (65 years and over) represent more than 15% of the general population - while the EU average is about 19%. - It should be stressed that this situation in Poland is "apparently" beneficial in the context of Europe, though the situation will change dramatically in the following decades. Already in 2050, Poland will become one of the European countries in which the percentage of the aged population will grow twice and reach over 30%. It is still necessary to take into account the growing percentage of the older age group (80+), which is currently about 4% of the general population of Poland, and in 2050 (according to Eurostat), this age group will be close to 10%. As research shows, people over the age of 80 are affected by more and more pathologies, so they become more and more dependent on medical and social care.

Undoubtedly, in recent years, so much has been said about advanced age, active aging and necessary socio-economic changes. Aging populations in the EU are and will be one of the most important challenges that will condition the development of the Member States. The demographic revolution since its beginnings in the twentieth century continues in the 21st century and has never had in the history of mankind a concern about the aging of societies on such a scale. In fact, one of the achievements of industrial societies, consumers and post-consumerism is longevity, but on the other hand, we must take into account in particular the drop in fertility rates in some countries, especially in highly developed countries. One consequence is the change in the proportion of workers and retirees, including retirees in the event of disability. Since most European countries identify social security policy solutions, whose foundations were set up at the end of the nineteenth century, Bismarck's modernized Beveridge principle, you can bet on the assumption that the social security of millions can be shaken. Thus, the aging of societies has consequences and challenges not only in the socio-cultural, but also in the economic sphere. The roots of this situation are in the past, as the twentieth century predictions and demographic analyzes have clearly highlighted the contours of the consequences of demographic processes.

This situation is also reflected in the labor market. According to Eurostat forecasts, by 2050, the number of people aged 65 and over in EU countries will increase by about 70% and the number of people aged 15-64 years will decrease by 12%. The result will be that for each retired there will be only two people working on a professional level, while there are currently four people.

States of the world do not prefer migration itself. It is preferable to migrate and attract manufacturing forces. Among them we can highlight brain drain. "Brains" bring innovative ideas, creativity, and are capable of generating innovations. Under economic (and other) economic crises, "brains" can generate ideas for overcoming crises. Innovations contribute to [4]:

1. economic growth of the country in the long term. Innovation has come to the fore as part of an industrial society. By the beginning of the post-industrial and information society, innovations firmly took the place of the main generator of economic growth in any country. Innovations affect all aspects of society, including its economic component.

2. the creation of new industries. In terms of the depth of the changes introduced, innovations can be radical (that is, they offer a fundamentally new product or service, a solution to a problem, etc.) and improving (that is, they improve an existing product, service, etc.).

3. create a single market space. In modern society, which, one way or another, follows the path of globalization, even one innovation can contribute to the creation of a single market. The most typical example here is the creation of the Internet, in particular, the emergence of Internet shops, where you can buy from virtually any country in the world. Thus, a single market is being created and its boundaries are not measurable;

4. stimulation of competition and increase of competitiveness of an individual person, organization, country.

5. interpenetration of cultures and economies of different countries.

6. strengthening the country's defense, economic, food security, etc.

7. development and improvement of the legislative framework in the field of protection of intellectual property rights to the results of intellectual activity and means of individualization.

8. opportunity for an individual or legal entity to get higher profits by creating higher quality products, reducing manufacturing costs, increasing production volumes per unit of time, etc.

9. fuller satisfaction of human needs, the solution of a number of global problems (for example, the fight against especially dangerous viral diseases)

After a steady growth in 2017 and at the beginning of 2018, the development pace of the global economy slowed down a bit and in 2013 it will be 3.3 percent - compared to 3.6 percent last year.

The main reasons of the growth slowdown are found in the Chinese economy, the consequences of the adoption of a number of measures meant to regulate the shadow banking system and the growth of trade tensions between China and the United States. Experts also note disruptions in the manufacturing of automobiles in Germany as a result of adoption of new standards for exhaust emissions and the negative impact of natural disasters on the economy of Japan.

The authors, on the grounds of an analysis of IMF reports, note that by the end of 2019, the situation, according to preliminary forecasts, may somewhat improve, and in 2020 the growth rate of the global economy may return to the 2018 level (3.6 percent). The most optimistic forecasts refer to developing countries.

At the same time, we note a number of risks that may detrimentally affect the global economy and lead to a serious decline in the nearest future. Among them - the further escalation of trade wars, Britain's exit from the European Union without a preliminary agreement, as well as the uncertainty of economic policy in Italy, which could negatively affect the economy of the Eurozone as a whole.

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GEORGIA – UKRAINE

ESTABLISHMENT OF THE STAGES OF ORGANIZATIONAL DEVELOPMENT IN GEORGIAN SME'S

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Bondo Gasviani – Doctoral Student of Ivane Javakhishvili Tbilisi State University

Abstract The article reviews the history and significance of the "life cycles" theories. In addition, to confirm the adequacy of the practical use of models in Georgian reality, relevant studies were conducted. In particular, it questioned up to 60 Georgian companies by Adizes's method and was established stage of their development, what generated a general picture about the level of organizational development and major organizational problems of companies operating in the country.

Keywords: organizational development, life cycles of the organization, organizational performance, managers.

Content

Nowadays, organizational development has received a lot of attention. Basically, this concept refers to certain target changes made by managers to improve organizational performance. Some organizations are more successful and dynamic compared to others, others seem to have stopped, while third ones constantly face certain obstacles.

Kenneth Boulding was the author who firstly used the concept 'life in 1950 [Lorena, 2016:35]. Since that time, the management, marketing, sociology, psychology and state governance schools started to discuss and develop this theory. John Gardner doctor of Stanford University in an article that was published in 1965, "How to Prevent the Rape of the Organization" noted: "Like people and plants, organizations have a life cycle. They have a green and supple youth, a time of flourishing strength, and a gnarled old age... An organization may go from youth to old age in two or three decades, or it may last for centuries." [Gardner, 1965:20]. Thus, we can say that organizations in a period of development by overcoming the crisis, move to a new stage of development, they reach the highest peak of development and die.

In the second half of the 20th century, there was created several models of organizational development, where organization was perceived as a "personality" and its development as a "living organism" growth.

Many life cycle models have already been presented by different researchers, suggesting that the organization is developed by a number of life-cycle stages during its life. This number varies mainly from 3 to 10 stages (Table N1).

Table 1.

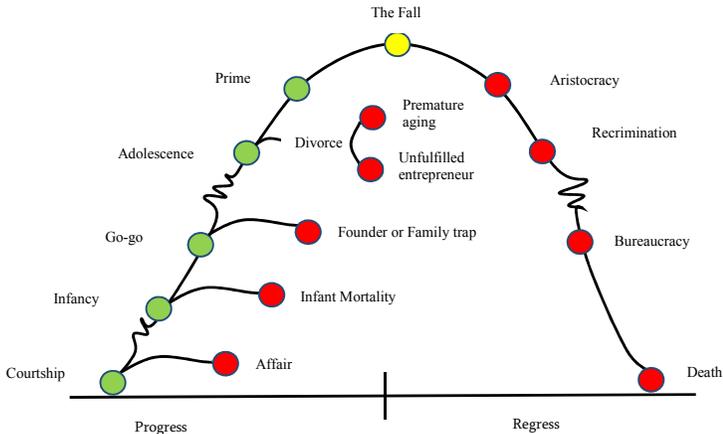
Taxonomy of life-cycle models – number of stages

Number of stages	Autors
3	Lippitt and Schmidt (1967); Smith, Mitchell and Summer (1985)
4	Kazanjan and Drazin (1989); Kimberly (1979); Lyden (1975); Quinn and Cameron (1983); Steinmetz (1969)
5	Greiner (1972); Hanks; Miller and Friesen (1984); Penrose (1952); Watson, Scott and Bruce (1987); Jansen and Chandler (1993)
6	Churchill and D. Lewis (1983)
10	Adizes (1979)

Source: Selvarajah, C., Muthaly, S., 2011. *Investigating the firm life-cycle theory on Australia SMEs in the ICT Sector,* by Perenevi. "Journal of Asia Entrepreneurship and Sustainability".

According to Dr. Ichak Adizes organizational development has cyclic character, like the functioning of the physical, biological and social system. In model he distinguishes ten consistent, gradual phases (Diagram N1).

Diagram N 1.
Company life cycles by I. Adizes



Source: <http://adizes.com/lifecycle/>

1) **Courtship.** This stage represents the very beginning of the business, where it is initially formed from an idea, and an initial embryonic product or service begins its life;

2) **Infancy.** Here the product or service has reached a point where the first sale can be made and the business begins to trade. At this stage the business will still be very small and fragile;

3) **Go-Go.** This is when the business really starts to become energetic with lots of different things happening at the same time. The business is still very young and so its business model could still change at any time. The business is often very chaotic at this stage with particular individuals often fulfilling multiple roles and minimum process and procedure in place;

4) **Adolescence.** Just like with humans, in this stage the organization is still developing but it has form and it is possible to see its shape when it reaches its prime. The business is still not yet mature;

5) **Prime.** Here the business has reached its peak of fitness – it is profitable, lean, and very competitive in the market. The business has processes in place but they are balanced, and information flows smoothly and regularly throughout the business;

6) **The fall.** At this stage of its life a business is slightly past its prime. It can still be hugely profitable and lean but it is beginning to lose its edge, and on the verge of becoming complacent and losing its way;

7) **Aristocracy.** By this stage the business is an incumbent – big and slow to change its ways. It will naturally be the target of disruptive smaller companies that will try to steal (sometimes successfully) its market share;

8) **Recrimination.** By the time the business reaches this stage internal issues start to surface, and focus is being lost on the original customer needs;

9) **Bureaucracy.** By this stage the business is so large and complex that it begins to trip over its own feet. Bureaucracy and administration which serve no customer purpose begins to dominate, as does interdepartmental politics;

10) **Company death** is a slow and drawn-out process which can take several years. Once the company can't generate the cash it needs to cover its costs, it starts reducing its size and selling its assets.

Like it seems, each stages of the model are characterized by its unique structure, system and management style. Moving from one stage to another isn't happening naturally and smoothly, independently without influence of top management. In practical terms it's important to establish and

identify the current stage in the organization. Taking into consideration, the different entrepreneurial areas, primary resources and managerial experiences, standard (similar) criteria, in practice can't determine a current stage of company development. Therefore, to find the stage of development, it's advisable to use a more flexible system.

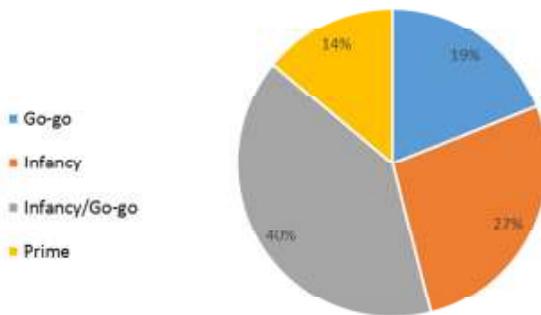
After long time of theoretical research and accumulation empirical experience, Adizes's institute created questionnaire that establishes the current development stage of the company and nowadays is the newest practical method.

There are certain restrictions on the use of Adizes's theory in practice in Georgian reality. For some organizations the initial assumptions of the theory can't be applied. For example, in theory nothing is said about the state enterprises, the number of which isn't small in the country (According to the official data in 2017 there are registered 7954 economical entities of which more than 50% authorized capital owns State¹) and their creator can't be identified. Behind this, the social environment has a significant impact on business. We don't have a high level of stability and prediction. The country still has a high level of regular changes. So, the problem of stability and long-term strategic planning in itself isn't just fault of managers' low professionalism. It should be mentioned, that Georgia has tense relations with neighbor country, which periodically expends in "creeping occupation". Besides, frequent changes in legalization, did not gives the opportunity to make right prognoses.

By the interviews which was made during the period of research, we can say, that business plans of the SMEs owners have designed only for several months, rarely for one or two years, and in other causes so-called "business plan" is a fantasy that is often called "business vision". Close vision of planning is also confirmed by statistical data. Particularly in country are registered 653640 economical entities, of which only 25.6% (167554) entities were active in 2017².

Despite the problems described above, up to 60 of Georgian SME's selectively were interviewed by using Adizes's method and was established their stage of development (Diagram N2). According to the data's presented in diagram, it's clear that 86% of companies are on the stage of infancy and go-go (childhood) or transitional stages. In fact, generally, in Georgian companies aren't established structure, orderly subordination and there are no strict separation between functional rights and responsibilities.

Diagram N 2. Stage of development of 100 Georgian companies.



According to surveys, companies are characterized by the following main problems:

- Organizational structure and positional instructions doesn't correspond to real situation;
- It is unclear what is permitted and what is forbidden;
- It is unclear how important decisions gets made;
- Rules and policies often aren't followed;
- The existence of the organization depends on the Founder/CEO/President;
- Often there are financial problems;
- Many employees are overburdened with tasks and work without clear priorities;

¹ National statistics office of Georgia. Statistical business register by ownership - http://geostat.ge/?action=page&p_id=235&lang=geo.

² National statistics office of Georgia. Statistical business register by ownership, - http://geostat.ge/?action=page&p_id=235&lang=geo.

- It is difficult to find qualified staff;
- There are many internal conflicts in the company.

Finally, we can say that there are two main problems of organizational development in Georgian reality:

1. In our country structural changes are starting late every time. All of the top managers avoid structural changes. Generally, maybe, because of structural changes are perceived in very personal level in Georgia. Therefore, until it will not be too completed, decision making process will not become more difficult and slow, initiatives from employees has not started decrease, tensions and conflicts doesn't reach the pick, in middle and top level of management, until then almost none of organizations start important changes. Because of this a lot of things are ruined and a lot of opportunities are lost [Toliashvili. 2012];

2. There is a trend in Georgia to compare own business with successful western companies and adopting their experience. Most of the businessmen don't take in account, that in this case, their indicator becomes companies where more attention is paid on administration, there is a high administrative function and systemize (well established rules and procedures). They are on adolescence, prime, or on fall stages. The research result shows, that there are not many companies on prime stage in Georgia, so increasing system ability at the early stages of development, can bring negative results. Therefore, often, attempts to introduce the best practices of foreign organizations in Georgian young business units, ends with frustration and unproductive use of resources.

Consequential, managers must analyze the current situation and implement relevant organizational structure at the appropriate moment. Because, implementation of control mechanisms too early, or too late, in company's system may cause negative result and obstruct the effective, economical and productive development of the organization.

The Adizes's curve gives an opportunity to analyze the dynamics of the organization and the possible script of its development, what allows to make some conclusions about timeliness of the management decisions.

Conclusion

Organizational development is a continuously process. It constantly happens in almost organizations, at different levels and scales. Each organizations goes through several stages of development. The task of managers is to identify these stages. Otherwise, without relying on the correct diagnosis, when the time comes to make changes, there may be made a wrong decision.

In Georgian reality, low professionalism of managers, unstable social environment and high quality of regular changes creates additional problems in long-term strategic planning. As a result of the research, the main problem was implementation of adequate control mechanisms very early or too late.

To solve this problem, it was offered to use a method which was developed according to the Adizes's model. Which with high accuracy determines the degree of development and helps to identify current and expected problems. Taking into account these forecasts, in case of an adequate actions from manager's side, ensures effective, productive and economical management of organizational assets.

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FDI MOTIVATION EFFECTS ON HOST COUNTRIES

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Abstract We discuss social and economic effects on host countries that is caused by various investors who have different motivations when they invest in the host country. we also discuss that FDI has some type of positive, negative and no economic impacts (in an indirect way) on host country. we mention that negative economic effects are not equally likely in various developing countries. we discuss on what is conditional the size of economic growth in host country. we discuss that positive economic effects are conditional on knowledge differences of FDI home and FDI host country firms. we discuss the reasons why FDI has less positive effect on developing countries than on developed countries. we also discuss that some social effects are conditional on host country characteristics.

Keywords: social and economic effects, FDI motivations, host country factors, host countries.

Introduction

There exists view that FDI effects on host countries are dependent on host country characteristics. so in this article we focus also on this issue and discuss that in reality host country can receive positive effects from FDI if there exists certain conditions in the host country. for example we discuss why developing countries receive less positive effects from FDI than developed countries. also we prove that

positive effects on host country employment are conditional on it that whether host country is closed or open economy and we prove this on example of two countries, namely Ghana and United Kingdom and we also represent table where we include list of open and closed economies and by using UNCTAD FDI contribution index we further prove that open economies receive higher positive effect on employment than closed economies. we also mention in article that only technology transfer won't create positive effects in host country and that positive effects of FDI on host country are conditional on local firm absorptive capacities. Also there exists view that FDI stimulates economic growth in open economies, which is proved by the fact that in this article we mention that efficiency seeking, asset seeking and market seeking FDI can simultaneously stimulate exports (in indirect and also direct way) and economic growth in host country.

FDI motivation effects on host country

Resource seeking FDI plays positive role in eradication of poverty in host country. but this type of FDI does not stimulate the growth of welfare of people in recipient with every means. Also such type of FDI should stimulate export with high volumes from the host country in third country. also it is desirable if such type of investor will try to increase welfare of people with the means that are dependent on the investor.

Efficiency seeking FDI will reduce the current account deficit if exports will be made by both investor and local firms. Such type of FDI stimulates the eradication of poverty in host country with several ways and also when such type of FDI flows into the recipient country the host country government may pay more attention to it that how to pay its debts in the future. such type greenfield investments are characterised by important effects on host country that are characteristic for greenfield investments if it will be made in the sector that uses significant amount of labor force. also such type greenfield investments stimulate the development of host country to a greater extent in specific cases. such type of FDI stimulates significantly the economic growth of host country.

Asset seeking FDI can stimulate the economic growth of host country more rapidly. when during of such type of FDI goods flow into the third country it is very likely that outflow of goods will be accompanied by inflow of foreign currency.

Market seeking FDI can have as positive as negative effects on local firms for example it can stimulate the export of local firms and also it can stop the production of local firms although this problem does not exist in strict forms because such type of FDI can stimulate the production of local firms and it can also hinder the production of local firms. such type of FDI stimulates the welfare of people with different ways. during such type of FDI some local firms are forced to go to the third country to sell the product there. During such type of FDI local firms and investor can create significant economic growth in the host country.

FDI effects on host country

FDI can play negative role in the economic growth that is created by local firms despite of it that whether some factors that cause this will be eradicated and in some cases FDI can have no effect on economic growth. but FDI can also stimulate the production of local firms by transfer of technology. sometimes FDI also crowds out local firms because sometimes FDI hinders the continuation of work by local firms. This explains why FDI has less effect on developing countries than on developed countries. although the size of positive effects is not the same in every developing country. for example according to every empirical study the crowding out of firms in Morocco is less likely than in other developing countries. Also it is possible that FDI can reduce economic growth in host country if there is high level of economic growth in host country and FDI can increase the economic growth in host country if there is low level of economic growth in host country. In order to have significant economic growth in host country investor should stimulate the operations of local firms and also investor should stimulate own operations. There is more positive effect from FDI on economic growth in open economy that is explained by it that when investor makes exports from the host country it crowds in some local investors. Though in China the less investor makes export the higher the association between inflow of FDI and productivity of local firms. and such type of positive effects exist in the same industry and also in other industry. although in some cases the positive effect on productivity of local firms in other industries was conditional on it that from which country was coming investor into the host country. also for example according to Chang [1.p.10] Japanese firms didn't increase the productivity of local firms in USA by transfer of technology that proves it that positive effects of FDI on host country is conditional on absorptive capacity of host country because it is possible that FDI flow into USA from Japan into the

sectors where Japanese firms had more knowledge than local American firms and for that reason it is possible that some American firms could not use the knowledge which they received from Japanese firms. The fact that positive effects of FDI on host country are conditional on absorptive capacity of host country is proved by the fact that there is less possibility of crowding out of local firms in the same sector where the investor that in its turn is explained by it that local and foreign firms in the same sector conduct the same operations and because of this they can use the same type of methods of production and for that reason the technology that is transferred from foreign firm on local firms can be used easily that in its turn will stimulate the usage of better methods by local firms and local firm will exist for longer period of time and consequently the production of local firm will be kept for longer period of time. Though according to analysis of our ideas FDI may crowd out even such firms that possess absorptive capacities that in its turn is proved more by the fact that local firms are forced to make such actions that are not desirable for them in order to use absorptive capacities. But the absorptive capacities play important role for achievement of economic growth by host country. Although the FDI into China from Hong-Kong, Macao and Taiwan played negative role in productivity of local firms in the same industry when at the same time the same is positive from FDI that inflows into this country from other countries. Also according to Gorodnichenko, Svejnar and Terel[2.p.4] FDI has insignificant effect on productivity of local firms in the same industry only in old and service sectors.

The fact that FDI has less positive effect on developing countries than on developed countries is explained by it that in developing countries investor gains monopolistic power by crowding out of local firms in host country. For example in Latin America there was significant crowding out effect from investors, although there exist factors that can crowd out foreign investors and stimulate receipt of significant profit by local firms though this is possible to lesser extent according to some authors in China. Also according to same authors the positive effects of FDI on firms in public sector is conditional on it that whether host country is open economy and also on absorptive capacities of this country. Also MNC can stimulate the absorptive capacities of local firms. Also the fact that FDI has less positive effect on developing countries is proved by it that FDI causes in many developing poor countries balance of payment deficit because foreign firms make significant import into the host country, they transfer significant amount of profit into the home country and government loses significant budget income because government reduces taxes to foreign investors or foreign firms are completely exempted from taxes or because of it that foreign firms report their profit to government incorrectly. But at the same time FDI can reduce the current account deficit because FDI makes export from the host country more successful. FDI also creates the export activity rise factors in the host country although export activity may not last for longer period of time by these factors. In developed countries both the FDI that inflows into these countries and FDI that outflows from these countries play positive role in these countries because of which developed and developing countries may establish close cooperation for conduct of FDI. For example FDI caused significant export from China that could be successful. But negative effects on host country balance of payment are not only caused by imports. Although host country receives higher benefit from FDI when there is import in host country than when import is hindered. Also export oriented FDI can significantly reduce current account deficit and we can also receive current account surplus. For example there were cases when big individual investors contributed significantly to host country export (up to 8%). The fact that FDI plays less positive role in developing countries can be explained by it that current account deficit may not reduce significantly when there is reduction of productivity of some firms despite of the fact that MNC transfers technology to local firms. (There is less education level in developing countries compared to developed countries and consequently it is possible that some local firm productivity may decrease in developing countries. The fact that FDI plays less positive role in developing countries than in developed countries is explained by it that FDI may not stimulate economic development by rising productivity in poor developing countries. Also according to Singer[3.p.227] FDI in primary sector, such as mining, food and raw materials is characterised by less increase of productivity in developing countries. Also according to Chener and Stout[4.p.4] FDI has negative impact on economic development in Nigeria. Also we should mention that less developed countries may not receive technology from FDI when here is insufficient number of human capital, that in its turn is proven by the fact technology transfer may be hindered inside of the sector because local firm does not possess the technology that is possessed by foreign firms and also the transfer of knowledge from foreign to local firms may be hindered if there won't be established connection between local and foreign firms and when local and foreign firms establish ties foreign firms may transfer better technology to local firms. Market seeking and efficiency seeking investors establish ties to a greater extent in host country with local firms. The transfer of technology by investor to local firms is conditional on specific characteristics of host

country and this is also conditional on investor. The transfer of technology on local firms is also conditional on motivation of investors of investment in host country. The transfer of technology is done by various ways in the host country. Although in many cases investors did not transfer technology in Poland.

MNC may pay higher salary compared to local firms only for short period of time, that may not be necessarily this way according to some studies that in its turn is conditional on increase of education level of local firms. Also this may be accompanied by move of human capital to local firms that in reality happens sometime. this short term event when accompanied by reduction of difference in salary level may be accompanied by maximization of FDI benefit in which host country government also plays role. the higher salary is paid by investor both to skilled and unskilled labor force and this difference may increase significantly if local firms don't rise salary to their workers. for example MNCs paid 30 % higher salary in USA, Mexico and Venezuela.

FDI is associated with economic development that is conditional on it that it is easier to sell product because of FDI that is not conditional on motivation of investor of making investment in the host country. though FDI does not make equally easy to sell product in host countries. but other effect size is conditional on motivation of investor of making investment in the host country.

The fact that positive effects of FDI is conditional on absorptive capacities of host country is proven by the fact only technology transfer on host country is not sufficient for rise of welfare of people but local sector should be sufficiently technologically developed in order to use technology transferred to them by foreign firms that sometimes happens in reality in host country but sometimes local firms don't use experienced workers that can be explained by it that local firms try to increase absorptive capacities by other ways.

FDI has higher positive effect on employment in open economies. for example as Ghana turned into closed economy FDI had less positive impact on employment in this country. Also FDI had high positive effect on employment in United Kingdom that can be explained by it that this country is considered open economy. for example we introduce some of the countries where foreign direct investors formed the high share in total employment according to UNCTAD FDI contribution index for 2009 and the corresponding rank according to trade openness for 2009 out of 183 countries in the following table:

Table 2.
Contribution index for 2009

country	rank according to openness index
Hungary	10
Belgium	14
Hong Kong, China	2
Ireland	6
Luxembourg	4
Malaysia	7
Singapore	1

Source: https://www.theglobaleconomy.com/rankings/trade_openness/ and Web table 33. Country rankings by FDI Contribution Index, 2009.

We also introduce almost all of the countries where according to 2009 FDI contribution index foreign direct investors had low share in total employment and the corresponding rank according to trade openness for 2009 out of 183 countries in the following table.

Table 2.

Contribution index foreign direct investors had low share in total employment and the corresponding rank according to trade openness for 2009

country	rank according to openness index
Colombia	174
Kazakhstan	96
Costa Rica	109
Croatia	102
Bosnia and Herzegovina	101
Peru	154
Chile	121
Uruguay	143
Philippines	124
Russian Federation	153
Venezuela, Bolivarian Republic of	172
Japan	181
Algeria	104

Source: https://www.theglobaleconomy.com/rankings/trade_openness/ and Web table 33. Country rankings by FDI Contribution Index, 2009.

If we compare these two tables we will find that there is obvious differences among the ranks of those countries where FDI formed the high share in total employment and where FDI formed low share in total employment. for example Singapore took first place according to openness index in 2009 out of 183 countries and here Foreign direct investors formed high share in total employment and for example in japan foreign direct investors formed low share in total employment and japan's rank according to openness index in 2009 was 181. in a word such data emphasizes it that effect of investors on employment is obviously dependent on it that whether country is open or not.

Conclusion

When we discussed market-seeking, resource-seeking, efficiency-seeking and asset-seeking foreign direct investments we found out that more or less all them create some factors that contribute to well-being of society. Also it is possible that FDI can reduce economic growth in host country if there is high level of economic growth in host country and FDI can increase the economic growth in host country if there is low level of economic growth in host country. developed countries have a low GDP growth rate compared to developing countries. all of these could be explanation of it that why developed countries receive higher benefits from FDI than developing countries. In the article we also mentioned that positive effects of FDI on host countries is also dependent on absorptive capacities of host countries and we also found out that there is higher level of education in developed countries than in developing countries and according to these we can explain why developed countries receive higher benefits from FDI than

developing countries. Asset seeking FDI can stimulate high economic growth of host country more rapidly. This final view is also proved on the case of Georgia: in 2011 in Georgia according to UNCTAD FDI contribution index foreign direct investors formed 33% of GDP in Georgia and the same exists in 2013 in Georgia and in 2007-2013 years we could not find statistics about asset seeking FDI in Georgia. (see Vaxtang Charaia)

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ASPECTS OF STRATEGIC MANAGEMENT OF BUSINESS PROCESS IN E-GOVERNANCE

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Abstract With the development of technology the development of public services in public and private governance is becoming increasingly important, because the global digital revolution is naturally accelerated and makes it possible to implement innovative ideas of "good governance". In the process of digital transformation, e-business business models are constantly developing their networking capabilities, actively and flexibly collaborating with each other and facilitate the development of continuous communication with consumers and the use of related products or services.

Keywords: electronic services, e-governance, electronic platforms, digital strategies.

Today's business strategies are more likely to look for gold, which is a key element of modern strategic corporate governance: "Strategy can be considered as a permanent search." In the 90s, two major strategic paradigms developed, on the one hand, there is a strategic vision of the market principle, on the

other hand there is a resource-based vision that specifically combines organizational resources with organizational success [1].

Market view of the basic principle of the structure-performance paradigm, which is to achieve the results of the market structure and behavior: "the company's competitive success requires strategy theory, that the circumstances and the company's behavior with the market for better results. The public sector in the case of this result can be considered as a service optimisation and various public services in the request groups (citizens, private and public organizations) to maximize growth. In contrast, resource-based strategy to highlight the competitive advantages of heterogeneity. [2]

Resources refers to "all assets, opportunities, organizational processes, solid attributes, information, knowledge, etc. which is controlled by the organization which enables the implementation of strategies, and resources are only competitive, if they share the following four key characteristics: **(1) important / valuable (2) understanding A access barriers, (3) the absence of a successor, (4) Incomplete, or combined resource, or coordination with this resource is successful.** Currently, strategic management, which basically deals with fundamental decisions about the organization's intermediate and long-term goals and activities, characterizes double strategic understanding as a market and resources built on resources.

"The strategy is the direction and scope of the organization, which should be followed for a long time, to perfectly fit its resources in a changing environment, in particular its markets, customers and clients to justify the expectations of stakeholders.

On the one hand, creation, combination and coordination of innovative resources are the main element of the organization's activities. On the other hand, the key element is to implement evaluations and conformity parameters as well as an external development perspective and external market-oriented aspects and factors as well as an important element in e-governance.

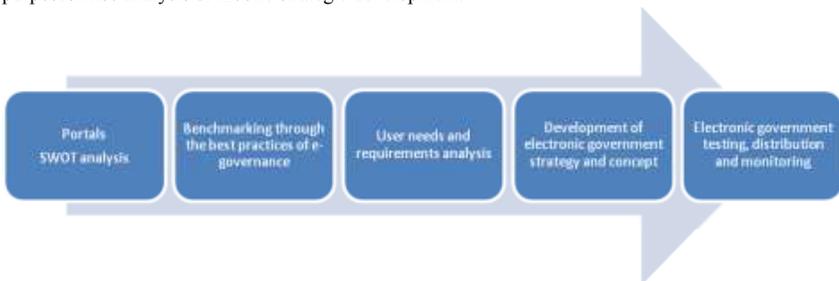
It is known that the theory of economics and "public choice" on the honesty of the public servant and the private hired manager takes important decisions at the managerial level, which should not only be concerned about the interests of the organization but also the development of the organization. While public governance, except for lawmaking and jurisdiction, is a delegated activity and often driven by private business in developed countries, it is interesting to search for skills and competences in the public sector, which will be used to describe existing business processes, systematization and uninterrupted mode Discussion. Due to the above, elaboration of electronic strategy requires integration of the concept of strategy within the organization. But in addition to classic offline strategic management, e-governance also demands successful use of innovative, technological methods and tools. Although e-governance is an important part of the general strategy of the public sector organization, this is not a separate concept and requires subordinate integration with the main strategic document. Elaboration of e-governance strategy involves all organizational activities on the determination, formulation, description, planning, implementation and audit of electronic strategy.

Strategic vision can be classified into four groups: (1) Focusing on target, target oriented actions, (2) Change of main focus, modify core organizational principles, (3) competitive focus - focus on the contest or focus on (4) Role for example. Apart from the abovementioned aspects, it is especially important to evaluate public administration in the context of future development of information and communication technologies. Technological changes and disadvantages related to hazards should be considered, which will affect online public service.



In addition to the vision of the government, the formulation of the governmental strategy requires elaboration of the mission on e-governance. The E-Governance Mission differs from the view that it is not focused on the future status of the organization, but it defines the basic approach to the goals, values, and standards of e-governance [1].

Based on the vision and mission of the electronic government, the next step is to take into account the application of specific organizational objectives to non-receiving and functioning. Specific targets perform coordinating role in the organization, which enables social activities to move to specific planning specifications. In this context, goals can be defined as a normative idea of the organization's future status. Considering the target content, there is no general consensus on these issues, since it depends on the general strategy and objectives of the relevant public manager, organization. Based on the goals of general e-governance, it should include basic principles for improvement of efficiency and effectiveness of public sector, reduce the overall level of expenditure and increase accountability, transparency and response to public sector. To satisfy the needs of the parties effectively and efficiently on this background, the main goal of the public administration is to identify and evaluate the stakeholders as a key to achieving a strategic goal. Identifying potential stakeholders is important for electronic government purposes. Also analysis of mobile strategic development.



Since situational analysis is the fundamental framework for strategic development, this step requires special attention. Analysis of situational e-governance analyzes two streams, analyzes by internal and external orientation.

Internal vision includes analysis of internal resources, competences and processes, as well as activities and behavior of e-service providers. The external view echoes the analysis of the electronic system with macro and micro-perspective. Since micro environmentalities include research of stakeholders' requirements and provider behavior, macro level refers to analysis of requirements structure and regulatory conditions. [7] Existing, B2G-Business - Government, B2G2C-Business-Government-Citizen, Different Business Models offer similar but specially-specific Benefits

- Bureaucracy and cost reduction in the business process;
- Transparency and accountability (corruption reduction);
- Multiple usage of data;
- Permanently cleaned / updated data;
- Access to economic parameters and new regulations;
- Access to licenses, loans, grants, tenders;
- The ability to manage tax assignments and assets.

Demand strategies are mainly discussed by the issue of electronic services, in case of addressing the parties concerned. Therefore, it is advisable to follow **three successive strategic** parameters.

Within the framework of the 1) **focus strategy**, the e-governance system reflects a special field or e-services suite in which the organization seeks to gain a leading position. This strategic option for electronic services can be discussed, for example, as a transitional step towards public structures that have just started e-governance and are quick to resolve the needs of the stakeholders. 2) **Integration strategies** - unlike the focusing strategy - is aimed at expanding e-services. This strategy may be implemented

independently, inclusive or by new service (internal enhancement) or by both approaches simultaneously with the expansion / acquisition of existing providers or suppliers.

The basic principle of **network strategies** is the formation of two or more organizations that work together on a specific service or process. These forms can be expressed in horizontal, vertical and lateral levels. Organizations that are at the horizontal level are called strategic alliances, while vertical or lateral cooperation is called strategic networks. Network strategies allow organizations to use both focus and integration strategies. First of all, because different network partners can concentrate on developing their core competencies and the second, because the network structure supports integrating experienced and highly qualified service providers. Besides these convincing odds, network strategies also carry out risks such as loss of novelty, free movement of partners in favor of other organizations or unpredictable behavior of competitive organizations. [1]

Customer-focused relationship management has become important for the last decades. Particularly important is that system loyalty is systematically supported as a vital factor for organizational success. Relationship management and user loyalty is essential, [2] which tells us that "marketing is the task of creating strong customer loyalty" Since user loyalty is considered to achieve a variety of positive effects for organizational purposes, the general importance of successful relationship management becomes clear. Modern information and communication technologies allow consumers to manage more efficiently than ever before. "Relationship marketing deals with all marketing activities and activities aimed at establishing, developing, and maintaining successful exchange of relationships" [8][9].

Management of customer relations in e-governance involves financing, organizing, managing and controlling information and communication technologies and includes three main goals: user-sustainable loyalty, frequency of use and duration of stay. Consequently, the loyalty of a sustainable user creates a basic target dimension, as it should always be taken into consideration when the customer relationship action is underway. (8) The **second target** dimension concerns the frequency of using the electronic government offering for some time. Thus, the more frequently the user uses the special service, the higher the frequency of its use. This target dimension can be divided into an absolute and relative perspective. Absolute perspective is determined by the number of impressions on the user page, the frequency of the call to the website. A relative perspective takes the quantity of numbers and creates a ratio where the absolute perspective is linked to the users' pages by the same impressions of the users, and it shows the relationship between them and the relationship.

The **third target** dimension includes all the actions that the provider will be able to maximize visits to the national portal and the duration of stay. E-Commerce, Technical Definition This potential is the extension of staying on the user's web portal, called stickiness. Therefore, the "adhesive" site increases the likelihood that the customers will stay more and use more services on this website than others who are less glazed. Successful relationship with customers is usually a complicated process. E-Managing User Relationship Management aims to attract and retain users who use the service to use this service or other possibilities of service. This management includes the sequence of stages: raising awareness, reviewing, utilizing, revising, satisfying and restoring satisfaction. Typical performance indicators of consciousness phases are the number of visits and impressions of the pages, the cost of electronic government mobile visitors and the value of purchasing a unique visitor. [6] [7] In the next phase, potential customer services are controlled by e-governance systems that are tailored to user needs. This requires deep knowledge of public e-governance demand and potential customer demands and benefits.

At the main stage of the **review phase**, identification of stakeholders is identified and priorities are set when the advantages of services are preceded. The user base is a common target, customer satisfaction in terms of providing information or services. If the customer is satisfied with the provision of the service and the result of online interaction, it will lead to an increase in e-services. Consequently, services are required to be designed and secured to meet customer requirements. The goal of the reevaluation phase is to create a solid, reliable, loyal and regular user from the first user. The main task of

achieving this goal is to maintain and enhance the benefits of consumers by introducing new services. If the user is not confident in the quality of the service and thus goes to the phase of dissatisfaction, initiate the initiative to avoid future loss of the user.

There are various possible approaches to the classification criteria of systematization of electronic business models. Classification is the primary service offering as a critical element. On the other hand, the classification of service offerings can be directly transmitted to use requirements that give consumers and providers a chance to distinguish between customer-oriented categories. If we sum up, the classification of e-business business models is considered to be particularly favorable to their basic services. In the electronic public context, relevant business entrepreneurs can be classified as four main business models: information, communication, transaction and integration (ICTI). In the light of all four electronic business models can be considered as independent public business models that can be used individually, however, all e-governance portals are hybrid business models today that combine four key models. Creating an information business model is based on a strategy that provides information in a simple and convenient manner. Thus, the main processes of this business model are the selection, systematization, structure, compilation and packaging of information, as well as the presentation and provision of the relevant content of the Internet platform.

The approach of the communication business model leads to a comfortable online communication platform for consumers. For this reason, the development, development and development of online communication exchange opportunities facilitates interaction between public administration and its stakeholders and other important activities.[9] The **transaction business model** aims to start, process and process administrative procedures through the electronic platform. The main objective of this business model is to replace, partially or completely replace the existing offline service. Thus, automation and data processing, consolidation of services and service development are important basic competences that are essential for the implementation of the electronic platform. The goal of the **Integration Business Model** is to integrate the chain of values of the public sector organization and administrative procedures. This means that customers have an opportunity to influence participatory and joint actions on governmental events. CRM, as well as effective delivery of information and desires is a major and important competence on the public sector organization's electronic platform. Productive customer relationship management allows the provider to know and choose relevant information that is valuable for the user. Furthermore, the process of creating information can be directly adjusted according to customer information requirements. Deliberate, customer-oriented information and services help public space stakeholders to receive information through a clear and convenient presentation that is interesting and useful for customers. The main target of the **Communication Business Model** is to provide online communication opportunities for government interaction. This can be divided into two subcategories: interactive communication offers and automatic communication suggestions. Interactive communication offers such as telephone, call centers, online chats, e-mails or social media communications, exchange of informed information between two active participants affecting each other's bilateral dynamic flow. Automated communication offers may show one or two ways of providing information, but the sender-receiver's effect is not dynamic. Consequently, information exchange does not have a significant impact on the content of the information provided. Search for content / content or website is based on an automated search algorithm. If the user changes the search terms, the results are changed according to changes in this search. At first glance, these results are dynamic, but the search content is static. Subsequent examples are automated response and status messages such as automated out-of-office messages or automatic interactive call center assistance, which will guide the user through question and answer via the menu, select the default settings on the phone keyboard.[8]

The main assets of the **Communication Business Model** are employees, IT platforms and technological infrastructure. In this case, the Customer Relationship Management (CRM) and experience are vital competences, since the communication process should be created and implemented so that not only should meet the needs of real consumers, but they should be used to use the services. Technology

and programming competences are essential for communication business models, as it is necessary to create, maintain, develop and integrate IT infrastructure in appropriate communications services. Transaction business model.

