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"XVII International Social Congress (ISC-2017)"



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Alexander Maloletko, Darko Tipuric, Marijan Cingula

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CONTENTS

MULTINATIONALISM, RUSSIAN MENTALITY AND NATIVES' ATTITUDES TOWARDS IMMIGRANTS: EVIDENCE FROM SURVEY EXPERIMENTS ACROSS BORDERLAND REGIONS OF RUSSIA..... 1

Svetlana Maximova, Oksana Noyanzina, Daria Omelchenko

INFLUENCE OF LASER IRRADIATION ON INTERACTION OF PROLEN SUTURES WITH THE WOUND TISSUES AND THEIR HEALING 15

Iskander Baybekov, Valeriy Kartashev, Jamshid Mardonov

LABOUR MARKET SECURITY RISKS AND CHALLENGES ASSOCIATED WITH INTERNATIONAL LABOUR IMMIGRATION: A NEW RESEARCH AREA STUDYING THE EFFECTS OF IMMIGRATION ON A RECEIVING LABOUR MARKET 25

Anna Lialina, Larisa Emelyanova

ADAPTATION OF MIGRANTS FROM CENTRAL ASIA IN THE MOSCOW REGION OF RUSSIA: THE RELATIONSHIPS OF ACCULTURATION STRATEGIES, SOCIAL IDENTITY AND WELL-BEING 37

Victoria Galyapina, Javokhir Khojiev

ECONOMIC CRISIS: THE PAST OR THE FUTURE - FUNDAMENTALS OF THE FORTHCOMING FINANCIAL CRISIS 50

Mikhail Melnik, Anastasia Bondarenko, Julia Loktionova

THE CHEMICAL COMPOSITION OF SNOW AS A COMPONENT OF THE ENVIRONMENT IN THE SOUTH-WESTERN ADMINISTRATIVE DISTRICT OF MOSCOW 58

Oleg Dryabzhinskiy, Valentina Zubkova, Marina Lebedeva

WORLD NUMBER OF SCIENTISTS IN DYNAMIC SIMULATION FOR THE PAST AND THE FUTURE 69

Olga Prichina, Viktor Orekhov, Elena Shchennikova

CALCULATIONS IN MODELS OF OPINION DYNAMICS 82

Nikolay Tretyakov, Maria Kafarova, Elena Teveleva

COOPERATION IN SCIENCE AND TECHNOLOGY IN THE BLACK SEA REGION: RUSSIA AND GREECE 96

Anton Afanasyev, Marina Borovskaya

LINKING DEMOGRAPHY AND ECONOMY AND DETERMINING PIVOTAL EVENTS IN THE ECONOMIC DEVELOPMENT 106

Magni Laksafoss

FORECASTING EMPLOYMENT IN THE RUSSIAN FEDERATION BY ECONOMIC ACTIVITIES	116
Tatyana Sarycheva, Liudmila Bakumenko, Elena Kostromina	
FACTORS AFFECTING ORGANISATIONAL DESIGN: THE CASE OF FRANCK TEA	126
Anica Hunjet, Martina Makopek-Pusec, Goran Kozina	
ANALYSIS OF NON-ECONOMIC QUALITY OF LIFE IN THE REGIONS OF RUSSIA.....	140
Liudmila Bakumenko, Tatyana Sarycheva, Elena Kostromina	
MAPPING CULTURAL MEMORY OF THE RUSSIAN REVOLUTIONS.....	147
Galina Nikiporets-Takigawa, Gennady Otyutskiy, Grigory Kuzmenko	
SOCIAL TOURISM AND ADAPTIVE SPORTS: INCLUSION AND ACCESSIBILITY	155
Alexander Makhov, Aleksei Seselkin, Umberto Solimene	
THE CULTURE OF ENTREPRENEURSHIP AS A FACTOR OF IMPLEMENTATION OF THE STRATEGY OF THE ORGANIZATION IN A TURBULENT ENVIRONMENT	162
Sobon Janusz, Peter Solodukha, Nadezda Gusareva	
RETAIL PRICE IMAGE MANAGING: THE ROLE OF HOUSEHOLD INCOME AND PRICE IMAGE LEVELS.....	171
Jelena Franjkovic, Helena Stimac, Davor Dujak	
ECONOMIC MODEL OF VALUE CREATION OF HUMAN CAPITAL IN HIGH-TECH INDUSTRIES .	181
Lilia Matraeva, Ekaterina Vasiutina, Sergey Erokhin	
MILITARY EXPENDITURES: CO-MOVEMENT ANALYSIS OF THE USA AND RUSSIA FROM 1830 TO 2007	191
Lukas Fryd, Ondrej Sokol	
THE LEVEL OF FINANCIAL LITERACY OF MANAGERS AND ENTREPRENEURS: A COMPARISON BETWEEN PORTUGAL AND RUSSIA.....	197
Naira Galstian, Ana Paula Monte, Oksana Evseeva	
DISCRIMINATION OF TALENTS IN ORGANIZATION: SOCIOLOGICAL ANALYSIS	215
Mikhail Vinichenko, Peter Karacsony, Andrey Kirillov	
MATCHING COMPETENCIES AND MODERN LABOUR MARKET NEEDS: STUDENTS' SELF- PERCEPTION STUDY	228
Edgars Cerkovskis, Jelena Titko	

NOMINAL DEVOLUTION VERSUS REAL DEVALUATION OF INDIAN CURRENCY	237
Amit Kumar, Mukesh Kumar, Kishore Kumar	
EMPLOYMENT OF PEOPLE WITH LIMITED EMPLOYMENT OPPORTUNITIES IN MODERN RUSSIA: MAIN TRENDS AND FACTORS	250
Julia Bogomolova	
ACTUAL ISSUES OF CONFIRMATION OF ENVIRONMENTAL SAFETY IN THE SPHERE OF TOURISM AND HOSPITALITY IN RUSSIA	258
Dina Makeeva, Alexander Maloletko, Elena Egorova	
LEASING MARKET DEVELOPMENT OF THE IN THE REAL ESTATE INDUSTRY AS A FORM OF INVESTMENT ACTIVITY	270
Inna Chizhankova, Natalia Bondaletova, Natalia Buley	
THE LIMITS OF STRUCTURE AND MODUS OPERANDI OF PUBLIC AND PRIVATE SECTORS IN PERU: ECONOMIC MANAGEMENT UNDER SOCIAL UNREST (2000-2015)	278
Enrique Vasquez	
ETHICS AND ACCOUNTING: WHICH REGIME BEST PROTECTS THE PUBLIC INTEREST?	298
Saeed Askary	
POLITICAL INSTITUTIONS: SOME SOCIAL TRENDS IN TRANSFORMATIONS	314
Galina Avtsinova, Oleg Grishin, Valery Yudayev	
THE INFLUENCE OF PROFESSIONAL DEFORMITIES (BURNOUT) ON THE IMAGE OF A FEMALE LEADER	324
Natalia Belyakova, Elena Petrova, Olga Polyakova	
APPLICATION OF FUZZY LINEAR REGRESSION FOR MODELING THE MIGRATION PROCESS IN RUSSIA	332
Sergei Varaksin, Natal'ya Varaksina	
THE LEGACY OF RICARDO AND OTHER DISTINGUISHED SCHOLARS IN THE LIGHT OF GLOBALIZATION.....	341
Daniel Nagel, Sorin Burnete	
GOVERNMENT EXPENDITURES ON EDUCATION IN ECONOMIC PROGRESS STIMULATION: REGIONAL LIMITATIONS OF RATIONALITY.....	356
Mikhail Vinichenko, Denis Ushakov, Alexander Melnichuk	

PHONOSEMANTIC ANALYSIS OF THE ATTITUDES OF PSYCHOLOGY STUDENTS TOWARDS PHYSICAL EXERCISE AND SPORTS	364
Alexander Boldov, Alexey Gusev, Vladimir Karpov	
SOCIAL LICENSE IN THE MINING INDUSTRY: EXPERIENCE AND PROSPECTS OF DEVELOPMENT	371
Viktor Zaernyuk, Olga Kaurova, Valentina Leonova	
DEMOGRAPHIC PLANS OF INHABITANTS OF REGION AS AN OBJECT OF NONLINEAR SOCIOLOGY	382
Mikhail Basimov	
MARKOWITZ'S MODEL ON AN EXTENDED SET OF INVESTMENT OPPORTUNITIES	394
Valeriy Davnis, Manya Ziroyan, Viktoria Tinyakova	
FORMATION OF CULTURE OF HEALTHY NUTRITION AT PRESCHOOL CHILDREN AND YOUNGER SCHOOL STUDENTS.....	405
Elena Petrova, Maria Kovalyova, Narmin Hudiyeva	
MODERNIZATION OF THE RUSSIAN BANKING SYSTEM AS A NECESSARY CONDITION FOR THE DEVELOPMENT OF THE RUSSIAN ECONOMY.....	413
Nina Belotelova, Olesya Kukharensko, Aliya Gizyatova	
SYSTEM DEVELOPMENT OF ECOLOGICAL TOURISM IN THE ARCTIC REGIONS.....	422
Anton Mosalev, Irina Shadskaia, Sergey Ilkevich	
DIGITAL ECOSYSTEM OF DATA. DIRECTIONS FOR THE DEVELOPMENT OF THE GOVERNMENT OF RUSSIA AND THE IDENTIFICATION OF CONFIDENCE IN THE ONGOING CHANGES IN SOCIETY	437
Svetlana Veretekhina, Alla Medvedeva, Eugene Khitskov	
MODELS OF PUBLIC HEALTH MANAGEMENT IN THE COUNTRIES OF CENTRAL AND EASTERN EUROPE AND RUSSIA: A COMPARATIVE ANALYSIS.....	446
Dina Tanatova, Tatiana Iudina, Irina Dolgorukova	
IMPROVEMENT OF THE NATIONAL STRATEGIC PLANNING SYSTEM – DREAMS AND REALITY	455
Natasa Drvenkar, Katarina Marosevic, Ana Odak	
SOCIAL-ECONOMIC AND SOCIO-ECOLOGICAL CONDITIONS OF THE REGION AS A FACTOR FOR FORMING THE QUALITY OF LIFE	467
Valentina Sushko, Irina Bukhtiyarova, Oksana Zubova	

THE IMPACT OF THE ENGLISH VOCABULARY ON THE RUSSIAN LANGUAGE COMMUNICATION
IN SOCIAL NETWORKS AND POSSIBLE APPROACHES TO NET NEOLOGICAL LEXICOGRAPHY.. 476
Igor Stepkin

EDUCATIONAL BUSINESS INCUBATOR AS A VECTOR CAREER OF A YOUNG SPECIALIST 483
Alla Molchanova

RELATIONSHIPS BETWEEN JOB CHARACTERISTICS AND ORGANIZATIONAL COMMITMENT: THE
EXAMPLE OF HOTEL HOUSEKEEPING EMPLOYEES 491
Aleksandra Grobelna, Anna Tokarz-Kocik

FOREIGN TRADE, HUMAN CAPITAL AND ECONOMIC GROWTH: EVIDENCE FROM ASIAN
COUNTRIES 501
Ali Fagheh Majidi

NEGATIVE SYNERGIES: OBSTACLES TO ENTREPRENEURSHIP IN RUSSIA AND KAZAKHSTAN .. 508
Dmitry Khanin, Sergey Babakaev, Marina Vinogradova

STRATEGIES FOR ADAPTIVE-INTEGRATION BEHAVIOR OF FOREIGN MIGRANTS IN A
POLYETHENIC REGION 520
Ivan Soloviev, Natalia Shchitova, Vitaly Belozarov

A NEW INSTRUMENT FOR INDIVIDUAL INVESTMENTS IN RUSSIA: THE OBJECTIVES OF THE
ISSUER AND THE RISKS OF INVESTORS 528
Aliya Gizyatova, Mikhail Melnik, Olga Yanina

DEVELOPING CREATIVE COMPETENCIES IN PUBLIC RELATIONS STUDENTS: NEW CONCEPTION
OF TEACHING 534
Elizaveta Osipovskaya, Svetlana Miakotnikova

FRAMEWORK OF INCREASING PUBLIC SECTOR MANAGEABILITY 543
Valery Bondaletov, Natalia Medvedeva, Elena Frolova

SOCIO-ECONOMIC FACTORS OF MIGRATORY ATTITUDES OF YOUTH OF THE ULYANOVSK
REGION 552
Elena Galkina, Marina Kadnichanskaya, Liudmila Klimovich

SOCIAL ADAPTATION BY MEANS OF TOURISM: DIVERSIFICATION OF COMPREHENSIVE
RESEARCHES 559
Svetlana Shmeleva, Aleksei Seselkin, Valery Kartashev

THE APPROACHES TO METHODS AND MECHANISMS OF FORMATION OF THE NATIONAL RISK MANAGEMENT SYSTEM OF SOCIO-ECONOMIC DEVELOPMENT AND ENSURING THE ECONOMIC SECURITY OF THE STATE 567

Alexander Maloletko

RUSSIA-CHINA-JAPAN TRIANGLE IN THE CONTEXT OF THE EASTERN VECTOR OF THE RUSSIAN FOREIGN POLICY 576

Marina Martynova, Galina Nikiporets-Takigawa, Olga Lobazova

UKRAINIAN CRISIS AND BEHAVIOR OF HIGHLY SKILLS UKRAINIAN LABOR: "I WILL MIGRATE ONLY IF IT WILL BE INTERESTING FOR ME" 584

Irina Molodikova, Tatiana Yudina, Natalia Goncharova

SOCIAL EDUCATIONAL ORDER: INTERESTS AND EXPECTATIONS OF KEY SOCIAL GROUPS..... 595

Olga Rogach, Tatyana Ryabova, Elena Frolova

CONNECTING THE HOTEL STAR RATINGS TO THE EXTENT OF RECOMMENDATION AND OVERALL HOTEL RATINGS BY CUSTOMERS IN THE CONTEXT OF THE VISEGRAD GROUP COUNTRIES .. 605

Richard Fedorko, Robert Stefko, Radovan Bacik, Maria Olearova, Martin Rigelsky

THE INFLUENCE OF GLOBALIZATION ON THE FORMATION OF A CORPORATE SOCIAL AND CULTURAL ENVIRONMENT 615

Dmitri Valko, Vladimir Zelenov, Kristina Tsaritova

SPECIFICS OF COMMERCIAL EDUCATIONAL SERVICES AT RUSSIAN MARKET 623

Elena Frolova, Olga Rogach, Tatyana Ryabova

SOCIAL ENTREPRENEURSHIP WITHIN THE FRAMEWORK OF MULTI-AGENT SYSTEM 632

Marina Vinogradova, Alexander Maloletko, Alexander Shatsky

FUNDAMENTAL STRATEGIES OF THE CULTURAL HERITAGE PRESERVATION IN THE MODERN RUSSIAN SOCIETY..... 644

Natalia Anufriyeva, Alexander Kamenets, Anna Shcherbakova

TRANSIT MIGRATION AND TRANSIT COUNTRIES IN GLOBAL, EUROPEAN AND REGIONAL CONTEXT (IMPLICATIONS FOR RUSSIA) 654

Irina Molodikova, Svetlana Maximova, Oksana Noyanzina

SIGNIFICANCE OF THE NEW TRENDS IN CONTEMPORARY ART AND THE TRANSFORMATION OF CULTURE INSTITUTIONS 664

Olga Szucs, Tatiana Yudina

EVERYDAY PRACTICES OF MUSCOVITES	672
Galina Osadchaya, Irina Leskova, Tatiana Yudina	
MATHEMATICAL SUPPORT FOR EFFICIENCY MONITORING OF THE HEALTH CARE SUBSYSTEM AT THE REGIONAL LEVEL	679
Tatyana Russkikh, Viktoriya Tinyakova, Sergey Stroev	
FORMATION OF QUANTITATIVE EVALUATION METHODS OF INSTITUTIONAL LABOR PRODUCTIVITY ON THE EXAMPLE OF ENTERPRISES OF CLEANING MARKET IN RUSSIA AND POLAND	687
Aleksandr Chernovalov, Peter Solodukha, Tatyana Shpilina	
EURASIAN ECONOMIC UNION: PECULARITIES OF INTEGRATION PROCESSES.....	695
Irina Leskova, Galina Osadchaya, Tatiana Yudina	
THE SOCIAL POSITION OF THE "LEFT" OPPOSITION IN MODERN RUSSIA (ON THE MATERIAL OF PUBLICATIONS OF THE COMMUNIST PARTY OF THE RUSSIAN FEDERATION).....	702
Maxim Kozyrev	
VEGETABLES' ENVIRONMENTAL SAFETY WHILE FARMING THEM UNDER THE TECHNOGENIC LOAD CONDITIONS IN REPUBLIC OF BASHKORTOSTAN.....	708
Elina Khanipova, Valentina Zubkova, Albina Gaponenko	
ENHANCEMENT METHODS OF EMOTIONAL INTELLIGENCE-RELATED COMPETENCIES OF SUCCESSORS IN FAMILY BUSINESSES.....	718
Mariola Dzwigol-Barosz	
CORRUPTION IN MASS CONSCIOUSNESS OF RUSSIANS: SOCIAL AND PSYCHOLOGICAL ASPECT	727
Yuliya Keyzerova, Pavel Kislyakov	
CORRECTION OF SPEECH DISORDERS OF 5-6 YEARS OLD CHILDREN WITH MENTAL DEVELOPMENTAL DELAYS	734
Vladimir Karpov, Aleksandr Kornev, Elena Bakulina	
INSTITUTIONAL MODEL OF INNOVATIVE DEVELOPMENT OF THE CONSUMER COOPERATIVE SYSTEM AT THE REGIONAL LEVEL.....	741
Viktoriya Tinyakova, Natalia Morozova, Viktor Gunin	
LABOR MIGRATIONS FROM UKRAINE TO FINLAND: SUBJECTS OF MIGRATIONAL SERVICES .	749
Aleksandr Ganchev	

ART THERAPY AS AN INNOVATIVE METHOD OF CONFLICT RESOLUTION IN CREATIVE GROUPS	758
Vadim Maslikov, Svetlana Polyakova, Yuliya Sulyagina	
"PROFESSORIAL UNEMPLOYMENT" AS A NEW SOCIO-ECONOMIC PHENOMENON IN MODERN RUSSIA	768
Irina Ilina, Tatyana Demchenko, Natalya Buley	
EDUCATION IN GLOBALIZING WORLD: BASIC INSTITUTION DETERMINING DEVELOPMENT OF WORLD CIVILIZATION	777
Alexander Egorychev, Lev Mardakhaev, Anna Ahtyan	
CONCEPTUAL APPROACHES TO THE ANAGEMENT OF ACCOUNTS RECEIVABLE IN THE PROVISION OF AUDIT SERVICES IN THE RUSSIAN FEDERATION	785
Sergey Shamsheev, Maria Prokofyeva, Yang Lesman	
THEOLOGICAL KNOWLEDGE OF MODERN RUSSIA: PROBLEMS OF THE INSTITUTIONALIZATION	792
Mikhail Firsov, Svetlana Fomina, Anna Chernikova	
A STEP TO SOLVING THE PROBLEM OF INFORMAL ECONOMY	801
Sonja Cindori, Jelena Slovic	
SOCIAL AND ECONOMIC RESPONSIBILITY OF TOUR OPERATORS.....	810
Aliya Gizyatova, Nina Voskolovich	
INVISIBLE FINANCIAL COSTS OF EMPLOYEE ABSENTEEISM	817
Ana Trusic, Ivana Fosic, Dubravka Pekanov Starcevic	
INTEGRATED APPROACH IN THE SYSTEM OF INCLUSIVE EDUCATION IN RUSSIA: SOCIAL NEEDS, DIRECTIONS OF DEVELOPMENT AND CHALLENGES OF IMPLEMENTATION	827
Galina Avtsinova, Natalia Lyapunova, Anastasia Rudnitskaya	
TEACHING THAI AS A FOREIGN LANGUAGE: CHANGING FOR GOVERNMENT POLICY, THAILAND 4.0.....	834
Wirat Wongpinunwatana	
THE MAIN SOCIETAL RISKS AN AUTOMATED FUTURE CONSTITUTES.....	839
Walter Sebock, Bettina Pospisil	

DEVELOPMENT OF ICT IN LATIN AMERICA: SOCIAL CHANGES, THREATS OR BENEFITS?	846
Olga Polunina, Elena Krutitskaya	
LEGAL NATURE OF THE RESULT OF THE CONTRACT FOR THE VALUATION AS AN OBJECT OF CIVIL LAW	853
Maria Volkova, Alla Neznamova, Georgij Kuleshov	
SOURCES AND CAUSES OF ORGANIZATIONAL PATHOLOGIES	860
Jacek Pasieczny	
QUALITY ASSESSMENT OF PUBLIC SERVICES: IDENTIFICATION OF ISSUES THROUGH FOCUS GROUPS	868
Sergey Babakaev, Olga Kuljamina, Marina Vinogradova	
IMPACT OF COMPELLED CONTACTS ON PSYCHOSOMATIC DISORDERS OF EMPLOYEES OF ORGANIZATIONS.....	878
Oksana Mironova, Olga Polyakova, Fedor Ushkov	
MIGRATION AND DIASPORIZATION: THE COMPARATIVE ANALYSIS OF THE EUROPEAN AND REGIONAL RUSSIAN TRENDS.....	886
Larisa Emelyanova, Anna Lialina	
THE REFORMING OF RUSSIAN CIVIL LEGISLATION (FROM THE GENERAL PART OF THE CIVIL CODE TO THE PARTICULAR IMPLEMENTATION OF THE NORMS).....	894
Lubov Sitdikova, Svetlana Starodumova, Anna Shilovskaya	
THE INFLUENCE OF SOCIAL MEDIA ON ONLINE AND OFFLINE POLITICAL PARTICIPATION OF YOUTH	902
Ana Pap, Marija Ham, Karla Bilandzic	
GLOBALIZATION, GLOBAL TRANSITION OF DIETARY PATTERNS AND OBESITY PANDEMIC	911
Rajko Odobasa	
LABOR RESOURCES OF THE ECONOMY OF THE USSR IN THE YEARS OF THE GREAT PATRIOTIC WAR.....	923
Nikolai Starostenkov, Natalia Lyapunova	
INSTITUTIONAL RECONSTRUCTION: COMPLETE ALTERATION?.....	931
Vardgues Pogosyan	
NEW MARKETING APPROACH IN BUSINESS CONSULTING	937
Andrey Arno, Alena Goncharova	

SPIRITUAL AND THEOLOGICAL ASPECTS OF SOCIAL EDUCATION AT THE END OF XIX - THE BEGINNING OF XX CENTURIES 945

Valeria Sizikova, Larisa Starovoitova, Olga Anikeeva

THE EXPERIENCE OF SOCIO-ECONOMIC ADAPTATION OF THE RUSSIAN NOBILITY IN A DEVELOPING SOCIETY IN THE LATE XIX-XX CENTURY 951

Elena Duplij, Konstantin Kurkov, Alexander Melnichuk

MODERN GLOBAL ECOLOGY AND ENVIRONMENTAL ETHICS: ECONOMIC AND SOCIAL BARRIERS TO THE SUSTAINABLE DEVELOPMENT IN RUSSIA..... 959

Maria Baynova, Alexander Petrov, Ekaterina Vetrova

MODERNIZED POVERTY OR SOCIAL CONSTRUCTION OF PRIVATION 966

Mohammed Ezznati, Taoufik Daghri, Abdelhamid Nechad

A NEW PARADIGM FOR THE DEVELOPMENT OF SOCIO-ECONOMIC RELATIONS AT THE MUNICIPAL LEVEL: CHALLENGES AND PROSPECTS..... 972

Olga Urzha, Evgeniya Nakhratova, Julia Sulyagina

SOCIO-ECONOMIC RISKS OF MODERN RUSSIA'S PENSION SYSTEM 981

Pavel Pavlov, Galina Andryushchenko, Margarita Cavina

ANTHROPOLOGICAL ASPECTS OF VALUE DECISIONS IN EUROPE 990

Anna Skaidrite Gutmane

TOPICAL ISSUES OF THE DEVELOPMENT OF VALUATION ACTIVITIES IN RUSSIA..... 998

Elena Bryzgalova, Marina Kovshova, Yulia Loktionova

THE IMPACT OF INNOVATION IN THE ECONOMY ON THE SYSTEM OF PROFESSIONAL EDUCATION 1005

Elena Suvorova, Irina Shadskaya, Elena Povorina

THE IMPACT OF THE ECONOMY ON TRAINING OF SPECIALISTS (IN THE CONTEXT OF TOURISM AND HOSPITALITY INDUSTRY OF RUSSIA AND LATVIA) 1021

Elena Kryukova, Olga Kaurova, Sniedze Joma

ACTIVE INDUSTRIAL POLICY OF THE STATE AS A FACTOR OF PROFESSIONAL DEVELOPMENT OF ECONOMICALLY ACTIVE POPULATION 1028

Zeynabil Aydarbekov, Olga Bashina, Yuri Tsaregorodcev

SOCIAL WELL-BEING OF THE SENIOR GENERATION IN RUSSIA AND IN KYRGYZSTAN:
SOCIOLOGICAL ANALYSIS..... 1035

Elmira Turdubaeva

THE CONTINUOUS EDUCATION OF SOCIAL WORKERS IS THE REQUIREMENT FOR INTENSIVE
DEVELOPMENT 1043

Olga Anikeeva, Olga Afanasieva, Olga Mikhalevskaia

CONTENT-ANALYSIS OF SWIMMING DISCIPLINE'S EDUCATIONAL PROGRAMMS FROM SOVIET
PERIOD PEDAGOGICAL HIGH SCHOOLS 1050

Olga Savelyeva, Vladimir Karpov, Aleksandr Kornev

PHILOSOPHICAL AND THEOLOGICAL HEIGHTS OF RUSSIAN THOUGHT IN EXILE..... 1056

Rosaliya Rupova

SOCIAL CAPITAL AS RESOURCE OF PUBLIC WELFARE: GAPS AND SYNTHESIS IN POST-SOVIET
RUSSIA 1061

Marina Korol

VIRTUALIZATION OF FINANCIAL MARKET : BASIC TENDENCIES AND PROSPECTS 1069

Julia Evdokimova, Olga Shinkareva, Olga Yanina

EVOLUTION OF SOCIOLOGICAL KNOWLEDGE IN THE FIELD OF SELF-ORGANIZATION OF SOCIETY
..... 1075

Valery Bondaletov, Vadim Maslikov

SOCIOCULTURAL INTERACTION OF FOREIGN STUDENTS 1082

Larisa Apanasyuk, Alexander Soldatov, Irina Mukhomorova

SOCIAL PARTNERSHIP IN THE CORRELATION OF THE LIFE SITUATION OF DISABLED PEOPLE IN
CONTEMPORARY RUSSIA: EXPECTATIONS AND REALITIES 1088

Olga Anikeeva, Elena Maximova, Maria Seredina

RESEARCH ON TRANSFORMATION PROCESSES OF MODERN MANAGEMENT MODELS 1095

Ibragim Melikov, Olga Evreeva, Olga Skorodumova

QUALITY OF LIFE OF THE POPULATION IN THE WORLD SOCIETY 1102

Valentina Kataeva, Tatyana Fomicheva

THE FINANCIAL MECHANISM OF MANAGEMENT AS A WAY OF ORGANIZING FINANCIAL SERVICES AND FINANCIAL VALUES 1110

Galina Kolpakova, Iulia Evdokimova

HAPPINESS: LANGUAGE AND PROFESSIONAL IDEOLOGY IN THE DISCOURSE OF NETWORK MARKETING BUSINESS..... 1117

Thinnawat Sroikudrua

PSYCHOLOGICAL AND PHILOSOPHICAL APPROACHES TO STUDYING THE "SELF-BETRAYAL" EXPERIENCE 1121

Alevtina Filosofova, Oxana Mironova, Valentina Kozyreva1121

THE CONSUMER'S PREFERENCES WITH DIFFERENT INDIVIDUAL-PSYCHOLOGICAL TRAITS . 1129

Elena Petrova, Nikita Bukreev, Alexander Fomin

MULTINATIONALISM, RUSSIAN MENTALITY AND NATIVES' ATTITUDES TOWARDS IMMIGRANTS: EVIDENCE FROM SURVEY EXPERIMENTS ACROSS BORDERLAND REGIONS OF RUSSIA

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ABSTRACT

The Russian national policy priorities are centered around preservation of historically determined ethno-cultural diversity, consolidation of multi-national people of Russia, including those who live abroad, under the ideology of all-Russian civic nation. Their implementation is naturally influenced by intense labour and transit migration, changing ethnic landscape of Russian regions. The analysis of inter-ethnic relations (structured interviews, n=4437, aged 15-75 years) in nine regions of Russia (Altai, Transbaikalia, Kemerovo, Omsk, Orenburg, Amur regions, Jewish autonomous region, Republic of Altai and Republic of Karelia) has shown that most respondents have neutral or positive feelings towards strangers. Negative attitudes are explained by reluctance of some ethnic groups to respect Russian customs and norms of behavior as well by the threat of terrorism. Attitudes towards migrants (psychosemantic research in four border regions – the Altai region, the Amur region, the Republic of Karelia and the Jewish autonomous region, n=400, aged 15-70 year, of modified repertory grids technics) are characterized by high importance of characteristics, related to identification, emotional evaluation, security, social and economic position in the assessment of meta-ethnic groups. Migrants weren't associated with national threats but were perceived as a group with conservative views, low educational and cultural level, depending from receiving society. In general, public opinion of border regions regarding the assessment of inter-ethnic relations is very polarized. Considering peculiarities of self-perception and dispositions of population of towards migration and migration policy, it appears that further harmonization in the inter-ethnic sphere in Russian borderland requires more sophisticated approaches, combining general priorities of the state policy with regional needs to preserve ethno-cultural uniqueness and struggle with tough migration issues.

Keywords: *inter-ethnic relations, migration, multinationalism, national policy, Russian mentality*

1. INTRODUCTION

Human civilization had always to cope with challenges related to coexistence of different and often opposed to each other beliefs, ideologies, world-views and ways of living. Problems of interpenetration of national cultures became particularly important in the context of globalization, which has given rise to many economic, political, civic and military corporations, multinational character of which is inherent to their internal life and functioning.

In this regard, in the scientific literature within the framework of multinationalism studies there exists a multiple works, exploring problems of interaction of workers of various nationalities

on the workplace (Barovick, 1970; Choy, Lee, Ramburuth, 2009), organizational internal environment (Ruigrok, Wagner, 2003), conflicts between local, national identities and membership within an international framework (Ben-Ari, Elron, 2001) and other problems related to management policy and relationship in international companies (Banaji, Hensman, 1990). Meanwhile, from the position of our research, it is more appropriate to consider multinationalism as a political strategy and a set of principles, used by governments for regulation of social and ethnic processes in states, which can be defined as multinational, having “have a sophisticated ethnographic profile” (Tishkov, 2002) and “restructured themselves to accommodate significant sub-state nationalist movements, usually through some form of territorial devolution, consociational power-sharing, and/or official language status” (Kymlicka, 2011, p. 282).

This branch in multinationalism studies primarily addresses issues related to multilevel governance, constitutional devolution and federalism (Meer, 2015), but also problems related to possible combination of multinationalism and multiculturalism (Clavin, 2005; Kymlicka, 2011; Grichaeva, 2015; Meer, Modood, 2012), territorial politics, and citizenship (Keating, 1998; Wright, Ellis, 2000; Gagnon, Tully, 2001), mobilization and reconstruction of collective identities of ‘nested’ nations, dominant and minority ethnic groups in the face of growing immigration (Soysal, 1994; Kofman, 2005; Meer, 2015). Ethnic and migration processes in Russia, which is still being the largest multinational state, having more than 194 ethnic communities are affected by multiple factors of cultural-historical, economic, geopolitical and legal nature.

Especially, it is largely determined by the specificity of the Russian mentality, affecting interactions between local communities (Zamyatin, 2006), definition of core priorities and implementation of national and migration policies (Maximova, Morkovkina, 2016). Being a term, widely used in historical, sociological, psychological anthropological and political sciences, mentality may be seen as set of specific dispositions, attitudes and stereotypes, mood and content of the mind, specific to individuals or social groups, directing their behaviour, way of thinking and perception of the world (Werner, 1948; Dubov, 1995); socio-cultural stereotypes, determining general frame of conscience and living orientations (Gorshkov, 2010, p. 25). The notion of mentality is close to national character and national consciousness, being important characteristic of national culture, representing systems of codes, values, morals and conventions, that control social institutions and determine functions and meanings of the artifacts (Posner, 1991, pp. 235–236; Realo et al., 2009; Inkeles, 2017).

These codes allow to distinguish not only forms (types) of mentality differing by the field of action they belong to (social, political, economic mentalities), but also by specific position of ethnic groups or nations within multinational community: colonial (David, Okazaki, 2006;) siege (Bar-Tal, D., & Antebi, D. (1992), minority (Mittelberg, Borshevsky, 2004) and even genocidal mentality (Lifton, Markusen, 1990). Some Russian scholars argue that further social modernization in Russia would be impossible without transformation of the national mentality on issues relating to perception of labor migration (Rozov, 2010; Chapurko, Shadrin, 2011). At the same time, as sociologist works show, national mentality in Russia is rather stable, its traditional values always tend to restore their influence (Gorshkov, 2010). Moreover, existing social institutions, culture and national mentality themselves have direct impact on social changes (here, it is pertinent to mention conceptions of “path dependence” of K. Polanyi developed in Russia by A. Auzan). Russia takes the third place in the global rating of top destination countries for international migrants (over 11 million a year) (UN data for 2015).

Influence of global geopolitical and social-economic situation, cardinal changes in migration laws resulted in cardinal changes in the ratio of CIS and distant foreign countries in the net immigration, leading in immigration in Russia are Uzbekistan (12.4%), Kazakhstan (11.0%) and Tajikistan (8.0%) (Rosstat data for 2015).

Especially acute migration problems are in border regions of Russia, occupying over 76% of all territory of Russia, situating in the intersection of political, economic, ethno-cultural and confessional boundaries. Russia borders 16 states, among which 8 represent ex-members of USSR. New borders with CIS countries engender new socio-economic problems, related to interactions of formerly unique socio-politics territories (Kolosov, 2003). Borders practically define territorial, cultural, ethnic and linguistic communities, they act as a support point for identification of population living in borderland and their mentality, characterized by highly contrast social representations about “we” and “they” and high potential of ethnic confrontation (Mezhevich, 2002; Lebedeva, Tatarko, 2004; Soldatova, 1998). Border poly-ethnic regions *per se* are at greater risk of social-political instability for their higher latent ethnic potential for conflict (Sikevich, 1999). Thus, an important emerging issue concerns formation of inter-ethnic relations in border regions of Russia, realization of national and migration policy in the frame of Russian multinationalism. Crisis in social relationships, multiple social, political and economic conflicts which are increasingly associated with so called “national factor” and threats, allegedly emanating from ethnic or religious groups, indicate that problematization and scientific reflection about Russian mentality, taking into account new demographic and migration conditions have yet to be worked out and refined.

2. METHODOLOGY

The analysis of inter-ethnic relations and attitudes of population towards representatives of various ethnic groups, migrants and state migration policy has been undertaken on data, collected in sociological surveys in 2015-2016 (structured interviews, n=4437, participants' age from 15 to 75 years) in nine regions of Russia (Altai, Transbaikalia, Kemerovo, Omsk, Orenburg, Amur regions, Jewish autonomous region, Republic of Altai and Republic of Karelia). Descriptive analysis of empirical data was followed by the elaboration of the decision tree model, determining ethnic attitudes and evaluations. Chi-square automatic interaction detection (CHAID) was applied to find interaction between variables, reveal best predictors and perform classification (Althuwaynee, Pradhan, Park, Lee, 2014; McCormick, Salcedo, 2017).

In follow-up to sociological surveys, a psychosemantic experiment (Bradley, Lang, 1994; Greenwald, McGhee, Schwartz, 1998; Petrenko, 2005; Petrenko, Mitina, 2014; Fransella, Bannister, 2004; 2013), was conducted to gather additional evidence about peculiarities of construing and perception of images of migrants and general ethnic groups, meaningful for national and civilizational identification and participating in the process of nation-building in Russia. A modified procedure of semantical differential and repertory grid consisted in assessment of ten elements (Russians, Europeans, Asians, Slavs, Caucasian peoples, Central Asian peoples, Small indigenous peoples of the North, Siberia and the Far East, Migrants, Friendly people and Hostile people) with 7-point scales, describing personal traits, way of thinking, characteristics of national culture, interethnic and intercultural relations and respondent's auto-identification with these groups.

Experiments were carried out in four border regions of Russia: in Amur and Jewish Autonomous regions, in the Altai territory and in the Republic of Karelia (n=400, participants' age – 15-70 years). The analysis included descriptive methods, one-way ANOVA and principal component analysis, which results were presented in the form of semantic spaces, relevant for each region.

3. RESULTS AND DISCUSSION

3.1. Inter-ethnic relations in Russian regions: what does the population think and feel?

In assessing the quality of relations among various nationalities in their place of residence, 75.6% of respondents characterized them as normal, non-conflict, 14.2% – as warm and friendly, contributing to national harmony, 9.8% – as tense and contentious or even dangerously explosive (0.4%). In regions having numerous groups of autochthonous national minorities and where the proportion of Russians was smaller than average in Russia, namely in the Orenburg region and the Republic of Altai, ethnic relations were more often seen as friendly and warm (26.9% and 20.4% correspondingly, in other regions – less than 16.5%). In the Transbaikal region and the Republic of Karelia they were frequently characterized as tense (25.7% and 18.0% correspondingly, in other regions – 9% and less), and in the Orenburg region – as explosive (1.4%, in other regions – less than 0.6%) (chi-square test, $p < 0,05$) (Figure 1).

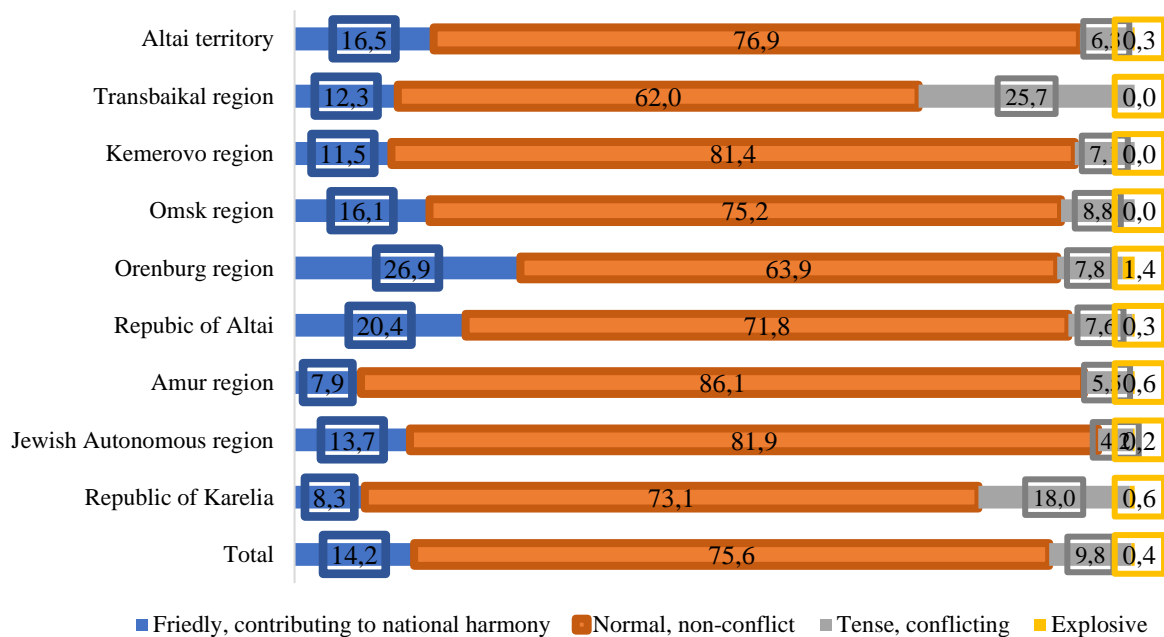


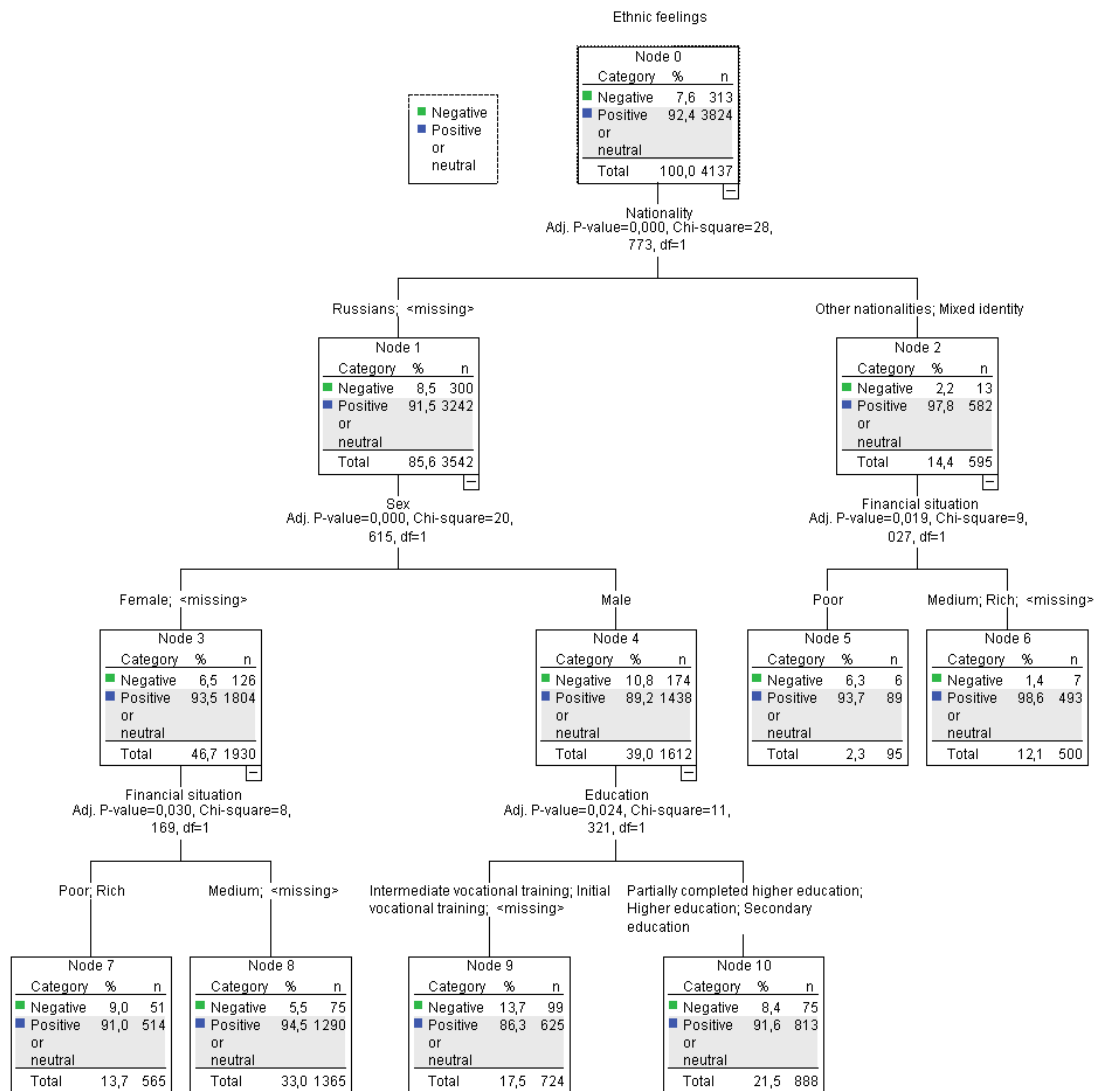
Figure 1: Evaluation of the character of inter-ethnic relations in nine regions of Russia (sociological surveys, conducted by authors in 2015-2016)

Evaluations of inter-ethnic relations were affected by ethnic feelings and attitudes. Most of the population had positive or neutral feelings towards people from different ethnic groups (72.1%) and only about 7.5% of respondents felt otherwise. People possessing positive ethnic feelings rarely characterized inter-ethnic relations as tense and predisposed to conflicts (only 4.5% against 36.3% in group with negative feelings) and reported about national harmony and unity (23.4% against 3.2% in the second group). The proportion of people with negative feelings was very similar in nine regions (chi-square test, $p = 0.06$). Yet, hostility was not symmetric: people opposed to other ethnoses in most cases (63.0%) didn't face negative attitude from them, only 37.0% respondents in this group have noted mutual aggression. Disaffected groups tended to justify their feelings, appealing to concerns about the growth of terrorism (31.0%), reluctance of other nationalities to accept Russian customs and norms of behavior, control of certain spheres of economics and impact on employment (13.5%), low educational and cultural level (11.4%). Since the level of public dissatisfaction with ethnic relations were rather constant among all inspected regions, a question arose whether there existed some social factors determining the distribution of negative ethnic attitudes or their prevalence was equally spread among all social groups. Then, a decision tree analysis was performed to find predictors of

negative ethnic feelings and reveal groups more than others prone to them. As initial independent factors, sex, age, nationality (three categories – Russians, mixed identity and other nationalities), religion (four categories), level of education (five categories) and self-assessment of financial situation (poor – medium – rich) were included in the model. In final step, only four of them (nationality, sex, financial situation and education) remained as most significant (according to CHAID algorithm). The quality of modeling was very high (92.4%) and reproduced in cross-validation, so its results at least bear mention and discussion. The factor of nationality was of the utmost importance, resulting in two major clusters – Russians, having bigger proportion of negative feelings (8.5%) and others among which only 2.2% felt negative. Further analysis has shown that groups of nationalities were influenced by different factors. In the group of Russians clusters were based on sex, education and financial situation. Russian men were more intolerant (10.8% of negative feelings) than Russian women (only 6.5%). Among men a group of population with initial and intermediate vocational training had greater risk of intolerance (13.7%, other education groups – 8.4%).

Among women, there was a specific group, uniting poor and wealthy women, in which the level of negative feelings was higher (9.0%) than among women with medium level of wellbeing (5.5%). In the group of respondents with mixed or different ethnic identity only economic factor played an important role. Two clusters – of poor people, having negative feelings more frequently (6.3%) and of medium and rich – more tolerant (1.4%) were distinguished. Thus, there were two groups of clusters, differing by positive/negative attitudes: the first consisted in Russian women from the middle class, Russian young men with secondary education, Russian adult men with at least partially completed higher education and non-Russians with good financial position (positive), the second – in poor and wealthy women and adult men with low educational level (negative) (Figure 2). Regional samples differed by distribution of risk clusters. Orenburg region had larger proportions of poor non-Russians and non-tolerant women, the Republic of Altai – high proportions of poor non-Russians, but as the same time – low rates of Russian men with initial or intermediate vocational education, Omsk region – small proportion of non-tolerant women, Altai and Transbaikal territories – as having high proportions of men with initial or intermediate vocational education (Table 1). So, even if negative attitudes were common in all regions, characteristics of social and demographic structure made them unique by combination of positive and negative factors influencing the state and the character on inter-ethnic relations.

Figure following on the next page



3.2. Attitudes towards immigrants viewed through a prism of migration policy

Further analysis necessarily implied the assessment of dynamics in ethnic processes and expectations of population concerning what government should do to ensure international harmony. In this regard, public opinion was not unanimous: about a quarter of respondents (26.2%) believed that inter-ethnic relations in recent years became more tense and contentious, 39.7% – thought that these relations remained the same and about the fifth part (21.0%) concluded that relationship among nationalities became more peaceful and tolerant. Regional comparisons have shown that negative changes were more noticeable in Amur region (41%), positive ones – in national republics of Karelia (31%) and Altai (30%), whereas absence of any dynamics was relevant for Kemerovo, Omsk and Orenburg regions ($p < 0.01$, chi-square test) (Figure 3). Given results indicated regional differences in establishing dialogue between nationalities and existing problems of regulation in the sphere of inter-ethnic relations and migration, especially related to contradictions between objective needs in stimulation of migration inflows, necessary to maintain economy and cooperation with partner countries, and subjective evaluations of population on this matter.

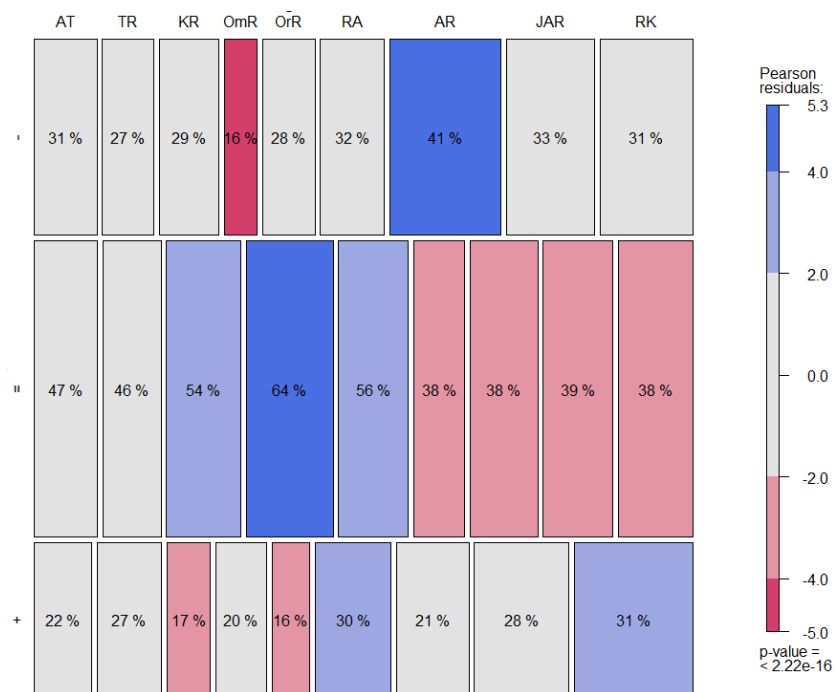


Figure 3: Evaluation of dynamics of inter-ethnic relations in nine regions of Russia
(sociological surveys, conducted by authors in 2015-2016)

Almost half of respondents in nine regions believed that the government should try to restrict migration inflows and deport all illegals from CIS countries, only the third part supported the idea of removing administrative barriers and using migration for the welfare of Russia, the fifth part (21.5%) agreed, that it would be better to legalize irregular migrants, help them to assimilate and get job. Great number of respondents had difficulty in answering questions about migration policy (about 25%, in the Transbaikal region – 40%), that indicated about inconsistency of government actions vagueness of public opinion about migration policy. Radical measures had gained broader support in Kemerovo region (59.4%), while respondents from the Amur, the Orenburg, the Jewish Autonomous regions and the Altai territory were more loyal to migrants and shared the point of view that the government should get benefit of them ($p < 0.05$, chi-square test (Figure 4). Severe, radical measures towards illegals were more supported in Kemerovo (65%), Omsk (68%), Amur (61%) and Jewish Autonomous (62%) regions. Liberal strategy was more supported only in the Altai region (34%) and the Republic

of Karelia (27%) (significance of difference by chi-square test, $p \leq 0,05$). Population's opinions could be partially explained by migration trends especially in Kemerovo, Omsk and Amur regions, where coefficients of intensity of immigration are among the highest ones (Figure 5). Meanwhile, statistical and sociological data relevant for the Altai region, the Republic of Karelia and the Jewish Autonomous region are rather competing. They illustrate that migration situation *per se* has not direct impact on people's opinions and evaluations, which are in a greater extent constructed and directed artificially, by media or other sources of influence.

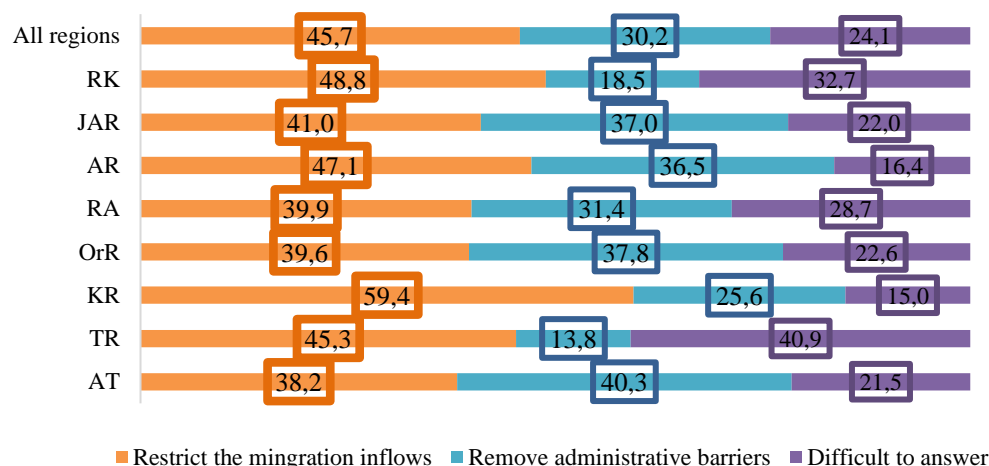


Figure 4: Distribution of answers for the question "What policy should adopt the government of Russia?" (sociological surveys, conducted by authors in 2015-2016)

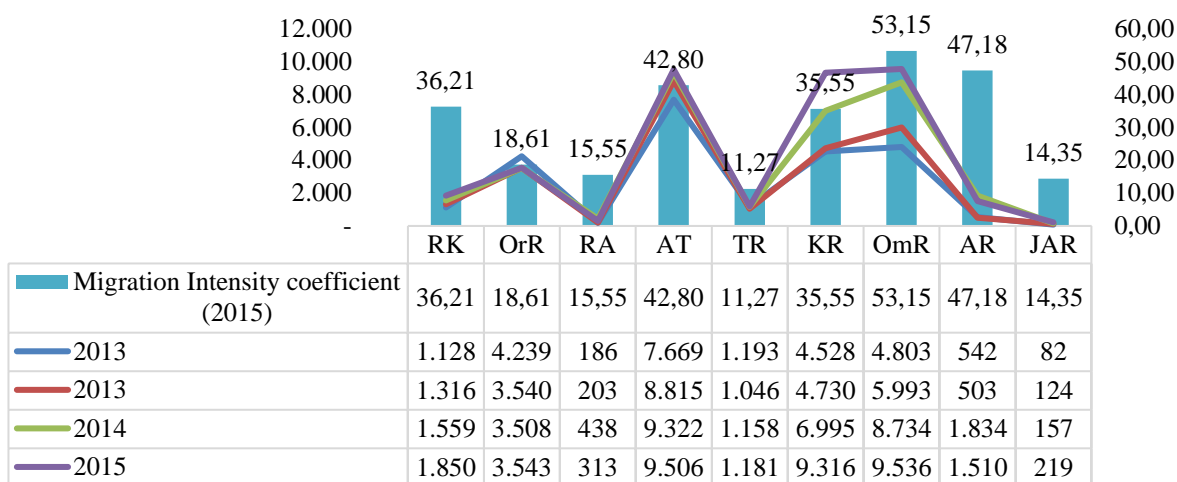


Figure 5: Immigration from CIS countries (thousands) and migration intensity coefficient (number of migrants/average number of population*10000) (authors' calculations based on the Rosstat data)

3.3. Image of migrant in the public conscience: alien but innocuous

The image of typical migrant, as results of descriptive analysis of psychosemantic experiment have shown, has following key characteristics: alien, entirely different from respondents' image of themselves, distant and unenviable, that indicated about financial and moral hardship of migration, reflected in corresponding social stereotypes. In addition, in the Altai region migrants were considered as poor, risky and vulnerable, in the Jewish Autonomous region – as responsible and disciplined, in the Republic of Karelia – as hardworking and purposeful.

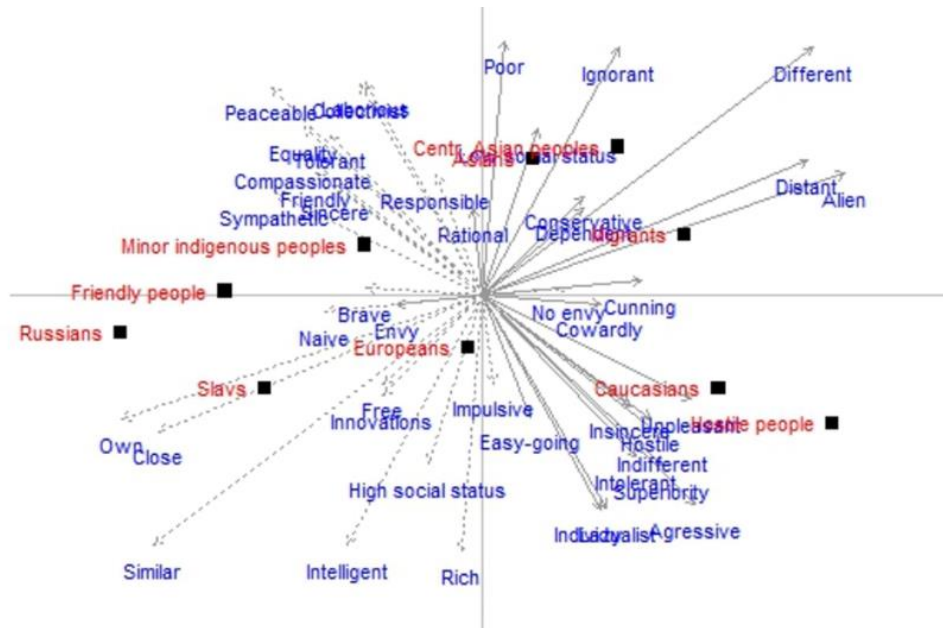


Figure 7: Semantic space relevant for the Amur region (results of psychosemantic experiment in four regions, 2015-2016)

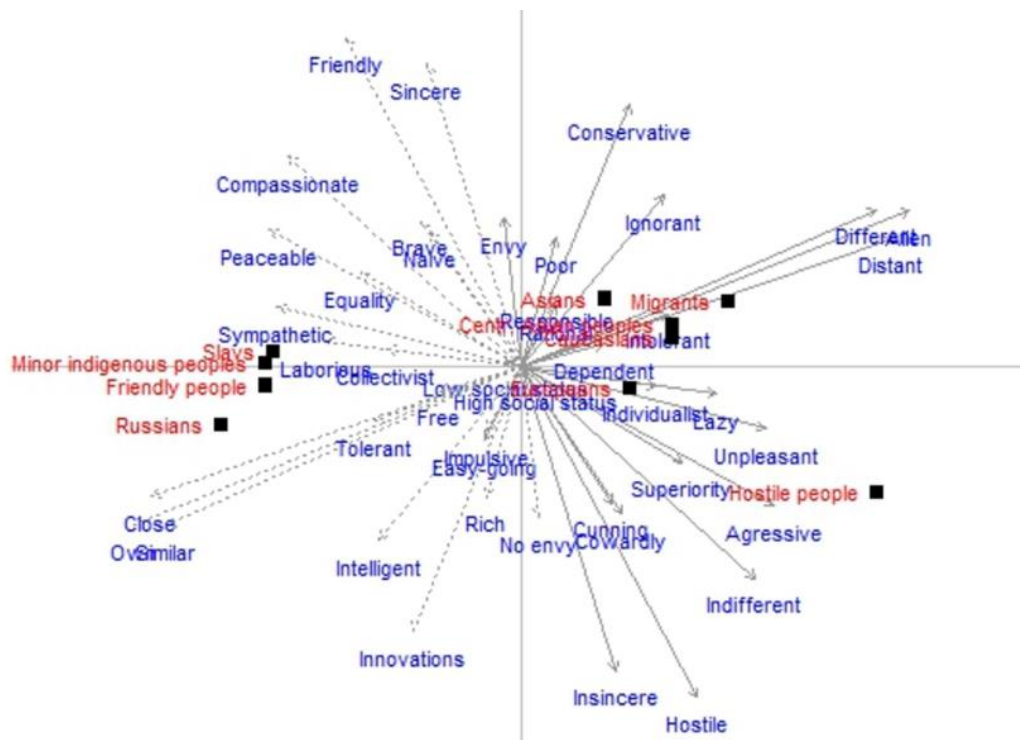


Figure 8: Semantic space relevant for the Jewish Autonomous region (results of psychosemantic experiment in four regions, 2015-2016)

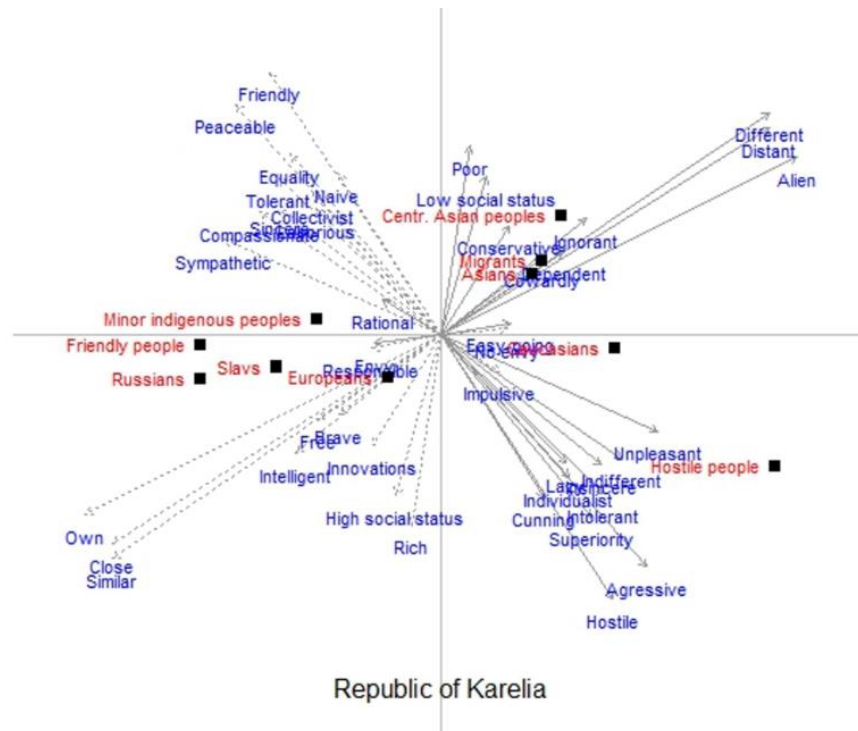


Figure 9: Semantic space relevant for the Republic of Karelia (results of psychosemantic experiment in four regions, 2015-2016)

4. CONSLUTION

Sociological surveys in border regions of Russia permitted to conclude that public opinion about inter-ethnic processes is very polarized. The most favorable situation was observed in the Altai territory and the Republic of Altai, where inhabitants were highly satisfied with friendly and warm inter-ethnic relations and didn't feel ethnic tension, were loyal towards migrants and supported liberal migration strategies. In the Orenburg and Jewish autonomous regions the situation was almost analogical, but with less favorable evaluations. In the Kemerovo, Omsk and Amur regions were detected most contradictory tendencies: on the one hand, inhabitants of these regions witness about smooth and non-conflict inter-ethnic and inter-confessional relations, absence of tension; on the other hand, they report about negative ethnic dynamics, demonstrate intolerance towards other nationalities and immigrants (especially in the Kemerovo and the Amur regions) and support restrictive measures. The Transbaikal territory and the Republic of Karelia were characterized by most negative evaluations of inter-ethnic relations, which were largely defined as tense and contentious, with high probability of violent clashes. Although residents of these regions were loyal to immigrants as such, they were committed to firmer actions of the government, thinking that only repressive migration and national policies could ensure inter-ethnic consent and public order. Differences in perception of inter-ethnic relations, and especially in migration processes were certainly determined by unique ethnic composition of population in each region, level and quality of life, particularities of social interactions between different groups. Key factors, reflected in public conscience and based on representations and stereotypes, regulating attitudes towards different ethnic groups, included the factor of general assessment, defining positive or negative vector of evaluations on the base of self-identification and similarity with national character and mentality and the factor of social-economic and cultural development, defining hierarchy and division between those who merits respect and dignity and those who are marked as excluded and unworthy. Migrants weren't associated with national threats but were described as a group with conservative views, low educational and cultural level, depending from receiving society and

totally alien for respondents. Considering peculiarities of self-perception and dispositions of population of towards migration, it appears that further harmonization in the inter-ethnic sphere in Russian borderland requires more sophisticated approaches, combining general priorities of the state policy with regional needs to preserve ethno-cultural uniqueness and struggle with tough migration issues.

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INFLUENCE OF LASER IRRADIATION ON INTERACTION OF PROLEN SUTURES WITH THE WOUND TISSUES AND THEIR HEALING

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ABSTRACT

The effect of low-intensity laser radiation on the healing of cutaneous wounds and the interaction of prolene sutures with tissues was studied. Linear wounds were produced on the dorsum of white rats. Morphologic methods were used to assess changes in wounds, to find out about the interaction of tissues with sutures and for determination of the ratio of normal and pathological forms of erythrocytes in wounds. Wound microcirculation was evaluated with laser Doppler flowmetry. It has been shown that laser irradiation is the cause of inflammatory changes in tissues caused by contact with tissues with prolene sutures, promotes normalization of the ratio of normal and pathological forms of erythrocytes, intensifies microcirculation and promotes. The study reflects the possibility of using laser irradiation for reducing the inflammatory response and accelerate the healing of wounds.

Keywords: *laser irradiation, microcirculation, prolene, wounds, erythrocytes*

1. INTRODUCTION

Low-intensity laser radiation (LILI) is used in the complex treatment of a variety of common diseases, including surgical conditions [2-8, 10-15, 18, 19, 24-28]. Various modes and means of actions are used in laser therapy. First of all, this is external - local action. Currently, light emitting diode quantum emitters (Light Emitting Diode - LED) are widely introduced into phototherapy. The bio-effects of LILI and LED, manifest themselves as stimulation of regeneration, local immune processes, and microcirculation, as well as reduction of pathologic changes. This is important in surgery, especially for stimulating wound healing [2, 3, 9, 16, 24 - 28.]. It is impossible to imagine modern surgery, without the use of various types of artificial and biological materials [7, 23].

First of all, these are the different types of suture materials used in all areas of surgery. The results of operations largely depend on many qualities of these materials and, above all, the nature of their interaction with body cells and tissues. However, the structural aspects of the interaction of surgical suture materials with cells and tissues of the body were not studied sufficiently enough neither were studied their interaction with cells and biological tissues under the influence of LILI. Studies of the response of tissue cells to artificial and biological materials will allow to determine the dominance of the basic cellular processes and to determine the possibility of their regulation, particularly with the application of LILI.

2. MATERIAL AND METHODS

We studied healing of linear wounds on the dorsum skin of rats, sutured with Prolene, irradiated with "Matrix-VLOK" and "Milta" lasers. A complex of morphological techniques was used for the study purpose. For light microscopy, the tissue samples were fixed in a 10-12% formalin solution in phosphate buffer. Paraffin sections were stained with hematoxylin - eosin.

Stereomorphometric studies were carried out by stereo-morphometry techniques according to GG Avtandilov. This method has been modified and adapted for morphometry of objects from the computer screen, where, for this purpose, a transparent film was plotted with required marks. For the morphometric studies of linear structures, the OMO ruler micrometer with a scale length of 1.000 mm and with a 0.01 mm dividing point was projected onto the film. The film dimensions corresponded to the image on the monitor screen. The measurements were carried out when the morphological object was projected onto the screen [6]. Statistical processing of data was carried out with BS-Statistica, and Microsoft's "Exel-Office" applications. For scanning electron microscopy (SEM), the specimens, after being prefixed in 1% osmium tetroxide solution and fixed in 2.5% glutaraldehyde solution, were subjected to dehydration in alcohol and acetone, then dried by a critical point transition (HCP-2), ion sputtered with gold apparatus (IB-2) and examined in JEOL JSM-6010LV and Hitachi-S405 microscopes. The photographing was carried out from the screen of the microscope with a digital camera (Canon). For practical and scientific purposes, in the laboratory of pathological anatomy of JSC "RSCS named after Vakhidov", we developed a technique of studying discrete structures - "thick film" (EMTF) express technique. The method is patented in the Patent Office of the Republic of Uzbekistan as "Method for determining the forms of erythrocytes" № ICI 6 A 61 B 10/00, as well as patented as the program "Express diagnostics of erythrocyte forms" No. ED-5-05. EMTF allows to preserve the natural state of the erythrocyte and evaluates the ratio of discocytes (normal erythrocytes - D) to pathologic forms (PFE) within 10-15 min. The given method makes it possible to monitor the state of erythrocytes and evaluates the effectiveness of the undertaken measures. The irradiation was carried out during 10 days, for 3 minutes daily. The animals of the control group were not exposed to irradiation. Microcirculation of the skin of the wounds was assessed using laser Doppler flowmetry (LAKK-01 or ALT-Vostok LDF-01), which was with single-channel analyzers and connected to computers. The radiation source of the device is a helium-neon laser, 0.63 μm, 25 mW, with a standard diagnostic receiver. The device helps to determine the capillary blood flow parameters in the speed range from 0.03 to 6 mm / s. The LDF signal is registered as the integral characteristic of the superficial blood flow (microcirculation parameter), which equals to: the product of the erythrocyte concentration (N_e) in the measured tissue volume of 1 to 1.5 mm² by the average speed of their movement (V_{av}): $MP = N_e * V_{av}$

To the surface of the studied object, laser radiation is brought close using a three-channel light cable with a total cross-sectional diameter of 3 mm. In offline mode, it measures the integral index of blood flow. The device allows obtaining LDF graphs, analyzing the amplitude-frequency characteristics with further saving and statistical analyzing the obtained data with PC [15, 17]. Table 1 gives a comprehensive description of the studied parameters.

Table following on the next page

Table 1: Studied parameters

Name	Studied parameter	Value of parameter
AmaxCF/AmaxB (LF)	Amplitude coefficient (arteries / vasomotor)	Relative indicator of the arterial component of microcirculation
AmaxHF/AmaxB (LF)	Amplitude coefficient (veins / vasomotor)	The relative index of the venous component of microcirculation
$\Pi\text{ЭМ} = A_{LF} / (A_{CF} + A_{HF})$	Microcirculation efficiency index	Relative indicator (The ratio of passive and active processes in the microcirculation system)
M	Perfusion level (in relative units)	The total value of the mean velocity of erythrocyte movement, the capillary hematocrit index and the number of functioning capillaries
Σ	Mean deviation of perfusion level	Statistically significant fluctuations in erythrocyte velocity
Kv	Coefficient of variation of perfusion level	Vasomotor activity of microvessels

Wounds were studied on the 3rd, 7th, 10th, 15th and 30th days after they were caused.

3. RESULTS

An eschar is formed on the wound surface in the early observation period (3 days), (Figure 1) with inflammatory infiltration with the predominance of large-cell elements and single fibroblasts under it. The main volume is occupied by cell-free zones - areas of edema, extravascular erythrocytes and lymphoid cells (Figure 2, Table 2).

Studied samples at the same terms but after laser irradiation showed that the manifestations of the alteration phase of inflammation decreased, the number of fibroblasts increased and there was a formation of young microvessels; the relative volume fraction occupied by the cell-free zones was significantly reduced (Figure 3, Table 2).

The study of the structural features of the interaction of prolene sutures with biologic tissues showed that sutures at the places of contact with tissues, in the early periods of observation, cause pronounced manifestations of inflammatory reactions in the form of polymorphic cell infiltration, edema, and hemorrhages. In some cases, there were clusters of calcium accumulations. These reactions were more pronounced in areas of surface damage of sutures (Fig. 4, 5). After 3 sessions of phototherapy with LILI, there was a significant decrease in the manifestations of inflammatory reactions around prolene sutures with the formation of granulation tissue, an increase in the relative volume fraction of microvessels and fibroblasts. This was also observed with a decrease in the relative volume fraction of extravascular erythrocytes, lymphocytes and cell-free zones (Figure 6, Table 2).

On the 7th day, there was a pronounced epithelization of the wound defect in the group of irradiated animals. The epithelial tongues were crawling onto developed granulation tissue with a large number of microvessels. However, the relative volume fraction of fibroblasts was seen to decrease (Fig. 7, Table 2). This can be said to be a signpost of the beginning of tissue remodeling stage.

Table following on the next page

Table 2: Relative volume (in%) of different wound structures under the influence of LILI

Type of structure	Control group		LILI	
	3 days	7 days	3 days	7 days
Cell-free zones	38.7±0.9 P<0.01	30.7±0.9 P<0.01	*27.4±1.1 P<0.01	*20.4±0.6
Vessels. Including endotheliocytes	6.6±0.2	8.6±0.2	12±0.2-	10.2±0.3-
Fat cells	8.8±0.8	7.8±0.8	7.4±0.7 P<0.1	6.4±0.3 P<0.01
Extra-vascular erythrocytes	10.3±0.7	8.2±0.7	5.3±0.6 P<0.1	**2.2±0.5 P<0.05
Neutrophils	8.6±0.4	6.4±0.4	*6.6±0.9 P<0.05	**4.4±0.9 P<0.05
Neutrophils	8.8±0.4	8.0±0.4	*4.6±0.4 P<0.05	**1.2±0.5 P<0.05
Fibroblasts	1.8±0.3	2.9±0.3	*6.3±0.4 P<0.05	**5.7±0.6 P<0.05
Macrophages	1.6±0.2	1.8±0.2	*2.6±0.2 P<0.1	**1.3±0.3 P<0.01
Plasmablasts and plasmocytes	6.4±0.7	6.9±0.7	*3.8±0.6 P<0.01	**2.5±0.7 P<0.05
Eosinophils	1.5±0.3	1.4±0.3	*1.7±0.2 P<0.01	*1.0±0.3 P<0.05
Labrocytes	2.3±0.4	2.9±0.4	*1.5±0.5 P<0.1	*1.3±0.4 P<0.1
Monocytes and unidentifiable cells	11.0±0.5	9.0±0.5	*10.3±0.4 P<0.1	**9.6±0.5 P<0.05

The Student's test was used to estimate the difference from zero for the mean difference in pairs in the cases marked with (*). The sign criterion was used in the cases marked with (**). On the 10th day, the wound defect completely epithelizes. There is also remodeling of the scar with a decrease in the number of microvessels (Figure 8). The study of the ratio of D/ PFE at various times of the wound process and the effect on this indicator of LILI revealed that in early terms there was a decrease in the number of D by 1/3. In non-exposed animals, the D share of D does not reach the normal values even on the 10th day.

In the wounds of the animals from this group, the number of erythrocytes with a crest and stomatocytes was the highest (Figure 9, 11, Table 3). The effect of LILI on the wounds leads to the normalization of the D/PFE ratio in the earliest periods of irradiation. By the day 10, these indicators approach the reference norms (Figure 10,12, Table 3).

Table following on the next page

Table 3: Ratio of forms of erythrocytes of wounds under the influence of LILI

Form of erythrocytes	a) Skin of dorsum norm	B) Wound 3rd day, control	C) Wound 7th day, control	D) Wound 10th day, control	E) Wound 3rd day, irradiation	F) Wound 7th day, irradiation	G) Wound 10th day, irradiation
Discocytes	90 ±0.5	60±1 % *	70±2.0 % **	77±2.0% **	76± 1 **	82± 1% ***	88± 1% ****
Echinocytes	8±0.3	10±0.5	10±1.6 %	6±1.4% **	8±0.4 **	8± 0.1%	6± 0.1%
Stomatocytes	1±0.05	12. ±0.4 *	8±1.6%	7±1.3% **	6 ±0.02 **	4 0.2% *** ±	2 0.2% **** ±
E. with crest	0.5±0.02	16±0.03 *	10±0.1% **	8±0.01% **	8±0.01% **	4 0.1% *** ±	3 0.1% **** ±
Irreversible forms	0.5±0.05	2±0.01 *	2±0.1% . **	2±0.05%	2±0.01% **	2± 0.1	1± 0.1%

* *Reliable in relation to the norm*; ** *reliable in relation to gr. "B"*; *** *reliable in relation to group "B" (before laser therapy)*; **** *reliable in relation to group "G"*

The impairment of the D / PFE ratio results in a significant change in the microcirculation. The fact of the dominance of pathological forms of red blood cells in the blood allows us to presume that microcirculation would be disturbed not only in the zone of damage but in the whole body as well. As it was mentioned above, the most objective and accessible tool for assessment of microcirculation is laser Doppler flowmetry [8,15,17,20,21]. The evaluation of microcirculation of the intact skin from dorsum and skin from the area of linear wounds allowed to reveal significant differences in microcirculation values. The AmaxCF / AmaxB value, reflecting the relative index of the arterial component of the microcirculation, becomes reduced almost 3 times in the wound zone. Indicators AmaxHF / AmaxB, reflecting the venous component of microcirculation, decreases by half. This index increases after 3 days of LILI effect on the wounds.

The index of the effectiveness of microcirculation - IEM, showing the ratio of passive and active processes in the microcirculation system, decreases more than two fold in the wound zones and does not reach the control values even on the 10th day. This indicator, like other parameters that reflect the state of microcirculation, used to restore more quickly under the influence of LILI. In the control, the indices M reflecting the total value of the mean velocity of erythrocyte movement, the parameters of the capillary hematocrit and the number of functioning capillaries comprised 16. In the skin from the edges of wounds, this figure was reduced to 8.5. LILI leads to a more rapid recovery of this indicator as well (Table 4). The parameter δ , which reflects the statically significant fluctuations in the erythrocytes' velocity in the skin from the edge of the wounds, decreases by half but was close to the control values with application of LILI. In the skin near the wound defect, the coefficient of variation (Kv), reflecting the vasomotor activity of microvessels, was reduced by more than half. Under the influence of LILI, this indicator achieved 19.0 on the 10th day of observation (Table 4).

Table following on the next page

Table 4: Laser doppler flowmetry parameters of the wounds under the influence of LILI

	Skin of dorsum control	Skin, wound edge 3rd day.	Skin wound edge 7th day	Skin wound edge 10th day	Skin, wound edge 3rd day. LILI	Skin, wound edge 7th day LILI	Skin, wound edge 10th day. LILI
AmaxCF/AmaxB (LF)	0.27±0.1	0.1±0.02	0.20±0.01*	0.24±0.001*	0.18**	0.24±0.02**	0.28**
AmaxHF/AmaxB (LF)	0.4±0.01	0.2±0.01	0.3±0.07*	0.3±0.04*	0.3±0.08**	0.33±0.06	0.38±0.01
IEM = $A_{LF} / (A_{CF} + A_{HF})$	2.9±0.1	1.4±0.01	2.0±0.03*	2.6±0.02*	2.4±0.04**	2.6±0.01	3.0 ±-02
M****	16±0.2	8.5±0.3	10.2±0.3*	12.0±0.3*	12±0.2**	14.4±0.2	15.6±0.3
Δ	4.0±0.3	2.0±0.2	2.7±0.1*	2.8±0.03*	3.2±0.1	3.4±0.1	3.9±0.2
Kv	18.6±0.5	8.9±05	12±0.4*	13.0±0.4*	13.2. ±1.0	14±0.5	19. ±0.4

Changes in microvessels of connective tissue and intravascular erythrocytes in the terms of increase of discocytes and decrease of the proportion of pathological forms of erythrocytes are the structural basis for the intensification of microcirculation, which is confirmed by studies using laser Doppler flowmetry. The intensified microcirculation facilitates the formation of a soft connective tissue around the surface of sutures and reduces the formation of foci of hemorrhages in the region of location surgical sutures.

4. DISCUSSION

The curative effects of photo-influences had been used in the earliest periods of medicine formation. As S.V. Moskvina rightly notes "... the use of natural light for medicinal purposes is probably as old as humanity". Hippocrates, the "father" of medical science, was the first physician to point out the beneficial influences of sunlight [18, 19]. Abu Ali Ibn Sino, known also as Avicenna, on the pages of his multi-volume "The Canon of Medicine", wrote about the role of sun rays in the treatment and prevention of diseases [1]. Although the issues of stimulation of wound healing with the help of laser radiation attracted the attention of researchers from the very beginning of the birth of laser medicine, since it allowed to give a visual assessment of the beneficial effects of LILI, there remain many unsolved problems in this area and among others, it is the role of LILI in the interaction of surgical suture materials with biologic tissues. The majority of the modern surgical sutures are made of synthetic polymer materials and they are characterized by physical, chemical and biological properties, in many respects superior to those of natural materials. Prolene, referring to non-absorbable synthetic sutures, takes deserving place among other contemporary sutures. Previous studies of the sutures, with scanning electron microscopy, have often shown that there would be various defects, which are foci of inflammatory reactions [23] on the surfaces of sutures. Laser effects, as our studies have shown, have significant effects on the interaction of cells with suture materials, reducing the manifestations of inflammatory reactions that are noted after just 2-3 sessions. The course of phototherapy results in a pronounced acceleration of wound healing. There was not a single case of suppuration of wounds in the groups where the phototherapy was used. It was also found that, with various pathological processes, there was an increase in the number of pathological forms of erythrocytes and a decrease of normal erythrocytes - discocytes. Laser irradiation, both intravascular and local, used to normalize the D / PFE ratio [4, 20 -22]. Since the shape of the erythrocytes immediately determines the state of microcirculation, we conducted a study of the effects of LILI on the state of microcirculation

of the skin near the wound defects and intact skin of the experimental animals. The carried out studies of the influence of LILI showed marked improvements in the studied parameters of microcirculation, which was, as believed, due to both the normalization of the D / PFE ratio, and the direct effect of LILI on microvessels.

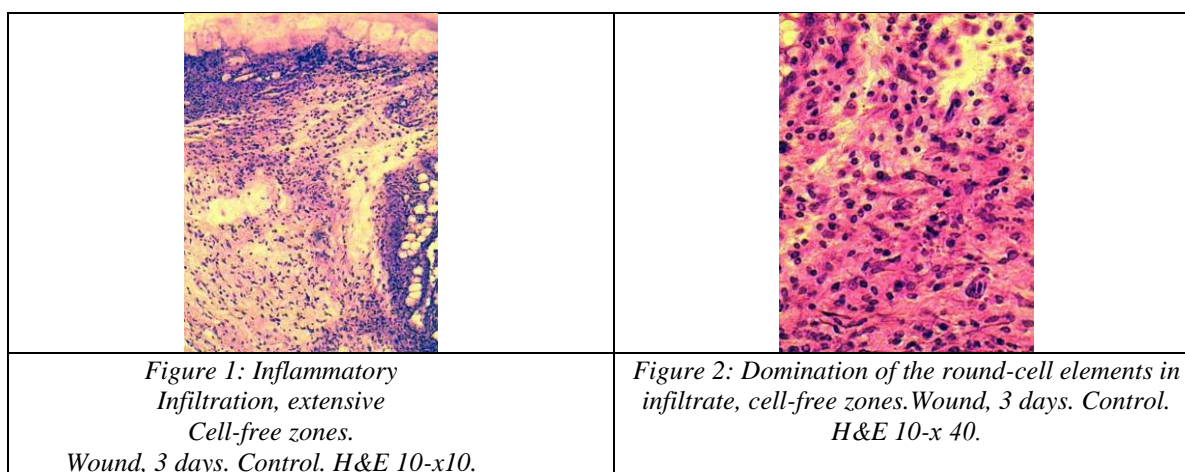
5. CONCLUSION

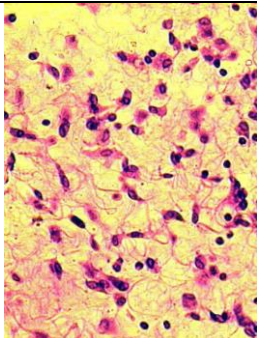
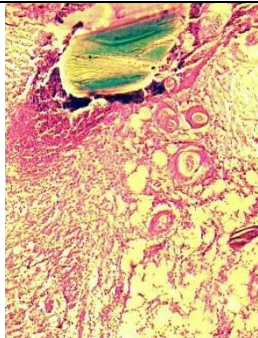
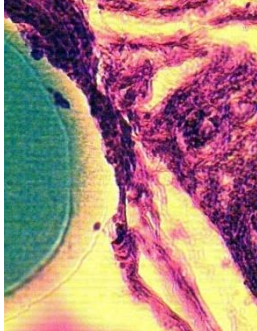

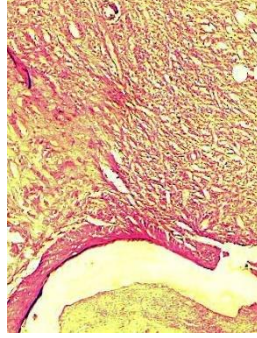

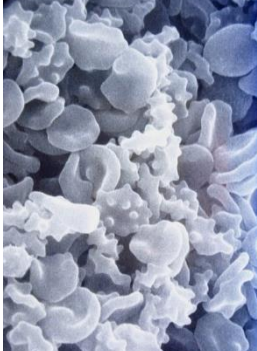
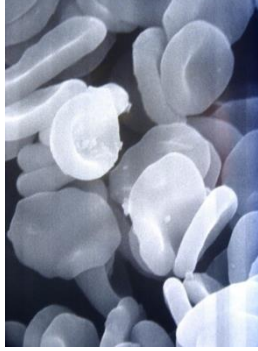
The action of LILI on wounds sutured with prolene, morphologically manifests itself as three interrelated effects: 1) decrease of inflammatory reactions, including those caused by the contact of sutures with tissues; 2) restoration of the ratio of normal erythrocytes and their pathological forms (D / PFE); 3) stimulation of microcirculation. Altogether, this leads to accelerated wound healing.

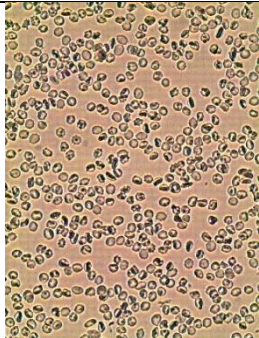
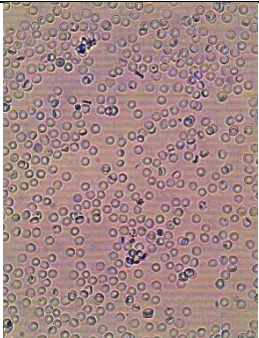
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<p><i>Figure 3: Dominance of fibroblasts in the wound. 3 days. Effects of LILI. H&E 10-x40</i></p>	<p><i>Figure 4: Dense inflammatory infiltration in the area of contact of the suture with tissue. Wound, 3 days. Control.</i></p>
	
<p><i>Figure 5: Dense inflammatory infiltration in the area of contact of sutures with tissue, calcium deposits. Wound, 3 days. Control. H&E 10-x10</i></p>	<p><i>Figure 6: Absence of inflammatory infiltration in the area of contact of suture with tissue. Appearance of young granulation tissue. Wound, 3 days. Effects of LILI. H&E 10-x10.</i></p>
	
<p><i>Figure 7: "Crawling" of the epithelium over the granulation tissue. Wound, 7 days. Effects of LILI. H&E 10-x10.</i></p>	<p><i>Figure 8: Complete wound epithelization. A decrease of the share of microvessels in the wound scar. 10 days. Effects of LILI. H&E 10-x10.</i></p>
	
<p><i>Figure 9: Domination of pathological forms of erythrocytes in the blood from the wound area. 3 days. Control, SEM x2000</i></p>	<p><i>Figure 10: Domination of discocytes (normal red blood cells) in the blood from the wound area. 3 days. Effects of LILI, SEM x 4000</i></p>

	
<p><i>Figure 11: Domination of pathological forms of erythrocytes in the blood from the wound area. 7 days. Control. EMTF 10x40.</i></p>	<p><i>Figure12: Domination of discocytes (normal erythrocytes) in the blood from the wound area. 7 days. Effects of LILI. EMTF 10x40.</i></p>

LABOUR MARKET SECURITY RISKS AND CHALLENGES ASSOCIATED WITH INTERNATIONAL LABOUR IMMIGRATION: A NEW RESEARCH AREA STUDYING THE EFFECTS OF IMMIGRATION ON A RECEIVING LABOUR MARKET

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ABSTRACT

This article aims to demonstrate the relevance of a new interdisciplinary approach to studying the effects of labour migration on a host labour market (LM). The approach incorporates the analyses of risks, threats, and factors associated with LM security in the context of external labour migration (ELM). A multifactor analysis is used to systematise such risks and threats. The article examines the dependence of LMs on foreign labour (FL). The authors propose a typology of Russia's central and northwestern regions, based on LM security in the context of ELM. The typology rests on analysing risk and threat indicators. The authors identify regions most and least vulnerable to such risks.

Keywords: *labour market security, risks and threats, external labour migration, migration effects, migration consequences for labour market, labour market dependence on migrant workers, path dependence*

1. INTRODUCTION

International labour migration has become an intrinsic part of the modern world. Globalisation and regionalism create conditions for the emergence of a global LM. At the same time, they increase the socioeconomic differentiation of countries and regions. Moreover, these processes account for an unprecedented growth in large-scale migrations. In affecting the quantitative and qualitative characteristics of regional LMs, ELM influences not only the economy of a recipient territory but also its social and ethnocultural welfare and security. The crucial factor in ELM is freedom of movement and labour, which is enjoyed by all citizens of all democratic states. However, migration is regulated by both donor and recipient countries. The efficiency of the regulatory mechanisms determines whether migration is constructive or destructive for an involved territory. A recipient country's policy towards the employment of foreign nationals must strive to minimise ELM-related risks and threats to the local market security. The relevance of this work is explained by the need to systematise all the possible risks and threats to LM security, through analysing migration consequences and developing a methodology for assessing such risks.

2. THEORY

There is a vast body of research on external temporary labour migration and its impact on host LMs. The two dominant approaches are the economic and sociological ones. In the 1960s, international economists stressed the negative impact of migration processes on the economic growth of a recipient territory and its capital/labour ratio and labour productivity [Barro & Sala-i-Martin, 2003]. However, recent works show the opposite. Particularly, M. Lifshits argues that, as a rule, the long-term effect of migration is positive and significant [Lifshits, 2013]. Several avenues of research have been pursued abroad. Major research themes include the

consequences of competition between the local and incoming workforce, [Borjas, 2003; Angrist & Kugler, 2001], the economic situation of regular [Chiswick & Hurst, 1998; Borjas, 1987] and irregular [Boswell & Straubhaar, 2004] migrant workers (MWs), assessments of the economic efficiency of attracting and using FL [Ekberg, 2004], analyses of the 'ethnic' specialisation and segmentation of receiving LMs [Piore, 1980; Sassen, 1988], the dependence of individual industries and the economy on FL [Martin, 2010; Castles & Kosack, 1973], and the 'absorption' of migrant labour by host markets [Braun & Weber, 2016]. Russian researchers are focusing on discrimination against MWs and their economic activities [Vakulenko & Leukhin, 2016; Lokshin & Chernina, 2013], the forms, scales, and consequences of illegal immigrant employment [Ryazantsev, 2016b; Ioncev & Ivakhnyuk, 2012], demand for FL [Vakulenko & Leukhin, 2015], immigrant employment by industry and immigrant enclavisation [Ryazantsev, 2016a; Chudinovskih, Denisenko & Mkrtchyan, 2013], and the economic efficiency of attracting and using the MWs' labour [Vasil'eva, 2015; Solovieva, 2016].

The Chicago School encouraged studies into the profile and the life path of a MW [Thomas & Znaniecki, 1918; Apitzch & Siouti, 2007; Peshkova, 2016; Mukomel, 2012]. Other works focus on the economic behaviour of labour migrants and the phenomenon of ethnic employment and ethnic entrepreneurship [Bonacich, 1973; Waldinger, Aldrich & Ward, 2000; Dyatlov & Grigoriev, 2015; Drobizheva, et al., 2007]. The emergence of economic sociology gave rise to research on the sociocultural and economic adaptation of migrants, their marginalisation, etc. [Castells, 1975; Levanon, 2011; Mukomel, 2011; Ledeneva, 2014]. Russian sociologists' works following Douglass North's new institutional approach and studying the involvement of FL in low and high-skilled migrant networks are gaining popularity [Lisitsyn & Rezaev, 2015].

The geographical approaches to ELM rest primarily on the influence of migration on the system of migrant settlement and the regional features of migrant employment by industry. The political and legal approaches focus on the development and implementation of migration, foreign, and employment policies. Spatial – primarily, economic and geographical – factors in the impact of labour migration on regional LMs remain under-studied. International researchers have published few relevant works, which follow a new approach dubbed 'labour geography'. The approach considers MWs' activities aimed at changing working conditions, environment, and space [Herod, 1997; Rogaly, 2009]. Geography-focused works that consider the impact of migration on a LM at different spatial levels – local, regional, national, and supranational ones – are rather rare and they do not cover the whole spectrum of effects embraced by the economic and sociological approaches. Studies into the institutional aspects of attracting and using labour migrants and their 'absorption' by regional markets are very relevant in the framework of institutional geography. We have produced a classification of major avenues of research on the effect of ELM on a host LM (figure 1). The classification suggests distinguishing a new research area – LM security in the context of ELM. Existing at the interface of current research areas, it may become an interdisciplinary effort to estimate all possible consequences from the perspective of risks and threats.

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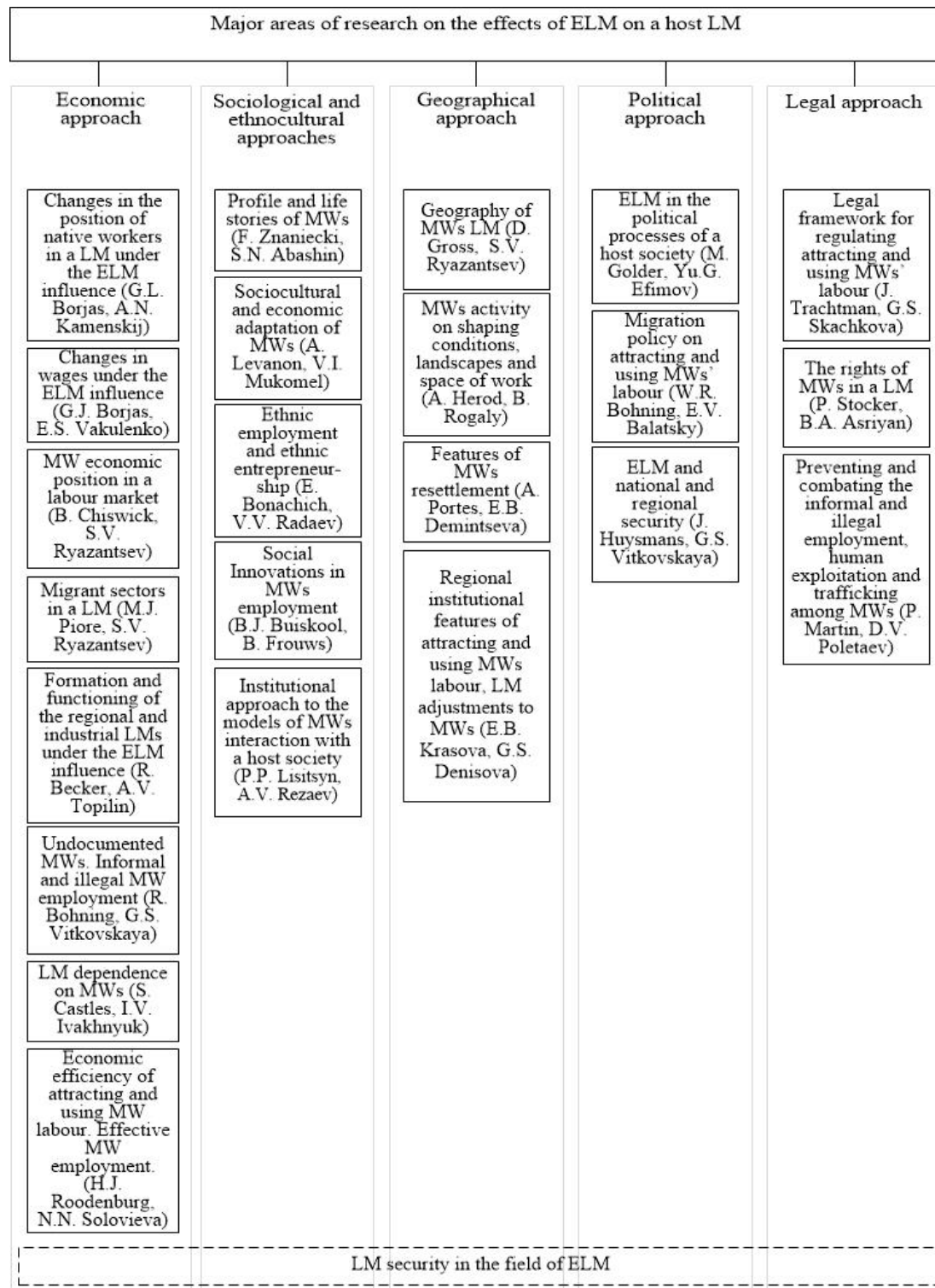


Figure 1: A classification of major areas of research on the effect of ELM on a host LM

Source: compiled by the authors

Since the late 1990s, the political concept of 'migration securitisation' has focused on ELM-related risks and threats to national security. However, the results obtained have not been harmonised with national and regional security theories. This is explained by the lack of an established concept of 'LM security', which is usually considered a component of a territory's economic security [Kapranova, 2000; Alonkina, 2008; Orlov, 1995]. Researchers argue that

LM security ‘predetermines the fulfilment of all vital needs of a person, a family, a business, a society, or a state – even those that do not seem economic at once’ [Alonkina, 2008, p. 39]. International authors have considered the concept of LM security from the perspective of the welfare of the working population [Hijzen & Menyher, 2016]. The term is often used interchangeably with ‘job security’ and ‘career and employment security’ [Pacelli, et al., 2008; Green, 2011]. We suggest considering the role of a LM in ensuring regional security in view of its multiple functions. Four components – economic, social, innovative, and geopolitical – will be examined (figure 2).

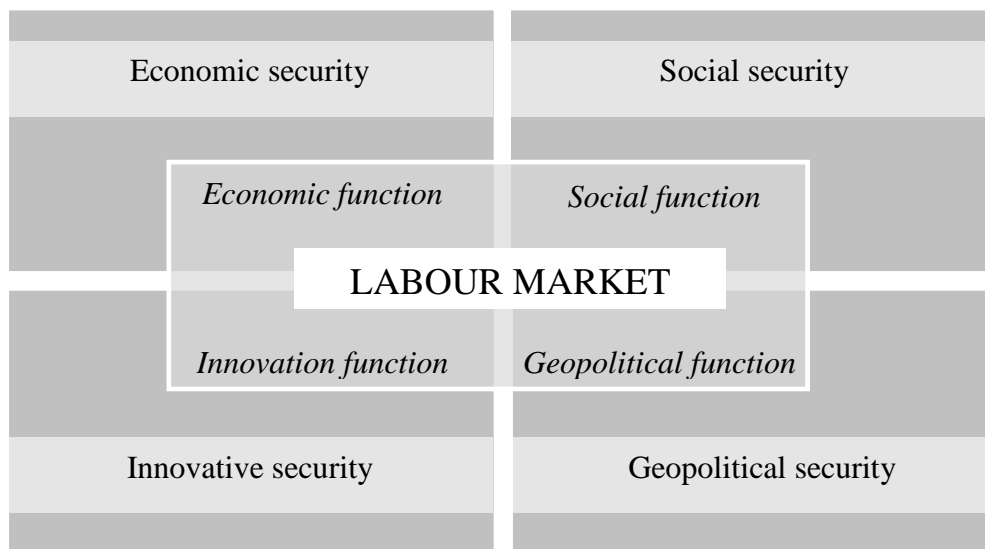
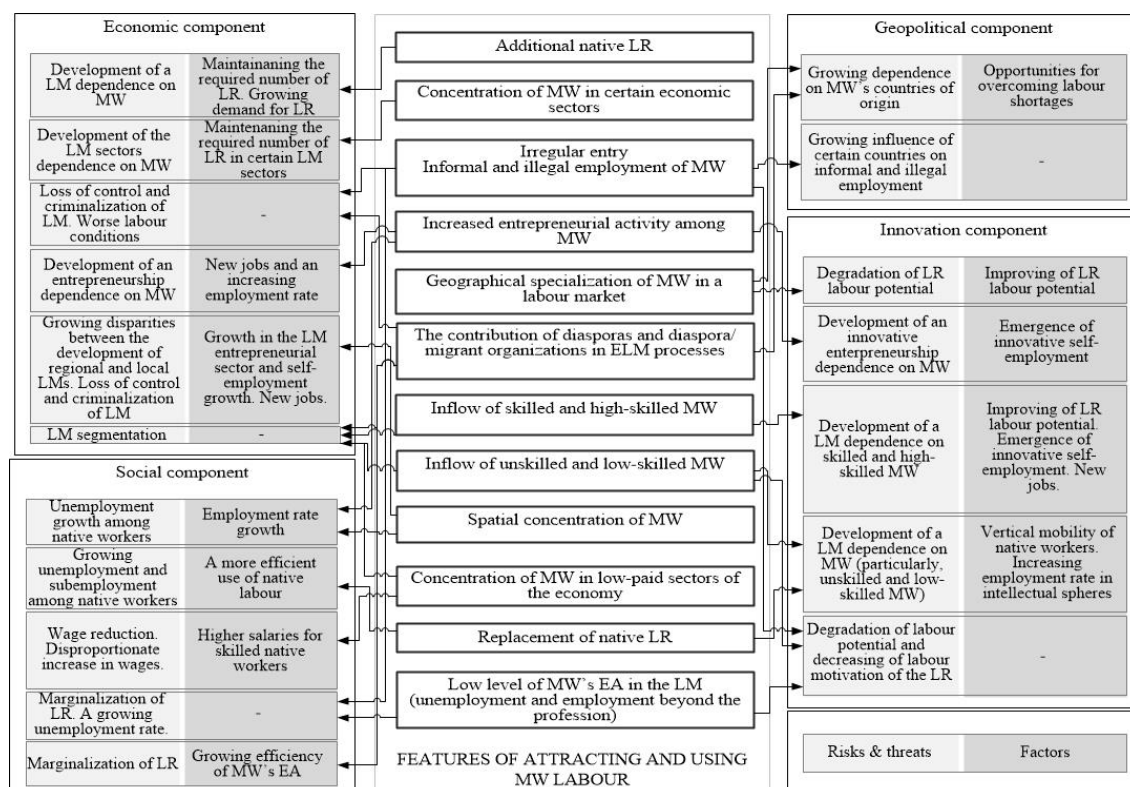


Figure 2: LM in the structure of selected elements of national security
Source: compiled by the authors

Regional involvement, distribution, regulation, and the use of labour sustain the economic function of a LM and ensure economic security. When a LM guarantees an acceptable level of income and welfare and the reproduction of productive capacities, it fulfils its social function and affects social security. In accumulating, adapting, and maintaining the necessary numbers of the workforce with a certain – especially, professional – qualification and in exploiting the workers’ labour potential (this includes innovative self-employment), a LM fulfils its innovative function and contributes to innovative security. Integrating a national market into the international LM ensures a territory’s competitiveness and matches supply and demand. However, this also increases vulnerability by contributing to growing dependence on FL, which affects geopolitical security. Thus, LM security can be defined as a state when a national (regional or local) market is secure from external and internal threats and risks, the citizens’ needs, rights, and freedoms are met, and the state develops rapidly and efficiently while maintaining its competitive advantages over other global market participants. The role of migration in ensuring LM security is determined by its contribution to economic, social, innovative, and geopolitical security. On the one hand, it acts as a factor in ensuring security through fulfilling its reproductive, distributive, and selective function. On the other hand, it plays the role of an actual or potential threat. Our analysis made it possible to group the identified risks, threats, and factors in accordance with the features of attracting and using FL and to correlate them with the components of LM security (figure 3).



Comment: EA stands for economic activity, and LR for labour resources

Figure 3: Risks, threats, and factors associated with the components of the host LM security in the context of ELM

Source: compiled by the authors

In a long-term perspective, the most significant risks are associated with the growing dependence of LMs on MWs. Despite a certain interest in the topic [Ivakhnyuk, 2012, February; Castles, 2004; Martin, 2010; Abella & Martin, 2016] and the fact that the Union of International Associations (UIA) recognises dependence on FL as a Type G world problem, the essence of this dependence has not yet been revealed. Usually, it is understood as dependence on low-skilled labour, which is observed in certain labour-intensive industries. We propose an extended interpretation of this concept. The dependence of a host LM on FL means that the effective functioning of a LM is largely determined by the stability of the quantitative and qualitative characteristics of external labour resources. Moreover, the dependence of a LM on FL includes overall dependence and the dependence of individual niches and segments both on workers with different skills and educational backgrounds, coming from different countries, and on employers.

3. METHODOLOGY

Using the proposed conceptual approaches, we have developed a methodology for an integrated index assessment of the ELM-related LM security of Russia's northwestern and central regions. The methodology rests on a comparative analysis of actual and potential risks and threats associated with four groups of components. The study used data from Rosstat and Russia's Ministry of Internal Affairs (Federal Migration Service until 2015), Ministry of Labour and Social Protection, Federal Service for Labour and Employment, and Federal Tax Service. Special attention was paid to data on organisations' self-reported needs for FL collected over the last six years – from 2010 to 2015 (available in 2016). A detailed analysis made it possible to combine indicators into groups characterised by the gravity of risks and threats to the components of LM security. The scope, comparability, consistency, and representativeness of

indices were taken into account. Thirty-three indicators were selected for further analyses and calculations (table 1, table 2). These included the number of foreign workers per vacancy ratio, the proportion of foreign workers by industry, FL localisation index across regions, the proportion of foreign-born entrepreneurs, LM imbalance coefficient, the Duncan segregation index, migration flow density, the relative concentration of source countries, correlation coefficients, etc.

Table 1: Groups of ELM-related LM security indicators for Russian regions and threat and risk indicators

Security components	Threat or risk (indicator)
1. Economic component (13 indicators)	A. Emerging dependence of LMs on FL B. Emerging dependence of LM niches on FL C. Loss of control and LM criminalisation. Deteriorating labour conditions D. Emerging dependence of businesses on FL E. Growing disparities between regional LMs F. LM segmentation (by qualification, remuneration, profession, and industry)
2. Social component (8 indicators)	A. A growing unemployment rate among native-born workers B. An increase in part-time employment among native-born workers C. A decrease in the pay received by employees of a certain qualification or in a certain industry D. Marginalisation of labour resources
3. Innovative component (6 indicators)	A. Degradation of the labour potential of labour resources B. Emerging dependence of innovative companies on FL* C. Emerging dependence on high- and low-skilled FL D. Poor motivation for labour*
4. Geopolitical component (2 indicators)	A. Emerging dependence of a LM on FL from certain countries B. Increasing influence of certain countries on informal and illegal employment*

*Comment: * will not be used in this study, these indicators cannot be calculated due to the lack of data*

Source: compiled by the authors

Table 2: An assessment of local labour resources replacement

Component	Indicator
Local labour resources replacement (4 indicators)	A. Replacement of the working age population residing in a region B. Replacement of labour resources through interregional labour migration

Source: compiled by the authors

At the first stage, relevant indicators were selected and calculated. Correction factors were used to assess irregular migration. At the second stage, an information statistical database was created and necessary indicators calculated. At the third stage, indicators were normalised using linear scaling, followed by the calculation of economic, social, innovative, and geopolitical LM security indices in the context of ELM. An additional index of local labour resources replacement was computed in view of the individual significance of the above indicators. Using composite individual indices, composite integrated indices of LM security in the context of

ELM were calculated. The significance of individual indices was not taken into account. Composite integrated indices helped to create a typology of regions, using an interval scale. K-means clustering was performed using the IBM SPSS Statistics 23 software. Finally, we estimated the relevance of composite integrated indices through comparing its values with those of local workforce replacement index, using the formula 1 below:

$$R = I_{slm} - I_{rlf} \quad (1),$$

where R stands for relevance, I_{slm} for the composite integrated index, and I_{rlf} for local labour force replacement index.

The R values were interpreted according to the following classification:

- $R < -0,10$ means no relevance;
- $-0,10 \leq R \leq 0,10$ limited relevance;
- $0,11 < R \leq 0,20$ average relevance;
- $R > 0,20$ considerable relevance.

4. RESULTS

Russia's northwestern and central regions were divided into four groups by the level of LM security, using the calculated composite integrated indices. The composition of groups almost coincided with that of clusters (figure 4).

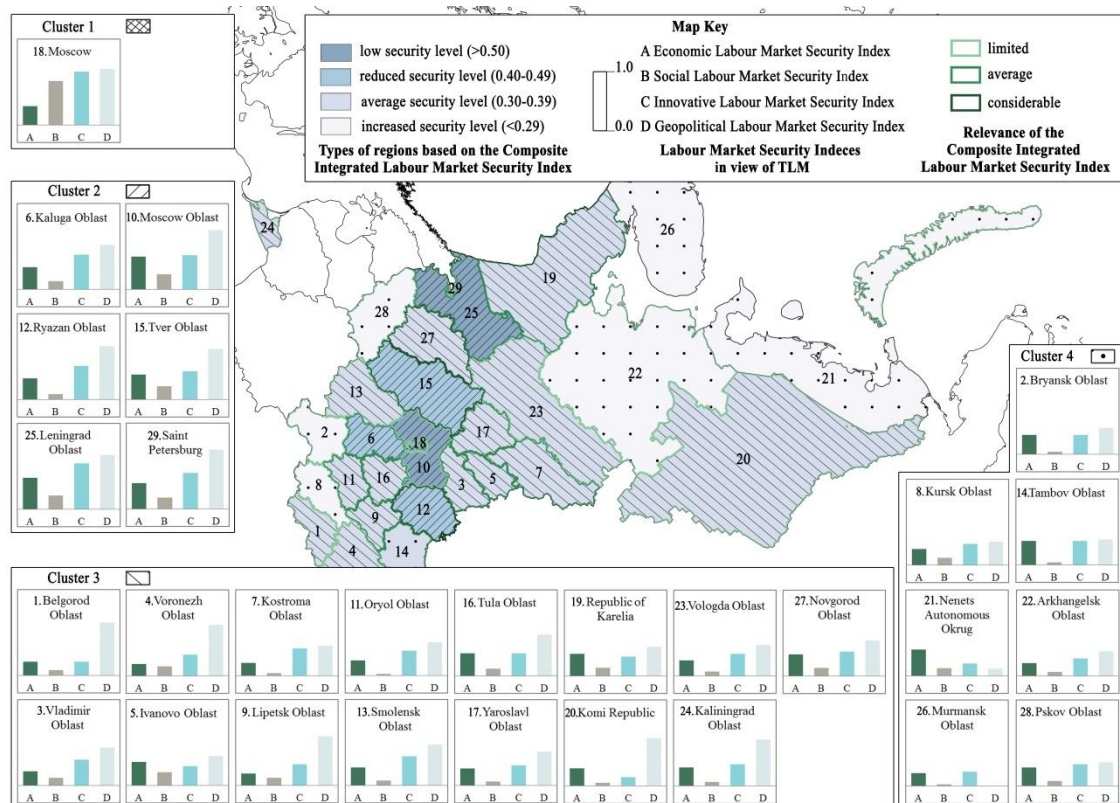
Cluster 1. Insecure LMs that are vulnerable to risks associated with all the four security components. Moscow constitutes a special cluster, since it is vulnerable to all the identified risks and threats associated with the use of FL. This is explained by the extremely high proportion of regular and irregular labour immigration. If the contribution of the economic component does not exceed the average values (i.e. the market succeeds in 'absorbing' new labour force), the other components – social, innovative, and geopolitical ones – place the region in a vulnerable position.

Cluster 2. Economically and geopolitically insecure LMs vulnerable to social and innovative risks. The cluster comprises six regions that gravitate towards Russia's capital regions – Saint Petersburg and Leningrad Oblast, Moscow Oblast and neighbouring Kaluga, Ryazan, and Tver Oblasts. Just as in the case of Moscow, the most significant risks are associated with the geopolitical and innovative components. These regions are characterised by increased vulnerability to economic risks. These regions are less vulnerable to social risks.

Cluster 3. Relatively secure LMs that are vulnerable to geopolitical risks. This group brings together most Russia's central and northwestern regions. The most significant risks are those associated with the geopolitical component, i.e. relations with the source countries. The contribution of the other components is below the average.

Cluster 4. Secure LMs. Most regions comprising this group – five out of seven – are characterised by the insignificant effect of ELM on their LMs. The values of individual indices are below the average. Only two regions are vulnerable to economic risks – Nenets Autonomous Okrug, whose LMs are dependent on FL, and Tambov Oblast, which is faced with the challenge of increasing disproportions in its LM.

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Comment: Composite integrated indices with a relevance below -0.10 were not taken into account.

Source: developed by the authors

Figure 4: A typology of Russia's central and northwestern regions, based on ELM-related general LM security

5. DISCUSSION

The typology of Russia's central and northwestern regions, based on ELM-related general LM security, takes into account the regions' economic and geographical positions and emerging centre/periphery connections. The most significant risks and threats associated with attracting and using FL are characteristic of the capital (Moscow and Saint Petersburg) and neighbouring (Moscow and Leningrad Oblast) regions. These territories classed as type 1 or cluster 1 and 2 regions comprise the *centre* that is extremely vulnerable to the negative effects of ELM on the LM. The *semi-periphery* brings together three types of region. The first one forms a dotted circle around the centre (Kaluga, Ryazan, and Tver Oblasts). The second one closes up and expands the circle (Vladimir, Ivanovo, Kostroma, Lipetsk, Oryol, Smolensk, Tula, Yaroslavl, and Novgorod Oblasts, and the Republic of Karelia). The third type comprises border regions – Kaliningrad, Belgorod, and Voronezh Oblasts, which attract FL from Ukraine (Belgorod and Voronezh) and Lithuania (Kaliningrad). Moreover, Kaliningrad Oblast has historically attracted migrants from other countries. The presence of Ukrainian labour in the Republic of Komi is also explained by historical regions, which classes the region as semi-periphery. The *periphery* brings together the remote regions of Russia's north – Murmansk and Arkhangelsk Oblasts and Nenets Autonomous Okrug – and the border regions that do not attract labour immigrants (Pskov, Bryansk, and Kursk Oblast). Tambov Oblast may comprise a type transitional between the semi-periphery and periphery. An assessment of the relevance of the composite integrated index showed that ELM-related LM risks and threats are characterised by the most considerable relevance in the case of type 1 and 2 semi-periphery (except for Smolensk

Oblast). This is explained by negative trends in demographic development. Such processes are most pronounced in Tver, Ryazan, and Novgorod Oblasts. In those regions, a low potential for local labour resources replacement (including that through interregional labour migration) contributes to the threats of LM instability, despite a low overall level of LM insecurity. A high potential for local labour resources replacement observed in Moscow and Moscow Oblast reduces the relevance of the composite integrated index. However, this is not the case in Leningrad Oblast, which is vulnerable to ELM-related risks. This scope of the study was limited by the lack of qualitative and quantitative data on labour migrants from the countries of the Eurasian Economic Union. Thus, it is impossible to take into account the risks and threats associated with such migration.

6. CONCLUSIONS

The proposed methodology for systematising risks and threats to LM development, for matching them to security components, and for correlating them with the features of attracting and using FL made it possible to create a typology and perform clustering as regards ELM-related LM security. The results obtained may be useful in producing recommendations for preventing and mitigating risks and threats. It is important to analyse risks and threats to geopolitical and innovative LM security, which has not been paid due attention before. The analysis shows that most central and northwestern regions of Russia are very vulnerable to the degradation of local labour potential and to increasing dependence on the source countries. An important result that supplements earlier research is the identification of the spatial localisation of ELM-related risks and threats to regional LMs. Despite the high concentration of FL and a low level of LM security in the capital regions, the most vulnerable territories are those comprising type 1 and 2 semi-periphery, where the situation is aggravated by a rather low potential for local labour resources replacement. Such regions are in urgent need of tailored economic and legal mechanisms for protecting their LM from the negative effects of FL. It is crucial to increase the potential for local labour resources replacement and to ensure economic modernisation, which will reduce the proportion of labour-intensive productions and increase labour productivity.

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ADAPTATION OF MIGRANTS FROM CENTRAL ASIA IN THE MOSCOW REGION OF RUSSIA: THE RELATIONSHIPS OF ACCULTURATION STRATEGIES, SOCIAL IDENTITY AND WELL- BEING

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ABSTRACT

According to UN estimates for 2015, the Russian Federation is the world's third-leading country in terms of the number of immigrants, after the US and Germany. Central Asian countries account for most of the inflow of migration. The purpose is to investigate the relationships between the strategies of acculturation, ethnic, religious, country of origin, Russian national identities and the sociocultural and psychological adaptation of migrants from Central Asia in Moscow region. Representatives of two ethnic groups - 105 Uzbeks and 96 Tajiks (N = 201) - participated in the research. The methods of the study include the scales of acculturation strategies, social identities, life satisfaction, self-esteem, and sociocultural adaptation from the MIRIPS (Mutual Intercultural Relations in Plural Societies) project questionnaire. The results of path analysis conducted in AMOS program showed that integration and assimilation are the best strategies for migrants from Central Asia: integration predicts self-esteem; assimilation predicts their life satisfaction. The preference for integration strategy is positively associated with ethnic and Russian national identities, the preference for assimilation strategy is positively associated with Russian national and religious identities and negatively associated with ethnic identity. Separation and marginalization do not contribute to self-esteem of the migrants. Marginalization is positively related to religious identity; separation is positively related to ethnic, religious, country of origin identities, and negatively related to Russian national identity. Also we found that social identities had a mediational role in the influence of acculturation strategies on the adaptation of migrants from Central Asia in the Moscow region.

Keywords: *acculturation strategies, migrants from Central Asian, social identity, well-being*

1. INTRODUCTION

According to statistics the Russian Federation is the world's third-leading country in terms of the number of immigrants, after the US and Germany. Among immigrants' countries of origin, Central Asian countries account for most of the inflow: in 2015, their number was about 4 million (Mezhgosudarstvennyy statisticheskiy komitet, 2015). According to Rosstat, most of the migrants are located in Moscow and the Moscow region (Migranty v Moskve, 2009). All this actualizes the problem of adaptation of migrants from Central Asia in the Moscow region. In this article, we present our studies of the relationships of acculturation strategies, social identity and well-being among migrants from Central Asia in the Moscow region of Russia.

2. THEORETICAL BACKGROUND OF THE RESEARCH

2.1. Strategy of acculturation and adaptation of migrants

The literature has generally shown that integration is the most adaptive mode of acculturation and the most conducive to the immigrants' well-being as compared to other acculturation options (Berry, 1997; Phinney et al., 2001; Ward, 1996). P. G. Schmitz и J. W. Berry (Schmitz, Berry, 2009) studied migrants and host populations in Germany and found that the integration strategy promoted the best adaptation of migrants. A. M. D. Nguyen и V. Benet-Martinez (Nguyen, Benet-Martinez, 2003), based on the meta-analysis of 83 studies of representatives of migrants and ethnic minorities, stated that the integration strategy was positively associated with psychological and sociocultural adaptation. Some researchers have empirically proven the positive relationship between assimilation and successful adaptation among migrants and ethnic minorities (Jasinskaja-Lahti, Horenczyk, Kinunen, 2011; Kus-Harbord, Ward, 2015; Ward, Rana-Deuba, 1999). The results of the study of Latin American and Asian adolescents in the US demonstrated the positive relationship between the preference for assimilation strategy and life satisfaction (Greenman, Xie, 2008). Similar results were received by M. Verkuyten (Verkuyten, 2010) in a study of Turkish-Dutch adolescents in the Netherlands. In some studies, (Kosic, 2002, Ward, Rana-Deuba, 1999), the positive relationship between the strategy of assimilation and sociocultural adaptation was revealed. However, other studies showed opposite results: migrants and ethnic minorities who preferred the assimilation strategy had a level of adaptation below the average (Berry, Phinney, Sam, Vedder, 2006). Marginalization and separation are the least beneficial strategies for adaptation. The results of the studies demonstrated the negative relationships between the migrant's preference for separation and marginalization strategies and their adaptation (Schmitz, Berry, 2009; Schmitz, 2004). In the studies conducted by A. Portes (Portes, Rumbaut, 2006; Portes, Zhou, 1993), it was found that immigrant parents were more oriented to continuance their culture (separation strategy) than their children, and had more difficulties in adaptation to new cultures and problems in learning new languages. However, some authors had found a positive relationship between self-esteem and preference for separation and marginalization in certain spheres of life. Kızılioğlu and Wimmer found that self-esteem of Turkish youth in Austria was positively correlated with strategy of separation in the sphere of reading books and with strategy of marginalization in the field of work (Kızılioğlu, Wimmer, 2015). In addition, some authors (Vega, Kolody. Valle, Weir, 1991; Ward, Kennedy, 1993) found that the orientation of migrants to maintain their culture, their close contacts with their compatriots and their social support (orientation to separation) influenced the reduction of stress associated with migration. Based on the results of previous studies, in our research we will test the impact of each of the acculturation strategies on the adaptation of migrants from Central Asia in the Moscow region of Russia.

2.2. Social Identities, Strategies of Acculturation and Adaptation of Migrants

The relationship between ethnic, national and religious identities and acculturation strategies has been analyzed in many studies. Changes in self-identification during acculturation involve issues such as whether to adopt or not the host country label and whether to retain or not the ethnic label (Berry, 1997; Phinney et al., 2001). Liebkind (2006) noted that ethnic identity was a salient part of the acculturation process. Georgas and Papastyliaou (1998), studying ethnic Greeks who were repatriated to Greece from Albania, Russia, Australia, Canada and USA, found that ethnic Greek identity positively correlated with assimilation, while a mixed identity (e.g. Albanian-Greek or Russian-Greek) positively correlated with integration. Indigenous identity (e.g. Albanian) correlated with separation. In some studies, it has been found that ethnic identity was positively associated with separation and negatively with integration, civil identity was positively associated with integration and negatively with separation (Berry, Sabatier, 2010; Umaña-Taylor, Updegraff, 2007). Big amount of scholars explored identity and well-

being intertwined with sociocultural behaviors and interactions in a variety of multicultural and acculturation contexts (Smith, Silva 2011). Some researchers have focused on single rather than joint components of social identity. In review of ethnic and national identity among immigrants by Phinney et al. (Phinney, Horenczyk, Liebkind, & Vedder, 2001) the authors concluded that the association between national identity and well-being depended partly on ethnic identity. Sam, Vedder, Ward, Horenczyk (2006) examined the young migrants in 13 countries and found the relationship between religious identity and adaptation of migrants: the Muslim youth had higher levels of psychological and sociocultural adaptation than Buddhists, Hindus and those who were not religious. Studying the relationships of different aspects of Muslim identity with adaptation among immigrant women in New Zealand, C. Ward (Ward, 2013) found that a public demonstration of Muslim identity was positively associated with self-esteem, while psychological and behavioral aspects of Muslim identity were not directly related to these adaptations. Muslim identity was most likely a buffer for the negative consequences of alleged discrimination (Ward, 2013). Nguyen & Benet-Martínez (2012) found that the combination of ethnic and national identity (bicultural orientation) predicted successful adaptation. In addition, Kiang et al. (2008) empirically supported that the more identities individuals accumulated, the higher their well-being would be. In study by Gonzales-Backen and colleagues (2015) it was found, that the identity profiles of ethnic minority college students, included ethnic identity, U.S. identity, and personal identity, were linked to self-esteem: individuals who reported high levels of multiple social and personal identities had the highest self-esteem compared to other profiles. Dimitrova, Bender, Chasiotis, and Van de Vijver (2013) found that among Turkish-Bulgarian adolescents and their mothers in Bulgaria, collective identity, including ethnic, national, religious and familial identities, was a positive predictor of well-being (satisfaction with life). In general, we can say that with regard to identity positive psychological outcomes for immigrants tend to be related to a strong identification with both their ethnic group and the larger society.

2.3. Studies of Labor Migrants from Central Asia in the Russian Federation

Previous studies show that the successful adaptation of labor migrants is associated with their acculturation integration attitudes (Berry, Phinney, Sam, Vedder, 2006; Kus-Harbord, Ward, 2015; Verkuyten, 2005). But labor migrants are not always oriented toward the preference for the integration strategy. In this regard, we consider that it is important to answer the following research questions: what strategies are most preferred for migrants from Central Asia; and how are they associated with their social identities, life satisfaction, self-esteem and sociocultural adaptation. Many Russian researchers studied the adaptation factors of migrants from Central Asia (Varshaver, Rocheva, 2014; Grigor'yeva, Kuznetsov, Mukomel', Rocheva, 2010; Kuznetsov, 2013; Kuznetsov, Mukomel', 2005). As the analysis showed, these studies were based most often on a sociological approach. Borishpolets, Babadzhanov (2007) have focused on the analysis of the risks of migration from Central Asia. Maksakova (2009) Olimova (2009), Ul'masov (2011) analyzed the main types, trends, migration lessons from Uzbekistan and Tajikistan. Lisitsyna and Rezayeva (Lisitsyn, Rezayev, 2015) studied the social adaptation of labor migrants from Uzbekistan in Ivanovo and St. Petersburg. In the socio-psychological study of mutual intercultural relations of migrations from Central Asia and South Caucasus with host population in Moscow Region (Lebedeva, Galyapina, Lepshokova, Ryabichenko, 2017) the authors found that the integration strategy was more preferable acculturation strategy in both groups of migrants. Assimilation preferences of migrants from Central Asia were higher in comparison with migrants from South Caucasus. In addition, the results showed that the relationship between integration and self-esteem was positive in both groups of migrants, while relationships between integration and life satisfaction and between integration and sociocultural adaptation were found only in the group of migrants from South Caucasus. Furthermore,

assimilation strategy was positively related to the outcomes of acculturation: life satisfaction in both groups, and sociocultural adaptation among migrants from Central Asia. In this research our respondents are migrants from two countries of Central Asia - Uzbekistan and Tajikistan. Each country has socioeconomic peculiarities, the different history of relations with Russia, different reasons for migration (Maksakova, 2009; Olimova, 2009; Ul'masov, 2011). In addition, the respondents in our study are ethnic Uzbeks and ethnic Tajiks from Uzbekistan and ethnic Tajiks and ethnic Uzbeks from Tajikistan, ethnic identity did not coincide with the identification with the country of origin among 10% of respondents. Proceeding from this, we assumed that among migrants identification with the country of origin along with ethnic identity may be associated with the preference of acculturation strategies and their adaptation. The purpose of our study is to reveal the relationships between acculturation strategies, social identities, life satisfaction, self-esteem and sociocultural adaptation among migrants from Central Asia in the Moscow region.

2.4. Research hypotheses

H 1. The higher the preference for the integration strategy is, the higher the ethnic and Russian national identities, self-esteem, life satisfaction and sociocultural adaptation among migrants from Central Asia in the Moscow region will be;

H 2. The higher the preference for the assimilation strategy is, the lower the ethnic identity and higher the Russian national identity, life satisfaction and sociocultural adaptation among migrants from Central Asia in the Moscow region will be;

H 3. The higher the preference for the separation strategy is, the lower the Russian national identity and higher the ethnic identity, the identification with the country of origin and self-esteem will be among migrants from Central Asia in the Moscow region will be;

H 4. The higher the preference for the marginalization strategy is, the higher the religious identity and sociocultural adaptation among migrants from Central Asia in the Moscow region will be;

H 5. The higher religious identity is, the higher sociocultural adaptation will be; the higher the ethnic identity is, the higher self-esteem will be; the higher the identification with the country of origin is, the higher life satisfaction will be; the higher the Russian national identity is, the higher life satisfaction and self-esteem among migrants from Central Asia in the Moscow region will be.

3. METHOD

3.1. Participants

The sample included labor migrants from Uzbekistan (ethnic Uzbeks N = 89, ethnic Tajiks N = 15, total N= 104) and Tajikistan (ethnic Tajiks N = 92, ethnic Uzbeks N = 5; total N= 97). Only 16.6% of respondents said they wanted to stay in Russia for life. Table 1 provides the socio-demographic characteristics of this sample.

Table 1: Gender and age characteristics of the sample

Respondents	N	Gender characteristics		Age characteristics			
		Male (N, %)	Female (N, %)	Min.	Max.	M	SD
Uzbeks	105	64 (61%)	41 (39%)	20	66	30,6	8,65
Tajiks	96	63 (66%)	33 (34%)	19	56	32,1	8,50
Total	201	127 (64%)	74 (36%)	19	66	31,3	8,54

3.2. Procedure

This study was conducted in 2015. We used the «snowball» sampling approach to collect the data. The organizers held briefings for the participants; afterwards the participants filled out the paper questionnaire. The time for completing the questionnaire was about 30 minutes. The questionnaires were translated into Uzbek and Tajik (the method of direct and reverse translation was used). Respondents were able to fill out the questionnaire in both Russian and in their native languages. Participants did not receive any rewards.

3.3. Measures

The study used scales from the Mutual Intercultural Relations in Plural Societies questionnaire (<http://www.victoria.ac.nz/cacr/research/mirips>), translated into Russian and adapted for use in Russia (Lebedeva, 2009).

- Acculturation strategies: integration – four items, for example, ‘It is important for me to be fluent in both Russian and Tajik/Uzbek’
- *assimilation* – four items, for example, ‘I prefer social activities that involve Russians only’;
- *separation* – four items, for example, ‘I prefer to have only Uzbeks/Tajiks friends’;
- marginalization – four items, for example, ‘I do not want to participate in the activities neither of Russian organizations nor of Uzbek/Tajik organizations’.
- Ethnic identity - seven items, for example, ‘I am proud to be Uzbek / Tajik’
- Russian national identity - six items, for example, ‘I feel pride when I hear the anthem of Russia’.
- Religious identity - 5 items, for example, ‘My religious identity is an important part of me’ (Verkuyten, 2007; Verkuyten & Yildiz, 2007).
- Identification with the country of origin - six items, for example, ‘I consider myself a citizen of my country of origin’ (developed by the members of International Laboratory for Sociocultural Research).
- Self-esteem - four items, for example, ‘On the whole, I am satisfied with myself’ (Diener, Emmons, Larsen, Griffl, 1985).
- Life satisfaction - four items, for example, ‘In most ways my life is close to my ideal’ (Rosenberg, 1965).
- Sociocultural adaptation - twenty items, for example, ‘Living in Russia, how much difficulty do you experience in relating to members of the opposite sex?’
- Sociodemographic data - We asked our participants about their personal background characteristics (gender, age, education, and ethnicity).
- Statistical Analyses - We used the following methods of data processing: descriptive statistics, Cronbach’s α , path analysis with SPSS 22.0 and AMOS 22.0.

4. RESULTS

We compared the acculturation preferences among the migrants from Tajikistan and Uzbekistan (Table 2). Integration strategy was the most preferable acculturation strategy and assimilation strategy was the least preferable acculturation strategy. The analysis of the means of the social identities showed that levels of ethnic identity and identification with the country of origin were the highest and the level of Russian national identity was the lowest among the migrants from Tajikistan and Uzbekistan. We also found that migrants had the high level of self-esteem and the low level of sociocultural adaptation.

Table 2: Means, standard deviations, and α -Cronbach for the sample of migrants from Tajikistan and Uzbekistan (Max. 5 points)

Variables	<i>M</i>	<i>SD</i>	α
Social identities			
<i>Ethnic identity</i>	4.36	.80	.78
<i>Religious identity</i>	4.30	.89	.86
<i>Identification with the country of origin</i>	4.37	.82	.86
<i>Russian national identity</i>	3.36	.90	.83
Acculturation strategies			
<i>Separation</i>	2.46	.99	.68
<i>Marginalization</i>	2.18	.97	.70
<i>Integration</i>	4.38	.85	.70
<i>Assimilation</i>	2.12	.98	.69
Adaptation			
<i>Life satisfaction</i>	3.39	.97	.74
<i>Self-esteem</i>	4.39	.73	.75
<i>Sociocultural adaptation</i>	2.62	.99	.96

We tested our research hypotheses about relationships between the acculturation strategies, social identities, well-being and the sociocultural adaptation, proposed in Figures 1-4, using structural equation modelling (path analysis). We conducted the path analysis separately for integration, assimilation, separation and marginalization acculturation strategies. The fits of these models were adequate: for integration - $\chi^2/df = 1.3$; CFI = .976; RMSEA = .045; SRMR = .047; PCLOSE=.524; for assimilation - $\chi^2/df = 1.5$; CFI = .968; RMSEA = .056; SRMR = .046; PCLOSE=.374; for separation - $\chi^2/df = 1.7$; CFI = .963; RMSEA = .060; SRMR = .056; PCLOSE=.321; for marginalization - $\chi^2/df = 1.4$; CFI = .975; RMSEA = .046; SRMR = .019; PCLOSE=.507.

Consistent with our hypothesis H1, preference for the integration strategy among the migrants from Tajikistan and Uzbekistan predicted only their self esteem and did not predict their life satisfaction and sociocultural adaptation. The results showed that the integration strategy was positively and significantly associated with the ethnic and Russian national identities. This hypothesis was partially supported (Figure 1).

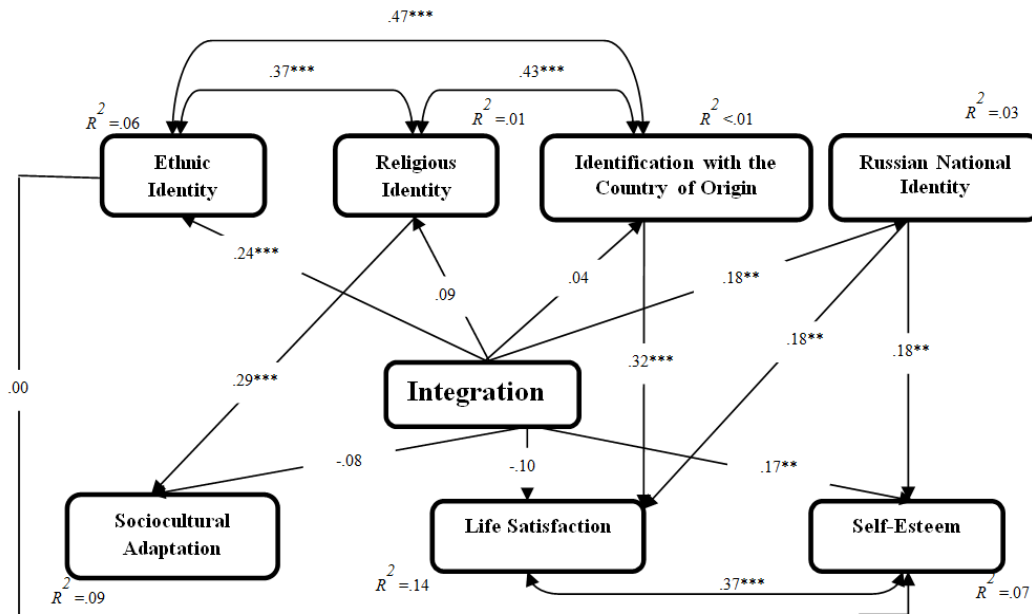


Figure 1: Path model of the relationships of integration acculturation strategy with social identities, sociocultural adaptation, life satisfaction, and self-esteem among the migrants from Uzbekistan and Tajikistan. Note. $*p < .05$. $**p < .01$. $***p < .001$

We found that the relationship between assimilation strategy and life satisfaction was positive among the migrants from Tajikistan and Uzbekistan. Furthermore, assimilation strategy was negatively related to self-esteem, and the relationship between assimilation and sociocultural adaptation was not significant. The assimilation strategy was positively related to Russian national and religious identities and was negatively associated with ethnic identity. These results partially support our hypothesis H2 (Figure 2).

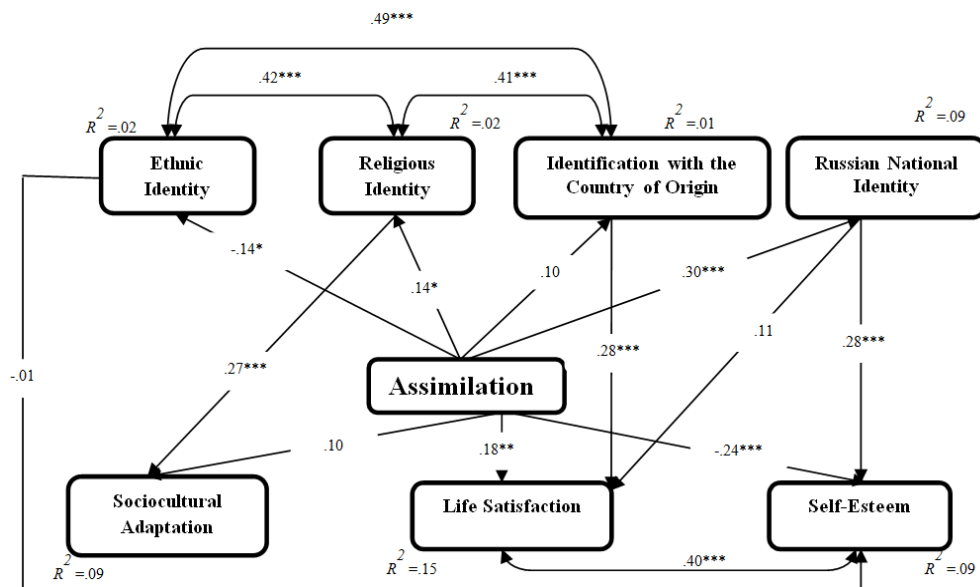


Figure 2: Path model of the relationships of assimilation acculturation strategy with social identities, sociocultural adaptation, life satisfaction, and self-esteem among the migrants from Uzbekistan and Tajikistan. Note. $*p < .05$. $**p < .01$. $***p < .001$

The results of testing our hypothesis H3 are shown in Figure 3. The separation strategy of the migrants from Uzbekistan and Tajikistan negatively and significantly affected their self-esteem, but did not affect their life satisfaction and sociocultural adaptation. We also found that preference for the separation strategy among the migrants from Uzbekistan and Tajikistan predicted high level of their ethnic, religious identities and the identification with the country of origin and low level of Russian national identity. Thus, our hypothesis H3 was partially supported.

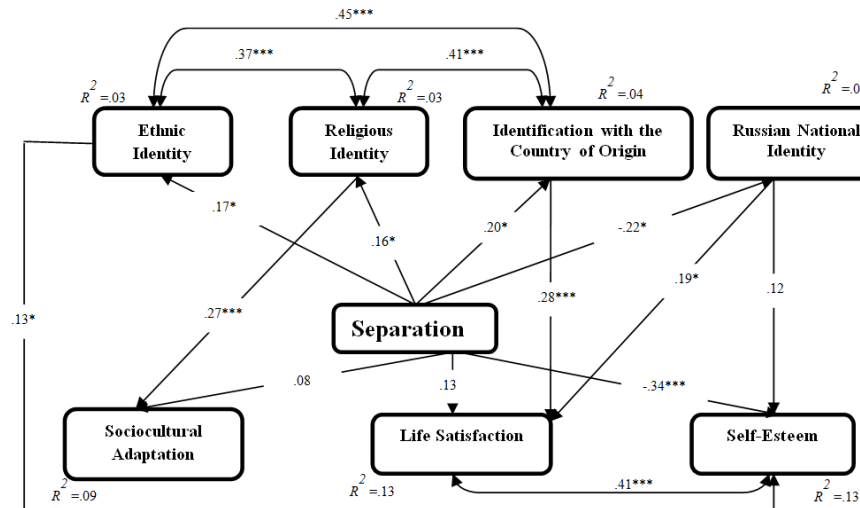


Figure 3: Path model of the relationships of separation acculturation strategy with social identities, sociocultural adaptation, life satisfaction, and self-esteem among the migrants from Uzbekistan and Tajikistan. Note. * $p < .05$. ** $p < .01$. *** $p < .001$

Consistent with our hypothesis H4, preference for the marginalization strategy among the migrants from Tajikistan and Uzbekistan was negatively and significantly related to self-esteem and was not significantly associated with sociocultural adaptation and life satisfaction. The results showed that the preference for marginalization predicted only a high level of religious identity among the migrants from Uzbekistan and Tajikistan (Figure 4). Our hypothesis H4 was fully supported.

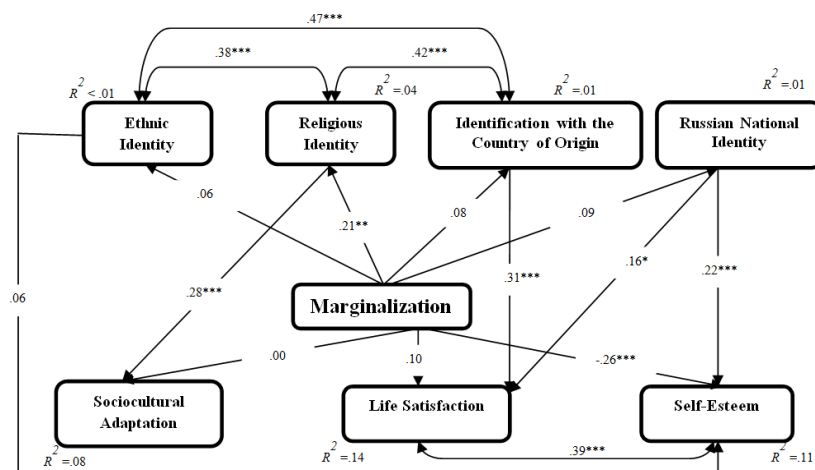


Figure 4: Path model of the relationships of marginalization acculturation strategy with social identities, sociocultural adaptation, life satisfaction, and self-esteem among the migrants from Uzbekistan and Tajikistan. Note. * $p < .05$. ** $p < .01$. *** $p < .001$

The results presented in the Figures 1-4 showed that the high level of sociocultural adaptation among the migrants from Uzbekistan and Tajikistan could be predicted by their religious identity, and the high level of life satisfaction could be predicted by their identification with the country of origin for all acculturation strategies. The high level of ethnic identity among the migrants from Uzbekistan and Tajikistan was positively and significantly associated with their self-esteem only in case of the separation strategy. The high level of Russian national identity among the migrants from Uzbekistan and Tajikistan was positively and significantly associated with their life satisfaction and self-esteem for the integration and marginalization strategies, high level of Russian national identity predicted the high level of life satisfaction for the separation strategy and predicted the high level of self-esteem for the assimilation strategy. Our hypothesis H5 was fully supported. Using the bootstrap procedure we also evaluated direct and indirect effects of acculturation strategies and social identities on life satisfaction, self-esteem, sociocultural adaptation among the migrants from Uzbekistan and Tajikistan (MacKinnon, Fairchild, & Fritz, 2007). We have found statistically significant indirect effects of all acculturation strategies of migrants on their sociocultural adaptation through religious identity (for integration - $\beta = .03, p < .05$; for assimilation - $\beta = .04, p < .05$; for separation - $\beta = .04, p < .05$; for marginalization - $\beta = .06, p < .05$), and significant indirect effects of all strategies of migrants on their life satisfaction through identification with the country of origin (for integration - $\beta = .05, p < .05$; for assimilation - $\beta = .06, p < .05$; for separation - $\beta = .07, p < .01$; for marginalization - $\beta = .042, p < .05$). The results showed that there were significant indirect effects of separation strategy on self-esteem of the migrants from Uzbekistan and Tajikistan through ethnic identity of migrants ($\beta = -.02, p < .05$) and of separation strategy on life satisfaction of the migrants through Russian national identity ($\beta = .07, p < .01$). We also found significant indirect effects of assimilation strategies of the migrants from Uzbekistan and Tajikistan on self-esteem through Russian national identity of migrants ($\beta = .09, p < .05$).

5. DISCUSSION AND CONCLUSION

The current study explored the relationships between acculturation strategies, social identities (ethnic, religious, Russian national identities and identification with the country of origin), life satisfaction, self-esteem and sociocultural adaptation among migrants from Central Asia in the Moscow region. Our results showed that integration and assimilation strategies were the most successful among the migrants from Uzbekistan and Tajikistan: the preference for the integration strategy predicted higher self-esteem, the preference for the assimilation strategy predicted higher satisfaction with life. Partly our results are consistent with other research (Ward & Kennedy, 1993, Schmitz, Berry, 2009; Greenman, Xie, 2008; Verkuyten, 2010). Thus, Verkuyten (2009) showed that endorsement of multiculturalism is positively associated with self-esteem for individuals of non-dominant group. Jasinskaja-Lahti and colleagues (2011) found that the integration attitude positively predicted the psychological adaptation of immigrants from Russia and the former Soviet Union in Finland. Our results partly correspond with study of mutual intercultural relations in Moscow Region among migrations from Central Asia and South Caucasus and host population (Lebedeva, Galyapina, Lepshokova, Ryabichenko, 2017). The authors found that the relationship between integration and self-esteem was positive among migrants from Central Asia as well as relationship of assimilation with life satisfaction and sociocultural adaptation. The analysis showed that separation and marginalization strategies were the least successful for the migrants from Uzbekistan and Tajikistan: they were negatively related to self-esteem. Our results partly correspond with the results by Schmitz (2004) and Schmitz, Berry (2009). We found that the preference for the integration predicted ethnic and Russian national identities among the migrants from Uzbekistan and Tajikistan; the preference for the assimilation was positively associated with religious and Russian national identities and was negatively related to ethnic identity; the

preference for the separation was positively associated with identity with one's own culture (ethnic, religious identities and the identification with the country of origin) and was negatively associated with identity with the host society (Russian national identity); the preference for the marginalization was positively associated with religious identity only. These results did not come a big surprise. They were similar to the results of other studies: Berry, Sabatie (2010), Umana-Taylor, Updegraff (2007) found that national identity was positively correlated with integration and negatively related to separation; Verkuyten (2005) found that the ethnic identity of Turkish migrants in the Netherlands was positively correlated with their integration attitudes, and was negatively associated with assimilation attitudes. The relationship between marginalization and religious identity can be explained by the fact that religious identity is a 'supraethnic' identity, therefore it did not contribute to the maintenance of one's own cultural heritage and the acceptance of the culture of the host society. Our results showed that there was the positive relationship between religious identity and sociocultural adaptation; it is in line with the findings for Muslim migrants in studies of Ward (2013) and Sam, Vedder, Ward, Horenczyk (2006). In addition, we found, that ethnic identity among the migrants from Uzbekistan and Tajikistan was positively associated with their self-esteem. This conclusion is valid only for the separation strategy and is consistent with the results of studies reported that the orientation of migrants to maintain their culture, their close contacts with their compatriots and their social support (orientation to separation) influenced the reduction of the stress associated with migration (Vega, Kolody. Valle, Weir, 1991; Ward, Kennedy, 1993). The findings of this study are also close to our results about the relationship between identification with the country of origin and life satisfaction. Also our results demonstrated that Russian national identity contributed to the psychological well-being of the migrants from Uzbekistan and Tajikistan. We found that social identities had a mediational role in the influence of acculturation strategies on the adaptation of migrants. Ethnic identity mediated the relationship between the strategy of separation and self-esteem. Religious identity mediated the relationship of all strategies of acculturation and sociocultural adaptation; the identification with the country of origin mediated the relationship of all acculturation strategies and life satisfaction. The mediational role of the Russian national identity was practically universal: it mediated the relationships of all acculturation strategies with psychological well-being among the migrants from Uzbekistan and Tajikistan. The main limitations of this study are small sample sizes. 'Snowball' sampling technique is also the limitation of our study

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ECONOMIC CRISIS: THE PAST OR THE FUTURE - FUNDAMENTALS OF THE FORTHCOMING FINANCIAL CRISIS

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ABSTRACT

The article analyzes the financial market and its fundamental contradictions in the development of the economy at the present stage. The urgency of the analysis is caused by the need: to determine the real causes of low economic development, the need to identify the directions of objectively necessary transformations and to identify the role of the financial market in this process. Under the current conditions, the financial market is largely a speculative sphere, which does not provide financing for production that blocks the growth of its modernization. In the Russian economy, the speculative nature of the financial market, apart from the reasons considered, is also due to the weakness of production, which makes it meaningless to change its content outside of the connection with the modernization of the real sector of the economy. The proposed analysis of financial markets makes it possible to form new approaches to the definition of the fundamental methodological foundations for the emergence and development of financial crises, the evaluation of crisis processes and the direction of counteraction with them, in order to reduce the negative consequences.

Keywords: *finance, economic crisis, financial crisis, financial market, stock market*

1. INTRODUCTION

The specifics of the development of the global economy of the present day are behind the ambiguity of analytical assessments regarding not only its general dynamics, but also its main structural elements. Inconsistencies in judgments are, to our view, the result of an emerging new long economic cycle, the one that will define the nature of economic development in the mid-21-st century. Fundamentally important features of this stage, significantly constraining the formation of the rising wave of a long economic cycle are the following: excess of money supply, outflow of money into stock markets, reduction in asset liquidity due to a significant increase in their speculative component. Combined they significantly restrain the dynamics of the modern world economy. A number of foreign economists contributed significantly to the study of the world financial market. Among them being: R. Aliber, S. Vine, A. Greenspan, C. Kindleberger, P. Krugman, R. Levine, H.P. Minsky, N. Roubini, J Stiglitz and others. In Russian economics literature the issues of the world financial market performance are researched by R.S. Grinberg, M.V. Yershov, E.A. Zvonova, E.G. Kochetkov, L.N. Krasavina, Ya.M. Mirkin and other experts.

2. SOURCES AND METHODS

The study is based on the data that reflects the nature of the British-American model of financial markets including the specifics of interaction of its elements, the structure of its sources and means of engaging capital, inherent to the nature of behavior of investors and issuers. The study

is conducted using the method of analysis of the changes in elements of the world financial system and serves to establish a causal link between the elements for a comprehensive assessment of the state of the financial system and determining its possible changes as well as to identify the nature of the impact of the ongoing changes on the whole economic system.