The goal of the Transaction Business Model is to start and process administrative procedures through the electronic office platform, and also should highlight the existing offices service in the process of processing. This electronic service can be partial or complete. Partial online offers refer to services that can not be completed by at least one of the email addresses. Such is the application download or application forms, the final end of the online mortgage application online, which is initiated offline. As for the application form, the relevant document is provided on the e-governance platform for users who download, fill up, and then send to the public sector organization. Although this kind of service is enhanced as compared to the terms of the service, since the administrative procedure can be initiated without visiting the public sector organization, it does not carry out full electronic potential. Full potential can only be generated through automated procedures.

The main assets of the **transaction business model** are exclusive alliances and networks, IT platforms and technological infrastructure. These resources are based on the provision of comprehensive online service. The realization of this business model requires the following key competences: automation and data processing, cooperation, information and services, technology and programming, as well as development of services. The **integration business model** integrates public interest in the chain of value of the public sector organization. This integration can be a form of participatory, joint or cooperative action. Subcategories of integration business model are public innovation, community participation, public co-operation and co-production.

In social innovative activity, the user becomes part of the state or public sector innovative process. The concept is aimed at collecting public opinion and experiences that are widely spread in society. The famous examples of electronic society are digital petitions, electronic voting, and feedback, reputation and complaints management systems.

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ADVANTAGES OF INTEGRATED MARKETING COMMUNICATIONS AND SYNERGIC EFFECT IN GLOBAL BUSINESS DEVELOPMENT

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Abstract Integrated marketing communications at the current stage can be perceived as synchronized, complex communication. It is the opportunity to jointly use the marketing communication and its aim is to establish a bilateral communication with audience desired by an international company. Advertisement, PR, branding and other communication means fill each other and thus the synergic effect is being created, giving the possibility to reach efficient and rational communication, that is not efficient and impossible during the particular marketing communication's usage.

At current stage the main foundation of business communication in world's leading companies is integrated marketing communications as it is deep and perfect knowledge of customer's needs – the understanding of social and ethical responsibility being in front of him.

The main task of PR, advertisement and branding is to shape the positive business relations, which cause the actions. If contact audience is not acting, that means, that communication program didn't reach its results.

The company won't gain success (realize its goals) on international market, if it won't have positive business relations with target audience. As competitive the market becomes, the more attention is drawn towards the integrated marketing communications in the development of global business.

Integrated marketing communications imply the involvement of PR and advertisement on each stage of marketing process – since the planning until the promotion on the market. The communication plan should distinctly demarcate the responsibility field of advertisement, PR and marketing. Each trend has its own goals:

Integrated marketing communication is synchronic and complex usage of all types of business communication (advertisement, marketing, PR, mass media) in order to achieve the success in business, which is directed to customer, target audience, to establish a feedback and increase the results at their maximum.

Keywords: marketing, advertising communications, PR technologies, branding, integrated marketing communications, global business.

Introduction

Integrated marketing communication or IMC first time was used in U.S. in 50s of XX century, though its methods and techniques weren't in demand, as an advertisement worked efficiently; especially TV advertisement, which had a wide zone of audience and had a strong influence over human perception and mind. IMC became demandable in 90s of the same century, while the business has sensed, that traditional marketing methods and advertisement is less efficient and it doesn't ensure the success of the business. The search of new marketing techniques has activated the proper scientific researches. In 1992 year, the book: a new paradigm to marketing - "Integrated Marketing Communications" (authors: Schultz, D. E., Tannenbaum, S.I. and Lauterborn, R.F.) was published in U.S. and the scientists have distinctly shown the defects of traditional marketing and advantages of new, integrated marketing communications. The scientists have shown, that significant changes were made in customer's behavior in the society - in human mind:

➤ The customer's conscience, psychological and emotional senses, his demand, wishes and interests were significantly changed. Customer's attitude towards the acquired information, its form, communication policy (implemented by the companies) was changed as well. The customer is no longer satisfied with unilateral communication and it requires free interactive dialogue, complete and correct information about the company's activity. The customer prefers the companies with sharply expressed social positions. In modern world, the customer is more oriented to develop rational and personal properties.

➤ A lots of communication channels appeared in the society. TV viewer has the ability to switch from one channel to another in a second. This times, the viewer is less concentrated on TV advertisement, that brings crisis in advertisement industry. Numerous thematic, specialized channels appeared in TV

industry, which prefer to place an advertisement with proper profile. The viewer has less emotional reaction on TV sites. TV advertisement price is constantly rising and accordingly its efficiency is decreasing. Besides, the TV loses its monopoly because of the internet.

➤ The number of international companies was increased and competition in advertisement field was strengthened. It's getting harder to form the companies' image and reputation, draw the customer's attention and gain the recognition. The customer prefers personalized data, thus rises the demand to work with specific customer and foresee his wishes. It becomes necessary to gather different types of important information about the customer.

➤ On current stage, it is more shaped the expensiveness of traditional marketing approaches and decrease of their efficiency. Integrated communication approach gives us the opportunity to unite the budgets of different branches of the company, optimize it, focus on solving of more essential and urgent issues of the company. Integrated marketing communications is 2-3 times cheap comparing to traditional marketing and its results are far more efficient.

➤ The different information received from the various types of source (mass media, advertisement, PR office, marketing events) irritates the customer and rises their distrust. It is caused by inexistence of coordination of information's distribution by different institutions. Integration gives the possibility to coordinate the information's distribution, eradicate the obstacles and misunderstandings, concentrate on the company's issues.

In the beginning of XXI century, majority of western large companies have united the offices of marketing, advertisement, public relations and mass media relations. Integrated marketing communication implies the usage of different communication instruments at a time and their management to increase their efficiency. For this purpose, there should be foreseen each communication mean's specificity. For example, advertisement's task is to spread the new information about the issued production, its properties, advantages. Advertisement gains the viewer's attention, pushes to buy the production. The advertising staff is characterized with creativity, innovation skills and utility, but it doesn't possess the developed skills and experience how to build the business relations with society and mass media. Marketing specialists have the experience in market research, segmentation, sales promotion, but they lack the experience to have direct connection to humans. Only specialists of public relations department possess the experience to conduct business relations with social groups, directly with customer, mass media, the abilities to gain the company's recognition, create its image, strengthen its reputation, but they don't have the knowledge about production manufacture, package, pricing policy. Thus, concentration of each employee's knowledge, experience and competences in one direction – towards the main goals, gives the formation to synergic effect and causes the achievement of success.

Synergy. Synergy is the simultaneous action of above mentioned communication means in one-direction and for one aim, intensified influence on customer's requirements, as a result of which we acquire qualitatively different and successful outcome. The synergic effect occurs by uniting the advantages of different types of communication elements and by hiding their defects by these supremacies.

The aim of integrated marketing communications is as follows:

1. Concentrate all communication means on one task;
2. Full concentration of customer's desires, interests;
3. Supply the customer with much important information for him;
4. Intensification of sales promotion;
5. Sales promotion and involve in implementation of their marketing, advertising, PR activities' tasks;
6. Gain the maximum satisfaction of customer's maximum demands and interests from sale, production usage process;
7. Encourage the customer to conduct long-term relations and customer's favor;
8. Strengthen the international company's reputation, image and accordingly increase the profit at its maximum.

Processing of integrated marketing communications commences by study of each particular customer, his wishes, purchase ability, action. For this purpose, the different types of data should be gathered: name, surname, address, phone numbers, e-mail, Facebook profile, profession, marital status, purchase history and the priorities of his demand. These information is acquired by companies, banks via various types of free discount and loyalty cards. Its aim is to define, study and maximally satisfy the

customers' priorities, main demands, interests. By this, company offers to the customers a long-term unilaterally beneficial relations and increases the loyal customers at a time.

According to the experts research it is confirmed, that realization of Integrated marketing communications program is very hardworking process, which needs the staff's creativity, professional skills, developed competences of relations with customers and practical experience.

By foreseeing the above mentioned, the means of integrated marketing communications are: advertisement, marketing, sales promotion, merchandising, public relations, internet, sponsorship. During the integrated marketing communications process, significant role plays the place of contact with customer – hotline, personal sales and product's home delivery, award with presents, souvenirs. The possibilities of using an integrated marketing communications is diverse. They are used by companies to rise their image and form the branding. For example, firm "Mercedes" has conducted the following PR events in U.S.: The event's motto was: "try on yourself". The company has conducted a promo actions in tens of the cities. The people, who has never driven "Mercedes" make car was chosen as the target audience. The best florists, chefs, models were invited on the exhibition of cars. The cars were introduced on the background of stunning nature, landscapes, and amazing models. The beautiful music was playing and the delicious, finely finalized dishes were brought at the same time. The main idea of event was the following: "you are VIP person and Mercedes is VIP class car", or the car is relevant to your status and finest taste.

Company "Tentronix", which is producing the color printers, has arranged PR events with motto: "We live in diverse world, then why should we have uniform printer?" The event organizers adjusted white, marble-tiled hall and guests and visitors were served by waiters with black and white uniform – bringing with white wine and colorless dishes on the background of melancholic music. The walls of the hall were presented by black and white pictures of plants, flowers, wild animals. Then the singer appeared on the stage performing the joyful song called "There, where the rainbow is" and hall was illuminated with colorful spotlights. The color printers were brought on the stage. Then, in front of viewers they started printing of colorful pictures of sea landscape, rare fishes, birds, wild animals taken by correspondents of National Geographic. These photos were given to attending persons. Soon, the hall was entered by musicians in beautiful, colorful clothes and played the cheerful music. The waiters in color uniform brought the wines with different colorand beautifully finalized delicacies. By this moment, the company hasclearly shown the advantages of color printers.

Conclusion.In order to promote the product in the company by the means of integrated marketing communications, the united center of its popularization is formed in there; target groups acquire the precise information regarding the product, the company decreases its necessary expenses for the marketing, advertisement, PR activity. The customer more rapidly goes through the stages to transform into potential, real purchaser. By the means of integrated marketing communications, the company conducts the dialogue with the customer, rapidly and adequately reacts (responses) on each kind of changes and purchaser's wishes. This significantly increases the trust towards the company, strengthens its reputation as the trustful, desired subject to have a long-term relation with. Integrated marketing communication personifies the relations, widens the communication forms and increases the amount of loyal customers. Besides, the role and importance of integrated marketing communications in global business of transnational and globalization era is by all means big and its urgency is constantly rising.

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EXPORT POTENTIAL OF GEORGIA

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Abstract After achieving independence, Georgia has established diplomatic and trading relationships with a lot of countries. From the early years, in the economics of our country, an unwelcomed tendency was established, which was reflected in the negative balance of the accounts of current operations. But with the help of international organizations, most importantly, the international exchange fund and the World Bank he by comparison managed the stabilization of economic situation and liberalization of foreign trade. Already in the year 1992, the deficit of the then current operations accounts consisted of 247.2 million U.S. Dollars, and from that point on, it is described by a growing tendency.

In case of using its geographical location and rationally using its natural resources, Georgia can take a worthy role in the world trading and increase the trading-economic relationships with the world commonwealth. Today Georgia is the field of great interest between the world's greatest countries. Independent Georgia has been given a capability of being a connecting bridge of the east and west, north and south. Policy oriented on export must consider getting into the foreign markets and improving the cost conditions and the production in the local export sector. Both of this aspects are a topic of agreement negotiation about trading, which defines with what conditions the countries will open their markets to each other. During trading negotiations every partner tries to get discounts from the other partner, in the fields in which they have a relative advantage. Georgia has export potential in the labor-intensive manufacturing more so, than in simple product production, which does not give away some kind of special advantage compared with mass production. Georgia is mainly interested in opening a euro union market for agricultural products and labor-intensive products. On second thought, high industrial economics, like Euro Union, mainly perform export of big scaled economic-having differentiated and technologically modern products. Because of this, the interest of this countries is to enter the markets with this products and services associated with them. Also, the Euro union focuses on the entrance of those kind of difficult markets, which are like financial markets, and on those aspects connected to economy, which are like defending intellectual properties. The object of special interests of each of the partners, is presented by different markets.

Keywords: international trading, export, import, trade turnover, world trading organization, world market, business partner.

Trading Policy and Georgian Export

From nineties the strengthening of the international wave was caused by the policy pursued by most of the countries, which was directed to the formation of open economics. The strengthening of the internalization process was reflected on the deepening of the tendencies of trans-nationalization, integration and globalization, which forms a supporting environment for developing international business. For the activation of international business and fully integrating with the world market, it is of utmost importance to learn the concepts and world experience about international trading, direct foreign investments and economic development, based on which, pursuing the right governmental policy of the internationalization of business will become possible in the future.

At least for the last three hundred years, the scientists are researching the problem in the international trading, of why the countries (nations) trade with each other. The answer to the presented question is active in this day too, not only of scientifically learning the topic, but of the practical realization of international trading arrangement, the direction of trading, and definition of the structure and the size. World-wide systematic researches in foreign trading field was started in the Mercantilism era. From this era on to this day, the divergences about the regulation of macroeconomics, between political figures and scientists, has formed two different directions of regulation in the world economic thinking- liberalism and protectionism, which presents an active research subject on every level of the development of humankind, because of its difficulty and importance. Every country which is in the field of foreign trading, including Georgia, more or less uses this two political directions.

For better rating the foreign trading relationship's tendencies we must discuss the county's trading rotation, export-import, biggest trading partner countries, biggest import and export commodity groups and other indicators in more details.

In year 2000 the country was accepted in to the world trading organization (WTO), after which an important step was taken in the country, from the viewpoint of developing trading policy, which is expressed in the following:

- Low import tariffs was made, and often times it was fully abolished;
- From 16 tariffs only 3 was left (0%, 5%, 12%);
- VAT and Excise is balanced and equal on the local import commodity;
- The amount of import and export licenses was decreased.

The country achieved favorable trade regimes, which made it more attractive on the world markets.

First of all it was reflected in, that a unified tariff system was developed with the countries in world trading organization, the tariff system which is lower compared to the most countries of the world; and secondly, a preferential trade regime was established with U.S.A., Canada, Switzerland and Japan. In the year of 2000, in the world's 87 countries, there was \$323.9 million dollar value export from Georgia. The cost of imported products from 92 countries, consisted of \$709.5 million dollars. In the year 2001 the value of exports in 81 countries was \$317.2 million, and the import value of products from 104 countries consisted of \$752 million.

In the year 2002, the value of exports in 86 countries was \$345.7 million, and the import value of products from 111 countries consisted of \$794.7 million.

In the year 2003, the value of exports in 83 countries was \$461.3 million, and the import value of products from 112 countries consisted of \$1,139 million.

In the year 2004, the value of exports was greatly increased and it was \$646.9 million in 80 countries, and the value of imported products from 117 countries consisted of \$1,844.3 million.

In 2005 Georgia enacted a new Tax Code, which greatly reduced tax rates. The tax system had important institutional changes. The amount of taxes was reduced, 5 states (countries): income, excise, VAT, customs, profit and 2 locals. Local taxes are determined by local authorities. According to the data of year 2005, Georgian export achieved \$865.5 million. Export of products was in 94 countries, and from 120 countries there was \$2,487.5 million worth of import products from 120 countries.

In 2006, from 100 countries the value of exported products in Georgia was \$993.2 million. The imported products' value from 121 countries was \$3,680.8 million.

In 2007 the negative trading balance with 100 partner countries because of the trading deficit consisted of 4122,3 million dollars, instead of 104 countries and 2850,8 million US dollars, which was fixated in the year 2006. In 2007 the country had a positive trading balance with 23 countries (145,8 million US dollars), instead of 28 countries and 109,2 million US dollars, which was fixated in the previous year. The export amounted 1,232.1 million and the value of imported products amounted \$5,212.2 million.

In 2008, 20% social tax, which was paid by business an income tax by 12%, was unified in 25% income tax; since the first January of 2008 the corporate profit tax was decreased from 20 to 15%, the dividends were exempted from tax; the 28% VAT is a must for those entrepreneurs, whose yearly rotation exceeds 100 thousand gel; The international export shipping, tourism and other services are subject to zero VAT. As a result of a tax reform in 2010, business became a subject to differentiated taxation. Its types were allocated: Micro, small and medium. If the entrepreneurs' usual yearly turnover is less than 30 thousand gel, they are not a subject to taxation.

In order to not limit the development of business in the country, the licensing and permitting requirements were simplified, the licenses were reduced by 98%, 756 of the licenses were abolished, and new regimes for licensing were founded. General tendencies formed in Georgia's foreign trading in 2009-2016 years is described by the given table below, from which it is plainly visible, that like in previous years, Georgia's foreign trading turnover is rising, but the trading deficit is rising with a higher tempo and accordingly the coefficient of import getting covered by export is not rising. The geography of trading and the amount of trading countries is rising, but the amount of countries with which Georgia has positive trading balance is not rising. And even though it is the truth that compared to the previous period, export figure (indicator) as a whole is rising, the export commodity structure is not changing.

In 2016 the foreign trade turnover with EU countries was 2990 million U.S.A. dollars (in 2015 – 2879 million USA dollars), which is 4 percent more than the corresponding figures of the previous year (there was also a rise in year 2015, which was 3 percent more than the previous year). From this

numbers, export amounted 621 million USA dollars (2 percent more), and import amounted 2369 million dollars (4 percent more). Georgia's foreign trade turnover with these countries accounted for 26 percent, including 22 percent in export and 28 percent in import (correspondingly in the year 2013 – 26, 21 and 28 percent). 30 percent of the trading deficit in 2016 (32 percent in 2015) was on the countries of EU.

The foreign trading turnover with CIS countries in the year 2014 amounted 3593 million usa dollars (5 percent less than in 2015). From this numbers, export amounted 1465 million USA dollars (10 percent less), and import amounted 2127 million USA dollars (2 percent less). CIS countries' share in Georgia's foreign trading turnover was 31 percent, including 51 percent in export and 25 percent in import (correspondingly in the year 2013 – 35, 56 and 27 percent). 12 percent of the trading deficit in 2016 (11 percent in 2015) was on CIS countries.

In 2015, the ten largest trade partners' share in Georgia's total foreign trade turnover amounted 66 per cent. Largest foreign trading partners are: Turkey (1529 million USA dollars), Azerbaijan (1348 million USA dollars) and Ukraine (795 million USA dollars).

Table 1.

Generalized figures of Georgia's foreign trading 2009-2016years.

Million U.S.A. Dollars	2009 Year	2010 Year	2011 Year	2012 Year	2013 Year	2014 Year	2015 Year	2016 Year
export(FOB)	1232	1 495	1 134	1 677	2 189	2 377	2 909	2861
import(CIF)	5212	6 302	4 500	5 257	7 058	7 842	7 874	8596
turnover	6444	7 797	5 634	6 935	9 247	10 220	10 784	11457
balance	-3980	-4 806	-3 367	-3 580	-4 869	-5 465	-4965	-5735

Table 2.

Georgia's foreign trading by country groups 2013-2017 years.

Million U.S.A. Dollars	2013 Years	2014 Years	2015 Years	2016 Years	2017 Years
Export, total	1 4951	1 134	1 677	2 189	2 377
including:					
Euro Union countries (27) -	335	238	310	424	353
Black Sea Economic Cooperation					
Organization countries -	884	697	898	1 185	1 331
Guam countries -	339	251	374	578	805
CIS countries -	541	416	677	1 053	1 246
WTO countries -	920	667	931	1 051	1 034
Economic cooperation and development countries -	752	521	741	814	790
Import, total	6 302	4 500	5 257	7 058	7 842
Including:					
Euro Union countries (27) -	1 756	1 336	1 467	2 053	2 427

Black Sea Economic Cooperation					
Organization countries -	2 981	2 288	2 620	3 553	3 761
Guam countries -	1 269	835	1 050	1 323	1 241
CIS countries -	1 998	1 298	1 588	1 942	1 997
WTO countries -	3 886	2 926	3 226	4 432	5 089
Economic cooperation and development countries	3 069	2 303	2 516	3 388	3 930

It is of outmost importance for Georgia to improve trading economic relationships with EU. The EU market is one of the largest markets in the world and it makes up 20% of world trades.

Georgia's export in EU is described by a steadily rising tendency, but compared to the size of import it is unessential, which is characterized as a plainly visible negative balance. In the terms of world economic globalization and integration, it is vital for Georgia to increase the scale of trade-economic relationship with EU. Even more so when Georgia's strategic and trade-economic interests includes striving for EU membership. It is also important, in the terms of liberal trading policy to open up the markets with EU on bilateral level. The said statement said both positive and negative sides to it, but in perspective, in the long run Georgia will surely win. Opening up bilateral economic borders supports diversification of export market and reduces the independence of the country in separate markets. Taking into thought the unimportant part of Georgia's export in the big market of EU, importing Georgian products will not become a threat for the inner market of the EU. Georgia's inclusion in the European trade-economic field will support the increase the competitiveness in the world market for agriculture and industry sectors, it will also support social-economic development of Georgia, creation of new jobs, strengthening of middle class, establishment of European norms in economic and legal fields, regulation of topics connected to non-tariff barriers and other standards. All of this will support the increase of social-economic indicators in the country, which in its own right will increase the trading relationship with developed countries.

Conclusion

Georgian foreign trade relations are characterized by a number of problems and features but it is also clear that at present it is extremely important for Georgia to deepen trade and economic relations with developed countries than with the countries of the same level of development. This is mainly due to the country's growing technological dependence on developed countries. It is greatly significant for developing and transitive countries to attract foreign investments that is one of the basis of economic development, growing export and their integration in world economy and trade; stimulating Georgian export and reducing foreign trade balance shall be highlighted. It is doubtless that the share of developed countries in Georgia export shall be increased that will grow the competitiveness of export production. Growing trade cooperation with developed countries is not only the incentive for their local production development but also the basis for attracting investments; the scale of Georgian trade and economic cooperation shall be significantly increased with the EU countries; and the main thing is to make the perspective of Georgian transit potential usage reality that will importantly grow Georgia's trade-economic cooperation with the International Community and on the background of globalization it will facilitate Georgia to be on a decent place in the world trade. For Georgian government export is a source of future economic growth. Considering Georgia's small export base it can be assumed that successful reforms will support creation of newer export products than expansion of the existing ones. This assumption is especially true when the existing export basket does not include almost any of the processing products. So far, several sectors of Georgian industry are beyond international distribution of labor. Export potential is still unused. Substantial increase of actual economic growth presumably coincided with significant structural changes of Georgia's export basket. That's why, the aim of export support policy shall be not increasing the volume of the same product but discovering and using those

new export products the competitive production of which is possible through implementation of lower trade barriers and local policy supporting market development.

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RELIGION AND NATIONAL VALUES IN GEORGIA

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Abstract Religion plays a decisive role in protection of spiritual and national values of large and small nations as well as preserves their diversity and culture. His Holiness and Beatitude Catholicos-Patriarch of all Georgia and the spiritual leader of the Georgian Orthodox Church Ilia II has dedicated lots of works to the attitude of Religion to Georgian culture and national values. These works have established the doctrine of protection of the national identity of the Georgian nation in the conditions of modern globalization.

According to this doctrine, in order to save the world, the most important is to form a common system of values, which will perform function of its moral axis. In addition, we need to achieve a dialogue between cultures and religions maintaining religion of every nation. Such conditions will give us possibilities to form, get and implement universal values for everyone. We also need: to formulate state thinking, to make reasonable solution of socio-economic problems of society, to create the State of Georgia based on modern technologies and achievements, to develop Education, Industry, Agriculture, small and medium business, to ensure reasonable use of scientific and economic achievements of the country. The existing National interests should be based on national economic values.

The article also considers the following views of Ilia II: on the most important value of the human being, on the peaceful coexistence of countries, on categorical thinking and refusal of the position of forces, on making possible reasonable corrections in the globalization process. And all of the mentioned issues should be based on adequate education, moral and national values.

Keywords: value orientations, spiritual and material values, the common system of values, sin and grace, cultural identity, protection of national identity.

Introduction

Orientation on Values is condition which determines progress of any community. Values, progressive purposes, stimulate the economy and Community development. The development of such values is the development of advanced cultures, which are the basics of civilization. They sometimes cover the whole world. Different Civilizations have quite different ideological values. The main ideological basics of civilized values are language, religion, human supremacy and motherland. So it's quite important to find out the following issue: how Georgian culture and national values, formed over the centuries, are related to religion? Methodological basics of the mentioned researches are presented in epistles, words and teachings of the Catholicos-Patriarch of All Georgia Ilia II. Ilia II, birth name - Irakli Ghudushauri-Shiolashvili, was elected as a Catholicos-Patriarch of All Georgia on December 23, 1977. He has developed the doctrine of the national identity protection of the Georgian nation. Ilia II focuses exclusively on the development of unique Georgian values in scientific-popular language, preserving and putting it in the eternal service of the nation. Thus, the patriarch laid the foundation for new directions of research.

Under conditions of globalization it's important to know what have we got? For this purpose, with the efforts of Ilia II and his direct participation, there have been published lots of solid books. The Academy of Sciences, Universities and scientists participated in it. The Georgian people specifically demonstrated the existing spiritual and material values of the country.

The main part

According to the doctrine of Ilia II, the power that will save Georgia is Orthodox Faith, general Faith and traditions. For this reason the most important is to have deep and thorough knowledge about everything. That is why we need to pay attention to analytical thinking.

It's not sufficient for a person to have superficial knowledge. A person must be a professional specialist in any field. Without deep knowledge and deep thinking Georgia can not exist. In this way we can maintain our homeland as well respect a man. We must understand accurately what is "Sin" and what is "God's Grace", what is good and what is evil. We must have the ability to differ from them in every aspect. Today, when there are active changes and revaluations in the world, the most important is to remember the main values of our nation: God, Homeland and Man (Human strength, its price, personality). Personality - Family - Homeland - World. Only by harmonized protection of these values can give possibility to mankind to preserve its historically established cultural identity. Nations and individuals should also study and appreciate the achievements of other people and with acquired knowledge they must enrich their own culture.

In the doctrine of Ilia II, there is an important provision about protection of Human rights. According to the above mentioned provision, in the conditions of Globalization and development of transnational companies, the most significant challenge is Human rights protection. We represent the place of crossing the interests of big countries and that's why we have serious problems, especially in terms of territorial integrity. There are countries which have the similar situation. We need to learn experience of other countries as well as we must listen to each other and study how to live in peaceful coexistence. That is why we must change our categorical thinking and never act in a position of forces. Our main goal should be to bring up our next generation more correctly. For this reason we should try to more relevant conversations about moral and national values, kindness and wickedness.

His Holiness and Beatitude Ilia II pays an attention to the fact that the world has become global as it relates to the development of scientific and technical progress. And that does not mean that big countries need to swallow small countries, their cultural, spiritual or national values. This would have created an united characterless and poor culture. The characterless culture can not be valuable. The value of the culture depends on its diversification.

The main guideline in the doctrine of Ilia II is the following: if we want to save the world, we need to form a common system of values, which will perform function its moral axis. It will promote dialogue between civilizations. As on the earth, the events have been developing quickly, we need to perceive analyze and respond to them adequately.

Ilia II suggests us the way to achieve a dialogue between cultures and religions maintaining their religions. He offers us to establish common values - the common moral axis of values. It will be able

only if we do not argue about dogmatic thinking, our beliefs, the essence of religion causing conflicts during our dialogue.

Ilia II considers that In the epoch of globalization the most important value is to establish state thinking. In his opinion the most valuable is to serve own country and nation with true faith, with sense of dignity, with freedom and responsibility, by fighting for justice and against envy. It is also important to distinguish ideological hardships as well as understand the preference of "ours" to "my needs" and "mine". Of course, we must overcome poverty, but the fact is that almost half of the country's population is abroad and not all of them are returning. to their own country. The above mentioned fact has a great negative effect on Georgia. Annually, the negative balance of external migration has been increasing every year.

The state thinking should be focused on reasonable solution of socio-economic problems of our society. Patriarch believes that, first of all we should take care of our army as well as develop the education sphere. It is also necessary to employ the population, - develop small and medium national businesses, reestablish agriculture, fill our market with local products and grant priority to the domestic production through creating a competitive environment for them. It is necessary to support science, culture and sport and naturally take care to restore the integrity of the country. In the World Labor division we must be involved with our resources. The most important resource for mankind is water. The importance of fresh water will be especially high in the perspective as its consumption is growing rapidly in the world. Increased demand for water supply requires to develop new technologies for its purification, protection (storage) and transportation.

Georgia owns one of the biggest water resources, so we have to get our place on the water market in the future. Today, our main priority should be development of agriculture together with small and medium businesses. We should create jobs, which will ensure people to get out of the hard social conditions. All above mentioned issues prove that in his epistles, our Patriarch often refers to the various problems in the context of the mentioned problems and priorities. Their solution have a vital importance for our country.

Our greatest resource is the intellectual potential. It is necessary to act according to the modern requirements and protect national values in a new form of battle, in the context of modern information war. It is necessary to resolve relations with neighboring states, as well as hold continuous dialogue between cultures. For this reason each of us should try to implement his own responsibilities. The government, together with the country's territorial security, should protect and develop spiritual and national values as well as take care of people's material welfare. They must solve social-economic problems as well as develop health care and education systems. We must deepen the relationship with the neighboring states. The prerequisites must be a dialogue between cultures. The spiritual, scientific and material values will help us to overcome existing challenges.

Conclusion

According to the main orientation, of Ilia II's doctrine protection of the national identity should be based on national economic values. We must protect and sustain them eternally. State ideology should not be determined by external geopolitical factors. They must be defined by national interests. It is important to broaden the Georgian business sector as well as create a wealthy middle class and economic, social and political security of the country.

Ilia II thinks that in the epoch of globalization if we want to maintain identity we need to create a modern state which will be based on our traditions and the basics of our new Georgian state should be modern technologies and achievements. There is no single field which can be able to bring the country out of the crisis. The Patriarch considers that the main priorities of the country are education, scientific, cultural and economic spheres. These spheres define what type of state we could have as well as how can we overcome modern global challenges and protect national identity of the Georgian nation.

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IMPLEMENTATION OF THE CONCEPT OF BUSINESS SOCIAL RESPONSIBILITY IN THE POLITICAL SYSTEMS OF SOCIAL DEMOCRACY

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Abstract Concept of the business social responsibility becomes far more important for the western countries, respectively, the amount of supporters of the present concept keeps growing. Developing countries intensively join supporters of this concept worldwide. It is interesting to share the experience accumulated in the western world concerning the implementation of the concept of the business social responsibility, because the business social responsibility is a political image more of integrational social state and the labor market which has hidden segmentation.

The present article discusses peculiarities of policy of the business social responsibility in the countries of social-democratic model. To share this experience will, undoubtedly, play an important role in the social-economic development of Georgia.

Key words: business, social responsibility, social-democratic model, institutional arrangement.

Introduction

Public opinions on limits of the business social responsibility were undergoing permanent transformation. Their formation was influenced by economic condition of the countries, social processes ongoing in the society, and the level of technological development. The countries of a socialdemocratic model are characterized by the fact that despite social status, property condition, labor contribution, etc, the equality principle of each member of the society is determined by their social policy.

G. Esping-Andersen [Esping-Andersen G., 2009: 341] considers that the Social-Democrats will more develop the state conception of universal well-being, which will provide equality of just the highest standards and not the minimal requirements as the case usually is. They prefer such equality to establishment of double standards between the state and the market. To reach this aim, firstly, it is necessary to increase the level of incomes and growth in quality of services up to the level, which is commensurate with the new middle class standard and, secondly, the workers should have such a guaranteed degree of rights' protection as is in the high-paid layers of the society – G. Esping-Andersen mentions. The most noticeable feature of the social-democratic regime is a unity of possibility and work activity. This implies guarantees of correspondence in full employment and payment for used force. On one part, the right for employment has equal status with the right for protection of work incomes and on the other, the expenses on preservation of universal modifying system of universal well-being are more.

This means that entire force should be directed to settlement of the social problems and maximum efficient use of incomes. The most expedient means to reach such aims is growth in number of employed and reduction in the amount of those living at the expense of social transfers.

Main features of the social-democratic approach are as follows:

- Determination of the direction of social measures and their financing is conducted by the state;
- High level of taxes;
- Obligatory social insurance.

Due to the above-listed factors, the social-democratic model differs with a high level of bureaucracy. Compared with other state models, it shoulders a leading role in the issues of the population's social protection. A share of the state expenses in GDP in the countries of the present model makes up more than 50%. Main part of these expenses is spent to satisfy the requirements of the objects of social designation. Among them, main part is made also of transfer tariffs thanks to which the national product is redistributed in favor of the least provided levels of the population.

One more differentiating feature of the social-democratic model is a developed system of the production democracy, regulation of work relations at the national level and not according to separate enterprises or fields. Efficient means are used, which enable to bring a level of unemployment to minimum.

In the recent period the most actual is a Swedish model of a social state. As a rule, it is used by the researchers as an illustration of a social-democratic model. The Swedish model is sometimes called egalitarian. It originated in 1913, when a decision was adopted on universal pension provision. Since that time the state implemented reforms in "horizontal direction (between healthy and sick, families with children and childless families, employed and unemployed), also with the aim of "vertical" equality (between rich and poor). Social and medical assistance became available for everyone despite their profession and income. The path of development, chosen by Sweden, has many times been criticized both inside of the country and abroad. Social direction of the Swedish capitalism was most strongly criticized especially in the critical periods, but all this did not delay the country to go this way and to demonstrate its vitality.

Such "egalitarian" feature of the social policy, surely, caused restrictive (limiting) character of economy. Such restrictiveness concerns both the private incomes of the population and the incomes of entrepreneurs and is realized by means of progressive taxation system, which enables us to take an important part of primarily distributed incomes in the state budget. In its turn, strict taxation system is a financial base for transfer taxes of different types and is a wide network of high-quality social services. An important role of the transfer taxes was followed by active interference of the state in functioning of the bodies of social insurance, which are under strict control of the state and to a great extent are financed at the expense of the state budget. So, it's not surprising that the level of taxes in Sweden is one of the highest in the world.

Such institutional arrangement can be best characterized as the society with excess of large and centralized institutes. Its most important elements, from the viewpoint of A. Lindbeck [Lindbeck A., 2006: 56], are: significant expenses of the state sector and high taxes, which reflect ambitions of the society of universal well-being; policy of stabilization distinguished with high degree of interventions, which initially is designated for organization of full employment together with active policy of the most important instrument at the labor market; efforts of the state to have influence on the level of gross income, on the offer of credits and investments, also on their placement by means of regulations of state savings, market of capital, taxes and subsidies; strict control over the local administrations from the central government; centralized determination of the wage at the national level; high degree of centralization of decisions adopted in the private sector; free regime of trade, to which, however, is merged the mentioned centralized structures.

Such activity of the state can be reflected on the level of life in Sweden. A. Lindbeck [Lindbeck A., 2006: 61] mentions that jin coefficient is one of the lowest in the world; comparatively low level of poverty is noticed; difference between the wages of men and women is also considerably reduced; places, which are considered to be the source of criminal acts in the USA and Great Britain, practically do not exist in Sweden; the level of unemployment in Sweden is low; high level of social services, which are given by the state.

All this leaves its trace on the attitude of the society to the business social responsibility. On one part, quite a high level of life reduces social tension, therefore, actuality of numerous instruments of corporate social responsibility (e.g. charity) as well, which assists us to reduce this tension. On the other

part, the Swedish society with increased demands to business most strictly watches observation of ethical norms, especially, in the entrepreneurial field.

This is also witnessed by the following fact. It is pointed in the report of the World Economic Forum of 2017 “Global Gender Inequality” [Corporate Social Responsibility, 2017: 76] that Sweden and other Scandinavian countries “with their practical achievements in gender equality field are among true leaders... and thus, are a sample for international comparison”. The rating of gender inequality measures difference between genders according to separate countries on the basis of economic, political and educational criteria, also, healthcare indicators. In the rating of “Global-100” of 2016, the Swedish companies are included in the list of the world 100 leaders of the corporate social and ecological responsibility. The rating takes into consideration such criteria as carbon dioxide emission, diversification of management, observation of taxation discipline, etc [Hohnen, P., Potts, J., 2017: 312].

One more measure of the corporate social responsibility is Dow-Jones’ World Index of Sustainable Development. The present index involves only those companies, activity of which meet the highest demands concerning environment, labor protection, human rights. In May 2015, there were included into it 392 companies from 29 countries of the world, among them the Swedish companies Atlas Copco, Electrolux, Sandvik, SKF, Swedbank, Telia Sonero da Volvo. In 2015 three Swedish companies are named in it as leaders of gold and silver class.

Sweden was the first in the world to demand from the state companies the reports on sustainable development.³ These reports should answer standards of global initiative of sustainable development (Global Reporting Initiative, GRI).

Pension provision four funds of the Swedish state system – 1, P2, P3 and 4 (Allmänna Pensionsfonder, i.e. universal pension insurance funds) – cooperates with the market in ethical issues within the frames of its board. In its activity this fund reaches positive changes in the work of the companies outside of Sweden, which are suspected of violating the international conventions on human rights. For example, a network of ready-made clothes H&M possesses about 2 000 shops worldwide. Just recently, a new ecological line of clothes of Chonseu Cholletsitson brand appeared in its assortment. H&M works actively with its consumers and in their enterprises achieves protection of human rights and reduction of harmful impact on the environment. H&M receives production from about 700 producers, many of which are based in the countries where the use of children’s work and safety in the work places has problems as was before. H&M has an inspection group consisting of 70 members, which controls protection of corporate behavior code of the company by the suppliers. With the aim of improving the work conditions H&M also conducts trainings for suppliers.

Strict legislation, along with apprehension of ecological problems in the environment protection field and a high level of understanding, put the Swedish companies on the path of innovatory and efficient settlement of the environment protection problems in their activity. Production technologies, which don’t bring harm to the environment, especially in the field of industrial production, quite often now are the subject of Swedish export.

The Swedish companies preserve the leading positions in the world in the field of clean and cleaning technologies – “Cleantek”. (Term “Cleantek” is used to designate the production and services which, improving the exploitation characteristics, production and efficiency, promote reduction of expenses, raw material expense, energy consumption, wastes and polluting emissions). Introduction of such technologies also promotes strengthening of competitiveness and growth of the Swedish industry. Along with Sweden, other Scandinavian countries also express such approach to the corporate social responsibility and, at the same time, demonstrate their own specificity.