3. CHARACTERISTICS OF THE CURRENT FINANCIAL MARKET

The stock markets of the world's largest economies had reached their maximum when their companies' financial performance went down and their debt rose. For instance in the UK FTSE-100 index rose to 7454 points. At the same time, statistics show that the number of court decisions on debts and bankruptcy cases in that country in the first quarter of 2017 increased by 35% thus having reached its highest rate in the last 10 years. The US stock market also peaked during this period. Meanwhile the US debt has also increased to a record level of \$3.8 trillion. Moreover, marginal debt that investors use for to buy shares has also risen to the highest levels in history which means investors take loans to buy shares for record-high values. Certain indicators are particularly alarming: the US national debt has almost doubled during the period from the latest economic crisis to the present day; corporate debt has more than doubled; all the long-term fundamental economic indicators have deteriorated. Most "traditional" indicators that measure the strength of the US economy have lost their informative and forecast value over the past decade. This is reflected by the following: high volatility of GDP figures, especially in the first quarters; the unemployment rate reaching its 21-st century minimum, combined with almost absent growth in real wages, inflation being below the Federal Reserve target and so forth. But certain indicators signal the possibility of an approaching economic slowdown. Since 1960 the contraction (or stagnation of growth) of the volumes of commercial and industrial loans due to tightening supply or sinking demand took place when the economy was in recession or prior to it.

This is demonstrated on Chart 1, which reflects an undeniable correlation between the dynamics of loans and economic recessions.

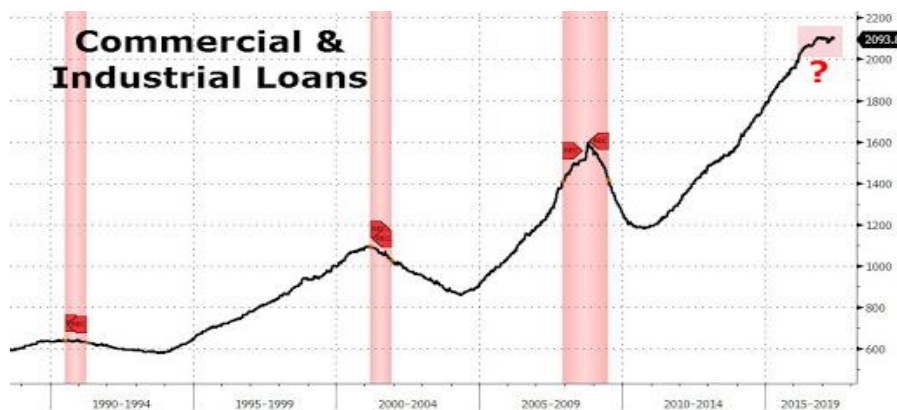


Chart 1: Corporate lending dynamics and economic crises (Federal Reserve, Zero Hedge, 2017)

In early 2017 the growth of the aforementioned indicator was 7% of the previous year, but then its dynamics decreased to 3% by the end of March and to 2.6% by the end of April. The latest Federal Reserve's report states that the growth in loans to commercial and manufacturing companies has dropped to 1.6%, its lowest rate since 2011, after slowing down to 2.3% and then to 1.8% (see Chart 2).

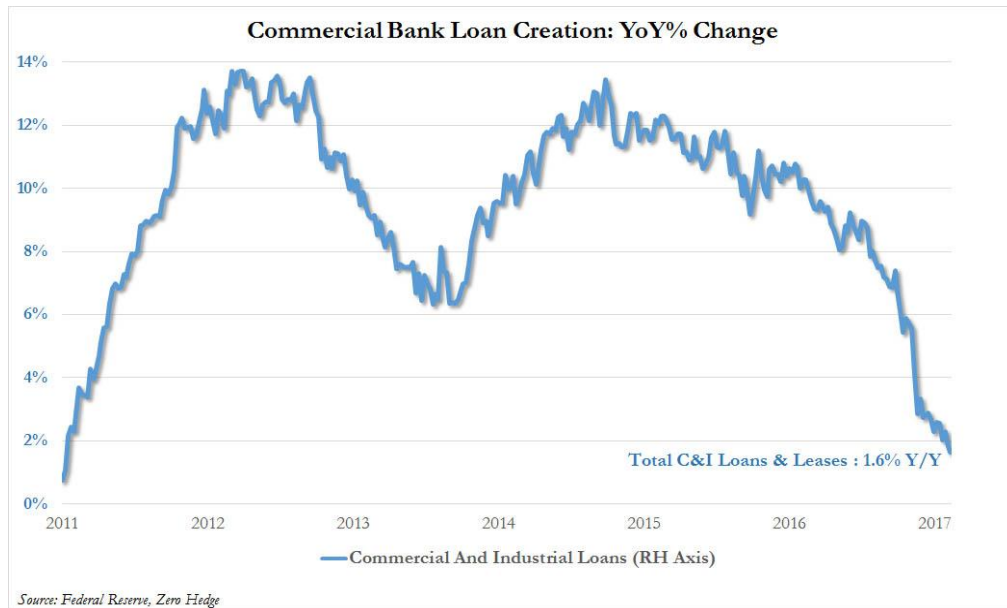


Chart 2: Corporate lending dynamics, % (Federal Reserve, Zero Hedge, 2017)

Also shrinking are the volumes of mortgage and auto loans. According to American Bankruptcy Institute the total number of bankruptcies of the US businesses grew by 4.7% in May, reaching 3,572 cases. This figure exceeds the May 2015 indicators by 40% and the May 2014 indicators by 10%. The Dow Jones Industrial Average (see Chart 3) has grown by 230% since its 2009 lowest without significant correction. This is a testament to the fact that the American shares are vastly overrated, which is the main source of financial bubbles and financial crises. The chart illustrates the DJI dynamics, reflecting unreasonably high growth rate, the causation of which will be discussed below.

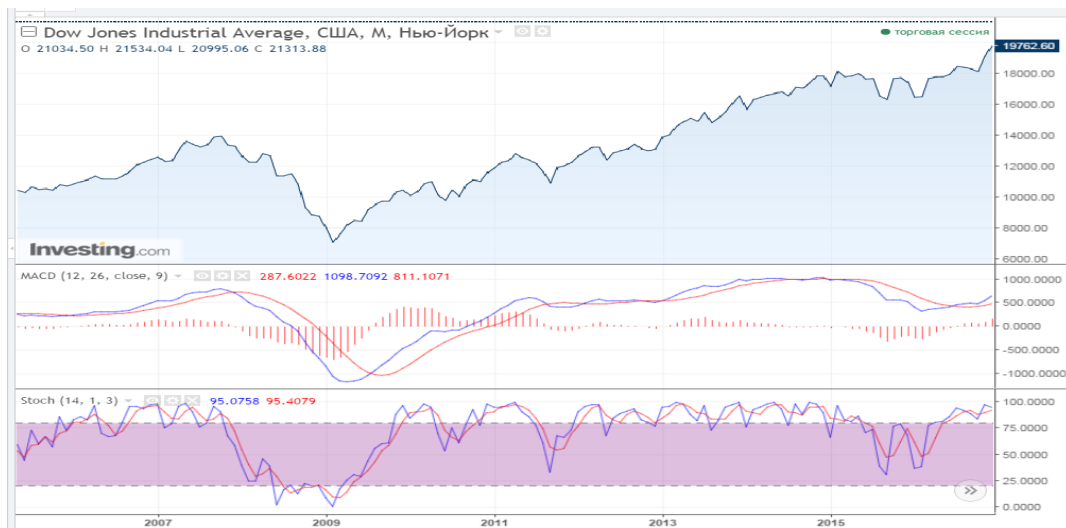


Chart 3: DJI dynamics (Investing.com, 2017)

Chart 4 shows the dynamics of the S&P 500 index, and below are two technical indicators: the Moving Average Convergence/Divergence (MACD) and the stochastic oscillator. Both indicators like the DJI point to an overbought market. Therefore these indicators no longer react to further growth and do not reflect it.

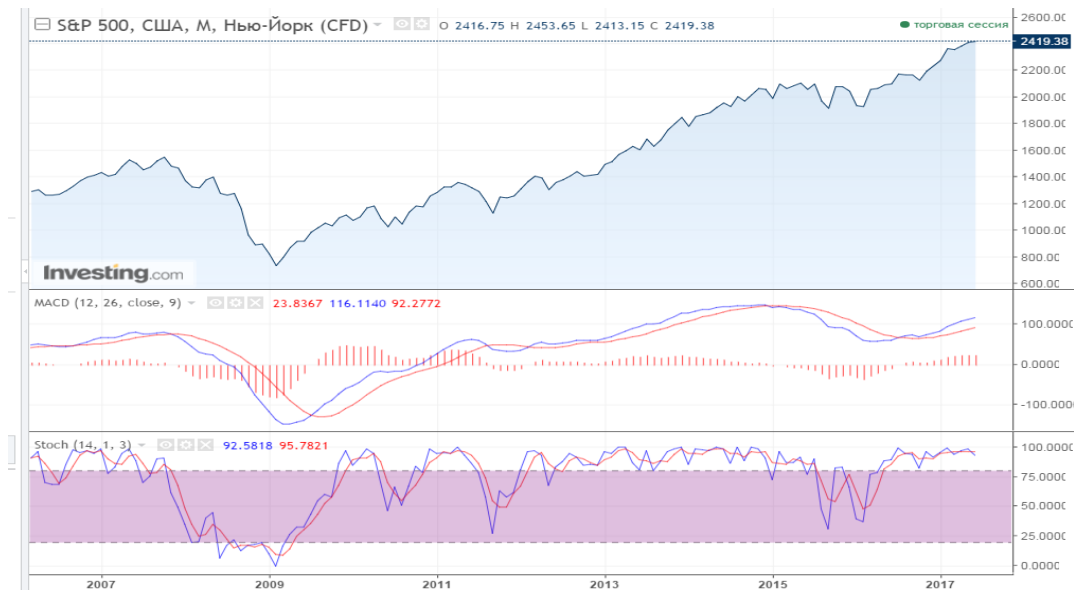


Chart 4: The S&P index dynamics (Investing.com, 2017)

For the first time in the history of the American stock market, the Price-sales ratio (market cap to annual revenue) exceeded 2.06 compared to the last 30 years' average of 1.37 or the last 15 years' average of 1.48. Thus the market costs approximately 40% higher than its real cost. The last time P/S equaled 2.06 was when the dot-com bubble was starting to collapse (1st quarter of 2000). In 2005-2007, the market was actively growing, but P/S was consolidated within the range of 1.4-1.5, i.e. the stock market capitalization was growing in accordance with the annual revenue growth rate. No data on the quarterly revenue before 2000 is available, but according to the annual estimates, for a very long period from the 1950-s to the 1980-s P/S was balancing around 1.00. Anyway the current levels are definitely the highest during the past 100 years with respect to the actual business activity of S&P 500 or Dow 30 companies

4. CORRELATION BETWEEN THE DYNAMICS OF THE KEY STOCK MARKET INDEXES AND REAL ECONOMIC GROWTH

Most companies' revenue is generally stagnating. Over the last 4 years, the changes are near zero. More specifically, the difference between the 1st quarter of 2017 and the first quarter of 2008 is a 10% increase in revenue per share. Over 5 years revenue went up by 9.6%, unevenly distributed between the economy sectors. E.g. in the oil and gas sector the revenue has dropped by 46%, metallurgy, chemical industry and mining sector are down 11% but the revenue growth in the financial, consumer sectors, and health care is very noticeable [Raybov 2017]. The indicators of operating income are slightly higher. For all companies it is formally near maximum. But if compared with 2007 figures (10 years period) average growth in earnings per share is 20%. Net profit since 2007 has grown by nearly 15%. Thus growth of key financial indicators is generally not high and the stock market has doubled. The dividend rate is one of the highest. 2016 witnessed record high dividends that surpass the 2007 figures by 75%. But due to the current market capitalization, dividend yields amount to only 2% and remain roughly constant since 2009 and are 0.2% higher than in 2005-2007. For instance following the results of 2010 Coca Cola reported \$48 billion in annual revenue and \$9 billion in profit. In 2016, Coca Cola's revenue equaled \$41.8 billion and its profit - \$6.5 billion. Consequently if we compare the figures of 2016 and 2012 the company's revenue can be seen to have shrunk by 13% and its profit – by 28%. These findings show a substantial, though reasoned, decline of the value of Coca Cola shares compared to 2012. But the market values them differently. After Coca Cola's annual financial report had been published on 12 February, 2013 its shares cost around \$37.50.

After the 2016 report the Coca Cola shares worth was already \$41.25 per share. Now they cost even more - \$43.50 per share. It is also notable that in the company's 2012 report the amount of long-term debt comprised \$14.7 billion. At the end of 2016 its long-term debt more than doubled and reached \$ 29.6 billion. Hence the company's business performance is deteriorating, its debt is increasing, and investors continue to purchase its shares which makes their price go further up. Consider the situation with ExxonMobil, whose annual report of 2010 demonstrated \$383 billion in revenue, \$ 30 billion in profit and \$ 12 billion in debt. The company's latest report, of 2016, showed \$226 billion in revenues (a 42% decrease), \$7,7 (a 74% decrease) billion in profits and \$28 billion in debt (a 133% increase). During this period ExxonMobil's share prices went up from \$78 to \$83. Apple finds itself in a similar situation. The results of the company's performance during the past two years indicate a decrease in both revenues and profits. A report for the first quarter of 2017 shows \$39.6 billion of operational cash flow, which is 25% less than \$52.8 cash flow of the first quarter of 2015. The same period has seen the company's debt more than double from \$41 billion to \$84.5 billion. It seems evident that Apple's shares should cost less in 2017 than in 2015. But over the last couple of years the shares of the corporation hold a record-high value. They rose by 19%, from \$130 to \$155 per share. Plenty of companies report decreasing revenues, profits and operational cash flow. Nevertheless the share price of these companies tends to go up along with consumer and corporate debt. The market can be described as abnormal. Nothing of the kind was taking place neither in the late 1990-s nor in 2007. The main difference is that two previous booms in the American stock market were accompanied by massive involvement of individuals and minor speculators. At present the activity of small players is the smallest in the last 15 years, and despite the existence of a powerful infrastructure for electronic remote trading, a very low threshold for entering the market and a very simplified procedure for registering and opening an account [Snyder M. 2017].

5. OTHER EVIDENCE OF THE MODERN STOCK MARKET'S DEVIANT NATURE

Present-day market growth is in its scope different from previous periods due to a number of reasons. The first factor: the market shows almost no reaction to incoming information. For instance changes in macroeconomic statistics no longer guarantee the growth of volatility. The market finds itself in some kind of alternative reality, where usual pricing patterns and models are no longer viable. Undoubtedly though there are fundamental factors supporting market growth, namely record-level dividends and stock buyback, which collectively bring to the market more than \$1.2 trillion annually. That means business itself is the largest net buyer in the stock market. The second factor is the absence of motivation for long-term investment of large amounts of money with zero rates in the money and debt markets when investment funds are forced to migrate large amounts of capital to the stock market to maintain their business and income at a high level as the margin on the money and debt markets is zero or negative. What provides the sustainable growth over the last decade? In the basis of speculation growth were the resources the developed countries' central banks allocated in order to mitigate the consequences of the 2007-2008 crisis and to support their economies. But the lack of investment alternatives as well as of oversight of the use of the funds provided leads to enormous amounts of money being used primarily for speculative transactions. They open the door for a financial crisis, reinforcing the disproportionate growth of the financial sector and contributing to degradation and stagnation of the manufacturing sector. That is the central banks of the developed countries have created and support the fundamental prerequisites of a new financial crisis. According to Business Insider, this year the central banks' balances will be increased by shares and bonds worth \$3.6 trillion if they continue to buy assets at the current rate [Snyder M. 2017]. The world's five largest central banks collectively own \$14.6 worth of assets. Mortgage-backed securities of commercial real estate also require special attention. According

to Commercial Mortgage Alert the percentage of loans in special servicing among commercial mortgage-backed securities reached 6.6% as of the end of April. The rise of this indicator by 5 basis points as compared to the end of March happened as a result of an increase in the volume of securities backed by commercial real estate and rated by Fitch which have been delinquent by 9 basis points, up to 3.5% by the end of April [Snyder M. 2017]. Delinquencies on MBSs and CMBSs have reached its highest since 2015. If during the 2007-2008 crisis securities backed by residential real estate played a major role, this time it may pass to commercial mortgages. This is evidenced by the problems mall owners faced. The pace of retail stores closure taken in 2017 promises to surpass the previous record by 20% while Bloomberg forecasts a billion square feet of retail space to close or to be converted to other uses. The situation is dire and deteriorating as capitalization has not been reflecting the real situation in national economies for a long time. By acquiring assets investors take significant risks for future incomes. Those risks are growing, thus nurturing the potential for a new financial crisis. According to D. Stockman, we can witness a large-scale financial crisis in the near future. Besides the US financial system is burdened by debt which it cannot increase forever. In 2017 national debt servicing only is going to cross the \$0.5 trillion mark whereas new borrowings totaling at least a trillion dollars are pending [Snyder M. 2017].

6. THE POTENTIAL INFLUENCE OF A FINANCIAL CRISIS ON THE RUSSIAN ECONOMY

Let us briefly look at possible prerequisites for a financial crisis in Russia. Russia finds itself in an economic dead-end for about a quarter of a century because financial speculation is knowingly more profitable than most functioning industries, that is why capitals leave the real sector for the currency and stock markets. This is a commonality of the modern market: even top commodity companies earn a significant part of their profits not by selling raw materials, but by trading securities. The Russian stock market remains the most important speculative instrument that does not contribute to production financing, and blocks its modernization, in spite of declared programs and measures. At the same time, the speculative nature of the stock market is largely determined by weak industry, which, judging from experience, makes futile all the attempts to develop it without modernizing the real sector. This makes a vicious circle: extensive restructuring and modernizing of the real sector is impossible as investments go to speculative markets, and financial markets development separated from production does not allow them to become a real sector investment instrument, that is does not ascend them from speculative to investment level. Russia has been in this deadlock during all the announced reforms. Modernization policy has found the temporary measure in abandoning a medium-term objective of modernization in favor of a short-term goal of reducing inflation. That said inflation is being brought down not by limiting the monopolies' activities, but by creating an artificial "cash starvation" which makes the lending rate higher than the profitability of most industries, rendering credits inaccessible to the real sector. Therefore the economic system is collapsing, the opportunities for growth under such monetary policy have been exhausted, its potential is not being used, the economy is stagnating. An essential precondition for development under such circumstances is limiting of financial speculations. In Europe financial speculations were curbed by direct limitations, which were in force until 1990-s. In the US between 1933 and 1999 the banks were divided into speculative ("investment") banks and those interacting with the real sector ("commercial"). The most effective way to limit financial speculation – regulation of the banking assets structure - was introduced after the war by Japan. A bank could purchase any amount of foreign currency or securities as long as it invested proportionally in national debt and in real sector. The provision was lifted only in 2000. The Latin America states' unwillingness to impose a barrier to large-scale financial speculation denied them the chance for dynamic development. Limiting financial speculation is a necessary step for a

comprehensive modernization of the economy based on new technologies, which is key for reducing the costs and boosting business activity. That said the state retains its right to define strategic areas of comprehensive development, creating the needed conditions through the use of existing capabilities. The conditions for dynamic development of the Russian economy were never created. No fundamental restructuring of the economy has been undertaken. Financial speculations remain a cash flow priority. In these conditions the financial system and the economy as a whole is much more critically vulnerable to the approaching global financial crisis.

6. CONCLUSION

The current state of the world economy is characterized by an extremely low rate of development of countries that define the directions of innovation-oriented cash flows that perform structural changes of the real sector. The current situation is largely a matter of a growing trend to the financial systems' isolation from the real sector of the economy and increasing amounts of financial capital, which predetermines the conditions of a new financial crisis to take shape at a faster pace. Without prompt and effective regulatory measures directed to curb this negative trend even the consequences of the 2007 financial crisis may seem insignificant in comparison.

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THE CHEMICAL COMPOSITION OF SNOW AS A COMPONENT OF THE ENVIRONMENT IN THE SOUTH-WESTERN ADMINISTRATIVE DISTRICT OF MOSCOW

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ABSTRACT

The article contains data on the chemical composition of snow, indicators of man-made load on the sites in the South-Western Administrative District of Moscow. In the samples of snow, such indicators as the content of ions of chlorine, potassium, calcium, magnesium, and sodium were analyzed. These indicators are of interest because they are components of anti-ice reagents (AIR) and are able to have a negative impact on the environment. In the course of the study, at all points, there was a significant excess of the content of the AIR components in the snow water compared to their content in the background.

Keywords: *Anti-ice reagents, chlorides, urban environment, snow cover monitoring*

1. INTRODUCTION

The city is an ecosystem that is formed under the influence of natural and anthropogenic factors. To maintain the stability of the urban ecosystem, the harmonious existence of the aforementioned factors is important. The favorable state of the urban environment contributes to the preservation of the health of the population of the country. In Russian cities, given the severity of the climate, there is a need for the processing of sites by the Urboecosystem with anti-ice reagents (AIR). AIRs exacerbate the complex ecological situation in the city, with a systematic negative impact on the components of the natural environment (Dryabzhinsky, Zubkova, 2017). Large-scale application of technical salt in the 70s - 90s of the XX century was one of the acute environmental problems of Moscow and other large cities of Russia (Chudakova, 2006). AIR are chemically active substances, adversely affecting the health of citizens, contributing to the corrosion of metal structures, destroying buildings and historical monuments (Nikiforova et al, 2014). It is known that the snow cover accumulates a significant part of atmospheric pollutants; it is a reliable indicator of anthropogenic impact on the environment. The study of the snow cover makes it possible to compile a picture of the spatial distribution of chemical elements and to estimate the intensity of the influence of pollution sources in winter, during the period of one snowfall and during the whole period of snow lying. At the same time, based on the results of constant monitoring of the snow cover, it is possible to detect not only the spatio-temporal patterns of the distribution of elements, but also to discover new center of contamination, to determine the tendency in changing the quality of the environment (Vasilenko, 1985). In the world and national practice, environmental protection and human health are topical tasks. In this regard, scientific research is being conducted, aimed at developing and improving technologies for the use of anti-ice reagents (Rusakov and Rachmanin, 2004). The most common way to combat winter ice on the roads is currently the

treatment of the road surface with chemical reagents (Fedorova, 2000). Two types of measures are based on existing methods of combating icing: 1) removing the layer of ice or snow that has already formed, 2) increasing the coefficient of adhesion to the coating (Podolsky et al, 2000). In general, the fight against winter slipperiness is conducted by chemical and frictional methods. The first method assumes complete melting of snow-ice deposits; to do this chemical antifoaming substances are distributed.

The second method uses cold or hot materials that reduce slipperiness, which, being fixed on the surface of snow-ice deposits, temporarily increase the coefficient of adhesion of the wheels of the car (Vasiliev and Sidenko, 1990). In Russia, anti-icing salts were first used in 1966: sodium and calcium chlorides were added to the sand. Until the mid-60-ies in the territory of our country the use of pure salts (without the addition of impurities) on the roads almost did not practice. In winter, only friction materials were used in a mixture with or without salt, which did not sufficiently increase the adhesion coefficient (Nikolaeva et al., 1998). At present, as the analysis of data from literature sources shows, there are practically no environmentally friendly anti-icicle reagents. The most environmentally hazardous component of AIR is technical sodium chloride or technical salt, the systematic use of which leads to salinization of the soil, affects the soil microflora, causing its death, reduction of species diversity, thus violating the process of soil breathing (Vorontsova, 2013). In Moscow, for example, AIR are represented mainly by a chloride group - reagents based on calcium, magnesium, sodium, potassium chlorides, and also their mixtures in various combinations, and usually, not less than 93% of the technical table salt (Nikiforova et al. ., 2014). However, the toxicity of anti-icicle reagents is mainly manifested in their unregulated distribution, which in connection with a number of indicators (sharp climate changes, thickness of the ice layer, "lumpy dispersion") is manifested in most Russian cities (Vorontsova, 2013).

1.1. Receipt of heavy metals with snow water

Due to the active industrial and household activities of the population, technogenic streams of matter are formed in the cities, leading to contamination of the territory. The pollution of the environment can be caused by inorganic and organic toxicants. In the group of inorganic toxicants, heavy metals (HM) occupy a special place, which occupy one of the leading positions in the priority list of pollutants (Vorontsov, 2013). The greatest danger for the city population is represented by xenobiotic of techno genic origin, which has high toxicity. Superecotoxants are dangerous not only for the present, but also for future generations, since they are able to accumulate in living organisms, to be transmitted along trophic chains (Dryabzhinsky et al., 2017a). The effect of chemical elements is determined by the concentration interval at which a normal reaction of metabolic processes is possible. In accordance with the theory of threshold concentrations, V.V. Kovalsky (1982), the organism can regulate functions only under certain conditions of variability of the geochemical environment. With insufficient intake of chemical elements into the body or with their excessive intake, the function of homeostatic regulation is violated, which leads to the appearance of mutations and a possible change in the hereditary nature of the organism. Heavy metals usually accumulate in the human body together, and they can both enhance (synergism) and reduce (antagonism) the effect of each other on the organism. An example of synergism may be that the toxicity of the lead ion is aggravated by a lack of calcium ion. The toxicity of heavy metals depends on their forms of being in the environment, the most dangerous are the organometallic compounds. The presence of heavy metals in the human body causes a variety of painful syndromes and provokes a number of complex diseases. In addition, the effect of chemicals is often manifested against the background of existing diseases, provoking their aggravation or contributing to the development of the pathology of the system where pre-pathological changes already existed (Trofimov and Zilling, 2002).

1.2. Effect of the chemical composition of snow on vegetation cover

The chemical composition of snow is not the last factor affecting the state of the vegetation cover. Heavy metals pose a great danger to plants growing in the urban environment. Vegetation is an important part of the urban environment. Due to the large evaporation capacity, the vegetation increases the relative humidity of the air, thereby forming areas with a cooler microclimate for human perception. The increased gas content and dustiness of the urban environment, the features of the temperature and water regimes, soil contamination, and additional illumination of plants at night, mechanical damage and intensive use of urban plantations have a negative impact on plants and lead to disruption in their metabolic processes, cessation of growth, decrease in viability and resistance to various diseases. As a result, the aesthetic and sanitary-hygienic role of the green plantings of the city becomes ineffective (Fedorova, 2000). In the city, green plantations are exposed to two main types of man-caused impact: chronic or gradually increasing pollution and sudden (shock) impact of threshold concentrations of harmful substances. The first type, chronic, should include the effects of pollutants, heavy metals and other technogenic pollutants of industrial origin and emissions of motor vehicles. Gradually increasing effect of harmful substances in the atmosphere and soil of the plant is experienced for 15-20 years. The second type of damage is the sudden release of gaseous substances of various origin, as well as the sudden effect of climatic factors (frost, overheating) (Shevyakova et al., 2000). The entry of chemical elements and their compounds into plants occurs in several ways: through aerosol precipitation from the air on the leaf blade and through the root system. It is established that the chemical composition of plants is largely determined by soil. However, there is no direct relationship between the content of heavy metals in the soil and their absorption by the plant, since plants have the ability to selectively absorb elements from the soil, depending on the needs of the internal environment of the organism. Thus, in the conditions of anthropogenic environment, most of the HM enters the plants by an aerogenic route. In this case, the structure and size of the leaves is important (Fedorova, 2000). When contaminating plants, their biochemical properties first change, then physiological changes appear, and as a consequence the morphostructure of plants changes. To biochemical changes that arise under the action of HM can be attributed to a decrease in the content of ascorbic acid, nucleic acids, proteins, cellulose, chlorophyll, a decrease in the ability to release phytoncides, etc. Physiological changes include: a violation of the water regime, the synthesis of certain secondary metabolites, the exchange of carbohydrates, proteins, fats; a change in the permeability of cell membranes, and also photosynthetic and respiratory processes in plants are suppressed. All this is reflected in the aging of vegetation in cities, premature yellowing and fall of leaves, the formation of necrotic spots and blisters on sheets, the reduction and thickening of leaf blades. The number of affected and drying plants is increasing. The most dangerous for plants HM include cobalt, chromium, copper, lead, zinc, cadmium and mercury. When the soil cover is contaminated with copper, zinc and lead salts, complete dying of plants is often observed (Zekan et al., 2002) (Fedorova, 2000). The degree of damage to the plant depends on the concentrations of HM and their duration of exposure. At insignificant concentrations of HM in the organism of plants, mechanisms of adaptation are triggered. At high concentrations of HM in plants, a metabolic disorder occurs, caused by an increase in the active forms of oxygen and the destruction of biomolecules (Vorontsova, 2013). In this study, the state of the grass cover on lawns under the influence of AIR was analyzed, taking into account the chemical composition of the snow. As noted above, AIR in large quantities have a negative impact on the environment, and the components of AIR deteriorate the human condition. The purpose of this study is to determine the environmental burden on urban areas in the context of the AIR application of the South-Western Administrative District of Moscow.

2. METHODS AND MATERIALS

The research was carried out in the conditions of 2016 - 2017, during the period of the greatest accumulation of the general water reserve in the snow cover on the sites located in the territory of the South-Western Administrative District of Moscow. For the sampling, plastic pipes were used, and then the samples were placed in safe-bags, which were numbered. Samples were selected by combining a series of point samples taken at elementary sites that do not differ sharply with the best or worst state of the total mass of snow during a primary visual inspection, on a spatial basis, evenly at regular intervals. The stage of preliminary treatment of the samples consisted in melting the snow at room temperature, followed by its separation into liquid and solid phases by filtration. In this study, the liquid phase was analyzed. Prior to filtration, the snow samples were stored in the frozen state. The analysis of thawed water was carried out in accordance with the methods of the environmental regulatory document of the federal level (ERD F) 14.1: 2: 4.140-98, ERD F 14.1: 2: 4.139-98, ERD F 14.1: 2.96-97, ERD F 14.1: 2: 4.95-97, ERD F 14.1: 2: 4.138-98.

In the samples of snow, such indicators as the content of ions of chlorine, potassium, calcium, magnesium, and sodium were analyzed. Also in the conditions of 2017, the content of zinc, lead, copper, cadmium, chromium was analyzed in snow water. These indicators are of interest, since they are the main components of the AIR and can have a negative impact on the environment. In the conditions of 2016, as the background sites, we selected sites with the lowest content of the elements under investigation in the snow water, in 2017 – Specially Protected Natural Territory (SPNT). This made it possible to calculate the concentration coefficient of pollutants in the analyzed territory. For the analysis of the projective cover and the density of shoots, lawns located on the study sites at the following addresses were chosen: Generala Tyuleneva St., 5, building 1 (plot number 1); Academician Glushko St., 12 (plot number 2); Koktebelskaya St., 8 (plot number 3). These plots are located near roads with equally low traffic. The research was conducted in April-May 2017.

3. RESULTS

As the results of the research showed, the content of the elements varied significantly depending on the location of the snow sampling, which is caused both by the intensity of the AIR used and by the unevenness of their application (Driabzhinsky et al, 2017b). In accordance with the recommendations for assessing the level of snow contamination, the results of the analysis of snow samples were interpreted by comparison with background indicators, with the determination of elemental Kc (concentration coefficient) and total Zc parameters (total concentration coefficient) (figures - 1,2,3) (Dmitrenko , 2014). In general, considering the average contents of the studied elements of the AIR in the upper layer of the snow cover, we can state a high level of contamination of snow water, especially at the sites closest to the road (tables 1-2).

Figure following on the next page

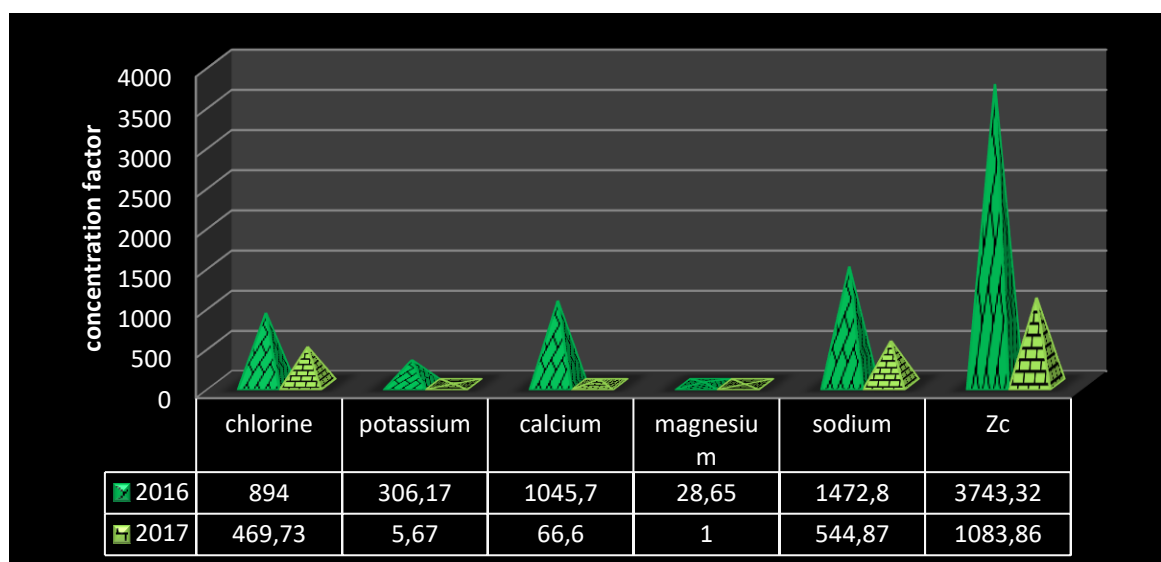


Figure 1: Assessments of the state of the snow cover on the site of Academician Glushko St., 12.

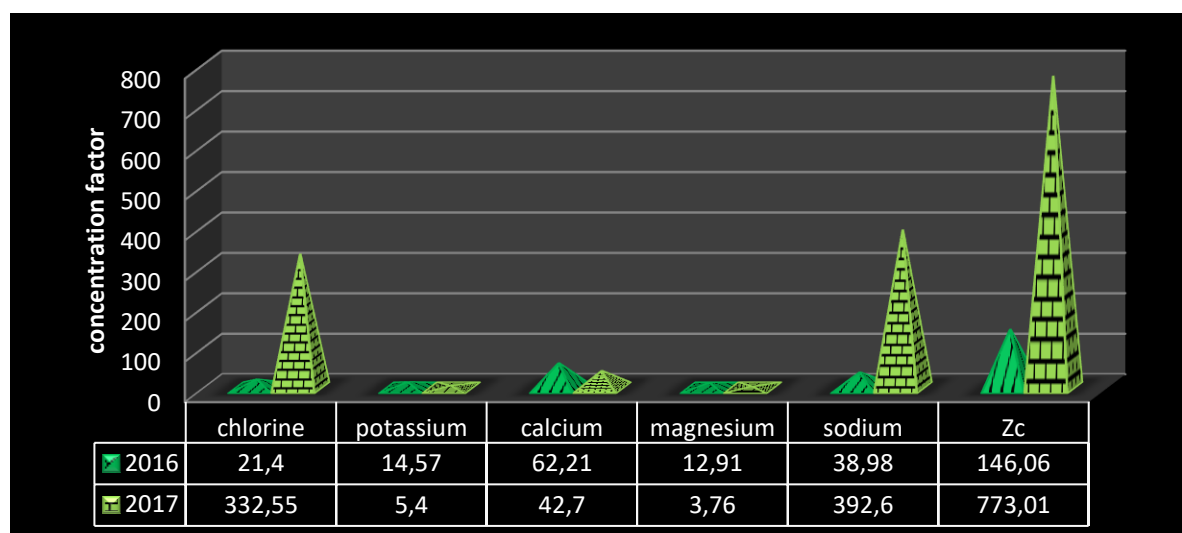


Figure 2: Assessments of the state of the snow cover on the site of Koktebelskaya St., 8.

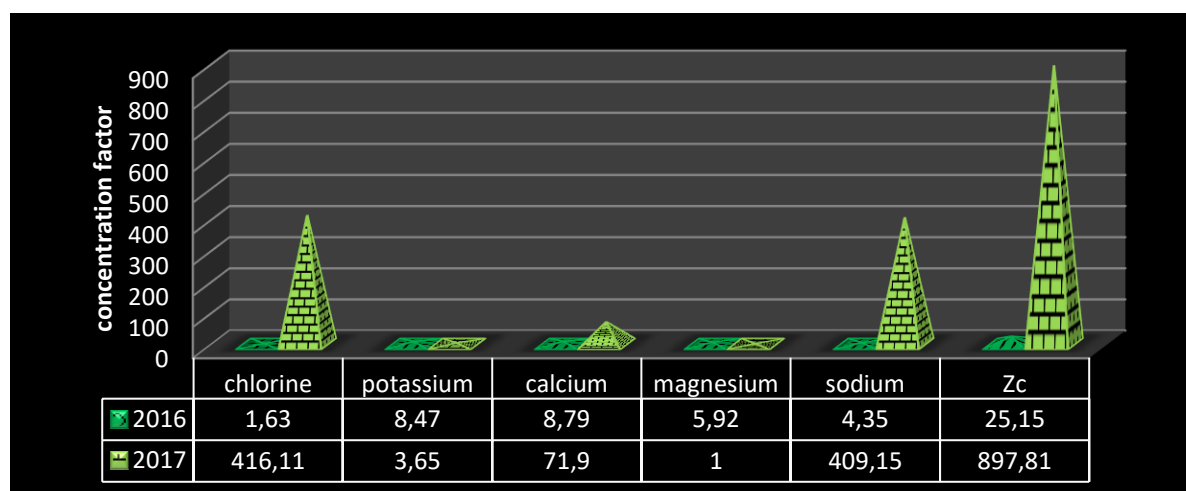


Figure 3: Assessments of the state of the snow cover on the site of Generala Tyuleneva St, 5, building 1.

Under the conditions of 2017, there was a significant excess of background concentrations for chlorine, calcium and sodium in all the study sites. Excess potassium is less significant, the smallest excess of the background is 3 times, the largest - 6 times. Content of magnesium in snow water on the sites of Academician Glushko St., 12 and Generala Tyuleneva St., 5, building 1 corresponds to the background content, but on the site of Koktebelskaya St, 8 recorded an excess of 3.7 times.

Table 1: Content of components of AIR in snow water under conditions of 2016

Element	Plot, 2016, mg/dm ³		
	Academician Glushko St., 12.	Koktebelskaya St., 8.	Generala Tyuleneva St, 5, building 1.
chlorine	8940 ± 504,85	214 ± 6,59	16,3 ± 1,02
potassium	24,8 ± 0,23	1,18 ± 0,02	0,686 ± 0,04
calcium	664 ± 37,49	39,5 ± 0,69	5,58 ± 0,35
magnesium	4,24 ± 0,24	1,91 ± 0,06	0,876 ± 0,04
sodium	4610 ± 260,33	122 ± 3,76	13,6 ± 0,85

Table 2: Content of AIR components in snow water under conditions of 2017

Element	Plot, 2017, mg/dm ³			
	Academician Glushko St., 12.	Koktebelskaya St., 8.	Generala Tyuleneva St, 5, building 1.	SPNT
chlorine	5824,6 ± 439,75	4123,6 ± 397,67	5159,7 ± 459,27	12,4 ± 0,35
potassium	3,4 ± 0,33	3,24 ± 0,28	2,19 ± 0,09	0,6 ± 0,02
calcium	688 ± 51,94	441,1 ± 26,74	742,7 ± 52,36	10,33 ± 0,26
magnesium	1 ± 0,05	3,76 ± 0,14	1 ± 0,08	1 ± 0,04
sodium	2833,3 ± 259,68	2041,5 ± 58,85	2127,6 ± 62,97	5,2 ± 0,23

The most polluted site in 2016 and in 2017 is the site located at Academician Glushko St., 12. When comparing the data obtained in two years, a positive trend is set to reduce the content of AIR components on the contaminated sites on the street Academician Glushko, 12. The content of potassium decreased more than 7 times, chlorine 1.5 times, magnesium more than 4 times, sodium 1.6 times. It is important to note that in the remaining areas there is a negative tendency to increase the content of the elements under study. A significant increase in the content of chloride, calcium, and sodium in snow water has been recorded (Figures 4-6) .

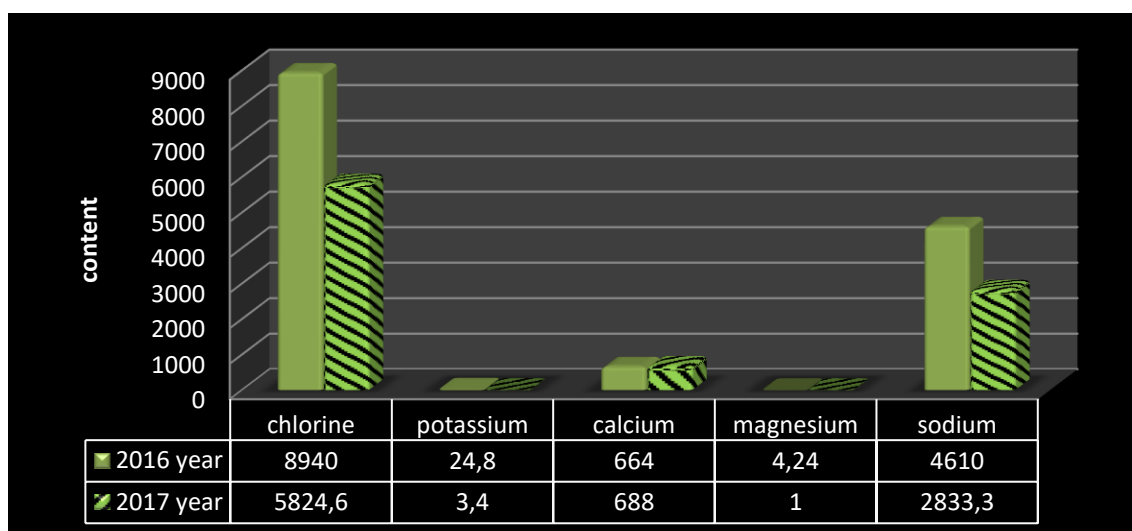


Figure 4: The content of components of AIR in the snow water on the site of Academician Glushko St., 12.

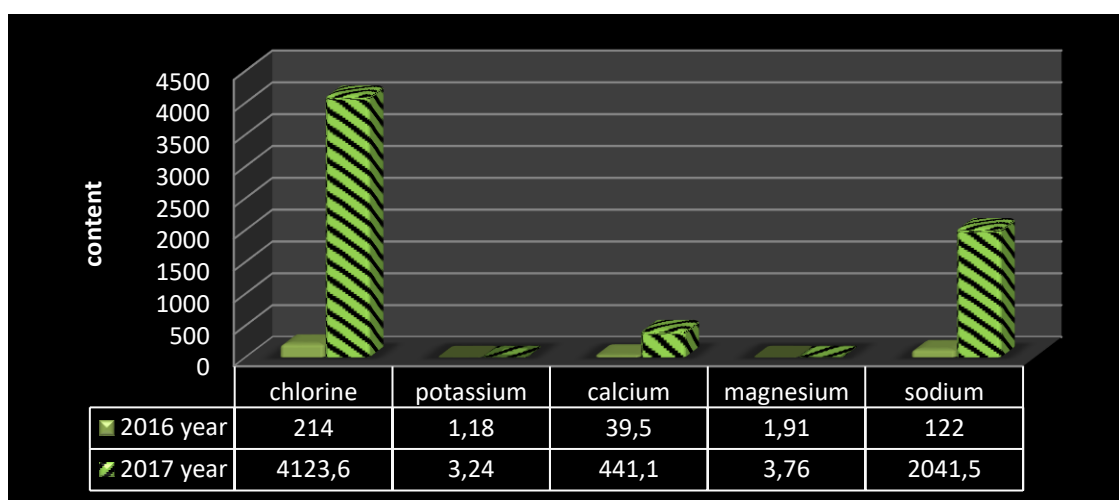


Figure 5: The content of components of AIR in the snow water on the site of Koktebelskaya St., 8.

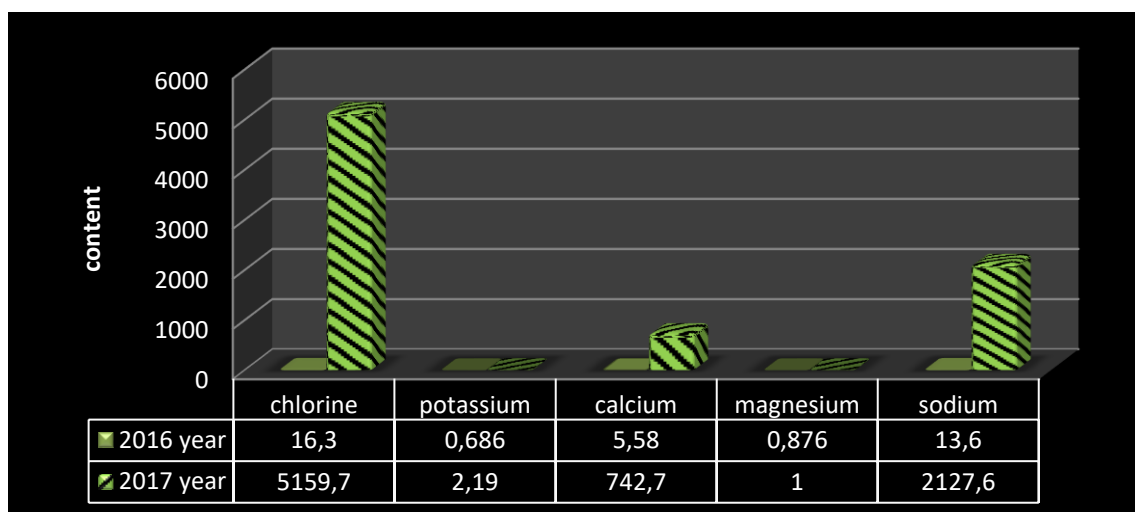


Figure 6: The content of components of AIR in the snow water on the site of Generala Tyuleneva St., 5, building 1.

On the investigated sites both in the conditions of 2016 and 2017, The highest concentration is attained, reaching respectively by chlorine - 8940 and 5824; Calcium - 664 and 742; Sodium - 4600 and 2833 mg/dm^3 , which not only exceeded the background values, but also maximum permissible concentration (MPC) for water at 26 and 17 times ($MPC = 350 mg/dm^3$), calcium in 3,7 and 4 ($MPC = 180 mg/dm^3$), sodium at 23 and 14 times ($MPC = 200 mg/dm^3$) respectively (Mosecomonitoring, MPC). In the conditions of 2017, the content of heavy metals was analyzed in snow water. The results obtained are shown in Figure 7. In the sites studied, the greatest intake of lead, copper, cadmium and chromium is observed at the address: Academician Glushko St., 12. On the site of Generala Tyuleneva St. recorded zinc content of $0,042mg/dm^3$, which is more than 4 times higher than the background indicator (Dryabzhinsky, Zubkova, 2017).

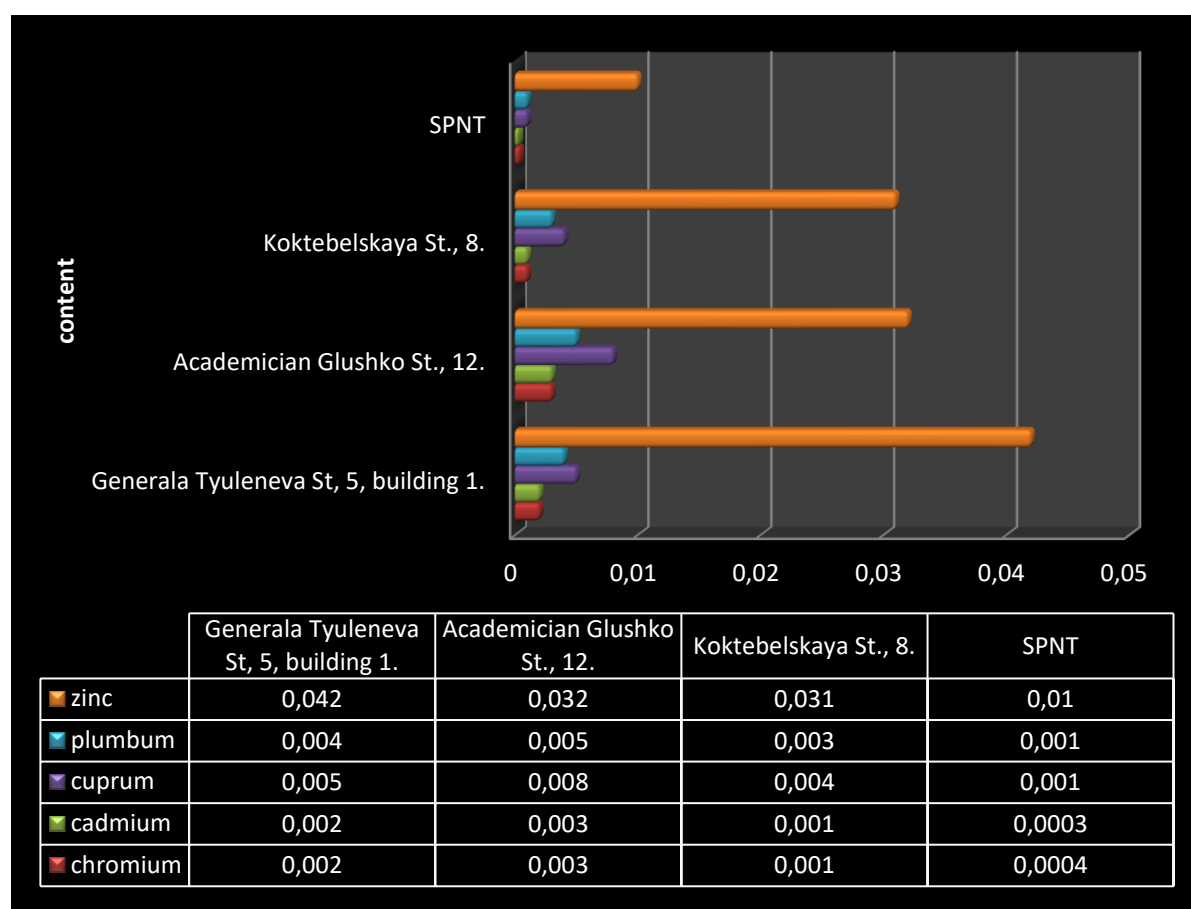


Figure 7: Content of heavy metals in snow water.

4. PROJECTIVE COVERAGE ANALYSIS

The state of the grass cover on the lawns is uneven. The data obtained demonstrate the discreteness of the vegetation cover in the investigated areas (Table 3).

Table following on the next page

Table 3: Characteristics of vegetation cover

	Number of shoots per 100 cm ²			Total projective coverage,%		
	1	2	3	1	2	3
Zone 0-0,5 m from asphalt						
2017	3±1	10±2	7±1	35	70	50
Zone 1-1,5 m						
2017	8±1	14±3	11±2	75	90	65
Zone 3-3.5 m						
2017	11±2	18±3	14±2	90	95	80

The studied lawns were found to be slightly contaminated with marble chips used to combat winter slipperiness in combined anti-ice reagents. On the lawn at Generala Tyuleneva St., 5, building 1 (plot number 1) found uniform single clumps of marble chips in the 0-0.5 m zone from the asphalt. On the 0-0.5 m zone from the asphalt at the address: Academician Glushko St., 12 (plot number 2) also found uneven clumps of marble chips, but a little more than in the plot number 1. At the address Koktebelskaya St., 8 (plot number 3) marble crumb was found in the zone 3-3.5 m from the road, in close proximity to the pedestrian sidewalk. Such uneven distribution of zones contaminated with marble chips may be due to the fact that in sections 1 and 2 snow and ice masses from the road were stored on a lawn in close proximity to the border of the lawn-road. On plot number 1 between the road and the 0-0.5 m zone there is a pedestrian pavement which was treated with combined anti-ice reagents in winter and, most likely, after clearing the sidewalk, the snow was thrown onto the nearby lawn area, while melting leaving the remains of marble from the sidewalk, which is confirmed by a more or less even distribution of the remains of marble on the lawn. At plot number 3, snow and ice masses, most likely removed from the pedestrian sidewalk treated with marble chips, were most likely to be stored on the next stretch of lawn (3-3.5 m from the road); at the same time, the parking of vehicles parked close to the lawn prevented snow storage from the road adjacent to the lawn, which is confirmed by the absence of marble chips in the 0-0.5 m zone from the road. In all areas under investigation, the projective coverage and the number of shoots increase with distance from the road. However, at plot number 1, a small projective cover and the number of shoots in the 0-0.5 m zone may be related to anthropogenic trampling, since the zone is located next to the pedestrian sidewalk. Plot number 2 is marked by the largest projective cover and the number of shoots per 100 cm² in all zones. Plot number 3 is characterized by average indicators.

5. DISCUSSION

According to the report of the Moscow Committee on the state of the environment in the city of Moscow in 2015, there is a positive dynamics in reducing the content of chloride-ion and sodium in snow water. In comparison with the winter season 2013-2014 in the city the proportion of snow samples exceeding the established standards for chloride ion and sodium content decreased in the trough portion of the road by 2 times for both components, 5 m from the road - 3.4 and 3.3 times, respectively, at 15 m from the road - 4.5 and 3.2 times, respectively (Report, 2015). In the trough part of the roads, exceeding the standards was detected in 28% of the samples for chloride and sodium content in the roadside areas of Moscow, in 60% of samples for chloride and sodium content in the courtyards of Moscow, 80% of the samples

selected in the Troitsky and Novomoskovsk administrative districts (TaNAD) territory for chloride and sodium content. (Report, 2015). On lawns, at a distance of 5 m from the roadway, exceedances of standards were recorded in 17% of samples in the roadside areas of Moscow for chloride and sodium content, 25% of samples for chlorides and 20% of samples for sodium in domestic areas, 10% of the samples for sodium content, no excess was detected for the chloride ion (Report, 2015). In the winter season 2015-2016 in the trough parts of roads in the roadside areas of Moscow, the excess standards for chloride and sodium were detected in 40% of the samples, in the courtyard territories - in 17% of the samples, in the TaNAD territories - in 11% of the samples (Report, 2016). At a distance of 5 m from the roadway, the excess was fixed in 32% of the samples, in the yard territories - in 7% of the samples, in the TaNAD territories - in 8% of the samples. In 10-15 m from the roadway, the excess was fixed in 7% of the samples for chloride and 9% of samples on sodium in the roadside territories of Moscow, in 1% of the samples - in the territories of the TaNAD (Report, 2016). Taking into account the data obtained during the research, it can be argued that the positive dynamics is partially observed in the conditions of 2016-2017, in the South-Western region of Moscow. Thus, in the conditions of 2016-2017 the content of the AIR components decreased on the site of Academician Glushko St., 12. However, it should be noted that, despite the positive dynamics in this area, the content of the investigated components of AIR in snow water at the other points in question has increased significantly. When applying AIR in areas adjacent directly to the place of their introduction, an extremely dangerous situation is created, especially on contamination of snow water with chlorine, calcium, sodium, which can cause contamination of adjacent environments - soil and groundwater (Dryabzhinsky et al, 2017b).

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WORLD NUMBER OF SCIENTISTS IN DYNAMIC SIMULATION FOR THE PAST AND THE FUTURE

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ABSTRACT

The purpose of this article is to model a semi-structured correlation of the economic growth with the change in the number of scientists in the world in the past and in the future based on the empirical study of its determinants. We used the method of studying both quantitative and qualitative correlation of the economic growth sources and the number of scientists. As a result of this work, we established the evolutionary dependence of the growth of the number of scientists in the world within the path of the stable development of the knowledge economy. An analysis of the empirical base showed that the correlation of the number of scientists with the human knowledge volume before the demographic transition is expressed as a quadratic hyperbolic dependence over time $N_s = 16 \cdot 10^9 / (2050 - T)^2$. We established the periods of application of the logistic and other dependences for the approximation of the number of scientists in the world, which allows estimating the prospects of the knowledge economy development for the period until 2080.

The obtained results can be used to forecast the pace of the economic growth and science development. The novelty of this work consists in revising the existing idea, according to which the number of scientists in the world in the past was growing exponentially, and finding out that their number largely depends on the GDP after the transition to the knowledge economy. The main conclusion of the article is that the evolutionary (before and after the demographic transition) dependence, built using various mathematical models on the macro level, allows predicting the growth of the number of scientists based on the economic growth.

Keywords: *prediction, number of scientists, knowledge economy, human capital, knowledge of mankind, R & D experts, future*

1. INTRODUCTION

The modern world is aspiring to the "Knowledge economy", and the role of intellectual activity is growing rapidly. One of the indicators of such changes is that by the beginning of the 21st century, in most countries of the world, the share of human capital (HC) in the national wealth has reached 80% and it is growing continuously^{1 2} (Fig. 1).

¹ Koritsky, A.V. (2013). *The Impact of Human Capital on Economic Growth*. Novosibirsk.

² Korchagin, Yu.A. (2005). *Russian Human Capital: A Factor of Development or Degradation? Monograph*. Voronezh.

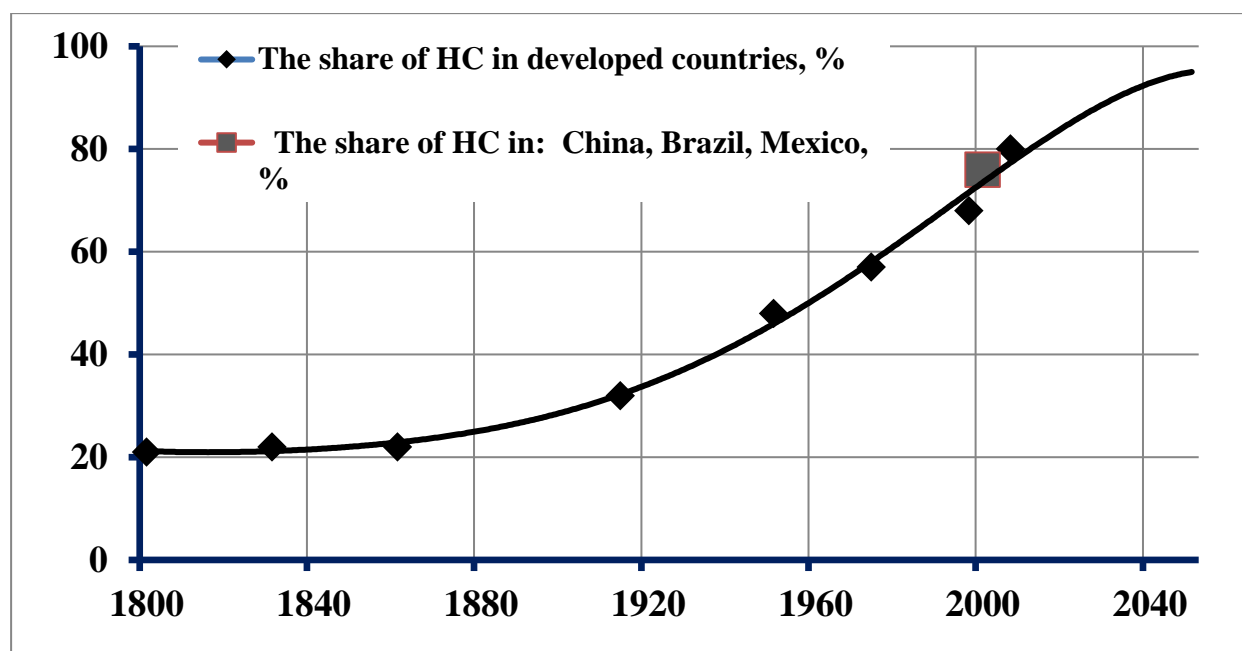


Fig. 1. The share of HC in the national wealth of the countries

What is the reason? First, in the past half-century, the number of higher education students has grown **10** times in the world^{3 4 5 6}, and this growth is about twice as fast as the GDP growth^{7 8}. However, in the world leading economies, the share of the employees with higher education has already reached 30% and the resource of intellectual and human capital growth due to higher education is already approaching the point of exhaustion^{9 10 11 12 13}.

Another important and major in terms of volume resource for improvement of the specific human capital of the countries is the growing number of scientists. It is this resource that determines the growth of the explicit knowledge in the world, directly affecting the growth of world gross product per capita and keeping it in an active state.

³ *The Number of Students in Different Countries of the World.* (n.d.). The Federal PortalProton.ru. Retrieved August 19, 2017, from <http://www.protown.ru/information/hide/3542.html>

⁴ Borisov, I.I., & Zapryagaev, S.A. (2000). *Trends in the Development of Higher Education in the 21st Century.* Retrieved August 19, 2017, from <http://www.vestnik.vsu.ru/pdf/educ/2000/01/p13-29.pdf>

⁵ *Today There Are 153 Million Students in the World.* (2009, July 6). Innovative Educational Network "Eureka". Retrieved August 19, 2017, from <http://www.eurekanet.ru/ewww/promo/10407.html>

⁶ *Education at a Glance 2013: OECD Indicators.* (2013). Retrieved August 19, 2017, from [http://www.oecd.org/edu/eag2013%20\(eng\)--FINAL%2020%20June%202013.pdf](http://www.oecd.org/edu/eag2013%20(eng)--FINAL%2020%20June%202013.pdf)

⁷ Maddison, A. (2010). *Historical Statistics of the World Economy: 1-2008 AD.* GCDC.

⁸ Orekhov, V.D. (2015). *Forecasting the Development of Mankind, Taking into Account the Factor of Knowledge: Monograph.* Zhukovsky: MIM LINK. (p. 210).

⁹ Psacharopoulos, G., & Patrinos, H.A. (2002). *Returns to Investment in Education: A Further Update* (p. 1). World Bank.

¹⁰ Hall, R.E., & Jones, C.I. (1999). Why Do Some Countries Produce so Much More Output per Worker than Others? *The Quarterly Journal of Economics*, 114(1), 83-116; Caselli, F. (2005). *Accounting for Cross-Country Income Differences.* CEP Discussion Paper No. 667. Centre for Economic Performance.

¹¹ Shultz, T. (1968). Human Capital. In *International Encyclopedia of the Social Sciences* (Vol. 6). New York.

¹² Badinger, H., & Tondl, G. (2002). *Trade, Human Capital and Innovation: The Engines of European Regional Growth in the 1990s* (p. 15). IEF Working Paper No. 42. Vienna.

¹³ Orekhov, V. (2016). New Approach to Assessing Contribution of Science and Education to Welfare of Countries. *Educational Researcher*, 45(9), 625-635.

The dependence of the growth of the number of scientists over time is also of great interest for the purpose of understanding the laws governing the development of civilization in terms of knowledge.

2. AVAILABLE DATA ON THE NUMBER OF SCIENTISTS

Let us consider how the number of scientists changed in different epochs of human development. According to the SED¹⁴, in the 17th century the number of scientists began to double every 10-15 years. The information on the number of scientists in the world is presented in Table 1 and in Fig. 2, which also shows the diagram of the exponent with the tenfold growth rate over 50 years (doubling over 15 years).

$$N_s = 10^{(T-1650)/50} \quad (1)$$

Table 1. The number of scientists in the world

Time	Scientists, thd.	Time, year	Scientists, thd.
At the turn of the 18th-19th centuries ¹⁵	~ 1	1975 ¹⁶	4,900
In the middle of the 19th century	10	2002	5,800
In 1900	100	2007	7,100

It can be seen that the information about the number of scientists, represented in Table 1, is fairly well approximated by the exponent before 1970. But this dependence means that by the time of the establishment of the French Academy of Sciences in 1666 there had been only two scientists in the world. Such a small number of scientists in the past also does not agree with the existence of the ancient science and the scientists of the Renaissance. Apparently, this disagreement lies in whom to consider as scientists. Whereas the scientists are the people engaged in research and development (R & D), i.e. in creation of knowledge and in development of new products and technologies based on them, then their number should be logically correlated with the volume of knowledge of mankind and the complexity of the products created.

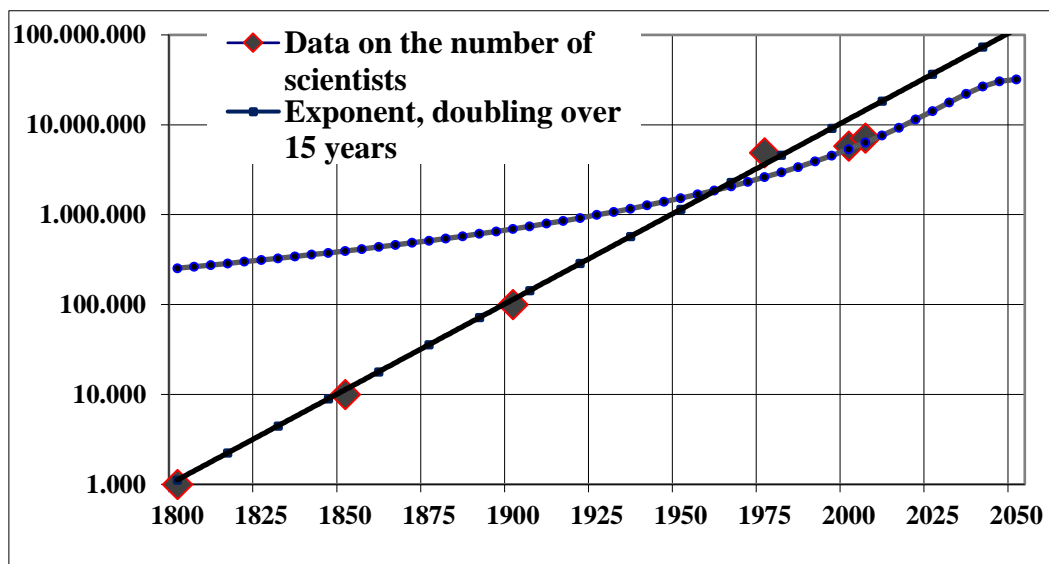


Fig. 2. Models of the number of scientists in the world

¹⁴ Soviet Encyclopedic Dictionary. (1987). Moscow.

¹⁵ Features of Modern Science. (n.d.). Scientific-Informational Journal "Biofile". Retrieved August 19, 2017, from <http://biofile.ru/his/2038.html>

¹⁶ The USSR in Figures in 1975. (1976). Moscow.

3. THE CONNECTION BETWEEN THE GROWTH IN THE NUMBER OF SCIENTISTS AND THE VOLUME OF KNOWLEDGE OF PEOPLE

According to S.P. Kapitsa, the development of mankind "is determined by the mechanism of reproduction and dissemination of the generalized information on a scale of humanity"¹⁷. In this paper, we will proceed from the hypothesis that the most fundamental factor affecting the growth and development of the mankind is the volume of accumulated knowledge, especially the obvious ones.

Since people are the creators and the carriers of knowledge, there seems to be a dependence of the amount of knowledge on the number of people in the world, the number of which till 1960 (the beginning of the demographic transition) can be expressed by hyperbole (2)¹⁸:

$$N = C/(T_1 - T) \quad (2)$$

In the formula (2) T is the time, measured in years, $C \approx 180$ bln. is a constant with the dimension of [pers.·year], and $T_1 \approx 2025$ is the date of singularity.

Since, approximately until 1960, most part of the codified information was stored on paper carriers, it is natural that the amount of knowledge during this period is related to the volume of books published. To determine the volume of world knowledge as the reference points, the data on the volume of books, pamphlets and newspapers in the Library of Congress can be used, which in 1960 amounted to about 14.5 million books and brochures, in 2000 it was equal to 30 million, and in 2012 – to 35.8^{19, 20, 21}. Although not all the knowledge of the world is stored in the Library of Congress, currently, it is the largest repository in the world. Moreover, it contains the duplicates.

Therefore, with some approximation, the amount of storage in it can be taken as the knowledge of mankind. In order to emphasize the difference between the knowledge and the information for measuring the volume of knowledge, the concept of a "conditional book" (CB) which is equal in volume to a book that, when digitized, will have a volume of 1 MB, is used herein. In these units, the storage capacity of the Library of Congress will be: 18 million CB in 2000, two times less or 9 million CB in 1960, 21.5 million CB in 2012.

The Alexandrian Library, containing from 100,000 to 700,000 volumes in its repositories, which was created around 300 BC, is chosen as the fourth reference point²². Let us assume that the size of these volumes is equal to one fifth of the conditional book. Although the Alexandrian Library did not contain the knowledge of all mankind, it was close to it, so we will take the amount of knowledge stored in this library for all the knowledge of the world as of that time – 80 thousand CB.

¹⁷ Kapitsa, S.P. (2012). *Paradoxes of Growth: The Laws of the Global Development of Mankind* (p. 49). Moscow.

¹⁸ Foerster, H. von, Mora, P., & Amiot, L. (1960). Doomsday: Friday, 13 November, A.D. 2026. *Science*, 132, 1291-1295.

¹⁹ Ushakov, K. (2007). The Repository of Eternity. *CIO*, 7.

²⁰ *The Library of Congress*. (2012). Wikipedia. Retrieved August 19, 2017, from <http://ru.wikipedia.org/wiki>

²¹ *General Information – About the Library (Library of Congress)*. (2012). Retrieved August 19, 2017, from <http://www.loc.gov/about/general-information>

²² *Soviet Encyclopedic Dictionary*. (1987). Moscow.

As the last point, the time of beginning of origination of the mankind is taken – about 1.6 million years ago, when the number of people was equal to $N_0 \sim 100$ thd.²³ The volume of the neural memory of one individual, the degree of development of which exceeds the chimpanzee, but less than the degree of development of a modern man, ~ 20 CB²⁴ is taken as the volume of knowledge of the mankind at this time. The obtained estimates of the volume of knowledge and their relation to the growth of the mankind are presented in Table 2. As can be seen from this table, the volume of knowledge (Z) per person varies relatively slowly over time.

Table 2. The volume of knowledge of the mankind

No.	Source	Year from the beginning of AD.	Population of the Earth, mln.	Volume of knowledge, thd. CB	Knowledge CB per thousand people
1.	The Library of Congress	2012	7,000	21,500	3.07
2.	The Library of Congress	2000	6,000	18,000	3.00
3.	The Library of Congress	1960	3,077	9,000	2.92
4.	The Alexandrian Library	-300	86	80	0.93
5.	Origination of the mankind	-1600000	0.1	0.02	0.20

Thus, the main parameter influencing the volume of knowledge of the mankind Z is the number of people $Z \sim N$. Accordingly, to approximate the global volume of knowledge, the formula of the type of hyperbola can be used²⁵:

$$Z \approx 1.5 \cdot 10^9 / (T_1 - T)^{1.25} \quad (3)$$

The formula (4) is true in the period of hyperbolic growth of the mankind (before 1960). Using the formula (2), the expression for the volume of knowledge, which is also true for the period of the demographic transition, can be obtained²⁶:

$$Z \approx Z_0 \cdot (N/N_0)^{1.25} = 20 \cdot (N/N_0)^{1.25} \quad (4)$$

The derived formulas for the volume of knowledge of the mankind (3), (4) are the estimates of the order of magnitude, but they show that the amount of knowledge depends mainly on the number of people and, respectively, on time in the period of hyperbolic growth. In addition, there is also an indicator linking the growth of the volume of knowledge with the improvement of the human brain, since it is clear from formulas (3), (4) that the amount of knowledge grows not in proportion to the number of people, but more rapidly – in the degree of 1.25.

Since the main factor determining the volume of knowledge is the number of people, and the periods between the technological revolutions in recent times are equal to 20-30 years, the delay for the time of growing-up of the people up to the working age should also be taken into account in the formulas (3, 4)

²³ Kapitsa, S.P. (2012). *Paradoxes of Growth: The Laws of the Global Development of Mankind* (p. 49). Moscow.

²⁴ Anisimov V.A. (2006). *On the Complexity Increase Law*. Retrieved August 19, 2017, from www.yugzone.ru/articles/438

²⁵ Orekhov, V.D. (2015). *Forecasting the Development of Mankind, Taking into Account the Factor of Knowledge: Monograph*. Zhukovsky: MIM LINK. (p. 210).

²⁶ Ibidem.

In the first approximation, this can be done using the value of the number of people 25 years earlier – $N(T-25)$ in the formulas (3, 4) and, correspondingly, increasing the numerical coefficient by about 1.5 times. In this case, they acquire the following form, where $T_2 = 2050$:

$$Z \approx 2.25 \cdot 10^9 / (T_2 - T)^{1.25} \quad (5)$$

$$Z \approx 30 \cdot (N(T-25)/N_0)^{1.25} \quad (6)$$

The comparison of the approximate formulas (3) and (5) for the volume of knowledge, as well as the reference points from Table 2 for the last century, are shown in Fig. 3. It can be seen that the formula (5) approximates the reference points much better than the formula (3) at the beginning of the demographic transition.

Assuming that there is an unambiguous connection between the creation of new knowledge and the number of scientists and developers, it is possible to estimate their number N_s . The annual increase in knowledge ΔZ can be estimated by the differentiating equation (3):

$$dZ(T)/dT = K/(T_2 - T)^{2.25}. \quad (7)$$

As noted above, the performance of knowledge creation increases more rapidly than the number of people (2), proportionally to the hyperbole in the degree of 0.25, therefore when determining the number of scientists, it is necessary to adjust the formula (7) for the labor performance growth and to obtain the expression for the growth of the number of R & D workers in time:

$$N_s = A/(T_2 - T)^2, \quad (8)$$

where $A = 16 \cdot 10^9$ ²⁷.

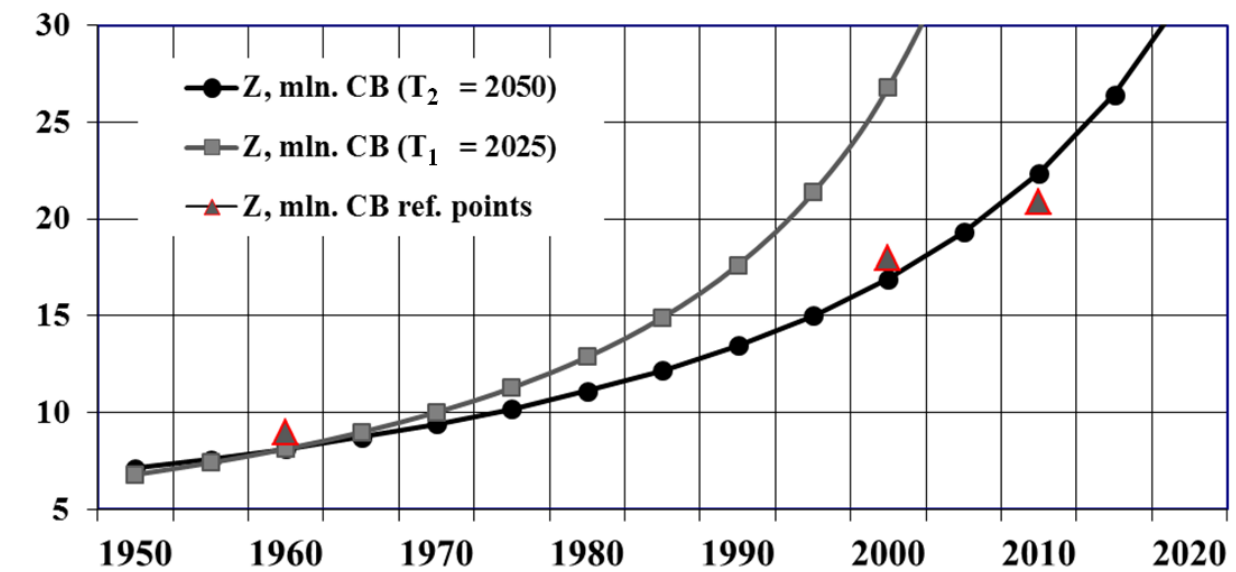


Fig. 3. The comparison of the approximate formulas (3) and (5)

According to this dependence, in₂ the Renaissance there were 60 thousand experts in the sphere of R & D in the world, in the Antiquity – about 3,000, in the times of ancient Egypt – more than 600, in the megalithic era ~ 100, and the first R & D expert appeared about 120 thousand years ago. This number of R & D experts is better than the corresponding complexity of products and structures created in historical times, than according to the exponent.

²⁷ Orekhov, V.D. (2015). *Forecasting the Development of Mankind, Taking into Account the Factor of Knowledge: Monograph*. Zhukovsky: MIM LINK. (p. 210).

4. FORECASTING THE NUMBER OF SCIENTISTS AFTER 1960

In order to prolong this dependence for a period after 1960, the approach for transformation of the exponential dependence into a logistic one is used. By differentiating the equation (8), the following can be obtained

$$dN_s/dT = -2 A/(T_2 - T)^3 = -2N_s/(T_2 - T) \quad (9)$$

Hence, a differential equation for the number of scientists (10) in the period of hyperbolic growth of the number of people is obtained.

$$(1/N_s) dN_s = -2dT/(T_2 - T) \quad (10)$$

In order to eliminate the infinite growth of the hyperbola (8) and to bring this equation to a type analogous to the logistic one (with respect to the hyperbola), it is required to add a limiting factor of the type $(N_s/N_{\max} - 1)$ on the right-hand side of equation (10) and the following equation can be obtained (11):

$$(1/N_s) dN_s = -2(1 - N_s/N_{\max})dT/(T_2 - T) \quad (11)$$

This equation can be transformed to the form (12), where $X = N_s/N_{\max}$:

$$(1/X) dX + (1/(1 - X)) dX = -2dT/(T_2 - T) \quad (12)$$

Let us integrate the equation (12) and reduce it to the form (13):

$$N_s = N_{\max} / (1 + (N_{\max}/A) \cdot (T_2 - T)^2). \quad (13)$$

At $T \rightarrow -\infty$, the value $N_s \rightarrow A/(T_2 - T)^2 \rightarrow 0$, which corresponds to the data in Table 1, and at $T \rightarrow T_2 = 2050$, the value $N_s \rightarrow N_{\max}$, that is, it is limited, as in the logistic curve.

In order for the theoretical curve to agree well with the data on the current number of scientists, the constant coefficients in the equation (3) should have approximately the following values $N_{\max} = 32 \cdot 10^6$, $A = 16 \cdot 10^9$. The corresponding curve is shown in Fig. 2 (hereinafter referred to as the "quadratic logistic hyperbola"). Unlike the equation (8), the curve (13) does not tend to infinity and does not exceed $N_{\max} = 32 \cdot 10^6$. The drawback of this curve (3) is that in 2050 it reaches a maximum and then decreases, which hardly reflects the growth in the number of scientists in the future.

5. OTHER OPTIONS FOR PREDICTING THE NUMBER OF SCIENTISTS

Let us consider other options for predicting the growth in the number of scientists in the future. Fig. 4 shows the diagrams of the growth in the number of R & D experts according to the quadratic logistic hyperbole (13) and the logistic dependence (14)²⁸ ($T_0 = 1900$, $N_0 = 0.1$ mln., $N_{\max} = 32$ mln., $C = 24$ years), which is the solution to the differential equation (15).

$$N(T) = N_0 \exp(T/C) / (1 + (N_0/N_{\max}) (\exp(T/C) - 1)) \quad (14)$$

$$dN/dT = (N/C) (1 - N/N_{\max}) \quad (15)$$

The forecast of the number of R & D experts according to the scientific paper²⁹ (triangular points) taking into account the prevailing tendencies of their number growth in the largest economies of the world up to 2100, is also presented there.

²⁸ *Logistic Equation*. (2016). Wikipedia. Retrieved August 19, 2017, from <https://ru.wikipedia.org/wiki>

²⁹ Orekhov, V.D. (2015). *Forecasting the Development of Mankind, Taking into Account the Factor of Knowledge: Monograph*. Zhukovsky: MIM LINK. (p. 210).

According to this forecast, the number of R & D experts is approximately expressed by the dependence:

$$N_s = 3.7 + 0.09 (T - 1980) + 0.001(T - 1980)^2 \quad (16)$$

It can be seen that the logistic curve (the initial exponent of which doubles in $C \ln 2 = 24$ $\ln 2 \approx 17$ years) is the closest to the current data on the number of R & D experts and to the forecast values.

The logistical quadratic hyperbola (13) grows much faster after 2015 than forecasted (16). The point corresponding to 1975 should not be taken into account, primarily because it corresponds to the existence of the USSR and the CMEA, and in these countries the number scientists sharply decreased after 1990.

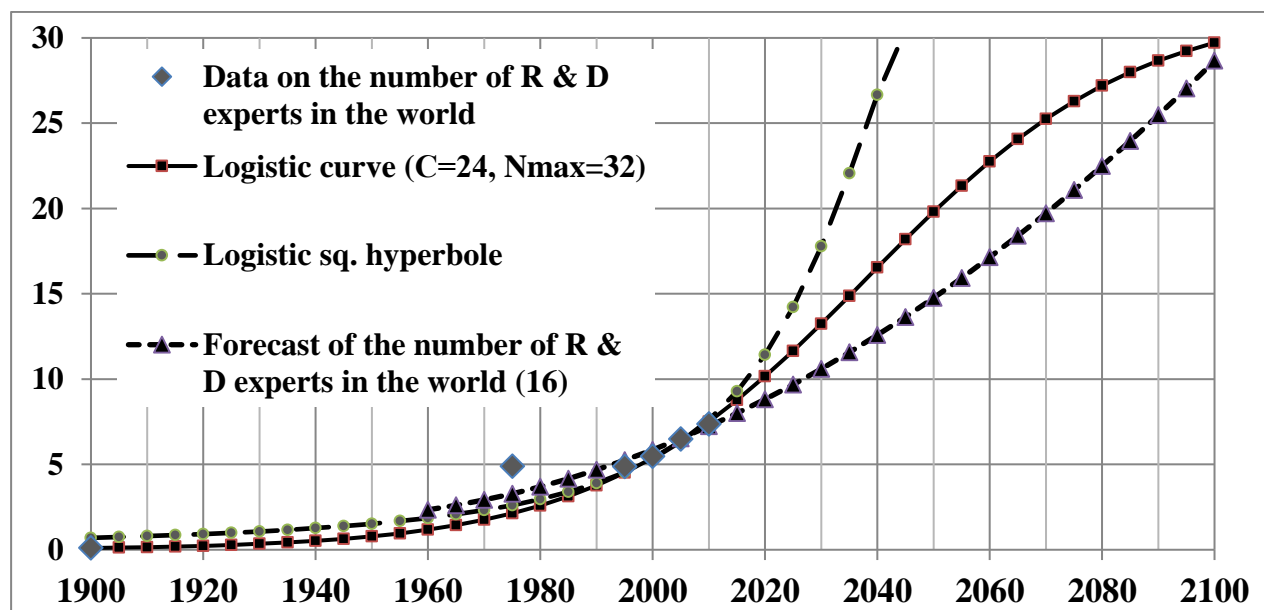


Fig. 4. Different models of the number of R & D experts in the world.

6. THE GROWTH IN THE NUMBER OF SCIENTISTS AND THE WORLD'S GROSS PRODUCT.

The problem is: why did the growth in the number of R & D experts seem to correspond to a quadratic hyperbola before the demographic transition, and is recently closer to logistic dependence?

Note that the growth of the world GDP for the last millennium according to A.V. Korotaev and D.A. Khalturina³⁰ corresponded approximately to the square of the number of the mankind, and taking into account the H. Foerster equation (2)³¹ the value of GDP by PPP (in trillions USD as of 1990) is described by a quadratic hyperbola.

³⁰ Khalturina, D.A., & Korotaev, A.V. (Eds.). (2010). *System Monitoring: Global and Regional Development* (p. 50). Moscow: LIBROKOM.

³¹ Foerster, H. von, Mora, P., & Amiot, L. (1960). Doomsday: Friday, 13 November, A.D. 2026. *Science*, 132, 1291-1295.

Fig. 5 represents a comparison of GDP by PPP values according to A. Maddison³² in the period 1400-2000 with a quadratic hyperbola of the type (17), from which it can be seen that they are in good agreement.

$$G=0.12 + 28000/(2020 - T)^2 \quad (17)$$

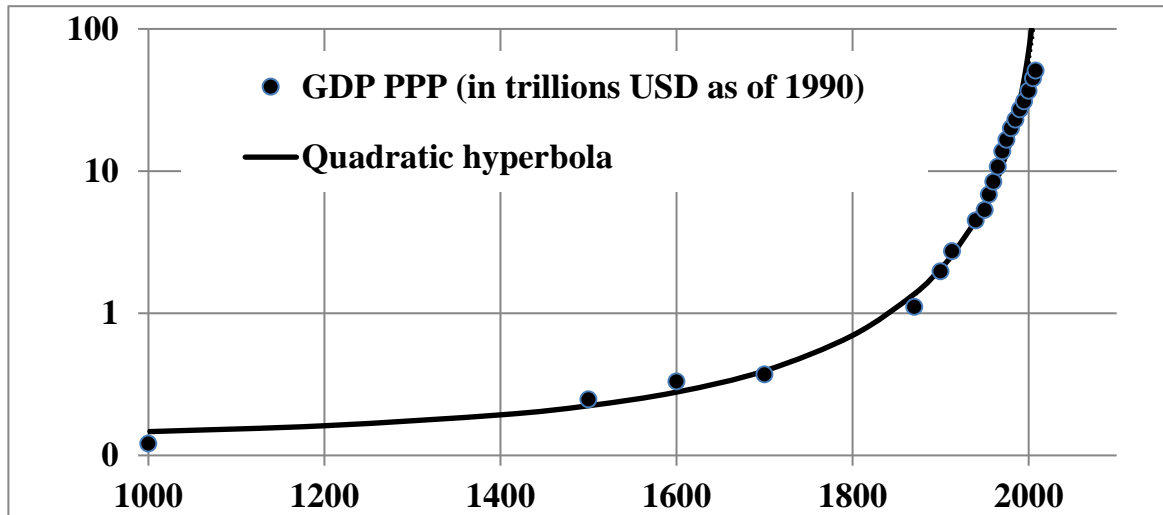


Fig. 5. Quadratic hyperbole as a model of world GDP growth

However, with the approach to 2000, the actual GDP growth begins to lag behind the quadratic hyperbola (17), which is natural, since it has a singularity in 2020. During this period, the dependence of the GDP growth on time becomes approximately exponential, as can be seen from Fig. 6. The forecast of GDP³³ by PPP in 2030 and 2050 is given here according to the article³⁴.

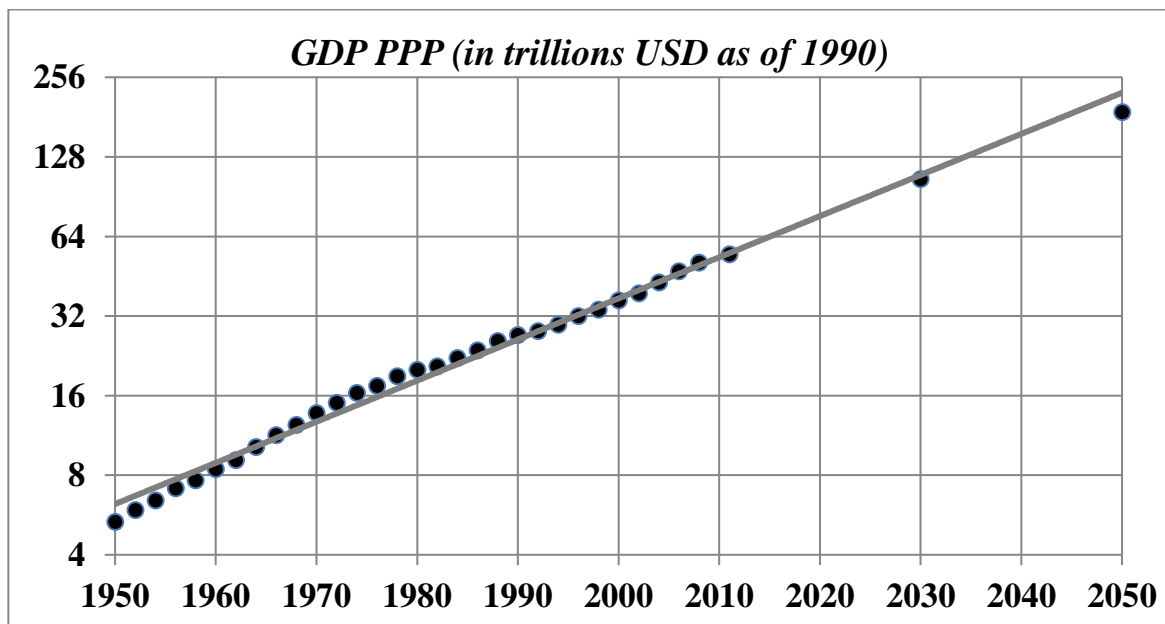


Fig. 6. Quadratic hyperbole as a model of world GDP growth

³² Maddison, A. (2010). *Historical Statistics of the World Economy: 1-2008 AD*. GCDC.

³³ Ibidem.

³⁴ Hawksorth, J., & Chan, D. (2013). *World in 2050. The BRICs and Beyond: Prospects, Challenges and Opportunities*. PricewaterhouseCoopers.

Thus, it can be declared that the number of scientists (N_s) is approximately proportional to world GDP ($N_s \sim G$). This is quite logical, since it is clear that the number of R & D experts depends significantly on the possibilities of financial support of the scientific activity.

On the other hand, the increase in the number of R & D experts leads to the increase in knowledge and, accordingly, to the GDP growth, so these two values are interdependent. The ratio of the number of scientists in the world and the world GDP (N_s/G) in the period 1995-2010 is shown in Fig. 7, 8. It can be seen that they grow at about the same rate, but there is a tendency to reduction in the number of scientists per billion dollars of GDP, especially in the initial period, due to a sharp decrease in the number of scientists in the USSR and Eastern Europe.

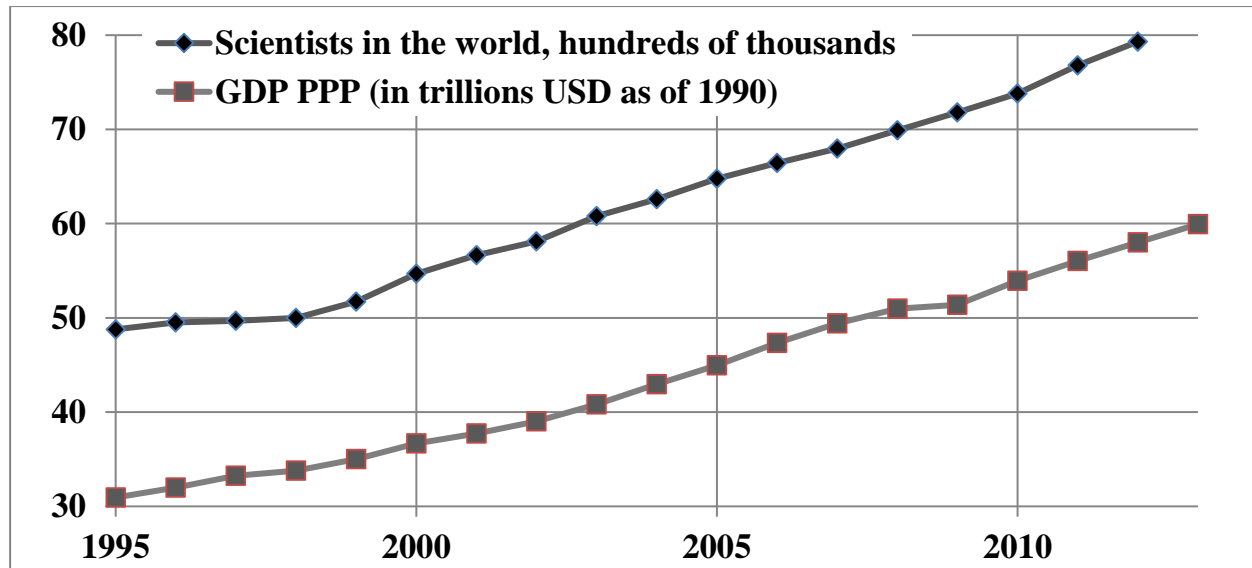


Fig.7. The growth in the number of scientists and GDP in the world

It is interesting that during this period the GDP per capita in the world grew rapidly. Having considered the information on the value of N_s/G versus GDP per capita (G/N), a rather paradoxical dependence can be observed (Fig. 9): the number of scientists decreases with the growth of GDP per capita, although, as a rule, the richer countries are able to pay more attention to science.

Probably, this is due to the fact that GDP grew very rapidly in this local period, and the growth in the number of scientists either lagged behind GDP growth in some countries (developing countries) or it had been high enough already in other (developed) countries.

The dynamics of the number of scientists were also affected by the competitive strategies for the development of the science in various countries. To assess these factors, Fig. 10 shows the ratio of N_s/G in various countries, depending on GDP per capita (herein GDP PPP in USD as of 1990).

Figure following on the next page

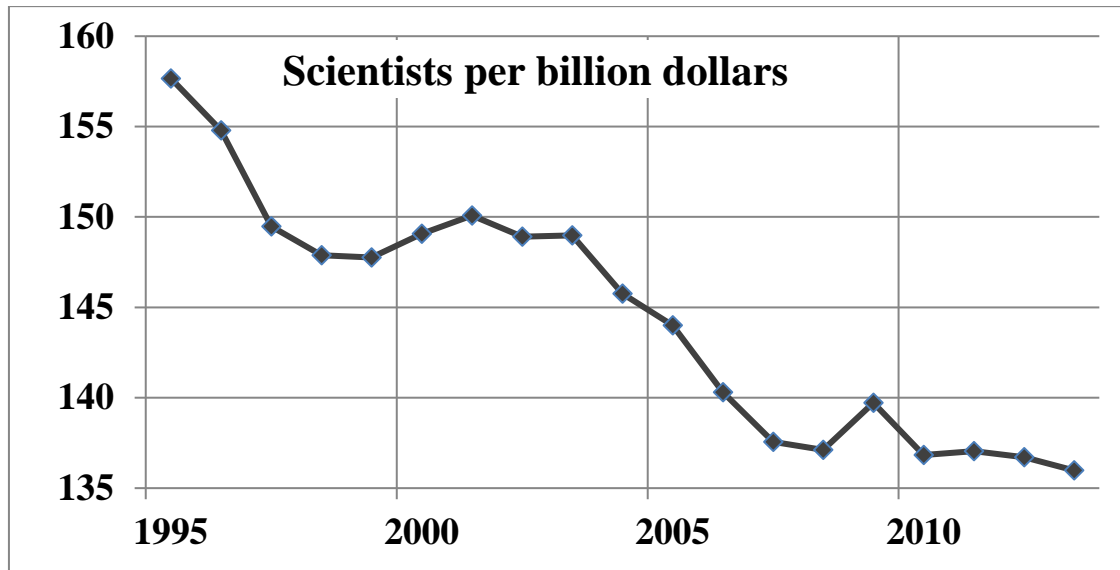


Fig. 8. The number of scientists per billion dollars (NS/G) in the world

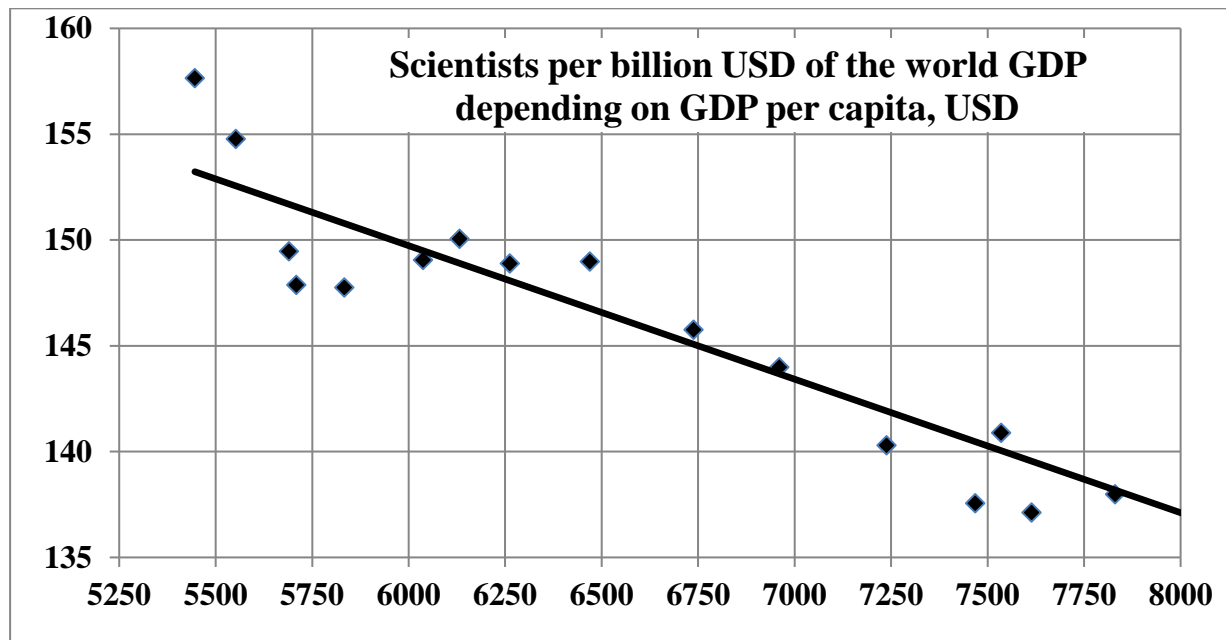


Fig. 9. N_s/G ratio depending on G/N (USD as of 1990)

It is evident that the NS/G number in the USA remains at a stable level of about 120 people per billion USD, which is enough to preserve the world scientific leadership. In China, the NS/G remains roughly constant at the level of 150-160. Germany, Britain and Canada maintain this ratio at the level of 170, despite a marked increase in GDP per capita.

The number of R & D experts in Russia has sharply decreased, but it is still much larger than in other countries. The NS/G number in India and Indonesia is decreasing, although the GDP per capita in these countries is the lowest. NS/G slightly decreased in Japan. Only South Korea shows a significant increase in this parameter, which already almost twice exceeds the level of the USA.

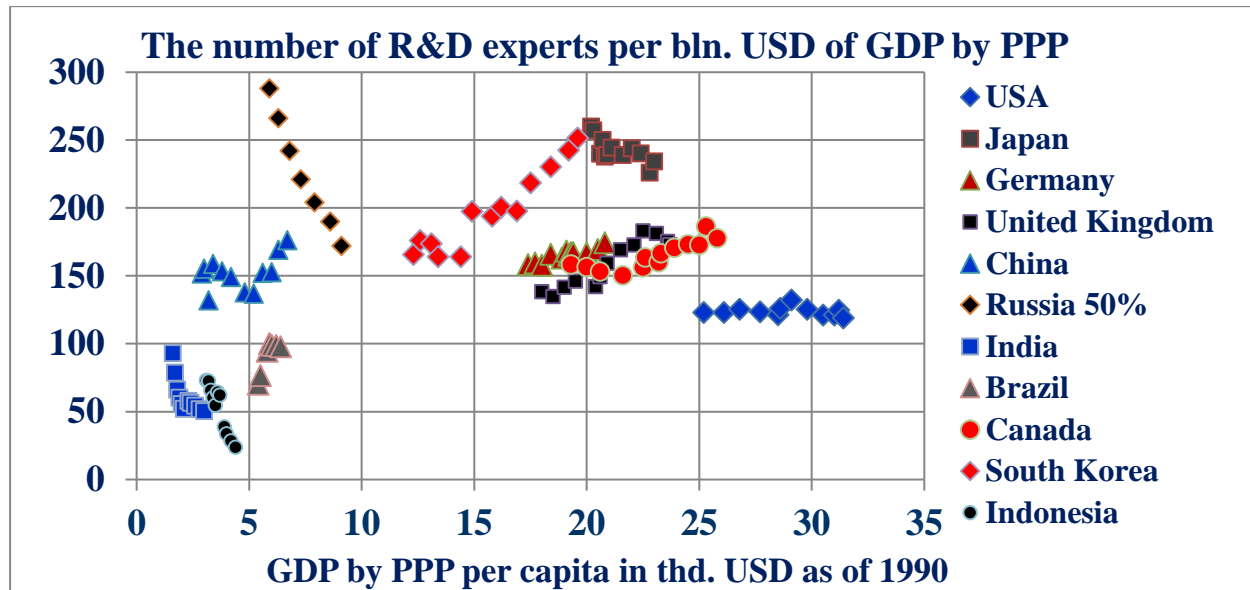


Fig. 10. Dependence of N_s/G on G/N in various countries

Thus, it is clear that the dynamics of the number of R & D experts in various countries is situational in nature and relatively little depends on GDP per capita. The dominant parameter is the GDP growth by PPP.

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CALCULATIONS IN MODELS OF OPINION DYNAMICS

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ABSTRACT

Some aspects and applications of kinetic exchange models in economics and sociology are considered. Several examples that display different dynamics are studied. The application of statistical mechanics to the fields of economics and sociology turns out to be rather useful for the study of such phenomena as opinion dynamics. In the present work, we present several developments and numerical calculations within the Lalua, Chakrabarti, Chakraborty and Chakrabarti (LCCC) model, the generalized LCCC model and the discrete LCCC model. The results obtained strengthen the conclusion that such models might help us to understand many real-life economic, social and political phenomena.

Keywords: *The Lalua, Chakrabarti, Chakraborty and Chakrabarti (LCCC) Model, Kinetic Exchange Models in Economics and Sociology, Statistical Mechanics.*

1. INTRODUCTION

At first glance, the laws of nature known to us may seem to be extremely diverse and chaotic. Yet, for a long time already it has been certain knowledge that many of such laws have a statistical origin, therefore they can be described and studied using the methods of statistical physics. Statistical physics quickly gained popularity and became a standalone subject. This part of theoretical physics describes in what way, observing the movement of the system's particles, one can acquire an aggregated picture of the development of the whole system. Recently there was a trend towards the use of statistical physics in the cross-disciplinary fields of study, such as economics, biology, geology, IT, informatics, etc. [3, 9]. Social systems are one of the most rich and difficult dynamic systems, and they can be studied with the use of standard instruments of statistical physics as well. The interest towards sociophysics appeared in the second half of the XXth century and is further increasing [6, 2, 4, 8]. In social phenomena, the main subjects are not particles, but individuals, to whom Buchanan in his work [1] refers as to "social atoms." Every person interacts with a limited number of people, which, usually, is negligibly small compared to the total number of people present in the system. Despite this, the processes that take place in human societies can be characterized by notable global patterns. This includes such processes of self-organization (i.e., transitions from disorder to order) as the emergence of new languages and cultures, the consensus-building on certain important issues, etc. Likewise, the economic system can be described as a system that consists of a large number of firms populated by workers. The term "firm" here means the production units, each of which is capable of producing any kind of goods and services. Any sector of the economic system, consisting of a large number of agents, and whose interaction among themselves is dynamic, has many common features with interacting systems of statistical physics [7].

This research, based on real statistical data, covers some aspects of kinetic exchange models use in economy, taking some KWEM models (Ideal gas-like Kinetic Wealth Exchange Models) as an example, and in sociology to build models of opinions dynamics, using generalized and discrete LCCC models proposed by Lallouache, Chakrabarti, Chakraborti and Chakrabarti [5]. The results of numerical experiments show that such models can help with the understanding of many real economic, social and political phenomena.

2. KINETIC EXCHANGE MODELS IN ECONOMICS

If the process of trade is viewed through the kinetic theory of gases, just as the gas molecules exchange kinetic energy among themselves, a pair of economic agents will exchange wealth, taking into account a local preservation in any trade. Several modifications of kinetic exchange models used in the economy were described in [5]. We particularly are interested in two options: the model with equable saving, proposed by Chakraborti and Chakrabarti, the so-called CC-model, and the model with distributed economy, proposed by Chatterjee, Chakrabarti and Manna (CCM-model). So, let there be two economic agents i and j with wealth $m_i(t)$ and $m_j(t)$ at time t . Time t changes by 1 after each trade, and the wealth of agents becomes $m_i(t + 1)$ and $m_j(t + 1)$, respectively (Figure 1).

In the CC-model $m_i(t + 1)$ и $m_j(t + 1)$ are described by the following formulae:

$$\begin{aligned} m_i(t + 1) &= \lambda m_i(t) + \varepsilon_{ij} \left[(1 - \lambda) (m_i(t) + m_j(t)) \right], \\ m_j(t + 1) &= \lambda m_j(t) + (1 - \varepsilon_{ij}) \left[(1 - \lambda) (m_i(t) + m_j(t)) \right], \end{aligned} \quad (1)$$

where ε_{ij} is a stochastic fraction $0 \leq \varepsilon_{ij} \leq 1$, which models the stochastic nature of trade, λ is a fixed part of agent's wealth which he keeps while interacting with other agent. λ is also referred to as a tendency towards wealth preservation, $0 < \lambda < 1$, provided that:

1. for $\lambda = 0$ the market is not interacting, and the most probable wealth of the agent is 0;
2. the market is not interacting again for $\lambda = 1$, when the most probable wealth of the agent is M/N , where N is the number of economic agents, and M is their combined wealth;
3. we have the so-called “interacting” market, when λ has any non-zero value between 0 and 1. The distribution of the stationary state $P(m)$ decreases exponentially on both sides. It is worth noting that the most probable value for such λ is a number between 0 and M/N .

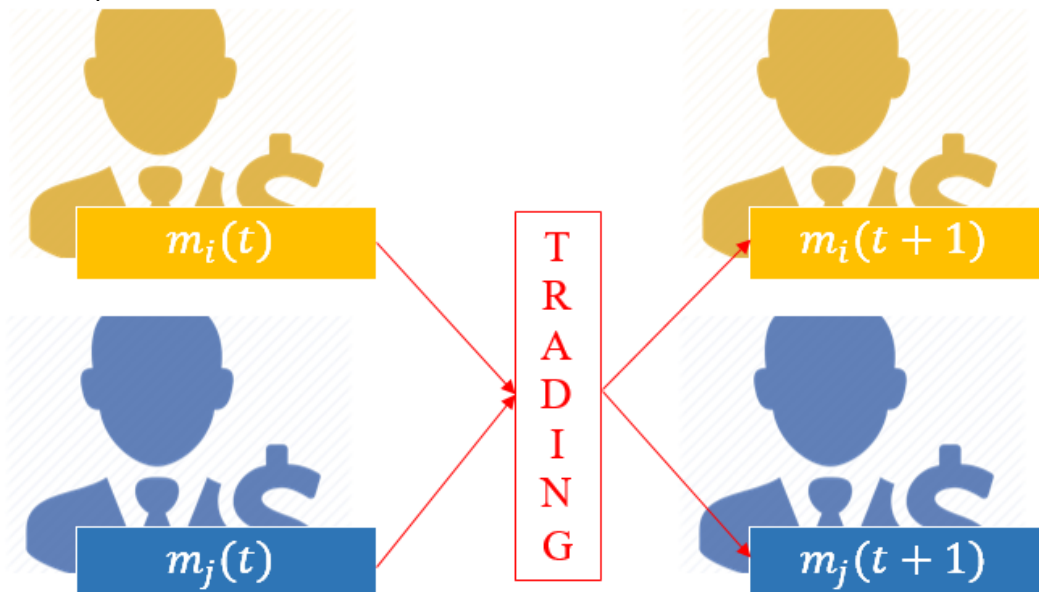


Figure 1. Typical wealth exchange process [5]

In the later CMM-model it was assumed, that the tendency towards wealth preservation λ has some distribution, and the amounts of the agent's wealth after trade is calculated by the following formulae:

$$\begin{aligned} m_i(t+1) &= \lambda_i m_i(t) + \varepsilon_{ij} [(1 - \lambda_i) m_i(t) + (1 - \lambda_j) m_j(t)] , \\ m_j(t+1) &= \lambda_j m_j(t) + (1 - \varepsilon_{ij}) [(1 - \lambda_i) m_i(t) + (1 - \lambda_j) m_j(t)] . \end{aligned} \quad (2)$$

The equations (2) differ from the equations of the common CC-model, because now λ depends on the agent.

2.1. CALCULATIONS IN CC-MODEL AND CCM-MODEL

In order to conduct calculative experiments for the model with equable saving (CC-model) and with the distributed economy (CCM-model), the programs were developed in the computer algebra system (Maple) and in the programming system PascalABC.NET v.3.2. As a real statistics, we used the data of the Federal State Statistics Service on annual turnover of organizations (excluding small business entities, etc.) for 2015. As agents, two main types of economic activity were considered, the fields of agriculture and production (see Table 1). Thus, the number of agents is $N = 2$, the combined wealth is $M = 111$ trn. rbs and the initial wealth of the agents is $m_i = 1.92$ trn. rbs., $m_j = 70.29$ trn. rbs.

The stochastic fraction epsilon is given randomly. The value of the tendency towards wealth preservation in the CC-model is $\lambda = 0.6$, in the CCM-model is $\lambda_i = 0.3$ and $\lambda_j = 0.4$. Pictures 2 and 3 contain the corresponding graphs.

Table 1. Turnover of organizations (legal entities) in the Russian Federation in 2015 by type of economic activity¹
(table ends on the next page)

Name	Organization turnover (excluding VAT, excise taxes and other similar payments) – total
Total by organizations (legal entities) - mln. rbs.	111795846,6
Of these, with the main type of activity – ths. rbs.	
AGRICULTURE, HUNTING AND FORESTRY	1918319598,1
FISHING, FISHERY	220182093,8
EXTRACTION OF MINERALS	11365249992,0
EXTRACTION OF FUEL AND ENERGY RESOURCES	9996034840,9
EXTRACTION OF MINERALS, EXCLUDING FUEL AND ENERGY RESOURCES	1369215151,1
MANUFACTURING	31573571586,1
FOOD PROCESSING, INCLUDING BEVERAGES, AND TOBACCO	5081303755,3
TEXTILE AND SEWING PRODUCTION	229854905,2
LEATHER PRODUCTION, LEATHER PRODUCTS AND FOOTWEAR PRODUCTION	44019523,4
WOODWORKING AND WOOD PRODUCTS MANUFACTURE	346918673,8
PULP AND PAPER MANUFACTURE; PUBLISHING AND POLYGRAPHIC BUSINESS	812293043,7

¹ Not including subjects of small business, budget organizations, banks, insurance and other financial and credit organizations.

MANUFACTURE OF COKE, REFINED PETROLEUM PRODUCTS	7828899584,0
CHEMICAL INDUSTRY	2483483184,0
MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS	617724795,8
MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	1074920352,4
METALLURGICAL PRODUCTION AND PRODUCTION OF END PRODUCTS FROM METAL	5287529821,2
MACHINERY AND EQUIPMENT MANUFACTURE (excluding manufacture of weapons and ammunition)	1333832572,8
MANUFACTURE OF ELECTRICAL EQUIPMENT, ELECTRONIC AND OPTICAL EQUIPMENT	1641634509,5
MANUFACTURE OF VEHICLES AND TRANSPORT EQUIPMENT	3129749448,1
OTHER MANUFACTURES	541539115,1
PRODUCTION AND DISTRIBUTION OF ELECTRICITY, GAS AND WATER	8262850753,1
TOTAL TURNOVER OF MANUFACTURE ORGANIZATIONS	70290125623,5
CONSTRUCTION	3438499979,0
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES, HOUSEHOLD EQUIPMENT AND ITEMS OF PERSONAL USE	37135795365,2
HOTELS AND RESTAURANTS	445678032,0
SECTION I TRANSPORT AND COMMUNICATIONS	10236616234,4
SECTION K REAL ESTATE TRANSACTIONS, RENTAL AND SERVICES PROVISION	6285475852,5
SECTION L STATE MANAGEMENT AND SECURITY OF MILITARY SECURITY; SOCIAL INSURANCE	16041912,6
EDUCATION	89468071,2
HEALTHCARE AND SOCIAL SERVICES	273266807,1
OTHER MUNICIPAL, SOCIAL AND PERSONAL SERVICES	534830360,2

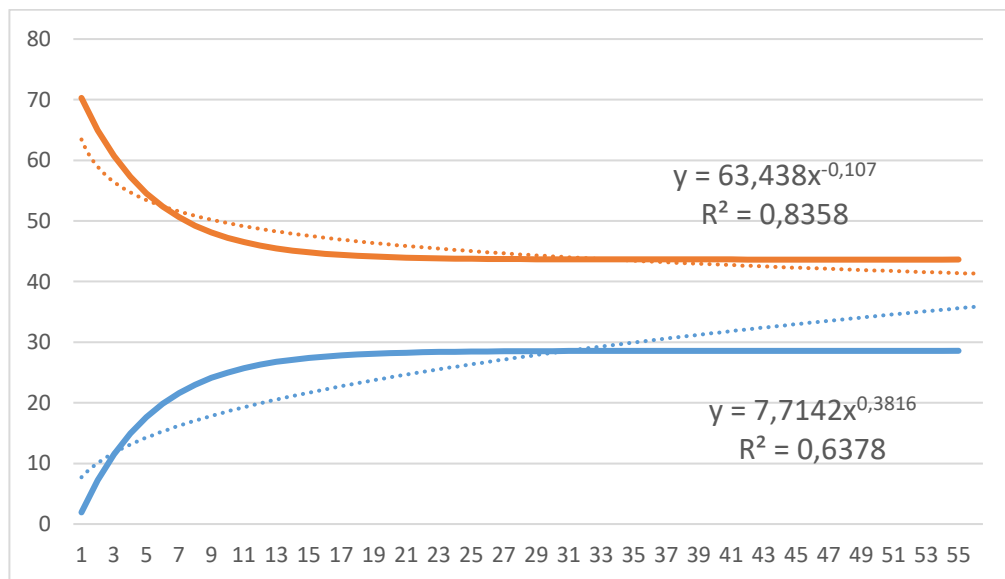


Figure 2. The CC-model

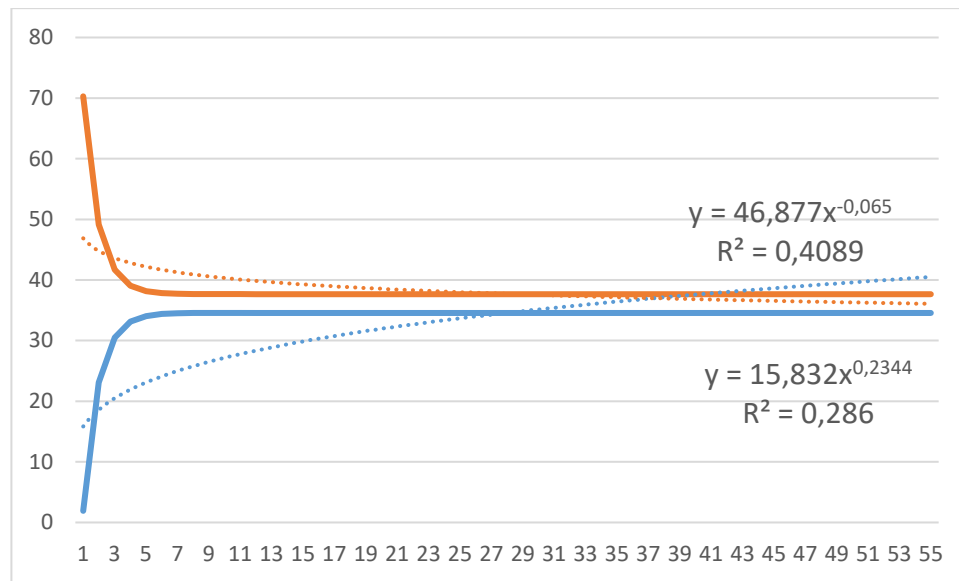


Figure 2. The CCM-model

After the approximation by a power function, the Pareto tail was calculated, whose values, taken by module, fall within the interval from 0.9 to 1.4, which is almost identical to the results obtained by Pareto when carrying out his own calculations. The value of the exponent, measured by Pareto for different kingdoms and countries, ranged from 1.1 to 1.7.

Let us consider another example with 18 agents, where each agent is represented by the subject of the Russian Federation, Central Federal District [11]. The following table contains the data:

Table 2. Actual final consumption of households on the territory of the subjects of the Russian Federation (mln. rbs.)

Central Federal District	405563 9	3559458	496172	8895816	7578542	1317273	10505908	8935931	1569976
Belgorod Region	72562	60384	12178	211548	181504	30044	249922	212894	37028
Briansk Region	66675	56478	10198	170891	150466	20426	199920	175694	24227
Vladimir Region	62448	50559	11889	170765	142995	27771	202930	171306	31624
Voronezh Region	131810	113467	18343	329501	287264	42237	429336	378948	50387
Ivanovo Region	43125	33146	9978	117888	96325	21563	143056	118857	24199
Kaluga Region	62188	51993	10195	155003	132449	22554	184434	157604	26831
Kostroma Region	34026	27603	6423	83076	69497	13579	95352	79463	15889
Kursk Region	63027	53179	9848	153950	133130	20820	183329	157178	26152
Lipetsk Region	69217	56033	13184	173205	151275	21930	211493	185351	26142
Moscow Region	558817	470040	88776	1520009	1308248	211762	1800868	1554992	245876
Oryol Region	44709	36570	8140	98537	82314	16224	115229	96799	18430
Ryazan Region	61501	50657	10845	152393	130318	22076	174197	148151	26046
Smolensk Region	60608	52129	8480	142222	122395	19827	160546	136644	23902
Tambov Region	60666	51501	9165	145345	127563	17782	170189	148161	22028
Tver Region	91699	78836	12863	191082	162472	28610	218435	183335	35100
Tula Region	83269	67774	15496	224102	192493	31609	255304	221296	34007
Yaroslavl Region	74029	58716	15313	172643	142516	30126	207434	171602	35832
Moscow City	241525 4	2190395	224860	4683656	3965320	718336	5503934	4637657	866277

Here $N=18$, $M=46914706$ mln. rbs. (the sum according to the line 1 of the table). Here λ is calculated precisely, based on the ratio $\lambda = M/N$ and is normalized with regard the condition $0 < \lambda < 1$: $\lambda = 46914706/18 \cdot 0,0000001 = 0,26$.

Based on the CC-model with calculations for 10 time units, we have the chart for all agents shown in Fig.3.

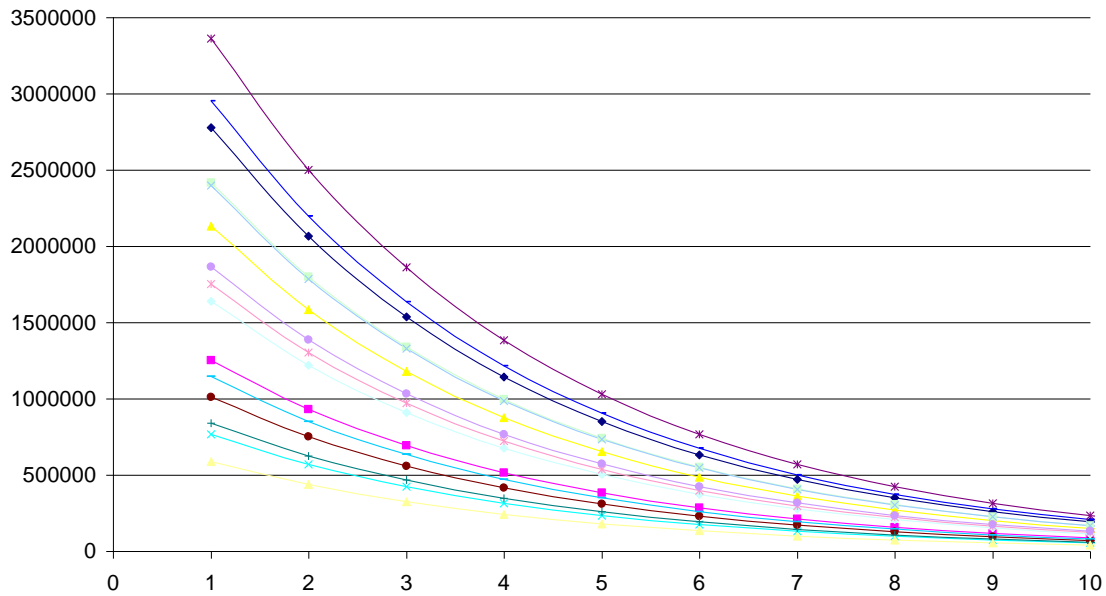


Figure 3. The CC-model for the data of Table 2.

The figure shows that all curves have an exponential form, as in the examples above. Now we will analyze the cases of different λ obtained from a given condition, for example, in the Belgorod and Bryansk regions, and observe how this will affect the shape of the graphs (Fig. 4).

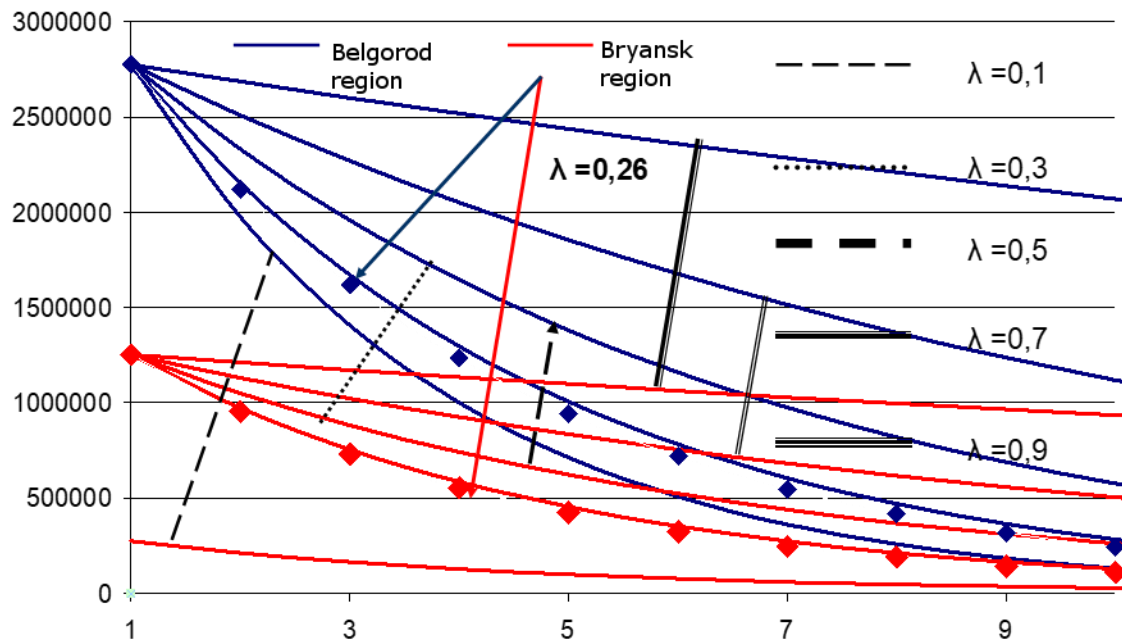


Figure 4. The CC-model for the data of Table 2 with different λ .

The rhombi mark the CC-model at $\lambda = 0.26$, calculated with the precise method. Thus, the larger λ is, the higher the graphs are located relative to the Ox axis. However, according to the logic of the model, λ cannot be arbitrary and in reality will tend to a finite value that can be calculated as a function of N (the number of agents) and M (the total joint capital agents at the initial time). Let's study another example, with the relative ratio of individual goods sales in the retail turnover in 2015 (Russian Federation, Southern Federal District) instead of capital [11]. The data is in the Table 3.

Table 3. Relative ratio of individual goods sales in the retail turnover in 2015 (Russian Federation, Southern Federal District)

Southern Federal District	Animal and poultry meat	Dairy products	Animal fats	Vegetable fats	Sugar	Fish and seafood	Outer garments	Leather footwear
Relative share	3	3,8	0,6	0,6	0,7	1,5	4,2	1,5
Republic of Adygeya	1,8	3	0,4	0,4	0,6	1,1	3,7	1,2
Republic of Kalmykia	3,9	5,2	1,5	1,5	1,1	1,3	1,4	1,8
Krasnodar Territory	2,1	3,3	0,6	0,5	0,6	1,6	2,6	1,3
Astrakhan Region	3,2	2,5	0,4	0,4	0,6	1,7	4,9	1,9
Volgograd Region	3,4	4,7	0,7	0,8	1,1	1,9	3,6	1,7
Rostov Region	4,1	4,5	0,6	0,8	0,7	1,3	6,6	1,8

Here $N=6$, $M=15,9$ (the sum of line 1 entries); $\lambda=M/N=15.9/6=2.7$, and it may be normalized to the interval (0;1): $2.7/10=0.27$. We build the CC-model for this value of λ , as well as for $\lambda=0.1$, $\lambda=0.3$, $\lambda=0.5$, $\lambda=0.7$, $\lambda=0.9$ for 20 time units (Fig. 5-8).

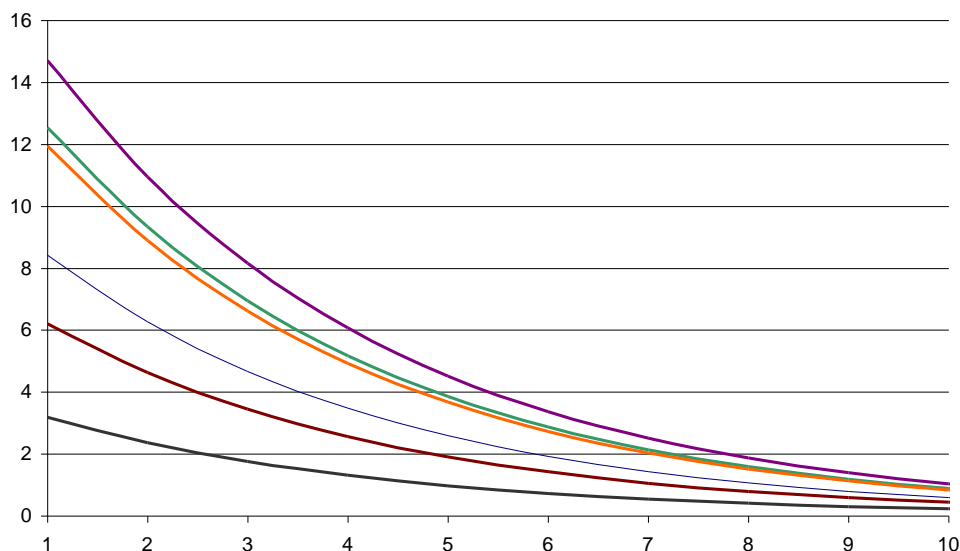


Figure 5. The CC-model for Table 3 data, with $\lambda=0,27$.

Note that there is no significant difference, though, the upper curve descended from the max level 15 (in the model with $\lambda=0,27$) to the level 14.

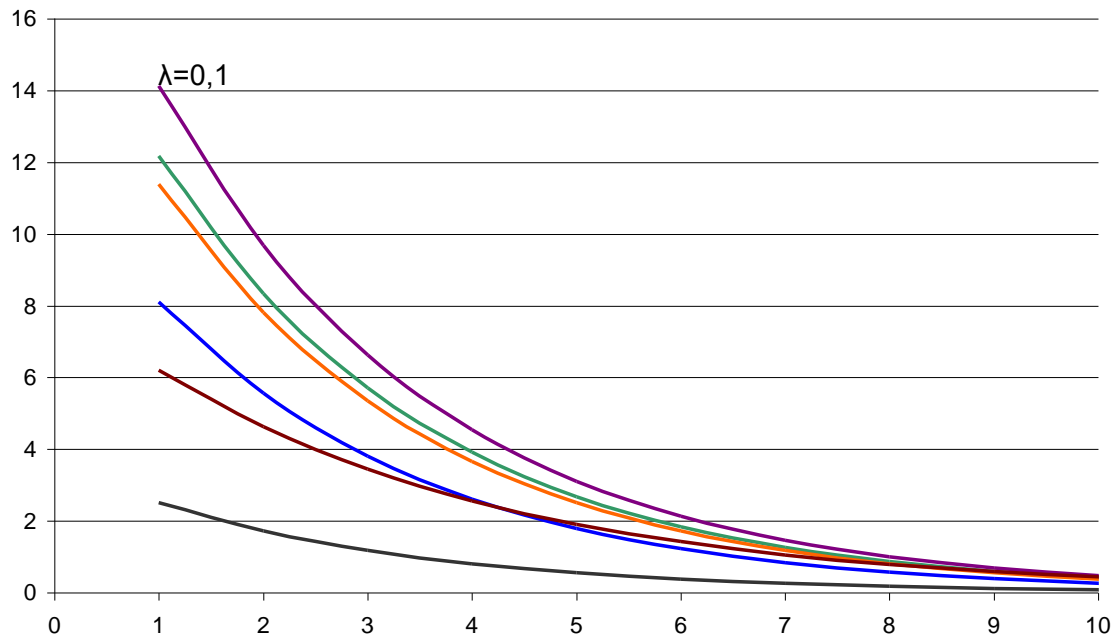


Figure 6. The CC-model for Table 3 data, with $\lambda=0,1$.

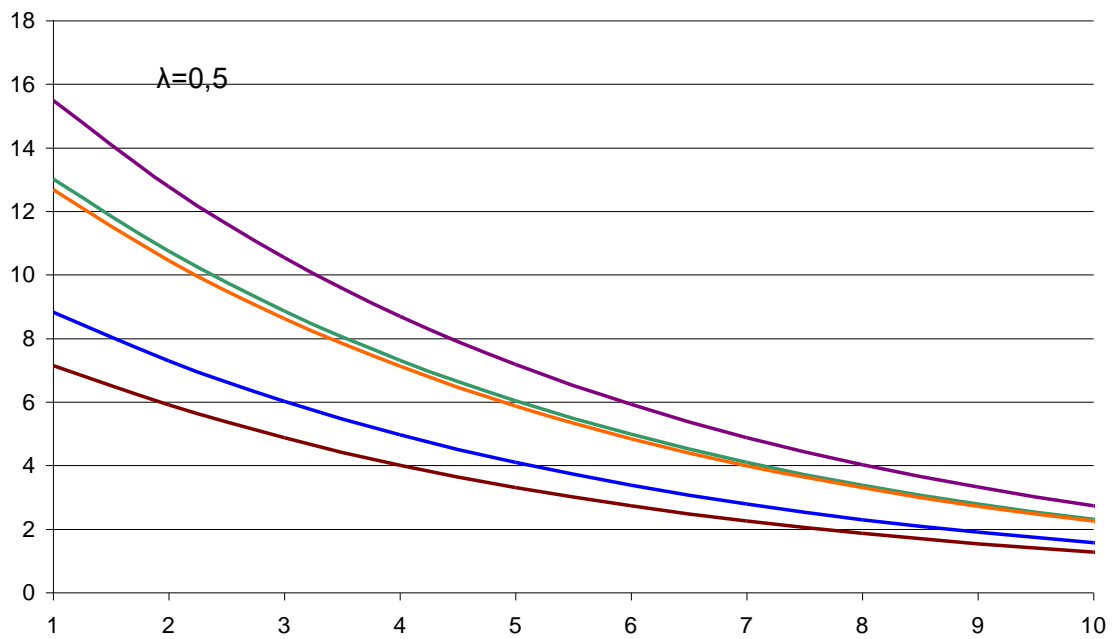


Figure 7. The CC-model for Table 3 data, with $\lambda=0,5$.

The level of the lower curves has jumped, they are flatter now.

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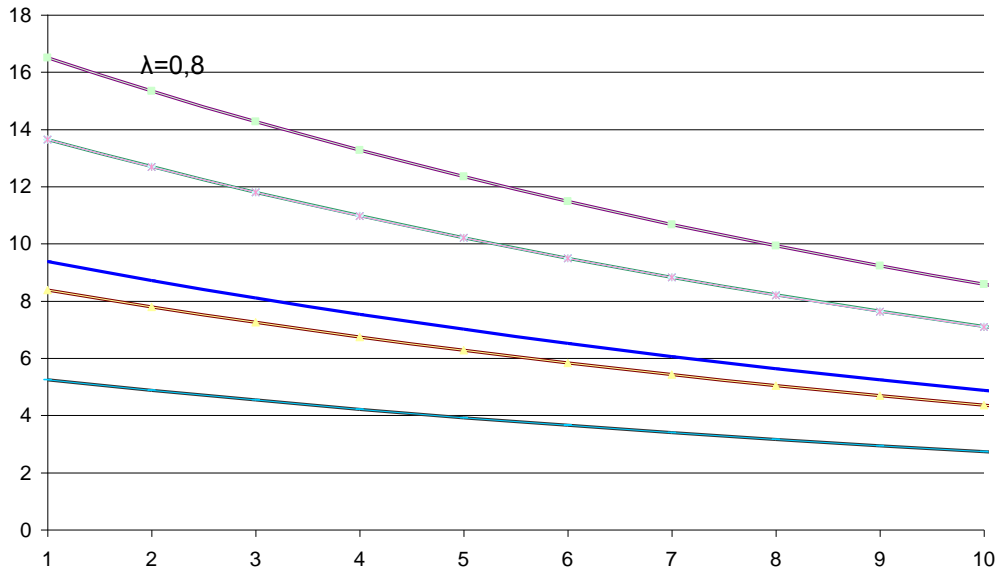


Figure 8. The CC-model for Table 3 data, with $\lambda=0,8$.

Note that the curves showing the dynamics of the CC process became even more flat. To illustrate the behavior of the process depending of λ , we reduce the CC-process curves to one diagram for the Volgograd region only.

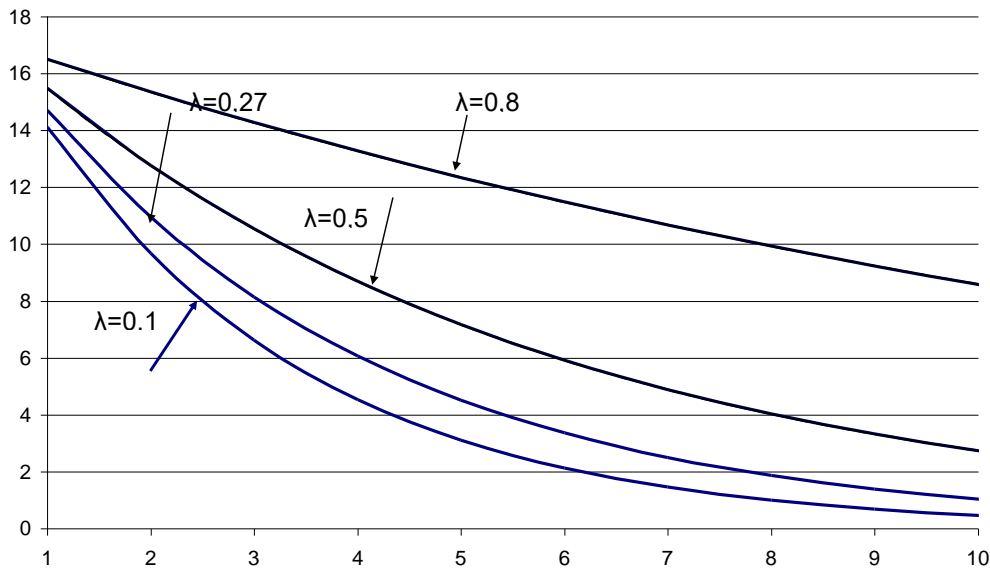


Figure 9. The CC-model for Table 3 data (Volgograd region only), with $\lambda=0,27$, $\lambda=0,1$, $\lambda=0,5$, $\lambda=0,8$.

As for the CCM-model, the problem of choosing λ_i remains open, since λ_i now depend not only on a particular agent, but also on its connection with the other agents. No agent is isolated from the rest, so it is logical to assume that λ_i will depend on the total capital of all agents at the initial time.

Then it is possible to assume that the λ_i can be shares of capital of individual agents. So $\sum_i^N \lambda_i = 1$. In case of Southern Federal District the data is in Table 4 and Fig.10.

Table 4. Calculation of λ_i for the CCM-model for agents in Southern Federal District, Russian Federation

Agent	Relative ratio of sales								Sum by each agent	Normalized sum
Republic of Adygeya	1,8	3	0,4	0,4	0,6	1,1	3,7	1,2	12,2	0,13
Republic of Kalmykia	3,9	5,2	1,5	1,5	1,1	1,3	1,4	1,8	17,7	0,18
Krasnodar Territory	2,1	3,3	0,6	0,5	0,6	1,6	2,6	1,3	12,6	0,13
Astrakhan Region	3,2	2,5	0,4	0,4	0,6	1,7	4,9	1,9	15,6	0,16
Volgograd Region	3,4	4,7	0,7	0,8	1,1	1,9	3,6	1,7	17,9	0,19
Rostov Region	4,1	4,5	0,6	0,8	0,7	1,3	6,6	1,8	20,4	0,21
Total									96,4	1

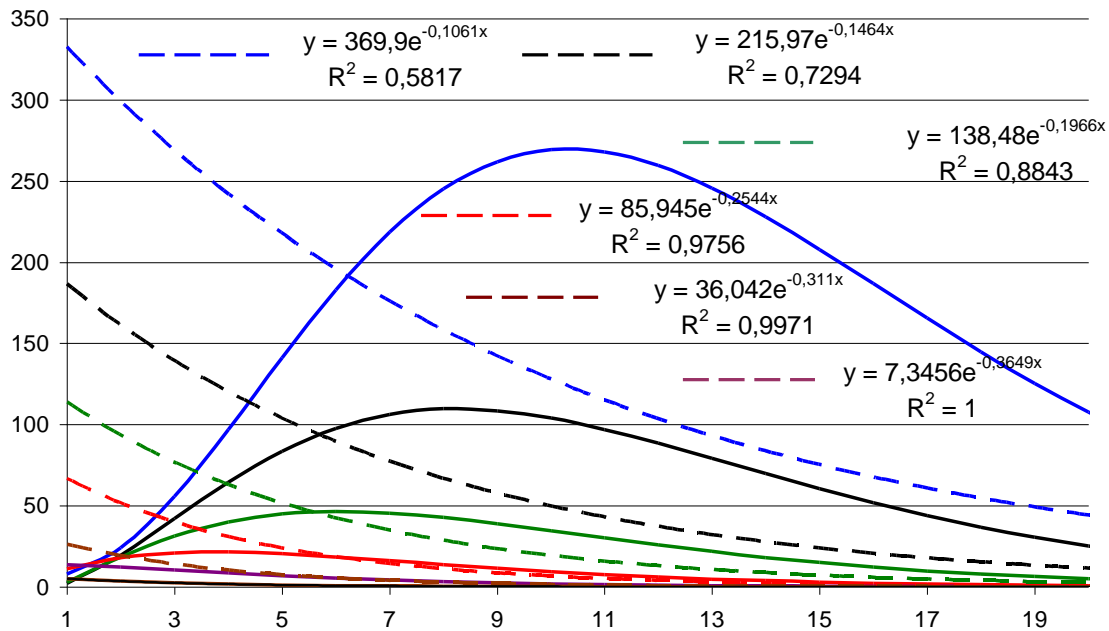


Figure 10. The CCM-model for Table 4, with normalized λ_i .

The main difference from the CC-model lies in the initial increase of the agents' sales ratio, with subsequent decline. The CCM-model is more sensitive to initial oscillations due to the difference of λ_i .

It is worth pointing out that in every picture regarding the Russian Federation agents, the graphs decline exponentially and tend to 0. This might possibly indicate the ineffectiveness of the economy, regarding the grave crisis in Russia.

3. KINETIC EXCHANGE MODELS IN SOCIOLOGY

As it was pointed out earlier, the use of statistical physics methods when describing social phenomena rose great interest in the scientific community in the end of the XXth century. Yet, even Auguste Comte mentioned the study of the laws of society. In his work, dated 1842, he introduced the term "social physics". However, people are not atoms; hence, a precise mathematical language description of the processes of their interaction is a difficult, but therefore more interesting task. Scientists have been working on the idea of applying physical

methods to social phenomena studies for many years: attempts (unsuccessful ones, by the way) include tables of mortality, models of aging and retirement, traffic jams models, etc. Of particular interest are the models of the dynamics of opinions. The majority of the opinions simulations are based on voting models. They check whether the opinions, randomly distributed in the first place, converge on one ("consensus"), two ("polarization") or more ("fragmentation") opinions. In [5], the authors proposed a completely different point of view on the modeling of dynamics of public opinion. These models are named after Lallouache, Chakrabarti, Chakraborti and Chakrabarti and are called LCCC-models. The opinions dynamics can be described in the model as follows. Let there be two interacting individuals i and j , who at any time t are assigned the values of the opinions $o_i(t) \in [-1; 1]$ и $o_j(t) \in [-1; 1]$, respectively. The interaction process in the generalized LCCC-model can be described as follows:

$$\begin{aligned} o_i(t+1) &= \lambda_i o_i(t) + \varepsilon \mu_j o_j(t), \\ o_j(t+1) &= \lambda_j o_j(t) + \varepsilon' \mu_i o_i(t), \end{aligned} \quad (3)$$

where λ is a so-called «persuasion» parameter, it defines the extent, to which a person remains biased to his own opinion while interacting with other subject; μ is an «influence» parameter, i.e. a measure of the influence of a person's strength or ability to impose his opinion to another person.

Note that in the generalized LCCC-model, the parameters of persuasion and influence of certain people are different, which leads to heterogeneity in the society. The parameters ε and ε' are uncorrelated random numbers from 0 to 1..

Initially, the system remains in a random, non-organized state, when the average opinion is $O \sim 0$. Then, after a certain relaxation time $t = \tau$, the system can "shift" into two different states:

1. into the "absorbing" state, when all separate individuals have zero opinion with $\lambda \leq 2/3$ or constantly change their opinions for "symmetry breakdown";
2. into some "active" state, when all separate individuals have an opinion of the same sign with $\lambda \geq 2/3$.

3.1. CALCULATIONS IN THE LCCC-MODEL

The behavior of the system described above is actually confirmed in practice. As real data, the results of the survey "Authority Assessment" conducted by the All-Russian Public Opinion Research Center were taken [10]. Index indicators in the fourth quarter of 2007 when answering the questions: "To what extent are you satisfied with the internal policy of the current government?" (Fig.11) and "To what extent are you satisfied with the economic policy conducted by our government?" (Fig.12) were taken as the opinions values at the initial moment of time.

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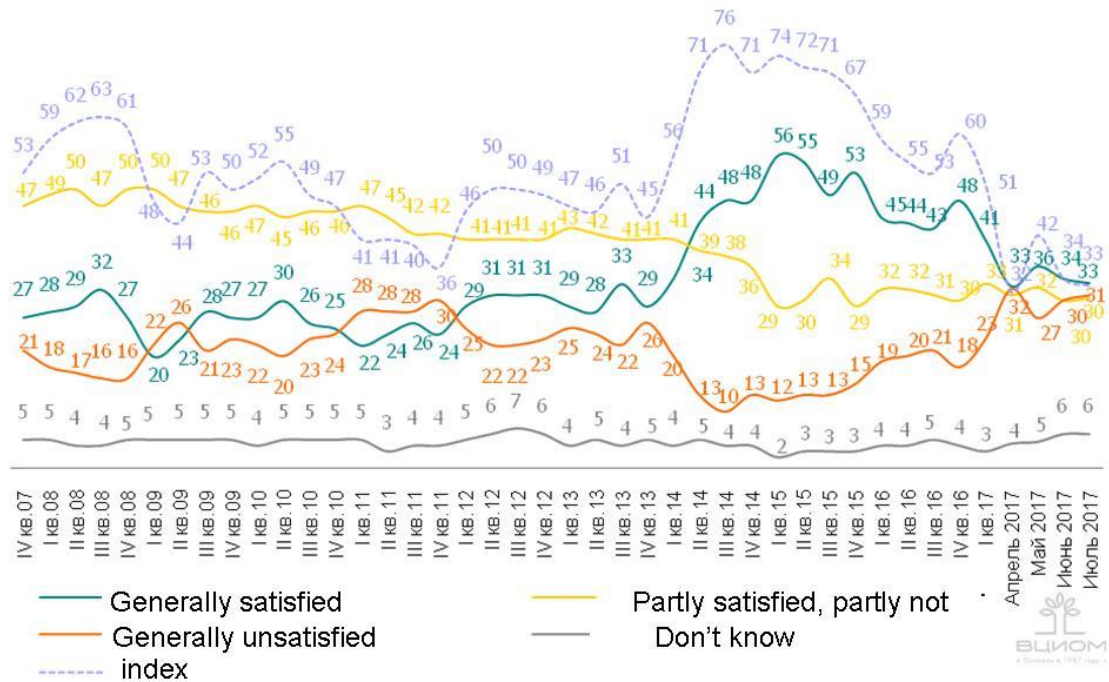


Figure 11. "To what extent are you satisfied with the internal policy of the current government?" survey findings

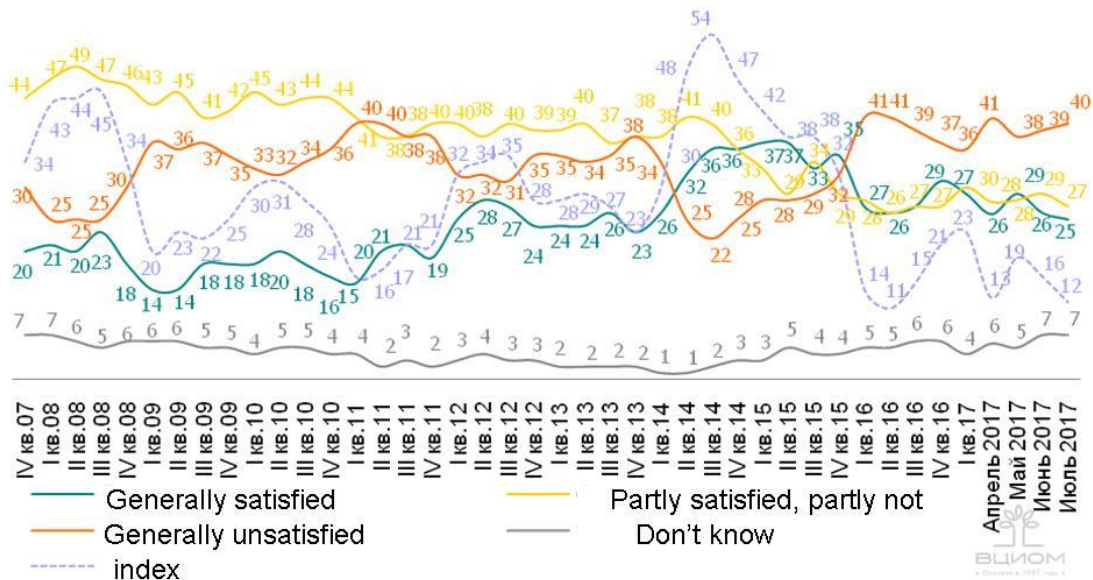


Figure 12. "To what extent are you satisfied with the economic policy conducted by our government?" survey findings

With $\lambda = 0.99$ and $\mu = 0.02$ all individuals have the opinion of the same sign (Fig.13), in this case, a positive one.

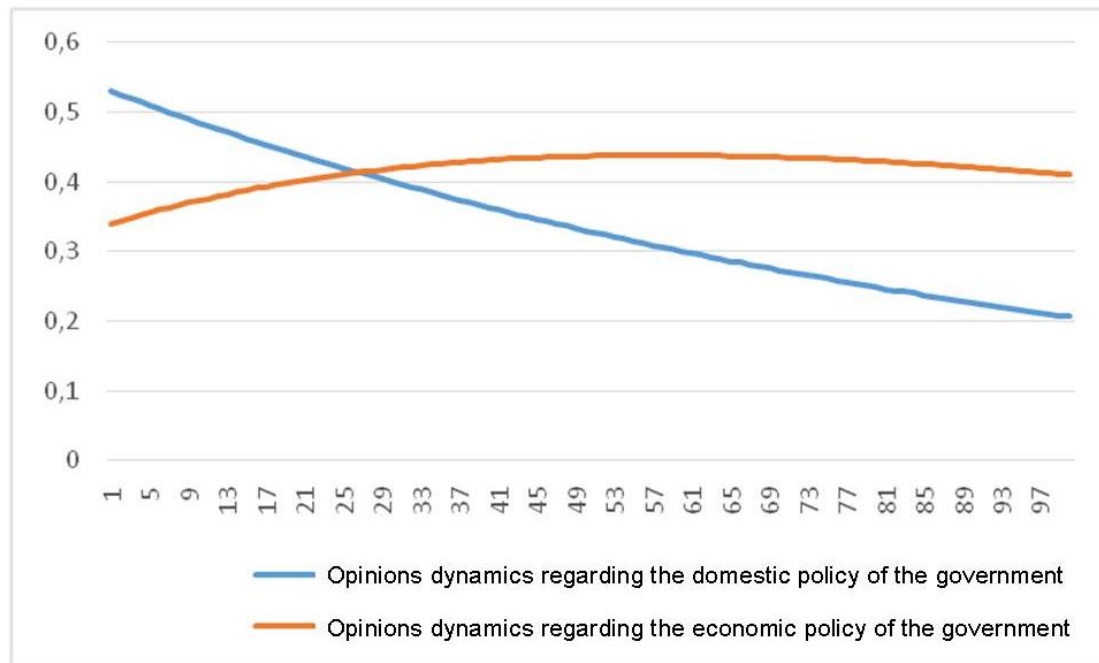


Figure 13. The opinions dynamics with $\lambda \geq 2/3$

With $\lambda = 0.6$ and $\mu = 0.8$ all separate individuals have zero opinion (Fig.14).

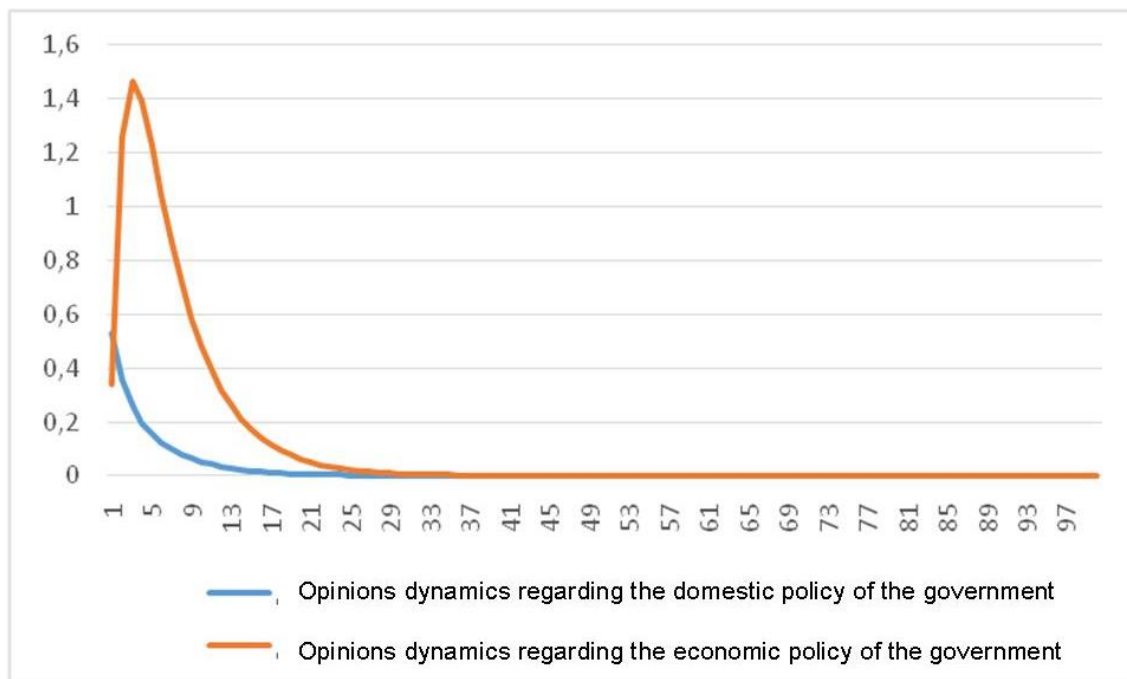


Figure 14. The opinions dynamics with $\lambda \leq 2/3$

In a discrete LCCC-model, a person's opinion can only take three values $o_i \in \{-1; 0; +1\}$. The possible states of the system remain the same. Fig.15 shows the graphs of the dynamics of opinions for the case $\lambda \leq 2/3$.

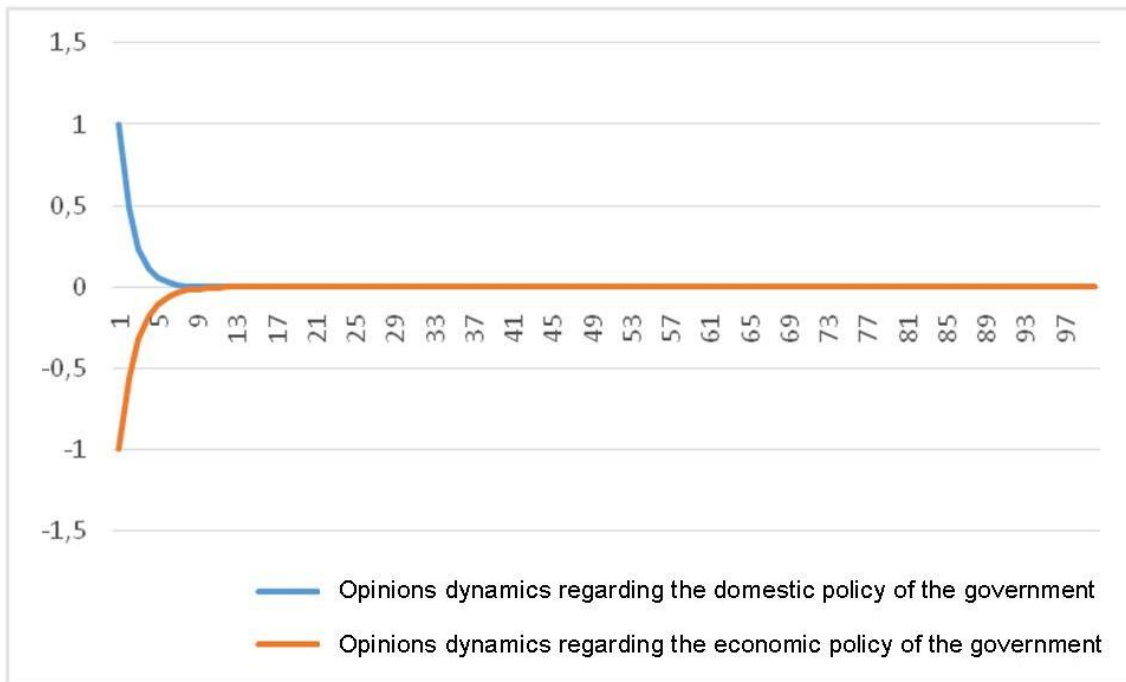


Figure 15. Opinions dynamics in the discrete LCCC-model

4. CONCLUSION

In this way, the numerical experiments carried out in this research confirm the fact that the use of methods of statistical mechanics is not only appropriate in the study of certain economic and social phenomena, but it is often more effective than using conventional methods of research. The results lead to the conclusion that such models can help us to understand many real social and political phenomena.

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COOPERATION IN SCIENCE AND TECHNOLOGY IN THE BLACK SEA REGION: RUSSIA AND GREECE

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ABSTRACT

Recent studies of the Black Sea Region have shown that bilateral and multilateral cooperation in science and technology effects economic development of countries and serves as a tool for strengthening international relations and national economies. In the past decade among all BSEC member-states Greece and Russia have had the highest values of the research and development expenditure in percent of GDP. Although Russia and Greece have been actively cooperating in the field of advanced technologies, the enhancement of bilateral and multilateral cooperation in science, technology and innovation is still crucial for both countries, especially in consideration of the growing need for commercialization of intellectual property related to scientific results and involvement of business in science. In order to identify the current trends of Russian-Greek cooperation in science and technology we conducted bibliometric and patent analysis, researched national strategies of scientific and technological development (including smart-specialization specifics) and studied leading national scientific and educational centers from the perspective of the Black Sea Region. The paper outlines current trends in scientific and technological cooperation and potential areas of collaboration between Russia and Greece, and considers tools for expanding bilateral and multilateral cooperation within the framework of the BSEC. The findings of the study show that implementation of international projects in the field of science and technology, aimed at addressing global challenges, especially in line with national interests and scientific and technological development strategies, will ensure national economic development throughout the Black Sea Region. However, the role of education as a tool for the effective implementation of major international scientific and technological projects in the long term (especially related to the Digital economy, quantum and blockchain technologies) and business involvement in scientific projects will significantly increase, ensuring not only generation of wealth, but also prosperity for the nations in the Black Sea Region.

Keywords: BSEC, Russian-Greek cooperation, science and education, digital economy, science diplomacy.

1. INTRODUCTION

Global geopolitical and economic instability has a significant impact not only on the national economies (of the developing countries, especially), but also on their bilateral and multilateral cooperation. The relations of the Russian Federation and Hellenic Republic are particularly interesting to the study of the international collaboration within the Black Sea Economic Cooperation (BSEC). Russia and Greece have good neighborly relations based on strong historical ties and common civilizational and cultural values that continue to serve as a “rock-solid” foundation for mutually beneficial strategic cooperation amid the current global geopolitical tensions, which is even confirmed at the highest level [Putin, 2016, Tsipras, 2016].

Global instability, geopolitical tensions and current sanctions on Russia have largely affected its economic cooperation with foreign partners, however, recent years have showed that Russian collaboration in the field of culture and tourism with Greece continues to develop. In order to expand bilateral relations Russia and Greece have launched several initiatives in recent years. Thus, 2016 was officially declared the cross-cultural year between Russia and Greece [GNA, 2016], while 2017–2018 are planned to become “Tourism cross-year of Greece and Russia” [MKRF, 2017]. Although early 2017 showed slight increase in the volume of the bilateral trade, over the past five years bilateral economic relations between Russia and Greece have fallen dramatically, in 2015 the bilateral trade decreased by 41% [Russian Exports, 2016], while the annual growth in value between 2012–2016 declined by ~20% (Greece exports to Russia fell by 27% and Russia’s export to Greece decreased by 18% [ITC, 2017]. In this context it seems necessary to expand bilateral relations and encourage constructive dialogue aimed at enhancing cooperation between Russia and Greece in wide range of areas, including not only “traditional” fields, like energy, transport, tourism and agriculture (the necessity of further cooperation in these fields has been noted in June 2017 on the meeting of the Greek-Russian Joint Interministerial Committee [MFA, 2017], but also in the field of science and education, since these areas constitute an integral part of the implementation of the new phase of economic relations between Russia and Greece, defined by the modern world challenges.

Extension of bilateral and multilateral economic relations through the development of cooperation in the field of science, technology and innovation is an important objective for both Russia and Greece, especially considering the dawn of the Fourth Industrial Revolution and evolution of the Digital Economy aimed at shaping the future of the society. These global processes require enhancement of the efficiency of intellectual property management (mainly in the context of the commercialization of scientific and technological output), extension of business involvement in scientific projects, and the need for timely response to the global challenges included in the 2030 Agenda for Sustainable Development [Resolution of the UNGA (A / 70 / L.1), 2015].

The need to restore and enhance cooperation between Russia and Greece for the benefit of the development of the national economies and stability and security in the Black Sea Region contributed to the rationale of the study, along with relatively high levels of R&D expenditure in Greece and Russia (among all BSEC member-states), as well as other indicators related to the readiness to embrace the knowledge-driven Digital Economy and Fourth Industrial Revolution [Schwab, 2015]. The research hypothesis is that joint scientific, technological and educational projects that address global challenges, inter alia the Digital Economy and the Fourth Industrial Revolution, may be used as an effective tool for restoring and enhancing bilateral and multilateral cooperation (inter alia within the framework of international organizations, in particular, the Black Sea Economic Cooperation).

2. MATERIALS AND METHODS

In order to analyze the current trends in scientific and technological cooperation and potential areas of collaboration between Russia and Greece, including the framework of the Black Sea Economic Cooperation, we conducted bibliometric analysis of publications over the last 5 years (indexed in the Scopus database) and analyzed intellectual property related data (IP filings, in particular, patent applications and granted patents. The source of the data was official statistics of national patent offices of the Russian Federation and the Hellenic Republic, as well as WIPO's IP Statistics Database. The study also considered a number of international statistical rankings and indices related to the field of science, technology and innovation. The bibliometric analysis included not only Russia and Greece, but also all BSEC member-states, and several

partners and observers of the Organization (which were relevant to the study: Germany, France, the United States of America and the United Kingdom). The publications indexed in the Scopus database in 2012—2017 were considered within the framework of 27 subject areas (specific to the Scopus database). The bibliometric analysis revealed that for the Russian Federation 10 most sought-after areas of the national R&D are the following: Physics and Astronomy; Engineering; Materials Science; Chemistry; Mathematics; Medicine; Earth and Planetary Sciences; Biochemistry; Genetics and Molecular Biology; Computer Science; Agricultural and Biological Sciences (as shown in Fig 1.). Whereas the most sought-after areas of the national R&D in the Hellenic Republic are the following: Medicine; Engineering; Computer Science; Biochemistry, Genetics and Molecular Biology; Physics and Astronomy; Mathematics; Social Sciences; Agricultural and Biological Sciences; Environmental Science; Materials Science (see Fig.2.).

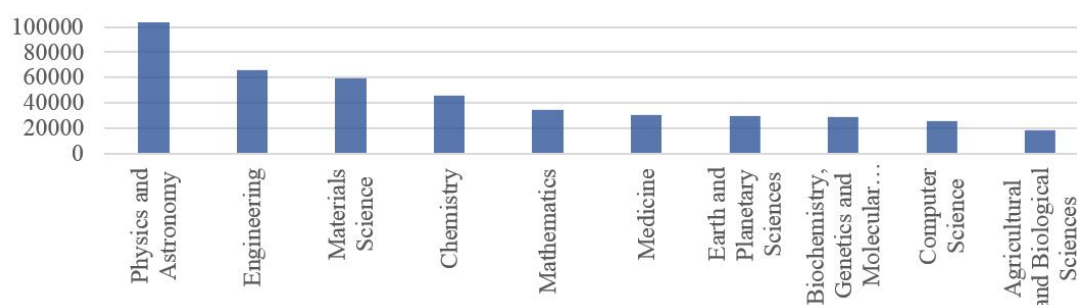


Figure 1: Top-10 areas of the national R&D in the Russian Federation (based on the bibliometric analysis of publications, indexed in Scopus in 2012—2017).

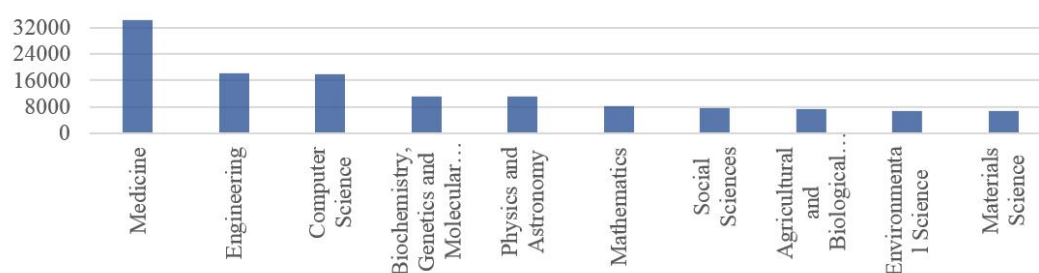


Figure 2: Top-10 areas of the national R&D in the Hellenic Republic (based on the bibliometric analysis of publications, indexed in Scopus in 2012—2017).

The current areas of collaboration between Russia and Greece include: Physics and Astronomy; Engineering; Medicine; Biochemistry, Genetics and Molecular Biology; Earth and Planetary Sciences; Materials Science; Chemistry; Mathematics; Agricultural and Biological Sciences; Computer Science (Fig. 3).

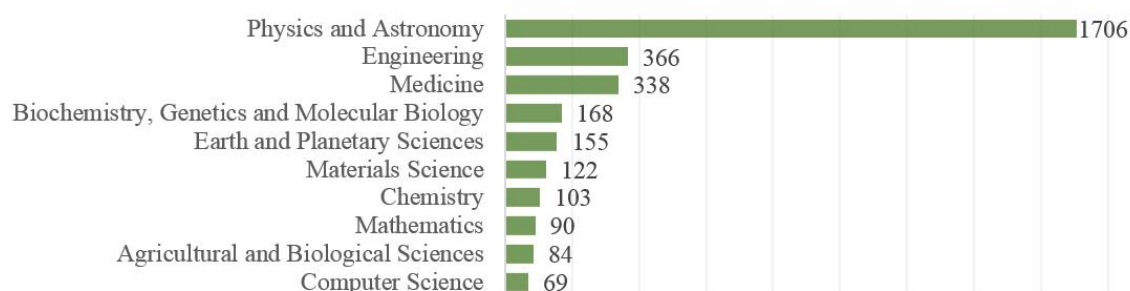


Figure 3: Current subject areas of Russian-Greek collaboration (based on the bibliometric analysis of publications, indexed in Scopus in 2012—2017).

It should be noted that over the past few years there has been a significant increase in the number of co-authored publications between Russia and Greece in the following five subject areas: Physics and Astronomy; Engineering; Medicine; Biochemistry, Genetics and Molecular Biology and Earth and Planetary Sciences. At the same time, the last five years showed that the total number of co-authored publications in all 27 subject areas of R&D increased by 30.5%. This number may be considered a positive indicator of dynamics of development of cooperation in the field of science and technology between Russia and Greece. The Hellenic Republic cooperates with the Russian Federation in a number of subject areas, although Russia continues to be one of the main partners of Greece within the BSEC, it is not the only one. For example, in the field of Physics and Astronomy — Russia, indeed, is the absolute leader in both the total number of publications and co-authored publications with all BSEC member-states, including Greece. At the same time, in the subject area of Medicine, the main partners of Greece are Turkey, Romania and Serbia, it is noteworthy that the number of co-authored publications in the area of Engineering is almost evenly balanced between Turkey, Russia, Romania and Serbia. As for the joint publications of Russia and Greece with the BSEC partners and observers, it should be mentioned that the most sought-after areas of R&D collaboration between the Russian Federation and the United States, the United Kingdom, France and Germany are the following: Physics and Astronomy; Materials Science; Earth and Planetary Sciences; Engineering and Medicine (Fig.4.), whereas for the Hellenic Republic the corresponding areas of collaboration include: Medicine; Physics and Astronomy; Biochemistry, Genetics and Molecular Biology; Engineering and Computer Science (Fig.5.).

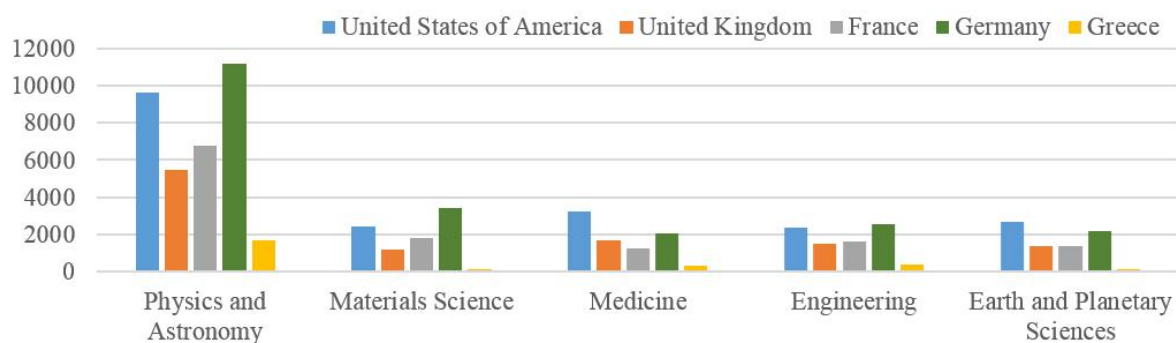


Figure 4: Top-5 areas of collaboration between the Russian Federation and the United States, the United Kingdom, France and Germany (Greece is included for reference, based on the bibliometric analysis of publications, indexed in Scopus in 2012—2017).

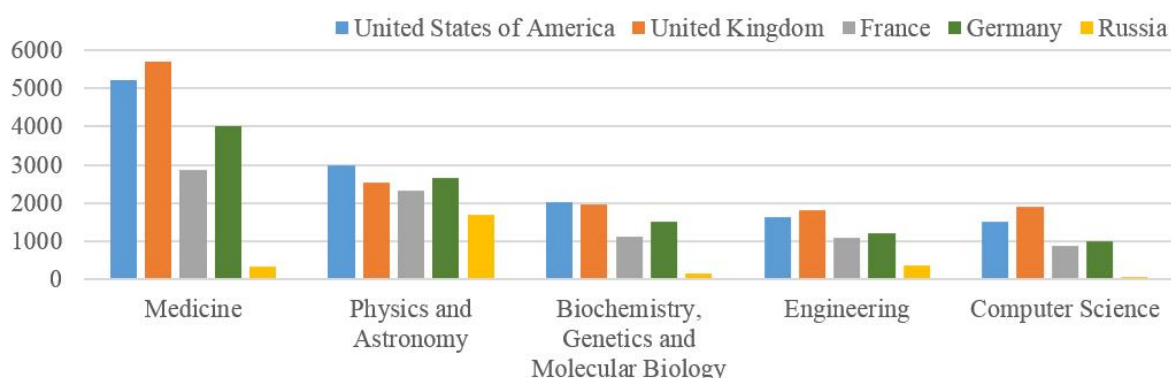


Figure 5: Top-5 areas of collaboration between the Hellenic Republic and the United States, the United Kingdom, France and Germany (Russia is included for reference, based on the bibliometric analysis of publications, indexed in Scopus in 2012—2017).

The study also considered the activities of Greece and Russia in the field of intellectual property protection, the effective management of which is one of the main elements of a successful transition to the Digital Economy and Industry 4.0. The analysis was based on the data of national patent offices of the Russian Federation and the Hellenic Republic, as well as Statistics Databases of WIPO, World Bank, OECD, WEF and international statistical rankings and indices related to the field of education, science, technology and innovation (including, but not limited to European Digital City Index, Global Innovation Index, Global Entrepreneurship Index, Global Talent Competitiveness Index, QS World University Rankings and The Times Higher Education World University Rankings).

3. RESULTS AND DISCUSSION

The analysis of intellectual property activity showed that among the BSEC member-states the Russian Federation is still the leader in the number of IP filings (mainly, patent applications), however, the number of Patent Cooperation Treaty (PCT) applications filed by the Russian Federation showed slightly negative dynamics (in 2016 there were 851 applications, while in 2015 — 876 applications [WIPO, 2017]). The number of PCT applications filed by Greece in 2015 and 2016 were considerably lower (121 and 111 applications). According to the WIPO's IP statistics for the 2016 the USA, Germany and France remained in the Top-50 countries by the number of filed patent applications (WIPO, 2017). Over the last five years the Russian Federation has shown an upward trend in a total number of filed patent applications and the amount of patents granted. The filed / granted patent ratio for Russia (29567 / 22753) tends to unity, where the number of applications filed equals the number of patents granted. Meanwhile, performance of Greece in terms of the amount of IP filings is significantly lower (almost ten times lower). For example, the number of patent applications filed in 2015 by Greece is 640, while the amount of patents granted for the same period of time — 277), nevertheless, relatively high rankings of Greece in Global Indices, related to science, technology and innovation allow to assume that S&T cooperation of Russia and Greece can be further extended. For instance, in 2017 in Global Entrepreneurship Index Greece is ranked 49th in the world, while Russia is 72nd [GEI, 2017], in the Global Talent Competitiveness Index Russia is ranked 56th, while Greece — 43rd [GTCEI, 2017], in the Global Innovation Index Greece's ranking slightly dropped in 2017 (44th) in comparison to 2016 (40th), however it remained to be above Russia, which maintained relatively stable rankings (45th in 2017, and 43rd in 2016) [GII, 2017]), in addition, Athens is ranked 56th in the European Digital City Index [EDCI, 2016]).

It should be noted that Smart Specialization of Greece allows it to focus on the high-technology manufacturing and innovation output, as well as to increase the intensity of national research and development. This specialization includes a number of priorities that are of interest to the Russian Federation, especially within initiatives related to the Digital Economy and the National Scientific and Technological Development Strategy. In particular, the main priorities of Greece include not only energy, transport, culture, tourism and sustainable innovation development, but also information and communication technologies, medicine, spatial development and smart cities, education and creative industries, as well as material science, energy-efficient technologies and systems for sustainable development. In this regard, it seems appropriate to extend development of the interregional cooperation between Russia and Greece, along with implementation of the recent plans to attract compatriots to international business projects [RIA, 2017].

Over the past years Greece and Russia, among all member-states of the Black Sea Economic Cooperation, have remained the highest percentage of spending on Research and Development in relation to GDP (1.1% in Russia, 0.97% in Greece, as a percentage of GDP) [World Bank,

2017]. In addition, by 2020 Greece plans to increase R&D expenditure in the public sector to 1.2%, and in the business sector to 0.38% (from 0.27%) [GSRT, 2015]. At the same time, the issues related to the efficiency of R&D financing and business private sector involvement in R&D projects still exist. National Research and Innovation strategies in Russia and Greece state that it is crucial to develop innovative clusters around universities, ensuring cooperation of business, R&D and education to strengthen employment and increase labor productivity. In this context, entrepreneurial climate becomes more and more important for the implementation of innovative projects, including international initiatives in the field of the Digital Economy.

The study allowed to highlight the promising areas of cooperation between Russia and Greece (different from the current areas of scientific and technological collaboration): Medicine, Computer Science, Social Sciences, Arts and Humanities. The ratio of co-authored publications to the total number of national scientific papers within these subject areas is quite low. For example, in the area of Computer Science in the past 5 years, the Russian Federation has published 25312 articles, and Greece — 17913, while there have been only 69 co-authored publications within the same period of time. Thus, above-mentioned subject areas may be viewed as promising areas that can further expand cooperation between Greece and Russia. Along with the Computer Science and Medicine, it is crucial to explore further and harness the Social Sciences and Art & Humanities areas, as they play an integral role in the STEAM-education, which allows students to develop not only scientific and analytical skills, but also communication, critical and design thinking. These very skills will become essential in the future, especially in the context of creative industries, which along with scientific and technological entrepreneurship form the basis of the efficient implementation of the Digital Economy Initiatives [OECD, 2016]. In this regard, it is crucial to develop joint international educational programs of the universities of Russia and Greece, based on modern trends in educational technologies and involvement of private and public sectors (including consideration of occupational standards, as well as market and business demands).

The results of the bibliometric analysis of Greek and Russian scientific papers over the past 5 years and the review of national and international university rankings in the context of the regional aspects of cooperation in the Black Sea Economic Cooperation and the Black Sea Universities Network allowed to identify a number of universities from Russia and Greece that may serve as main actors of bilateral and multilateral cooperation development in the field of science, technology and education in the Wider Black Sea Region. Thus, in Greece the following universities should be mentioned: Aristotle University of Thessaloniki; National Technical University of Athens; University of Patras; Athens University of Economics and Business; University of the Aegean; University of Crete; University of Ioannina; Democritus University of Thrace and National and Kapodistrian University of Athens. While from Russia's perspective the relevant universities are as follows: National Research University Higher School of Economics; Peoples' Friendship University of Russia; Moscow State Institute of International Relations-MGIMO University; Bauman Moscow State Technical University; Moscow Institute of Physics and Technology (MIPT); ITMO University; The National University of Science and Technology MISIS; Kuban State University; Saratov State University and Southern Federal University. It is also recommended to involve St. Petersburg State University and Moscow State University in perspective joint projects in addition to the current initiatives which have already been implemented within the framework of bilateral cooperation in the field of quantum technologies (especially in the context of the recent developments in the quantum network project by Moscow State University [Regnum, 2017]).

In order to expand collaboration between the universities of Russia and Greece we need to increase international exchange and student mobility, improve efficiency of utilization of R&D facilities and other relevant universities' infrastructures, increase further involvement of the universities in the development of joint research and educational projects and programmes (inter alia, including promising areas of cooperation, mentioned in this study). While implementing joint international initiatives in the field of R&D and education it is important to focus more on intellectual property protection and management (especially in case of commercialization of scientific and technological results). Recent years have shown that despite the growing interest of Russia and Greece in quantum communication and blockchain technologies, only few relevant patent applications have been filed (primarily by Russia). For example, in 2016-2017 the Russian Federation has filed 5 patent applications in the field of quantum communication, and 57 applications over the last 5 years, as for blockchain technologies in 2016-2017 Russia has filed only 2 patent applications [PATENTOSCOPE, 2017], while over the last 10 years there have been only 17 applications, filed by the Russian Federation in this subject area [Rozhkov, 2017]. Peace, Security and Stability in the Wider Black Sea Region rely considerably on the universities. The role of universities in transformation of societies as “shapers and keepers” of culture still remains to be essential, especially in times of rapid technological development and growing of terrorist threat. In this contexts multicultural and international events and initiatives focused on respecting foreign cultures, traditions and people are more relevant than ever.

It should be noted that Greece shows significant economic interest in developing cooperation within the Wider Black Sea Region (20% of Greece's exports are to the countries of this region [MFA, 2016]). However, further bilateral and multilateral cooperation is mutually beneficial for both Russia and Greece, including implementation of international R&D projects, related not only to various aspects of the efficient utilization of natural resources and ensuring security of the Mediterranean and Black Seas (which goes in line with the implementation of the 14th Sustainable Development Goal: Conserve and sustainably use the oceans, seas and marine resources), but also in the field of computer technologies and social sciences, as these areas are essential for the development of the Digital Economy and Industry 4.0. The Fourth Industrial Revolution requires an appropriate response to the challenges related to personal data and cybersecurity in the context of the Internet of Things (IoT). Bilateral cooperation may allow to embrace IoT, quantum communication and other disruptive technologies and harness them for the benefit of national economies (see PwC's latest research on the Internet of Things [Pwc, 2017]), while overcoming arising challenges at the dawn of the Digital Economy, especially considering interests of China, one of the major players in the field of quantum technologies.

Russia-Greece-China trilateral collaboration in several areas may be also utilized as a tool for economic cooperation. The Wider Black Sea Region involves and attracts not only the countries, directly located in this geographic region. In search of funding for the development of national infrastructures, many countries of the Black Sea Region attract Chinese partners [Goncharenko, 2016] (see the case, when Greece granted China access to the Mediterranean by signing an agreement within China's “One Belt One Road initiative”, so China privatized one of the main foreign trade ports of Greece — The Port of Piraeus [China Daily, 2016]). Greece actively cooperates with China and Arab countries, which happen to be also strategic partners of Russia. Thus, it is necessary to consider initiatives of third countries (any interested parties) to develop economic cooperation in the Black Sea Region and expand and harness mutually beneficial multilateral cooperation within national scientific and technological development priorities. Efficient development of multilateral collaboration (including cooperation within the BSEC) requires consideration of national and regional aspects, in particular regional

specializations — smart specializations with their own unique features that ensure competitive advantage of the region of the country and potential development of international economic cooperation). This practice of finding competitive (smart) specializations of the regions may be of interest to the regions of the Russian Federation. In addition to increase of the involvement of private sector / businesses to the wide range of scientific, technological and industrial projects, it is necessary to promote the development of innovations and technological entrepreneurship, as well as improve tools for supporting and funding scientific projects (inter alia, developed by international teams of students and young researchers and start-ups) aimed at addressing challenges related to the Black Sea Region. This will require specific conditions for creating such teams and projects, as well as increasing the efficiency of information and analytical support of businesses on appropriate initiatives and projects in the BSEC member-states. Russia and Greece should extend bilateral and multilateral cooperation in a number of areas, according to the principles of science diplomacy, in order to rapidly develop promising areas of cooperation based on international scientific, technological and educational projects. The implementation of interregional and international, bilateral and multilateral scientific, technological and educational projects (including international interdisciplinary start-ups and projects developed by students and young scientists) seems promising for the restoration and further enhancement of Russian-Greek economic cooperation, as well as for the growth of scientific and R&D activities within the national economy, which is emphasized at the level of the Ministry of Education and Science of the Russian Federation [Matveyev, 2017].

4. CONCLUSION

Russia and Greece are united not only by historical ties, culture and old traditions, but also by a common desire to have a competitive economy and R&D to address global challenges, as well as practical interests related to the Wider Black Sea Region, whose security, stability and sustainable development is an essential objective for all countries in this Region. The Digital Economy and the Fourth Industrial Revolution are global phenomena that conceal immense opportunities and risks for all mankind. In this context, international cooperation in the field of education, science and technology becomes more and more important in order to force these global phenomena for good. Bilateral and multilateral cooperation proved to have a positive impact on the national and regional economies, however countries will anyway face challenges of the Digital Economy and Industry 4.0. Joint efforts and resources (financial and human) will allow not only to expand cooperation between countries, but also provide an opportunity to respond timely to the challenges of the Fourth Industrial Revolution and harness it to increase the competitiveness of national economies. The implementation of international projects in the field of science & technology and educational programmes, aimed at addressing global challenges, especially in line with national interests and scientific and technological development strategies, will ensure national economic development throughout the Wider Black Sea Region. However, the role of education as a tool for the effective implementation of major international scientific and technological projects in the long term (especially related to the Digital Economy, quantum and blockchain technologies) and business involvement in scientific projects will significantly increase, ensuring not only generation of wealth, but also prosperity for the nations in the Black Sea Region.

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LINKING DEMOGRAPHY AND ECONOMY AND DETERMINING PIVOTAL EVENTS IN THE ECONOMIC DEVELOPMENT

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ABSTRACT

Through statistical methods it is possible to reveal the close link between demography and economy. It is shown how the economic development is influencing the fertility and migration in the capitalistic economies. Furthermore, the close link means that the historical economic development can be analysed through demographic data and thereby identifying pivotal events. This paper proposes a new method to analyse the close link between the demography and economy in the capitalistic countries. Examples are shown from a range of countries and the development in Denmark the last 200 years is given special attention in order to illustrate how the economic development is influencing fertility and migration. The paper then describes how the close link can be used to analyse economic development in each country separately and in the capitalistic world as a whole. Through analysis of demographic data, it is possible to determine the years that pivotal events, that have had major impacts on the historical economic development, have taken place. By identifying the years and pinpointing the regions where the events have taken place, it is a small task to determining the causes of growth in each country. Furthermore, it is clearly illustrated that the Kondratieff cycles play an important role in the economic development. The Kondratieff cycles are identified as major international disruptions that have happened at the same time across many countries, which is clearly different than local and national events that only happen within a single country.

Keywords: Demography, Economy, Kondratieff, Statistical analysis

1. INTRODUCTION

It is clear to most people that the economy and the population are closely linked. A growing economy makes room for more people and thus allows the population to grow.

However, the dynamics of this relationship is often not understood to the fullest and there is a great potential for uncovering important economic topics through statistical analysis of demographic data.

By establishing and exploring the relationship between economics and demographics it is possible to find crucial turning points in the economic history of regions, countries and even the capitalistic world as a whole.

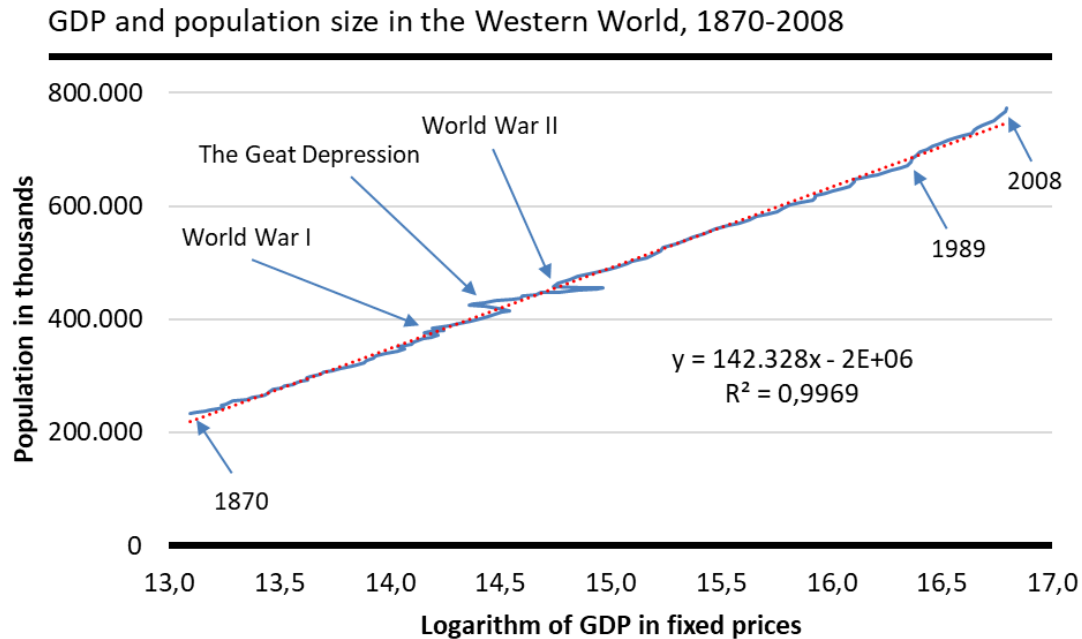
In the first part of the paper the link between demography and economy is established by looking at the Western World as a whole and by looking at individual countries in the Western World. Next, we take a closer look at a single country, Denmark, and reveal the dynamics in the relationship between demographics and economics.

Thereafter the found relationship is utilised to analyse the long-term economic development, thus revealing pivotal economic events / turning-points. Some of these events are local in nature while others are global. The global events are the identified as Kondratieff-cycles.

2. ESTABLISHING THE LINK FROM THE ECONOMY TO THE POPULATION

Figure 1 depicts the long-term relationship between the economy and the population in the capitalistic countries in the Western World.

The term ‘Western World’ is derived from Angus Maddison's database by joining 30 countries in ‘Western Europe’ and 4 countries in the ‘Western Offshoots’ categories.¹ There is a clear long-term relationship where the logarithm of GDP in fixed prices and the size of the population form a straight line for the period 1870-2008, i.e. for 139 years. By closer inspection, it can be seen that when major events interrupt the relationship, as in World War I, the Great Depression, World War II and prior to 1989, the relationship always stabilizes back on the line again.



*Figure 1: GDP and population size in the western world
(Own calculations based on Maddison, 2015)*

The long-term relationship between the economy and the population can be estimated with a lin-log function (semi-logarithmic).

The underlying functional form is:

$$e^N = e^{\beta_0} Y^{\beta_1}$$

where N is population and Y is GDP in fixed prices.

This function can be estimated using ordinary least square (OLS) by using a log transformation. Taking natural logarithm on both sides, we end up with:

$$N = \beta_0 + \beta_1 \ln Y$$

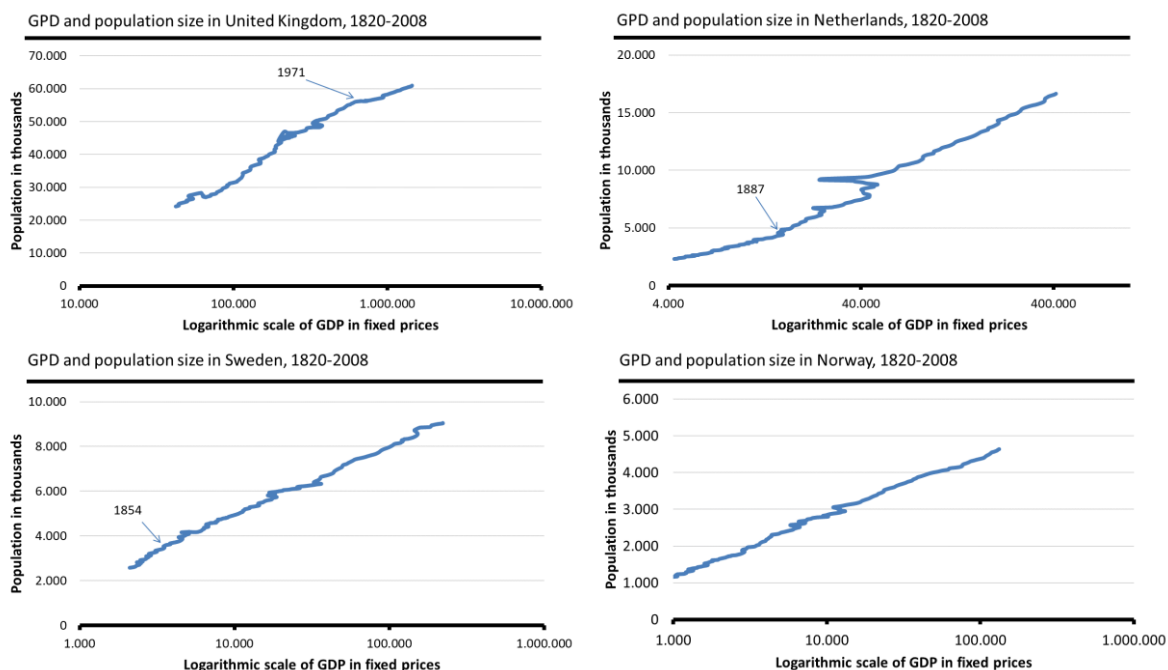
where β_0 is a constant and β_1 is the slope in the regression, denoting the relationship between the size of the population, N , and the size of GDP in fixed prices, Y .

In figure 1 the slope is estimated to be 142.328, which means that one percent increase in GDP increases the population by 1.423.280 people.

It is worth stopping for a moment and ponder about this relationship. The interpretation is, that in 1870 when the population was around 234 million people and the economy mainly consisted of agriculture and industry, with a limited service sector and only a very small public sector, 1

¹ The countries in the ‘Western Offshoots’ category are: Australia, N. Zealand, Canada and USA. The countries in the ‘Western Europe’ category are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK and 14 small WEC-countries.

percent increase in the economy would lead to an increase in the population of roughly 1,4 million people. In the year 2000, i.e. 130 years later when the population was 730 million people, in an economy with a substantially larger service sector and public sector, 1 percent increase in the economy would still lead to an increase in the population of 1,4 million people. The relationship between the economy and the population is thus not limited to a certain kind of economy and to a certain period in time, but is a much more general relationship that transcends time and economic setup. The stable relationship between the economy and the population is not limited to the total sum of the Western World, but can also be found in most countries. Figure 2 depicts 4 different countries in Western Europe, United Kingdom, Netherlands, Sweden and Norway. The datasets are here extended another 50 years back in time to 1820 and thus consist of 189 years. It can be seen that all four countries have pretty straight lines, but also that all four countries have deviations from the straight lines. In most cases the deviations are concentrated around the two world wars and the relationship between the economy and the population stabilizes back on the line again after the two wars. In some cases, there is a change in the slope of the line. For UK this happens around 1971, for Netherlands in 1887 and for Sweden in 1854.



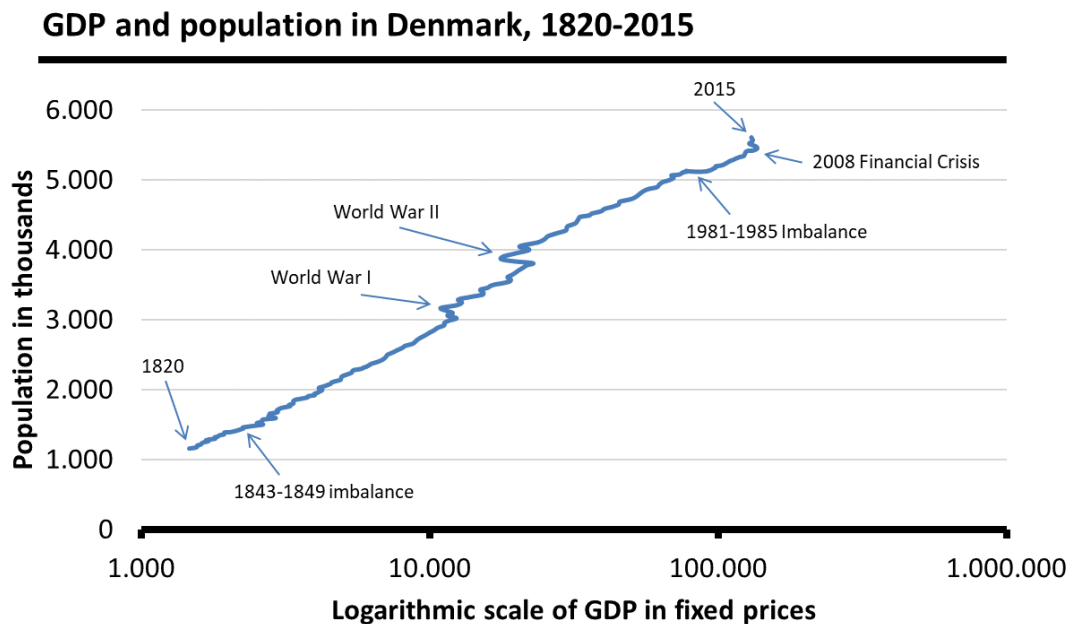
*Figure 2: GDP and population sizes in United Kingdom, Netherlands, Sweden and Norway
(Own calculations based on Maddison, 2015)*

The changes in the slopes can be interpreted as major changes in the internal functioning of the individual country. As we shall see in the following chapter, every country is linked with the outer world through the economy via import and exports and through the population via migration. The population in each country is thus both determined by the internal conditions and external conditions.

3. THE POPULATION DYNAMICS – LOOKING AT DENMARK

The dynamics of the adjustment of the population can be illustrated by having a closer look at one single country. Figure 3 presents the long-term relationship between the economy and the population for Denmark for the period 1820-2015, i.e. 196 years. In the Danish case, there is no significant change in the slope of the line but there are several changes in the intercept/level

of the line. The line is thus broken into 5 sections with approximately the same slope. 1820-1843, 1848-1914, 1918-1939, 1945-1981 and 1985-2008. The deviations from the straight line can be considered as imbalances. The major imbalances were during the first and second world war, where the economy shrank while the population still grew. The two imbalances starting in 1843 and 1981 both happened when the economy grew but could not get enough people despite of the growth in the economy. The fifth imbalance was after the financial crisis in 2008, where the economy in neighbouring countries shrank and created immigration in to Denmark even though the economy did not have a need for more labour, thus creating population growth despite of no economic growth.



*Figure 3: GDP and population size in Denmark
(Own calculations based on official statistics and Maddison, 2015)*

The regression results for Denmark are given in table 1. The estimate of the slope is 865,06 which can be interpreted as one percent increase in the economy will lead to a growth in the population of 8.651 people.

	<i>Estimate</i>	<i>Standarddev</i>	<i>t-stat</i>
Intercept	-4226,62	40,78	-103,64
ln(GDP in fixed prices)	865,06	6,40	135,21
Dummy 1848-1914	-77,88	10,17	-7,65
Dummy 1918-1939	268,69	17,59	15,28
Dummy 1941-1981	586,21	22,30	26,29
Dummy 1985-2008	378,03	28,72	13,16
R2: 0,9995 Observations: 178 Standarddev: 32,313			

Table 1: Regression results for Denmark

The interpretation of the slope is that when the economy grows, there is a demand for more labour and the population must grow in order to meet that demand.

As Adam Smith put it in the Wealth of Nations:

“The liberal reward of labour, by enabling them to provide better for their children, and consequently to bring up a greater number, naturally tends to widen and extend those limits. It deserves to be remarked, too, that it necessarily does this as nearly as possible in the proportion

which the demand for labour requires. If this demand is continually increasing, the reward of labour must necessarily encourage in such a manner the marriage and multiplication of labourers, as may enable them to supply that continually increasing demand by a continually increasing population.” (Smith, 1776, p. 71). The supply of labour thus has to compensate for the extra demand for labour stemming from the economy and for the deaths from the population.

3.1. Primary supply of people - births

The primary source for extra people in a population is through births.

By comparing the number of births with the total demand for people, it is possible to illustrate this dynamic. The demand for labour can be estimated using the results from table 1. For every one percent increase in the economy there is an extra demand for 8.651 persons.

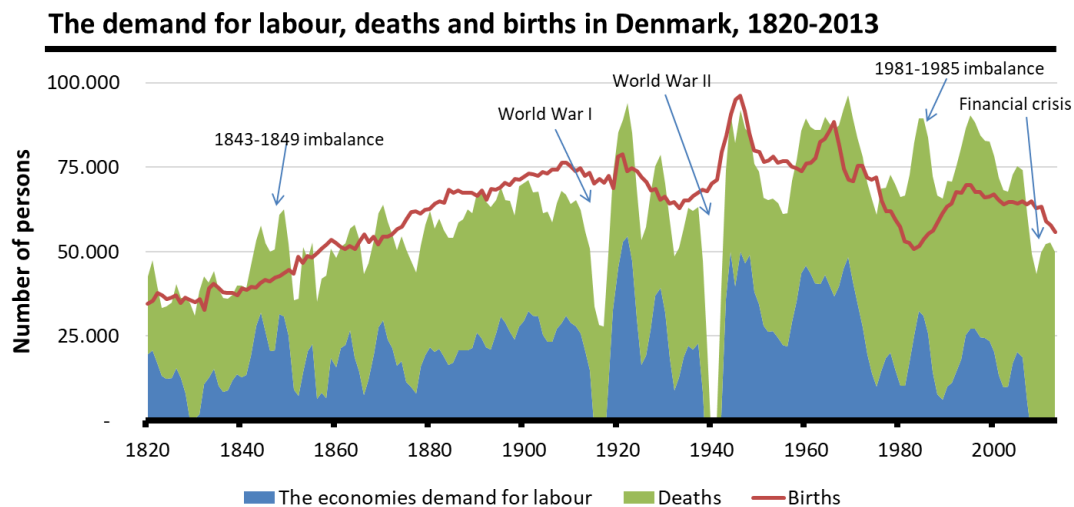


Figure 4: The calculated demand for labour and statistical figures of births and deaths in Denmark (Own calculations on Maddison, 2015 and official statistics)

Figure 4 illustrates the demand for labour, deaths and births in Denmark from 1820 to 2013.

The total demand for people is the sum of the economies demand for labour and the number of deaths. The internal supply of people is the number of births.

The figure shows, that there is a close relationship between the total demand for people and the internal supply through births. However, there are some deviations. From 1870 to 1960 there generally was an oversupply of people and from 1960 to 2008 there was an undersupply of people. A possible explanation for the deviation can be that the price of children affects the supply of children. With women’s increased participation on the labour market and with the increased investment in education, the price of having children has gone up, thus reducing the supply of children. (Becker, 1993, p. 135ff)

3.2. Secondary supply of people - migrations

While the births can be considered the primary supply of people to an economy, the migrations to and from the economy can be considered a secondary supply of people.

The births are a slowly regulating channel, while the migrations are a much faster channel.

Figure 5 depicts the “wanted” and actual net-migration to and from Denmark for the period 1820-2013.

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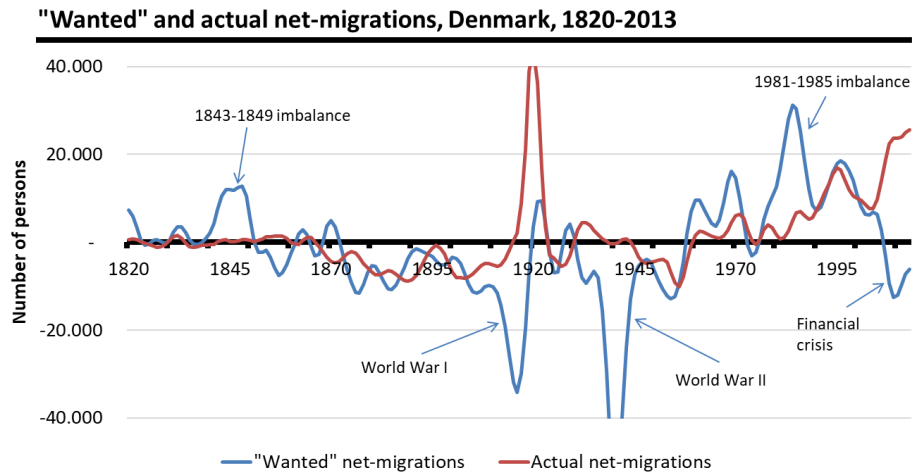


Figure 5: »Wanted and actual net-migrations on Denmark for the period 1820-2013 (Based on Maddison, 2015)

The “wanted” net-migration is calculated as the difference between the total demand for people and the births in figure 4. When the births deliver an oversupply of people, like in 1870-1960, there is a “wanted” net-emigration out of the economy. Equivalently, when there is an undersupply of people through the births, there is a “wanted” net-immigration into the economy. As can be seen from figure 4, there is a close correlation between the “wanted” and the actual net-migration to and from the Danish economy, thus compensating for under- and oversupply of people through the births.

The migrations to and from the Danish economy needs to be interpreted in a general economic climate picture. If the economic climate in Denmark is better than in the surrounding countries, there will be a pull effect creating immigration to Denmark. Correspondingly, if the economic climate in Denmark is worse than the surrounding countries, there will be a push for emigration from Denmark. As seen, in the period after 2008, there was an anomaly where there was immigration into Denmark although there was no pull effect. The reason was the massive push-effect in the southern European and other countries, that pushed people into Denmark.

3.3. The total demand and supply of people

Figure 6 depicts the total demand and supply for people in the Danish economy for the period 1820-2013. There is a very close correlation between the total demand and the total supply of people. Around 80-90 percent of the supply has originated from the births while the rest has come from the migration to and from other countries.

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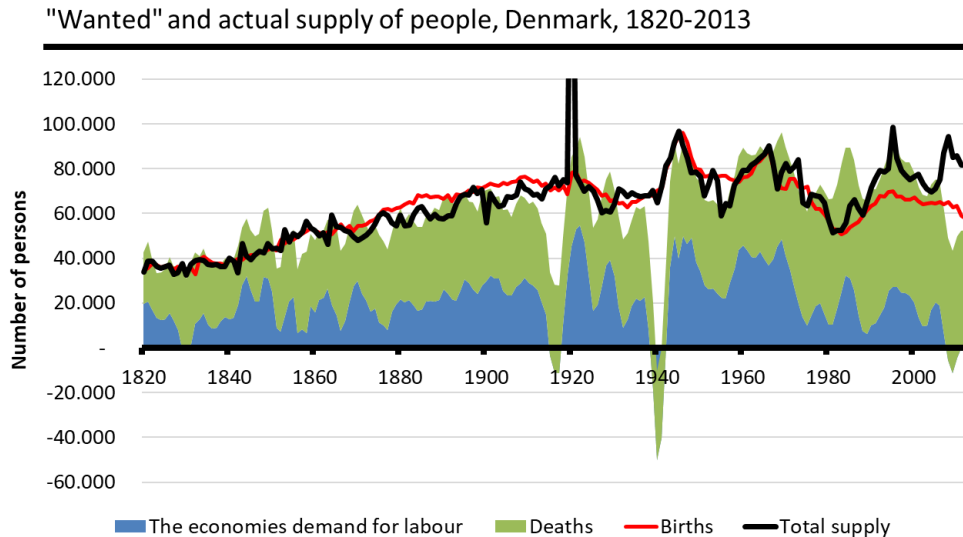


Figure 6: »Wanted and actual supply of people in Denmark for the period 1820-2013 (Based on Maddison, 2015)

4. ANALYSING THE ECONOMY THROUGH THE DEMOGRAPHICS

It is possible to utilise the close relationship between the economy and the population to perform economic analysis on demographic data.

4.1. The logistic function and carrying capacity

The demographic development can be analysed in a carrying capacity context using a logistic function which has a S-shaped curve. (Verhulst, 1838, p.113)

The theory behind carrying capacity and the logistic function is that the population is limited by the carrying capacity of the economy, i.e. a given economy only allows for a certain number of people. Populations below carrying capacity typically increase, while above, they typically decrease. The initial stage of growth is approximately exponential; then, as saturation begins, the growth slows, and at maturity, growth stops. Thus, by analysing the growth curve it is possible to see where changes occur in the carrying capacity in a population and an economy.

4.2. The historical development in Denmark

Figure 7 is an example of an analysis of the development in the carrying capacity in the Danish population and economy. Along the x-axis is the size of the population and along the y-axis is the natural growth of the population. A "perfect" carrying capacity curve, leading from one carrying capacity to the next, would start on the x-axis, like in 1784, and follow an inverted U-shaped curve back to the x-axis again, like in 1984. The Danish curve however shows several bumps on the way. Like in 1829, 1867, 1890, 1916, 1934, 1952, 1959, 1973 and 1984. Each bump on the curve represents some kind of significant change in the development of the population and the economy. Normally a change interrupts a previous carrying capacity curve and lifts the curve up to a new level. For instance, in 1867 there occurs something that changed the carrying capacity level of the economy, which induces new population growth.

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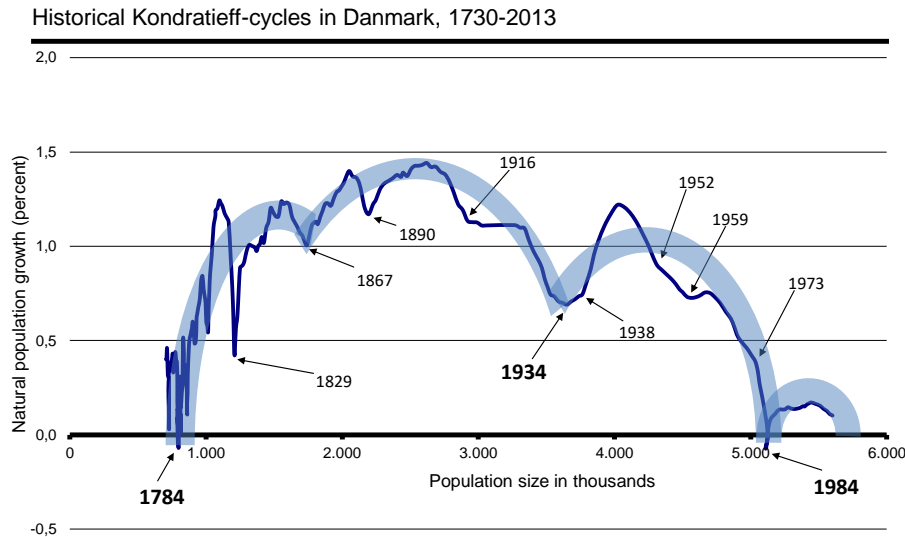


Figure 7: Historical changes in the carrying capacity and Kondratieff-cycles in Denmark 1730-2013 (Based on Maddison, 2015 and official statistics – dst.dk)

By comparing the years in which the changes occur with a range of other countries, it is possible to see whether the change is a local change, that only happens in a given economy, or whether it is a global change that happens across a range of economies simultaneously.

4.3. Comparing across economies and revealing Kondratieff-cycles

As an example of comparing across countries the curves for Norway and Sweden are given in figure 8 and 9 respectively.

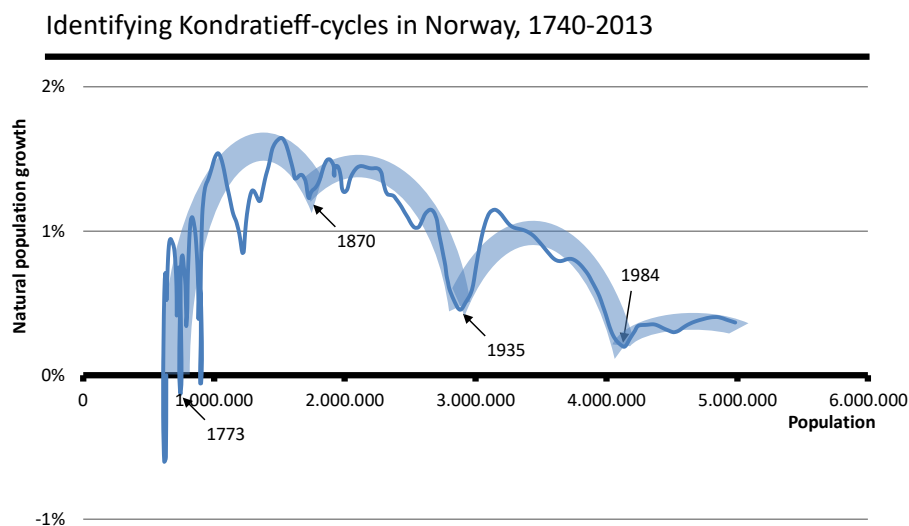


Figure 8: Historical changes in the carrying capacity and Kondratieff-cycles in Norway 1740-2013 (Based on official statistics – ssb.no)

It can be seen that while each country experiences its own developments in the carrying capacity, the major changes in the curves happens at approximately the same time across the countries. These changes are called ‘long waves’, ‘Kondratieff-cycles’ or ‘Kondratieff-waves’, named after the Russian economist Nicolai Kondratieff who discovered the cycles in 1926.

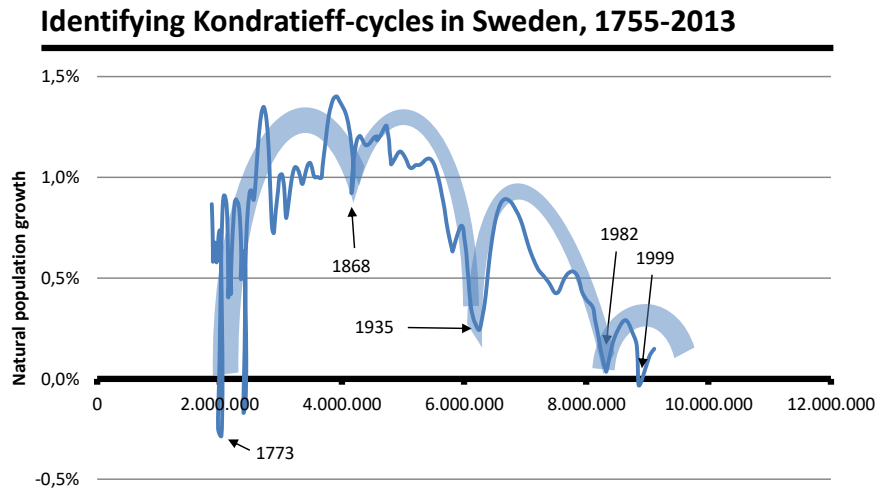


Figure 9: Historical changes in the carrying capacity and Kondratieff-cycles in Sweden 1755-2013 (Based on official statistics – scb.se)

4.4. Comparing the Kondratieff-cycles with the literature on the cycles

Several well-known economists have done extensive research in the Kondratieff-cycles. Most famous are probably Joseph Schumpeter, Walt Whitman Rostow and Gerhard Mensch. There is today an extensive literature on the cycles and a recommendable present author in the field is Carlota Perez (Perez, 2002).

A Kondratieff-cycle is initiated by a technological upswing that allows the economy to go into a new growth path. The growth path can be divided into four different stages: Eruption, Frenzy, Synergy and Maturity. Each phase has its own characteristic. In between frenzy and synergy there usually is a disruption or a small crisis. Thus, a Kondratieff-cycle is in itself not a homogeneous cycle, but has its own disruptions, which affects the curve when analysed in a demographic context.

The method of finding changes in carrying capacity and Kondratieff-cycles in the economy proposed in this paper is a new method that has not previously been explored. It can therefore be fruitful to compare the results with other findings of Kondratieff-cycles.

Table 2 gives an overview of identified Kondratieff-cycles in the literature and compares with the results in this paper.

International	Denmark	Norway	Sweden
1880	1784	1773	1773
1780	1867	1870	1868
1940	1934	1935	1935
1985	1984	1984	1982

Table 2: Kondratieff-cycles as identified here and by Smihula. (Smihula, 2011, p. 51)

Most of the findings are almost identical, which lends credibility to the proposed method.

5. CONSLUSION AND PERSPECTIVES

The paper analyses the relationship between the economy and demography and proposes a new method of analysing the economic development through demographic data. One major advantage of the proposed method is that it can pinpoint the year that the pivotal changes occur in each individual country. Furthermore, it is possible, by using regional data, to zoom in on the region where the changes first occurred in the country. Thus, it is possible to analyse the

economic development in a country without having to generalize too much about the international development. The method allows economic historians and economic analysers to explore the development and dynamics in an individual country more accurately than other previous methods.

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FORECASTING EMPLOYMENT IN THE RUSSIAN FEDERATION BY ECONOMIC ACTIVITIES

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ABSTRACT

Due to the reduction in the working-age population, one of the main problems of the modern labor market is the shortage of labor resources, which requires the improvement of the utilization of these resources. Within the framework of the research, the results of which are presented in the article, the authors developed and tested the methodology for constructing forecast estimates of employment by main types of economic activity, based on econometric models that take into account the seasonality factor. This approach has made it possible to raise the validity of short-term forecasts, to prove the importance of the employment effects of demand factors, labor productivity and demographic situation, and to assess the labor market's ability to self-regulate. It is shown that the transformation of the structure of employment by types of economic activity in the near future will continue. At the same time, the population engaged in wholesale and retail trade will gradually increase, absorbing the flows of labor resources from the sphere of processing industries and agriculture.

The paper substantiates the need for additional regulators, taking into account the requirements of the economy to labor resources, designed to ensure an efficient employment structure.

Keywords: *Economic Activities, Employment, Russian Federation*

1. INTRODUCTION

The decline of the working-age population is one of the most important problems affecting economic development in Russia [1]. Starting in 2005, the working-age population decreased by 4.8 million people equaling to the average annual reduction by 480 thousands of people. In the beginning of 2005, the working-age population was 62.9% of the country's total population. By the end of 2015, it was at 57.5%. The improvement of labor quality and improvement of labor use efficiency are effective ways to mitigate the economic consequences of the labor supply shortage. An important feature of the Russian labor market is that the dynamics of employment reacts only weakly to changes in production. This is clearly demonstrated by comparison of the growth rates of gross domestic product (GDP) and employment. The average GDP growth rate in the pre-crisis period (2005-2008) was 107.1%, while the employment growth rate was only 101.3%, but in the post-crisis period (2009-2014) they were 101.0 and 100.2% accordingly. The financial crisis of 2008-2009 led to a significant reduction in the demand for labor, which was caused primarily by a reduction in production [2]. However, the production and employment decline rates differ. In 2009, for example, GDP decreased by 7.9% compared to 2008 while the decrease in employed population was only 1.9% (the employment elasticity relative to GDP in this period was equal to 0.24). First of all, this was due to the use of such forms of labor relations

as secondary and invisible employment, the increase in the number of part-time employment, use of leave of absence practice and late payment of wages. The maximum number of part-time employees was observed in 2009 when this indicator reached 1.9 million people, 2.7 higher than in previous period. Concurrently, the total arrears in wages in 2009 decreased by 67.3%. The amount of overdue wages reached its maximum in 2012 (12.5 mln rubles) with the number of part-time workers at 50.9 thousand people. The behavior of employers using such forms of labor relations are explained by both the desire to minimize tension in the labor market (which is a mandatory requirement of public policy to support employment) and the shortage of qualified personnel. The flexibility of labor relations typical for the Russian labor market [3] facilitates its adaptation to crisis phenomena, but it does not create conditions for the effective restructuring of employment and for an increase in productivity and labor quality. The structure of employment by types of economic activity is formed depending on various factors. First of all, these are general economic factors: demand factors [4]. Moreover, their influence varies depending on the specific type of economic activity. Wage levels remain the most important factor characterizing the attractiveness of an economic activity. The gap between wage levels in the economy leads to staff disparities associated with the excessive supply of labor in the sectors with a high level of wages and with insufficient supply in sectors with a low level of wages. An important indicator of the effectiveness of labor resources use is the workplace cost (the capital-labor ratio) by economic activities [6]. Calculation of the average annual index of change in capital-labor ratio by economic activity type in recent years has shown that in the following sectors growth rates of this indicator were higher: manufacturing industries (108.2%), production and distribution of electricity, gas, and water (106.7%), as well as hotels and restaurants (106.5%). Labor productivity in certain types of activities is related to the technological structure of domestic production. The degree of wear of production assets predetermines the high level of energy and labor intensity of the production process, which in turn leads to a decrease in its effectiveness.

2. METHOD

The regression models were developed to determine the mechanisms of the impact of general economic factors on the dynamics of employment by main types of economic activities and to obtain quantitative estimates [8]. The raw data used in our study were collected from official monthly statistical data for the period 2009-2015. The selection of this time interval was primarily due to the fact that the main source of information on employment is sample surveys on employment issues, which become monthly only since August 2009.

In our models for the number of employed population by main types of economic activities the endogenous variable was:

$y_{i,t}$ – number of employed at the main job in i -th type of activity at the time t (persons).

The exogenous variables, as the main characteristics of demand, included:

$x_{1i,t}$ – ratio of average monthly wages of employees on a full scope of organizations in i -th type of activity to the average in the national economy at the time t (units);

$x_{2i,t}$ – number of employees to whom the organization has overdue wages payable in i -th type of activity at t -th moment of time (persons);

$x_{3i,t}$ – growth / reduction in the number of employees for whom the organization has overdue wages payable in i -th type of activity at the moment of time t (as a percentage with respect to the previous period);

$x_{4i,t}$ – total overdue wages payable in i -th type of activity at the moment of time t (thousand rubles);

$x_{5i,t}$ – total overdue wages payable in i -th type of activity at the moment of time t (as a percentage with respect to the previous period).

The following indicators were used as the main factors characterizing labor productivity:

$x_{6i,t}$ – industrial production index in i -th type of activity at the moment of time t (rubles);

$x_{7i,t}$ – index of intensity of the output of goods and services (as a percentage with respect to the previous period).

In view of the fact that factors influencing the employment include demographic characteristics, the following was taken into account when constructing models:

x_{8t} – labor force at the moment of time t (thous. of people);

x_{9t} – the working-age population at the time t (thous. of people).

To account for seasonality in the time series, characterizing employment by type of activity, the following indices were included:

x_{10i} – seasonality index in employment for i -th type of activity calculated by the formula:

$$x_{10i} = \frac{\overline{y_{i,k}}}{y_{i,t}},$$

where $\overline{y_{i,k}}$ - average number of employed in i -th type of activity in a month $k = \overline{1..12}$ (persons); $y_{i,t}$ - the average monthly number of employed in i -th type of activity for the period 2009-2015 (persons);

x_{11i} – month's rank by a number of employees in i -th type of activity.

Econometric models for employment in Russia by type of economic activity were built using step-by-step regression analysis algorithms. All regression equations obtained were tested and F -test confirmed their significance, regression coefficients were tested using t -test at significance level $\alpha = 0.05$. The residues were tested for absence of autocorrelation based on Durbin-Watson test. The standard error of estimate $S.E$ [9] was used as a measure of the spread of actual observations relative to model values.

3. RESULTS

The regression equation modeling employment in agriculture, hunting and forestry is as follows:

$$\hat{y}_{CX,t} = -89.0 - 0.031x_{2,t-1} + 0.25x_{8,t} + 0.63x_{10,t} + 113.22x_{11,t}$$

t-statistics: (-3.2) (2.8) (3.7) (14.1)

$$R^2 = 0.93; \quad F(4;54) = 93.6; \quad DW = 2.19; \quad S.E = 13.9.$$

According to the adequacy characteristics given below this equation, the equation itself and all its regression coefficients are significant at $\alpha = 0.05$. The results of the analysis showed that

employment in agriculture depends primarily on the number of employees with respect to whom an organization has overdue wages payable ($x_{2,t-1}$), the economic activity of rural population ($x_{8,t}$). The seasonality factor is also essential: the employment in agriculture reaches the highest values in May, June-September, and November. It is worth noting that employment in agriculture, hunting and forestry is practically not affected by the amount of wages. This shows that for rural population the choice to be employed or unemployed depends to a large extent not on the size of wage, but on the available opportunities in the labor market. The crisis in the development of rural areas has led to situation when any work, in any position

The crisis in the development of rural areas has led to the fact that any work, in any position (even if the salary is low) is considered by the rural population as a suitable one. To assess the accuracy of the model, a comparison was made between the observed and estimated values of the number of employed in agriculture and it was demonstrated that the predictive properties of the model are rather high [11]. The results of the comparison for 2015 are shown in Figure 1.

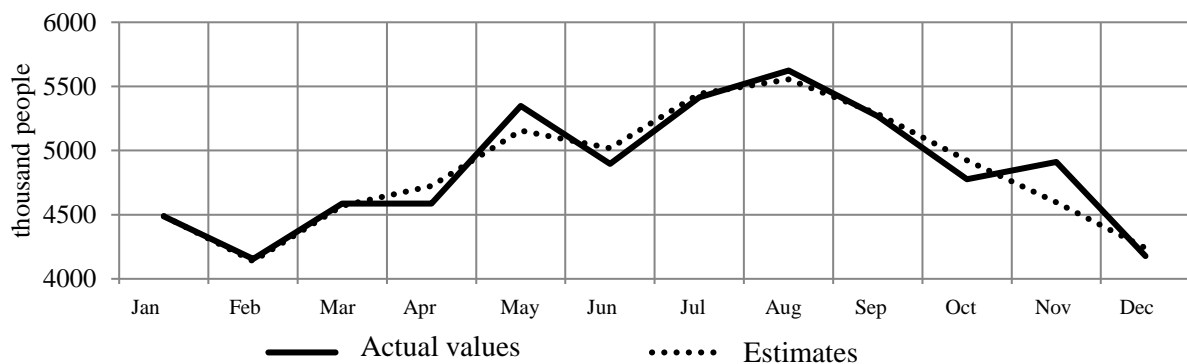


Figure 1: Actual and estimated numbers of employed in agriculture in Russia for 2015 (thous. of people)

To build a predictive model that characterizes the number of employed in agriculture based on monthly data for the period 2009-2015, the Box-Jenkins autoregression and integrated moving average (ARIMA) (0,1,1)(1,0,0) model adjusted for seasonality was used, which allowed building forecasts with upper and lower bounds of intervals [18]. The parameters of this model are presented in Table 1.

Table 1: Parameters of model (0,1,1)(1,0,0) with seasonal lag 12, characterizing the number of employed in agriculture

Model parameter	Parameter value	t-statistics	Significance level
$q(1)$	0.28	2.74	0.01
$Ps(1)$	0.70	6.86	0.00

All parameters of the proposed model are statistically significant. The standard error was 1.01. Correlograms of autocorrelation and partial autocorrelation functions demonstrate that the residues of the proposed model are similar to the residues of white noise, with no periodic fluctuations, no systematic bias, and no strong correlations between them. The histogram of residues is similar to a normal distribution. The model can be considered adequate. The

proposed model allowed to obtain the predicted values of the number of the number of employed in agriculture, which are presented in Table 2.

Table 2: Forecast of the number of employed in agriculture in 2016-2017 (thous. of people)

Month	2016			2017		
	Predicted values	Lower limit	Upper limit	Predicted values	Lower limit	Upper limit
January	4562.7	4439.7	4685.6	4615.4	4252.8	4977.9
February	4331.6	4180.2	4483.1	4454.6	4062.2	4846.9
March	4632.3	4456.9	4807.7	4663.8	4243.7	5083.8
April	4631.6	4435.1	4828.0	4663.3	4217.3	5109.3
May	5161.8	4946.4	5377.3	5032.3	4561.8	5502.9
June	4848.0	4615.1	5080.9	4813.9	4320.0	5307.8
July	5208.5	4959.4	5457.6	5064.7	4548.6	5580.9
August	5353.9	5089.6	5618.2	5166.0	4628.5	5703.5
September	5106.9	4828.1	5385.6	4994.0	4436.0	5552.1
October	4764.5	4472.1	5056.9	4755.8	4178.0	5333.6
November	4857.0	4551.5	5162.6	4820.2	4223.2	5417.2
December	4347.7	4029.6	4665.7	4465.7	3850.2	5081.2

According to the forecast obtained using the proposed model, the maximum number of employed in agriculture in 2016 will be observed in August and will reach 5353.9 thousand people. By the end of the year, it will be reduced to some extent and will maintain at 4347.7 thousand people. By the end of 2017, the number of employed in this sector will be 4465.7 thousand people that is higher than the value in the same period of 2015 by 6.9%. The regression equation modeling the dynamics of the number of employed in manufacturing sectors using monthly data for the period from 2009 to 2015 is as follows:

$$\hat{y}_{on,t} = 7268.5 + 54.3x_{1,t-1} - 4.2x_{6,t-1} + 0.25x_{9,t} + 4.0x_{10,t} - 0.47y_{TOP,t}$$

t-statistics: (2.7) (-3.5) (2.1) (2.2) (-3.4)

$$R^2 = 0.96; F(5;53) = 254.4; DW = 2.05; S.E = 7.6.$$

Wage growth (as a percentage of the average wage in the economy) in manufacturing sectors ($x_{1,t-1}$) positively affects the number of employed population in this sphere; however, the ratio of the average monthly wage to the average wage in the economy for the period under review declined. The industrial production index in the sector ($x_{6,t-1}$) for the period under review had an upward trend. The increase of production efficiency led to the optimization of employment structure in manufacturing. The negative influence of data on the number of the population employed in wholesale and retail trade (y_{TOP}) on the resulting index can be explained by the competitive advantages of this type of activity in comparison with manufacturing in terms of employment. Actual and estimated values of the population employed in manufacturing sectors shown in Figure 2 confirm the high accuracy of the model.

Figure following on the next page

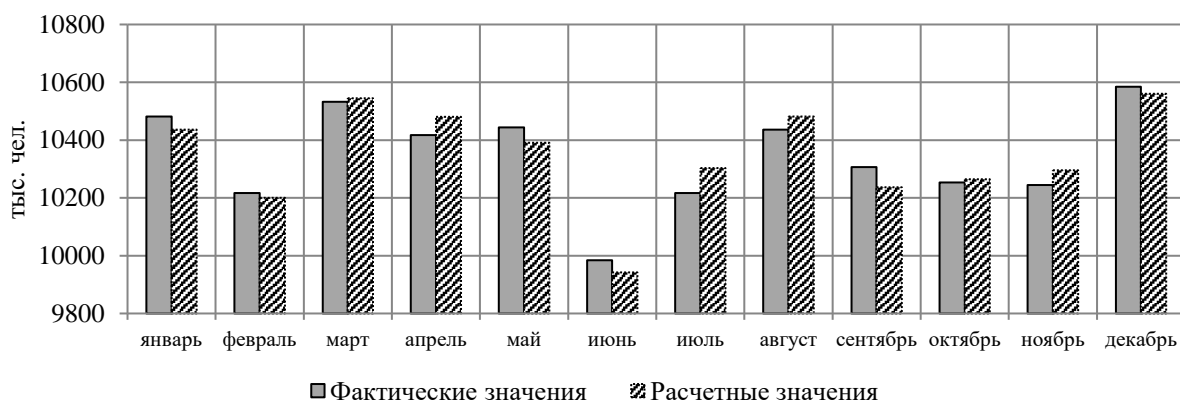


Figure 2: Actual and estimated numbers of employed in manufacturing sectors in 2015 (thous. of people, during all months of 2015)

The forecast model of the number of employed in manufacturing sectors has the form $ARIMA(0,1,1)(1,0,0)$; its parameters are presented in Table 3.

Table 3: Parameters of $ARIMA$ model $(0,1,1)(1,0,0)$ characterizing the number of employed in agriculture

Model parameter	Parameter value	t -statistics	Significance level
$q(1)$	-0.76	-11.41	0.00
$Ps(1)$	0.97	18.45	0.00

Predictive estimates of the number of employed in manufacturing sectors in 2016-2017, obtained using model $ARIMA(0,1,1)(1,0,0)$, allowed to conclude that the number of employed in this sphere will continue to decrease albeit slightly. By the end of 2016, the value of this indicator will be 10271.7 thousand people and 10138.5 thousand of people by the end of 2017.

It is known that agriculture and manufacturing industries were a resource base for a long time for other sectors of the economy (types of economic activity - compensators). The analysis shows that if the number of employed in agriculture somewhat increases, then manufacturing industries will continue to be a donor of labor resources.

The regression equation modeling employment in the mining sector is as follows:

$$\hat{y}_{\text{ДММ},t} = -101.2 + 52.8x_{1,t-1} - 0.001x_{5,t-1} + 0.49x_{6,t} + 1.6x_{10,t}$$

t -statistics: (2.3) (-3.5) (3.3) (5.4)

$$R^2 = 0.71; \quad F(4;54) = 33.1; \quad S.E = 13.9; \quad DW = 1.92.$$

Factors that cover 71% of the variation in the number of employed in mining sector include $x_{1,t-1}$, which is the ratio of the average wage in the sector to the average wage in the economy, and $x_{5,t-1}$, which is the amount of overdue wages payable with one lag delay. The significance of these factors is due to the fact that the average wage in this type of activity is one of the highest in the economy. The inclusion of lag variables in the model shows that the employment rate responds to changes in these indicators with a delay of one month. Such influence of

demand parameters corresponds to behavioral logic. It should be noted that, similar to agriculture, statistically significant factors include seasonality index in employment ($x_{10,t}$). It is noteworthy that for every three months, there is a peak in employment. Peaks do not coincide with the beginning or end of quarters. Rather they coincide with the beginning of the seasons: March, June, September, December (the maximum seasonality index in the period under study is that for December – 110,1%), and there is a decline in the next two months (Figure 3).

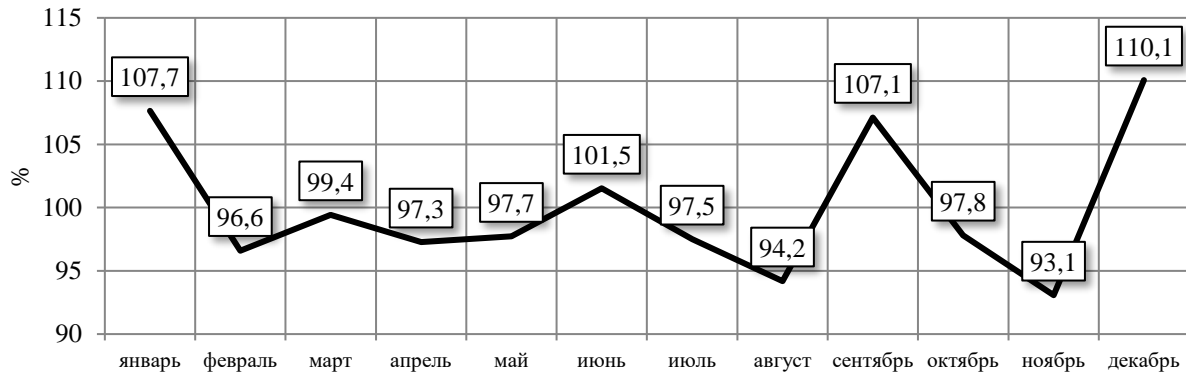


Figure 3: Seasonality index in mining sector, %

Based on the evaluation of the model accuracy [12], we can conclude that the proposed equation correctly describes the behavior of the endogenous variable. This is supported by the value of the standard error, as well as by the results of the comparison of actual and estimated values of the number of employed in the mining sector in 2015, presented in Table 4.

Table 4: Actual and estimated numbers of employed in mining sector in 2015 (thous. of people)

Values	January	February	March	April	May	June
Actual	1602	1406	1493	1404	1559	1573
Estimated	1620.7	1458.8	1507.2	1480.5	1507.1	1552.0
Values	July	August	September	October	November	December
Actual	1456	1492	1638	1457	1357	1621
Estimated	1482.7	1437.7	1636.0	1496.6	1407.6	1660.5

The choice of a prognostic model, ARIMA(1,1,0)(0,0,1) with seasonal lag 12 was determined by the dynamics of the number of employed in the mining sector. All the coefficients in the model are statistically significant, the standard error is rather small: 0.147.

Table 5: Parameters of ARIMA model (1,1,0)(0,0,1) with seasonality characterizing the number of employed in mining sector

Model parameter	Parameter value	t -statistics	Significance level
$p(1)$	-0.39	-3.56	0.00
$Qs(1)$	-0.25	-2.14	0.04

The proposed model allowed obtaining predicted values employed in the mining sector in the medium term. According to forecasts, the number of employed in this field by the end of 2016

will reach 1603.5 thousand, and by the end of 2017 – 1586.2 thousand people. This indicator will reach its maximum in September 2016 at 1637.0 thousand of people.

The regression equation modeling the number of employed in the wholesale and retail trade:

$$\hat{y}_{TOP,t} = -7465.5 + 20.8x_{1,t-1} + 12.6x_{7,t-1} + 0.06x_{9,t} + 132.0x_{10,t} + 0.001x_{12,t}$$

t-statistics: (2.0) (2.5) (2.9) (4.6) (2.9)

$$R^2 = 0.84; F(5;53) = 55.5; DW = 1.95; S.E = 11.2.$$

The explanatory variables for this equation are: working-age population ($x_{9,t}$) and seasonality index ($x_{10,t}$), as well as wage as a percentage of the average wage in the economy ($x_{1,t-1}$) and the index of intensity of the output of goods and services ($x_{7,t-1}$) with one month lag.

The last two indicators reflect the scale of production in trade. However, their meaning is different. The output reflects the overall scale of production, while the wage reflects the increment of output opportunities. The specificity of investment activity in trade in recent years was that the priority was the expansion of trading networks and not the substitution of capital for labor. In this regard, we can state that in this sector, where a very high level of productivity was achieved, labor and capital are in complementary relationships rather than substitution. One of the explanatory variables included in the model was the variable characterizing household consumption ($x_{12,t}$) in comparable prices of 2008 (in billion rubles). With the growth in household consumption, the turnover of retail trade (food and non-food products) also goes up, which in turn leads to an increase in the number of employed in trade. The actual and estimated values of people employed in the wholesale and retail trade in 2015 are shown in Figure 4.

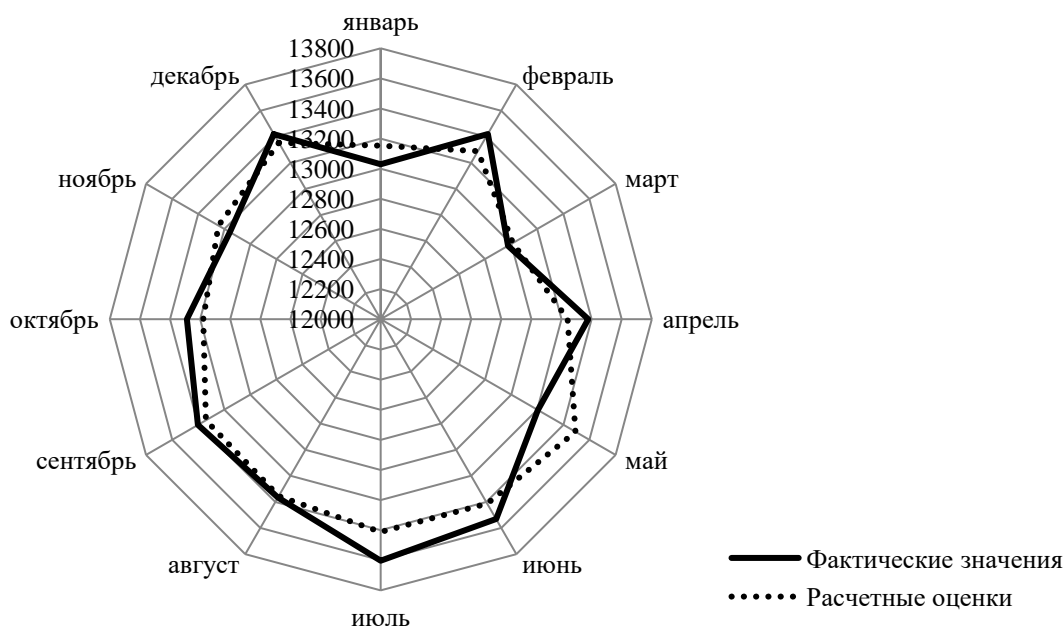


Figure 4: Actual and estimated numbers of employed in wholesale and retail trade in 2015 (thousands)

Forecasting of the number of employed in trade was based on the model ARIMA(0,1,1)(1,0,1). The residues of the proposed model are random, uncorrelated and normally distributed quantities. This confirms the quality of the proposed model. Statistically significant and reliable model parameters are presented in Table 6.

Table 6: Parameters of ARIMA model (0,1,1)(1,0,1) with seasonal lag 12, describing the number of employed in mining sector

Model parameter	Parameter value	<i>t</i> -statistics	Significance level
$q(1)$	0.76	9.44	0.00
$Ps(1)$	0.90	4.21	0.00
$Qs(1)$	0.67	2.29	0.02

According to the proposed forecast estimates, the number of employed in small enterprises in the forecast period will grow and will reach 13442.8 thousand by the end of 2016 and 13533.2 thousand of people by the end of 2017.

4. DISCUSSION

Summing up, it can be noted that the existing trends will prevail in the prospective period: significant wage differentiation by type of economic activity determines the employed population concentration in spheres where the wages are high. According to the models, some transformation of the employment structure by type of economic activity will continue: the number of employed in wholesale and retail trade will gradually increase, absorbing the flow of labor from the manufacturing industries and agriculture. In turn, the inefficient distribution of employed by type of activity will lead to differentiation in the productivity of labor as well. The development of the economy in recent years has shown that, for the Russian economy, the limited manpower is not yet an acute problem because there is an allowance to increase the effectiveness of the labor force (it is relevant for both quantitative and qualitative parameters). The existing model of the labor market in Russia, which during crisis allowed eliminating the existing tension, at the present stage impedes the transition to an effective employment structure, which in turn does not allow the formation of an effective production structure.

5. CONCLUSION

The calculations showed the importance of demand characteristics, factors that describe labor productivity and demographic situation, as well as the insufficient ability of the labor market to self-regulation. Taking into account the inertia of the labor market, it is necessary to create additional regulators which will be based mainly on the system of forecasting of the economy's needs in labor resources. The complexity and ambiguity of the employment situation in our country make it necessary to find ways to develop it at the level of individual regions.

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FACTORS AFFECTING ORGANISATIONAL DESIGN: THE CASE OF FRANCK TEA

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ABSTRACT

This paper aims to highlight the importance of factors that affect organisational design and provide a deeper insight into the importance of organisation and an organisational structure. The paper focuses on the main factors and the manner in which they affect organisational design, in particular the design of organisational structure. The internal factors that affect an organisation are mutually dependent; hence, a change in one factor causes a change in another. Unlike the internal factors, which an organisation can shape and control, the external factors are beyond its control and it must adapt to them. The main internal factors which significantly affect an organisation and its success are its employees and products. People are the only living element of an organisation. Product is a very important factor that also influences an organisation's choice of technology. Its design and properties must meet specific customer needs. Customers are one of the key external factors that affect the success of an organisation. A survey was conducted with an aim to gain an insight into the level of consumption of Franck teas and the respondents' habits of drinking tea; more specifically how often and with whom they drink tea and how they usually take it. The survey results indicate that more than 90% of the respondents drink Franck teas.

Keywords: *organisation, organisational structure, internal and external factors, customers, Franck tea*

1. INTRODUCTION

Businesses require a well-structured organisation to accomplish their goals and be able to grow. In today's globalized world, organisation has an important role. Without organisation, any effort to achieve a goal would be much more difficult, and many attempts would even be rendered impossible. Organisation includes and contributes to the importance of organisational structure, organisational resources and organisational processes. Organisational structure is often affected by a number of factors in the internal and external environment, which leads to constant changing of its components. Numerous factors affect the development of organisational structure; however, the most important ones are the external and internal factors. A survey was conducted on the consumption of Franck teas to identify the internal and external factors affecting organisational design.

2. ORGANISATION

The word organisation has various meanings. It can be defined as an activity that seeks to harmonize the interpersonal relationships of those who work together towards the achievement of common goals (Bernik J., Đurđević S., Fotočić N., Tolušić M., Vinković B., Vrbanc A., 2007, p. 6). Organisation enables the effective and efficient implementation of human activities

which, without organisation, would result in failure. Since organisation is present in almost every aspect of human life, it can be argued that the whole world is an organisation. Thus, organisation and the process of organising are vital in a modern society. To be able to carry out their tasks and responsibilities in various organisations, people need to be well organised. Regardless of where one is or what one is doing, every aspect, every part of human life, from birth to death, requires organisation. Organisation, whose essential parts are structure and goal, is one of the most important and oldest concepts created by humans. To understand the importance of organisation, try to imagine a world in which one needs to travel by train, bus, boat or airplane, but there is no timetable or flight schedule. Another good example of life without organisation would be a situation in which students or teachers need to attend/give a lecture but do not have a lecture schedule, or organisations without set working hours. If this were the case, disorganisation and disorder would occur and an organisation would fall apart. In order for organisations to survive, they must be dynamically stable, i.e. be willing and able to change (Sikavica, 2011, p. 20).

Goals are a vital part of any organisation. They can be defined as the ends towards which an organisation's efforts are directed or the endpoints that an organisation seeks to reach. They have a hierarchical structure, which means that achieving one goal is a prerequisite for achieving other goals. Goals must be SMART, i.e. specific, measurable, attainable, relevant and time-bound (Sikavica, 2011, p. 22).

Organisational structure is the most important, and highly dynamic, element of an organisation. It needs to be clearly defined, robust and suited to the organisation's specific requirements. The word structure comes from the Latin word *structura*, meaning order, building, masonry, and has multiple meanings. The structure of an organisation is constantly affected by external and internal changes, which in turn constantly change its elements. Organisational structure defines the manner in which the roles and responsibilities are assigned to individuals and divided across an organisation. Developing a quality organisational structure is of utmost importance. Numerous factors influence the development of organisational structure. Many authors have studied this subject and have put forward different types and classifications of these factors. However, most of them agree that the most adequate division is into internal and external factors (Sikavica, Hernaus, 2011, p. 15).

3. FACTORS THAT AFFECT ORGANISATIONAL DESIGN

Organisational factors include all factors that affect the choice of a particular type of organisational structure, and determine the key dimensions of an organisation such as the level of work division and specialization, number of hierarchical levels in an organisation, level of control, authority and responsibility, degree of centralization and decentralization and coordination within an organisation (Sikavica, 2011, p. 209).

3.1. INTERNAL FACTORS

One must analyse these factors in the context of their mutual relationship rather than individually. The reason for this is not the fact that an organisation is affected by both internal and external factors, but because each of the factors influences other factors, thus affecting the structure of an organisation. Internal factors include the factors which an organisation can define and control. The most important internal factors of an organisation are its vision, mission and goals; strategy; technology; size; life cycle; people; products and location (Sikavica, 2011, p. 217). Vision, mission and goals are in a hierarchical relationship, meaning that they are interconnected, i.e. none of them is autonomous and independent and each of them affects the other two. To be successful, an organisation must have a clearly defined, realistic and attainable vision (Hunjet, Kozina, 2014, p. 128). In order to develop an attainable vision, it is particularly

important to establish a good communication with as many customers, suppliers and employees as possible. Once there is a well-defined and clear vision, the focus shifts to the mission. Establishing the mission takes time to coordinate all the factors that need to be taken into account. A clearly-defined mission is a starting point for determining goals and behaviours and the path that an organisation wants follow (Hunjet, Kozina, 2014, p. 131). Goals define what the company seeks to achieve; they are closely related with the strategy that defines the manner in which the desired goals will be achieved (Sikavica, Novak, 1999, p. 68). Strategy is one of the most important factors that affect organisational design. The strategy of a company or an organisation must be tailored to the needs of that particular company or organisation. A helpful tool in developing the strategy of an organisation is the SWOT analysis. The choice of strategy has an impact on the organisational design, and it is closely related to the goals and the structure of an organisation. To gain competitive advantage, an organisation's strategy must be tailored to fit the specific goals of the company (Bobera, Hunjet, Kozina, 2015, p.140). Technology significantly impacts not only the organisational design but also the society as a whole. Technology is defined as work performed by an organisation, but also as machinery, tools, information, skills and materials used to perform an activity. Technology is the essence of the transformation process and includes methods of production, workflow and equipment (Sikavica, 2011, p. 234).

Like people, organisations evolve through various stages of life cycle - birth, midlife and death. Providing that the management of an organisation is highly competent and capable, organisations can outlive their founders and "live forever". Business problems occur in all stages of an organisation's life; however, they are more likely to occur during the transition from one stage to another. For example, threats that occur during the start-up phase are different from those that occur during maturity (Sikavica, 2011, p. 258).

People are a crucial element of any social system. Managers and employees, as members of an organisation, are assigned different positions and roles. People, i.e. employees of an organisation, as an important internal factor, affect not only the success of a business, but also the organisational structure. Several people-related factors influence the organisation, e.g. the composition of employees, their knowledge and abilities, the concept of management, the attitudes and needs of employees, the way workplaces are organised, the establishment of an informal organisation, and the implementation or non-implementation of the organisation (Sikavica, 2011, p. 266). The knowledge and abilities of employees have a powerful affect on an organisation.

Product is also a very important internal factor. Production is specific to the product that is being produced, so each product requires specific technology. Products also determine the type of organisational structure. If an organisation produces a single product, its overall organisational structure will be functional. If an organisation produces a large number of different products, using different production technologies, it will opt for a divisional organisational structure. The quantity of products will affect the organisational structure regardless of whether an organisation produces one or several related, similar or different products (Sikavica, 2011, p. 270). Product represents the final result of a production activity that exists even after the production process has been completed. Its design and properties are developed to meet a specific need. Each product has some basic properties; however, in addition those, there are also product properties that are valued by consumers, which distinguish this product from competitor products. Long-term survival and growth of an organisation in the market depend primarily on its ability to offer a superior product to the consumer (Kesić, 2003, p. 234).

3.2. EXTERNAL FACTORS

External factors are also referred to as environmental factors. The environment of an organisation includes external forces, i.e. influences outside an organisation that affect it. Considering that everything that is outside an organisation is its environment, it can be assumed that in today's globalized world, the external environment of any organisation is infinite. The most powerful external factors are economic, technological, social, demographic, political, legal, cultural and international factors, while the most important factors in the organisation's immediate environment are integration processes, customers, suppliers, competition and labour market (Sikavica, 2011, p. 282).

Economic environment is a part of the general environment and refers to the overall economic context in the country in which an organisation operates, as well as the narrower and wider regions that interact with the environment. The economic environment includes customers and their economic power, the general level of unemployment, the availability of funding, interest rates, etc. It affects an organisation significantly because the stability and safety of the environment largely determine the stability and safety of an organisation (Sikavica, 2011, p. 290).

Technological environment of an organisation is the global environment which includes all competitors within the same industry. The technological environment requires organisations to adapt to the high level of technological uncertainty, and keep up with new technologies. In order to survive in such environment, an organisation needs to constantly invest in its process capabilities. Organisations are continually searching for new products and processes. Both production and information technologies require new types of organisation, and create a need for networking, removal of the hierarchy, a decrease in the size of organisations, and the like (Hunjet, 2015, p. 26).

Social environment includes the attitudes, desires, expectations, intelligence and education level, as well as beliefs and customs of people in a particular group or society. The social environment also includes the environmental movement, also known as green politics, which has become an important political force in some countries. Socially responsible behaviour has become imperative for individuals and the society as a whole. Socially responsible behaviour involves taking responsibility for one's own actions (Sikavica, 2011, p. 294).

Demographic environment is becoming an increasingly important factor to which organisations must adapt. Organisations should be aware of the demographic trends, high and low birth rates, average age of population, etc. The importance of the demographic environment will increase in the future due to the changing demographic trends and integration processes in some parts of the world. In order for the demographic profile of a country to be as favourable as possible, additional educational efforts need to be undertaken, which will affect the entire country's future (Sikavica, 2011, p. 295).

Political environment is the system of government of a country, which may be a democracy, a dictatorship or a monarchy. The government determines the political environment, promotes or restricts economic activities using tools such as subsidies, tax reliefs, customs duties, and the like. The political system largely determines the coordinates within which business activities take place, as each of these systems has specific characteristics. Organisations must therefore adapt to political factors. Different policy strategies are used by organisations and managers to deal with pressures from the political environment (Sikavica, 2011, p. 297).

Legal environment includes the laws, regulations and administrative rules adopted by the legislative authority of a country. For any society to be able to function, a legal system needs to be established to ensure a compromise between different individuals and groups with

conflicting interests and goals. General legislation applies equally to all businesses regardless of their size, activity, location, etc. All regulations aim to protect one company from another, consumers from unfair business practices, and the wider social interest from irresponsible behaviour of some business entities. Since the legal environment, as an external factor, significantly affects organisations, it is in the interest of any government to make institutional conditions as stable as possible or at least relatively stable (Sikavica, 2011, p. 299).

Culture is a very important element of an organisation and the essence of organisational life that deserves special attention. A functional culture is vital for successful implementation of strategies and the survival and growth of an organisation. Simply put, culture is a set of values, norms and beliefs. Organisational culture defines how employees interact with each other and complete tasks in a company, and reflects the character of a company. Culture affects practically all aspects of an organisation. It is also associated with the technology and comprises the skills, equipment and techniques that enable an organisation to produce goods and services that the market demands (Sušanj, 2005, p. 32).

International environment includes all factors that affect an organisation in an international context. Awareness of the international environment helps organisations follow the global trends, keep up with new developments and innovative processes, and earn a share of the global profit. The international environment is divided into the global environment and the specific environment (Sikavica, 2011, p. 301).

Integration processes are one of the external factors that an organisation can control to an extent on condition that it is one of the entities being integrated with other organisations, regardless of whether it is being acquired or merged (Sikavica, 2011, p. 303). Integration processes differ from other external factors in that an organisation can influence them, whereas it has to adapt to all others external factors. Merging refers to the merging one or more organisations into a new organisation, and as a rule, it is friendly. Acquisition occurs when one organisation buys or takes over another organisation; it can be either friendly or hostile. Ordinarily, smaller organisations are acquired by the bigger ones (Sikavica, 2011, p. 303).

Customers are all those who buy or, in a similar way, come into possession of the products and services of an organisation. Customers are the most critical external factor that directly affects an organisation and its structure. They are vital to any organisation's success. They are essential to an organisation because their number, actions and financial power determine its potential for growth and development. Manufacturers adapt to customer requirements to provide them with the best product for the right price. An organisation should be well informed about the market because today's customers know what they want and are willing to pay for it if the price is right (Kesić, 2006, p. 118).

Competition involves at least two individuals, groups, organisations, etc. competing for the same territory, space or resource. According to Adam Smith, competition is the effort of two or more parties acting independently to secure the business of a third party by offering the most favourable terms. Competition is more complex and harder to manage than other factors of external environment of an organisation because it exists both in the supplier market as well as in the customer market, i.e. affects both the input and the output. In order to manage competition, an appropriate strategy must be devised and implemented, provided that the product is of high quality and has a competitive price that matches its quality. If new market competitors appear, the reaction of the organisation will depend on its market potential and the quality of its products. If substitutes appear in the market, the reaction of the organisation will depend on whether these products can indeed substitute the product of the organisation.

In managing competition, organisations pursue different strategies to gain competitive advantage (Sikavica, 2011, p. 316).

Suppliers are organisations that supply other organisations with goods and services used in the process of manufacturing other goods and services. To gain a competitive advantage, suppliers must seek to acquire and keep a monopoly. Suppliers are responsible for supplying an organisation with raw materials, parts, labour, energy, money, etc. The more dependent an organisation is on the supplier's products, the greater the power of the supplier (Sikavica, 2011, p. 320).

Labour market is one of the components of an organisation's external environment. It includes human resources in the external environment from which organisations can recruit their employees. For an organisation to be successful, high-quality human resources with adequate competences and abilities are needed. For this reason, it is important for any organisation to have quality, competent and skilled employees (Sikavica, 2011, p. 322).

Employees are an invaluable asset to any organisation. Given that their value increases with their development, the focus of human resources departments should be on providing them with opportunities for growth and development (<https://selekcija.hr/2010/12/ljudski-resursi-ljudski-potencijali-hr-odjeli-sto-je-to/>, accessed on 1 October 2016).

4. THE CASE OF FRANCK TEA

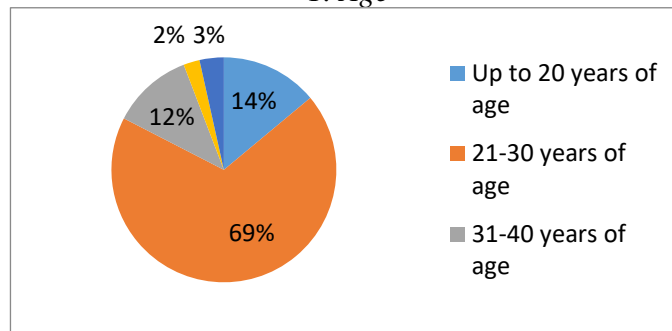
Franck is one of the most successful Croatian manufacturers and exporters of food products. Its beginnings date back to more than 120 years ago, which means that it has a long history and rich tradition. By continually expanding to regional markets and investing in research, development and innovation, the company has become a symbol of visionary, entrepreneurial spirit and prosperity, and has followed in its rich international business tradition ever since. The brand name Franck guarantees top quality. In this research, Franck company was taken as an example to illustrate internal and external factors that affect organisational design. More specifically, the product, in this case Frank tea, was analysed as one of the most important internal factors that affect organisational design. Franck has created a very attractive design for each Franck tea variety as the product must attract the customer's attention with its appearance first, and then with its positive effects. Customers, their habits and preferences are given careful consideration, and all the information obtained is taken into account when designing a new product that will satisfy customers' wishes (<http://www.franck.eu/o-nama/>, accessed on 17 October 2016).

4.1. Research objective and results

A survey was undertaken to investigate the level of consumption of Franck teas and determine the extent to which the respondents are satisfied with its characteristics. A questionnaire comprising 19 questions was created. 86 respondents in different age categories were surveyed, of which 72% were female and 28% were male. The survey was anonymous. The questionnaires were sent by e-mail with an accompanying note briefly explaining the nature and purpose of the survey. The data collected were analysed using statistical methods, and the results are presented in the tables and graphs below and interpreted (Makopak-Pušec, 2017, pp. 50-72).

Graph following on the next page

1. Age

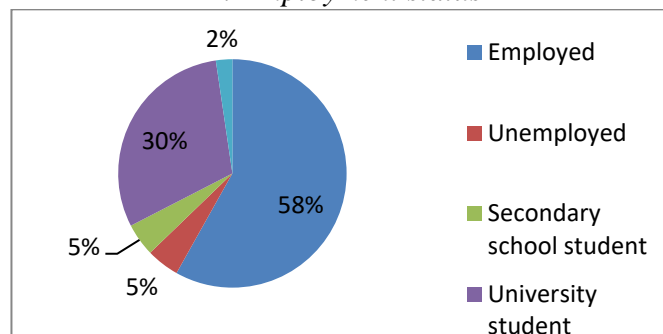


Graph 1: Distribution of the respondents according to their age

Source: Created by authors

The majority of the respondents (69%) are between 21 and 30 years old, followed by those aged up to 20 years (14%). 31-40 year olds account for 12% of the respondents, while those over 51 years of age account for 3% of the sample. The smallest group, accounting for only 2% of the respondents, are those aged 41-50 years.

2. Employment status

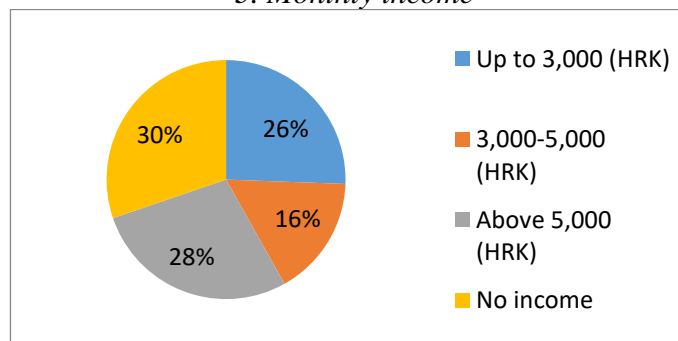


Graph 2: Employment status of the respondents

Source: Created by authors

The majority of the respondents (58%) are employed. Students account for 30% of all respondents, as do the unemployed. Secondary school students account for 5% and the retirees for 2% of the respondents.

3. Monthly income

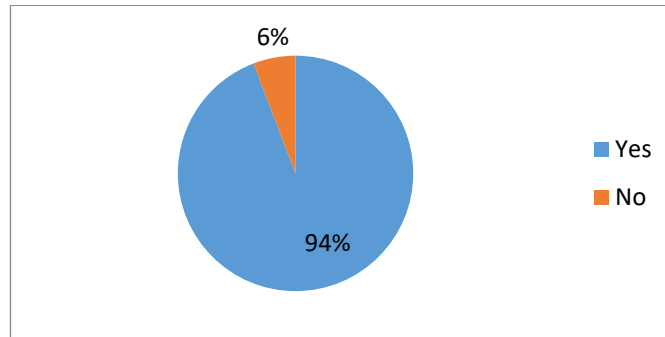


Graph 3: Monthly income of the respondents

Source: Created by authors

Respondents without any income account for the highest percentage of the sample (30%), followed by those with up to HRK 3,000 (26%) and those with more than HRK 5,000 (28%). 16% receive a monthly income of HRK 3,000-5,000.

4. Do you drink any of Franck teas?

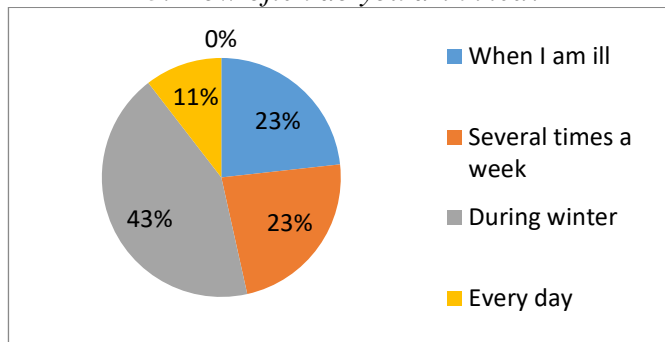


Graph 4: Consumers of Franck teas

Source: Created by authors

94% of the respondents drink Franck teas, while 6% do not.

5. How often do you drink tea?

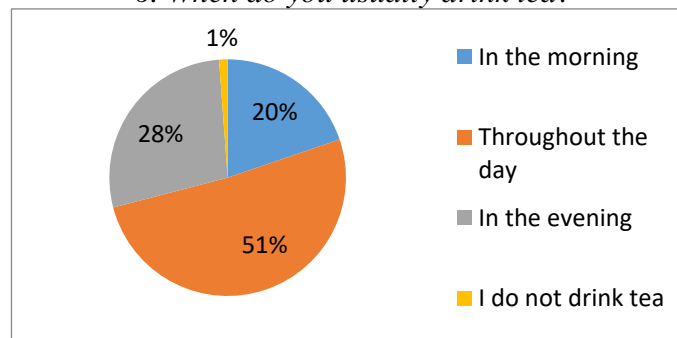


Graph 5: Frequency of tea consumption

Source: Created by authors

The survey results show that the majority of the respondents (43%) drink tea during winter. 23% of the respondents drink tea when they are ill and an equal percentage of them drink tea several times a week. Only 11% drink tea on a daily basis.

6. When do you usually drink tea?

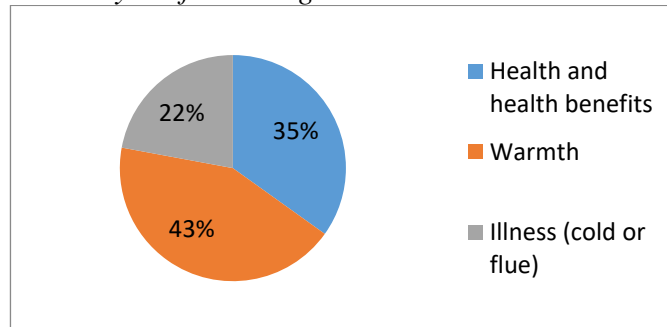


Graph 6: Time of day for drinking tea

Source: Created by authors

According to the survey results, 51% of the respondents drink tea throughout the day. 28% of the respondents drink tea during the evening, while 20% usually drink it in the morning.

7. *What are your first thoughts when someone mentions tea?*

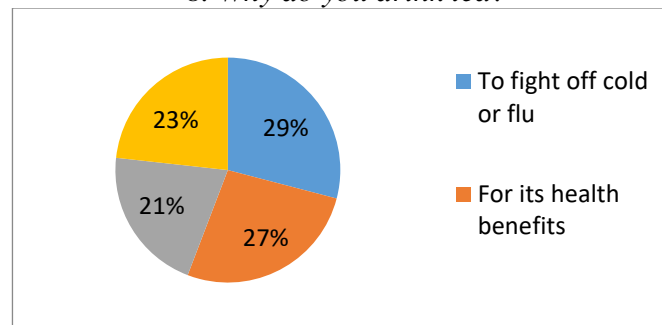


Graph 7: *First thoughts when tea is mentioned*

Source: Created by authors

43% of the respondents think of warmth when someone mentions tea. 35% of the respondents report that their first thoughts are health and health benefits, whereas the lowest percentage of the respondents (22%) think of illness (cold or flu).

8. *Why do you drink tea?*

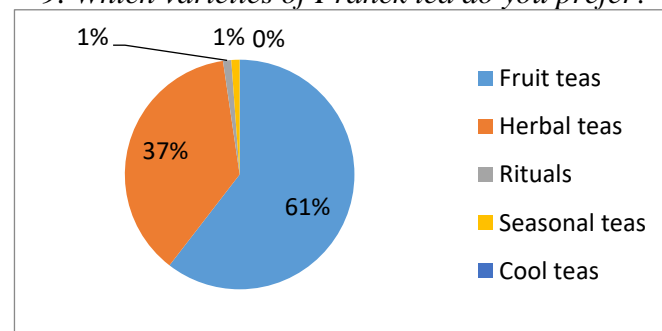


Graph 8: *Reasons for drinking tea*

Source: Created by authors

The data show that the most common reason for drinking tea is to fight off cold or flu (29% of the respondents). 27% of the respondents drink it because of its health benefits. 23% of the respondents report that they drink it to relax and calm down, while 21% drink tea because of its pleasant and delicious taste.

9. *Which varieties of Franck tea do you prefer?*

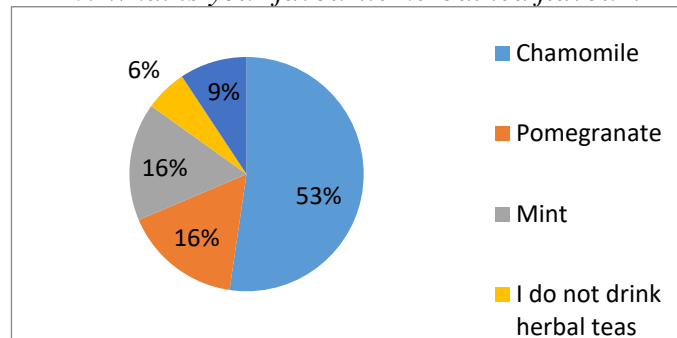


Graph 9: *Preferred tea type*

Source: Created by authors

The majority of the respondents (61%) prefer fruit teas, while 37% prefer herbal teas. An equal percentage of the respondents (1%) prefer Rituals teas and seasonal teas, while none of them prefer the brand Cool teas.

10. What is your favourite herbal tea flavour?

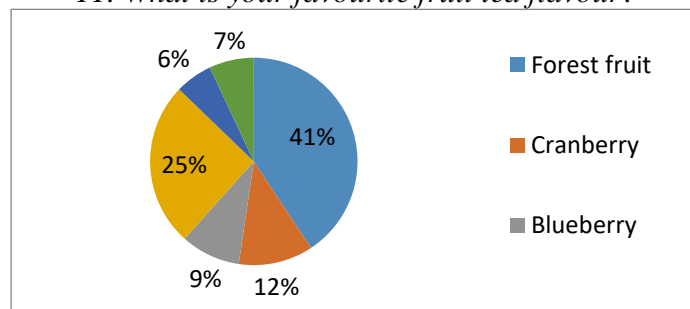


Graph 10: Favourite flavour of herbal tea

Source: Created by authors

The survey results indicate that the majority of the respondents (53%) prefer chamomile tea. An equal percentage of the respondents (16%) prefer pomegranate and mint flavours. 6% of the respondents do not drink herbal tea, while 9% of them prefer other flavours.

11. What is your favourite fruit tea flavour?

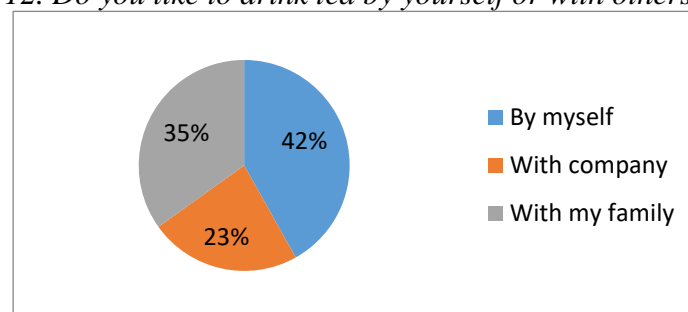


Graph 11: Favourite flavour of fruit tea

Source: Created by authors

The majority of the respondents (41%) prefer forest fruit, while 25% prefer apple with cinnamon flavour. 12% report that their favourite flavour is cranberry, while 9% prefer blueberry. Only 7% prefer other flavours - three respondents prefer cherry-flavoured and three vanilla-strawberry flavoured teas. 6% of them do not drink fruit tea.

12. Do you like to drink tea by yourself or with others?

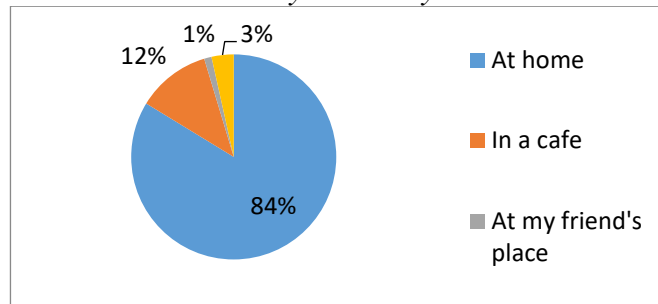


Graph 12: Preference in terms of company

Source: Created by authors

The majority of the respondents (42%) drink tea alone, followed by 35% of them who prefer to drink tea with their family. 23% of the respondents prefer to have company when they drink tea.

13. Where do you usually drink tea?

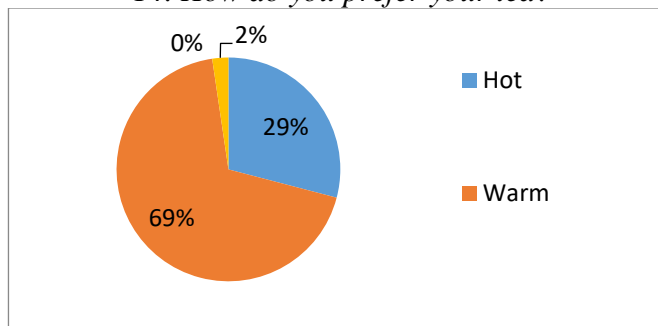


Graph 13: Usual place for drinking tea

Source: Created by authors

84% of the respondents usually drink tea at home, 12% drink it in a café, while 3% drink it at work. 1% say they usually drink tea at their friend's place.

14. How do you prefer your tea?

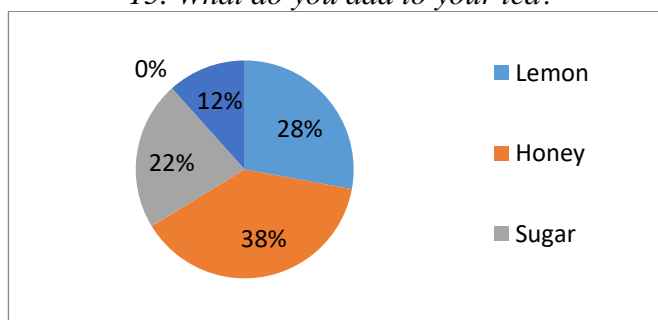


Graph 14: Preference in terms of tea temperature

Source: Created by authors

The majority of the respondents (69%) like to drink their tea warm, 29% of them prefer it hot, while 2% prefer to let it cool a bit before they drink it.

15. What do you add to your tea?

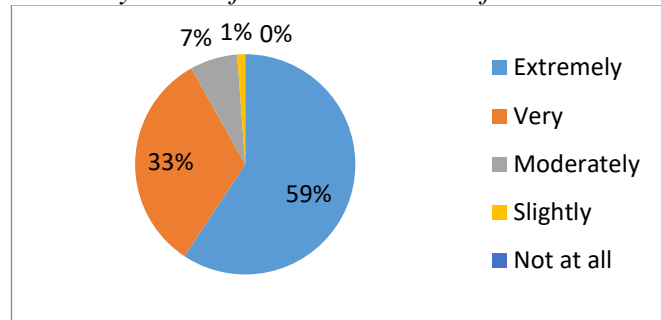


Graph 15: Preferences in terms of tea add-ins

Source: Created by authors

Most of the respondents (38%) put honey in their tea; while 28% prefer lemon. 22% of the respondents add sugar. None of the respondents add rum and 12% do not add any of the above.

16. Are you satisfied with the taste of Franck teas?

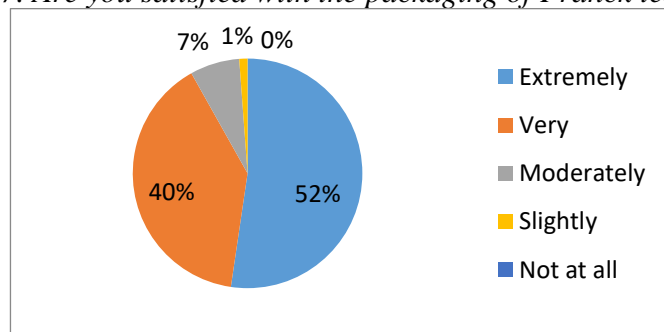


Graph 16: Satisfaction with the taste of Franck teas

Source: Created by authors

59% of the respondents are extremely satisfied with the taste of Franck teas, followed by 33% of the respondents who are very satisfied. 7% are moderately satisfied, while 1% are slightly satisfied.

17. Are you satisfied with the packaging of Franck teas?

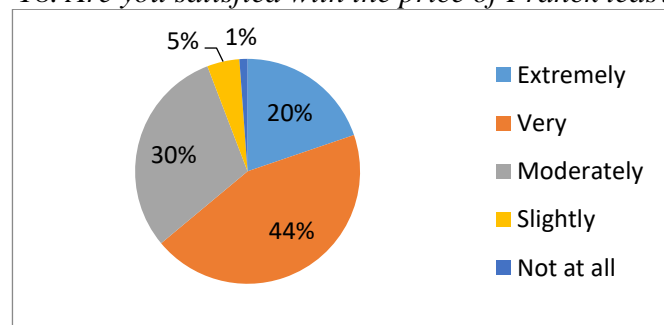


Graph 17: Satisfaction with the packaging of Franck teas

Source: Created by authors

According to the respondents' answers, Franck tea packaging is quite good as 52% of the respondents are extremely satisfied with it, followed 40% of the respondents who are very satisfied. 7% of the respondents are moderately satisfied, while 1% are only slightly satisfied.

18. Are you satisfied with the price of Franck teas?



Graph 18: Satisfaction with the price of Franck teas

Source: Created by authors

The majority of the respondents (44%) are very satisfied with the price of Franck teas, while 30% were moderately satisfied. 20% are extremely satisfied, while 5% are slightly satisfied. A very small percentage of the respondents (1%) are not at all satisfied with the price.

4.2. Analysis of survey results

Respondents aged 21-30 years make up the majority of the sample. The survey results show that tea drinkers take care of their health considering that the majority of respondents report drinking tea to fight off the flu or a cold and its health benefits as the main reasons for drinking tea. The respondents usually enjoy tea by themselves or with their family. As for their favourite time of day for drinking tea, 51% like to drink tea throughout the day. Fruit teas are preferred to herbal teas (60% vs. 37%). Chamomile is the preferred choice when it comes to herbal teas (52%), while pomegranate and mint are favourites for 16% of the respondents. The favourite flavours of fruit teas are forest fruit (for 41% of the respondents), followed by apple with cinnamon flavour preferred by 26% of the respondents. Tea is typically served hot. However, more than half of the respondents (69%) prefer drinking their tea warm, while 29% of the respondents prefer to drink it while it is hot. The survey results show that most of the respondents (38%) add honey to their tea, followed by lemon and sugar. The results also show that most respondents are satisfied with the flavour, packaging and price of Franck teas.

5. CONCLUSION

The overview and analysis of the factors that affect an organisation lead to the conclusion that they act jointly to create a complex network of interactions. Given that organisation is a conscious human activity aimed at bringing order to something, it can be inferred that without a well-organised structure, it is not possible for organisations to achieve good results. Depending on the needs of a company, some of these factors are more influential than others. Nonetheless, each of them affects the development of organisational structure in a specific way. Internal factors include factors within the organisation which it can control. Internal factors do not act alone, i.e. independently of one another, but are interconnected. For an organisation to achieve the best possible results and become as successful as possible, a well-planned vision and mission need to be formulated. The choice of the most favourable organisational structure depends largely on the size of the organisation. Organisations go through different life-cycles just like people do. The product is one of the critical success factors for an organisation. Its influence on the organisation depends on product diversity, quantity, mode of production and purpose. An adequate internal structure of an organisation and a well-chosen location of the company are of great importance for an organisation.

External environmental factors include factors that an organisation cannot control, but must adapt to. The economic environment is an external factor that refers to the economy of all the countries in which an organisation operates. Given that all organisations today face technological challenges, customers are the most critical factor in the external environment. Their importance to the organisation is vital to such an extent that the entire organisation will adopt a customer-oriented business model. One of the more challenging external factors is competition. Bearing in mind the tremendous importance of customers, managers need to be able to manage competition, i.e. devise and implement an appropriate competitive strategy to gain a competitive advantage with an aim to distinguish their business from others and make customers more likely to choose their product over the competition thereby contributing to their organisation's success. Finally, one must also mention the suppliers without whom there would be no products to buy. To reduce the influence of external factors and gain a competitive advantage, an organisation needs people with adequate knowledge and skills.

The interconnectedness of the above factors is evident in the case of Franck teas. Without customers, a product, in our example - Franck teas, would not exist. This attests to a strong connection between the customer and the product.

A survey was carried out with a view to gaining a deeper insight into the consumption of Franck teas. The survey results show that more than 90% of the respondents drink Franck teas, with the majority aged between 21 and 30 years. The results also suggest that respondents across all generations enjoy drinking Franck tea. Tea drinking is often associated with fighting off flu or cold and it is mostly drunk during the winter. The results indicate that the majority of the respondents are satisfied with the price, packaging and other Franck tea characteristics. Drinking tea in moderate amounts is beneficial to health in general. There are many varieties of tea, which are produced in different ways, but all of them have a common characteristic - they all improve health. In addition to having health benefits, tea is a veritable treat for the palate.

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ANALYSIS OF NON-ECONOMIC QUALITY OF LIFE IN THE REGIONS OF RUSSIA

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ABSTRACT

The transition to a new economy justifies the orientation of economic development on the development of human potential, which causes the growing importance of assessing the conditions in which this potential is being formed. Since non-economic indicators are slower to respond and more costly than obtaining economic data, they have the added advantage of adapting to detail, which makes them informative for the distribution of consequences when policy changes occur. This paper presents a system of indicators designed to assess the non-economic quality of life in the regions of the Russian Federation. The method of cluster analysis has been used to Building of groups of regions on non-economic quality of life. The article presents the results of the analysis of the clusterization of Russian regions. Groups of non-economic indicators of the quality of life of the population, taking into account the factors of the quality of the population's living, taking into account geographical, ecological (climatic) and demographic conditions, are singled out. The paper examines the impact of locational factors on entering the region in a specific group. The method of regression modeling has been used to Building predictive models of non-economic quality of life in Russian regions. Thus, an attempt has been made to comprehensive evaluation of the non-economic quality of life in the regions of the Russian Federation. Key words: quality of life, non-economic indicators, regional development, evaluation criteria, cluster analysis, forecasting.

Keywords: *quality of life, non-economic indicators, regional development, evaluation criteria, cluster analysis, forecasting*

1. INTRODUCTION

One of the important indicators of the activities of state authorities, quality of their institutions, and quality of regional social and economic development is the quality of life of the population. For Russian current administration practice, economic determinism is typical assessing the quality of life as a sequence of economic development. It contradicts modern concepts presuming that a person and the quality of his life is not only a social welfare factor but also a progress criterion of social and economic reforms in a society and the main goal of social development. However, geographic, economic, demographic, and educational resources of different regions constituting different federal districts vary significantly, and it is important to define the main indicators finally determining the quality of life of the population and the regional human resources.

The quality of life is a complex index including a number of criteria indicating people's opportunities to live in good conditions: to be able to get educated, to receive medical care, to have a job, to live in good housing conditions, to breathe clean air, to drink clean water, etc.

Complication of the life quality issue in the new social and economic conditions requires the development of new methods of assessment of the quality of life of the population, not only including the criteria of financial security and territorial availability of basic social services provided by the government.

Due to this, it is deemed important to develop methods of statistical analysis and forecasting of the main directions of increase of the quality of population's life, to compare the main criteria reflecting the quality of life of regional population belonging to geographically different federal districts based on time and space. For the regions of the Russian Federation, it is necessary to develop their own systems of criteria reflecting both economic and non-economic quality of life, because the existing criteria developed to assess the quality of life do not completely reflect the quality of life in the Russian regions.

The assessment of the quality of life in geographically differentiated groups of regions of the Russian Federation considering a structure system of criteria with regard to non-economic life aspects, too, will allow to find the main characteristics of the development disparity between the regions included in the federal districts, which, in its turn, will allow to distribute resources more reasonably and manage the territories efficiently.

There are different approaches to people's life quality assessment employing both personal and unbiased assessments.

The number of assessment criteria and approaches focused on personal assessment of life quality perception by certain individuals based on the results require a significant number of mass pools. Such analysis of the personal assessment of life quality through people's own feelings is quite complicated and expensive for the Russian regions. It requires regular social researches and representative researches for each region of the Russian Federation.

An unbiased indication of problem areas characterizing the quality of life and constituting human resource potential of different regions and federal districts can be obtained both based on the analysis of social and economic factors in dynamics and performing a comparative analysis of regions of one district and of different federal districts. A large amount of statistical data is required to perform such analysis based on unbiased criteria.

2. SUMMARY OF LITERATURE THEMES

In English reference literature devoted to social and economic issues, a term "non-economic quality of life" can be found more and more often, which can be interpreted as the uneconomical quality of life [1-4]. For the avoidance of doubt, this term is hereinafter referred to as "non-economic quality of life" (NEQL). NEQL means the group of the aspects of the development of human potential that cannot be expressed by economic criteria, such as Gross Regional Product or average personal income.

Foreign researches devoted to social and economic issues contain more and more frequent attempts to exclude the financial element from total assessments of the quality of life. E. g. non-economic quality of life is an indicator reflecting the plurality of the aspects of human potential development that cannot be expressed through economic figures like Gross Regional Product or average personal income (Greyling T., 2016).

The economic element of the quality of life was also eliminated during calculation of such index as Social Progress Index (SPI). This index was calculated in 2013 by Social Progress Imperative company led by Michael Porter. SPI reflects the degree of satisfaction of the main human needs, a possibility of human potential development, and the level of individual welfare (Green, 2017). In many scientists' opinion, the necessity of a transition of a radical change of principles of social progress assessment means that the value of the amount of gross domestic product does not reflect ecologic conditions, the level of social rights and obligations, and population solidarity (The Global Goals For Sustainable Development Index, 2015).

Researches devoted to the assessment of the non-economic quality of life at sub-national level belong to Stephanie Rossouw and Vim Naude. Quality of life, in their opinion, is a multidimensional concept including not only an income element but also an important non-economic element, so called non-economic welfare (Rossouw S. N. W., 2008, pp. 433-452). These authors developed the methods for and carried out NEQL assessment in South African regions in 2008. Besides, Stephanie Rossouw assessed and analyzed NEQL in New Zealand together with Gale Pacheko (Rossouw S. P. G., 2012).

Methods of indication of differences between the economic and non-economic HDI components were proposed by McGillivray in 2005 (McGillivray, 2005, pp. 337–364) This method is based on the development of main components according to the standard indexes of the national NEQL.

The evidence of the trend of NEQL assessment is the fact that NEQL figures are used more often than economic ones, when a middle- or long-term assessment is required, because this assessment type more directly relates to the results of the strategy of human life development when people are considered as 'a goal rather than means' or political resource. Since the non-economic figures react slower and require more costs than economic data obtaining, they have an additional advantage: they can adapt to details, which makes them meaningful for forecasting the consequences when policy changes.

3. RESEARCH METHODS

Currently, there are no unbiased indexes allowing to determine, how one region looks compared to another considering the non-economic quality of life.

For the regions of the Russian Federation, it is necessary to develop their own system of indicators reflecting NEQL, because the indicators developed for NEQL assessment in New Zealand and Africa are not suitable to reflect the quality of life in Russian regions unbiasedly. The indicator system development can be approached from two sides: we can select groups of indicators reflecting different aspects of the quality of life (Horizontal division) or select indexes being indicators, factors, or consequences of certain conditions of the quality of life (Vertical division) from the whole system.

For the analysis, all variables were preliminarily combined into groups.

The first group includes variables relating to a person and his activities (so called demographic variables). This group includes the main demographic variables, such as: number of inhabitants, density of the population, average life duration, a share of the unemployed, the size of economically active population, the indexes of age structure of the population (the size of population between 70–74 years; the size of population above 75 years; the size of non-educated population above 15 years; the size of population above 15 years with secondary education) (Federal State Statistics Service, 2017) (Site of International Economic Statistics, 2017).

The second group includes variables relating to locations of residence (so called geographic variables). It contains indicators reflecting the quality of the environment and ecology.

These indicators define the conditions of the population's life depending on quality of lands, the degree of peat formation, availability of forests and water reservoirs, and harmful substances emissions to the atmosphere, i. g. it is supposed that good climate and ecology add to people's welfare. The following indicators were considered in this group: water surface area, including swamps, % from the total area; forest lands in % from the total area; area of agricultural lands in % from the total area; fresh water consumption, millions of cubic meters; a share of population having drinking water supplied complying with safety requirements in the total size of population of a region of the Russian Federation, %; the amount of harmful (polluting) substances emissions to the atmosphere from stationary sources located in the region of the

Russian Federation; a share of the area of the region of the Russian Federation covered by specially protected natural territories in the total area.

The third group includes indicators of territorial development and availability of transport infrastructure (so called urbanization variables). The opportunity to be mobile and have more comfort conditions of urban living and traveling are factors of more ‘accelerated’ modern life. This group includes: density of common hard-surface car roads, km of roads per 10,000 sq. km of the territory; density of railways of common usage, km of railways per 10,000 sq. km of the territory; a share of urban population, %.

4. CLUSTER ANALYSIS

All regions of the Russian Federation were divided into clusters for each of the three groups reflecting the conditions of the population’s life in them.

The performed classification of the regions of the Russian Federation according to the selected indicator groups gave the following results:

For the first group of indicators reflecting the demographic situation, all regions were divided into four clusters. The main difference between the regional clusters occurs due to the indicators of the population’s density, the mortality of employable age population, and a share of the unemployed. What's interesting, the highest density of the population, 34.332 thousand people, is in third cluster regions including Pskov, Krasnodar, Rostov regions, the Republic of Bashkortostan, the Republic of Tatarstan, Sverdlovsk, Tumen, and Chelyabinsk regions.

For the second group of indicators, geographic variables, the regions were also divided into four clusters. A significant difference is seen in such ecological and climate conditions in the regions of the Russian Federation as fresh water consumption by the regional population (L. P. Bakumenko, 2011) (Site of International Economic Statistics, 2017). Besides, the differences in this indicator values are quite significant (Fig.1).

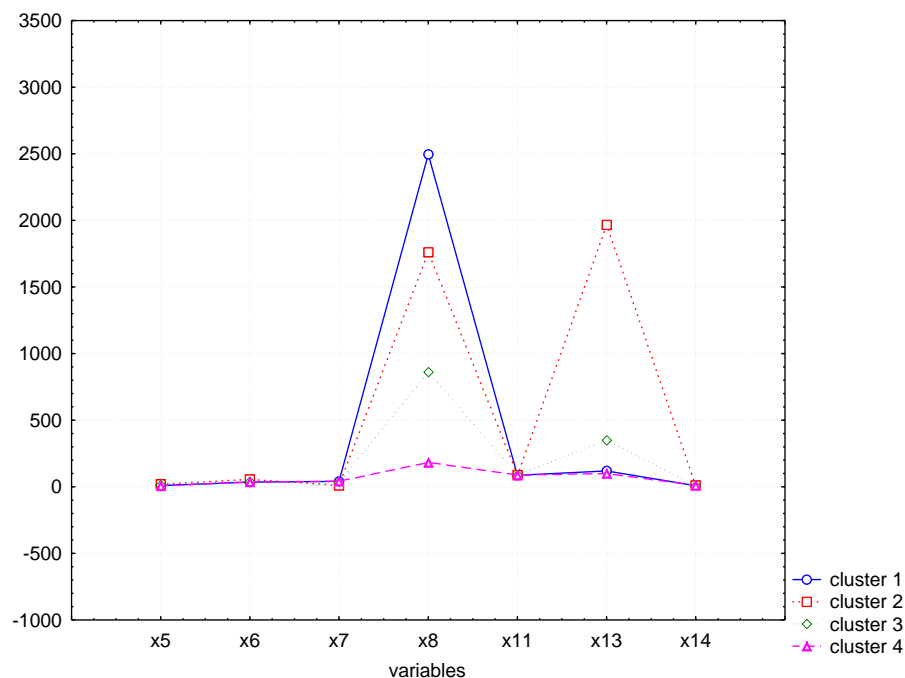


Chart 1: Graph of averages for each cluster.

E. g. in the first group regions (Kostroma and Moscow regions, the city of Moscow, Kaliningrad, Krasnodar, Rostov regions, the Republic of Dagestan, Stavropol, Perm, and Tumen regions) people used 2,496.3 million of cubic meters of fresh water in average per the group in 2014, while in the fourth group regions 182.2 million of cubic meters were used. The

second important indicator is an indicator of polluting substances emissions to the atmosphere from stationary sources per a unit of the area in residential areas. In the second cluster regions, including the Khanty-Mansi Autonomous District - Yugra (2,037), Krasnoyarsk region (2,470), and Kemerovo region (1,390), the emissions to the atmosphere amounted to 1,965.66 cubic meters per year in average.

The division of the regions of the Russian Federation into clusters according to the third group of indicators, territorial development and transport infrastructure availability carried out by Ward's method with use of Euclidean metric and confirmed by the method of k-averages also allowed to separate four groups of regions differing in the selected criteria. The main difference was monitored between the regions in 2015 in the density of common hard-surface car roads, km of roads per 10,000 sq. km. This indicator is quite important for people enabling them to travel fast within the country. For the population of Belgorod, Lipetsk, Moscow, Kaliningrad regions, the Republic of Adygeya, Krasnodar region, the Republics of Ingushetia, Kabardino-Balkaria, North Ossetia-Alania, and Chechnya, this indicator is the highest and amounted to 567.8 km of roads per 10,000 sq. km in 2015. However, for the fourth cluster regions, including twelve regions of the Russian Federation, such as Krasnoyarsk, Irkutsk, Tomsk regions, the Republic of Sakha (Yakutia), Kamchatka, Khabarovsk, Amur, Magadan, and Sakhalin regions and Chukotka Autonomous District, the density of car roads составила amounted to only 18.6 km of roads per 10,000 sq. km in average. Almost the same is related to the indicator of the density of railways of common usage. In the first cluster regions, this figure is 263.1 km of км railways per 10,000 sq. km of the territory, while in the fourth cluster regions it is 25.7 km of км railways per 10,000 sq. km of the territory (Site of International Economic Statistics, 2017).

5. RESULTS AND DISCUSSION

To indicate inter-group relations of the indicators, a database was collected containing 85 observations (regions of the Russian Federation) for 41 indicators. Correlation analysis of these indicators allowed to determine that average personal monetary incomes influence positively the share of educational services in the income structure and influence negatively the infant mortality rate. The average doctors' salary is higher in regions with a higher density of population and high consuming expenses and the number of personal cars. In addition, this indicator influences the value of the expected life duration positively. In regions with longer life duration, higher amounts of commercial services and retail turnover per capita were also observed.

The process of the quality of life formation can be reflected by building a regression model of variation of the expected life duration influenced by social and economic factors:

$$q_5 = -27393.2 - 557.2q_9 - 602.4q_{10} + 0.6q_{15} + 0.04q_{16} + 496.1q_{17} + 170.7q_{37}$$

t	-2,03	-2,15	14,1	2,8	2,04	3,0
	$R^2 = 0.97 \quad F(23.61)=96.697 \text{ for } 85 \text{ regions}$					

where q_5 is the expected life duration (years); q_9 is the size of population with monetary incomes below the level of the cost of living (a per cent share of the total regional population); q_{10} is health care in the expense structure (%); q_{15} is availability of electric vacuum cleaners per 100 households (pcs); q_{16} is a number of personal passenger cars per 1,000 people (pcs); q_{17} is disease rate per 1,000 people; q_{37} is retail turnover per capita (rub.) This model may be interpreted the following way: the more people with monetary incomes below the level of the cost of living lives in a region, the less the expected life duration in this region is. It is caused by worse nutrition, residential conditions, and other household indicators of the quality of population's life. Low incomes increase the share of the necessary health care expenses. It is

seen especially in regions with poorly developed free health care system forcing the inhabitants of such regions to use paid health care services.

The positive correlation of population's life duration and disease rate can be explained by the fact that the indicator of the 'disease rate per 1,000 people' is calculated based on the number of visits to doctors, while people with low incomes tend to pay little attention to their health. Many of them continue working even being in the serious condition in fear of loss of their already low earnings. The remaining three indicators (retail turnover, a number of personal passenger cars, and availability of electric vacuum cleaners) reflect the consumer purchasing power of the population depending on both the amount of people's incomes and the sense of financial security. The two latter aspects influence the life duration improving the quality of life.

As the developed model shows, the quality of life of the population in Russian regions is closely connected with the population's incomes, while in more developed countries other spheres of social and economic development are equally important: ecology, education, lifestyle, etc. The reason is that most people in Russia have low incomes. Besides, it is impossible to improve the life level of the country population without stabilization of economic aspects of the quality of life.

6. CONCLUSION

This article contains the results of the analysis related to the search of alternative methods of determination of factors of the quality of population's life in the changing economics considering non-economic elements and factors reflecting the level of comfort of population's life in certain Russian regions.

The carried out exploratory analysis of the regions of the Russian Federation considering the quality of population's life depending on the location and quality of the territories, the environment, transport infrastructure development, and other indicators reflecting the conditions of life evidence the necessity of further execution and extension of such researches. The evidence of the necessity of the trend of NEQL assessment is the fact that NEQL figures are used more often than economic ones, when a middle- or long-term assessment is required, because this assessment type more directly relates to the results of the strategy of human life development when people are considered as 'a goal rather than means' or political resource. Since the non-economic figures react slower and require more costs than economic data obtaining, they have an additional advantage: they can adapt to details, which makes them meaningful for consequence distribution when policy changes.

The obtained results will serve for further investigation of demographic and economic processes considering the non-economic quality of life and development of forecast models of generation of various NEQL aspects.

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MAPPING CULTURAL MEMORY OF THE RUSSIAN REVOLUTIONS

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ABSTRACT

The paper reassesses the cultural memory of the ends and beginnings of the major social project of the 20th century – the socialist project. At first, the paper discusses readiness of the academic society for an adequate interpretation of the revolutions in 1917 and the events of 1991-1993, which can be defined as a revolution given their major social impact. Then using the methodology of mapping cultural memory of the various revolutionary events, the conclusions are drawn on inaccurate concept of ‘revolution’ which is incorporated to cultural memory, amnesia concerning the Russian revolutions, and the manipulations over the memory of these historical events in order to address the short-term political issues. On the base of these conclusions the importance of a thorough rethinking of the Russian revolutions within the state information policy strategy is justified.

Keywords: *anti-communist revolution of 1991, anti-Soviet revolution of 1993, Big Data, cultural memory, information policy, mapping memory, Russian revolutions*

1. INTRODUCTION

2017 marks 100th anniversary of the major social project which was based on purely theoretical premises without any antecedents. In comparison to both revolutions of 1917, the events of 1991-1993 can be defined anti-communist and anti-socialist revolutions which dealt a death blow the socialist project which by 1991 turned to theocracy. The socialist experiment not only started but ended up with immense impact worldwide. Thus the events of 1991-1993 cannot be diminished to a ‘plot’ or ‘putsch’ or ‘a state coup’ (as Yeltsin named the August-91), but should be named a revolution, since they led to a radical change in the economic and socio-political foundations of social life, in Marxist terminology, and a transition to a new (or, if we put it other way, a return to the old, capitalist) economic formation (Gorbunov et al., 2011). According to Boris Dubin, writing in 2005, the population in Russia by late 1990s had an ambivalent attitude towards the August-1991 (Dubin, 2005, p. 50). But by 2005, nearly three-fifths of respondents could not recall their reaction to the events of 1991, or admitted that never had a chance to think over the meaning of the events (ibid., p. 53). Obviously a large-scale public and professional discussion within a framework of the revolution theory was not launched that time. Meanwhile, many experts rushed to reject term ‘revolution’ (see Levada, 1999, Elster et al., 1998, Kagarlitsky – who suggested ‘a restoration’ (Kagarlitsky, 2011)). Therefore, a theoretical analysis of the events was initiated from outside Russia. A. Arato, writing on the Russian experiences in a context of the East European countries, named 1991 the historically new phenomenon of revolutions which are denying the traditions of modern revolutions (Arato, 1993). R. Sakwa was noting that 1991-1993 were ‘anti-revolutions that are

not counter-revolutions' (Sakwa, 1998, p. 24) – and both approaches were controversial, but very important as started to interpret the events of 1991-1993 in their revolutionary potential. One of the first Russian attempts to comprehend the events of 1991-1993 in the same way were undertaken in the monograph by V. Mau and I. Starodubrovskaya (Mau, Starodubrovskaya, 2001), but it has not received a wide response. The uncertainty over how to reveal a fundamentally different role in the Russian history of the February and October revolutions was manifested in the blind copying of French to describe both events together as "Great Russian Revolution" (See: Tropov, 2017; Izmozik, Rudnik, 2008, etc.). I. Tropov is right in pointing that the task to create a generalized picture of the revolutionary process in 1917 remains unrealized, and the question of how to do this is still unarticulated (Tropov, 2017, p. 26). According to V. Kolbanovsky, 'Today no one respects October – it is a 'black hole' of the Russian and world history. ...But October said its historical word as it gave birth to the dozens of social revolutions around the world. This event is the patriarch of the dynasty of the liberation anticapitalistic and anticolonial movements. But the attitude towards October revolution is biased and emotional' (Kolbanovsky, 2013, p. 45).

The war of discourses over this event is in fact 'biased and emotional' as the October revolution is still highly relevant being one of the key factors of the development of the modern history. The events of 1991-1993 are even more important. But given the high level of political resonance the historians and political scientists are scared (consciously or, mostly, unconsciously) of openly discussing the meaning of the global socialist experience. At the same time, the information policy in Russian Federation does not open any public debates over the meaning of Russian revolutions of the 20th century. Moreover, despite high public interest in such debates which is forced further during the anniversaries or the civic turbulence, the mainstream media tend to manipulate the cultural memory, re-defining the meaning and killing-off the understandings of the Russian revolutions.

2. DATA SET AND METHODS

We draw this conclusion on the base of the analysis of the cultural memory which shapes a national identity (Assman, 1992) using the official press as 'the place for remembrance' (Nora, 1992) or 'sites of memory' (Winter, 1995). For this, we used as data set the official press publications in 2011-2012. That time 20th anniversary of the August 1991 events coincided with 95th anniversary of February and October revolutions and the electoral campaign which was accompanied by rallies in the streets of Moscow, St. Petersburg, and other large cities. And this mixture of the jubilees and civic turbulence have sparked a new round of intense engagements with the past, matching of various historical parallels. Using key-words-markers¹ we collected all these historical references which appeared in this time from 520 official Russian press in Integrum digital archives, counted and compared their frequency and kept in the data set only the most frequently used.

¹In order to avoid our own cultural bias, we collected them using search engines and queries with words 'napominaet' or 'pohozh' or 'podobnyi' or 'parallel' or 'analogiia' or 'assotsiatsiia' in two sentences proximity with one of 'the protest key words': 'protest' or 'bolotnaia' or 'rally' or 'march'. We selected these words as 'the protest key words' because their existence in the text in the period of time which is considered the most active phase of the protest movement, can serve as a signifier that in the publication this protest movement is discussed or mentioned. The search query with both groups of key words constructed a context in which a historical reference could appear in debates on the protest movement.

Then, with a method of mapping memory which include the tracing and visualising the dynamics of appearance of a historical reference in the data set² for a given period of time³; and also qualitative and quantitative content and discourse analysis, we answered the research questions: which Russian revolutions are remembered, how, when and what for Russian revolutions are remembered; how actively the Russian revolutions are remembered; what is the concept of revolution which has been incorporated in cultural memory.

3. RESULTS

1. Among a plethora of historical references which appeared in relevance to the current rallies, the most frequently used were: all Russian revolutions, list of so called ‘colour revolutions’, as well as some important for Russian history and culture figures and events. We checked how often these historical events appeared in a publication where the Russian protest movement was discussed: for this, we computed the number of these publications given as a per cent of total number of publications where this historical event was mentioned in any context (see in brackets):

- ‘Stalin terror or repression’ (16%)
- ‘October revolution’ (17%),
- ‘First Russian revolution’ (24%),
- ‘Decembrists’ (29%),
- ‘February revolution’ (34%),
- ‘Polish Solidarnost’ (35%),
- ‘August 1991’ (36%),
- ‘Velvet revolution’ (41%),
- ‘Orange revolution’ (60%).

The revolutionary events took more than a half of all historical references. And many of them were not discussed previously in mainstream media: for example, February revolution was mentioned 1.4 times less and the August-1991 was completely silent (Kara-Murza, 2002). Even the Decembrists movement was remembered – firstly, in blogs, and then in press (Nikiporets-Takigawa, 2013b). Finally, Orange revolution which was almost completely forgotten in Russia after 2005 was taken again from the historical dust.

Was this an attempt to undertake a debate over the current protest movement within a broader historical picture?

2. To clarify further, we checked how often the historical references appeared in a context where the Russian protest was discussed. We calculated a proportion of publications where one of the questioned events were mentioned in the context of the protest movement, relevant to the

²Our article also introduces and discusses applications and perspectives of a new methodological approach to find, map and visualize memory based on quantitative analysis of Big Data from digital and digitized media. This methodology for quantitative studies of cultural memory was developed by one of the authors of this paper in 2012, for a new interdisciplinary project ‘How to Map the Past: Mnemonics, a Quantitative Approach to Memory Studies’ (University of Cambridge, Head of Project Prof Alexander Etkind) and was tested first for the web-based memories of World War II in Russia and Ukraine (Nikiporets-Takigawa 2013a) and then in a set of protest movement studies (Fedor and Nikiporets-Takigawa, 2012 a, b). The core of this methodology is use of web-based technologies and digital or digitalized texts. This paper is based heavily on the data which was gathered for the project and have not been published.