In Denmark, active interference of the state into social policy started later and had far less scales than in Sweden. But, despite this, we can boldly say that Denmark belongs to the states of a social-democratic model. H. Christhofersen mentions that “Danish considered that the market raises serious restrictions and, therefore, its significant correction is necessary, in case if the purpose implies provision of maximally possible well-being, that’s why individual advantages of the citizens, which are reflected in

³ *Sustainable development is such development, which by the definition of the Bruntland Commission (which is officially called International Commission of Environment and Development), meeting the presentday challenges, does not put in jeopardy satisfaction of the future generations’ requirements.*

the market, should be corrected proceeding from the general well-being. That is, it's impossible not to acknowledge that in Denmark the role of the state in regulation of the market is quite high.

On 16 December 2008, the law was adopted in Denmark (Act amending the Danish Financial statements and act (Accounting for CSR in large businesses), which from 2009 obliged all large commercial organizations to present, along with the financial accounting, the accounting about their activity in the field of the social responsibility. Adoption of the present law is a part of the government plan on development of the corporate social responsibility, which was presented on 14 May 2008 (Action Plan for Corporate Social Responsibility – CSR) and its aim was stimulation of the commercial organizations in the issues of the social responsibility.

For the society the business social responsibility is more a political image of a new type (future expectation) of the integrated social state and the labor market having hidden segmentation. For business the social responsibility is the strategy, originated in response to expectation of interested groups for demand on legitimization and receiving of income. In connection with the social responsibility strategy, one of the hardest dilemmas to be solved is to merge the society problems with business interests.

In Denmark as well as in Germany, basic attention is attached to the social responsibility at the labor market. This feature of the Danish model makes it closer to the continental model. The table, in which standard interpretation of the corporate social responsibility is presented, demonstrates the place occupied by the corporate social responsibility at the labor market in the social policy of Denmark.

In fact, active policy of the state at the labor market has become a national priority and this is not casual. Ian Hetland Miuler [Ian Hetland Miuler, 2014: 211] mentions that “business ethics is a key factor for attraction and preservation of staff by the limited labor market of Denmark. The entrepreneurs, who ignore the issues concerning the corporate social responsibility, in the future may face lack of qualified staff, which will endanger their global competitiveness”.

One more direction of such policy is increase in activity of the aged people, which also promotes increase in share of work-age population. By the data of sociologists, Denmark is the country, in which people behave the best to the aged. To retire on pension in this country does not mean that a man leaves the social life. Just on the contrary, he continues to play an important social role and possesses wide potentials to lead an active life.

Introduction of principles and practice of the business social responsibility is necessary for business sector development. This is an additional instrument for efficient communication with the society, provision of stability, sustainable development and strengthening of business image.

Summary

A circle of the countries, which share the conception of policy of business social responsibility, keep permanently widening. It is also clear that within the world scale economically developing countries intensively join economically developed countries, which have a long history of arrangements of corporation political responsibility. For the society the business social responsibility is more a political image of an integration social state and of a new type labor market with concealed segmentation. The present article discusses political peculiarities of business political responsibility in the countries of socio-democratic model. To share this experience is of great importance for Georgia.

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MOLDOVA – ISRAEL- UKRAINE

DYNAMICS AND ALTERNATIVES IN THE GLOBAL ENERGY MARKET

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Abstract Energy is a driving force of contemporary society. In the medium term until 2025, the demand for oil will continue to grow with restraint, and by 2025 it will reach 4,540 million tons of oil equivalent. Compared to 4330 million t. o. e. in 2015, in almost all OECD member countries, except Mexico and several European countries, there will be a tendency to reduce the demand for petroleum products and replace them in the final consumption sectors for natural gas and electricity. The global gas market has been largely transformed, thanks to the shale revolution, pricing problems, unconventional gas sources. The process of transformation will continue in several ways. A record gas liquefaction launch in the history of the gas industry will lead to significant changes in world trade. Alternative estimates of the costs of generating electricity, taking into account the full long-term costs of generating electricity, including systemic effects, significantly increase the estimates of the economic efficiency of traditional energy in fossil fuels. The operation of thermal power plants in peak conditions continues to be characterized by high system value. The depletion of traditional energy sources requires mankind to look for new sources of efficient energy resources. One direction is to improve the methods of extraction and use of traditional sustainable resources. The second direction focuses on non-traditional, renewable sources. The authors focus their attention on the processes of increasing the use of sustainable energy. The aim of the research is to investigate the situation of the global, regional energy market and to select ways to overcome the problem of energy shortages.

Keywords: energy, energy resources, alternative energy sources, advantages.

Introduction. According to experts, the world's electricity consumption continues to grow. It is expected that by 2025 the US will surpass Russia and become the world leader in oil production. Lately, world energy has seen transforming changes. Some new trends have emerged in the development of alternative energy sources. Improving energy efficiency has increased the use of electricity in developed countries. The process of change has an impact on the environment and contributes to a significant increase in the energy field of a number of developing countries. But the increase in energy consumption has negative repercussions on the environment. China, India and the United States are responsible for about 86% of the total of greenhouse gas emissions. At the same time, emissions in Germany, Japan, Mexico, France and the UK have diminished (Europe 2020). Global warming, air pollution and the shortage of electricity in developing countries - at first glance it seems that attempts to solve all these problems simultaneously are bound to fail. After all, the more poor countries increase electricity consumption, the less feasible are the goals of the international community to protect the climate and the environment.

The aim of the research is to investigate the situation of the global and regional energy market for selecting the theoretical and practical ways of overcoming the problem of energy shortage and the abuse of environmental pollution in the desire for increased access to energy sources.

Research methodology includes analysis, comparison, statistics, forecasting, etc.

The energy issue is an integral part of modern international relations, which is reflected in theoretical discussions about the nature and role of energy issues in world politics. Whether relations in the field of energy are based primarily on national interests and the balance of forces, which determines their initially conflicting nature; or, on the contrary, interdependence in the energy sphere and global energy markets can guarantee non-confrontational interaction and mutually beneficial cooperation of all players — such issues are on the agenda of supporters of two main paradigms in the theory of

international relations - neorealist and neoliberal. The study of global energy issues is embedded in the basic theoretical debates about the nature of international relations. At the same time, most energy researchers still prefer to conduct analysis in a neorealist manner. In other words, their attention is focused on the energy policy of states, considered in the context of national interests and security, military confrontation and regional conflicts. The monograph of American researchers David Moran and James Russell analyzed the risks of military confrontation resulting from the growing competition in the beginning of the 21st century for energy resources. One of the main conclusions reached by the authors of the monograph is that the global market for energy raw materials largely regulates itself, but it is not protected from a violent confrontation between the states leading a fierce struggle for access to energy resources [Moran, Russell].

It is noteworthy that one of the key areas of the energy policy of the United States, British scientists called efforts to “marketize” the economies of oil-rich countries, which allows Washington and its allies to expand the tools and opportunities for direct and indirect control over the energy policies of the respective states [Stokes, Raphael] .

The most famous of them are: “Blood and oil”, “Wars for resources” and “Rising powers, a shrinking planet: a new energy geopolitics”. In his works, M. Klare shows with conviction how a fierce struggle for diminishing energy resources unfolds in the modern world, fraught with military confrontation at the local, regional and even global levels. This struggle transforms the entire international landscape, provoking the creation of competing interstate alliances. M. Klare notes that after losing “the Cold War” Russia eventually turned into an influential player in the Eurasian space, which became possible due to the increase in exports of scarce and, as a result, expensive hydrocarbons. After analyzing in detail the energy aspects of US military strategy, M. Klare comes to the conclusion that Washington is not yet ready to abandon the Carter Doctrine and will not only strive to maintain its geopolitical dominance in the Persian Gulf region, but also extend it to other oil and gas regions of the world which are of strategic importance.

Professor of the California Maritime Academy, Donna Nincic, notes that interstate conflicts over access to energy raw materials are inevitable in the new century, since the future of the global oil and gas industry is largely associated with the development of the bowels of the oceans, whose borders continue to be challenged by countries. Disputes over the resources of the South China Sea and the Arctic clearly illustrate the willingness of states to resolutely defend their claims to access to energy [Nincic].

The geopolitical approach to studying the problems of world energy is also very popular in academic circles. In many ways, it is close to the neorealist estimates. As a rule, the center of geopolitical analysis is the struggle of the leading powers for access to sources of energy raw materials.

The term “geopolitics of energy”, which, in particular, is used by the aforementioned M. Claire [Klare], as well as the experts of the Brookings Institution Carlos Pascual and Evi Zambetakis, has even appeared in the scientific literature. The latter note that the United States and the EU, which are among the largest importers of energy carriers, pursue the same goal - providing access to external sources of energy raw materials. However, the ways to achieve this goal in Washington and Brussels are different. The United States, which is more dependent on oil imports, is showing an increased interest in the Middle East region, where the world's largest reserves of this resource are concentrated. The rapid growth of oil production, caused by the so-called shale revolution, has not yet saved the United States from the status of a net importer of oil.

According to the neoliberals, such transformations not only minimize the likelihood of using the “oil weapon” (through an embargo on the supply of hydrocarbons), but also make it impossible for state players to control energy prices. In modern conditions, the activities of non-state players (TNCs, financial institutions, analytical centers, media, terrorist organizations) [17], which can have a significant impact on the global energy supply system and even the normal functioning of individual states, come to the fore.

A weighty alternative to the neorealist and neoliberal views on world energy is the constructivist paradigm, the provisions of which are increasingly being used to understand the problems of energy security. Its supporters assume that the main characteristics of international relations, including those related to the energy sphere, are not immutable categories (for example, the properties of human nature, the invariably anarchic nature of international relations, the players' desire for economic well-being), but are created and reproduced by the participants themselves.

The School of International Political Economy (SIPE) also contributes to the understanding of energy security issues. Her lead spokeswoman, Susan Strange, believed that the constitutive issue within this theoretical subdiscipline was the search for an optimal balance between state and market, which

should be considered through a structural understanding of the implementation of power in a particular society

As international energy relations evolve, the diversity of modern theoretical constructs will be complemented by new research programs.

Results and analysis. Environmental pollution, which also refers to the natural environment and the biosphere, is an increased content of physical, chemical or biological reagents in it that are not characteristic of this environment, brought from outside, the presence of which leads to negative consequences. Energy is attributed to industry's basic branches: energy development is conditional on production and progress in all other branches of the economy. Consumers and energy producers must expect further demand for energy resources.

Table 1. Quantitative-quality aspects of resources and coal use by country, 2019[16]

No.	Country	Sub-bituminous coal and lignite, billion tons	Anthracite and bituminous coal, billion tons	Coal reserves, billion tons	Coal mining, mln. /year	The multiplicity of stocks, years	Coal consumption, mln. /year	Coal export / import mln.
1	USA	128,8	108,5	237,3	516	257	438	77,5
2	Russia	107.9	49.0	157.0	168	443	54	74
3	China	52.3	62.2	114.5	1825	31	1873	-48.0
4	Australia	39.3	37,1	76.4	241	177	49	192.0
5	India	4.5	56.1	60.6	229	100	298	-69.0
6	Germany	40.6	0.0	40.7	46	207	79	-33.0
7.	Ukraine	18.5	15.4	33.9	46	364	45	1.0
8.	Kazakhstan	12.1	21.5	33.6	59	289	35	24.0
9.	SAR	0,0	30,2	30,2	146	116	90	56,0
10	Columbia	0.3	6.4	6.7	58	76	4	54.0
11	Poland	1,4	4.3	5.7	59	40	54	5.0
12	Indonesia	4.0	1.5	5.5	237	14	50	187.0
	BRICS	177	219	396	2427	79	2390	37.0
	EU	42	4	46	105	137	133	-28.0
	USA & Asia Pacific	168	146	314	757	232	487	269,9

In order for energy corporations to record high performance indicators in business in the market economy, we can highlight the trend waves that will dominate the global energy market in 2020 [17]. Traditionally, countries used coal as the main source of energy. Although alternative, renewable sources have emerged, the significance of coal remains vital in some branches.

The first trend is the growth in demand for electricity. Electricity consumption on a global scale is increasing faster than other energy sources, thanks to the electrification of energy use. Asia was responsible for much of the increase in global electricity consumption in 2017. As in 2016, the growth of electricity consumption in China, as a result of the recovery of the industry and despite a sharp increase in energy efficiency, contributed to an increase in world electricity consumption by half.

The authors highlight significant changes in several global energy sectors, from increasing electrification to rising energy sources, modifying the use of fossil resources and globalizing gas markets. On all continents, the energy resources will determine the power and the economic vector of the future energy system.

At a time when geopolitical factors exert new and complex influences on energy markets, highlighting the critical importance of energy security, World Energy Outlook 2019, the emblematic publication of the Energy Agency's flagship, details the global energy trends and the impact they will have on the supply and demand, carbon emissions, air pollution and access to energy. The WEO's scenario-based analysis describes various possible future developments for the energy system in all fuels and technologies. It contrasts with different paths, based on current and planned policies as well as those that can meet the long-term climate objectives under the Paris Agreement, reduce air pollution and provide universal access to energy.

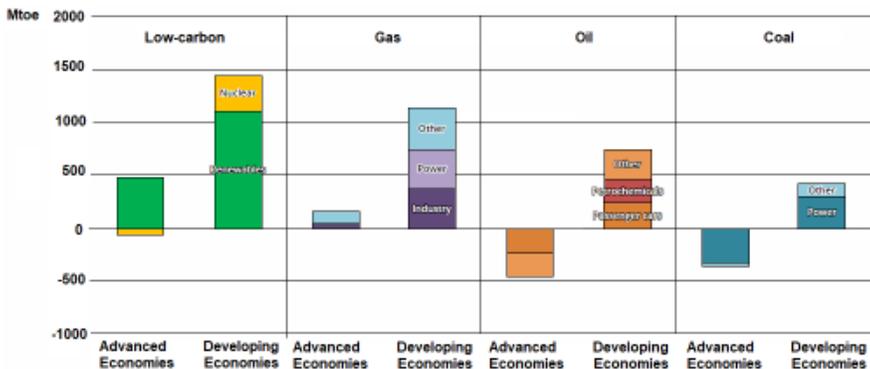


Fig. 1. Change in total primary energy demand, 2017-40 in the NPS [5]

In the view of the authors, the report raises some issues that affect the modern energy industry in Asia, “WEO 2018 finds mixed signals on the pace and direction of change. Oil markets, for instance, are entering a period of renewed uncertainty and volatility, including a possible supply gap in the early 2020s. Demand for natural gas is on the rise, erasing talk of a glut as China emerges as a giant consumer. Solar PV is charging ahead, but other low-carbon technologies and especially efficiency policies still require a big push. In all cases, governments will have a critical influence in the direction of the future energy system. Under current and planned policies, modeled in the *New Policies Scenario*, energy demand is set to grow by more than 25% to 2040, requiring more than 2 trillion USD a year of investment in new energy supply” [25].

Demand for electricity has increased in Japan (for the first time since 2013), India, Indonesia and South Korea (Figure 2) [1]. Usage of electricity in the US, which has generally remained stable since 2011, as a result of improving energy efficiency has fallen for the second consecutive year, while in Canada it is rising. It has remained stable in the European Union (growth in Italy, Poland, Germany and Spain, decline in the UK). Electricity consumption has increased in Iran, Turkey and Egypt [6].

Author's research shows that Globe's energy systems are on the move, which will lead to spectacular changes in how to use energy in vehicles, house heating, use in industry. These events will

have an impact on the economy, society, governments, and people directly. The purpose of investigations is to illustrate the state of the world energy market.

Our perspective is based on the contributions of hundreds of McKinsey experts around the world in fields such as oil and gas, automobiles, renewable energies and base materials. Through this global network, we are able to incorporate a diverse set of opinions in a single consensus: our case before you [10].

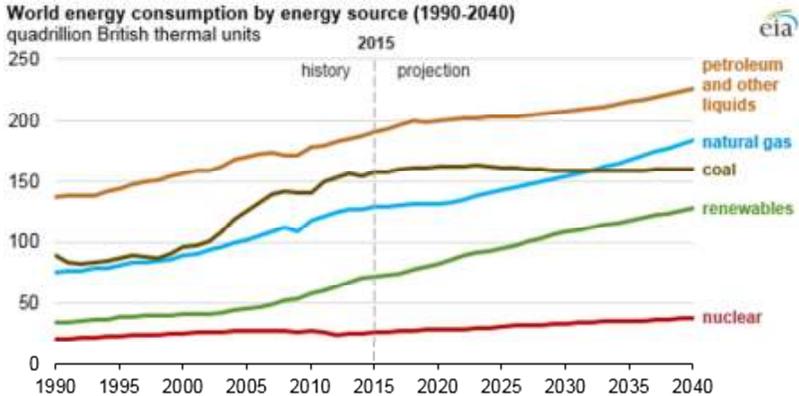


Fig. 2. World energy consumption by energy source, 1990-2040 [8]

By 2040, the authors anticipate increased global energy consumption from all sources, except for coal, which is expected to remain intact. Renewable energy sources are expected to be the fastest-growing energy source, with an average consumption of 2.3% per annum between 2019 and 2040. The global share of energy on the globe is still nuclear energy, with consumption rising with 1.5% per year.

Resursele energetice au impact major asupra vietii omului și societății. Ele au permis mecanizarea și automatizarea multor procese in industrie și societate. Energy resources have a major impact on human and social life. They allowed the mechanization and automation of many processes in industry and society. In 1968, the United States Agency for International Development called the "Green Revolution", a phenomenon that had defined the 20th century. Consequences of the "green revolution" were particularly noticeable in Asia, where in 1962 the Rockefeller and Ford Funds founded the International Institute of Culture. At that time, half the inhabited continent galloped and stranded in poverty.

Researchers managed to bring a new, high-yielding variety of rice. In the 1970s and 1980s, the crop in Asia increased threefold. More than 80% of the rice grown in modern Asia belongs to the variety that scientists bred in the 1960s of the last century. However, as the authors investigated, a huge halt in productivity resulted in serious environmental problems. The prophets argued that the "green" revolution is simply a way to put off the problem of mass hunger: a lucky break, not a solution. Population growth and well-being, according to the prophets, means that soon it will be necessary to increase the yield of crops again – magicians call this the second "green" revolution. 45% of the population of the planet consume food grown through these fertilizers. Can the Earth feed ten billion people? [4].

The average annual growth rate of the world population in the period 1991-2020 is projected to be 1.4%.

The highest rates of average annual population growth are expected in Africa - 2.8% and in the Middle East - 2.4%. All other regions are below 1.4%. Developed countries provide population growth of 0.4%. For 2020, the increase in consumption of primary energy resources will be 6.6 billion tons of fuel equivalent. The result is 18.5 billion tons, of which 2/3 of consumption relates to developing countries, including 1/5 to China. The lowest needs for primary energy resources are projected for the region, which includes the countries of Central and Eastern Europe, Eastern Russia and the CIS countries. Based on the

data of the International Energy Agency, it is possible to calculate the growth rate of world energy production by the formula (1):

$$Gr = I_{bp} / I_{ep}; \tag{1}$$

where, G_R is the growth rate; I_{BP} - indicator of the beginning of the period; I_{EP} - an indicator of the end of the period.

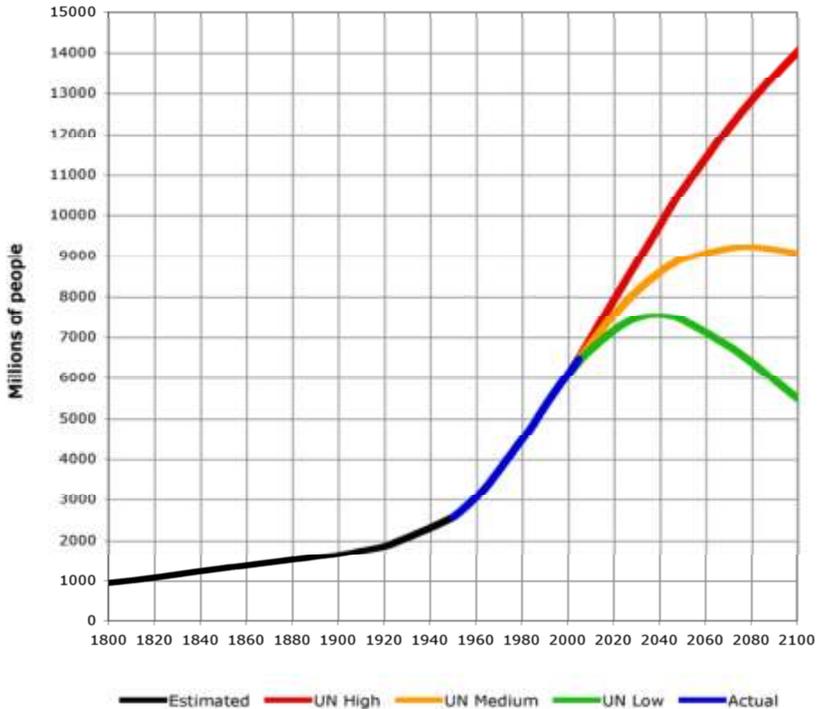


Fig. 3. The population growth of the planet, 1800 – 2100 [5].

Mostly, all forecasts take into account the growth rate of global energy production and consumption. The growth rate is expected to rise as compared to the rhythm of growth of primary resources, so yearly the resources extracted will turn into energy. According to the authors' research, the electricity requirement is estimated at 23 trillion KW by 2020. It is claimed that nearly 140 countries, which together emit over 99% of global carbon dioxide emissions, could only have solar, wind, hydro and geothermal energy by 2050. These researchers analyzed the available public data from the International Energy Agency in terms of what renewable energy resources are available in each country, and investigated how much of the energy they would need to electrify their transport, heating, cooling, industry, agriculture, forestry and fisheries. These researchers have calculated that the 139 countries could do with 80% of clean, renewable energy by 2030 and 100% by 2050. The mix of resources they imagine to reach the 2050 target include:

- 21.36% of photovoltaic power plants
- 9.72% of concentrated solar power plants
- 14.89% of solar panels on residential roofs
- 11.58% of the solar panels on the roofs of commercial and government buildings

- 23.52% onshore wind
- 4% of hydro energy
- 0.58% of wave energy
- 0.67% of geothermal energy
- 0.06% of tidal energy

For the period 2019-2030, the amount of energy consumed will increase by 44%, as predicted by the US Energy Information Agency [2]. According to estimates by Frost & Sullivan [7] experts, Europe, with its aging generation capabilities, will have to pay about 25 GW of additional capacity annually by 2020. Electricity demand in Africa, China and India will increase as rural areas will be electrified. By promoting the expansion of the motor vehicle and hybrid segment, developed countries will also make a significant contribution to increasing global electricity demand. By 2020, the electrification level in the world will reach 80%. [1; 4]

The second trend is the growth in the consumption of natural gas and the rapid increase in unconventional gas extraction. The global demand for gas, which has been growing since 2014, accelerated its growth in 2017, helped by Asia, which accounted for 1/3 of the demand. China has become the largest contributor to increasing gas consumption, which is consistent with its policy of replacing coal with gas. Economic growth has also helped increase gas demand in India, Japan and South Korea (low nuclear availability for the latter two countries). The economic growth and increased requirements for heating led to an increase in demand for Russian gas, which accounted for almost 1/4 of the world's demand.

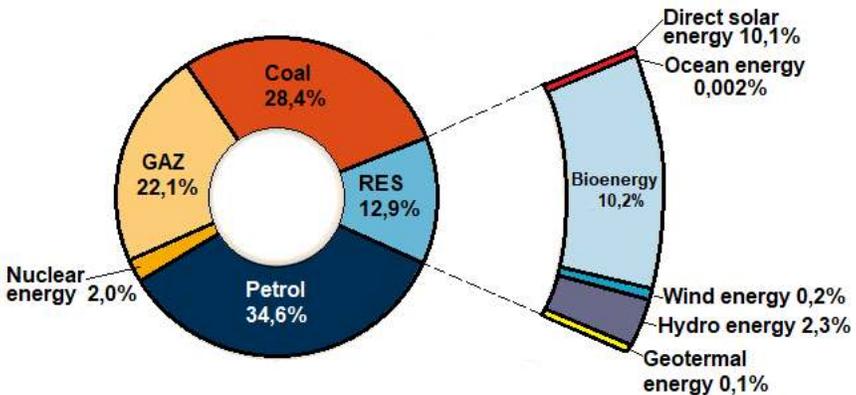


Fig. 4. The share of energy resources in the total global primary energy supply, [23]

According to research, the share of renewable energy sources (Renewable Energy Sources) was 12.9% of the global primary energy supply, equal to 492 exadjoules (EJ) 5 (fig. 4). The largest share among renewable energy sources fell on biomass (10.2%), most of which (approximately 60%) was traditional biomass used in developing countries for cooking and heating, but the use of modern biomass is also increasing rapidly. The share of hydropower was 2.3%, while other types of renewable energy accounted for 0.4%. [1.1.5] In 2008, the share of renewable energy was approximately 19% of the global electricity supply (16% was hydropower, 3% was other types of renewable energy), and biofuel amounted to 2% of the world supply of fuel for road transport. Traditional biomass (17%), modern biomass (8%), solar thermal and geothermal energy (2%) accounted for 27% of total global heat demand. The share of renewable energy in the supply of primary energy varies considerably depending on the country and region.

Author's research denotes that gas consumption continued to grow steadily in the Middle East, especially in Iran and Saudi Arabia, as well as in Africa, mainly in Egypt (due to increased domestic production) and in Nigeria [9]. Improving economic conditions and reducing the availability of nuclear and hydropower in Europe contributed to increased gas consumption, especially in Germany and southern

Europe (Turkey, Italy, Spain and Portugal). In the United Kingdom, it has decreased due to the softer temperature and fierce competition with renewable sources of energy in electric venting [13]. Gas consumption for the first time in seven years was reduced in the United States, the reasons were the decline in electricity demand, competition with renewable sources and relatively high hydrogeneration [10]. In Canada, gas consumption has increased.

The *third trend* is the development of renewable energy. The share of renewable energy sources (including hydropower) in the global power generation system, which in turn has grown rapidly since the late 2000s, has grown by almost 1 percentage point in 2017, reaching almost 25%.

Liberalizing the EU gas market has the unprecedented task of uniting 28 national markets into a single competitive open market. The decisive role in this process belongs to the Third Energy Package (TEP) and the documents developing it, including the Network Codes and the Target Gas Market Model. The authors note the existence of changes in the ownership structure of the network operators after accepting the European energy program (Figure 5). In the gas sector, the presence of private capital (companies and funds) has significantly increased, which determines the management of this sector, in contrast to the power industry, where state / public participation dominates.

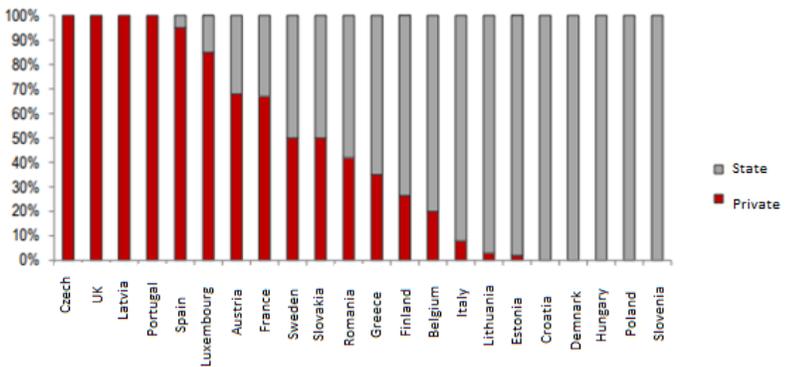


Fig. 5. Ownership structure of gas network operators in the EU, % [15]

The logic of European regulators, which considers traditional point-to-point transit contracts to be outdated and impede free trade, pursues the objectives of developing liquid and competitive markets. The European Commission strongly recommends that all individual transit systems and outdated transit contracts be fully integrated into the input-output system, while still allowing for some exceptions with available capacity.

Wind and solar energy are gaining popularity at this point, helped by ambitious policies on climate in the European Union, the United States, China, India, Japan and Australia, as well as a sharp drop in the cost of building solar and wind installations, which allowed developing countries to expand their renewable capacities. In 2018, as in 2017, the total use of renewable energy sources was about 180 gigawatts (GW). According to the IEA, the volumes on an annualized basis did not grow for the first time since 2001 [3]. Solar stations are responsible for 20% of additional electricity generation in 2017, and wind farms - for 30%. Renewable energy sources now cover 1/3 of the energy mix in Europe, 1/4 in China and 1/6 in the United States, India and Japan.

Over the last decades, energy consumption from renewable resources has increased 1.6 times. The highest raise of 2.6 times was recorded in Europe, though in absolute terms the European region conceded to developing countries in Asia and Africa, an increase in which over the same period amounted to 203.04 and 191.35 million tons of oil equivalent respectively. Many factors contributed to such a huge increase in the consumption of renewable energy, among which the most significant are: the growing role of environmental problems and the further transformation of the strategies of countries, as well as the desire of energy-importing countries to reduce dependence on exporting countries. Despite the fact that the share of solar, wind, geothermal and other renewable energy sources in the forecast period will increase by only 3, 3 and 1%, respectively, the growth rate of the use of these energy sources will be the

highest. In absolute terms, the increase will be 82 million tons o.e. for solar energy, 83 million tons o.e. for wind and 32.62 million tons o.e. for geothermal and other renewable energy sources (Fig. 6).

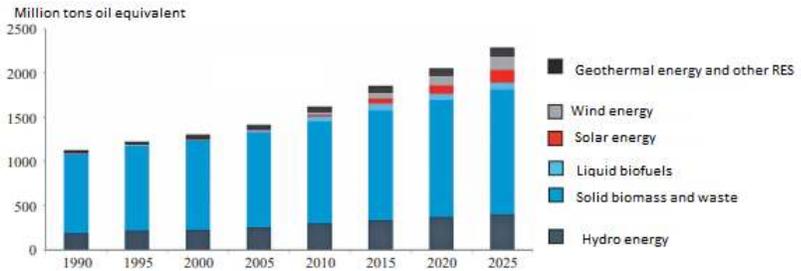


Fig. 6. Forecast of the consumption of renewable energy resources by fuel type [3]

In the European Union, the share of renewable energy sources remained stable in 2017, since a significant increase in the production of renewable energy in Germany and the UK was offset by unfavorable hydraulic conditions in southern Europe (France, Italy, Spain) [1]. The European Union plans that in 2020 the share of renewable energy sources will account for 20% of all generation volumes; The US goal is 10–20% of production from renewable energy sources, while China expects to get 100 GW of energy from renewable sources in 2020. These efforts, combined with the development of technology, will eventually lead to the achievement of network parity: it means a moment when the cost of producing electricity based on fossil fuels is equal to or inferior to the cost of producing electricity from renewable sources. Most likely, this phenomenon will occur for the first time in those countries whose significant share of the energy balance falls on renewable energy sources. However, countries whose economies rely mainly on fossil fuel will reach parity much later [9]

The *fourth trend* is increasing energy efficiency. Energy efficiency - the effective (rational) use of energy resources [11]. The use of less energy to provide the same level of energy supply of buildings or technological processes in production. For the second year in a row, China has been the most attractive country to invest in renewable energy. In China, solar energy is growing at an incredibly high rate. In the first three months of 2017 alone, new solar power plants and home solar panels with a total capacity of 7.21 GW were commissioned in China. During this period, the country produced 21.4 billion kWh / h of solar energy, which is about 80% more than in the first quarter of last year. China is currently building the world's largest solar power plant, which consists of 6 million solar panels and whose capacity will be at least 2 GW [10].

Most developed countries are actively designing and implementing solutions to improve the energy efficiency of household electrical appliances, establishing control over their minimum energy efficiency and introducing appropriate operational standards for an increasing number of household appliances. Technologies aimed at reducing the amount of fuel consumed and reducing carbon dioxide emissions, such as energy control, green buildings and clean transport, will be key technological tools that contribute to improving energy efficiency and reducing CO₂ emissions [6].

The *fifth trend* is the global revival of nuclear energy, led by, above all, China, India and Russia. Nuclear power is one of the most profitable technologies that can meet the ever-growing demand for electricity, which also makes a huge contribution to achieving energy independence and security of supply. Among the most powerful nuclear power plants are: Wintersburg (Arizona, USA) with capacity of 3942 MW, Ohi (Japan) - 4693 MW, Cattenom (France) - 5200 MW, Paluel (France) - 5320 MW, 5460 MW, Yeonggwang (South Korea) - 5875 MW, Zaporijjea (Ukraine) - one of the largest nuclear objects in 6 reactors with a capacity of 6000 MW, Kashiwazaki-Kariwa (Japan) - 7965 MW, Fukushima I, II with 88414 MW (but reactors 4 and 6 were deteriorated). The largest capacity is recorded in Belgium with 5918 MW capacity (49.9%), UK - 8918 MW (19.3%), Germany - 10799 (11.6%), Canada - 13554 MW (14.6%), China - 34514 MW (3.9%), Russia - 26142 MW (17.8%), Romania - 1300MW (17.7%), USA - 99952 MW (20% %), Sweden - 9102MW (39.6%), total - 394054MW (10.9%) [14]. In the entire

industrial chain within the nuclear energy sector, the number of partnerships and cooperation agreements is increasing, which helps to keep up with high global demand.

Conclusions. As a result of the research, the authors came to the conclusion that a country that intends to be a leader in the production of electricity, needs to develop alternative energy, look for new fields for natural gas extraction and unconventional gas extraction, and also pay attention to the dominant trends in the global energy market. The energy industry throughout the world is experiencing revolutionary changes associated with the rapid development of an alternative, “green” sector.

Initiatives and technological developments in terms of the design of alternative transport, management of the demand through the large-scale implementation of environmental and energy standards, which was spurred by high oil prices in previous periods, turned successful in a period of low oil prices. On the one hand, low growth rates of demand do not allow oil prices to rise, which lowers import costs, on the other, energy security of importing countries is ensured by reducing the volume of imports of foreign oil. It is the limitations of the expected growth in demand that become the key cause of negatively restrained estimates of the future level of oil prices.

Renewable energy sources have demonstrated an impressive cost reduction over the decade, but due to the passage of the main part of the “learning curve”, the further reduction potential is limited to about 20% for solar energy by 2025, and about 15% for wind energy. A high proportion of renewable energy sources in the balance of individual countries begins to play the role of a deterrent factor for the rate of further capacity growth, since this production is becoming more and more difficult for the electric balance and obligatory duplication of additional capacity is required. However, RES still has a high level of support from the energy policy, especially in OECD countries.

According to the results of the calculations, we can conclude that the increase in consumption of renewable energy in 2015-2025. will exceed the same indicator for the period 2005–2015, but the growth rates will slow down. In the regional context, the largest gains in absolute terms in 2015–2025, as in 2005–2015, will be given by the developing countries of Asia, but the countries of Africa will be second, ahead of Europe. In addition, the results of calculations suggest that the largest increase in absolute terms in 2015–2025, similarly to data from 2005–2015, will be observed in the consumption of solid biomass and waste, however, if in 2005–2015. the second and third places were taken by hydropower and wind energy, then in 2015–2025. wind and solar energy will follow the leader in consumption growth.

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THE EXPERIENCE OF COUNTRIES IN DIMINUING THE EXPERIENCE OF BRAIN DRAIN

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Abstract Brain drain is the migration of skilled human resources for trade, education, etc.¹ Trained health professionals are needed in every part of the world. However, better standards of living and quality of life, higher salaries, access to advanced technology and more stable political conditions in the developed countries attract talent from less developed areas. The majority of migration is from developing to developed countries. This is of growing concern worldwide because of its impact on the health systems in developing countries. These countries have invested in the education and training of young health professionals. This translates into a loss of considerable resources when these people migrate, with the direct benefit accruing to the recipient states who have not forked out the cost of educating them. The intellectuals of any country are some of the most expensive resources because of their training in terms of material cost and time, and most importantly, because of lost opportunity. A brain drain can result from turmoil within a nation, the existence of favorable professional opportunities in other countries or from a desire to seek a higher standard of living. In addition to occurring geographically, brain drain may occur at the organizational or industrial levels when workers perceive better pay, benefits or upward mobility within another company or industry.

Keywords: migration, brain drain, benefits, qualified staff, workforce.

Introduction. Exodus of brain or intellectual migration is a serious global problem. For the most part, this issue concerns countries with less developed economies. States are not able to adequately meet all the needs of the population, and the population does not want to reconcile with the lack of sufficient attention. This implies a desire to go to another place in another country where work is better paid, where mental work is more appreciated. This is beneficial to host countries, as they often have the choice of more qualified, highly qualified and worthy staff. To the detriment of migrants, host countries generate even higher levels of economy, security and prestige on the world stage. One striking example is the US, which is the indisputable leader in international economic relations. This country is the largest magnet for intellectual migration for specialists from different regions in different countries. For countries that lose their intellectuals, the phenomenon of "brain drain" is manifested in the worst case. If migration is temporary, it can bring benefits to the donor country as additional capital. But, for the most part, migration takes place over long periods of time. For this reason, the country loses part of its intellect, loses the possibility of effective development, economic growth and security.

The issue of intellectual migration is also very acute in the Republic of Moldova, Romania [6], Ukraine, Russia and other countries. Here, the work of scientific workers is not sufficiently appreciated. Scientists, professors, scholars, specialists from other fields believe their work deserves more respect and attention. Compared with the salaries of specialists from other countries, we do not have to be experts to understand that in Moldova the material remuneration, which contributes to increasing the prestige of science and other spheres, is not big enough and even inappropriate, ridiculous.

The purpose of this research is to study the global problem of "brain drain", its necessity and the regulatory methods in the light of the experience of countries abroad.

The degree of investigation of the topic. The issue of "brain drain" is currently being discussed with interest by the world scientific community due to the size of the migration process of scientific staff, high skilled specialists and the many problems that arise for all countries as a result of this type of labor migration. Only foreign authors have published over the past 40 years over a thousand papers on the subject. In our country, the issue of intellectual migration has begun to be intensively studied since the end of the 1980s (XX century) due to geopolitical changes and the active involvement of native researchers in the migration process. In national political science, there is not yet any serious work devoted to a comprehensive study of the issue of intellectual migration, including in the context of national development and security, economic security and competitiveness. Existing studies usually only affect certain aspects of the problem, mainly related to the study of the situation in certain scientific (sectoral) institutions or categories of researchers. A significant contribution to the investigation of the theme were the methods used by Belobrov Angela, Beniuc V., Jucov A., Luca Ala, Moraru V., Moşneaga V., Rusu R., Zbigniew Brzeziński, Acsionov V.S., Agamova N., Allachverian A. and others.

Methodology of research includes the method of comparison, statistical, causal-causal, modeling, predictive, induction and deductive, historical etc.

Results and analysis. The concept and essence of "brain drain". The global labor market is influenced by the import and export of labor. Most countries, for their benefit, attract labor or send migrants abroad. International migration, ie external migration of labor, means the transfer of labor abroad to other countries in order to have a working relationship with the country. The emigration of the labor force is the departure of the population to work from one country to another, where higher earning and long-term residence or the arrival of labor in a country in another country are possible. There are several types of labor migration: seasonal, pendulous, irrevocable, illegal [11], temporary and permanent migration and the so-called "brain drain". According to UN data, there are currently over 258 million migrants worldwide, representing 3.4% of the Earth's population [13]. Every tenth - is a refugee. The US has 50,000 migrants, five in the world. In Russia, Germany and Saudi Arabia - 12 million. About 74% of migrants live on allowances, which is more like the working-age population (20-64 years), which accounts for 75% [13].