³As our case study is based on media debates on the recent protest movement in Russia, the period is counted as exactly one year after the first rally on 4 December 2011.

amount of the publications where the events are mentioned in any context. This method brought evidences that ‘1937’ (23%), ‘Stalin’ (37%), ‘October revolution’ (33%), ‘Perestroika’ (50%), ‘dissident’ (56%) – are less related to the Russian protest than August 1991 (73% - dark blue on the Figure 1), Decembrists (82% - white), February revolution (100% - blue), Orange revolution (100% - yellow), Stalin terror or repressions (100% - green).

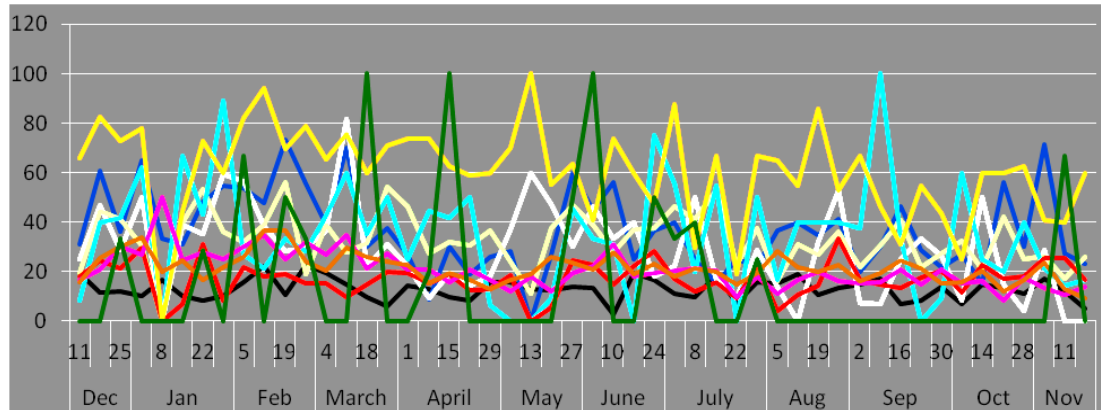


Figure1. The dynamics of references to historical events in the texts which specifically mentioned the protest movement relevant to the dynamics of references to historical events in all contexts in 4 December 2011 – 4 December 2012. Source: Galina Nikiporets-Takigawa

Thus, all historical events were remembered more or less because of the current protest movement, but the revolutionary events of 1825, February 1917, 1991 and 2005 were remembered in the debates over current protest movement in a greater extent (even in their anniversaries they were discussed together with the current protest movement), and more actively during the most vibrant period of the protest movement: 4 December 2011 – 11 March 2012 (Figure 2)

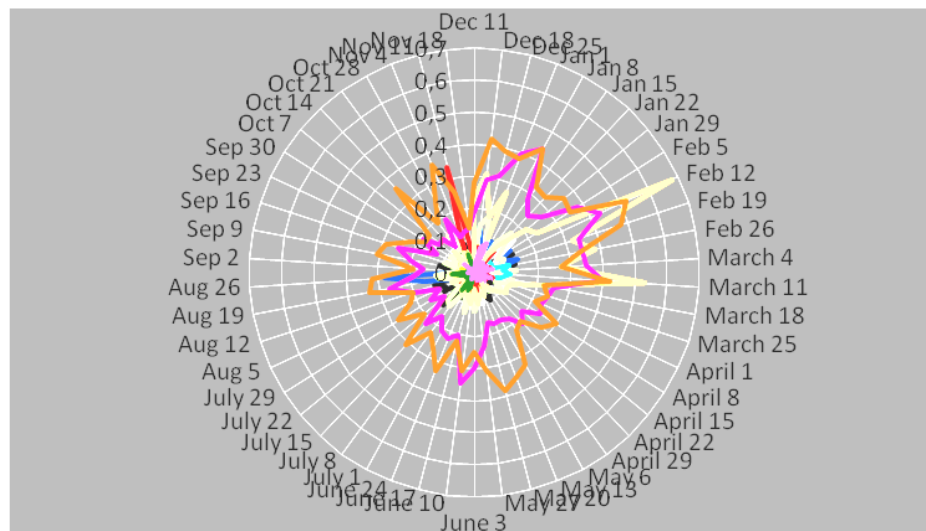


Figure2. The dynamics of cultural memory in 4 December 2011 – 4 December 2012. Source: Galina Nikiporets-Takigawa

For what reason all these revolutions and revolutionary events became such a hot topic during the rallies? Were their historical role properly discussed?

3. To answer this question, we tried to trace one of these events which was the most visibly related to the discussions about the ingoing rallies: the orange revolution. This comparison shows that during 5-12 February 2011, following the unexpected mass protest actions on 4 February, the orange revolution was mentioned in 0.7% of all printed publications in the Integrum archives with 94% of the publications mentioning the orange revolution contained also the word 'protest' or 'bolotnaia' or 'march' or 'rally' (that is, discussed the protest). Thus, the orange revolution was the most explicit historical reference which was taken from the past because of the Russian protest movement and as soon as the protest movement begun. How the orange revolution was remembered in the debates?

4. As Connerton puts it: 'To remember ... is precisely not to recall events as isolated; it is to become capable of forming meaningful narrative sequences' (Connerton, 1989, p. 26), which means that if a historical event is discussed, it would be mentioned within a historical narrative, i.e. with another historical event. We traced the use of historical event week by week and found few evidences of coincided dynamics for several events. For example, October revolution-August 1991-Orange revolution-Decembrist-First Russian revolutions were mentioned together in the period of the week 11-18 December. To draw a complete picture, we computed how frequently one historical event was mentioned in the discussion over ingoing rallies (Figure 3) and then the amount of its isolated use in the same time and in the same conditions – when this historical event was mentioned in the discussion on rallies with no other historical parallel in the same discussion (Figure 4).

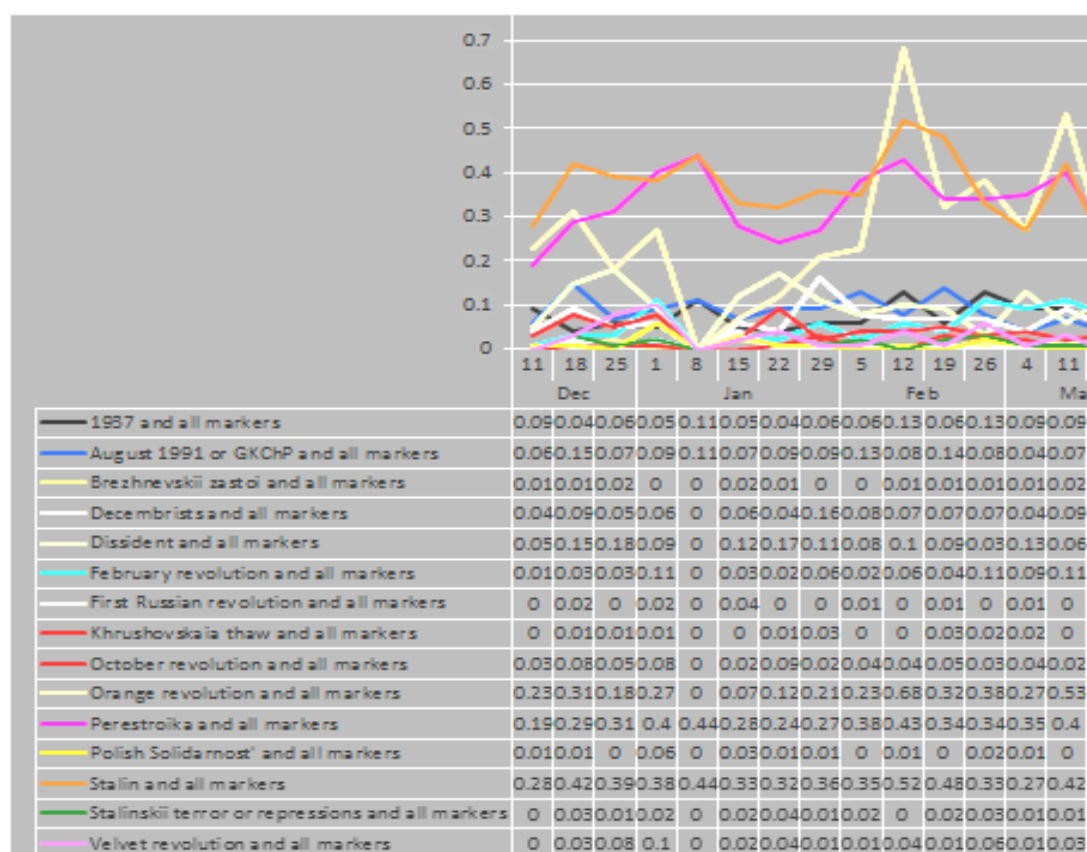


Figure 3. The dynamics of references to historical events in the texts which specifically mentioned the protest movement relevant to all texts from Integrum archives for 4 December 2011 – 4 December 2012. Source: Galina Nikiporets-Takigawa.

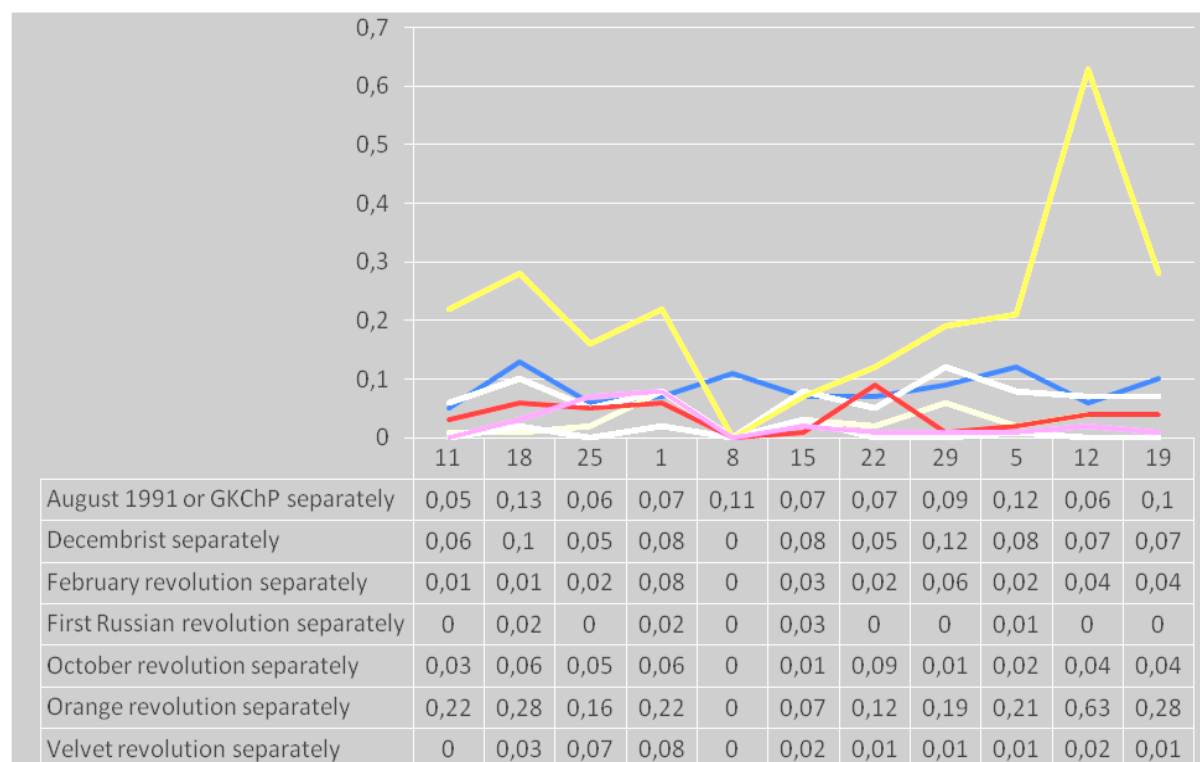


Figure 4. The dynamics of isolated references to historical events in the texts which specifically mentioned the protest movement relevant to all texts from Integrum archives for 4 December 2011 – 4 December 2012. Source: Galina Nikiporets-Takigawa.

Comparison of the two data evidenced an unexpected result. An isolated use of the historical events from our data set were quite numerous, they were mentioned predominately outside any historical narrative, without any links to each other and in unrelated periods of time.

4. DISCUSSION

Thus, all references which were found and analysed in our research were used not for remembrance and debates. Despite the fact that in that year any debates over revolutionary events would be very welcomed as three anniversaries were coincided. And despite the fact that the massive scale of the rallies forced people to search exactly through revolutionary events in the past to draw a prognosis about the future. We found that the unexpected protests pushed to test various historical events, take them, replace them with another without clear logic or cause, but the revolutionary events played some very superior role. The further qualitative analysis evidenced, however, that all these revolutions were instrumentalised in the mainstream Russian press just to intimidate people and let the steam of the protest movement down. In this view, a wiser tactic would be not to mention revolutions at all for calming people. But the political technologists chose an opposite tactic: they spoke massively about the revolutions and offered an orange revolution as the most frequently mentioned example of the revolutions. It was a technology which was borrowed from 2004 and the official press have not tried to invent a new code for instrumentalization but used the old one (see Wilson, 2005). As in 2004, 'orange' was used for aggressive anti-opposition campaign (Fedor, Nikiporets-Takigawa), countered with a large-scale 're-branding' campaign, aimed at setting up a new constellation of negative, demonic associations with the orange revolution. Of course, the February revolution and the events of the August of 1991 were not appropriate at all for these particular aims and the references to these events were meaningless and spontaneous.

This tactic could not stop the rallies (they disappeared due weakness of the opposition and new legislative initiatives against the unsanctioned rallies) but this tactic strengthened in the cultural memory of Russians the image of orange ‘revolution’ and weakened memory of the Russian revolutions.

5. CONCLUSION

The anniversaries of the major historical events together with political uprising activate a memory work, a desire to reshape the historical narrative, to reevaluate the meaning attached at key historical periods in the public debates over the cultural memory of them. If these beneficial conditions are ignored by the state information policy, the major historical events remain a completely ignored and forgotten distant and misjudged past. Despite the widely held view that the idea of the cyclical development of Russian history is warmly welcomed among Russians which means that Russians know the historical narrative and all its components, their collective memory is fragmentary, and the depth and quality of memories of a specific historical event is quite contradictory. And historical allusions appear from the very spontaneous and wildly naive historical knowledge. This caused by the Soviet education project which suggested a shortened and carefully preselected list of historical events for remembrance within course of strengthening statehood. Then the post-Soviet attempts to erase the little that the Soviet collective memory preserved, resulted with the February and October revolutions and the events of 1991-1993 were not commemorated in public and in public sphere. The academic debates over their meaning are very modest and this forces further cultural memory concerning the revolutions is being manipulated. The global socialist project was over in 1993, but a new wave of anti-capitalist protests in the 20th century; more and more sound left populism in the electoral communications of the European leaders; nostalgia over the Soviet past which is highly popular in many post-Soviet states and among youth in these states as well (Kolpakova, Nikiporets-Takigawa, 2015); Marxism on the rise again among the youth around the world – rise a question about the need to commemorate, reinterpret and discuss the global effect of the Russian revolutions which launched and closed the global socialist experiment, planned as the largest social project of the twentieth century. The February bourgeois revolution of 1917 was a premise of this project, the October socialist revolution opened it, but then the project was interrupted by the anti-communist revolution of 1991 and completed with the September-October anti-Soviet revolution of 1993, which has the global results, because it put an end to the global Soviet socialist experiment. And all these events should be part of the state information policy over the cultural memory. For the debates which are commensurate with the scale of events the centenary of which we celebrate, there is time before the end of 2017, and we should not postpone further.

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SOCIAL TOURISM AND ADAPTIVE SPORTS: INCLUSION AND ACCESSIBILITY

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ABSTRACT

Considered the recreation nature and social role of tourism in the experience economy of post-industrial society. Analyzes modern trends in the development of social tourism in the context of global criteria for sustainable tourism based on a conceptual framework of responsible, inclusive and accessible tourism. There is expansion of the functional area of inclusive tourism accessible for all, and the prospects for its interaction with the adaptive sports at the municipal, regional and international level. Recommendations for integrated use of natural resources, climate therapy and hydrotherapy, physical rehabilitation and sports in tourism and recreation in view of social adaptation of people with deviations in health status.

Keywords: *social tourism, adaptive sports, inclusion, accessibility, climate therapy, hydrotherapy, physical rehabilitation, social adaptation*

1. INTRODUCTION

The transition to a postindustrial society is accompanied by increasing attention to the intangible aspects of quality of life, rapid development of the so-called experience economy (Lazarus, 2017), stimulating the comprehensive development of tourism, published in the volume of services to third place in world trade (UNWTO, 2016). However, in modern society the motivation for healthy lifestyle increases. Introduction to active physical recreation for people of all ages and all levels of well-being becomes the paramount importance (Pillay, 2016). And in this process a significant role is played by social tourism, which has become one of the most important global socio-economic sectors of human activity (Sharma, 2012, Minnaert, 2014), in essence, a social phenomenon of modernity.

According to the World Health Organization, persons with disabilities constitute about 15 % of the population of the globe (WHO, 2011). In this aspect another important issue and the trend today is the practical implementation of the humanitarian principles of inclusion into society of people with disabilities in health status and people with disabilities through introduction of methods and means of adaptive physical culture and adaptive sports (Makhov, 2017). The question is: "tourism as a social phenomenon" and "social tourism" – what are their differences, what are the social functions of modern tourism? What are the trends in the development of social tourism and perspectives of its interaction with the adaptive sports at various levels of organizational management?

And finally, what are the prospects for the integration of recreational resources, and modern technology of physical rehabilitation, adaptive sports and tourism to ensure the social adaptation of the disabled and individuals with deviations in health status?

2. RECREATIONAL NATURE AND SOCIAL ROLE OF TOURISM

Recreation as a process of expanded reproduction of the physical, mental and intellectual forces of man is one of the most important foundations of tourism. Recreational needs are defined as the need for the restoration and development of physical and spiritual forces realized by a person, a group of people, society, and the needs can be realized only through activities: physical, mental, intellectual; because of this they act as a motivation for action. Tourism is a motor activity that compensates for the limited movement (hypokinesia), provides therapy and prevention of psychosomatic diseases, maintaining physical fitness and health, that is, recreation - both simple (compensation) and expanded (development of human forces). The success of tourism in recreational activities is, first of all, to find and emphasize the strong natural recreational resources of any territory, as well as the possibility of their use in recreational and therapeutic purposes. The aforementioned primarily refers to the resort centers. Resorts are attractive natural areas that, in the context of tourism, can become part of a "network" that promotes the development of a particular territory as a tourist destination. From the point of view of social tourism, the resort atmosphere is an important component that arouses the interest of tourists, as it creates favorable conditions for health improvement and training in a healthy lifestyle.

Now the notion of "health" is no longer limited to the treatment of the disease, but means promoting the improvement of the person's well-being and the development of his personal abilities, taking into account various conditions. Priority is the development of skills in the right way of life, the relationship between health, safety and the environment in life and at work. Therefore, for example, hydrotherapy is not limited to therapeutic effects, but it is also a preventive measure, actively contraposing to medical therapy the lifestyle, aimed at maintaining health and well-being (Solimene, 2016).

Thus, the recreational essence of tourism consists, first of all, in the fact that tourism is the most effective means of solving the main social task - ensuring the constitutional human right to rest and improve health. That is why a number of researchers come to the conclusion that, in essence, all tourism is social (Shpilko, 2014). Meanwhile, the social role and social functions of tourism have been interpreted differently by researchers during the last three decades of tourism evolution, in general, and social tourism in particular.

3. MODERN TRENDS IN THE DEVELOPMENT OF SOCIAL TOURISM IN THE CONTEXT OF GLOBAL CRITERIA FOR SUSTAINABLE TOURISM

Despite the fact that the notion of social tourism, as subsidized by the state, has been known since 1936 (Sanitary, 2016), in recent decades a number of new terms have emerged that characterize the functions of socially oriented tourism. There are the mass tourism, social tourism (in the narrow sense), accessible tourism, barrier-free tourism, adaptive tourism, inclusive tourism, responsible tourism, sustainable tourism (Pugiev, 2016). The last term "sustainable tourism" is often used as a synonym of the term "sustainable tourism development", became especially relevant when the General Assembly of the United Nations at its 70th session declared 2017 as the International year of sustainable tourism for development, to promote the role of tourism in the following five key areas: 1) inclusive and sustainable economic growth; 2) social inclusion, employment and poverty reduction; 3) resource efficiency, environmental protection and climate change; 4) cultural values, diversity

and heritage; 5) mutual understanding, peace and security (2017 International year of sustainable tourism for development, 2017). The analysis of the essence of global criteria for sustainable tourism (GSTC Destination Criteria, 2013) shows that they largely characterize the social orientation of sustainable tourism as provide for the conservation of natural and cultural-historical heritage for future generations while respecting the interests of socio-economic development of tourist destinations and host communities and satisfaction of tourists. In all mentioned above five priority key areas of promoting the role of tourism in the modern strategy of sustainable development is clearly visible in his social and inclusive orientation. So this trend confirmed the conclusions concerning the needs and perspectives for the inclusive tourism development which play important role for the social rehabilitation and adaptation of the disabled persons (Seselkin, 2016). That is, social tourism in the broadest sense of the word - tourism accessible for all (World Tourism Day 2016 “Tourism for All - promoting universal accessibility” Good Practices in the Accessible Tourism Supply, 2016). The main social functions of tourism for the social oriented types of tourism are presented in the Table 1.

Table 1. The main social functions of tourism for the social oriented types of tourism

Social orientation of tourism	The main social functions of tourism
Mass tourism	Improvement of the nation health through active leisure activities; Education of the personality of society
Social tourism (In the narrow sense)	Financing of tourist trips (full or partial) from extra-family sources (budgetary financing, special funds, employers, etc.)
Accessible tourism	Ensuring safe and comfortable tourism for all visitors regardless of gender, race, physical disability, age, financial situation, etc.
Barrier-free tourism	Involvement of socially disadvantaged citizens in tourism with disabilities in the state of health and disabled persons with the removal of barriers in city environment and the transport and tourist service infrastructure
Adaptive tourism	The integration of persons with special needs, including disabled people and persons with disabilities in health status, to active forms of tourism in the natural environment
Inclusive tourism	The participation in active tourism of children and youth with disabilities in health and disabled people in conjunction with volunteers and healthy people
Responsible tourism	Educating tourists for respect for the environment and cultures of the local population
Sustainable tourism	Promotion: inclusive and sustainable economic growth; social inclusion, employment and poverty reduction; effective use of resources, environmental protection in the light of climate change; preservation of cultural property, biological diversity and heritage; mutual understanding, peace and security

Analysis of the main social functions of tourism and the evolution of the relationship, interaction and mutual influence of social tourism in the broad sense (that is socially oriented tourism) and adaptive sports is, in our view, considerable scientific and practical interest.

4. FUNCTIONAL SPACE AND THE INTERACTION OF ADAPTIVE SPORTS AND ADAPTIVE TOURISM

As known, the main goal of activity in adaptive sports is the aspiration to the maximum possible achievement, that is, to the record, which is the main difference between it and other types of adaptive physical culture (Evseev, 2010). Thus, adaptive sports are designed to meet a complex of human needs with disabilities in the state of health, the most important of which are self-actualization, the maximum possible self-realization of their abilities and their comparison with the abilities of other people who have similar health problems. These problems include: lesions of the musculoskeletal system, vision, hearing, intelligence, etc.). In addition, the leading needs

of this complex include the needs of communication, that is, socialization and social integration (Makhov, 2011). The main social functions of adaptive sports and their target characteristics in comparison with similar generalized parameters of adaptive tourism are presented for comparison in Table 2. Switching to a new type of activity, communication with nature, rest, communication with people, getting pleasure from motor activity and other effects allow us to provide the following types of rehabilitation effects on people with disabilities that are socially significant functions, both adaptive tourism and inclusive tourism – tourism for all. Moreover, from the point of view of influence on somatic and mental health of persons with limited life opportunities, adaptive tourism can be called an adaptive sport (Akhmetshin, 2004). It is noted that the social activation in the process of tourist activities, monitoring the progress of other disabled people lead to the effect of transformation of the worldview (changing the point of view on the level of the disabled's capabilities, the degree of restrictions created by the disabled person's defect), which is very close to the effect of socialization and social integration in adaptive sports.

Table 2. Comparative analysis of the functions of adaptive sports and adaptive tourism

Adaptive sports		Adaptive tourism	
Socially significant functions	Target characteristic of the function	Rehabilitation effects	The objective characteristic of the function
Sports and health-improving	Formation of athletes' very important personal characteristics of life, health improvement	Recreation and health-improving	Enjoyment of physical activity and communication with nature
Developmental	Development of all morpho-functional systems of the body and its psychic properties	Socio-domestic rehabilitation	Activities aimed at self-maintenance, care for oneself and organization of everyday life in the conditions of nature
Educational	Formation of knowledge, competences and skills necessary for the full implementation of athlete training	Social and educational rehabilitation	Mastering new knowledge, skills and competences
Value-orientation	Satisfaction of the need for self-actualization and self-improvement	Social-environmental rehabilitation	Mastering the technologies of effective functioning in different habitats
Upbringing	Impact of the trainer-teacher, parents Example of people with similar health problems Formation of self-organization and self-discipline skills	Socio-cultural rehabilitation	Expansion of the ken, participation in excursions, competitions, photo exhibitions, song festivals, etc.
Creative	Development and mastering of individual sports technology and tactics	Social and psychological rehabilitation	Social activation in the process of tourist activities, self-awareness, monitoring the progress of other disabled people, transformation of the world outlook
Integral	Socialization and social integration in interaction with healthy peers, trainers, spectators	Social rehabilitation and social and communicative rehabilitation	Change in the nature and circle of communication, activity within small groups, changing the social role

As a result of a comparative analysis of the functional space of adaptive sports and adaptive tourism, one can clearly visualize the following generalized scheme of the relationship between

social tourism and adaptive sports (Fig. 1). Hierarchical, to some extent, interaction is that on the one hand, for the employment of adaptive sports and health tourism, it is necessary to undergo certain training, which can include exploratory journeys within the framework of active inclusive or adaptive tourism. On the other hand, social tourism can and should be a vehicle for the ideas of a healthy lifestyle and a mechanism for involving disabled people in adaptive sports. Including by realizing their travels within the framework of sports tourism of fans, in this case, for competitions of adaptive sports.

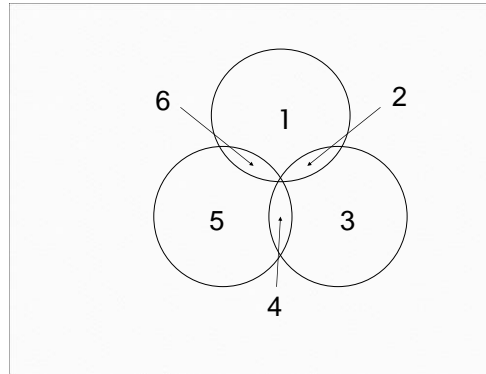


Figure 1. A generalized scheme of interaction between social tourism and adaptive sports (1 – social tourism (tourism accessible for all); 2 – inclusive tourism; 3 – adaptive tourism; adaptive recreational and sports tourism; 4 – sports tourism; 5 – adaptive sports; 6 – sports tourism as trips of adaptive sports fans).

Since social rehabilitation and adaptation are impossible without previous physical rehabilitation using the arsenal of means and methods of adaptive physical culture, the interaction of the processes of social tourism and adaptive sports can be represented in the form of the following model (Figure 2).

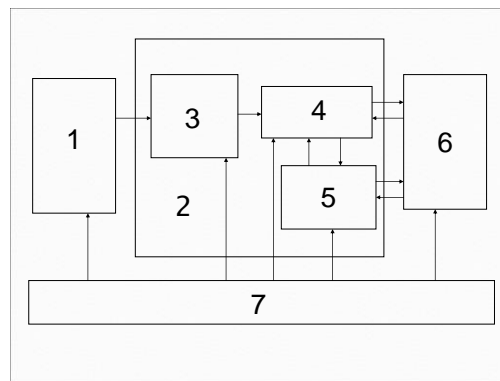


Figure 2. The interaction model of social tourism and adaptive sports (1 – social tourism; 2 – inclusive and adaptive tourism; 3 – adaptive physical culture; 4 – physical rehabilitation; 5 – social adaptation and integration; 6 – adaptive sports; 7 – recreational and medical-health resources (natural health factors, climatotherapy, hydrotherapy, etc.).

5. THE INTEGRATED USE OF THE NATURAL RECREATIONAL RESOURCES OF CLIMATOTHERAPY AND BALNEOTHERAPY, PHYSICAL REHABILITATION AND SPORTS IN TOURISM AND RECREATION

In the proposed model (Figure 2), in a generalized form, the interrelated dynamic processes of application of means and methods of adaptive physical training, physical rehabilitation, as well as recreational and therapeutic and recreational resources are presented in order to familiarize with active types of inclusive and adaptive tourism and adaptive sports. A distinctive feature of

the model is the integrated use of these mechanisms, taking into account the impact of natural factors, climate therapy, hydrotherapy and other modern methods of recovery for the social adaptation of disabled people and persons with disabilities in health. The urgency of the application of this complex model in the development of adaptive tourism routes, in the development of social rehabilitation programs for people with disabilities and people with disabilities in the state of health, the socialization of children and young people with different types of disability, in our view, is beyond doubt. The fact is that when implementing programs of social tourism in Russia, for example, when sending children with disabilities in the state of health in children's health camps, the results of scientific research are not always taken into account. At the same time, recommendations are known, in particular, for a number of researchers on the application of climate therapy in Italy (Condemi, 2015).), which include analysis of hydrography, types of bioclimatics, basic indications and contraindications to climate therapy. Such recommendations, of course, must also be taken into account by tourist companies offering social tours, and rehabilitation centers, and parents who guide children on a trip. These recommendations can be useful for the competent authorities, both internationally and regionally, and at the municipal level.

6. CONCLUSION

Summarizing the preliminary results of research on the problems and prospects of the interrelated processes of the development of social tourism and adaptive sports, and noting the increasing tendencies of securing inclusion and accessibility in the areas under consideration, a number of conclusions and proposals can be formulated for the further development of both accessible tourism for everyone and adaptive sports for the purposes of social adaptation and integration into society of disabled people and persons with disabilities in the state of health:

1. Social tourism can and should be not only a vehicle for implementation the ideas of a healthy lifestyle but and a mechanism for involving disabled people, children and youth with disabilities in the state of health to adaptive sports by the means of inclusive tourism and adaptive tourism and including through the realization of their travels within the framework of sports tourism for fans of adaptive sports competitions.
2. It is necessary to develop practical recommendations for the centers of social protection of the population, centers for inclusive education, children and youth sports and adaptive schools and other sports organizations and institutions for the integrated use of adaptive physical education tools and methods, physical rehabilitation, inclusive and adaptive tourism, and medical and recreational resources, taking into account the impact of natural factors, climatotherapy, hydrotherapy and other modern methods of recovery in programs social rehabilitation of disabled persons and persons with disabilities in health for their social adaptation and integration, and familiarizing with adaptive sports.
3. Ensure the diversification of multi-level professional educational training programs for the development, implementation, marketing and promotion of tourism products of adaptive, accessible, social and inclusive tourism in conjunction with adaptive sports.
4. Develop a system of contests and other measures to encourage tourist destinations, transport companies, tour operators and travel agents of accessible, social and inclusive tourism, successfully interacting with adaptive sports organizations in addressing social rehabilitation, adaptation and integration problems for disabled persons and persons with deviations in health status.

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THE CULTURE OF ENTREPRENEURSHIP AS A FACTOR OF IMPLEMENTATION OF THE STRATEGY OF THE ORGANIZATION IN A TURBULENT ENVIRONMENT

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ABSTRACT

In the article the questions of modeling of strategic potential of the enterprise culture are examined. The aspects of the Russian mentality and turbulence of the external environment are also taken into account. In the modeling process the method of constructing the cognitive maps with the identification of strategic factors-concepts, reflecting the specific culture of entrepreneurship, was employed. On the basis of indicators of cognitive maps a systematic analysis of the dominant factors of entrepreneurial culture was performed. The basic groups of the vector influences that shape the strategic focus of the development of corporation under such an organizational objective institute, as a "culture of entrepreneurship" were discovered.

Keywords: *concepts of the relationship, model of an entrepreneurial, culture consonances, innovative potential of culture, cognitive modeling*

1. INTRODUCTION

The extent of the problem is that in the field of formation and development of culture as a strategic factor of enterprise development a complex semistructured mechanism for the implementation of corporate strategies that combines production, economic and social dimensions of corporate entrepreneurship is studied not well. Strategic behavior of entrepreneurial business structures in turbulence of the external environment, describing the changes as a higher degree of uncertainty, complexity and variability is reflected in the works of Belkaoui, A. R. and Picur, R. D. [3], Hosmer, L. T. [9], Teece, D. J. Pisano G. [20], Grant, R. M. [7]. The problem of improving of competitiveness of business organizations in the business environment through the creation of adequate organizational culture is considered by many authors, in particular: Gusareva N. B., Tsaritova K. G. [8], Svetislav Paunovic, Ioan Constantin Dima [19]. The management instrumentation of weak structural systems are presented in the works of R. Axelrod [2], Gorelova G. V., [6], Podvesovsky A.G., Lagerev D. G., Korostev D. A. [14]. Innovation potential of entrepreneurial corporate culture was reviewed in the writings of C. Dombrowski [5], Ismail, W. K. W., R. Abdmajid [11], Tselykh L. A., Panfilova E. A., Prichina O. S., A. G. Karasheva, Karanashev A. K. [21], Savina M.V., Solodukha P.V., Stepanov I.A., Khominich I.P., Novichkov A.V. [16], P. V. Solodukha, Vasiutina E. S., Korolkova N. A., Erokhin, S. G., Starostenko V. K., L. V. Matraeva [17]. The interrelation of corporate culture and social climate of the team was studied in the works A. Plotnikov, I. Skuridina [13]. A number of authors have investigated the interrelation between corporate culture and organizational changes. They proved that overcoming resistance to organizational changes is a function of organizational culture - Rezaul Ahsan [15].

The authors use the concepts that are used by other authors in cognitive modeling: S. Huff [10], B. Kosko [12], R. Axelrod [18], Atkin R., Casti J. [1]. However, the management of the semistructured complex system, which the enterprise culture is, is a daunting task. The method of cognitive modeling is the most appropriate for solving such kind of problems.

2. METHODOLOGY

The aim of this work is that through the use of a cognitive, economic-mathematical method to investigate the nature and specificity of realization of mechanism of strategic management within the Institute - an entrepreneurial culture at the macro and micro level. The methodology of cognitive modeling of complex semistructured system, which enterprise culture is, is a system of approaches, methods, techniques, algorithms, application software – support system decision-making "Intelligent generator best alternatives" designed to solve the following tasks:

- input and processing of statistical data concepts;
- establishment of connectivity between concepts;
- simplicially analysis;
- analysis of the structure of the cognitive model of "entrepreneurial culture";
- analysis of structural stability with respect to perturbations of the turbulent environment;
- job perturbations on the initial values of concepts;
- search of cycles;
- impulse modeling of the system state;
- scenario analysis;
- the choice of the scenario of the development of the system;
- management decision-making.

3. RESULTS

When forming a model of the strategic potential of enterprise culture the following assumptions were adopted:

1. All confounding single relationships were discarded: .
2. It was determined that all these concepts interact as follows
 - 2.1 - positive,
 - 2.2 - negative,
 - 2.3 - do not interact.

The strength of the interaction between concepts varies according to the scale given in table 1.

Table 1: The indicators of intensity of relationships between concept

Interpretation of the impact of the concept on the concept			Scale values
Degree effects	The influence vector	Description of the effect of intensity	
Weak	Enhances the effect	weakly positive	[0,2, 0,4]
	Reduces the influence	slightly negative	[-0,4, -0,2]
Reasonable	Enhances the effect	positive	[0,6,]
	Reduces the influence of	negative	[-0,6,]
Strong	Enhances the effect	positively	[0,8, 1]
	Reduces the influence of	negatively	[-1, -0,8]
	Reduces the influence of	strongly	[-1]
No influence	No influence	It does not influent	[0]

Grouping of concepts of the existing culture of entrepreneurship is shown in table 2.

Table 2: The concepts of the model of entrepreneurial culture

№	The name of the concepts
1	Corporate social responsibility
2	Innovative orientation entrepreneurial culture
3	Socio-psychological climate in organization
4	Entrepreneurial leadership style
5	Team work principles
6	Support system of research and development
7	Organization of knowledge transfer
8	The level of favoritism
9	The credibility of the leadership
10	Meritocratic install of employment and remuneration
11	Long-lasting, friendly relationships with customers
12	Resistance to change
13	Visualization culture: websites, social networks

The cognitive model has the form of a weighted directed graph, whose vertices correspond to concepts and arcs represent the causal relationships between the analyzed concepts. A weighted directed graph reflects the average connections and the values of the concepts of the influence of the model of entrepreneurial culture. Mathematical processing of cognitive maps was produced with the use of the software system - the decision support – "NEEDLE", developed by a research team of the Department "Informatics and software" of Bryansk state technical University. The weighted directed graph of a cognitive model of "entrepreneurial Culture" is represented in Fig.1

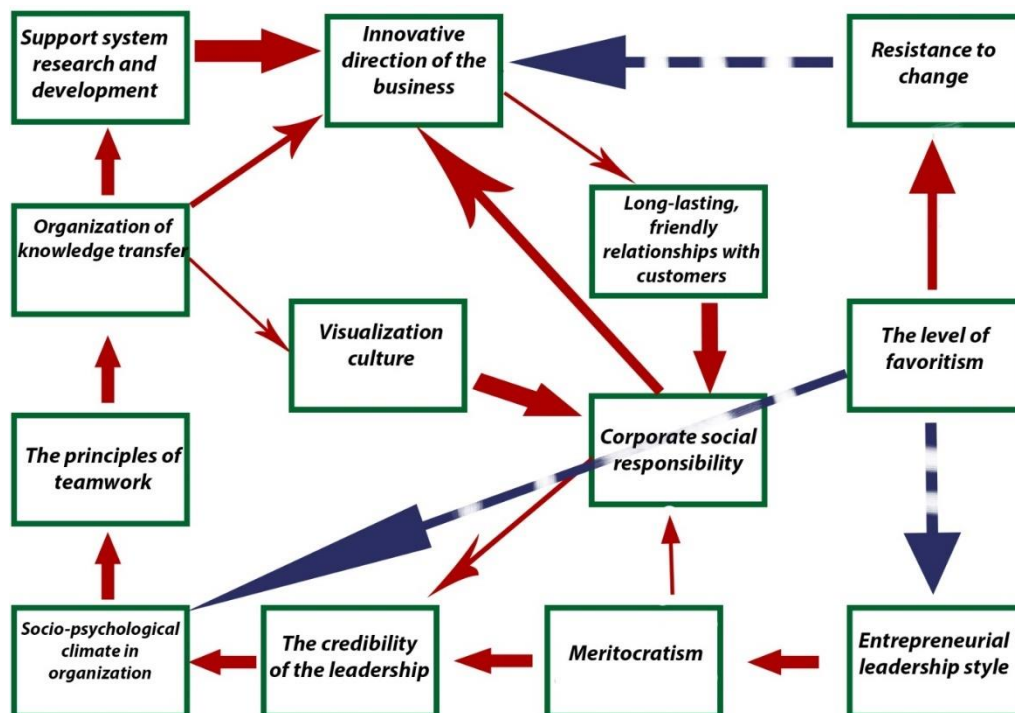


Fig.1 Weighted directed graph of a cognitive model of "enterprise Culture".

The analysis of the constructed weighted directed graph of a cognitive model of "entrepreneurial Culture" allows to analyse the disorganization and organizational processes,

which are concentrated in the integral indicator - "Innovative orientation entrepreneurial culture". The sum of set in motion institutional forces 3 numbers of positive organizational behavior are identified:

1. a number of positive organizational processes: "Entrepreneurial management style" - increases the occurrence of "Meritocracy" that increases "the credibility of management," improves "the Socio-psychological climate", strengthens "Team operating principles", provides effective "Organization of knowledge transfer" - forms an effective "System of support for R & d" and thereby enhances the "Innovative orientation of entrepreneurial culture".
2. a number of positive organizational processes: "Innovative orientation of entrepreneurial culture" - reinforces the concept of "Friendly relations with consumers", which directly promotes "Corporate social responsibility" and indirectly strengthens "Confidence in leadership", thereby increases the organizational capacity of the 1-st circle and the potential target of the concept "Innovative orientation entrepreneurial culture" of the 2 circle.
3. a number of positive organizational processes: system "Organization of knowledge transfer" has a direct impact on the concept of "Visualizing culture", promoting "corporate social responsibility of business and "Innovative orientation of entrepreneurial culture". The disorganizing connections processes are defined by the concepts of "Resistance to changes" and "The level of favoritism". Increasing disruption of these processes, respectively, will reduce the summing organization of the processes, aimed at improving of the «Innovative orientation of entrepreneurial culture». To formalize the relationships between the selected concepts the method of paired comparisons by T. Saaty have been applied. All the matrices of paired comparisons showed the degree of consistent judgment less than 0.01 (Fig. 2).

Положительные связи | Отрицательные связи

Необработанные концепты:

Обработанные концепты: 1.КСО бизнеса

Матрица парных сравнений для концепта

	2	9	Вес связи
2	1	4	0.8
9	1/4	1	0.2

Коэффициент силы связей: 0.80

Сравнение пары связей:

Сила связи с концептом "Инновационная направленность культуры" равна силе связи с концептом "Инновационная направленность культуры"

Коэффициент согласия: 0

Суждения согласованы

☒ Концепт обработан

Fig. 2. An example of pairwise comparison of matrix to establish the weight relationships between concepts.

4. DISCUSSION

The analysis of the system indicators of the impact of the concept on the system and the impact of the system on the concept assuming the validity of the conclusions in the model (consonance/dissonance) is presented in table 3.

Table 3: System metrics of the model of "Enterprise Culture"

The name of the concept	The impact of the concept on the system	The impact of the system on the concept
1. Corporate social responsibility	0,1228	0,2002
2. Innovative orientation of entrepreneurial culture	0, 0438	0,2019
3. Socio-psychological climate in organization	0,1129	0,1256
4. Entrepreneurial leadership style	0,1302	-0,0615
5. Team work principles	0,1119	0,1211
6. Support system of research and development	0,0887	0,0973
7. Organization of knowledge transfer	0,1103	0,1184
8. The level of favoritism	-0,1686	0,0000
9. The credibility of the leadership	0,1324	0,1032
10. Meritocratic install of employment and remuneration	0,1400	0,0092
11. Long-lasting, friendly relationships with customers	0,1519	0,0538
12. Resistance to change	-0,0998	0,0615
13. Visualization culture	0,1899	0,0357

The concepts of "Visualization cultures", "Friendly relations with consumers" and "Meritocracy" define the maximum values of the positive impact of the concept on the system of "Enterprise Culture". Meritocratic paradigms in the cultural context of entrepreneurship define the absolute dominance of the educational-qualifying characteristics and outcomes of the worker, such as:

- the individual efficiency of the employee;
- competence;
- level of education;
- the effort;
- the degree of correspondence between education and work;
- work experience in the specialty;
- professional development.

The "Level of favoritism" has a negative effect of the concept on the system. It should be noted that favoritism, as the process of providing protection to one individual or to a group at the expense of the rest of the members of the team or groups, limits:

- leadership claims;
- the importance of the values of self-reliance;
- the importance of values, independence of subordinates, seeking to enter in-group leader.

According to the law of least, the concept of "Entrepreneurial leadership style" maintains disorganized resistance and, accordingly, has the negative (destructive) impact of the system on the concept, that talks about the special responsibility of the entrepreneur to follow all the principles of business style strictly.

From the point of view of the development of the knowledge of economy, the innovative orientation of entrepreneurial culture is one of the dominant factors both in internal and external environment that could affect the growth of "incremental" innovations in gross domestic product at the expense of the business sector. Then with the help of the mathematical apparatus of pulse processes the dynamic modeling according to the target parameter, "Innovative orientation entrepreneurial culture" was conducted. The dynamic modelling of sustainable and solid relations, developed in the enterprise in space and in time according to the target concept "Innovative oriented culture" calculated four scenarios in a manageable factors ("Corporate social responsibility", "Innovative orientation entrepreneurial culture", "Meritocratism", "Visualization culture") at the maximum adenomyomas alternative:

- alternative 123;
- alternative 126;
- alternative 169;
- alternative 228.

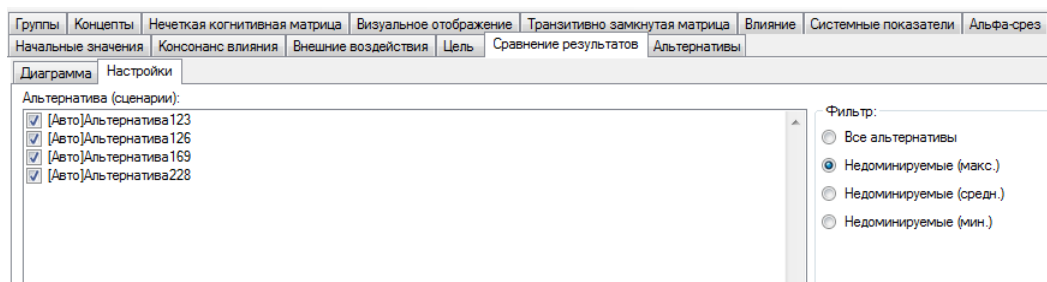


Fig.3. An alternative of dynamic modeling.

The calculated scenario of Alternatives No. 169 (Fig.4) shows the best characteristics of the organizational process to strengthen the "Innovation-oriented culture", without degrading the initial parameters of key organizational factors:

- "Corporate social responsibility" - the level has increased from "average" to "above average";
- "Support system for R & d" - the level has increased from "low" to "above average";
- "Meritocratism" level has increased from "average" to "above average."

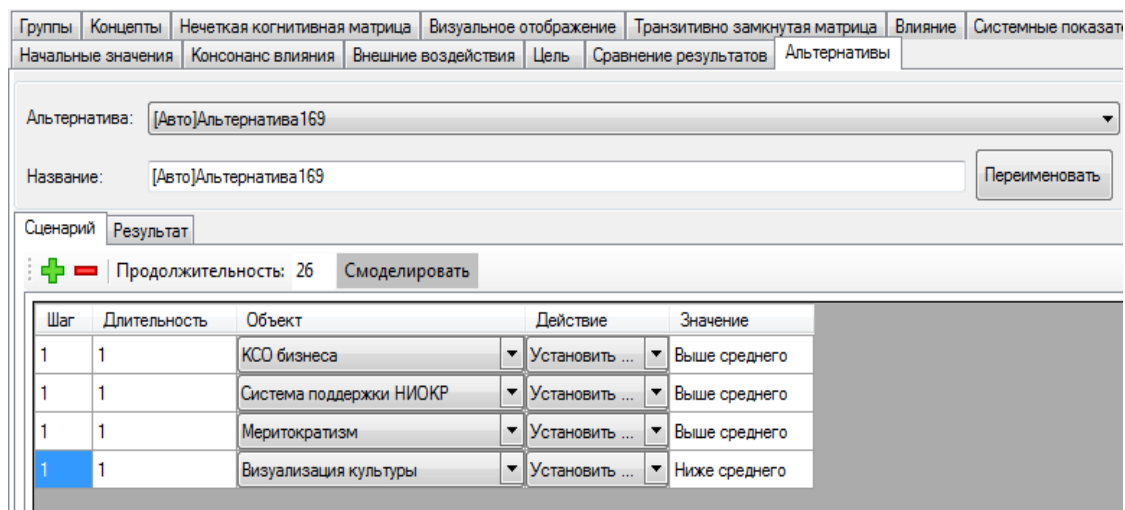


Fig.4 Scenario of alternative No. 169 (Contact author for English translation)

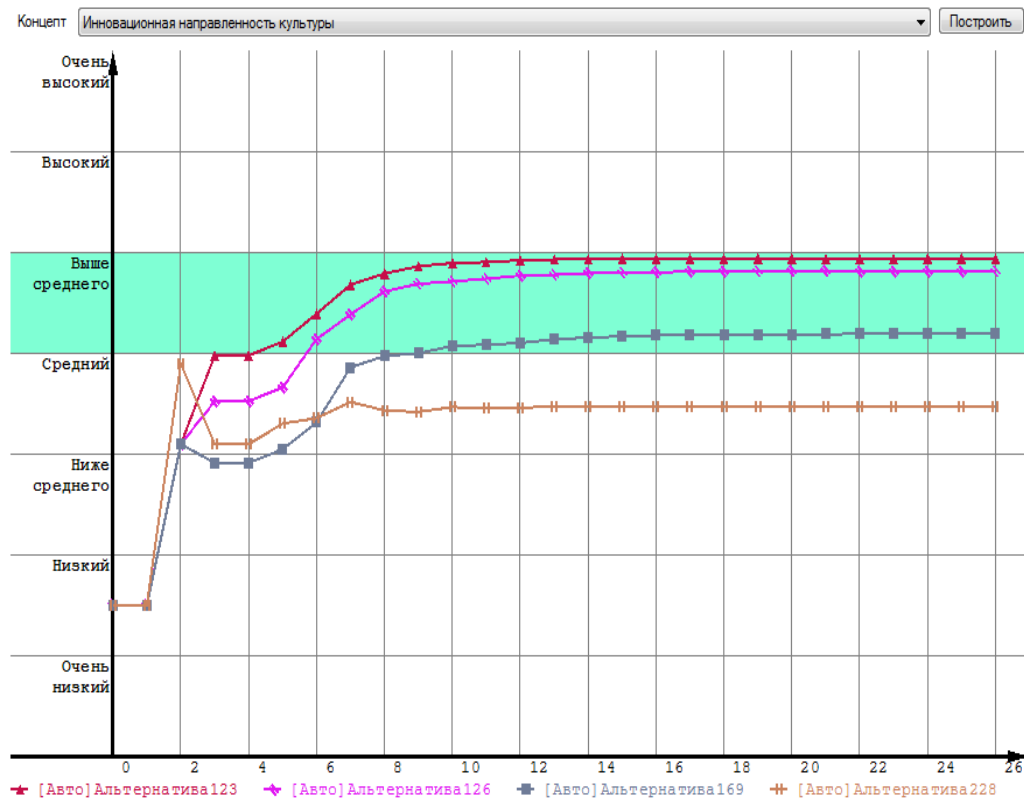


Fig. 5 The dynamic modelling for the concept
"Innovative orientation of entrepreneurial culture" (Contact author for English translation)

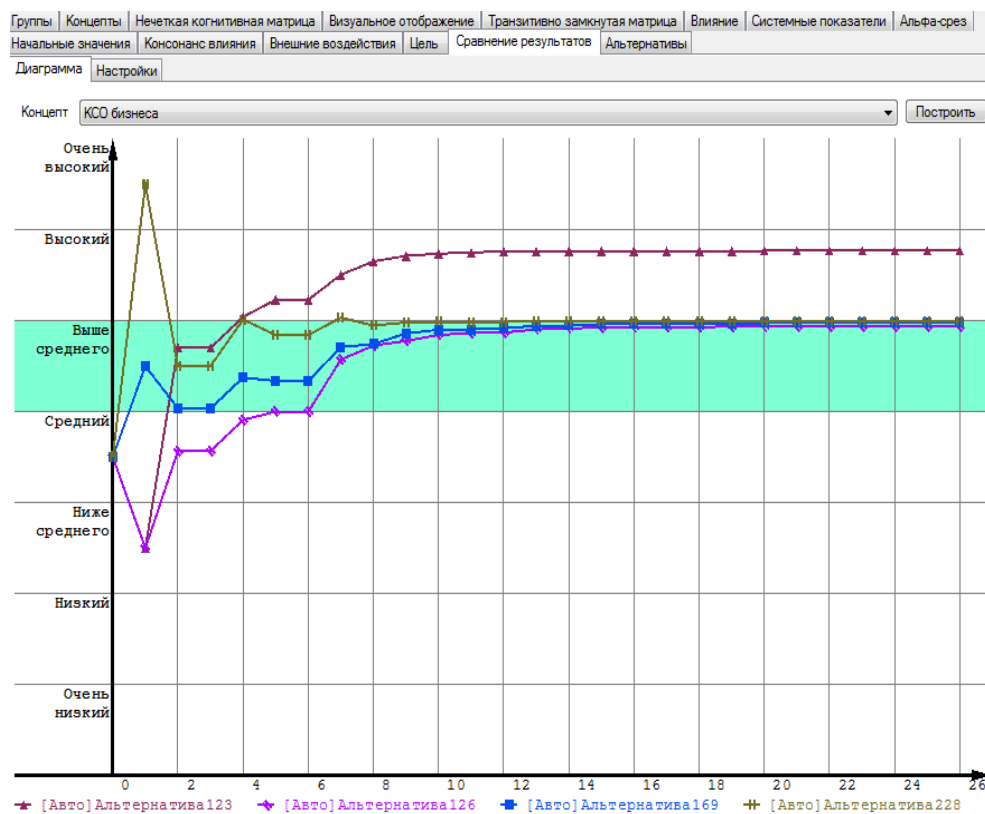


Fig.6 The dynamic simulation for the concept of "Corporate social responsibility"
(Contact author for English translation)

5. CONCLUSION

Thus, the fuzzy cognitive model of entrepreneurial culture developed by the authors, has allowed to detect systematic relationships between the factors of internal and external environment, influencing positively or negatively the innovative direction of the enterprise culture in turbulence.

The conducted cognitive analysis of causality revealed that the development of the strategic potential of enterprise culture depends on the development (positive impact) of consonances of the following system of vectors:

- corporate social responsibility;
- the support system R&D;
- the level of meritocracy;
- the level of visibility of the enterprise culture. It determines their strategic importance in the organized combination of matching elements in the long-term development of business.

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RETAIL PRICE IMAGE MANAGING: THE ROLE OF HOUSEHOLD INCOME AND PRICE IMAGE LEVELS

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ABSTRACT

The price image, as one aspect of the retailer's brand management, represents the overall prices in the retailer's assortment. Its importance raises from the large number of products in the assortment whose prices consumers can not remember. Therefore, price image and perception of prices can have strong influence on consumers regardless the actual prices. It can be assumed that retailer's price image is connected with monthly household income of consumers buying in its stores. Considering price image in a little more detail, retailers can manage it on a several levels – brand level (retailer), store level, category level and individual products level. The indicative research was conducted on the convenient sample of 305 households in Croatia in order to research consumers' perception on prices of fast-moving consumer goods (FMCG) retailers and the role of household income and different levels of price image. Results suggest that retailers with the higher price image are more often chosen by the households with higher monthly income for the most often purchase. However, when it comes to retailers with lower price image, the households with various monthly income choose various retailers for the most often purchase. Thereby the important role have non price cues of price image. Furtherly, it has been shown that certain retailers build their price image on various levels among their loyal consumers and it can be assumed that targeted price image and store format has a significant role within it. Additionally, it suggests that retailers can differentiate themselves, not only by high or low price image, but by managing price image more carefully on the different levels in order to be in line with their general retail strategy.

Keywords: *FMCG retailers, monthly household income, price image levels, retail price image*

1. INTRODUCTION

Consumers are surrounded by prices on the daily basis, either buying a product or using a service, whereby retailers usually have an important role. Retail stores, especially in the grocery sector, are the place where most of the purchasing activities are happening, which is ultimately the main goal of all marketing efforts. Consumers' store choice is significantly affected by consumers' price perception at certain retailer and therefore pricing issues are of strategical importance for retailers (Arnold et al., 1983, cited in: Ofir et al., 2008, p. 414). Furtherly, consumers' purchasing decisions are also more often based on perceived prices than actual prices (Danziger et al., 2014), what emphasizes the importance of the overall perceived prices - price image. In addition to the price itself, the price image perception is also a subject to other factors of retail strategy and brand management such as the selection of products in the assortment, store design, etc. The importance of the price image managing arises from the practice as well. One of the largest retailers in the world, French Carrefour, invested 400 million

euros in various activities such as promotions, everyday prices and loyalty programs and rewards, just to restore its price image (Lagorce, 2009). These efforts were triggered by lost market share and mostly by consumers' perception of their prices to be 2.1% higher than they really are. The previously only confirms how price management is a sensitive area of retail marketing strategy and tactics, whose activities are easily and quickly punished by consumers. Hamilton & Chernev (2013) emphasize the rapid increase of the interest on managing consumer perception on retailers' prices and thus managing its price image. Most consumers are price sensitive and unlike the price drop, they notice the price increase quite easily. According to Mägi et al. (2017), even small price increase is sufficient to harm the retailer's price image, while significant price dropping is necessary in order to fix it. The role of prices for consumers is confirmed by Nielsen's research in the United Kingdom market, whereby half of consumers change their consumer habits to save money, including searching for the best prices on the market and shopping at different retailers (Watkins, 2016). Given the above, one should expect that properly managed price image aligned with the overall retail strategy and branding, would ensure larger consumer patronage, trust and lower price sensitivity. In order to research consumers' perception on prices of fast-moving consumer goods (FMCG) retailers and the role of household income and different levels of price image, the indicative research using survey questionnaire was conducted on the convenient sample of 305 households in Croatia. Although small country, Croatia became peculiarly interesting to foreign FMCG retailers providing an opportunity to growth due to the crisis in The Agrokor Group, which owns the number one retailer in Croatia – Konzum (Gomez & Kuzmanovic, 2017).

2. LITERATURE REVIEW

2.1. Price image

Price image has an important role in the retailer's brand managing. Along with the corporate social responsibility, they are recognized as the two main factors which are the cause of low consumer confidence in food retailers in France (LSA, 2011, cited in: Lombart & Louis 2014, p.630). Therefore, the overall image of a retailer is formed on the basis of various components which are important to be managed properly. Within the price as part of the retailer's brand, Ailawadi and Keller (2004) emphasize three areas that affect the image of a retailer, namely:

- the price level perception of the store,
- the price format (price strategy) of retailers (EDLP or Hi-Lo) and
- price promotions - their frequency, strength and variety of assortments they encompass.

One of the best definitions of price image gave Hamilton and Chernev (2013) defining it „as the general belief about the overall level of prices that consumers associate with a particular retailer“, thereby distinguishing retailers' price and non-price cues influencing formation of price image. Lombart and Louis (2014) showed in their research that the retailer's price image has a positive influence on consumers' satisfaction with the retailer. Two main dimensions of a retailer's price image are price level and value perception, where the price level perception presents the amount of money that has to be spent for purchase and the value perception presents the trade-off between invested sacrifice (money, time, etc.) and gained benefits from product and certain retailer (Zielke, 2014). With its influence on consumers' perception, the strong price image of a retailer indirectly affects the reduction of price sensitivity regardless of the actual price level (Blažević Marčelja, 2012). Wakefield and Inman (2003) distinguish price sensitivity for functional (detergents, paper towels, etc.) or hedonic (sweets, ice cream, wine, etc.) consumption and researched it considering household income level. They reported that the price sensitivity is greater when buying products for functional consumption and it is lower for hedonic products, especially for the higher level household income. In addition to the retailer as a brand, price image is also related to the store brand (private label) products whose share in

total retailers' assortment grew due to the financial world crisis and expansion of discount retailers. Regarding that, Diallo (2012) researched store brand price image and found that it has significant positive influence on store brand purchase intention. In this case, household income level was found to be statistically significant variable that negatively influenced store brand purchase intention. In order to retailers strengthen their store brands, Calvo Porral and Lévy-Mangin (2015) emphasize the importance of consumers' price perception and managing the variables influencing price image.

2.2. Retail price image levels

Retail price image is complex phenomena that can be observed on different levels: retailer level, store level, product category level and individual product level.

2.2.1. Retailer level

Consumers mostly shop at one or few local stores of the same retailer and based on them create their own perception of the retailer (retail chain) price image. Gunnarsson (2015) emphasize the importance of managing the price image on several levels in order to be more effective, especially between retailer level (retailer as a brand) and local store. The price image is seen as a kind of retailer's key weapon that can be considered at strategical level, i.e. at retailer's level (Nazari et al., 2015) and tactical, at store level (Gunnarsson, 2015). The link between a retailer's brand and a price image is apparent from the fact that most consumers, even without visiting a particular retailer (its store), can create an opinion and an impression of what prices are expected at certain retailer on continuum scale between low and high prices (Zielke and Toporowski, 2012). The consistency and recognition of its price image can enable a retailer to achieve price credibility and loyalty to his brand, which can result in an alleviated consumer response to competitors' offer (Diller, 2008, cited in: Kimpel & Friedrich, 2015, p.56). Retail format and business model can have significant role in the price image perception of certain retailer. In the case of discount retailers, Zielke (2014) showed that price-conscious consumers believe more in the efficiency of the business model, unlike those who are less price-conscious and whose perception of discounters is more affected by unfairness and tricks.

2.2.2. Store level

Desai and Talukdar (2003) describe an *overall store price image* (OSPI) as “a belief that consumers hold about the overall (or general) price image of a store, based on their perceptions of individual product prices at that store”. Alba et al. (1994) emphasize that price image of a store is related to patronage, what confirms the importance of managing the consumers' price perception through retail strategy and creating loyal consumers. Once the consumer form a belief about OSPI, it is very difficult to change it (Hoch & Deighton, 1989). Chang and Wang (2014) found that OSPI is significantly influenced by the price value image, the price fairness image and the price pleasure image, and additionally by price-related emotions, such as happiness, anger and fury. However, competition must not be ignored in retail business. D'Andrea et al. (2006) report how consumers' forming of OSPI is less precise in highly competitive retail environment with higher promotional activities. Still, one of the greatest challenges in managing OSPI is large number of products in the assortment and their prices changes in retailers' and competitions' stores (Blattberg et al., 1995). Exactly in the store are the next levels of the retailer price image – price image of the certain product categories and prices of the individual products in the retailers' assortment.

2.2.3. Product category level

Bell and Latin (1998) suggest that certain categories are more important than others for consumers' formation of price image. Those categories are referred as key value categories

(KVC) (Kilroy et al., 2015) as the key ones which affect the consumers' perception of retailer's prices and its price image. Consumers can perceive price image specific for certain category (Hamilton & Chernev, 2013) and thereby the important role in price image formation have destination categories. In these categories retailers want to be the best in the market and attract consumers in the store by investing large financial amounts into them. According to Briesch et al. (2013), destination categories and categories with higher sales affect with different intensity store choice. Additionally, bearing in mind that destination categories should have the best offer, the variety of products, i.e. depth within the product category can affect price image (Hamilton & Chernev, 2013). Product categories also have different roles when it comes on the store format. Lourenco et al. (2015) reported that in traditional supermarkets price image is affected by quality differentiation within the category and storable products bought in large amounts, while at hard discount stores price image is affected by categories with many stock keeping units (SKUs) and often purchased categories.

2.2.3. Individual products level

Given the large number of items in the retailer's assortment and the frequency of price changes, consumers can not take into account the prices of all products. Blažević Marčelja (2012) states that all products do not affect equally retailer's price image, but there is a portfolio of products that have a stronger influence, so-called "products of known prices". Similar to analogy for product categories, these products are actually called key value items (KVI) (Kilroy et al., 2015; Hamilton & Chernev, 2013; D'Andrea et al., 2006) because they have the key role on price image formation and choosing certain retailer for purchasing. Retailers who use high-low (hi-lo) pricing strategy usually have deep price promotions on products which have potential to attract large number of consumers in the store. Although their objective is that most of those consumers will buy other products on regular prices, on the market are present cherry pickers, consumers who search and compare retailers' offers and buy exclusively on special price offers (Bell & Lattin, 1998; Popkowski Leszczyc et al., 2004; Fox & Hoch, 2005). Often then retailers with usually higher price image, most common hi-lo retailers, have the best prices on the market for certain products. Hamilton and Chernev (2013) consider that this kind of temporary low prices, together with low price image of certain categories at different retailers is one of the causes of cherry pickers appearance.

3. RESEARCH METHODOLOGY

Studying the role of household income and different levels of price image and its effect on consumers' perception on prices of fast-moving consumer goods (FMCG) retailers was the main goal of primary research. The primary research was conducted in February 2017 on the convenient sample of 305 respondents of two counties in Eastern Croatia using the highly structured questionnaire as a test instrument, both online version through Google Forms template or paper questionnaire. The research included six out of ten largest FMCG retailers in Croatia, which are nationally present on the market. Therefore, targeted respondents were persons who do the shopping for their household of everyday food and non-food products, usually bought at FMCG retailers. The table 1 shows description of the survey sample.

Table following on the next page

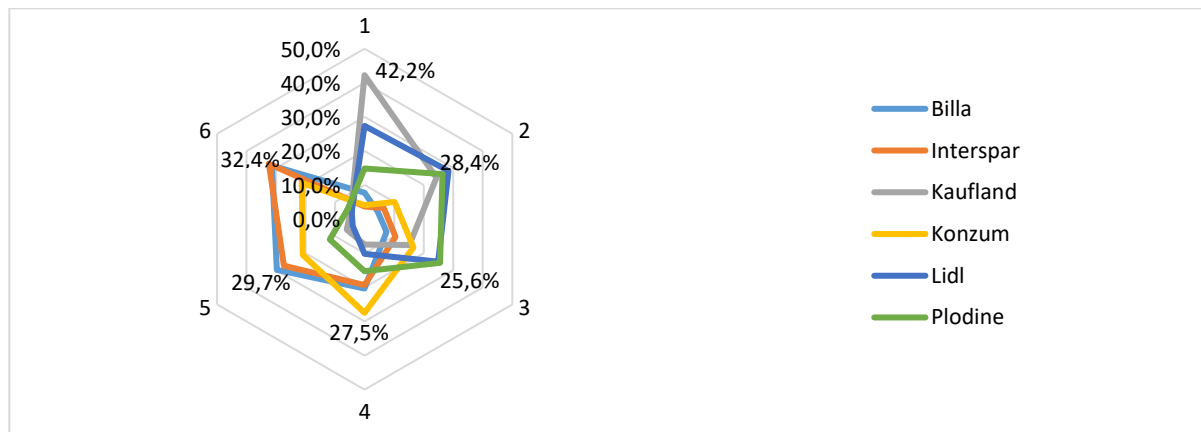
Table 1: Sample description (Authors)

		n	%
Gender	Total	305	100
	Male	66	21.6
	Female	239	78.4
Age	Total	305	100
	18-29	51	16.7
	29-39	75	24.6
	39-49	67	22.0
	49-59	79	25.9
	60 and more	33	10.8
Education	Total	302	100
	Primary school	9	3.0
	High school	116	38.4
	Faculty and higher	177	58.6
Place of residence	Total	300	100
	Town	227	74.4
	Smaller place	73	23.9
Monthly income of all members in household	Total	302	100
	Less than 650.00 €	69	22.6
	650.00 – 1,400.00 €	170	55.7
	1,400.00 € and more	63	20.6
Employment status	Total	305	100
	Employed	252	82.6
	Unemployed	25	8.2
	Student	9	3.0
	Retired	19	6.2
Members of household	Total	304	100
	1	42	13.8
	2	75	24.6
	3	83	27.2
	4	68	22.3
	5 and more	36	11.8
Housing	Total	305	100
	Apartment	147	48.2
	House	158	51.8

Following are research results on prices and price image perception, associations of price image and household income and price image levels.

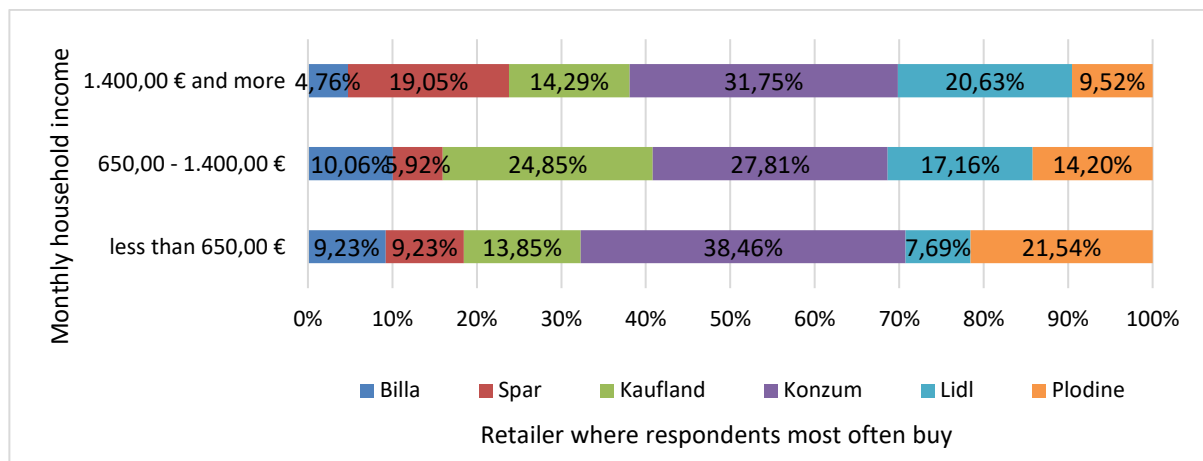
4. RESEARCH RESULTS

To measure the retailers' price image, simple methods of association and retailer ranking were used. Respondents were asked to mark whether retailer associate them more on low prices or high prices and afterwards to rang retailers from the one with the lowest prices to the one with the highest prices. Almost the same results were obtained by these two questions. Graph 1 shows the rank of retailers by the perceived prices of the respondents.



Graph 1: The rank of retailers by the respondents' perceived prices - from the lowest (1) to the highest price (6) (Authors)

It is evident that Kaufland, Lidl and Plodine are more perceived as retailers with low price image, while Konzum, Billa and Spar are more perceived as retailers with high price image. Considering that monthly household income probably has certain impact on preferred retailer where respondents buy most often, graph 2 shows the relationship between these two variables. Konzum is the most common choice among all monthly household income categories. It can be explained by the largest number of stores on the Croatian market that Konzum has and importance of location is well known in retail business. Households with higher monthly income more often choose retailers with higher price image, particularly Spar, for the most often purchase. Lower monthly income households most often choose Plodine as a lower price image retailer. From others lower price image retailers, middle income households choose Kaufland, while higher income households choose Lidl.



Graph 2: The most often purchase at a certain retailer with regard to monthly household income (Authors)

Furtherly, a Chi-Square independence test was conducted in order to find out whether there is statistically significant difference of *the most often purchase at a certain retailer* and *monthly household income*. The result obtained by a chi-square test is shown in the table 2.

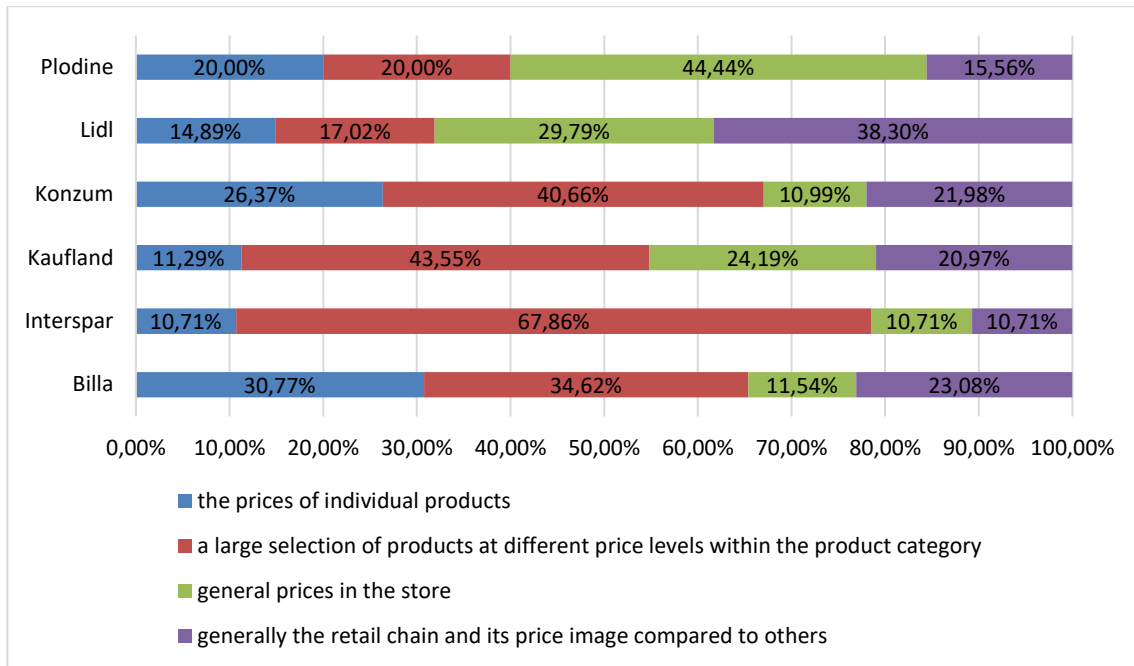
Table 2: Chi-square tests - the most often purchase at certain retailer and monthly household income (Authors)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.868 ^a	10	.011
Likelihood Ratio	22.580	10	.012
Linear-by-Linear Association	.487	1	.485
N of Valid Cases	297		

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 5,52.

The significance level of Pearson chi-square is less than 0.05 ($p = 0.011$). Therefore, at the significance level of 5% it can be concluded that there is statistically significant difference between *the most often purchase at a certain retailer* and *monthly household income*. Looking the graph 2, it can be seen that retailers with the higher price image are more often chosen by the households with higher monthly income for the most often purchase. When it comes to retailers with lower price image, the households with various monthly income choose various retailers for the most often purchase. Graph 3 refers to levels of price image and shows what leaves the largest impression on prices among consumers that buy most often at certain retailers.

Graph following on the next page



Graph 3: The most often purchase at certain retailer with regard to what leaves the largest impression on prices (Authors)

Another Chi-Square independence test was conducted for the variables *the most often purchase at a certain retailer* and *largest impression on prices at certain retailer*. The result is reported in the table 3.

Table 3: Chi-square tests - the most often purchase at certain retailer and the largest impression on prices (Autors)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.721 ^a	15	.000
Likelihood Ratio	51.756	15	.000
Linear-by-Linear Association	4.268	1	.039
N of Valid Cases	299		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.04.

The statistically significant difference between variables *the most often purchase at a certain retailer* and *largest impression on prices at certain retailer* was observed. Pearson chi-square is less than 0.05 ($p = 0.000$). Graph 3 shows that for the respondents that buy most often at retailers with higher price image (Billa, Spar and Konzum), the largest impression on prices leave prices of individual products and a large selection of products at different price levels within the product category (it is connected with their High Low price strategy). For the respondents that buy most often at retailers with lower price image (Lidl and Plodine), the largest impression on prices leave general prices in the store or generally the retail chain and its price image compared to others (it is connected with their EDLP price strategy). Although Kaufland is perceived as a retailer with lower price image, for respondents that buy most often in its store(s), the largest impression on prices leave a large selection of products at different price levels within the product category. It can be associated with retail format what will be commented in the conclusion of this paper.

5. CONSLUSION

This paper emphasizes the importance of managing retail price image in order to achieve stronger and recognizable overall retail brand and consumer loyalty. Results obtained by primary research suggest some conclusion regarding household income level and different levels of price image. Once again, the importance of location in retail business is evident. Although Konzum is more perceived as a retailer with a higher price image, it is the most common choice for purchases in all categories of household monthly income. With the number and locations of its stores, it presents the best ratio of the invested effort (time, convenience, car fuel consumption, etc.) and price for most respondents. Furtherly, it can be concluded that households with higher monthly income are more likely to buy at higher price image retailer than those households with lower monthly income. However, the results suggest that households with higher monthly income even more purchase at lower price image retailers compared to the households with lower monthly income. What makes a significant difference is the choice of retailer, so Lidl is preferred for those with higher income, while Plodine is preferred for those with lower income. It can be assumed that both income categories are looking for low prices. However, those with higher income seek also a unique offer that Lidl provides with a very high share of private label products within the assortment and high fluctuation of products on a time limited offer. Previously is not in line with Diallo's (2012) research which reports negative influence of household income on the store brand purchase. Although in this paper wasn't examined exactly the store brand purchase intention, knowing that majority of discounters' assortment are store brands, indicate that those households with higher monthly income are prone to buy store brands as well.

Additionally, it is more in line with Wakefield and Inman (2003) who discussed on functional and hedonic product categories. It seems that Lidl managed to attract consumers of all household income level by creating price image based on an optimal offer of functional product categories, to which consumers are more price sensitive (focused on all income levels), and hedonic product categories, to which consumers are less price sensitive (focused on higher income level). Bearing in mind the above, it can be concluded that Lidl accomplished a price image of low prices, at the same time attracting consumers regardless their household income level. For this reason, it may be the most successful in managing its own price image. Looking the managing of price image on multiple levels, certain similarities can be found among price format (hi-lo or EDLP stores), store format and perception of overall price image. Retailers perceived as those with higher price image are mostly hi-lo retailers. This partly explains why those retailers leave the largest impression on prices for their loyal consumers through prices of individual products – the effect of deep temporary price promotions. Furtherly, those are retailers who mostly operate on the market through supermarket or hypermarket store format with wide assortment range, what contributes to the strong impression on large selection of products at different price levels within the product category.

On the other hand, retailers perceived as those with lower price image leave the largest impression on prices for their loyal consumers through generally (lower) prices in the store or price image compared to other retailers. This could be in accordance with Diller (2008) who states that consistency and recognition of retailer's price image can enable it to achieve price credibility and loyalty to his brand. Results suggest that retailers with higher price image should focus their activities in price image managing on the individual product and product category level, while retailers with lower price image should focus it on the retailer and store level. However, the importance of retail store format is especially confirmed in the case of Kaufland which is perceived as a retailer with lower price image, but the strongest effect has its offer of a large selection of products at different price levels within the product category. Previously

confirms the importance of non-price attributes of retailers that have certain role in price image formation. From that arise research limitations of this paper that measured the price image by quite simple methods, in addition to the geographically narrow area from which the included respondents come. Future research should measure the price image as multidimensional, consisting of price and non-price attributes. It would be useful to theory and practice to find out which attributes contribute to price image formation, also taking into account retail format.

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ECONOMIC MODEL OF VALUE CREATION OF HUMAN CAPITAL IN HIGH-TECH INDUSTRIES

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ABSTRACT

The aim of this work is the formalization of the model of coordination of interests of employers and owners of human capital in the labor market in high-tech industries of the national economy in the conditions of transformation of the national economy. Research conducted by the authors proved that the structure of costs of reproduction of human capital and the requirements for human potential have their own distinct features that should be considered in the specification of the economic model of value creation of human capital in these sectors. Authors propose an improved method of balancing interaction of economic interests of subjects of the labour market: employee and employer. The model reveals the mechanism of formation of the equilibrium value of human capital based on the cost approach and the income approach in modeling supply and demand in the labor market in high-tech industries. The model allows to estimate a quasi-equilibrium state of the labor market in high-tech industries with emerging trends in this market in the country as a whole. The study provides valuable analytical information required to implement science-based economic decisions in the management of human resources and their transformation into human capital, which in turn will improve the efficiency of realization of innovation potential of the company as the subject of the high-tech industry of national economy. At the level of state governance model allows to monitor the mismatches in the labour market that allows to develop actions to minimise their negative impacts on the national economy.

Keywords: *Equilibrium model, human capital, labor market*

1. INTRODUCTION

Most Russian academic economists, who analyze the processes taking place in the Russian labor market, recognize that its prominent feature is the imbalance in the labor supply and demand (Shestakova (2016), Vishnyakova (2016)). It should be noted that this imbalance works two ways. On the one hand, there is a significant percentage of unemployed economically active citizens, but, on the other hand, there is an acute professionals and skilled employees scarcity (Chart 1).

Figure following on the next page

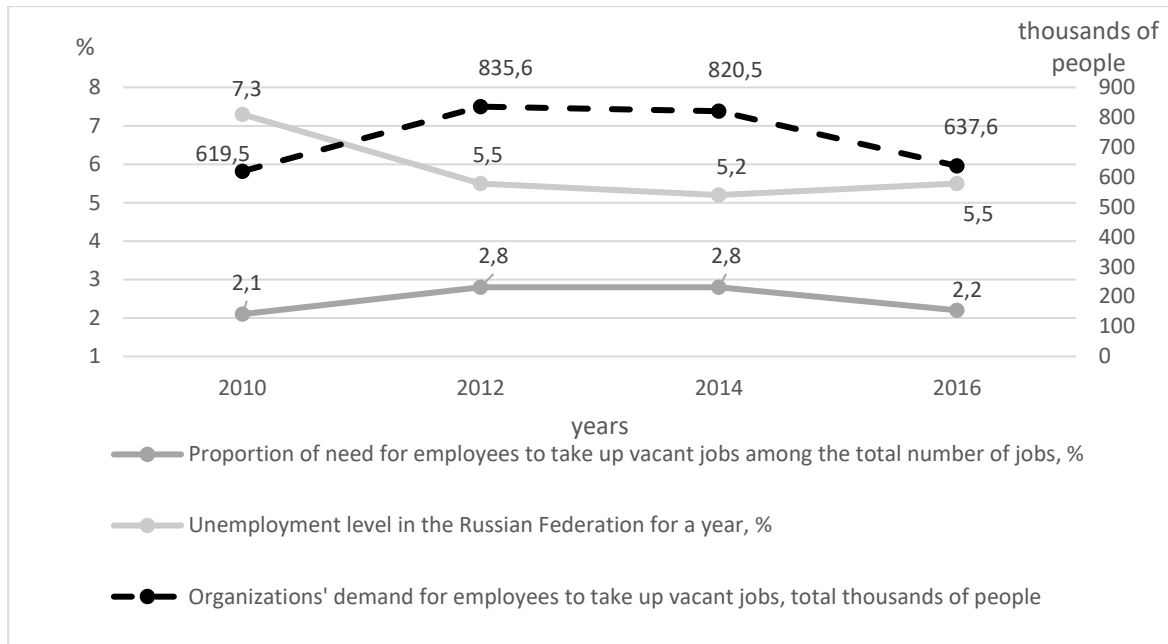


Chart 1: Organizations' demand for employees to take up vacant jobs and the unemployment level in Russia in 2010-2016 (Russian State Statistics Service, 2016)

For the analyzed period, one can note a very special feature of the Russian labor market: Proportion of demand for employees to take up vacant jobs *has in practice no correlation with the unemployment level and does not respond to its quantitative changes*. So, despite the fact that unemployment level decreased by almost 25% between 2010 and 2016, proportion of demand for employees to take up vacant jobs increased by 1% over the same period. In Russia, during the period from 2010 to 2012, demand for employees stated by employers, has increased by 1.4 times (figure 1), also large and medium-sized organizations required more than 48 thousand professionals of higher qualification in the field of natural and engineering sciences, which is 25% of total number of vacancies. According to information of Russian State Statistics Service, at the end of December 2016, the demand for employees stated by organizations decreased by 22.3% as compared to the same period of 2014. Nevertheless, the demand for higher qualification professionals continues to increase and amounts to about 27% of total demand, in 2014 this figure was 22.5% of current demand (Data on the number and demand of organizations for employees by professional groups, 2016). Thus, the overall decrease in demand of organizations for employees practically does not affect this category.

In addition, results of a comprehensive observation of the population living conditions conducted by Russian State Statistics Service in 2016 showed that the level of job satisfaction grows together with the level of education of the population. The maximum job satisfaction is specific to higher qualification professionals: 80.1% (averagely in the Russian Federation – 68.2%), level of remuneration satisfaction – 49.8% (averagely in the Russian Federation – 37.4%). The second peculiarity of the Russian labor market, in our opinion, is the existing imbalance in the demand and supply of labor within certain industries. Table 1 provides information on the correspondence of the obtained specialty to the job. In general, about 75% of people in the Russian Federation have a profession or a specialty which is confirmed by a special document. However, according to data for 2016, 35.0% of respondents pointed that their specialty does not correspond to their job. Among them, 26% are persons with higher education. A significantly higher percentage of respondents with secondary vocational education have jobs that do not correspond to the obtained diplomas – 42.2.

Table 1: An obtained specialty and its compliance with the job in the Russian Federation, 2016

	All respondents	including respondents having education				
		higher - total	incomplete higher (undergraduate degree)	secondary vocational	secondary general	basic general
Persons aged 15 years and over, employed in the economy and having a profession confirmed by a special document - total, incl. with their work	100.0	100.0	100.0	100.0	100.0	100.0
completely corresponding to the obtained specialty	46.7	52.0	31.9	42.3	56.7	51.7
close to the obtained specialty	18.1	21.7	23.9	15.3	9.9	7.8
not corresponding to the obtained specialty	35.0	26.0	44.2	42.2	31.6	40.5
being undefined	0.2	0.2	0.0	0.2	1.7	0.0

One of the reasons for this phenomenon is the imbalance of labor supply and demand. So, in 2016 the most popular fields were still the fields related to humanity communication (journalism, economics, legal studies, political science). In a number of leading universities the demand for “Advertising and Public Relations”, “Linguistics and Foreign Languages”, “Oriental Studies and African Studies” has grown, the number of students admitted to these fields of study is several times more than the number of allocated budgetary places. Top unpopular fields are: machine building, printing, metallurgy, food industry, agriculture, architecture. The field of “Agriculture and Fisheries” is among “anti-leaders” (Monitoring the quality of admission to universities (2016).

Thus, the situation in the Russian labor market is that the expansion of application of new science-intensive technologies and their development leads to a change in the professional and skill structure of demand in the labor market, increasing an employer’s demand for the quality of labor. At the same time there is an acute scarcity of skilled employees of many professions and specialties. Consequently, a stable contradiction is emerging in the Russian labor market, it is associated with a systemic imbalance of supply and demand for skilled employees in the long term and causes significant disparities in the labor market as part of occupation types and occupational groups, and there is a scarcity of skilled employees in a number of professions and specialties. In the presence of conflicting signals coming from the labor market, families do not in a hurry to change their educational priorities and orient prospective students to the specialties that, in their opinion, are of the greatest demand – economist, manager, lawyer (Larina (2017). At the same time, one should understand that in the conditions of modernization of production and introduction of new science-intensive technologies, the problem of the scarcity of skilled engineering and technical employees will only worsen.

2. LITERATURE REVIEW AND HYPOTHESIS

With respect to labor market analysis methodology, there has always been a dichotomy between microeconomic and macroeconomic approaches. Supporters of the first approach relied on microeconomic arguments when modeling labor market equilibrium and focused on counterbalancing forces of competitive markets. Adepts of this approach were mostly neoclassicists A. Pigou, P. Samuelson, R. Hall, and in the 80’s also supply economics concept

supporters D. Gilder, M. Feldstein, A. Laffer, and others. Among modern works of the first approach, there should be noted the work of Machin and Manning (2004), who conducted a study on whether the labor market can be considered competitive. The second approach began to develop after the work of J. Keynes, *The General Theory of Employment, Interest and Money* (1936). Basic concept of labor market analysis relied on macroeconomic arguments based on empirically observed processes (Krause, Lubik (2014)). However, these works were devoted precisely to matching the supply and demand curves in the short term. Nevertheless, the synthetic approach that combines these two approaches is also actively developing and pays special attention to the by-effects of institutional changes in the labor market. The Davis's works (1998, 1999, 2008) should be underlined within this approach. He was one of the first to emphasize that institutions are crucial for explaining various long-term effects labor markets. Among representatives of the Russian school, the work of Solodukha (2016) and Bakumenko (2015) is devoted to this aspect. As to jobs related to effects on the labor market in the long term, the works of authors were devoted to the study of specific effects, but there was no single, systematic research in this field. Accordingly, in the framework of this study, the basic theses were:

1. In an unstable market environment, labor market models based on macroeconomic arguments have a lower analytical and predictive ability for two main reasons. Firstly, the very arguments become more volatile in this case, and, as a result, hardly predictable. Secondly, in conditions of unstable and crisis economy, the state strengthens its regulatory function and, as a result, political decisions smooth out or completely reduce existing economic patterns. Given that the labor market is considered to be strategically important market from the point of view of state regulation, this effect reveals itself there to the greatest extent. In this regard, to describe the effects emerging in the labor market in the long term, it is most desirable to use microeconomic arguments.
2. In an unstable environment, the most important is to predict possible effects and imbalances associated with the imbalance of the market. In this regard, the main result of this work was formation of systemic dynamic logical-empirical models able to reflect the realities of supply and demand in the labor market in the long term and allowing to predict possible effects associated with implementation of state policy in this market.
3. The authors selected high-tech industries as the subject of research, since, on the one hand, they are of strategic importance for the development not only of Russia but also of any state in the conditions of modern economy, on the other hand, it is these sectors that have certain features in terms of demand and supply, which allows them to be grouped to a separate class for research.

3. THE METHODOLOGY

The following general scientific methods were used in course of research: a method of content analysis intended for analyzing the semantic content of textual arrays on the subject of research, as well as tools for inductive and deductive analysis, allowing to combine separate conclusions on this problem and formulate the author's vision of the problem. Special methods were also used: absolute and relative statistical indicators, indicators of dynamics, logical-empirical models for the formation of supply and demand in the labor market, and methods for visualizing the results of research. In course of formation and description of models, the authors tried to adhere to the principles of an integrated approach that allows to establish the most significant interrelations and trends in phenomena and processes in the labor market and formalize the most significant effects. Information base of the research consisted of official statistical materials of the Federal State Statistics Service of Russia.

4. IMBALANCES IN THE LABOR MARKET: NATURAL OR DANGEROUS?

Analysis of the labor market and causes of imbalances in it at different times included analysis of supply and demand, and the factors determining them. The basis for imbalance and emergence of such phenomena as unemployment, many scientific schools sought in that the basic arguments of functions of supply and demand for labor initially differ (Keynes, 1936). The inconsistency of factors determining the reaction of supply and demand led to emergence of the labor market conditions known as quasi-equilibrium. Their main difference is that the market can be in equilibrium only within the short-term period and in its deep state is close to the simultaneous excess and/or scarcity of labor. Quasi-equilibrium states are especially observed in the sectoral labor markets, as there are no compensating effects and the overflow of labor relative to industries or economy sectors does not smooth out these contradictions.

However, some imbalances in the labor market can be considered as natural, since they exist during the short term and are related to the fact that decision-making both by companies and by the subjects forming labor supply is accompanied by significant transaction expenditures. The reason for this imbalance between supply and demand is imperfect information about counterparties and what is called the measurement costs. An example may be a situation where the employee does not quite meet the requirements, but it's either long or expensive for a company to look for a new employee and, vice versa, when an employee becomes unsatisfied with a company after employment.

At the same time, the system of labor imbalances can arise in the labor market, for example, when an employer can not find employees with certain skill level and there is a demand for the profession of a certain specialty along with high unemployment rates. This situation is extremely dangerous for the development of industries where (labor) remuneration is the determining factor in the production of goods, since in this case there is no production key factor in the market, which first causes stagnation, then loss of competitiveness of such industries in the world market. Such industries include, in particular, high-tech industries.

Another example of long-term imbalance is the excess of highly qualified employees who can not find a decent job in the domestic market. Then, there occurs the "brain drain effect", that is, the outflow of this category of workers to external labor markets. The key aspect this work is devoted to is that if there is unemployment in the short term while there are vacancies in the labor market, then this process is natural for such a market. But for the *long term*, this imbalance is not so much related to the specifics of the labor market, but to the result of the decision-making process by rational subjects, companies and households. The main task of the state should be the smoothing out of a significant long-term imbalance and this process must be taken into account for assessment of effectiveness of state policies in the labor market.

5. SIMULATION OF EQUILIBRIUM IN THE LABOR MARKET: DIFFERENT APPROACHES TO THE MODEL ARCHITECTURE

Variety of factors affecting the supply and demand of labor in its essence still implies coordination of interests through intervention of government and overcoming of those failures that the market can not manage. However, quasi-equilibrium states can also be revealed in another aspect, once the labor market model starts taking the time factor into account. In many researches, the time factor was taken into account by lagging the variable for the supply of labor, which allowed us to solve applied problems on the analysis and forecasting of the market, but the model described the market well in conditions when the external environment and macrofactors were in a relatively stable state, there were no significant technological shifts and institutional changes were not directional. As soon as conditions that previously had a status

quo were consistently removed from the economies of the countries, complex models began to decrease reliability of description of the processes taking place in the labor market, and in fact the only way out was not to fine-tune the models, but to rethink the approach and return to the classical labor demand and supply functions where remuneration amount is the price factor. Time management becomes possible through rejection of static equilibrium models and change-over to the simplest dynamic models, such as a cobweb model. For technologically advanced industries, such models become very relevant, since time is a factor that can either further stimulate, or severely hamper, and in some cases also stop the development of the industry due to the lack of key resource – qualified employees. Then, labor demand formed by companies depends on the amount of remuneration that is an element of expenditures of the current period for the producer and the decision on employment will be based on the cost of labor that meets certain qualification requirements as of today: $D_L = f(W_t)$, where D_L – labor demand, W_t – labor remuneration for the moment of t .

Labor supply with qualitative and quantitative characteristics, formed by households, focuses on the remuneration actual for an earlier period. This is because the potential employee invests in human capital by getting education in a certain specialty, focusing on remuneration of a professional group in the basic period, but in fact entering the labor market and being able to provide supply only with a certain time lag (in 4-6 years) depending on the term of the specialty: $S_L = f(W_{t-n})$, where S_L – labor supply, W_{t-n} – remuneration as of the moment of education investment decision ($n = 1, 2, \dots, 6$). Thus, even in the presence of representative functions of supply and demand for labor, only quasi-equilibrium states can be established in the market within the short-term period. The main question that arises and must be solved is the architecture of the operating algorithm for such a model in the long-term period.

6. SPECIFICATION OF THE AUTHOR'S DYNAMIC COBWEB MODEL FOR THE LABOR MARKET IN HIGH-TECH INDUSTRIES

As is known, the reaction of supply and demand to instability of equilibrium or the need for further adjustment can lead to the three potential scenarios:

1. The model reflects the situation in the labor market, when the system, compensates for the time lag in decision-making, tends to move from quasi-equilibrium to a stable equilibrium (Chart 2).

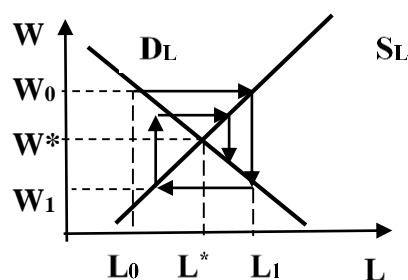


Chart 2: Cobweb model of the labor market (stable equilibrium)

In fact, this will be expressed in the fact that the lag between supply and demand of labor will be reduced over time, and the remuneration fluctuations will have a fading character. For the development of a high-tech industry, such scenario is the most optimal, since barriers to growth and further development are removed by the supply of qualified employees. In addition, during the period of “adaptation” of supply and demand to each other, it is possible to build a system of adaptation of professional competencies to changing technological shifts, which can allow them to quickly overcome retardation of professional skills to requirements of employers

2. The model will enter the cycle format, reproducing and repeating errors in the decision-making concerning supply and demand from period to period (Chart 3). In this case, a quasi-equilibrium state is the only acceptable state with very vague prospects for the development of industry itself and its competitiveness. As a result, the “closed circle” problem arises: an industry can not reach an acceptable level of profitability and competitiveness due to a lack of skilled employees providing a key contribution to its development. In turn, the unavailability of a fully functioning industry narrows the labor market of a labor grade and gives rise to the problem of entry into the labor market after obtaining higher education.

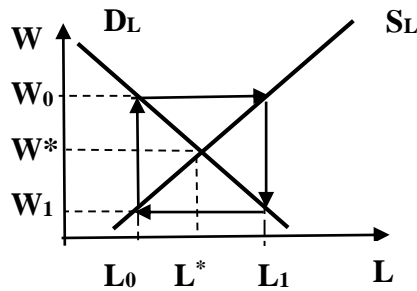


Chart 3: Cobweb model of the labor market (the “cycle” situation)

3. The catastrophe model – in this case, the periods of labor scarcity and its overestimation relative to the real contribution to the final product will lead to a sharp surge in labor supply over a certain period of time, but due to lack of key resource for the development of technologically complex industries, speed of increase in the number of jobs will not match the speed of training of new skilled employees, as a result, we will observe either a “brain drain” or their re-qualification to specialties that are in greater demand at the moment, or search and employment in the jobs which do not correspond to the obtained professional competences profile (Chart 4).

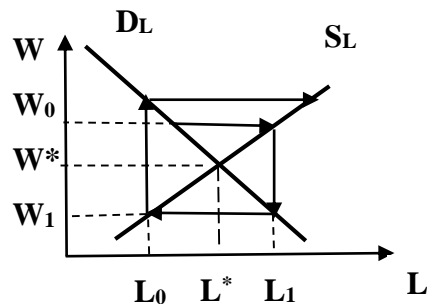


Chart 4: Cobweb model of the labor market (the “catastrophe” situation)

And unlike the second scenario, imbalance will only increase, leading to the destruction of an industry as a whole and disappearance of labor market for this specialty. And the implementation of a specific type of scenario depends on correlation of demand and supply functions slope angles.

1. equilibrium is stable if the slope of supply curve is steeper than the slope of demand curve;
2. equilibrium is unstable, with explosive fluctuations in the level of employment and unemployment of individual labor grades if the slope of labor demand curve is steeper than the slope of labor supply curve;

3. employment is presented as regular fluctuations around the equilibrium position if the slopes of supply and demand curves are equal.

In its turn, the angle of slope is determined by sensitivity of producers and households to changes to price of the resource. To assess sensitivity of producers to changes in remuneration there is a specific indicator – variable resource marginal product reduction factor, labor in our case. If the marginal product of labor decreases slowly as it is added to a fixed number of other factors, then the MRP_L , or labor demand curve, will decrease slowly and tend to be highly elastic. Even a slight decrease in price of such a resource leads to a relatively large increase in the required amount of the resource. And on the contrary, if the marginal productivity of the resource sharply decreases, then MRP_L , or resource demand curve, will have a steep slope angle. This means that a relatively large increase in wages is followed by a very modest decrease of amount of this resource, the labor demand will not be inelastic.

It can be assumed that the factor of reduction of marginal product of labor in high-tech industries is characterized by a low elasticity. The logic of such assumptions is the following: on the one hand, the proportion of remuneration in cost of final product of high-tech industries is high, that is, the labor with the required qualification characteristics is the key resource for creating the product. On the other hand, demand for final product itself is characterized by low elasticity, since advanced technologies have the ability to compensate for the overestimated costs of development and introduction of innovations through the price. Thus, demand for the resource that determines the development of production and success (also commercial) of finished products, remains insensitive to the value of this resource, that is, remuneration.

Sensitivity of the high-tech industries labor supply to changes of remuneration is related to time factor, established institutional system and state regulation policy. For Russian economy, the index of elasticity of labor supply in high-tech industries remains less than one, this is connected with the education system reform, deregulation of the educational services market, false signals from the labor market, and structural distortions of the national economy itself. For now, an acute scarcity of skilled employees capable of joining the social production sector is becoming chronic. This means that even when remuneration in high-tech sectors is high relative to the average one existing in the economy, labor supply remains relatively stable and reacts poorly to price signals. The problem is primarily in fact that existing vacancies impose on applicants for employment certain requirements of professional competences and skills, which require significant time and money expenses to obtain. In the labor market, there is a very limited number of applicants with required skills, which, for objective reasons, initially reduces the sensitivity of demand to remuneration change. The general conclusion on the analysis of demand and supply curves in the labor market of high-tech industries shows that both functions are characterized by low elasticity and are graphically represented with a steep slope. However, the actual question remains: which angle of slope (either of the demand curve or the supply curve) is steeper, it can reveal implementation of a potentially possible model.

7. CONCLUSION

Two types of imbalances should be distinguished in the labor market of high-tech industries: within the short-term period, the instability of equilibrium parameters of employment and remuneration is estimated as natural and can be minimized by affecting the amount of transaction expenses. However, within the long-term period, the labor market of high-tech industries can increase the contradictions in decision-making carried out by employers and employees, since they are not synchronized in time. Consideration of the time factor in modeling of the labor market functioning leads to the conclusion that it is necessary to change-

over to dynamic models, as their evaluation gives three development scenarios: quasi-equilibrium states through a certain period of time change to a stable equilibrium; quasi-equilibrium states are reproduced from period to period to period (cycle), they allow balancing the labor supply and demand for the current time, but in fact do not contribute to the development of the industry and the establishment of objective remuneration amounts in the labor grade; quasi-equilibrium states shake the labor market and the industry, generating false signals, on the one hand, and leading to complete degradation of the industry, on the other. Since the type of model, and therefore the development scenario depends on correlation of the slopes of the demand and supply curves in the labor market, the state regulation policy must completely change. A complex of measures must be formed taking into account the effect of elasticity of the labor demand and supply curves to the amount of remuneration.

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MILITARY EXPENDITURES: CO-MOVEMENT ANALYSIS OF THE USA AND RUSSIA FROM 1830 TO 2007

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ABSTRACT

In the twenty century, we were the witness of unusual war conflict between USA and USSR called cold war. The fear on the both sides of the nuclear apocalypse was the main reason why this conflict remained cold. Both actors tried to discourage each other from the first attack through the massive military expenditure. In the case of the relevance of this assumption, we should expect the co-movement of the military expenditure on both sides. We propose the new look on this problem. We do not use the traditional econometrics approach in the time domain but we utilize time-frequency domain methodology. Wavelets approach allows us to analyze the time series in the different time periods. We demonstrate that the superpowers did not react to each other promptly but in the longer periods of time. In consequence, we study the dynamic in the leader and follower process and dynamics in the sign of co-movement in 19th and 20th century.

Keywords: cold war, wavelet coherence, military expenditures

1. INTRODUCTION

In this paper, we study the co-movement of the military expenditures on the both side. Our goal is to explain how spending on one side affected the military expenditures of the other side. Despite the geographic distance, Russia quietly supported the independence of the colonies in the Revolutionary War. The relationship between the USA and Russia began in 1776, when the USA declared its independence. In 1867 Russia sold part of its land, Alaska, to the USA. In 20th century the relationship was not ideal. The cold war was an unusual conflict between United States of America (USA) and Union of Soviet Socialist Republics (USSR) in the second half of the twenty century, in particular, it last from the end of World War II in 1945 till the fall of Berlin Wall in 1989. The tension between the USA and the USSR led to some localised conflicts, but a full-scale war between the USA and the USSR never happened. The main reason was the fear of the nuclear apocalypse which discourages each other from the first attack. However, in order to discourage the other side, the tension led to the arms race and huge military expenditures on both sides. The military expenditures are often studied in contrast to GDP growth and GPD in general, see for example (Hou a Chen 2014; Aizenman a Glick 2006; Dunne a Tian 2015; d'Agostino et al. 2017; Heo a Ye 2016). Those articles focus is to estimate the effect of military spending on the growth of GDP. On the other hand, article (Murdoch a Sandler 1984) focused on the military spending in regards to the GDP of nine NATO countries. A review article by (Dunne et al. 2005) summaries both theoretical and econometric issues involved in estimating growth models that include military spending. The general model for military expenditure along with empirical study of United Kingdom was published by (Smith 1989) who believed that military expenditures depend not only on GDP or prices but the important effect are the security and internal political influences.

In our paper, we focus mainly on co-movement of military spending between two countries. The similar goal had the work of (Collier a Hoeffler 2002). They find that the level of military expenditure is strongly influenced by the expenditure of neighbours and that an initial exogenous increase in military expenditure by one country is more than doubled in both the originating country and its neighbour. More recent work on the similar topic published (Caruso a Di Domizio 2016) who studied the interdependence between the US and European military expenditures in 1988 to 2013 using cointegration analysis. Their main results were that the military spending of European countries was positively associated with US military spending and negatively associated with spending of other European countries. European countries according to this study act like a follower in regards to the USA. In our paper, we study the co-movement using the wavelet decomposition of the time series of military expenditures of the USA and the USSR (Russia). Our goal is to analyze co-movement in the different time scales.

The article is organised as follows: In Section 2, we present the methodology we used. In Sections 3 we describe the dataset and in Section 4 we present the empirical part of this paper. The paper concludes with a summary in Section 5.

2. METHODOLOGY

Following Percival (2000) the wavelet function satisfied these two conditions:

$$\begin{aligned} \int_{-\infty}^{\infty} \psi(t) dt &= 0 \\ \int_{-\infty}^{\infty} \psi^2(t) dt &= 1 \end{aligned} \quad (1)$$

Then the wavelet is

$$\psi_{u,s}(t) = \frac{1}{\sqrt{s}} \psi\left(\frac{t-u}{s}\right) \quad (2)$$

Where s represents the scale parameter and u the translation parameter. Then the $\frac{1}{\sqrt{s}}$ is a normalization factor. In our work we use Morlet wavelet that belong to the family of complex wavelet. This feature we will utilize in the construction of phase diagram. The wavelet coefficients are got as the orthogonal projection of the wavelet $\psi(\cdot)$ onto time series $x(t)$. The continuous wavelet transform is defined as convolution:

$$W_x(u, s) = \int_{-\infty}^{\infty} x(t) \frac{1}{\sqrt{s}} \psi\left(\frac{t-u}{s}\right) dt \quad (3)$$

where $W_x(u, s)$ are wavelet coefficients for different time position u and different time scale s . The scale parameter s control the shape of the Morlet wavelet. The $W_x(u, s)$ is important for the composition of wavelet spectra defined as $|W_n(s)|^2$, which measures the local variation of time series $x(t)$ on the scale s .

The behaviour of two time series is studied through the cross-wavelet spectra $|W_{xy}(u, s)|$ Torrence and Compo (1998), which is got as the absolute value of:

$$W_{xy}(u, s) = W_x(u, s) W_y^*(u, s) \quad (4)$$

where $W_x(u, s)$ and $W_y(u, s)$ are wavelet coefficients from the continuous wavelet transformation of time series $x(t)$, $y(t)$ and $*$ denotes a complex conjugate. This spectra is estimation of local covariation of time series $x(t)$ and $y(t)$ at different time scales.

Because we want to compare different scales, we have to use the wavelet coherence $R^2(u, s)$ from of Torrence and Webster (1999), Which is defined as:

$$R^2(u, s) = \frac{\left| S \left(s^{-1} W_{xy}(u, s) \right) \right|^2}{S(s^{-1} |W_x(u, s)|^2) S(s^{-1} |W_y(u, s)|^2)} \quad (5)$$

Where S is smooth operator Percival (2000) and the value of $R^2(u, s)$ is bounded on $0 \leq R^2(u, s) \leq 1$. The wavelet coherence measures the local quadratic correlation between $x(t)$ a $y(t)$ at a particular scale.

The main disadvantage is the positive number of $R^2(u, s)$. We can not measure positive/negative correlation between time series. From this purpose, we use Morlet's wavelet which has real and imaginary part. Then we can estimate the phase difference $\phi_{xy}(u, s)$, which is defined as:

$$\phi_{xy}(u, s) = \tan^{-1} \left[\frac{\Im \left\{ S \left(s^{-1} W_{xy}(u, s) \right) \right\}}{\Re \left\{ S \left(s^{-1} W_{xy}(u, s) \right) \right\}} \right] \quad (6)$$

where $\Im \left\{ S \left(s^{-1} W_{xy}(u, s) \right) \right\}$ is imaginary part and $\Re \left\{ S \left(s^{-1} W_{xy}(u, s) \right) \right\}$ is real part of wavelet coherence Torrence and Webster (1999). We can use this information to measure the sign of correlation. The phase difference will be depicted as an arrow in wavelet coherence scaleogram. The zero phase difference means that the examined time series move together at a particular scale s . The arrows pointing to the right (left) means that the time series are in-phase (anti-phase), i.e. positively (negatively) correlated.

Arrow pointing up indicates that the second time series leads the first one by $\frac{\pi}{2}$ and vice versa. There is also possible to mix those directions, for example in case of arrow pointing down and right means that both series are positively correlated and the first one leads the second one.

3. DATA

For our analysis, we used the US and Russian annual military expenditure in local currency at current prices from SIPRI¹. The sample period spans from 1830 until 2007. Because the data are nonstationary we computed logarithmic differences. After computing logarithmic difference the series were stationary. The summary statistics of the resulting time series are shown in Table 1.

We can see that time series of the US military expenditures have higher unconditional mean and the time series is less volatile than the Russian series. The more interesting are higher moments. The estimated skewness suggests that both series are negatively skewed while the Russian time series is more skewed. The kurtosis suggests fat tails while the Russian's military changes have fatter tails than the US time series.

¹ www.sipri.org

The last column in Table 1 (JB) is a p-value of Jarque-Bera test. The value suggests that we can reject the null hypothesis about normal distribution of logarithmic differences.

Table 1: Descriptive statistics for the USA and Russia logarithmic difference of military expenditure for the period 1831--2007.

	Mean	Std.dev	Skew	Kurt.	JB
USA	0.0708	0.5270	2.8891	25.6125	0.0000
Russia	0.0461	0.5380	3.5484	45.8573	0.0000

4. EMPIRICAL PART

The empirical part of this paper lies in the application of mentioned methodology on the annual military spending of the USA and Russia. The results are visualised in Figure 1 which consists of two graphs. The graph at the bottom shows both time series.

The main result lies in the graph at the top represents the scaleogram which is the graph for wavelet coherence. In the scaleogram, the x-axis represents the time and y-axis represents the scales. The co-movement is stressed by yellowish colour, the stronger co-movement would be the more yellowish colour is. The deep blue part represents the correlation equal to zero.

The next formation is the black contours around the yellow part which form areas. These areas come from the hypothesis that the process is only AR(1) process (H0) or not (H1). The H1 is then represented with the black contours. For the hypothesis evaluation we used Grinsted et. Al. (2004) and Torrence and Compo (1998) approach for testing of the statistical significance of the wavelet coherence. Arrows which occurs frequently in the graph were described in Section 2. The area in the U shape is called the cone of influence, see Percival (2000). For our purpose, it means that we can interpret only the area in the cone of influence.

Each point in the graph represents the year using give scale. For the low scales around 1 to 4 years we can see positive correlation during years 1914 to 1922. On these scales, the arrows pointing slightly down which means that the US military spending precedes the Russian military expenditures. What is interesting, these patterns are not seen during the next 90 years.

The next important area is for scales around 6, but only from 1981 to 1998. These times are characteristic by negative correlation. Again, the USA is leading. During these times the Soviet (Russian) economy was stagnant and could no longer afford to maintain a large military. The arms race between the USA and the Soviet Union ended. As a result of economic fall, the Soviet Union has been disbanded in the early 1990s.

The most important part (area) is approximately between the scales of 8 to 32. The first positive correlation we can see after 1880 between 16—32. Then we can see huge important part from 1890 to 1960. There is no doubt about the positive correlation between both time series. What is more interesting is that the scale varies the slope of the arrows. Between 8—12 years we can see that changes in the Russian (Soviet) military expenditures lead to quick reactions of the USA in terms of military spending. As we go to the higher scales (lower frequency) the arrows slopes are flatter. It indicates that Russia leading decrease with higher scales. For the periods around 32, both time series are positively correlated without leading.

The reason of leading behaviour for scales 8—20 is probably driven by the population growth of the both USA and Russia which were during these time the fastest of all the major powers

with the USA leading. During the World War II, the USA started arming what erase the leading of Russian changes in military expenditure. This phenomenon continues for the next few years. Due to the cone of influence, we are not able to interpret the scales around value 32 after 1960.

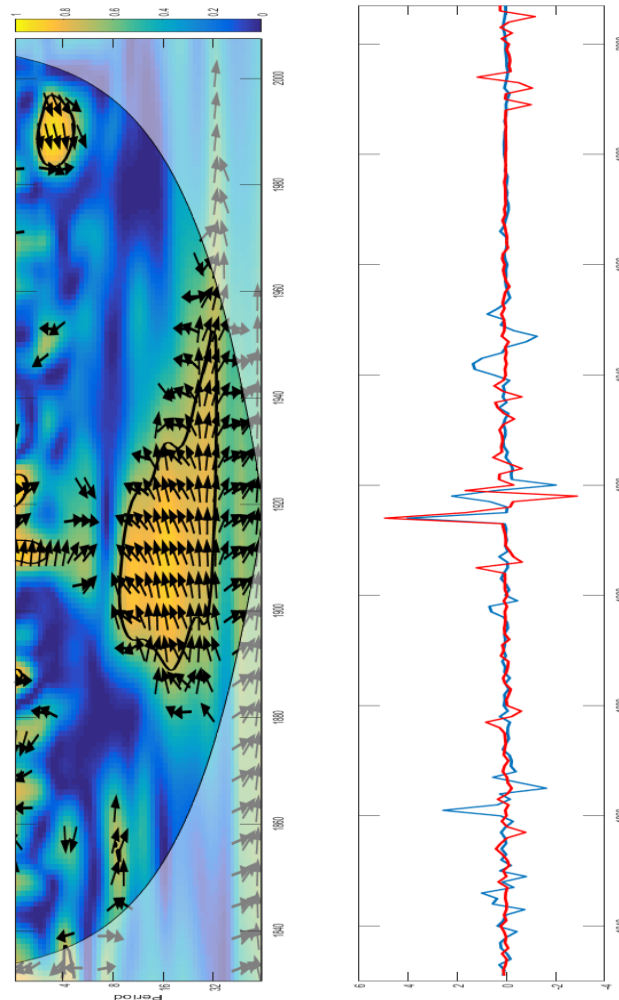


Figure 1: Wavelet coherence (detail description in Section 4) and logarithmic differences of military spending of Russia (red) and the USA (blue) during 1830 to 2007 in real current prices.

5. CONCLUSION

In this paper, we analysed the co-movement of military spending of the US and Russia in the last 150 years using wavelet transformation with different scales. We studied the dynamic in the leader and follower process and dynamics in the sign of correlations. We have focused mainly on the leader and follower process and therefore we studied the dynamics of co-movement and not the actual effects. Many interesting correlations were found during some specific times which are in line with the expectations, for example, the positive correlation in times when both nations were becoming superpowers or negative one when the Soviet Union was falling apart.

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THE LEVEL OF FINANCIAL LITERACY OF MANAGERS AND ENTREPRENEURS: A COMPARISON BETWEEN PORTUGAL AND RUSSIA

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ABSTRACT

The aim of this study is to compare the level of financial literacy of managers and entrepreneurs of small and medium sized enterprises (SMEs) of Portugal and Russia. As secondary goal is to analyse if socioeconomic factors determine the level of financial literacy among managers/entrepreneurs. This research was conducted in the North of Portugal and some regions in Russian Federation for the period of March to May 2017. Secondary data (namely the contact data) for this research were gathered from SABI database (for Portuguese sample) and with the help of personal and business contacts of researchers (for Russian sample). It was adopted a quantitative design as research methodology. Collection of primary data (assessing the financial literacy level of SMEs' financial managers/entrepreneurs) was obtained with a structured questionnaire that is mostly based on methodology used on International Survey of Adult Financial Literacy Competencies from OECD in 2016. It was applied to managers/entrepreneurs of the companies selected for the survey. It carried out during March until 26th of May 2017, using three main approaches: by email, by telephone and by personal visits. It was obtained 62 respondents, 33 from Russia and 29 from Portugal. The results suggest entrepreneurs' Financial Literacy Level (FLL), generally speaking, it is unexpectedly high and there is no significant difference among countries' variable. The analysis did not confirm any significant differences of FLL' results between the five age groups in both countries, nor in relation to company' size. Surprisingly, the analysis did not identify any significant differences between formal education levels, which means the availability of Higher Education degree does not always guarantee the Financial Knowledge. It seems that there is no statistically significant difference of FLL among male and female respondents. Although the average score of men' responds seems to be higher that of female gender.

Keywords: *Financial Literacy Index, Portugal, Russia, Small and Medium sized Enterprises*

1. INTRODUCTION

An acute awareness of the need to improve financial literacy of people has become one of the main lessons of the current financial crisis. Knowing the basics on financial economy allows people not only to avoid a number of mistakes and financial losses, but also to see new benefits and interesting opportunities, regardless of what position and in what area they work. For the business' owners, in our opinion, financial literacy may help to guarantee health and stable economic situation. Many researchers have already recognized the importance of financial

literacy, as they have written dedicated research papers, as well as by the policymakers by investing resources in financial education programs. The trend of accessible financial markets and an enormous variety of financial services requires from people a better understanding of economic processes. Ignorance of financial literacy might be crucial on the existence key-factors, since it has influence on financial decision-making process (Lusardi & Mitchell, 2014). The aim of this study is to compare the level of financial literacy of managers and entrepreneurs of small and medium sized enterprises (SMEs) of Portugal and Russia. As secondary goal is to analyse if socioeconomic (and demographic) factors determine the financial literacy level (FLL) among managers/entrepreneurs. To assess the financial literacy level of Portuguese and Russian SME's managers/entrepreneurs, it was implemented a structured questionnaire that is mostly based on methodology used on International Survey of Adult Financial Literacy Competencies from OECD in 2016. It was applied to managers/entrepreneurs of companies selected for the survey. Contact data about managers/entrepreneurs was obtained through the SABI database (Iberian Balance Sheet Analysis System) for the Portuguese group and by personal and business contacts for Russian group. This research was conducted in the North of Portugal and some regions in Russian Federation for the period of March to May 2017.

The present paper is divided into five chapters. After the first chapter that introduces the problematic of the paper, there is a literature review chapter on financial literacy (Chapter 2), that gives a brief overview of existing research and the definition of «Financial literacy». The next chapter (Chapter 3) presents the research hypothesis, data and research design methods. It also explains the calculations method for FLL. All findings are presented in the chapter 4, starting with the characterisation of sample with descriptive statistics, then the hypothesis are tested, discussed and highlighted the key conclusions and assumptions according to each of them. The paper finishes with remarkable conclusions, some limitations on the research and some suggestions for further research.

2. LITERATURE REVIEW ON FINANCIAL LITERACY

Understanding basic financial concepts helps people to make day-to day life decisions, which can vary from buying a coffee and to taking a home on mortgage. Financially literate people have competency to decide about investments, savings, borrowing and more (Asaad, 2015). It is markedly important to have financial knowledge in times when complicated financial products are freely accessible on the market to a big number of customers. In many countries, government tries to expand access to financial services, thus the number of people with credit products will increase fast (Klapper, Lusardi & Van Oudheusden, 2015). Financial literacy should be linked to the concept of financial intelligence. This is a set of skills that must be held by all those who want to run their businesses successfully and to be able to follow and understand the financial world. Financial literacy is typically measured at the individual level and then aggregated by groups, such as high school students or low-income adults, to provide a macro view (Remund, 2010). Financial literacy is the concept in which individuals and households get the required education and skills to understand management of personal finances better. It is a set of knowledge and skills that one needs to make financial decisions that can affect their financial prosperity positively. By financial literacy is meant a positive thinking on the need for financial planning, good understanding of the various financial services, knowledge of the various products, a fair idea of the risks and rewards in terms of usage of the services, a reasonable grasp of the concepts like interest rate, compounding, inflation, diversification etc. (Asaad, 2015). Novo (2012) defines financial literacy as the ability to read, analyze, manage and write about personal financial conditions that affect material wellbeing. It includes an ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect every day financial decisions, including events in the general economy.

It consists of various constructs. Huston (2010) proposed a model (Figure 2) that includes relationships between financial literacy, knowledge, education, behavior, and financial wellbeing. In this model, inputs into financial literacy are human capital and financial education. Other influences such as demographics, culture, and family influences are associated with financial behaviors.

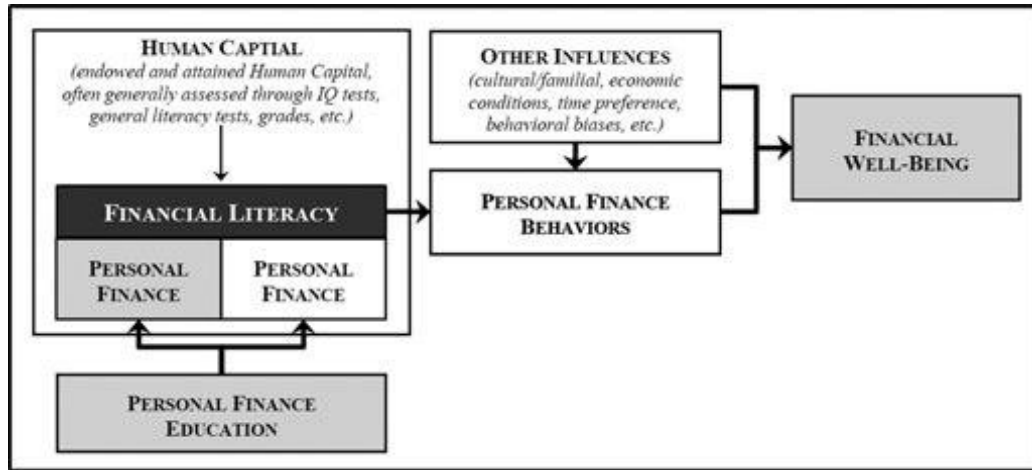


Figure 2. Relations among Financial Literacy, Knowledge, Education, Behavior and Well-Being (Huston, 2010, p. 5)

Financial literacy is a component of human capital that can be used in financial activities to increase expected lifetime utility from consumption (i.e., behaviors that enhance financial well-being). Other influences (such as behavioral/cognitive biases, self-control problems, family, peer, economic, community and institutional) can affect financial behaviors and financial well-being. A person who is financially literate (i.e., has the knowledge and the ability to apply the knowledge) may not exhibit predicted behaviors or increases in financial well-being because of these other influences (Huston, 2010). Financial education is an input intended to increase a person's human capital, specifically financial knowledge and/or application (i.e., financial literacy). A well-designed financial literacy instrument that adequately captures personal finance knowledge and application can provide insight into how well financial education improves the human capital needed to behave appropriately to enhance financial well-being (Huston, 2010). In recent years, researchers have created many types of assessments aimed at measuring financial literacy and levels of financial knowledge. A lack of financial knowledge has been associated with behaviors that led to financial mistakes such as over borrowing, high interest rate mortgages, and limited saving and investment (Henager & Cude, 2016). There are large numbers of stakeholders including state governments, financial regulators, financial institutions; civil society, educationists and others are involved in spreading financial literacy. The recent economic downturn has magnified overall awareness of financial illiteracy and its impact on world economy. One response has been increased academic research focusing on financial literacy as well as renewed interest in financial education and related policy. Financial education is increasingly prevalent in high schools, colleges and workplaces (Henager & Cude, 2016). Fast evolving financial landscape provides an easier access to financial services to citizens, while more risks are appearing as well. Financial literacy has become a key life skill for individuals as well as micro and small businesses. It can range from purchasing a vehicle, constructing a house, getting the children married, and savings for retirement etc. Financial education can help strengthen financial literacy by increasing financial knowledge, skills and attitudes (Grifoni & Messy, 2012). What adults know about household finance is important because of the many personal financial responsibilities people assume over a lifetime. Adults must manage household budgets subject to income constraints, buy goods and services, monitor

financial accounts, handle credit cards, save and invest for a future event such as a child's college education or retirement, purchase insurance to reduce risk, pay taxes, and seek sound financial advice. There are two essential elements of financial inclusion, one is access and the other is awareness. The acceptance of these two elements varies country to country. For developed countries with widespread financial infrastructure, the access to financial products/services is not a matter of concern. It is more of a financial literacy issue in that market players/consumers are required to be educated about the features of the available financial products/services, including their risks and returns (Singh, 2014). There are many research papers and investigations (e.g., Borodich, Deplazes, Kardash, Kovzik, & Oshkosh, 2010; Lusardi & Mitchell, 2014; Lusardi, Mitchell & Curto, 2010; Klapper et al, 2015; Porto & Xiao, 2016; Su, Hsiao, & Chen, 2015) that are aimed to find out levels of financial literacy among adults all over the world. Broader reports on financial literacy, comprising several countries, are not much but there is at least two examples: the Standard & Poor's Ratings Services Global Financial Literacy Survey and the OECD International survey of Adult financial literacy competencies. The latest report of Standard & Poor's Ratings Services Global Financial Literacy Survey, published on 2016 (Klapper et al, 2015), shows that the countries with the highest financial literacy rates are Australia, Canada, Denmark, Finland, Germany, Israel, the Netherlands, Norway, Sweden, and the United Kingdom, where about 65 % or more of adults are financially literate. On the other end of the spectrum, South Asia is home to countries with some of the lowest financial literacy scores, where only a quarter of adults - or fewer - are financially literate (Klapper et al, 2015). Not surprisingly, financial literacy rates differ enormously between the major advanced and emerging economies in the world. On average, 55 % of adults in the major advanced economies – Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States – are financially literate. Nevertheless, even across these countries, financial literacy rates range widely, from 37 % in Italy to 68 % in Canada. In contrast, in the major emerging economies - the so-called BRICS (Brazil, the Russian Federation, India, China, and South Africa) - on average, 28 % of adults are financially literate. Disparities exist among these countries, too, with rates ranging from 24 % in India to 42 % in South Africa (Klapper et al, 2015). A survey on financial literacy was conducted by the Organisation for Economic Co-operation and Development (OECD) in 30 countries; respondents were people aged from 18 to 79, with sample sizes ranges from 1,000 to 10,000 - 1000 was a minimum requirement in order to be able to facilitate comparative study (OECD, 2016). The findings of survey showed that (OECD, 2016), overall levels of financial literacy, indicated by combining scores on knowledge, attitudes and behaviour are relatively low. On average, only 56 % of respondents across participating countries have achieved the minimum target score. Adults particularly struggled with basic concepts on financial knowledge; only 42% are aware of the additional benefits of interest compounding on savings; only about two in three adults – across OECD and all participating countries and economies – were aware that it is possible to reduce investment risk by buying a range of different stocks. Gender differences in financial knowledge are needed to be mentioned, with 61% of men who achieved the minimum target score compared with only 51% of women across participating countries and economies (OECD, 2016). The weakest areas of financial behaviour across these measures appear to be related to budgeting, planning ahead, choosing products and using independent advice (OECD, 2016). Research on SMEs managers/entrepreneurs is scarce around the world. Fernandes (2015) report some research on managers/entrepreneurs or owners of SMEs' financial literacy and the main findings are that they have some lack or low level of financial literacy (e.g. Brown et al, 2006; Pearl & Eileen, 2014; Sage, 2012, referenced by Fernandes, 2015, p. 8-9). Two recent papers worthy to mention are Campo & Barnes (2017) and Plakalovic (2015). Campo and Barnes (2017) found that the association between age and basic financial literacy is statistically significant as the case of the association with education level. Gender is

statistically significant in the association with overall financial literacy. In their sample of Australian SME managers/owners, 109 of 116 respondents exhibit a 100% numeracy level of financial literacy, 95 (out of 116) have a score range of 100% in basic financial level, 72 have a score range of 83% to 100% in advanced financial level and overall financial level is shown by 67 (out of 116) as score range of 91% to 100% (Campo & Barnes, 2017). Plakalovic (2015), using data gathered from a sample of 51 owners/managers of SMEs from Banjaluka and East Sarajevo regions in Bosnia and Herzegovina, concludes that “only 20% of respondents can be considered financially literate” (p.414). These studies are not directly comparable with present research as the methodology of collecting data is slightly different. Finally, Fernandes (2015) using a sample of 103 micro and small companies from the north region of Portugal, concludes that “the average and the median are very near of each other with, respectively, 53 and 54, suggesting that, on average, the Portuguese small business owners present rather low financial literacy level” (p. 30). Notice that this research uses a very similar method for calculation of financial level of literacy. This is one of few investigations in Portugal that is similar to our paper but do not compare with other countries, using the same methodology.

3. RESEARCH HYPOTHESIS, DATA AND RESEARCH DESIGN METHODS

3.1. Research Hypothesis

Many researchers (e.g. Asaad, 2015; Dahmen, &, Rodriguez, 2014; Huston, 2010; Lusardi & Mitchell, 2014) have noticed the importance of financial literacy and its assessment. According to Lusardi and Scheresberg (2013) there is a correlation between the financial literacy level (FLL) and high cost borrowers. Their results showed the most high-cost borrowers demonstrated very low FLLs, very poor knowledge about basic financial concepts. In another related study, Lusardi and Mitchell (2014) found out similar low FLLs in countries with well-developed markets such as the United States, Germany, Australia, likewise in rapidly-changing markets. Therefore, the research hypotheses (RH) were defined as follows:

RH 1: “The median level of Financial Literacy Index of SME’s entrepreneurs/managers is equal in all its dimensions.”

RH 2: “The financial literacy index among Russian and Portuguese SME’s entrepreneurs/managers is below or equal to 50%.”

Since we have two different countries under analysis, it is intended to compare results of financial literacy index of both countries. Thus, another research hypothesis posted is as follows:

RH 2.1: “The FLL of Russian SME’s entrepreneurs/managers is equal to the FLL of Portuguese SME’s entrepreneurs/managers.”

Lusardi et al (2010) examined financial literacy among the young people and found that less than one-third of young adults maintain basic knowledge of financial concepts (interest rates, inflation and risk diversification).

RH 3: “The FLL is equal in the five age groups in both countries (Russia and Portugal).”

According to Worthington (2006), when all other things are equal, the gender factor can have an impact on FLL. Putting this into hypothesis can give us the following assumption:

RH 4: “Male respondents present higher FLLs than female gender.”

It may be also possible to find some difference of results among managers and owners of different company’ size, so the following hypothesis must be tested:

RH 5: “There is a difference in FLL of managers depending on size of their company.”

Differences in financial knowledge by education variable were demonstrated empirically by Lusardi and Mitchell (2014). It was especially poor for those respondents with low educational accomplishments. Therefore the related research hypothesis is:

RH 6: “There is a difference in FLL of business owners with a higher education degree than business owners without a higher education degree.”

3.2. Data and research design methods

In order to assess the FLL of SME’s managers/entrepreneurs, it was conducted a questionnaire, which is mostly similar to International Survey of Adult Financial Literacy Competencies from OECD in 2016. The questionnaire¹ consists of two parts. The first part intends to measure the level of financial literacy of manager or entrepreneur and the second part to characterize the respondents (managers or entrepreneurs), using sociodemographic variables (gender, age, level of education, and experience). Three major groups of questions (dimensions of financial literacy index) constitute the first part: financial inclusion and management of bank accounts (group A, with 8 questions); financial planning and company’s cash management (group B, with 11 questions); and financial understanding and knowledge (group C, with 11 questions). Although responses were not anonymous, it was assured that no information would be transferred under any circumstances to third parties.

With the aim to evaluate the respondents’ financial literacy, as suggested by Bank of Portugal (2010) and OECD (2016) for calculation of FLI, every answer to the survey questions was scored with a scale from +2 to -2 (where +2 reflects correct or the most appropriate answer, -2 reflects totally wrong or the most inappropriate answer). However, not all of the questions were included, questions number 1.4, 1.7, 1.8, 1.14, 1.17, 1.19, 1.29 are aimed to compile descriptive information or not every responder has to answer them. Therefore, for each individual surveyed it is summed the score for each question that measures the Financial Literacy Index (FLI) and divided by the number of questions answered. The Global Financial Literacy Index (GFLI) has a minimum score of -63 and a maximum score of 68 with 23 questions.

The next step was to transform the obtained results into FLLs. In order to allow comparison among group of individuals and order researches around the world, the score of FLI is standardized in a scale of 0 to 100. The minimum score (-63) is equal to 0 and maximum (68) is 100. As a result, each individual score of GFLI is transformed in the scale 0 to 100, using the formula:

$$\frac{(\text{original score} - \text{theoretical min})}{(\text{theoretical max} - \text{theoretical min})} \times 100 \quad (1).$$

For each of dimensions of FLI, that is the score for each surveyed per group of questions: for Group A, B and C, it was computed the partial FLI and transformed in a scale of 0-100, as presented in Table 1.

Table following on the next page

¹ The questionnaire is available by request to authors.

Table 2. Transforming FLI in standardized scale.

Dimension	Description	Formula
GFLI	Global Financial Literacy Index	$\frac{\text{Score}(i) - (-63)}{68 - (-63)} * 100$ (2)
FLIA	“Financial inclusion and management of bank accounts” dimension is composed by 5 questions with maximum score 9 and minimum -9;	$\frac{\text{Score}(i) - (-9)}{9 - (-9)} * 100$ (3)
FLIB	“Financial understanding” dimension is composed by 8 questions with maximum score 23 and minimum -19;	$\frac{\text{Score}(i) - (-19)}{23 - (-19)} * 100$ (4)
FLIC	“Financial planning and company’s cash management” dimension is composed by 10 questions with maximum score 36 and minimum -35.	$\frac{\text{Score}(i) - (-35)}{36 - (-35)} * 100$ (5)

The research sample was collected from SABI database, for Portuguese group, focusing on the textile industry, restaurants and accommodation industry in north region of Portugal. These areas were chosen due the companies’ presence in the both countries, but then sample was diversified because of the difficulty of collecting data for Russian market. The database contained 671 textiles companies (for CAE² 13 and 14), 584 companies for Accommodation and 5293 Restaurants (CAE 55 and 56, respectively). From these companies where selected those that have had contact information (telephone number and e-mail to be contacted) – the subsample reduced to 297 SMEs in textile sector, 315 in Restaurants sector and to 216 for Accommodation’ services. All pre-selected companies were contacted by sending e-mail with questionnaire and by phone to obtain the maximum number of answers. For the Russian part, the data was collected with the help of The Chamber of Commerce and Industry of the Pskov Region for Russian market and by personal and business contacts of researchers in Northwestern Federal District and Khanty-Mansi Autonomous Okrug of Russia. The choice of these regions is due the geographical location and concern about cross-country comparison of financial literacy levels among entrepreneurs and financial managers. In both situations, we have obtained sub-samples by convenience. The survey was carried out during March until 26th of May 2017.

4. FINDINGS

4.1. Sample Characterisation

Although we have contacted in general more than 800 companies, it was attainable to get answers from 62 companies’ managers/entrepreneurs in total, 33 respondents from Russia and 29 from Portugal. Companies, that took part of the survey, are located in the North region of Portugal and different regions in Russia. In relation to firm size, based on the number of a company's employees, in our sample there are micro, small or medium-sized firms. The majority of the companies have no more than 10 employees, which refers to micro-enterprise group, then come small-sized companies and the smallest group in our sampling is medium-sized companies with maximum 250

² CAE (rev. 3) is the classification and grouping of the producing statistical units of goods and services, according to economic activity; - Organization, in a coordinate and coherent form of the economic-social statistical information for branch of economic activity, in different domains (production, job, energy, investment, etc.); - Statistical comparability at national, communitarian and world-wide level. The CAE Rev 3 table is prepared by the National Statistical Institute (NSI) and its application is national. It was approved by Deliberation N° 327 of Statistical Council, of 19 March 2007 and final publication by decree-law N° 381/2007, of 14 November. It started be on force on 01-01-2008.

workers (Figure 3). As the sample size is limited, the results presented in this investigation are not applicable for the general population (managers/entrepreneurs of SMEs) in these countries.

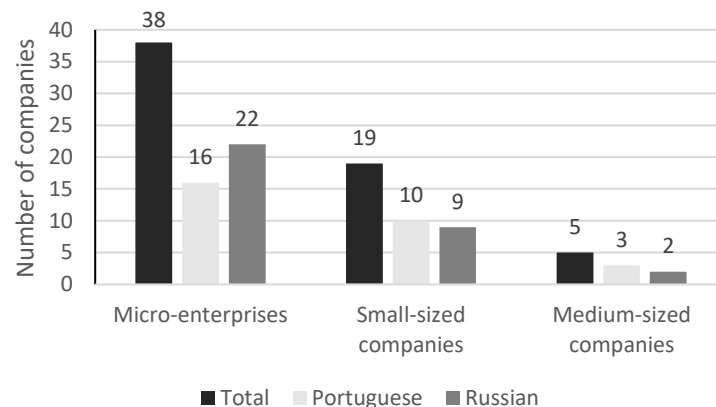


Figure 3. Companies' size distribution.

Main types of activity of the enterprises in our sample remain Manufacture of textiles and Retail trading, together they form more than 50%, Accommodation services are following them with 16 % out of 100%. More than the half of the respondents are men (36), which represents 58% of total sample, and 26 females (42%). In relation to countries, there are more women managers/entrepreneurs in business activities in Russia (19) than in Portugal (7).

The distribution of respondents according to age, in total sample, is 32% in the range of 45 to 54 years old, then comes range with 22-34 years old business owners and managers (22.58%). The following two groups have reached equal weights in sample size with 21 % each: 35-44 and 55-64 years old, the minority (only 3 %) was presented by 2 persons with age from 65 and older. In the both countries, the interval 45-54 years old contains the highest number of respondents (Figure 4).

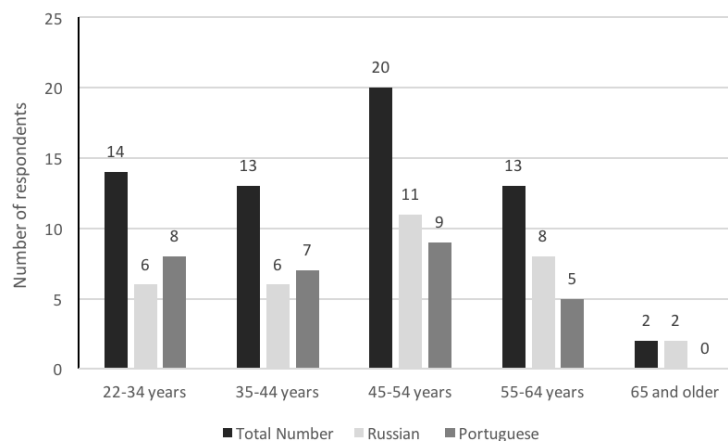


Figure 4. Distribution of respondents by age.

Concerning the academic qualifications, the biggest percentage of participants have Higher education level (Bachelor or master degree) with more than 50% of respondents, followed by those with High School degree (23 respondents), and the most basic education level is presented by 4 persons. By country, there are 4 cases presented by Portuguese respondents with only Basic education level, 7 with high school degree and 18 with higher education (bachelor or mater degree). For Russian group, 16 have high school degree and 17 have higher education.

4.2. Descriptive analysis of results from Financial Literacy Questionnaire

The 62 business' owners or managers have answered to the questionnaire and their responses have helped to expand the analysis of financial knowledge and executives' perceptions about its importance. The most first question applied to respondents was about the main ways in which they do control of the company's main bank account and frequency of controlling made by responsible persons. Table 3 summarises this results. It is clear that two favourite ways for such activities in both countries are by using Internet-banking services and by bank statements sent from a bank. The frequency with highest frequency is daily control.

Table 3. Ways and frequency of controlling the bank account of a company, for all sample and by country

	Total sample		Russian		Portuguese	
	n	%	n	%	n	%
Ways to control bank Account						
Internet-banking	41	69%	17	55%	24	86%
Bank statement from the Bank	12	20%	9	29%	3	11%
ATM	6	10%	5	16%	1	4%
Frequency of bank account control						
Daily	29	47%	9	27%	20	69%
More than once a week	18	29%	14	42%	4	14%
More than once a month	9	15%	6	18%	3	10%
Less than once a month	4	6%	2	6%	2	7%
Never	2	3%	2	6%	0	0%
total respondents	62		33		29	

The significance of planning and preparation of budget was covered by many academic publications and researchers. One of those investigations was made by Silver, Pyke & Peterson (1998), where 253 small firms were asked about whether they prepare written future plans and if there is a relationship between planning and organizational performance. At present research, about 62.9% out of all responds find this activity as very important for the company and 32.3% answered important. By country, 70% of Russian respondents consider very important and 27% consider important. For Portuguese respondents, 69% consider very important and 38% consider important. Brinckmann, Grichnik and Kapsa (2010) intended to investigate the business planning and company' performance relationship and aimed to discover proof of increased effectiveness when a firm has a financial and strategic planning. According to their research paper, financial planning "can be a critical factor for the survival and growth of new firms; it also can help firms communicate their goals, strategies, and operational tasks to internal and external stakeholders" (Brinckmann et al, 2010, p.29). Considering this, we have also asked the frequency with which a manager makes financial planning for his company. The 2 most often answers are weekly and monthly planning, that compiles more than 60 % out of the sampling group. There are 10 company cases that plan their finance every day and 7 respondents with a non-periodically frequency of finance preparing. These numbers may be considered as a good trend among enterprise' managers and owners since it has an influence on company's performance and on its future development.

4.3. Entrepreneurs/Managers Financial Literacy Level

Table 4 presents the descriptive statistics for original financial literacy index and for Global financial literacy index, showing the transformation' differences after implementing suggested

methodology to GFLI, for the whole sample and sub-samples by country. The average score for all sample is around 58 (standard deviation=13.8) and a median of 61. For Portuguese managers/entrepreneurs the mean is 57.98 (13.81) and for Russian is 58.47 (14.07).

Table 4. Descriptive Statistics of the Original Index and the Global FLI for the whole sample and sub-samples by country.

	Minimum	Maximum	Average	Median	Standard Deviation
Original Index	-30	40	13,31	17,5	18,13
Global FLI	25,19	78,63	58,25	61,45	13,8
Portugal					
Original Index	-30	37	12,96	18	18,09
Global FLI	25,19	76,34	57,98	61,83	13,81
Russia					
Original Index	-18	40	13,6	13	18,44
Global FLI	34,35	78,63	58,47	58,02	14,07

To test the RH1: “The median FLL of SME’s entrepreneurs/managers is equal in all its dimensions.”, first it was analysed the distribution of GFLI and each its dimensions, presented in Figure 5. The boxplot shows that FLI dimension “Financial inclusion and management of bank accounts” (FLISA) has the highest median and seems to be symmetric, with an interquartile range (IQR) smaller than the other dimensions. The dimension “Financial planning and company’s cash management” (FLISB) is right-skewed and the IQR is higher than for others dimensions. GFLI (FLIST in the graph), as well as the dimension “Financial Understanding” (FLIS C), is left-skewed.

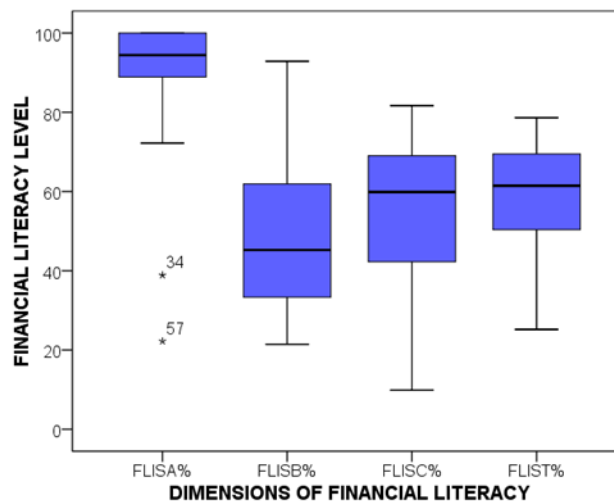


Figure 5. Boxplot of financial literacy index (as %) dimensions.

Then, to confirm that data is normally distributed, Kolmogorov-Smirnov Test was used, since the sample is above 50, and significance lower than 5%. Because data is not normally distributed, the Friedman test was used to compare the level of the three financial literacy’ dimensions. Since $p < .05$ in the Friedman Test, the null hypothesis is rejected and state significant differences in the three dimensions of financial literacy (Table 5). The highest mean is in FLISA dimension, which is indicative that financial managers and business’ owners have more knowledge about those topics. After comes “Financial understanding” dimension and the

lowest mean is presented by dimension C - “Financial planning and company’s cash management” (Table 5).

Table 5. Results of Friedman Test to compare the dimensions of financial literacy level.

DIMENSIONS	n	Kolmogorov-Smirnov	Mean Rank	Friedman Test	Mean \pm Std. Deviation	Min. – Max.
FLISA%	62	KS = 0,244; p<,001 ***	2,95	$\chi^2=85,194$	90,41 \pm 13,16	22,22 – 100,00
FLISB%	62	KS = 0,121; p=,025*	1,44	d.f. = 2	49,58 \pm 19,35	21,43 – 92,86
FLISC%	62	KS = 0,131; p<,010**	1,61	p <,001 ***	55,22 \pm 18,85	9,86 – 81,69

Note: d.f. is degrees of freedom; *is statistically significant at 5%; ** is statistically significant at 1%; *** is statistically significant at 0.1%; Std. Deviation is Standard Deviation, Min. is Minimum, Max. is Maximum.

RH2: “The FLL among Russian and Portuguese managers/entrepreneurs of SME is below or equal to 50%.”

As data has a normal distribution (using Kolmogorov Test, p-value >.05 – see Table 6), it was used the one sample T-test. The null hypothesis is rejected and conclude that FLL among Russian and Portuguese managers/entrepreneurs of SME is higher than 50%.

Table 6. One sample T- Test on FLL mean.

Kolmogorov-Smirnov	X \pm S	Test Value	T Test
KS = 0.112			t=4.692
n=62	58.25 \pm 13.84	50	d.f = 61
p=.052			p<.001 ***

Note: d.f. is degrees of freedom; *** is statistically significant at 1%; X is the mean and S is Standard Deviation

When it is analysed the SMEs’ managers/entrepreneurs FLL by country, it can be observed on Figure 6 that IQR is smaller among Portuguese managers/entrepreneurs than Russian ones and it is left-skewed. The Russian data is right-skewed but has higher variability (IQR is larger). The median is higher for Portuguese managers/entrepreneurs than for Russian ones.

Figure following on the next page

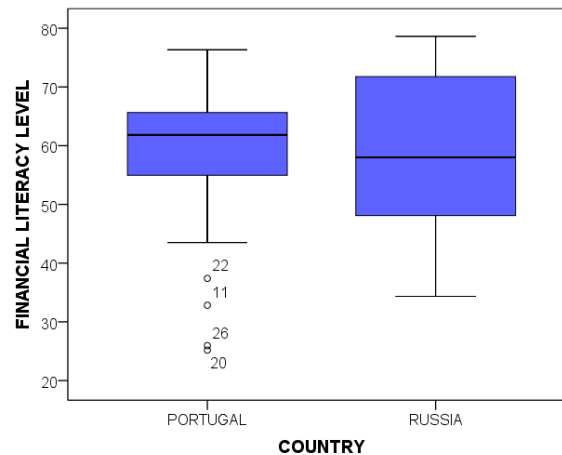


Figure 6. Boxplot of financial literacy level by country.

To test RH2.1: “The FLL of Russian SME’s entrepreneurs/managers is equal to the FLL of Portuguese SME’s entrepreneurs/managers.”, it was applied the Mann-Whitney test as presented in Table 7. According to Mann-Whitney test results, the null hypothesis cannot be rejected. Thus, there is no difference on FLL by country. Therefore, the RH2.1 is validated.

Table 7. Mann Whitney Test for compare the dimensions of financial literacy level by country

Country	n	Normality test	Mean Rank	Mann Whitney Test	Mean \pm Std. Deviation	Min. – Max.
Portugal	29	SW = 0.886; p=.004 **	31.41	Z= -0.035	57.99 \pm 13.82	25.19 – 76.34
Russia	33	KS = 0.116; p=.200	31.58	p=.972	58.48 \pm 14.08	34.35 – 78.63

Note: d.f. is degrees of freedom; *is statistically significant at 5%; ** is statistically significant at 1%; *** is statistically significant at 0.1%; Std. Deviation is Standard Deviation; Min. is Minimum; Max. is Maximum; SW is Shapiro-Wilk Test; KS is Kolmogorov-Smirnov Test.

To test RH3: “The FLL is equal in the five age groups in both countries (Russia and Portugal).”, it was used non-parametric test - Kruskal-Wallis Test, as at least one of the groups are not normally distributed and the results presented in Table 8.

Table 8. Results of Kruskal-Wallis Test for FLL comparison by age.

AGE	n	Normality test	Mean Rank	Kruskal-Wallis Test	Mean \pm Std. Deviation	Min. – Máx.
22-34	14	SW = 0.977; p=.957	26.93	$\chi^2=3.340$	55.94 \pm 12.17	35.88 – 77.86
35-44	13	SW = 0.928; p=.325	31.50	d.f = 4	58.60 \pm 13.92	25.95 – 76.34
45-54	20	SW = 0.871; p=.012*	36.90	p=.503	61.60 \pm 14.49	25.19 – 78.63
55-64	13	SW = 0.910; p=.182	27.65		55.14 \pm 13.84	34.35 – 73.28
65-older	2	----	34.,50		58.78 \pm 26.99	39.69 – 77.86

Note: d.f. is degrees of freedom; *is statistically significant at 5%; ** is statistically significant at 1%;*** is statistically significant at 0.1%; Std. Deviation is Standard Deviation; Min. is Minimum; Max. is Maximum; SW is Shapiro-Wilk Test; KS is Kolmogorov-Smirnov Test.

From Table 8 it concludes $p > .05$, which means we do not reject of the null hypothesis and by consequence, there is no relationship between age and financial literacy level. In relation to graphic presentation of the results, it can be seen from the Boxplot presented in Figure 7. In opposite, the results from S&P Rating Services Survey (Klapper et al, 2015) presented differences of FLL in relation to age variable, but that survey was done among general population, however in our research, we have specified group of respondents: managers/entrepreneurs of SMEs.

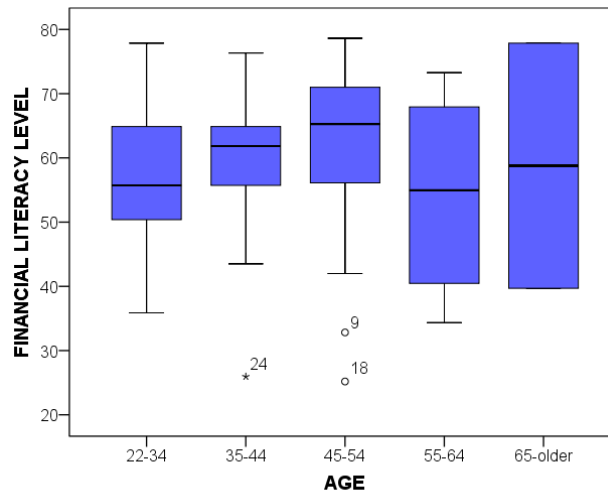


Figure 7. Boxplot of financial literacy level by age.