If we take into account the definition of the "brain drain" phenomenon, we may be confronted with a certain diversity of interpretation. Initially, the term "brain drain" was introduced into the British Royal Society (1962) report and originally addressed the emigration phenomenon of British scientists and engineers and technicians in the US. Later, this term has been extensively used in the study of the social

and psychological factors of the emigration of highly qualified specialists in so-called developing and post-socialist countries in developed world countries.

From a social point of view, this term can be interpreted as follows: one of the forms of migration behavior associated with the decision of the mental work people to move into a new socio-cultural environment. The phenomenon of "brain drain" is caused by dissatisfaction with the satisfaction of basic needs, individuals' values, the creative-innovation environment, and the expectations of their satisfaction in the new socio-cultural environment.

Table 1. Share of illegal migrants from the total population (%) by country, 2017

Country/ region	Total number of foreign migrants (per million)	Illegal migration (in millions of people)	Number of population (millions of people)	Share of illegal migrants in population (%)
Russia	12	1,65	142,5	1,16
USA	50	6,87	316,7	2,17
Japan	2	0,3	137,2	0,24
EU-28	72,4	10,86	505,7	2,15
Middle East	3,3	0,495	175	0,28
Latin America	3,9	0,585	401	0,15

From an economic point of view: a mass emigration process in which qualified specialists, scholars and skilled workers leave the country or region for economic reasons do not find use for appropriate skills and appreciation that are not required in their country of residence. The main reason is the desire to significantly improve the material well-being.

Also, this term can be viewed politically, religiously, but its essence remains the same: migration in order to improve the socio-economic conditions of life.

The general term of the concept: "brain drain" is one of the forms of migration behavior. Departure, emigration, going abroad for a permanent job of highly qualified specialists who do not find use for their skills or do not receive the expected appreciation that is not required in the country of residence.

We can identify some causes of "brain drain":

- ✓ ensuring (lack) of the necessary equipment and technical-material base;
- ✓ inadequate attention of the state and society in the field of scientific research;
- ✓ the low level of remuneration for the work of highly qualified young scientists;
- ✓ poor integration of fundamental science with state and private enterprises;
- ✓ the low prestige of the status of a scholar in the country;
- ✓ the material and scientific success of many scholars abroad;
- ✓ bureaucracy in their own country.

Many of the reasons for migration are related to the country's development, in particular technology and science. Scientific and technological progress is an adhesive factor in the development of the world economy. "Brain Exodus" determines the different elements and the functioning of trade, economy. So, in many countries, but especially in the industrial and economic development countries, the workforce flow is directed. In fact, such a stream is made up of scientists (scholars), what is called the "brain drain" that takes place in the US and Western Europe in Moldova, Russia, Asia, Africa and other countries. Scientific and technological progress evokes the process of moving the most skilled labor force. Such a workforce is attracted mainly by higher wages, the standard of living in the country and the latest technologies and technologies in society.

Migration policy to prevent "brain drain": Russia's experience.

The causes of a massive "brain drain" in Russia are noted during the 1990 general economic crisis, which significantly reduced government support for scientific activities and forced the industry to abandon research, refuse any research (sometimes even financially supported by the Soros Foundation) [18]. Scientists began to receive \$ 500. The process of "brain drain" abroad began in the early 1990s, after the collapse of the USSR, when the economic situation in the country was deplorable. Many Russian scholars [12], who left the country after the collapse of the USSR, occupied leading positions in the scientific community. As a rule, the most talented specialists who go abroad are leaders of priority research directions or prospects to become.

The number of persons employed in science from 1991 to 1999 decreased more than twice (from 878.5 thousand to 386.8 thousand persons). For fourteen years, between 2000 and 2014, between 1.5 and 1.8 million people left the country. As a result, tens of thousands of Russian scientists are currently working in the US alone, and the total brain drain is not clear. The fact that official statistics only take into account those specialists who travel abroad for permanent residence. Some researchers have estimated Russia's annual losses in the 1990s, due to brain drain to \$ 50 billion. The current "brain drain" is very different from what happened during the Cold War - now the Russians are not leaving their homeland forever. Often, they retain Russian citizenship and constantly monitor their situation at home, adding that some are ready to return when things in the Russian economy are going better. The amount of money, directed to research and development, is an indicator of a country's technological progress. This shows the average annual GDP share that countries reserve for R & D over the period 2005-2013.

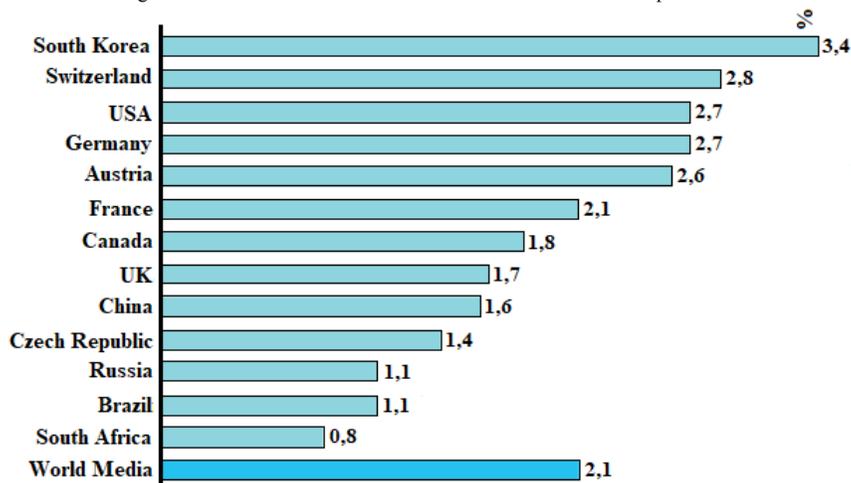


Fig. 1. Expenses for research and development in some developed countries [23]

Reducing the number of scientists in Russia is 1.3% annually. The number of scholars in the EU, the US increased by 2-3% in Brazil, South Korea and China - from 7% to 10%. The share of collaborators with the scientific degree of doctor habilitated in science diminished from 13.8% to 13.0%, doctor in science - from 31.7% to 30% [12]. Although the share of scholars aged up to 39 years has risen from 41% to 43.3%, the average age of researchers has exceeded 50 years, and every third is a retired [3].

In 2015, the New York Business Insider News portal recognized Russia as one of the best countries to emigrate. Russia ranked 17th in the ranking, well ahead of the US and most of the European countries. Russia has achieved good positions at the expense of a favorable social environment, the opportunity to make friends, healthy food, excellent entertainment, quality education and a high economy. According to the migration policy established by the President of Russia by 2025, the orientation towards attracting intellectual (not physical) resources in the country is declared. It should be noted that Russia is not attractive to scholars like the US or the EU. However, migration has increased to Russia from other countries [12].

From 44,000 people 35,000 in emigration not to Western countries, but to CIS countries, Syria, Iran, Georgia, Vietnam. We note that the reason was not precisely the deplorable state of Russian science, but other reasons.

Factors influencing increased migration, including brain drain:

1. International educational marketing activities aimed at attracting foreign citizens for professional training and retraining.
2. Increasing interest in the work of Russian scientific communities at international forums and congresses.
3. The quality of life must be higher than that of the previous migrant residence, mainly due to the combination of economic and social conditions.
4. Possibility of solving problems by meeting the need for food and the ability to quickly obtain housing (including due to affordability), especially in rural areas.
5. The ability of migrants to adapt quickly to the country's modern socio-political and economic life due to the high level of cultural development of regions and civil society.
6. The application by Rosstat of the new progressive methods for registering the arrivals and departures of migrants.

Table 2. Exchange of migrant students with higher education (CIS) with CIS countries - 2016 [8]

Country	They emigrated from Russia	They immigrated to Russia
Azerbaijan	1125	2203
Armenia	3250	5855
Belarus	1623	3338
Kazakhstan	6398	15847
Kirgāstan	1555	2773
Republic of Moldova	2782	6010
Tadjikistan	2213	6543
Turkmenistan	342	566
Uzbekistan	4291	7356
Ukraine	11560	46169
Total	35139	94660

Migration policy to prevent "brain drain": the experience of foreign countries

"Exodus of Brains" is not just an East European phenomenon. Many previous barriers between nations and states have been eliminated, people have begun to move more and more often where they feel safer, more comfortable. This is used by industrialized countries who prefer to reserve "cream", ie the most educated, capable, creative people. In this way, developed countries save for education and scientific training, while benefiting from newly-arrived talent. On the other hand, many experts believe that "donor countries" benefit from certain advantages in the context of globalization: they develop international relations through temporarily traveling citizens, they are attached to advanced technologies through project competitions, prizes, internships, publications, access to laboratories research, etc.

Despite the fact that the consequences of the exodus of the country's specialists are not always bad, many states in the world are trying to oppose or control this process. According to the Institute for the Study of Labor, some countries legally forbid the departure of certain categories of specialists - for example doctors and teachers. However, these measures help a little: Specialists wishing to go find

opportunities to circumvent restrictions [1]. The situation is alarming in Romania [22]: about 2.5 million of the Romanian population with stable residence, representing 12%, are leaving Romania aged 25-39. Most emigrants in 2017 are: Moldova (17.7%), Dobrogea (14.4%) and Transylvania (11.4%) [19].

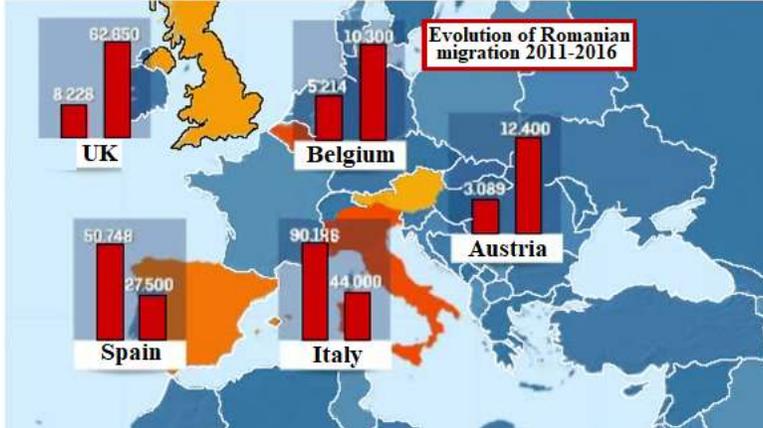


Fig. 2. Evolution of Romanian migration 2011-2016

According to the investigators, a UN report brings to light a cruel truth. According to Syria, Romania is ranked second in the world in the top of the countries that lost most of the population due to the exodus. According to UN data, over the last decade 3 million Romanians have definitely left Romania [22], locating in Italy, Spain, Portugal, Great Britain, Belgium, Austria [16].

According to official statistics, in the early 1990s, research and development activities took place in Ukraine in 13344 and there were 313,079 scholars. Since 2015, these numbers have been reduced to 978 and 63 864, respectively. Now, with regard to the number of research workers per 1000 inhabitants, it is one of the lowest rates in Europe. For example, only between 2010 and 2014, the number of graduates from the National Academy of Sciences of Ukraine, the largest scientific organization in Ukraine, fell from 2,716 to 2,045 people [14].

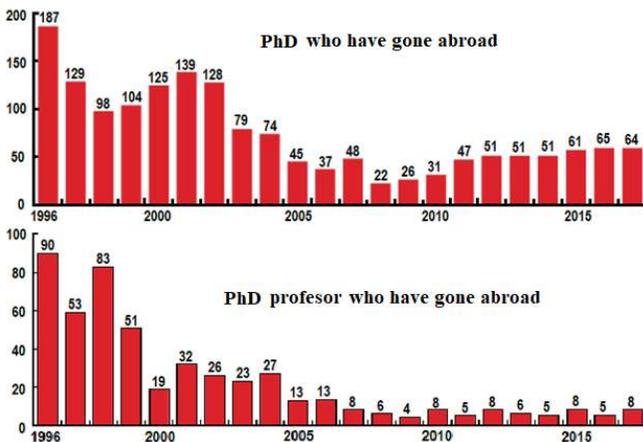


Fig. 3. Exodus of scholars from Ukraine in 1996-2017 [12]

An analysis by the Organization for Economic Cooperation and Development (OECD) shows that many states are using "American" methods to attract talented young people. For example, Australia, New Zealand, Canada, France, Romania [22] and the United Kingdom have simplified their visa for foreign applicants and, in some cases, have exempted them from tuition fees. In addition, they facilitate the process of obtaining citizenship for graduates and their family members. The Scandinavian countries, Germany, the Netherlands and Hungary offer training in scientific and technical disciplines in English. Education in these countries and the price is often much cheaper than in the US, Canada and Australia. A number of European countries support mainly foreign students who receive education in technical disciplines and offer them various benefits. Great Britain, France, Germany, Japan and other states have created special types of visas for highly qualified professionals. For example, over the past three years, Japan has issued 220,000 such visas. Germany (Blue Card - skilled worker) and Ireland intentionally attract foreign programmers, which is considered necessary to strengthen the local computer industry.

The issue of "brain drain" has led EU leaders. In Europe, "brain drain" is perceived, first of all, as a threat to the loss of scientific elite. "Creme de la Creme", the "stars of science," whose powerful talents can bring enormous benefits to the country where they work. Throughout the European Union, spending on science is projected to increase, which will make it easier to hire talented graduates from local universities from abroad. The reality is that the EU spends less on research than the US and Japan (1.9% of GDP, compared with 2.8% and 3%, respectively). Increasing funding will create hundreds of thousands of new jobs that will attract "brains". Currently, the number of students in the EU countries exceeds those in the US and Japan. However, there are fewer scientists in the EU - in 2005 there were 5.4 scientists per 1000 workers, while in the US - 8.7, and in Japan - 9.7. However, civilization is trying to move faster on the path of technological evolution. Investment in science grows every year, both in absolute terms and relative. Despite the crisis, from 2007-2013, the increase in science spending in the world was 30.7%, exceeding global GDP growth (20%). Developing countries in Southeast Asia are particularly increasing their share in these investments - from 29% to 37%, Brazil, India and Turkey are investing more and more.

Nearly one-third of world spending on science is assumed by the US, one fifth of China and the EU, and one tenth of Japan. The rest of the world, where two-thirds of mankind lives, allocates less than a quarter of total research costs. The share of Russia in the global scientific budget is quite modest - 1.7%, decreasing: in 2008 it was 2%.

In 2013, Russia spent 40.7 billion USD on science, about 10 times less than the US leader. Russia spends 1.13% of the country's GDP for science, ranked 25th in the world in terms of this indicator. The bulk of its revenue is invested by Israel - 4.21% of GDP, and China has the most fascinating indicator in recent years. The share of related costs was significant in Germany, the USA, Brazil and Turkey.

Even African countries rely more and more on R & D and innovation, trying to get rid of the poverty trap. Indeed, without investing in the science, innovation and training of skilled workers, it is impossible to diversify the economy and develop a modern infrastructure: hospitals, schools, communications, roads ... For example, Kenya, despite the crisis, has increased spending on science from 0.36% to 79% [20].

Asian countries, such as Singapore, Qatar and Malaysia, follow a similar path to the American one. They use various methods to attract foreign students: Singapore, for example, has entered into agreements with major US universities to open large American universities on their campuses.

Today, a quarter of foreign students come from India and China. However, in recent years, India and China themselves are making serious efforts to attract talent. Both countries have significantly increased the allocations for universities. In these countries (in China there are 100 university models) where foreigners are taught not only traditional "export" disciplines (eg Chinese or Indian folklore), but also biology, information technologies, etc. In addition to

teaching, in such universities, research is developing, facilitating employment. These programs play a triple role: firstly, this policy allows local universities to earn money, secondly it attracts foreign "brains" and, thirdly, it allows them to train local specialists in the field, consistently direct with growing Asian business.

Table 3. Top Universities on the Globe, 2018 [21]

Rating	University	Country	Present	Impact	degree of opening	excellency
1	Harvard	USA	1	2	1	1
2	Stanford	USA	9	3	2	2
3	Massachusetts Institute of Technology	USA	3	1	4	11
4	Univ. of California Berkeley	USA	38	4	3	14
5	Univ. of Washington	USA	13	6	40	6
6	Univ. of Michigan	USA	29	7	8	3
7	Univ. of Oxford	MB	38	15	7	4
8	Cornell Univ.	USA	16	5	26	22
9	Columbia (NY)	USA	22	9	12	12
10	Univ. of Pennsylvania	USA	23	11	32	13

Table 4. Asia's Best Performing Universities, 2018 [21]

Rating	University	Country	Present	Impact	degree of opening	excellency
1 (45)	Univ. Tsinghua	China	132	98	194	16
2(50)	Univ.Nat. Singapore	Sing	77	104	50	27
3(56)	Univ. of Tokyo	Jp	86	80	315	33
4(59)	Peking univ.	China	91	120	257	21
5(85)	Taiwan univ.	China	26	119	142	118
6(87)	Kyoto univ.	Jp	68	128	226	90
7(89)	Hong Kong univ.	China	144	139	88	97
8(92)	Seoul nat.univ.	Korea	71	221	65	69
9(98)	Zhejiang univ.	China	90	249	290	43
10	Shangai Jiao Tong univ.	China	100	202	439	60

In recent years, a new term has emerged - Scientific Diaspora: Many states of the world are trying to use their knowledge, experience and ties to their "brains" abroad [17] (including Qian Xuesen, Hsue-Shen Tsien) [7]. Similar initiatives are being practiced by some countries in Latin America, South Africa, India, China and even Switzerland.

Conclusions

Globalization has spawned population migration and "brain drain". Reducing the number of qualified specialists, scholars and innovative people reduces the creative workforce in the country leads to an increased risk of the country's economic placement on the periphery of the "scientific galaxy", loss of national competitiveness in several areas. On the contrary, recipient countries of "brains" (industrialized and industrialized countries) increase their innovative and competitive potential.

Addressing the issue of brain drain will enable "brain" countries to maintain at least a minimum level of development of the scientific, technical and internal production potential, which, in the event of a strong deterioration in external and internal conditions, would guarantee survival the country to the detriment of its own intellectual and technological resources. To this end, the following activities should be carried out:

- creating (using experience from South Korea, Taiwan, India and other countries) and implementing a mechanism to facilitate the adaptation of specialists returning from abroad with material benefits and scientific preferences;
- improving the legislative base in the field of migration of qualified specialists, scholars, inventors and talented people;
- ensuring mobility, facilitating the results of scientific researches, internships abroad in the world scientific centers;
- ensuring the state orders of research in various scientific fields;
- ensuring participation in various projects, financed by the state and private funds.

Brain exodus affects the educational system and economic growth by reducing the number of skilled workers. It is therefore necessary to develop policies to correlate the relationship between the education and training of youth (including qualified staff) and the requirements of the real economy. Regretfully, the domestic higher education system does not include all the specialties required on the labor market. A number of current professions require specializations that the education system does not offer. The process of training and development of general specialized skills is carried out in theoretical and general terms, the practical aspect being often absent.

The "Gold Student of Braila" (Romania) of the 12th grade at Nicolae Bălcescu College from Braila, awarded at the International Olympiads of Physics, Astronomy and Astrophysics, was admitted with a full scholarship at Harvard University. The young man wants to work in research after completing his studies, but not in the country but abroad, where he believes he has much more opportunities to affirm. The number of Romania's annual offers is, in fact, comparable to the official number of the "losses" of Romanian universities due to the "brain drain" of young people going abroad. Similar cases are found in many countries, including the Republic of Moldova. Moldovan Radu Rățoi won the world accord accordion in Kaunas in the Senior Coupe World category and Senior Virtuoso Entertainment from 100 participants, but he studies at the Copenhagen Academy of Music.

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TRAINING QUALIFIED SPECIALISTS OF ISRAEL LABOR MARKET

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Abstract The economic development of a country is determined by the quality of human resources. In this way, the employment of the population, as well as the quality of employment, it depends mostly, by professional level of education and training. Nowadays, due to the economy is based on innovation and knowledge, only a well-trained and skilled workforce can be competitive on the labor market. This desideratum becomes evident in the context of European integration, which is the major objective of the Republic of Moldova's development. Similarly, the issue of the quality of human potential harmoniously combine together with the main objective of the European Union which is reflected in the Europe 2020 Strategy, and exactly, building the most dynamic and competitive economy in the world, capable of delivering sustainable economic growth to create more and better productive and competitive jobs and a higher degree of social cohesion ... ". The purpose of the thesis is to establish the main directions of improvement and efficiency of the training process, training of the young specialists in order to be competitive on the labor market and useful for the society.

Key words: education, training, labor market competitiveness, skills, knowledge, skills

Introduction. Based on this objective, Israel's Higher Education System achieves its mission for training the quality workforce for the national economy. In order to have access to a job according to his expectations (to get the chance him to develop a career, to provide him with a decent living income, etc.), a young person must have a high level of training (even if this training does not automatically assure to get an important job, but it certainly allows him to join one).

Investigation level. In our view, the modern literature in the field, as well as the scientific researches made till nowadays, do not offer a complex, full and multilateral analysis of the situation of young specialists with higher education on the labor market. The inefficiency of several classical methods of labor market management theory, including measures taken at government level, indicates the inconveniences of the theoretical labor market approach and the reality that it's showed in practice. The theme of the labor market and employment was addressed in the foreign literature by the authors: Godelier M., V. Iagodkin, J.M. Keynes, Th. Veblen, M.J. Piore, G. Becker, R.G. Ehrenberg, E. Ruzavina, S. Zlupco, G. Slezinger, E. Saruhanov, N. Gauzner, A. Cotlear, and others.

The purpose of the thesis is to establish the main directions of improvement and efficiency of the training process, training of the young specialists in order to be competitive on the labor market and useful for the society.

The basis of the research was theoretical postulates and scientific theories and scientific methodologies: empirical observation and dynamic analysis of reality, comparison, analysis and synthesis, statistical analysis, logical analysis; methods of economic diagnosis: modeling, comparison, grouping, graphic and tabular illustration of studied materials; and study-specific methods: quantity and quality methods, including the sociological method, etc.

Results and analysis. A component of assets, in the sense of Adam Smith, is "... the capacities acquired or useful of all the inhabitants and members of society. Acquiring such faculties - by supporting those who acquire them during learning (study), study, or apprenticeship - always requires an effective expense, which is a fixed assets, in other words, in its person. " [17].

The idea of the link between the richness of a nation and the spiritual assets of population is taken over and described by F. List, who mentions in one of his works: "The present situation of the nation is a consequence of the accumulation of all discoveries, inventions, improvements, melioration and efforts of all the generations who lived before us; they constitute the spiritual capital of today's humanity, and each nation is productive only to the extent that it knew how to acquire these conquests of past generations and it was able to increase them through new ones ... "[10]. English economist Arthur Cecil Pigou demonstrates that observable features, as well as unnoticed persons, have an impact on the agent's income and cause the distribution of the agent to spread [13]. According to I. Fisher, "just like regular assets investment, people's education produces future income streams and can be included in the notion of capital" [6]. American economist Theodor W. Schultz, in his paper "Investing in Human Capital," defined human capital as "a determinant of qualitative qualities of human resources, including knowledge,

abilities and similar attributes that influence the specific human abilities to generate productivity at work". Schultz has defined six categories of activities that increase work productivity: health, education, work, training, adult education programs and the migration of people and families [16]. The research was continued by Becker (1962, 1964) and Mincer (1958, 1962, 1974), who updated this concept by reaffirming its links with education and economic growth by emphasizing its importance in earning revenue [1; 4]. Human resources is aggregated investment in activities such as education, health, workplace training, and migration that increases individual productivity on the labor market [9]. Laroche M. has defined human resources as an aggregation of innate abilities and the knowledge and abilities that individuals acquire and develop throughout their lives. Inborn abilities represent the intrinsic potential of an individual. They can be defined as all the physical, intellectual and psychological capacities that individuals possess at the time of birth, being primed as gifts, without any action or choice. Acquired skills are the upgrading of this potential, mainly through the individual, involving certain efforts and costs. These skills are acquired through life through knowledge transfer, personal contacts, work experience, workplace training, education and socialization [9]. In the last century, a large number of papers written by various scholars have revealed a number of contradictions about the dilemma, whether intellectual capital is or not a component of human resources. Based on the works of Royal, O'Donnell, Johnson, Roos, and others, we deduce a pattern of links between intellectual, human and social capital (Figure 1.1) [8; 14; 15].

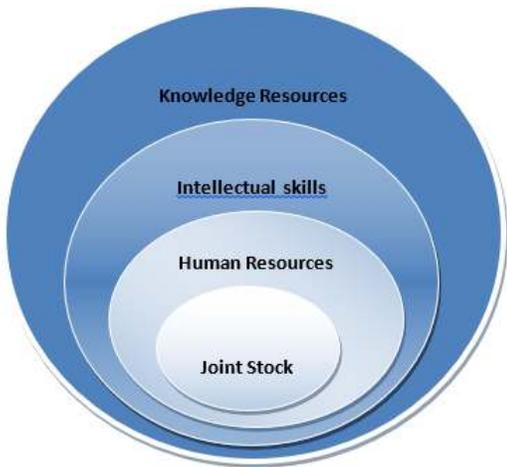


Figure 1. Model of the links between intellectual, human and social resources

Source: Authorized by [169, pp. 668-683]; [154, pp. 715-733]; [170, pp. 95-100].

One of the key explanations for the economic boom in the second half of the 20th century in a number of Southeast Asian countries (South Korea, Singapore, Taiwan and specially in Hong Kong) is the massive investment in education of governments and citizens of countries in (in 1999, 75% of South Korean high school graduates enrolled for a form of higher education, which is of a scientific-applied nature) [7]. For comparison, in the Republic of Moldova, studies have a more theoretical and methodological character, than practical and strategic, they lack long-term vision in relation to the East Asian countries.

Innovation has always been a driver of economic and social development, which is felt even more in the 21st century, with the emergence of a new economy - the innovative economy, the main element of which is the production of knowledge. Knowledge economy necessarily implies the presence of human capital involved in research.

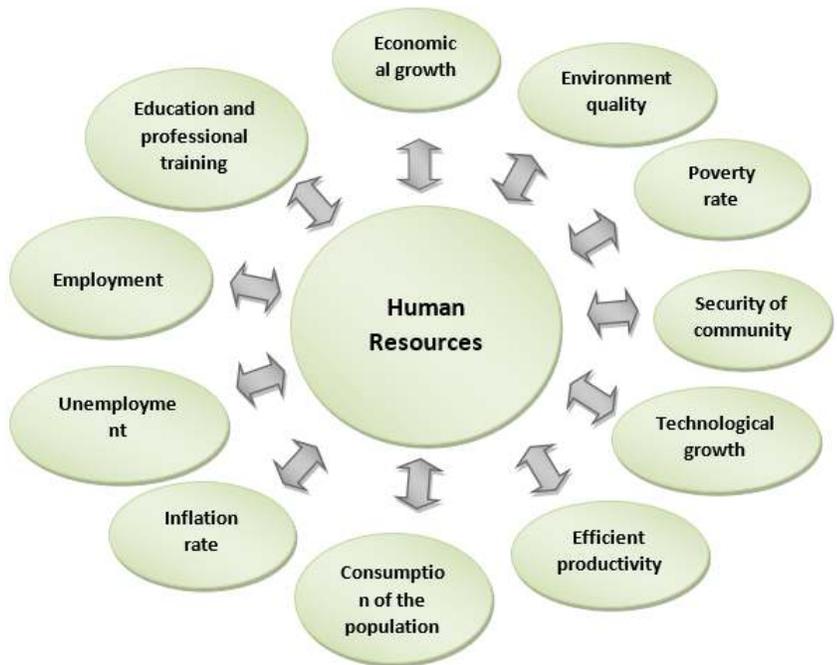


Figure 2. Relationships between human resources and the social and economic environment

Source: Made by author.

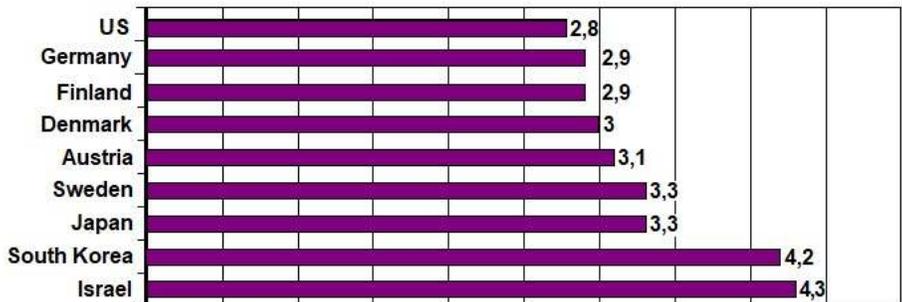


Fig. 3. Budget allocations for science in some countries, 2018

Therefore, there is a relationship of interdependence between the term's human resources, knowledge, R & D, innovation and economic growth. As vast and multidimensional are the definitions of the above-mentioned concepts, the list of scientific papers is so voluminous. In order to create a picture of this volume of work, we conducted a research using the bibliometric methods on Google Scholar and Google Trends. Google Scholar sets out that at least 49,500 articles, patents, and books addressing the issue of innovation have been written in the last ten years, while this figure is only 66,000 in the last 30

years. Google Scholar is the most complete source of publications because it includes all academic databases such as EconLit, Business Source Premier, WileyBlackwell, etc.

The Google Trends search tool was created in 2004. Since then, people have continued to be interested in the concepts above. In the following, we will analyze how the situation relates to: human resources, R & D, innovation, knowledge.

The objectives of education for everyone, it includes the following: improving access to education for children; ensuring universal primary education; ensuring equitable access to life skills or learning for young people and adults; eliminating gender inequalities in primary and secondary education; 50% increase in adult literacy; improving all aspects of the quality of education.

The Strategic Framework for European Cooperation in Vocational Education and Training provides for the adoption of an act "Education and Training 2020" (ET 2020) [2; 3]. The main purpose of the act is to support Member States in further developing their education and training systems. These systems should provide all citizens with the means to increase their potential as well as ensure sustainable economic prosperity and capacity for professional integration. The Framework should take into account the whole spectrum of education and training systems in a country (including non-formal and informal learning).

In the contemporary economic theory, the labor market is considered a central market, the main one, which, in one way or another, infiltrates the entire texture of economic and social relations, the more so as it is, viewed from the point of view of relations between partners social, a fragile market, a potentially conflicting, explosive potential [5].

In our opinion, the labor market is a place of interaction between demand and supply at a price of equilibrium contracted for the work done. The labor market is influenced by various socio-economic, demographic and social factors.

Some of these factors, for example, the use of technical progress, the increase of labor productivity, the increase in the qualification of the labor force, act directly on the demand for labor, in the sense of increasing or decreasing it. Other factors, such as increasing available labor resources, migrant growth, length of compulsory education, duration of work, influence the size of labor supply. Each of the factors listed above directly influences the age structure of labor supply and demand. Young people have a higher work productivity, but they do not have work experience, so additional training is required in addition to basic qualifications.

In 2016, the International Labor Organization conducted a study on the work of the future among young people [11]. Young people were asked to describe their professional activity over 10-15 years. Most respondents said they were looking at their future job with fear or uncertainty. Most of the young people who have this answer live in Europe, Central Asia and America - regions of high technology and robotics. Although many young people begin their work in an uncertain and unstable environment, however, the ideal job mentioned by young people has characteristics associated with traditional forms of employment. The youngsters' options, in descending order, are: friendly working environment; high wages; opportunity for career development; social benefits; social recognition; flexible working hours; guaranteed and paid leave; short distance to work place; on-the-job training.

In Israel, great attention is paid to education and training, with funding being allocated to the development of the university system. According to the data provided by the OECD, the average age of completing the first stage of study in Israel is 27 years old, the academic rank holds 46% of the elderly population in Israel.

According to American economist Evesson J. [12], even in the era of digitization and technology, the skills that young people need to integrate into the labor market remain classical, grouped into five categories as follows:

- *basic skills* (including reading, writing, problem solving, mechanical skills);
- *specific technical abilities* (how to use specific tools, how to work safely, skills culture, tube fitting, welding and other practical experiences);
- *interpersonal skills* (public relations, teamwork skills);
- *hiring skills* (ability to go for an interview, to show punctuality, realistic expectations and understanding of employers' expectations);
- *literacy and computer skills*.

Currently, scientific research in the field of employment has completed the name of "employment" and the name of "youth employment", with important characteristics that require consideration: efficient use of labor resources; atypical forms of labor; differences between the functions of the state and employers in ensuring the employment of the population; solving regional employment

problems; the interdependence of economic activity and population with employment; the need to take into account the social nature of these processes, as well as the mechanisms and methods of regulating them, etc.

Table 1.Number of students at universities in Israel

University	City	Fondation year	Number of students in 2006	Number of students in 2018	Note
Tehnon	Haifa	1924	12 490	13 703	-
Hebrew University of Jerusalem (HUJI)	Jerusalem	1925	21 640	20 624	3 campuses in Jerusalem and one in <i>Rehovot</i>
Weizmann Institute of Science (WIS)	<i>Rehovot</i>	1949	980	1 080	It does not offer the baccalaureate degree
Bar-Ilan University (BIU)	Ramat Gan	1955	17 910	18 569	-
Tel Aviv University (TAU)	Tel Aviv	1956	26 490	27 191	-
University of Haifa (HU)	Haifa	1963	16 780	18 028	-
Ben-Gurion University of the Negev (BGU)	Beer Sheva	1969	17 910	18 569	-
Ariel University (AU)	<i>Ariel</i>	2005		10 600	University status in December 2012
Open University of Israel (OPENU)		1976	39 000	44 706	-

Conclusions

In line with the objectives proposed for the analysis and synthesis of the theoretical and methodological aspects of the economic concepts in the field of human resources, employment and the process of integration into the labor market of a small specialized professional; as well as studying the correlative aspects between the higher education market and the labor market, we can formulate the following conclusions:

1. Education remains an important branch of the economy, which ensures the creating and improvement of the labor force, both at national and international level, it is diverse in form, content, way of manifestation, results and impact recorded at the level of the individual and at the level of society.

2. By its level of education, each person becomes useful and valuable in terms of his intellectual and cognitive resources, which facilitates his integration or reintegration into the labor market. The arguments put forward determine the importance and timeliness of the research topic proposed for the scientific economy. The theoretical foundation of this phenomenon allows us to develop the concepts of human capital, the labor market and employment and thus contribute to the development of the theory of the researched subject.

3. The content of the theories explaining the relationship between education and the labor market, specially: human resources theory, selection theory, signaling theory, accreditation theory, are partially valid at the present stage, including for the Republic of Moldova. The difference are the following:

- the level of education of each individual does not guarantee, but only facilitates its successful integration into the labor market;

- the diploma is no longer an indicator for the selection of the most productive candidates for a job;

- candidates' skills are signaled directly, not through the diploma;
- initial training is important, but an individual participating in lifelong training and training programs becomes more attractive to the employer.

The accomplishment of these tasks will contribute to solving an important scientific problem, namely - the theoretical and methodological framework of the integration of young people into the labor market, which will lead to a new national concept of a model of occupation for young specialists.

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CREATIVITY AS A FACTOR OF INNOVATIVE SUSTAINABLE ECONOMIC DEVELOPMENT

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Abstract Initially, creativity was considered as a function of the intellect, and the level of development of the intellect was identified with the level of creativity. However, the level of intelligence is correlated with creativity to a certain limit, and too much intelligence prevents creativity. Currently, creativity is regarded as a function of an integral personality that cannot be reduced to the intellect, depending on the whole complex of its psychological characteristics. Accordingly, the central direction in the study of creativity is the identification of personal qualities that are associated with it. Innovation is a part of the creative economy, which directly affects the country's position in the global market and increases the investment attractiveness of the regions. The main factors for effective growth and development of an innovative and creative economy are human capital, domestic demand, innovation, investment, and technological, organizational and institutional modernization, constructive (creative) activities of all market entities.

Keywords: innovation, creativity, competitiveness, personal development, learning, sustainable development.

Introduction The features of an innovative and creative economy can be considered the continuous innovation development of the country, the greater role of human capital in innovation development; investment in new products, services, technologies, and in the development of human capital; a large share of high-tech products in GDP; innovation-based competition; specialization and cooperation in the field of innovation activities of business entities; the creation of complexes of industries having an interdisciplinary and global character; high technology intensity of production and high level of professional training of workers; and the protection of intellectual property.

Innovation activity involves the development, mastering, implementation and increase in production of new competitive products by companies. Without them, the dynamically sustainable development of the national economy is impossible. In order to develop competitive products and create innovative products and services, the development creative abilities and relevant professional skills is of great importance while preparing specialists of higher education - search for information sources, selection of relevant information, generation of ideas based on the data obtained, selection of ideas, creation of new knowledge on the basis of the one already accumulated [3].

The aim of the research is to define creativity as a factor of innovative sustainable development of the economy.

The methods of research. A great merit in the development and practical application of the methods for enhancing creative activity belongs to such eminent national scientists as G.S. Altshuller[2] and A.I. Polovinkin[8]. In their works, the process of creativity is comprehensively studied and presented both as a research work and development activity.

The results of the research and analysis. The educational process in higher education involves teaching creativity in solving problems related to professional activities. The students, especially mastering interdisciplinary specialties, need skills in collecting the required information, its analytical and synthetic processing, storage and use at the right time [6].

As a result of many years of inventive practice, Altshuller G.S. came to the conclusion that "creative thinking itself, its technology, the principle of action did not undergo qualitative changes" [1]. The process of creativity is recognized as incognizable. Altshuller, on the other hand, proposed his own technology for generating creative ideas - thinking based on knowledge of the laws of the development of technical systems - the theory of inventive problem solving (TRIZ) (Fig. 1). According to his point of view, knowledge of the laws and patterns of development of technical systems can help the researcher to make a discovery or an invention that follow logically from the discoveries and inventions already made. Item 7 of the scheme in Figure 1 also provides for a check on the novelty of the result obtained by the information and patent arrays. The information resources of the innovation process contain the data on all the achievements of the humankind, including scientific and technical thought, necessary for further inventive activity [2].

Altschuller G.S. rejects the idea that “invention is a kind of purely psychological process” [1]. The process of obtaining inventions is a regular process, which should be based on knowledge of the laws governing the development of technical systems.

As Romer stated it, the best way of nurturing innovation works is not by subsidizing physical capital accumulation, but by increasing the incentives for the research. Recent studies based on Schumpeter’s theory of innovation use several interrelated growth measures. Research and development costs, patent and trademark applications, scientific references, and net copyright and trademark revenue flows are among the most important measures. Under ideal conditions, one can create an optimal level of research and development that ensures the maximum level of innovation. Thus

$$U = \int_0^{\infty} e^{-r\tau} y(\tau) d\tau = \int_0^{\infty} e^{-r\tau} \left(\sum_{t=0}^{\infty} \Pi(t, \tau) A_t x^{\alpha} \right) d\tau, \quad (1)$$

where U is the level of social welfare, e.g. a welfare adjusted level of per capita income, t the number of innovations, τ the time, and A is the level of technology. If innovations emerge according to some Poisson style process, we can show their rate as

$$\Pi(t, \tau) = \frac{(\lambda n \tau)^t}{t!} e^{-\lambda n \tau}. \quad (2)$$

The expected welfare can then be presented as

$$U(n) = \frac{A_0(L - n)^{\alpha}}{r - \lambda n(\gamma - 1)}. \quad (3)$$

The socially optimal level of research and development costs would be where the first derivative of U is set to zero, in this case we can derive the reduced expression:

$$1 = \frac{\lambda(\gamma - 1)(1/\alpha)(L - n^*)}{r - \lambda n^*(\gamma - 1)}, \quad (4)$$

where L is the quantity of labor input and γ is the factor increase in output from each innovation. Under these conditions, the level of research would result in an average rate of growth in welfare adjusted per capita income of

$$g^* = \lambda n^* \ln \gamma. \quad (5)$$

In spite of the fact that this framework is a useful starting point for empirical estimates, several limitations should be pointed out. The first one is that the cumulative formulation does not cover the transitional phases of growth in many developing countries, in particular, the transfer of resources from agriculture to industry and services. The second one is that knowledge itself cannot be gained in an empirical form. The third one is that making successful innovation requires taking into account the role of institutions and transaction costs. Thus, while the theoretical foundations are indicated in the equations. (1) - (9), we consider it useful and necessary to reformulate the structure when we assume the role of institutions. We will analyze these issues in the next section.

“The analysis of the patent fund shows that an increase in the degree of ideality of technical systems is a universal regularity” [1]. The study of patent information allows you to find common combinations of techniques and new solutions of the innovation problems the developers face.

The creative problem is to identify the objective necessity of partial or full elimination of the economic, managerial or organizational contradiction [7]. Such problems may include solving production problems, increasing productivity, reducing the risk of errors, recruiting, human resource management, and other areas: marketing, supply, management and design.

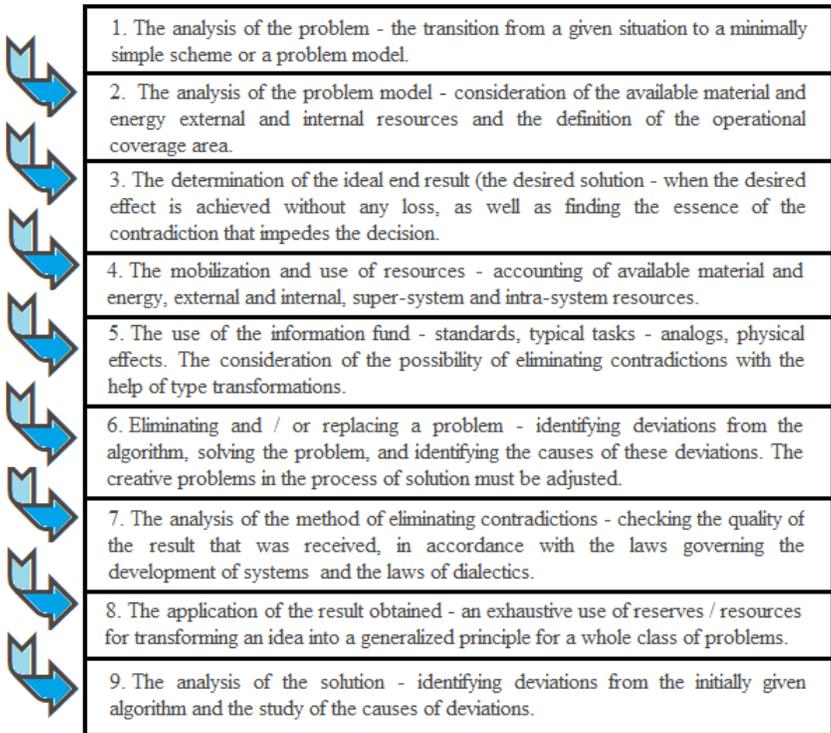


Figure 1. The stages of TRIZ. Algorithm for Inventive Problem Solving

The main goal of today's training of young specialists is not only to solve theoretical and practical problems with a ready-made statement of the problem and a clear algorithm of action, but also to identify, develop and further put into practice the creative abilities of the students.

Professor, Doctor of Technical Sciences A.I. Polovinkin, one of the founders of the creation of the Russian patent fund, wrote in his works that the intensive technology of engineering creativity is based on the use of methods of engineering creativity, specially prepared information and information technologies [8].

The methods of engineering creativity are divided into two main groups (Figure 2). The process of creativity suggests the freedom of choice from a number of alternatives through synthesis and analysis. Since synthesis is more creative than analysis, heuristic methods are more often used for generating, and formal methods are used for analyzing, evaluating and selecting the options obtained this way. The process of creativity involves the creation of qualitatively new products or services, characterized by soleness, originality, progressiveness, and perceptiveness [5].

The heuristic methods are "a sequence of prescriptions or information processing procedures that are carried out with the aim of finding and making more rational and new decisions" [7]. They are contrasted with formal methods of finding solutions based on exact mathematical models.

Altshuller G.S. wrote, "All our civilization relies on inventions made by *the method of trial and error*" [1]. An alternative to the trial-and-error method is *the morphological method*, which is not based on blind searching of the options, but on the set of combining ideas presented in the morphological map. The structure of the system is presented in the form of a table. To build a morphological table: one chooses two major characteristics of the system; for each of the characteristics makes a list of their types

and forms; builds a table with the axes of the characteristics of the list. Morphological analysis and synthesis serve as a systematic auxiliary tool for the development of creative abilities and are used in solving economic and managerial problems. However, with the help of this method, it is impossible to single out from the set of ideas the only one, necessary and sufficient for solving the problem [2].

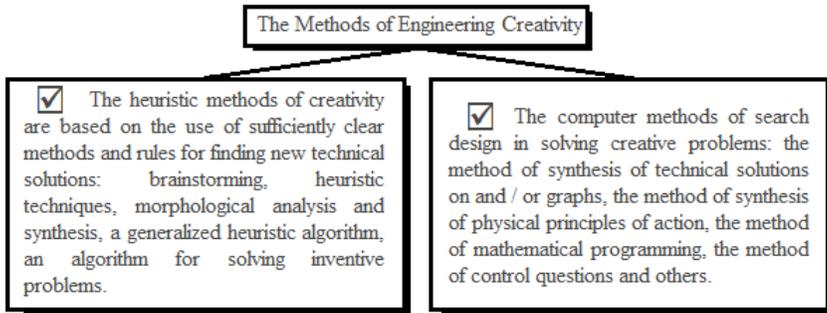


Figure 2. The Methods of Engineering Creativity

Brainstorming techniques are methods for collectively searching for ideas in problem situations. They allow you to activate the search of options during informal business meetings. The basis of these methods is the principle of separating the process of generating ideas from the process of their evaluation. All the ideas and assumptions expressed are given to the experts for further processing.

Methods of *brainstorming* are based on the use and activation of the capabilities of the subconscious; i.e. on overcoming the usual ideas and psychological prohibitions in the human mind and creating conditions for the breakthrough of ideas, often lying in the subconscious, the researchers themselves were not aware of the existence of these ideas [5].

During a session of collective promotion of various ideas, a chain reaction of ideas occurs, leading to an intellectual explosion. One of the American guidelines said: “99 percent of constructive ideas arise like an electric spark when it comes into contact with the thoughts of other ideas” [8; 9]. *Brainstorming* is used in solving inventive problems, in different problem statements, in solving organizational problems; at the stages of solving a creative problem, the stages of development and design, in combination with other heuristic methods.

Methods of brainstorming are recommended among the first and obligatory heuristic methods in training specialists because of their *high efficiency, universality, and wide scope*, including in management, economy, organization of production, business, social sphere, and sphere of services [6]. At the first stage of brainstorming, the best ideas are selected from the presented list. At the second stage, a short brainstorming session is carried out in order to put forward ideas for improving the proposed option, identify shortcomings, and advance ideas to eliminate drawbacks. At the third stage, the proposed projects are discussed and proposals are prepared with a description of the best economic and technical solutions. A decision is also made on conducting patent research and drafting applications for invention on patent-capable technical solutions. The decision to develop innovative products should be based on the analysis of complete, reliable, comprehensive and relevant information. Only through the study of patent information, we can determine the novelty of inventions and the achieved technical level of development of society. The analysis showed that new knowledge in the interests of the development of the innovation process is created by enterprises themselves with the direct use and analysis of world information resources, and above all, patent information [4].

Innovation developers should have sufficient knowledge, intuition, and experience, the completion of which is achieved by studying the descriptions of inventions in patent documents and other scientific and technical information. The methods to enhance the creative thinking of researchers contribute to an increase in intellectual abilities in the development of innovations. Nevertheless, according to Altshuller G.S., for the purposeful solution of inventive problems the theory of inventive problem solving is most applicable taking into account the laws of development of technical systems [2].

Based on the use of the above-mentioned methods of scientific and technical creativity, a general methodology is developed, including: enhancing the creative abilities of university graduates, forming information competencies; developing the young specialists' skills of system analysis of economic and technical problems, finding and making rational technical and managerial decisions; forming the abilities to create modern effective patentable technical innovations [5].

Conclusion The authors made a conclusion that creative people prefer to live in regions characterized by ethnic and cultural diversity with a high level of public spending on education and healthcare. It is also suggested that creative people show only a weak tendency to go to such places to live and work, but that they tend to attract new jobs ("jobs follow people"). Moreover, it has been shown that creativity influences culture, economy and technology in a positive way.

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EDUCATIONAL MANAGEMENT IN MODERN CONDITIONS

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Abstract Education in a broad social and economic sense must allow students to make desirable social changes and, at the same time, preserve the desired and positive aspects of the existing culture. Educational management is an applied field of management. The characteristics that could be called leadership ones are closer to the less frequent ones in the list: these are the means of "soft power". One can therefore deduce that educational management refers to the application of theory and practice of management to the field of education or educational Institutions. The actual practice of Educational Management is the ongoing study and implementation of educational law and regulations to ensure student growth and success. Management educational is a process of acquiring and allocating resources for the achievement of predetermined educational goals. Educational responsibility is an important notion and it should play a more prominent role in analyses of organizing in educational institutions. This includes primary research projects located in schools, and in further, vocational and higher education institutions.

Keywords: education, management, training process, teaching, skills, knowledge, forms, tools, finalities.

Introduction The management of educational institutions is a special management activity, in which the subjects, through planning, organizing, directing and controlling, ensure the consistency of activities of all participants in the process to achieve educational goals [3]. Enhancing the quality of educational management, that is, improving pedagogical management is one of the priorities in the modern system of educational services. In the most general conception, pedagogical management should be understood as a set of methods for the professional management of the public system in achieving the stated goals.

The **aim** of the research is to study the management of education in modern conditions, to determine the specificity and features of the application in modern practice.

Any management process, regardless of the size and the purpose of the organization consists of the functions of planning, organization, motivation, control and coordination. These functions are connected by communication processes, as shown in Fig. 1, the arrows from one function to another show in the diagram that the movement from the planning to control stage is possible when performing the function of organization and motivation. In the center of the figure, there is the function of coordination, adjustment and interaction, which occurs through communications.

Planning is a function of management activities associated with the preparation of plans for the organization and its component parts. Plans contain a list of things that must be done, determine the sequence, resources and the time required to achieve the goals.

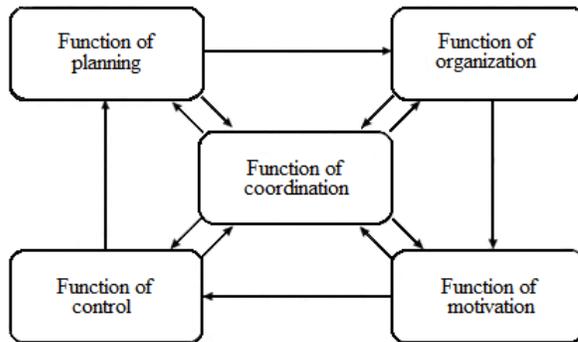


Fig. 1. Functions of Management in the Sphere of Education[4]

In educational institutions, the compulsory and integral function of planning is the choice of specialties the students will study, additional educational programs, the determination of parameters according to which the education results, research directions and programs, and international relations will be assessed.

Organization is a function of the management activity in forming a management structure, delegating tasks through the distribution of powers and responsibilities, as well as providing connections, communications, and rational interaction among employees through a combination of techniques, methods and means necessary for the effective achievement of goals.

Motivation is the function of management activities to stimulate the professional activities of subordinates and their self-development (motivation), as well as creating a favorable social and psychological climate in the team, contributing to creative activity (activation). The process of transferring external goals into internal (motives) should be carried out at all levels of management. In order for the employee to want to solve the assigned tasks, feel satisfaction from their decision, these tasks must be understood and accepted by him/her, and not imposed on him/her from the outside.

Control is a function of management activity, whose task is an objective quantitative and qualitative assessment of the results of an organization's work for subsequent adequate corrective action (correction) [82].

Coordination is a management function that ensures its uninterrupted operation and continuity. The main task of coordination is to achieve consistency in the work of all levels of the organization by establishing rational communications between them. The nature of these relations can be very different, as it depends on coordinating processes.

Communication. For a normal, effective organization of labor and management of joint coordination activities, communication is of great importance, i.e. all that is associated with the reception, transmission and processing of information.

Educational management in the aspect of advanced training of specialists in the education system should be understood as directed guidance on the creation of the most effective structure for the construction and implementation of educational services. In order to update the aforementioned position, it is imperative to abandon the orthodox position of pedagogical specialists in relation to their own professional activities. In the modern pedagogical situation, the priority of educational efforts is recognized as an increase in the level of professional skills, that is, the organization of the process of advanced training from the standpoint of knowledge-oriented direction [1]. The accentuated nomination of such a position to a certain extent diminishes the significance of the implementation of an individual-personal approach. This indicates the urgency of improving the quality of providing educational services by imparting to the process of postgraduate training a somewhat reoriented vector of directionality. The activation of the personal component is one of the most effective means of implementing this position, which will allow turning a simple declaration of the urgency of training competent personnel to a real statement of the fact of their preparation. Pedagogical management is a multi-level process that coordinates all the requirements for advanced training as part of a single social order for the growth of professional skills [4]. This position is rightfully viewed from the point of view of the leading position of management in the system of advanced training of teaching staff. Understanding pedagogical science as a collective activity, pedagogical management should be regarded as a process of organizing the sphere of educational services through the rational use of labor reserves, which allows us to delineate a specific sphere of management tasks in the pedagogical sphere. While analyzing the importance of such tasks, the following aspects should be considered:

- 1) rational and adequate management of the regulation of relations between the teaching staff, focused on improving the quality of professional activity;

- 2) the creation of the internal environment, which implies the imperative provision of the educational tasks of the pedagogical institution based on the common priorities of all the participants in the joint professional activity.

A guideline on these positions will ensure sufficient quality management of the educational process. It should be clearly understood that the outlined positions could be ensured not by the availability of high-quality knowledge in the field of management psychology, but by the professional knowledge of theoretical and practical issues of psychological and pedagogical sciences [5].

The consideration of the positions specified above from the perspective of their understanding in a single construct for reflection will help to formulate the conceptual basis of educational management. The idea stated for consideration above, defines only the area of organizational problems. But the process of managing the activities of the pedagogical structure does not only suggest the implementation of an exclusively organizational component, but as a matter of priority requires genuine professional skills in prompt and preventive assistance to employees when solving possible challenging situations of individual importance. According to the author, this provision explains the need and significance of establishing and actively implementing the model of direct contacting the manager with the staff of the organization, since, subject to this condition, it is possible to track events occurring in the team and, if necessary, to manage them (collective events)[2]. The compliance with the presented conditions nominates for action the possibility of implementing the model of the pedagogical community as a group of like-minded people, which is extremely important for improving the quality of the professional activity of a particular institution. The direct contacts of the manager of the pedagogical team with the staff will provide factual material for analyzing not only the relations in the team according to the leader – subordinate dyad model, but also a wider position at the managerial level “team – collective”, which actualizes the social and psychological aspect of pedagogical quality management activities - creating a positive psychological environment in the team. In the most general representation, all the components of the activity side of the

educational process taken together should be considered from the perspective of the concept “pedagogical technology”.

The specific nature of this technology is that a compulsory participant in management, social and psychological activities in any educational institution is a student with a range of individual problems; one of them can often be difficulty in forming positive relationships with adults. Consequently, the considering the issues of improving the quality management of an educational institution would be incomplete without taking into account the relationship between the pedagogical staff and their students [5]. Namely, these relations represent the main nomination of the unified educational technological process of joint actions of all participants in educational activities. In this understanding, it is important to realize the effective role of the leader not as an administrator, but as an active participant in the unified educational process. In organizing pedagogical activity, the reference point is the basis for taking into account the sociogenetic concept of personal development, which considers this process as a result of the direct influence of the social environment. There is a projection of such an approach when organizing the interaction of participants of a pedagogical institution. In other words, in essence, the importance of the fact of self-actualization in improving one's own professional skills is leveled[6]. In the light of the foregoing, the increase in the professional level, not on the basis of the mechanical “consumption” of the knowledge-based arsenal, seems to be essential, but on the position of individualization as a factor in the improvement of pedagogical activity. Individualization is focused on the introduction of created and updated elements in a given sphere of activity in the new pedagogical conditions.

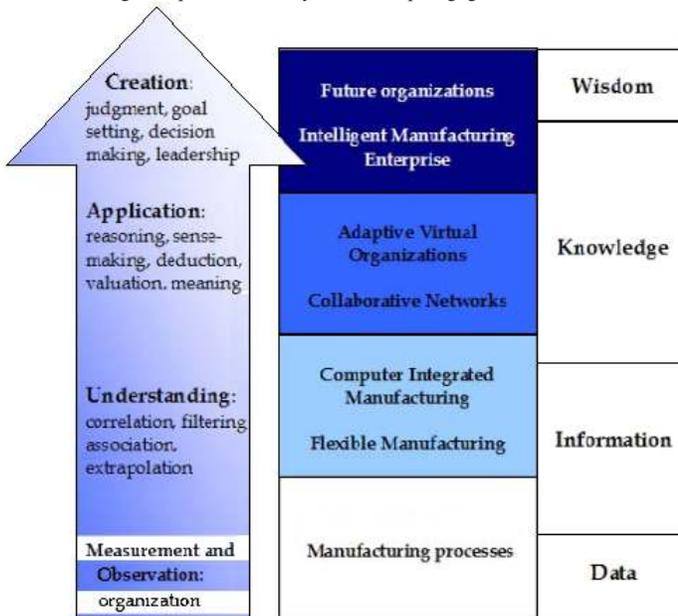


Fig. 2. Evolution of Knowledge Management [3]

It is quite possible in the specific conditions in which each representative of the teaching profession is situated. Personal elaborations ensured with the previous practical experience should certainly be introduced. Here the notion of “innovative thinking” is updated, which is understood as an active way of perception and an adequate assessment of the events of the external world, focusing on the development and mastering of qualitatively new models of pedagogical interaction.

Special attention in the management of the pedagogical process should be paid to the implementation of an individual approach, which requires a special careful attitude towards oneself in combination with visible practical significance. Such an orientation of the individual approach is focused

on the maximum activation of pedagogical activity in relation to the individual, taking into account the needs of the society [7]. Otherwise (concentration of attention only on individual requests) there is a phenomenon of pedagogical nominalism, which in this case is characterized by the reduction of the concept of collective activity only to the behavioral reactions of an individual. As a result, a team without obvious external manifestations is retouched against the background of individuality. An individual approach will be socially expected, if one identifies himself/herself as a real integral part of the whole, that is, a collective, a society [5]. This context nominates the importance of preparing teachers for mastering the ability to independently navigate the information field of professional knowledge that does not go against the collective expectations.

The individuality of the teacher is manifested in the qualitative implementation of the new aspects, taking into account the ones already presented earlier, which requires a considerable level of pedagogical skill. In general, the implementation of an individual approach is a creative process based on high professionalism in solving collectively significant tasks. At the present stage of development of pedagogical thought, there is no task simply to provide the finished amount of knowledge [4]. The task is to express a readiness to respond promptly and adequately to the permanently improving scientific and cultural potential of the education system. This requires a clear understanding of the priority directions of the state policy in the sphere of education that the landmark for social development refers to, which is rightly declared and is the basis for building a system for obtaining educational services. However, it should be emphasized that lobbying the social direction leads to the emergence of negative trends in the formation of the priority sphere of education. The recognition of the importance of social development should in no way replace the process of acquiring general "education baggage" [2]. A meaningful rethinking of pedagogical activity is needed on the basis of the full parity of the two lines - raising the general educational level and helping in social development.

Conclusion Such an approach implies the actualization of fundamentally new pedagogical technologies as a process of scientific projection of adequate and effective pedagogical actions. Accordingly, the development of scientifically based pedagogical technologies and ensuring the success as a set of special methods and means of education is a very topical issue in the advanced training of education specialists. The above-mentioned idea allows us to note that improving the quality of pedagogical management as a target for building an effective management system for advanced training is a peculiar process of creating an educational construct. The activation and effective implementation of this construct suggest the intensification of the personal component, mastering the conceptual basis of management in the educational system; updating the social and psychological aspect of the quality management of educational activities; elaborating and mastering the new models of pedagogical interaction, the activation of the individual component.

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THE FUNCTIONS OF TQM MANAGEMENT PROCESS IN THE EDUCATIONAL ENVIRONMENT

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Abstract Any management process, regardless of size, purpose of the organization includes the functions of planning, organization, motivation, control and coordination. These functions are connected by communication processes, arrows from one function to another in the diagram show that movement from the planning to control stage is possible when performing the function of organization and motivation. In the center of the figure, there is the function of coordination, adjustment and interaction, which occurs through communication. Planning is a function of management activities associated with the preparation of plans for the organization and its component parts. Plans contain a list of things that must to be done, determine the sequence, resources and the time required to achieve the goals.

Keywords: educational management, educational innovations, planning, information, decisions, control, market requirements, societal development, socio-economic impact.

Introduction. With the help of planning, managers provide a unified direction for the efforts of all members of the organization to achieve common goals.

Accordingly, planning includes: setting goals and objectives; developing strategies, programs and plans to achieve goals; identification of the necessary resources and their allocation according to the goals and objectives; bringing plans to all those responsible for the implementation. The planning process allows to more clearly formulate the targets of the organization and to use the system of performance indicators necessary to determine the effectiveness of an educational institution.

In educational institutions, the compulsory and integral function of planning is the choice of specialties the students will study, additional educational programs, the determination of parameters according to which the education results, research directions and programs, and international relations will be assessed.

The objects of planning include:

- resources - human, material and technical, financial;
- the composition of students and the procedure for their admission;
- the introduction of new educational and information technologies;
- research, experimental work and innovative processes at the university;
- activities regarding independent structural units that perform a certain role in solving the general tasks of a higher education institution (faculties, departments, library, research centers, etc.);
- development of educational and methodological support for the educational process (curricula, programs, technologies);
- international relations of the educational institution;
- business, financial and economic activities.

Planning should be carried out continuously; it is the *constant uncertainty of the future*, due to changes in the environment or corrective actions, so that plans should be revised to fit the reality[14].

Organization is a function of management activity in forming a management structure, delegating tasks through the distribution of powers and responsibilities, as well as providing connections, communications, and rational interaction among employees through a combination of techniques, methods and means necessary for the effective achievement of goals.

Technology (mechanism) of the organization functions as a type of management activity can be considered as a process consisting of the following stages:

- the determination of the rational forms of labor division;
- the development of an organizational management structure;
- the distribution of work, delegation of rights and duties among employees of departments and divisions of educational organizations;
- the regulation of functions, subfunctions, works and operations;
- the recruitment and the placement of personnel

The main tools of the organizational function are orders, regulations, rules, instructions, memos, meetings, interviews, etc.

In the modern world, it is impossible to effectively manage an organization that does not have a clear structure. It can be said that the management structure is an organizational form in the framework of which the management process is carried out. Creating a rational organizational structure is not an end in itself, but a means to achieve goals.

The task of managers in the field of education is to choose the structure that best meets the goals and objectives of the organization, as well as the internal and external factors influencing it. As American scientists M. Meskon, M. Albert, F. Hedouri note, the "best" structure is the one that enables an organization to effectively interact with the external environment, efficiently and expediently distribute and direct the efforts of its employees and thus satisfy the clients' needs and achieve their goals with high efficiency "[2].

The analysis of the development of higher education in the world shows that a new university model is being formed under the influence of modern computer and telecommunication technologies in the conditions of market development in the sphere of education. It combines the traditional education and several basic types of institutional forms (organizational structures) of distance university education - distance education units in traditional and open universities, consortia of universities, tele-universities, virtual classes, virtual universities, which can be considered as components of a new university education model. A more detailed structure of the organization will be discussed further.

Motivation is a function of management to stimulate the professional activities of subordinates and their self-development (motivation), as well as creating a favorable social and psychological climate in the team that promotes creative activity (activation) [1; 5].

The process of transferring the external goals into internal (motives) should be carried out at all levels of management. In order for the employee to want to solve the assigned tasks, feel satisfaction from their decision, these tasks must be understood and accepted by him/her, and not be imposed on him/her from the outside [12]. Achieving success is significant for every person who considers socially useful work as a sphere of his/her personal achievements. However, the analysis shows that this motive and the positive emotions associated with it, of experiencing success, are the least used by managers, although they do not require large financial expenditures.

The motive of self-expression, self-realization is manifested in the natural desire of the individual to fully disclose his capabilities, skills, abilities, and knowledge in a particular labor activity. From this point of view, it is important to create all the necessary conditions for the realization of the person's professional possibilities [9].

First, it concerns a healthy social and psychological climate, a comfortable psychological atmosphere; attention of managers to the activities and problems (including domestic, unofficial, personal nature) of subordinates; friendly, amiable tone of treatment of managers with the staff, parents, students, educational organizations, etc.

Innovations in the management of an educational organization are developed according to the so-called "team principle", i.e. the team, whose members are interested in innovation and are connected not only by formal but also informal relations. The use of the "team principle" in the management of innovations contributes to the disclosure and productive application of the creative abilities of teachers, which is an effective factor of motivation [1].

An effective means of motivating and stimulating the work of teachers, staff and managers of educational organizations is to use the capabilities of the new system of certification of teachers, state certification procedures and accreditation of universities, promoting mobilization of the whole team, motivating the psychological atmosphere in an educational institution, improving the quality of training and education of students[12].

Control is a function of management activity, whose task is an objective quantitative and qualitative assessment of the results of the organization's work for a subsequent adequate corrective action (correction) [2].

A high-quality system for collecting and analyzing information allows us to develop a management technology by delegating feedback.

Before you collect information, you need to decide what data are needed and how they will be processed and analyzed. It is important that the data be recorded in a simple and accessible form for further use. The technology (mechanism) of the control function as a type of management activity includes the following stages:

- setting standards, criteria, norms for assessing the state of various subsystems of an educational organization;
- collecting the information on the degree of compliance of control objects with the established norms;
- comparing the achieved results with the established standards;
- analyzing facts, finding ways to overcome inconsistencies;
- transmitting and disseminating the information to lower levels of the results achieved;
- evaluating the information about the results;
- implementing the corrective actions regarding previously adopted decisions and plans.

The last stage of the control function indicates that one of the possible actions is to correct the intended plan. The control acts as an element of feedback; therefore, the arrow proceeding from the control (Fig. 1) goes to planning.

Table 1. Teachers' salaries around the world [3; 4; 10; 11]

Country	Teacher salary USD/year	Teacher salary USD/month	Minimum wage, USD / year	The correlation between the salary of the president and the teacher, %	„Big Mac” Index, per day	iPhone, per/month
Mexico	68343	5695	1714	28	68	7,5
Germany	61317	5110	23780	25	44	6,2
USA	42695	3558	15080	11	24	5,5
Spain	40752	3396	12170	48	30	3,5
Australia	39125	3260	30791	10	29	4,2
Holland	38473	3206	24273	19	29	3,0
France	30651	2554	23350	15	19	3,1
South Korea	29252	2438	12170	16	23	2,7
England	27768	2314	23472	13	18	3,0
Japan	27627	2302	13606	14	25	2,5
Greece	17760	1480	10886	19	14	1,7
Russia	5724	447	1940	4	10	0,7
Israel	26519	2209	2817	4,8	17	1,6
Moldova	4666	388	138	53	1,6	0.43

Coordination is a management function that ensures its uninterrupted operation and continuity. The main task of coordination is to achieve consistency in the work of all levels of the organization by establishing rational communications between them. The nature of these relations can be very different, as it depends on coordinating processes. Therefore, to perform this function, various documentary sources can be used (annual reports of universities, faculties, departments, reports and service notes), the results of the discussion of emerging issues at meetings of the Academic Council, university administration, dean's hours, etc. Without the appropriate coordination of various levels - faculties, departments, structural divisions, functional areas and individuals can focus on ensuring their own interests, but not on the interests of the educational institution as a whole. In the conditions of the growing autonomy and

responsibility of managers at all levels and executors, so-called informal ties are growing, which provide horizontal coordination of work. At the same time, the need for vertical coordination is reduced when management structures become flat.

Communication For a normal, effective organization of labor and management of joint coordination activities, communication is of great importance i.e. all that is associated with the reception, transmission and processing of information in fig. 3.5 communication is indicated by arrows, which interconnect TQM functions. At the same time, it is necessary to synchronize, correctly and accurately understand and transmit information, so that subsequent actions are purposeful and effective. Therefore, much depends on the organization, building a communication link and structure in a social group and organization. The communicative structure of an organization can be represented as a network of channels or paths through which information and opinions are exchanged in a group. Among many channels of communication, there are formal and informal ones. Formal channels are established administratively in accordance with the organizational structure and they connect structural units vertically and horizontally. It is clear that formal flows will never satisfy the needs of the participants in the labor process, because social contacts are not limited to a purely official framework. Informal flows are those that go beyond the organization and do not officially coincide with the established ones. Often, informal information outruns the formal one; sometimes it is not reliable enough. However, in normally functioning groups there always exists a certain balance of formal and informal information flows with the prevalence of one or the other.

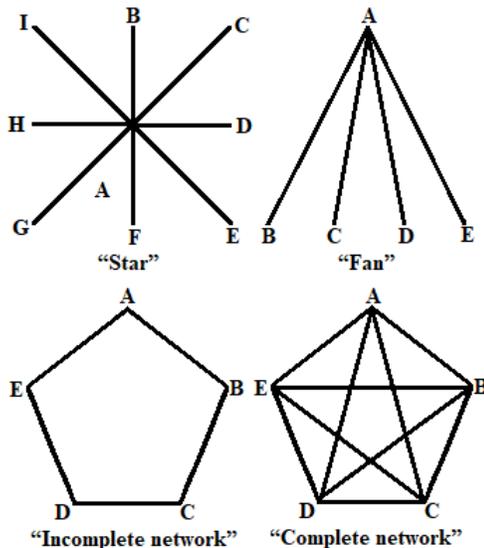


Fig. 1. Models of Communicative Ties

There is another division of communication - descending and ascending information. The descending information is that which is directed "from top to bottom", i.e. from the manager to subordinates. The ascending information is directed "from the bottom up", from the direct participants of the labor process to the managers of middle and top levels[2].

The psychologists have found that workers who do not receive sufficient information from above feel insecure. However, it is necessary to strive to ensure that the two flows - descending and ascending - are balanced, so that they do not create tension in relations, but contribute to the success of solving common problems.

Internal communication networks are divided into centralized - by type "star" and "fan" and decentralized - by type of completeness of the network (Fig. 1) [8]. It can be seen from the figure that in the centralized models (star, fan) all communication is closed on the manager or leader of the group, and in the decentralized models, it is more or less evenly distributed among all members of the organization.

Practice has shown that centralized networks are more conducive to better solving relatively simple tasks, however they impede increasing the efficiency while solving complex problems, and also lower job satisfaction for group members, reduce group cohesion, although they initiate leadership.

Fried, J and Klugman J [6] believe that an effective communication system is the key to university success. The systems should be developed in such a way that the exchange of information is possible at all levels. Employees should be able to communicate effectively with each other, since different points of view are accepted in the decision-making process.

Communication methods. The analysis of existing communication systems in the university environment shows that various types of communications are used.

University forums are one of the types that support the movement for introducing quality and organizing information exchange. They provide the opportunity to see everything that happens at the university at all levels, to recognize the merits of colleagues. Forums not only improve communications, but also lay the corporate spirit of the organization.

Meetings are held to increase the effectiveness of communications. Some universities seek to increase the efficiency of all meetings. The form of the meeting may be different: the exchange of information on the work done, presentation, conversational and other. However, the purpose of meetings is to maximize the passing of messages from the top down and their perception there.

Feedback system (Scientific Council, Rector's Office, Scientific and Methodological Council, Scientific and Technical Council, Dean's Hour, etc.). Such systems are part of the control and management information system in the organization. For example, regular meetings of the university administration are held at Rector's Office to discuss issues of the quality of the methodological support of the educational process. An example of feedback can be a regular survey (questioning) of university staff on various issues (whether the goals and objectives of their activities are clearly communicated to them; whether they receive accurate and timely information necessary for the work; whether their immediate supervisor is open to suggestions; whether they are informed about future changes that may affect their work; what potential or real problems they face, etc.).

The system of collecting proposals. This system facilitates the flow of information to the top. In this case, all employees have the opportunity to generate their ideas regarding the improvement of all activities. The goal of the system is to reduce the severity of filtering trends or to ignore ideas from the bottom to the top. The implementation of this system is the creation of boxes for proposals, where employees can submit their proposals. The system can be activated by applying the telephone communication directly to the rector (vice-rector, dean). Another approach is the creation of quality groups that weekly discuss proposals for improving the quality system of the university.

Newsletters. These are publications and videos with an overview of the various proposals and achievements of the organization, scientific achievements of the university staff; the proposals for improving the quality of teaching various subjects; the Rector's answers to the questions of ordinary employees, etc.

Information Technology. The advent of the era of digital technology can help improve the exchange of information. The use of computers, e-mail allows you to send your recommendations to any employee of the university. The latest innovation - video conference - will allow people in different places and different countries to discuss all sorts of problems. Creating websites on the Internet for each educational institution, structured by content and news, also contributes to increasing access and increasing the speed of passing the information[7].

E-mail is a democratic way to deliver information, because it allows employees to contact directly the university administration (unless it is entrusted to anyone). Many American universities practice a systematic report of the rector, which is e-mailed to all employees.

Figure 2 shows the TQM model in education. The components of the model are the goals of educational development, conceptual approaches, methods, principles, functions and tools of control.

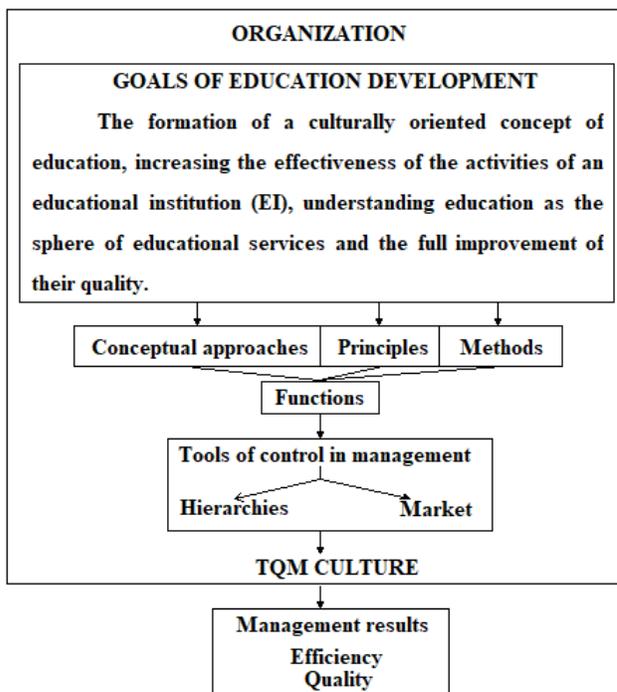


Fig. 2. The TQM Model in Education [2; 13]

Informal meetings. Another method of opening communication channels is the use of informal meetings. In many Kazakhstani universities and abroad they are widely used, for example, informal meetings of the rector with students, when the rector meets with students or employees in an informal setting over a cup of tea, where he/she can ask questions to students and answer their questions.

Conclusions. The successful implementation of the functions of the educational institution management system, the development of a new education paradigm, the need for other conceptual principles, approaches, and methods for managing the education system require the development of a TQM model in education. The analysis of models in the management of an educational institution makes it possible to speak about the implementation of a system approach to complex social systems, especially such as educational organizations.

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EDUCATIONAL MANAGEMENT AS A SYSTEM OF DEVELOPING CREATIVE ABILITIES

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Abstract In the modern Israeli society, there is a growing need for people who are extraordinarily minded, creative, active, and able to solve non-standard tasks and formulate new, long-term goals. The Youth Development Strategy for the period up to 2025 gives great consideration to the development of competencies among talented young people, in particular, creative thinking. However, creative work involving the initiative today attracts only 20% of young people. The scientific and methodical project “Young Talents” aims at searching and supporting this group of youth.

Keywords: management, education, creativity, spiritual development, personality, education economy.

Introduction. Creativity must be formed from childhood. School, university are the best places to develop creativity. Common creativity approaches such as brainstorming, metaphorical thinking, and design thinking, plus many more. "Innovation is often given complex definitions. We prefer the simple one: 'New Ideas that Work.'" -- Geoff Mulgan, Chief Executive of the National Endowment for Science Technology and Arts [1].

„Israel knows that the country itself is a kind of "startup" endeavor that takes risks, constantly seeks improvement and knows that innovation and creativity will pave the way forward. Israel's top educational institutions have cultivated a knowledgeable nation of scientists, engineers, doctors and professors that strives to lead research trends in their fields. As a result, Israel has a notably high concentration of Nobel Prize laureates in comparison to its relatively small population” [6].

The aim of the paper is– to investigate the scope of factor influencing the development of Creative. The goal of this project is to identify and develop the abilities of talented school and university youth in the context of strengthening the human potential of the engineering elite in the Israeli society.

The methods of the research. A systemic analysis of theoretical insights and practical applications developed by foreign and local authors, and comparative, logical and statistical analysis were used for the research.

Analyzes. The Olympiad movement as one of the forms of seeking talented young people and providing them with an individual educational trajectory is the semantic model of the system for developing the creative abilities of young people. The scheme of formation of the educational system in the Olympiad environment is given in Fig.1. In this system, there are different levels of responsibility, starting with the stage of the initiative and finishing with the transition to the scientific and practical professional activity. In order to identify a contingent of young people who are more interested in the intellectual activity, a sociological study of young people who were the winners and awardees of the Israeli Student Olympiads (GSO) was conducted in the school and university environment. The hypothesis of the study was the assumption that it is among this contingent of young people, who are the main bearer of knowledge and intelligence and, accordingly, the main subject of the future innovative society, there is a clear contradiction between creative abilities and the possibilities of their use on the labor market. In Israel, a databank has accumulated about the winners and awardees of the Israeli student Olympiads from 2010 to 2018. Within the period of 8 years, most of these students completed their studies at the university, so it was interesting to find out how their further life developed. Therefore, the aim of the sociological research was to identify the personal potential of the winners of the Israeli student Olympiads and to study their further career growth. 1126 people took part in the study. These are young people, winners and awardees of Israeli student Olympiads in higher mathematics, physics, biology, and economics, held in educational institutions [6]. Based on the results of the survey, a sociological portrait of the winner of the Olympiads was compiled, and the main problems that creative young people face in the process of their development and professional development were identified. The participants in the survey highly appreciated the impact of the Olympiad activities on the development of their personal qualities. Its most important result is that 65% of the students believed in their abilities, 73% of the respondents consider that in-depth knowledge of the subject, obtained in the Olympiad activities, helps them realize themselves in their studies; many of them have learned to fight to the bitter end (31%), 4% of those surveyed have acquired friends and like-minded-people. However, a sense of responsibility for the results of the team, the ability to work in a team as a result of the Olympiad activities was not developed in students, it represents just 2% [3]. For the majority, the point of participating in the Olympiad was: a sense of competitive struggle and victory - 43%, gaining experience - 21% and improving personal status - 17%, making new friends - 15%, traveling to different cities - 4%, defending the honor of an educational institution - 3% [5].