RH4: “Male respondents present higher FLL than female gender.”

For testing this hypothesis, it was used H_0 : “There is no difference between the female entrepreneur’s financial literacy level and male ones in both countries”. To do so, it was implemented the non-parametric test - Mann-Whitney Test and the results are showed in Table 9, the null hypothesis was not rejected, because $p > .05$, and remain with statement that there is a difference between females’ and males’ FLL. It concludes that there is no difference in relation to gender factor in FLL (Table 9).

Table 9. Results of Mann-Whitney Test for FLL comparison by gender.

Gender	n	Normality test	Mean Rank	Mann Whitney Test	Mean \pm Std. Deviation	Min. – Máx.
Male	36	KS = 0.166; p=.013 *	33.33	Z= -0.942 p=.346	60.05 \pm 11.74	25.95 – 77.86
Female	26	SW = 0.937; p=.111	28.96		55.75 \pm 16.23	25.19 – 78.63

Note: d.f. is degrees of freedom; *is statistically significant at 5%; ** is statistically significant at 1%; *** is statistically significant at 0.1%; Std. Deviation is Standard Deviation; Min. is Minimum; Max. is Maximum; SW is Shapiro-Wilk Test; KS is Kolmogorov-Smirnov Test.

The distribution of FLL by men has an IQR smaller than by women and seems to be right-skewed (see Figure 8). There are two outliers in males’ group as there are two cases with FLI below the quartile 1.

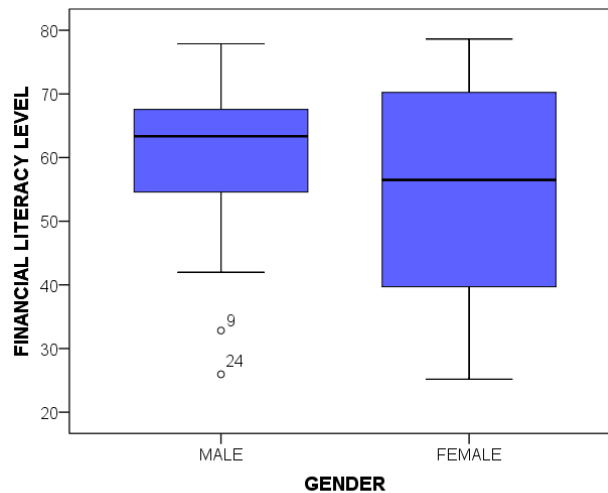


Figure 8. Boxplot of financial literacy level by gender.

RH 5: “There is a difference in FLL of managers depending on size of their company.”

The null hypothesis to be tested is H_0 : “There is no difference in FLL of managers depending on size of their company.” In order to analyse this hypothesis, we have tested the normality of groups’ distribution and applying the Kruskal-Wallis and Shapiro-Wilks tests. The results are presented in

Table 10. As p-values are $>.05$, the variable is normally distributed in each group. In addition, we tested the homogeneity of the variances, applying the Levene Statistic Test (Levene Stat=.585, $df_1=2$, $df_2=59$, $p\text{-value}=.561$), this assumption is not violated. However, as the total sample is lower than 80 and there are two groups with less than 27 observations, according to Pestana and Gageiro (2014, p. 1008), it is not recommended to apply ANOVA test. In this way, it was used the Kruskal-Wallis Test. As $\chi^2 = .062$ with $p\text{-value}=.970 >.05$, the null hypothesis is not rejected and assume no difference between FLL of managers/entrepreneurs and size of their companies.

Table 10. Kruskal-Wallis Test’ results for comparison of managers/entrepreneurs’ financial literacy level by companies’ size.

Size of Company	n	Normality Test	Mean Rank	Kruskal-Wallis Test	Mean \pm Std. Deviation	Min. – Máx.
Micro-enterprise	38	KS = 0.139; $p=.063$	31,72	$\chi^2 = .062$	58.40 ± 13.98	25.95 – 77.86
Small-sized	19	SW = 0.933; $p=.198$	31,55	$df=2$	57.89 ± 15.13	25.19 – 78.63
Medium-sized	5	SW = 0.892; $p=.367$	29,16	$p=.970$	58.47 ± 9.11	47.33 – 67.94

Note: d.f. is degrees of freedom; Std. Deviation is Standard Deviation; Min. is Minimum; Max. is Maximum; SW is Shapiro-Wilk Test; KS is Kolmogorov-Smirnov Test.

The FLL for micro-enterprises and medium-sized ones seem to be left-skewed, while for small sized companies seems to be right-skewed and presents one outlier (Figure 9).

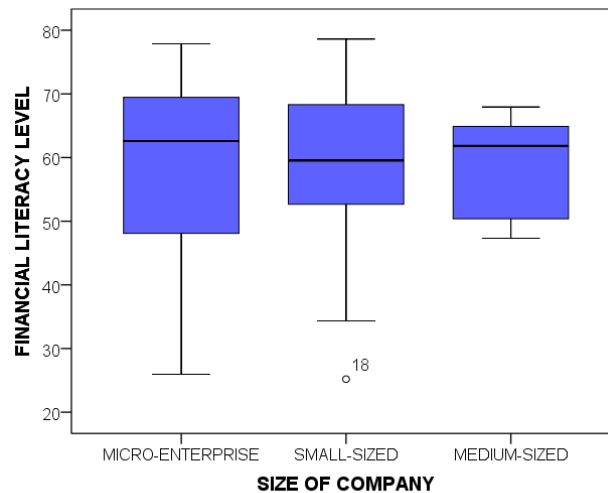


Figure 9. Boxplot of financial literacy level by company's size.

Related to RH6: “There is a difference in FLL of SMEs’ owners/managers with a higher education degree compared to SMEs’ owners/managers without a higher education degree.”, the null hypothesis is H_0 : “There is no difference between the FLL of SMEs’ owners/managers with higher education and the FLL of SMEs’ owners/managers with no higher education degree”. In order to analyse this hypothesis, we have tested the normality of groups’ distribution and applying the Kruskal-Wallis and Shapiro-Wilks tests. As p-values are $> .05$, the variable is normally distributed in each group. In addition, we tested the homogeneity of the variances, applying the Levene Statistic Test (Levene Stat.= .688, $df_1=1$, $df_2= 59$, p-value=.507). This assumption is not violated. However, as the total sample is lower than 80 and there are two groups with less than 27 observations, according to Pestana and Gageiro (2014, p. 1008), as in the previous hypothesis, it is not recommended to apply ANOVA test. In this way, it was used the Kruskal-Wallis Test. The test results presented in Table 11 allow not rejecting the null hypothesis and conclude that there is no statistical significant difference on FLL according to the Education Level.

Table 11. Kruskal-Wallis Test’ results for comparison of financial literacy level by education level of respondents.

Education	n	Normality Test	Mean Rank	Kruskal-Wallis Test	Mean \pm Std. Deviation	Min. – Max.
Basic education	4	SW = 0.808; p=.119	25,00	$\chi^2= 1,173$ df=2 p=.556	51.91 \pm 17.68	25.95 – 65.65
High school	23	SW = 0.945; p=.226	25,65		56.42 \pm 15.18	25.19 – 77.86
Bachelor/Master	35	KS*= 0.100; p=.200	33,46		60.17 \pm 12.50	35.88 – 78.63

Note: d.f. is degrees of freedom; Std. Deviation is Standard Deviation; Min. is Minimum; Max. is Maximum; SW is Shapiro-Wilk Test; KS is Kolmogorov-Smirnov Test.

The Table 11 shows how data is distributed by the Education degree of respondents and it can be seen, there is no significant differences of the FLI results among 3 groups (Basic education,

High school and Bachelor/Master), even though the average FLL of respondents with Bachelor or Master seems to be slightly higher.

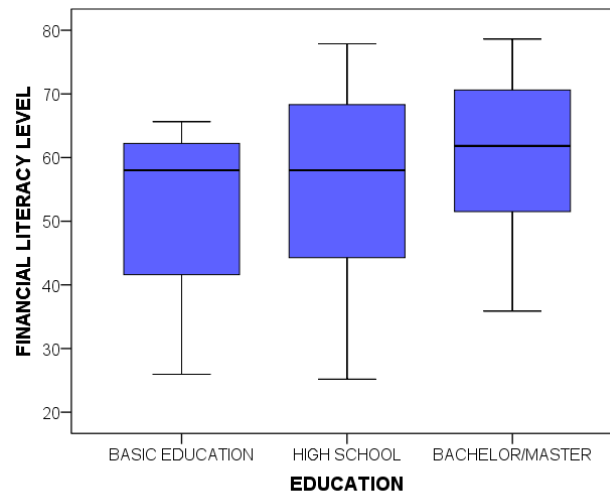


Figure 10. Boxplot of financial literacy level by education

5. CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH LINES

The present work has two main objectives: to determine the financial literacy level for SME's Manager and Entrepreneurs and test if sociodemographic factors have association with financial literacy level, comparing the two countries.

This paper has highlighted the general attitudes of managers/entrepreneurs about the importance of controlling a firm's bank account. On average, Portuguese and Russian managers/entrepreneurs seems to have higher FLL in this dimension. However, the average FLL on the other two dimensions (Financial understanding and Financial planning and company's cash management) is low, which indicate the priorities of planning processes and budget' preparation within SME in the both countries, Portugal and Russia. In relation to the results of entrepreneurs' FLL, generally speaking, it is unexpectedly high (as some previous studies in other countries show low FLL of SME's managers) and there is no significant difference between the two countries.

The analysis did not confirm any significant differences of FLL' results between the five age groups in both countries, nor in relation to a company' size differentiation. Surprisingly, the analysis did not identify any differences between formal education level, which means the availability of Higher Education degree doesn't always guarantee the Financial Knowledge. Although it was proposed by Worthington (2006), the evidence to differences of FLL results among male and female respondents, we have not found any differences in relation to gender variable.

We are aware that our research may have limitations related to the sample size. This fact highlights evidence of the difficulty of collecting data on questionnaires and financial statements from firms, although we were also contacting companies' owners and financial managers by using personal and working contacts. Nevertheless, we believe our work could be a starting point for the future broader research paper, expanding the sample and regions under analysis to validate with a larger sample. Another interesting avenue of research is to analyse the association of FLL of managers/entrepreneurs and the (financial) performance of SMEs.

These findings are relevant for educators, industry associations, financial institutions, government agencies and policy makers to find ways to improve these skills and to prepare oriented educational and training programs for this target group.

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DISCRIMINATION OF TALENTS IN ORGANIZATION: SOCIOLOGICAL ANALYSIS

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ABSTRACT

The article deals with the problem of discrimination of talents in the organization from the perspective of reducing the organization's potential in the competitive struggle in the market of goods and services and the labor market. In the conditions of economic instability, the leadership of various states and organizations is looking for additional opportunities to increase competitiveness. The most important of these is human potential. However, its implementation, especially among talented employees, is difficult for a number of objective and subjective reasons. Identifying the causes and identifying ways to overcome talent discrimination is an urgent problem for Russia and the world community, which was the goal of this work. Discrimination of talents is investigated on various grounds: by sex, age, national and racial grounds, religious motives, membership of a political party or a social movement, and other grounds. The article compares the discrimination of the talents of the population of the Moscow region of Russia and a number of EU countries, the South Asian region, the United States on the basis of data obtained using methods such as a questionnaire using the Google Forms online service, secondary analysis of sociological research data, Groups, interviewing, etc. During the research it was possible to establish that in the organizations of the Moscow region there is discrimination on various grounds. This is 40% of respondents. The management of the organizations does some work, but due to insufficient preparation, it has not succeeded in eliminating the discrimination of talents in organizations. 76% of respondents consider gender discrimination of talents to be a valid fact, with women and children in worse situation. Age discrimination is most acute among employees of retirement age. Their potential in the future is really considered only in 6% of cases, while for youth - in 52%. Discrimination on national, racial and religious grounds reaches 34%. For belonging to political parties and (or) the social movement, persecution is persistently persisted in no more than 4% of cases. In general, the statistics obtained correlate with foreign experience and testifies that discrimination of talents is limited. However, it should be remembered that the number of talented employees is usually not large, and each of them can significantly improve the efficiency of the organization. The article suggests ways of overcoming discrimination of talents. The results of the research can be applied in the public sector and business structures in Russia and abroad.

Keywords: *talented employee, talent management, discrimination, potential, efficiency*

1. INTRODUCTION

Despite the difficulties, the world economy continues to develop. The growth of indicators is observed primarily in industries related to information technology, implementing innovative projects. All organizations are struggling to be competitive in the market of goods and services. Success is achieved by those market players who use the human potential of their employees competently, actively use talent management technology (Watkins, 1998; Schweyer, 2004; Robertson & Abbey, 2004; Faragó, 2008; Bednova, 2014; Chulanova & Mokryanskaya, 2017). By betting on talented employees, the management of organizations gets advantages in the competition with their opponents. Indeed, talented employees have a unique ability to achieve very high results, a creative approach to the cause, a desire for continuous improvement, high internal motivation and enthusiasm.

Their assessment and development occur at all stages of the activities of employees, beginning with the emergence of labor relations with the employer. Logically, preference should always be given to the most talented, communicative, active employees in the promotion of the career ladder, inclusion in the personnel reserve of the organization, the purposeful management of their talents. This approach is theoretically reinforced in the works of foreign and domestic scientists (Batteris & Reuter, 2005; Michaels et al., 2006; Bakos, 2010; Effen & Ohrt, 2014; Kirillov et al., 2017). However, in practice, sometimes completely illogical, inexpedient appointments to leading positions, progress in professional growth occur. More and more often there are barriers to inequality (Kataeva et al., 2015), discrimination on various grounds (Mysnik & Marchelya, 2014, Demeneva, 2007).

The subjective reasons for constructing dynamic rapid career paths to mediocre employees, appointing people with low leadership qualities to higher positions create prerequisites for slowing the pace of the organization's development, worsen the social and psychological climate in the team, and increase employee turnover. Discrimination kills creativity, the desire to develop, and sets up personnel against the leadership of the organization. The most dangerous thing in this situation is to lose perspective talented employees. In addition, they can stop generating new ideas, share creative projects (Rawung et al., 2015). One of the ways to achieve success in such conditions is skillful, competent actions in the labor market. There it is necessary to make out and attract talented people to the company in time. But this is not enough. It is important to create favorable conditions for talent development in such creative, active, non-standard employees (Kidwell & Valentine, 2009; Frolova et al., 2016). However, it is not always possible to achieve success in the talent management system. This is hampered by a number of factors.

Firstly, the poorly organized work of HR managers and talent management. The second factor is poor working conditions, the social and psychological climate in the team is expressed in gender inequality, negative attitude towards the age category of employees, etc. The third factor should include national traditions, religious preferences, racial relationships, the existing mentality. The fourth factor is political features, activity and intransigence to opponents in the organization (Bondaletov, 2015).

These and other factors often result in a combination of discrimination of talents, adversely affect the effectiveness of the organization. The problem is that the existing discrimination of talent significantly reduces the competitive ability of government agencies and commercial organizations in the international market for goods and services, at a time when it is necessary to effectively use all available resources, especially in conditions of economic instability. This approach leads to low rates of development of the national economy.

2. GENERATION OF THE DATA

The purpose of this article is to identify the cause and effect relationships in the discrimination of talents and determine ways to overcome the harassment of talented employees of organizations for various reasons. The methodology of the empirical study of the evaluation of the discrimination of talents as a factor in reducing the competitiveness of the organization was based on some general principles: objectivity (the study was conducted in real field conditions with a comprehensive consideration of the facts that allow obtaining true knowledge about the object of research); System (the relationship of all conditions and factors affecting the subject of research); Thinking from abstract to concrete and back (unity of theory and practice of discrimination of talents); Specificity (a study of the Moscow region of Russia). Dialectical, civilizational, systemic and socio-psychological approaches, as well as methods: content analysis, secondary analysis of sociological research data, a questionnaire using the Google Forms online service, focus groups, Interviewing, included observation, methods of mathematical statistics, comparative analysis. During the organization and conduct of the study, ANCOR personnel holding and HeadHunter group of companies rendered consulting assistance to the collection and processing of data.

Discrimination of talents is investigated by the following indicators: by sex, age, national and racial grounds, religious motives, by membership of a political party or social movement and other grounds. The study involved employees of Russian organizations in the Moscow region (Moscow and Moscow region) and a number of EU countries, the South Asian region over the age of 18 years. The initiative poll was conducted during the period May-August 2017. At the same time, the sample size in Russia amounted to 811 people with a total population of 19.7 million. The maximum error size was no more than 4.5% with a confidence rate of 95%. In the survey, young people actively participated, As a result, the age cohort of 18-25 years was 67%, and 25-35 years - 20%. Of these, 70% were women. With higher education there were 57%, incomplete higher education - 24%, middle - 15%. Work experience from 1 to 5 years is 73%, 5-10 years - 10%. Of these, 14% are managers, 58% are specialists, and 18% are workers.

3. RESULTS

The study revealed that in the Russian organizations of the Moscow region there is discrimination on various grounds (Figure 1). This is 40% of respondents. Deny any form of discrimination when working with talented people 58% of respondents.

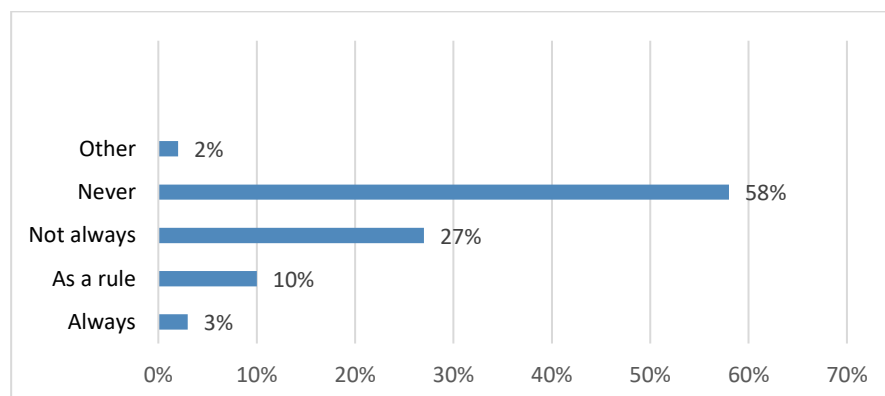


Fig.1. Discrimination of talents in Russian organizations.

To determine the cause-effect relationships, an analysis of this discrimination was carried out for several indicators.

Analysis of the data in Figure 2 made it possible to establish that the search for talented employees by the majority of managers and HR managers begins at the selection stage. Only 15% of respondents noted that management does not deal with assessing and identifying talented people when hiring.

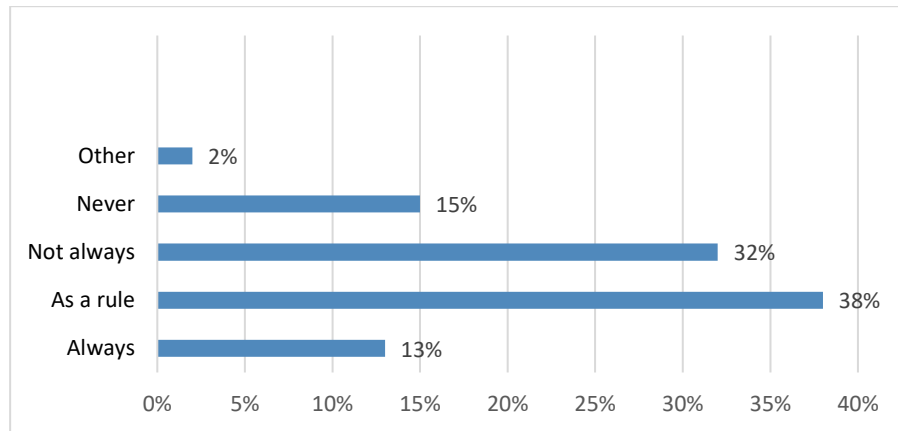


Fig. 2. Do you have the practice of including talented employees in the recruitment process during the recruitment process?

The gender aspect influences the decision-making process in the use and (or) promotion of talents. At the same time, almost a quarter of respondents favored the absence of gender-based harassment. The remaining 76% of respondents believe that gender discrimination exists and adversely affects the effectiveness of talented people.

A special place is occupied by discrimination against women who have small children. Harassment by employers of women with young children is fairly common. 53% of respondents noted this kind of discrimination in Russian organizations.

Age discrimination is not as acute as gender discrimination. Almost half of respondents (46%) deny age discrimination as such (Figure 3).

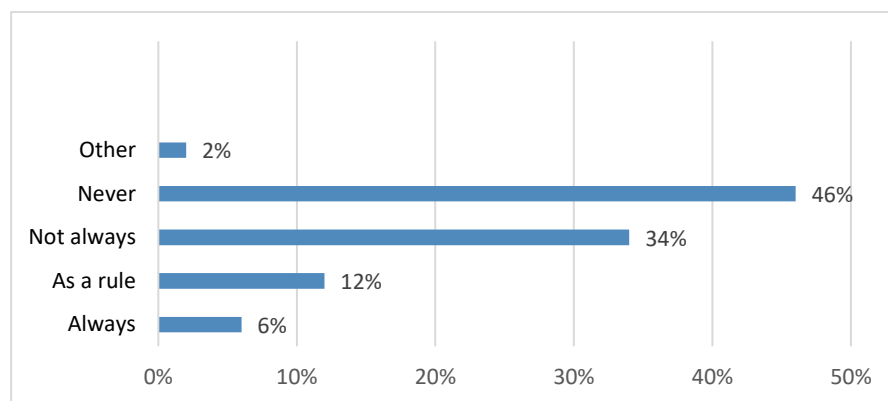


Fig. 3. Is there any age discrimination?

The most problematic is to realize yourself to talented employees of retirement age. As the analysis of survey results shows, their potential is really considered in the future only in 6% of cases, while for youth - in 52%. Discrimination on national, racial grounds is limited (Figure 4). 65% of respondents completely deny discrimination of this kind. However, 34% of respondents noted signs of this discrimination to some extent.

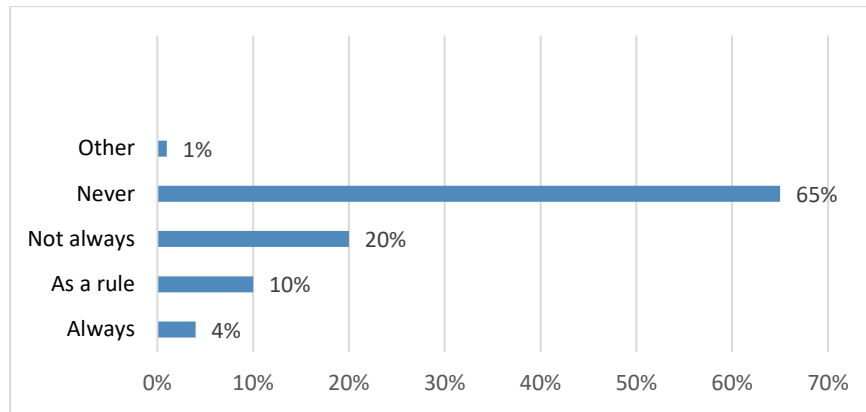


Fig. 4. Is there any discrimination in the personnel reserve on the basis of nationality, race?

The organizations revealed discrimination of talented people of different faiths on religious grounds. According to the set of criteria, it reaches 19% (Figure 5).

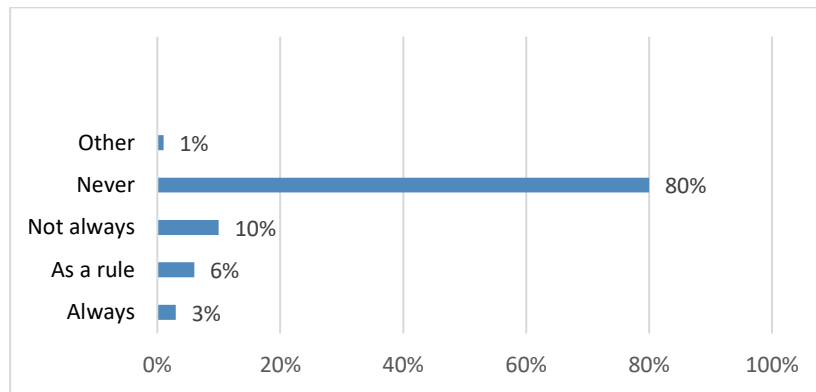


Fig. 5. Is there any discrimination in the personnel reserve on religious grounds?

80% of respondents expressed complete lack of discrimination in this indicator. For belonging to political parties, talented employees are subject to persecution in 20% of cases, while constantly only in 2% (Figure 6).

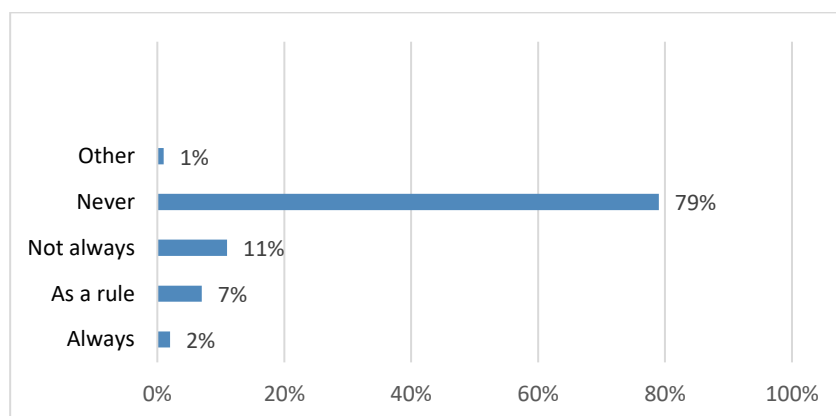


Fig. 6. Is there any discrimination in the personnel reserve by belonging to a political party

Belonging to the public movement does not greatly affect the ability to realize its potential by talented employees. 73% of respondents expressed the opinion that there is no harassment (Figure 7).

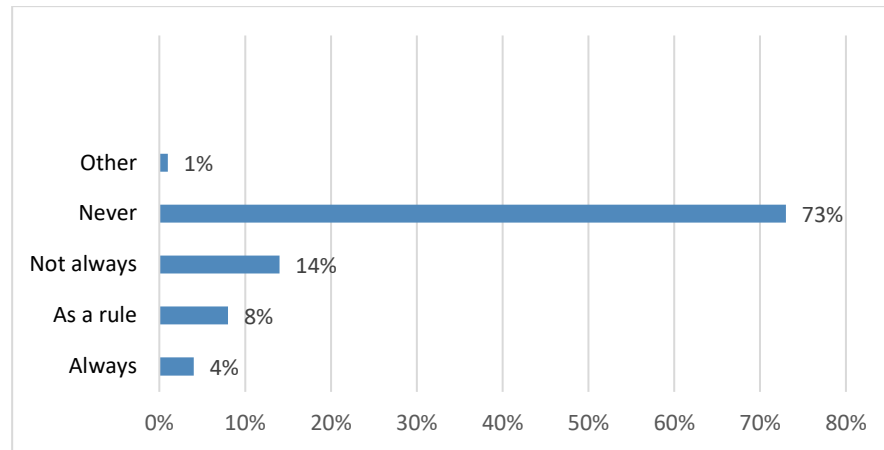


Fig.7. Is there any discrimination in the personnel reserve due to membership in the public movement

When conducting the focus group, the respondents expressed their views, which aroused interest in the solution of this problem:

- "The struggle against discrimination of talents is conducted in fragmented, separate companies, heads without clear coordination at the state level";
- "Heads of different levels and HR managers do not have the necessary professional and personal qualities (competences) to prevent, combat discrimination of talents";
- "Comfortable working conditions are not created in organizations, a healthy competitive environment for all employees, including talented ones";
- "The media is not being actively used to create a positive image of migrants";
- "Mono-national micro-collectives created in organizations, structural subdivisions into the socio-psychological climate, corporate culture are badly influenced, they cause oppression on the national, racial, religious grounds and sexual orientation."

In general, discrimination of talents in Russian organizations exists and has a specific, specific configuration.

4. DISCUSSIONS

Talent management is a complex and constantly evolving system. It is important to find unique tools for pinpoint impact on each employee, revealing his talents at all stages of work with personnel (Chulanova & Mokryanskaya, 2017). However, as the results of the research shows, the work of Russian HR managers and the talent management team is poorly organized at the stage of staff recruitment in a number of organizations. This was shown by quite a few respondents (40% of respondents). This indicator indicates a significant reserve, hidden human potential, which can improve the efficiency of organizations without additional investment. It is only necessary to undergo additional training and improve the work of the management and personnel management services. At the same time, it is important to take care not only of the most outstanding employees who have shown talent (Smilansky, 2005), but also of others, regardless of gender, age and other indicators. This will expand the organization's capacity to use human potential. Discrimination of talents often happens due to the fear of individual leaders that a talented employee will take their place. In addition, a number of managers are constantly uncomfortable with the fact that one of their subordinates is smarter and has a higher authority among employees. Therefore, the leader oppresses and tries to discredit a talented employee. Foreign experience shows that the most prepared leaders try to systematically counteract the discrimination of talents in the evaluation of candidates. Chinese scientists consider the talent of employees of logistics companies as one of the main factors for achieving

success in business. They point to the need for HR managers to develop a talent management strategy, based on the enthusiasm and creativity of their employees (Cheng et al., 2009). In Greece, a system of talent management is created in the sphere of sport and recreation, aimed at identifying the candidates for jobs and abilities in solving problems, interacting with employees and business partners, managing time (Tsitskari et al., 2017). In the field of education in Austria, the United Kingdom, Slovenia, Romania and a number of other countries, measures are being taken to introduce innovative projects, develop creativity, talents, involving both faculty and administrative staff, and students (Kalimullin, et al., 2012). In Indonesia, they also made progress in talent management systems. A comparative analysis of the data obtained by Taridi Kasbi Ridho in the study of the talent management system at the State Islamic University of Sharif Hadayatullah in Indonesia (UIN Jakarta) made it possible to establish that in this institution discrimination on all grounds is very small - only 10% of the number of respondents, which indicates a well-established work of the university's management.

Of all the factors negatively affecting the possibility of realizing the labor potential of talented people, the greatest influence is exercised by discrimination based on gender. 76% of respondents are sure of this. In this case, women with young children are oppressed in more than half the cases. The results of this study indicate a certain change in people's minds. Previously, in the prevailing values of Russian society, the attitude to a woman in all her social roles has always been more than respectful. To offend, insult and humiliate a woman was not worthy in all spheres of life, including at work. In the post-Soviet society there were deteriorations in labor relations on a gender basis. The employer focused attention on immediate profits, seeking in the shortest possible time to sharply increase their incomes with the maximum exploitation of employees. In such conditions, it is harder for women to withstand overloads, and they try to counteract this in every possible way. As a result, the employer intensifies pressure on women in the interests of gaining super-profits. The hardest part is for women with young children, with whom they spend a lot of time, attention and health, which reduces the productivity of female labor in absolute terms and does not like the employer. Therefore, the superiority of men in obtaining more profitable work among talented employees becomes evident. It should be noted that this generalization does not apply to key posts in which gender characteristics are rarely taken into account or not taken at all. In this segment, women are helped to overcome high professional qualifications (Francis, 2017). In the fight against gender discrimination, a number of researchers are proposing family therapy to neutralize gender discrimination (Georgieva J. & Georgiev R., 2008; Goldbeter, 2008).

Comparative analysis revealed that gender discrimination in Russia and abroad has similar features. American scientists believe that women, like small ethnic groups, are more vulnerable and subject to discrimination (Estrada & Harbke, 2008). In the US, Canada and Sweden, women seeking equality, the opportunity to show their creativity, talent, seek a good education (Goldscheider et al., 2000), in Germany, to obtain economic independence and prevent gender discrimination postpone marriage and maternity (Blossfeld & Huinink, 1991). Women are more at risk of stress, depression, complications of family relationships in performing professional duties in military service in the war zone (Cohen et al., 2016; Sadler et al., 2013). On the second place in importance is age discrimination. As the results of the survey showed, about half of respondents (46%) deny age discrimination. There is a diametrically opposite discrimination of young people and the elderly. The talent of age employees is in demand only in 6% of cases, while the rate of youth is more than half the time (52%). Despite the rather high demand for young people, discrimination against it should strive to zero. This should take care of HR managers and management, constantly improve the youth policy (Vinichenko et al., 2017).

It is short-sighted to think that a person lacks talent. The question is to be able to open it and technologically fit into existing business processes or create new ones. This fully applies to the age of employees, whose talent might not have been disclosed earlier, but can benefit the organization. It is necessary to create a favorable social and psychological climate for employees of all ages, so that they can realize their potential to the maximum, show talent in the performance of labor functions ((Loon et al., 2016). Next on the importance is discrimination based on national, racial grounds. This is especially true of migrants. The third part of respondents are sure of the existence of this kind of discrimination. Indeed, in the 90s of the last century, many legal and illegal migrants entered the Russian business and labor market. A special overload in the influx of migrants felt themselves residents of the Moscow region. An unhealthy situation has developed in some districts of Moscow and the Moscow region, sometimes escalating into open conflicts. Despite the traditionally high national (ethnic) and racial loyalty (tolerance) of Russians, disrespect for their national traditions, causing behavior and insults to migrants, they led to negative attitudes towards the representatives of some peoples, sometimes expressed in ethnolugism (Pogontseva, 2013). Only a part of the employers and the local population are eager to work actively with all staff to identify talents. The identity of Russian territories, local culture, traditions and customs (Frolova, Kabanova & Medvedeva 2016), skillfully inscribed in the universal values reflected in the company's corporate culture (Pilnik & Guschina, 2014) can help in solving this problem.

The data obtained in the course of the study correlates with foreign experience. In a number of European countries, in the United States, racial discrimination has recently become acuter (Carliner, et al., 2016; Abdulrahim et al., 2012; Gerard et al., 2012). This is significantly affected by unresolved social, racial problems, migration processes that swept the whole world (Ushakov, 2016, Kotic, 2006). There are mass clashes in the United States, there is an acute problem with migrants in Europe. In dissonance are the results of the study of the Indonesian university UIN Jakarta. This is due to the fact that the university has a fairly mono-ethnic environment and discrimination on this ground is not large. It is impossible for management and HR managers to avoid discrimination for political reasons. For belonging to political parties talented employees are subject to persecution in 20%, and for participation in social movements in 26% of cases. The predominance of negative attitudes towards participation in social movements is due to the fact that a number of such associations, non-profit organizations have compromised themselves by violations of financial discipline, and not correct interaction with foreign special services.

The least talented employees are persecuted on religious grounds. This is due to the fact that in Russia there is a stable tradition of tolerance to all religions, a peculiar culture. People of different faiths are fraternally related to each other, often partially erasing the boundaries between religions, celebrating the holidays of another faith. However, this provision, formulated on the basis of the results of the study, does not fully correspond to the existing trends in Europe and the Middle East. Religion, philosophical currents undergo changes, acquire new, often aggressive forms (Baynova et al., 2016). There is a discrimination of talents, proceeding from objective conditions. For example, discrimination in the sphere of professional activity, place of residence, placement of organizations, enterprises where managers and specialists work. In the Russian regions, people often have less opportunities to find a workplace that allows them to fully realize their talents, which infringes their rights and reduces opportunities for realizing the potential (Antropov et al., 2010). In Estonian librarianship, there are also problems in realizing the potential of particularly talented young employees (Kont & Jantson, 2013). There is a deformation of relations in the system of state and municipal management (Astakhov & Konev, 2016; Frolova et al., 2016). There is discrimination of

talented people with disabilities. At the same time, in the high-tech spheres of China, entire talent reservation systems are created in a healthy competition among themselves (Lv et al., 2015). On the basis of the conducted research it is possible to formulate some ways of preventing and combating discrimination of talents that are relevant for domestic and foreign organizations:

- Issues of combating discrimination of talents should be considered at the state level;
- It is necessary to improve the training of line managers and HR managers to prevent discrimination of talents, to make their work more technological and attentive towards employees;
- Create comfortable working conditions, a favorable socio-psychological climate for all employees, regardless of gender, age, ethnicity, religious preferences, political convictions;
- To prevent national, racial, religious discrimination through effective migration policies, striking a balance between the interests of business and the local population under the control of local authorities;
- Not allow the creation of micro-collectives in organizations, structural subdivisions on a national, racial basis.
- In general, all these factors negatively affect the effectiveness of using the potential of talented people, reducing the ability of the organization to increase competitiveness in the market of goods and services.

5. CONCLUSION

For the dynamic development of any organization, it is necessary to create favorable conditions. This is especially true of the talent management system. It must be so formed that there is no place for discrimination in it. However, as practice shows, in fact there is discrimination of talents. This is typical for organizations in the Moscow region. This discrimination is complex multifactorial and depends on many circumstances. Among the main factors affecting the effectiveness of the organization, it should be noted gender and age discrimination. The study identified a certain shift in the evaluation of women in the labor market and as employees of Russian organizations. 76% of respondents consider gender discrimination of talents as an accomplished fact. Age discrimination is more relevant to employees of retirement and pre-retirement ages. However, a certain kind of oppression is experienced by the youth themselves, which negatively affects the disclosure of its potential and labor productivity.

Discrimination on ethnic, racial grounds is detrimental to organizations, but management and HR managers have not yet found a universal model for preventing the infringement of migrants' rights. It requires active intervention of the state, public organizations. The socio-economic relations that have developed in the region have a negative impact on the disclosure of the talents of migrants.

Discrimination on political grounds in Russian organizations is not critical. A small part of the population is engaged in political activity, which often shows talents in various fields of activity. Nevertheless, for belonging to political parties, participation in social movements, employees are persecuted and persecuted. As a result, the creative and intellectual potential of talented employees is more often used not in labor activity, but in political struggle.

The most comfortable environment in the teams was created for representatives of various faiths. In Russia, traditionally friendly attitude to people of different faiths. Therefore, discrimination based on religion is relatively small. Its manifestation is often associated with migration problems and manifestations of extremism.

Thus, the discrimination of talents, regardless of the reasons, is a negative phenomenon. The revealed discrimination in the Moscow region has many common features with world practice. Management and HR managers need to fight against any forms of harassment of employees in order to increase the competitiveness of the organization.

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MATCHING COMPETENCIES AND MODERN LABOUR MARKET NEEDS: STUDENTS' SELF-PERCEPTION STUDY

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ABSTRACT

One of the most often discussed problems in the business environment is inconsistency between the current educational programmes and the requirements of employers regarding the graduates' competencies. Knowledge, skills and competencies acquired during the study process should be aligned with those, demanded by employers. In the current reserach the authors analyzed working competencies proposed by the representatives of Employers' Confederation of Latvia (LDDK). The goal of the study was to analyze a self-perception of students of Latvian higher education institutions regarding the pre-determined competencies. 128 students of Latvian universities were surveyed, using the authors' developed questionnaire. Respondents were offered to evaluate, whether they have competencies needed in the labour market, using 5-point Lykert-type scale. Data processing was performed in SPSS environment with the application of such methods, as analysis of means, analysis of frequencies and ranking. Study yielded the most important competencies, required for the current labour market in Latvia. The results are interesting for academic staff engaged in study curricula development, since understanding of the students' needs and preferences allow improving study process, employing modern teaching methods within the framework of student-centred approach.

Keywords: *labour market needs, self-perception, students competencies*

1. INTRODUCTION

The issues regarding citizens' competencies are frequently discussed by researchers and policy makers (Allen & Van der Velden, 2009; Martensen & Grønholdt, 2009; European Commission, 2012). Considering the emerging problem of youth unemployment in the Europe (Dietrich, 2012, p. 4; Banerji et al., 2014, p. 6), the special attention is paid to the competencies of young people, which are needed to successfully participate in labour market (Allen & Velden, 2009). The goal of the particular research is evaluate working competencies, perceived by the students of Latvian higher education institutions. For the research purposes students of management programmes and graduates from three Latvian universities were surveyed. Respondents' were offered to evaluate own competencies, using 5-point scale. The list of competencies included 27 items and was developed, based on the results of the interviews with the representatives of Employers' Confederation of Latvia (LDDK).

2. SKILLS AND COMPETENCIES REQUIRED BY LABOUR MARKET

The question about citizens' competencies is still on the agenda due to the high unemployment rates throughout the European countries. According to the latest data, Latvia demonstrates an above-average rate of 10,1%, comparing with 8,9% for all the European Union (Statista, 2016). The positive trend is that 60-70% of Latvian citizens are short-term unemployed (see Fig. 1).



Figure 1: Unemployment in the European Union(The Economist, 2015)

One of the most important issues for the European authorities is the youth unemployment, because “high and persistent youth unemployment could undermine the sustainability of spending on social safety nets in a rapidly ageing euro area” (Banerji et al., 2014, p. 7).

OECD experts state that higher unemployment is associated with the lower skills of citizens. The reason of unemployment is a mismatch between “the supply of and demand for skills” (OECD, 2016, p. 3).

The experts of the European Commission predict that by 2020, 20% more jobs will require higher level skills. Skills and competencies that increase employability include entrepreneurial initiative, digital skills and foreign languages (EC, 2012).

The competency of employers is described from various points of views in literature. Some authors describe operation principles that are important for future employers, from which accordingly the competencies can be derived. Others offer complete competency models which include all sets of competencies so important for employers. However, most highlight separate competencies that will be significant for future employers.

The model of competencies consists of multiple fractions – major groups which again consist of minute constructs or attributes. The groups of competency standards are created extensively. (Spreier, S.W., Fontaine, M.H., Malloy, R.L, 2012, p. 28.).

Essentially the model of competencies consist of 4 basic groups of competencies that can be placed in free order:

- Competencies of personality
- Competencies of management and activity of processes
- Professional competencies
- Social and communication competencies. (Johansen, B, Leaders Make the Future: New Skills for un Uncertain World, 2012, p 124.).

The competencies of personality most often describe such characteristics of people like emotions, character, perception of the world, temperament, the peculiarity of individual cognitive process, identity of personality and maturity. Each enterprise evaluates only those competencies that are necessary for the execution of a particular job. In some models of competencies the social and personality competencies are not excreted separately, but are named all together as personality competencies. (Morse, R.S. 2007, p 198).

Competencies of management and activity of processes reflect the results of professional competencies and their manifestation in practical work. The management competencies are divided into 2 subcategories: “I” management and “We” management competencies. “I” management competencies showcase the ability to organize one’s own professional work by using effective methods in order to complete the work with quality, on time and creatively. On the other hand, “We” management competencies exhibit the way a person can lead employees and the whole enterprise in general. (Vigoda-Gadot, E., Meisler, G. 2010. p 43.)

The professional competencies portray one’s actual work experience and gained skills as well as academic knowledge (education, courses, seminars, languages, IT skills etc.) and their role in the process of professional development. Professional competencies showcase employee’s attitude towards work, ability to grow and willingness to learn. (Ferguson, J., Ronayne, P., Rybacki, M. 2014. p. 211)

Social and communication competencies precisely describe one’s communication peculiarities and behaviour in a social environment. Most often it’s the ability to adapt and establish contacts with the surrounding people as well as ability to preserve and control the participants of the communication thus gaining positive feedback. The social competencies often describe one’s ability to resolve conflicts and to be focused on cooperation. (Blanchard, L.A., Donahue, A.K. 2008. p. 92.)

Each model of competency has another separate competency which is defined and described further. Also, each competency can be determined with specifically developed evaluation methods. It should be noted that the structure and the evaluation of candidates during a job interview is strongly connected with the job description and competency models because the necessary competency should reflect in both job responsibilities and criteria and methods of employee evaluation. With the help of criteria one can determine all the features that can be viewed in a detailed model of competencies as well as evaluated for a specific job position. (Ferguson, J., Ronayne, P., Rybacki, M., 2014. p 165.)

The competencies of personality include such qualities as loyalty, tolerance and ability to take on responsibility for the surrounding people or one’s own actions as well as the ability to trust and be trustful and to delegate responsibility, ability of self-presentation and decision-making and others. (Nye, J. S. 2013. p. 39.)

The activities of processes and management competencies include: energy, readiness for a challenge and risk-taking, mobility, flexibility, ability to lead the resources (both inner and outer), initiative etc. (Ashkanasy, N.M., Hartel, C.E.J., Zerbe, W.J, 2011. p. 178.)

The professional competencies are as follows: professional knowledge, professional knowledge in certain areas, comprehensive knowledge regarding global market tendencies, ability to plan in teams and independently, and professional skills in team-work and individually. (Pink, D.H., 2011., 52.)

The competencies of social interaction include communication skills, ability to assert and reason, presentation skills and ability to create partnerships and capability to get to know people – empathy, as well as ability to perform in front of an audience, skill to motivate and adapt, diplomacy and others. (Kouzes, J.M., Posner, B.Z., 2010. p 107.) The results of the evaluation of the competencies determine the priorities to other functions of management groups of the human resources: selection, learning, planning of career, implementation remuneration system.

The 6 groups of competencies that allow to predict the success:

1. Achievement group: oriented on achievements, cares for quality and high work organisation, initiative;
2. Mutual assistance and service group: mutual understanding – empathy, client and service oriented, will and skill to serve;
3. Influence group: convincing others, knowledge about the organization and predicting one's own work results, contact creation, leaving a good and presentable impression.
4. Management group: organisation, coordination, giving out orders, coordination and controlling of team-work, stimulation other's growth, ability to plan course of events and consequences of teammates' actions;
5. The problem-solving group: the qualification of the expert in the relevant field, ability to seek information, analytical reasoning, conceptual thinking;
6. Personal efficiency group: self-control, assertiveness, loyalty, elasticity. (French, R., Rumbles, S. 2014. p 261.)

The model of competency of the position is a description of an ideal competency which is necessary for successful fulfilment of duties. It includes both soft and solid ingredients of competency. The model of competency can be included in the evaluation of employers.

Low skills is one of the most important barriers to inclusion into labour market. Another problem, which has been investigated by various experts and policy makers, is “skills mismatch” (Global Gender Council of Unemployment, 2014, p. 5; Martensen & Grønholdt, 2009; García-Aracil & Van der Velden, 2008). Thus, one of the priorities of the national education systems is to provide students with the background needed for employers.

3. RESEARCH METHODOLOGY

To achieve the research objectives and complete the research tasks, last study course students and graduates from three higher education institutions of Latvia were surveyed.

In total, 128 respondents participated in the survey. All the respondents were students or graduates of management-related study programmes, in particular, Management, Cultural management, and Personnel management. Respondents' self-perception was analysed, offering for evaluation the list of 27 skills and competencies within 6 groups: 1) achievements, 2) impact, 3) management, 4) problem-solving, 5) personal efficiency, and 6) partnership and collaboration. The list was created, based on the results of the interviews with the representatives of Employers' Confederation of Latvia (LDDK). The students and graduates evaluated own competencies, using 5-point scale, where “1” meant “very low level”, but “5” indicated “very high level” of the appropriate competence. Data processing was performed in the SPSS environment with the application of such methods, as analysis of means, analysis of frequencies and ranking.

4. RESULTS

To test the internal consistency of the items included into the measurement scale (competencies, included into the list), Cronbach's alpha was calculated. The value of 0.959 indicates the high level of consistency that, in turn, allows using the initial version of the measurement instrument. Table 1 summarizes the statistics on respondents' answers, applying frequency analysis.

Table following on the next page

Table 1: Frequency of respondents' evaluations, % of the whole sample (authors' compilation)

	Competence	n/a	1	2	3	4	5
1	Achievement orientation	0,8	0	0,8	35,5	34,4	33,6
2	Concern for quality	0	0	1,6	21,1	37,5	39,8
3	Concern for work effective organisation	0,8	0	3,1	26,6	31,3	38,3
4	Initiative	3,1	0	3,1	30,5	39,1	24,2
5	Persuasion skills	0,8	0	2,3	32,0	43,0	21,9
6	Knowledge about organisation and own performance foresight	0	0	5,5	29,7	50,0	14,8
7	Contact establishment	0,8	0	4,7	21,9	46,9	25,8
8	Ability to leave a positive impression	0,8	0	2,3	24,2	45,3	27,3
9	Organizational skills	0,8	0	3,1	27,3	41,4	27,3
10	Coordination skills	0,8	0	3,9	27,3	38,3	29,7
11	Instructions giving skills	0,8	1,6	8,6	28,9	37,5	22,7
12	Team leading	1,6	0,8	4,7	36,7	29,7	26,6
13	Ability to promote others' self-improvement	0,8	0	5,5	28,9	41,4	23,4
14	Planning skills and ability to predict the consequences of own and team members' actions	0	1,6	5,5	32,8	35,2	25,0
15	Information search skills	3,9	0	2,3	30,5	32,8	30,5
16	Analytical thinking	1,6	0,8	1,6	21,9	43,0	31,3
17	Conceptual thinking	4,7	0,8	2,3	33,6	28,9	29,7
18	Problem solving skills	2,4	0,8	2,3	21,9	39,8	32,8
19	Self-control	2,4	0,8	2,3	25,8	40,6	28,1
20	Self-confidence	2,4	1,6	3,9	26,6	49,2	16,4
21	Loyalty	1,6	2,3	0	25,0	35,2	35,9
22	Flexibility	2,4	0,8	4,7	23,4	42,2	26,6
23	Collaboration-oriented thinking	2,4	0,8	2,3	21,9	36,7	35,9
24	Interpersonal communication skills	2,4	0,8	3,1	23,4	42,2	28,1
25	Complexity management and relationship management skills	2,4	3,1	7,0	28,9	39,8	18,8
26	Emotions control	3,2	0,8	5,5	30,5	37,5	22,7
27	Self-development skills	1,6	0,8	4,7	21,1	46,9	25,0

Adapting the available information in the literature, in the student questionnaire 27 competencies were evaluated. These competencies were divided into multiple competency groups. In the continuation of the questionnaire the adequacy for the Latvian labour market of the above mentioned competencies was clarified. This allowed to define the strong and weak competencies of each student. The students gave the significance evaluation for 27 competencies. By summing the evaluations “very important” and “less important” it was discovered that 3 most developed competencies of students are: Focusing on quality (39.8%), orientation on organization (38.3%), loyalty (35.9%). Comparatively lower were evaluated 2 competencies: the knowledge of organization and prediction of results of one's own actions (14.8%) and self-confidence (16.4%). Table 2 presents the results of the analysis of means. Average respondents' evaluation of each competence, as well as average rate of the competencies within each particular group, was performed.

Table 2: Results of the analysis of means (authors' compilation)

	Group of competencies	Competence	Mean	Mean
1	Achievements	Achievement orientation	4,016	4,025
2		Concern for quality	4,156	
3		Concern for work effective organisation	4,055	
4		Initiative	3,871	
5	Impact	Persuasion skills	3,850	3,880
6		Knowledge about organisation and own performance foresight	3,742	
7		Contact establishment	3,945	
8		Ability to leave a positive impression	3,984	
9	Management	Organizational skills	3,937	3,829
10		Coordination skills	3,945	
11		Instructions giving skills	3,717	
12		Team leading	3,778	
13		Ability to promote others' self-improvement	3,835	
14		Planning skills and ability to predict the consequences of own and team members' actions	3,766	
15	Problem solving	Information search skills	3,951	3,979
16		Analytical thinking	4,040	
17		Conceptual thinking	3,885	
18		Problem solving skills	4,040	
19	Self-efficiency	Self-control	3,952	3,918
20		Self-confidence	3,768	
21		Loyalty	4,040	
22		Flexibility	3,912	
23	Partnership and collaboration	Collaboration-oriented thinking	4,072	3,878
24		Interpersonal communication skills	3,960	
25		Complexity management and relationship management skills	3,656	
26		Emotions control	3,782	
27		Self-development skills	3,921	

Summarizing the results of the competency group evaluation it is clearly seen that the achievement group competencies are sufficiently developed. Whereas such competencies like management group competencies on various levels of administration are not being developed enough. The same can be said regarding those competencies that are necessary for independent decision-making, elasticity and initiative and reacting towards changes in the working environment. Table 3 involves all the competences, which were evaluated higher than the average evaluation of the whole scale (3,910). So, these competencies are perceived by Latvian students as strongest ones.

Table following on the next page

Table 3: The strongest competencies of Latvian students (authors' compilation)

Competence	Mean value	Group of competencies
Concern for quality	4,1563	Achievements
Collaboration-oriented thinking	4,0397	Partnership
Analytical thinking	4,0397	Problem solving
Loyalty	4,0397	Self-efficiency
Concern for work effective organisation	4,0234	Achievements
Problem solving skills	4,0079	Problem solving
Achievement orientation	3,9844	Achievements
Ability to leave a positive impression	3,9531	Impact
Interpersonal communication skills	3,9286	Partnership
Self-development skills	3,9206	Partnership
Self-control	3,9206	Self-efficiency
Contact establishment	3,9141	Impact
Coordination skills	3,9141	Management

After summarizing the results of the competency evaluation, 13 most important competencies can be distinguished according to the students' self-evaluation results. Only some of them coincide with formulated competencies in LDDK. And employee today needs various competencies, among those self-confidence, prediction of one's own results, management ability and self-growth weren't mentioned to be stronger developed.

5. CONSLUSION

It is important to define the competencies of contemporary labour market so that the development of employees can begin during the years of study. It is necessary for growth of students' competitiveness and ability to react dynamically to the changes on the labour market. It means that the competences that have been more emphasized and connected to the labour market (elasticity, innovations, being industrious, effectiveness and productivity) gain more importance in high schools. After evaluating what type of employers are necessary for labour market, there have been various researches carried out to find out what type of competencies are necessary. After summarizing the competency evaluation results, it is visible that the administrative and necessary technical and management competencies for carrying out daily responsibilities currently are sufficiently developed. Meanwhile the lack of skills for strategic planning in various levels of management is mentioned as the most essential drawback. Insufficient development the competencies that are necessary for independent decision-making, elasticity and initiative when reacting to the changes in the inner and outer environment of organization is another important set-back. Nowadays the role of the competencies that are necessary for completion of daily tasks decreases, respectively decrease the corresponding job positions. However the demand for competencies necessary for completion of non-standard tasks and decision-making is growing. The key competency groups in contemporary labour market are personal effectiveness and problem-solving groups. After compiling the results of the evaluation of students' competencies, it is noticeable that the most often evaluated groups are: orientation on achievement of results, ability to make a decision and take on responsibility, motivation and reinforcement of employers. On the other hand, less evaluated are such competencies as orientation on development, relationship building and maintenance and the

awareness of the organization values. The Latvian high schools are advised to review which competency rating should receive less or more attention.

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NOMINAL DEVOLUTION VERSUS REAL DEVALUATION OF INDIAN CURRENCY

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ABSTRACT

The study was conducted with the aim to examine how nominal devaluation tends to promote real devaluation in India by employing (ARDL) bounds testing and the Granger causality test in a VECM structure. The monthly data has been employed from 2004:M4 to 2016:M12 in order to check the cointegration and VECM Granger causality. Our empirical evidence shows that nominal effective exchange rate and real exchange rate are cointegrated and nominal devaluation Granger causes a real devaluation in the long run but there is a weak causality running from $\ln NEER_t$ to $\ln REER_t$ in the short run. Since the real effective exchange rate is trending upward in India during the sample period and because of this her imports are also increasing, India tends to loss its trade competitiveness consequently. As per the results revealed by this study, the Indian central bank should pay particular attention to the long-term devaluation of nominal effective exchange rate to lower real effective exchange rate so that her imports may go down. Even in the case of rising REER, it was found, India is not able to have a lower rate of Inflation because other factors such as non development expenditures of Indian government, Income tax evasion, Food Inflation etc. are causing it to increase. Further, the Purchasing Power Parity does not hold in India because real exchange rate is non-stationary at level, nor could we observe any J-curve effect in Indian trade balance.

Keywords: ARDL Bounds Testing Approach, PPP, J-curve, Structural Breaks (Bai & Perron), VECM Granger Causality

1. INTRODUCTION

Though recognizing a difference between the depreciation of a currency and the devaluation of a currency is desired, yet the effect of both of these economic events on the trade balance is homogeneous. The former came into existence due to the advent of current float in 1971 whereas the latter is an application of an international trading policy by a country, Beggar-thy-neighbor, that employs currency devaluations and solicitous barriers to reduce prevailing economic difficulties at the expense of its trading partners. The reward of nominal devaluation is twofold. On one hand, it can make exports cheaper in terms of foreign currency and thus increases the exports' demand in international markets. On the other, it makes imports more expensive in terms of domestic currency that results in a decline of imports. However, due to an ensuing inflationary pressure that emanates from rising cost of imported goods any favorable effect of the nominal devaluation on the trade balance is taken away by swelling prices. After Independence in 1947, India first time introduced an important change in her international trade policy in June 1966 in the form of a major devaluation of its local currency; the Indian rupee was devaluated to a great percentage of 59.57% i.e., from 4.7 to 7.5 in comparison to the US

dollar. During the years 1985-90, the Indian rupee was again devalued in nominal effective terms by 45 %, leading to a real depreciation of 30 percent of Indian currency. As part of the liberalization reforms, India devalued her currency from 21.2 rupees to 25.8 rupees to the dollar in 1991. When India embraced dual exchange rate system in 1992, she had to force her exporters to sell 60 percent of their foreign exchange receipts in the free market while the rest, 40 percent, had to be sold to the government at a lower official price because the foreign exchange reserves of India had fallen so low that she was not able to support even three weeks' worth of imports price. To the best of our knowledge, this is a first study that examines this relation for India by utilizing the ARDL bounds testing approach in the presence of structural breaks. In India, the researchers who have worked on the rupees' depreciation and India's external trade are (Sarkar, 1971), (Murli and et.al., 1996), (Lal and Lowinger 2002), (Bhatt, 2008), (Srinivasan, 2003) and (Konya and Singh, 2008), yet their studies are not directly related to Real and Nominal effective exchange rates relationship. The contribution of this study to the existing body of literature is in two ways. Firstly, it is a first effort to investigate the relation between nominal and real effective exchange rates in the presence of structural breaks along with exploring J- curve effect in India. Secondly, the sample period contains both pre global financial crises period as well as post global financial crises period. Finally, the direction of causal relationship between nominal and real devaluations is also investigated by applying the vector error correction model (VECM) and Granger causality test. The rest of this study is arranged as follows. The second section narrates the theoretical framework and the empirical modeling. The empirical results and conclusion and recommendations have been presented in the fourth and the last section respectively.

2. THEORETICAL FRAMEWORK AND EMPIRICAL MODEL

In this era of international monetary system, most currencies are floating against each other. An individual currency may depreciate against one currency and appreciate against another one. Under such situations, it is too difficult to assess the overall value of a currency. Though nominal effective exchange rate could be a help to answer this problem, yet the nominal effective exchange rate does not take into account any changes in the price levels of home and foreign countries. Consequently, it cannot reflect the change in a country's competitive position relative to its trading partners. The real effective exchange rate takes into account both the domestic and the foreign prices and is modeled to overcome the issue of trade competitiveness. (Stučka, 2004, p. 8) (Oskooee & Harvey, 2007, p. 386) point out that changes in the real effective rate are said to capture changes in the international competitiveness of a country. In order to improve a country's trade balance, it is said to devalue the nominal exchange rate because this is the rate that central banks usually exploit (Oskooee & Harvey, 2007, p. 386). We have to check whether Indian central bank is able to do it or not. By taking monthly data from "Handbook of Statistics on the Indian Economy, RBI", it was found that Indian trade balance was continuously going negative. One thing worsened this situation more when we plotted the annual nominal exchange rate data (from 1990 to 2016)¹ and tried to look for a J-curve effect (i.e. the J-type relationship puts forward that currency devaluation can be an effective tool in improving the trade imbalance that is rooted in persistent disequilibrium), no such relation could be found in Indian trade balance. The Indian currency constantly depreciated for more than three decades, yet the J-type relationship could not be seen in India. However, in Indian context, it is confirmed that if the real exchange rate is rising it signifies that its goods are becoming dearer relative to its competitors. An increase in the real exchange rate means people in India can get more foreign goods for an equivalent amount of domestic goods. Therefore, an increase in the real exchange rate should increase imports. It will also help reduce inflation.

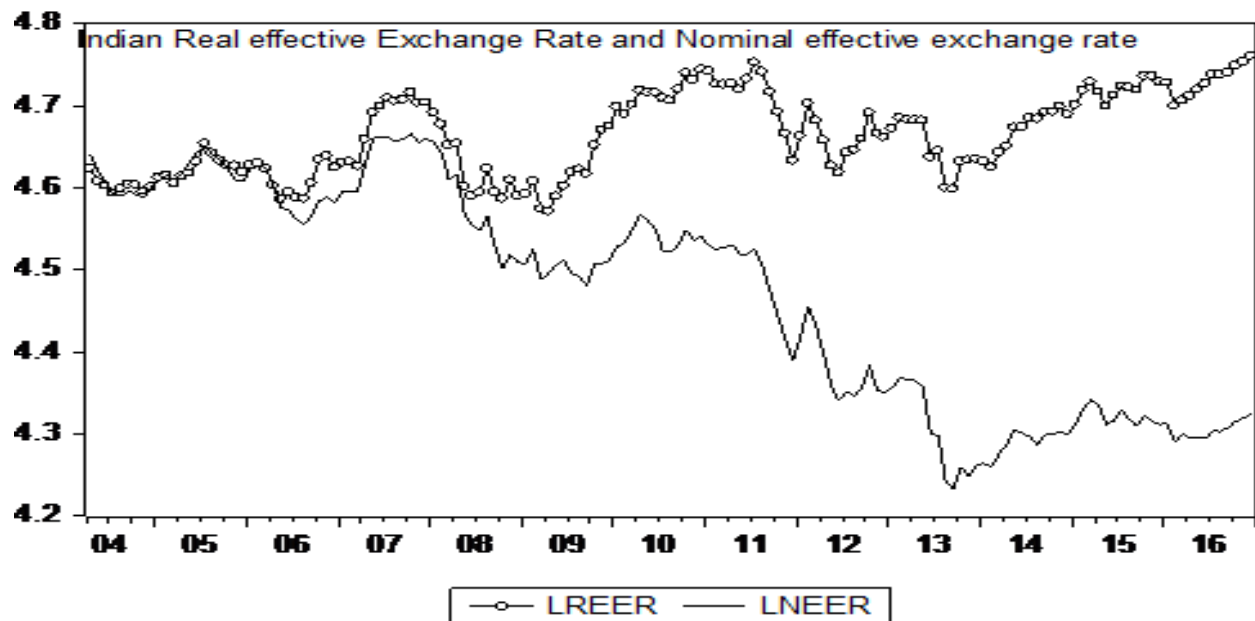


Figure 1.- A graphical relation between NEER and REER plotted in natural logarithm from 1-04- 2004 to 31.12.2016. Source: www.rbi.org.in (Handbook of Statistics on the Indian Economy, RBI); Estimation: Authors.

Since the real exchange rate is rising, it is expected that the Indian imports should also increase at a rate more than her exports because an increase in REER implies that exports have become more expensive than imports; therefore, an increase indicates a loss in trade competitiveness.

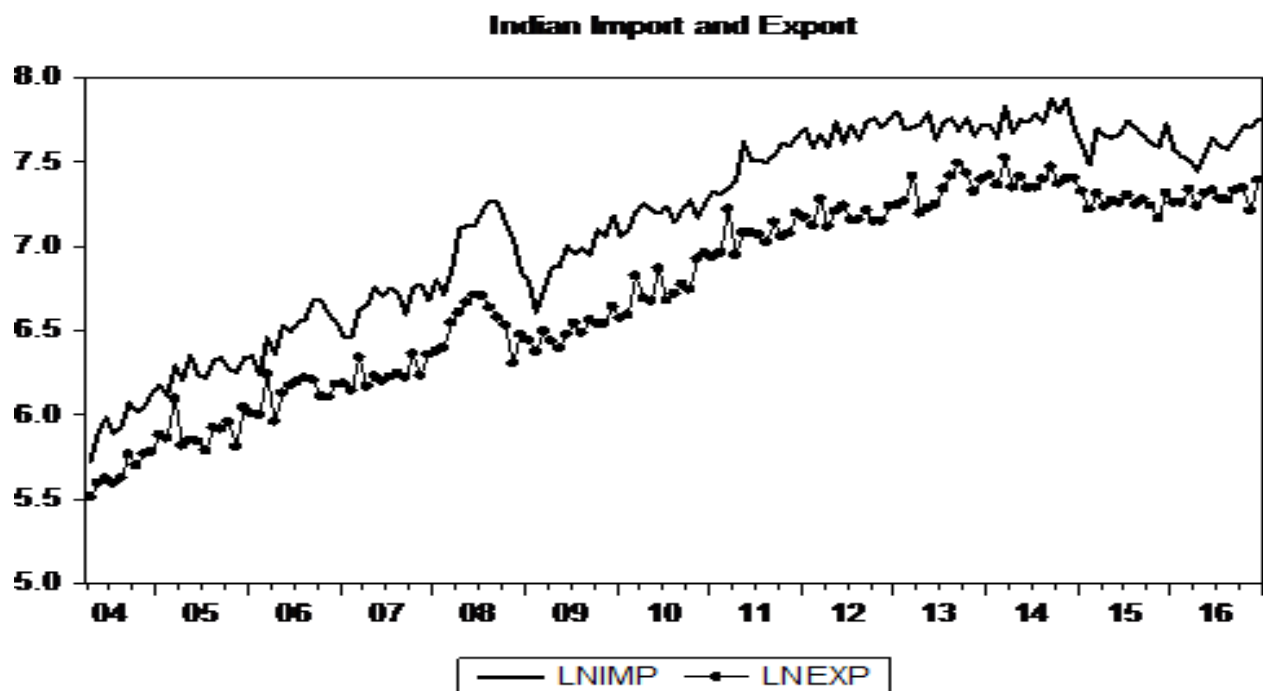


Figure 2.- A graphical relation between Indian Import and export series plotted in natural logarithm from 1-04- 2004 to 31.12.2016.. Source: <http://www.dgciskol.nic.in> (historical import and export prices); estimation: Author

As far as inflation is concerned, in the context of rising Real Effective Exchange Rate, a decline is expected. The reason behind this expectation is that when the REER rises, foreign goods become cheaper and people can get more foreign goods for an equivalent amount of

domestic goods. As a result, the aggregate demand diminishes and the prices fall. But this is not happening in India and WPI and CPI indices kept increasing for the same period. This means other factors are influencing Indian Inflation at a greater rate.²

2.1. Data and Methodology

The data for REER and NEER have been collected from Handbook of Statistics on the Indian Economy, RBI. It is a monthly data from the period of 1st, April 2004 to Dec. 2016. The data for Import, Export and Trade Balance have been collected from Directorate General of Commercial Intelligence and Statistic. The Reserve Bank of India is computing NEER and REER indices for 6 and 36 currency baskets on trade as well as export based with the base year 2004-5. The RBI calculates Nominal effective exchange rate as geometric weighted averages of bilateral exchange rates of domestic currency in terms of foreign currency whereas real exchange rate is defined as the weighted average of bilateral nominal exchange rates that have been adjusted for relative price levels.

The NEER can be calculated as follows:

$$NEER = \prod_{i=1}^N \left(\frac{e}{e_i} \right)^{w_i}$$

The REER index is the weighted average of Nominal Effective Exchange Rate adjusted by the ratio of domestic prices to prices.

$$NEER = \prod_{i=1}^N \left[\left(\frac{e}{e_i} \right) \left(\frac{p}{p_i} \right) \right]^{w_i}$$

Where e is for the exchange rate of the Indian rupee against a numeraire, i.e., the IMF's Special Drawing Rights (SDRs) in indexed form and e_i is exchange rate of foreign currency 'i' against the numeraire (SDR per currency i) in indexed form. Similarly, P and P_i represent price index of the home country and the price index of trading partner country i , respectively while n implies numbers of countries/currencies (other than home country) covered under NEER and REER indices. The REER has four parameters/variables pertaining to country/currency coverage (n), relative prices (P/P_i), weights (w_i) and exchange rates (e/e_i). Though RBI calculates indices of REER and NEER on both export- weight and import- weight, yet we have selected the trade- based index because according to Bank of International settlement, "The limitations of the measure notwithstanding, trade weight based measures of EERs still serve as useful indicators."³We are employing 36 currencies basket that constitutes 36 trading partners of India.⁴

The ARDL Bound Testing approach of cointegration has been used in this study. The major merits of the ARDL method are that it avoids problems of serial correlation and of endogeneity, by an appropriate expansion that may be experienced by other cointegration methods. ARDL is an effective technique even if the regressors under consideration are integrated of order zero or one (Pesaran and et.al, 1998, p. 4). Secondly, it performs better in small sample studies when compared to (Engle and Granger, 1987), (Johansen and Juselius, 1990) and (Phillips and Hansen, 1990) co-integration tests (Ghatak and Siddiki, 2001, p. 582) and (Haug, 2002, p. 410). Further, this technique undertakes an appropriate lag order to catch the data generating process (Laurenceson and Chai, 2003, p. 28). However, this technique fails when any variable is integrated at $I(2)$.

The empirical method is based on (Bahmani-Oskooee and Miteza, 2002, p. 388), (Shahbaz 2009, p. 89) and (Kyophilavong et al., 2015, p. 237).

$$\ln REER_t = \beta_1 + \beta_2 \ln NEER_t + \mu_t \dots (1)$$

$$\Delta \ln REER_t = \beta_2 \Delta \ln NEER_t + \beta_1 + \beta_2 T + \beta_3 D_1 + \beta_4 D_2 + \mu_t \dots (2)$$

Where, Δ is a first difference operator, β_1 is the drift component and β_2 is the trend variable. $REER_t$ stands for real effective exchange rate with 2004-05 base year, $NEER_t$, stands for nominal effective exchange rate with 2004-05 base year, D is a dummy variable that represents the structural break⁵ period and u_t is the white noise error term. In a model involving no structural break, $\beta_3 = \beta_4 = 0$ and the trend variable, T , may or may not exist. In order to use ARDL Methodology, the following error correction models were estimated.

$$\begin{aligned} \Delta \ln REER_t = & \alpha_{REER} \ln REER_{t-1} + \alpha_{NEER} \ln NEER_{t-1} + \sum_{i=1}^P \alpha_i \Delta \ln REER_{t-i} \\ & + \sum_{j=1}^q \alpha_j \Delta \ln NEER_{t-j} + \alpha_0 + \alpha_1 T + \alpha_2 D_1 + \alpha_2 D_2 + \mu_t \dots (3) \end{aligned}$$

$$\begin{aligned} \Delta \ln NEER_t = & \beta_{NEER} \ln NEER_{t-1} + \beta_{REER} \ln REER_{t-1} + \sum_{j=1}^q \beta_j \Delta \ln NEER_{t-j} \\ & + \sum_{i=1}^P \beta_i \Delta \ln REER_{t-i} + \phi_0 + \phi_T T + \phi_1 D + \phi_2 D_2 + \mu_t \dots (4) \end{aligned}$$

Now, the null hypothesis of no cointegration $H_0: \alpha_i = \alpha_j = 0$ is tested against the alternative hypothesis $H_0: \alpha_i \neq \alpha_j \neq 0$ in Equation (3) and the null hypothesis of no-cointegration $H_0: \beta_i = \beta_j = 0$ is tested against the alternative hypothesis $H_0: \beta_i \neq \beta_j \neq 0$ in Equation (4). The first stage in ARDL method is bounds testing procedure which is based on the F-test. The critical values of lower bound assume that all variables are integrated of order zero, $I(0)$, and the critical values of upper bound assume that they are all integrated of order one, $I(1)$. The cointegration exists, if the value of calculated F-statistic is more than the upper critical value. On the other hand, if the F-statistic is smaller than the lower critical value, there is no cointegration. The test will become inconclusive if the F-statistic falls within the two bounds of critical values. If there is a cointegration i.e., the long-run relation is found then the long-run, as well as short-run causality between the variables can be examined by applying the VECM Granger causality framework (Shahbaz and Rahman, 2012, p. 208); (Tiwari and Shahbaz, 2013, p. 401); (Kyophilavong et. al., 2015, p. 239). The following VECM Granger causality model has been applied.

$$(1 - L) \begin{bmatrix} \ln REER_t \\ \ln NEER_t \end{bmatrix} = \begin{bmatrix} \phi_1 \\ \phi_2 \end{bmatrix} + \sum_{i=1}^P (1 - L) \begin{bmatrix} a_{11i} & a_{12i} \\ a_{21i} & a_{22i} \end{bmatrix} + \begin{bmatrix} \theta_1 \\ \theta_2 \end{bmatrix} \times [ECM_{t-1}] + \begin{bmatrix} \eta_{1t} \\ \eta_{2t} \end{bmatrix} \dots (5)$$

$(1 - L)$ is the difference operator and the ECM_{t-1} stands for residuals which are obtained from the estimated cointegration model. To indicate the long-run causality, the ECT_{t-1} should produce statistically significant negative coefficients by using the t-test statistic. To test the direction of short-run causality between the variables, the F-statistic for the first differenced lagged independent variables is used. $\eta_{1t} \eta_{2t} \text{ IID} \sim (0, \sigma^2)$. The optimal lag length has been

selected based on the Akaike information criterion (AIC). The result of lag structure criterion indicates that two is the optimal lag order as it can be seen in Table 1.

Lag	LogL	LR	FPE	AIC	SC	HQ
1	903.8317	NA	1.40e-08	-12.41147	-12.32936*	-12.37811
2	913.1273	18.07829	1.30e-08*	-12.48451*	-12.32028	-12.41778*
3	914.7737	3.156584	1.34e-08	-12.45205	-12.20570	-12.35195
4	917.5977	5.336256	1.36e-08	-12.43583	-12.10736	-12.30236
5	920.7468	5.863872	1.38e-08	-12.42409	-12.01351	-12.25726
6	926.0041	9.644548	1.36e-08	-12.44144	-11.94874	-12.24124
7	928.3990	4.327264	1.39e-08	-12.41930	-11.84448	-12.18573
8	934.1264	10.19082*	1.35e-08	-12.44312	-11.78619	-12.17619

** indicates lag order selected by the criterion.*

Table 1.-Lag Selection Criterion. Estimation: Authors.

3. EMPIRICL RESULTS

3.1. Unit Root Tests

Most of the previous studies have utilized the standard unit root tests—such as Augmented (Dickey and Fuller, 1979), P-P, (Philip and Perron, 1988), and ADF-GLS (Elliot et al. 1996). However, (Dejong et al., 1992, p. 430) and (Harris and Sollis, 2003, p. 48) have found that these tests are not appropriate in the case of a small sample because the null hypothesis may be rejected when it is true, and vice versa. (Ng-Perron, 2001) test is better suited in small samples. (Vineet 2004, unpublished paper) by expressing his doubts about the most powerful unit root test, points out that “(Ng and Perron, 2001) developed M-tests strike out as having the best size-adjusted power properties.” It is an extension of the DF-GLS test of (Elliot et al. 1996). Since we are using the ARDL method that can be used irrespective of the order of integration of the variables as long as the Stationarity is achieved by them at first difference or below, the need to search the most powerful unit root test can be avoided.⁶ Because of this reason, we are using the conventional unit root tests only with this caveat in mind that no variable should be I (2). If any of the variables is integrated of order two, I (2), the F-test could be spurious (Ouattara, 2004, p. 9). Table 2 shows the result of unit root tests.¹

Table following on the next page

¹ The Purchasing power of Parity (PPP) does not hold in India during this period because the real effective exchange rate is not stationary at level. For detail see Bahmani-Oskooee and Harvey, 2004, p.409 and Bahmani-Oskooee and Nasir, 2004, p. 484.

PP Unit Root Test					
At level			At first Difference		
Variables	T-values	p-value	Variables	T-values	p-value
$\ln REER_t$	-1.826969	[0.3663]	$\ln REER_t$	-10.70962	[0.0000]
$\ln NEER_t$	-0.952337	[0.7690]	$\ln NEER_t$	-10.14256	[0.0000]
ADF Unit Root Test					
At level			At first Difference		
Variables	T-values	p-value	Variables	T-values	p-value
$\ln REER_t$	-1.615051	[0.4724]	$\ln REER_t$	-10.75678	[0.0000]
$\ln NEER_t$	-0.896592	[0.7872]	$\ln NEER_t$	-10.20679	[0.0000]

Note: *shows the significance at 1%.

Table 2.- Unit Root Tests.: Estimation: Authors.

In table 3, $\ln REER_t$ is a dependent variable. Our calculated F-statistic for it is $F(\ln REER_t / \ln NEER_t) = 11.53622$ and it is greater than upper critical bound even at the 1 per cent level of significance suggesting that there is co-integration between $\ln REER_t$ and $\ln NEER_t$ in India. In the long run, table 3, nominal effective exchange rate is found to be statistically significant enough to influence $\ln REER_t$ at 1 percent level of significance showing a strong long run co-integration.

Dependent Variable	$lnREER_t$	
F-Statistics	11.53622	
Critical Values of bounds		
Significance	I0 Bounds (lower bounds)	I1 Bounds (upper bounds)
10%		
5%	6.56	7.3
2.5%		
1%	8.74	9.63
Adi R-square 0.853919		
F-Statistics 110.6034*		
Durbin-Watson Test 2.008112		

Note: * shows the significance at 1% level.

Table 3.- The Results of the Autoregressive-Distributed Lag (ARDL) Bounds Testing.
Estimation: Authors

In the short run, it is found that $\ln NEER_t$ has a positive and significant influence on $\ln REER_t$. This means that devaluation of $\ln NEER_t$ is leading $\ln REER_t$ in the short run. This result is consistent with the findings of Bahmani-Oskooee and Miteza, 2001, p. 388), (Bahmani-Oskooee and Harvey, 2007, p. 411) for some LDCs and Rena and et.al., 2009, p.13) for a developing nation PNG, The estimate of ECM_{t-1} , as required, has a negative sign and is statistically significant at 1 percent significance level. This means that the speed of adjustment or the deviations in the short run to long run are corrected by 16.21 percent in each month that

shows a speed of adjustment in the $\ln REER_t$ model. This implies that the deviations in the short run to long run will be corrected in less than a seven months period. Table 4 shows long-run and short-run analysis.

Dependent Variable = $\ln REER_t$		
Long-run Results		
Variable	Coefficient	T-Statistic
$\ln REER_t$	0.576204*	9.326161
D1	0.064862*	4.740605
D2	0.025333*	2.018862
C	1.937504*	6.671730
@TREND	0.001556*	5.693103
Short-run Results		
Variable	Coefficient	T-Statistic
$\Delta \ln REER_t$	0.890059*	27.222940
ECM_{t-1}	-0.162103*	-4.794953

*Note: *denotes significance at 1% level respectively. Table 4.- Long-run and Short-run Analysis. Estimation: Authors*

In order to check the model adequacy and its specification, the following diagnostic tests have been applied. As it can be seen in table 5 that the residuals are free from serial-correlation, heteroscedasticity and also there is no misspecification of short-run model. Table 5 shows diagnostic tests for $\ln REER_t$ as Dependent Variables.

F-version		LM version	
Statistics	P-Value	Statistics	P-Value
A: Serial Correlation	F(2,140)= 0.770591	0.4647	$\chi^2(2) = 1.644175$ 0.4395
B: Normality	N/A		
C: Heteroscedasticity	F(8,142)=1.58688	0.133	$\chi^2(8) = 12.39183$ 0.1346
D. Model's Functional Form F (1, 141) = 0.624909 0.4306			

Table 5.- Diagnostic Tests for $\ln REER_t$ as Dependent Variables. Estimation: Authors.

Figures 3 and 4 show the stability of model over time.

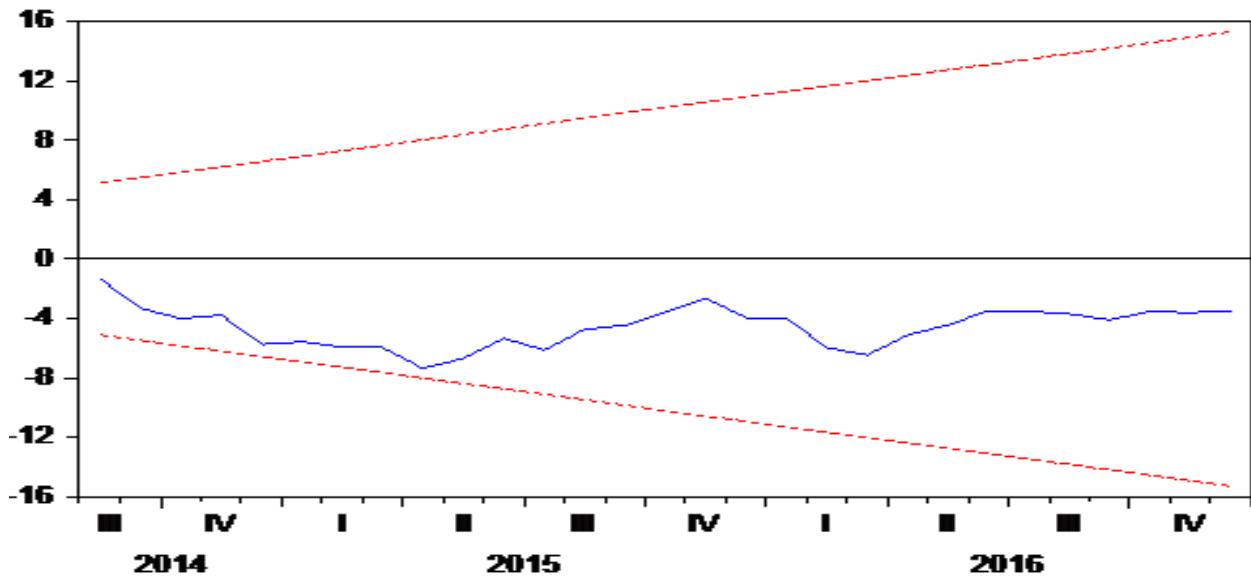


Figure 3.- shows CUSUM Test at 5% level of significance. Estimation: Authors.

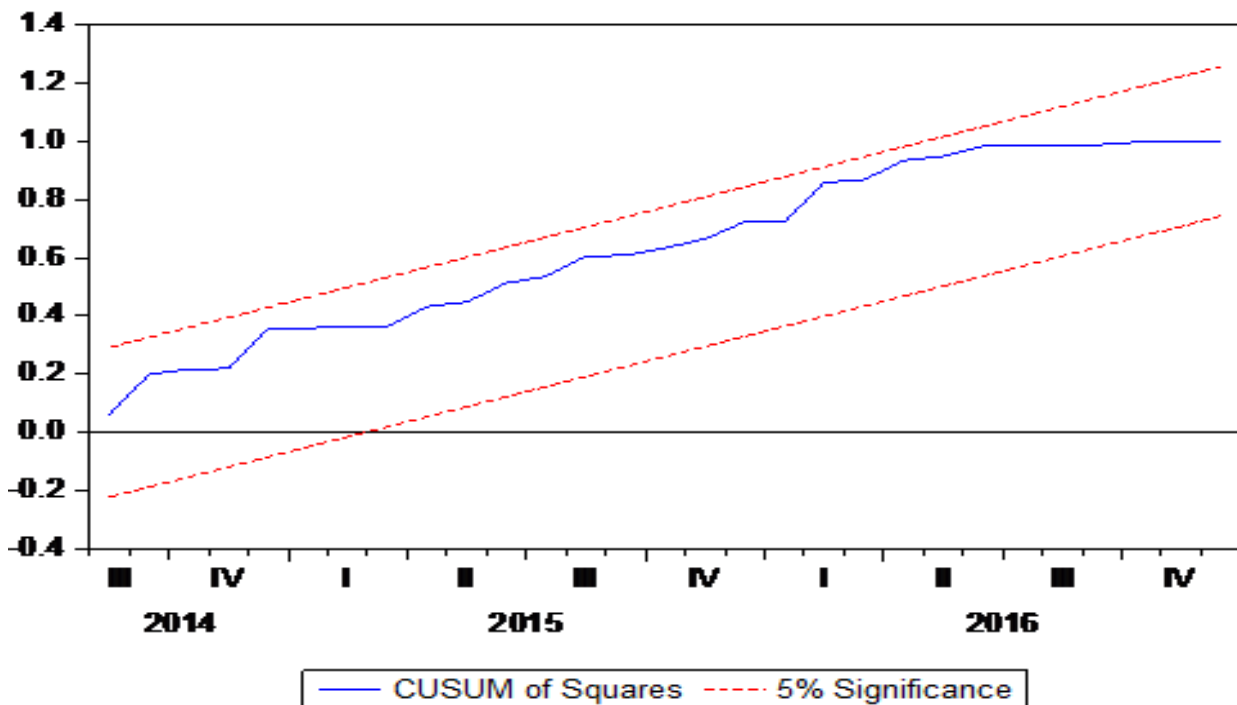


Figure 4. shows CUSUM Test at 5% level of significance. Source: Estimation: Authors.

If the plots of CUSUM and CUSUMsq remain within the critical bounds of the 5% significance level, the null hypothesis that the regression equation is correctly specified cannot be rejected (Tiwari and Shahbaz, 2004, p. 404).⁷

Table 6 reports the results of Granger causality. The estimates of ECM_{t-1} are negative and also statistically significant at the 1 per cent level. The statistical significance of ECM_{t-1} gives an indication that the shock which is being exposed by the system converging to the long-run equilibrium path. On the other hand, there is a causality direction from $\ln REER_t$ to $\ln NEER_t$ at 1 per cent level in the long run. However, there is a weak causality direction from $\ln NEER_t$ to

$\ln REER_t$ because it is significant at 10 per cent level. Though, there is bidirectional causality between $\ln REER_t$ and $\ln NEER_t$ in the short run, yet it is running weak from $\ln NEER_t$ to $\ln REER_t$. This result indicates that devaluation of nominal effective exchange rate does lead to the devaluation of the real effective exchange rate in the long run but it is weak in the short run.

Short Run			Long Run
Variables	$\Delta \ln REER_{t-1}$	$\Delta \ln NEER_{t-1}$	ECT_{t-1}
$\Delta \ln REER$	--	-0.07151* [0.0058]	-0.064190** [0.0192]
$\Delta \ln NEER$ [0.0660]	7.191220***	--	-0.076566* [0.0053]

Note: *, ** and *** denote significance at the 1%, 5% and 10% level respectively. Table 6.-
VECM Granger Causality Analysis. Estimation: Authors

4. CONCLUSION AND RECOMMENDATIONS

India has long been suffering from negative trade balance. It needs a policy direction to increase exports and decrease imports so that it can gain trade competitiveness. Since the real effective exchange rate is trending upward in India during the sample period and because of this her imports are also increasing, India is losing its trade competitiveness consequently. As per the results revealed by this study, the Indian central bank should pay particular attention to the long-term devaluation of the nominal effective exchange rate to lower real effective exchange rate so that its imports may go down. Even in the case of rising REER, India is not able to have a lower rate of Inflation because other factors (namely non development expenditures of Indian government, Income tax evasion, Food Inflation etc.) are causing it to increase. We have found a strong short-run and long run cointegration between nominal effective exchange rates and real effective exchange rates, but the causality between $\ln REER_t$ and $\ln NEER_t$ in the short run running weak from $\ln NEER_t$ to $\ln REER_t$ but it is strong in the long run.

Notes:

1. The graph is available on request.
2. The main contributors of rising Indian inflation rate are Non Development Expenditures of Indian government, Income tax evasion, Food Inflation, low industrial growth and 'influence of monetary and fiscal stimuli given by authorities to tide over the global financial crisis (Rangarajan and Sheel, 2013, pp. 45-94).'etc.
3. For details, see the new BIS effective exchange rate indices pp-55. <http://www.bis.org/statistics/eer.htm>
4. The thirty-six trading partner of India are China, USA, Argentina, Philippines, Australia, Qatar, Bangladesh, Russia, Brazil, Saudi Arabia, Canada, Singapore, Taiwan, South Africa, Egypt, Sri Lanka, Indonesia, Sweden, Iran, Switzerland, Israel, Thailand, Kenya, Turkey, Korea, UAE, Kuwait, Malaysia, Hong Kong, Mexico, Euro, Vietnam, Japan, Nigeria, UK and Pakistan.
5. In the OLS equation, where the $\ln REER_t$ is a dependent variable and $\ln NEER_t$ is an independent variable we have found 4 structural break significant at 5 per cent level by using Bai-Perron tests of $L+1$ vs. L sequentially determined breaks. The result is presented below:

Sequential F-statistic determined breaks:

4

Break Test	F-statistic	Scaled F-statistic	Critical Value**
0 vs. 1 *	112.3940	224.7880	11.47
1 vs. 2 *	104.8835	209.7670	12.95
2 vs. 3 *	77.19835	154.3967	14.03
3 vs. 4 *	12.60208	25.20415	14.85
4 vs. 5	0.000000	0.000000	15.29

* Significant at the 0.05 level.

** Bai-Perron (*Econometric Journal*, 2003) critical values.

Break dates:

	Sequential	Repartition
1	2009M10	2006M10
2	2014M07	2009M10
3	2006M10	2012M09
4	2012M09	2014M07

Out of these four structural break points, the dummies of only two structural breaks, i.e. the break points at 2009: M10 and 2014: M07, were found significant in the model. The break point of 2009 is being seen in the equation because of so wild fluctuations in Indian exchange rates since early 2009, with the exchange rate peaking at 52.1 INR against 1 USD in March 2009. Since Indian rupee had depreciated nearly 22% against dollar in 2009, she had to sell 35 billion dollars in the spot markets in the same year to contain the depreciation in the rupee. However, there are two reasons why we have a structural break in the year 2014. Firstly, in the first quarter of the year, FOMC effectively ended the quantitative expansion and also assured that easy money policy would continue till at least another year. Finally, in the month of May, India had a stable Modi-led government that lifted the business sentiment, and also improved confidence in the foreign investors.

6. We are also presenting the results of Ng-Perron (2001) test which is more powerful and reliable for small dataset. The only difference we have found between the conventional unit root tests (ADF and PP unit root tests) and Ng-Perron unit root test is that Ng-Perron unit root test could reject the null hypothesis of a unit root in $\ln REER_t$ series at first difference with trend and intercept, but not only with intercept.

Table following on the next page

Ng-Perron Test with Trend and intercept at Level				
Variables	MZa	MZt	MSB	MPT
$\ln REER_t$	-11.3888	-2.34082	0.20554	8.24303
$\ln NEER_t$	-9.63617	-2.16620	0.22480	9.58561
Ng-Perron Test with Trend and intercept at 1st Difference				
Variables	MZa	MZt	MSB	MPT
$\ln REER_t$	-71.4079	-5.97525	0.08368	1.27626
$\ln NEER_t$	-68.8881	-5.86870	0.08519	1.32369

7. The plots of CUSUM and CUSUMsq are displayed in Figures 3 and 4. As it is evident from Figures 3 and 4, that they both are within the boundaries and hence these statistics show the stability of the long-run coefficients of regressors that affect the real effective exchange rates in India.

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EMPLOYMENT OF PEOPLE WITH LIMITED EMPLOYMENT OPPORTUNITIES IN MODERN RUSSIA: MAIN TRENDS AND FACTORS

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ABSTRACT

The objectives of the study are as follows: the definition of the main trends in the area of employment of people with limited employment opportunities (invalids); characteristics of the main factors influencing the stated trends. The subject of the study is the main trends in the area of employment of people with limited employment opportunities (invalids) in the unity with the factors defining these trends. The results of the study:

- 1. The estimation of a possible extend of employment of people with limited employment opportunities in modern Russia is given based upon the analysis of the actual statistics and also upon the synthesis of scientific research on the given issue.*
- 2. The main trends in the area of employment of people with limited employment opportunities are defined.*
- 3. The main factors influencing the process of employment of people with limited employment opportunities are characterized.*

Keywords: *Employment as a form of social integration of people with limited employment opportunities, Factors of invalid's employment, Invalids, People with limited employment opportunities, Trends in the area of employment of people with limited employment opportunities*

1. INTRODUCTION

In modern Russia the issues of employment of people with disabilities have become particularly actual. A possible successful resolve of this matter could bring a double economic effect. Firstly, this socially vulnerable category of the population needs state significant resources and monetary funds not only on benefits, cash and in-kind compensations, privileges but also on creation and support of the whole system of social assistance, protection, rehabilitation, that is, on implementation of the principles specified in RF Constitution, Articles 7, 37, 39 [5].

These articles proclaim, that "the Russian Federation is a social state", that "in the Russian Federation the state support of... invalids is ensured", "everyone is guaranteed social security in case of ...disability". Secondly, the disabled people make up about 8 percent of the population and the disabled people of an active working age make up about 5 percent of the economically-active population [20]. Obviously, it's a very significant labor resource that appears to be excluded from economic activities of the society and, for this reason, it cannot contribute to the key economic indicators of the state.

2. CHAPTER 1

RF legal base regulating the employment of persons with disabilities consists of a number of Federal legislative acts:

- The law on population employment in the Russian Federation [14]
- The law on social protection of invalids in the Russian Federation [7]
- The federal law "On amendments to certain legislative acts of the Russian Federation on

social protection of population in connection with the ratification of the Convention on the rights of persons with disabilities"[6], etc.

In addition, certain matters are governed by regional laws and regulations. So, the law of the city of Moscow of April 28.2010, N 16 "On education of persons with disabilities" introduces the concept of «person limited health abilities») into the legislative practice [13]. This term, along with the concept of inclusive education, is now actively implemented in the scientific and regulatory application. After analyzing these normative acts, it's possible to determine the term "an invalid". An invalid is a person who has impaired health with a steady disorder of body functions caused by diseases, trauma consequences or defects, leading to the restriction of his life activity and the necessity of his social protection. According to the Federal State Statistics Service of the Russian Federation (Rosstat), the total number of invalids dated 01.01.2017 is 12,256 thousand persons [20]. In Russia the conclusion of a medical and social expert evaluation is needed to get the status of an invalid and to determine an invalidity group, i.e. a degree of disability, including a labor disability. Therefore, the statistical data can depend on changes in the regulations of a medical and social expert evaluation, namely on tightening or easing the conditions for obtaining invalidity.

It is necessary to study a number of the disabled persons according to invalidity groups for the analysis of their actual and potential employment (Fig.1).

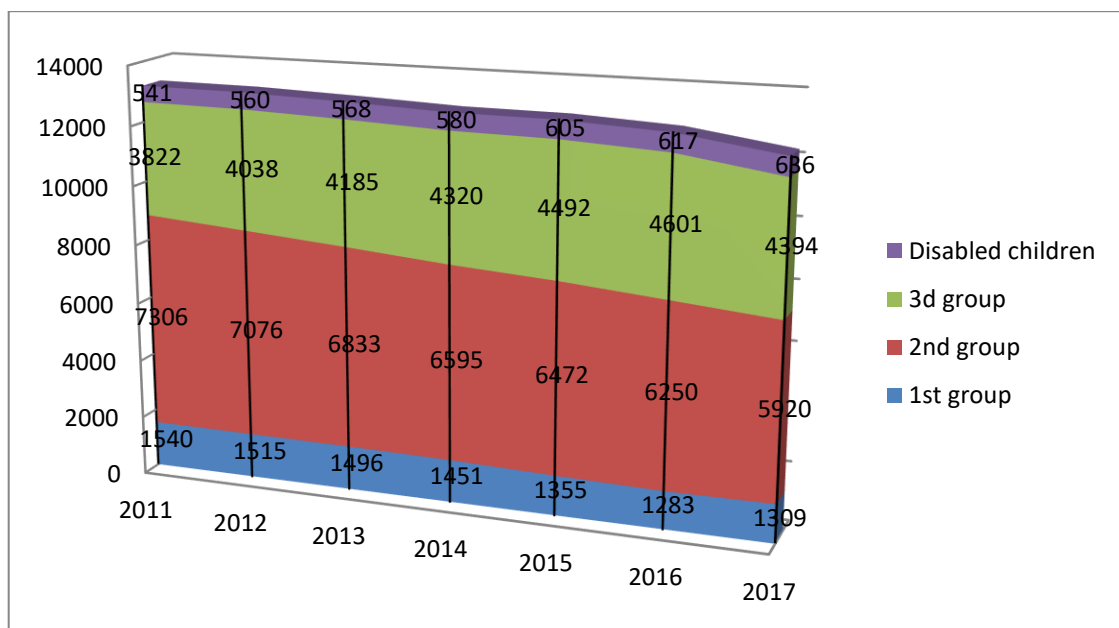


Fig.1. The total number of invalids in the Russian Federation according to the invalidity groups, thousand pers. [20].

The first invalidity group is the most difficult by the standards of physical body conditions. The people with significant disorders in the physical functionality (the higher degree of difficulty in movement, learning, communication, the ability to control their behavior, etc.) belong to this group. A person meets significant limits in his life activity, inability to self-care that leads to a necessary constant outside supervision. In this invalid category there is the lowest percentage of working people – about 5%. Mostly the blind or deaf-mute invalids have the ability to work. The invalids with disabled lower extremities (wheelchair users, not bedridden people) can perform certain types of work, often at home. The people with less significant (compared to the 1st group) functional disorders – diseases, injuries, birth traumas, inborn defects,- belong to

the second group. They are able to self-care and do not require constant supervision, for example, people shorter than 150 cm or with absent first fingers. The invalids of the second group can work under the special labor conditions – reduction in working hours, additional breaks, lighter performance standards, under special sanitary and hygienic norm and medical surveillance. There work about 12% of invalids of the second group. The persons, who are assigned to the third invalidity group, have permanent moderate functional disorders (inability to orientate, deafness, paralysis of a hand). They need a minor adaptation of their workplaces and they are the most motivated to work. Among the invalids of the third group in 2017 there work 28%, according to the data of the Pension Fund of the Russian Federation.

The full information about working invalids in accordance with their invalidity groups for the period from 2011 through 2017 is presented in Fig. 2

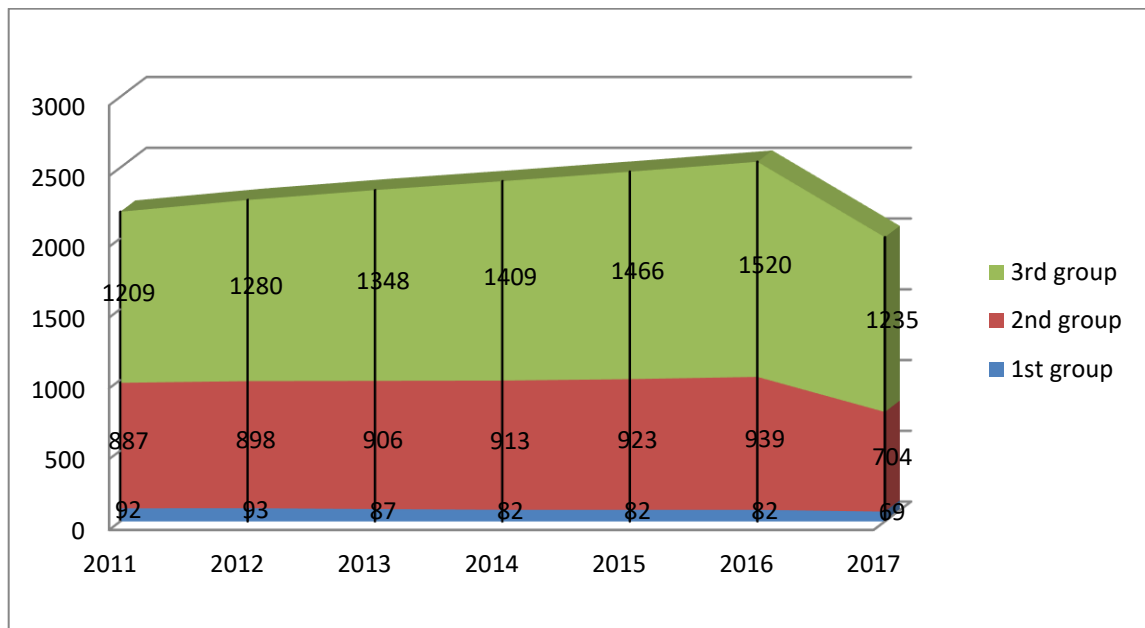


Fig.2. Working invalids in accordance with their invalidity groups, thousand pers. [20].

Dynamic changes in the share of working invalids for the period from 2011 through 2017 are presented in Fig. 3.

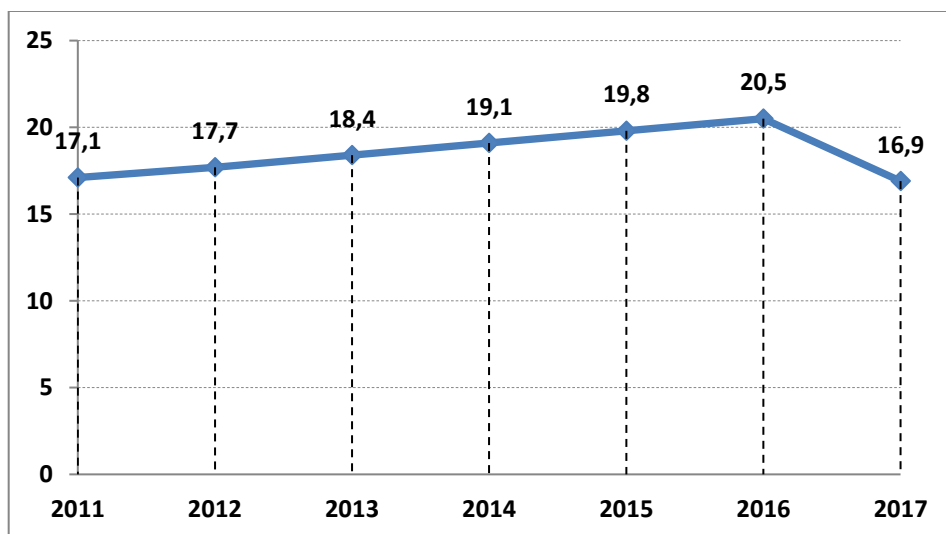


Fig.3. The share of working invalids in the total number of invalids, % [20] .

The positive upward dynamics in 2016 was interrupted due to the adopted law abolishing the pension indexation to working pensioners [9]. This caused a concern among the people with disabilities about possible losses in the pension size due to employment, and, consequently, a significant reduction of motivation to work (unwillingness to be officially employed). A decline of 3.6 % is very significant (level of employed invalids has reached its lowest value in the last 6 years) and is formidable in the short term of one - two years.

In order to more fully characterize the extent of the problem of the invalids' employment, it is useful to compare the employment of disabled people of working age with a total employment of population of working age. According to Rosstat in 2016 the total share of employed disabled people of working age was 17.2 per cent, while the share of employment in total population of working age amounted to 76.6%; the unemployment rate of persons of working age with disabilities was 21.6%, the unemployment rate of working age population - 5.6%. The presented data analysis allows to state that the labor market in Russia remains stable, the employment rate is quite high, the unemployment rate is close to a natural one. Against the backdrop of a relatively favorable situation on the Russian labor market the statistics of invalids' employment seems to be even more frustrating. The similar indicators for unemployment and employment of the disabled people and active population of working age differ by a factor of 3.5 to 4.5. This gap indicates the extend and complexity of the problem with the employment of people with disabilities. The analysis of the current situation and trends in invalids' employment has revealed a number of the key factors that determine the above-mentioned negative trends:

1. The lack of interest of employers to hire people with disabilities;
2. The absence of specially adapted working places for the disabled;
3. An insufficient level of professional training of invalids and persons with limited labor abilities;
4. An inefficient employment system for people with disabilities.

The first and second factors are closely connected. In accordance with the current legislation, employing organizations that are not public invalids' organizations (or enterprises established and/or functioning with the participation of public invalids' organizations), have no tax or other benefits in employment of persons with disabilities. That is, encouraging business to social responsibility, including employment of invalids, the state in fact creates no motivation for employers. It seems to be necessary to consider a range of measures to improve the attractiveness of the enterprises creating jobs for persons with limited health abilities and invalids. In addition, employers clearly understand the difficulties and expenses they have to meet in the employment of the disabled, which also substantially reduces their interest in such employment. Hiring a disabled person, employers should provide an upgraded workplace in accordance with the Individual Program of Rehabilitation or Habilitation (IPRA). Many employers consider these conditions as a major obstacle to employing persons with disabilities. In accordance with the Hygienic Requirements to Working Conditions of Disabled Persons (Sanitary Rules - SP 2.2.9.2510-091) the volume of production premises per one working invalid should be at least 15 cubic metres and the area - not less than 4,5 sq. m., the ceiling height- not less than 3.2 m [17]. The enterprises with working invalids should have specially equipped recreation areas at the rate of 0.3 sq. m. per employee but not less than 12 sq. m. The distance from the production areas to the recreational facilities should be not more than 75 m. The recreation areas should be equipped with comfortable furniture, including several places for lying. These enterprises should have a health center, including doctor's office, a treatment room and a room where a disabled person can stay in case of a serious deterioration of health.

Obviously, the creation of such special conditions for the disabled people involves serious expenditure by an employer. In highly competitive environment and economic crisis most businesses operate in conditions of austerity, reduced costs, including staff costs. The expenditure on the special work conditions and a needed report to the bodies of social protection are considered by employers as a serious burden and can negatively affect the key performance indicators of an enterprise. Recruiting a disabled person, an employer should account for the special incentives established by the labor legislation. The Labor Code of the Russian Federation sets (grants) a shortened working day (for invalids of I and II groups – not more than 35 hours per week), an extended leave - not less than 30 calendar days; a disabled person can't be involved in overtime works without his written consent [11].

Additionally, most employers believe that hiring of the disabled will result in their complex labor adaptation, and will require the assignment of an individual tutor, an assistant (and thus distracting this tutor from his main job). All these speculations lead to the strong stereotype that people with disabilities can afford only low-productivity jobs, and their employment is associated with large expenditure and troubles. In this situation we need special government measures to establish additional motivation factors for employing persons with disabilities. There are reasonable proposals to introduce tax and other privileges for the enterprises employing disabled people. A significantly increased tax deduction from the taxable incomes of physical persons or complete exclusion of income tax for people with disabilities can serve as such benefits. These measures will increase incomes of invalids with a smaller wages fund and also will make the disabled people work more economically attractive both for employers and invalids. For the present, the tax deduction from the taxable incomes of individuals is set at 500 rubles per month of a tax period for disabled children and the Ist and IInd invalid groups (in accordance with Paragraph 2, Article 219, Chapter 23, Part 2 of the Tax Code of the Russian Federation [4]).

Such tax abatement has no significant impact on labor incomes. It's necessary to increase the deduction at least up to the minimum wage, and to include the IIId group invalids into the provision of this norm. Another proposed measure to motivate employers is to build the system of state compensation for the special work conditions for the disabled. The program of state certificates to cover the employers' expenses on organization of invalids' work has been created and successfully implemented in some regions of Russia. Within this program the cost on adaptation of main and auxiliary equipment, technical and organizational capacities, and installation of additional equipment and technical devices for individual invalids can be refunded. Moscow conducts an experiment to economically support the employers who create (or maintain) jobs for people with disabilities and hire the disabled.

The essence of this experiment is to compensate the employers' expenses on insurance premiums in case of the over-quota jobs for invalids, to compensate the wage costs of the labor supervisors for invalids and the costs of professional training and /or additional professional education of the disabled [15].

It is necessary to study and analyze this experience and to actively spread it if it's considered a good practice. The third factor associated with the lack of high professional skills and education among the disabled people today is under special control of the Ministry of Education and Science of the Russian Federation and the Federal Agency for Supervision in Education and Science of the Russian Federation. In this direction a number of effective measures are undertaken to ensure an equal access to education for persons with disabilities.

All educational institutions are obliged to:

- to ensure the special conditions for education of persons with disabilities,
- to post on the official website in a form accessible to persons with disabilities, the data on special educational conditions for people with disabilities, and on the staff trained to work with disabled persons,
- to develop adapted educational programs,
- to promote employment of graduates of educational institutions with disabilities.

All laws and norms governing the educational activities, including the law "On Education in the Russian Federation" (Article 79) have separate sections devoted to providing an access to education for disabled persons and persons with limited health abilities [6].

3. CONCLUSION

In 2016 the Interagency comprehensive plan to ensure accessibility of professional education for disabled persons and persons with limited health abilities for 2016-2018 years was adopted [10]. The work on its realization is in progress now. Such active professional approach and the implementation of the measures of the plan will make it possible to eliminate the influence of the above negative factors on employment of persons with disabilities in the nearest future. The fourth factor, referring us to the analysis of employment of people with disabilities, is one of the most important and requires a separate study. The market mechanisms of employment for people with disabilities work very bad and difficult. The labor market in the classical economic concepts is considered as a self-regulating mechanism based on competition. The competition between market participants - between workers to obtain well-paid employment, between employers to get a highly efficient employee, between employees and employers to possibly increase their market power and influence the setting of wages (prices of labor). Wages are considered by the economic theory as a result of a competitive agreement (finding a point of parity to respect the interests) between an employee and an employer. A wage for a worker is a necessary money amount to meet his living needs. Costs of meeting living needs of the disabled is much higher than that of normal individuals, so their proposed labor is low competitive even in terms of a price factor. For an employer, wages is a part (share) of a value of a product made by worker's labor. With regard to the limited labor opportunities of persons with disabilities, their employment will lead to the labor-intensive manufacture, that also doesn't lead to the creation of competitive demand for labor of persons with disabilities. Thus, market mechanisms for the recruitment of persons with limited labor opportunities are very low efficient or even they fail to form an effective supply and demand for the labor of disabled persons and persons with limited health abilities. To promote the employment of persons with disabilities the Federal law "On social protection of invalids in the Russian Federation" provides such measure as quotas [7]. Under "The Law on employment of disabled persons in the Russian Federation" constituent entities should follow a legally prescribed minimum employment rate for persons with disabilities in the range of 2 to 4 percent of the average number of employees – if the total staff is more than 100 people. At the discretion of RF constituent entity, there also could be introduced a quota for disabled persons' employment up to 3 percent of the average personnel – if the number of employees is at least 35 people and not more than 100 people. However, employers are not motivated to comply with the quota requirements for disabled people employment and are not afraid of administrative sanctions for violations of the established norms of quotas. As provided by Article 5.42 of "The Russian Federation Code of Administrative Offences" the administrative fines ranging from five to ten thousand roubles are imposed on an employer in case he fails to comply with obligatory creation or allocation of workplaces for the disabled persons in accordance with the established quota and/or he refuses

to hire a person with disability under the quota [19]. The above fine for non-compliance with quotas is so low that in most cases an employer will prefer to evade quota implementation. According to Rosstat data, in 2016, only 3743 disabled people were employed on quota jobs, which is less than 1% of all working invalids [20]. Thus, to date, the quota system not only fails to provide employment, but doesn't have a significant impact on the employment rate among disabled persons and persons with limited health abilities. This tool of employment of people with disabilities needs a significant modernization to ensure its greater effectiveness. The five specified factors that have the most impact on solving employment problems of persons with limited labor abilities can be the five directions, a kind of Road map, for the state social and economic policy in employment of people with disabilities. Each of these directions requires a lot of public attention, scientific study, national will and funding, but only active and successful activity in all five areas will ensure synergies and will allow succeeding in solving the problem of employment of persons with disabilities and persons with limited labor abilities.

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ACTUAL ISSUES OF CONFIRMATION OF ENVIRONMENTAL SAFETY IN THE SPHERE OF TOURISM AND HOSPITALITY IN RUSSIA

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ABSTRACT

In connection with the wide development of the industry of tourism and hospitality all over the world increasing attention is being paid to environmental issues. The development of techniques, technologies and generally an active person's life, particularly with regard to impact on nature has been devastating not only for nature itself but also of objects – all kinds of Museum exhibits, cultural heritage and flora and fauna. The article discusses the environmental problems that arise in various regions in connection with active development of tourism, and the possible ways of solving these problems. It is recognized that unmanaged mass tourism on specially protected natural territories has a devastating effect on components of the environment and leads to complete degradation of natural systems, making it eventually unfit for the purposes of tourism and recreation. The range of impacts of tourism on the natural environment in Russia is increasing, as growing prosperity and technological possibilities of the population opens great opportunities for the development of remote and inaccessible areas of our country. A major role in the contamination and reducing aesthetic appeal of the landscape played a "motorization" of tourism - land and water. At the moment, one of the main mechanisms that contribute to maintaining the world's ecosystems in regions of active tourism is the introduction of systems of certification of tourist objects on observance of environmental norms. The article describes the main global certification system in the sphere of ecological tourism, as well as features of their application in Russia.

Keywords: *tourism, hospitality, ecology, certification programs, standardization, quality*

1. INTRODUCTION

The development of tourism in the world exacerbates the problem of environmental protection. This problem is especially acute for world countries actively involved in tourism, including Russia. The development of technology, technology and, on the whole, a fairly active life activity of a person, especially associated with the impact on nature, has become disastrous not only for nature itself, but also for display objects - all sorts of museum exhibits, objects of cultural heritage, and flora and fauna. Currently, more than 1.2 billion tourists travel the world. In fact, this is every sixth inhabitant of our planet. The largest number of visits to tourists falls on the European continent - more than 615 (50% of the total number of tourists) of millions of tourists in 2016, Asia takes the second place - more than 309 million visits by tourists (25%), in third place America - about 200 million tourists (16%), Africa has outstripped the Middle East and ranks fourth - 58 million tourists (5%), the Middle East ranks fifth - 54 million tourists (4%) (Figure 1).

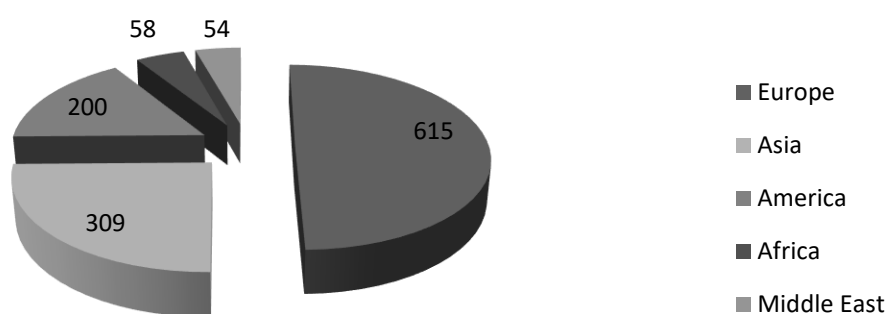


Figure 1. The number of international tourist arrivals in the world in 2016, million people.

Among the most visited countries in Europe are: France and Spain. In America, the United States of America and Mexico. In Asia, China and Thailand, in Africa-Morocco and South Africa, and in the Middle East-Saudi Arabia and Egypt (Table 1).

Table 1. The leaders of countries in terms of the number of visits by tourists in 2015 by regions of the world (million people).

Region	Country	Number of visits by tourists in 2016
Europe	France	84,5
	Spain	68,5
America	USA	77,5
	Mexico	32
Asia	China	56,9
	Thailand	29,9
Africa	Morocco	10,3
	South Africa	9,5
Middle East	Saudi Arabia	17,9
	Egypt	9,1

A huge number of visits to tourists from different countries bring an annual income to the world economy of more than \$ 1,260 billion. In terms of one tourist, this means that on average, one visit to a tourist brings more than \$ 1000 to the world economy [4,12]. On the other hand, tourism can also have a negative impact on the environment. The development of new forms and types of tourism, such as ethno-tourism, amateur tourism, extreme tourism and even eco-tourism can harm both the environment and the flora and fauna of individual territories, and sometimes even destroy valuable artifacts. The development of technologies, as well as the transport accessibility of many territories allow tourists to independently choose the routes of movement in the world and plan their travels.[7]

2. METHODOLOGY

The purpose of this article is to study the role of confirmation of environmental safety in the sphere of tourism and hospitality in Russia. In accordance with the goal in the article, the following tasks are posed and justified:

- assess the impact of tourism on the environment of countries;
- to study foreign experience in the field of ecological tourism;
- to study the existing certification systems in the sphere of ecological tourism in the world and in Russia;

- to characterize the rationality of using the resources of ecological tourism in the territories of municipalities.

The object of research in the article is the system of certification in the sphere of ecological tourism that is being formed in Russia. The subject of the study is the economic relations arising in the development of ecological tourism. The theoretical basis of the article was the works of domestic and foreign scientists in the field of tourism, regional economy, regulatory acts regulating the development of tourism, the use of specially protected natural areas, methodological recommendations of international tourism organizations. In the process of research, the methods of statistical, structural-logical, graphic analysis, economic-mathematical modeling, and expert evaluations were used.

3. RESULTS

3.1. The influence of tourism on the world's ecology

The influence of tourism on the world's ecology is quite strong - the creation of tourist zones, clusters - requires the creation of infrastructure - the development and construction of new roads, the arrangement and laying of communications, the clearing of territories and the construction of places for overnight stays, parking lots, service enterprises, etc. All this undoubtedly changes the ecology of the region, the region, and the country. Therefore, the issues of ecology in tourism now stand not only from the position of development of ecological tourism as a new species, but also from the position of preserving our planet for our descendants [2]. In Russia, 2017 is declared the Year of Ecology. One of the decisions to be taken in this connection is the government's decision to create new specially protected natural areas - national parks, reserves, and the conservation of the nature of Lake Baikal, and to implement projects related to wildlife, animal reintroduction, the restoration of Red Data Book animals.[6] The United Nations General Assembly (UN) approved 2017 as the International Year of Sustainable Tourism Development. The resolution adopted on December 4, 2016 recognizes "the importance of international tourism and the promotion of tourism in the interests of better mutual understanding among the peoples of the world, raising awareness of the rich heritage of various civilizations and the perception of the values of different cultures, thereby contributing to the consolidation of peace throughout the world" [5].

Sustainable tourism in this case is understood as such activity in the sphere of tourism, which can be performed indefinitely, based on three fundamental aspects [3]:

- environmental protection - activity in tourism minimizes any damage to the environment (flora, fauna, water, soil, etc.) and ideally tries to influence nature in a positive way through protection and preservation;
- social and cultural - tourism activities are not harmful and attempt to revive the social structure or culture of the local community;
- economic - activities in the field of tourism contribute to the economic well-being of the local community. Sustainable tourism should bring benefits to its owners, employees and neighbors.

In tourism, this three-part basis is crucial, especially for those enterprises and tourist products that are located outside the major tourist centers. The work and successful development of accommodation facilities and tourism products outside of large cities, including in rural areas, largely depend on the attitude of the local population. The creation of tourist infrastructure and tourism products should be based primarily on the local population, which should be actively involved in the work of such enterprises. Cities, towns and indigenous communities, whose social balance was violated by the tourism industry, often lose their attractiveness for tourists

because of the imbalance that is introduced into the local population. Tourism based on natural resources is not sustainable if the resource is damaged or destroyed. Natural resource, untouched natural nature, as well as indigenous people - the main reason why customers come to this territory.[15] It is generally recognized that mass independent tourism in specially protected natural areas has a destructive effect on the components of the environment and leads to complete degradation of natural complexes, making them inadequate for tourism and recreation. The range of the impact of tourism on the natural environment in Russia is increasingly expanding, as the growth of the well-being and technical capabilities of the population opens up great opportunities for the development of remote and hard-to-reach areas of our country. A major role in pollution and a decrease in the aesthetic appeal of landscapes was played by the "motorization" of tourism - land and water. The face and scope of the tourist infrastructure has changed. If earlier in the forests, on the coasts and in the mountains, small seasonal shelters and lodging were created, now they give way to hotel complexes and recreation centers, operating on a year-round basis. The network of winter resorts and ski resorts is expanding with comfortable 4-5-star hotels, the construction of which is accompanied by the demolition of mountain slopes, the expansion and laying of new roads, high-voltage lines, wagon lifts, parking lots. The development of lake landscapes often begins not with the construction of sewerage wells with pumps and antiseptics, but with cutting down bushes, building baths and swimming pools, berths, garages and slipways. In conjunction with the dumping of tourist bases (sewage, washing and chlorine-containing products), this creates a mortal danger for all living in coastal waters and an epidemiologically dangerous object for holidaymakers. The impact on water ecosystems is increasing due to more active use by tourists of such types of water transport as motor boats, jet skis, boats and scooters. Their engines operate on a mixture of gasoline and oil, the emissions of which, mixing in the water with a propeller, create an oxygen-free oil-emulsion mixture.[20] Increasing negative impact in connection with the expanding opportunities for unorganized tourism with the departure of urban and rural populations for nature on personal transport, including water bicycles and ATVs. This leads to a significant expansion of tourist flows to natural areas, including in remote areas of nature, increase in the volume of domestic waste left by them, widespread unorganized parking, washing cars in water bodies.

3.2. Rethinking the role of tourism at the world level

Rethinking the role of tourism at the world level poses new tasks for the entire world community at the moment. At the moment, many researchers say about the harm that tourism can do, this is:

- a change in the nature and appearance of tourist zones and clusters;
- destruction of natural ecosystems during the construction of accommodation facilities and infrastructure;
- destruction of mountain ecosystems;
- destruction of ecosystems of water bodies - lakes, rivers, seas and even oceans;
- destruction of ecosystems of national parks and reserves by increasing the number of tourists;
- loss of agricultural land, through the use of land for the construction of tourist infrastructure facilities.

At the moment, one of the main mechanisms contributing to the maintenance of world ecosystems in the regions of active tourism is the introduction of certification systems for tourist facilities to comply with environmental standards. The global tourism industry uses a huge number of certification systems that are distributed at the regional and even world level. All world-class certification systems are voluntary. Certification in the field of environmental

protection began its development since 1992 at the "Earth Summit", which was held under the auspices of the UN in Rio de Janeiro. One result of the summit was the adoption of "Rule 21" with a call for social and environmental responsibility for all segments of the world community, including governments, non-governmental organizations and business [1]. In 1996, the world standardization organization adopted the ISO 14001 series standard containing requirements for the environmental management system. This family of standards includes two basic standards: ISO 14001 standard, containing a set of rules for the design and implementation of an effective Environmental Management System (hereinafter referred to as EMS), as well as ISO 14004, which provides a set of additional guidelines for achieving the effectiveness of EMS. Soon after, in many spheres of production, certification systems were introduced and developed, with the issuance of signs and distinctions of quality systems, including environmental ones. However, most of these certification systems, as well as ISO 14001 series standards, did not take into account the socio-cultural issues of a particular activity. And in the sphere of tourism, environmental factors have not been considered for a long time. Most of the used certification systems in tourism extended to the classification of hotels (assignment of stars, categories), restaurants (Michelin stars, etc.), identification of room categories, safety from the standpoint of sanitary and safety standards and safety of facilities. And only in 1987 for the first time drew attention to the ecological component in tourism from the position of its certification. In the 10 years since the adoption of the World Declaration, about 60 different programs related to environmental certification in the field of tourism have been registered at the Earth Summit in the world. Most of these programs covered accommodation facilities. Now in the world there are about 80 certification programs in the field of ecology, which apply to tourism. All existing certification programs in the field of eco-tourism are voluntary and mostly based on internal standards - the standards of the country in which they are adopted. The abundance of programs, as well as a variety of standards - all these are only additional difficulties for the end user - the tourist. In 2000, common minimum standards for tourism ecology were adopted by common efforts. Today, the majority of programs in the world operate at the national level, but there are programs that have already won world recognition and they are most often used in the field of tourism ecology and are recognized by many tourists: BLUE FLAG, GREEN GLOBE, GREEN KEY.

3.3. Blue Flag Certification Program

Blue Flag Certification Program (BLUE FLAG), one of the oldest and most successful certification programs in the field of tourism ecology. Currently, under this scheme, more than 3,200 beaches and marinas have been certified in 39 countries in Europe, South Africa, Morocco, New Zealand, Canada and the Caribbean. (See www.blueflag.org). Initially the movement started in France in 1985 focused on two critical issues for tourists - water quality and beach safety. Now the logo of this system has become widely recognized and popular among millions of consumers around the globe. The Blue Flag is awarded to the Foundation for Environmental Education (FEE), an international nonprofit organization headquartered in Denmark, cooperating with UNESCO and the United Nations Environment Program. In 1987, this system covered many European countries, and in 2001 reached the world level.

Figure following on the next page



Figure 2. Sign of quality certification system "Blue Flag"

The Blue Flag program operates under the auspices of the Foundation for Environmental Education and its headquarters is in Copenhagen, Denmark. In order to qualify for this prestigious award, an organization that wants to certify a beach or marina must undergo a series of rigorous checks related to security and access, meeting the criteria in standards and safe for the environment. The world-famous eco-label "Blue Flag" is trusted by millions of people around the globe. In accordance with the concept of the program - the beach, over which the blue flag flutters, it guarantees to vacationers that:

- access to the beach is free;
- the water is clean and tested weekly;
- the garbage is collected and the sand is cleaned;
- there is a surveillance and rescue service on the beach;
- If necessary, emergency care can be provided directly on the beach;
- there are shower cabins;
- motor transport on the beach does not travel;
- pets enjoy a different beach.

The program evaluates the beaches according to 6 basic criteria. Each beach must have at least one information board "blue flag" containing all information, as required by the criteria listed below. For long beaches it is recommended to install more than one information board "blue flag" (approximately every 500 meters). All information boards of the "blue flag" must comply with the requirements of state standards for information, content and design.

1 Criterion. Information about the program "Blue Flag".

Information about the "blue flag" program should be displayed on the information board with a blue flag. The logo - the blue flag should be executed in accordance with the basic guidelines of branding. Also indicates the duration of the sign. Information can also be published elsewhere, for example, at rescue stations, other places on the beach, or in parking lots. Tourist information offices should also have information about the Blue Flag program.

2 Criterion. Ecological and educational activity.

Ecological and educational activities that contribute to the achievement of the objectives of the Blue Flag program:

- raising awareness of visitors and residents about taking care of nature;
- training of personnel and suppliers of tourism services in the field of environmental protection and best practices;
- encouraging the participation of local stakeholders in environmental activities in the region;
- assistance in the development of sustainable recreation and tourism in the region.
- promoting the exchange of ideas and efforts of the Blue Flag program and other certification programs in the field of tourism.

Criterion 3. Information on water quality.

Information on the quality of bathing water should be placed on the information board with a blue flag. It is recommended that the information be presented in the form of a table with the correlation of qualitative water criteria on this beach with the normative values. The authority responsible for providing water quality results for bathing should do so soon after the analysis, so that the data can be updated regularly. It is the responsibility of the local government to ensure that the beach operator / beach guides information posts no later than one month after the sampling date. Complete and detailed data should be provided to local authorities by someone on request.

Criterion 4. Information on local ecosystems and environmental programs.

The purpose of this criterion is to provide beach users with relevant environmental phenomena, ecosystems and any other sensitive areas in the environment, as well as how they are protected. Information on coastal ecosystems, wetlands, unique habitats, etc. must be displayed on the beach or near the beach. Be sure to place information about the rules of behavior of visitors in this region.

Criterion 5. Map of the beach with the indication of various objects.

A map showing the boundaries of a blue-flagged beach, as well as the location of key facilities and services on it. The map should be of good quality, easily readable and properly oriented. As indicators, it is best to use pictograms that are understandable for any citizen. Mandatory elements of the card should indicate:

- "You are here";
- rescuers and rescue equipment;
- patrolled area (for beaches with rescuers);
- points of rendering first aid;
- telephones;
- Toilets (including toilets for disabled people);
- sources of drinking water;
- car and bike parking;
- location of water sampling points;
- access points for disabled people;
- zoning (swimming, surfing, sailing, rowing, etc.).

Criterion 6. Code of conduct, which reflects the relevant laws governing the rules for the use of the beach and surrounding areas.

The Code of Conduct should specify the rules for the behavior of visitors to the beach. It should be placed on an information board with a blue flag. Information can also be published elsewhere, for example, at all major entry points or as information on relevant sites. The Code of Conduct should contain rules on the presence of pets on the beach, fishing rules, garbage disposal, use of vehicles, fires, etc. The countries leaders in terms of the number of zanaki "Blue Flag" received in 2016 are given in Table 2.

Table following on the next page

Table 2. Countries leaders by the number of received signs "Blue Flag".

Country	Number of characters issued
Spain	692
France	492
Turkey	440
Greece	439
Italy	357
Portugal	332
Denmark	257
Netherlands	175
Germany	152
Croatia	111

The blue flag is issued to marinas for a period of one year, and beaches for the swimming season. The time of updating the blue flag certificates in the Northern Hemisphere annually in late May - early June. For the Southern Hemisphere and the Caribbean, this occurs around November 1. As of June 2016, the Blue Flag awarded 4 thousand 271 beaches and berths from 49 countries, mainly in Europe. Beach of the urban district of Yantarny, Kaliningrad region, became the second owner of this status in Russia. In 2010, he was awarded the beach of Yalta (Republic of Crimea). In Russia, this certification system is not yet widespread. Although Russia has its own system of classification of beaches by category, but it practically does not take into account environmental issues and is currently voluntary. Taking into account the fact that in Russia there are practically no private beaches, this system will not be up-to-date for Russia soon. If the state is not connected to this problem and does not oblige tourist enterprises to pass such certification. Another problem of Russia is practically all municipal beaches, and municipalities are not inclined to voluntarily spend budget money for voluntary certification.

3.4. System Green Globe 21

The second system, which is quite widespread at the international level in the sphere of tourism, is the Green Globe 21 (GG21) system, which was first developed in the mid-1990s by the World Tourism Council for Tourism (WTTC). Currently, this system is based in Australia. The Green Globe sign 21 currently has more than 2500 hotels and other tourist facilities in 53 countries around the world. (See www.greenglobe21.com).



Figure 3. Sign of quality certification system Green Globe 21

Criteria for obtaining a certificate of compliance include the basic standard requirements for waste reduction, energy saving, the introduction of an environmental management system, social and cultural development, risk reduction, assessment of the impact of the geographic location of the hotel or resort on the environment. The standard Green Globe 21 rating includes 44 basic criteria and more than 380 compliance indicators. The number of compliance indicators may vary depending on the type of certification, geographic area, and various local factors. Twice a year standard indicators are revised.

All criteria fall into four main categories that are evaluated in certification: sustainable development management, socio-economic aspects, cultural heritage and the environment. To get certification, you need to score at least 179 points, of which 64 are mandatory. Undoubtedly, most of the criteria are those related to the environment (Figure 4).

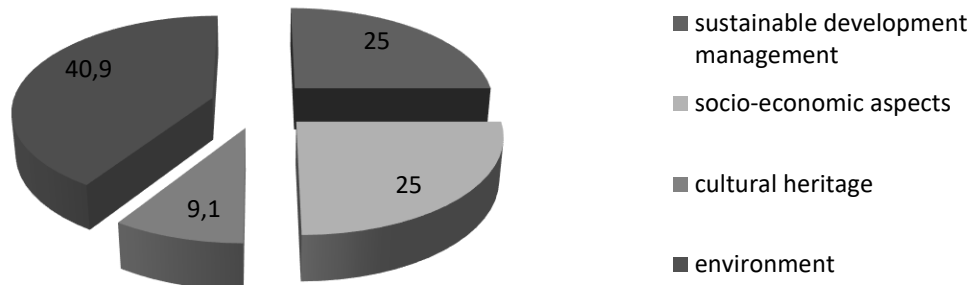


Figure 4. Percentage of criteria categories in the Green Globe system 21

This system is coordinated with other existing international certification programs in the field of ecology. The harmonization process helps to keep the main criteria up to date and at the same time allows to take into account regional standards. In the system, three levels of membership are distinguished - ordinary, gold and platinum levels. An organization that has fulfilled more than 50% of the criteria receives a Green Globe member certificate, which must be confirmed during the validity period of the certificate (one year). If the organization confirms the high status of a member of this organization for 5 consecutive years and passes all the audits in time, then according to the decision of the general meeting of members of the Green Globe, it is awarded the Golden Status. After 10 years of the organization, by decision of the general meeting of members, the highest status - platinum status - can be assigned. Unfortunately, Russia is not a participant in this certification system.

3.5. System Green Key

Third Green Key System-The Green Key is the leading standard for assessing environmental responsibility and sustainable functioning in the tourism industry. This prestigious eco-label represents the obligations of enterprises, adhere to strict criteria established. Foundation for Environmental Education. The sign "Green key" on the site of the tourist industry means that this enterprise fulfills all environmental standards and cares about the preservation of the environment. The high environmental standards expected from accommodation facilities are maintained through strict documentation and frequent inspections. The green key is given to hotels, dormitories. The international program "Green Key" unites more than 1800 hotels in 36 countries of the world. The program began its history in 1994 in Denmark. Later, as well as the Blue Flag program, it reached the pan-European level and later on the global one. Before getting the cherished sign of eco-quality, the company should establish norms of consumption and water saving, introduce a system of re-use of resources, start purchasing organic products. The menu should have at least two organic products, at least one snack with a low fat content and one low-fat main course. In addition, there are criteria for lighting, ventilation, work with disabled people, irrigation systems, garbage collection. Green Key starts the audit only when it does not doubt that the company can be certified. The organization now has 97 members, including the Radisson SAS network. The hotels are awarded stars from three to five, and the

hostels - from one to five. Distinctions are given to environmentally responsible congress centers. The green key is in constant search for new and sustainable methods of exploitation and use of technology in an effort to reduce the overall impact on the environment by reducing the use of energy, water and waste. Change helps institutions dealing with Green Key in cost savings. The green key officially has the following objectives:

- Increase the use of environmentally sound and sustainable methods of operation and technology in institutions and thereby reduce the overall use of resources.
- Raising awareness and creating changes in the behavior of guests, employees and suppliers of individual tourist institutions.
- Increase the use of environmentally sound and sustainable methods and raise awareness for creating behavioral changes in the hospitality and tourism industry.

Acquiring a certificate means that your business fulfills and preaches the following environmental policy (direct information from the program website):

- Training (development) of employees, clients and business owners in sustainable development programs, as well as environmental awareness;
- Maintaining a favorable environmental situation by reducing the impact on it;
- Reducing the consumption of electricity, water, use of food predominantly local production;
- Marketing strategy, taking into account the promotion of eco-programs "Green Key";
- Dissemination of ideas of environmental policy in the field of tourism and sustainable development in its region.



Figure 5. Sign of quality certification system Green Key

Eco-program for hotels and tourist centers "Green Key" came to Russia in 2010. At the moment, several dozen hotels have already passed confirmation of the status of the eco-hotel, mainly hotels of foreign hotel chains.

Table 3. Leading countries by the number of objects certified by the Green Key quality mark

Country	Number of certified objects with the sign "Green Key"
France	667
Netherlands	506
Greece	233
Belgium	167
Sweden	162
Denmark	128
Turkey	74
Morocco	72
Portugal	68
Finland	52

4. CONCLUSION

Certification in the field of tourism ecology exists in the world for less than 20 years. In Russia, unlike many other countries where tourism is very well developed and is one of the main items of the economy's income, this certification is not popular. Most hotel companies that received environmental safety signs, as well as other tourist infrastructure facilities, are representatives of foreign brands. However, the world trends show that the demand of consumers for sustainable goods and services is growing steadily throughout the world. Many tourists rush to unknown countries only because of seeing and touching the pristine clean corners of nature. Education of ecological culture should be from early childhood and this will require no generation. It takes time for the demand for certified tourist products to arise. Nevertheless, the increased attention from the state to the tourism industry and to environmental problems is already a big step towards the development of sustainable tourism in Russia. Nevertheless, it is necessary to include in the existing programs of the state on the development of domestic and inbound tourism in Russia to include separate sections on the preservation of the ecology of Russia.

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LEASING MARKET DEVELOPMENT OF THE IN THE REAL ESTATE INDUSTRY AS A FORM OF INVESTMENT ACTIVITY

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ABSTRACT

the relevance of the chosen topic is justified by the significant role of leasing in the socio-economic development of Russia, as well as, in the renewal of fixed assets of enterprises and organizations. Solution of the development problem of the real estate leasing market is one of the primary tasks of the innovative economy of Russia. This need emerges due to the acute need to attract investment in the production sector connected with the reproduction of fixed assets, the wear and tear of which exceeds 70% for some industries. The subject of the study is leasing as a form of investment in the renewal of fixed assets. The area of the study is the system of economic relations that arise in the development of the market for leasing services. The methodological basis of the study was the ideas and concepts of domestic and foreign scientists, as well as the results of fundamental and applied research in the field of technology of leasing operations, international leasing, management of leasing. The main results obtained in the course of the research: the reasons restraining the development of the leasing market were identified and justified; the tools for development of leasing activities were identified and classified; the conceptual apparatus of real estate leasing was clarified; methodology of economic evaluation of leasing effectiveness was approved; the pathways and regulations on development of the leasing services market in the real estate area as a form of investment activity were substantiated.

Keywords: *leasing, leasing services, investments, leasing market, reproduction of fixed assets*

1. INTRODUCTION

One of the most important issues in the development of the Russian economy remains the need to upgrade, modernize and increase fixed capital. All that requires significant investment. Enterprises do not have enough funds of their own for such significant changes, and lenders aren't always available. Statistical data on investments in fixed assets in Russia showed zero dynamics in 2013, and from 2014 to 2016 - negative (in 2014, minus 1.5%, 2015 - minus 8.4%). Due to the difficulties in attracting external financing associated with Euro sanctions, the fall of the Ruble exchange rate in autumn of 2014, and the increase of the bank loans percent rates, the share of funds raised in the process of financing fixed capital in 2014 was less than 50%. Thus, the development of leasing relations in Russia is largely due to the need to replace and improve fixed assets, a significant amount of obsolete equipment, and the low efficiency of its use. Many companies understand that instead of borrowing money and renting an aircraft, computers, cars or trains, you can use the leasing mechanism. A huge amount of equipment and transport, which are used by aviation and railway companies, is under their leasing contracts. Even utility managing companies are increasingly turning to leasing, because each time it

becomes increasingly difficult to borrow money from a bank. Russian leasing structure has been used on the market for more than twenty years. For such a short period, leasing industry hadn't only managed to stay afloat in the current instability, but also to become one of the driving forces for the development of the Russian economy. At the moment, it is quite a popular service, which continues to gain popularity, both among the largest representatives of business, and among individuals. The volume of investments attracted through leasing transactions reached 7-8% of their total volume in the whole country. In the difficult financial situation in the country, leasing, due to its flexibility and versatility, is one of the few ways of financing available now. This is facilitated by both higher flexibility and work intensity of the leasing companies, their reduced government regulation compare to banks, moderate requirements for the lessee, and the fact that dealing with medium and small businesses are becoming more attractive for the leasing companies themselves, whose share in the total amount of leasing reaches 40% or more. Now, leasing proceeds as a competitive source of business financing that allows companies in need of fixed assets upgrade to improve their production capacities without a one-time large-scale financial investment.

2. MATERIALS AND METHODS

The Russian leasing market is not so insignificant - the share of leasing in Russia's GDP in 2015 was 0.9%. We are somewhat behind France and Finland, where the share of leasing in the country's GDP is 1.7% and 2.7%, respectively. However, Russian leasing can be surely compared to Italian and Spanish indicators, where leasing share reaches 0.9% in the country's GDP. Statistical data analysis has made it possible to identify ten countries with the largest volume of leasing transactions for year 2015. So far, Russia lags far behind the United States, China, Germany. However, being on 34 place in 1998 among the largest countries on leasing transactions, Russia actively developed this segment and in 2015 reached the 7th place with an annual volume of leasing transactions equal to 25,220 million US dollars. (Table 1) This, without doubt, allows us to characterize Russian leasing industry as an actively developing segment of the economy.

Table 1. Top 10 countries by annual volume of leasing transactions for 2015

Rating	Country	Annual volume (US Billions)
1	USA	317.88
2	China	88.90
3	Germany	71.31
4	GreatBritain	69.79
5	Japan	67.26
6	France	34.31
7	Russia	25.22
8	Sveden	20.82
9	Italy	18.93
10	Canada	13.47

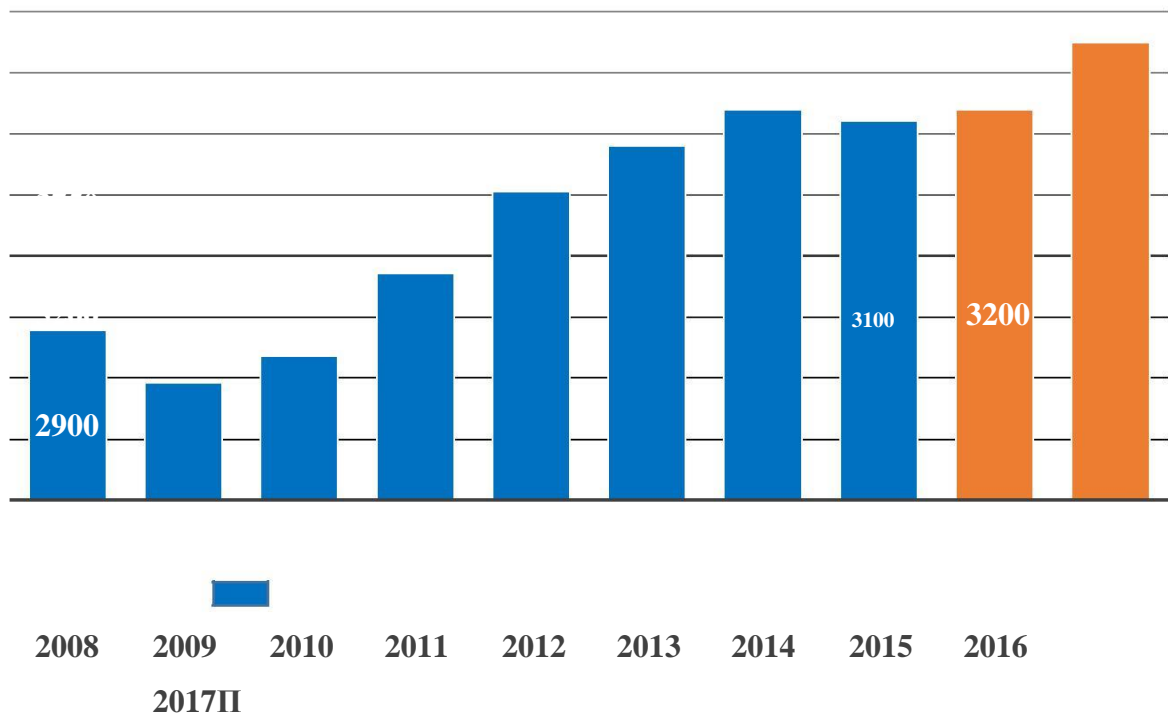
Despite the crisis phenomena in the economy, the leasing market continues its growth. Table 2 shows the main indicators of the leasing market for the period from 2009 to 2015.

Table following on the next page

Table 2. Main indicators of the leasing market (Expert rating agency)

Indicators	2009	2010	2011	2012	2013	2014	2015
Cumulative leasing portfolio, billions RUB	960	1180	1860	2530	2900	3200	3100
Growth rates, %	-30,9	22,9	57,6	36,0	14,6	10,3	-3,1
The Amounts of New leasing contracts, in billions RUB	315	725	1300	1320	1300	1000	830
Growth rates, %	-56,3	130,2	79,3	1,5	-1,5	-23,1	-17,0
Leasing payment volume, in billions RUB	320	350	540	560	650	690	750
Growth rate, %	-20,6	9,4	54,3	3,7	16,1	6,2	8,6
New business volume (property value), billions RUB	180	450	741	770	783	680	545
Growthrate, %	-58,1	150,0	64,6	3,9	1,7	-13,2	-19,9
Volume of the financed funds, In billions RUB	154	450	737	640	780	660	590
Growthrate, %	-65,2	192,2	63,8	13,2	21,9	-15,4	-10,6

Analysis of the data showed that the volume of new leasing contracts before 2013 showed positive results from year to year, in 2014 there was a decrease by 300 billion rubles, or 23.1% compared to 2013. In 2015, the decline continued, and the amount of new leasing contracts reached 830 billion rubles, 17% less compared to 2014.



Cumulative leasing portfolio, billions RUB.

Fig. 1. Russian leasing market dynamics. (Compiled based on data CBRF [6])

In 2015, due to the reduction in the number of contracts concluded, the volume of the leasing portfolio fell by 3.1% or by 100 billion rubles, which was a record for the last 7 years. A significant impact on the value of the leasing portfolio was made by the fact that for 2 consecutive years since 2014 the volume of leasing payments received exceeded the financed funds. The reduction of new business for 2015 reached 20%, and its volume, per Expert RA calculations, was 545 billion rubles (680 billion rubles earlier). Major aircraft deals and a state program for subsidizing auto leasing, as well as discounts and special offers from lessors at the end of 2015, shielded market from a greater decline. However, the year 2016 proved to be very successful - leasing showed a growth in volumes of new business by 36%, which totaled in 742 billion rubles, and corresponds to the level of 2011, the leasing portfolio stopped stagnating, its volume amounted to 3.2 trillion rubles as of 01.01.17 (against 3.1 trillion rubles as of 01.01.16). Leasing share as a part of 2016 GDP (despite GDP decrease in 2016) reached 1.2% for the first time since 2013.

3. DISCUSSION

Growth factors of the leasing market in 2016 were: vehicle leasing with market share reaching 35% (10% of car sales are leases), regional deals, major contracts with railway department, air and water transport in the IV quarter (about 39% of the leasing business). With recent decrease in demand, automobile manufacturers and official car dealers began to work actively with leasing companies to maintain the sales volume. In addition, the state program of preferential auto leasing, which has been utilized for the last two years, has had a huge positive impact. The state program funds allowed leasing more than 63,000 cars over the past two years, which, according to RAEX (Expert RA), led to an increase in volumes of new business in 2015 by 18%, in 2016 - by 14%. [6] The auto industry is supported not only by subsidy programs, but also by public procurements of urban transport. In agreement with import substitution programs, the share of domestic cars continues to grow, in the truck segment, the shift from more load-lifting vehicles to less-heavy vehicles are increasing, due to the introduction of the Plato system since November 15, 2015. According to this system, each vehicle weighing more than 12 tons is equipped with a system of "Plato" charging 1.5293 rubles per kilometer that comes to the Federal Budget of the Russian Federation, as compensation for damage to the road surface. The Chairman of the Government Dmitry Medvedev instructed the Ministry of Industry and Trade to improve and finalize the draft of the National Machinery Strategy until 2030. In this regard, the main emphasis in auto leasing is leaning towards import substitution. So, when considering applications for subsidies from the state to finance leasing projects related to import substitution get a special priority. Despite the bankruptcy of Transaero, 80% of which equipment was leased, and the shutoff of popular tourist destinations as Turkey and Egypt, the largest segment of leasing industry is still airline leasing, with a share in the new business of 20.6%. Airlines are trying to focus on domestic routes, but there is no result yet, because the cost of tickets is high, and the infrastructure is limited. The lease industry share of railway segment for the year declined from 22.7% to 17.9%.

Table following on the next page

Table 3. Market structure by leasing objects

Objects	New business share, 2015,%	New business share, 2014,%	Leasing portfolio share 01.01.2016
1	2	3	4
Aviation transport	20,6	12,9	21,6
Cars	19,8	16,9	6,2
Railway transport	17,9	22,7	40,0
Freight Vehicles	16,8	18,9	7,3
Construction heavy machinery	5,8	9,7	4,0
Metal working, minend machinery construction equipment	2,9	1,8	4,3
Real Estate	2,6	2,1	1,9
Public utilities machinery	1,8	0,7	0,8
Ships	1,5	1,1	2,7
Agricultural machinery and livestock	1,5	1,6	3,2

According to the rating agency Expert

An important trend is the growth of the share of the SME segment in the volume of new business, which for the second consecutive year exceeds 50%. In addition, the construction segments (7%) and agricultural technology (3%) had increased. The number of leasing transactions in 2016 was more than 145 thousand (+ 12% by 2015). The fact that the average amount of the leasing agreement increased from 6.7 to 8.2 million rubles (in the previous period the average amount of the leasing contract did not exceed 7 million rubles) indicates industry's economic improvement. VEB-Leasing became the industry leader with the largest portfolio as of January 1, 2016, its index is equal to 710 216.7 million rubles, second place, with almost half less indicator belongs to VTB-Leasing with a portfolio equal to 417,615.0 million rubles and the third place belongs to SBERBANK Leasing with portfolio equal to 371 170.9 million rubles. The sum of the portfolios of the three largest companies is equal to 1,499,002.6 million rubles or 48.4% of the total portfolio across the country. Of the 50 largest leasing companies, only 19 had a positive index for 2015 compared to 2014. Other companies showed negative dynamics. This, once again, confirms that 2015 was a difficult year for most leasing companies.