Innovation activity is a cycle of work from creating a promising innovative product, bringing it to a state of innovation (acquiring exclusive rights to it, developing its industrial production) to marketing it. This activity includes innovative (production) and market cycles. According to some researchers [4; 6], engineering innovation activity (EIA) is implemented mainly in the framework of the innovation cycle. Therefore, the most successful formation of students' competence in the framework of the summer scientific school will be carried out if the training is organized in such a way that students are involved in all the stages of practical work in the context of modeling the EIA with obtaining an innovative product in the form of an industrial model.

According to our point of view, such training can be implemented using digital technologies for manufacturing innovative products. However, in the author's opinion, there is a pedagogical problem associated with the reduction of time for professional training of undergraduate Bachelor students in comparison with the specialist degree[4]. That is why, in our opinion, it is advisable to form professional and creative competencies by means of research Work (RW), which serves as a platform for effective communication for the subjects of the educational process (students, teachers, representatives of enterprises and businesses) and ensures the implementation of the social order for the training of a competent professional [2].

Forming career strategies of talented youth is often quite a challenging process. There are contradictions between personal aspirations and the supply of the labor market. The majority of respondents (85%) are interested in research activities and their career expectations in the research field - 35%. 18% of young talented people are interested in the leadership position; 44% are ready to be engaged in creative activity, and only 2% of the respondents have chosen practical work. 97% of the studied youth category have already participated in innovative projects. Most (99%) of the respondents

Table 1. Steps to Develop Creativity [1]

Steps	Characteristics
1. Stop depending on others.	Start learning to use your own resources. Look around for what you do have and how you can make the best use of those resources. This will be a little tough in the beginning, but with time, you will adjust. This doesn't mean you will be alone and that you may disobey superiors. This just means you can build a learning capacity -- learning from others. It means making proper interactions and creating your own resources.
2. Dream, think, and create.	You have to believe you have an amazing mind full of thoughts and ideas. You need to express them. Tell them to others and see what they say. Some of your ideas may seem funny to you, or inappropriate, but that doesn't matter. It's been said a man is as big as his/her dreams. So, don't stop dreaming and when it's time to give shape to your dreams, express your best approach.
3. Surround yourself with excellence.	Pablo Picasso said, "Good artists copy, great artists steal." That means, good people learn from better people, and better people learn from the best. You can't develop your creativity when you're surrounded by those who keep on discouraging and distracting you. So have some real talented people around you, and learn from them. This is not only about surrounding yourself with talented people, it's about knowledge. Don't limit yourself. Always study and experience a variety of new things. This can propel your creativity forward.
4. Look for some non-value-added jobs.	Include in your daily schedule, hour or more to listen to your hobbies. It can be gardening, collecting souvenirs, painting or anything you like. Maybe these things aren't going to benefit you financially, but it will definitely help wake up your creativity.
5. Fight your fear of failure.	The fear that you might make a huge mistake or fail in your efforts to do something new, can paralyze your creativity. You need to remember mistakes will always be there -- there are simply part of the creativity process. Many great minds struggle with fear of failure, but they never gave up and they kept trying until they succeeded. However, to overcome your fear of failure; analyze every potential outcome, make a contingency plan and think about the worst possible scenario. This will help you to regain confidence and start over with full confidence.
6. Expand your comfort zone.	People are often stuck in their comfort zone and afraid to try new things in life. That can be a huge problem because when we have the same routine -- our creativity will just die. We need to change things and allow different adventures to boost our creativity.
7. Keep your stress away -- enjoy life.	Don't let yourself to be down about your failures or stressed out. Take a long drive by yourself, hang out with your friends and family or just go to the movies! All these things will help you get back on track. When we are feeling down, our creativity is stuck inside us and it hard to think of any new idea in that state of mind. That is why it's important to fight it and just enjoy life.

could not implement their projects. 6% of them indicated the economic problems as the main aspect[4].

Only one lucky student managed to bring his project to implementation and become successful. The participants of the Olympiad have great difficulties in the field of realization of their abilities. The overwhelming majority of respondents (95%) did not achieve self-realization in the spheres of life activity, only 3% of respondents took their first steps in their career path, only a few (2%) succeeded in scientific and teaching activities. 21% of respondents answered that participation in the Olympiad did not predetermined their career growth. One young man managed to become famous in narrow circles thanks to his victory at the Olympiad, he was invited by the scientific group, he currently works with and he has recently received a scientific degree.

Coordination Council on the preparation of the Olympiad movement



Financial and material resources ⇒	Technologies for creating a continuous education system in the Olympiad environment	⇐ Integration and partnership with employers and education authorities
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V.	The stage of transition to scientific and practical professional activity	Graduate departments: contests in the specialties "Eureka", "Egghead", "Seliger", polytechnic Olympiads, competition of final qualifying works, and competition of professional skills.
IV.	The stage of creative	•Active participants of the Olympiad

	interaction with the students who are motivated for active intellectual activity	<ul style="list-style-type: none"> •Lecturers, project supervisors •DCI (Department of Curriculum and Instruction) - Online community •Departments approving individual training programs
III.	The stage of competition	<ul style="list-style-type: none"> •DCI – the organization of all stages and levels of competitions, planning new forms and technologies •Career guidance center •Project and Program Management
II.	The developmental stage	<ul style="list-style-type: none"> •Lecturers, microgroup supervisors for the preparation of the Olympiad reserve •The student motivated for in-depth training •DCI – the support of lecturers and students
I.	The stage of initiative	<ul style="list-style-type: none"> •Departments: subject Olympiads, contests, festivals etc. •Career guidance center: planning the Olympiad, Science Days, museums of science and technology, geological and mineralogical museums, children's observatory, specialized classes •Means of popularization and information, university site, advertising •A specialized two-year school
		Levels of responsibility

Fig. 1. The scheme of organization of the educational system in the Olympiad environment[2]

Conclusion According to the results of the study, the difficulty of personal self-realization was revealed as the main problem of creative youth. Self-realization can be characterized through the quality of life, which characterizes the level of fulfillment of human needs. Self-realization appears at the moment when a balance is reached between the inner and outer worlds of the personality. Former participants of the Olympiad have a clear balance between their creative abilities and the possibilities of using them in the labor market; they have great difficulties in shaping their career strategies and professional adaptation. On this basis, we can conclude that technologies for creating continuous education for talented young people in the Olympiad environment should also include a system for their support during employment through integration mechanisms and partnerships with employers and high-tech business representatives. On this basis, we can sum up that technologies for creating continuous education for talented young people in the Olympiad environment should also consider a system for their support during employment through integration mechanisms and partnerships with employers and high-tech business representatives.

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MANAGEMENT OF EDUCATION AND FORMING OF THE WORLD

PICTURE

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Abstract. Analyzing the formation of scientific knowledge in the course of historical development, it can be noted that the emergence of science is associated with the emergence of a large number of separate, unrelated fields of knowledge. The next stage was the unification of individual areas of knowledge into more extensive complexes, in the process of expansion of which their specialization took place. On the contrary, the development of technology took place over a long period of time due to key discoveries or advancement in certain areas of knowledge. An example of it would be informational and communication revolution that took place in the 80s of the last century, which led to cardinal transformations in the field of biotechnology, as a result of which the recent nanotechnological revolution occurred.

Keywords: management, formation, education, global picture, daily life, philosophical trends, creativity, abilities, habits.

Introduction. As a result of their mutual influence, today one can observe unprecedented progress in the field of cognitive sciences. Of particular interest and importance is the philosophical and methodological analysis of nano-, bio-, informational, cognitive, socio-humanitarian sciences and technologies aimed not only at changing nature, but of man himself, which leads to an anthropological turn in scientific and technical knowledge based on NBICS convergence. Convergence is understood as the growing and transformative interaction between scientific disciplines, technologies, communities, as well as human activity necessary to achieve compatibility and integration.

The aim of the study is to analyze the phenomenon of convergence of sciences and education as a consequence of informatization, the emergence of new teaching methods, nanotechnology, an interdisciplinary approach, NBICS and STS technologies, ideas about global evolutionism, with its influence on the development of modern society and its various spheres in the era the establishment of a post-industrial society.

The methodology of research on the convergence of science and technology is based on the categorical apparatus, ideas, principles, methods and concepts developed by the philosophy of science and technology, history and methodology of science, epistemology, history of philosophy, social philosophy, synergy, natural science and social sciences. Approaches developed in Western European philosophical concepts (Aristotle, F. Aquinas, W. Ockham, R. Grossetest, R. Descartes, G. Leibniz, I. Kant, Hegel, O. Comte, G. Spencer, E. Mach, etc.) and modern domestic management.

Results and analysis. A characteristic feature of convergence is the dominant nature of interdisciplinary research, contributing to the integration of individual sciences, as a result of which there is a convergence of data of sciences and methods of cognition. Thus, the nature of this integration is not just interdisciplinary, but also transdisciplinary. Under the influence of convergence, there are prospects for obtaining new knowledge, materials and technologies through interdisciplinary interaction between specialists from various fields of science: physics and mathematics, chemistry and biology, medicine and physiology, engineering, instrument engineering, circuit design, and many others that work within a unified approach, aimed to obtain a common result, based on a single infrastructure.

1 Consequently, convergence is integrative, originating in various areas of society. Thanks to it, the emergence of a special phenomenon of techno-science occurs, which is manifested due to the merging of science with technological applications, which radically transforms the scientific, technological and social development of society due to the opening opportunities for adequate reproduction of systems and processes occurring in nature using nano-, bio- information, cognitive and social sciences and technologies, making them a practical tool that forms a qualitatively new technosphere[3]. However, there is always the danger of new risks for human existence, associated, for example, with environmental disasters as a result of insufficient study of the impact of convergent technology products on both the human body and the biosphere as a whole, the problem of creating super-intelligent machines based on artificial intelligence that are not capable of only to facilitate the existence of man, but also to destroy the human race when these machines get out of control, using products of convergent technologies terrorist purposes, etc.

2 Owing to it, the emergence of a special phenomenon of techno-science occurs, which is manifested as a result of science merging with technological applications, which radically transforms the scientific, technological and social development of society due to the opening opportunities for adequate reproduction of systems and processes occurring in nature using nano-, bio- information, cognitive and social sciences and technologies, making them a practical tool that forms a qualitatively new technosphere[1]. However, there is always the danger of new risks for human existence, associated, for example, with environmental disasters as a result of insufficient study of the impact of convergent technology products on both the human body and the biosphere as a whole, the problem of creating super-intelligent machines based on artificial intelligence that are capable not only to facilitate the existence of man, but also to destroy the human race in case these machines get out of control, using products of convergent technologies terrorist purposes, etc.

Convergence is aimed at solving such important social problems as: - increasing the creative potential of people, developing innovations, including creating new ways of exchanging information and interactions that are universal in nature; - increase in life expectancy due to new methods of treatment of diseases, and the creation of new complexes of health and education, and, as a consequence, improving the quality of human life; - increase in labor productivity, which leads to the necessity of transition from the information society to cognitive capitalism

3. Thus, the convergence of science and technology is a single strategic task, through which socio-economic problems that occur in modern society can be solved, for example, energetic, manufacturing, medical, military ones as a result of combining the capabilities of various fields of science and technology. Under the influence of convergence, the scientific picture of the world is transformed, as it reflects the changes in science and technology that occur at a particular stage in the historical development of humanity[2]. It is a determinant and a catalyst for scientific and technological progress; therefore, it seems necessary in the framework of this dissertation to analyze the formation of ideas about the scientific picture of the world in the course of its historical development. With the help of the term "picture of the world", worldview structures are defined. They form the foundation of culture at a certain stage of its historical development. So, J. Holton defines a picture of the world as a synonym for the concept of worldview. In his studies, he presents it as a model that generalizes experience with a person's personal convictions, a "mental map" according to which a person is able to verify his actions and navigate in the world of events and things.

4 In his opinion, the center of any picture of the world is represented by a set of thematic categories and assumptions that form the most important cognitive structure and act as intuitively accepted, not subject to verification, basic provisions of a quasi-axiomatic character established in the thinking practice as a guiding and supporting tool.

5. Based on this approach, the scientific picture of the world can be defined as a specific model of reality, systematizing scientific knowledge, capable of giving a view of the objective world of science in accordance with certain stages of its functioning and development. The concept of a scientific picture of the world, according to the author, is used in three basic meanings: - a general scientific picture of the world, denoting a form of systematization of knowledge obtained in various sciences: natural, humanitarian and technical; - natural science picture of the world and the picture of socio-historical reality as a system of ideas about nature and society, which summarizes the achievements of both the natural and human sciences; - a special scientific picture of the world, explored by certain sciences (physical, chemical, biological, technical pictures of the world) and fixing a single view on the subject of science in a specific period of development of history. general scientific set broader horizons of knowledge systematization. The integration of the achievements of different disciplines arises in the allocation of sustainable empirically and theoretically sound content in disciplinary ontologies. The identification of the purposeful role of special pictures of the world is most clearly manifested in the study of objects for which a theory has not yet been created and their research is carried out by empirical methods. Hypotheses about the nature of the phenomena that are found in experience are provided by introducing a picture of the world about the reality being studied. In accordance with them, the formulation of experimental tasks and the elaboration of plans for experiments are carried out, as a result of which all new characteristics of objects are revealed[1].

The possibility of understanding the general cultural sense of special scientific pictures of the world by scientists conducting research in various fields of science is a condition for their integration into the unified scientific picture that forms the integral view of the world. It can be characterized as a special form of knowledge that regulates the formulation of fundamental scientific problems, capable of purposefully translating ideas and principles from one field of science into another. The current stage of

development of science is characterized by the assumption that scientific knowledge acts as a holistic organic system residing in a sociocultural environment undergoing historical change. With the inclusion of the social factor, it became difficult and even impossible to forecast the future of science, as well as the future of civilization, determined by this science[3]. Thus, the scientific picture of the world, based on common principles that are common to different disciplinary ontologies, begins to act as one of the main elements of knowledge, since they are formed on the basis of rethinking the foundations of various scientific disciplines.

There is a construction of a new scientific picture of the world (NCM), fixing the hierarchy of structures underlying the inanimate nature and resulting from the development of the Universe at micro, macro and mega levels, as well as structures founding living nature, such as DNA, cell, multicellular organism, population, biogeocenosis, biosphere. According to V.S. Stepin, since these structures are studied by various disciplines, using the natural science picture of the world it is possible to determine the place of each of them in the system of knowledge about nature, as well as to unite their subject areas. SPW (scientific picture of the world) allows for rational objectification of both theoretical and empirical knowledge, since it acts as an epistemological construct. Thanks to SPW, all knowledge based on it belongs to the reality under study, and is also understood and interpreted as knowledge of this reality in itself.

But at the same time, it is necessary to take into account the fact that any scientific picture of the world, including the natural science, is a model of the reality under investigation, setting its schematic image capable of studying the processes under study only within certain limits. Therefore, the process of ontologization of SPW (scientific picture of the world), which contributes to the rational implementation of cognitive activity at a specific stage of development of scientific knowledge, is allowed only within specified limits and is untenable beyond their limits. At this point, the SPW begins to be characterized by radical changes, with the result that the adopted SPW is replaced by a new one, which, being an ontology, will also be limited in applicability. Each SPW is characterized by its own ideas about subject-object interactions, which leads to a change in ideas about both the subject and the object, and about their relationship in the process of changing the SPW.

Thus, in pre-Aristotelian science, in contrast to science, formed on the basis of the philosophy of the Milesian school, which deals with the problems of the origin, questions of existence or its absence began to be raised. Matter has acquired not a continual character, as was the case with the Milesian philosophers in the concepts of substances, but intermittent, fractional: atoms were the least part of the substance, which was historically the first atomism; at the heart of the description of nature lay the numbers that were the fundamental principle of the universe, which served as the basis for the subsequent development of the mathematical sciences; the study of ideas served the further development of dialectics[2]. Consequently, the pre-Aristotelian picture of the world was some approximation to the modern scientific picture of the world due to the gradual development of scientific knowledge, therefore, its consideration in the framework of this dissertation is necessary to assess the historical development of NCM. During the period of Antiquity, Aristotle, being convinced that natural processes do not have an adequate description based on mathematical means, set as its task the determination of ways of obtaining new knowledge that coincides with the object. He attempted to go beyond the limits of formal logic, with an emphasis on its content. Thus, Aristotle's logic and epistemology are closely connected with the doctrine of being, as well as with the concept of truth, since the logical forms and principles of knowledge, according to him, are its forms and laws. The sphere of knowledge is contemplation of the object, a theory, an outlook.

Conclusion.

Summing up, we can make a number of conclusions. The idea underlying the whole of classical science, as shown above, was the possibility to achieve objective and object-related scientific knowledge only in the case of excluding from its description everything that relates directly to the subject and the activity of its knowledge, which is once and for all given and unchanging. The classical scientific picture of the world was based on mechanical concepts that determine the observed phenomena. In it, the subject of knowledge was characterized by a powerful reflexive consciousness, which had no boundaries in the process of cognition, both of itself and of the surrounding world. It also assumed that the subject had the ability to distinguish scientific knowledge, extra-scientific (ordinary) knowledge and delusion (pseudo-knowledge). The main difference of modern science from the previous stages of its development is the orientation towards the study of complex historically developing systems, a significant restructuring of the ideals and norms of research. In order to carry out the process of mastering new objects of a complex nature, it is necessary to conduct both interdisciplinary and disciplinary research. This contributes to the

identification of genetic relationships between the inorganic world, living nature, man and society, thereby eliminating the sharp opposition of the natural science and cumulative pictures of the world, which indicates the need for commonality in the style of thinking in the sciences that it covers.

Modern technologies offer the prospect of creating fundamentally new tools to realize the evolution of both man and nature. As an example, the study examines the possibilities of solving problems of biological nature, a fundamental change in the boundaries of human knowledge, as well as the direction of its evolution. The author concludes that with this approach, the problem of constructing and transforming human nature becomes more of a problem of self-organization and self-reference.

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"SPORTS MANAGEMENT" - AS A PRECONDITION FOR HEALTHY DEVELOPMENT OF THE SOCIETY

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Abstract In the context of commercialization of sports economy and the development of sports industry as an economic category, it is the sports managers who solve the main tasks of building infrastructure that meets generally accepted international and European standards. In everyday life there is a stereotype that sports managers are those who “trade players”. In management theory, there is no one definition of the term "manager." There are many definitions. All proposed definitions are based on an understanding of the essence of management. The word "management" in its original sense meant the ability to go around horses and rule them. The basis is the English verb "to manage", which comes from the Latin "manus" (hand). If you follow the logic, then "management" literally means "ruling people."

Keywords: management, planning, selective management, efficiency, prediction, effect.

Introduction. In modern science, "management" refers to the process of leading or managing an employee, a working group, a team, an organization, several organizations operating in a market economy. Management in sports is an independent type of professional activity aimed at achieving goals and implementing tasks set within the framework of a sports organization, which operates in market conditions through rational use of material, labor and information resources. In other words, management in sports is both theory and practice (knowledge, skills) of effective management of organizations of the sports industry (clubs, federations, leagues, associations, etc.) and organizations of intersectoral complexes of enterprises - sports industry, sports medicine, sports education.

The manager's work is evaluated not by what he does, but by how he encourages to work and organizes other people's work. The manager is a hired worker. Sergey Kuschenko, Kirill Fastovsky, Arsen Wenger and Steve Yzerman, Alexandru Spiridon are also hired managers[2].

Managerial activity - one of the most important factors in the functioning and development of sports. Historically in Israel, coaches, instructors, and methodologists were in charge of managing sports.

They often combined the educational and training work of the coach with the management of the club, sports society, sports federation, although their job descriptions did not provide for them to perform such duties. Management in sports, as a special type of professional activity of managers in the sports industry arises as a result of division and cooperation of their labor [7]. As we have already noted, the reason for the emergence of sports managers was the market economy, which made special demands to managers in the context of economic and sports competition.

The results of a recent study showed which countries are most fanatical about sports. When calculating the international sports index, we took into account both the enthusiasm of fans and specific achievements, in particular victories at the Olympic Games and in international competitions, FIFA's rating, the involvement of the population in sports and even the number of stadiums. The first place in the ranking was taken by the United States of America: the country has 367 stadiums and an average of 56.54 medals at the Olympic games (both summer and winter).

Top 10 most sporting countries in the world: 1.USA, 2.Russia, 3.China, 4.Germany, 5.France, 6.Great Britain, 7.Australia, 8.Japan, 9.Spain, 10.Italy. [9]

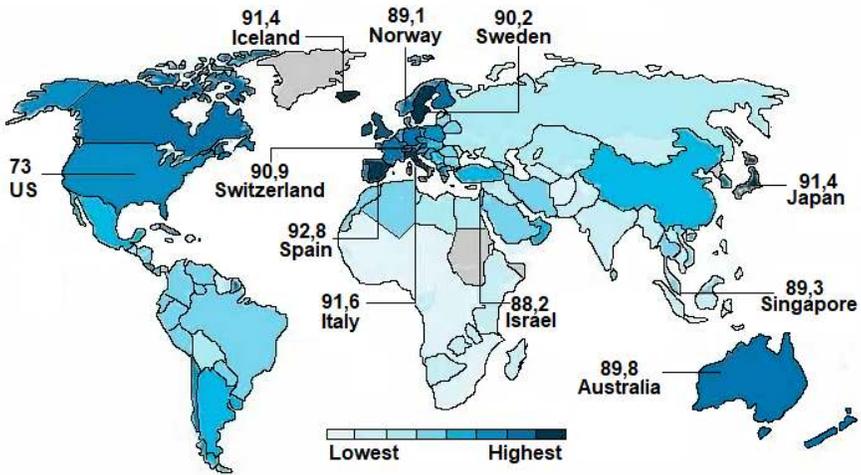


Fig. 1. Clasarea țărilor după nivelul de sănătate [1]

Classification of management and educational levels. A sports organization has a specific internal structure based on the specifics of a particular sport. In such a structure, there are offices, departments, divisions, groups, teams. In other words, in the sports organization there are various types of management activities. Together with them, the structure of relationships and subordination appears [6].

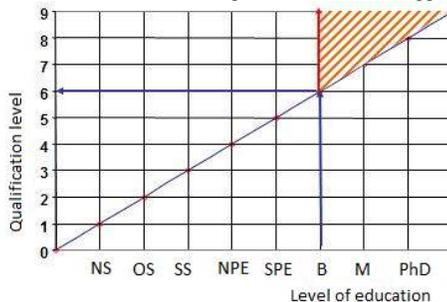


Fig. 2. Levels of education and skill levels. Stages of education and levels of qualification according to NQF[3]

This means that managers are of different levels, and they solve different tasks. The national qualifications framework clearly shows the qualification level of management requirements for education.

Level 9 - leaders of the Olympic Committee, the organizing committees of the World Championships, European Championships, the Olympic Games, professional sports associations

Level 8 - heads of the centers of sports training of national teams, sports facilities, national sports federations, professional sports leagues and clubs, sports societies, sports facilities, organizing committees of sports and entertainment events

Level 7 - heads of sports federations, clubs, functional departments of sports organizations (departments, offices, divisions, groups), members of integrated research groups

Level 6 - heads of sports education institutions, leaders of sports mass work at the place of residence, place of work

Educational levels: AS - postgraduate, M - MA, B - Bachelor, SPO - secondary vocational education

Functions of the sports manager. The main functions of managers in sports can be represented as follows:

- Sports managers work in the governing bodies of the Olympic movement at various levels.
- Sports managers are engaged in managing sports events: the city championship, region, county, country, World and European Championships, the Olympic Games.

- Sports managers manage their own sports business projects, commercial tournaments, sports festivals, mass competitions.

- Sports managers are engaged in organizing the team, recruiting staff and athletes, developing ticket programs and various strategies for organizing, working with fans and with stakeholders in the external environment.

The market is characterized by uncertainty of the situation and entrepreneurial risk. They require managers' independence and responsibility for their decisions. The professionalism of the sports manager is manifested in the knowledge of the organization's management technology and the laws of the market, in the ability to organize coordinated work of the team and predict the development of the organization [6].

Summarizing the experience of training sports managers in the university and the market demand for specialists of this profile shows that an increasing number of organizations in the sports industry need managers with a certain set of skills. Here are the main ones:

- mastery of modern computer technologies and programs;
- fluency in English / foreign language;
- the ability to shape the information policy of the organization;
- organization of the work of the office of the organization and the formation of the team;
- knowledge of basic marketing and management strategies;
- knowledge of the regulations and regulations for competitions for the subsequent organization of sporting events;

So far, we have to state with regret that the market mechanism of supply and demand of sports management specialists in our country has not yet been thoroughly formed. Optimism is added by the introduction of professional standards for employees in the sports industry and the procedure for mandatory certification for specialists. This will allow, on the one hand, to make an inventory of managerial personnel in the industry, and on the other, to identify the priorities of managerial specialties in the general list of sports management positions.

To create your own club you need to take a few steps. According to the author, any road begins with the first step. This first step should be the understanding that playing football, jumping to triple toe loop, swimming two hundred breaststroke is one thing, and being the head of a sports club is another. First of all, in terms of responsibility. It is the level of responsibility that distinguishes managers from all other people. You are ready to assume responsibility for all organizational, administrative, sports, economic, household, legal, advertising, social activities of your club. Sometimes there is frustration, if you do not feel the determination and willingness to start an active activity [7]. The training program for rulers and managers of sports organizations based on professional standards guarantees the acquisition of the necessary knowledge and skills of a manager to make responsible decisions.

Sports club is a legal entity. To create a sports club within the law, you must participate in official competitions. To create a sports club, you need a legal entity.

Legal entities differ in organizational and legal forms. Sports clubs are also created in various forms. It may be:

- commercial company - for example, a limited liability company or a joint-stock company.
- non-profit organization - an autonomous non-profit organization, public organization, association, union, foundation, etc.

Each of the presented legal forms has both advantages and disadvantages. It is necessary to determine which activities, and at what level of mass sports, professional sports, and sports of the highest achievements are going to be tackled [6]. The answer to this question will help you make the right choice when registering a legal entity.

There is a legal form - an autonomous non-profit organization (ANO). It has a number of features and benefits that will especially help at the start.

Registration of non-profit organizations takes place in parallel through two state bodies - through the Ministry of Justice and the Federal Tax Service.

Registration of a non-profit organization does not require any special material costs - only payment for the work of specialists in preparing statutory documents and paying state fees. Registration of a commercial organization, in addition, involves payment of fees and state registration of shares[7].

Objectives and sources of income. For a non-profit organization, the main objective of the activity is to provide services in sports, education, health care, culture, science, art, psychology, media, law and other fields. There is an opportunity to engage in both commercial and non-commercial activities at the same time.

The disadvantage of this model is one. In accordance with the law, the entire profit of the autonomous non-profit organization remains in the organization, the participants cannot receive it personally as dividends. Only - for the statutory goals of the organization. In fact, turn out reinvestments[5]. The advantage of an autonomous non-profit organization is the ability to work with budget money (subsidies). In this practice, 95% of sports organizations in one form or another work with state structures of sports, committees on physical culture and sports and with budget money. Nothing is impossible, and even more than that, there is nothing terrible about it. If you come up with a unique business model, have targeted investments, have access to resources of various kinds, you can register a commercial organization. Joint-stock company, limited liability company act for the purpose of obtaining profit. Such organizations, most often, are registered for doing business in professional sports, fitness, sports academies for training talents, etc.

Team. One person can create ANO. This is enough by law. Accounting and reporting can be carried out on outsourcing. Creating your own team to manage an organization is the most important thing in work and life. It is in life, because you will spend most of your time with them. Another important detail is that ANO employees cannot make up more than a third of all members of the collegial management body of the organization. For example, there are 10 members in your collegial body. This means that you can officially hire only three of them.

Table 1. List of Israeli football stadiums, ranked in descending order of capacity [4]

Nr.	Stadium	Capacity	Home team(s)
1	Teddy Stadium	31,733	Beitar Jerusalem, Hapoel Jerusalem, Hapoel Katamon Jerusalem, Israel national football team
2	Sammy Ofer Stadium	30,780	Hapoel Haifa, Maccabi Haifa, and Israel national football team
3	Turner Stadium	16,126	Hapoel Be'er Sheva
4	Bloomfield Stadium	14,413 - 29,522)	Bnei Yehuda, Hapoel Tel Aviv, Maccabi Tel Aviv
5	Netanya Stadium	13,610	Maccabi Netanya, Hapoel Ra'anana
6	Ramat Gan Stadium	13,370	Hapoel Ramat Gan
7	HaMoshava Stadium	11,500	Hapoel Petah Tikva, Maccabi Petah Tikva
8	Sala Stadium	10,000	Hapoel Ashkelon
9	Doha Stadium	8,500	Ahva Arraba, Bnei Sakhnin
10	Yud-Alef Stadium	8,200	F.C. Ashdod
11	Herzliya Stadium	8,100	Hapoel Herzliya, Maccabi Herzliya
12	Winter Stadium	8,000	Hakoah Amidar Ramat Gan
13	Hatikva	6,500	Bnei Yehuda Tel Aviv Under-21s

	Neighborhood Stadium		
14	Haberfeld Stadium	6,000	Hapoel Rishon LeZion
15	Levita Stadium	5,800	Beitar Kfar Saba, Hapoel Kfar Saba
16	Acre Municipal Stadium	5,400	Hapoel Acre

Reporting. An autonomous non-profit organization, as well as a joint-stock company, and an LLC, may choose a general or simplified taxation system and must submit the appropriate reports to the tax inspectorate. The advantage is that non-profit organizations are exempted from taxation of income from donations and contributions of participants[2]. There is a drawback as well, but it is insignificant - to submit reports.

Risks. By law, the founders are not liable for the obligations of a non-profit organization created by them, and the organization is not liable for the obligations of its founders. This means that the property of the autonomous non-profit organization and the property of the participants are separated. If the organization has debts, the participants will not pay for them with their property. However, the risk remains. This is an attraction to secondary liability in case of dishonest participants[3]. This is an additional responsibility, according to which participants can still respond with their property if the company, for example, is in serious debt. But this is possible only through the fault of the founders, which still needs to be proved in court. Commercial organizations are becoming more complex, but they also provide for the subsidiary liability of the founders and officials.

Sport in Israel is an important part of social culture. This is recognized at the administrative level: the Office of Sports Affairs is included in the Ministry of Science, Culture and Sport of Israel [1]. Among the achievements of Israeli athletes are victories in world and continental championships and Cups in basketball, judo, sailing and chess.

In 2006, the issues of culture and sport in Israel were transferred to the Ministry of Science and Technology of Israel; therefore, its name was changed to the Ministry of Science, Culture and Sports of Israel. Within the ministry, the Office operates. The department is responsible for the development of competitive sports in Israel and supporting sports for people with disabilities, as well as supporting local authorities in organizing sports events. The estimated budget of the Office for Sports in 2010 is 81.831 million shekels (about 22 million USD).

Significant amounts for sports are allocated from the receipts of state lotteries and sweepstakes. In 1997 alone, more than \$ 45 million of the proceeds of the Toto lottery totalizer were transferred to the needs of sports, mainly football [11].

The main center for training Israeli athletes (especially members of the Olympic team), coaches, sports judges and physical education teachers is the Wingate Institute in Netanya, the world leader in sports medicine.

Most athletes in Israel represent one of five major sports communities: Ha-Po'el (about a hundred thousand members), Maccabi (30 local clubs, about 40 thousand athletes), Beitar, Elitsur, or ASA (a student sports association) [2]. In a number of cities there are local sports clubs that are not part of national sports associations. Such, for example, are the football club Bnei Sakhnin, representing the Arab city of Sakhnin in the Galilee in the Israeli Premier League, and the Ramat Gan Ha-Koah, also serving in the Premier League and representing one of the oldest Jewish sports organizations in the world.

Conclusion. In Israel, there is the Israeli Sports Federation, which has 600 local clubs (a total of more than 40 thousand members) in 16 sports, as well as football, basketball, tennis and chess federations. There are five general "Maccabi" clubs in the country (30 local clubs, about 40 thousand athletes), "Ha-Po'el" (about 100 thousand members), "Betar", "Elitsur", "ASA" (sports student society) and two football clubs – "Shimshon" (Tel Aviv) and "Bnei Yehuda" (Tel Aviv). The most significant sporting events held in Israel: international - Maccabiada (once every four years), games of the Ha-Po'el Society (once every four years), winter tournament of youth football teams, marathon around Lake Kinneret, tennis tournament of professionals in Ashkelon, the chess tournament in Beer-Sheva, the Grand Prix tournament in rhythmic gymnastics in Holon; national - national championships in football, basketball, volleyball, handball, water polo, table tennis, chess, 100-point checkers, sports and rhythmic gymnastics, athletics, weightlifting, wrestling, boxing, judo, sambo, karate, shooting, archery, fencing, cycling, sailing, rowing, water skiing, etc.

Every year, the state fund to support athletes allocates 5 million shekels for scholarships to promising athletes.

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KNOWLEDGE IN THE SERVICE OF MANKIND

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Abstract Values are not something that can be bought or sold, they are something worth living for. The most important function of social values is to play the role of selection criteria from alternative modes of action. The multifactorial nature of innovative development of education is thus revealed. Special attention is paid to knowledge management and to strategic model for the formation of professionals. At present, a new economy is clearly emerging, a knowledge and economy-based economy, a knowledge economy where the key to prosperity and job creation is the degree of implementation of new concepts, the ideas of innovation and technology in all sectors of the economy, as well as the protection of the environment. We discuss the integrated nature of competence, the correlation between competence and motivation.

Keywords: information, innovation, knowledge, economic development, OECD, competitiveness.

Introduction The interiorization made by the individual of the value orientations, which are ideological in their nature, is only one of the mechanisms that perform the group identification of people, which link personal motivation with social or group consciousness. The project for the development of the future clearly showed the discrepancy between the current state of education and the demands for the individual who is professionally competent, communicative, innovative-minded, pragmatically motivated. The need for new knowledge exists not only in the economy, but also in all spheres of human activity. We agree that "the technologies of the future are not needed by millions of illiterate people ... they are needed by those who are capable of critical judgment, who can navigate in new conditions, who can quickly set new connections in a rapidly changing reality ..." [3].

The aim of the research is to investigate the current economy in developed countries based on knowledge and digitization of human activities, the formation of the knowledge society and its impact on the development of all spheres.

Methodology of research includes the method of observation, analysis, statistics, dialectics, induction and deduction. In addition, the DART method - dialogue, access, risk assessment, transparency was used; gamification; marketing evangelism, one of the techniques of market formation and of promoting innovation to the market through developing in the people's consciousness of a particular image of consumption; Kano method – is aimed at detecting the individual reaction of the consumer to positive and negative questions regarding the properties of the innovation, forming of the management matrix of satisfaction or dissatisfaction of consumers. The empirical modeling includes the method of observation that allows to detect issues or inaccuracies concerning the use of product by consumers.

Results and analysis. The need for education, re-training, additional education, life-long education – is one of the main needs of the human being in the society of knowledge. In the post-industrial period, education did not represent an illusionary, but real producing power. «Developed countries receive almost 40 percent of the gross national product particularly due to the share of investments made in education of population.

The new economy, based on knowledge, that will be achieved in the future knowledge society, integrates the objectives of sustainable development based on social justice and equal opportunities, environmental protection, freedom, cultural diversity and innovation development, industrial and business restructuring, representing a new stage of human civilization that allows widespread access to information, a new way of working and knowledge, amplifying the possibility of economic globalization and increasing social cohesion. The technological support of the new society is built by the convergence of three sectors: information technology, communications technology, digital content production. Each unit of investment invested in education, as a rule, gives at least four units of profit, expressed in monetary form” [2]. However, investments become only a concomitant factor; the decisive factor is the reorientation of training from the quantitative accumulation of abstract knowledge to building of skills, to the ability to implement them not in an educational laboratory, but in the real economy.

Thus, the cornerstone of educational innovation, the response to the challenges of time, is the formation of a competent personality according to the standards of the post-industrial era, by and large rethinking of the philosophy of higher education itself. At present, “the philosophy of education is faced with the task of forming a metatheory of education that would systematically substantiate the process of Israel’s joining the global economic and cultural space as an equal member.

Along with this, the philosophy of education is faced with the task of preserving the foundations of the national mentality in the education system” [3]. The determining factor of entering the community of economically developed countries “as an equal member” is human capital, in particular, the aggregate intelligence and knowledge of the new generation of professionals, their ability to innovate, the creative and managerial qualities of the individual. In the author's view, in order to become competitive, organizations need to encourage learning at all levels, that is to become a learning organization. Organizations learn only through individual learners. Individual learning does not guarantee organizational learning, but without individual learning, organizational learning cannot be achieved.

However, Israel cannot unconditionally adopt the experience of European countries, and first of all, due to significant not only economic, but also legislative, cultural, educational, social, political and mental differences. In general, the modernization of education is multidimensional; it includes many interdependent parameters, criteria, goals, and the like.

The unusual nature of knowledge as an economic resource generates specific measurement difficulties. Measuring the cost of producing knowledge and the proceeds of “sold knowledge” is necessary, but clearly not enough to understand the economic aspects of the existence of knowledge. Therefore, with limited economic resources, the available budget architectonics will have to decide on the priority of measures, on priorities in the implementation of an innovative project. The national doctrine of the development of education in the 21st century, the law on higher education and other regulatory documents should be the guiding light[6].

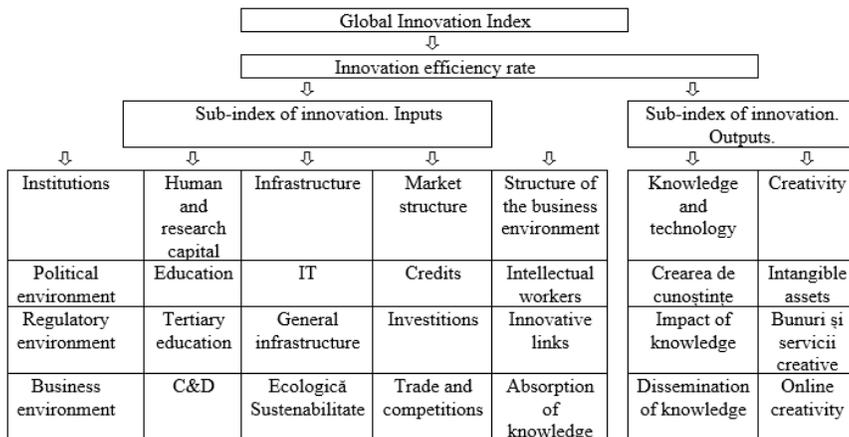


Fig. 1. Framework of the Global Index of Innovation [1]

A knowledge society – is a dynamically developing society, whose qualitative uniqueness is determined by the action of a combination of factors, including the following:

1. Broad awareness of the role of knowledge as a condition for success in any field of activity.
2. The presence (among social actors at different levels) of the constant need for new knowledge necessary for solving new problems, creating new types of products and services.
3. Efficient functioning of knowledge production and knowledge transfer systems
4. Mutual stimulation of the supply of knowledge and the demand for knowledge (the offer seeks to satisfy the existing demand for knowledge and generate demand).
5. Effective interaction within organizations and society as a whole of systems / subsystems producing knowledge, with systems / subsystems producing a material product.

Fig. 2. Characteristics of the knowledge society in Israel [author's research]

Numerous studies on the innovative development of education thoroughly cover organizational and managerial decisions, the economics of higher education, but the theoretical and methodological component of innovation, the motivational sphere, it seems to us, did not receive due attention, which determined the goal of our research. In the UNESCO report “Towards Knowledge Societies” (2005), the concept of lifelong learning is associated with the notion of “learning society”, the introduction of which the authors of the report refer to the works of R. Hutchins (1968) and T. Hoesen (1974) [2].



Fig. 1. Growth has been strong [4]

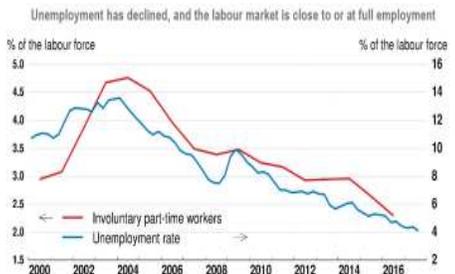


Fig. 2. Employment is growing [4]

The aspects of the competence-based model of education are viewed by us in the following provisions:

- Knowledge management should be pragmatic; it should accompany the entire movement of the professional development of a person: from acquiring knowledge in the audience to translating it into the latest technologies, the real economy. The competence of the individual is the main resource of the economic and technological breakthrough[8].

- In our research, we will proceed from the definition of competence as a generalized personality characteristic, expressed in the ability to systematically implement the acquired knowledge and skills in professional activities and at the same time manifest social and personal qualities.

- Personality - the highest mode of human existence, which implies social existence, therefore, along with professional competence, a graduate must have the skills of social adaptation, such competencies as civics, morality, communication, tolerance, teamwork, public relations, etc., each is an indispensable condition for productive realization of professional knowledge with a socially active position.

- The post-industrial society postulates information as a real productive force. The term "post-industrial economy" is used to designate a society that has replaced an industrial one. Scientists call the current stage of economic development differently - "new economy", "information economy", "innovative economy", "nano-economy", "e-economy", "network economy", "knowledge-based economy". In today's globalized world, English is the generally accepted medium of information. The concept of post-industrial society, according to Bell, includes five main components:

▪ In the economic sector - the transition from the production of goods to the expansion of services;
▪ In the structure of employment - the dominance of professional and technical classes, the creation of a new "meritocracy"
▪ The axial principle of society - the central place of theoretical knowledge;
▪ Future orientation - the special role of technology and technology assessments;
▪ Decision-making on the basis of a new "intellectual technology".

Fig. 3. The concept of post-industrial society, according to Bell [authors' research].

The nature of competence is such that it can be achieved only if there is a deep interest in the chosen field of personal realization. However, interest, motivation as an internal motivation for activity can arise only on condition that one realizes the real opportunities of achieving the goal. Without a vision of real means of achievement, no goal is set[9]. Traditionally, domestic pedagogical science sets in the forefront "the formation of such a comprehensively developed person who would more or less harmoniously combine his interests and his professionalism with common values and interests (national, universal, environmental, etc.)." What is mentioned above can contribute to updating of the creation in

society of request for competitive personality as well as person; incentive systems of material and moral character.

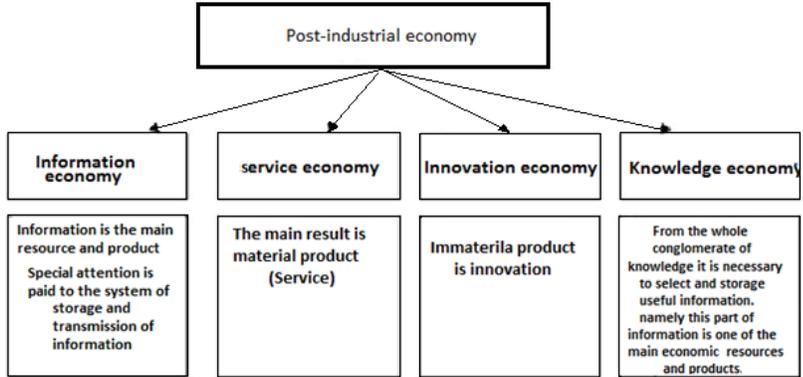


Fig. 4. The scheme of the essence of the post-industrial economy [author's research]

- Motivation depends on the coherence of personal and social value systems. The inconsistency of the content of competence with the public requests for personal characteristics of the graduate, his right to self-realization may entail a loss of faith in the social significance of competence, and even cause nihilistic moods. Loss of confidence in personal abilities, disappointment in professional competence can result in, at best, social passivity, paternalistic moods, and at worst - frustration, and even deviant behavior.

- In modern realities, the abolition of a de facto material incentive (scholarships) to study, gaining knowledge and skills, the uncertainty of the prospects for professional development, career growth have become a powerful motivational factor for professional competence. In a market state, the principle "Knowledge is money. Moreover, this knowledge is not managed by the state, but by private individuals" [5]. We agree that this is a convincing orientation towards pragmatism, the effective realization of knowledge, a worthy reward in a competitive environment. In the opinion of David Ben-Gourion, "scientific research and its results are no longer just an abstract intellectual purpose ... but a central factor ... in every civilized people's life" [7].

- Overcoming the latent conservatism of teachers is seen through improving the system of incentives, aimed not only at their own professional and scientific improvement, but also at stimulating learning, independent research work of students. First of all, it makes sense to set material welfare, career growth of a teacher in dependence not only on the quantitative indicators of the academic load, but also on the qualitative characteristics of the activity: professional skills, student performance based on the results of independent assessment, scientific achievements (their own and students'), and the like.

Conclusions. According to the author's research, the formation of a new quality of education does not fit into the traditional methodology, the well-established recognition of development as an objective regularity. Like many other small countries, Israel had to clearly define its policy in the field of science and technology in order to ensure its competitiveness. In the area of science, Israel promotes the creation of some centres of excellence around some well-known researchers in a wide range of disciplines. In technology, Israel reaches the highest levels concentrating its efforts on a limited number of fields. The percentage of population involved in research and development (R & D) reported to gross national product (GNP) is one of highest in the world.

The postmodern situation clearly demonstrates chaos as a necessary stage of development. However, an innovative project for the development of education in synergistic refraction is seen as a combination of regularity and randomness. Each new step in the formation of a new paradigm of education is burdened by the painful process of destruction of established technologies, structures and the emergence on their basis of new, but again, dissipative structures, phenomena. This means that one theory or one approach to the realization of innovation cannot dominate; only a range of possibilities, scenarios

(attractors) is created, which lead to paradigmatic changes in education. That is, we are talking about a combination of objective determination with a subjective choice - a harbinger of a new state. It is important not to make mistakes with this choice given the perspectives of civilization transformations pointed out by A. Toffler: "Our education system has not yet adapted itself to the industrial age, and a new industrial revolution is coming" [10]. Education should be proactive, seeing in the present the possible - the challenges that society will face in the near future. Therefore, the perspective of the chosen research topic is evident both in the correction of the recommendations developed and in the further deepening the study of the issue of knowledge management.

Future Shock is about the present. Future Shock is about what is happening today to people and groups who are overwhelmed by change. Change affects our products, communities, organizations—even our patterns of friendship and love.

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INSTRUMENTATION OF ABC ANALYSIS IN THE FORMATION OF ASSORTMENT POLICY OF THE ENTERPRISE IN FOREIGN MARKETS

Abstract. The article deals with the theoretical foundations of the main content and the feasibility of using such controlling instrument as an ABC analysis. An example of the export position of services in the Ukrainian economy and cable manufacturer practically are applied ABC analysis. At the macro and micro levels strategic directions for assortment policy development in foreign markets in order to intensify foreign trade activity are developed by the author.

Keywords: foreign trade activity, export policy, assortment of the enterprise, foreign markets, strategic directions of activity.

Transformation processes and integration of Ukraine into the world's high-tech industries encourage enterprises not only to increase the efficiency of production activities, but also to develop and search strategic directions for improving the efficiency of foreign trade activities. Under these conditions, competition in both domestic and foreign markets becomes wider, becomes more rigid, so Ukrainian enterprises must effectively coordinate business processes, focus their efforts on improving product quality and expanding foreign trade relations.

Currently, the cable industry is one of the most advanced sectors of the Ukrainian economy. Innovation in science and technology prompts manufacturers not only to diversify cable and wire products, but also to constant technological developments, which is a component of increasing the competitiveness of the enterprise itself. But due to the unstable crisis phenomena in the domestic market, the issue of cable companies' exit to international markets, the formation of an effective assortment policy and strategic directions of activity, which ultimately requires new approaches and tools for increasing the efficiency of foreign trade of enterprises, is acutely raised.

The aim of the article is to explore the innovative approach to shaping the assortment policy of the company in entering the foreign markets as ABC-analysis.

Theoretical foundations. To effectively manage company export product policy is appropriate to use the ABC analysis. This toolkit provides systemization enterprise product categories, identifying the strengths and weaknesses of their population. Assortment policy-conductor cable company – a professional activity in the direction of commodity market saturation that funduyetsya strategic planning and coordination aimed at meeting consumer demand with a focus on optimizing the range of products and increase enterprise efficiency

The process of building an effective system of assortment policy of the company affected by the following factors:

- economic, representing the following: the level of solvency of the population, pricing policies; the level of provision of durable use;
- social, consisting of the following elements: social and professional level and structure of the population, science, education, culture and trends;
- demographic, which mainly involve changing population, the figure will be the place of residence, gender, age, family composition;
- natural, which include environmental conditions, physiological properties of the people;
- technological, capital intensity and naukomistkist products, technological equipment, materialopostachannya conditions, transport bases.

The above ABC analysis in this case you have to characterize ranking headings enterprise-defined criteria and emphasize that part of the range that reflects the maximum effect. The main content of ABC-

analysis is based on the Pareto principle, semantic description of which is as follows: 20% effort is the result of reflection of 80% and the remaining 80% – 20% is the result that 20% of all headings providing 80% of turnover. Practical application of Cable-conductor company offers a potential way to classify products according to the degree of efficiency by dividing into three categories: A – the most valuable (80% of sales), B – intermediate (15% of sales), C – the least valuable (5% of sales) [1, p. 112; 2, p. 13-15].

Presentation of the main research material. Since the foreign trade in Ukrainian enterprises is characterized by a positive balance. According to statistics the most striking examples of Ukraine's trade partners in the export of services to the EU countries can be noted Great Britain – 5.5% (air, rail, computer, information, professional and consulting services), Germany – 5.0 % (services for the processing of goods for the purpose of selling abroad, air transport, computer services, road transport), Poland – 2,8% (services for the processing of goods for the purpose of selling abroad, road, air, sea, rail transport) and Kip – 2.6 % (rail transport services, computer services related to trade and intermediary services, other support and additional transport services, professional and consulting) [3].

We will conduct a detailed ABC analysis in order to identify the grouping of the priority directions of export services of Ukrainian enterprises in the implementation of foreign economic activity (Table 1).

In conclusion, the most important types of export services is bringing maximum benefit from foreign trade (category "A") include: Pipeline transportation services for the processing of material resources, computer services, air transport, business services, maritime transport services, rail transport total cost, which constitute 83.67% of total exports.

The category "B" includes services that make up 13.57 % of the total export of services and have an intermediate character to benefit from foreign trade in services, such as: road transport services, information services, repair and maintenance, not assigned to other categories of services related to travel, other auxiliary and additional transport services.

Services group "C" category includes 2.76 % of services that are exported to other countries (telecommunication services, construction services, services related to financial activities, insurance services, postal services and courier services, royalties and other services related to the use of intellectual property, services to individuals, cultural and recreational services, government services and government) and is ineffective for Ukrainian foreign trade enterprises.

Table 1.

ABC-analysis of the commodity structure of export services at Ukrainian enterprises, 2017

Services	The share in 2017,%	Increase the proportion in %	Category
Pipeline transportation services	28.07	28.07	A
Services in processing material resources	13.29	41.37	
Computer services	12.28	53.65	
Air Transport Services	10.22	63.87	
Business services	8.63	72.50	
Maritime transport services	5.73	78.23	
Railway transport	5.44	83.67	

Road Transport Services	2.56	86.24	B
Information services	2.42	88.66	
Repair and maintenance, not included into other categories	2.28	90.94	
Services related to travel	2.27	93.21	
Other auxiliary and additional transport services	2.25	95.46	
Telecommunication services	1.78	97.24	C
Building services	0.96	98.20	
Services related to financial activities	0.69	98.90	
Insurance Services	0.37	99.27	
Postal services and courier services	0.29	99.55	
Royalties and other services related to the use of intellectual property	0.27	99.83	
Retail banking, cultural and recreational services	0.14	99.96	
State and government services	0.04	100.00	
Amount	100	-	

Source: calculated by the author on the basis of [3].

Today, competitive international markets need high-tech goods and services. Among the Ukrainian sectors of the national economy, enterprises of cable production have been rapidly developing. Cable products are characterized by widespread use in telecommunication and telecommunication networks, which are of great importance in engineering, mining and construction. For the Odessa region one of the most striking examples is PJSC "Odessa Cable Plant Odeskabel", which belongs to highly profitable enterprises in this field.

The foreign markets in 2017 were the following countries: the Russian Federation, Moldova, Belarus, Armenia, Azerbaijan, Czech Republic, Slovakia, Georgia, Algeria, Austria, Italy, Spain, Poland, Romania, Germany, Norway and Israel.

So, as we believe the strategic directions of improvement of export policy of PJSC "Odeskabel" expedient to introduce the following algorithm (Table 2).

Table 2.

Preliminary estimate ABC-analysis businesses export headings "Odeskabel", 2017

The range of export cables	Indexes	
	Exports, thousand. USD.	Specific weight, %
Exports total:	481,767.00	100.00
from it:		
Cable access abonentskoho OCT-D	55320.82	11.48
Cable subscriber access Okada M (D)	25145.83	5.22

Continuation of table 2.

Cable subscriber access Okada-MM (DD)	20116.66	4.18
Hanging fiber optic cable OKL8	17964.95	3.73
Unarmored fiber optic cable EDO	11823.18	2.45
Armored fiber optic cable OKLBh	24372.11	5.06
S / FTP 4Pr Indoor	59899.85	12.43
S / FTP 4Pr Outdoor	119,172.94	24.74
Power cables with XLPE insulation 6-35 kV	52066.58	10.81
Power cables insulated with XLPE APvVh, PvVh for voltage 6-35 kV	34683.95	7.20
Power cables insulated with XLPE APvVh, PvVh for voltage 6-35 kV	14902.31	3.09
Wires self-supporting isolated	15588.47	3.24
Wires self-supporting isolated 5	13829.16	2.87
Wires self-supporting insulated SIP-1, SIP-2	16880.18	3.50

Source: calculated by the author on the basis of [4].

Initial data for calculating ABC-analysis export range of cable products company "Odeskabel" are shown in Table 3.

Table 3.

The results of the ABC-analysis businesses export headings "Odeskabel" in 2017

Indexes	Exports, thousand. USD.	Specific weight, %	Increase the proportion %	Category
Exports total:	313548	100	-	
S / FTP 4Pr Outdoor	119,172.94	24.74	24.74	A
S / FTP 4Pr Indoor	59899.85	12.43	37.17	
Cable access abonentskoho OCT-D	55320.82	11.48	48.65	
Power cables with XLPE insulation 6-35 kV	52066.58	10.81	59.46	
Power cables insulated with XLPE APvVh, PvVh for voltage 6-35 kV	34683.95	7.20	66.66	
Unarmored fiber optic cable EDO	11823.18	2.45	100.00	

Cable subscriber access Okada M (D)	25145.83	5.22	71.88	A
Armored fiber optic cable OKLBh	24372.11	5.06	76.94	
Cable access abonentskoho Okada-MM (DD)	20116.66	4.18	81.11	
Hanging fiber optic cable OKL8	17964.95	3.73	84.84	B
Wires self-supporting insulated SIP-1, SIP-2	16880.18	3.50	88.35	
Wires self-supporting isolated	15588.47	3.24	91.58	
Power cables insulated with XLPE APvVh, PvVha for voltage 6-35 kV	14902.31	3.09	94.68	
Wires self-supporting isolated 5	13829.16	2.87	97.55	C
Unarmored fiber optic cable EDO	11823.18	2.45	100.00	

Source: calculated by the author on the basis of [4].

According to calculations the biggest effect is the criterion of exports, which manifests itself in the 81.11% income from foreign trade include the following headings category "A»: S / FTP 4Pr Indoor, cable subscriber access OCT-D cables with XLPE insulation 6- 35 kV cables with XLPE insulation with APvVh, PvVh for voltage 6-35 kV cable subscriber access Okada M (D), armored fiber optic cable OKLBh cable subscriber access Okada-MM (DD), S / FTP 4Pr Outdoor.

The category "B" to the size of 13.57% got an assortment of the following: overhead fiber optic cable OKL8, self-supporting isolated wires SIP-1, SIP-2 self-supporting insulated wires, power cables insulated with XLPE APvVh, the voltage PvVha 6 -35 kV.

Category "C" (5.32%) range is as follows: nrovid self-supporting isolated 5, unarmored fiber optic cable EDO.

Conclusions. Consequently, on the basis of the analysis of the assortment of exported products of PJSC "Odeskabel", the use of ABC analysis in the formation of sales for the export of cable and wire products of the enterprise is proposed. Since products of category "A" are under the tendency of growth to increase the market share, it is advisable to apply a strategy of differentiation, that is, to increase the output of modifications of cable products by 4-5% in the following assortment groups: SOC / SFTP 4Pr Indoor, cable subscriber access OCT- D, cables with power from XLPE isolation 6-35 kV, power cables with isolation from cross-linked polyethylene АПвВг, ПвВг for voltage 6-35 kV, cable subscriber access OKAD-M (D), armored fiber optic cable OKLBg, cable access subscriber OKAD -MM (DD), VOC S / FTP 4Pr Outdoor.

For the products of the category "B" (hanging fiber optic cable OKL8, self-supporting insulated SIP-1, SIP-2 self-supporting insulated conductors, power cables with isolation from cross-linked polyethylene АПвВГ, ПвВг for voltage 6-35 kV), it is expedient to apply a growth strategy together with the market, that is, support for investments at the level of last year in terms of volume of sales (increase of sales rates by 1-2%);

Cable products of the category "C" (conductive self-supporting insulated 5, uncontrolled fiber optic cable OKL) loses its position in foreign markets. More often, economists rely on radical methods of the relevant category of goods and recommend the withdrawal from production or the strategy of diversification - a reorientation to new types of goods. Taking into account the specifics of the cable industry and economic indicators

PJSC "Odeskabel", then the strategies of differentiation and advertising become especially meaningful.

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EVOLUTION OF A SINGLE COMMODITY MARKET OF EU COUNTRIES: IMPACT OF LIBERALIZATION

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Abstract The creation of a common market of the countries of the European Union was aimed at creating conditions for the free movement of goods between the countries of the community. In general, to date, the European Union has achieved its goal - most of the physical and fiscal barriers, technical and quantitative restrictions have been abolished. However, it should be noted that some issues of regulation and unification of the single market of goods were rather complex, so today they do not lose their relevance. The article attempts to investigate the evolution of the single market of EU goods and to assess the consequences of increasing the degree of liberalization of goods movement.

Keywords: single market of goods, free trade, physical barriers, technical norms, fiscal constraints, harmonization of standards.

The common market of European countries was created based on the Treaty of Rome, according to which provisions within the European Community should be created opportunities for free trade in the movement of goods. Such a step allowed to create a solid foundation for the formation of a common economy, however, as in any movement towards integration, the formation of a single commodity market was accompanied by certain problems. This is a complex field that requires the harmonization of countries' policies in various areas, including the issue of physical and fiscal barriers in trade, technical regulations, taxes and measures equivalent to quantitative restrictions. That's why, although today it is considered that the common EU goods market has already been formed, there are still unresolved issues that require the development of additional regulatory documents and a coordinated policy between EU governments.

The aim of the article is to study the evolution of the formation of a single commodity market of EU countries, to determine the advantages of a single commodity market, and to identify the impact of liberalization on mutual and foreign trade of the EU.

Presentation of the main research material. First of all, it's needed to dwell on how the EU countries solved the problem of physical and fiscal barriers to trade. Community documents defined that the freedom of movement of commodities within the EU is carried out on the basis of Article 3 (1) (a) and (c), 14 23-31, 90, 37, 95 Agreement on the European Union - this applies to commodities that have origin in member countries as well as commodities originated in third countries that move freely in the partner countries (art. 23 (9), para. 2).

At first, the free movement of goods was an element of the customs union; later, the focus was made on eliminating all barriers to the freedom of goods movement. Among the main barriers should be highlighted:

- physical barriers;
- technical barriers;
- fiscal barriers;
- multicurrency;
- market control.

Physical barriers are barriers connected with border control and customs control over the goods movement and the movement of individuals. Its removal meant the elimination of border and customs posts at the internal borders between countries and the movement of border points to the external borders of the EU. According to experts, before the formation of a common commodity market, the Community countries annually lost about 9-11 billion ECU. Solving the problem of physical barriers in mutual economic relations of the countries allowed to keep the named amount and reduced delivery time. In addition, there were significant administrative barriers - companies were forced to fill out 10 varieties of forms of foreign trade documents in all EU countries.

Customs formalities were abolished in the period 1985-1992, the transit procedures were simplified, joint border posts were introduced at the external borders. In 1988, a general administrative document was introduced, which simplified administrative formalities. Border control was eliminated at the internal borders of the EU since January 1 in 1993. In general, since January 1993, physical barriers were removed, it simplified the conduct of trade operations in Europe, reduced time for delivery and costs in trade.

An important issue was the solution of the problem of harmonization of national tax systems. Each state, taking into account the principle of national sovereignty, had the freedom of determining the specifics of national tax systems, rates of direct and indirect taxes, and a policy for collecting tax revenues. In the EU, the existence of various tax rates on profits of enterprises and individuals, VAT rates, excise duty creates obstacles for the mobility of four factors (goods, services, capital, labor) and the efficiency of the internal market's functioning.

Formation of a single tax system of the European Union - is one of the most important tasks of creating a truly single market, but states must abandon tax sovereignty (that is too important for any country) and conduct tax harmonization (for which there are significant concerns). That is why the opposition from the states significantly limits the possibility of achieving progress in the tax sphere. In accordance with Article 99 of the Treaty of Rome on the Establishment of the EEC, should be developed measures to convergence indirect taxation. In 1967, instead of the turnover tax, was introduced the value-added tax. In April 1967, two directives were adopted that formed the framework for the introduction of a joint multi-stage value-added tax, giving the participating countries the right to determine the rates and the basis for calculating VAT.

In 1970 it was decided to subsidize the EEC's activity from its own resources, including VAT deductions collected at the internal borders of the Member States, in the amount of 1%. In 1971, the Council Resolution was approved, which confirmed the need to create a common space with the free movement of goods, services and capital, and stressed the importance of a common tax base for achieving this goal. But countries could not agree on the introduction of a joint VAT rate. The Sixth VAT Directive (1977) defined the general framework for calculating tax and detailed conditions for a joint tax base, as well as transitional conditions. In January 2007, the Sixth Directive from VAT was replaced by the VAT Directive:

- consolidated all legislative acts into a common framework;
- guaranteed the procedure for calculating VAT, which is calculated in each country into a single EU budget;
- allowed to introduce exceptions and reductions from the standard VAT base.

The right to determine the VAT rate was reserved for member countries. The fixed minimum rate (works since 1997) is 15%. Tax base, with which calculates VAT, differs in different countries. Therefore, VAT is calculated on the basis of the country origin. The Commission also adopted a transitional VAT system, the essence of which is the existence of various national indirect taxation systems, but without using border control measures. The strategic goal of the transition system - is to develop a common VAT system, in which the tax is charged by the seller of the goods on the basis of the country origin. It is based on the principle of origin for the sale of goods to individuals who ultimately pay this tax. Exceptions relate to the purchase of new vehicles, distance sales (via electronic means), agreements between taxpayers. A VAT system based on the principle of destination of goods continues to be applied to them.

In addition to VAT, harmonization was made regarding excise tax rates on products such as alcoholic beverages, tobacco products, and hydrocarbon oils. In 1985, was approved in the report of Cockfield, who identified measures for achieving coordination of all indirect taxes. In 1991, a single excise tax was established by analogy with VAT. Indirect taxes are included in the price of goods or services. If the differentiation of tax rates is significant, then the difference in prices for the same goods will be significant, which affects their competitiveness. In general, EU countries have made some progress on indirect taxation, which is not the case with direct taxes.

Thus, the problem of fiscal barriers appeared to countries since the creation of the customs union, when in 1970 a unified system of indirect taxation based on value-added tax was introduced. Nevertheless, the transition to a single system does not mean the introduction of a single VAT rate, differ in different states significantly (Table 1).

Table 1

VAT rates in EU countries in 2017,%

Country	Prime rate %	Reduced rate%	Concessional reduced rate%
Austria	20	10 / 13	–
Belgium	21	6 / 12	–
Bulgaria	20	9	–
Great Britain	20	5	–
Hungary	27	5 / 18	–
Germany	19	7	–
Greece	24	6 / 13	–
Denmark	25	–	–
Ireland	23	9 / 13,5	4.8
Spain	21	10	4
Italy	22	5 / 10	4
Cyprus	19	5 / 9	–
Latvia	21	12	–
Lithuania	21	5 / 9	–
Luxembourg	17	8	3
Malta	18	5 / 7	–
Netherlands	21	6	–
Poland	23	5 / 8	–
Portugal	23	6 / 13	–
Romania	19	5 / 9	–
Slovakia	20	10	–
Slovenia	22	9.5	–
Finland	24	10 / 14	–
France	20	5,5 / 10	2.1
Croatia	25	5 / 13	–
Czech	21	10 / 15	–
Sweden	25	6 / 12	–
Estonia	20	9	–

Source: compiled by the author [14]

Partial coordination of the VAT rate has been realized during the second half of the 1990s when in 1997 the EU has set the VAT standard at 15% (the minimum level below which the national VAT rate cannot be), and for socially important goods - 10%. The transition to the standard rate contributed to the elimination of tax barriers, however, it should be noted that the average VAT rate increased from 19.2% in 2000 to 20.2% in 2010. For ten years, VAT rates have not changed in 13 countries of the European Union, increased in 12 countries, and only in two (Slovakia and the Czech Republic) decreased.

Countries retained the authority to collect taxes, and in August 2010 it was proposed to introduce a common European tax (for example, financial transactions) to finance a single European budget. Potential creation of a single tax system should have the following consequences:

- for companies and individuals - tax cuts;
- solving the problem of double taxation of companies operating in several partner countries;
- solving this problem towards individuals and financial resources involved in cross-border transactions and operations.

But with all the advantages of such a system, it has disadvantages:

- inadequate economic priorities of individual countries, what cannot but affect the differentiation of tax rates;
- national tax sovereignty, which is owned by each state, requires control over national tax systems, which reduces the possibility of supranational regulation and decision-making.

After the abolition of customs formalities and border control, technical barriers remain the main obstacles to the achievement of the final freedom of goods movement. They have a great diversity in individual countries and are constantly evolving. Directions for their elimination are as follows:

- 1) monitoring compliance with the principle of mutual recognition of technical rules on the principle of mutual recognition, which is defined in the Treaty on European Union;
- 2) harmonization of standards and rules that would contribute to the implementation of the principle of a qualified majority when making decisions and approving a new approach to harmonization.

Technical barriers include numerous industry standards that are subject to national regulation, sanitary and veterinary and phytosanitary standards, technical safety requirements, health standards, and the like. They are subject to harmonization, which began in mid-1968 with the completion of the creation of the Customs Union. The process of harmonization of national standards and regulations with the requirements of international regulatory documents takes a lot of time, requires significant costs for the modernization of production and the preservation of jobs. In the end, it was decided to use two directions:

- harmonization of national technical standards in accordance with international standards;
- introduction of the principle of mutual recognition.

The last principle applies to most European products. Its essence is in following - if good produces and sells in one state on a legal basis (as confirmed by the certificate of quality), it can be transferred to the market of another state for the purpose of sale. This principle covers not only trade in goods, but also trade in services.

Mutual recognition is an important tool for promoting free trade between countries. This principle guarantees the observance of national regulatory standards in the other Member States and allows them to compete on equal and fair basis. Until 1992, regulatory formalities in trade were minimal, they had the greatest impact on small and medium enterprises due to the different nature of national standards in such areas as the *acquis communautaire* (community law), intellectual property rights, technical standards, and quality certificates. Therefore, the use of various technical standards in mutual trade reduces it by 10%, or 150,000,000,000 euros annually. If a compromise between countries is not possible, the EU applies new approaches to the elimination of technical barriers to trade, until a common package of commitments has been agreed that are coherent and do not fall under the principle of mutual recognition.

The main principles applied in the EU when defining technical standards are called product-by-product and component-by-component. With this approach, progress on technical harmonization is minimal, since it was extremely difficult to obtain agreement on the adoption of directives and required numerous consultations. The old approach is mainly used for a limited number of goods (motor vehicles, chemical products, pharmaceutical products, food). Back in 1987, the practice revealed the ineffectiveness of such an approach to the harmonization of technical standards. The reason is connected with the rapid development of new national regulatory acts in comparison with the rate of adoption of the EU Directive on their harmonization. A new approach to the harmonization of technical standards was designed to overcome the costs of the old one and was developed in 1985 (called the CE marking).

In the Directive on the new approach to technical harmonization, technical details were not defined, but general criteria were formulated:

1. Harmonization of legislation is limited to the adoption of safety standards (or other general rules), according to which goods entering the common market must meet standards. The main advantage of the new approach is a preliminary assessment of the conformity of products to the criteria developed. Member States may adopt additional rules for certain product groups, provided that such measures help protect consumers and protect the environment.

2. Development of technical characteristics that are important for the production and transfer to the market of goods that meet the main criteria defined in the field of standardization.

3. Technical specifications are optional and maintain the status of voluntary standards.

4. National authorities have the right to determine the goods produced in accordance with harmonized conditions. The manufacturer of the goods has the right to produce goods according to national standards or not. However, he must prove that his products comply with EU directives.

Of course, it is almost impossible to adopt legislative rules for each product, so the EU made a decision on the general principles and conditions for the development of European legislation, harmonization of product marketing standards. This document sets forth the general obligations of economic entities and the rules of European labeling, which visually confirm the compliance of the product to European technical standards.

Since 2007, a new approach to technical harmonization of goods covers more than 20 industries (electrical goods, radio and telecommunications equipment, toys, medical equipment, building materials, high-speed rail systems). The total turnover of the new approach exceeds 1,500 billion Euro annually. The introduction of a new approach to the harmonization of technical regulations has stimulated the improvement of standards at a faster pace than the preparation of draft regulations. It has become an important tool to facilitate trade in goods. However, the costs of the new approach are obvious, which consist in the improvement of labeling and the assessment of product quality.

For the implementation of a new approach to technical harmonization, a common policy in the field of standardization is needed. Standard is created by the European authorities for the development of technical specifications, which corresponds to the criteria of developed countries. Standards are the result of an agreement between manufacturers, users, consumers, administrators, and so on. Such bodies include the European Committee for Standardization (CEN), and the European Committee for Electrotechnical Standards (NELEC), European Institute of Telecommunication Standards.

Another solution to the technical regulation problem is the principle of mutual recognition, which is defined in Directive 2004/9. According to its rules, a country cannot prohibit the sale in its territory of products that are legally selling in other member countries, even if it is produced in accordance with technical rules that differ from those that are fixed in the rules of domestic production. The only exception to the principle of mutual recognition of the restrictions defined in Article 30 of the EU Treaty (the protection of public morality or public safety, the protection of public health, animals and plants), or on the basis of other reasons of public interest.

The principle of mutual recognition refers to 20% of industrial production and 26% of mutual trade in manufactured goods. It should be noted that expenses of companies to assess the conformity of products is very significant. Their size depends on the type of product, technical characteristics, country's market capacity of the consumer and the size of the enterprise. Costs can reach up to 2% of the total commodity turnover of the market of consumer countries on average annually. The costs are higher for companies that do not specialize in the production of the one-type product because they do not benefit from economies of scale. Expenses of companies that comply with the principle of recognition can reach 10-15% of the total annual turnover.

The Regulation 765/2008 defines the procedure for marketing products manufactured within the EU and imported from third countries in order to meet high standards of public interest protection, including health, safety, environment, and consumer rights protection. The consumer, who sees the European CE marking on the product, receives confirmation that the goods were manufactured in accordance with European standards. In the year 2000, 28% of mutual trade in manufactured goods fell under the principle of mutual recognition.

In 1986-1992 in the EU there were about 280 regulations on the national market's openness. In some industries, the number of packages of norms and rules reached 12 (that is, it was adopted for each of the EU countries in that period), which were then replaced by pan-European norms. The implementation of these activities has reduced the cost of business marketing of goods in the market of the European Union. Most of all, this effect influenced the poorest European regions, which were distinguished by the most dynamic economic growth. The implementation of the principle of mutual recognition has been successful in industries that produce the safest products. The principle of mutual recognition plays a special role in such industries as the food industry, the production of electrical machinery, building materials, and the chemical industry.

Since June 2007, came into force the EU rules REARCH (Registration, Evaluation, Authorization, and Registration of the chemical substances) on chemical products and its safe use. This provision was aimed at improving the health of people and the environment based on the rapid detection

of chemical properties; promoting innovation and competitiveness of the EU chemical industry. Regulation enhances the industry's responsibility to manage risks, providing information about chemicals. The main reasons that contributed to the development of these rules are associated with a large number of substances that are produced and sold in the European market, for which there is a lack of information about the risks that pose a threat to health and the environment. The REARCH rules must be fully enforced within 11 years. The advantages are in reducing the number of diseases caused by poisoning by chemicals, which account for up to 1% of all diseases in the EU. It is estimated that a 10% reduction in the number of diseases due to this provision will lead to a reduction of 0.1% of the total number of diseases in the European Union countries, in absolute terms corresponds to saving 4,500 lives, the potential benefits are estimated at 50 billion euros for 30 years. Entry into force of the rules will lead to the expenses, which are estimated at 2.8-5.2 billion euros (direct and indirect costs) for 11-15 years.

Since 2010, new legislative strengthening for the free movement of goods has come into force, which has determined the tools for the introduction of European labeling and sanctions in case of violation of the rules and regulations. However, problems remained, among which it should be noted:

- Lack of confidence in the importance of this principle. In practice, national rules of business and administrative structures usually play the predominant role, often oversteering national regulations and standards and rarely common European principles of mutual recognition.

- Legal uncertainty of the scale of regulation of this principle. If there is no certainty regarding the goods falling under the principle of mutual recognition, most companies proceed from the conformity of products to national technical standards. There is no clear division of responsibility between the exporter and national authorities.

- Risk to entrepreneurs in another EU member state, i.e. exporters, entrepreneurs do not have clear, comprehensive information on market access, including the possibility of the principle of mutual recognition.

- Lack of dialogue between national authorities of various member countries on the issue of product technical regulation. There is an idea that for this purpose it is necessary to develop a pan-European address guide for the authorities, for entrepreneurs who seek to establish contacts in other states.

- Taxes and other measures equivalent to quantitative restrictions and customs duties. The duties and import quotas were abolished on July 1, 1968. However, this term was not met in relation to additional objectives concerning the prohibition of measures of an equivalent nature, harmonization of standards. Their elimination has become the main goal for achieving the freedom of movement of goods and the prohibition of activities equivalent to customs duties. In a broad sense, such measures include those that negatively affect imported goods. Alternatively, measures that have a similar effect of discrimination of imported goods in relation to domestic.

Thus, the EU court determined by the principle that any product, legally produced and sold in a country that is a partner of the EU, should have free access to the EU market. EU countries have retained the right to take measures equivalent to quantitative restrictions, based on universal economic reasons related to national security, public morality or the protection of public health, intellectual property.

In 2007 was adopted a document titled "Internal Market for Goods: The Basis of European Competitiveness", which developed four initiatives aimed at stimulating the goods movement and reforming the legal framework for the functioning of the internal market. These include:

- 1) the principle of mutual recognition, including the organization of the National contact points for goods in order to inform about existing technical standards and regulations, increase the transparency of information exchange between entrepreneurs to eliminate unnecessary elements of control and inspections;

- 2) market measures designed to help remove the sale of goods that do not meet approved standards, and facilitate the assessment of relevant goods. For this, it is necessary fully implement the principle of mutual recognition of certificates issued in accredited laboratories;

- 3) formation of a common framework for product marketing in order to strengthen the process of product conformity assessment;

- 4) regulation of vehicles that have an EU country as their country of origin. The complexity of this task is preserved due to the high level of bureaucracy.

The introduction of the Tabloid control system for the single market is of great importance in the implementation of the principle of free movement of goods, which led to a decrease by 2.1% of the total number of violations of the single market.

Facilitating trade in goods contributed to the very convergence of prices for products of similar quality in individual EU countries, such as shoes, clothing, alcoholic beverages. Prior to the introduction of the single currency, the euro in non-cash settlements (January 1, 1999) and cash turnover (from January 1, 2002), multicurrency remained in EU countries. At the beginning of 2013, 17 out of 27 (at that time) states of the European Union were in the euro zone. The presence of many national currencies was considered as a factor in the main expenses of companies in mutual trade, which was affected by the uncertainty in long-term business planning.

The introduction of the euro single currency contributed to the growth of mutual trade by an average of 5-10%. Some restrictions that remain in the mutual trade of EU countries include:

- import licenses;
- inspection and control;
- the need for national representation in the country of import;
- national bans to a certain range of goods;
- restriction of advertising;
- restriction on online purchases.

One of the problems on the way to the free movement of goods is associated with the constant improvement of the technical level and quality of industrial goods, with changes in consumer tastes, technological innovations, which require constant changes and amendments to legislation and technical norms and standards. It also affects the development of e-commerce, requires the formation of a common digital EU market. It is assumed that its absence causes an annual cost of European consumers in 500,000,000,000 euros, equivalent to 4% of GDP. Expanding the use of the potential of the Internet to buy and sell goods and services to increase mutual trade stimulates mutual turnover. For 2004-2007 years the number of consumers of goods and services through the Internet increased from 20 to 37%.

The commodity structure of mutual and foreign trade is shown in the table.