Figure following on the next page

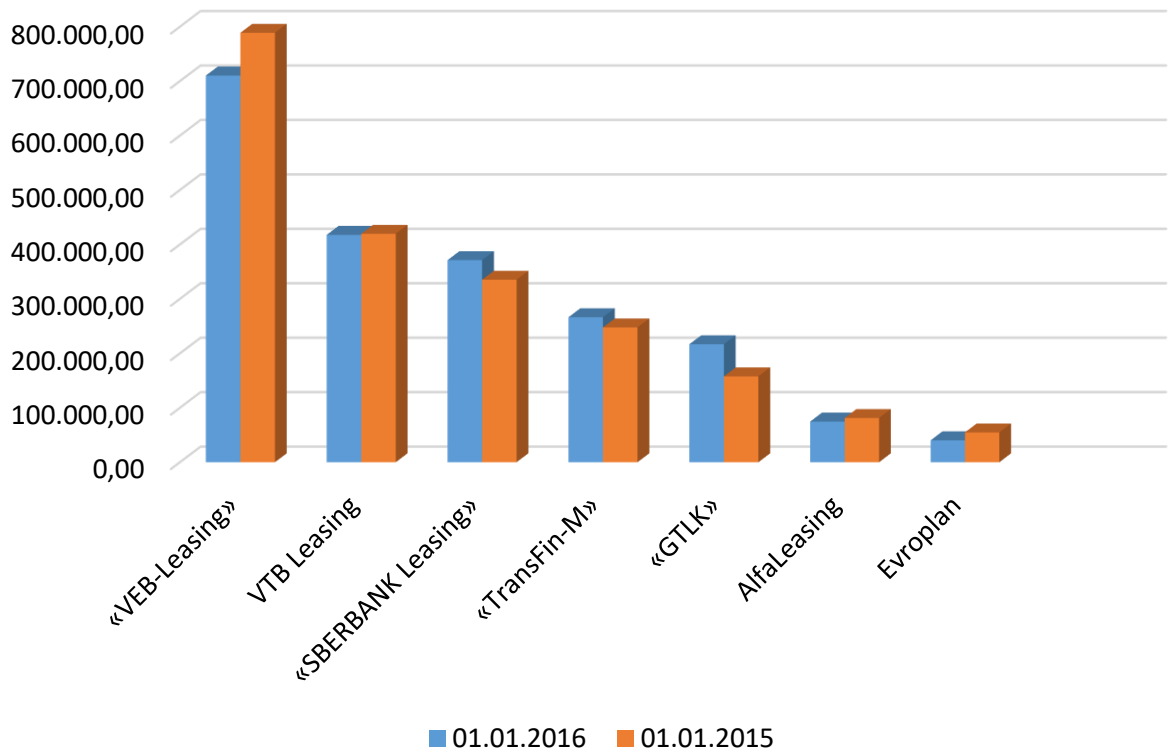


Fig. 2. Russian Leasing Companies with the largest portfolio

4. RESULTS

The company with the largest amount of leasing payments received is VEB-Leasing with the volume of leasing payments received in the amount of 112,995 million rubles or 15.06% of the total amount of lease payments for 2015 and the amount of the new contract for financial and operational leasing 117,972 million rubles or 14.2% of the total number of new contracts for financial or operational leasing. The amount of leasing payments of the three largest companies is 243,899.7 million rubles, or 32.5%, which is about 1/3 of the total volume of payments in Russia, and the sum of new contracts is 310,445.2 million rubles or 37.4% of the total volume of new contracts in Russia. In 2017 there was a breakthrough and according to the Federal State Statistics Service in the first half of the year, the growth in investment volume was up 4.8% compare to the same period in 2016, which is 5.7 trillion. rub. in nominal amount. Such positive dynamics, as well as the results of market development analysis in 2015-2017, allows to produce a forecast, that in 2017 the state emphasis on the lease of Russian aircraft, including the Sukhoi Superjet-100 aircraft, will have a positive impact on the aviation segment. Thus, the volume of air travel transactions should grow by 10 - 12%. Restarting the state program for preferential auto leasing and partial implementation of deferred demand will support the auto segment of the leasing market, the volume of new business in which it is expected to increase by 15-20%. A significant part of the urban infrastructure development for the World Cup 2018 would occur in 2017, which, thus, will spur the growth of construction and municipal equipment leasing. To continue improving the leasing market, the Ministry of Finance and the Bank of Russia must create a reform. The introduction of an institutional category "leasing company" is proposed. Thus, leasing companies will receive the status of non-credit financial organizations (NFOs). Leasing companies will start producing accounting reports in accordance with established industry standards that will meet all international financial reporting standards (IFRS).

It is proposed to introduce self-regulation process for leasing companies, which will allow to standardize the work to some extent and to develop a mechanism for financing leasing companies, including financing leasing portfolios by issuing securities and developing the lessor's bond market. To protect the property interests of lessors, it is proposed to move from an unsecured leasing model to a secured financing model while retaining ownership of leasing companies. [7]

5. CONCLUSION

One of the goals of this reform is to increase the informational transparency of companies. So all leasing companies will be required to join one of the established SROs. According to data provided by the Unified State Register of Legal Entities, there are about 3,200 legal entities in Russia with the word "leasing" in the title. But there are a lot of other leasing companies in the title of which "leasing" is not indicated. Many companies have stopped operating or reorganized, respectively, therefore, now on the Russian market, there is about 2000 registered "lessors". If the law on self-regulation comes into fruition, all companies whose profile and real activity are not, in fact, connected with leasing will not be able to participate in leasing industry. In compliance with new law, the statistics collected by the SRO for the first time will show the true volume of leasing deal and operations in the country. Reforms should improve the information transparency of the market, should increase the quality of risk management for both lessors and lessees, and should increase the reliability of lessors. Thus, it is safe to assume that the real sector and economy as a whole, will receive a boost in the leasing supply with simultaneous price reduction State departments will be able to trust the lessors more, given new transparency, and the role of leasing companies in supporting small businesses. In addition to this, it will be possible to use leasing as a tool for creating new economic incentives. Analysis of the world experience in the development of the leasing market shows that the expansion and increase of benefits leads to an increase in the volume of leasing transactions, and the abolition of benefits contributes to the fall in volumes. So, one of the reasons for the rapid development of leasing activities in the US were tax breaks: investment incentives and accelerated depreciation. Adoption of new legislation in the United States and Great Britain since 1986, abolished tax benefits to lessors, deprived the leasing market of a few advantages that allowed the presence of a large competition and, therefore, slowed down its development. [2]

Therefore, the Bank of Russia prepares the draft amendments and innovations in the legislation, in connection to which the leasing market is awaiting a reform that will change its structure. This regulation might cause leasing companies feel uncertain. On the one hand, the reform is aimed at increasing the role of leasing in the modernization of the Russian economy, reducing the cost of financing leasing companies and reducing the cost of leasing for lessees. The next year plan is to transition leasing companies from the current status to the status of non-credit financial organizations. The company will be considered a leasing organization and will be able to offer its clients leasing services if: it is a legal entity, it is a Russian Federation resident, has the word "leasing" in its name, is on the register of leasing companies, is a part of self-regulating organization (SRO). [10] Leasing should be the main service/product of these leasing companies. On the other hand, such a change in the conditions may lead to a numeric decrease of leasing companies, and the availability of investment resources, which is the main factor hindering the development of the leasing market. Thus, the development of leasing is of great importance for the development of the Russian economy. Leasing directly affects the economic growth in the country. Lessors invest in tangible assets on a long-term basis, whereas banks cannot afford investing clients deposits or projected finances into fixed assets to support modernization. Meanwhile, modernization of production through investment is the fundamental step towards further economic growth.

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THE LIMITS OF STRUCTURE AND MODUS OPERANDI OF PUBLIC AND PRIVATE SECTORS IN PERU: ECONOMIC MANAGEMENT UNDER SOCIAL UNREST (2000-2015)

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ABSTRACT

During 2000 - 2015, Peru achieved an average annual growth rate of GDP of 5.3% (World Bank, 2017). This generated an increase in the average monthly salary of US\$ 505.6 PPP in 2004 to US\$ 851.4 PPP in 2015 (INEI, 2016). Thus, there was a reduction of the monetary poverty (42.4% in 2007 to 27.8% in 2011), (INEI, 2012, p. 26). However, some labour statistics showed that in 2015, only 50.8% of the Occupied EAP had an adequate employment and 45.7% was underemployed (INEI, 2016). In turn, the number of conflicts increased from 47 in 2004 to 211 in 2015, according to the Peruvian Ombudsman Office (2015). This paper addresses the differences in structure and modus operandi between the public and private sector in Peru and study to what extent these determinants manage to intensify or dissipate the paradox (high economic growth and high level of social unrest). First, the public sector suffered structural changes because of the management of the fiscal (NU & CEPAL, 2001, p. 251) and monetary policies (NU & CEPAL, 2016, pp. 253-254). About to its modus operandi, the main change was the decentralization process in which the regional and local governments had greater autonomy but there were not efficient enough. This caused dissatisfaction among the population especially of environmental nature and in areas of direct influence of mining sector (Zegarra, 2010). Second, the private sector in Peru had a rearrangement within its business pyramid. The old national family business groups transferred its economic power to different foreign companies. The increase of FDI between 2001 and 2015 (almost 132% of the stock) was directed mainly toward extractive industries such as mining (Cavanagh, 2015). Altogether, these big corporations concentrated the sales revenues (81.16 %), in contrast to the micro-enterprises that only represented 6.65 %. This generated a gap between strata within the private sector. The low quality of social investment from the extractive sector and the weak public administration of local governments nurtured dissatisfaction within the poor communities. This led to an increase in social conflicts (from 20 in 2006 to 126 in 2011), according to the Peruvian Ombudsman Office (Defensoría del Pueblo, 2015). Thus the paradox between high economic growth under social unrest could be explained by the differences in the structure and modus operandi between the public and private sector in Peru during the period 2000-2015, which prevented a proper harmony between the economic and social dynamic of the country.

Keywords: Peru, economic growth, economic performance, social unrest, poverty, inequality

1. INTRODUCTION

During 2000-2015, Peru experienced a significant economic progress. It was considered as an emerging country in Latin America due to the good results of macroeconomic indicators. For example, the GDP in 2000 was US\$ 134.8 billion PPP, while in 2015 increased to US\$ 393.1 billion PPP (World Bank, 2017). In addition, the foreign direct investment nearly doubled from 2000 to 2015 (Cavanagh, 2016). However, the social indicators such as the level of poverty – from 42.4% in 2007 to 27.8% in 2011 (INEI, 2016, p. 60) - and the Gini index – from 0.525 in 2001 to 0.439 in 2014 (ECLAC, 2017)- did not change in the same proportion. The social conflicts, measured by the Peruvian Ombudsman Office, showed that Peru was in a permanent social unrest (Defensoría del Pueblo, 2015). This paper explores the idea that unfinished

institutional reforms of the government and business sectors could explain the fact that the Peruvian economy was still a slightly unequal society. Thus, the gap between rich and poor people in the midst of a buoyant economy created or accentuated some irreconcilable differences between Peruvians. Thus the paper addresses the differences in structure and *modus operandi* between the public and private sector in Peru and study to what extent these determinants manage to intensify or dissipate the paradox (high economic growth and high level of social unrest). This work is organized into four sections. First, it will be analyzed the structural changes in Peru during the period of 2000-2015. Second, the changes in specific characteristics of the public sector will be studied. Third, the analysis of the structure of the business sector with special focus on the differences among size of companies will be developed. Finally, the way by which the *modus operandi* of public and private sector changed over the reference period is studied.

2. THE REFORMS OF THE PUBLIC AND PRIVATE SECTOR IN THE PERIOD 2000-2015.

From 2000 through 2015, both the performance of the public sector and the private sector were relevant for the economic and social development of Peru. The public sector, through fiscal and monetary policies, could guarantee growth, stability, and through social policies could alleviate the discomforts of the population. The private sector, through higher levels of investment and social responsibility could generate higher levels of GDP. Likewise, the efficient interaction of both sectors contributed to achieving the best economic and social performance. Therefore, this section analyzes the reforms applied in both sectors in Peru in order to determine in which direction and to what extent they affected their decisions to the welfare of the population, over the study period. First, the background is focused to give a more panoramic view of the Peruvian context in which the 21st century began. Second, we study the structural changes brought about by the public and private sectors. Finally, the analysis of changes in the *modus operandi* will facilitate the understanding of how Peru could enjoy an economic boom under a constant social unrest.

3. STRUCTURAL CHANGES: 2000-2015

President Garcia (1985-90) implemented a non-orthodox economic policy (Vega-Centeno, 1997, p. 19) which generated hyperinflation, increase of poverty (Pascó-Font & Saavedra, 2001, p. 24) and fuelled the expansion of terrorist groups like Shining Path (Dancourt, Mendoza, & Vilcapoma, 1997, p. 76). However, Fujimori in 1990, highly influenced by international organizations, implemented a drastic adjust and stabilization economic program (Tanaka, 1998, pp. 205-206) and curbed terrorist activities (García, 2001, p. 66), at the expense of high social (Wehner, 2004, p. 41) and political costs (Cotler, 2000, p. 298). While during Garcia government the State intervention was critical (Pascó-Font & Saavedra, 2001, p. 29), under Fujimori administration, the business sector and, particularly, foreign direct investment became the main actors in the opening of the Peruvian economy during 1990-2000 (Dancourt, Mendoza, & Vilcapoma, 1997, p. 73). Since 2000, the Peruvian economy experienced a period of growth. The administrations of presidents Alejandro Toledo (2001-2006), Alan Garcia (2006-2011), and Ollanta Humala (2011-2016) maintained the approach of building a social market economy. In all cases, both macroeconomic and social indicators improved, although paradoxically the level of conflict increased particularly from 2008. Given this situation, the question arises of what were the structural changes of the public and private sector in Peru that were absent or tangible that made (or did not) an impact by transforming institutions. The performance of the public and private institutions in terms of generating employment and social stability was very limited and did not satisfy poor people expectations. Thus the Peruvian economy did enjoy an economic boom but under social unrest.

Therefore, this section studies two sides of the same coin. On one hand, the structural changes of the public sector are analyzed looking especially at the macroeconomic policies, the public budget allocation and in the social spending. On the other hand, the structure of the private sector will be explored pointing out the family business groups (nationals and foreigners), foreign direct investment and the small and microenterprises in Peru during the period 2000 to 2015.

4. PUBLIC SECTOR

The management of the economic policy in 2000 was determined by the electoral cycle and political facts (NU & CEPAL, 2001, p. 247). In addition, private investment was affected by political uncertainty (BCRP, 2001, p. 23). At the beginning of 2000, the Fujimori administration was characterized by the "centralist" way of policymaking (La Contraloría General del Perú, 2014, p. 38) but it was forced to change. On the one hand, it opted to take a gradual limitation of the public deficit as part of the new fiscal policy, it eliminated some mechanisms of tax subsidy for investment and it adjusted specific taxes (NU & CEPAL, 2001). On the other hand, monetary policy, run by the Central Bank, maintained the general set of rules: the control and reduction of inflation rate, thus it was set up one goal of monetary aggregate (NU & CEPAL, 2001, pp. 251-253). During the year, it took measures to encourage the reactivation and the Central Bank handled money growth prudently (BCRP, 2001, p. 9). Due to the sudden resignation of President Fujimori, in November 2000, the transitional government of Paniagua took the power due to the "institutional vacuum" but maintained the fundamental bases of the social market economy established since the 90s decade (NU & CEPAL, 2001, p. 251).

At the end of 2000, the political environment started to change radically. In 2001, the new Ministry of Finance opted for a prudent fiscal policy in order to provide an attractive environment for fostering the private sector. Thus, the transitional government of Paniagua thought that promoting private investment, it was possible to increase jobs permanently and reduce poverty (MEF, 2004, p. 2). Certainly, The Ministry of Finance opted for a cautious stance that preserved the fiscal discipline in order to generate public savings (MEF, 2004, p. 4). However, the economic developments of 2001 was uneven in the first and second half of the year (NU & CEPAL, 2002, p. 241). During Toledo's second half of the year after being electing, the government chose for a more expansionary fiscal and monetary policies in order to confront the recessive phase of the Peruvian economy (BCRP, 2002, p. 9). During 2001, the government restored the independence between the parliamentary, judicial y executive powers; in addition to setting up rules for providing more transparency in the public finances (NU & CEPAL, 2002, p. 243). By mid-2006, Alan Garcia took over his second government. Under this new administration, the Ministry of Finance main policy was to guarantee fiscal sustainability and macroeconomic stability. The government had the objective to manage a prudent economic policies and socially viable in order to reduce poverty and extreme poverty (MEF, 2006, p. 3). Fiscal policy aimed to maintain the non-financial public sector deficit at levels below 1% of GDP and decrease the current inflexibility of public expenditure (MEF, 2006, p. 4). The Government approved new funding for shocks of public investment and allocated 18.6% of the total public budget of 2007 to public investment expenditure (NU & CEPAL, 2007, p. 164). Moreover, during this period, the debt profile was smoothed and the external debt was reduced with variable interest rates (NU & CEPAL, 2007, p. 164). Thus, it developed a high confidence environment for business sector and consumers due to good macroeconomic environment and professional economic management (BCRP, 2007, p. 9). This new Garcia government was definitely extremely different of what it was during his first administration during mid1980s.

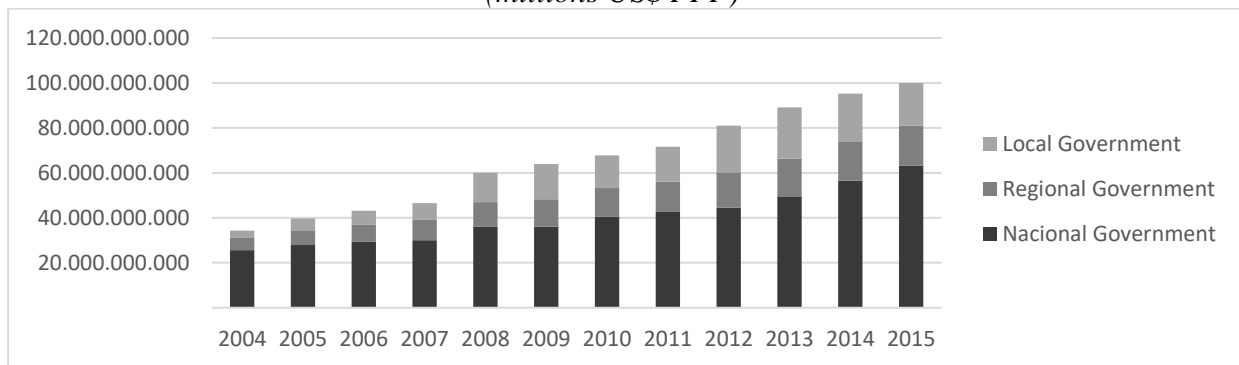
The so-called nationalist government of President Humala started in July 2011. The new administration set up as objectives the social inclusion, citizen security, the maintenance of the dynamism of the private investment (NU & CEPAL, 2012, p. 1), poverty reduction, economic

growth with stability to increase the tax burden and improve the quality of public expenditure (MEF, 2011, p. 71). Therefore, key aspects of the tax system were changed. For instance, the rates of mining royalty changed and two new taxes (the tax and the special levy to the mining) on the operating profits of companies were set up (NU & CEPAL, 2012, p. 2). Because of the troubles in the world economy, the international scene became uncertain which in turn caused that the dynamics of public spending and private investment to generate a slowdown of the domestic demand (BCRP, 2012, p. 7). The orientation of the fiscal policy was to be prudent in order to remove the effects of the cyclical and temporal components that were affecting public finances (MEF, 2011, p. 4). Towards 2015, the Central Bank of Peru (BCRP) maintained an expansive monetary policy. Due to the slowdown in economic growth in China, the fiscal situation had deteriorated, because of that there was a drop in tax revenues and an increase in public expenditure (NU & CEPAL, 2015, p. 1). The current revenues of the Government were of 16.6% of GDP in 2015 compared to 14.6% of GDP in 2000 (NU & CEPAL, 2001, p. 251; NU & CEPAL, 2016, p. 1). Current expenditures were of 18.6% of GDP in 2015 compared to 17.5% of GDP in 2000 (NU & CEPAL, 2001, p. 251; NU & CEPAL, 2016, p. 2). The drop in commodities' prices explained the low tax revenues coming from business income in 2015 (NU & CEPAL, 2016, pp. 1-2). In addition, revenues from Value Added Taxes increased 2.6%, the selective tax for private consumption increased in 7%, and non-tax revenues dropped by 17.7% (NU & CEPAL, 2016, p. 2). The acquisitions of goods and services (21.4%) was the one that most contributed to the increase in expenditure in 2015, the government spending on interests increased by 1.3% (NU & CEPAL, 2016, p. 2). During 2015, "the Central Bank reversed its monetary policy stance" (NU & CEPAL, 2016, p. 2). Therefore, it reduced the reference interest rate to 3.25%, and reduced the swap in soles to 6.5% (NU & CEPAL, 2016, p. 2). From the third quarter on, the monetary policy was tightened due to the increase in inflation and the possibility of a second depreciation of the sol in relation with the dollar. At the end, the evolution of the main macroeconomic variables during the analyzed period was positive. Given that private consumption slowed with a growth of 3.4% in 2015 after the 4% in 2000, public consumption increased from 5.1% in 2000 to 9.5% in 2015, despite the drop in public revenues (NU & CEPAL, 2001, pp. 255-256; NU & CEPAL, 2016, p. 4). At the same time, an important change was taking place in the public sector during the period 2000-2015: the decentralization process. It aimed to diversifying of instruments of public sector performance and the growing participation of local governments (Fernández, 2013, p. 5). In Peru, the local governments began to hold a greater importance in public investment of capital and were responsible for a higher percentage of public expenditure (Jaramillo & Silva-Jáuragui, 2011, p. 147). These governments have strengthened their economic relevance in Latin America; however, countries such as Peru, Chile and Ecuador (until 2004), banned local governments from obtaining credit and debts (Fernández, 2013, p. 42). Thus, as the participation of these governments increased, the public budget also increased steadily during the 2000s. However, the effectiveness of budget management decreased in parallel to the level of institutional development of the local government. Many local authorities lack of technical support for managing from small to huge public budgets. A consequence of the decentralization was the "high vertical asymmetry" in the allocation of income and expenditures within the local governments (Gómes & Morán, 2013, p. 26). The Peru 2015 Modified Institutional Public Budget was over US\$ 46,329 million PPP¹. The 36.54% was allocated to public social expenditures – in other words the health sectors (9.9%), education (16.2%), social protection (4%), sanitation (3.5%) and social security (8.6%). In sum, more than a third of the public budget focused on social expenditure in order to made social inclusion tangible for the poor population. The following figures show two important

¹ Converted to US\$ PPP with PPP conversion factor, GDP (LCU per international \$) given by the World Bank.

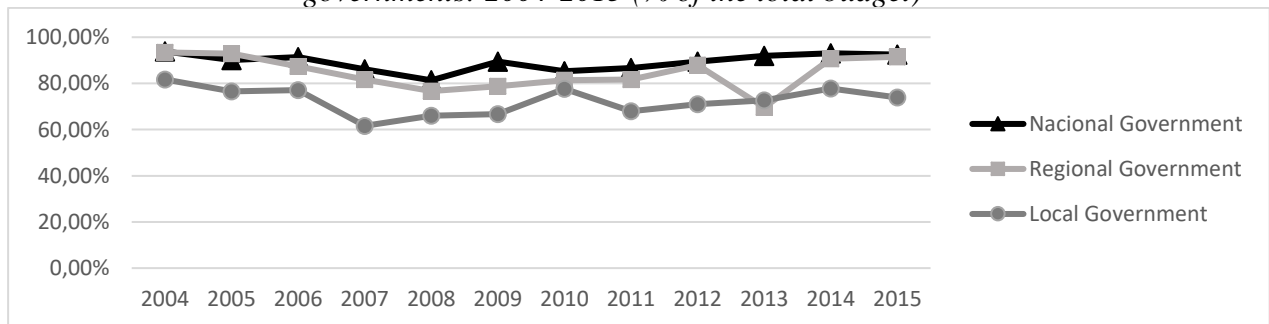
changes in the management of public funding. On one hand, Figure 1 shows how the local governments increased, in steady way, its relative importance of administrating public resources. On the other hand, Figure 2 represents the relative level of capacity of managing public resources according to the different types of governments. Although availability of public resources was not a problem, the better use of the public budget was a key problem. Unfortunately, the public sector showed ineffectiveness in the allocation of resources and inefficiency in the budgetary. There is no doubt that there were enough available public resources which could allow to shorten the gap in access to public services for the population living in poverty, but the return of the use of the public budget was lower than what could have been achieved expenditure (Von Hesse, 2011, p. 9).

Figure 11. Peru Modified Institutional Public Budget, by types of government: 2004-2015 (millions US\$ PPP)



Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (MEF, 2017)

Figure 12. Administration of the Peru Modified Institutional Public Budget, by types of governments: 2004-2015 (% of the total budget)



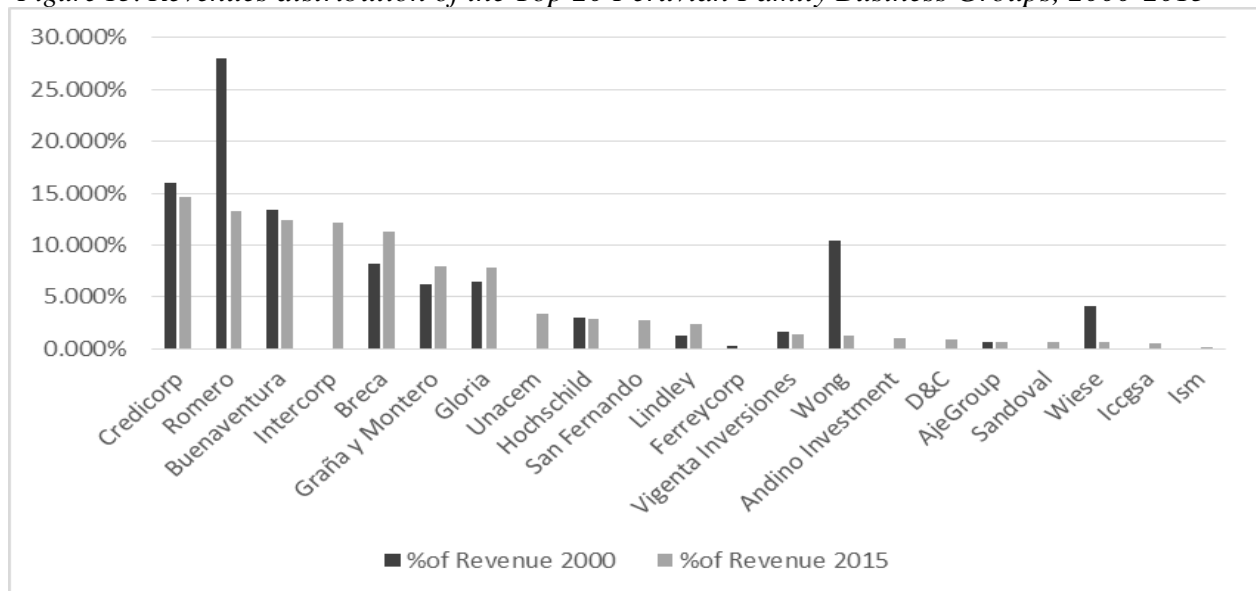
Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (MEF, 2017)

In spite of the attempts to solve poverty and inequality in Peru, at the end of the 2000-2015 period, the country was involved in a greater number of social conflicts. It was noticeable that the social protest lost its Lima capital focus, in other words, the big unions based at the big cities were left out by local or regional organizations that lead the protests (Vera, p. 2). These claims did not belong to a particular group, but they were of heterogeneous origin. However, a common factor was that these groups were not enjoying the increase of quality of life and wealth as the official propaganda tried to convey the population. In this regard, the birth of these new stakeholders with power at the regional level, in the context of inequality of opportunities, generated the multiplication of social conflicts.

5. PRIVATE SECTOR

During 2000-2015, the private sector enjoyed a positive business climate and, consequently, it got high profits due to the commodities prices booming. The increase of available public resources could be explained by the significant growth from corporate earnings, from the extractive industry at large. For this reason, it is important to analyze two issues in order to understand the different role and performance of business community. On one hand, the institutional evolution of private sector structure during a boom of international prices. On the other hand, the changes about the decisions that had been taken by the major players of business pyramid (national economic elites, foreign enterprises, and micro and small enterprises). In sum, under the Fujimori administration during the 1990s, privatizations and the increase of FDI in mining sector generated that foreign multinational corporations could acquire almost the biggest national firms (Durand, 2007, p. 147). Therefore, the top of business pyramid became one composed with more foreign capital. However national economic elites lost their power, some of them going into bankrupt such as the Wiese and Luccioni family business groups. The continuity of economic policies from the government of Paniagua (2000-2001), Toledo (2001-2006), García (2006-2011) and Humala (2011-2016) ensured the economic development for national capital and foreign firms. This situation was reflected in the growth of revenues and profits of the main companies of the country, though with some variations within the Peruvian business pyramid. Since the XIX century, one of the main actors had been the local business groups which were family management. Basically, these groups were subsidiaries conglomerates hierarchically organized and with a diversification strategy. Thus, companies had been operating in different sectors even if they were not related to each other (Schneider & Karcher, 2012, p. 11). Looking at the business history of the family groups it was evident that they survived because they kept using diversification policy as a way to reduce the investment risk in Peru. From their early stages, the family groups realized that a diversification of investment was the only way to face the changing policies and governments in Peru.

Figure 13. Revenues distribution of the Top 20 Peruvian Family Business Groups, 2000-2015

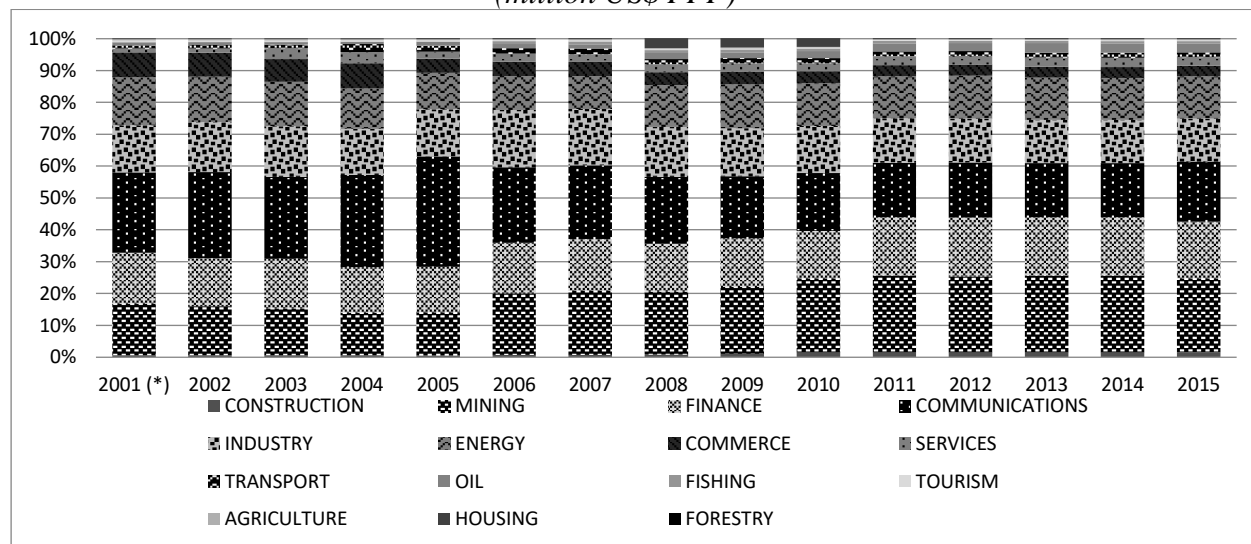


Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (Cavanagh, 2016; Cavanagh, 2001)

By 1990 only three out of 22 family business groups held economic power and strong market positions in different industries (Durand, 2011, p. 86). These family business groups were Benavides (Mining and Services), Breca (Industry, finances, mining, agroindustry and so on)

and Romero (Food, logistics and finances). In this changing context, new family business groups emerge such as Rodriguez-Banda (milk and transport industries), Añaños (beverages), Rodriguez Pastor (banking and services industry) and Belmont (retailing). The rest of the local business elite lost their power and the foreign companies came out as leaders within the private sector. As Durand said, “the new economic power was less local, more corporative and was highly concentrated economically” (Durand, 2011, p. 87). The evidence showed that within the group of 100 companies with higher profits, foreign companies represented more than 50% out of the total profits during the period of analysis (Cavanagh, 2015)². This was the result of positive circumstances such as the high growth of the world economy, high export commodity prices, catch-up of public investment, and high business optimism (Apoyo Consultoría, 2012, p. 4). However, in the critical year of 2008, the lowest number of foreign companies (26 companies) in the Top 100 was registered due to the financial crisis of that year (Cavanagh, 2010, p. 228). Nevertheless, at least 37 foreign companies were able to recover by 2014 (Cavanagh, 2016, pp. 220-235). The Peruvian economic boom was lead mainly by foreign capital. As a result, the evolution in the stock of Foreign Direct Investment (FDI), which the total value had increased from US\$ 13,732.88 million PPP in 2001 (Cavanagh, 2003, p. 286) to US\$ 37,141.67 million PPP in 2015 (Cavanagh, 2016, pp. 270-290). These statistics were an outcome of Multinational firms’ investment policy which focused to exploit natural resources, to manage efficiently the companies and searching new markets in emerging economies within the Latin America region (Schneider & Karcher, 2012, p. 13). In the case of Peru, the foreign direct investment targeted the exploitation of natural resource. As shown in Figure 4, the mining sector represented most of the FDI stock during the period 2001-2015. The relative participation of this sector had increased from 16.2% in 2001 to 26.3% in 2015.

Figure 14. Stock composition of Foreign Direct Investment by sectors, Peru: 2001-2015 (million US\$ PPP)



Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (Cavanagh, 2016)^{3 4}

Although at the beginning of the current millennium, the economic growth was timid, the FDI at the mining industry trend changed. This is because several key mining projects started to work at full since 2006. Cerro Verde, Buenaventura and Southern companies invested on

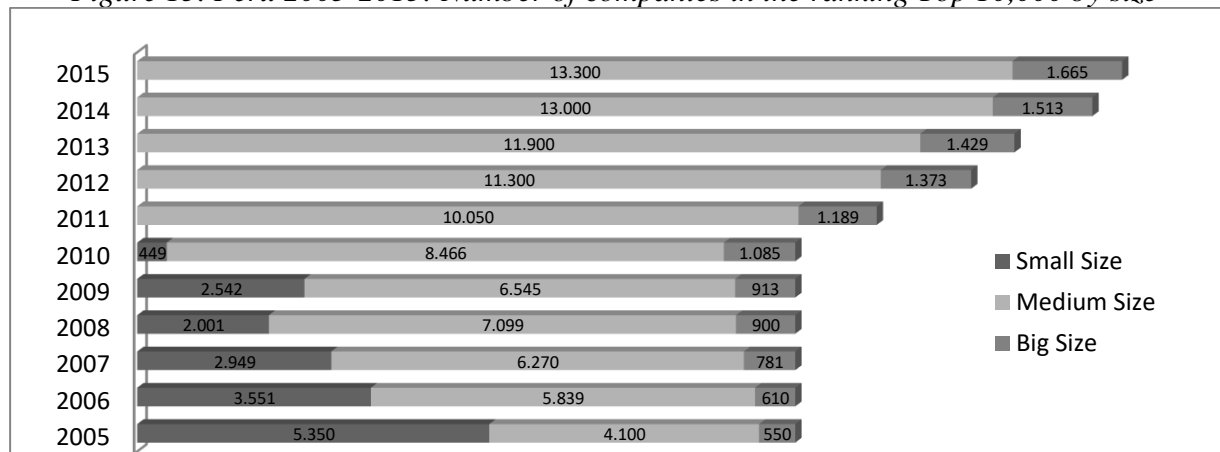
² This analysis was based on Cavanagh, J. *Peru: The Top 10,000 Companies from 2002 to 2016*.

³ (*) By 2001, the sectors Oil, Construction, Fishing, Tourism, Agriculture, Housing and Forestry were registered as "Others" by CONITE. Due to this fact, the author had estimated data for each sector on the basis of the data of the following years.

⁴ This analysis was based on Cavanagh, J. *Peru: The Top 10,000 Companies from 2002 to 2016*.

mining expansion and upgraded mineral plants of Yanacocha, Shougang and Milpo (INEI, 2016, p. 29) fostered a vigorous growth of the mining sector. As it was evident, the driven force of the investment was coming from United States of America, United Kingdom and Spain which became the country's largest foreign investors in 2015. Furthermore, the most noticeable change was the growing contribution of foreign investment from Latin American countries as well such as Chile, Colombia, Brazil and Mexico (ProInversión, 2016). By 2015, FDI inflows decelerated markedly due to the diminished dynamism of private investment which had been affected by a parallel and growing number of social conflicts (Apoyo Consultoría, 2012, p. 4). Furthermore, Peru showed low levels of innovation, institutional development and technological readiness, according to the Competitiveness Index of Global World Economic Forum. These indicators in conjunction with the low quality of human capital and the limited research were also obstacles for keeping an optimal growth of FDI Peru (Carhuaricra & Parra, 2016, p. 86). As well as the big corporations were important stakeholders in the private sector, the micro and small enterprises played a role in the economy during the period 2000 - 2015. This type of firms did not have economic power in the policymaking as the business family groups and foreign companies, however this sector was the one whose labour demand was significant for unqualified people. Nevertheless, the micro and small enterprises grew under the umbrella of the big enterprises and public expenditure, thus it was vulnerable as well to any change of the big players. According to the Peru Tax Office, the micro (from 1 to 10 workers) and small enterprises (from 10 to 100 workers) meant 98.59% of the total of the enterprises in Peru (SUNAT). However, the number of the small firms in the ranking of the best 10,000 enterprises in Peru – made by J. Cavanagh in “*Perú: The Top 10,000 companies*” – was significantly minimum (until reaching 0 in 2011) as it is showed in the following Figure 5. As a result, medium and big enterprises had a sustained and moderate growth. In this way, there was a certain harmony between the economic growth of Peru and the growth of the medium enterprises

Figure 15. Peru 2005-2015: Number of companies in the ranking Top 10,000 by size



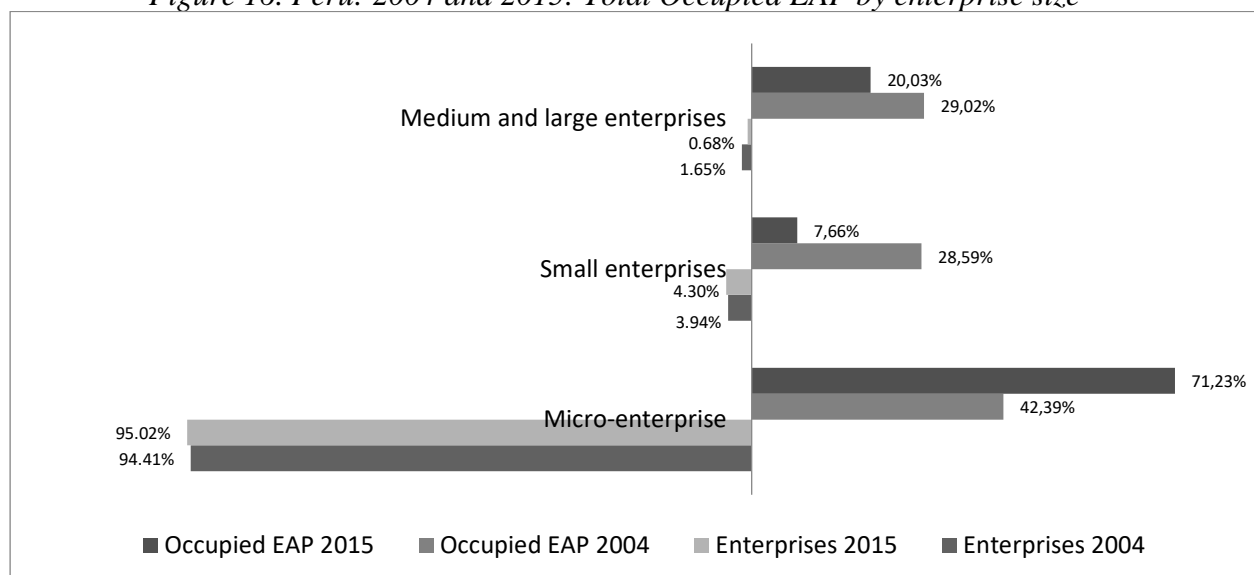
Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (Cavanagh, 2016)⁵

The performance of the private sector had a serious impact on the workers and employees of the companies. According to the Ministry of Labour (MTPE), the increase in the average monthly number of workers in large enterprises was higher – from 1'139,300 in 2013 (MTPE, 2014, p. 134) to 1'239,384 in 2015 (MTPE, 2016, p. 121) - than that of small enterprises – from 1'300,785 in 2013 (MTPE, 2014, p. 134) to 1'383,738 in 2015 (MTPE, 2016, p. 121) - in the

⁵ This analysis was based on Cavanagh, J. *Peru: The Top 10,000 Companies from 2006 to 2016*.

formal sector. Despite being the lowest income enterprises, micro-enterprises employed a large percentage of the EAP (42.39% in 2004; 71.23% in 2015). In other words, small percentage of Occupied EAP worked in small, medium and large formal enterprises (See Figure 6). However, in absolute terms, all the companies employed a greater number of people during the period 2004-2015. However most of this people showed dissatisfaction in Peru because micro-enterprises could not pay high wages, respect basic labour rights and the economic boom did not reach them plenty.

Figure 16. Peru: 2004 and 2015: Total Occupied EAP by enterprise size

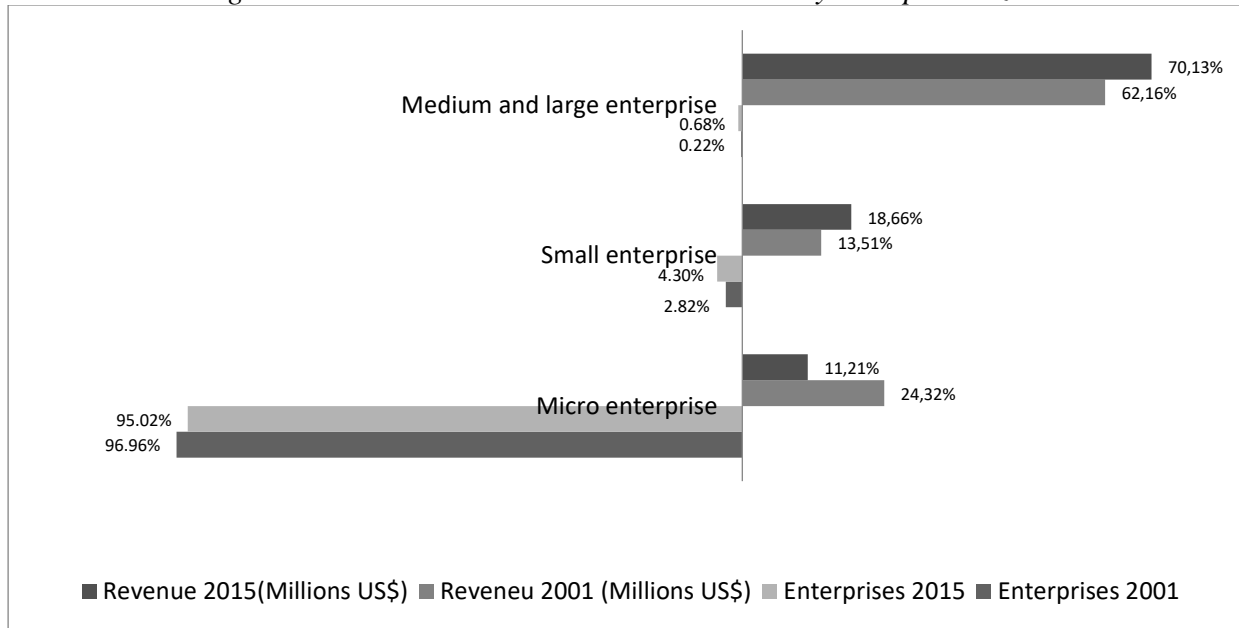


Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (INEI, 2017)

However, on the revenue side of enterprises, the situation was not encouraging because on average there was only slight improvement, as shown in the following Figure. This information corresponds to the companies with the highest revenue received in each year within Peru that have been increasing over the period.

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Figure 17. Peru 2001 and 2015: Total income by enterprise size

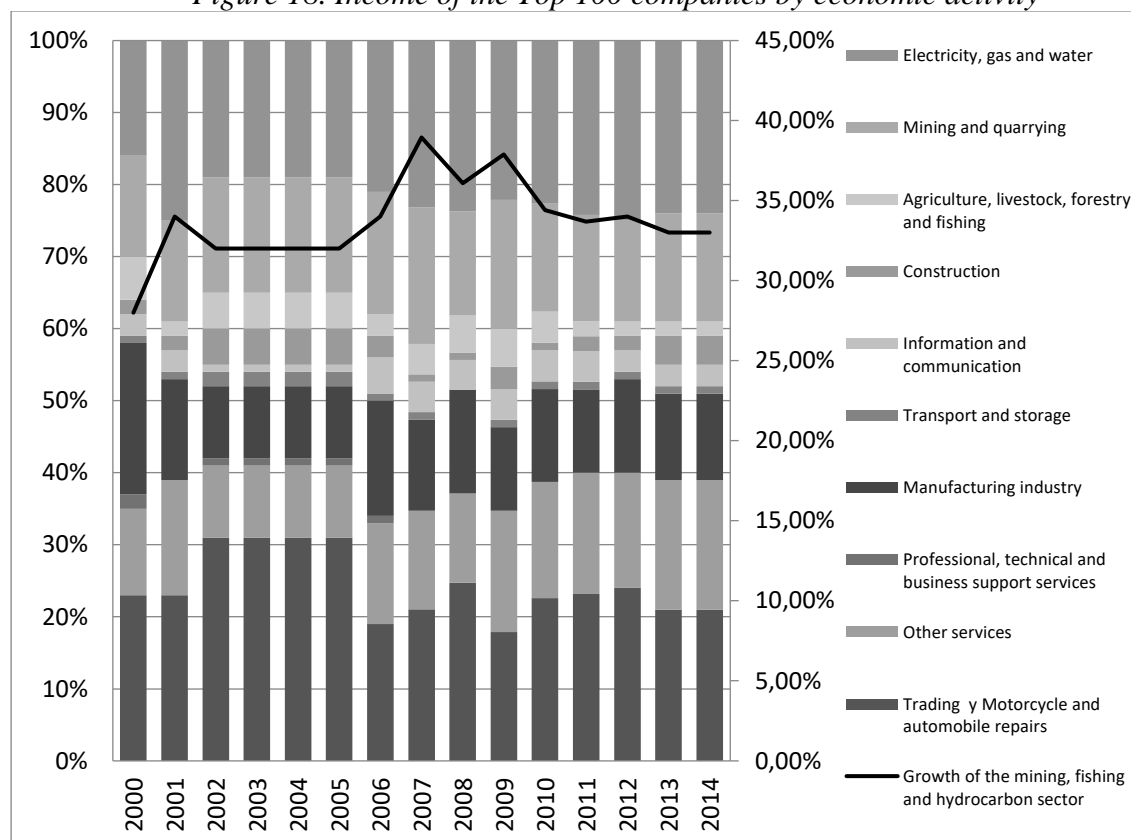


Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (PRODUCE, 2016)

This showed that revenues remained concentrated at the top of the business pyramid despite having the lowest percentage of companies in Peru. It should be noted that, unlike the first period of extractive predominance, the base of the pyramid was no longer rural because 75% of the population was urban in 2000. However, the high concentration of power in the hands of the elite (Durand, 2003, p. 125) suffered slight changes like the increase of companies in extractive sectors and a strong participation of foreign capital (Durand, 2011, p. 154). At the same time, there were also significant structural changes in the economy at the sectoral level: the mining sector became the most influential industry for Peru's growth. Since the 1990s Peru became again a country that predominantly exported raw materials (particularly minerals) thanks to an open economy growth model that favored the development of extractive activities (Gonzales, 2011, p. 269). The extractive sector, which included mining, kept a significant growth among the highest income companies during 2000-2014 (See Figure 8). Nevertheless, the labour demand for workers was lower than other periods because these industries were characterized by intensive high capital investment. In this sense Gonzales stated that the economic growth of the period 2000-2015 could have promoted other types of exports, such as agricultural. Moreover, employment originating in the construction sector and the textile industry could have expanded. Thus, the predominance of mineral exports would not have limited the diversified growth of the Peruvian economy (Gonzales, 2011, p. 270).

Figure following on the next page

Figure 18. Income of the Top 100 companies by economic activity



Source: Compiled by Centro de Investigación de la Universidad del Pacífico based on (Cavanagh, 2015)⁶

In conclusion, data indicates that the Peruvian private sector followed a pro-cyclical phase, since its income and profits maintained a very close positive relation with the movements of the country's GDP. The correlation is shown both when the economic boom began in 2004 and when the external crisis of 2009 exploded.

6. CHANGES IN THE *MODUS OPERANDI* OF THE PUBLIC AND PRIVATE SECTOR

The main change in the *modus operandi* of the public sector during the Toledo government was the implementation of the decentralization process. The purpose was to give administrative, political and economic autonomy to regional and local governments. As a result, regional and local governments were expected to get greater handle on their problems and develop economically and socially. To achieve these goals, regional and local governments needed public resources for investment. An important part of them came from the mining canon. This is defined, according to the Ministry of Finance (MEF), as "the participation of local and regional governments on the income obtained by the State tax policy for the exploitation of mineral, metallic and non-metallic resources." (MINEM, 2017) The increase of international metal prices between 2000 and 2012 provoked an increase of the revenue of mining companies and, consequently, the mining canon increased from approximately US\$ 0.2981 billion PPP in 2004 to US \$ 3.39 billion PPP in 2012 (MINEM, 2016, p. 20). However, by 2015, this was reduced to approximately US \$ 0.9766 billion PPP because of the slowdown of emerging economies (mainly China) that led to a decline in metal prices (BCRP, 2015, p. 41).

⁶ This analysis was based on Cavanagh, J. *Peru: The Top 10,000 Companies from 2001 to 2015*.

These changes in metal prices caused sudden variations of availability of public resources coming from the mining canon. However, there were other factors that generated sustained increases or reduction of these public resources. Because of this, it is important to recognize and separate permanent shocks from temporal variations of the amount of the mining canon.

On one hand, there was an increase of mining production due to investments made in the previous decade of 1990s. The exploitation of mining was highly promoted (PLADES, 2007, p. 201) by Fujimori administration. This adopted a long-term policy vision of fostering private investment in the mining sector.

On the other hand, adjustments in the international supply and demand of the emerging economies that generated changes in metal prices were considered transient shocks. Thus, as noted above, an increase in mineral prices was pushed by a high demand which was caused by China. The rapid economic growth of emerging economies led to an increase in the mining production and subsequently, increase of tax revenues as canon. The deceleration of growth, as in 2014, caused a decline in mineral exports and, as consequence, less amount of canon for the local governments' budgets.

According to the Peruvian Law, the mining canon had to be used in public infrastructure within the region and districts in which the extractive company worked. The law aimed to foster the increase of the amount and quality of public infrastructure, more projects, more technology and even greater employment available to the region. However, these goals did not necessarily came true in all the mining regions. This happened because of the ineffective public management of local governments that lacked "(...) civil servants with higher levels of human capital who can develop viable projects" (Zegarra, 2010). Especially in the five regions that received the biggest amount of mining canon in 2015 such as Ancash, La Libertad, Cajamarca, Moquegua and Tacna (MINEM, 2016, p. 20), the lack of quality of public investment was too evident. Thus the population felt frustrated about the mismanagement of the local government.

Moreover, the weak job creation in the mining regions was a reflection of the inefficient activities carried out by regional and local governments in each of the main 5 regions. For example, although the contributions of mining to Gross Value Added of these were significant (Ancash, 47.7%, La Libertad, 12.3%, Cajamarca, 23.8%, Moquegua, 32% and Tacna, 42.3%) (INEI, 2017), less than 3% of the Occupied EAP worked in the mining sector (INEI, 2016, pp. 283-289). The quality of public expenditure was very limited. Media reported cases where there were types of investment that did not necessarily generate development, such as statues and stadiums. According to Von Hesse, by 2011, "the national government as well as regional and local governments did not allocate the investment resources of each sector taking into account the deficits of coverage of the main public services" (Von Hesse, 2011, p. 16). Even worse, regarding FDI, the lack of strong institutions and necessary know-how of good public management did not allow the implementation of an efficient and coordinated process for fostering more private investment at the local level (United Nations, 2006, p. 5).

In this context, the modus operandi of private sector changed. Both family business groups as well as foreign companies intensify their diversification policy. The business elite not only entered into new industries but also started opening brunches or new ventures outside the big cities of Peru. This is because of great part of the output was coming from outside Lima, Trujillo, Arequipa among other cities. The modus operandi of the leading sector like mining need to be studied. In relation to the mining companies, these were, practically, encourage to support local communities. Where the presence of the State was minimal, as in the highlands and rainforest of Peru, the private companies had to improve the social and economic situation

(greater infrastructure in energy and transport) of the community. However, this support was insufficient. According to studies carried out by the IPE regarding employment creation, "every job in the mining sector generates nine jobs in the other sectors" (IPE, 2012, p. 5). In contrast, this argument differed with that of Barnechea. On one hand, this activity created few direct jobs for the surrounding population (Barnechea & Tumi, 2011, p. 53). On the other hand, the exploitation of resources harmed many communities that based their commercial activity on agriculture and livestock, making them very low competitiveness because of having very low productivity (Barnechea & Tumi, 2011, p. 185).

Therefore, in December 2006, President Garcia, as an alternative to new taxes to the mining sector (Arellano, 2008, p. 67), established "*Programa Minero de Solidaridad con el Pueblo*" (PMSP). This program was sponsored by voluntary contribution coming from mining companies, which amounted to US\$ 1,220,734,139.75 PPP⁷ in 2011. This private fund aimed to contribute "to social investment projects in mining areas," where at least 30% of the resources should have been allocating for fighting malnutrition, increasing health centers and improve basic education (SNMPE, 2012, p. 1). This private program, under state surveillance, was effective since 75.19% of the resources was used in different social projects. It must be noted that as to January 2011, 18 regions benefited from the PMSP where Ancash, Arequipa, Cajamarca, and Cusco represented the 87.28% of "*Fondo Comprometido Local*"⁸. While in the case of "*Fondo Regional*", the regions of Ancash, Arequipa, Cajamarca, Cusco, La Libertad, Lima, Moquegua and Puno concentrated 87.22% of "*Monto Comprometido Regional*"⁹ (SNMPE, 2012, p. 3).

Since President Ollanta Humana took office in 2011, the voluntary contribution ended because he decided that the State should manage its own resources coming from the mining canon. Thus, mining industries stopped managing private resources under the closed fund. People from local communities started to express social discontent. The social conflicts increased from 97 events in 2006 (Defensoría del Pueblo, 2007) to 223 conflicts in 2011. The business-communities relationship entered into a difficult situation which nurtured the increasing social unrest (Defensoría del Pueblo, 2011).

In this context, companies carried out reactive Corporate Social Responsibility (CSR) policies in order to have a better relationship with local actors only when a problem came out. However, there were two kind of attitudes. On one hand, Goñi and Marquina argued that the private sector looked for developing common interests only with its stakeholders (Marquina, Goñi, Rizo-Patrón, & Castelo, 2011). UNDP noted that this business community did not value CSR properly because of its short-term vision and strategy that characterized them (PNUD, 2009). While CSR was a topic developed basically by the biggest companies in Peru, small and medium-sized companies gave up on doing such practices because they "did not have enough resources" (Franco, 2007, p. 31).

Taking into consideration the previous discussion, there was a difference in power between the public and private sectors. This allowed the private sector to influence the public institutions, public policies and laws that the government ruled, in a situation that Durand calls "the capture of the State" (Durand, 2011, p. 146). In similar way, a study by CIES showed that companies could influence the State and populations, generating both positive and negative social,

⁷ Converted to US\$ PPP with PPP conversion factor, GDP (LCU per international \$) given by the World Bank

⁸ Local Commitment Fund is understood as the voluntary contribution destined to different projects with which the mining companies commit themselves to the locality near the mining zone.

⁹ Regional Commitment Fund is understood as the voluntary contribution destined to different projects with which the mining companies commit themselves to the region in which the mining activity is.

environmental, economic and cultural impacts (Gouley, 2005, p. 9). Therefore, the private lobbying did not help to recover the legitimacy of public institutions; it made it weaker (Durand, 2005, p. 42). It should be noted that such weakness has been present since the 1990s due to the deterioration of the credibility of most political institutions (Morón & Sanborn, 2007, p. 79). Llorente and Cuenca studied the company-government relations in several countries of Latin America. Two interesting facts should be bold. On one hand, businessmen observed that government collaboration with companies was scarce in 55% and nil in 1%, while politicians argued that the public-private sector linkages was sufficient by 36%, frequent in 28% and constant in 12%. On the other hand, Peruvian businessmen answered that influence of companies in the design of policies was scarce in 46% and nil in 5%, while politicians answered substantial in 32% and very substantial in 7% (Llorente & Cuenca, 2012, pág. 42).

Consequently, the businessmen underestimated the relationship with the government while politicians overestimated it. The private sector used to argue that the problem of inequality is not due to the economic model (which is actually the engine of its growth). But rather to the weak redistributive capacity of the state and called for state reform in specific sectors such as Education, health, justice and social programs (De Althaus, 2008, p. 9). Meanwhile, public officials used to answer that the business sector was not investing enough in the country's economy. Finally, the paradox of the growing level of social discontent and social conflicts in the country in spite of the economic growth, was due to the disagreement between the public and private institutions in Peru during the period 2000-2015.

7. CONCLUDING REMARKS

From the perspective of the institutional economics, this paper addressed the differences in structure and modus operandi between the public and private sector in Peru (2000-2015). The aim was identifying the determinants of the clash between the large capital and the population during a time of economic boom. At the same time, considered to what extent these determinants achieved that this mismatch to intensify or to be dissipated in terms of social conflicts. On one hand, the economic policy of 2000 was affected by the electoral cycle and political developments (NU & CEPAL, 2001, p. 247). At the beginning of the year, we chose to take a gradual limitation of the deficit, as part of the new fiscal policy, according to the same source. During the second half, fiscal policy had as objective to reduce the deficit in the public sector, it eliminated some mechanisms of tax subsidy for investment and it adjusted specific taxes (NU & CEPAL, 2001, pp. 251-253). The monetary policy maintained the general rules, whose goals were the control and reduction of inflation, thus adjusted one goal of monetary aggregate, according to the same source. During the year it took measures to encourage the reactivation and the central bank released at the end of August a 3% currency swap, as average (NU & CEPAL, 2001, p. 253).

In 2015, as there was a fall in tax revenues and an increase in public spending, the fiscal situation deteriorated (NU & CEPAL, 2015, p. 1). The current government revenues were 16.6% of GDP in 2015 compared to 14.6% of GDP in 2000 (NU & CEPAL, 2001, p. 251; NU & CEPAL, 2016, p. 1). Current expenditures were 18.6% of GDP in 2015 compared to 17.5% of GDP in 2000 (NU & CEPAL, 2001, p. 251; NU & CEPAL, 2016, p. 2). The lower income from taxes on revenues of legal entities in 2015 was explained by the fall in international prices of basic products (NU & CEPAL, 2016, p. 2). The general sales tax revenue increased by 2.6%, selective consumption tax increased by 7% and non-tax revenues fell by 17.7% (NU & CEPAL, 2016, p. 2). Purchases of goods and services (21.4%) contributed most to the increase in spending in 2015, government interest expenses increased by 1.3% (NU & CEPAL, 2016, p. 2). During 2015, "the Central Bank Revoked its authority of monetary policy" according to the

same source. It reduced the benchmark interest rate to 3.25% and reduced soles reserves to 6.5% (NU & CEPAL, 2016, pp. 1-2). As of the third quarter, monetary policy tightened due to higher inflation and the possibility of a second depreciation of the sol against the dollar. The evolution of the main variables during the period analyzed was positive. Given that private consumption slowed down with growth of 3.4% in 2015 after a 4% in 2000, public consumption increased from 5.1% in 2000 to 9.5% in 2015 despite the fall in public revenues (NU & CEPAL, 2001, pp. 255-256; NU & CEPAL, 2016, p. 4). This increase in private consumption, encouraged by public consumption meant that underemployment was another variable that improved during this period; since it went from 43% in 2000 to 35.1% in 2015.

As for the *modus operandi* of the public sector, the major change was the decentralization process. It was expected that sub regional governments would have greater power to control problems and develop their territories. Most of the resources of the regional and local governments for the investment came from the mining canon. During the period, this increased from US \$ 0.2981 billion PPP in 2004 to US \$ 3.39 billion PPP in 2012, due to higher revenues from mining companies for a steady increase in price of minerals (MINEM, 2016, p. 20). However, in 2014, the slowdown of emerging economies (mainly China) brought with it a fall in the price of commodities (BCRP, 2015, p. 41). This resulted in a decrease of the mining canon in US \$ 0.9766 billion PPP, according to MINEM (2015). Although the transfers aimed at improving the social situation of the population they felt dissatisfied because, according to Zegarra, the activities carried out were not very efficient since "in order to improve the spending capacity of sub national governments, it is important to have staff members and technicians with higher levels of human capital who can develop viable projects" (Zegarra, 2010). Especially in the five departments that received the most transfers to 2015 such as Ancash, La Libertad, Cajamarca, Moquegua and Tacna (MINEM, 2016, p. 20). On the employment side, less than 3% of the EAP Occupied in each of the 5 departments was focused on the mining sector (INEI, 2016, pp. 283-289), despite the fact that the contribution of mining to the GVA of these (Ancash, 47.7%, La Libertad, 12.3%, Cajamarca, 23.8%, Moquegua, 32% and Tacna, 42.3%) were significant (INEI, 2017). In conclusion, sub national governments acquired important budgetary support but had limited room for maneuver due to the quality of municipal management teams.

On the other hand, the private sector presented changes at the structure level. The lower level of state intervention resulting from the privatizations of the 1990s changed the business pyramid. Only three economic groups remained in a firm position. These were the Benavides group (Mining and services), the Breca group (Industry, finance, mining, agribusiness among others) and the Romero group (Food, logistics and finance) (Durand, 2011, p. 86). The rest of national economic elites lost their power and gave it to foreign firms. This was reflected in the fact that among the 100 most profitable companies, these represent more than 50% of total profits in all the years of the Period of analysis (Cavanagh, 2015). The strong positioning of these companies was due to the circumstances of the period (high global growth, boom in international prices, among others) and the growing stock of FDI (Apoyo Consultoría, 2012, p. 4). The total value of the stock of FDI had increased from US\$ 13,732.88 million PPP in 2001 to US\$ 37,141.67 million PPP in 2015 and was directed mainly towards extractive industries such as mining (Cavanagh, 2015). Altogether, these large corporations concentrated sales revenues (81.16%), in contrast to microenterprises that only accounted for 6.65% (INEI, 2017). Paradoxically, while microenterprises concentrated the bulk of the employed EAP (52.38%), large corporations absorbed 23.33% (INEI, 2016). This created a gap between private sector strata.

Relating to the private *modus operandi*, in 2006, Alan Garcia's government established a fund called *Programa Minero de Solidaridad con el Pueblo*, where mining companies provided a voluntary contribution that financed social investment works in the zones of mining operations and at least 30% should be for nutrition, health and education projects (SNMPE, 2012, p. 1). In this way, the communities perceived tangible benefits from the mining sector, and with it, the social conflicts of mining decreased. However, with Humala as president (2011), the fund was again administered by the state, and with it, the conflicts increased. Consequently, in order for companies to develop common interests with their stakeholders, they decided to implement Corporate Social Responsibility policies (Marquina, Goñi, Rizo-Patrón, & Castelo, 2011). Because of this, this paper shows how the lack of long-term vision of companies and the public sector, in order to increase factor productivity and promote income redistribution, prevented structural changes for a more equal society in Peru between 2000-2015. The formulation and execution of economic and social policies found limits in their range of effectiveness precisely in the structure and dynamics of the public and private sector of Peru. On one side, the business sector remained highly dependent on the country's role as a supplier of raw materials for the international market and its structure was still uncompetitive, characterized by the permanence of economic groups in the process of incipient modernization. On the other hand, the public sector was strengthened budget by economic growth but had not yet achieved the institutional development that allowed it to operate effectively. Consequently, the reduction of poverty and inequality in Peru still did not show the significant changes that would have occurred due to an economic growth. By contrast, social dissatisfaction by those who are not beneficiaries of the model fueled the level of conflict that an emerging economy needed to solve.

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ETHICS AND ACCOUNTING: WHICH REGIME BEST PROTECTS THE PUBLIC INTEREST?

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ABSTRACT

This paper explains the ethical dimensions in four socio-political regimes in accounting practice, and how ethical dilemmas within the accounting function might be solved within each domain in order to best protect the public interest. The accounting profession in each regime is composed of different accounting methodology that not all of these are able to protect the public interest with equal efficacy. The principle-based-conservative regime endorses high boundaries on all accounting techniques making it inherently conservative in accounting measurements, and it is found to be the only one that satisfactorily protects the public interest. Ethical considerations have value-laden components and therefore the perspective that is presented in this paper has limitations. This paper rationalizes the interaction between principle and rule-based accounting and how ethical issues may increase or decrease the protection of the public interest. The result of the study may be considered by accounting standard-setter bodies such as IASB.

Keywords: *Accounting, Pluralism, Ethics, Public Interest, Conservatism, Liberalism, Monism*

1. INTRODUCTION

The accounting profession in today's diverse and therefore complicated business milieu primarily operates within highly pluralistic environments. Different studies have investigated the accounting profession from the pluralistic perspective in areas such as education, practices and research (e.g. see Buckley and McDonough, 1972; Hoque *et al.*, 2013; Jacobs, 2012; and Jocelyne, 1988). *Pluralism* in a philosophical sense refers to a doctrine of multiplicity or diversity which is opposed to the concept of *monism* or the doctrine of unity. In other word, pluralism is "A theory or system that recognizes more than one ultimate principle" (ODE, 2006, p.1355). Jean-Louis *et al* (2007), postulated that pluralism was based on three elements: knowledge, value and power. But the root of the debate about the accounting profession as a pluralistic profession may be traced back to the pioneering work of Buckley and McDonough (1972). They believed that complexity is the root cause of pluralism when they opined that, "Complexity is the principal doctrine of pluralism – it underlines all other considerations" (p. 926). Then, Jocelyne (1988) raised the importance of pluralistic problems in teaching accounting and auditing for developed as well as developing countries. Jacobs (2012) debated theoretical purity and theoretical pluralism by means of analyzing different approaches used over the last sixteen years in public-sector accounting research. Similarly, Hoque *et al.* (2013) critically appraised multiple research theories to examine "different meanings of realities pertaining to management accounting information and process in organization and society" (p.1170). However, there is a shortage of analysis of the ethical characteristics in the accounting function in current pluralistic societies. This paper contributes to that by considering the important issue of ethics in relation to the public interest. The public interest needs to be defined in accounting research (Neu and Graham, 2005) and portrayed under the paper purpose. Calhoun *et al.* (1999) defined public interests "...as the collective well-being of the community of people and institutions the profession serves... Those who reply on certified public accountants expect them to discharge their responsibility with integrity, objectivity, due

professional care, and genuine interest in serving the public” (p. 109). The accounting profession does not serve the public interest directly and therefore the relationship between them could be viewed from different disciplines such as sociology, economics, politics, ethics etc,. In this paper, we view the public interests as those people of society who directly or indirectly benefit from an accounting good which is called as financial information. The traditional and classical question of how and in which manner the accounting profession could better serve society in different era would still remain unanswered.

Studying the accounting profession from a pluralistic perspective not only enhances our view of the new challenges faced by the profession, but it may also allow accounting research finding reforms and new methodologies to solve those paradoxes or unsolved enigmatic issues in accounting, as well as the ways in which the profession should take ethical considerations in regard to protect the public interest into account. Reform in the accounting profession after corporate scandals such Enron and World.com also points to the complexity of the vital role of the profession to serve society by incorporating ethics in the diversity of the global business environment. Therefore, it the professional accountant can be found working in very diverse environments. Diversity and complexity of business comprise one of the top 10 business challenges with which the accounting profession is inevitably involved. Also the authors of this article emphasize the importance of the professional accountants’ mindsets because they are now more than ever beset with complexities. This implies that professional members are functioning in a pluralistic environment and they should be appropriately educated, developed and experienced in readiness for the new challenges and changes within multifarious business environments (Buckley and McDonough, 1972; Hoque *et al.*, 2013; Jacobs, 2012).

This paper imagines accounting as a social phenomenon and as a dynamic profession with multidimensional aspects and rules, and as Cooper (2005) required, *intellectual* academics should be active and involved in the promotion of the public interest. The recent corporate collapses and damages of the profession’s reputation would be another justification of this conceptual paper. If accounting were perceived from the pluralistic perspective, then should ethical issues such as those cases in the corporate scandals of Enron type and Arthur Anderson, to be considered as a priority for the profession? This not only affords appropriate safeguards but it also sustains the profession’s reputation for integrity and social responsibilities. This view is not only supported by previous studies (e.g. Buckley and McDonough, 1972; Cooper (2005); Hoque *et al.*, 2013; Jacobs, 2012) but also by referring to the modifications required by the Sarbanes–Oxley (SOX) Act (2002). New sophisticated viewpoints and requirements (e.g. see Lowell, 2002) for the role of the profession by SOX after corporate collapses early in the 2000’s have emphasized a higher degree of multi-functionality within the professional services in accounting by focusing on utilizing the public interest. Chakarun, (2002) predicted that the SOX Act would dramatically reform accounting functions and would usher in greater complexity in services provided. Roth (2007) showed that the SOX Act brought many difficulties for companies around the world in complying with the law and developing risk assessment tools. The SOX has reformed many critical areas, for example, CEOs being responsible for establishing a strong and reliable internal control system; business settings to maintain ethical, moral, and accountable environments to safeguard the public interest; external auditors having greater responsibilities to stockholders by enhancing audit independence; working with new definitions of audit reports; reforming types of audit and non-audit services that auditors are allowed to provide to their customers; and optimizing corporate governance structures and their specific attributes. According to expectations of what is going to be the accounting and auditing profession in the future, the profession is all the more complicated now within a pluralistic environment.

Within such contemporary societies, all professions need to comply meticulously with the codes of conduct which govern their operations, perhaps applying themselves with more resolution than ever. “Ethics” refers to “moral principles that govern a person’s behavior or the conducting of an activity,” (ODE, p. 595). To this, Hoyk and Hersey (2009) added that “people generally use three principles when making ethical decisions: (1) “amount of harm/benefit; (2) actor’s intentions; and (3) the application of agreed-upon rules or norms,” and they concluded that “Non-zero-sum interactions typically increase the amount of mutual benefit over harm, have intentions to serve the needs of the greatest number of people without violating the rights of minorities, and take into account rules and norms.” (Ibid. p. 28).

But after the collapse of financial markets following the Lehman Brothers’ debacle in 2008, it became clear that there had been far more skirting of ethics than skirting of the law. Such principles as integrity, fairness, transparency and mutual responsibility towards the client as well as the stakeholders, were replaced by a strong inclination towards expediency, greed and indiscriminate profiteering regardless of the consequences. Yet it was not as if it was the first time that financial markets had teetered for those reasons. Even Adam Smith had warned against destructive consequences when he authored *The Theory of Moral Sentiments* in 1759, opining that capitalism would succeed if it was founded on values such as fairness and if it were implemented with a universally recognized set of rules to underpin economic society with a sense of justice (Trevino and Nelson, 2011). Using those sentiments as a starting point, Trevino and Nelson moreover observed that, “Our business behavior also affects our personal and company reputations, politics, society at large, and even national reputation.” (Ibid. pp.3-4). For this reason, ethics and the public interest are this work’s prime consideration within the accounting profession and they form the core of the models that the authors will present.

2. ACCOUNTING AND GLOBALIZATION

Accounting from globalizations viewed from different perspectives (see Albu *et al.* 2014, Annisette and Trivedi 2013, Cerny *et al.* 2005, Cooper 2005, Everett 2003, Graham and Neu 2003). Current organizations have a pluralistic nature because of business globalization and therefore this increases the business risks dealing with business factors that may be difficult to control. The International Monetary Fund (IMF) defines different aspects for globalization in the form of trade and transaction, capital and investment, migration, and disseminating of knowledge. For Cerny *et al.* (2005) globalization means “... a process of moving towards... a single social, economic, and political space...a borderless world” (p.5) and “a complex interaction of a range of uneven – sometimes even incompatible – trends ... [and] ...is the sum of the wide range of political, economic, and social process of *transnationalization* and *internationalization* taking place in the world today” (p.6). Globalization as the process of international integration converted the phenomena of business ideas and practice, innovation, technology, products, culture and activities from national and local substance into the international arena. Globalization evolved under political dialectic at international and domestic crises level; domestic and transnational interests, pressures and shifting coalitions, overloaded governments, resurgence level of the belief that solving domestic problems could only be focused through international – global – economic expansion, to liberalize both domestic and international policy regimes. This is a move to arm’s-length regulation, dynamism international markets, and emergence of multilevel global governance (Cerry *et al.*, 2005).

Graham and Neu (2003) viewed accounting from globalization perspectives using five flows: capital, people, policies, information, products that would be enough to imply the complexity of all these issues from an accounting framework. From a globalization perception it even could extend issues that Graham and Neu pointed out; e.g. the role of accounting in business

and organizational development particularly in developing emerging economics, international accounting settings, global capital markets, etc. (Zhange *et al*, 2012, Hopper *et al*, 2012, Botzem, 2012). The concept of liberalization under the globalization patronage depicted by Annisette and Trivedi (2013) for the special case of immigrant chartered accountants in India to Canada showed how neo-liberalization impacted the accounting profession in Canada firstly “...to an understanding of the tensions contradictions and paradoxes of neoliberal globalization...” and second “...to make sense of the varying fates of skilled labor...” and finally, “to understanding the moral orders underpinning identity inequality and ‘place’ in the context of neoliberal globalization.” (p. 29).

Zhang *et al.*(2012) discussed neoliberalism in China by looking at the practice of fair value accounting which is imbued with assumptions about the state and the market that have little bearing on the realities of Chinese capital markets. Rather than advancing the public interest, as neoliberal theories claim, this accounting change has failed to transform political and economic power. Instead, it has provided another opportunity to reposition powerful political and economic elites both inside and outside China. This paper argues that the process has reconfigured capital markets in the image of those in advanced capitalist economies, but it is devoid of any regulatory and socio-political apparatus to rationalize its relevance and reliability in the Chinese context.

One relatively new form of business as globalization emerged is the Multinational Enterprise (MNE) as it causes pluralities complex both in accounting practices and business structure. Accounting services to MNEs involve complexities to deal with many ambiguous transactions and measure different financial statements and reports to different users with different expectations and diverse educational, as well as cultural backgrounds. Looking more closely into the issue of pluralistic functions of the accounting profession, the MNE structure has emerged from the traditional top-down pyramidal structure towards highly complex structures that among other issues, must now comply with the new regulations and laws, risk management functions, and financial and economic crises, (Csaszar, 2013).

Accounting as one of every organization’s functions, should also be updated with the developing global changes, business ethics and evolving corporate governance approaches (Ostapski and Issacs, 1992). The main responsibilities of the accounting profession are not just to help the external and internal users by providing necessary information to plan, control, and evaluate organizational performance, but for global users as an integral entity in fulfilling corporate social responsibilities transnationally. That refers to a company’s social responsibilities with clients, stakeholders and the wider communities that it serves (Trevino and Nelson, 2011, p. 322). It is thus obvious that accountants handle a complex challenge. Companies with integrity nowadays attempt to fulfill their duties to reach the highest level of professional, social and environmental challenges by adhering to ethical values. In this case, principled accounting information is the core target that should serve as the means to succeed in each of the areas of challenge mentioned above.

However, the accounting function has shifted from just measuring the bottom line which is the target of many stockholders. Shifting from neoclassical economic theory of maximizing shareholders’ value toward a broader view of the social and environmental corporate responsibilities responds to current demand of contemporary accountability that requires a progressive re-format within organizational structure, (Edwards *et al.*, 2002; Lee and McKenzie, 1994).

3. ORGANIZATIONS: COMPLEX, COMPLICATED, OR PLURALISTIC?

Pluralism is one of the contemporary themes in management change and a complex issue in today's organization structure, systems and policies, (Richardson, 2011). Organizations are under rapid, complex and intricate changes because of the interaction of leaderships, innovation, resources, economical factors to be handled efficiently, and a drive towards effectiveness to reach the organizational goals. A complex system is a nonlinear system contains many factors to be handled not just one (Richardson, 2011). In this sense, defining pluralistic organizations may evoke all those organizations with numerous distinct products, segmented markets, subsidiaries (often off-shore for outsourcing functions), sections and miscellaneous stakeholders. Almost all current medium- to large-sized companies regardless of whether they are private or public may fall into this broad definition and these convene them as pluralistic organizations, all those organizational functions in form of multifaceted contexts, purposes, and societies in general (Jean-Louis, *et al*, 2007) and sometime antithetical task functions. According to Jean-Louis *et al*. (2001), "In a pluralistic organization characterized by fragmented power and multiple objectives, where reconciliation by fiat is not an option, these opposing forces are in constant dynamic tension." (p. 826).

Companies' contexts characterize their accountability regimes as part of their corporate social responsibilities while they should also satisfy different types within their stakeholder ranks. By looking at the organizations from different perspectives, including the pluralistic view, the notion of different social theories may be supported and facilitated through the expanded role of accounting for those organizations. The pluralistic organization should handle changing and challenging issues such as corporate social responsibilities, environmental sustainability, social justice, supporting paradoxical stockholders needs and organizational ethical and behavioral issues. These types of organizations should have multidimensional aspects as the modern business environment requires almost all types of organizations to handle not a single objective at a time but many diverse objectives simultaneously. The main issue is whether and to what extent the pluralistic organization can achieve its goals in the light of the current and existing accounting norms, values and business styles in the competitive global business environment. The accounting profession should be part of the solution to the complexities that arise in pluralistic organizations. According to Stefancic, (2009):

Interdisciplinary approaches are essential to properly evaluate an economic and financial system that is increasingly complex and globally interrelated [...] A better integration of economic, social and behavioral sciences will favor the establishment of new frames of thinking and new analytical tools which are much needed in contemporary financial regulation. Financial markets, defined as competitive markets in financial instruments such as stocks, bonds, loans and derivatives, represent a research subject that may be analyzed from a plurality of angles and frames, including a sociological one. In practice, such a plurality of perspectives could favor sustainable wealth creation and contribute to maximizing the benefits from economic globalization. (P. 90).

4. ACCOUNTING: A PLURALISTIC PROFESSION

Accounting is a pluralistic profession. Pluralism in accounting methods and practices can be observed from accounting theory, knowledge, practices, and methodology in a micro-level to serve a single unit (e.g. a private user or a business) and macro-level (e.g. global standard-setting). Also, accounting presumes to play a socio-political role within society at large so that it functions at the macro-level. Due to contemporary organizational changes as a result of many factors such as globalization and multifunctional business activities (macro-level) and the

complexity of business transactions (micro-level), the accounting system should be able to respond to two needs. They are to satisfy the organizational needs to produce reliable and relevant financial information at the micro-level, but also to generate aggregated benefits at societal and global level in form of positive effects on macroeconomic scales. Thus, pluralistic viewpoints of the accounting profession should be viewed from two perspectives: both from the micro- and macro- levels. These are equally important.

Pluralistic accounting at the micro-level engages accountants in a single business or non-business entity as a focal point of information as an in-out agent. Ideally accountants have a duty within the organization to support not only internal but also aggregated needs of the external users of accounting information to achieve their multiple or diverse objectives. One of the critical roles of accountants is to keep a thorough watch on effective and efficient internal control system combined with the comprehensive accounting information system (AIS). Basically, accountants should be performing all of their duties in compliance with professional codes of conduct while they are monitoring the risks of accounting information. Accountants and AIS perform these responsibilities mainly through designing and implementing optimal internal control systems and by measuring financial elements by choosing relevant and accurate methods and techniques. With regards to these pluralistic and multiphase responsibilities, accounting reports and measurements should ultimately produce value-added information for various and critical decision-making purposes. Under strategic accounting systems, there should be an elaborate strategic plan as well as an integrated plan to serve pluralistic objectives as integral to organizational structure. While pluralistic forms of organizations are becoming more and more prevalent (Jean-Louis et al., 2007), the organizations are nonetheless expected to achieve the highest levels of professional competency.

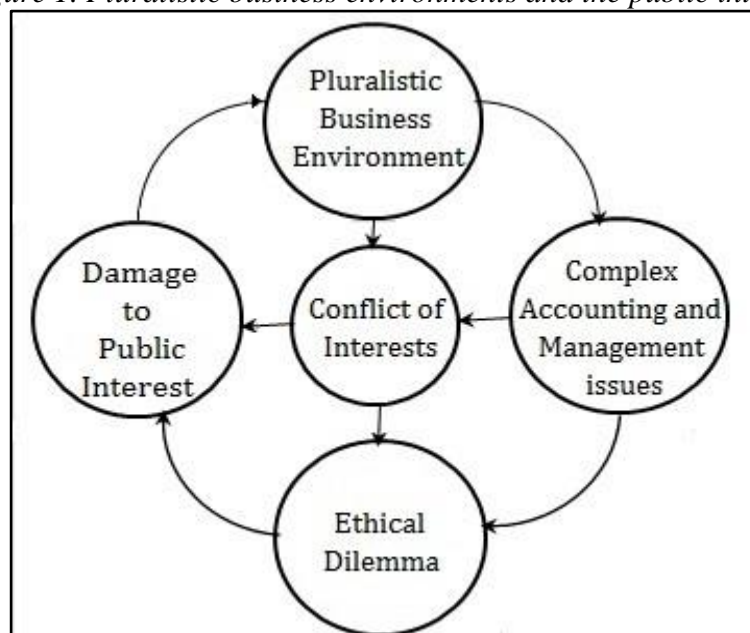
From the macro-level perspective, role of the accounting profession emerges as more perplexing in issues such as social welfare, the boosting of the national economy, adopting and implementing International Financial Accounting Standards (IFRS), and in conforming to international accounting patterns, and so on. Basically, accounting information and profession functions eventually should be constructive in term of the national economy. Demand and supply of accounting information as an economic good should theoretically facilitate positive growth in the national economy through advancing an efficient capital market structure as well as act as a sufficient information provider to global users. That is why for decades, the accounting profession has been shifting towards globally accepted accounting practices in form of the IFRSs. Although the UK and USA accounting patterns historically comprised the most influential accounting standards and influenced many other countries' accounting systems during the last century, they are now converging towards adopting IFRS. Approximately 115 nations have accepted the IFRS. Required by SEC, US GAAP will be converging into the IFRS by 2016. The UK converged during 2014. This has a significant pluralistic impact on the profession because a paradigmatic shift of this kind in the coming few years will drive consistency towards a globally accepted accounting format. For example, Carmona, and Trombetta (2008) highlight the benefit of using IFRS by comparing the net incomes in two firms in Germany and the United States which had reported a net income of 615 million Deutschmarks (DM) for the 1992 year, which turned into a net loss of DM 1,839 million under US GAAP" (p.455-456). This was a significant discrepancy which could be removed by adopting IFRS. However, developing a single universal GAAP contemplate adopting a pluralistic methodology. The authors contend that the development of acceptable accounting methods in the form of unified accounting standards applicable and appreciated by all countries is in the public interest even with diverse socio-economic, cultural, and political structures in multidimensional circumstances that present pluralism problems.

IFRS produces this uniformity by using the financial information of different companies, industries and countries through a single set of accounting methods and reporting standards to facilitate users from different nations to make beneficial economic decisions at the global level. However, the accounting profession should drive and support collaborative arrangements, media and systems to enhance accounting methods. For this reason, accounting at macro-level seems to be more of a priority than emphasizing it at micro-level as any damage at the global level would be extended to not just a specific group or organization but many different groups globally.

4.1. Is Pluralism a Threat to the Public Interest?

The Enron case and accounting's other major ethical scandals have been a subject of much research. AlHashim (2002) underlines the damage of ethical scandals to the accounting profession in the US, highlighted by Enron. The role of Arthur Andersen, one of the Big Five involved in the corporate collapse gives emphasis to the considerable damage inflicted on the public interest, and thus the public's trust in the profession. He added that Enron's "success" as shown in its performance was nothing more than using accounting deception, generated by those techniques perpetrated through the firm's managerial directives. Enron also underscored the conflict of interest between the company and the accounting firms as distinct from the public interest. This case also indicated that the extensive use of accounting methods allows managers and accountants to apply what is called "market-to-market" accounting, (Haldeman, 2006). Therefore, if Enron had had accountants who damaged the public interest, they and the company itself would have been guilty of unethical behavior. So the question is which accounting regimes can better protect the public interest? Figure 1, schematizes the issue.

Figure 1. Pluralistic business environments and the public interest



One of the important points to be addressed for developing accounting standards is whether to use rule- or principle-based methodology.

4.2. Rule-based versus Principle-based Methodology

The accounting role from a global perspective is ideally supposed to produce useful financial information to meet global users' needs. IFRS is the tool. However, the IFRS methodology in developing accounting standards is a controversial issue. There are currently two sets of

acceptable approaches to develop accounting standards discussed in accounting literature: rules-based and principles-based accounting. Which fits with IFRS to deal with pluralistic global users' needs, business diversities, different countries' economic-political systems? Basically, rule-based accounting operates by applying detailed instructions in measuring and reporting financial transactions. Carmona and Trombetta (2008) specified that IFRS is principle-based accounting (p.456). While IFRS is principle-based, U.S. GAAP in the form of the Financial Accounting Standards Board (FASB) is said to be rule-based. Mintz (2010) maintains:

U.S. GAAP is now spread out over 17,000 pages in the new FASB Codification whereas IFRS is covered in 2,500 pages. IASB Chairman Sir David Tweedie believes that principles-based reasoning makes it easier to defend professional judgment than principles-based standards if challenged in stockholder lawsuits. (P. 98).

One of the advantages of rule-based accounting is to increase accuracy and diminish ambiguity in applying aggregate reporting of financial information to support management decisions. But it increases the court cases against accountants when any incorrect interpretation or judgment in the application of those accounting standards arises, as Sir David Tweedie postulated. In turn, the rule-based approach may direct accountants to provide more quality financial information by providing guidance through the details of these accounting methods to protect the public interest as they really focus on the quality of the accounting information produced with highly ethical and independent audit reports. However, this approach is costly, complex and difficult to apply in some circumstances. Nonetheless, it is reasonable to assert that rule-based has a pluralistic nature.

In contrast, principle-based is a conceptually-based approach which provides guidance and explains the objectives of financial standards in reporting and measurement but does this by providing general guidance for a variety of different transactions. The guidance may allow managers and accountants to exercise their own professional judgment and cause tainted earning management techniques. Another main problem in this approach is to leave accountants with different interpretations in applying the same accounting principle when different professional judgments deal with the same problem particularly in complex circumstances. Inevitably, these approaches are the only ones that can develop accounting standard-setting and each one has its own advantages and disadvantages.

4.3. Accounting Regimes and Public Interests

We examined accounting regimes from two angles: rule-based (pluralistic nature) and principle-based (less pluralistic). We need to examine accounting measurements from liberalism to conservatism. Figure 2 visualizes the regimes in four zones.

Figure following on the next page

Figure 2. Accounting regimes and their general characteristics

Liberal Accounting Methods	
Principle-Based Methodology	<p>Zone IV</p> <ul style="list-style-type: none"> - Limited prescribed accounting methods - Accounting values based on updated values
	<p>Zone I</p> <ul style="list-style-type: none"> - Freedom to choose various accounting methods - Accounting values based on updated prices
Rule-Based Methodology	<p>Zone III</p> <ul style="list-style-type: none"> - Limited prescribed accounting methods - Accounting values based on conservative values
	<p>Zone II</p> <ul style="list-style-type: none"> - Freedom to choose various accounting methods - Accounting values based on conservative values
Conservative Accounting Methods	

4.3.1. Zone I

The accounting regime in this zone is characterized by the freedom to choose between different and detailed accounting methods along with those accounting values based on current values. The liberal viewpoint allows accountants to choose those methods that require their own professional judgment. Initially, liberalism and the accounting profession were commented upon by Lucia *et al.*, (2003). Liberalism as a political philosophy is based on the notions of liberty and equality, and it would therefore seem that rule-based would provide a sound framework from which to analyze a liberal view. According to Bellamy, (2004):

Liberalism ... [is] devoted to promoting a certain pattern of individual development, and ... this model is implausible in modern complex and plural societies [because the] very complexity of modern societies sustains the liberal account of human agency and flourishing Liberalism and pluralism go hand in hand, therefore liberal political and economic forms foster not only the social diversity [that] pluralism entails, but also the type of person capable of exploiting the opportunities this environment offers. (p.2).

For the accounting approach in current pluralistic organizational frameworks to be in harmony with liberalism it should support the public interest by adding value through allowing accounting methods and measurements to create accurate and reliable accounting information. However, rule-based creates pluralistic accounting alternatives. According to Galston, (2004):

Liberalism requires a robust though rebuttable presumption in favor of individuals and groups leading their lives as they see fit, within a broad range of legitimate variation, in accordance with their own understanding of what gives life meaning and value. I call this presumption the principle of expressive liberty. This principle implies a corresponding presumption (also rebuttable) against external interference with individual and group endeavors. (p. 3).

If it is plausible that accounting is a social phenomenon, can it then be viewed from different social belief such as religion? (McPhail *et al.*2005.) Could it be affiliated with a coherent political regime? If so, it is possible to postulate that the accounting regime should bring prosperity for the public by supporting prototypical methods for measuring transactions and financial reporting? These should not only allow the use of blended methods but also be fitted to different business entities. The profession in a pluralistic-liberal regime should support optimal but detailed accounting methods for measuring transactions and financial reporting that not only allows using diverse methods but it must also accommodate the various needs within different enterprises. Accounting information would then be more relevant in responding to the

types of business entities and their specific user needs. Accounting in a rule-based-liberalism regime harmonizes with those values that encourage a diversity of accounting methods and systems with the aim of reaching optimal measurements and reporting methods for society. As the need for a multiplicity in accounting methods is obvious, the question is whether the accounting measurements and reporting forms can help society achieve liberty and equality by protecting the public interest consistently. Therefore, liberty and equality alongside diversity, together shape accounting in a pluralist-liberal context and this would be a challenge to the profession as state involvement would be less emphatic than professional standards themselves. From this view, the profession endeavors to propose optimal rule-based diverse reporting and measurements in its standards that at the same time allow corporate reporting entities choose specific approaches, yet protect the public interest. However, the most serious challenge in this regime is the problem of diverse accounting methods because wittingly or unwittingly, it enables accountants and managers to damage the public interest when there is conflict of such interest by using those methods that even in their most benign outcomes will not support. Greater global diversity causes greater global complexity and it inevitably makes it excessively difficult for the profession to oversee members' adherence to ethical values.

4.3.2. *Zone II*

The accounting regime in this zone is characterized by freedom to choose between different and detailed accounting methods but this must be done in compliance with accounting values based on conservative methods. Conservatism in accounting has a propensity towards a pessimistic attitude with regard to valuing assets and casts the least favorable impact on a financial statement. On the other hand, liberal accounting measurements have a tendency towards showing financial elements to current values which in a number of situations appears more favorable. Conservative accounting and valuation is an influential and contemporary research subject, (see Hollister & Shoaf, 2010). Conservative accounting techniques require recognizing all possible losses and liabilities while recognizing revenues and gains are deferred until they can be authenticated with the highest degree of certainty. This generates a bias which Hollister & Shoaf, (2010), investigated in models promulgated by Ohlson (1995) and Feltham and Ohlson (1995). Accounting conservatism is often described as an equilibrium reaction used to moderate a decrease in value resulting from information asymmetry, uncertainty, or private information that occurs between investors and managers (LaFond and Watts, 2008). Applying conservative accounting methods is against some accounting irregularities such as overstatement of sales revenue from revenue recognition accounting standards viewpoint, and understatement of costs, expenses and losses. Kwok (2005) provide many cases of overstatement for revenue recognition such as a fictitious shipment of goods to dummy customers, phantom sales to legitimate customers, mixed sales inflated and intercompany transfers, premature recording of sales, premature recognition of motor insurance claims etc.¹ In case of understatement of expenses, costs and losses, Kowk (2005) illustrated cases for discount purchases and a web of related transactions, aggressive capitalization of expenses, many irregularities for capitalization of inventories, intangibles assets, duration of a management contract, misclassification of property developers, useful life of assets, and changes in provision of doubtful debts².

An accounting regime from a pluralistic-conservative perspective aims to prevent the use of those methods that cause overvaluation of revenue and assets by proposing a variety of different conservative accounting measurement methods. This claim may be questioned on a number of issues. Firstly, there is the assumption that all accounting values can be seen as idiosyncratic

¹ The author provides many cases of overstatement of sales revenue in the chapter 3 (p.43-62)

² All of the cases are in chapter 4 from pages 63 through 92.

predilections which undervalue the nature of diversities in the accounting methods. Secondly, the accounting methods will be on a conservative principle-based ground to have a moderate type of measurement of assets, revenues and gains but high recognition of liabilities, expenses and losses to adjust financial reporting information to the users.

Furthermore, ethical conflicts would be more moderate than under a liberal rule-based regime with the result that those threats would be reduced for accountants and managers. This implies fewer complications and there would be less conflict between objective accounting reporting, values and types of analysis. From this viewpoint, the public interest is better protected and thus the balance between professional authority and the public interest is achieved. This regime also removes the critique of the conservative principle of accounting by eliminating constraints to the presentations and measurements of relevant and reliable accounting data by allowing accountants to choose desirable methods.

4.3.3. Zone III

The accounting regime in this zone is characterized by limited accounting methods in compliance with accounting values based on conservative methods. Principle-based is a methodology that has often argued that the variety of detailed methods would be more meaningful if they were to be joined into acceptable principles. This issue is relevant to the current global trend of having only a single set of globally accepted accounting standards which is known as IFRS. Thus, the current developing IFRS is consistent with the principle-based approach to focus on reducing the variety of different methods, into a single substance common to all countries. Different accounting standards developed in many different countries are now to be unified into a single set of accounting standards which in reality encourages a coherent set of standards. Agreement in this form is to have unified accounting policies and methods applicable by all nations as today's business environment is moving toward globalization. The agreement results in having consistency, or at least producing fewer contradictory techniques, conveyed in accounting standards in which every country could use them for the purpose of efficiently calculating capital markets. Convergence towards a single national accounting standard by developing IFRS is a process which is consistent with protecting public interests.

A conceptual framework of accounting from a monistic-liberal perspective provides accountants with the liberty of choosing from restricted standards and techniques in the form of rule-based accounting. However, between choosing conventional or optimal accounting methods used to protect the public interest, accounting measurement and reporting techniques incline toward modest approaches, those required to produce financial reports in real values. But it has to be recognized that whilst developing a single set of globally accepted accounting policies and methods is consistent with the principle-based view, the process of developing them consistent with the development of accounting standard-setting that is universally acceptable. That is, those countries with many divergent approaches and differences in the realms of their social, economic and cultural environments, and with unique values and norms, will need to adjust, and be capable of deploying a single set of unified accounting policies. This will be required to develop their present accounting standards to overcome differences that they experience now. Accounting practice in such a regime needs to set this out as a straightforward, solid, and vital objective in order to ensure merit reporting. On the other hand, the idea of principle-based accounting at the macro-level places an emphasis on its role for taking care of the national economy - not just for a single type of user, company, profit or not-profit oriented organization, nor merely for specific industries. At that level, different organizations have to satisfy not just their own particular objectives but also to be positively in compliance with national economic goals. Profit-oriented organizations can be viewed as principle-based

organizations that have limited goals. The idea of protecting the public interest rooted in the subject of ethical issues related to accountants and managers in this view envisages fewer and less complicated ethical dilemmas and so it represents a not-unreasonable risk level. Selecting from those optimal accounting standards includes protecting the public interest because ethical issues remain at moderate levels.

If accounting techniques and methods were to be used to produce accounting information as an economic good to add value to the social beneficial and applicable for majority of user's groups, then the profession's social responsibility would be less in danger of gaining a bad reputation. But it could become well-known as a social institution for promoting social welfare. The profession develops those restricted conservative accounting techniques for the maximization of social well-being not just for measuring values according to accounting or finance principle customs itself. In other words, the social benefits of developing those accounting methods should be at the higher degree of importance than the social costs with an emphasis on the *aggregated social benefits*, than benefits for just *specific users*. Accounting standards are rule-based but the only rules applicable are the ones which serve conservative accounting procedures. This view of accounting is close to socialist accounting characterized by the state or governmental institutions' influential manner and is implemented to enhance the social responsibility of enterprises. In short, the accounting profession under this regime utilizes a single set of conservative accounting measurements and reporting methods are developed to conform to the rules and regulations endorsed by local, national or even a global framework. Ethical issues of accounting techniques under this regime are supposed to be less complicated than other regimes and managers cannot maneuver accounting methods to produce their desired results to protect their own self-interest at the expense of the public interest. In other word, those dismal earning management techniques should be minimized to very low levels. Thus, incidents of low critical ethical propensity are predictable but the public interest is potentially well protected in contrast to methods pertaining to the other domains. Still, the most difficult challenge in using this system is making decisions about the accounting procedures to deploy, which on the one hand must be able to cover today's complicated business transactions, as well as to minimize any potential ethical dilemmas in order to protect the public interest.

4.3.4. Zone IV

The accounting regime in this zone is characterized by limited accounting methods yet to be in compliance with accounting values based on current methods. To adhere to current accounting and reporting methods that emphasize updating and revising accounting approaches. It recognizes financial statements' elements especially under circumstances of high uncertainty to measure them under a lower degree of verification. Professional accounting bodies have limited powers to enforce diverse and complex rules and regulations but should choose those methods that are in agreement with optimal and cutting-edge methods. In this view, accounting measurements may apply selective but diverse methods yet they are selected from current and innovative techniques. Under this system, all possible gains and losses will be recognized and reported as soon as they are discovered to the users at the earliest time, and revenues and expenses are at the current recognizable amount. Financial reporting or presentations should use a unified or harmonized format to serve a comprehensive user-scheme as nearly all users have largely similar financial reporting requirements. Thus, accountants' recommendations in applying current accounting techniques should be gradually developed to achieve a systems model that will capture the majority of users. This is the second best accounting regime to protect the public interest if the accounting measurements are formulated to prevent the valuation of accounting elements (assets, liabilities, revenue and gain as well as expense and losses) to the ethical dangers of over- or under-stating.

5. DISCUSSION

Enron, WorldCom, and all other corporate failures and scandals that have occurred due to ethical and technical problems have harmed the accounting profession's reputation. They have caused the public to raise the question of the profession's ability to protect the public interest. The damage to the profession from one side has been job losses, pension funds have been wiped out, and economic and social impacts have caused controversy, (Campbell and Houghton, 2005). The accounting and auditing professions need to restore the public trust. To achieve this, we must decide which accounting regimes can protect the public interest and restore trust in the best way? Following the characteristics of the four accounting regimes, Table 1 summarizes the attributes of the four accounting regimes.

Table 1: The characteristics of different accounting regimes in the profession

	Pluralism- Liberalism I	Pluralism- Conservatism II	Monoism- Liberalism	Monism- Conservatism
Professional Bodies Authority	High	High-Moderate	Low-Moderate	Low
Accounting Standards	Principle-Based	Principle-Based	Ruled-Based	Ruled Based
Accounting Measurements Diversity	High	Moderate	Low	Very Restricted
Financial Reporting Presentations	Flexibility	Adjusted	Optimised	Uniformity
Ethical Values Threats	Highly Complexed; High Risk	Moderate Complexity; Moderate Risk	Moderate Complexity; Moderate Risk	Low Complexity; Low Risk
Public Interests Protection	Highly Complexed; High Risk	Moderate Complexity; Moderate Risk	Moderate Complexity; Moderate Risk	Low Complexity; Low Risk

This table highlights the different accounting characteristics under the four regimes. As the table demonstrates, there is a discernable relationship between the diversity of accounting methods, or rule-based accounting, and the threat to ethical values, and thus to the public interest. That is, since the globalization of business transactions will increase and the pull towards the IFRS is likely, then due to the complexity that will result, pluralism in accounting methods will face highly complicated ethical dilemmas and more likely initiate negative impact on the public interest. On the other hand, a principle-based conservative accounting regime will generate restricted accounting methods or techniques, and consequently be less diverse and complex. In turn, this accounting regime faces ethical problems at a lower risk and thus the public interest can be better protected due its disinclination for managers and accountants to dissemble by exploiting accounting methods to generate their own desirable financial information.

6. CONCLUSION

Globalization and pluralistic business environments seem to be cause and effect. The IFRS needs to respond to this trend. And so the IFRS should help to reduce risk-related issues in

pluralistic organizations. This paper theoretically examines the characteristics of a conceptual accounting environment in four different socio-political regimes by justifying the protection of the public interest by reducing ethical risk. This paper inspires IASC to consider the discussion for the forthcoming IFRSs. While the current trend towards business globalization prevails, and accounting standards-setting moves towards IFRS, the best method of accounting standard setting is to use principle-based in the form of conservative accounting measurement methods. Optimal IFRS will help managers and auditors momentarily to measure and report relevant and reliable financial statements because that information will be based on the accounting measurements of zone III. IFRS uses principle-based accounting that allows applying their determination of accounting standards and this may trigger different interpretations in those who are in charge of preparing financial reports. This issue may repeat the traditional problem of financial reporting comprising different interpretations. In other words, preparers of the financial reports will use different methods for the same transactions of financial events to further their own interests, but not necessarily the public interest. The case of the Enron corporate collapse reminds us of this endemic problem, although it was an extreme. This explains why ethics are subjective and fluid; each society has them embedded in its own traditions and culture, as well as its religious beliefs. Ethics are partly the product of a society's own narratives. The accounting regime in zone III uses rule-based accounting and relies on conservative approaches and has restrictions in selecting and applying accounting techniques and procedures that may otherwise have the potential to manipulate financial information. The techniques in this regime minimize wrong interpretations of accounting practices to produce more reliable and relevant accounting information for the decision makers. The information will certainly increase the public trust in the use of such information and in this way the protection of the public interest is better safeguarded. Furthermore, this conclusion is supported by Barth *et al.* (2012) whose study examined the extent to which the application of IFRS by non-US firms are comparable to those US firms where they use US GAAP. The finding was that US's firms' rule-based accounting generally had higher value methods than those of IFRS firm, which was principle-based. The accounting profession and its regulatory bodies have a responsibility to protect that public interest.

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POLITICAL INSTITUTIONS: SOME SOCIAL TRENDS IN TRANSFORMATIONS

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ABSTRACT

The subject of the research is some basic social trends of changes in the political institutions. The aim of the research is to analyse the processes which are taking place in the political field of Russia in the conditions of turbulence, rise of global instability and increase in new challenges, risks and threats. In terms of methodology, systemic, institutional, neo-institutional and comparative approaches were used. The research methods were as follows - the comparative analysis, structural and functional analysis, sociological analysis, observation, included observation, extrapolation. In the research, a certain strengthening of the competition between state and non-state actors of the domestic and world politics is considered. Elements of the radicalization of sentiment and politics are studied. Some phases of frustration with the effectiveness of functioning of some classical political institutions are singled out. The results of the research are in demand nowadays during the process of making political decisions in the social policy segment in the context of ensuring national security, transforming effective social policy into the main mechanism for legitimising power, shaping moral and ethical requirements for modern politics, creating and implementing programs and images of political actors. The strengthening of national egoism in politics as a leading component in the competition of states is also described. The research has also established the degree of erosion of the basic democratic values. Methods of counteracting the technologies of civil disobedience are proposed. It has been revealed that the formation and development of new growth points in Russia is impossible without strengthening the mechanisms for increasing the innovative economic and spiritual and moral potential, ensuring civil peace and harmony.

Keywords: *political institutions, social trends, national security, global instability, radicalization of politics, crisis of political elite, social policy, political program, image of political actors*

1. INTRODUCTION

The violations that took place in Russia during the preparation and organization of the election campaign in 2011 caused different kinds of political protests, which according to most political analysts and experts proved a crisis of the political institutions and electoral practices that were functioning at that time. After a number of large-scale protests all over the state, the political elite in power introduced several reforms to make the political institutions of the system meet the requirements of the time as well as the demands of the society to strengthen the democratic institutions and the procedures that would give Russian citizens some opportunities to present their interests and to stand up for them. To some extent these measures were conducive to the increase of the quality and competitiveness of the state power and they also promoted the

neutralization of new political hazards and risks. Nevertheless under the conditions of the essential reduction of objective opportunities and levers of influence (sanctions, information war, attempts made by some countries to increase the isolation of our country), the influence of Russia on the world processes and the international system is increasing, so is the country's actual participation in the solution of global problems. The effective transformation of the political institutions is being constructed and realized to gain some advantages over the other equal participants of the political, social and economic processes. The transformation also accelerated the solution of state problems according to macrostandards, that is, making efficient economic and political agreements, setting up mutually beneficial relations with the other actors on the international stage based on mutual confidence.

2. METHODS

The following categories of the political science are used in this article: political institutions, political field, risks, threats, politics. The applied scientific conceptions do not conflict with the system of principles, methods and techniques of epistemology, they underline the basics of practical understanding of political science. Moreover, the categories demonstrate the important laws of the development of modern research approaches (systemic, institutional, neo-institutional and comparative ones) and their peculiarities, they show the mechanism of practical influence and correlation of theoretical and applied aspects of political activity. The applied categories enhance the authors' arguments presented. The methods applied in the research are relevant. They are: comparative analysis, structural and functional analysis, sociological analysis, observation, included observation, extrapolation-to name a few. The applied methods helped achieve the goal set and to solve the block of problems stated. The theoretical basis of the research is a complex toolset of scientific conceptions connected with the awareness of the specific character of the material and non-material assets as political resources. Among them are the conception of political communication (K. Deutsch, J.M. Cotre), the theory of "gentle power" (J.S. Nye), the concepts of institutionalism and neo-institutionalism (J. March, J. Olsen), the concept of the state as a concentration of different capitals (P. Bourdieu).

3. RESULTS

It would not be correct to state that the functional crisis of most Russian political institutions has been overcome. The existing political institutions working under the conditions of strict sanctions and unprecedented information war against Russia, ensure more or less favourable economic and political stability. They, however, cannot always find adequate answers to new geopolitical and geoeconomic challenges in good time. According to the sociological opinion polls the Russian society is rather distrustful of the state, its power institutions and law-enforcement agencies. At the same time, the confidence in V.V. Putin personally is strong. The discrepancy between the high rating of the President, S. Shoygu, S. Lavrov and the low level of confidence in state and public institutions is on the whole a destabilizing factor, having negative effect on the organization of political actors' activity, on the functioning of the organs of government and control, and it also prevents developing favourable political state of affairs.

4. RUSSIAN REPUTATIONAL CAPITAL

The sanctional rhetoric of some states concerning Russia makes it necessary to use a range of political resources for successful solution of state problems and for achievement of certain goals in accordance with Russian interests. One of the resources may be the reputational capital of the state as a non-material asset bringing such benefits as political and economic loyalty, confidence between Russians and international partners, business investments, profitable deals and agreements, etc. N.N. Rosanova underlines that the increase in the inner-political confidence and the reputational capital of the power subjects are the important directions of the

development of the modern Russian state. (Rosanova, 23). At present, Russia's reputation is ensured not only by the official strategy of the Government, but primarily by its history. Today, the consulting company Reputation Institute has given Russia 39.8 scores. Nevertheless, the positive attitude towards Russia in the world has increased by 4.7 scores compared with the previous year. Only France received a little bit more +4.9 scores.

The greatest recoil has been experienced by Turkey (position 58), Saudi Arabia (position 67) and Belgium (position 16) (Iliasov, 2015, p.69). The modern reputational capital of Russia is based on the historical preconditions as well as the geographical, climatic, demographic features and other preconditional peculiarities of the country. The quality of the functioning of the political and government institutions plays an important role for the development of the reputational capital and the images of the political actors. (Table 1. State Institutions Activity. The question; Do you approve/disapprove of the activities of - the President, the Cabinet of Ministers, the State Duma, the Federation Council, 2017). For example the Russian Parliament possesses all the means to increase the efficiency of the organs of government, but it does not make use of them practically, as a result the parliamentary institution is marred by stagnation. There is no party system to manifest the interests of all the population groups, and there is a lack of cooperation between the Parliament and the Civic Chamber (Table 2. Social Institutions Activity. Do you approve/disapprove the activity of..Closed question. One answer) (Grishin, Morozova, 2015, pp.84-95). On the whole, a tendency towards the increase of the President's reputation and the reputation of the defence and law enforcement agencies is obvious.

Table following on the next page

Do you approve/disapprove the activity on the whole? (Closed question, one answer).	30.04.2017	07.05.2017	14.05.2017	21.05.2017	28.05.2017	04.06.2017	11.06.2017	18.06.2017	25.06.2017	02.07.2017
Approval										
President of Russia	81,6	82,1	82,6	81,3	80,8	81,1	82,1	84,6	82,1	81,4
Chairman of the Government of Russia	52,1	52,8	51,7	51,3	50,5	51,0	51,4	52,4	50,5	48,9
Russian Government *	56,0	55,8	58,3	56,3	57,4	55,9	56,9	57,4	56,1	55,1
Disapproval										
President of Russia	12,9	12,3	11,0	12,1	12,1	12,2	10,9	9,3	10,6	11,3
Chairman of the Government of Russia	35,3	34,3	33,1	33,7	34,2	33,7	33,4	31,3	32,8	34,2
Russian Government	31,7	32,0	29,6	31,1	30,7	30,4	30,1	29,5	31,4	32,0
Approval/Disapproval Index										
President of Russia	69	70	72	69	69	69	71	75	72	70
Chairman of the Government of Russia	17	19	19	18	16	17	18	21	18	15
Russian Government	24	24	29	25	27	25	27	28	25	23
Do you approve/disapprove the activity on the whole? (Closed question, one answer).	30.04.2017	07.05.2017	14.05.2017	21.05.2017	28.05.2017	04.06.2017	11.06.2017	18.06.2017	25.06.2017	02.07.2017
Approval										
The State Duma of Russia**	52,6				50,9				52,5	
Council of the Federation of Russia **	53,8				56,4				57,3	
Disapproval										
The State Duma of Russia	32,6				33,2				30,1	
Council of the Federation of Russia	18,7				19,3				17,6	
Approval/Disapproval Index										
The State Duma of Russia	20				18				22	
Council of the Federation of Russia	35				37				40	

Tsble 1. Weekly Dynamics of the Approval/Disapproval Assessment of the State Institutions Activities. This month, (Percentage)

Do you approve/disapprove the activity on the whole? (Closed question, one answer).	Май 2016	Июнь 2016	Июль 2016	Август 2016	Сентябрь 2016	Октябрь 2016	Ноябрь 2016	Декабрь 2016	Январь 2017	Февраль 2017
Approval										
Political Parties	45,0	41,5	42,3	42,8	45,1	45,1	46,2	46,9	48,1	50,7
Security Forces	52,7	55,8	53,1	54,4	54,6	50,6	53,8	55,6	58,8	61,1
Mass Media	62,6	61,9	63,4	61,0	62,4	60,5	62,5	65,4	66,1	64,3
Armed Forces	83,4	83,2	81,9	84,3	83,0	83,5	82,8	87,0	86,3	88,6
Trade Unions	35,7	37,6	37,0	38,5	37,5	38,5	37,8	41,1	40,0	43,5
Judicial System	37,0	39,0	38,2	40,8	40,0	38,3	38,2	43,8	43,7	44,8
Civic Chamber	38,5	38,0	39,4	39,1	38,3	39,2	39,9	43,0	43,2	47,8
Russian Orthodox Church	71,0	69,7	68,9	68,4	71,2	70,4	71,2	71,9	73,3	72,7
Opposition	30,9	30,7	30,3	30,4	36,4	31,6	34,4	34,9	34,3	35,4
Disapproval										
Political Parties	30,7	34,7	32,4	29,5	31,6	32,4	29,7	29,1	27,4	29,2
Security Forces	34,5	32,6	33,2	31,0	31,1	36,2	32,2	31,4	28,3	27,9
Mass Media	27,2	28,0	25,1	25,9	26,4	28,4	28,1	25,1	25,2	26,9
Armed Forces	9,3	9,5	9,8	8,0	9,1	8,7	8,8	6,3	7,0	7,5
Trade Unions	31,3	31,4	30,8	29,0	31,9	29,8	30,6	28,1	28,4	31,4
Judicial System	39,9	40,5	39,5	35,3	36,6	41,0	41,3	37,2	33,9	38,5
Civic Chamber	25,1	25,9	23,2	22,5	23,8	25,4	24,6	22,7	21,7	22,6
Russian Orthodox Church	15,6	16,3	18,8	16,5	17,4	17,2	15,1	15,0	14,9	15,5
Opposition	38,9	39,5	39,1	35,2	35,4	39,7	36,1	37,0	37,1	39,9
Approval/Disapproval Index										
Political Parties	14	7	10	13	14	13	17	18	21	21
Security Forces	18	23	20	23	24	14	22	24	31	33
Mass Media	35	34	38	35	36	32	34	40	41	37
Armed Forces	74	74	72	76	74	75	74	81	79	81
Trade Unions	4	6	6	10	6	9	7	13	12	12
Judicial System	-3	-2	-1	6	3	-3	-3	7	10	6
Civic Chamber	13	12	16	17	15	14	15	20	22	25
Russian Orthodox Church	55	53	50	52	54	53	56	57	58	57
Opposition	-8	-9	-9	-5	1	-8	-2	-2	-3	-4

Table 2 Monthly Dynamics of the Approval/Disapproval Assessment of the Social Institutions Activities, (Percentage)

Thus, the reputational capital of the states is a complex multilayer non-material asset, possessing some properties of a sophisticated integral phenomenon. The structure of the capital has a great number of elements, and as a rule it also includes already formed in mass consciousness of target groups, the impressions and knowledge about the characteristics of the reputation carrier, which create positive, loyal and confident attitude of the target groups towards the reputation carrier. To summarize, the capital is a non-material asset that brings such benefits as material, social, political and other investments.

5. DTCREASE IN THE POPULATION INTEREST TO THE ELECTION INSTITUTION

A certain decrease in the population interest to the election institution can be found in a number of countries, Russia included. This tendency has brought about a lot of negative phenomena, low turnout is a case in point. In its turn, this phenomenon causes delegitimization of the Government (Table 3) (Bondarenko, 2016, The Election to...2016; The Parliament Election...2016. The Final Election Results, 2016; Parliament Election in Montenegro, 2016; Parliament Election in September, 2015; President Election in Portugal, 2016; Overall Election Results in Croatia, 2015; Primaries. Central Electoral Bureau in Romania, 2016; President and Vice President Election Results, 2016, Election Results in Slovakia, 2016; Voting results, 2015; The results of the voting, 2016; The results of the voting in Estonia, 2015; The results of the presidential election, 2017; Information on the results of voting on October 11, 2015, 2015; Official results page of the 2016 elections, 2016).

№	STATE	ABSENTEES (Percentage) (2015)
1	Croatia (President election)	52, 88% first-round) 40, 94% (second-round)
2	Greece (Parliament election)	36, 13%
3	Estonia (President election)	35, 8%
5	Finland (Parliament election)	29, 9%
6	Great Britain (Parliament election)	33,9%
7	Byelorussia (President election)	12,8%
8	Spain(Parliament election)	30, 3%
№	STATE	ABSENTEES (Percentage) (2016)
1	Portugal (President election)	48,66%
2	Slovakia (Parliament election)	61,18%
3	Austria (President election)	44, 6%
4	Iceland (President election)	14, 3%
5	Croatia (Parliament election)	48, 41%
6	Lithuania (Parliament election)	49, 45%
7	Montenegro (Parliament election)	27, 36%
8	Iceland (Parliament election)	11, 91%
9	Byelorussia (Parliament election)	26, 68%
10	Russia (State Duma election)	52,12%
11	Bulgaria (President election)	44, 35%
12	USA (President election)	45,3%
13	Romania (Parliament election)	60, 52%
№	STATE	ABSENTEES (Percentage) (2017)
1	Liechtenstein (Parliament election)	22, 2%
2	France (President election)	22,23% (first-round) [second-round no data]

TABLE 3. Summary Results. The Number of Absentees to the President and Parliament Elections in European Countries within the Period of Three Years. (European countries were the priority)

Along with the institutionalized structures of the civil society, the Russian non-institutionalized organizations are gaining popularity and becoming more and more important. The latest social research estimates the absence of the increase of social protest these days as compared with the period of the electoral campaign in 2011-2012, although some isolated cases have taken place. (Avcinova, Voronina, 2014)

Nowadays, the quality of the political participation of Russian citizens is changing, and their civil responsibility, orderliness, or good organization, social motivation are growing. Recently, the number of motivated people willing to take part in the political life of the country has substantially increased, and the reasons are not ego-centered but society-centered: the people are striving to improve the situation in the areas where they live and in the country as a whole. Their motto is, "Let us forget the sense of grievance about our country and make it great!"

Observation, monitoring and public control of the elections are some of the means to develop the civil society. "The Movement of Observers" is the organization that appeared during the election campaign to the State Duma in December, 2011. It remained popular as a means of civil activity in 2013. The observers of the organization supervised the processes of candidate nomination, collection of signatures, electioneering and voting as it was. Special services were created on the Internet for people to put the information about possible voter fraud.

According to the research of the Centre of Political Technologies the percentage of those surveyed who think that a political protest against so called "dishonest" election is possible comprises 11%, while only 4% of the people surveyed are ready to act likewise.

6% of the participants of the survey want to protest against some definite actions of the Government, and 14% of them believe that their activity may be efficient. It is interesting that almost the same number of people (12% and 11%) agree to work as observers at an election and they are sure this work is legitimate and most efficient as a kind of civil political activity.

6. DISCUSSION

The civil society institutions are to a certain extent a counterbalance to the state as the latter is objectively trying to exceed its authority, which makes their cooperation potentially conflicting. However, this immanent contradiction between the two leading political actors is not supposed to get to the condition of confrontation, intransigence and antagonism. The negative consequences of the confrontation mentioned can be minimized by a permanent dialogue between the Government and the society, in the course of which the contradictions might be settled and compromises and consensual forms of cooperation might be drawn up.

Let us analyse several problematic issues. A dangerous tendency is emerging in the society to demand settlement of arising problems by force. In some administrative regions of the Russian Federation, one can observe some aggravation of nationalism, national egoism and erosion of the basic democratic values. Annual social research records the fact that Russian people still do not understand either the purpose or the functioning of non-commercial social organizations. Most of the people have never had an experience of personal participation in or cooperation with an organization of the kind. The Russian social organizations do not go into considerable effort to involve the population of the country in their work to help settle our domestic problems. As the members of the organizations only contact with activists, the rest of the people quickly form a negative impression and opinion about the groups. Finally, the cooperation of the Government and the civil society is taking place under the conditions of a low standard of the political democracy (representative and direct), a low level of the positive legitimate and political population activity and low involvement of citizens in the state affairs control. The more informed the people are about non-commercial organizations, the less confidence in them they have. The emergence of new institutions is the necessary condition for the efficient functioning of the political system. One of the institutions of the kind is the Institution of Plenipotentiaries of the President of the Russian Federation in the Federal

Districts. The people are appointed by the President and they represent him in the District. They ensure and supervise the realization of the President's constitutional powers all over the District or Region. Most of the plenipotentiaries are former officers of the security forces, many of them are connected with St. Petersburg. In spite of being part of the Administration of the President, this institution also needs reforming and more detailed defining of its functions. Speaking about the inadmissibility of civil disobedience acts and of radicalization of politics we want to underline the principle of the priority of law, realization of which is of paramount importance for the cooperation between the State and the civil society (Avcinova, 1995). Today, this field of the activity of the Russian state is one of its priorities. The improvement of the legislative basis of the functioning of the civil organizations, their cooperation with the Government, the development of the legal status of the non-commercial organizations on the mutually beneficial foundation based on the rule of law. Both the civil initiative in the law making process, social and civil expertise and the activities to improve the legal status of non-commercial organizations should be broadened and extended. In our society there is still no respect formed to the right of possessing private property. Partly, this is due to the Government inaction. In real life, the opinion of the representatives of the civil organizations are either not taken into account or they are not invited to work in different commissions developing draft laws.

7. CONCLUSION

Some basic principles of the cooperation between the political institutions and those of the society should be singled out. They ought to be taken as the foundation of the cooperation irrespective of home or foreign state of affairs, changing conditions or developing priorities etc. Besides, it is expedient to work out the strategic principles of the cooperation and eventually the realization principles, which may vary in a wide range and change with new circumstances and new social demands.

The Government should adequately react to the impulses coming from civil organizations and the people in good time. Unfortunately, the Russian Government is often a long time reacting to the demands and propositions of the civil society. As a result, the necessary reforms and innovations are taken in by the society not as considered, well-grounded decisions or long term development strategies, but just as concessions from the Government, their reaction to the dangers of a "relentless" revolt.

Nowadays, not only the Government institutions and authorities of different levels are becoming the objects of civil activity, but also the public politics and the civil society itself. The social component of the political activity is growing. Self-organized civil groups are being formed and they are becoming independent actors in the civil politics. There is also rapid dissemination of unofficial initiatives targeted at solving separate social problems to improve the quality of life of the Russian people.

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THE INFLUENCE OF PROFESSIONAL DEFORMITIES (BURNOUT) ON THE IMAGE OF A FEMALE LEADER

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ABSTRACT

The understanding of the phenomenon of "the image of a leader", in particular a woman leader, is deepened. The main components of the image of the female leader are defined: cognitive, behavioral, self-valued, self-presenting, managerial and emotional. A comparative analysis of professional deformations (burnout) of female managers and female employees, namely emotional, physical and psychoemotional exhaustion, depersonalization as a component of professional deformations (burnout) and personal distancing, reduction of personal achievements and reduced professional motivation is carried out. The influence and revealed the features of professional deformities (burnout) on the image of a female leader. Attention is focused on the need for psycho-prophylaxis and psychocorrection of emotional exhaustion and personal distancing, which directly affect the self-evaluation, managerial and emotional components of the image of the female leader.

Keywords: *depersonalization, female head, image, image components, personal distancing, professional motivation, professional deformities (burnout), psychoemotional exhaustion, reduction of personal achievements, emotional and / or physical exhaustion*

1. INTRODUCTION

Recently, the number of women leaders has increased in the world community (Petrova, 2016). The problem of forming the image of a woman leader (Petrova, 2017) and the influence of professional deformation (burnout) on the image is acute (Polyakova, 2014). "Image expresses the impression produced by its bearer. Being manifested as a phenomenon of individual, group or mass consciousness, the image is a complex image, including semiotic, cognitive and figurative components, and possesses a number of properties" (Petrova, 2003, p. 27). A special place is occupied by the image of a female leader – a multidimensional concept that includes external visual characteristics, communication skills, cultural level, leadership skills, professional knowledge and skills, etc. The content content of these image components will depend on the selectivity of the perception of the team members (Belyakova, Osipova, 2009). When building an image, it is necessary to take into account the content of consciousness (representing stereotypical characteristics) of both professional counterparts and society as a whole (for example, gender stereotypes) (Kiseleva, 2017). Estimation of the image (for example, positive) will depend on how successful the organization as a whole (the natural way of formation), or on how purposefully and actively the leader positions himself (the distinctive characteristics of his activity) is the artificial path (Matveeva, 2005). Also important is the component of the image, as subjective formations, in which it is possible to identify cognitive elements (verbal concepts, auditory and visual images, etc.), emotional elements (feelings, experiences, etc.) and the moral aspect (Romanova, 2015).

The main socio-psychological characteristics of a female leader are: high social maturity, diplomacy, concern for social reputation and self-esteem, internationality, communication skills, motivation to achieve success and the pursuit of risk, having clear life plans and goals, targeting people, focusing on interpersonal relationships in the organization, orientation on the social importance of labor, meaningfulness of life, practicality, developed organizational abilities, stress-resistance, satisfaction from work, etc. (Pogadaeva, 2016; Usova, Kyrmanova, 2015).

2. METHODS

2.1. Organization of the study

Considering the activity of the leader from the standpoint of stress psychology (Polyakova, 2008) makes it possible to assume that the intensity of the work, the inadequacy of the functional-role influence and the emotional tension of interpersonal communication are the psychological prerequisites for the emergence of professional deformations (burnout), (Polyakova, 2014). At the same time depersonalization, personal distancing, psychoemotional exhaustion, reduction of personal achievements, reduction of professional motivation, emotional and/or physical exhaustion are analyzed as components of professional deformations (burnout), negatively affecting the main components of the image of the leader, in particular the female leader, Cognitive, behavioral, self-appraising, self-presenting, managerial and emotional components (Polyakova, 2015).

All women's organizations were divided into two groups:

1) the first group consisted of 30 women-leaders who carry out intensive work, functionally-role influence and experience emotional overload of interpersonal communication;

2) the second group consisted of 30 female employees, who are subordinate and responsible only for the performance of their functional duties.

During the research, one of the mandatory conditions was taken into account – female leaders and female employees of both groups did not interact with each other. They did not have the opportunity to exchange views on the results of the study and discuss the production situations in which they were many times.

2.2. The device of diagnostics.

All diagnostic procedures were divided into two blocks:

2.2.1. A block of techniques for identifying the features of professional deformation (burnout):

1) "Maslach burnout inventory (MBI)", the authors – K. Maslach and S. Jackson (Maslach, Jackson, 1981); the author of the adapted version of the questionnaire is N. Vodopyanova (Ilyin, 2000); the author of the modification of the interpretation of the results – O. Polyakova: levels of emotional exhaustion: 0-11 points – low, 12-22 points – below average, 23-31 points – average, 32-42 points – above average, 43-54 points – high; levels of depersonalization: 0-6 points – low, 7-12 points – below average, 13-17 points – average, 18-23 points – above average, 24-30 points – high; the reduction levels of personal achievements: 0-10 points – low, 11-19 points – below average, 20-28 points – average, 29-37 points – above average, 38-48 points – high; levels of severity of professional deformation (burnout) in the total value: 0-27 points – low, 28-53 points – below average, 54-78 points – average, 79-104 points – above average, 105-132 points – high (Polyakova, 2008);

2) the modification of the "Maslach burnout inventory (MBI)", the authors – K. Maslach and S. Jackson (Maslach, Jackson, 1981); the authors of the questionnaire modification are teachers

of the Psychology of professional activities department of the st. petersburg state university (Practical workshop on psychology of professional activity, 2000); author of a modification of the interpretation of the results – O. Polyakova (see 1) (Polyakova, 2008);

3) questionnaire "Definition of mental burnout", author - B. Farber (Farber, 1983); the author of the adapted version is A. Rukavishnikov (Fetiskin, Kozlov, Manuylov, 2002); author of the modification of the interpretation of the results – O. Polyakova: levels of psychoemotional exhaustion: 0-9 points – low, 10-20 points – below average, 21-39 points – average, 40-49 points – above average, 50-75 points – high; levels of personal distance: 0-9 points – low, 10-16 points – below average, 17-31 points – average, 32-40 points – above average, 41-72 points – high; levels of professional motivation: 0-7 points – low, 8-12 points – below average, 13-24 points – average, 25-31 points – above average, 32-69 points – high; levels of severity of professional deformations (mental burnout) by the total value: 0-31 points – low, 32-51 points – below average, 52-92 points – average, 93-112 points – above average, 113-216 points – high (Polyakova, 2008).

2.2.2. A block of techniques for identifying the characteristics of cognitive, behavioral, self-appraising, self-presenting, managerial and emotional components of the image:

1) questionnaire "Level of information culture", author – E. Rogov (Rogov, 1999); the author of the modification of the interpretation of the results – O. Polyakova: levels of information culture: 0-20 points – low, 21-40 points – below average, 41-60 points – average, 61-80 points – above average, 81-100 points – high (Polyakova, 2008);

2) questionnaire "Diagnostics of strategies of behavioral activity in stressful conditions", authors: N. Fetiskin, V. Kozlov, G. Manuilov (Fetiskin, Kozlov, Manuilov, 2002);

3) questionnaire "Learning self-esteem of personality", author – T. Ratanova (Fetiskin, Kozlov, Manuilov, 2002); author of modification of data processing and interpretation of results – O. Polyakova: conversion: very often – 0 points, often – 1 point, sometimes – 2 points, rarely – 3 points, never – 4 points; levels of self-esteem: 0-25 points – low, 26-51 points – below average, 52-77 points – average, 78-103 points – above average, 104-128 points – high (Polyakova, 2008);

4) questionnaire "Strategies for self-presentation", authors: E. Jones and T. Pittman (Ermakov, Labunskaya, 2007); author modification of the interpretation of the results – O. Polyakova: the levels of expression of self-presentation components: 0-2 points – low, 3-6 points – below average, 7-9 points – average, 10-13 points – above average, 14-16 points – high; levels of self-presentation as a whole: 0-22 points – low, 23-44 points – below average, 45-67 points – average, 68-89 points – above average, 90-112 points – high (Polyakova, 2008);

5) questionnaire "Express diagnostics of barriers in management activities", authors: N. Fetiskin, V. Kozlov, G. Manuilov (Fetiskin, Kozlov, Manuilov, 2002); the author of the modification of the interpretation of the results – O. Polyakova: levels of severity of individual barriers in managerial activity: 3-5 points – low, 6-7 points – below average, 8-10 points – average, 11-12 points – above average, 13-15 points – high; the severity of barriers in management activities (by the total score): 12-20 points – low, 21-28 points – below average, 29-40 points – average, 41-48 points – above average, 49-60 points – high (Polyakova, 2008);
6) Boston stress test (Lifestyle analysis) questionnaire, authors – researchers at the University of Boston Medical Center (Lifestyle analysis (Boston stress test): questionnaire, 2017); author of modification of data processing and interpretation of results – O. Polyakova: conversion:

always – 5 points, often – 4 points, sometimes – 3 points, almost always – 2 points, never – 1 point, then subtract 20 points from the amount; levels of stress resistance: 0-16 points – low, 17-32 points – below average, 33-48 points – average, 49-64 points – above average, 65-80 points – high (Polyakova, 2008).

3. RESULTS.

The data processing was aimed at determining the presence or absence of a linear connection between two indicators of the method blocks using the Pearson correlation criterion.

3.1. The results of the diagnosis of the features and relationship of professional deformities and components of the image of women executives

Table 1: The results of the diagnosis of the relationship between professional deformities and components of the image of women leaders

Methods of diagnostics of components of image / professional deformations				MBI / mod MBI								DMB							
				EE		D		RPA		PD		PE		PD		RPM		PD	
				AM	L	AM	L	AM	L	AM	L	AM	L	AM	L	AM	L	AM	L
				43,6	H	22,4	AA	29,1	AA	95,1	AA	38,2	A	33,7	AA	35,6	H	107,5	AA
LIC		AM	40,9	0,36	0,15	0,23	0,25	0,30+	0,83**	0,17	0,43								
		L	A																
DSBASC		AM	166,2	0,75**	0,59*	0,46	0,60*	0,72**	0,31	0,58*	0,54								
		A type “A”																	
ISP		AM	105,4	0,42	0,49	0,69**	0,54	0,34	0,36	0,41	0,37								
		L	H																
SS	DP	AM	5,3	0,20	0,31	0,25	0,25	0,19	0,27	0,22	0,23								
		L	BA																
	SP	AM	12,1	0,50*	0,48	0,75**	0,58*	0,45	0,52	0,34	0,44								
		L	AA																
	E	AM	7,3	0,16	0,23	0,18	0,19	0,15	0,20	0,18	0,18								
		L	A																
	I	AM	12,4	0,56*	0,67**	0,59*	0,61*	0,44	0,37	0,36	0,39								
		L	AA																
	DWE	AM	8,5	0,12	0,20	0,14	0,15	0,08	0,16	0,13	0,12								
		L	A																
	TIP	AM	3,8	0,14	0,21	0,17	0,17	0,10	0,18	0,14	0,14								
		L	BA																
	VB	AM	7,2	0,23	0,19	0,20	0,21	0,20	0,17	0,13	0,17								
		L	A																
	SS	AM	56,6	0,27	0,33	0,33	0,31	0,23	0,28	0,21	0,24								
		L	A																
EDBM	CWE	AM	9,4	0,62*	0,87**	0,55*	0,68*	0,58*	0,60*	0,53	0,57*								
		L	A																
	OPPTD	AM	13,1	0,81**	0,64*	0,61*	0,69*	0,78**	0,52	0,72**	0,67*								
		L	H																
	USO	AM	8,6	0,24	0,19	0,28	0,24	0,26	0,18	0,25	0,23								
		L	A																
	BRWM	AM	7,8	0,20	0,16	0,19	0,18	0,21	0,24	0,15	0,20								
		L	A																
	BM	AM	38,9	0,48	0,47	0,70*	0,45	0,46	0,39	0,41	0,42								
		L	A																
BSAST		AM	35,9	0,34	0,25	0,19	0,26	0,30	0,26	0,23	0,26								
		L	A																

Note: MBI – Maslach burnout inventory, mod MBI – the modification of the Maslach burnout inventory, EE – emotional exhaustion, D – depersonalization, RPA – reduction of personal achievements, PD – professional deformations, DMB – Definition of mental burnout, PE –

*psychoemotional exhaustion, PD – personal distancing, RPM – reduction of professional motivation, LIC – Level of information culture, DSBASC – Diagnostics of strategies of behavioral activity in stressful conditions, ISP – Learning self-esteem of personality, SS – self-reported strategies, DP – desire to please, SP – self-promotion, E – exemplary, I – intimidation, DWE – demonstration of weakness or entreaty, TIP – tracking of the impression produced, VB – variability of behavior, EDBM – express diagnostics of barriers in management, CWE – conflict working environment, OPPTD – overload in the process of performing their duties, USO – the uncertainty of the situation in the organization, BRWM – barriers to relationships with management, BM – barriers in management, BSAST – bosto the SA stress test, AM – arithmetic mean, L – level: Lo – low, BA – below average, A – average, AA – above average, H – high; * – noticeable connection, ** – high communication.*

The results of diagnostics of the features and relationship of professional deformities and components of the image of female managers showed:

1) high level of emotional exhaustion; level above average depersonalization, personal retardation, professional deformations in general, reduction of personal achievements, reduction of professional motivation; the average level of psychoemotional exhaustion;

2) type a strategies of behavioral activity under stressful conditions; a high level of overload in the performance of their duties and self-esteem; level above average intimidation and self-promotion; the average level of barriers in management and management relations, the variability of behavior, the demonstration of weakness or entreaty, the information culture, the conflict of the working environment, the uncertainty of the situation in the organization, the example, the strategy of self-presentation and stress-resistance; level below average tracking of the impression produced and the desire to please;

3) high tightness (strength) of the correlation of depersonalization, intimidation and conflict of the working environment; personal distance and information culture; reduction of personal achievements, self-esteem and self-promotion; reduction of professional motivation and overload in the process of fulfilling their duties; emotional and psychoemotional exhaustion, type “A” strategy of behavioral activity under stressful conditions and overload in the process of fulfilling their duties.

Table following on the next page

3.2. The results of diagnostics of the features and relationship of professional deformities and components of the image of female employees who are subordinate

Table 2: The results of the diagnosis of the connection of professional deformities and components of the image of female employees who are subordinate

Methods of diagnostics of components of image / professional deformations			MBI / mod MBI								DMB							
			EE		D		RPA		PD		PE		PD		RPM		PD	
			AM	L	AM	L	AM	L	AM	L	AM	L	AM	L	AM	L	AM	L
			37,4	AA	16,2	A	28,9	AA	82,5	AA	37,5	A	38,3	AA	31,1	AA	106,9	AA
LIC		AM	40,6	0,36	0,28	0,32	0,32	0,31	0,34	0,40	0,35							
		L	A															
DSBASC		AM	202,2	0,75**	0,52*	0,48*	0,58*	0,80**	0,41*	0,55*	0,59*							
		A type	“A1”															
ISP		AM	76,7	0,64*	0,51*	0,81**	0,65*	0,56*	0,55*	0,49	0,53*							
		L	A															
SS	DP	AM	5,8	0,29	0,48	0,26	0,34	0,22	0,35	0,39	0,32							
		L	BA															
	SP	AM	8,9	0,15	0,19	0,26	0,20	0,16	0,22	0,30	0,23							
		L	A															
	E	AM	7,0	0,28	0,25	0,29	0,27	0,24	0,26	0,19	0,23							
		L	A															
	I	AM	8,3	0,28	0,49	0,26	0,34	0,42	0,21	0,29	0,31							
		L	A															
	DWE	AM	11,6	0,37	0,39	0,84**	0,53*	0,31	0,24	0,79**	0,47							
		L	AA															
	TIP	AM	3,2	0,19	0,15	0,20	0,18	0,23	0,18	0,16	0,19							
		L	BA															
	VB	AM	6,4	0,29	0,25	0,18	0,24	0,23	0,20	0,17	0,20							
		L	BA															
	SS	AM	51,2	0,26	0,31	0,33	0,30	0,26	0,24	0,33	0,29							
		L	A															
EDBM	CWE	AM	7,8	0,52*	0,72**	0,55*	0,60*	0,50*	0,76**	0,51*	0,59*							
		L	A															
	OPPTD	AM	12,4	0,82**	0,48	0,46	0,59*	0,76**	0,41	0,49	0,55*							
		L	AA															
	USO	AM	9,9	0,37	0,40	0,79**	0,52*	0,32	0,28	0,49	0,36							
		L	A															
	BRWM	AM	9,1	0,27	0,32	0,35	0,31	0,39	0,41	0,46	0,42							
		L	A															
	BM	AM	39,2	0,50	0,48	0,54*	0,51*	0,50	0,47	0,49	0,48							
		L	A															
BSAST		AM	33,2	0,47	0,51	0,29	0,42	0,84**	0,54*	0,30	0,56*							
		L	A															

Note: see above.

The results of diagnostics of the features and relationship of professional deformities and components of the image of female employees in subordination showed:

1) the level above the average personal distance, professional deformations in general, the reduction of personal achievements, the reduction of professional motivation and emotional exhaustion; average level of depersonalization and psychoemotional exhaustion;

2) type A1 strategies of behavioral activity under stressful conditions; a level above the average demonstration of weakness or supplication and overload in the performance of their duties; the average level of barriers in managerial activities and relations with management, intimidation,

information culture, the conflictual nature of the work environment, the uncertainty of the situation in the organization, example, self-esteem, self-presentation, self-promotion and stress-resistance; level below the average variability of behavior, tracking the impression produced and the desire to please;

3) high tightness (strength) of the correlation connection of depersonalization and conflictuality of the working environment; personal distancing and conflictual working environment; reduction of personal achievements, self-esteem, demonstration of weakness or entreaty and uncertainty of the situation in the organization; reduction of professional motivation and demonstration of weakness or entreaty; emotional and psychoemotional exhaustion, such as the A1 strategy of behavioral activity under stressful conditions and overload in the process of fulfilling their duties.

4. DISCUSSION

The main features and links of professional deformities and components of the image of women leaders are: type “A” strategies of behavioral activity under stressful conditions; a high level of overload in the performance of their duties, self-esteem and emotional exhaustion; level above average depersonalization, intimidation and self-promotion; an average level of variability in behavior and demonstration of weakness or entreaty; high tightness (strength) of the correlation of depersonalization and intimidation; personal distance and information culture; reduction of personal achievements and self-promotion; reduction of professional motivation and overload in the process of fulfilling their duties; emotional and psychoemotional exhaustion and type “A” strategies of behavioral activity under stressful conditions. Important features and links of professional deformities and components of the image of female employees in subordination are: type “A1” strategies of behavioral activity under stressful conditions; level above the average demonstration of weakness or supplication, overload in the process of performing their duties and emotional exhaustion; the average level of depersonalization, intimidation, self-esteem and self-promotion; level below the average variability of behavior; high closeness (strength) of the correlation of personal distance and conflict of working conditions; reduction of personal achievements and demonstration of weakness or entreaty and uncertainty of the situation in the organization; reduction of professional motivation and demonstration of weakness or entreaty; emotional and psychoemotional exhaustion and type “A1” strategies of behavioral activity under stressful conditions.

5. CONCLUSION

In the course of the study, the negative impact of depersonalization, personal withdrawal, reduction of personal achievements, emotional and psycho-emotional exhaustion as components of professional deformations (burn-out) on the image of the female leader (abuse of the self-promotion strategy through functional role influence, use of the intimidation strategy of subordinates, overload in the process Fulfillment of their duties, reduction of the level of information culture) (Polyakova, 2014). As psychological recommendations, female leaders need to be advised to: study the laws of orthobiosis, i.e. a healthy lifestyle, impossible without mastering the methods of stress relieving and relaxation, rational nutrition, systematic exercise); Pay attention to the level of preparedness for the conduct of the activities of the head; Master effective behavioral techniques (improve the culture of behavior, the ability to leave a good impression of yourself, learn tactics of action in conflict situations); To work out all stages of creation of appearance (selection of gestures, make-up, facial expressions, clothes, gait, hairstyle) and psychotechnics of communication (improve in the art of public speaking, negotiation, etc.); Improve their professionalism (self-education, self-education, self-actualization).

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APPLICATION OF FUZZY LINEAR REGRESSION FOR MODELING THE MIGRATION PROCESS IN RUSSIA

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ABSTRACT

There is considered the opportunity of approach to the time series research based on the fuzzy numbers at the article. Mathematical models of migration process using the fuzzy linear regression are built. Fuzzy linear regression is considered as an alternative to the standard statistical linear regression in the case of short time series and the unknown distribution law. There are computed the coefficients of the fuzzy linear regression for time series of the migration indicators in modern Russia using the constructed algorithm based on the simplex method. Developed computer program on the MatLab language used. Fuzzy linear regression method wasn't used in sociological research yet.

Keywords: *time series, fuzzy number, fuzzy time series, migration process, migration indicators, fuzzy linear regression, sociological forecasting*

1. INTRODUCTION

Migration processes actively influence all aspects of the modern society life. Various methods of constructing mathematical models are used for their forecasting. The vast majority of them use probabilistic methods. Many researchers use ARIMA (p, d, q) models, widely known in econometrics, where p is the number of autoregressive terms, d is the number of non-seasonal differences needed for a series to be stationary and q is the number of lagged forecast errors in the prediction equation (Keilman N. 2001, Wilson T., Rees P. 2005, Bijak 2012). Another group of researchers (Lutz W., Sanderson W.C., Scherbov S. 2004, Billari F., Graziani R, Melilli E. 2012, Billari F., Graziani R, Melilli E. 2014) use probabilistic prediction methods based on an expert survey. The third group of researchers (Bijak J. 2010, Bijak J., Wiśniowski A. 2010, Bryant J., Graham P. 2013, Azose J., Raftery A. 2013, Abel G., Bijak J., Findlay A., McCollum D., Wiśniowski A. 2013, Wiśniowski A., Smith P.W.F., Bijak J., Raymer J., Forster J.J. 2015) uses the Bayesian approximation method. The authors of this work build a mathematical model of migration processes in Russia and suggest using the fuzzy linear regression method, which is not widely used in the modern humanitarian researches. There are no strict restrictions on the normal distribution of the residuals of the time series and its length when the fuzzy linear regression method is used. Although the application of fuzzy sets and fuzzy numbers has become in demand in the natural sciences and technical studies in the last about thirty years (Tanaka H., Uejima S., Asai K. 1982, Bardossy A., Bogardi I., Duckstein L. 1990, Wang H.F., Tsaur R.C. 2000, Chang Y.-H., Ayyub B. 2001, Ponomarev I., Slavskii V. 2009), the technique of fuzzy sets and fuzzy numbers in the socio-humanitarian fields of knowledge has not been used until recently. The authors have already used the method of fuzzy linear regression in the study of socio-demographic problems (Goncharova N., Varaksina N., Varaksin S. 2016, Goncharova N., Varaksina N., Varaksin S. 2017, Varaksin S., Varaksina N. 2017a, Varaksin S., Varaksina N. 2017b). The aim of the paper is to prove the method of fuzzy linear regression is quite applicable for constructing mathematical models of migration processes.

2. METHODS OF RESEACH

The article of L.Zade (1965) is the first and fundamental work in the fuzzy sets theory. The difference between the fuzzy set and the usual one is that the characteristic function of the membership to the fuzzy set $\mu(x)$ can take arbitrary values from 0 to 1, corresponding to the degree of reliability of the element's belonging to this set. A fuzzy number is a fuzzy set with a convex unimodal (that is, having one maximum) membership function, the value at the maximum point of which is 1. Some of the most used fuzzy numbers are triangular numbers (a, b, c) , non-zero parts of the graph of whose membership function are formed by two inclined line segments. Finding the values of the membership functions of fuzzy sets on the basis of ordinary, clear data is called phasification, and finding the usual, clear meaning for a fuzzy set is called dephasification. A fuzzy time series is a set of fuzzy numbers corresponding to certain time points. The first to develop models of fuzzy linear regression was the work of Tanaka H., Uejima S., Asai K. (1982), the basic model of fuzzy linear regression in which has the form $x = kt + b$, where k and b are some triangular numbers. There are used the particular case of the Tanaka model of a uniform fuzzy regression in this paper, in which k is a clear number, and b is a triangular fuzzy number of the form $(b-\Delta, b, b+\Delta)$. The initial time series $\{x(t)\}$ is an ordinary numerical series, and its values are considered as dephasifications of the corresponding fuzzy numbers A_i . According to the paper of Ponomarev I.V., Slavsky V.V. (2009), the parameters of such a fuzzy linear regression are found from the condition of maximum likelihood as parameters of the narrowest strip between two parallel lines containing all points of the time series $\{x(t)\}$. This problem can be reduced to the problem of linear programming,

$$2\Delta = u - v \rightarrow \min, u \geq kt_i - x_i, v \leq kt_i - x_i, i = 1, \dots, n, b = (u + v)/2, \quad (1)$$

which can be solved by the standard simplex method. The authors of this article attempt to analyze dynamics and construct linear mathematical models of migration processes in Russia with the method of fuzzy linear regression. All calculations are executed in the MatLab system, which is used to determine the parameters of linear regression in the study of the dynamics of migration processes in Russia in 1990-2016. A computer program defines a strip of the smallest width, bounded by two parallel lines and containing all the initial values. The borders of this strip are shown in blue. The red line, passing in the middle of the strip, represents the constructed mathematical model of the linear regression of the researched process. The initial data are connected by a dark blue broken line. For comparison, the line of standard statistical linear regression by the method of least squares is built. It is shown in green. The initial data are taken from the website of the Federal State Statistics Service (2017).

3. MAIN RESULTS

The following table of the dynamics of migration processes in 1990-2016 in Russia was used according to the website of the Federal State Statistics Service (2017) in the research process:

Table following on the next page

Year	Migration to Russia from foreign countries	Migration to foreign countries from Russia	Migration within the country
1990	913223	729467	4263109
1991	692238	675497	3690782
1992	926020	673143	3266778
1993	923280	483028	2902835
1994	1191355	345623	3016953
1995	866857	347338	3130282
1996	647026	291642	2886864
1997	597651	232987	2724942
1998	513551	213377	2581957
1999	379726	214963	2477005
2000	359330	145720	2302999
2001	193450	121166	2140584
2002	184612	106685	2017302
2003	129144	94018	2039024
2004	119157	79795	1998277
2005	177230	69798	1911409
2006	186380	54061	1935691
2007	286956	47013	1997980
2008	281614	39508	1934331
2009	279907	32458	1707691
2010	191656	33578	1910648
2011	356535	36774	3058520
2012	417681	122751	3778462
2013	482241	186382	4014620
2014	590824	310496	4072603
2015	598617	353233	4135906
2016	575158	313210	4131253

Table 12. Data on migration in Russia for 1990-2016. Federal State Statistics Service (2017)

A fuzzy linear regression model was constructed for the dynamics of the number of visitors to Russia using these data. Fuzzy linear regression coefficients were obtained after applying the algorithm described above:

$$k = -28000, b = 56700000, \Delta = 405000,$$

which indicates a general trend of the decrease in the number of officially arrived migrants. Next, a graph of the regression line was plotted together with the initial data of the number of migrants:

Figure following on the next page

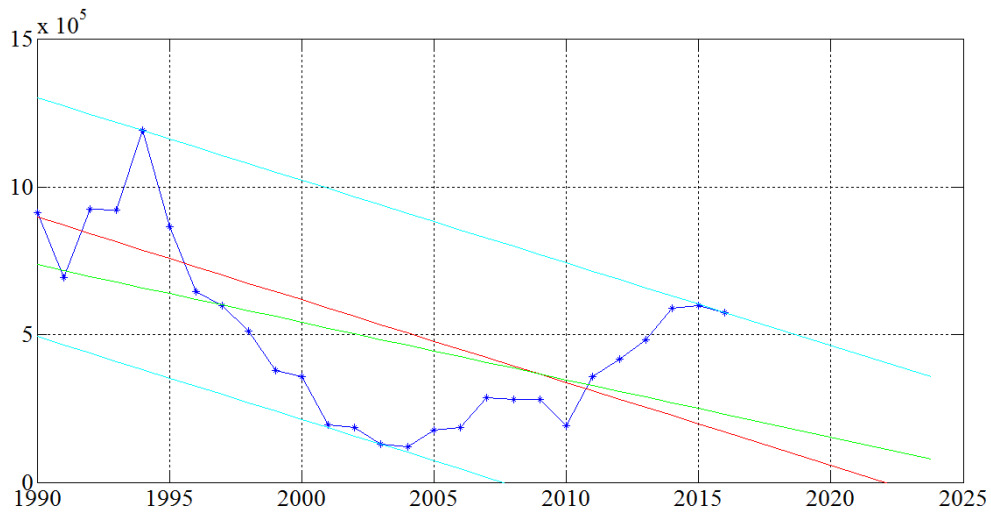


Figure 19. Migration to Russia from foreign countries 1990-2016

The overall trend of the decreasing of visitors number for the whole period under review is clearly visible. It should be noted three facts: At the beginning of the 1990s, most (about 65%) of the visitors were ethnic Russians who left the republics of the former Soviet Union primarily under the pressure of the local population, and the vast majority of the current migrants are the indigenous population of Central Asia who came for economic reasons. Partly the change in the migrants number is due to the weakening of Russian migration legislation. Two time intervals are clearly visible: 1990-2004 – decrease in the number of migrants, and 2004-2015 – increase in the number. Let's construct regression models for these stages separately:

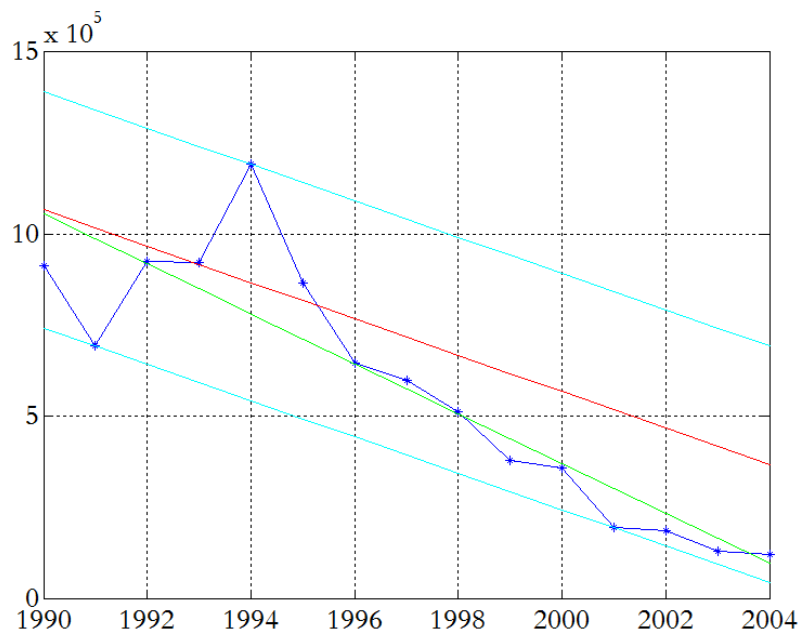


Figure 20. Migration to Russia from foreign countries 1990-2004

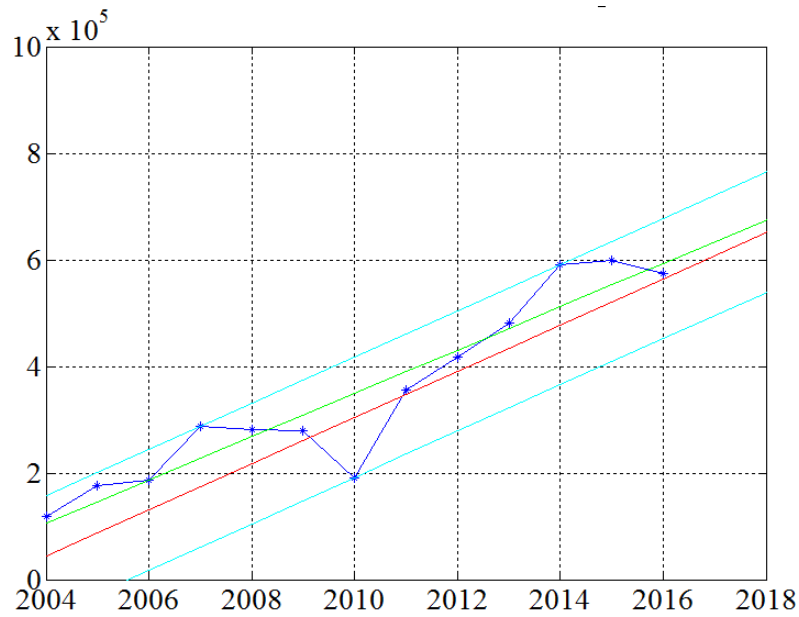


Figure 21. Migration to Russia from foreign countries 2004-2016

We obtain the regression parameters $k = -49900$, $b = 101000000$, $\Delta = 320000$ and $k = -43400$, $b = -87000000$, $\Delta = 110000$ respectively.

Let us now construct a linear regression model of the dynamics of emigration from Russia in 1990-2016. Federal State Statistics Service data show the following picture:

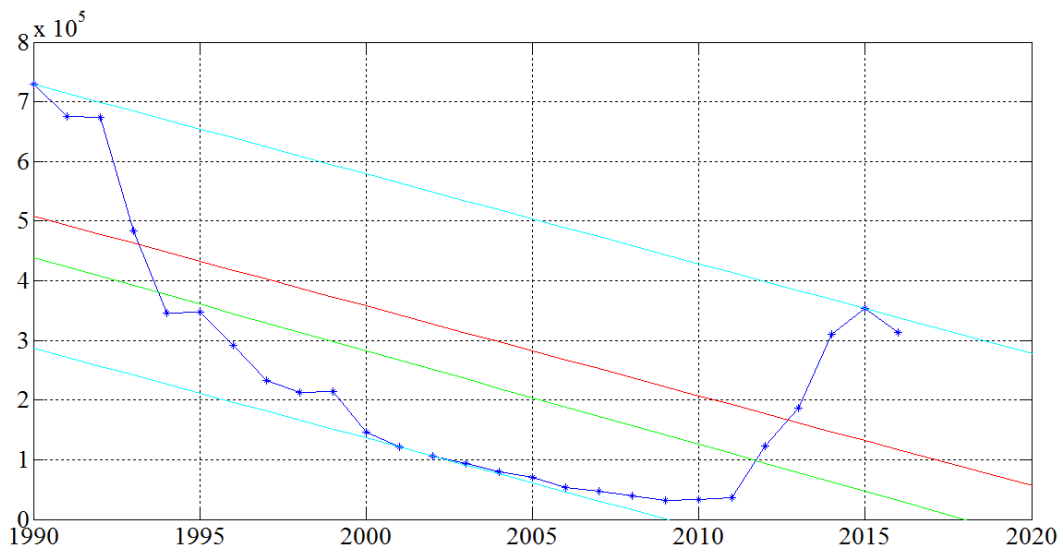


Figure 22. Migration to foreign countries from Russia 1990-2016

There is a general tendency to reduce the number of emigrants during the period under review. The parameters of the constructed linear regression model $k = -49900$, $b = 100000000$, $\Delta = 324000$ confirm this statement. Let us single out three time intervals 1990-2000, 2000-2010 and 2010-2016 :

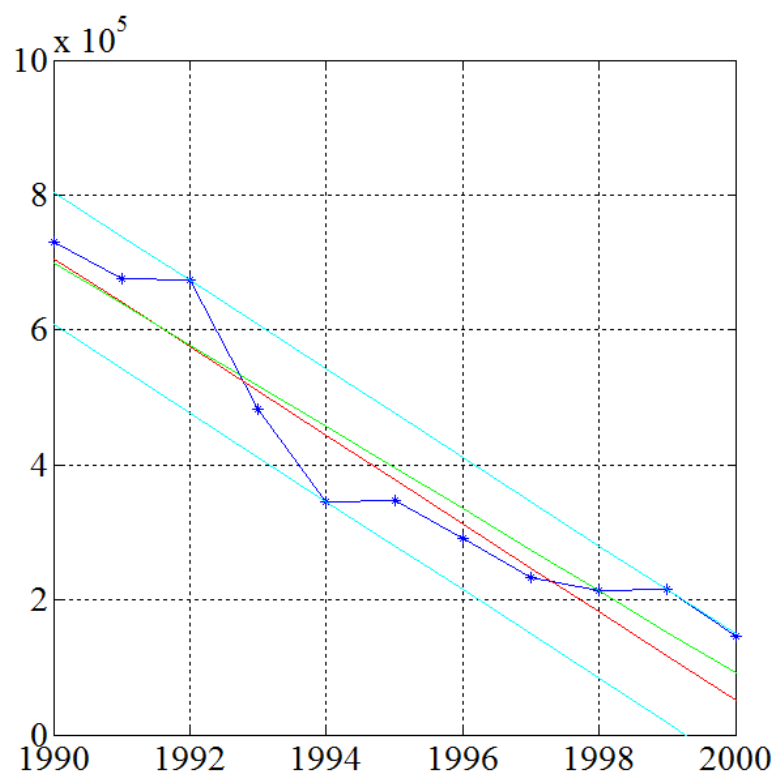


Figure 23. Migration to foreign countries from Russia 1990-2000

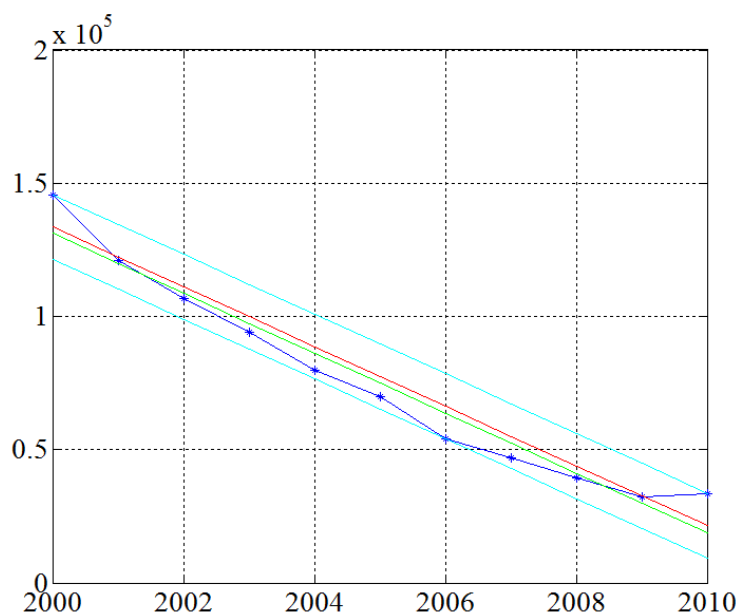


Figure 24. Migration to foreign countries from Russia 2000-2010

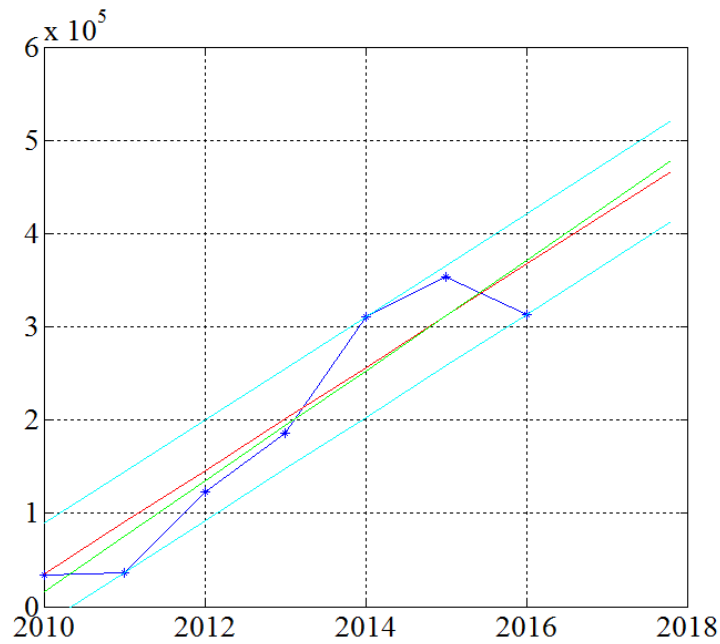


Figure 25. Migration to foreign countries from Russia 2010-2016

Parameters of linear regression models for these periods $k = -65000$, $b = 130000000$, $\Delta = 98000$, $k = -11000$, $b = 230000000$, $\Delta = 12000$ and $k = 55000$, $b = -111100000$, $\Delta = 50000$ respectively.

The dynamics of the number of both coming and going has similar periods of decline and recovery. This suggests the similar causes of these processes. The construction of a linear regression model of the number of departures depending on the number of visitors partially confirms this assumption. Data are taken from 1996-2016, because the study shows that emigrants and immigrants of the early 90-es had different motives. The values of these data, plotted on the same plane, are closely located near one line:

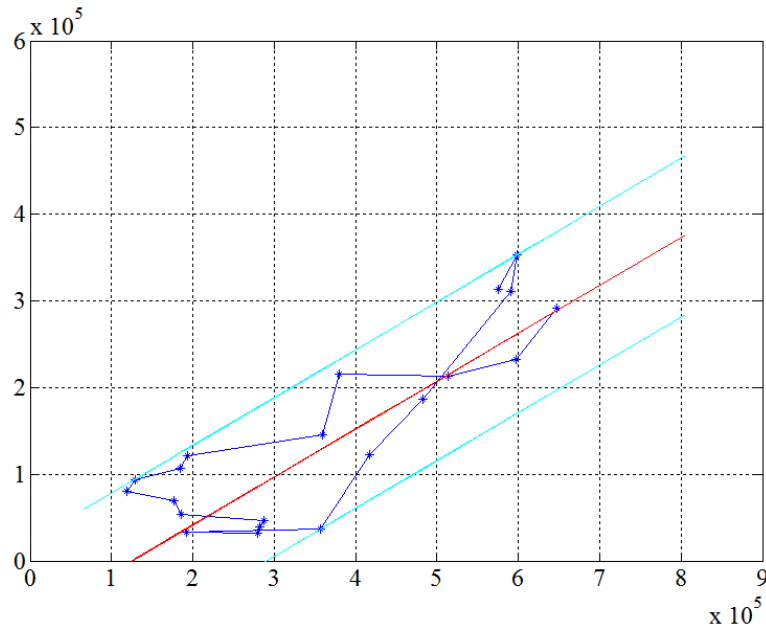


Figure 26. Regression of visitors on departures 1996-2016

4. CONSLUSION

Similar studies show the applicability of the fuzzy linear regression method for the modeling of migration processes. The combination of mathematical modeling and sociological analysis

will allow developing more accurate and multidimensional forecast models of population demographic behavior. While the models of demographic processes constructed on the basis of the theory of fuzzy time series are informative for sociological analysis and forecasting, therefore, the use of this tool has a high predictive potential and perspective of practical application.

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THE LEGACY OF RICARDO AND OTHER DISTINGUISHED SCHOLARS IN THE LIGHT OF GLOBALIZATION

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ABSTRACT

The term globalization designates the rapidly advancing international economic integration through substantial growth in trade of goods and services as well as surging cross-border factor mobility from the early 1990s onwards. This acceleration in the liberalization of world trade and capital movements is largely attributable to technological progress which significantly curtailed the expenses for transport as well as communication. In conjunction with the progressing opening of major newly industrializing economies endowed with abundant and cheap labor forces, it has reinforced a geographical fragmentation of production processes according to cost considerations. This phenomenon termed as “vertical specialization”, “outsourcing” or also “slicing the value chain” in turn has translated into a hike in FDI and international trade of intermediate products. The main objective of this paper is to identify adequate trade models for assessing the corresponding effects of those developments. In this context, textbook trade theories spanning from comparative advantage à la Ricardo to the new-new trade theory are examined. Subsequently, we expand on globalization-induced new forms of trade (intra-firm trade, trade within the value chain) and finally conclude with our findings to properly account for those trends.

Keywords: *economic integration, international trade, globalization, outsourcing, trade theory*

1. INTRODUCTION

According to Held and McGrew (1999) the term globalization designates the set of processes that have stretched authority, participation, activity and resolution beyond the physical borders of the national state. In sharp contrast to the preceding Cold War era, the capture of other nations' economies has acquired greater significance than the conquest of actual physical territory in today's world (Strange, 2000). Threats concerning military force were in this sense supplanted by instruments such as trade and macroeconomic policy (Kaya, 2006). Humankind has been witnessing an unprecedented surge in international trade and foreign direct investment (FDI) from the early 1990s onwards (Goerg et al., 2015). This trend was not only evoked by plummeting costs for transport as well as substantial technology leaps in digital communication technologies (Jacks, 2011, Francois, 2010) but also diminishing tariff and investment barriers throughout the globe within the framework of the WTO (Baier and Bergstrand, 1997, Cooper, 1995). Above all, the steady opening of NIE (newly industrializing economies) endowed with their abundant and cheap labor forces has bolstered the geographical fragmentation of production processes in the light of cost considerations (Boehmer and Funke, 2016). The conception of Baldwin (2006) concurs these claims as he partitions the globalization process into a first and second “unbundling”. While the “first unbundling” signifies the spatial separation of consumers and still entirely vertically integrated factories, the “second unbundling” heralded in a relentless vertical disintegration of the manufacturing process as such. It engendered geographically separated but yet interconnected subunits around the world

connoting an inflated volume of foreign trade as intermediate goods and services cross borders multiple times. To underpin this assertion with a few figures, world merchandise trade skyrocketed from USD 6 trillion in 2001 to about USD 16 trillion in 2016 (WTO, 2017, WTO, 2014). This spell of growth was merely interfered by two adverse temporary events in the form of the financial crisis in 2008/2009 as well as the extraordinary drop in energy prices by 45 % accompanied by a strong appreciation of the USD in 2015, only after world trade figures indicated an unbroken climax of over USD 18 trillion in 2014 (WTO, 2016). Au contraire, world trade in commercial services proliferated steadily from USD 1.8 trillion in 2003 to USD 4.8 trillion in 2016 (WTO, 2004, WTO, 2017).

In a nutshell, the main objective of this paper is to analyze the suitability of various trade models for assessing the implications of the globalization process. Pursuing this goal, we examine at first conventional textbook trade theories ranging from comparative advantage à la Ricardo to the new-new trade theory within the scope of chapters 2 to 4. Chapter 5 then completes this endeavor by addressing globalization-induced new forms of trade (trade within the value chain, intra-firm trade, etc.) before we eventually delve into the conclusions of our study.

2. COMPARATIVE COSTS

International trade was characterized until the 19th century by mercantilism which is retrospectively deemed equivalent to a zero-sum game where the overall economic benefit is not maximized (Dietrich, 2014). It was only Adam Smith's concept of absolute cost advantage which ushered in an emerging economic liberalism by explaining trade of two countries with their absolute differences in production costs (Sen, 2010). In his work "On the Principles of Political Economy and Taxation" David Ricardo (1817) poured Smith's notions into an influential model which elucidates the occurrence of trade between two economies due to their productivity differences in manufacturing individual goods. In its simplest form, his model postulates two countries, two goods and only one factor of production (or short: 2x2x1 model), namely the human labor force measured in working hours. The chief principle of Ricardo's model is comparative advantage which states that the benefit of trade between two countries does not depend on the absolute production costs (absolute advantage) but on the relative costs of the goods created. It suggests that international trade is still beneficial for country 1 even if it faces absolute cost handicaps in the production of all goods while country 2 is blessed with all-encompassing absolute cost advantages (Beck, 2014). Hence, it is primarily premised on the existence of different production cost structures for both trading partners meaning that country 1 has to renounce for good *A* fewer units than for commodity *B* vis-à-vis country 2. Additional simplifications presume free foreign trade, no expenses for transport, perfect competition in all markets (price on par with marginal costs), full employment, immobility of labor force between countries, an identical wage rate in both sectors of a country and goods being generated at constant returns to scale (Krugman et al., 2011). Founded on these preconditions, the model concludes that each state is supposed to specialize in the merchandise which demands the comparably lower opportunity costs. Hence, the superior country focuses on generating goods where its absolute advantage is relatively greater while the inferior country concentrates on fabricating goods where its absolute disadvantage in efficiency is relatively smaller. Since this principle involves a double comparison across both goods and states, it is purely impossible by definition for a country to bear a comparative disadvantage in every commodity (Demmler, 1997, Weeber, 2014). This consequentially evokes trade of inter-industry kind implying a state's exports and imports belonging to different sectors. It prompts a raise of both countries' living standards because the resulting world pattern of production is more efficient than in the case of each country serving exclusively for its own market (Krugman et al., 2011, Dietrich, 2014). Their respective residents are hereby able to import foreign merchandises at a lower and

export domestic goods at a higher relative price (Deardorff, 1980, Deardorff, 2005b). Despite of its simplicity, the Ricardo model proves pertinent for assessing the impact of one trading partners' advancement in technological progress which indeed represents a warrantable issue in the light of the contemporary productivity growth of diverse emerging economies.

3. FACTOR ENDOWMENTS

While the Ricardian model highlights technological differences (labor productivity), the Heckscher-Ohlin model developed in the twenties of the 20th century ascribes comparative advantage to differences in factor endowments (Max, 1994). Since this concept rests upon the interaction between the proportions of production factors' availabilities in different countries and their usage in manufacturing different goods, it is also termed factor proportion theory (Krugman et al., 2015). Its eponymous founders Heckscher and Ohlin extended Ricardo's doctrine of divergent labor productivity as single source for inter-industry trade by introducing capital as a second factor of production (Beck, 2014). The simplest as well as most original version of factor proportion theory is therefore called 2x2x2 model. This version comprises two factors (labor and capital), two countries (domestic and foreign) of dissimilar endowment with these factors and two goods (correspondingly labor and capital intensive in production). Additional premises are presented in the following: The factors are fully mobile between the two sectors of one country but immobile across countries; Perfect competition exists domestically for these two factors under full employment in equilibrium as their supply remains inelastic, i.e. independent of the factor prices; Manufacturing revenues are not affected by scale; impediments of trade by tariffs or non-tariff measures and transport costs are neglected (Chacholades 1992, Krugman, 1993b, Shiozawa, 2009, Morasch and Bartholomae, 2017, Borchert, 2001, Frances, 1989). The 2x2x2 model provides insights into the structure of foreign trade, stemming from the key precondition of two countries being virtually identical apart from those differences in relative factor endowment. The relative abundance in capital enables the capital-abundant country to fabricate the capital intensive good cheaper than the labor abundant nation and vice versa. Initially, production of both products is equivalent to consumption in each state akin autarky. Once trade is permitted, each nation will produce its relatively factor intensive good even more extensively in order to export this surplus as profit seeking firms exploit those initial price differentials between the markets. In a nutshell, a country has a comparative price advantage for the good whose manufacturing makes use of the relatively abundant production factor. The Heckscher and Ohlin theorem congruously states that the relatively capital abundant country therefore exports capital intensive goods but imports labor intensive goods and vice versa. This way, scarce factors are imported while abundantly offered factors are exported indirectly. Apart from the Heckscher-Ohlin theorem, another three theorems (Stolper-Samuelson, Factor-price equalization and Rybczynski) were derived from this basic model (Krugman et al., 2015).

The Stolper-Samuelson theorem suggests that trade leads to higher remuneration of the abundant factors and vice versa (Stolper and Samuelson, 1941). To be more precise, the following exemplary chain of effects transpires: As the relative price of good 1 increases upon the implementation of trade, the value of marginal product of the factors rises in sector 1 but declines in sector 2; Sector 1 demands more capital and labor whereas sector 2 lays off both production factors; However, factor demand in sector 1 and supply from sector 2 are incompatible due to different factor intensities; Sector 1 e.g. requires a lot of labor but little capital to increase its production whereas sector 2 releases a lot of capital but little labor when reducing production; Thus, a surplus demand for labor but a surplus supply of capital emerges; It follows, that the price of labor (wages) increases while the price of capital (interest) descends.

The closely linked factor-price equalization theorem by Samuelson (1948) postulates that the prices of identical production factors (e.g. wage rate of labor and the rent of capital) converge across countries along with good prices as a result of international trade. Curiously enough, the same notion was independently conceptualized by Lerner in 1933 even though not published till 1952 (Lerner, 1952). The trade in goods therefore entirely compensates for the mobility of production factors such as migration of labor or capital flows (Rose and Sauerheimer, 1999). In other words, once the prices of the output goods converge between two nations as an outcome of free trade, then the prices of input factors (labor and capital) will be equalized between them too (Borchert, 2001).

Overall, the Heckscher and Ohlin model serves to elucidate specialization, efficiency gains and ultimately inter-industry trade between countries which have in harsh discrepancy with Ricardo the very same access to technology (Ethier, 1991). The robustness to relaxing the key simplifications of the model was buttressed by Ethier (1974), Jones and Scheinkman (1977), Balassa (1986) as well as Bowen et al. (1987). They showed that even when several goods and factors come into play, altering trade policy (opening of markets, tariff changes, etc.) in any case increases the return of at least one factor and yet impairs the return of at least one other factor. Despite of emphasizing the potential for distributional conflict over trade policy, this general assertion does not object international trade theory's mantra asserting that economies benefit at the bottom line from tariff curtailments (Neary, 2004).

4. IMPERFECT COMPETITION & ECONOMIES OF SCALE

The theories described earlier accredit the driving force of foreign trade to countries profiting on their differences through sectorial specialization. While the Ricardian doctrine stresses technological differences in terms of labor productivity, the Heckscher-Ohlin model postulates differences in factor endowments as the root cause of comparative advantage. The notion of comparative advantage is however rather suited to predicting inter-industry trade between developed and emerging economies since the former are relatively capital abundant and additionally most likely have easier access to more advanced technology (higher labor productivity). Au contraire, resembling goods account for the vast majority of today's foreign trade taking place between barely distinguishable industrial countries which are virtually identical in their technology, skill level as well as endowments in capital and labor. The "new trading theory" has been committed itself since the 1980s to explaining this intra-industry trade synonymous with reciprocal imports and exports of sophisticated goods belonging to very same economic sector (Pelkmans, 2006, Beck, 2014, Dixit, 1984, Krugman, 1993a).

In brief, product differentiation and economies of scale serve as elementary impetuses for intra-industry trade (Krugman, 1981, Krugman, 1980, Krugman, 1979). Companies perceive product differentiation as an opportunity to obtain a unique selling proposition in its product's distinctive market segment. Such coexistence of similar variants of a product is conceptually referred to as a monopolistic competition. Companies in such an industry characterized by imperfect competition produce individual variants in a monopolistic fashion (Dixit, 1984). They have a certain extent of market power which is why they are able to extract profits by dint of charging prices in excess of marginal cost (Sen, 2010). Under these circumstances each company deems itself rather as a price setter than a price taker. Since their products are nevertheless imperfect substitutes they still face indirect competition with other product variants which consumers could potentially fall back on. Cross-border trade intrinsically emerges as foreign companies offer different product varieties than domestic ones fitted to the specific needs of diverse consumer groups. Hence, each country functions as an exporter as well as an importer in all sectors of the economy. Trade liberalization accordingly implies an

immediate welfare gain in form of an enlarged selection of product varieties on the domestic market through the entry of foreign producers (Dixit and Stiglitz, 1977b). Simultaneously, consumers derive advantage from intensified competition in variants which exerts pressure on firms to curtail prices. Concurrently, companies reap scale economies by means of a growing integrated sales market (Krugman and Obstfeld, 2003b). Economies of scale essentially come into effect since incurring fixed cost are spread amongst an increasing number of units which results in a decline of average unit costs. Thus, they arise when an additional unit is manufactured less expensively than the average of all preceding units which is why these lower marginal cost lead to a reduction of long term average cost (Pelkmans, 2006). According to Krugman and Obstfeld (2003a) “economies of scale can be internal (depending on the size of the firm) or external (depending on the size of the industry)”, albeit both of them signify a crucial cause for international trade (Krugman et al., 2015). Referring to the latter, average production costs depend on the output volume of a sector composed of several individual firms. Reduced costs are realized through synergies across a geographically concentrated industry via technology transfer, human capital formation in the form of specific qualification and the evolution of intermediate sectors (Dieckheuer, 2001). Firstly, the spatial concentration as well as the augmented size of a sector fosters vertical disintegration in the sense of a growing interwoven specialized intermediary and investment goods industry (Holmes, 1999). This in turn provokes enhanced competition amongst these specialized suppliers, rendering their goods and services more affordable (Maennig, 1999). Secondly, knowledge spillovers are soaring with the size of an industry which unmistakably promotes technology leaps concerning the production process and thus favorably impacts average costs.

Thirdly, a rising geographical density of specialized workers enables employers to tap into labor market pooling (Maennig, 1999). Market size impacts the state of equilibrium since a large market basically supports more companies where each on top produces at larger scale and hence lower average costs as compared to a small market (Krugman, 1995a). Hence, significant external economies of scale favor well established patterns of inter-industry trade to sustain because countries which have always had been large producers in certain industries are historically advantaged to retain their status. Ethier (1982b, 1979) was amongst the vanguard of those who receded from the standard competitive model, solely grounded on comparative advantage. His Marshallian approach on the premise of increasing returns which are entirely external to companies concluded that market integration through international trade exerts the same impact analogous to market growth within a single economy (Ethier, 1982a). Internal scale effects occur when the average cost per unit is overridingly dependent on the size of the individual company (Krugman et al., 2015). Technical and organizational efficiency gains as well as higher personnel qualifications are generally speaking attainable through mass production (Dieckheuer, 2001, Kantzenbach and Mayer, 1993). It also increases the likelihood of associated learning curve effects which translate into additional savings due to progressively improving processes (Soellner, 2011, Wittig and Zentes, 2005). Moreover, larger companies are *inter alia* also rewarded with more favorable credit conditions and discounts by suppliers (Kubosch, 2008). This cost degression is evidently positively correlated with the size of an individual firm (Frensch, 1993). Internal economies of scale thus infer an increased propensity towards predatory competition and development of an oligopolistic market structure, indicative of imperfect competition as large companies exploit their cost advantage to squeeze out smaller businesses (Krugman et al., 2015, Tarver, 2017). Monopolistic competition models assume that enterprises act as individual monopolist in terms of setting prices, yet without having the ultimate privilege of a really unchallenged monopoly (Krugman and Obstfeld, 2003a). Incidentally, the theoretical literature distinguishes between horizontal and vertical product differentiation involving similar and divergent qualities of product variants, respectively

(Reitzes, 1992). Lancasterian and Chamberlinian denote two distinct approaches towards modelling horizontal differentiation (Greenaway et al., 1995). While the former suggests that consumers aim for a particular combination of attributes in their preferred variety (Lancaster, 1979), the latter contends that they aspire to purchase as many varieties as possible of a given product class (Dixit and Stiglitz, 1977a, Spence, 1976). The diverse methodologies were explicitly incorporated in the models of intra-industry trade by Lancaster (1979) and Krugman (1979), respectively. Most notably, both deduce a final equilibrium of manifold differentiated products, made by enterprises which enjoy monopoly power but do not generate monopoly profits (Krugman, 1985). A landmark contribution of Helpman and Krugman (1985) reflects the interaction of intra-industry with inter-industry trade as their Chamberlin-Heckscher-Ohlin derived model synthesizes factor endowments, economies of scale and horizontal product differentiation. Apart from Krugman (1980) the modelling pursuits expanded on earlier are based on the assumption that all enterprises are placed symmetrically in each country's market. Though, this is contradicted by empirical observation since especially transportation costs as well as distorting tariff and other trade policies engender companies to concede different market shares in their diverse countries of operation (Rauch, 1993). Veneables (1987) availed himself of the model proposed by Krugman (1980) in order to investigate the impact of changes in technology, different country sizes and trade policy on net trades as well as the equilibrium allocation of the monopolistically competitive industry between two economies.

The trade models having been described so far altogether take in a simplistic manner only homogenous sectors into account but omit empirically essential differences among enterprises within a sector. The so-called “new-new trade theory” arose in the quest to also factor in firm-level heterogeneity which proved pivotal in evaluating the gains from foreign trade as well as its allocation across businesses and factors of production. As a matter of fact, the corresponding models unveiled that a country's opening to global markets triggers an aggregated productivity boost through redistribution of resources and market share towards the more productive enterprises in each sector (Bernard et al., 2007a, Melitz, 2003, Bernard et al., 2006). Bernard et al. (2007b) for instance incorporates firm heterogeneity in the model of intra- and inter-industry trade published by Helpman and Krugman (1985). According to Manteu (2008), this merger now “combines factor endowment differences across countries, factor intensity differences across industries, and heterogeneous firms within industries and is able to simultaneously generate inter-industry trade (countries are net exporters in their industries of comparative advantage), intra-industry trade (even within an industry where a country is a net importer, two-way trade happens), and selection into export markets (within both net exporting and net importing sectors, some firms export while many others do not)”.

5. GLOBALIZATION INDUCED NEW FORMS OF TRADE

The current wave of globalization distinctive for its financial and economic integration of different parts of the world has been pressing forward for over two decades now (Goerg et al., 2015). Several underlining causes elicited an unprecedented surge in international trade in goods and services as well as foreign direct investment (FDI) during this period. To begin with, economic activity has been promoted by dwindling costs in transport as well as the rapid pace of innovation in information and communication technologies (Goerg et al., 2015). Another key feature represents the dismantling of tariff and investment barriers throughout the world within the framework of the World Trade Organization (Baier and Bergstrand, 1997, Cooper, 1995). Above all, large emerging markets exemplified by China or India have been becoming increasingly integrated within the global economy via political and economic reforms which has significantly increased their proportion of global exports over the last 20 years (Boehmer and Funke, 2016, Ehrl, 2013). Notably, this liberalization movement of NIEs (newly

industrializing economies) concurred with the wide spread of internationally intertwined value chains (Fenestra, 1998). It induced the phenomenon labelled as “vertical specialization”, “outsourcing”, “offshoring”, “kaleidoscope comparative advantage” or also “slicing up the value chain” which buttressed the global optimization of production processes in the light of cost consideration (Krugman, 1995b, Krugman, 1996, Bhagwati and Deheja, 1994). Firstly, mounting pressure is inevitably exerted on low skill labor in developed countries since less demanding manufacturing activity is understandably relocated towards low-wage NIEs (Grantham et al., 2007, Rodrick, 1998, Samuelson, 2005). Intriguingly, some service industries (call centers, etc.) suffer the same fate (even though not as pronounced as for manufacturing), predominantly attributed to those development leaps in information and communication technology mentioned earlier (Amiti and Wei, 2005). Secondly, this figurative splitting of the vertical production line into geographically separated but yet interconnected subunits around the world connotes an inflated volume of foreign trade as intermediate components cross borders multiple times (Yi, 2003, Antweiler and Trefler, 1997). It inarguably underscores the great significance of trade barriers since in modern supply chains the effects of tariff-based and non-tariff trade barriers are amplified.

International fragmentation of production basically arises when a company either awards a foreign supplier with an outsourcing contract or even launches its own subsidiary abroad via FDI (Grossman and Helpman, 2005, Helpman, 2006). Indeed, the latter frequently holds true as MNEs (multinational enterprises) in particular split their manufacturing processes into a proliferating number of individual steps which are then shifted to the more cost efficient locations worldwide (Goerg et al., 2015). Consequentially, intra-firm trade not only in intermediate inputs but also intangible assets emerges between the firm’s affiliates (Helpman, 1985). Krugman and Obstfeld (2003b) claim that these international corporations often act as agents for the translocation of both labor intensive production from developed economies to labor-abundant NIEs and capital flows from capital-rich countries to capital-scarce nations. The internalization theory states that FDI ensues when a company’s value appreciates by means of exploiting its intangible assets amongst its subsidiaries (Morck, 1991). Instead of licensing their knowledge to independent local producers, MNEs in effect internalize the market for some of their intangible assets and provide them to their foreign branches via intra-firm trade where they are combined with local factors of production. The degree of international involvement is henceforth alleged to positively correlate with a corporation’s value since it is able to leverage intangible assets, i.e. patents, special know-how, management skills or customer loyalty on a larger scale (Confernce-Board, 2017). Verdin and Williamson (1994) subcategorize intangible asset into five main classes:

1. Customer assets: e.g. brand recognition, customer base and loyalty;
2. Channel assets: e.g. established channel access, marketing infrastructure and distributor loyalty which are in particular key for goods which pass through middlemen before reaching the end consumer. Push marketing in this context constitutes a fascinating case where manufacturers direct their marketing efforts not to end users but distributors exemplified by pharmaceuticals which depend on a physician’s prescription;
3. Input assets: e.g. discounts by supplier, access to financing and knowledge of imperfect factor markets;
4. Process assets: e.g. organizational systems, human capital, patents, superior production technology, platform knowledge, R&D and design skills;
5. Market knowledge assets: e.g. information on competitors, customer preferences and price elasticity of demand;

Other incentives for international fragmentation on the grounds of intra-firm trade are opportunities for tax avoidance and access to lower input costs abroad (Morck, 1991). This is

especially applicable to the shift of less skill demanding but labor-intensive production stages towards low-wage NIEs (Feenstra and Hanson, 1996). In addition, Markusen (2002) asserts a MNE's substantial superiority over domestic enterprises when the overall market is large and when firm-level economies of scale outweigh plant-level economies of scale. Risk reduction through the diversification of the real asset portfolio represents yet another rationale for FDI which ultimately guarantees MNEs more stable earnings in comparison with purely domestic firms (Rugman, 1975). If barriers to international capital flows moreover deny investors an optimum level of international diversification, MNEs offer shareholders a substitute means via their direct investments abroad which in turn boosts their stock prices (Adler and Dumas, 1983, Fatemi, 1984). Last but not least, attracting regulatory or trade policies in a foreign country are not to be neglected either (Feenstra, 1998).

Irrespective of empirical research advocating a positive relationship between the degree of international involvement and excess market value in general (Errunza, 1980), the location of the respective business activity is universally perceived to be decisive.

Table 13 summarizes the four overarching modalities of FDI as well as the respective variables which influence the locational choice of FDI destination according to Dunning (1998). Interestingly, FDI catalyzes the spatial bunching of companies engaged in related activities (e.g. science and industrial parks) since shared service centers, distribution networks, specialized factor inputs and access to localized support facilities unleash external economies of scale (Maskell, 1996, Rees and McLean, 1997). Furthermore, the rising role of M&A's (mergers and acquisitions) demonstrates the mounting relevance of strategic asset seeking FDI. In fact, several contributions on the geographical distribution of R&D and registered patents reveal that MNEs increasingly seek locations with access to knowledge-intensive assets, learning experiences, management expertise and organizational competence (Almeida, 1996, Kuemmerle, 1996, Cantwell and Harding, 1997). Those locations which expand a company's ownership specific advantage usually tend to be concentrated advanced industrial countries or larger NIEs. Ultimately, it's a tradeoff between infrastructure (human and physical), institutional framework, market access, existence of regional clusters for external scale economies on the one hand and access to inexpensive natural resources as well as a low cost labor force on the other hand which determines the locational choice of FDI destination (Dunning, 1998, Grabher, 1993).

Table following on the next page

Table 13: Major types of FDI and the variables which influence the locational choice of FDI destination (Dunning, 1998)

Type of FDI	Variables influencing the locational choice of FDI destination
Resource seeking	<ul style="list-style-type: none"> • Availability, price and quality of natural resources • Infrastructure which enables exploitation of resources and export of finished products • Investment incentives such as subsidies or tax concessions by host government • Presence of local partners to jointly pursue capital-intensive resource exploitation
Market seeking	<ul style="list-style-type: none"> • Preferably large and growing domestic or preferably even regional markets (NAFTA, EU etc.) • Availability and price of skilled labor • Presence of leading industrial suppliers • Quality of infrastructure and institutional competence • Macroeconomic and macro-organizational policies as imposed by host government • Increased need for close proximity to consumer in knowledge-intensive sectors • Growing importance of promotional activities by local development agencies
Efficiency seeking	<ul style="list-style-type: none"> • Costs of real wages, materials and transport • Tariff and non-tariff trade barriers • Availability of spatial clusters (e.g. science and industrial parks) to yield external economies of scale • Investment incentives such as tax breaks, accelerated depreciation, grants and subsidized land
Strategic Asset seeking	<ul style="list-style-type: none"> • Availability of affordable knowledge-related assets and need of companies to harness such assets from foreign locations • Regulations impacting the ease or difficulty at which such assets can be acquired • Opportunities offered for exchanging localized tacit knowledge and ideas • Access to different cultures, institutions and different consumer preferences

The trade models described in chapters 0 to 0 assume for the sake of simplicity that all tasks engaged in the production of a good or service are condensed within a country's territory. Numerous authors embedded international fragmentation of production into some of those preceding models through breaking the entire value chain down to the level of intermediate inputs and services which are now admitted to be geographically separated (Arndt, 1997, Venables, 1999, Deardorff, 2001, Deardorff, 2005a, Bhagwati et al., 2004, Jones and Kierzkowski, 1990). The key insight from these diverse contributions is that “vertical disintegration” opens up new possibilities for generating gains from specialization and foreign trade (Baldwin and Robert-Nicoud, 2007). G. Grossman and Rossi-Hansberg (2006a, 2006b) conceptualized an alternative model where production hinges on foreign trade in tasks, equivalent to individual steps which are executed either domestically or abroad by various factors (inter alia capital, unskilled- and skilled-labor, etc.). In analogy to the Heckscher-Ohlin model, it presupposes two goods and two countries of different factor intensities and factor endowments, respectively. Nonetheless, adaptations to globalization evolve here at the task rather than the sector level, i.e. the tasks selected to be offshored may be performed in within a broad spectrum of sectors. Even though, this implicates an inherent complexity owing up to the empirical evidence that independent on the demanded skill level not every task is principally transferable (Blinder, 2006), e.g. a taxi driver (low skill job) versus a primary care physician (high skill job). After all, Grossman and Rossi-Hansberg showed that “in contrast to the distributional conflict that results from reductions in the cost of trading goods in traditional trade frameworks like the H-O-S model, reductions in the cost of trading tasks may generate gains for all domestic factors” (Manteu, 2008).

6. CONCLUSION

Comparative costs and factor endowments are long-serving principles of foreign trade as they still prove pertinent today to expound the effects of the globalization process which has been unraveling the economic order of the past. The Stolper-Samuelson theorem has been popularly applied whenever delving into the sensitive "trade and wages" debate (Neary, 2004). Firstly, the observed widening differential between skilled and unskilled wages in first world countries upon intensification of trade with low wage NIE's can be explained when the two factors of the simple 2x2x2 version of the model are reinterpreted as skilled and unskilled labor. Secondly, more sophisticated models which take multiple classes of worker productivity into account also show to generate the Stolper-Samuelson effect within each class of labor. They clearly indicate that an unskilled worker in a developed country will be worse off when facing trade liberalization since he embodies a scarce factor in the production of high skill demanding and capital intensive domestic exports (Leamer, 1998, Neary, 2006). The notion of the Heckscher-Ohlin model therefore assorts well with the actual empirical evidence concerning technological advance facilitated outsourcing of unskilled-labor intensive stages of production into low wage NIEs what simultaneously slashes and raises wages of unskilled and skilled workers in industrial countries, respectively (Samuelson, 2005, Jones, 2000). Intriguingly, also Samuelson's factor price equalization theorem seems to be underpinned by the most recent facets of globalization as the era of cheap Chinese manufacturing may be drawing to a close. Soaring wages, land prices, taxes as well as environmental and safety standards are in fact increasingly dampening China's viability as a low-cost manufacturing center (Economist, 2012). McKinsey research even suggests that rising salaries will catapult more than half of its urban households into the upper middle class by 2020, a barely existing category just at the turn of the millennial (Elloot et al., 2013), resulting in China's vanishing endowment with cheap labor. From the principle of comparative advantage we may moreover infer that a trade opening engenders a productivity-enhancing experience for the industrial state. Given the fact that in the context of trade between higher and lower developed countries, typically the former have a Ricardian style comparative advantage in the high technology sector, we might deduce that NIEs would be trapped in the production of little knowledge demanding low-value consumer goods or natural resources. Besides, external economies of scale favor long-established patterns of inter-industry trade to endure because countries which have always had been big players in certain sectors are historically advantaged to preserve their dominance. Alternatively, foreign trade could also elicit imitation-triggered growth effects through procedures like reverse engineering of imported high technology goods what China is commonly suspected of. The NIE's catching-up then exerts additional pressure on enterprises in the industrial state to salvage their technological superiority by means of enhanced research efforts (Grossman and Helpman, 1989). This way, a trade opening encourages developed countries to even more specialize in knowledge-intensive goods, promoting continuous technological progress and thus long-term growth for both parties involved (Lucas, 1988). Irrespectively, today's globalized world is hardly characterized by sectorial specialization but rather intra-industry trade since modern industrial goods are not only distinctively differentiated but their assembly also hinges on a vast array of specialized intermediate inputs. Large enterprises reaping on internal scale economies due to an extended integrated sales market, welfare gains through an enlarged selection of differentiated products on the domestic market and consumers benefiting from slashing prices attributed to the intensified competition in variants- those aspects appear even more symptomatic for the highly interwinded economies of the present than the 1980s when the "new trading theory" and its monopolistic competition models sprung up. Helpman and Krugman (1985) even managed to reconcile factor endowments with economies of scale and horizontal product differentiation as their Chamberlin-Heckscher-Ohlin derived model accommodates both inter-industry and intra-industry trade. On top of that, the so-called "new-new trade

theory” ushered in further sophistication by also taking firm-level heterogeneity into account as inter alia exercised by Bernard et al. (2007b). Notably, the corresponding models disclosed that a country’s opening to global markets improves aggregated productivity through redistribution of resources and market share towards the more productive enterprises in each sector. Hence, globalization entails prices of goods to drop which means a direct well fare gain for all factors of production. As elucidated earlier, the volumes of international trade and FDI have drastically proliferated from the early 1990s onwards. This unparalleled phenomenon was not only induced by plummeting costs for transport as well as technological advances in digital communication technologies but also ubiquitously falling tariff and investment barriers. In conjunction with the resolute opening of major NIEs endowed with their abundant and cheap labor forces, it has reinforced a geographical fragmentation of production processes according to cost considerations. As companies realize this by either awarding a foreign supplier with an outsourcing contract or launching their own subsidiaries abroad by means of FDI, NIEs are increasingly challenging the Western World’s superiority in economic terms. Albeit not the entire value chain lumped together is relocated to these NIE but only deliberately selected production activities based on their specific needs for infrastructure (human and physical), institutional framework, market access, existence of regional clusters for external scale economies on one side and access to inexpensive natural resources as well as a low cost labor on the other side. In fact, the econometric investigation of Fontagné and Mayer (2005) dealing with German, French and Swedish firms unveils that a strong incentive exists to “slicing up the value chain” among diverse geographically separated subsidiaries because enterprises are despite of high wages still guided by the desire of being close to consumers in large and rich countries in order to retain these very vital market shares. Unsurprisingly, the right balance between market access and low-cost aspiring motives is pretty much also dependent on the industry concerned, exemplified by clothing vs. car industry (Fontagné and Mayer, 2005). For instance, Germany has coped remarkably well on the global market over the last 20 years since its economy is largely composed of high technology sectors which have been hardly exposed to the shifts of globalization so far (Boehmer and Funke, 2016). This assertion is proved by strong exports in automobiles, machinery, chemicals and pharmaceuticals. Most importantly, it tallies with those models reflecting international fragmentation of production which show that this trade mediated “vertical disintegration” may generate gains for all parties involved.

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GOVERNMENT EXPENDITURES ON EDUCATION IN ECONOMIC PROGRESS STIMULATION: REGIONAL LIMITATIONS OF RATIONALITY

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ABSTRACT

Labor intellectualization today is a leading transformation of economic relations, global trend of economy globalization and post-industrialization dynamics; it defines education as a resource for national economic development, labor cost-effectiveness, and opportunities for high-tech industries formation, country's re-positioning in the global division of labor etc. As directions of long-term indirect effects on public education development can be considered such national socioeconomic criteria as: national investment climate and economic conditions; quality of domestic management; migration attractiveness of the country (especially for talented and highly skilled foreign workers); innovative potential of the country; demand for innovations (innovative products or new knowledge) at domestic market. Meanwhile, we have to note that the enabling role of public education, of government expenditures on education needs have significantly changed during 2001-2014 as compared to the XXth century. At the same time, it is obvious that certain correlations between government public spending and macroeconomic indicators are not homogeneous and are asynchronous in different countries or regions of the world, depending on the level of economic development of certain countries, the degree of their involvement in the global trends of education services and innovations markets in particular, and also due to the complex structure of the world economy in general. The purpose of this paper is to evaluate the correlation between the volume of government expenditures on education and the macroeconomic indicators of the contemporary countries, classified into regional groups. Using the World Bank statistics and original co-author's methodology this paper assesses the economic effectiveness of public education funding in the context of labor markets' globalization and tests the budget education spending stimuli affecting the macroeconomic dynamics by the countries of the world, classified into geographical groups. Key patterns of government expenditures on education cost-effectiveness are identified; and also, key principles of regional/ national systems of education administration reforms is suggested.

Keywords: *education, government spending, budget, economic growth, economic structure, global economy*

1. INTRODUCTION

Global economic transformations, escalation of international competition and the objective necessity to find new (not related to natural and resource potential exploitation) sources for intensive economic growth make the ongoing research on economic potential and stimulating

factors in various sectors, including higher education, only more topical and timely. Efficient national system of higher education predetermines the overall level of qualifications for a large share of labor resources in any country. Therefore, it also predetermines the overall productivity and economic performance of any country. It can also contribute to formation of brand new sectors and types of economic activity, not dependent on the consumption of rather limited natural resources. Such sectors and activities would be mostly high-tech, which means they trigger the processes of innovations' generation and further commercialization, and also innovations' transfer. In turn, this can only improve the overall macroeconomic and social indicators of a country. In a longer term, national system of education also defines national regime of management and administration along with national investment climate. It also has a significant impact on the quality of management and regulation, on the migration attractiveness of a country and its regions (especially when migration concerns the most valuable labor resource – the bearers of unique knowledge, skills and talents). Moreover, quality of higher education predetermines the innovative potential of a country, the overall demand for innovations at its internal markets, the level of new knowledge perception in the society etc. Today it is already obvious that higher education can be indeed a highly profitable business which is quite attractive for investors, both domestic and foreign. Moreover, this sector of national economy is often resistant to crisis manifestations since when spending in other sectors goes down, education still remains the priority item in expenditures, for both households and businesses. Still, despite an obvious business component in it, the role of the state and budget funding for its development remains quite important since only the state can guarantee education access for the majority of local population.

Research aim: to analyze the macroeconomic indicators of the selected countries worldwide, classified into geographical groups, so that to determine the correlation between the dynamics of government spending on higher education and the criteria of economic growth in these macroregions of the world, taking into account their economic structure and cross-sectoral balance. After this research aim being set, the following research objectives have been posed:

- to evaluate the role of government spending on education in formation of economic growth potential by regions of the world;
- to determine and analyze the correlation between the indicators of government spending on higher education and social criteria of states' development;
- to provide the summarized conclusions concerning the structural and economic impact of government spending on education by regions of the world.

2. LITERATURE REVIEW

The level of population education has been always considered as one of the key determinants of social welfare, economic progress and country's positioning in the international distribution of labor. Government spending on education stimulates the growth of human capital, and through it – also labor productivity (Mankiw et al., 1992). Financing of the education sector development means direct stimulation of society's innovative potential overall and national economic system in particular through formation of internal demand for innovations and also formation and boosting those sectors which enable efficient commercialization of new knowledge (Lucas, 1988; Romer, 1990; Aghion and Howitt, 1998). Despite quite detailed and comprehensive theoretical grounding of the stimulating economic role of education and government spending on education in particular, today's principles, approaches and practical actions confirming the interdependence between government spending on education and dynamics of national economic growth differ significantly worldwide. Some research have been carried out to determine the economic effects from education taking into account its duration (e.g., Woessmann, 2003). Already classical studies by Barro (1991, 1997) and Mankiw

et al. (1992) were initially resting on the assumptions concerning the economic influence of education and quality features of education processes by countries. Studies carried out on the edge of this and previous centuries (Topel, 1999; Temple, 2001; Krueger & Lindahl, 2001) have confirmed the important role of primary education for the formation of dynamic market and business environment. And several years after that, more studies suggested that education is important both as a form of investment in human capital and in facilitating research and development and diffusion of technologies, with the initial phases of education being more important for imitation, while higher education being much more important for innovations' development (Vandenbussche et al., 2006). Finally, separately we can mention studies on the stimulating economic role of education for separate countries and/or country groups, for example, on developed countries (Aghion et al., 2009) and also on developing ones (Aqil, Aziz, Dilshad & Qadeer, 2014; Jung & Thorbecke, 2001; Ogujiuba & Adeniyi (2005) Chandra (2010). And since all these studies got rather diverse, if not to say contradictory results, we can assume that continuing research in this direction is still relevant and timely. Our study will be based on the conceptual approaches of the human capital theory in an attempt to determine the economic value of education and its role in economic progress of the countries, classified into 8 geographical groups.

3. METHODOLOGY OF THE STUDY

For this study we have extracted and analyzed data on 61 countries worldwide. Their classification according to the factor of geographical location is presented in Table 1.

Table 1. Classification of the analyzed countries by their geographical location

	Number of the analyzed countries in the group		Number of the analyzed countries in the group
North and Central Europe	12	Eastern Europe	6
South Europe	6	Middle East	6
Former USSR	5	Asia Pacific	11
America	8	Africa	7

The following indices of government expenditures on education throughout the period since 2001 till 2014 (World Bank data) were used in the research:

- I1 - Expenditures on education as % of the total government expenditure (%)
- I2 - Expenditures on secondary education as % of total government expenditures on education (%)
- I3 - Government expenditures on education as % of GDP (%)
- I4 - Government expenditures per primary student as % of GDP per capita (%)
- I5 - Government expenditures per secondary student as % of GDP per capita (%)
- I6 - Government expenditures per tertiary student as % of GDP per capita (%)

In our research a correlation of the selected indices of government expenditures on education with the following national macroeconomic indicators (classified into three groups, see Table 2 for more details) for the same period of 2001-2014 was calculated.

Table following on the next page

Table 2. The analyzed macroeconomic indices, classified into 3 groups

#	Group of indices	Indices
1	Indices reflecting the structure of the national economy system	J1 - Agriculture, value added (% of GDP)
		J10 - Industry, value added (% of GDP)
		J11 – Services and other, value added (% of GDP)
		J12 - Trade (% of GDP)
2	Indices reflecting the general welfare level and the dynamics of economic growth in the country	J4 - GDP at market prices (current rate of USD)
		J5 - GDP growth (annual %)
		J6 - GDP per capita (current rate of USD)
		J7 - GDP per capita growth (annual %)
3	Indices determining the state of national financial markets	J3 - Foreign direct investment, net inflows (% of GDP)
		J8 - Gross capital formation (% of GDP)
		J9 - Gross savings (% of GDP)

The methodology applied here to calculate the correlation between government expenditures on education and macroeconomic indicators of the countries under study has been already explained in detail in our previous research (Ushakov, Arkhipov, 2017).

In our research correlation has been determined between the indicators describing government spending on education (I) and other macroeconomic indicators of the countries (J), while countries in question have been classified into 8 geographical groups (1 - North and Central Europe; 2 - South Europe; 3 - former USSR; 4 – America; 5 – Eastern Europe; 6 – Middle East; 7 – Asia Pacific; 8 – Africa). The obtained results are presented in Table 3 and 4.

Table following on the next page

Table 3. Correlation between the indicators of government financing of education and the national macroeconomic dynamics, part 1, 2000-2014 (calculated by the authors)

Macroeconomic dynamics of the countries	Government financing of education																							
	Expenditure on education as % of the total government expenditures (%)								Expenditures on secondary education as % of government expenditures on education (%)								Government expenditures on education as % of GDP (%)							
	Geographical groups of countries								Geographical groups of countries								Geographical groups of countries							
	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8
Agriculture, value added (% of GDP)	+					+	-	+			+	+		+		-	+	+		-	-			
Exports of goods and services (% of GDP)			+	-	-	-	+	-		-	-	-		-		-		-	-	-	-		+	-
Foreign direct investment, net inflows (% of GDP)				+		+	+					+		-	+	+	-					-	+	-
GDP at market prices (current USD)					-		+	-			-	-	+	-		+	-	-			+	+	+	-
GDP growth (annual %)					-		+	+						+		+					-	-		
GDP per capita (current USD)				+	-		+	-			-	-	+	-	+	+	-	-			+		+	-
GDP per capita growth (annual %)		+			-		+	+						-	-	+		-		-		-	-	
Gross capital formation (% of GDP)			+			+		+		-		+	+	+	-	+			+	-	+	-	+	-
Gross savings (% of GDP)			+			+		+		-			+		+		-			-		-		-
Industry, value added (% of GDP)		-		-	-		-				-			+	+	+		-		-		-	-	-
Services and other, value added (% of GDP)					+	-					-		-		-	-	-	-		+		+	+	+
Trade (% of GDP)	-	-	+	-	-			-		-	-	-			-			-		-	-		+	
Trade in services (% of GDP)	-									-								-						

Table following on the next page

Table 4. Correlation between the indicators of government financing of education and national macroeconomic dynamics, part 2, 2000-2014 (calculated by the authors)

Indicators of macroeconomic dynamics	Indicators of government financing of education																							
	Government expenditures per primary student as % of GDP per capita (%)								Government expenditures per secondary student as % of GDP per capita (%)								Government expenditures per tertiary student as % of GDP per capita (%)							
	Geographical groups of countries								Geographical groups of countries								Geographical groups of countries							
	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8
Agriculture, value added (% of GDP)		+		-	-	-				+	-	-	-	-	-	-	+	+	-	-			-	+
Exports of goods and services (% of GDP)		-	+		-	+		-					-		+					-			+	-
Foreign direct investment, net inflows (% of GDP)				-			-	-		-				-	-	-			-	-				-
GDP at market prices (current USD)		-	+	+	+	+		+		-	+	+	+	+	-		-			-		-	-	-
GDP growth (annual %)				-	-	-	-	+				-		-		+			-	-	-	-		-
GDP per capita (current USD)		-	+	+	+	+	-	+		-	+	+	+	+	-		-	-		-		-	-	-
GDP per capita growth (annual %)				-	-	-	-		-				-	-					-	-	-		+	
Gross capital formation (% of GDP)		-	+	-	+	-	-	+	-			-		-	-				-	-	-	+	-	
Gross savings (% of GDP)		-		-			-	-		-	-	+	-	+	-				-	-	-		+	
Industry, value added (% of GDP)		-			-	-		-	-	-		-	-	+			-	-		-	+	+	-	
Services, etc., value added (% of GDP)		-	-	+	+	+		+			+		+	-					+	+			-	
Trade (% of GDP)		-	+	+	-			+				-		-	-				+		-	-	-	-
Trade in services (% of GDP)																	+	-	+					

4. KEY CONCLUSIONS FROM THE RESEARCH

The growth of government spending on education has an overall positive influence on the development of services sector and its contribution to national GDP as well as on the growing volumes of international trade in services. Noteworthy, in the Middle East region correlation between the size of government spending on education and the dynamics of national sectors of services is absent as such (one of the possible reasons for this can be intensive import of highly qualified labor force for further employment in services which is quite a typical trend for almost all countries of the region in question). At the same time, economies of North and Western Europe demonstrate the direct dependence between state investments in higher and postgraduate/additional education and the dynamics of national services (this also confirms the vital role of qualifications in the formation of services sectors in this region). The volume of government financing of education directly determines the dynamics of industrial development in Asia and Africa. The central reason for this correlation is that the potential for industrial development (namely – resource and labor potentials) is not yet fully developed and used in

both these regions. At the same time, countries with excessive numbers of well-educated labor force (South Asia and Western Europe) or countries with degrading industries (Eastern Europe and former USSR region) clearly demonstrate the reverse correlation. While the Middle East is taking steps on industrialization and for this matter imports labor force (and mostly well-qualified one), thus, the region does not show any immediate dependence between government spending on education and industrial dynamics. The world overall demonstrates an obvious negative correlation between government financing of education and trade dynamics. At this, Middle East countries, again, have zero correlation between trade dynamics and spending on education, and in South Asia and America this dependence is negative. Positive correlation is observed only between government spending on secondary education and trade development in the countries located in Asia, Eastern Europe and former USSR countries.

On the global scale, there is an obvious negative correlation between government financing of education programmes and national exports' dynamics. For example, this negative correlation is observed for the countries of South Asia, America and North of Europe. In Africa and other Asian countries (but for the southern part of the region) a positive correlation is observed between national export and government spending on education (however – only for secondary education). Government spending on higher and postgraduate/additional education does not seem to have any impact on the dynamics of national export in any of the analyzed regions. And as it can be already predictable, national exports in the Middle East does not demonstrate any sort of dependence from government spending on education.

There is no clear global trend in the relations between government spending on education and agricultural sector development (the latter has been measured as share in national GDP). For example, in African countries the level of government financing of education seems to have mostly negative influence on agricultural development (most probably, this is due to insignificant volumes of spending on education on this continent as such). While in South Asia and the Middle East government spending on education has a positive impact on the development of the agricultural sectors. These countries today are taking many efforts to boost agricultural production, and for this, highly qualified human resources, and preferably local ones, are obviously needed. Also positive influence is observed between government financial support for education and agricultural development in Europe (primarily in those countries where agrarian sector has already become rather innovative, thus requiring qualified laborers and their constant retraining).

Speaking globally, growth of government spending on education directly predetermines the level of material welfare for the larger part of population (measured as GDP per capita). It is important to note here that the most positive correlation between government spending on education and the size of national GDP is observed for the developed countries of America and old Europe (but for the segments of secondary and higher/tertiary education). In African countries positive correlation is observed between GDP per capita and financing of primary education. And for South Asia this correlation becomes negative (this can be explained by little internal demand for qualified laborers and also by low efficiency of government spending on education). The dynamics of GDP (that is, the rate of its annual growth) tends to have mostly negative correlation with government spending on education. There are two most obvious reasons for that: first, the study period here is quite short, thus limiting the chance to detect the right correlation; secondly, in the absolute majority of the countries we have analyzed here government budgets are rather limited, thus, increased spending on education in these countries would most probably cause increased overall spending of a country, and this, in turn, limits the investment capacities of national economies, thus hindering economic progress overall). Only

in the case of North Europe we observe a positive correlation between economic growth dynamics and the level of government spending on education. The countries of Middle East do not demonstrate any dependence in this regard as such. Government spending on education has the weakest influence on the development of financial markets and country's investment attractiveness growth in the regions of Middle East and South Asia (of course, all these countries have other, more important, factors of their investment attractiveness, e.g., economic regime, government support for investment programs, easy access to natural resources, developed infrastructure etc.) At the same time, government spending on education determines the dynamics of financial markets' development in Asia and Africa (the correlation is observed for secondary education though). European countries demonstrate a stable negative correlation between the level of population education and people's propensity to save (which indirectly means future investment behavior). At the same time, in Africa and South Asia propensity to save is demonstrated mostly by the people with secondary education (this, most probably, is predetermined by the general socioeconomic situation in these countries). Interestingly, government spending on education has nearly no influence on the development of financial markets on the American continent. Meanwhile, the main limitations of the study have to be mentioned. These are high heterogeneity of the analyzed countries and their significant differences (both in education expenditures criteria and indices of socioeconomic development). In the future, it is advisable to analyze the dynamics of the selected indicators' correlation within the groups of countries, classified differently – into economic groups, for example (rich, poor and middle-income countries) or by the size criteria (large and small countries).

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PHONOSEMANTIC ANALYSIS OF THE ATTITUDES OF PSYCHOLOGY STUDENTS TOWARDS PHYSICAL EXERCISE AND SPORTS

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ABSTRACT

The problem of younger's generation physical activity and its relationship to physical culture and sports activity within the framework of a structured system of education in higher education institutions of the Russian Federation is an actual subject for studying by leading specialists in physical culture throughout various approaches and techniques, adjacent science to the pedagogy, through unified tests and sociological surveys, which leads to rising the level of declarability of respondents' answers. At this article is made an attempt to leveling out the influence of researchers on respondents and lowering the level of declarability throughout phonosemantic analysis of student's essays texts.

Keywords: *physical culture, physical culture and sports activity, phonosemantics, psychology students, student's essays*

1. INTRODUCTION

Physical exercise is the basis of the physical education program for university students at the present stage of development of higher education in the Russian Federation. Physical education is an integral part of the educational process and cannot be considered as its secondary component. A unidirectional approach prevails to some extent, as a rule, in the course of work with students and consideration of their achievements on "Physical education", namely, the teacher relies on the average values of the standard index. The main criterion to obtain credit in the discipline is the student's attendance of the classes and meeting control standards [5,10].

A large number of authors implemented and continue to use various types and methods of psychological tests and social surveys to measure motivational and value-oriented attitude of students towards physical exercise and sports, that offer students some pre-prepared answers in the form of any given clearly structured responses, thereby dooming the respondents to incomplete saturation of the responses and, with some probability, their "one-sidedness" [7,8,10]. This "one-sidedness" leads to the fact that researchers obtain an incomplete picture of the motivating and value orientation of students on physical education, both within universities and in independent physical activity due to some or other statements selected by students. Most authors of the studies on the component of motivational attitude of students to physical exercise and sports noted therein the positive effect of methods they used on the increase of the significance of "Physical education" subject [2,6,9,10,13,14]. Thus, neither author had an issue with the validity of the data of their research, due to the effect of "declaring" responses [4,11]; the identification of this "declaring" presents some difficulties, not to mention the fact that the application of these studies results in the correction of educational influence at practical exercises during the exercise period may exacerbate negative attitude to physical exercise and

sports activities in its integral aspect. In this regard, there is a need for finding any additional opportunities of diagnostics of the level of students attitude to physical exercise and sport, based not only on well-structured psychological tests and social surveys with closed or open answers (which are more correct, but harder statistically processed), but also on more integrative, voluminous diagnostic procedures that provide more extensive, in-depth assessment of this attitude. [5] Since the late 50-ies of the 20th century and due to development of such science as linguistics, a new method of psychological assessment of respondents' attitude to the issues studied was elaborated, focusing on phonosemantic meaning of the used words; the founder of the method was C. Osgood and his colleagues, [15,17-19]. This method was picked up by Soviet linguists, philologists, psychologists and sociologists, who succeeded not only in studying the phonosemantic meanings of Russian words and letters, but went further having developed the "semantic differential" for more in-depth studies of the texts written by the respondents [1,3,12,14]. The novelty of this study lies in the fact that in the process of mastering "physical education" and "applied physical education" subjects by students, the basis for educational correction will be a diagnostic component of student attitudes towards physical exercise and sports activities addressed to the unconscious. The relevance of the study lies in the use of diagnostic procedures of phonosemantic analysis of essay texts dealing with past motor experience of most students for more science-based educational effect adjustments.

Objectives of the study:

1. To justify the use of phonosemantic analysis of student essay texts "My personal attitude to physical education and sport" as the most informative diagnostic procedure, excluding "declaring" answers of the respondents by which the researchers turn to the unconscious.
2. To identify personal attitude of students to physical education and sports activities, based on their previous motor experience and its psychological impact on the identity of psychology students, their preferences in physical activity.
3. To justify the adjustment of the educational impact within the time limit of the classes, methodological content of "Physical education", "Applied physical education" or "Elective courses for physical education" didactic units as practice-oriented courses, on the basis of final results of the study.

2. METHODOLOGY

450 psychology students (1st - 4th year's students) of the Moscow State University of Psychology and Education participated in the experiment to study the attitude of students to physical education during 2015-2017. They wrote essay on "My personal attitude to physical education and sport" in the beginning of school year to exclude the possibility of influence of physical exercise in the educational program of the university. The students were asked to describe their own, personal attitude to physical activity, physical education and sport in the essay, both within the University and during extra-curricular and leisure activities. They were given complete freedom in writing the essay, both in the quantitative (volume, structure etc.) and qualitative (the focus, spelling, etc.) characteristics, which was explained to them before they started to write. Following all the preparatory and diagnostic measures, the obtained results were processed using mathematical statistics methods of Microsoft Excel software, Vaal-mini software application for phonosemantic word processing and Internet site www.miratext.ru that allowed us to obtain certain results below.

3. RESULTS

The attitude level of students to physical education and sport was examined in the student essays that have explored a sufficiently large number of indicators. Initially, the student essays data statistics were examined and provided in Table 1.

Table 1. Student essays statistics data

No	Indicators	X	m	Mo	Me	δ	Ex	As
1	Number of words	118	6,22	108	100	71,8	3,04	1,62
2	"Nausea" of text (N=3-4)	2,85	0,04	2,6	2,6	0,51	7,93	2,67
3	"Wateriness" of text (%)	8,08	0,61	0	6	7,08	0,85	0,92
4	«Naturalness" of text acc. Zipf's law (%)	66,1	1,45	63	64	16,8	4,28	-0,8

As evident from the provided data, the average statistical indicators for the "number of words" parameter are of reasonably good values ($X=118$, $Mo=108$, $Me=100$), which may indicate that the students, for the most part, have sufficient desire to write an essay on a given topic, thereby acknowledging that they have sufficient previous motor experiences, because if people do not know and have not tried to participate in physical exercise and sports, it will be difficult to find enough words to describe what they were not involved in. Unfortunately, when you look at the values of excess and asymmetry in terms of "number of words", we noted that there is a large enough group of respondents in the total sample, who operated a small number of words in their essays ($Ex=3,04$ and $As=1,62$), much smaller than the averages.

The average statistical indicators for "Nausea" text" [16] showed us the lack of excess in the use of key thematic words when writing an essay ($X=2,85$, $Mo=2,6$, $Me=2,6$, with normality $N=3-4$), as evidenced by the peaked distribution ($Ex=7,93$) and right-sided asymmetry ($As=2,67$) which tend to lower indicators from the average. Exactly the same pattern on the averages is represented by the "Wateriness" of the text (%) ($X=8,08$, $Mo=0$, $Me=6$, with normal N -up to 30%) and this is confirmed by the peaked distribution ($Ex=0,85$) and a small but right-sided asymmetry ($As=0,92$). Moreover, the average statistical indicators for "Naturalness" of the text according to Zipf's law (%) [20] revealed a similar picture: the arithmetic mean, mode and median are within good values – more than 60% ($X=66,1$, $Mo=63$, $Me=64$) [23, 24]. This is confirmed by the large positive excess ($Ex=4,28$) and a relatively small left-sided asymmetry ($As=-0,8$), indicating at the upward trend of statistical indicators relative to the average. These statistics (nausea, wateriness and naturalness) in the aggregate of their values, allow us to say that the students were sincere when writing the essay and did not try to fill it with a lot of useless and declared words. However, the statistical data of student essays alone cannot give the full picture of the student personal attitudes and previous experiences in their personal physical exercise and sports activities. Based on this provision, we made a phonosemantic text analysis of student essays, the results of which are presented in Figure 1 and Tables 2,3, 4,5 and 6.

Figure following on the next page

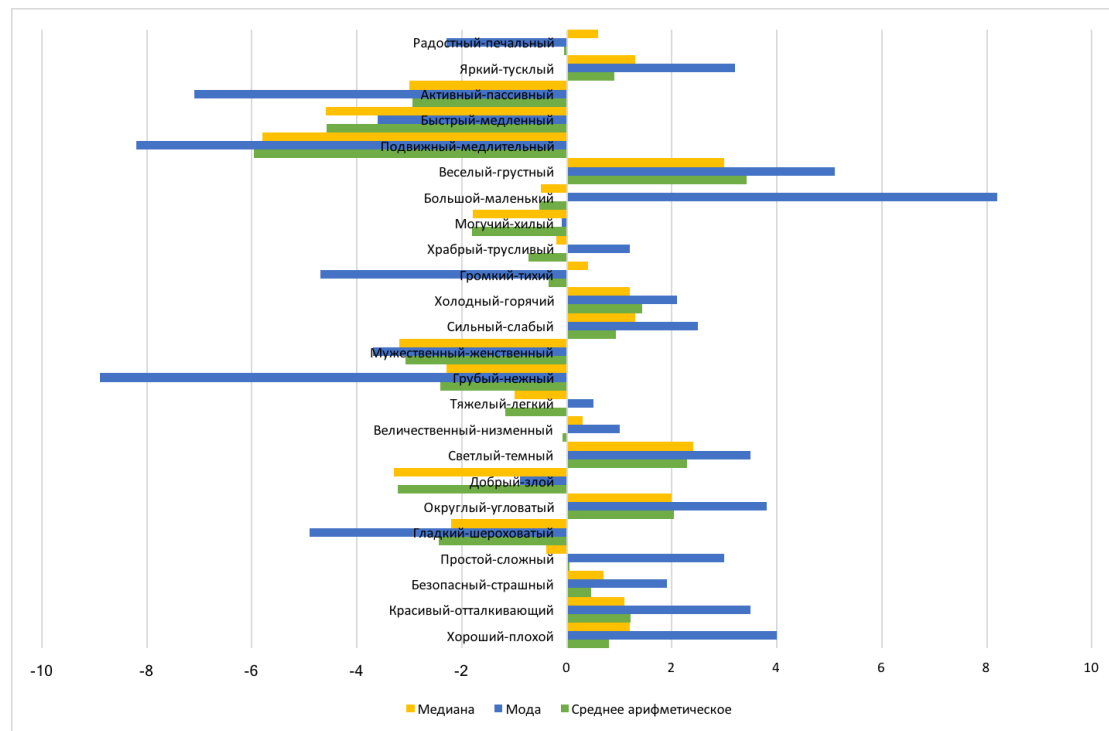


Fig.1 Distribution of phonosemantic indicators of student essays

According to Figure 1, the main and distinctly expressed characteristics in phonosemantic evaluation of student essay texts are bright, passive, slow, dilatory, funny, hot, strong, feminine, gentle, light, bitter, rounded, rough, safe, beautiful and good. At first glance, the distribution of such characteristics of the text may mislead the researchers and requires reflection. To understand this, we categorized the scale indicators into the five factors, three of which ("Potency", "Activity", "Evaluation") are "Osgood's basis", demonstrating the impact of physical education and sports on students and assessment thereof from their point of view; and two ("Emotion" and "Comfort") are the "Correcting add-on", showing the students emotional and personal perception in the field of physical education and sports. Refer to the tables 2, 3, 4, 5, 6.

Table 2. "Potency" factor indicators.

№	Indicators	X	m	Mo	Me	δ
1	Heavy-light	-1,17	0,36	0,5	-1	4,2
2	Strong-weak	0,94	0,59	2,5	1,3	6,82
3	Big-small	-0,5	0,64	8,2	-0,5	7,36

According to average indicator of Table 2, "Potency" factor (X, Mo, Me) we can see that students heavily perceive the potency of impact of physical exercise and sport (X=-1,17, Mo=0.5, and Me=-1), since this effect is rather strong (X=0,94, Mo=2,5, and Me=1,3), whereby it (physical exercise and sport) has a quite small value (X=-0,5, Mo=8,2, Me=-0,5). These facts are thoroughly confirmed in Table 3.

Table 3. "Activity" factor indicators.

№	Indicators	X	m	Mo	Me	δ
1	Brave-cowardly	-0,73	0,47	1,2	-0,2	5,38
2	Agile- dilatory	-6	0,4	-8,2	-5,8	4,6
3	Quick-slow	-4,58	0,4	-3,6	-4,6	4,62

4	Active-passive	-2,95	0,37	-7,1	-3	4,23
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According to average indicator of Table 3 “Activity” factor (X, Mo, Me) we can clearly trace the effects of physical exercise and sport on psychology students in independent physical activity, or rather passivity (X=-2,95, Mo=-7,1, Me=-3), caused by a sufficient level of fear (X=-0,73, Mo=1,2, Me=-0,2), which leads to their hesitation in choosing physical activity (X=-4,58, Mo=-3,6, Me=-4,6) and natural choice in favor of its more relaxed and reflective types (X=-6, Mo=-8,2, Me=-5,8).

Table 4. “Evaluation” factor indicators.

№	Indicators	X	m	Mo	Me	δ
1	Good-bad	0,8	0,49	4	1,2	5,66
2	Sweet-bitter	-3,2	0,47	-0,9	-3,3	5,39
3	Light-dark	2,29	0,45	3,5	2,4	5,14
4	Rough-gentle	-2,41	0,61	-8,9	-2,3	7,06
5	Cold-hot	1,44	0,43	2,1	1,2	4,9
6	Loud-quiet	-0,34	0,58	-4,7	0,4	6,66
7	Bright-faint	0,9	0,51	3,2	1,3	5,92

According to the averages of Table 4 the “Evaluation” factor (X, Mo, Me), the student assessment of the influence of physical exercise and sport is not very clear. On the one hand, physical activity is something light for them (X=2,29, Mo=3,5, Me=2,4) and hot (X=1,44, Mo=2,1, Me=1,2), gentle (X=-2,41, Mo=-8,9, Me=-2,3), quite bright (X=0,9, Mo=3,2, Me=1,3), good (X=0,8, Mo=4, Me=1,2), as well as quiet (X=-0,34, Mo=-4,7, Me=0,4), but, on the other hand, something very bitter (X=-3,2, Mo=-0,9, Me=-3,3). Apparently, the only possible way to interpret such results is to base on factors “Potency” and “Activity”, with their clear focus on a calm and reflective attitude of psychology students towards physical education and sport with hardening influence on them of physical exercise and sport as such.

Table 5. “Emotion” factor indicators.

№	Indicators	X	m	Mo	Me	δ
1	Beautiful-ugly	1,2	0,4	3,5	1,1	4,8
2	Majestic-vile	-0,08	0,57	1	0,3	6,54
3	Masculine-feminine	-3,08	0,66	-3,7	-3,2	7,56
4	Mighty -frail	-1,81	0,62	-0,1	-1,8	7,15
5	Funny - sad	3,43	0,34	5,1	3	3,86
6	Joyful –distressing	-0,05	0,46	-2,3	0,6	5,3

According to average data of the emotional attitude of students to physical education and sport in Table 5 the “Emotion” factor, this attitude has a distinctly feminine vector (X=-3,08, Mo=-3,7, Me=-3,2), due to the prevailing gender-contingent of humanitarian university. Physical education for psychology students is a something very funny (X=3,43, Mo=5,1, Me=3) and beautiful (X=1,2, Mo=3,5, Me=1,1), a rather majestic (X=-0,08, Mo=1, Me=0,3) and joyful (X=-0,05, Me=0,6), mixed with some obviously distressing experience (Mo=-2,3), apparently based on the indicator of "the mighty-frail", that in some way overshadows the overall positive emotional evaluation (X=-1,81, Mo=-0,1, Me=-1,8).

Table 6. “Comfort” factor indicators.

№	Indicators	X	m	Mo	Me	δ
1	Safe- terrible	0,46	0,55	1,9	0,7	6,35
2	Simple-complex	0,05	0,37	3	-0,4	4,32
3	Smooth-rough	-2,44	0,53	-4,9	-2,2	6,14

4	Rounded-awkward	2,03	0,41	3,8	2	4,7
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According to the average data of comfort during the lessons of physical education and sport in Table 6 “Comfort” factor, we can say with full conviction that students perceive physical exercise and sport as safe ($X=0,46$, $Mo=1,9$, $Me=0,7$), with extensive possibilities ($X=2,03$, $Mo=3,8$, $Me=2$) and simple enough ($X=0,05$, $Mo=3$, $Me=-0,4$), but with a lot of obstacles, i.e., rough ($X=-2,44$, $Mo=-4,9$, $Me=-2,2$), internal or external.

4. DISCUSSION

The student essays statistics showed a lack of so-called “declaration” in relation to physical exercise and sport among the students, which is reflected in the conciseness of student essays (a tendency to reduce the number of words in the essay in relation to the average), in small “wateriness” and “nausea” indicators of essay, and high indicators of texts quality according to Zipf’s law (more than 66%, with a tendency to increase).

The phonosemantic study of student essays gives us a deep understanding of the structure of psychology students attitude to the physical education and sport, where there is a clear tendency of hardening influence of physical exercise and sport on students (apparently, because of the mandatory nature of school and university physical education programs). Consequently, the physical education and sport classes are just insignificant for the students, which is confirmed by their passivity in self-education or preference for either the complete lack of physical activity, or its more quiet and reflective types (yoga, “ground” gymnastics, corrective exercises, etc.). This is due to the sufficient level of fear of physical activity, apparently, because of negative previous physical activity experiences. However, the psychology students have a very positive evaluation of physical exercise and sport both individual (according to “Evaluation” factor of “Osgood basis”) and subjective (according to “Emotion” and “Comfort” factors of “Correcting add-ons”).

The only parameter preventing students from the use of the whole range of means and methods of physical education and sport in their physical activity, in our opinion, confirmed by phonosemantic data of “Corrective add-ins” factors, is the presence of some negative experiences in the previous physical exercise and sport and internal and/or external obstacles (for example, lack of motor skills background, the required physicality level), as evidenced by available fairly large groups of students with an understanding of their own poor physical fitness and those who want more comfort when exercising sports activities.

5. CONCLUSION

Thus, based on the results of our study, we can say that:

1. The use of phonosemantic diagnostics of the student attitudes towards physical exercise and sport based on the essay “My personal attitude to physical education and sport” looks more preferable than the strictly regulated psychological and sociological testing.
2. Students of psychological universities have a negative previous experience of physical activity and lack of motor skills and insufficient physicality, which is reflected in their preference for a simpler and less coordinated physical activity.
3. It is necessary to ensure strict tracking of the proposed complex coordination loads in didactic units of the “Applied physical education” subject to prevent deterioration in relation to physical exercise and sport on the part of students, due to the lack of psychologically positive reinforcement from prohibitive highly-coordinated exercises, based on the lack of physical activity experience and the combination of underdeveloped physicality.

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SOCIAL LICENSE IN THE MINING INDUSTRY: EXPERIENCE AND PROSPECTS OF DEVELOPMENT

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ABSTRACT

The relevance of the study is due to the growing role of social licensing of mining companies, the need to build constructive relationships with a variety of stakeholders aimed at the social well-being of local communities. The theoretical aspects of the concept of a social activity license are considered, the essence of which is reduced to informal "permission", or the consent of local communities to carry out the activities of mining enterprises in the territory of their deployment. It is revealed that against the backdrop of the difficult situation in the world economy and in the Russian economy, the risk of loss of public confidence in recent years has increased significantly. In the Russian mining industry, this applies, above all, to uranium, copper and gold mining enterprises. The possibility of applying the concept of "social license to operate" in the domestic practice of mining enterprises is assessed.

A conclusion is made about the advisability of applying a "social license" in Russian practice, which allows mining enterprises to avoid costs caused by conflicts with the local community. Recommendations are given for obtaining the "social license".

Keywords: *economy, social license on activities, mining, local communities*

1. INTRODUCTION

The social sustainability of mining projects in Russia is a qualitative characteristic, which is determined by the effectiveness of interaction between the mining industry enterprises and the local community. The most important indicators of social sustainability are the level of well-being of the local community, measured by indicators of the standard of living, such as wages and their ratio to the minimum subsistence level of the able-bodied population, the unemployment rate, the level of occupational traumatism, and the living conditions of the local population. Taking this into account, objectively there is an issue of developing effective methodology for building relations between companies and local communities located in the mining zone. In recent years, in a number of countries in the world, such as Australia, Canada, Finland, the concept of a social license in the regions of mining companies presence has gained wide scientific prominence and practical application. The study showed that in Russia the concept of a social license is still little known theoretically, is hardly discussed in specialized literature and is not mentioned in state and municipal documents; therefore is not used in the practice of managing companies and local authorities. The term "social license" was introduced by mining companies to describe the efforts they are making to ensure that their activities are fully supported by the public and the local community. In business discourse, this term is called

a social license for production, or for doing business. And if earlier the management of the executive body of the mine was interested only in exploitation issues, now for stable operation of the facility they must learn to establish contact and reach agreement with the local community. The prerequisite for this was the increase of negative impact caused by mining activities in many countries in the 1990s - breakthroughs of tailings dams, leakage of chemicals, etc. [16], as well as emerging conflicts over the potential negative impact on the environment, social and economic development of the territories where new mining projects were implemented or planned. One notable example is the breakthrough of the tailings dam at the Canadian Mount Polley mine. The accident was due to design flaws in the structure and a shortage of maintenance personnel owing to staff cuts, but the main object of criticism was the lack of an adequate system for monitoring mining operations¹.

Here is another example of Peru, associated with obtaining a social license prior to the development of Minas Conga mine by Newmont Mining. The disagreements around this mine were discussed all over the world. Basically, they were caused by an obvious risk of contaminating local water bodies. In addition, Minas Conga had problems because of the political situation changes in Peru. Initially, the local community and the government positively accepted the results of the assessment of the impact of Minas Conga's development on the environment. However, after the presidential election, when the new President came to power, some disappointment spread among the population. For local authorities, one of the few operating levers grabbed from the center is the ability to influence mining projects. Protests against "Minas Conga" emphasize this. From the point of view of Newmont Mining, one of the main difficulties is determined by the disagreements related to the relationship between the central and regional governments. As a result, it is difficult for a mining company to give guarantees that a certain part of taxes and duties paid to central authorities will go to the region, or, for example, that specific areas of investing money at the regional level will satisfy the local population. It is possible to get state's concession that the income from the mine will be invested accordingly, but no one will guarantee this.

2. CHAPTER 1

Disputes around the mines associated with obtaining a social license arise not only before the development, but also during the development. So, for example, at the gold mine "North Mara" (Tanzania) the new owner - "African Barrick Gold" - had to face two different but related problems: a large number of cottage (or former cottage) miners who historically mined gold at the mine site and the fact that this mine was acquired as a result of the takeover. The company initially did not negotiate with local residents to obtain and support a social license.

There is a rather interesting example of obtaining a social license for the project in Rosia Montana (Romania), implemented by Roșia Montană Gold Corporation, which started geological exploration work on ancient gold and silver mines located near a remote settlement with a total population of approximately 4 thousands of people. Earlier work there was conducted by the state, however it was stopped in 2006. As a result, the unemployment rate in the Roshia-Montane region, which historically depends on production and related industries, has risen sharply. Since then almost 10 years have passed, and the owner of the mine still can not get permission from the Romanian government to start development. In Kazakhstan there

¹ «Mount Polley tailings pond breach: Weak foundation was like a "Understaffing, deregulation to blame for Imperial Metals' Mount Polley tailings pond disaster: critics», Vancouver Observer, 5 August 2014 .

is a deposit "Deserted", development of which stopped in 2006. It was made on the initiative of the company that worked there without sufficient interaction with local residents. For this reason, the new miner, the company Altynalmas, which received a license for exploration in 2011, inherited a serious distrust from the local community. The return of past trust takes time. This is a very labor-intensive process that requires management of Altynalmas to support good communication with local residents, understanding of the functioning of the local community, and the implementation of some mitigating factors in the project process, designed to minimize and compensate for the negative impact of production (which will begin in 2014) on livelihoods of the local population. The study showed that in recent years, the number of suspensions of mining enterprises has sharply increased due to conflicts associated with the so-called social license to conduct business. It is difficult to determine the real reason for this, but it is quite obvious that there are many mines and mining projects that were threatened or are threatened by the inability of companies to negotiate with local residents.

The phrase "social license to operate" was first applied by Canadian mining expert James P. Cooney to describe the quality of relations between mining companies and the local community that is affected (environment-, economic-, and social-wise) as a result of the company's operations. [8]. The idea of creating a system and tools to prevent conflicts emerging in the mining industry was discussed in 1997 during the World Bank conference on the problems of implementing projects in the mining industry. In particular, it was suggested that the main element of such a system of relations should be a social license

To understand the importance of a social license, it is important to understand what is meant by this. In many countries new large projects, including the development of mineral deposits, are implemented not only after the appropriate permission from the state, regional or local government / self-government bodies, but also on the basis of research confirming loyalty of the local population towards the project - the so-called social license (Social License to Operate (SLO)). Systematically, this practice is common in Canada and Australia [1]. Thomson Reuters has defined a social license as meaning "informal" permission, or consent, of the local community for the company to operate on the territory of the municipality "[15]. By definition, given by the World Bank, the social license to operate is the achievement of free, preliminary consent, given on the basis of comprehensive information between local communities and resource-producing companies [12]. The full meaning of the concept consists not only in achieving, but also in the constant maintenance and reproduction of such consent, since the criteria for achieving it can change with time[12]. Researcher A.A. Avramenko gives another definition given by the World Bank to the term "social license to operate" - it is "free, preliminary and competent consent between local communities and stakeholders in mining activities"[1]. The representatives of the mining sector give the following definition: "The social license is the acceptance and belief of society, especially the local community, in the value of our actions, which gives us permission to access and extract mineral resources ... You can not obtain a social license by applying to the ministry or simply by making payment. It takes much more than money to really become part of the community where you operate "[7].

3. CHAPTER 2

A social activity license implies informal «permission» from a different level (from mere acceptance to full approval) of the local community to the company's activities [13]. The key to the concept of social license is the concept of trust in the company by the local community [18, 19]. The presence of such a license, on the one hand, allows reducing the socio-political and financial risks of implementing the projects of the mining company, improving the image, which is now increasingly taken into account by their financing banks and, as a rule, brings

financial benefits and increases the company's competitiveness. On the other hand, the interest of companies in obtaining social license is beneficial to the local community, since it helps protect the rights and interests of the local population. In this case, the company prefers to respect and take into account the interests of the local community in carrying out its activities. As a result, the social license to operate can be viewed as an effective tool that contributes to sustainable development of the local community. The study of economic literature has shown that there is still no agreed definition of the term Social License to Operate, but many environmental NGOs believe that a social mining license is "community consent to a project prior to its development and official authorizations" [1]. We can say that all the above definitions of the term "social license", in our opinion, are somewhat incomplete. First of all, they do not take into account the support of the company in future from the local communities and stakeholders. After all, support in future is a particularly important aspect, since the opinion of the population living within the territorial presence of mining companies may change with time. In addition, the definition does not take into account the emphasis on the fact that a "social license" is the receipt of a moral right from the local population to develop and operate a deposit and is in no way associated with obtaining production licenses. That is, a social license is not a formal document, but a concept of a mental property.

Taking this into consideration, the authors propose the following definition for the term in question: A social license is the receipt of a moral right to develop a deposit and support in the future on the basis of free, prior and competent consent between local communities and mining stakeholders.

Obtaining and supporting a social license has always been of considerable importance to mining companies: without this, the mining of minerals is extremely problematic. Over the last century, the rights of local and indigenous people living in close proximity to mines have expanded significantly, becoming an effective lever for pressure on mining companies. The study of domestic scientific literature on the subject has shown that for the Russian scientific discourse the concept of a social license is still new and poorly understood. One can find individual works in this direction (A.A. Avramenko[1], S.S. Verkhozin [2], E.A. Korchak [6], L.A. Ryabova [8]). As the analysis showed, this direction is practically not disclosed on the official websites of Russian gold mining enterprises. The study of the materials of the annual reports on the main activities and financial statements compiled according to the Russian (RAS) and international standards (IFRS) of the leading companies - Polyus, Polymetal, Kinross Gold, Yuzhuralzoloto, Petropavlovsk, Nordgold, Highland Gold Mining, etc. - did not allow us to reveal meaningful information regarding the social license to operate. At the same time, for Russian gold mining companies, the concept of corporate social responsibility (CSR) plays a close role in the relationship with the local community in terms of the concept of social license. Implementing CSR, companies reach certain levels of social license from the local communities.

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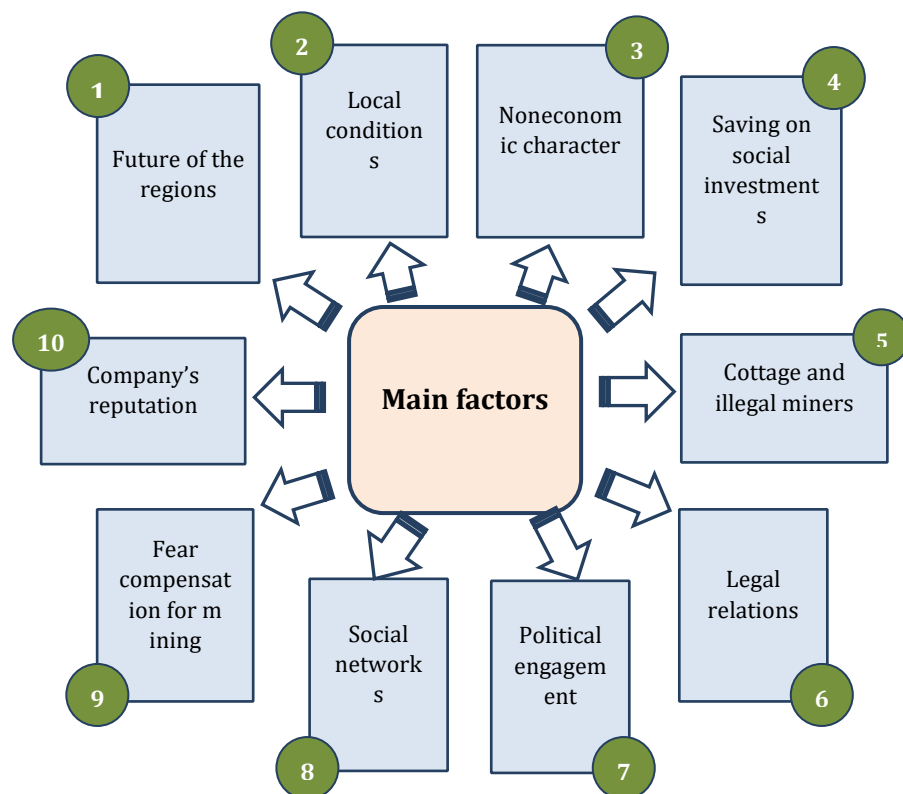
For example, in 2016, Polymetal implemented a community interaction system (CES) in all its subsidiaries, which helps to monitor regular interactions with the community, adopted a new human rights policy that confirms the commitment to respect human rights and preservation of the cultural heritage of indigenous communities in the areas where the company's divisions operate. Only in 2016 the company invested more than \$ 5 million in local communities, over the past five years, investments totaled \$ 24.9 million in projects related to health and education, infrastructure, sports and lifestyle, culture and creativity, indigenous small-numbered peoples of the North and environmental protection. We emphasize that the relationship of each gold mining company with the local community is built on the basis of the CSR concept, taking into account local features. The concept of SLD does not find its application yet not only in a theoretical, but also in a practical sense. The study [8] also showed that representatives of local self-government bodies located in the territory of the mining enterprises studied have practically no idea about the concept of a social license. At the same time, the relations of companies with the local community are, as noted above, based on the concept of corporate social responsibility. Moreover, winning a positive attitude from the local community as a priority is sometimes not considered as one of the main lines of the company's activities.

As a result, the interaction of mining enterprises with local communities does not yet have a beneficial effect on the development of local communities, and it also carries risks for the mining enterprises themselves. However, as world experience shows, the application of the concept of social license in practice brings, as a rule, significant benefits for each of the interacting parties. In foreign scientific literature, the theoretical model of the concept of a social license to operate is often viewed as, first, having three regulatory components - legitimacy, credibility and trust, and, secondly, four levels of social license - withdrawal, acceptance, approval and identification with the project psychologically, or at co-ownership level [16]. The SLD levels mean "how the local community relates to the company" [16], that is how it assesses the company's behavior in relation to the population of the territory, which is influenced by the company's activities. Normative components (legitimacy, reliability and trust) serve as boundary criteria that separate the levels of the social license [8].

The maintenance of a "social license" to conduct business in the gold mining industry is becoming an increasingly complex and multifaceted task, involving the need to build constructive relations with a variety of interested parties. Against the backdrop of the difficult situation in the world economy, the risk of loss of public confidence in recent years has increased. The decision to curtail production in a particular region should be taken, weighting the pros and cons and assessing the possible consequences for the image of the company and the potential economic damage it could do to the interests of the local community. The company's reputation can also be undermined by illegal mining. Hazardous working conditions, violation of safety rules and environmental standards, which damage the life and health of people and the environment, can lead to the closure of mines. The reason for the suspension or even the cessation of production may also be the discontent of the population, provoked by political and economic disagreements between local governments and central authorities. All the more noticeable are the various human rights organizations actively propagating their position in social networks and ready to apply a variety of forms of pressure right up to prosecution. In some countries, the right to take a final decision on the issuance of a permit for the extraction and enrichment of ore raw materials is transferred to local governments [20].

The social responsibility of business is a complex and multifaceted issue that affects all stakeholders without exception, including authorities, local people, human rights defenders, as well as the mining and metallurgical companies themselves. How the interaction between these

groups of people will be built depends on whether the company will receive a social license to operate. In circumstances where there is an intention to carry out multi-billion investments in the near future, it is extremely important that the result of evaluating all the pros and cons of the effectiveness of the project, on the one hand, and its social acceptability on the other, is not a forced compromise, but a conscious decision taken in the interests of all participants and stakeholders. Based on the available examples, it seems difficult enough to work out general rules related to obtaining and supporting a social license. The analysis showed that the risks depend on the situation on the spot. Nevertheless, in the author's opinion, there are a number of common aspects, understanding of which can help in the implementation of specific mining projects. The analysis allowed the author to identify the main factors that affect the receipt and support of a social license (Figure 1).



Source: created by the authors.

Figure 1 - Factors influencing the receipt and support of the mining company's social license

The following is a brief commentary on the content of the factors shown in the figure above, which are critical for obtaining and supporting a social license in the mining industry. This becomes even more evident under current conditions, when due to unfavorable price conditions in the commodity market, many producers are forced to reduce the volume of exploration and cut investment budgets. In a similar situation, the developing regions are the first to fall, the social programs of which largely depend on the volume of attracted investments, including foreign ones. There are also a number of non-economic factors that could adversely affect the future of the project, lead to the curtailment or suspension of mining projects.

Despite the difficult times experienced by mining and exploration companies, it would be short-sighted to save on social investments only because geological exploration is not as active today as it was before. The importance of such investments can not be underestimated, especially in the early stages: advance development and implementation of social programs will bring more

dividends than a large increase in the costs of achieving these goals later. Cutting costs for local projects and reducing staff as a result of the closure of production form a negative attitude towards the company and the sector as a whole, undermine relations with stakeholders and create a general atmosphere of mistrust. This also indirectly affects the economic well-being of the region in which the company operates (meaning the loss of business for local suppliers, the reduction of employment in related industries, the reduction in the population, the cessation of the provision of services), which further exacerbates the already difficult situation. In the conditions of a shortage of capital, companies are trying to find any ways to reduce costs, sometimes trying to save on what can not be saved - on safety, health of workers and the local population, protection of the environment. Excessive enthusiasm for such savings can ultimately lead to more significant losses.

One of the main social problems faced by mining companies is the problem of cottage mining, which obviously becomes more profitable and attractive in conditions of high mineral prices. Understanding the difference between cottage and illegal miners is crucial in terms of supporting a balanced and stable relationship between companies and local stakeholders. Illegal mining negatively affects the image of the sector. Unlike officially registered artels and individuals engaged in mining legally, "black" prospectors work illegally, without the permission of official or actual land owners, penetrating their territory to steal valuable ore. Such activities are often accompanied by criminal activities such as the use of forced labor, communication with drug cartels, organized criminal groups and terrorist organizations, extortion and illegal trade. Illegal mining, as a rule, is carried out in violation of established standards of industrial and environmental safety, leads to pollution of water bodies and poses a threat to the life and health of workers. This phenomenon is becoming more widespread in developing countries (for example, in Latin America), in the mining industry of which an important role is played by artisanal artels. The governments of these countries are taking active measures to solve the problem². Illegal mining casts a shadow over conscientious mining enterprises, threatening the safety of workers, the local population and the environment. Such threats can be so serious that in a number of cases they cause the closure of mining production and the freezing of plans for the industrial development of subsoil. Such a scenario can not be satisfied either by local authorities or by the companies themselves, as the curtailment of the activities of mining enterprises negatively affects the level of local employment and the prospects for economic development of the region, which ultimately undermines the reputation of the operator in the public eye. So, in October 2014, Harmony Gold was forced to suspend the operation of the Kusasalethu mine in South Africa for two weeks due to a fire caused by illegal mining³. Such facts have a wide public resonance and do not contribute to the formation of a positive attitude towards the industry among the local population.

In the process of analysis, it is established that the government and regulators have an important role in obtaining a social license. In a number of developing countries, in connection with the granting of mining rights to governments, a difficult question arises: although industrial development of subsurface contributes to attracting additional investments in the national economy, it can also lead to discontent on the part of the population. Mining companies, in turn, can also refuse to work in socially disadvantaged regions if the reputational risks associated with their activities will outweigh the potential benefits. For example, the Peruvian authorities

² «Minecraft: Illegal mining in Latin America,» The Economist, 16 September 2014 .

³ «Harmony Gold closes biggest mine as 105 illegal miners arrested», Bloomberg, 1 November 2014.

have been criticized for granting permission to the Southern Copper mining company for a Tia Maria project worth \$ 1.4 billion, despite the disapproval of most of the local population. Such ambiguous decision of the authorities caused a wave of resentment and protracted protests, and the company's promises to assess the environmental impact of the project could not reduce the degree of public discontent.⁴⁴ In Greece, on the contrary, the situation looks quite different: the government's attempts to turn off the gold mining project Eldorado due to the operator's failure to fulfill financial and environmental obligations encountered resistance from miners and local human rights defenders who said that as a result of the closure of the mine, many people will remain unemployed.

In the absence of proper planning and control, mining can lead to a serious deterioration in the quality of water resources and make them unsuitable for the needs of the national economy and the population. In addition, the use of non-standard approaches to solving this issue in the development of new deposits often provokes discontent among the local population, especially in developing countries. This, in turn, can lead to an irreversible loss of confidence and cancellation of the "social license" to conduct business. Thus, the insufficient level of interaction with the local population at the stage of project coordination and development and the absence of preventive measures in the light of positive examples of government approval of similar projects may put any initiative in jeopardy.

As a result, some projects, such as Tia Maria in Peru, were suspended indefinitely, which could have been avoided if the company had opted for more costly but more rational technologies. While not minimizing the significance of the problems that cause reasonable concern of the local population, it is worth noting that in some cases politically engaged groups can use them for their own purposes in an attempt to suspend or postpone an objectionable project under the guise of fighting for public interests. Mining companies are increasingly being prosecuted by certain non-governmental organizations. Proceedings can last for months, taking away from defendants significant funds and time and damaging their reputation. A growing number of groups are gaining more and more active opposition to subsoil exploitation. Together, they can have a significant impact on the mood in society.

An effective weapon can also serve as social networks - with the help of them, activists exploit the fears of ordinary people in the face of threats posed by the activities of mining enterprises, trying to rally interested parties pursuing a variety of purposes, and bringing their ideas to the general public. It so happened that the sector participants did not attach much importance to information about them, which is spread through social media, and did not use the latter as a platform for information warfare. It's time to revise this position and actively use this channel in order to demonstrate to the local population the real contribution of the project to the economy. The process of discussing the parameters of a fair remuneration for the use of subsoil may require considerable time and resources from its participants. This is understandable given the increased public attention to issues of commercial land use and preservation of historical and cultural heritage.

The local authorities strive to protect themselves as much as possible from possible and real damage, and also to specify in advance the amount of appropriate compensation. To get the "go-ahead" for a project to develop a large copper mine Las Bambas in Peru, it took six years.

⁴⁴ «Peru mining protests leave one dead, more hurt», Wall Street Journal, 23 April 2015 .

In order to fulfill the social obligations, the operator had to build a whole cottage community for the local residents and provide it with the necessary engineering communications (including water supply, electricity, sewage), as well as social infrastructure facilities (such as schools and sports grounds)⁵. If earlier local residents did not have a complete picture of all the consequences of a project that is planned to be implemented on their territory, and therefore could not have a significant impact on the negotiation process, today, against the backdrop of the rapid development of mass media, the situation is fundamentally different. Knowing what potential impact the proposed production facility may have on their daily lives, local residents have the opportunity to negotiate an agreement with a mining company in advance and specify certain conditions for themselves.

4. CONCLUSION

In some countries, obtaining the consent of local residents is already an integral part of the official process for issuing subsoil licenses. So, Vedanta was forced to abandon a \$ 2 billion project to develop a mine near the Nyamgiri Mountains in the Indian state of Orissa, which are the object of cult worship of the local population.⁶ In February 2015, in order to decide the fate of the Oyu Tolgoi deposit, the government of Mongolia held a nationwide referendum through SMS voting. Citizens were asked to choose one of two options: to actively develop the extraction of mineral resources or strengthen financial discipline to support the national economy⁷. According to the will of the people, in April 2015 a decision was made to intensify the extraction.

The risks described above require a constructive approach to risk, underscore the importance of establishing and maintaining a constant interaction with all stakeholders, whose goal is not just compliance with legislation, but also establishing close ties. Many mining and metallurgical companies are gradually becoming aware of the need to participate in international initiatives aimed at sustainable development and allowing them to demonstrate their commitment to social values, as well as a willingness to work for the benefit of society. In this way, one should strive to do more - not only verbally but also in practice, to prove the intention to bring maximum benefit to local residents and minimize the negative consequences of their activities.

A cautious attitude on the part of the authorities, which many companies are facing today, speaks about the need for a sound information policy and for maintaining a permanent public dialogue between the state and business. However, in assessing the potential impact of their activities, companies can not rely solely on the opinions of individual groups representing the interests of local residents. It is necessary to conduct the widest consultations with the participation of independent experts in order to get a full picture of the needs of the population.

The importance of such an aspect as interaction, it is worth thinking about at the earliest stages, even before the preparation of a feasibility study for the project. It is extremely important to ensure the active participation of all stakeholders in project planning so that they are aware of

⁵ Miners offer bull rings, clinics as protests ice \$25 billion / Bloomberg Business, 17 March 2015
Available at: www.journal.ib-bank.ru/news/6068.

⁶ «India rejects plan to mine bauxite in Niyamgiri Hills», Wall Street Journal, 12 January 2014 ; «India's rejection of Vedanta's bauxite mine is a victory for tribal rights», The Guardian, 15 January 2014.

⁷ «Mongolian 'text referendum' backs Oyu Tolgoi copper mine expansion», Reuters, 3 February 2015”

the possible consequences in advance. A company planning to operate in an area should have a clear understanding of the scope of its future financial contribution to the process of meeting the needs of the local population. However, it should be borne in mind that such needs can and will change over time.

It is necessary to keep abreast of the requirements of regional and local legislation and to regularly check the reliability of the functioning of existing processes in the conditions of constant changes in the regulatory environment. Given the growing level of legal literacy of the local population and the activation of the activities of various human rights organizations, it is extremely important to pre-arrange all necessary consultations in order to avoid possible conflicts that can result in long litigation at high costs and lead to an unfavorable outcome. It must also be remembered that the evolution of the legislative framework often does not keep up with the changing position of the local population.

Finally, another important aspect is the study of the possibility of organizing joint activities with local companies. Such a choice can prove to be a win-win and bring invaluable benefits to all interested parties, including local residents, without exception. It assumes the formation of fundamentally new strategies and approaches to the conduct of activities aimed not only at maintaining the standard of living of the population, but also at creating favorable conditions for a significant increase in it. Thus, joint activities in the field of construction of infrastructure facilities (for example, schools or business centers), in addition to providing significant savings opportunities through cost-sharing among partners, can stimulate the local economy and serve as an incentive for sustainable development of the region as a whole.

As foreign experience shows, the best time to use social licensing tools is before or during the feasibility study of the mining project. It is advisable to apply social licensing when carrying out an environmental impact assessment, that is, at the stage of detailed project planning [1]. Thus, having considered the content of the concept of a social license to operate, which in recent years has become widespread in the theory and practice of foreign countries, the authors concluded that its introduction into Russian practice is not only possible but also extremely important and expedient. The practical application of the concept of a social license to operate in the Russian environment is also necessary because it can serve to improve the quality of interaction between mining companies and local communities, will help to reduce sociopolitical risks, which will benefit companies by improving their image on the national and global market, and will contribute to the sustainable development of local communities.

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DEMOGRAPHIC PLANS OF INHABITANTS OF REGION AS AN OBJECT OF NONLINEAR SOCIOLOGY

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ABSTRACT

We offer a new approach to the concept of statistical relation (non-linear and linear) in sociological research by means of usage the generalized version of a method of multiple comparison for quantile splittings of the data (objects) on each measured parameter. We shall stop for a substantiation of necessity of investigating of the elementary non-linear dependences with a demonstration of their quantity by the example of a sociological research.

Keywords: *linear, non-linear, dependence, synergetic, demographic*

1. INTRODUCTION

The description of the complex as shows K.Mainzer - the President of the German society of research of complex systems and non-linear dynamics, is impossible without a representation about non-linearity and modern non-linear models. In conditions of the modern world the linear thinking till now dominating over some areas of a science, becomes essentially insufficient and even dangerous in a non-linear complex reality [15]. "Non-linearity" - fundamental conceptual unit of a new paradigm, including, and sociological research. It is possible even to tell, that the new paradigm is a paradigm of non-linearity [8, 13, 14].

Using the author's approach to concept of statistical relation (non-linear, linear) in sociological researches (for interval variables) by means of realization of the generalized variant of a method of multiple comparison [1] for quintiles splittings of data sets (objects) on each measured parameter, refusing preliminary promotion of a hypothesis about the form of dependence (linear or any concrete kind of non-linear dependence), for an investigated matrix of the data it is possible to define both forms of dependences, and degrees of their expressiveness on various pieces of scales of considered variables [2].

In a I.B. Britvina's sociological research "Demographic and migration attitudes of the people of the region" were to be solved the following tasks: to study the peculiarities of the demographic attitudes of the people of Trance-Ural Region; to analyze the migration plans; to identify external and internal factors causing these attitudes; to study the opinion of the people of the region for the successful implementation of the measures of the national project "Health" and the demographic policy in its structure; on the basis of comparison and analysis of opinion of inhabitants of the region and the opinions of experts to devise practical recommendations on improving the demographic policy. There were examined 462 inhabitants of Kurgan area. The survey was conducted by a method of questioning. With the formation of the sample population used the method of stratified sample by sex, age and type of locality. For the analysis of results of the research in the context of the non-linearity of the questionnaire, which was used in the study of demographic and migration attitudes, we have selected 44 interval (sequence) parameters.

2. METHODS

On each investigated interval parameter have been determined two quantiles, dividing a data set on triads. In result splitting a data set on 132 ($132=44*3$ is received, at 44 interval parameters) intercrossing groups.

For comparison of the given groups was used the generalized variant of the method of the multiple comparison for all ranked pairs "the chosen triad on parameter X - a parameter Y". As the result there was received the general distribution of such pairs with the determined "comparative weightiness" for them. If a quantity of the investigated parameter is N, so the selected quantum (the triads) on all parameter will $3 \cdot N$, but ranked pairs of the "chosen quantum (the triad) on parameter X - a parameter Y" - $3 \cdot N \cdot N$. For convenience of using the information it is necessary to structure it.

To select three comparative weightiness, characterizing the dependency of the parameter Y from parameter X, from the general distribution $3 \cdot N \cdot N$ ranked pairs "the chosen quantum (the triad) on parameter X - a parameter Y" in the beginning choose $3 \cdot N$ pairs referring to one parameter (so we get a distribution of importance of the parameter Y for all $3 \cdot N$ groups-quantum, determined for all considered parameter), but afterwards choose 3 groups-quantums on the parameter X. Thereby, we have chosen three comparative weightiness, displaying a comparative value of the parameter Y for three quantum (the triads) determined for parameter X. These three comparative weightiness is possible to consider as a model for dependencies of the parameter Y from parameter X.

For making a possibility to compare the results of estimation of relations through the multiple comparisons with the result of the using of traditional correlation analysis we shall enter the factor of the connection strenght. The factor of the connection strenght of i- and j-parameter (the dependency of i-parameter from j-parameter), considered at the realization of the procedure of the multiple comparison of quantum (triads), we shall define the following expression:

$$SV_{ij} = |V_{ij}^3 - V_{ij}^2| + |V_{ij}^2 - V_{ij}^1|,$$

where V_{ij}^g – the comparative weightiness of i-parameter for g-quantums of j-parameter. Size SV_{ij} for individual correlation is defined both quantity of parameters, and quantity of quintiles (triads, quarters, quinters) splittings of a data set. Thus, there is a necessity to normalize factors SV_{ij} so that maximal of factors of the connection strenght, corresponding to individual correlation, was equal 1. Then all dependences considered above can be characterized in the entered factor of the connection strenght SV_{ij} and to treat force of relation on his size.

3. DISCUSSION

For a substantiation of necessity of studying of the elementary non-linear dependences we shall stop on demonstration of their quantity (triads). If we choose dependences with coefficient of correlation more than 0.5 (our factor of the connection strenght also more than 0.5) such dependences it is observed only 8. While non-linear dependences with factor of the connection strenght more than 0.5 and small coefficient of correlation (at least on the module twice there is less than factor of the connection strenght) we have 37. Thus, the simplest (dependence with a maximum and a minimum, monotonous, but not linear) non-linear dependences appeared in four and a half of time more, than linear.

Let's show the identifications, which will be used in the offered tables: N1 - number of the parameter, for which is made splitting on triads; N2 - number of the parameter, which values are determined for the distinguished triad of the parameter with number N1; SV - factor of the connection strength determining the dependence of the parameter of the number N2 from the parameter for the number N1; SV' - factor of the connection strength determining reverse (in relation to SV) dependence of the parameter with number N1 from the parameter with number N2; R - the coefficient of linear correlation between parameters with numbers N1 and N2.

But for the beginning, up to the analysis of non-linear dependences, we shall look what parameters appeared are connected by linear dependences, the most simple and convenient for interpretation. The table of linear correlations, when considered factors of the connection strength $SV > 0.5$ and coefficients of correlation $|R| > 0.5$, has only 8 dependences.

Linear dependences that is frequently expected, trivial under the maintenance and are easily predicted. For example, the dependence of parameter "Today's aspiration to the consumption of high-quality goods and services from the "Today's commitment to the full implementation free time" rather gives information about the consistency of answers of the respondent, and the serious relation to completing the questionnaire, rather than the result for scientific understanding.

Thus, linear dependences not only are a small part of all strong dependences, but also frequently do not give the researcher of the deep and substantial information, revealing basically trivial dependences. It also staticizes acceptance synergetic paradigms in the sociological science directed on the research of non-linear effects.

For demonstration of non-linear dependences us cases, when considered factors of the connection strength $SV > 0.5$, and linear correlations on the module in 2 and more their times will interest less (are close to zero). Cases, when $SV > 0.5$ and simultaneously $SV > 2 \cdot |R|$, as was marked, appeared 37 above.

Specificity of the dependences submitted in the table following: dependences with a minimum - 11, dependences with a maximum - 14, monotonous, but far from linear, dependences - 12 (11 growing and 1 decreasing).

Let's lead classification and the analysis of dependences, representing them as distributions on levels of groups-triads (an independent variable) with the comparative weightiness of a dependent variable resulted for everyone level, and also for separate indicative examples we shall give graphic representation of considered dependences.

An example of the relation with symmetric maximum:

Dependence of the parameter "Today's wish to communicate with friends" (X03) from the parameter "up To how many years would like to live" (X17) as comparative weightiness of the parameter X03 for triads on a scale X17:

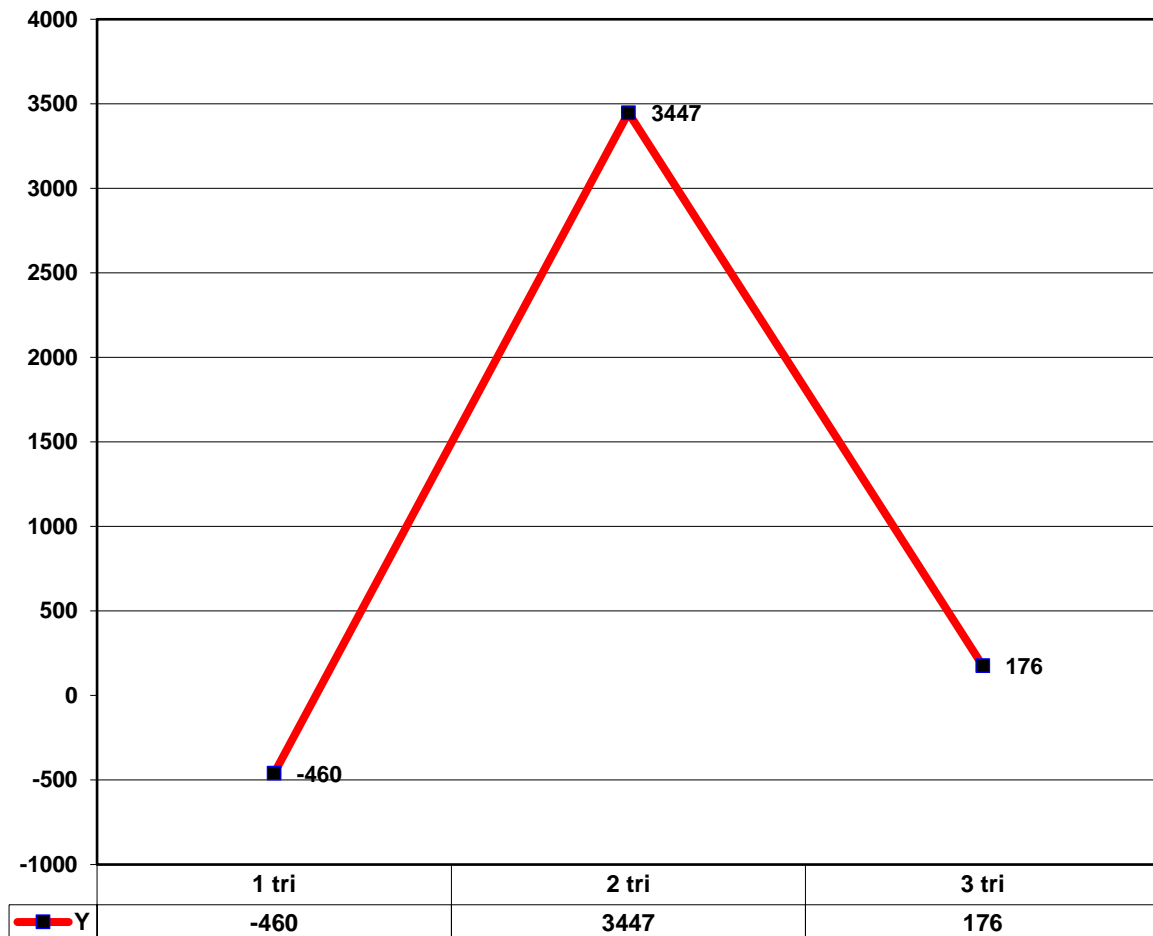
Triads on the scale X17	Comparative weightiness of the parameter X03 for triads
X17-3	176
X17-2	3447
X17-1	-460

Factor of the connection strength = 0.62 (0.07)
Coefficient of correlation = -0.04

The "Today's wish to communicate with friends" has an explicit maximum (the comparative weight = +3447) for small values of the parameter "To how many years would like to live". It is possible to tell, that the person maximum strives to communicate, when he "just lives" and does not think about the duration of life. Opposite to have in two extreme cases on a scale of an independent variable: or unwillingness to live a long time, or care for a lifetime. If a person

wishes for him/herself or a short life expectancy (the first triad), or long (the third triad) have approximately equal to (the average for the total scale of comparative strength) the level of wish to communicate with friends, close to the zero level of relative strength (-460 and +176).

Graphically dependence looks like:



Dependences with a maximum are observed also for the following ordered pairs parameters:
Dependence of the parameter “Today's aspiration to the birth and upbringing of children” (X05) from the parameter “Age” (X43) as comparative weightiness of the parameter X05 for triads on a scale X43:

Triads on the scale X43	Comparative weightiness of the parameter X05 for triads
X43-3	-199
X43-2	3870
X43-1	-511

Factor of the connection strength = 0.73 (0.18)

Coefficient of correlation = -0.08

Dependence of the parameter “Today's wish to participate in public and political activities” (X08) from the parameter “Number of pre-scheduled children” as comparative weightiness of the parameter X08 for triads on a scale X19:

Triads on the scale X19	Comparative weightiness of the parameter X08 for triads
X19-3	-1477
X19-2	3198
X19-1	-315

Factor of the connection strength = 0.71 (0.06)

Coefficient of correlation = -0.00

For dependences with a minimum prominent feature is overcoming the tendency of initial decrease of a dependent variable at the first stage (negative correlation) and sharp rise of a dependent variable after the first stage of joint decrease of a dependent and independent variable. Thus, the dependent variable accepts the minimal values at average values of an independent variable. It can be characterized as effect of discharging and sharp change (bifurcation) simple firstly simple and easily interpretive dependence when linear approximations can lead to the simplified and erroneous understanding of the investigated phenomenon. Further, we consider the relation with the splitting of the variables on the quarters. On each investigated interval parameter have been determined three quantiles, dividing a data set on quarters. In result splitting a data set on 164 ($164=41*4$ is received, at 44 interval parameters; for the three parameters of the 44 partition on the quarters impossible) intercrossing groups. For demonstration of non-linear dependences of cases, when considered factors of the connection strength $SV>0.5$, and linear correlations on the module in 2 and more their times will interest less (are close to zero). Cases, when $SV>0.5$ and simultaneously $SV>2*|R|$, as was marked, appeared 133 above (table in mind of bulkiness not shown).

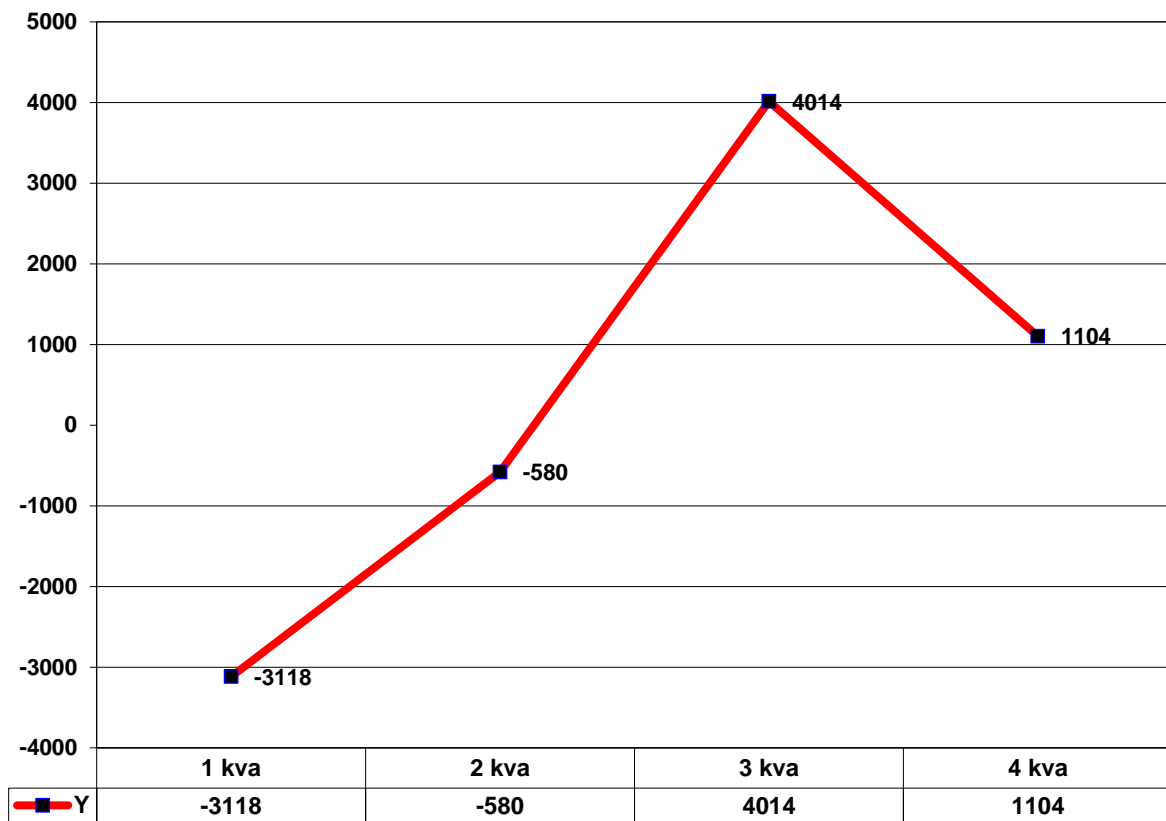
The Specificity of the dependences submitted in the table the following: the dependences with a minimum – 31, dependences with a maximum – 28, monotonous, but far from linear dependences – 11 (9 growing and 2 are decreasing), 29 in the form of fluctuation (max-min – 17, min-max – 12). There are still 34 dependences, which on the classification criteria do not belong to one of the forms of dependence. Let's consider some concrete examples of dependencies when partitioning of independent variables on the quarters. Dependence of the parameter “Today's aspiration to the birth and upbringing of children” (X05) from the parameter “Today's wish to participate in public and political activities” (X08) as comparative weightiness of the parameter X05 for quarters on a scale X08:

Quarters on the scale X08	Comparative weightiness of the parameter X05 for quarters
X08-4	1104
X08-3	4014
X08-2	-580
X08-1	-3118

Factor of the connection strength = 0.75 (0.15)

Coefficient of correlation = 0.25

Graphically dependence looks like:



The "Today's aspiration to the birth and upbringing of children" has an explicit maximum (the comparative weight = +4014) for the third quarter of values of the parameter "Today's wish to participate in socio-political activities". For the time frame between the first to the third quarter of an independent parameter is seeing strong growth dependent parameter (for a comparative weight with -3118 to +4014). When you have the aspiration to participation in socio-political activities (4 quarters) there is a sharp decline of the birth and upbringing of children (the comparative weight = 1104). Although at the same time it is necessary to note the general positive dynamics of the dependent variable on the comparative weight with -3118 on +1104. But on the linear correlation (+0.25) maximum, even when the total positive dynamics, has a great influence, making it the insipid. We will note three more similar dependences (but not concerning on classification to dependences with a maximum) for the following ordered pairs parameters: Dependence of the parameter "Today's aspiration to the birth and upbringing of children" (X05) from the parameter "Today's wish to achieve success in life" (X11) as comparative weightiness of the parameter X05 for quarters on a scale X11:

Quarters on the scale X11	Comparative weightiness of the parameter X05 for quarters
X11-4	797
X11-3	3651
X11-2	-4139
X11-1	-5578

Factor of the connection strength = 0.90 (0.50)
Coefficient of correlation = 0.36

Dependence of the parameter “Today's aspiration to the birth and upbringing of children” (X05) from the parameter “Level education” (X44) as comparative weightiness of the parameter X05 for quarters on a scale X44:

Quarters on the scale X44	Comparative weightiness of the parameter X05 for quarters
X44-4	306
X44-3	3769
X44-2	-582
X44-1	-670

Factor of the connection strength = 0.59 (0.31)
Coefficient of correlation = 0.10

Dependence of the parameter “Today's wish to attempts to change the world, the conditions of life” (X06) from the parameter “Level education” (X44) as comparative weightiness of the parameter X06 for quarters on a scale X44:

Quarters on the scale X44	Comparative weightiness of the parameter X06 for quarters
X44-4	92
X44-3	16
X44-2	2744
X44-1	-1719

Factor of the connection strength = 0.54 (0.11)
Coefficient of correlation = 0.03

From the dependencies with a minimum consider two examples, when the minimum points are found in the second and in the third quarter. Dependence of the parameter “Today's wish to achieve success in life” (X11) from the parameter “the Purchasing capacity of the family” (X42) as comparative weightiness of the parameter X11 for quarters on a scale X42:

Quarters on the scale X42	Comparative weightiness of the parameter X11 for quarters
X42-4	3319
X42-3	273
X42-2	-2547
X42-1	5355

Factor of the connection strength = 1.03 (0.14)
Coefficient of correlation = 0.17

The "Today's wish to achieve success in life" has a deep minimum (the comparative weight = -2547) for the mean values (the second quarter) parameter "the Purchasing capacity of the family." Thus, we have a sharp decline wish to achieve success in life at the initial increase in the purchasing power of the family (in the transition from the first to the second quarter). In the future starts growing wish to achieve success in life (3 and 4 quarters of the independent variable), but not so sharply as the recession, at the end value (+3319) will be considerably less than the initial (+5355), i.e. the total negative dynamics.

Inverse, i.e., the dependence of the "Buying power of the family" from the "Today's wish to achieve success in life" is practically absent (Factor of the connection strength = 0.14). Linear correlation also is not of interest (0.17).

Dependence of the parameter "Level education" (X44) from the parameter "up To how many years would like to live" (X17) as comparative weightiness of the parameter X44 for quarters on a scale X17:

Quarters on the scale X17	Comparative weightiness of the parameter X44 for quarters
X17-4	2611
X17-3	-5591
X17-2	368
X17-1	336

Factor of the connection strength = 1.06 (0.08)

Coefficient of correlation = 0.01

In the strong dependence of the (index of power link = 1.06) parameter "Level of education" from the "To how many years would like to live" observed sharp jumps of the "Level of education" on 3 and 4 quarters parameter "To how many years would like to live": in the beginning decrease (up to -5591), then increase (up to +2611). The first two quarters, when the person does not wish to live a long time, he has not observed a high level of education. For dependences with a minimum prominent feature is overcoming the tendency of initial decrease of a dependent variable at the first stage (negative correlation) and sharp rise of a dependent variable after the first stage of joint decrease of a dependent and independent variable. Thus, the dependent variable accepts the minimal values at average values of an independent variable. It can be characterized as effect of discharging and sharp change (bifurcation) simple firstly simple and easily interpretive dependence when linear approximations can lead to the simplified and erroneous understanding of the investigated phenomenon. The following dependence though is marked by a minimum in 2 quarter, but first of all it is necessary to allocate 1 quarter which considerably surpasses other quarters in value of a dependent variable.

Dependence of the parameter "Today's wish to participate in public and political activities" (X08) from the parameter "the Purchasing capacity of the family" (X42) as comparative weightiness of the parameter X08 for quarters on a scale X42:

Quarters on the scale X42	Comparative weightiness of the parameter X08 for quarters
X42-4	193
X42-3	-86
X42-2	-417
X42-1	6396

Factor of the connection strength = 0.55 (0.12)

Coefficient of correlation = -0.14

The wish to participate in socio-political activities the most significant (the comparative weight +6396) for the first quarter of the "Consumer ability of the family". The further growth of purchasing power (2-4 quarters) is accompanied by consistently low wish to participate in

socio-political activities (the comparative weight of close to zero). All it is shown and in value of factor of correlation (-0.14). Note also the three similar dependence.

Dependence of the parameter “Today's commitment to the full implementation of free time” (X13) from the parameter “Desirable quantity of children under all conditions” (X20) as comparative weightiness of the parameter X13 for quarters on a scale X20:

Quarters on the scale X20	Comparative weightiness of the parameter X13 for quarters
X20-4	-128
X20-3	141
X20-2	-1102
X20-1	5404

Factor of the connection strength = 0.60 (0.12)
Coefficient of correlation = -0.11

Dependence of the parameter “Today's aspiration to the consumption of high-quality goods and services” (X14) from the parameter “Desirable quantity of children under all conditions” (X20) as comparative weightiness of the parameter X14 for quarters on a scale X20:

Quarters on the scale X20	Comparative weightiness of the parameter X14 for quarters
X20-4	-188
X20-3	-318
X20-2	-1211
X20-1	5842

Factor of the connection strength = 0.60 (0.12)
Coefficient of correlation = -0.17

Dependence of the parameter “Today's commitment to the full implementation of free time” (X13) from the parameter “the Purchasing capacity of the family” (X42) as comparative weightiness of the parameter X13 for quarters on a scale X42:

Quarters on the scale X42	Comparative weightiness of the parameter X13 for quarters
X42-4	656
X42-3	162
X42-2	-755
X42-1	4748

Factor of the connection strength = 0.52 (0.15)
Coefficient of correlation = 0.02

In conclusion, let us consider two strong dependence in the form of fluctuations. Meaningfully they are interesting as variations of max-min.

Dependence of the parameter “Today's commitment to the full implementation of free time” (X13) from the parameter “Value monthly income per 1 person in the family” (X41) as comparative weightiness of the parameter X13 for quarters on a scale X41:

Quarters on the scale X41	Comparative weightiness of the parameter X13 for quarters
X41-4	1005
X41-3	-2150
X41-2	2928
X41-1	85

Factor of the connection strength = 0.83 (0.07)
Coefficient of correlation = 0.02

For the "Today's commitment to the full implementation of free time" in the beginning there has been an increase (from +85 c to +2928), with the transition from the first to the second quarter on the "Value of the monthly income per person in the family." But a further increase in income contributes to a very sharp fall commitment to the full implementation of free time (with +2928 to -2150). Although in the future with the increase of income in the family is the wish (to the full implementation of free time) again will increase slightly (with -2150 to +1005). Thus, the dynamics of family income at various points of its scale in the various influences on the commitment to the full implementation of free time: that is, it prevents. Note that the inverse relationship is practically absent (Factor of the connection strength = 0.07), i.e. commitment to the full implementation of free time does not have any effect on family income. Linear correlation thus almost zeros (0.02). We will note similar dependence:

Dependence of the parameter “Today's aspiration to the consumption of high-quality goods and services” (X14) from the parameter “Value monthly income per 1 person in the family” (X41) as comparative weightiness of the parameter X14 for quarters on a scale X41:

Quarters on the scale X41	Comparative weightiness of the parameter X14 for quarters
X41-4	1326
X41-3	-1782
X41-2	2337
X41-1	351

Factor of the connection strength = 0.69 (0.22)
Coefficient of correlation = 0.02

Thus, we find out identical dynamics of dependence of aspiration to consumption of the qualitative goods and services and aspirations to high-grade carrying out of free time from the family income that will be coordinated with strong correlation relation of aspiration to consumption of the qualitative goods and services and aspirations to high-grade carrying out of free time (0.61).

4. CONSLUSION

Above mentioned results also allow to speak about an opportunity for new synergetic paradigms in the sociological science directed on studying of non-linear effects of social systems. The non-linear sociology is a new approach to studying the sociological phenomena, putting the

main task studying of specifically non-linear properties of the social phenomena. Nonlinear properties of the psychological (sociological) phenomena basically dominate in a difficult psychological (sociological) reality. It is demonstrated by our researches in the various areas of the psychology (sociology) [3-7, 9-12, 16-21].

In any sociological research it is desirable to trace simultaneously in united system of measures of dependence between all pairs of investigated parameters, and, it should be both linear, and the elementary non-linear dependences (considerably enriching a linear triviality of the deterministic approach), that allows to make our method based on conscious ignoring of preliminary promotion of hypotheses about the form of dependence separately for each pair of variables that makes it quite universal and productive.

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MARKOWITZ'S MODEL ON AN EXTENDED SET OF INVESTMENT OPPORTUNITIES

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ABSTRACT

Purpose: construction of a Markowitz model with the use of utility function, values of which are determined not by two, but by three arguments, which describe an extended set of investment opportunities. Discussion: When Markowitz built his model, he considered only two characteristics of securities – profitability and risk. This imposed certain limitations on the conclusions that result from the modeling of the optimal portfolio. The graph of the front of effective portfolios allows you to understand the relationship between the expected return and risk. The higher the expectations of the investor, the higher the risk. This understanding of this relationship depends on the point of minimum risk that remains unknown. Obviously, a refinement of the model is required. So, in constructing his version of the model, Sharpe used not only the characteristics of securities, but also the characteristics of the market in the form of a market index. This changed the process of the model construction. Instead of the observed values of the return on assets, their regression equations were used. Risk was divided into two components: systematic and the diversified. The term "portfolio beta" appeared. But the meaning of the front of effective portfolios remains the same. A new variable in the diagonal model of Sharp has a passive role, but its introduction has shown the possibility of applying new principles of building a portfolio of securities based on econometric modeling. This engendered econometrical models of new type, which could be useful in the process of formation of the securities portfolio. Results: under the assumption that there is a hypothesis of alternative expectations, a model of binary choice was used to describe the dependence of the asset's profitability on the average yield of the market. An analysis based on the portfolio model of securities showed that the minimum risk is reached at the point of a set of effective portfolios corresponding to the market opportunities.

Keywords: *Securities Portfolio, profitability, Risk, Binary choice model, Set of effective portfolios*

1. INTRODUCTION

The model of choosing an optimal portfolio of securities offered by Markowitz [Markowitz, 1952] allowed to substantiate a number of practical recommendations for investors, according to one of which the higher the desired level of profitability, the higher the expected risk. It is hard not to be agreed with such a statement. That statement could be confirmed with calculations based on the models of optimal investments in securities. The configuration of the constructed set of effective portfolios convincingly illustrates the naturalness of this recommendation.

The model contributed to the development of modern financial market theory. Assuming that all investors form their investment portfolios in accordance with the Markowitz model, an equilibrium situation is obtained in which the Lintner – Sharpe [Sharpe, 1963; Lintner, 1965] equation can be easily determined, with the help of which it is possible to determine the valuation of financial assets. Based on the econometric version of this equation, Sharpe built his diagonal portfolio investment model, the analysis of which confirmed the validity of Markowitz's recommendations. And, nevertheless, there are questions that can question the unequivocal understanding of this recommendation.

The main issue that we raise is that the recommendation we are discussing is the result obtained from the logic of the "vicious circle". The point of comparison with a closed circle is that Markowitz built his model based on two characteristics of profitability and the risk of a financial asset, and then, using the same characteristics, described a number of investment opportunities. The investor should, orienting himself to these opportunities, subjectively determine the value of one of them, for example, profitability, and form, using the same model, his portfolio of securities. This situation is quite complicated for the investors. A cautious investor in accordance with the recommendation will indicate an underestimated return on the portfolio and get incomplete profit, and an investor who prefers risk will indicate an overestimated value of the expected profitability and, naturally, will suffer losses due to risk. The conclusion is simple. The recommendation itself has a high level of uncertainty. By the way, the problem of the insufficiency of these two characteristics for the unambiguous identification of optimal portfolios was raised by Tobin in his famous example [Tobin, 1965].

In such a situation, investors are likely to have to resort to expert advice, perhaps to the analysis of historical data, to their own intuition, but in the model itself this problem goes unnoticed, so that the resulting solutions are interpreted with some distortion. Therefore, the construction of a model in which this problem would be reflected, in our opinion, retaining its relevance, now has a real opportunity. This possibility is based on the use of econometric models with a discrete dependent variable described McFadden [McFadden, 1984].

2. METHODS

Turning to the description of the methodology for forming a portfolio of securities, we give a number of necessary explanations. First of all, we note that a portfolio of securities can be represented as some kind of a financial asset with the same characteristics of a set of investment opportunities as a separate financial asset. Since these characteristics of the portfolio depend on the corresponding characteristics of the assets included in the portfolio, the methodology should provide a way for the construction of asset return models.

The general principle and logic of modeling the yield of a financial asset is provided by the mechanism mentioned above, based on the Lintner – Sharpe equation

$$E r_i = r_f + \beta_i (E r_p - r_f) , \quad (1)$$

where $E r_p$ – mathematical expectation of the market index yield; $E r_i$ – mathematical expectation of the yield of the i - th financial asset; r_f – profitability of a risk-free asset;

$\beta_i = \text{cov}(r_i, r_p) / \text{var}(r_p)$ – beta coefficient determined by the ratio of covariance to the variance of the market index.

For the construction of his model, Sharp used the econometric version of the equation (1)

$$r_i = \alpha + \beta r_I + \varepsilon_i, \quad (2)$$

with the help of which he managed to introduce new elements into the portfolio investment analysis.

Since any model is only an approximate description of actual processes, and the degree of approximation depends on the knowledge that the researchers currently possess, as well as the tools at their disposal, one must agree that the same process can be described by several models. This point of view is directly relevant to the problem that is under consideration. In our methodology, we will not use the Lintner-Sharpe model, but a model that describes a discrete case of a change in the yield of a financial asset

$$\Delta r = \mu \Delta t + \sigma \varepsilon \sqrt{\Delta t} \quad (3)$$

where μ – expected stock return; σ – instantaneous standard deviation of the yield of the stock, characterizing an abrupt change; ε – standard normally distributed random variable.

Because of this understanding of the mechanism of formation of the stock's yield, one should agree without objection to the fact that the mechanism for generating profitability, reproduced by the econometric model, should reflect the random nature of this process. In the simplest case, when in his expectations at time t the investor is guided by the average yield of the i -th financial asset \bar{r}_i , the current yield r_{it} can be represented by the following econometric equation

$$r_{it} = \bar{r}_i + d_i x_{it} + \varepsilon_{it}, \quad i = \overline{1, n} \quad (4)$$

where x_{it} – random discrete variable, which is equal to -1, if the yield is expected to be below the average and is equal to +1, if the yield is expected to be above the average; d_i – the magnitude of the possible change in yield, estimated within the framework of the model according to actually observed values; ε_{it} – an unobservable random variable that characterizes the part of the change in the expected return, which is not explained by the model.

Construction for each i -th financial asset of the corresponding regression model. The construction procedure involves two stages.

At the first stage, a discrete variable is formed according to the following rule

$$x_{it} = \begin{cases} +1, & r_{it} - \bar{r}_i \geq 0 \\ -1, & r_{it} - \bar{r}_i < 0 \end{cases} \quad (5)$$

and the average value of the possible change in yield is estimated

$$d_i = \frac{1}{T} \sum_{t=1}^T (r_{it} - \bar{r}_i) x_{it}. \quad (6)$$

In the second stage, assuming that there is a hypothesis of alternative expectations, the coefficients of the binary choice model are evaluated, which is natural, since the random variable is a binary variable.

Known [63] is the probit-model of a binary choice

$$\Phi(z) = \int_{-\infty}^z e^{-\frac{x^2}{2}} dx \quad (6)$$

And logit-model:

$$F(z) = \frac{1}{1 + e^{-z}}, \quad (7)$$

where $z = b_0 + b_1 r_t$.

Both models are non-linear, therefore, their coefficients are estimated using the maximum likelihood method, which requires special software.

In addition, there are two more questions. The first question concerns a factor that has a significant effect on the profitability of a financial asset. A special study on this subject was not conducted. By analogy with Sharpe's research, the average yield of the market, measured by the market index, was used as a factor influencing the profitability of assets included in the portfolio.

The second question concerns the choice of the probability distribution of the random variable x_{it} , so that the reproduction of market processes would be adequate. If you focus on the hypotheses of an effective market, then you need to use the probit-model, which describes the normal distribution law. If to consider questions of practical use, the use of logit-model would be more convenient.

Thus, as in the Sharpe model, instead of the initial data for constructing the portfolio investment model, regression models of the following type will be used

$$r_{it} = \bar{r}_i + d_i x_{it}, \quad i = \overline{1, n} \quad (8)$$

$$P_{it} = \frac{1}{1 + e^{\hat{b}_{0i} + \hat{b}_{1i} r_{it}}}, \quad i = \overline{1, n} \quad (9)$$

With the help of these models, the random nature of discrete changes in the yield of a financial asset is fairly accurately reflected. Thus, the clarification of the mechanism for the formation of the yield of a financial asset has made it possible to construct a specific model that reflects the random nature of discrete changes in the yield of a financial asset.

The model is given by two expressions. With the help of (8) the possible value of profitability is determined, and with the help of (9) the probability with which this value could appear. With its help, you can reproduce the dynamics of the process of random fluctuations depending on the activity of the stock market, using this dependence to choose a portfolio management strategy.

To build a model, you need to determine the numerical characteristics of assets and portfolio. Let's first look at the numerical characteristics of assets. Using (8) and (9), we define the

mathematical expectation of the yield of a financial asset. To do this, we replace the random variable by its mathematical expectation in (8) and obtain an expression for calculating the mathematical expectation of a financial asset

$$\begin{aligned} E(r_i) &= E(\bar{r}_i + dx_i + \varepsilon_i) \\ &= \bar{r}_i + \hat{d}_i[2P_i - 1], \end{aligned} \quad (10)$$

where P_i – is the probability that the variable x_i will be equal to +1.

The expected value of the asset has two components: the average market return and market premium, depending on market conditions, which in (10) is taken into account through probability. The role of this probability is the same as the role of known beta coefficients. In probability, as well as for the beta, you can define preferred asset in the selection of securities for inclusion in the portfolio. But unlike the beta coefficients that are constant, the value is likely to depend on the expected market return. Consequently, the current value of this probability is an important characteristic for the investor, which he must take into account when making an investment decision. And the profitability, at the moment of time t , becomes higher than the average, if $P_{it} > 0$ and less than average, if $P_{it} < 0$. This is the characteristic with which, in our opinion, it is necessary to expand a multitude of investment opportunities.

The variance of the return on an asset is determined in the usual way. Simple transformations lead to the following formula for calculating variance

$$\begin{aligned} \sigma_i^2 &= E[(\bar{r}_i + d_i x_i + \varepsilon_i - \bar{r}_i - d_i E(x_i))^2] = \\ &= E[(d_i(x_i - E(x_i)) + \varepsilon_i)^2] = \\ &= d_i^2[4P_i(1 - P_i)] + \sigma_{\varepsilon_i}^2. \end{aligned} \quad (11)$$

Like the expected return on a financial asset, the level of variance depends on the probability with which the stock market activity is evaluated. Moreover, the mechanism through which the effect of probability on the magnitude of the variance is realized, is nonlinear. It is arranged in such a way that the variance reaches its maximum value when $P_i = 0,5$. This is quite an understandable fact. The investor has the highest risk in the event that he invests in an asset whose yield with equal probability may increase or decrease. The maximum variance of the asset is determined by the expression

$$\sigma_{i\max}^2 = d_i^2 + \sigma_{\varepsilon_i}^2, \quad (12)$$

which is the sum of the square of the average deviation and the square of its own risk..

The main difference between these formulas from those used in classical models and continue to be used in various modifications is that they contain the parameter P_i , the value of which is not fixed, but at each moment of time is determined by the state of the stock market. Before writing down the analogous expressions for the portfolio, we describe the basic statistical characteristics of variables that must be taken into account, carrying out the derivation of the corresponding formulas.

We will assume that:

- 1) the random components ε_i in the models of any two financial assets are independent, i.e. $E(\varepsilon_i \varepsilon_j) = 0$;
- 2) the discrete random components x_i in the models of any two financial assets are independent, i.e. $E(x_i x_j) = 0$.

Using (10), we can write an expression for the portfolio return rate

$$E(r_p) = \sum_{i=1}^n w_i \bar{r}_i + \sum_{i=1}^n w_i d_i [2P_i - 1]. \quad (13)$$

In accordance with the recorded expression (13), the portfolio returns consists of weighted sum of the returns of the financial assets included in it and the weighted amount of the premiums that characterize the expected deviations of the yields of assets from their average values. In this expression, the mark-up values can be either positive or negative. It all depends on the magnitude of the probability by which the expected situation in the stock market is estimated. Inclusion in the portfolio of assets with positive and negative premiums allows to stabilize the level of profitability in the conditions of market fluctuations. In a sense, this is an analog of the negative correlation, which is taken into account in the Markowitz model. Taking into account, when performing the transformations, the assumptions made above regarding to the random variables and using expression (11), by means of which the variance of the asset is determined, we write the formula for the variance of the portfolio

$$\sigma_p^2 = \sum_{i=1}^n w_i^2 \sigma_{\varepsilon_i}^2 + \sum_{i=1}^n w_i^2 d_i^2 [4P_i(1 - P_i)]. \quad (14)$$

It follows from (14) that the variance of the portfolio has two components. The first component is usually called diversified risk, i.e. risk, which can be minimized by its allocation to portfolio assets. This allocation should be carried out in such a way that the proportion of funds invested in a large dispersion asset should be less than the share of funds invested in an asset with a smaller variance. At the same time, the nature of this risk is shocking, since it does not depend on the market, neither the time of its occurrence nor the likelihood of occurrence is known.

The second component will be called a stochastically determined systematic risk, meaning by this term the risk obtained by weighing the square of possible deviations in the yield of assets whose expectations are described by the stochastic dependence on the state of the market. The stochastic dependence in our model is described by using the binary choice model (9). Moreover, the value of a stochastically determined systematic risk, taken into account by the model, can change with time depending on the state of the stock market.

It was noted above that when the two assets with premiums of different signs are included in the portfolio, the level of the expected yield of the portfolio is stabilized. This, in a sense, resembles the effect obtained from including negatively correlating assets in Markowitz's portfolio. But in Markowitz's portfolio, this effect influenced the level of risk, and in the proposed model the risk may remain unchanged, although despite the invariability of the risk, the stability of the expected return may increase.

Another feature that should be taken into account when forming a portfolio investment model. In formula (14) there are no triple products, and this means that the matrix by which it is customary to record the portfolio variance in the optimal portfolio investment model is diagonal. This simplifies the calculations and makes portfolio analysis more transparent. But the most important thing in this model is that it allows adjustment to the market situation, which allows the investor, making his own choice, to take into account the current possibilities of the stock market.

Using the obtained numerical characteristics of the portfolio, we can write down the model of optimal portfolio investment in the following form:

$$\mathbf{w}'\Sigma_{d\varepsilon}\mathbf{w} \rightarrow \min \quad (15)$$

$$\mathbf{w}'\mathbf{r}_{dp} = \mu \quad (16)$$

$$\mathbf{w}'\mathbf{i} = 1, \quad (17)$$

where $\Sigma_{d\varepsilon}$ – The diagonal matrix whose elements depend on the mean deviations and the random component of the nonlinear regression model ε ; \mathbf{r}_{dp} – a vector of asset returns adjusted for the amount expected with a probability of deviations from the mean.

The optimal solution of (15) - (17) can be obtained in the usual way by optimizing the quadratic criterion, for example, using Lagrange multipliers. To understand whether the investor receives additional opportunities in the formation of a portfolio of securities using the proposed model, it is necessary to compare its solutions with the solutions that are obtained on the basis of the Markovitz's model. It is practically impossible to make such a comparison at the analytical level. Therefore, we carry out empirical studies on the basis of which, in our opinion, it is possible to obtain valid conclusions.