Table 2

The commodity structure of mutual and foreign trade

Commodity groups	Mutual Export, bill. \$	Share %	Foreign Export, bill. \$	Share %	Foreign import, bill. \$	Share %
Agrarian	384.61	12.57	110.25	7.21	140.77	8.41
Raw materials and fuel	263.91	8.62	114.07	7.46	462.96	27.67
Industrial goods	2362.84	77.23	1242.61	81.31	1013.61	60.57
Iron and steel	93.04	3,04	40.96	2.68	24.86	1,49
Chemical products	510.29	16.68	272.32	17.82	156.64	9.36
Other semi-finished products	270.67	8.84	113.65	7.44	82.41	4.92
Machinery, equipment and other means of transport	1080.67	35.32	634.10	41.49	476.77	28.49
Textiles	43.41	1.42	18.81	1,23	22.63	1.35
Clothing	75.12	2,46	21.68	1,42	85,00	5.08
Other industrial products	289.65	9,47	141.10	9,23	165.36	9,88
Total	3059.34	100.00	1528.27	100.00	1673.32	100.00

Source: compiled by the author [15]

One of the main indicators of integration is the share of interregional trade of member countries, equal in the EU 64.7% for exports and 56.1% for imports. In the 2000s the catalyst for increasing mutual trade was the adoption of general legislation aimed at harmonizing national regulations in certain areas.

However, the level of 2000 is still not exceeded. Growth in exports to third countries is more dynamic compared to EU mutual exports for 11 years.

In the mid-2000s, EU expansion from 15 to 27 (in 2013 to 28) of the states stabilized the dynamics of the foreign trade indicator. Trade in goods is a powerful incentive for the growth of industrial production in the EU. Trade and accounts for 25% of the total GDP of the EU-28.

Conclusions and perspectives for further research. The existence of unified standards in all Member States means the same procedure for the harmonization of goods in one country, recognized in other EU countries. Manufacturers only need to ensure that all varieties of goods comply with peers contained in the EU Directive. Components that do not comply with the law cannot be sold within the EU, including the country of origin. Harmonization acts as a guarantee of product quality and safety for consumers. Among other factors that have a positive effect on the commodity market, we should highlight the globalization of the supply chain. There are also negative factors, including the need to improve the related infrastructure in the field of transport and logistics.

The EU's international specialization in world trade is still concentrated in industry. In this area, there are also manifestations of certain problem points, which should include a decrease in the competitiveness of the production of television sets, textiles and clothing, while maintaining a strong position in the field of high-tech products. The EU accounts for 19.5% of the global market for high-tech products; medium technology (24%), that is, cars, chemical products, industrial equipment; serious positions of EU countries in the markets of resource-intensive products (22.3%), which is manifested in the export of food and beverages, metal products. The main problems are related to the non-tariff restrictions that European products face in third-country markets. It is estimated that in 32 countries there are 203 types of restrictions on European products. The greatest restrictions apply to the following European goods: textiles, leather, automobiles, electronics, appliances, metallurgical products, ceramics, wine, pharmaceutical products.

The competitive advantages of EU countries in the field of high technology have declined slightly. Countries have a high level of diversity in the fields of specialization. In industry, Germany, Ireland, and Italy have the highest comparative advantage. New members have expanded the sources of semi-finished products.

The creation of the internal market and the economic and monetary union, the expansion of the European Union have stimulated the deepening of integration processes. However, in recent years, the pace of European integration has slowed. The EU's share in world trade is declining compared to other leading global trade counterparties.

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PRECONDITIONS OF ENSURING THE COMPETITIVENESS OF MODERN MANUFACTURING ENTERPRISE

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Abstract The theoretical and methodical approaches to assurance of competitiveness of the manufacturing enterprise are considered. The most important parameters of its assurance are formulated and essence of problems in this field in modern conditions of managing is shown. The main assurance precondition of competitiveness of modern manufacturing enterprise is determined.

Keywords: modern manufacturing enterprise, competitiveness, factors of ensuring competitiveness, priorities, enterprise standards, ensuring preconditions of competitiveness.

Introduction. The consequences of the economic crisis, the inconsistent government policy of protecting domestic producers, the high level of moral and physical wear and tear of productive assets, and other factors in aggregate conditioned the urgency of the problem of ensuring the competitiveness of manufacturing enterprises.

Due to high requirements to product quality, poor quality management, low activity and efficiency of innovative activity, imperfect business processes and other reasons, a lot of manufacturing enterprises were not prepared for adequate active behavior in the market. Mostly it is due to the lack of deep understanding the actual problems and clear idea of the preconditions of ensuring competitiveness, that is, the preconditions, which can provide the manufacturing company with stable competitive positions in the market.

Theoretical and practical aspects of ensuring competitiveness are reflected in the works of both foreign economists and domestic researchers. At the same time, many issues of ensuring the competitiveness of manufacturing enterprises remain unresolved, that causes need of studying of modern problems in this area and defining the preconditions of ensuring competitiveness, that is, the preconditions, which would be able to provide the industrial enterprise with sustainable competitive advantages.

The purpose of research is to substantiate the essence of problems and determine the main preconditions of ensuring the competitiveness of the modern manufacturing enterprise.

Results and analysis. In the economic literature, two theoretical and methodological approaches to ensuring the competitiveness of manufacturing enterprise dominate: approach based on priority factors,

results of various activities in the field of enterprise competitiveness and approach, which assumes the identification of priority activities.

In accordance with the first approach, widespread in foreign theory and practice, the rating of factors of ensuring the competitiveness of the enterprise is set and which include [1]:

- stable level of product quality;
- high level of production;
- fast delivery of products;
- reliable delivery of products;
- low selling price;
- flexible design changes;
- flexible changes in production volumes;
- after-sales service.

According to another list the priority factors of ensuring the competitiveness of the enterprise are [1]:

- level of production;
- level of product quality;
- selling price of the product;
- ability to respond to consumer needs and compliance with their requirements;
- conformity to scientific and technological progress.

These factors are used as priorities during the development and realization of various enterprise strategies. If the management considers number one priority for ensuring competitiveness, the conformity of the product indicators with the requirements of consumers, they apply innovative strategy, if the cost of products, they use the economic strategy.

As a poll result of heads of leading Ukrainian enterprises, such as PJSC «Philip Morris Ukraine», PJSC «Bershad Integrated Brewery», PJSC «Ivano-Frankivskiy M'yasokombinat» and oth. from the most competitive industries (tobacco, beer, meat) and assessing the priority competitiveness factors at these enterprises (table 1), it has been established that the importance of ensuring the low selling price is the most important due to low demand, in particular, the solvent demand of domestic consumers. In addition, in recent years, service quality indicators have become important factors in addition to the quality and price of product sales. The fact that significant part of the Ukrainian market is under the control of foreign enterprises is a consequence of inadequate response to consumer needs of customers.

Table 1
Assessment of priority factors of ensuring competitiveness at leading manufacturing enterprises

Priority factors for ensuring competitiveness enterprises	Factor rank (from the highest 1st to the lowest 8th)		
	Manufacturers of tobacco products	Manufacturers of beer	Manufacturers of meat
Low selling price	3	1	1
Sustainable level of product quality	1	3	2
High level of production	2	2	3
Reliable product delivery	4	6	4
Fast delivery of products	6	4	7
Flexible changes of constructive solutions	7	5	5
After-sales service	5	7	6
Flexible changes in production volumes	8	8	8

According to the second approach, the priorities of ensuring the competitiveness of enterprises are [2, 3]:

- product design;
- quality ensuring the processes and products;

- standardization at enterprise level;
- regulation of quality costs;
- marketing promotion activities;
- ensuring quality and cost of service.

According to the majority of domestic economists, this approach today is the main one, so we characterize each of the priorities.

The priority of the design processes is determined by the current rates of scientific and technical progress, and their regulation involves achieving product indicators, in accordance with the requirements of consumers, eliminating the reasons of unsatisfactory state of product competitiveness until the period of development of its production.

Design of new types of industrial products may be carried out by scientific and design and research organizations. As a rule, modernization is performed by the producer.

Designing industrial products includes engineering forecasting, calculations, and experiments and represents a consistent combination of properties, composition, structure and principle of product using. The quality ensuring the processes and products should be permanent and based on creation of integrated system based on structured and well-coordinated program of actions of ensuring the product quality in accordance with the requirements of consumers and improving the efficiency indicators of production. The quality of processes depends on the performers, the means of production, and information. The quantitative indicators of the process are influenced by organizational, technical, environmental, economic, legal, social and psycho-physiological factors.

The key task during this activity is ensuring the minimum deviation of the actual quality indicators of processes from the given value. Data transmitted through feedback channels about inconsistency of quality indicators of processes and products, inform about the need for appropriate decision.

One of the priority activities, the organizational and methodological basis for ensuring the competitiveness of the enterprise, can be considered standardization at the enterprise level.

The company's standards include:

- collection, processing and analysis of data on product utility indicators, structure and state of the production process and other processes, which affect the level of its competitiveness at all stages of the movement to the consumer of these products;
- comparison of actual results of the company in the field of regulation of the competitiveness of products with normative values;
- preparation and decision making based on current and already gathered information on the factors influencing the competitiveness of products, impact on them;
- organization of planning and preventive measures.

The composition of enterprise standards is determined taking into account the details of the activities by type of work or by the objects of regulation.

Regulation of quality costs are performed by means of regulation of control costs and expenses connected with refusals of products.

The costs of control include the costs of preventing the production of low-quality products and the costs of assessing its quality.

The costs associated with product failures include costs due to manufacturer failures (loss of production from irreparable defects, its repair, claims to suppliers) and costs due to customer failures (costs associated with consumer complaints, technical correction of defects, costs of legal liability of the manufacturer for the production of low-quality products, in connection with its return to consumers or replacement).

An important priority in the regulation of competitiveness is the marketing promotion of product sales. It is aimed for ensuring the competitive advantages of products during its promotion, which is performed with the involvement of buyers through their information and promotion.

The formation of demand and the stimulation of sales involves advertising activities, public relations, sales promotion. From these elements, the manufacturer has to choose a structure, which would give the possibility to use the most important benefits of each.

The main tasks of marketing promotion can be considered the formation of image, rating increase of enterprise, trademark, informing about characteristics of products, stimulation of demand, notice about participation in exhibitions, etc.

Regulation of quality and cost of service is also a priority activity. Important is the choice of rational ways and means of delivery of products, justification of methods and types of warehousing

products, the organization of flows of products, ensuring the effective interaction of all subjects of the sales system, quality pre-sale and after-sales service.

According to the interrogated managers (table 2), the main priorities of ensuring the competitiveness of the enterprise can be quality management of processes and products and cost management for quality.

Considerable attention should be paid to improving the systems of marketing promotion of products, the work of service services, the development and use of enterprise standards for products and processes in solving the problem of ensuring the competitiveness of the enterprise.

Taking into account the obtained results, we formulate the most important, in our opinion, the parameters of ensuring the competitiveness of the modern manufacturing enterprise:

- high flexibility and the ability to respond promptly to shifts in consumer demand, continuous product upgrades;
- availability of high-tech production and the ability to produce products of the required quality with minimal costs;
- the necessary level of after-sales support, taking into account the growth of customer requirements;
- ability to promptly influence production costs;
- availability of effective enterprise management system capable of ensuring its competitive advantages and timely to respond to changes in the internal and external environment.

Ensuring the these parameters we connect with the development and implementation of competitiveness strategy, designed for 5 years or more, with the highest priority in the management of the enterprise, which must obey production, personnel, economic and all other strategies. Thus, we are talking about a new approach to building a business management system, approach of constant orientation to ensuring the competitive advantages. Achievements of many companies, such as «Sony», etc. is a consequence of reorientation of the management system.

Table 2

Priorities of competitiveness at the leading manufacturing enterprises

Priority activities	Rank of priority activities (from the highest 1st to the lowest 6th)		
	Manufacturers of tobacco products	Manufacturers of beer	Manufacturers of meat
Process management of product design	5	6	5
Quality management of processes and products	3	1	1
Standardization at the level of enterprises	6	4	6
Cost management for quality	1	2	2
Management of marketing promotion of products	2	3	4
Quality management and cost of service	4	5	3

It should be noted that the current conditions of economic activity of enterprises exacerbated competition for the markets, and for domestic manufacturing enterprises, the ensuring of competitiveness is relatively new process. Consideration of modern economic literary sources showed that today in the domestic and foreign theory and practice there is no single approach to ensuring the competitiveness of enterprises, and many of the published works devoted to the study of theoretical foundations and methods for measuring the level of competitiveness.

At the same time, there is a significant shortage of scientific researches devoted to the problem of integrated management of the competitiveness of enterprises as condition for ensuring sustainable and highly effective economic activity in the process of economic development, modernization of enterprises.

In time studying the problem of competitiveness, technical, economic, organizational and other issues should be considered.

In practice, many manufacturing enterprises in the issues of ensuring competitiveness are reduced to the solution of purely technical problems – design or technological. And the important aspects of

ensuring competitiveness, such as strategy formation, organizational, social and psychological peculiarities are not taken into account sufficiently, which significantly reduces the effectiveness of work to ensure the stability of the enterprise's position on the market.

Recently, in scientific works for the characterization of competitive relations in a number of sectors of the economy, the term "hypercompetition", which is understood as the multifaceted, dynamic competition, which is characterized by the erosion of trade margins, the dynamism of market development, the multifaceted nature of the interests of the rival parties, technicalization, aggressiveness of competing players in the market environment.

In these circumstances, the leaders of manufacturing enterprises have new challenges which require, on the one hand, knowledge of traditional management tools, and, on the other hand, the development of new approaches, techniques, methods and ways for diagnosing competitive environment, developing a concept of strategic management of the enterprise's potential, creating competitive advantages.

Our opinion is supported by other researchers [4, 5, 6], who also believe that under modern economic conditions, Ukrainian manufacturing enterprises should accelerate the process of creating competitive control systems, adapted to the peculiarities of modern market relations, to strengthen their strategic orientation.

At the same time modernization has key value.

Modernization means updating, change in compliance with new, modern requirements. This category defines change of the existing situation and the current opportunities, by modifications into the concrete object. It is obvious that if this term to apply to the enterprise, then it will mean updating of all parties of its activity.

According to us, modernization of the enterprise is the process of updating of all aspects of activity of the enterprise, transition from one form of managing to another providing at the same time its development and improving competitiveness. Its major principles are complexity and systemacity.

It is possible to allocate the following main directions of modernization of the industrial enterprise:

- modernization of production relations;
- modernization of production base;
- modernization of products;
- modernization of structure of production;
- modernization of commercial activity;
- modernization of innovative activity.

Improving competitiveness of the industrial enterprises during modernization is connected with necessity of solution of the set questions. For the purpose of definition of the most relevant of them for the Odessa region, negotiations have been held with heads of many enterprises of various industries and representatives of regional public administration during which it was offered to them to answer questions about the factors influencing on modernization processes, measures for increase of efficiency, the most often chosen strategic activities during modernization and other questions.

As a result, to major factors of external environment, constraining modernization, were carried: uncertainty in effectiveness of economic reforms and stability of economic situation; lack of priority of programs of modernization of the enterprises; low solvent demand; the infrastructure, which is insufficiently stimulating modernization programs and projects.

Internal factors, according to experts, are: low level of strategic thinking, management and planning; insufficiently effective work of marketing services; limited access to investment resources. Also difficult financial position and the outdated equipment was called.

The following activities were called strategic:

- restructuring of the enterprises and debts;
- increase in product sales;
- the choice of goods with great demand;
- the choice of the markets with unsatisfied requirements;
- elimination of inefficient elements of the enterprises;
- introduction of control system of quality;
- production specialization.

Activation of modernization processes at many manufacturing enterprises: food, chemical, petrochemical industry and other industries, in recent years, most of respondents explained existence of predictable, stable sales markets, fierce competition and investment attractiveness.

Modernization of manufacturing enterprises assuming implementation of necessary changes in all directions activity is directed to formation of the new relations in the sphere of management and production, by means of restructuring of the enterprises, reforming of control system, innovative ensuring production of competitive industrial output, formation of new relations of production, development of activity in the sphere of marketing and attraction of investment means.

Conclusions. For formation of such strategically oriented control systems it is necessary, in our opinion, to solve many scientific-methodical and practical tasks, namely:

- formation of the concept of management of the competitive potential of the company as a complex object of diagnosis, evaluation, forecasting;
- formation of tools for assessing own preferences with competitors in the market;
- improvement of the technology of enterprise competitiveness management, determination of the content of its functions, motivational mechanisms of modernization processes of the enterprise;
- definition of changes management methods that provide rapid adaptation to innovations in the conditions of modernization of the enterprise;
- organization of the process of formation and implementation the strategy of managing the competitive potential under conditions of modernization of the enterprise.

On this basis, we consider the main preconditions of ensuring the competitiveness of manufacturing enterprise to solve the necessary scientific and methodical and practical tasks, and to develop a mechanism for the adoption of effective managerial decisions, which is hampered by the lack of practical experience in managing competitiveness. In this regard, further research involves the scientific development of theoretical positions and practical recommendations for the adoption of managerial decisions aimed at ensuring the competitiveness of the manufacturing enterprise.

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THE INNOVATION POLICY AS MAIN FACTOR OF REGION'S ECONOMIC GROWTH

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Abstract. Economic growth, especially its long-run sustainability, has long been a focal point of academic researchers and policy makers. Numerous attempts have been made to provide a long list of factors that may have an impact on of region's economic growth. In the field of economics, research on growth theories sparked many empirical studies exploring how and to what extent innovation might contribute to region's economic growth. Thus, the paper extends the line of research attempting to link innovation to the region's economic growth by addressing some unexplored theories' questions.

Keywords: innovation, innovation policy, economic growth, innovation's theories, the neo-Schumpeterian approach.

Economic growth in region is most commonly measured using changes in the total value of goods and services produced by a region's economy or what is know as regional gross domestic product (GDP). Of course, since the size of regions varies this number is adjusted for the size of the population which provides a crude measure of the average individual's well-being. As we know, theoretical link between innovation and economic growth has been contemplated since at least as early as Adam Smith. Not only did he articulate the productivity gains from specialization through the division of labor as well as from technological improvements to capital equipment and processes.

Region's economic growth depends on a variety of factors. Among them are a region's rate of saving, increases in the stock of productive inputs, and technical change. Innovation bears most directly on technical change, and thus is a major determinant of economic growth. In a globalizing world in which rising population places growing pressure on the stock of natural resources, sustainable growth depends more than ever on how innovation can be nurtured. Innovation is what may be considered as knowledge capital, and it stands in distinction to traditional measures of capital, notably physical stocks.

In the process of globalization and regionalization, fundamental changes in the nature of the uneven economic development take place. The competitive struggle between such economic systems as a country, region and firm is exacerbated. In such realities, the economic potential and competitiveness of any state or region are ensured by a combination of factors, namely a very wide range of industrial, technological, financial, commercial, social and cultural opportunities, knowledge and skills. Therefore, accelerating the processes of globalization and regionalization requires the change of the theoretical concept in the context of finding an effective model for the formation of competitive regions of national economies. Because the theories that were used earlier (neoclassical and evolutionary theories) are no longer able to respond to current market challenges.

The paper's aim. Today, when the competitiveness of the firm, the region, the country is becoming more and more important, research into innovation policy as a main factor in improving the region's economic growth is relevant and scientifically sound. So, the aim of the paper is to extend the line of research attempting to link innovation to region's economic growth using different theories.

The main research material's presentation. Questions about the sources of economic growth have fascinated economists for many years. Neoclassical growth models posit that the rate of return on investment is a decreasing function of per capita capital stock, and per capita incomes across different countries should converge to a steady state in the absence of exogenous technological change. However, these predictions are somewhat inconsistent with observations from the real world. Without a doubt, technological advancement has become a major factor behind economic growth by, among other factors, providing new means to combine raw materials. It is unrealistic to attribute all the unexplained part of economic growth to exogenous technological shocks.

Several studies attempt to incorporate industrial innovation into models to explain economic growth. For examples, P. Romer showed that knowledge with increasing marginal productivity could be

an input in explaining long-run growth. In a competitive economic environment, intentional investments in innovation activities are motivated by market incentives. Treating technological changes as endogenous, P. Romer presented a model of the growth rate being determined by the stock of human capital, even though new technology is assumed to be no better than old (horizontal product innovation). In contrast, F. Aghion and P. Howitt developed a model in which vertical innovations make existing products obsolete, becoming the underlying source of growth through a process similar to creative destruction in which demand increases for the superior product, more than compensating at the macro level for the reduction in competitiveness of the product based on the old technology.

The innovation process has its own externalities. The accumulation of technological advancement enlarges the knowledge base and makes sequential innovations available. Knowledge flows and technological spillovers across economic agents benefit all firms including rival firms as well. Even when technological spillovers do not exist, an agent does not appropriate all the social gains from her innovation unless she can price-discriminate. In addition to the efforts made by profit-maximizing firms, academic research funded by public resources in universities and other institutions provides substantial inputs and spillovers into the innovation process.

Innovation activities do not only directly influence economy wide productivity, but also promote economic growth through spurring new business formation, which further promotes employment growth and other outputs. Innovation encourages and facilitates entrepreneurs to create new organizations in order to enter certain industries characterized by an entrepreneurial technological regime.

Summarizing the above, innovation can be considered important for potential economic growth. There are many reasons for this, but one factor could very well be knowledge transfer due to international trade. However, there is a limitation for such spillovers across countries. D. Audretsch and M. Feldman find that innovation spillovers tend to be localized in the sense that industries with a prevalence of knowledge spillovers have a high propensity to be clustered. For example, there may be important barriers to knowledge flow even between European countries.

So, economic development and transformation processes over the past 30 years have become more significant than before. Existing theoretical concepts are no longer able to give an economic forecast for the development of regions. That is, to date, only the formation of a new paradigm of regional development can meet today's challenges and cover all economic areas of the region, namely the industrial, financial and social sectors.

The neoclassical economy has long ignored the role of innovation in economic transformations, but since the mid-1980s, a new theory of economic growth has begun to analyze innovation as an "engine" for endogenous development in the region, a model that includes technology, knowledge, and research, that is, the main determinants of regional development.

The question of why is innovation so important to region's foreign economic activity has gained considerable attention from policy makers and academic researchers as a promising analytical framework for advancing our understanding of the innovation process in regional economies [1, p. 3]. There are two important reasons why innovation policy is so important to the regions, but also why the regional dimension is important to national level innovation policy. The first relates to the link between innovation, growth and economic performance and the second is associated with the fact that wide disparities remain in innovative activity between regions. As a precursor to this debate, though, the analysis can be viewed from two perspectives – a macro, theoretical largely top-down view of such relationships and a more bottom-up analysis of micro-level, empirical analysis of growth and change 'on the ground'.

In theoretical terms the link between innovation, knowledge and economic growth in region's foreign economic activity has long been acknowledged. From A. Marshall through to S. Kuznets there has been recognition that, directly and indirectly, knowledge changes economic activity and economic activity changes knowledge in constant rounds of change. However, how knowledge and technological change is seen to effect such change has shifted. Thus, early neo-classical approaches viewed knowledge and technology as being completely exogenous to the system and that the same technological opportunities were equally available to individuals and firms in all places. In turn, this was linked to viewing technology as being a public good implying that in the long run the rate of technological progress would be the same everywhere. In turn, growth paths of different countries or regions would also converge over the long term [2, p. 1221]. Figure 1 depicts the possible patterns of causal relations between innovation activities and economic growth [3, p. 5].

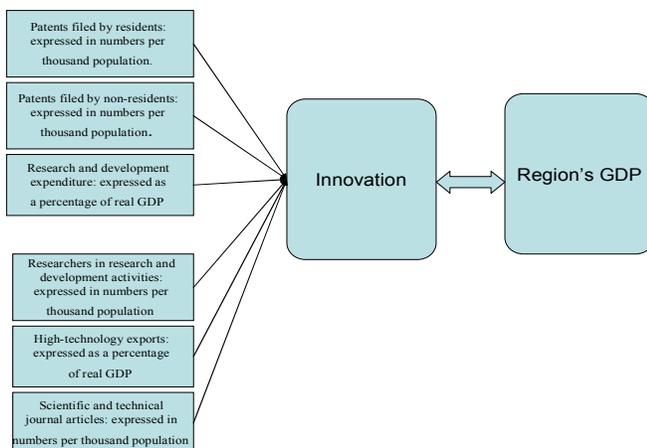


Figure 1. Conceptual framework of the causality between innovation and region's economic growth.

By contrast, newer growth-theoretic models have emerged based on endogenous and neo-Schumpeterian interpretations of economic growth. Thus, endogenous growth models sought to build into their models the endogenous component of technological progress as an integral part of the theory of economic growth; namely, technological progress is seen as arising out of directed actions and investments by people [4, p. 72] through the allocation of key resources linked to human capital and, more particularly, the amount of resources allocated to research [5, pp. 135 – 136]. Neo-Schumpeterian approach in turn introduced notions of monopolistic competition and the existence of intellectual property rights over new technology [6, p. 89]. Associated with both these two growth-theoretic perspectives was that technology should be considered more like a private good rather than a public good and the acceptance that there could be increasing returns to knowledge generation. Under this neo-Schumpeterian perspective in particular, not all countries or regions will be equally placed to generate and benefit from innovations and there will be strong tendencies for cumulateness. Innovation will therefore be a strong disequilibrating factor in the processes of economic growth, giving rise to the pervasive differential growth rates between geographical areas.

What may be seen as hybrids of both neo-classical and new growth models have also emerged. Thus, although Nordhaus' model acknowledged the private nature of technology in terms of patents and monopoly power, it still treated technology as being exogenous. Similarly, linear endogenous models exist which acknowledge that technology arises from the actions and investments of people, but treats technology as a public, non-rival good that is liable to spillovers. However, there have been further synthetic, moderated developments of such new growth models, in particular in two spheres. Firstly, there has been recognition that innovation and technological advance should include both endogenous and exogenous (to the system) elements [5 p. 136]. Secondly, there has been the realization that monopoly rents over technology remain incomplete and temporary. As such, technology has characteristics that become more like a public good over time and that knowledge and technology spillovers will occur. At the macrolevel there appears that this moderated view has been at least partially vindicated by empirical study. J. Eaton and S.Kortum have estimated that even for a large national economic system such as the United States, around half of its productivity growth comes from foreign technology improvements. Similarly, in terms of geographical spillovers and neighbourhood effects between nation states, studies have suggested that growth spillover effects (both positive and negative) do occur, and, linked in part to technology are evident in terms of certain parts of the world.

What about innovation and growth in terms of evidence at a more micro, empirical level? Firstly, there does appear to be a continuing link between innovation and economic performance. The second observation is that significant differences in innovative capacity still remain in Europe [7, p. 265] however, it is measured. Variations at a regional and sub-regional level of innovative activity remain significant and there is little evidence that there has been any substantial narrowing of the gap over recent years. Moreover, just as at the national scale, spillover effects do occur at a regional level as well. Thus, it has been revealed that areas close to existing successful innovative areas stand a much better chance of success; by contrast, poor regions surrounded by other poor regions do much less well in terms of economic performance. 'Innovation poor' regions will therefore, ipso facto, not benefit as much in terms of economic development and growth. Given that there are strong, cumulative feedback processes at work here, these regions will suffer in future rounds of innovative activity and investment and so can be locked into a 'vicious' circle of innovation stasis or decline.

What might we conclude from such a theoretical and empirical review of innovation and growth in relation to regions? Firstly, knowledge and innovation matter when it comes to economic growth and productivity change, whatever perspective is selected. Secondly, although endogenous technology is important, if for a large economic system such as the United States around half of all productivity comes from external (foreign) technology, for a smaller system, such as a region (which is likely to be more open to technology flows external technology and technology transfer), it is likely to be even more significant in terms of overall growth and performance. Thirdly, because knowledge and innovation remain uneven, geographical spillovers and proximity, whether they are intended by individuals and the firm concerned, or unintended through copying, seem to be important.

Lastly, the analysis and modeling of this process remains at best imperfect. Thus, there are some indications that there are increasing returns to scale for knowledge generation within specific economic systems, although more specific empirical evidence on this remains elusive. Equally, R.Solow criticizes current models for focusing too much on R&D (as a measure of resources devoted to productivity and growth) and new products rather than on a much wider and richer notion of innovation, but accepting that it is a process that may have more uncertain outcomes. The gap between macro growth models and more detailed micro-level analysis of innovation and technological change needs to be bridged if a better modeling of the relationships involved is to be achieved.

This analysis has sought to highlight the often very different perspectives and policy concerns that emerge from taking contrasting perspectives of regional innovation. Often studies imply in their discussion that there's one received view of innovation policy and regional development, but in reality there are often radically different ones. To be effective innovation policy at the regional level needs coordination and reconciliation of all these different perspectives. This does not necessarily mean that there always has to be agreement about objectives or strategies; indeed there may be some benefit of having 'creative tension' in the formation of policy. Perspective matters in policy debate and formation; the 'right' answer may vary depending on what perspective one is taking.

Summary. The competitiveness of the country and the region in the world economy is primarily due to the implementation of innovation policy. The practice of both developed and developing countries proves that innovative potential is capable of implementing not only regions with high technological potential but also depressed regions for which new technological solutions will help to overcome existing imbalances.

In order to increase the region's economic growth, it is necessary to provide all conditions for the integration of the latest technologies into production systems that would be able to produce high-tech, competitive products on world markets. Particular emphasis should be put on the development of innovation infrastructure of the regions.

A distinctive feature of the innovation economy is the production of new products and services that had not been produced earlier. The Schumpeter's theory of economic development and the neo-Schumpeterian approach as well as actual economic practice of the last decades proves that a dynamic economic development of the country and region is possible only in an innovation model of economic growth. Preservation and conservation of traditional production structure, i.e. reproduction and development only of pre-existing enterprises, even of the very successful ones, may have only a short-term positive effect. In the long run, such policy shall lead to economic crisis and stagnation. In this sense the neo-Schumpeterian approach of technological paradigms is very fruitful and such theoretical approach is proved by practice.

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INTERNATIONAL TRADE AND EVOLUTION OF ITS STATE REGULATION.

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Abstract. The article shows that the modern world economy is moving towards a new historical cycle in the development of international trade and its state regulation, the beginning of which can be accompanied by a transition to a protectionist foreign trade policy and a deepening globalization crisis. From this point of view, the processes occurring today in the world economy should be viewed in a broad historical context as a manifestation of the deeply cyclical nature of the development of international trade.

Keywords: international trade, crisis of globalization, government regulation, trade freedom, protectionism, mercantilism, neomercantilism, trade wars, historical cycle.

Statement of the problem in general. In the context of the growing global threat of trade wars and the transition to protectionism, the topic of historical changes in state regulation of international trade is of particular relevance. However, when considering these problems, outside the scope of analysis usually remains the connection of these events with historically recurring economic patterns associated with the deeply cyclical nature of the evolution of government regulation of international trade.

Analysis of recent research and publications. The rich scientific and educational literature covering a wide range of both theoretical and practical aspects of these problems is devoted to issues of state regulation of international trade. However, the majority of fundamental works on the theory of international trade in recent years are increasingly formalized, which, of course, expresses the influence of the neoclassical direction (1; 2; 3).

The publication of the report of the American economist J. Fox “The US Trade Policy - a Time to Start Again” (4, p.4-16) caused a great resonance in the domestic literature. Based on an analysis of current trends in international trade and their impact on the American economy, J. Fox, speaking as a supporter of D. Trump, comes to the conclusion that America should “start with a clean slate and

reconsider the strategies of competition in the global economy, which would increase standard of living for all” (4, p. 17). However, at the same time, the modern evolution of international trade and government regulation is presented by J. Fox just as some kind of chaotic stream of events that is not subject to purely practical, but not categorical understanding.

As for representatives of the opposite political position, they are usually inclined to view the foreign trade policy of Trump as either an annoying misunderstanding, an absurd historical accident, a kind of “zigzag of history”, or a manifestation of a dangerous tendency towards a populist turn in the mass consciousness of highly developed countries (5, p. 25-27; 6, p. 68-69; 5 p. 75-81). However, even in this case, the link between these events and the cyclically recurring pattern of the historical process remains outside the analysis.

Previously unsolved parts of the general problem to which the article is dedicated. Both J. Fox and his ideological opponents lose sight of the fact that this evolution is actually composed of a series of successive historical cycles, during which periods of active state regulation alternate with no less long periods of liberal deregulation. Ignoring of this specific historical cyclicity closes the way to the analysis of the objective regularity of the periodically recurring changes in the world economy. Methodologically, such an underestimation of the internal laws of the historical process is predetermined by the dominance of the neoclassical “mainstream” in modern economics, which completely rejects the principle of historicism in analyzing the economy (8, p. 47-59; 9, p. 112-125; 10, p. 35-41; 11, p. 95-108).

But, on the other hand, this very dominance of neoliberalism and neoclassicism is only a manifestation of a certain phase of a given historical cycle, namely, the phase of neoliberal deregulation and globalization. However, modern processes and, especially, recent events in the international economy may be harbingers of the fact that this liberal phase is nearing its end. And then world trade awaits the beginning of not only new “trade wars”, but also a new historical cycle, meaning an internally logical transition from neoliberal globalization and deregulation to active government regulation of international trade. Meanwhile, the undeveloped cyclical approach to the study of the evolution of international trade and government regulation has affected the prevalence in the literature of such an analysis of modern processes in which these events, fraught with new “trade wars”, appear simply as a chain of historical accidents.

Therefore, **the purpose** of the article is an attempt to understand the internal regularity of historical changes associated with the cyclical nature of the evolution of state regulation of international trade.

The provisions of the article are based on a categorical analysis of a vast historical material covering the evolution of state regulation and world trade over several centuries, starting from the XVI century and up to the present, when the future of international trade seems quite uncertain due to the possibility of changing the foreign trade policy of the most important participants in the world market.

The presentation of the main material. First of all, it should be noted that the cyclical nature of this evolution does not coincide with the usual industrial cycle, covering a period of 7-12 years. As for the “big cycles” or Kondratieff cycles, which may cover several decades and, as expected, connected with the waves of innovation, this issue requires a separate study, since the “big waves” themselves are a scientific hypothesis rather than a mature, proven, categorically developed concept.

An important difference between cyclical patterns in the development of international trade is that it can be traced over a much longer historical period than that for which Kondrat'ev's cycles are usually considered. This cyclical sequence spans several centuries, beginning in the 16th century, when mercantilism prevailed in international trade, suggesting a policy of trade protectionism, that is, protecting the domestic market from foreign goods while maximizing exports.

Mercantilism determined the development of international trade in the XVI-XVIII centuries. On the contrary, the liberal XIX century is considered a period during which the tendency towards free trade, despite strong resistance, prevailed over protectionism. The core of world trade was the export of cotton from the south of the United States to England. Thanks to machine production, Britain made cheap fabrics and clothes from cotton and wool, which quickly spread around the world, ruining local producers. Such free trade was beneficial to Britain, and she tried, if possible, to impose it on the whole world.

But by the end of the 19th century, the situation has changed dramatically: dominance of monopolistic associations has been established in most industrial markets. The trade policy of the leading industrial countries, which had their own colonial systems, also changed accordingly. The end of the era of free competition meant the end of free trade, which again gave way to increased protectionism.

In essence, this marked the beginning of a new two-phase historical cycle of alternating state regulation and liberal deregulation of international trade. The first historical cycle covered, as we have seen, a rather long period of about 300 years, of which the XVI-XVIII centuries were in the mercantilist phase of active regulation of international trade, and in the 19th century, the tendency to deregulate international economic relations and to dominate relatively free trade.

But there would be no point in calling this apparent sequence of two different epochs a historical cycle if the same pattern did not repeat itself in the twentieth century, as if dividing it into two approximately equal parts. At the beginning of the twentieth century, protectionism led to "trade wars" between the leading industrial countries, which in many ways contributed to the start of world war. However, such "trade wars" were characteristic not only of the pre-war so-called "beautiful era", but also for the whole strip of historical development that began at the end of the 19th century and covered almost the entire first half of the twentieth century. This era represented essentially the first phase of the second historical cycle of successive alternation of periods of active state regulation and liberal deregulation of international trade. And only today, much is beginning to indicate that this second two-phase historical cycle, which began more than a century ago, is nearing completion.

The second phase of this cycle began in the second half of the twentieth century, when the liberal trend became absolutely dominant again, reaching its peak by the end of the twentieth century, in the context of globalization. Again, everything repeated, despite the completely new historical conditions. During the period of active state regulation of international trade in the first half of the twentieth century, followed by a period of relatively free international trade. However, at the beginning of the XXI century, beyond the brilliance of liberal globalization, historical trends are beginning to emerge that objectively lead to a crisis in the future and undermine this process. The point is that many countries and, above all, China, for decades have actually pursued a policy of neo-mercantilism, carried out through an artificially low exchange rate (12, p. 31-48; 13, p. 114-127).

It is not surprising that at the present time we are witnessing an acute reaction to these processes. In such a situation, the possibility of a new break in the prevailing trend — the transition from free trade to protectionism, from neoliberal globalization to neo-mercantilism, from deregulation to active state regulation of international trade cannot be ruled out (14, p. 125-139).

China has demonstrated the triumph of neo-mercantilism, and now we see that in the United States, a sufficiently broad social strata are also not alien to the desire to respond to this by trying some elements of such a model. If this scenario is implemented in a more or less distant future, the transition of the United States to neo-mercantilism will cause a chain reaction in other countries, leading to "trade wars" having far to go, economic and geopolitical implications for the world. Such a Transition to a neo-mercantilist model of economic development, the probability of which in the future cannot be completely excluded, would mean not only a crisis of globalization, but also the beginning of a new historical cycle, namely, its first phase, accompanied by active government regulation of international trade.

Particularly acute this process can make it coincide in time with the fourth industrial revolution. After the issue of the fourth industrial revolution took a central place at the Davos International Economic Forum in January 2016, it became obvious that the prospects for further transformation of a highly developed economy are largely connected with this new direction of technical progress. The essence of the fourth industrial revolution is the penetration of the Internet and other information technologies into the sphere of industrial production, which means that in the long term its almost complete automation (15, pp. 5-19; 16, pp. 12-14; 17, pp. 25-27), the development of the industrial Internet of things (18, pp. 63-67; 19, pp. 127-145; 20, p. 178-193; 21, pp. 71-98), cloud computing, the use of big data, artificial intelligence, three-dimensional printers, virtual enterprises, etc. (22).

In this context, the transition from the second to the third historical cycle in the development of international trade can become very conflicting, since states will be forced to actively engage in the struggle of their countries for the world market.

Conclusion. The main conclusion is the deeply regular nature of the events that are happening before our eyes, which guesses the possibility of transition to a new historical cycle characterized by a successive alternation of government regulation and deregulation of international trade.

The practical conclusion for Ukraine is connected, first of all, with the possibility of a negative impact of the neo-mercantilist turn in world trade on the domestic economy, which is already in serious condition. If Ukraine does not diversify its economy, such a turn could strike it no less severely than the global crisis of 2008–2009, from which it suffered more than other countries and could not fully recover. The non-diversified structure of the Ukrainian economy, focused on the export of raw materials and materials, makes it extremely vulnerable and dependent on changes in the world market (23, p. 231-238).

Therefore, the practical conclusion for Ukraine, taking into account the possibility of a future turning point in the prevailing trends in the development of international trade, is associated with special requirements for economic policy. This conclusion is the need for restructuring of production, focused not only on exports, but also on import substitution so that in case of a change in the situation in the global economy, production can switch from external to domestic market.

The article only outlines the contours of the analysis of the historical cycle in the development of international trade and its state regulation. Such a delivery of the problem opens up broad opportunities for further study of the hidden patterns of world economic development and the prospects for the transition to a new historical cycle in the development of international trade.

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