3. RESULTS

The meaning of the hypothesis, which we would like to confirm by empirical studies, is that while investor in the formation of his portfolio of securities should, guided by a multitude of investment opportunities, understand that this set and its characteristics depend on the state of the stock market. Therefore, a complete description of the set of investment opportunities should consist of three rather than two characteristics. In addition, the proposed model provides a mechanism by which model (15) - (17) can be adjusted to the capabilities of the stock market. It is this property of the model that makes it possible to recognize its fundamental difference from classical models and their various modifications. With the help of this model, it is possible to obtain a somewhat different interpretation of the relationship between risk and return than with the Markovitz model.

The calculations were carried out using data on daily quotes of shares for two periods 03/03/2014 - 30/05/2014 and 01/04/2014 - 30/06/2014. The optimal portfolio was formed from shares of Gazprom, Sberbank, SurgutNefteGaz, Lukoil, Rosneft, Aeroflot, MosEnergo, Megaphone. The set of shares was determined arbitrarily with the only condition that these were shares, which are usually called blue chips, operations with which are performed daily and, therefore, there should be no omissions in the data, which is important for calculations based on econometric models. In the logit-models of the return on assets, the RTS index was used as an independent variable. On the basis of data on quotes, logit models of binary selection were constructed to form the portfolio investment model (15) - (17). Estimations of coefficients together with statistical characteristics are given in Tables 1 and 2. In all models, without

exception, the coefficients of the factor variable are statistically significant. At the same time, in some models the free term was statistically insignificant. It is known that this problem often occurs in the econometric modeling of the dynamic processes of the stock market. Naturally, it is possible to construct models with zero free term. In the above calculations, binary choice models were used without corresponding refinement.

*Table 1 - Coefficients and statistical characteristics of models of binary choice
(03/03/2014 - 30/05/2014)*

	Gazprom	Sberbank	SurgutNG	Lukoil	Rosneft	Aeroflot	MosEnergo	Megaphone
\hat{b}_0	1,3753	0,5862	0,5902	0,1397	0,3683	0,2351	1,0847	0,1509
\hat{b}_1	-3,1552	-2,8078	-1,9222	-0,8780	-1,8596	-2,2536	-2,7464	-0,9284
s_0	0,4984	0,3951	0,3630	0,3026	0,3474	0,3556	0,4422	0,3046
s_1	0,8074	0,7424	0,5849	0,4321	0,5746	0,6479	0,7258	0,4382
t_0	2,7593	1,4836	1,6258	0,4618	1,0600	0,6609	2,4533	0,4953
t_1	-3,9080	-3,7819	-3,2865	-2,0320	-3,2365	-3,4784	-3,7840	-2,1188
p_0	0,0058	0,1379	0,1040	0,6442	0,2891	0,5086	0,0142	0,6204
p_1	0,0001	0,0002	0,0010	0,0422	0,0012	0,0005	0,0002	0,0341

*Table 2- Coefficients and statistical characteristics of binary choice models
(01/04/2014 - 30/06/2014)*

	Gazprom	Sberbank	SurgutNG	Lukoil	Rosneft	Aeroflot	MosEnergo	Megaphone
\hat{b}_0	1,2108	0,787	0,9409	0,1552	1,2248	0,1579	2,0685	0,5747
\hat{b}_1	-3,057	-3,1929	-5,225	-1,2851	-3,102	-1,704	-4,79	-3,285
s_0	0,441	0,4034	0,477	0,3235	0,444	0,3312	0,6214	0,3901
s_1	0,8931	0,9258	1,4688	0,6169	0,9023	0,6698	1,3159	0,9531
t_0	2,7454	1,9508	1,9724	0,4797	2,7588	0,4767	3,3287	1,4732
t_1	-3,423	-3,449	-3,557	-2,0833	-3,437	-2,545	-3,64	-3,447
p_0	0,006	0,0511	0,0486	0,6315	0,0058	0,6336	0,0009	0,1407
p_1	0,0006	0,0006	0,0004	0,0372	0,0006	0,0109	0,0003	0,0006

The estimation of the model coefficients was carried out using a discrete variable as a model indicator, the values of which were obtained in advance in accordance with rule (5). For the convenience of constructing models (15) - (17), auxiliary tables 3 and 4 were formed.

In these tables, three rows (the value of the average deviation d , the residual variance $Socr.$ and the value of the average yield $rcp.$) contain constant for a given period values, and two lines (the probability of an alternative event P , and the estimated value of profitability $rpac.$) contain variables whose values are determined by the activity of the market. These tables give the values that were obtained with an average market return $r_f = 0,3$.

*Table 3 - Numerical characteristics for the formation of the portfolio investment model
(03/03/2014 - 30/05/2014)*

	Gazprom	Sberbank	SurgutNG	Lukoil	Rosneft	Aeroflot	MosEnergo	Megaphone
d	0,5345	0,6578	0,2351	0,2443	0,1973	0,6115	0,4756	0,3715
p	0,3944	0,5637	0,4966	0,5309	0,5473	0,6085	0,4352	0,5319
\hat{r}	0,2166	0,303	-0,0246	0,0951	0,0166	0,0527	0,1388	0,1511
\bar{r}	0,3295	0,2192	-0,0230	0,0800	-0,0020	-0,0800	0,2005	0,1274

*Table 4 - Numerical characteristics for the formation of the portfolio investment model
(01/04/2014 - 30/06/2014)*

	Gazprom	Sberbank	SurgutNG	Lukoil	Rosneft	Aeroflot	MosEnerg	Megaphone
d	0,4271	0,6298	0,2971	0,3014	0,3259	0,4662	0,3827	0,3283
p	0,4271	0,5426	0,6517	0,5573	0,4269	0,5875	0,3472	0,6013
\hat{r}	0,1319	0,1570	0,1810	0,1758	0,1117	0,1581	-0,0570	0,3323
\bar{r}	0,1941	0,1034	0,0908	0,1412	0,1593	0,0765	0,0600	0,2658

Table 5 shows the weights of the optimal portfolios for different values of the expected return and market activity estimated by the value of the RTS index. This table confirms that the optimal structure of the portfolio depends both on its expected return and on market activity. Changing any of these parameters leads to a change in the structure of the portfolio.

Finally, when considering the data in Table 6, the need to change the interpretation of the risk-return interaction becomes clear. These results allow us to understand that the risk-loss should be determined by the magnitude of the deviation of the investor's expectations from the market opportunities. This understanding does not contradict the definition of risk, but it clearly differs from the generally accepted one at the present time.

Table 5 - The optimal portfolio, depending on the market yield and the expected return on the portfolio

	Portfolios							
	1	2	1	2	1	2	1	2
Market profitability (RTS index)	0,3	0,3	0,3	0,3	0,19	0,19	0,19	0,25
Yield on the securities portfolio	0,05	0,05	0,15	0,15	0,05	0,05	0,03	0,13
Gazprom	0,0407	0,1114	0,1630	0,0939	0,0780	0,1016	0,0551	0,0934
Sberbank	0,0204	0,0461	0,1299	0,0480	0,0516	0,0525	0,0307	0,0474
SurgutNG	0,2704	0,1560	-0,0376	0,2103	0,1606	0,1929	0,2397	0,2080
Lukoil	0,1723	0,1266	0,2730	0,1604	0,2234	0,1301	0,1827	0,1654
Rosneft	0,3398	0,1860	0,1355	0,1361	0,2747	0,1475	0,3172	0,1334
Aeroflot	0,0342	0,0697	0,0313	0,0733	0,0259	0,0664	0,0327	0,0738
MosEnerg	0,0528	0,3989	0,1246	0,1422	0,0715	0,2394	0,0611	0,1219
Megaphone	0,0695	-0,0947	0,1803	0,1358	0,1143	0,0695	0,0807	0,1567

Table 6 - Points of the set of effective portfolios

Yield on the securities portfolio	Market profitability (RTS index)			
	0,19	0,3	0,25	0,3
	1		2	
-0,03	0,0443	0,0568	0,0974	0,1349
-0,01	0,0339	0,0445	0,0818	0,1139
0,01	0,0278	0,0353	0,0683	0,0954
0,03	0,0260	0,0292	0,0570	0,0793
0,05	0,0284	0,0263	0,0480	0,0656
0,07	0,0352	0,0266	0,0411	0,0543
0,09	0,0462	0,0300	0,0365	0,0455
0,11	0,0616	0,0366	0,0340	0,0391
0,13	0,0812	0,0463	0,0338	0,0351
0,15	0,1051	0,0592	0,0357	0,0336
0,17	0,1334	0,0753	0,0399	0,0345

4. DISCUSSIONS

First, the proposed model reflects the nature of the formation of portfolio returns in a new way. In the description of profitability, two components were singled out. The component that reflects the contribution of the securities themselves and the component that is formed under the impact of the market. This is a very important point, which was not taken into account in Markovitz's model, but which allows us to reflect on the question, but whether the complete description of the set of investment opportunities of the investor is complete. Is it sufficient to know only the profitability and risk of assets in order to form an effective portfolio.

A similarly structured representation was given to the variance. In the portfolio risk, a certain part was identified, which was called unsystematic risk and which is associated with the risk of the securities themselves included in the portfolio. In practical calculations, this share of portfolio risk is calculated as the weighted sum of the residual variances of the regression equations. The systematic component is determined by the instability of the market itself, and is calculated using a specific formula, which in our opinion more accurately reflects the nature of the risk than the variance usually used for this purpose.

Thus, in the proposed model, in addition to the characteristics of a variety of investment opportunities, the average yield and risk in the form of the probability of a possible yield higher than the average market is taken into consideration. The fact that the elements of the set of investment opportunities, as a rule, depend on the situation on the stock market, which is estimated using the market index, was naturally known. But the situation itself, its assessment, was not included in many investment opportunities. The investor did not have the opportunity to reflect in his structure his preference for the expected market situation in the formation of the portfolio. At the same time, the dependence of portfolio decisions on the situation on the stock market is not in doubt among many investors and, therefore, such an opportunity, as a choice, related to situational expectations in the market, they should have. The proposed model provides this opportunity.

5. CONCLUSION

The calculations clearly confirmed the need to expand the set of investment opportunities that the investor should orient in his practice of forming optimal portfolios of securities. It is suggested, as an additional characteristic, to use estimates of the probability of expectations of a possible excess of the average return on portfolio assets. In a sense, this is an analog of the beta coefficients, but unlike the beta coefficients in the model, they are not fixed, but reflect the current state of the market. At the same time, calculating these probabilities is more difficult than beta coefficients. The model is quite original and a natural question arises about the need for further research. We can talk about several areas of such studies. First of all, we would like to note that, unlike the one-index approach, which was proposed by Sharpe, the use of only one-factor models for the construction of this model is not absolutely necessary. Known criticism of Roll about the multiple factors of real processes in terms of using logit models of binary choice loses its meaning. The proposed methodology for constructing a portfolio model of securities practically remains unchanged if there are several factors in the econometric model. It is clear that in doing so it will be necessary to investigate issues related to the formation of a corresponding set of factors, with the possible definition of their significance, special factor analysis of binary choice models, and a number of others that may arise when implementing a multifactor approach. But the logic of constructing a portfolio investment model will remain unchanged.

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FORMATION OF CULTURE OF HEALTHY NUTRITION AT PRESCHOOL CHILDREN AND YOUNGER SCHOOL STUDENTS

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ABSTRACT

Material of the empirical research is conducted in this article presented in September – November, 2016 . During the research the children's perspectives and their parents of healthy nutrition and healthy lifestyle have been studied, and then the program of formation of culture of healthy nutrition and healthy lifestyle is developed and approved. 80 people (40 children and their parents) have participated in the research. At the first stage diagnostics are directed to identification of the relation of children and their parents to a healthy lifestyle, connected with healthy nutrition, it allowed to determine the level of preparedness for the last and motivation degree to process of his formation. Diagnostics were carried out by Berezovskaya R. A. technique and by author's questionnaires. We found that preschool children have very low level of ideas of healthy nutrition and a healthy lifestyle. Younger school students have it a little higher that allows to conclude about an insufficient level of formation of health saving competences at children at initial steps of education. The data obtained on children, have significant correlations with the results of their parents. On the basis of the obtained empirical data we have developed the culture skills program of healthy nutrition and a healthy lifestyle which realization is enabled not only in educational institution, but also in a family. Diagnostics which are carried out after the end of the program has shown the significant increasing level of the health saving competences connected with the organization of healthy children's and parents' nutrition and that indicates its effectiveness.

Keywords: *healthy lifestyle, healthy nutrition, health saving competences, food preferences, food behavior*

1. INTRODUCTION

The problem of the formation of a culture of proper nutrition is important for every person, especially since today we are influenced by television and the Internet, creating ideas that are often far from a healthy lifestyle and proper nutrition. Representations of adults are a role model for their children, which, according to modern research, very often prefer foods that have nothing to do with healthy, proper nutrition.

So, according to the research of Evdokimova Ye.S. [3] recently among schoolchildren the percentage of children who often consumes so-called "fast food" and various lemonades has grown significantly. At the same time, according to a number of researchers, [2,6,9], parents themselves are not able to dose some products, they do not know about the harm of these or other delicacies.

According to the results of monitoring conducted in 2017, Zakoryukina NN. and Remizova OA. [5] only 64% of modern parents and 24% of children in the group of schoolchildren and their parents that they surveyed were familiar with the basic principles of the organization of healthy nutrition. Also, 64% of children did not have breakfast before school, and every third child ate sausages every day. 57% of children daily (often several times a day) ate confectionery and various sweets.

In general, if we analyze the majority of studies on the nutrition of schoolchildren over the past two years [For example, 1, 2, 4, 7, 10], then in the rating of products, priority for modern schoolchildren today include: chips, carrotto fries, crackers, ice cream, sweet curds and various carbonated drinks. All this, of course, does not contribute to proper nutrition and a healthy lifestyle.

It seems to us that the main problem in modern food culture is the elementary ignorance of children and parents of the real harm done to health by such products. That is, of course, many people know that there are harmful products, but the questions why they are harmful and what harm they cause, usually remain unanswered.

This fact is confirmed by foreign research. For example, the work of Hart, Herriot, Bishop [19] is confirmed by the fact that parents abroad, consider proper nutrition primarily in terms of its importance for academic achievement or, at the very least, recognize its importance for prevention and decision -yah problems with teeth. In this case, almost no one thinks about the risks of obesity or diabetes associated with non-proper nutrition.

In these conditions, in our opinion, it is especially important to increase the motivation for proper nutrition in both children and adults due to the most complete information about the negative consequences of the use of certain products. Especially important is the formation of a nutrition culture among young parents who are only part of a full family life and have not yet gained experience in comprehensive parenting. At the same time, without sufficient competence in the formation of a culture of proper nutrition and healthy lifestyles, such parents are not able to give the child a full-fledged education in a healthy environment.

In 2017, the authors of the article conducted a study aimed at diagnosing ideas about a healthy lifestyle and proper nutrition in pre-school children and younger schoolchildren. Based on the data obtained under the guidance of Professor Petrova EA. Was developed and tested a program to forge a culture of good nutrition and a healthy lifestyle "Be Healthy as Maxim Orlov" by Yu. Aristova. Here it should be noted that, of course, at the moment there are quite a large number of similar programs, both in Russia and abroad (see [For example, 2,5,7, 9, 19,23] But the main difference of our program is that it involves simultaneous work with children and their parents, and also the poetic author's poem lies at the heart of her conception Aristovoy "Be Healthy as Max Orlov", on the basis of which the initial cognitive situation is recognized. Through the formation of the rules of healthy eating and healthy lifestyles, interest is formed in proper nutrition and motivation to observe its basic principles.

2. METHODOLOGY

In our study, 80 people (40 children and their parents) took part. They were children aged 6 to 9 years attending primary school and the kindergarten preparatory group. At the ascertaining stage of the study, which was held in February 2017, the tasks of diagnosing the formation of ideas about healthy lifestyles among preschool children, junior schoolchildren and young parents were set. The methodology we used to diagnose the level of formation of a healthy

lifestyle included the identification of the attitude of younger schoolchildren to their own health and healthy lifestyle. The purpose of the diagnosis is to determine the level of readiness of junior schoolchildren for a healthy lifestyle and motivation for the process of forming the latter. The level of formation of a healthy lifestyle included several components: cognitive, emotional-volitional, behavioral components. Each component of diagnostics was evaluated according to the questionnaire of Berezovskaya RA, where 1 point was awarded for each positive answer. The level of formation of each component of a healthy lifestyle was determined by the total number of points for the group of answers. We also used the author's questionnaire for young parents, consisting of 10 statements, with which they either had to agree or disagree. Sufficient for the formation of an appropriate educational environment in the family, the level of health-saving competence of young parents and the level of development in them of correct ideas about the healthy way of life of children was estimated by 9 to 10 selected statements.

Based on the results of the study, we developed and tested a program for the formation of a culture of proper nutrition "Be Healthy, Like Maxim Orlov". After the program for the above sample was carried out, a second study was conducted on the same sample for the above methods.

3. RESULTS

3.1. Basics of the culture of a healthy lifestyle and proper nutrition

At the heart of our research and the proposed program for the formation of a culture of proper nutrition is the notion of a "healthy lifestyle". Let us dwell on this in more detail. Dodonova LP [3] singles out the following elements in the phrase "healthy lifestyle": "right lifestyle" and "health-saving environment". The correct way of life includes the right, healthy food (balanced), the rejection of bad habits. A health-saving environment is a set of conditions in which a healthy lifestyle is formed. The researcher attributes such conditions to: a favorable environment, the implementation of health-saving programs and technologies, the development of a system of measures to increase motivation for a right way of life, the formation of physical culture, and the improvement of mental health.

In the opinion of S.M. Karakotova. [9], the concept of a healthy lifestyle is inextricably linked with the value-semantic sphere of human life. If we consider health in the context of the values sought by the individual, a healthy way of life is the most important condition for achieving and preserving this value. Man only then leads a healthy lifestyle, when he seeks to strengthen or maintain his health.

Forced inducement of the individual to maintain health and the formation of a healthy lifestyle can cause a reverse, undesirable effect: the individual will in every way interfere with the influence exerted on him, seek to minimize the effect of norms. Therefore, the formation of a healthy lifestyle should be based on an individual-psychological approach, on the promotion of health as the highest value. In the process of forming a healthy lifestyle, there must necessarily be an element of self-awareness: an individual will only adequately perceive attempts to influence him for the purpose of preserving his health when he realizes the importance of forming a healthy lifestyle for himself.

For the development of a health-saving environment, health-saving and health-assimilating technologies are being realized in the educational institution, which are considered by us in the context of innovative educational technologies and defines, first of all, as a set of methods of teaching and upbringing aimed at creating a healthy lifestyle for children.

However, it is necessary to distinguish between the concepts of "health saving" and "health-building". The latter is part of the structure of health-saving universal learning activities (UAL) and forms the basis of such categories as health-saving competence and health-related competence. These concepts are incorporated into the current Federal State Educational Standard of Basic General Education [16].

However, it is inadmissible to shift all responsibility for the formation of a healthy lifestyle for children to an educational institution. The main socializing and developing institute for the child is the family. Attitude to their health, as well as to a healthy lifestyle is laid in the child in the family. And here there is the problem of impact on the family as a system designed to ensure the healthy and productive life of the child. In this regard, it is necessary to develop and implement programs for individual work, especially with young families, in which young children grow (preschool children and junior schoolchildren). Health should be perceived by the family as the highest family value, to which it is necessary to strive.

Thus, the family should be considered as a health-saving environment in which the health of the younger generation is reinforced. The main thing in the family's foremost influence on the personal and social development of the child is concentrated in the process of forming a healthy lifestyle.

As a health-saving environment, the family, according to Lineva OI. [14], should provide:

1. the conditions for the formation of knowledge about health and a healthy lifestyle, for the formation of a conscious attitude towards health as the highest value;
2. the conditions for a healthy lifestyle (hygiene, day regimen, avoiding bad habits, proper nutrition);
3. conditions for the realization of a healthy lifestyle (encouragement of physical exercises, interest in health-saving technologies).

Thus, the family should develop a comfortable environment, which leads to a healthy lifestyle and proper nutrition. The most important aspect of the health-saving competence of parents is to introduce the child to proper nutrition. However, this competence is not limited to talking with a child about healthy food. It is advisable to introduce a certain diet in the mode of life of the whole family. It is unacceptable to inspire a child with one thing, but to do the very opposite. A clear sequence is needed here. Nutrition should serve as the basis for a healthy lifestyle, the family menu should consist only of those products that contribute to this formation.

The primary role of the family in the formation of a culture of proper nutrition is emphasized by foreign researchers [18, 19, 20,23]. Thus, in the opinion of Savage and Birch [23], despite the inherent ability to regulate energy consumption for children, parents' help is needed in order to assess the necessary degree of hunger or satiety. Also of interest is the study of Swedish scientists [20] devoted to the styles of food education. The authors distinguish three main styles: authoritarian, permissive or indulgent and warm authoritative. The first style is based on prohibitions on the use of certain types of food, the second - assumes that children can eat whatever they want without any restrictions from the parents, when using the third style, parents are a model of proper nutrition for children, while using the hidden Control over their nutrition. Under covert control is understood the control of the so-called environmental food environment, for example, when parents do not buy harmful products and do not eat them themselves. Thus, the role of the family in the formation of a culture of proper nutrition is very significant for us, and this was the basis for the proposed program for the formation of proper nutrition.

3.2. An empirical study of ideas about proper nutrition

As noted above, the development of a program for the formation of proper nutrition for preschool children and junior schoolchildren included several stages. As a result of the ascertaining stage of the study, the following data were obtained: the majority of preschool children and junior schoolchildren have a low level of formation of almost all components of the level of formation of ideas about a healthy lifestyle. 75% of the schoolchildren surveyed had a low level of formation of ideas about a healthy way of life according to the cognitive, emotionally-volitional and value components, and in 70% of the behavioral ones (see Table 1).

Table 1: The level of formation of ideas about a healthy lifestyle in a group of junior schoolchildren (in% of the total number of respondents)

Components	High level	Medium level	Low level
Cognitive	5	20	75
Emotionally-strong-willed	5	20	75
Behavioral	5	25	70
Value	5	20	75

Among preschoolers, the situation is similar: 85% of respondents have a low level of emotional-volitional and behavioral components, 65% have a value, and 60% have cognitive components (see Table 2).

Table 2: The level of formation of ideas about a healthy lifestyle in a group of preschool children (in% of the total number of respondents)

Components	High level	Medium level	Low level
Cognitive	10	20	60
Emotionally-strong-willed	10	5	85
Behavioral	5	10	85
Value	15	20	65

Significant differences (in the Mann-Whitney ratio) in the level of the formation of ideas about a healthy lifestyle in younger schoolchildren and preschool children we were not identified. Based on the data of the study, it can be argued that both preschoolers and younger students equally poorly imagine a healthy lifestyle. This is a negative continuity, which does not ensure the development of health-saving competences for the child in transition to another level of education. The obtained results seem to us quite natural, since among the parents of the polled schoolchildren and preschool children, according to the results of the survey we conducted, only 10% have a sufficient level of formed health-saving competence.

Further, all junior schoolchildren and their parents interviewed in the course of this study took part in the "Be Healthy as Maxim Orlov" program, developed by Yu. Aristova under the guidance of Professor E.A. Petrova. The contents of this program will be discussed in detail

below, and now we will review the results of the re-testing that we conducted after the program was completed. Testing was conducted both among schoolchildren and among preschool children who did not attend the program, but we interviewed them at the first stage of the study. We found that among the preschoolers who did not go through the program, the level of formation of ideas about a healthy image practically did not change (no significant differences in the Mann-Whitney coefficient were revealed).

But among junior schoolchildren - participants of the program - it has significantly increased (the level of significance of the differences in Mann-Whitney $U = 405.5$, $p < 0.05$). 90% of schoolchildren showed a high level of formation in the value component, 85% in behavioral, and 70% in cognitive and emotional-volitional components (see Table 3).

Table 3: The level of formation of ideas about healthy lifestyles in the experimental group of junior schoolchildren (in% of the total number of respondents)

Components	High level	Medium level	Low level
Cognitive	70	10	20
Emotionally-strong-willed	70	15	15
Behavioral	85	10	5
Value	90	0	10

Among the parents of participants in the experimental group, 60% after the completion of the program based on the results of the questionnaire now showed a sufficient level of the formation of ideas about a healthy lifestyle. The received data allow us to speak about high efficiency of the developed program. Let's consider its content in more detail.

3.3. Program for the formation of a culture of proper nutrition and the foundations of a healthy lifestyle "Be Healthy Like Maxim Orlov"

Organizationally, the proposed program is designed for 12 sessions, which are expected to be spent for about 3 months one session per week. For each lesson, parents are invited. Those parents who for some reason can not attend are sent materials of the class. In addition, parents are invited to duplicate some activities with children at home, for this they are given methodological development with a description of the content of each occupation.

As mentioned above, the content of the program is based on the poem by Yu. Aristova "Be Healthy as Max Orlov". This is one of the strong sides of the program, which distinguishes it from similar developments. Poems are easily accepted and remembered by children, which develops their memory, shapes interest in the rules of a healthy lifestyle, which is the basis of each poem, and develops motivation to ensure their strict observance (through the imaginative submission of principles for their implementation).

In the course of implementing the program, children are first held conversations in accordance with various aspects of a healthy lifestyle and proper nutrition, and which are referred to in the poem. Conversations are accompanied by vivid spectacular illustrations in the form of presentations. The new material is fixed by children during the didactic games, which allow each child, with the help of an adult, to conduct their own analysis, to investigate the reasons for the appearance of the proposed rules, to process the information obtained and to apply it in

practice to the life of the studied. Each child has the opportunity to discuss, act, play, display and supplement. In each situation, the integration of a variety of tasks and activities to address them can be seen, including the creative initiative of the child. The rules of the offered didactic games offer only a general line of conduct, but do not establish specific actions. Here are some examples of didactic games that are implemented during the program: "Find a Vitamin"; "Learn to taste"; "What can be prepared from fruit?", "Find a harmful product"; "Edible - inedible product"; "We write a letter to Kolya," etc.

In a number of didactic games, drawing and modeling are supposed, which also helps to study and consolidate the material. An important factor in the effectiveness of this program is the joint gaming activity of children and parents, both in class and at home, since, as mentioned above, it is the family that plays a key role in the formation of a culture of proper nutrition.

4. CONCLUSION

In the course of research, it was proved empirically that the formation of a healthy lifestyle is a purposeful, structured process implemented in the context of the interaction of the educational institution with the family in the framework of the program for the formation of a healthy lifestyle culture "Be Healthy as Maxim Orlov" Yu. Aristovoy. The program made it possible to form a level of health-saving competencies in children and their parents, and attached to the process of health-saving development of both those subjects of the educational process in the OED. Hence, one can draw a conclusion about the effectiveness of the program for solving problems on the formation of correct ideas about a healthy lifestyle. The uniqueness of the program for creating a culture of healthy lifestyles "Be Healthy as Maxim Orlov" is that this program can be implemented in a healthy environment in the family. Uniqueness is conditioned, first of all, by the leading principles of the program and methods of its implementation.

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MODERNIZATION OF THE RUSSIAN BANKING SYSTEM AS A NECESSARY CONDITION FOR THE DEVELOPMENT OF THE RUSSIAN ECONOMY

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ABSTRACT

In the article describes the main directions of activities of banking system, shows its structure, interconnection of elements, and also noted an important role in the economic development of the country. In the article The analysis is conducted of the Russian banking system, the main stages, development tendencies, are revealed the problems of the modern banking system. In addition, the article discusses the interaction of the banking system with the economy, the necessity of cooperation between business, science and government agencies to solve problems of the Russian banking system and focuses attention on the need to increase the investment attractiveness of banks, their capitalization.

Keywords: *banking system, the Central Bank, investment, capitalization, economic development*

1. INTRODUCTION

1.1 Introduction to the Problem

In modern conditions of managing the banking system plays an important role. Because it relates to the reproduction process. Banks are the elements of the banking system, they tie the subjects of economy with each other. Therefore, any changes that take place in the banking system will somehow affect the entire economy. Consequently, a reliable banking system is a key component of the country's economic life. Today, one of the topical issues in the Russian modern market economy has been the question of studying the banking system.

First of all this is due, to the need to increase the efficiency of state regulation of monetary relations in the context of the financial and economic crisis and negative trends in international relations, including in the banking sector. Under the conditions of the sanctions regime of the modern economy, new tasks arise before the financial system of the Russian state and new conditions for further development.

Financial institutions have become one of the drivers of growth in the Russian economy, characterized by inadequate economic ties of the Russian financial system, a lack of external sources of financing available to business projects alternate banking resources. Acting Manager of big capital, banks are the dominantly dictate the financial conditions, establish your selection criteria for funds allocation, often against the interests of the national economy and monetary system. Despite this situation, the Executive authorities and the Bank of Russia are interested

in stable banks as the guarantors of confidence in the Russian financial system, and for its part try to support key banks in crisis situations.

1.2. Disclosure of the Importance of the Problem

In 2014, foreign sanctions were imposed on the largest banks (Sberbank, VTB, Gazprombank and Rosselkhozbank). This inevitably affected the reduction of the resource base, which inevitably affected the entire economy of the country.

The banking system is a single integrated and integrated (interconnected, interacting) set of credit institutions included in the economic system of the country, each of which performs a special function (functions), conducts its list of monetary transactions (transactions), as a result of which the entire volume of society's needs for banking products (Services), is satisfied to the fullest extent and with the greatest possible degree of efficiency (Tavasieva, Moskvina, Eriashvili 2015 p. 32).

Modern banking system of the Russian Federation is a two-level system (Figure 1).

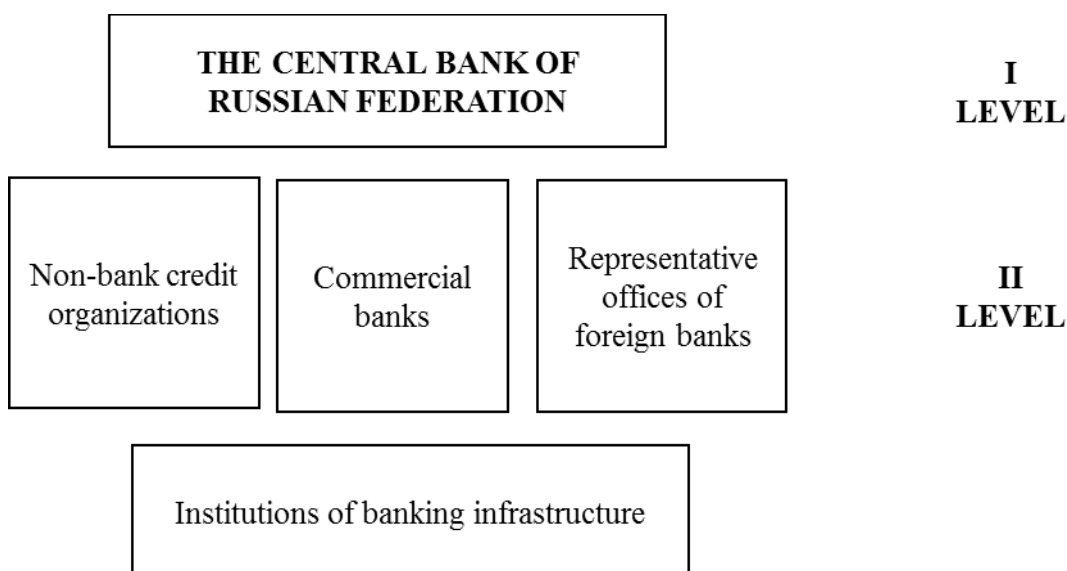


Figure 1: Banking system of the Russian Federation

Source: Federal Law «On Banks and Banking Activities» (1990) (last ed.)

Now in Russia operates 878 banks. This data is constantly changing. Currently in the banking system of the Russian Federation there has been a decrease in the number of banks and market consolidation (Table 1).

Table following on the next page

Table 1: Information on the number of credit institutions in the Russian Federation

Index	01.01.17	01.02.17	01.03.17	01.04.17	01.05.17	01.06.17	01.07.17	01.08.17
The credit organizations are registered by the Bank of Russia and other bodies including:	975	969	967	961	955	947	943	937
- banks	908	902	901	895	891	885	882	878
- non-bank credit institutions	67	67	66	66	64	62	61	59
The existing credit institutions (credit institutions have the right to carry out banking operations)	623	619	616	607	600	591	589	582
- banks	575	570	567	558	551	544	544	537
- non-bank credit institutions	48	49	49	49	49	47	45	45

Source: Data from the Central Bank. Electronic access

http://www.cbr.ru/statistics/print.aspx?file=bank_system/inform_17.htm&pid=lic&si

2. METHODOLOGY

2.1. Definition of the Object of Research

The study of problems related to the development of the banking sector in the context of geopolitical and financial instability is an important task. A stable banking system is the basis of a prosperous economic life of the country. The modern banking sector is an important and fundamental element of the Russian financial system. Without the development of the national banking system, it is difficult to achieve significant progress in the development of the country's economy, raising the standard of living of the country's population. The Central Bank performs the function of monetary control of the economy, which allows not only to fight inflation but also to influence the growth rate of the economy. All this says about the high significance of the banks. For more than twenty years of existence, the banking sector has suffered several severe crises in its consequences. And today the banking system of the Russian Federation has not the easy times. Therefore, the object of research of this article were chosen above elements- the Central Bank, commercial banks, the banking system.

2.2. The Choice of Study Method

In the preparation of the article were used the following scientific methods of research. Historical and logical methods were used to study the problems in the development of the Russian economy. They allowed us to estimate the negative trends affecting the economic processes in General, and to draw General conclusions. To ensure a systematic approach to the selection of the study used a method of analysis and synthesis that contributed to the study of economic phenomena as in parts (analysis) and whole (synthesis). The method of abstraction was used for cleaning of the test subject from the particulars. Methods of comparison, grouping and summarizing helped to analyze the practical data.

3. RESULTS

3.1. Set of the Analyzed Data

To obtain accurate results of the study, the authors analyzed the statistical data. The analyzed data is presented on the official websites of Federal state statistics service, Central Bank of the Russian Federation, as well as taken from analyses of media scientific works of modern economists in the field of banking.

3.2. Initial Data

Analyzed the source data are sufficiently verified, as represented mostly by the legislation of the Russian Federation, the static data of official state structures. The analysis was based on both retrospective and prospective data.

4. DISCUSSION

Given the current situation, changing the effect of external and internal factors, the country's banking system operates in a rather difficult conditions. At the same time, the Russian Federation has a fairly well-developed and efficient banking system, despite the negative impact of the trends of the global financial crisis and low, and in some periods, negative growth of the country's economy. Despite a significant decrease in the number of credit institutions, their quality indicators are improving. Only in 2016 the number of credit institutions decreased by 110 units. At the same time, the main decrease in the number of credit institutions is observed in groups with a small share capital. So, in the group of 300 million rubles up to 1 billion rubles - by 79 units, and in the group from 1 to 10 billion rubles - 10 units. In addition, the return on capital of all credit institutions for the year 2016 increased to 10.4%, instead of 2.3% at 1.01.16, and the return on assets at 1.01.17 was 1.2% instead of 0.3% at 1.01.16 (Bank of Russia. Report on the development of the banking sector and banking supervision in 2016). The activities of the banking system is provided by available resources at its disposal. Resources of the banking system and their structure are presented in Table 2.

Table 2: Resources of the banking system (billion rubles)

	1.01.13	1.01.14	1.01.15	1.01.16	1.01.17	2012 as % of 2016
1. Liabilities only, including:	49509,6	57423,1	77653,0	82999,7	80063,0	161,7
2. Funds raised from organizations	15648,2	17787,0	25008,1	28442,1	26415,8	168,8
In % to liabilities	31,5	31,0	32,2	34,3	33,0	
3. Deposits of individuals	14251,0	16957,5	18552,7	23219,1	24200,0	169,8
In % to liabilities	28,8	29,5	23,9	28,0	30,2	
4. Loans, deposits and other funds of the Bank of Russia	2691,4	4439,1	9287,0	5363,3	2726,1	101,8
In % to liabilities	5,4	7,7	12,0	6,5	3,4	
5. Credits, deposits and other funds of other credit institutions	4738,4	4806,0	6594,2	7091,1	76970,0	162,4
In % to liabilities	9,6	8,4	8,5	8,5	9,6	

Source: information of the Bank of Russia.

Report on the development of the banking sector and banking supervision in 2016

From the data of Table 2 it follows that the resources of the banking system for 2012 – 2016 increased by 61.7%. Approximately the same growth rates have all the components of

resources. Thus, the funds of organizations have an increase of 68.8%, individuals 69.8%, funds of other credit institutions 62.4%. The Bank of Russia's funds are an exception. These funds increased by 1.8% for 5 years. It should be noted that in some years their volume had significant fluctuations. If at 1.01.13 they amounted to 2691.4 billion rubles, as of 01.01.17 - 2726.1 billion rubles, then on 1.01.15 - 9287 billion rubles, that is, their growth was more than 3 times. As we can see, after 2014 a course was set for replacing the funds of the Central Bank with market sources and, above all, with the contributions of the population. At 1.01.17 their share in liabilities increased by 6.3% compared with the data as of 01.01.15.

At present, the resource provision of the banking system becomes balanced, since the main components of resources - the funds of organizations and the population make approximately equal shares in resources as of January 1, - respectively, 33.0% and 30.2%. Tendencies of change of liabilities have affected also assets of the banking sector. We will consider a condition of assets for the last 5 years (Table 3).

Table 3: Structure of assets of a banking system for 2012 - 2016 (billion rubles)

	1.01.13	1.01.14	1.01.15	1.01.16	1.01.17	2012 as % of 2016
Total Assets, including:	49509,6	57423,1	77653,0	82999,7	80063,0	161,7
1.Cash, precious metals and stones	1554,0	1608,7	2754,2	1898,3	1446,2	93,1
In % of total	3,1	2,8	3,5	2,3	1,8	
2. Accounts of Central Bank of the Russian Federation and authorized bodies of other countries	2159,9	2264,9	3297,8	2464,4	2860,1	132,4
In % of total	4,4	3,9	4,2	3,0	3,6	
3.Credits in credit institutions	1483,3	1496,5	2675,2	2536,3	1710,7	115,3
In % of total	3,0	2,6	3,4	3,1	2,0	
4.Securities purchased by credit institutions	7034,9	7822,3	9724,0	12177,4	11315,2	160,8
In % of total	14,2	13,6	12,5	14,2	14,1	
5. Loans and other loans	33993,1	40540,7	52115,7	57511,4	55168,7	162,3
In % of total	68,7	70,6	67,1	69,3	68,9	

Source: Bank of Russia. Report on the development of the banking sector and banking supervision in 2016

As we can see, the assets in general and the main components had approximately the same growth rates during the analyzed period. So, with the increase in assets by 61.7%, loans and other loans have an increase of 62.3%, and securities purchased by credit institutions - 60.8%. As a result, their share virtually unchanged. At the same time, it should be noted that the assets in 2016 compared to 2015 decreased by 3.5%. The decrease was observed for the main component securities of 6.7%, loans of 4.1%.

The amount of loans granted to non-financial corporations decreased in 2016 by 9.5%, and physical persons has increased by 1.1%. Consequently, in 2016 there were various changes in the structure of lending. So if the loan portfolio of individuals had moderate growth, then the corporate portfolio declined. Of particular interest is the analysis of the quality of the credit portfolio of the banking system in recent years.

Table 4: Quality of the loan portfolio of the banking system for 2011-2015

Index	1.01.12	1.01.13	1.01.14	1.01.15	1.01.16	2011 in % to 2016
Loans, deposits and other placements including arrears in the amount of in% to the amount of loans of them:	28699,2	33960,1	40417,7	51799,5	57154,5	199,2
	1133,0	1257,4	1398,0	1978,0	3046,6	268,9
	3,94	3,70	3,45	3,81	5,33	1,39
Loans to non-financial organizations including arrears in the amount of in % to the amount of loans	17715,3	19971,4	22499,2	29536,0	33300,9	188,0
	822,6	924,1	933,7	1250,7	2075,9	252,4
	4,64	4,62	4,14	4,23	6,23	1,59
Loans to individuals including arrears in the amount of in% to the amount of loans	5550,9	7737,1	9957,1	11329,5	10684,3	192,5
	291,1	313,0	440,3	667,5	863,8	296,7
	5,24	4,04	4,42	5,89	8,08	2,84
Loans to credit institutions including arrears in the amount of in% to the amount of loans	3958,0	4230,4	5130,6	6895,0	8610,0	217,5
	5,1	5,2	11,3	44,3	63,8	1251,0
	0,12	0,12	0,22	0,64	0,74	0,62

Source: Overview Banking sector (Internet-version), 2017

The data characterizing the loan portfolio testify during this period, with the growth of the loan portfolio 2 times, overdue debts increased 2.7 times. While its share in total loans increased 1.39% and amounted to 1.01.16 to 5.33% compared to 1.01.12 city of 3.94 per cent. In addition, in some years, on 1.01.13 and 1.01.14 outstanding debt tended to decline and on 1.01.15 and 1.01.16 it has increased.

Similar trends were observed in overdue debt on loans to non-financial organizations and individuals. Thus, overdue loans to non-financial organizations for the under review period increased by 2.5 times, and its share by 1.59%. So, if on 1.01.12 the share of overdue debt was 4.64%, as of 1.01.16 was 6.23%. The lowest figure was on 1.01.14 - 4.14%.

Overdue loans on loans granted to individuals have higher rates. Thus, in the amount of overdue indebtedness of individuals for 2011-2015 increased by 3 times, and its share - by 2.84%. As of 01.01.12 the share of overdue debt of individuals was 5.24%, and as 01.01.16 - 8.08%. The lowest indicator was registered on 1.01.13 - 4.04%, and the highest growth rates of this indicator were observed at 1.01.15 and 1.01.16.- 5.89%.

A non-standard situation has developed over this period with overdue debts on loans received by credit institutions. The amount of loans granted for 2011 - 2015 increased by 2.2 times, and overdue debts had a growth of 12.5 times. Especially high growth is characteristic for 2014 and 2015 years.

In this case, in 2016 the quality of the loan portfolio of both legal entities and individuals has somewhat improved. The share of overdue debt in total loans to financial institutions decreased by 0.9% and amounted to 1.7% on 1.01.17, to individuals by 0.2% and was equal 7.9% to 1.01.17. Unfortunately, the share of overdue loans to nonfinancial corporations rose 0.1% and was equal to 1.01.17 6.3 percent. At the same time, the growth of overdue debt in total credit to the economy was observed in almost all groups of banks, except for banks controlled by the state.

The highest level of overdue debt was typical for large private banks - 11.6%. (Bank of Russia. Report on the development of the banking sector and banking supervision in 2016). The level of overdue debts of the banking sector in 2016 was mainly determined by the quality of corporate loans, which as of 2017 January 1, accounted for 73.6% of total loans to the economy. As a result, the share of overdue debts for 2016 increased by 0.1% and amounted to 1.01.17 - 6.3%. Growth of overdue debts was observed in 2016 for small and medium-sized businesses - 0.6%, construction industry - 1.9%, wholesale and retail trade - 1.9%, real estate transactions - 1.4%. At the same time, the share of overdue debt on the retail portfolio decreased by 0.2% and amounted to 7.9% as of 1.01.2017. During the 2016 year banks formed reserves for possible losses on loans at a sufficient level. So, on the 1.01.17 these reserves accounted for 8.5% of total loan debt, which is 2.0% more than the share of overdue debt. The analysis of the quality of the loan portfolio of the banking system and individual borrowers in recent years shows that it is necessary to develop and implement specific measures to improve its quality. In order to reduce overdue debts, it is necessary to study and identify the factors associated with its growth and determine the possibilities for its reduction. Positive results in the banking system were observed in the growth of own funds - 4.2% per year. The adequacy of capital for the year did not change and amounted to 1.01.17 is 13%. In 2016 profit had a significant growth 4.8 times and was equal to 1.01.2017 - 930 billion rubles, instead of 192 billion rubles on 1.01.2016 (Bank of Russia. Report on the development of the banking sector and banking supervision in 2016). To ensure sustainable economic growth in Russia, the development and improvement of the banking system, which uses huge amounts of money (80063 billion rubles), is of particular importance, serves production and investment needs, as well as the needs of households. Unfortunately, the banking system in modern conditions does not fully realize its enabling opportunities. The system does not have sufficient resource potential, is subject to high risks, does not have the necessary margin of safety and financial stability, and has difficulties in increasing the capital base. In addition, the negative impact of limiting the borrowing of long-term resources in financial and credit institutions of other countries. Elimination of these shortcomings will contribute to the further development of the banking system of the Russian Federation.

5. CONSLUSION

The banking system is an important link in the development of the country's economy. As it has a significant diversified influence on economic and social processes, it ensures interregional and interbranch redistribution of financial resources, it is the basis of the country's payment mechanism. An adequately organized banking system can give a significant stimulus to the growth of the country's economy and, on the contrary, the absence of such a system can be a brake on economic development and entail serious crisis phenomena for any state, including Russia. Under the conditions of the sanctions regime, all the links in the Russian financial system were in a difficult situation. The banking system, after experiencing a shock, learned to work in the new economic conditions.

Today we can highlight the following current trends in the development of the Russian banking system:

- There is a significant reduction in the number of credit institutions in the economy of the Russian Federation.
- In recent years, there has been an increase in the role and place of the banking sector in regulating the movement of the money supply of the country.
- The participation of the banking system is increasing in the activation of consumer demand in the country's economy.

- Banks are poorly involved in investment processes taking place in the modern Russian economy.
- There is limited ability to attract funds from the banking system by industrial enterprises to implement the tasks of renewing fixed assets.

If these trends continue to develop further, the banking system will cease to function as a provider of finance. All of its resources will be directed to solving issues of its own sustainability and effectiveness. These features of the modern development of the banking system in recent years suggest the need for the formation and implementation of priority areas for the development of the banking system, which will focus on deepening communication with industrial enterprises, government structures, business and the modernization of the real economy. Thus, the current trends in the development of the banking sector allow us to talk about the need for further careful study of the issues of regulating the functioning of the banking system in the modern Russian economy. Actual trends put before the country's banking system in particular, and in front of its financial system as a whole, new strategic and tactical tasks. All this necessitates monitoring of the functioning of the banking system and regular analysis of its development trends.

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SYSTEM DEVELOPMENT OF ECOLOGICAL TOURISM IN THE ARCTIC REGIONS

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ABSTRACT

The relevance of the research topic is ensured by current trends of the development of ecological tourism in the Arctic regions of several countries. Of particular interest is the issue of maintaining the balance of environmental factors and business projects that includes the use of recreational and environmental resources of the Arctic regions. The methodology of the study is built on comparative analysis of the institutional and business environment of tourism in the polar regions of the Nordic countries and territories, USA, Canada and Russia. The study suggests an analysis of regional legislation systems for ecological tourism as well as analyses of tourist excursion routes, the structure of social initiatives to support the development of ecological tourism and hospitality in Arctic regions of the world. On the basis of the conducted research presented are proposals which aimed at harmonious and balanced development of ecological tourism in the Arctic regions of Russia.

Keywords: *eco-tourism, Arctic regions of the world, tourist routes, legislation in tourism.*

1. INTRODUCTION

By definition of the International organization of ecotourism, "ecological tourism is responsible travel to natural areas, regions, preserving the environment and supporting the well-being of local people" (Ekologicheskiy turizm na puti v Rossiyu. Printsipy, rekomendatsii i zarubezhnyy experience, 2002, p. 6). The focus of the many countries is increasingly concentrated on the regions of the far North from a position of strategic, geopolitical, economic, social, military, environmental priorities. The development of trade and economic relations between countries makes the search for cost effective logistics of transportation routes and the presence of useful natural resources on the territory of the polar region makes this region the center of political and economic global struggle. So, in his speech at the Security Council meeting of April 22, 2016, Russian President Vladimir Putin "On the implementation of the state policy of the Russian Federation in the Arctic in the interests of national security" stated that ".... concentration of practically all aspects of national security: military-political, economic, technological, environmental and resource". Development projects, development programs for tourism in the polar regions of the Russian Federation appear to be a priority in terms of addressing issues of social and economic nature, as well as environmental sustainability, including systematical examination of the identified factors. Obviously, this will increase the number of tourist flows in the polar regions of Russia, by which bringing the enlargement of money supply, creating new workplaces, fostering development of local crafts and revival of cultural traditions, customs, which are of a great interest for tourists. This approach, theoretically, should promote the build-up of the multiplier effect. Also, possibly change the

vector of interests of tourists from outbound to domestic tourist products. To review the organization of development of ecological tourism in the Arctic regions of the world, we consider, first of all, features that have developed in the Russian Federation.

2. METHODOLOGY

Methodology of the research is the systematization of environmental tourism routes and products developed and sold in the territories above the Arctic circle in the Russian regions and foreign countries. Analyzed are regulatory and support programs aimed at the development of ecological tourism in the Arctic regions. As an information gathering system tool were developed comparison tables that represent the opportunity to separately explore the normative documents in the sphere of tourism. So, as the key factors are chosen legislative tools to support sustainable tourism, as well as the conditions allowing to minimize the harmful factor of environmental impacts on. Similarly, were conducted comparative analysis of positive and negative aspects of the experience of tourism environmental initiatives from business structures and public organizations. Separately were analyzed tourist ecological routes in terms of duration, price, conditions of tour sales.

3. RESULTS

In the North-West Federal district ecological tourist routes are developed and implemented in the following regions: Murmansk oblast and Republic of Komi. Most of the routes exceeds the length of 100 km. This feature is determined by the availability of water resources in the program. The minimum length of rounds, up to 10 km is associated with visiting of nature reserves.

3.1. Ecological routes of Russia

Structure of lengthiness of eco-tourism routes in the territories of the Northwestern Federal district is presented in figure 1.

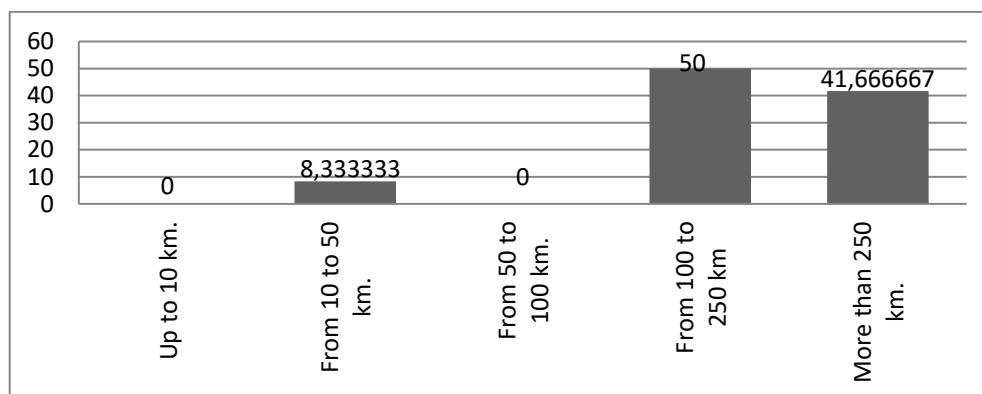


Figure 1: The length of the eco paths on the territory of the North-Western Federal district

The duration of ecological tours in the territory of the Northwestern Federal district of the Russian Federation is, on average, from 2 to 5 days. The number of one-days eco-tours is not available, figure 2.

Figure following on the next page

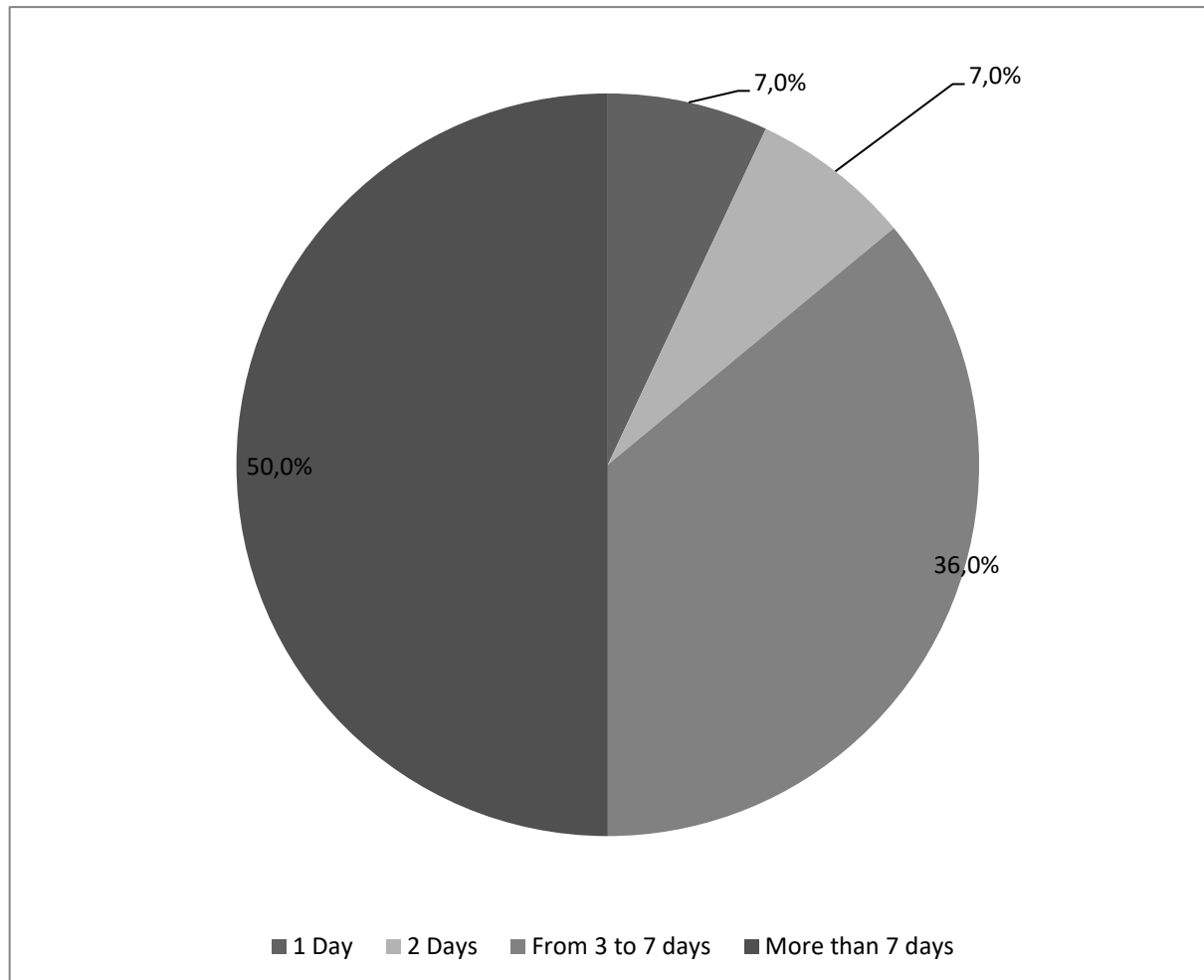


Figure 2: The duration of the eco paths on the territory of the North-Western Federal district

After studying an issue of age groups of tourists in ecological routes, it was found that the largest part of tourism products aimed at consumers aged 45 to 60 years. The length of the routes for this category of consumers is more than 100 km.

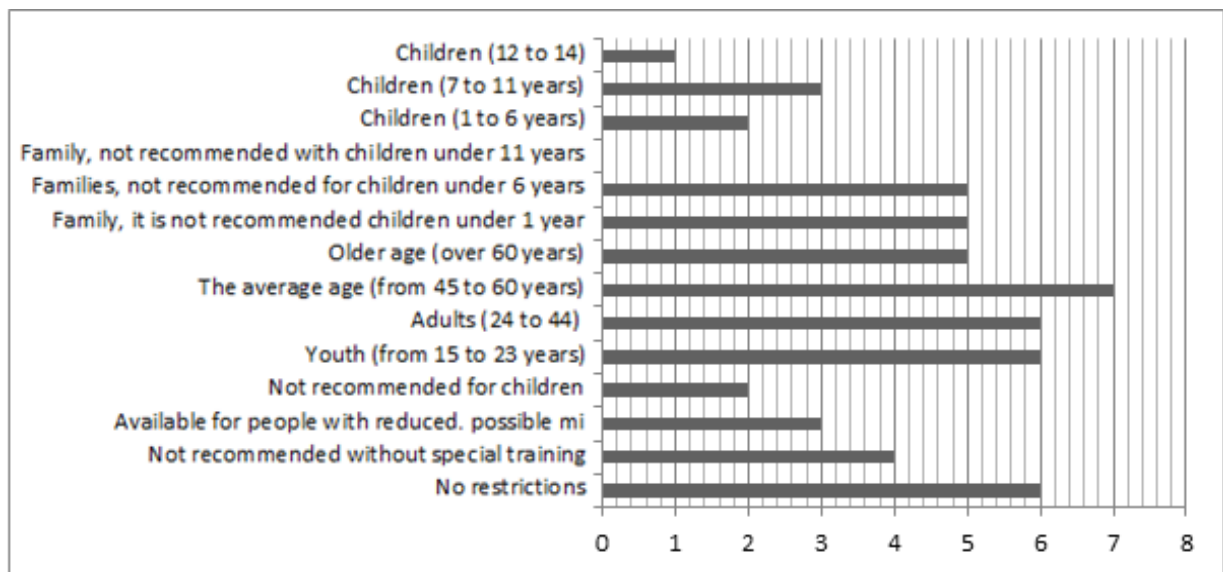


Figure 3: The age limit for consumers of eco-trails

Considering the period of eco-tourism activities it was established that the most of them are implemented in the summer period (Fig. 4).

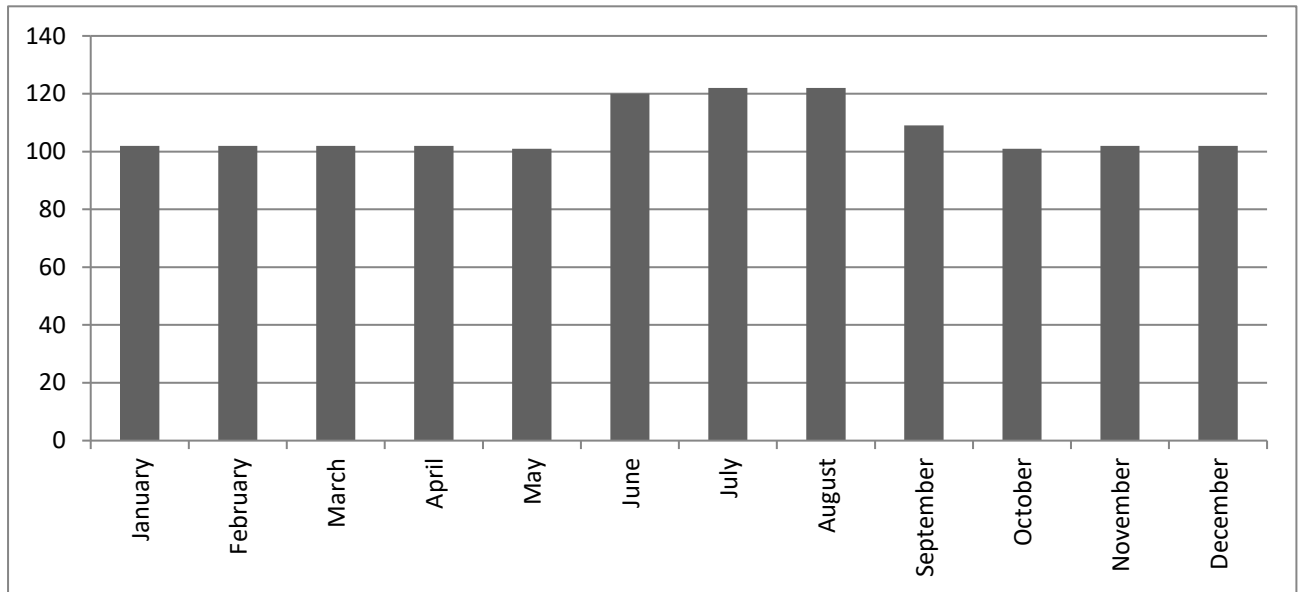


Figure 4: The periods of operation of routes

In winter ecological routes include skiing and reindeer sleigh rides. The structure of the means of transportation on the environmental routes involves the use of mixed transportation, including combinations of walking with bus and water transportation.

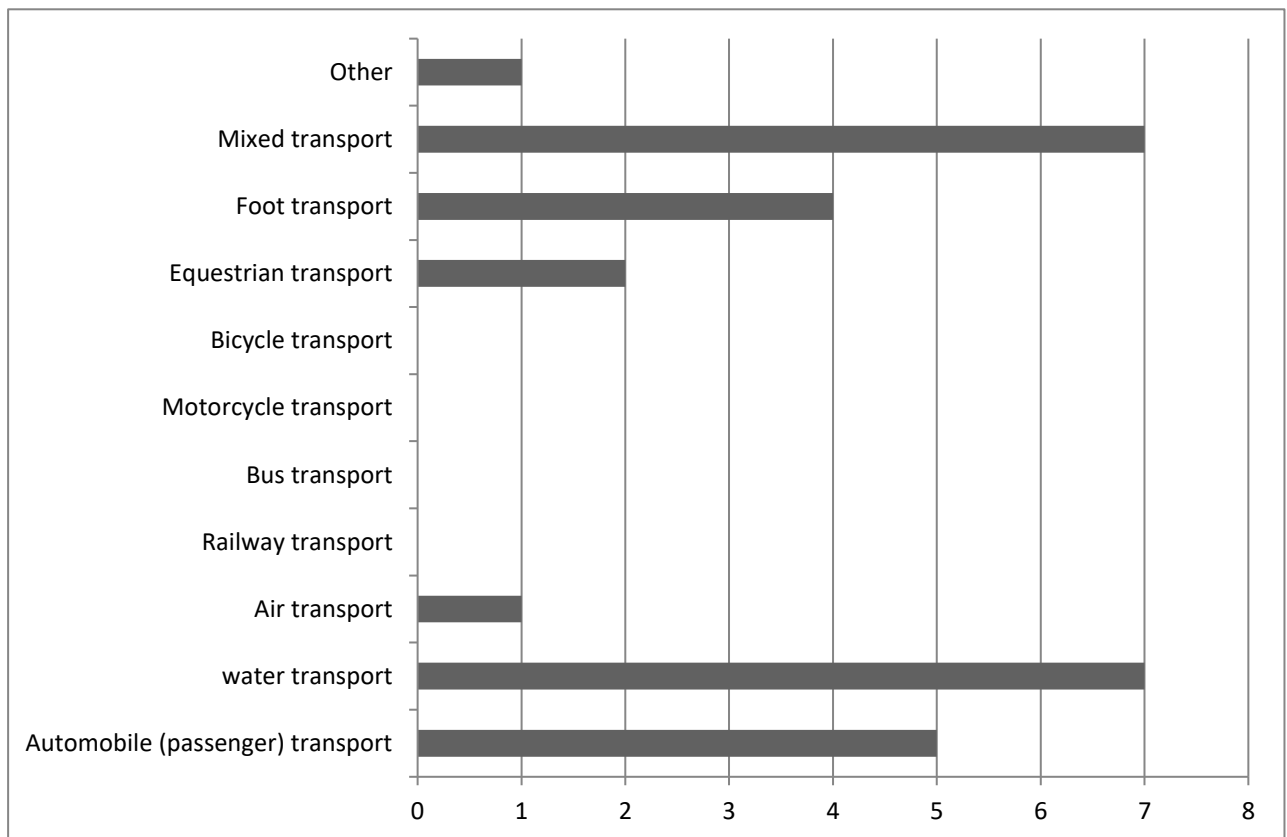


Figure 5: The transport used on the routes

Structure of transport used for ecological routes of the northwestern Federal district is the following.

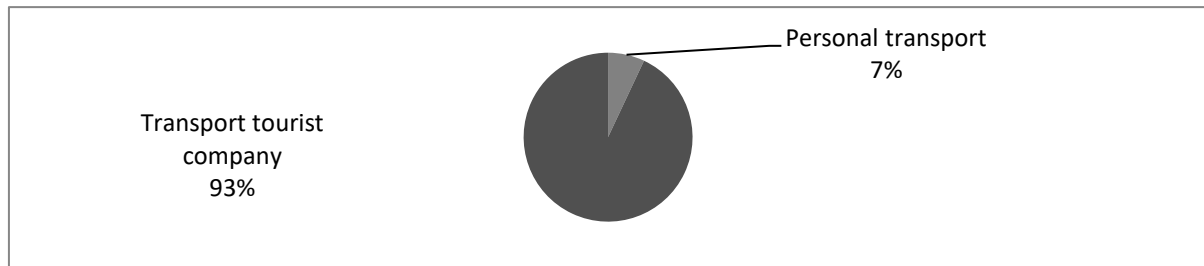


Figure6: Ownership of transport

Means of accommodation of tourists on ecological trails are versatile. Hotels and similar accommodation facilities are to a lesser extent represented in the tours.

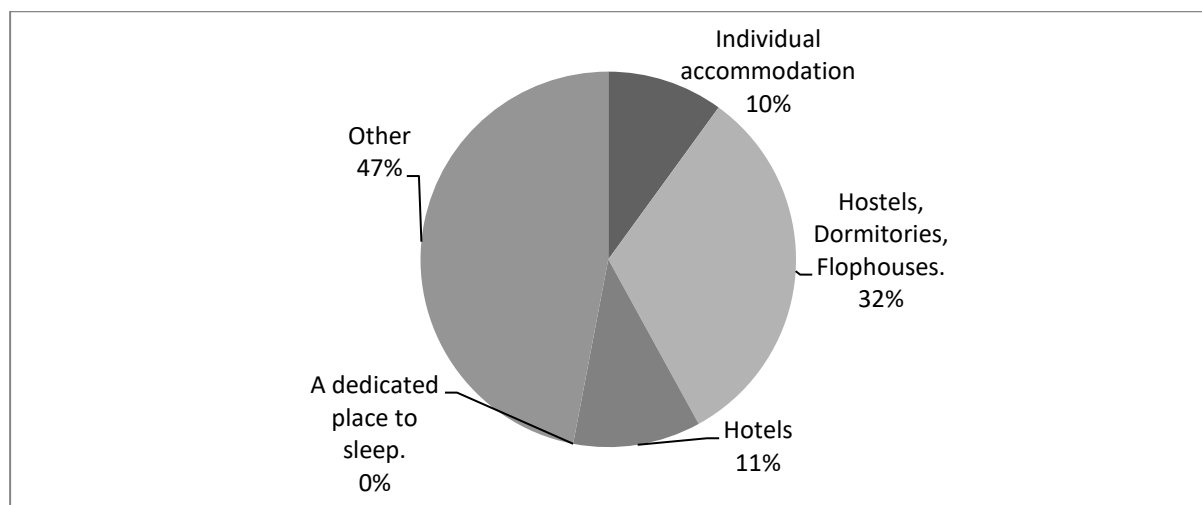


Figure7: Accommodation facilities for tourists on routes

The development of environmental tourism in the Arkhangelsk region has the following complexity:

- the seasonality of the existing regional tourism products hinders the development of new types of tourism (Postanovleniye Arkhangel'skoy oblasti, 2010);
- climatic conditions (Gosudarstvennaya programma Arkhangel'skoy oblasti, 2013);
- problems of rational use of natural and cultural heritage, environmental protection (zakon Oblastnoy, 2014);
- objective dependence of the success of ecotourism development on the efficiency of the regional administration in the use of the unique natural, cultural and historical attractions as the conditions for tourism development (Kontseptsiya razvitiyaturizma v Arkhangel'skoy oblasti, 2010);
- the lack of definition of valid environmental loads and risks for tourism development (Koskenkorva, 2012).

Among the main problems in the development of ecological tourism on the territory of Murmansk region stands out the following, - "...large flows of amateur tourism, increasing anthropogenic load and fire threat to natural resources of the Kola Peninsula" (Podprogramma, 2010-2011).

Next, consider the development of tourism in the Ural Federal district of the Russian Federation.

Among the regions of Arctic Russia, the Urals eco-tourism are presented in the Yamalo-Nenets Autonomous district. Despite the fact that ecological tourism is included in the list of supported types of tourism in the region (Zakon, 2007) a long time there is a stagnation on the tourist market in terms of tourist flows due to the lack of new tourism development proposals at the level of the Autonomous Okrug (Podprogramma, 2010-2011). Organized eco-tourism in the far Eastern Federal district are presented on the territory of the Republic of Sakha (Yakutia) and only one route is in the Chukotka Autonomous district. Were allocated 15 ecological tourist routes implemented in the territory of Sakha (Yakutia). All routes are organized. Among the sample size amateur routes are not identified. This feature is determined by climatic conditions and difficulty with transport accessibility in some areas. In terms of age categories of consumers of ecological tours. they are oriented to mixed audiences of adults and young people.

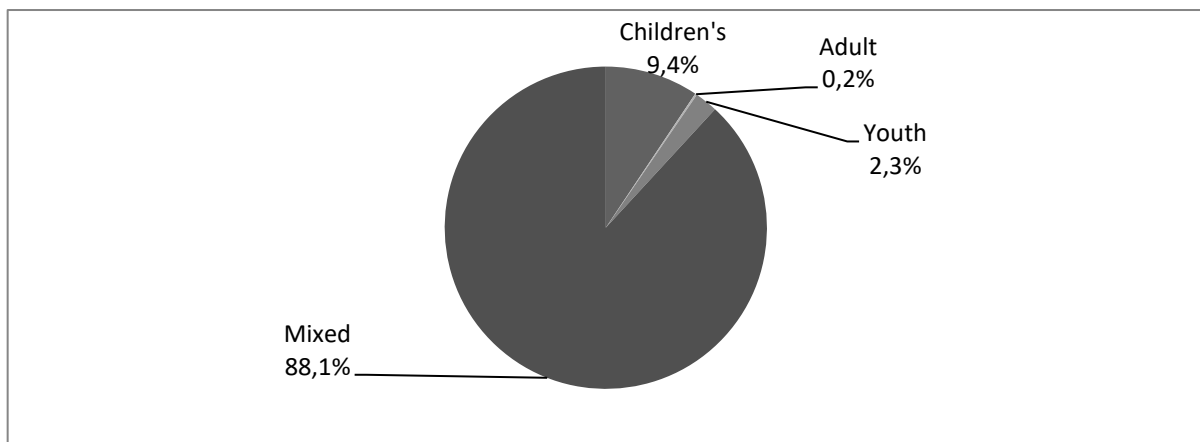


Figure8: Categories of consumers

And the majority of the routes have a length of up to 250 km and the longest route is "Taas Kystaabyt- Kisilyahi of Oymyakon" and it includes the following waypoints: river Nekyunnya and Kyubyama ridge Taas Kystaabyt.

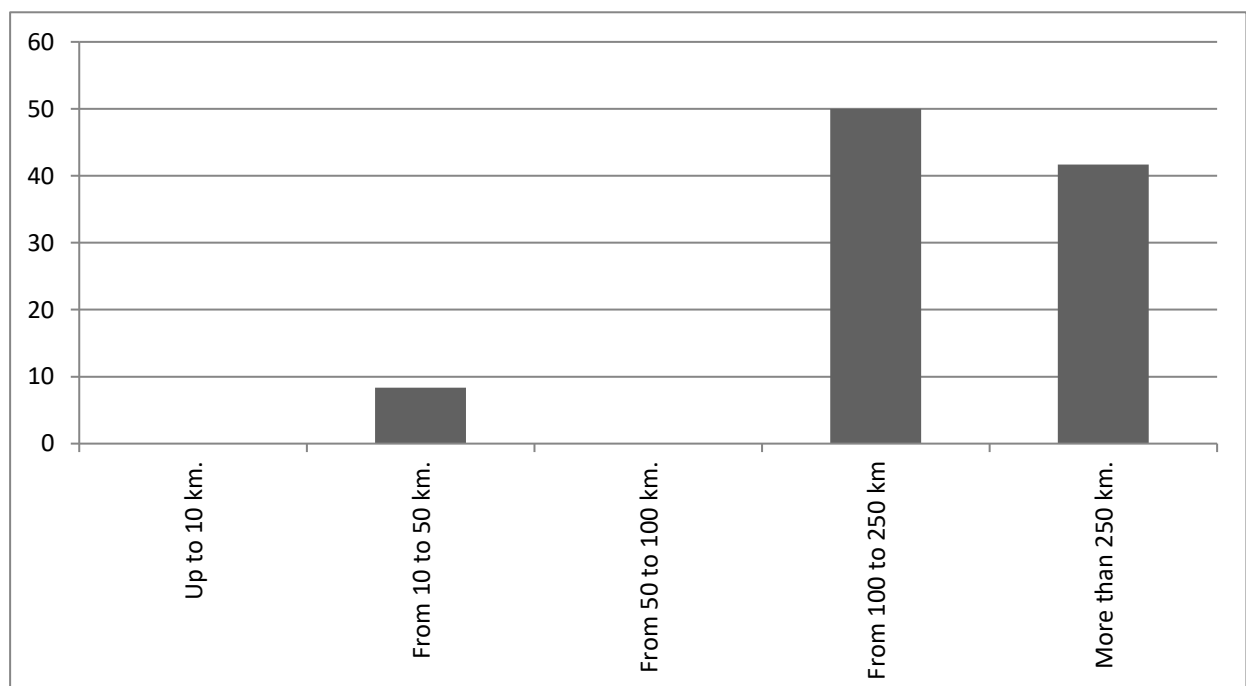


Figure9: The length of the routes

Most environmental routes has a duration of more than 7 days. The maximum duration of an ecological route is 16 days.

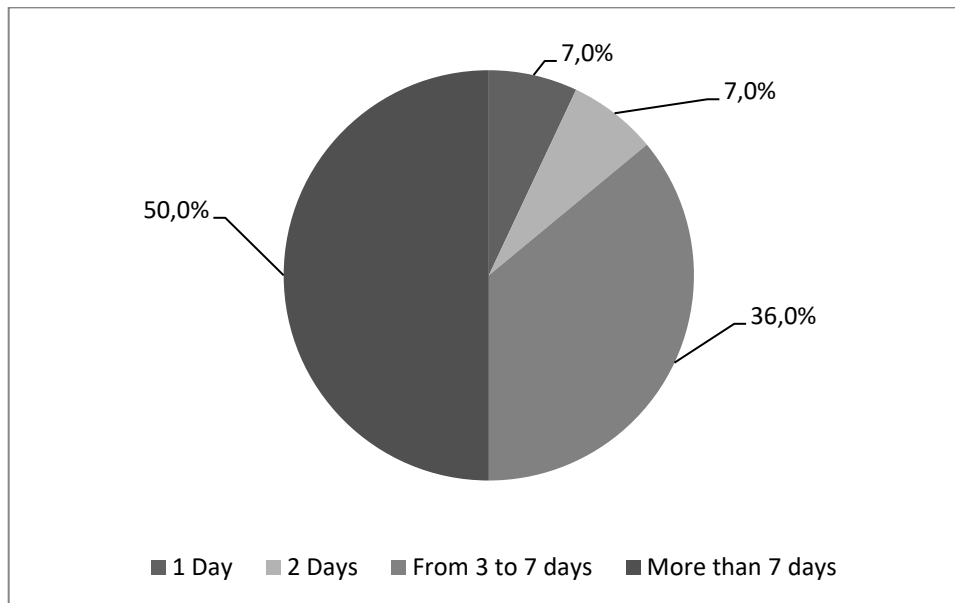


Figure10: The route lengths of the far Eastern Federal district

Analyzing the category of the tourists found that the environmental routes do not have severe restrictions for consumers, but on every route there are instructors and conductors.

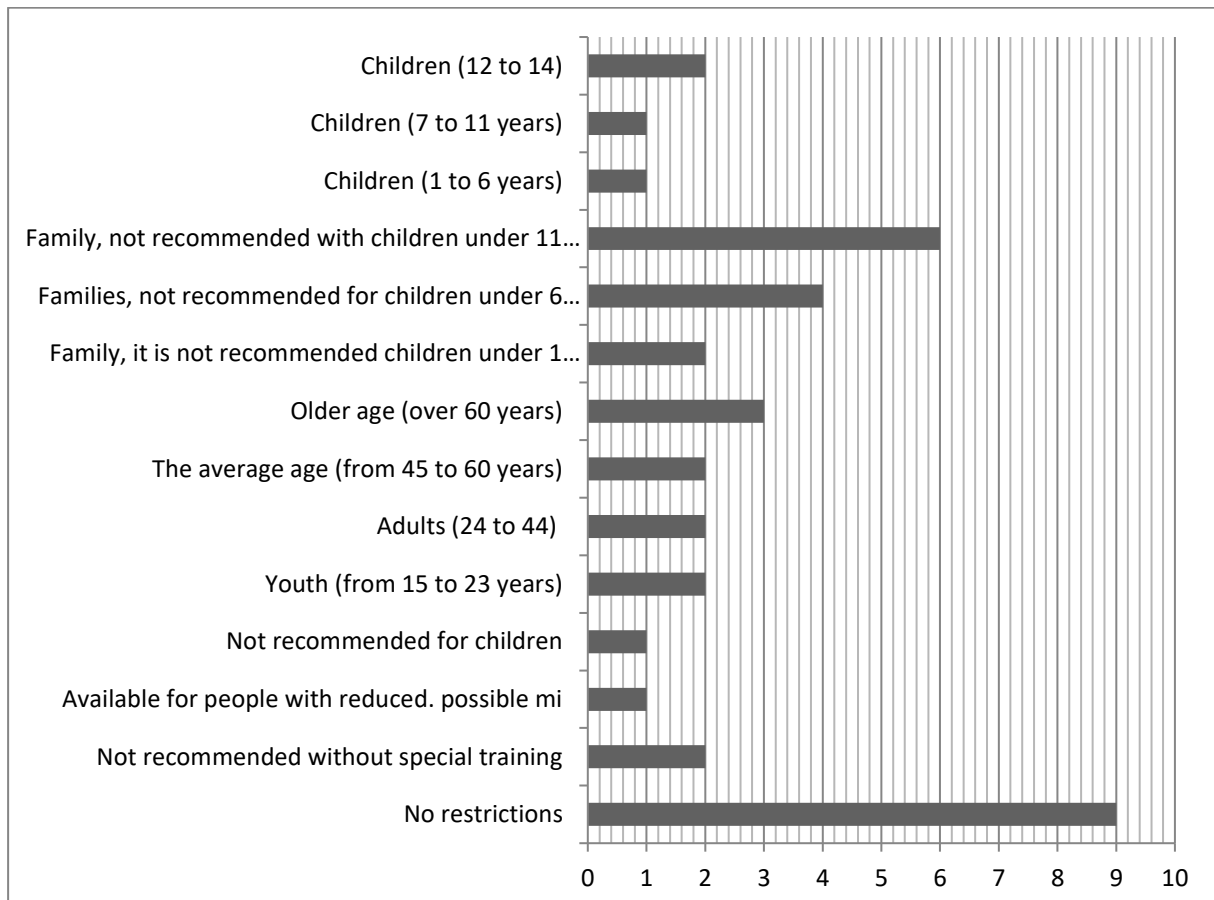


Figure11: The category of tourists on the routes of the Far Eastern Federal District

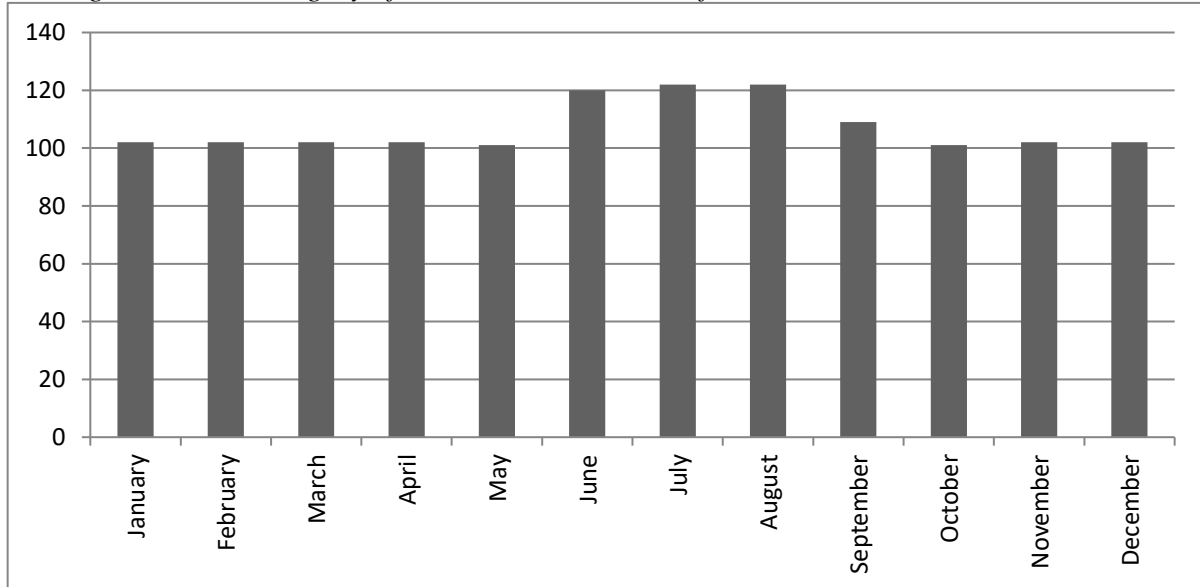


Figure12: Periods of functioning of routes to the Far Eastern Federal District

Over winters, the ecological routes of the Republic of Sakha (Yakutia) run through the territory of the following destinations: towns Elance and Tumul, as well as the Lena Pillars. On the Chukotka Autonomous district destination is the city of Anadyr, Wrangel island and the adjacent water area. Studying the ways to travel on the routes identified were the following modes of transport.

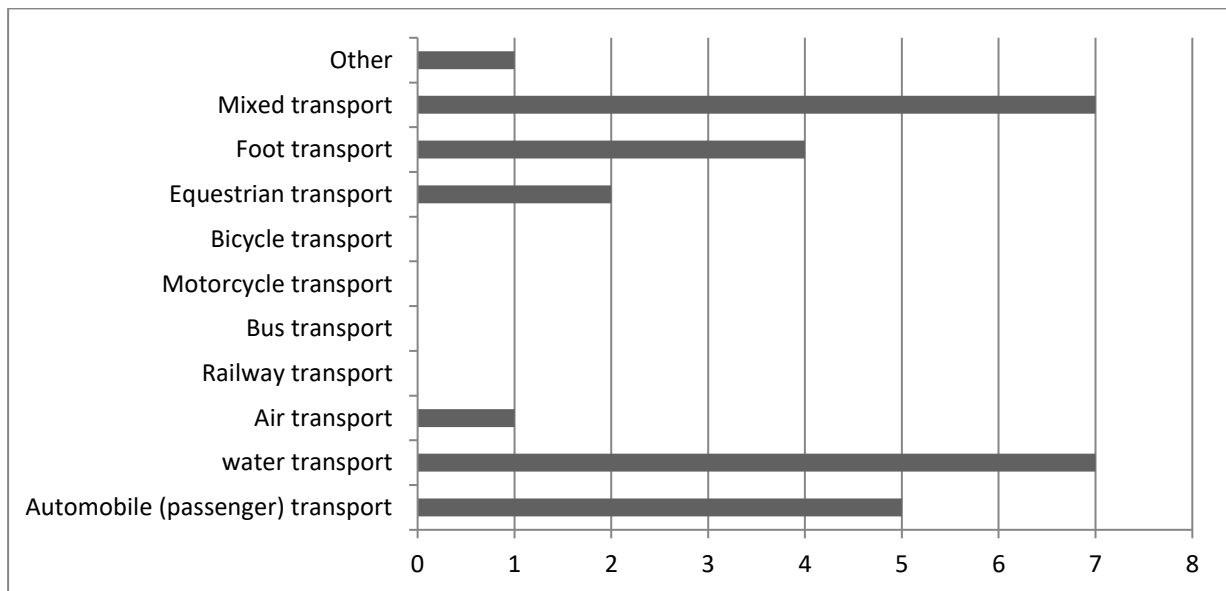


Figure13: The transport used on the routes of Chukotka

The vast majority of tourists used water transport, or mixture of several types of transportation on the route and includes commuting by car, foot and on horseback. Transport, which is included in ecological tourism routes of the far Eastern Federal district includes private and modes of transportation provided by tour companies. Private transportation is used to move around the city of Yakutsk. Further, tourists shift to travel company transport.

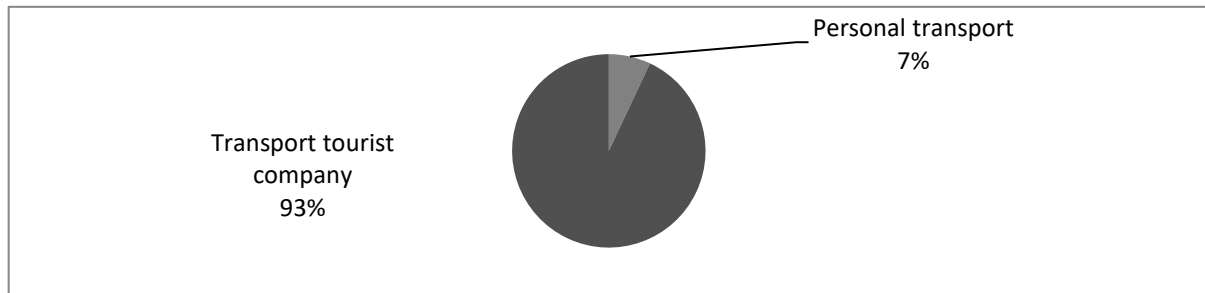


Figure14: Transport in the ecological routes of Yakutia

Considering the collective means of accommodation of tourists it was highlighted that the routes of the Arctic regions of the far East tourists have specialized means of accommodation. Other accommodation facilities on the ecological tourist routes are in Chukotka - a small expedition ship with ice class, as well as tents in Yakutia. Structure of required personnel on the ecological tourist routes is presented in figure 15.

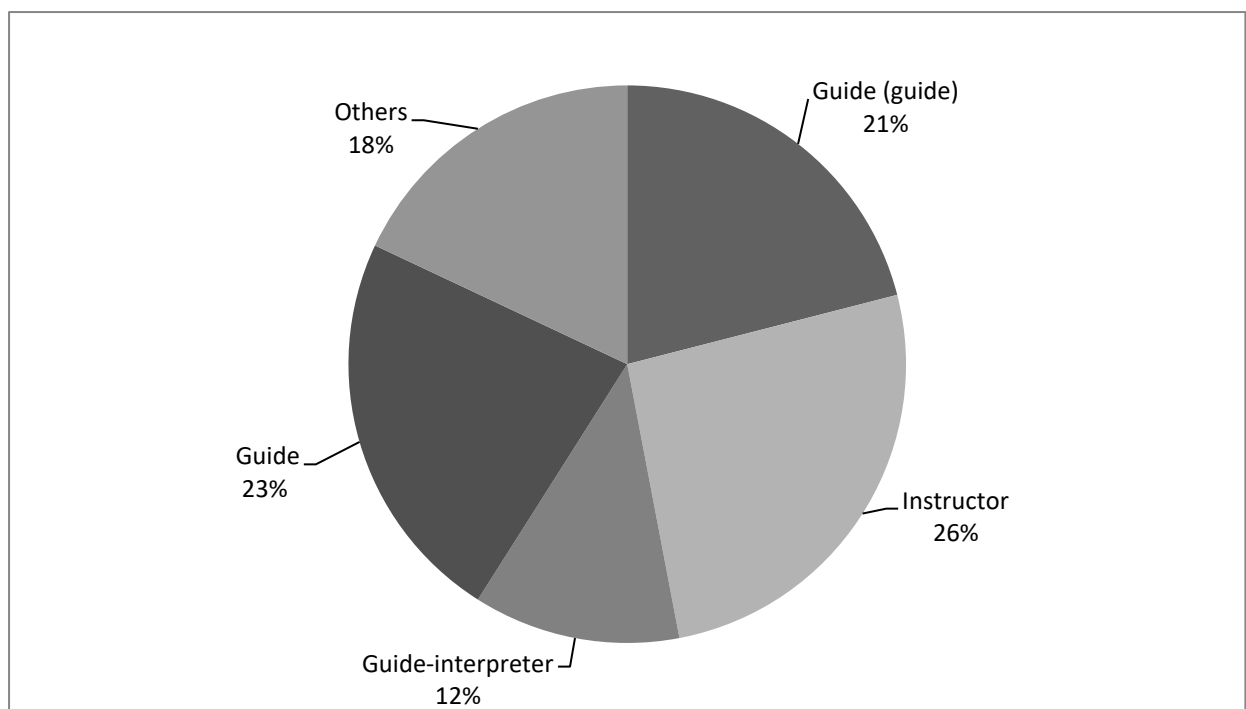


Figure15: Staff on routes of the far Eastern Federal district

The main problems of development of ecological tourism and tourism in general on the territory of the Yakutia include:

- an extremely harsh climate; (Programma, 2013);
- the lack of manpower for new tourism projects.

To enforce the stable development of ecological tourism in the Arctic regions, it is suggested:

- to minimize delays in the delivery and transportation of tourists, which may arise through the fault of the organizers and not due to weather conditions;
- the maximum development of tourist services;
- due to the vulnerability and insecurity of mountain, water, tundra, forest-tundra ecosystems it is also proposed to design the tourist ecological routes away from specially protected natural territories;

- competent advertising campaign.

3.2. Experience in organizing ecological tourism in the Arctic regions of the world.

Next, we consider the current practices of development of ecological tourism in the Arctic territory of foreign countries. In consideration are the following areas: Canada – Yukon, Northwest and Nunavut; USA – Alaska; Denmark – the island of Greenland; Finland – province of Lapland; Sweden – Norrbotten län and Norway counties Finnmark, Troms, Nordland, the territory of Svalbard, and Jan Mayen.

3.2.1. Canada's experience

Companies involved in tourism in the Arctic regions of Canada should be guided in their activities by the following documents:

1. In the territory of Nunavut in the travel and tourism industry there is a necessity of certification and licensing office, as well as all tourist equipment used in environmental tours.
2. The documents of Nunavut (Consolidation of travel development area regulations, 1990) list territorial zones, in which tourist activities should be restricted.
3. In the Yukon territory documents (Hotels and Tourist Establishments Act, 2005) identified are the structure of relations in the framework of the provision of accommodation services in the tourism industry and hospitality, as well as the condition of minimizing environmental impact on the surrounding areas.
4. In the Northwest territories document (Tourism act, 2007) formulated are conditions for the development of ecological tourism.

As measures of development of ecological tourism in Arctic Canada suggested are the following solutions:

- the eco-tour should be presented not as a standalone product, but it should be included in the comprehensive adventure and expedition route (Tunngasaiji: A Tourism Strategy for Nunavummiut, 2014);
- to develop ecological tourism in view of the global scale offered via the consolidation and development of the "6 pillars of the Yukon" marketing strategic communications: Midnight Sun, Northern Lights, Wilderness and Wildlife, Iconic Drives, Dawson City the Klondike, Arts and Culture.

Most tours of Canada, such as: Tatshenshini River, Glaciers, Grizzlies and Eagles (Canadian River Expeditions & Nahanni River Adventures); Wildlife & Nature Adventure. Liard River (Nature Tours of Yukon); The Arctic Explorer (Nature Tours of Yukon); Buffalo Viewing (North Star Adventures) and some others claiming the status of environmental, really only are partially related to this category.

3.2.2. US experience (Alaska)

The laws of the state of Alaska determine the development of tourism as a development resource for the local population. So, one of the tasks defined in the statutes of the state of Alaska Alaska Statutes 2014 29th Legislature (2015-2016) include the need for attention in the development and implementation of tourist programmes to those which are jointly implemented by local communities and private companies. However, as noted in the study (Sarancha, M., Mosalev A., 2015, p. 444-453) development of tours using local natural resources is causing tensions among the local population, and it is seen as a threat to the local fishery and its original existence. In the U.S. state of Alaska eco-tours are combinatorial elements with adventure, historical, gastronomic and other types of tourism. So, in the Denali Backcountry tours & Northern Lights Adventure (Alaska Denali Travel); Fairbanks - Denali Backcountry Escape

Northern Lights (Alaska Denali Travel), etc.) in addition to visiting the sites of nature, national parks are suggested places associated with the industrial development of Alaska: oil Prudhoe Bay, the gold mining community of Wiseman, lumberjack show in Ketchikan.

3.2.3. Greenland's Experience

Tourism in Greenland is governed by domestic law and is not subject to the laws on tourism of Denmark. To combat possible stereotypes about Greenland (Thisted K., 2012, p. 214-225) are proposed increases in the number of publications in multilingual format. To demonstrate the potential of the regions of the island created are the television series "a Taste of Greenland" about the journey of the chef, where British star chef Chris Coubrough cooks improvised from Greenlandic food products against the background of natural landscapes of Greenland. The development of tourism economy and environmental focus is laid through the slogan "People – planet - Profit", which suggests thinking about the environment and global economic independence and balance between the development of "hard" polluting economic activities and "soft" tourism, food etc. In these tours, as RVR14-15 alpine peaks of west Greenland - snowshoe & sail (Oceanwide Expeditions), Musk Ox Camp Lake (Greenland Outdoors), and others, including a visit to the Fjords, glaciers, designated grazing musk oxen, mountains and hills. The rest of the trips are filled with observing the life and fabric of culture of the population remaining in villages, inspection of the graves and ruins of ancient Inuit settlements, visiting the village of Aasiaat and introduction to the whaling industry. The strategic program of development of tourism in Greenland, PIONEERING NATION aimed at forming the nucleus of the history of the relationship between man and nature. A feature of the program is the focus on the symbiosis of "adventurers" and the power of nature. The emphasis is on openness, dynamism and mentality of the local population, the power of nature in the formation of tourist products in conjunction with a positive image of Greenland.

The program Adventure turisme i Grønland represents a selection of programmes of work with 11 segments of tourists: adventure tourism, cooperation with related industries; the programme of walks in Greenland; development programmes combining culture, nature and physical activity into one adventurous tour. The advantages of this approach are: strict market segmentation of customers, development of programs of hospitality cities, public-private partnerships for resource use and environmental protection, the creation of unique products, combining the capabilities of activities of the local population, social responsibility throughout the value chain, creating a unique market niche, focusing on canoeing, rock climbing, snowshoeing, ice climbing and ski trips.

The project Brochurer & implements Booklets brochures in 5 main tourist areas: dog sledding, whale watching, glaciers, Northern lights, a program of people of pioneers. Closely related to this was the marketing tool of The Big Arctic Five concept - the notion of 5 the concepts of tourism development in Greenland areas: dog sledding, whale watching, glaciers, Northern lights, a program of people the pioneers in the development of a new Pioneering Nation. The concept of using information about the processes of organization of each area with photos and video was implemented. In each of the five film concepts are used only national songs, as well as modern musical atmosphere.

3.2.4. Experience eof Finland

Eco-tourism in the province of Lappi (Lapland) Finland is closely linked with health tourism and is aimed at focusing on the potentials of nature: serenity, wildlife watching and a sauna (Koskenkorva, 2012). In particular, the idea of development of ecological tourism programmes in Finland focuses on the inclusion of additional areas for activities: fitness and sports; beauty;

healthy eating; relaxation; meditation; learning and mental activity; environmental education; social contacts. The emphasis in ecological tourism routes Summer package in Inari (Aurora Lapland Travel Ltd), Conquering Halti (Enontekiön Kehitys Oy), and others are a mixture of natural sites with cultural and historical attractions.

3.2.5. Experience of Sweden

The development of ecological tourism in the Arctic areas of Sweden in Norrbotten is determined by the normative document Förordning (1984:702) om statsbidrag till turist- och rekreationsanslagningar av riksintresse, m.m.

The Arctic circle is offered as points of tourism development in terms of the following factors: fish square, mining, clean air, water, rich flora, fishing, hunting, the mountains and the proximity to the sea on the Norwegian side, the fame of national parks; support cultural traditions, national Sami culture, industrial culture (Regeringens proposition, 1987). As a marketing programs elements for positioning in the world are selected the following factors: countryside, Northern lights, midnight sun, Hiking, many lakes, rivers and beautiful coast (A. Sellström, 2010). These tools have also been added following the initial development: the use of cold, wind, snow, dusk as features for the development of tourism (Motion, 2006).

As tools for the development of ecological tourism in the Arctic areas of Sweden are the following:

- programme of cooperation with Coop MedMera in terms of issue of plastic cards, giving holders discounts on all eco-tours of Sweden and a programme to develop the best site about ecotourism (framgångsrikt Ett märkesomgångarbidrag till, 2017);
- Focus on innovation, rural tourism and interaction with local community (Brouder. P., 2013).

The structure of eco-tourism on the territory of the Arctic Sweden is somewhat different than in the earlier mentioned countries. For example, in round Högviltpaket 2015 (Nordisk Naturkraft) tourists can choose the format of the hunt: passive, hunting with a shelter or hunting with dogs. Organized are hunting facilities for bear or moose, as well as facilities dividing of the trophy. Tour Bäversafari (Arctic Circle Adventure) offers tourist accommodation in the building of the travel company in the Arctic wilderness of the Park and observation of the place of residence of beavers in the national Park.

3.2.6. Experience of Norway

The Arctic territories of the Kingdom of Norway are the Counties of Finnmark, Troms, Nordland, the Islands of Svalbard and Jan Mayen. Basic concepts of tourism development in the Arctic areas of Norway are sustainable development and environmental friendliness. One of the main documents is Regjeringens og rikets miljøvernpolitikk tilstand, 2004-2005, the purpose of which is to protect the environment and marine areas. It also emphasizes that tourism development should be focused on supporting investment and the promotion of standard "Bærekraftig Reisemål" for programs of sustainable eco-tourism. In another document (A. Sellström, 2010) is established the differentiation of Svalbard as one of the main destinations in the product portfolio of Norway, and also proposed are structural measures focusing on the concept of seasonality of tourism, as well as developed are the legal framework, the mechanisms of strengthening cooperation in the spheres of culture, knowledge and creativity. The use of local food, culture and traditions is prioritized as a competitive advantage when creating tourism products. These approaches are associated with the strategic program "Destinasjon Svalbard 2025". However, one of the main problems which lawmakers identified

in the document is the spread of diseases and alien organisms that were not met at this site earlier in the development of sustainable tourism.

Normative documents (Regeringens proposition, 1987) for the development of tourism in Svalbard also focus on issues of environmental protection, protection of marine areas. In the document (Forskrift om turisme, 1925, 1991, 1995) identified are the following key points: regulation of tourism, local programs and other visits to Spitsbergen in the Svalbard policy of the framework for the protection of tourists, prevention of oppression untouched nature in the conditions of the ice desert, landscape, flora, fauna and cultural heritage, providing travelers with the necessary knowledge about the Arctic wilderness, as well as compliance with other laws and regulations. In the document (Forskrift om miljøavgift for tilreisendetil Svalbard, 2001, 2006) it is mentioned that all tourists visiting Svalbard are subjects for an environmental tax, the purpose of which is to make a personal contribution to the protection of the natural environment, as well as preventive and promotional activities for the protection of the unique Arctic wilderness and cultural heritage of Svalbard. However, the problem of tax collection lies in the fact that it should not be an economic barrier to visiting Svalbard. On the island of Jan Mayen, any human activities are prohibited. The regulations Forskriftomfredningav Jan Mayen naturreservat, FOR-2010-11-19-1456, LOV-1930-02-27-2-§2 establish the preservation of the island Yan-main with the surrounding area and wildlife. Noteworthy, sustainable tourism objectives are regarded primarily as economic and environmental, rather than cultural or social (Strategi for reiseliveti Troms, 2013). For the development of tourism in the territory of Svalbard (Turismeogfriluftslivpå Svalbard, 2006) in winter are offered three activities: snowmobiling, dog sledding, skiing. It is important to diversify tours with accommodation in tents, snow caves. In the summer it is proposed to develop a programme of short walks with rides and kayaking. But the ban on the use of small aircraft and helicopters is creating problems for tourists, whose ships are too far away from the piers. Tourism in Svalbard is predetermined by increased attention to the environmental side. Therefore, almost all environmental route rourists are supposed to move on the ski, at least - on the lake, and accommodation is in tents and dog kennel.

4. DISCUSSION

The tools developed by the research allowed the research team to systematically examine successful practices, as well as to clarify some other issues. For example, it's very important to recognize how countries with non-oil economy, especially their depressed northern regions use their weaknesses as points of growth. In addition, in the context of this study Arctic countries manage to develop environmental tourism and evaluate its progress, as it's seen from the perspective of business. The results of the analysis can serve as a theoretical basis for the development of the concept of ecological tourism in the Arctic regions of Russia.

5. CONCLUSION

The results of the analysis can highlight some key points that characterize the development of ecological tourism in the Arctic regions of the several countries. In Russia ecological tourism is defined by no limits of implementation of economic activity on the territories of of natural landscapes. Also there are no supporting marketing tools for travel companies that would allow tour operators to focus their attention when developing new ecologically tours and tour itineraries. The apparent problems is also the territorial size of the country and the lack of transport and social infrastructure in the far North of Yakutia and Chukotka. Opinions of foreign countries on ecological tours is somewhat different from that of in Russia. So, the tours, called environmental only in partially as such in their nature. They typically include such types of tourism as educational, cultural, gastronomic, adventure and some others. These tours offer not only a passive cognitive activity of a person which is associated with the observation of natural

processes of nature, but active animation, preparation of meals from local produce, hunting and to skinning animal, participating in a cultural event.

Anyway, the views on the development of ecological tourism can be combined in one important factor: tourists are offered a diversity within the ecological tourism products, making them observers and participants in the natural processes, with an obligatory focus of avoiding the infliction of damage.

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DIGITAL ECOSYSTEM OF DATA. DIRECTIONS FOR THE DEVELOPMENT OF THE GOVERNMENT OF RUSSIA AND THE IDENTIFICATION OF CONFIDENCE IN THE ONGOING CHANGES IN SOCIETY

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ABSTRACT

The relevance of the research topic is due to the need of monitoring the state of confidence in the use of process automation, artificial intelligence and robotics in various sectors of the economy. The article analyzes the priority directions of the Government of the formation of the "Digital Data Ecosystem". 8 (eight) hubs are described. Sociological studies of the female audience on revealing the degree of their education and attitude to the use of process automation, artificial intelligence and the introduction of robotics in various spheres of human activity have been carried out. The attitude of women towards the use of virtual educational environments in the learning processes is defined. During the research, a systematic analysis was conducted, which allows us to comprehensively consider the directions for the development of the Government in the creation of the Digital Data Ecosystem and the attitude to the ongoing changes in the female part of the population, as an example of the sociological survey of the Women's Business Center, Moscow. Scientific novelty is the identification of confidence in artificial intelligence, automation of processes and the use of robotic products in various areas, including. military science, medicine, the service of saving people, psychology, communication. The materials of the conducted studies are of practical importance for confirming the confidence of the female part of the population towards passable changes at the level of the Government. The main goal for all is to build a digital ecosystem of Russia's data.

Keywords: *the Russian data ecosystem, confidence in artificial intelligence, process automation, virtual educational environment, cost reduction*

1. INTRODUCTION

Automation of management processes is an element of improving the quality of decision-making at various levels of management. Minister of Finance Alexei Kudrin proposed in 2018–2024 to reduce the state machinery and the cost of its maintenance by 30%, of the amount spent this year 2017. The announcement of this speech can be seen on the website "Kommersant". To this end, the Center for Strategic Research (CSR), which is headed by A. Kudrin <http://csr.ru/>, identified promising areas for development. The Center conducts a number of studies on the following areas: foreign policy and security; economic development; human capital; institutions and society; spatial development; technologies. Center for Strategic

Research (CSR) has a working group of the Economic Council under the President of the Russian Federation in the field of "Priorities of structural reforms and sustainable economic growth." Attracting representatives of various industries and regions of the country, the CSR forms the agenda of the Working Group of the Economic Council under the President of the Russian Federation in the field "Priorities of structural reforms and sustainable economic growth". The group was established in May 2016 in accordance with the Order of the President of the Russian Federation No. 122–rp. The composition of the working group is presented in the section "Experts". Alexei Kudrin leads the working group. The algorithm for the formation of program documents provides for two stages of discussion. At first all ideas are considered by internal and attracted experts on the site of the CSR, and then by subgroups of the working group of the Economic Council of the corresponding thematic focus of <http://csr.ru/rabochaya-gruppa/>. One of the research areas is "International positioning of Russian science and technology, expanding the capacity of Russian organizations to be included in global research collaborations and industrial and technological consortiums". One of the current trends in the development of the Center for Strategic Research is the formation of the "Digital Data Ecosystem" to simplify management procedures. The concept of the "Digital Data Ecosystem" includes the organization of a space for storing the "large data" necessary for a person to expand his capabilities, using information from various databases, as well as program devices of "conductors/programs" that accelerate information retrieval and adequate recovery. The Government of the Russian Federation plans to create a "strategic block" that will monitor the implementation of projects. The digital ecosystem of data will allow solving problems related to the isolation of automated information systems. The digital data ecosystem is built on digital platforms with a high data exchange rate, where economic entities act as users of digital platforms – what will be the digital workspace of the future. The growth of the digital economy requires a rethinking of building a new IT infrastructure. Speed and adaptability are the main factors for improving the quality of the IT infrastructure. Speed and adaptability can be ensured only through full automation of functions and processes. Automation of IT processes provides standardization of configurations of computing resources, storages, server, networks, security system and the entire set of applications using templates. Template changes are automatically recorded in audit logs to meet regulatory requirements. The main technologies for automating IT processes are possible with the help of vRealize Suite and NSX. These software products allow you to virtualize the network, integrate its components with the required level of security. The virtualization of network components and security at the level of the hypervisor simplifies the initialization and operation of the network. This approach reduces the labor costs of maintenance by standardizing and using established templates. With the help of templates, it is possible to initialize the network status in a shorter period of time with the negotiation of configuration and security parameters. The new ecosystem of the digital economy will provide a flexible approach to the design and production of science-intensive products [1]. The server infrastructure is planned to be built on the basis of a platform for building open-source cloud environments with OpenStack code. At the first stage, the cloud will be launched at the Crimean Federal University. After running the cloud administration mechanisms, a typical configuration of the cloud environment will be created and replicated to other universities of the Russian Federation (SevGU, MIPT, MSTU, MSU, KBSU, SFU). A typical configuration will be put in open access, which will allow any organization to take part in building a new infrastructure for the Digital Economy [23]. <http://digecon.serginho.ru/concepts/ecosystem>. Rapid pace is the development of digital retail ecosystem, aimed at analyzing the state of goods, services, client portfolio, advertising of goods on the Internet with sales from the retailer. Electronic factoring, as a way of minimizing the risks of retailers and suppliers, is possible with the introduction of legally significant electronic document management (UZDO). Since January 1, 2018, an electronic system of veterinary certification has been introduced, which means that the

veterinary accompanying documents will be processed only electronically using the Federal State System "Mercury". Electronic veterinary certification based on FGIS "Mercury" is provided by the introduction of a national system for tracking products of animal origin. "The tracking period is" from the field to the plate "and provides an opportunity to search and recall from the turnover of dangerous and poor-quality products," said the head of the regional veterinary department.. Rosselkhoz nadzor strengthened the work to control food products, their movement from producer to consumer [2,3].

The first stage of development of the Digital Economy Ecosystem is aimed at providing information and documentation to technical specialists involved in the development and subsequent operation of high technology products throughout the life cycle of products. Such volumes of storage of documentation on a long cycle of a high-tech product will require the use of virtual sub-clouds. The Big-data problem appears. With the development of the cloud (claudering), the security of data storage is required. The European Organization for Nuclear Research (CERN) provides storage of a huge amount of information on the physics of phenomena of the microworld, without cloud storage is indispensable. Cloud computing requires space on a remote server. The advantage of cloud computing is the high speed of processing data, reducing the cost of software and hardware computing. Additional advantages include high fault tolerance and storage security, as well as the ability to store software on the Internet. The main disadvantage of cloud computing can be considered the belonging of such technologies to monopolists. Modern Data Processing Centers (DPCs) are configured to service calculations in the cloud, which is due to economic feasibility. All economic feasibility is made up of technical parameters: channel bandwidth, security, provided functions, and more. Networks are becoming more virtual (for example, such as Vblock and SMT from Cisco) [4,5]. The launch of sub-cloudes for individual industries of the economy is envisaged. Media, engineering, electronics design, medicine, tourism and recreation, agriculture, energy, architecture and construction, consulting, public administration. The construction of the ecosystem of the digital economy is based on eight (8) hubs. The first hub is the development of the state and society. The main goal is to connect all Russians to the Internet. The second hub is an increase in spending on Internet advertising and marketing, consolidation of television advertising. The third hub is e-commerce, the development of crypto currency, Internet commerce. The fourth hub is infrastructure and communication, the development of mobile applications, the development of a culture of free Internet. The fifth hub is media and entertainment, the use of electronic books, digital information and documentation, digital content. The seventh hub is education and personnel, an increase in the number of IT professionals, automation of processes. The eighth hub is start-ups and investments. "Corporate innovations and corporate investment are developing in various forms: corporate accelerators (IKEA, SAP, InspiRUSSIA, etc.), corporate funds (Sistema VC, Sistema Asia Fund, etc.) are very active. In addition, the growth of "angelic" investments is continuing, as is the development of "angelic", micro "Angell" groups, as well as p2p and crowdfunding platforms [6,7]. Among the most active are the Venture Club, StartTrack, the Investor Club of the Skolkovo LSE, the Smart Investments Club, SmartHub, etc. At least half of the TOP-10 deals were made by the Russian funds in 2016 abroad, "Sergei Alexandrovich Plugotarenko said. A.S. Plutagarenko is an expert in the Russian Internet industry.

The research of domestic and foreign authors is devoted to the problems of the ecosystem of data. In the works of Eugene A. Khitskov "Digital Transformation of Society. Problems Entering in the Digital Economy", etc. Khitskov E.A considers the need for digital transformation of society, for example: «...the relevance of the research topic due to the necessity of identifying the main challenges of the digital transformation of companies.

terminology of the Digital economy. Selected the best quotes of scientific and public figures defining the need for a digital transformation of society. Conducted in-depth analysis of domestic and foreign research on the digital transformation of companies. The importance of building a parallel digital reality». Svetlana V. Veretkhina in the studies "Evaluation Methodology of the Multiplier Effect for the Region as the Result of the Cluster Formation" uses mathematical tools to estimate the multiplier effect for the economy «... assesses the multiplier effect for the region due to the formation of clusters» [8]. Among foreign authors, the work of the American ecologist Robert Harding Whittaker of the Community and Ecosystem is presented. The American scientist considers the need to create a digital reality for the development of the ecosystem of the plant world. The development of eight hubs will lead to the introduction of artificial intelligence in various areas of human activity. Perhaps, such a future is close, but the attitude of the majority of people consists of distrust to the full automation of processes and the use of systems, robots and artificial intelligence in management.

2. MATERIALS AND METHODS

In order to determine the credibility of the automation of processes and artificial intelligence, a sociological survey was conducted in the management system [9,10]. An audience was selected – women with small children, and temporarily not employed. It is believed that women with small children are more cautious about innovations and use changes in the environment exclusively with a high degree of reliability and safety. The female audience was provided with the upgrading of skills through the Employment Center. Qualification upgrading is financed within the framework of the state program to promote employment, namely: the employment of women who have children or who are on maternity leave. The sociological survey is aimed at revealing the confidence in the use of robots and artificial intelligence in the learning process. Consider the test questions and describe the results of the answers.

3. TEST QUESTIONS FOR IDENTIFYING THE EFFECTIVENESS OF E-LEARNING

In the sociological survey, a female audience participated, over the age of 35 (42.9%), aged 30 to 35 (42.9%), aged 26–29 (14.2%), under 25 was absent (Figure 1). 85.7% of the women surveyed have higher education, 14.3% have secondary vocational education.

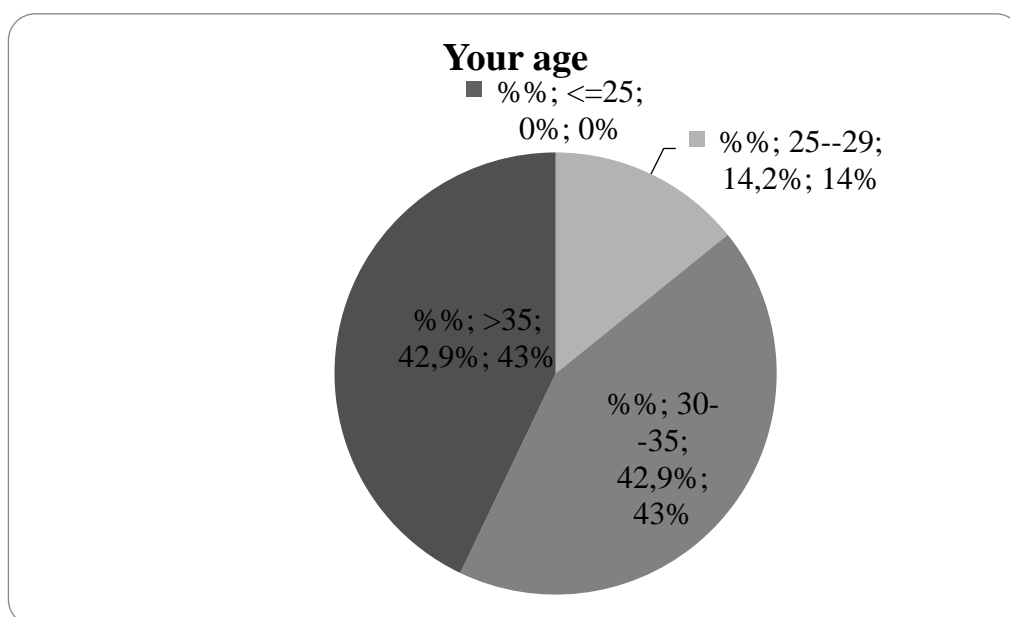


Figure 1. Age structure of the interviewed audience

The field of interest of respondents by relevance is distributed as follows: economy (accounting) – 71.4%, information technology – 35.7%, humanities – 14.3%, law – 17.1%, children – 7.1% (Figure 2). Respondents had the opportunity to choose several answers.

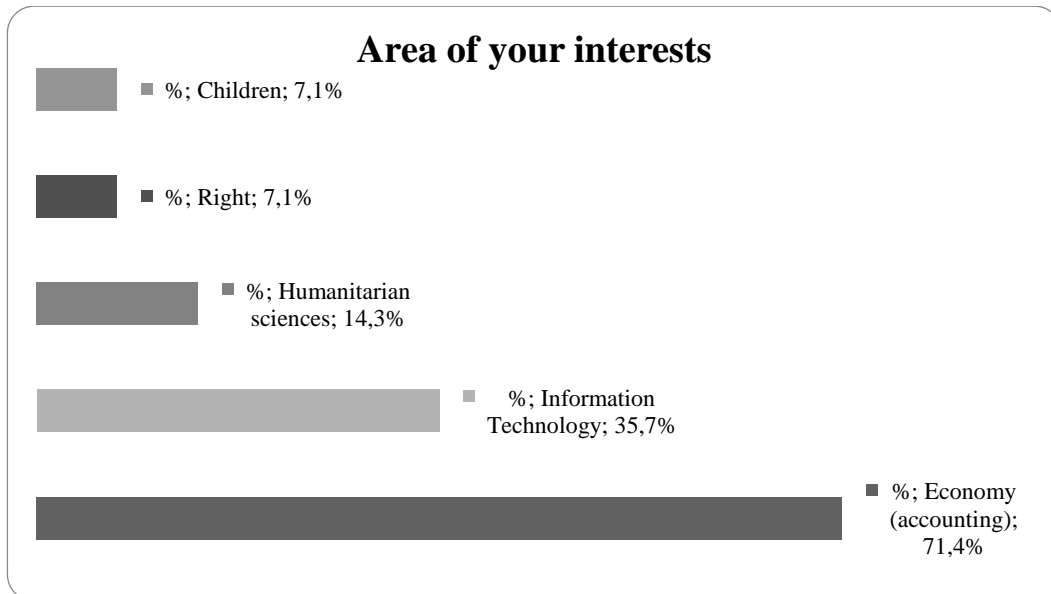


Figure 2. The field of interest of the female audience of the sociological survey

To the question "Do you think your training will be more productive if you use virtual interaction technologies (webinars, testing in the system, distance learning with installation of software training on your computer, video communication, videoconferences, enhanced virtual reality?" 57.1% of the respondents answered positively, 42.9% answered in the negative. To the question "In what proportion do you trust the automated control system, if artificial intelligence is built into it?" the answers were as follows: 100% of the confidence in artificial intelligence is experienced by 7.1%. 80% of the confidence in artificial intelligence is shown by 35.7%. 50% of confidence in artificial intelligence is shown by 42.9%, 20% and 10% are distributed by 7.1%.

The female audience is more interested in the development of the direction of robotics. The majority of respondents (92.2%) consider it expedient to use robots in environments that are aggressive for people, 85.7% prefer nano-robots in medicine, 64.3% consider it expedient to use robots in military affairs and services of the Ministry of Emergencies. 35.7% agree to use automatic answer robots. The interaction of a person with robotic psychologists (froids) is interesting for 14.3% of respondents (Figure 3). Respondents had the opportunity to choose several answers.

Figure following on the next page

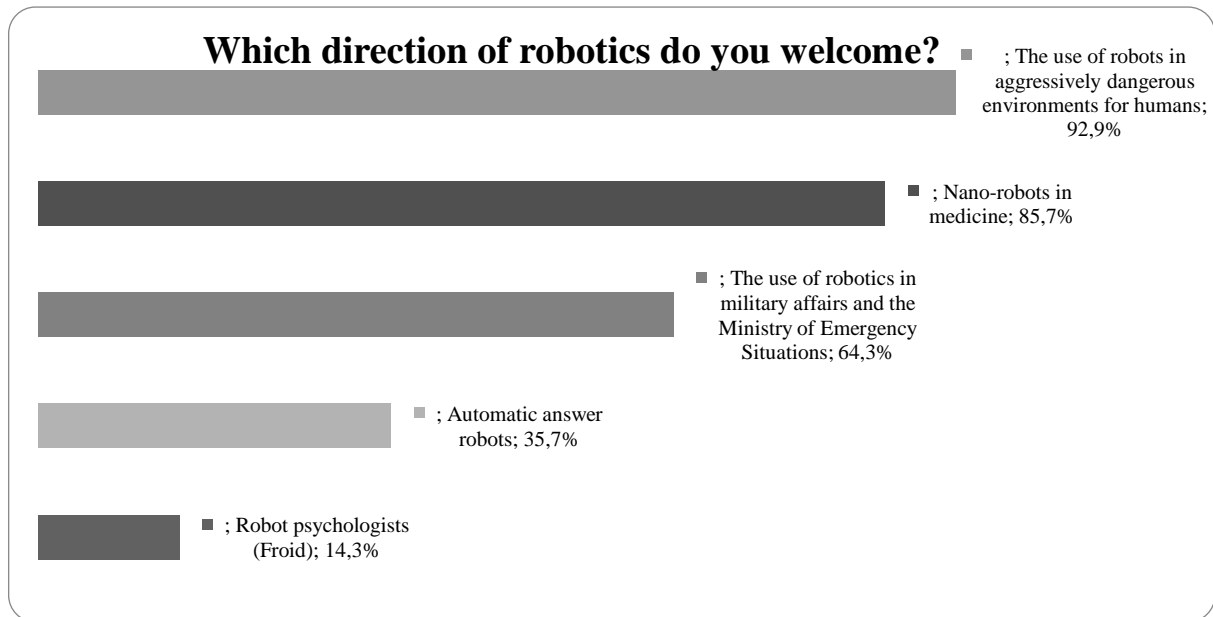


Figure 3. Distribution of interests in the direction of robotics

When asked about the need to acquire additional skills, the respondents answered 50% to 50%. To the question "Determine the level of payment for training using a virtual educational environment with a share of a person's participation" – the answers were distributed as follows. Tuition at a very high price with the participation of a person in the amount of 80% and the system in the amount of 20%, 21.4% of respondents agree. Tuition fees at a very low price with the participation of 20% of the person and 80% of the system are agreed by 78.6% of the respondents. This is confirmed by the fact that the female audience gives preference to reducing the prices for education by using virtual educational courses and testing in the system, as well as automating the processes of attestation of students [11,12,13].

4. METHODS OF INVESTIGATION

Research methods have several levels. The empirical level of research includes: observation, interviewing, questioning, interviewing, interviewing, testing, photographing, counting, measuring, comparing. The experimental and theoretical level of research includes: experiment, laboratory experience, analysis, modeling, historical, logical synthesis, induction, deduction. To identify the willingness to use the automation of management processes in various sectors of the economy, virtual educational environments in the learning processes, as well as confidence in artificial intelligence, a survey of female audience was conducted. Participants of the sociological survey were the female audience of the Women's Business Center, Moscow. The poll was conducted on July 20, 2017, anonymously, on the site <https://docs.google.com/forms/> in the automatic mode. Individual e-mails were sent with a hyperlink to the on-line survey. Sample information message: "As part of the research work carried out by the Faculty of Information Technology, we invite you to answer questions on the online questionnaire – <https://docs.google.com/forms/>". The survey was aimed at identifying the trust in the automation of management processes, towards artificial intelligence and identifying the effectiveness of learning through virtual educational environments, as well as trust in robotics products. The survey consisted of two parts: 1 part – to identify the category of education of the female audience of the sociological survey. The survey showed that the answers were given by women in percentage terms more with higher education, work experience and over the age of 35 years. Part 2 – issues related to the identification of confidence in the use of automation of processes in the management system, confidence in

artificial intelligence, the identification of preferences in the use of robotic products in various areas of human activities, as well as the effectiveness of the educational process using virtual educational environments. Analysis of the processed results showed that the female audience prefers training through virtual educational environments, explaining their choice of high quality education and low cost. The use of robotic products is welcomed in military affairs and in the work of rescue services. Temporarily, the interaction of a person and a robot is considered inexpedient (boring). The use of artificial intelligence in the management system is welcomed by only 7.1% of those polled, have only a general concept of artificial intelligence and do not have enough information on its use in work. The analysis of the results was processed in a manual mode based on the collected statistical information. The results file was downloaded from the Google-form site in * .xlsx format. In the Microsoft Excel 2007 program, semi-automated data processing was performed and necessary diagrams were created, clearly demonstrating the results. Also, the graphics generated by the Google-form service were used. The results of the survey were available only to the first author. The team of authors expresses great gratitude to the Women's Business Center (Moscow) for participating in the survey [14,15]. The team of authors of the Russian State Social University plans to use the results of the research in further work to improve the courses of lectures on the disciplines "Artificial Intelligence", "Information Technologies in Psychology", "Intelligent Information Systems" of the Faculty of Information Technology. The active position of scientists is explained by the need for constant monitoring of states of confidence in the automation of processes, the use of artificial intelligence. The team of authors considers it expedient and timely to develop the directions for the eight hubs in order to successfully build the ecosystem of the data of the digital economy of Russia.

5. RESULTS

A conducted sociological survey of women of the Women's Business Center (Moscow) showed a high degree of confidence in the automation of management processes, high training efficiency and a reduction in the cost of training due to the automation of processes in the ratio of 80% system, 20% person. This appeals to the directions of development of the Ministry of Finance, where A. Kudrin plans to reduce the costs of the state apparatus by 30% due to automation of processes and the use of legally significant electronic document management. The research conducted by the team of authors corresponds to the field of activity "Priorities of structural reforms and sustainable economic growth", as well as to the Government Order No. 122-rp [14,15,16,24].

6. CONCLUSION

The team of authors fully supports the construction of a digital ecosystem of data with a high speed of data exchange between economic entities, the creation of an IT infrastructure with full automation of functions and processes, the virtualization of network components, and the reduction of labor costs in various sectors of the economy. The conducted sociological survey has practical value. The results of the studies confirm the fact that the directions in the development of the Digital Ecosystem of data carried out by the Government fully correspond to the confidence of the female part of the population in the changes being made. With most of the confidence, the female part of the population supports the use of artificial intelligence, automation of processes, the use of virtual educational environments and the introduction of robotic products in various areas of the economy. The revealed lack is the ignorance of women in the technical and technological components. The team of authors considers it expedient to increase public awareness of the development of the 8 hubs of the Digital Data Ecosystem. The results of the research can be applied in staff development, expansion of the content of

educational programs of the Faculty of Information Technologies of the Russian State Social University, Moscow.

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MODELS OF PUBLIC HEALTH MANAGEMENT IN THE COUNTRIES OF CENTRAL AND EASTERN EUROPE AND RUSSIA: A COMPARATIVE ANALYSIS

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ABSTRACT

Public health and the laws of its formation and management become more interdisciplinary. Russian and foreign sociologists study subjective characteristics of public health on the base of empiric research using various methods. Sociological self-report monitoring is recommended by the WHO and is acknowledged as quite reliable for social health aspects both for individual countries and inter-country comparisons. The results of the conducted study have clearly demonstrated that public health management systems almost in all countries face the problems of unavailability of medical assistance for some population groups, and resulting expenses. Nevertheless, it is evident that there are no universal model for public health management which suites all countries. The roles of state compulsory, optional, and private medical insurance, as well as the levels of centralization, regulation, and cost allocation vary to a great extent in the countries of Eastern Europe and in Russia. An optimal model of public health management in the Russian Federation nowadays should provide the development of private sector under strict state control of pricing in the interests of citizens.

Keywords: *medical services, management model, public health, comparative sociological analysis*

1. INTRODUCTION

Public health as an object of scientific research is the interdisciplinary problem. This issue is addressed at various levels of analyses by health professionals, biologists, philosophers, psychologists, and sociologists. Positively, there are quite good-quality results both in theory and in practice. However, in our opinion, comprehensive study of public health implies not only use of methods of social and medical statistics but state-of-the-art sociological tools, as well as step by step formation of the appropriate sociological concept. The study of public health from the standpoint of sociology has considerable theoretical and scientific and practical potential. The sociological analysis can reveal the complicated system of public health factors on the scales of regional societies and individual population groups, and assist understanding social dependence and health care function.

The interest in the described problems is due to negative trends reported by the World Health Organization (WHO). Thus, almost a quarter of the world's population suffers from some diseases. A serious threat is still a wide spread of AIDS, sexually transmitted diseases, tuberculosis, as well as narcomania and alcoholism.

In this paper, we analyze the current state of public health in Russia, countries of Central and Eastern Europe. The most suitable public health management models in these countries are discussed here.

2. METHODOLOGY

Public health is the characteristic of one of the most important aspects of a society as a social body. Public health cannot be reduced to a sum of health indicators of individuals. Today's sociologists addressing the public health issue identify it as a system of social subject interactions, and describe it through the concepts of "social well-being" and "social safety" [4]. Public health is the health of people under complex impact of social and biological aspects of the environment, demographic indicators, and characteristics of physical development. Many definitions of public health made by foreign scientists include the system of health protection and promotion. For example, public health is defined as the science and art of preventing disease, prolonging life and promoting human health through organized efforts of the society [10]. To specify this definition, the WHO experts have chosen from hundreds of criteria the health care expenditures per capita as a share of the Gross domestic product, availability of primary medical assistance, the share of vaccinees during virulent disease prevention, nutrition of children, safe drinking water supply, etc. [10]. However, in our opinion, the abovementioned indicators are only the conditions of optimal public health but not the public health itself. The WHO considers public health as a state of complete physical, mental and social well-being and not merely the absence of disease or disablement. The fundamentals of sociological analysis of social health dynamics were given in the works by H.Spencer, M.Weber, and E.Durkheim. Conventional attribution of "health" and "decease" categories to social phenomena can be referred to E. Durkheim's ideas about the necessity to "scientifically distinguish health from decease in various categories of social phenomena" [5; 6].

The following basic lines of public health study can be highlighted in foreign sociology:

- Studying man's characteristic dependency on social factors, the role of society in the personality becoming (P.Bourdieu, M.Weber, E.Durkheim);
- Studying biosocial aspects of public health (A.Maslow, V.Frankl, E.Fromm, P. de Chardin);
- Studying axiological and social aspects of public health (G.Mead, R.Merton, T.Parsons, and others).

In Russian science, the social approach to the human and society health problem can be found even in the works by M.V. Lomonosov, I.L.Danilevsky, A.V. Petrov, F.F. Erismann, L.I. Betskoy, and N.A. Semashko who had linked hygiene issues and public health. In 1990-s, the comprehensive definition of "public health" was formed in Russian researches. The special contribution into sociology of medicine was made by A.V. Reshetnikov, Yu.P. Lisitsyn, E.V. Dmitrieva [1; 2; 6; 7; 13; 14].

According to A.V. Reshetnikov, the sociology of medicine can significantly contribute to public health care and promotion. This contribution is expressed in a significant change in the person's understanding of his attitude to social processes related to health and decease, medicine and health care [15]. Today, the "public health" concept exceeds traditional limits of medicine (as medical science and practical health care body of knowledge) and requires more wide social and scientific understanding.

In sociological literature the methodology of social health research focuses on the study of the reasons for the formation and adoption of a healthy lifestyle, as well as the relevant socially

controlled factors. Public health is considered as a form of social interaction and one of structural elements of the society.

3. RESULTS

At present, many indicators, standards, and other characteristics for public health assessment have been suggested. Provisionally, information sources can be divided into objective (official statistics) and subjective (from information subject, sociological).

The following indicators for public health assessment in the countries of Central and Eastern Europe, and in Russia are used:

- Health care expenditures as a share of the Gross domestic product;
- Infant mortality rate;
- Average life expectancy at birth;
- DALY (Disability Adjusted Life Years);
- HALE, (Healthy life expectancy).

One of the methods of public health research is also a secondary analysis of European Social Survey (health behavior and self-protection behavior). One of important indicators of public health system assessment is health care expenditures as a share of Gross domestic product (%). According to the World Bank data, the highest value of this indicator is in Bosnia and Herzegovina - 6.8 %, and the lowest in Albania - 2.9 %. In Russia this indicator equals 3.7 % (Table 1).

Country	Health expenditure, public (% of GDP)
Estonia	5.0
Latvia	3.7
Poland	4.5
Lithuania	4.4
Czech Republic	6.3
Slovak Republic	5.8
Hungary	4.9
Romania	4.5
Slovenia	6.6
Croatia	6.4
Bosnia and Herzegovina	6.8
Albania	2.9
Makedonia, FYR	4.1
Bulgaria	4.6
Russia	3.7

Table 1: Health expenditure, total (% of GDP). Source: World Bank, World Databank.

The system of demographic indicators of public health includes the infant mortality rate. Several methods are applied to calculate infant mortality rates. The most accepted one is the number of deaths of children under one year of age in the given year per the number of live births in the same year (one per thousand).

According to the World bank data, the highest infant mortality rates are in Albania (12.5), in Bulgaria (9.3), and in Romania (9.7), the lowest one is in Slovenia (2.1). The infant mortality rate in Russia is quite high (8.2) (Fig. 1).

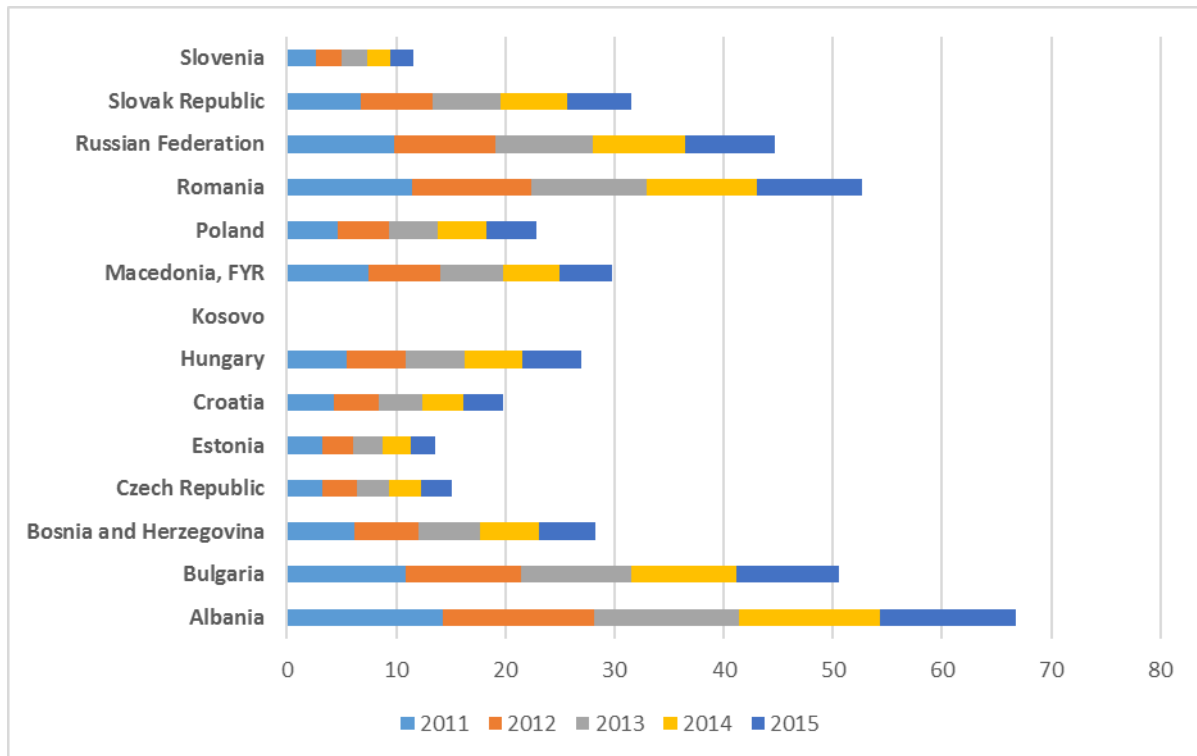


Figure 1: Mortality rate, infant (per 1,000 live births) Source: World Bank, World Databank.

Not less important demographic indicator is the average life expectancy at birth. This indicator in the aggregated form, on the one hand, characterizes the mortality rate itself, and, on the other hand, provides adequate comparison of mortality rate for any territories. We'd like to note, that on the whole, this indicator in the countries of Central and Eastern Europe vary between 74 and 80.5 years (excluding Kosovo with 71.1 year). In Russia this indicator is much lower and equals 70.4 years (Table 2).

Country Name	2011	2012	2013	2014
Albania	77.2	77.4	77.6	77.8
Bulgaria	74.2	74.3	74.9	75.4
Bosnia and Herzegovina	76.0	76.1	76.3	76.4
Czech Republic	77.9	78.1	78.2	78.3
Estonia	76.2	76.3	77.1	77.2
Croatia	76.8	76.9	77.1	77.3
Hungary	74.9	75.1	75.6	75.9
Kosovo	70.1	70.5	70.8	71.1
Lithuania	73.6	73.9	73.9	74.0
Latvia	73.6	73.8	74.0	74.2
Macedonia, FYR	74.9	75.0	75.2	75.3
Poland	76.7	76.7	77.0	77.3
Romania	74.4	74.4	75.1	75.1
Russian Federation	69.7	70.4	70.4	70.4
Slovak Republic	76.0	76.1	76.4	76.7
Slovenia	80.0	80.1	80.3	80.5

Table 2: Life expectancy at birth, total (years). Source: World Bank, World Databank.<http://data.worldbank.org/indicator/SP.DYN.LE00.IN>

Disability Adjusted Life Years (DALY) is the integral indicator to assess public health. In 1993, the World Bank's World Development Report "Investing in Health" used Disability Adjusted Life Years (DALY) to measure the health of the population and to assess which measures are the most important for improving health. To study subjective characteristics of public health, the secondary analysis of the European Social Survey was conducted. The 5-th wave (the year of 2012) was selected for the analysis, because most countries of Central and Eastern Europe, and Russia had taken place in this wave.

The following variables were studied:

- Assessment of current state of health care in a country;
- Subjective health self-report.

To measure the current state of health care in a country, respondents were asked to rate by 10-point scale the degree of satisfaction with the suggested characteristics. The highest levels of satisfaction were in Czech Republic (5.40), Estonia (5.03), and in Slovenia (5.64), the lowest level was in Bulgaria (2.82). In Russia, the average estimation was 3.42 (Fig. 2).

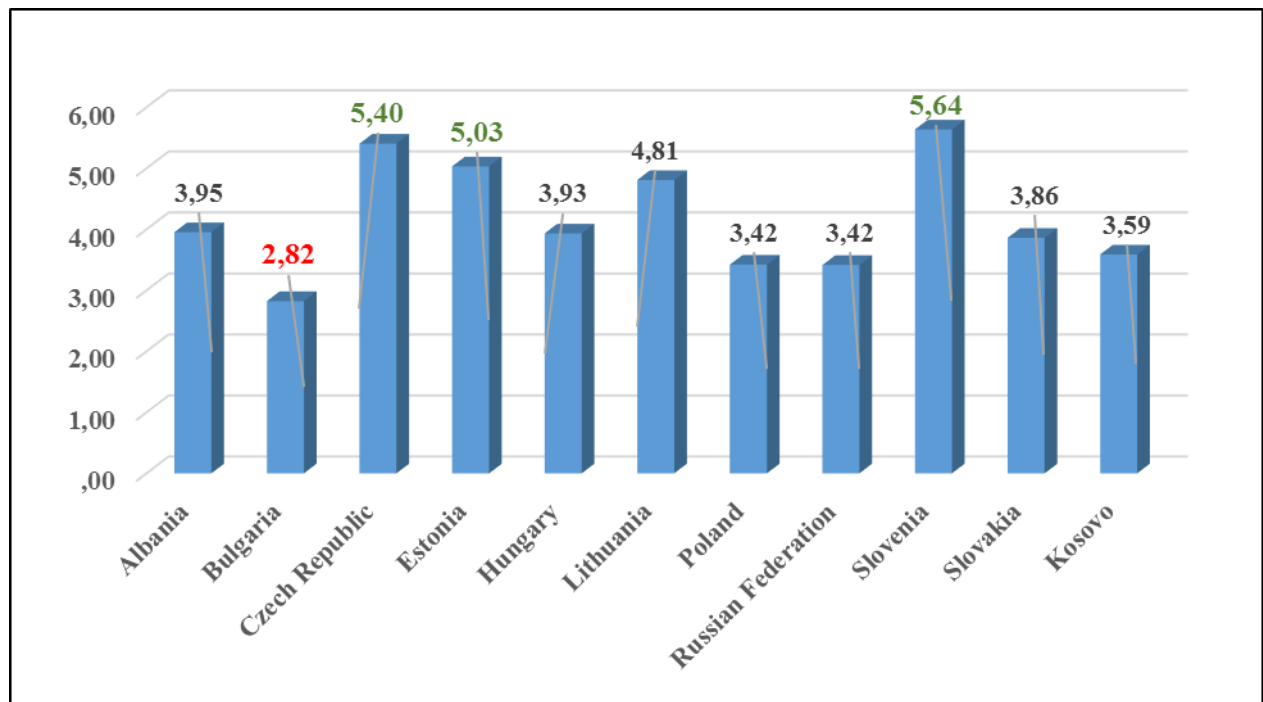


Figure 2: Assessment of current state of health care in a country (average).

Subjective health self-report is the very important indicator in the study of public health. It is to be noted, that in Russia people esteem their health much worse than citizens of Central and Eastern Europe.

Table following on the next page

	Subjective general health				
	Very good	Good	Fair	Bad	Very bad
Albania	24.6%	31.3%	35.7%	5.8%	2.7%
Bulgaria	17.4%	37.8%	29.1%	12.5%	3.1%
Czech Republic	26.2%	39.0%	26.4%	7.3%	1.0%
Estonia	11.3%	35.8%	39.7%	11.1%	2.2%
Hungary	15.8%	42.9%	27.6%	11.0%	2.7%
Lithuania	10.7%	41.6%	35.5%	10.7%	1.6%
Poland	18.0%	44.2%	28.1%	8.1%	1.6%
Russian Federation	5.2%	30.3%	49.7%	13.0%	1.8%
Slovenia	21.6%	38.3%	32.0%	6.3%	1.8%
Slovakia	20.0%	39.8%	31.2%	8.0%	1.0%
Kosovo	29.7%	40.6%	19.8%	8.5%	1.5%

Table 3: Subjective health estimates by countries (%)

4. DISCUSSION

Thus, the research results have clearly demonstrated that public health management models almost in all the countries face the problems of expense increasing and medical care unavailability for some population groups. Nevertheless, it is evident that there are no universal model for public health management which suites all countries. The roles of state compulsory, optional, and private medical insurance, as well as the levels of centralization, regulation, and cost allocation vary to a great extent in the countries of Eastern Europe and in Russia. Public health management in most countries is based on combination of centralization and decentralization [9]

Public health management models	Capabilities	Limitations
Centralized	<ol style="list-style-type: none"> 1. Single approach to providing services 2. Planning of the system's resources 3. Health service monitoring 	<ol style="list-style-type: none"> 1. Low efficiency 2. Slow innovation 3. Slow response to external changes (economy, politics) 4. Political leverage
Decentralized	<ol style="list-style-type: none"> 1. More rapid solution of some issues 2. More capabilities for decision-making 3. Decreased demand in central administration 	<ol style="list-style-type: none"> 1. Local budgets cannot always meet the needs of health care 2. Low efficiency of resource exploitation due to inconsistent management subsystems 3. It is difficult to integrate primary, secondary, and tertiary health care 4. Centralized grants lead to the service inefficiency 5. Disparity in providing innovation and costly aid 6. Additional costs due to coordination

Table 4: Capabilities and limitations of the basic models of public health management

As can be seen, both models have more demerits than merits. Thus, choosing only one of them as a key model can become a strategic mistake and lead to public health deterioration. Only effective combination of elements of both models and various approaches can produce a positive effect in a down economy and social sphere in the countries of Eastern Europe and in Russia. It should be noted, that the soviet period of public health management in those countries was characterized precisely by the single model with great influence of state control mechanisms on resource allocation and determination of development priorities.

There was created a paternalistic model of public health management in the USSR and countries of the Eastern Bloc. The health care branch was very centralized. Long-term effects of this model application, certainly, moderated sharp age of crises and wars in the societies with stable and conventional apprehension of a social structure as a benefit equally available and free for all citizens. The main negative feature of such paternalistic model of health care was the fact that the government financing of medical activities was residual.

This model did not provide neither compulsory nor optional medical insurance. In 1990-s in most of the countries of Eastern Europe the public health management system was reformed. This was due to the factors such as ageing of population, increasing incidence of chronic diseases and disabilities, new costly methods of treatment and medical technologies, as well as increasing people's expectations. The reforms in Eastern Europe in 1990-s resulted in increasing the role of the market and private services in the social sector of economy. However, the role of the government in policy-making, social and medical service market regulation now is more important than ever. The role of the government must be dominating in financing measures aimed in national problem solving.

The three-level model of public health management is accepted in the modern Russian society. The first, federal level comprises federal executive authorities, executive authorities of constituents of the Russian Federation, Medical Branch of the Russian Academy of Sciences, as well as state-owned medical and preventive treatment facilities, research, educational, pharmacy, sanitary-and-prophylactic, and social institutions, and some other organizations and institutions.

The municipal level encompasses local authorities, responsible for health care management and promotion of healthy lifestyle, as well as municipal-owned medical, pharmacy, and social organizations. The private level includes private medical and preventive treatment facilities, pharmacy, sport and other organizations, as well as persons engaged in private medical practice, pharmaceutical activities, volunteer and other social activities.

At the same time, according to a common practice in Russia, the unified public health management system exists. This system is the combination of federal authorities responsible for health care, social services, sport, as well as authorities of the constituents of the Russian Federation, local authorities and their subordinates, as well as private medical preventive treatment facilities, pharmacy, social services, sport functioning for the benefit of public health maintenance and promotion.

5. CONCLUSION

Nowadays, an optimal model of public health management in the Russian Federation should provide the development of private sector under strict state control of pricing in the interests of citizens.

At present, public health care management should include the following:

- Developing and supporting the appropriate strategies and creating an institutional structure for the health care branch, promotion of effective implementation of health-driven aspects into social, economic, and environmental policies;
- Health promotion and health care development programs should have a stable character;
- Creating monitoring mechanisms to watch on public health and environment, as well as to carry out multifactor research in the environment-health system;
- Promoting healthy lifestyle and decreasing environmental, social, and behavioral risks for public health;
- Services which allow people realize their increasing attention to their health should fit people's demands;
- Providing high-quality, modern, and available information: health and healthy lifestyle-related information for citizens; and information to help the Government and policy-makers develop tactical and strategic solutions in the field of strengthening public health, increasing its potential and resources.

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IMPROVEMENT OF THE NATIONAL STRATEGIC PLANNING SYSTEM – DREAMS AND REALITY

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ABSTRACT

To have the most efficient system of strategic planning and development management, it is crucial to have one overarching strategy, as opposed to having many unrelated and mismatching strategies – especially if we must coordinate national with regional policies. Therefore, it is necessary to establish appropriate management mechanisms and to strengthen the management component by establishing an efficient framework for monitoring and evaluation of results. If we set up a system that will enable the monitoring of changes, we will be able to adjust future course in line with our possibilities and needs. Furthermore, it is necessary to establish links with the state budget and other sources of funding, especially EU funds and other international financial instruments, and to finally shift the focus from planning to implementation. Taking into consideration the experiences of programming strategic and program documents that represent the basis for using the European structural and investment funds, this paper 1) analyzes regional policy and strategic solutions in the light of the theory of economic sciences and 2) identifies key challenges which are important for establishing a coordinated action for achieving crucial regional development goals.

Keywords: *strategic planning, regional development, EU funds*

1. INTRODUCTION

An effective system of strategic planning¹ and development management, which clearly defines the vision and sets future course, is of utmost importance for the development and prosperity of a country. Some aspects of international strategic management research, according to White *et al.* (2016) have recently received increased scholarly interest. To ensure social progress, higher quality and a more focused development of the territory, it is necessary to establish a comprehensive system of strategic planning and development management at the national level, and to adopt the legislative and institutional framework for its organization, with clear rules and defined procedures. The strategic planning and development management system implies setting the course of development, priorities, goals, and results, as well as making decisions on allocation of resources to reach the goals and achieve the results of the strategy. Guerras-Martin, Madhokb & Montoro-Sánchez (2014) claim that strategic management is a relatively young discipline which has evolved and matured over the past few decades. According to Abilio

¹ More on strategic planning in: Mintzberg, H. (1994). The Fall and Rise of Strategic Planning. Harvard Business Review, Harvard Business School Publishing, Boston

Bosquetti, Gonçalves Silveira Fiates & Ponting (2017: 112; following Nag, Hambrick, Chen, 2007)) „strategic management is a process for formulating and implementing strategies. It involves the formulation and implementation of the major goals and initiatives taken by a company's top management, based on consideration of resources and assessment of the internal and external environments in which the organization competes.“ Other authors, such as Basaj & Kožuch (2015: 468; following Gawroński, 2010: 29), provide a different definition: „...strategic management is a process of identifying and implementing strategies in the organization, as well as defining and redefining the strategy in response to changes in the environment or with the intent to advance or even induce such changes.“ Thomas (1996 and 1999, in: McCourt & Johnson, 2012) distinguished management for development from the efficient management of resources for rational organizational ends (management of development) and from the adaptation of international management models to local contexts (management in development). According to POS Enterprises Development & Spatial Planning Project (2007) development management is part of the spatial planning system and its aim is to achieve a clear focus on sustainable and quality development, as well as have greater community benefits than those achieved under the previous planning legislation. It includes a whole range of planning activities, such as designing, analyzing, influencing, promoting, engaging, negotiating, decision-making, implementation, compliance and enforcement.

Development management, according to POS Enterprises Development & Spatial Planning Project (2007:2), is: „... an integral part of the spatial planning process; it puts spatial development plans into action and seeks to achieve good design and sustainable development“. As pointed out by Mertins & Paal (2009), the challenge of planning is the identification and coordination of private and public demands for space, and decisions are made by a political board. The implementation is the responsibility of political and administrative institutions. Mintzberg (1994: 109) claims that: “Real strategic change requires inventing new categories, not rearranging old ones“. According to Felsmann (2016: 2; following Porter and Kramer, 2011), the government is responsible for drafting legislation which makes companies more interested in shared value creation, rather than short-term profit maximization. Moreover, Felsmann (2016: 10) highlights that „...deeper incorporation of institution-based perspective into the mainstream framework of strategic management studies can enrich the scientific field.“ Furthermore, strategic management has to rest on the institution-based view, so that added value can be created in studies focusing on regional and national levels.

There is neither an integrated system of strategic development planning in Croatia, nor a clearly defined link between different strategic documents and the budget. Strategies, particularly mid-term, are often carried out without an adequate financial plan and budgetary base, and without clear performance indicators that could be used to monitor their implementation. There is a large number of strategic documents that are often overlapping and/or are not always related, often written tendentiously, without any real chance for implementation. Implementation of strategies is not systematically monitored, and budget programs and activities are not systematically reviewed and evaluated, although the rate of implementation success and results obtained should be a roadmap for making future decisions and adoption of the budget for the following year. A comprehensive and coherent system of strategic development management planning is necessary, with clearly defined elements, stakeholders and resources, i.e. we need a long-term strategic development framework of the Republic of Croatia, which will be holistic and not fragmented into hundreds of strategic documents. It is essential that any strategic document, plan or program has a clear link to the budget or other sources of funding, as well as well-defined performance indicators in order to allow for the monitoring of effects, results and rate of implementation.

2. THE STRATEGIC PLANNING AND DEVELOPMENT MANAGEMENT SYSTEM

The Soviet Union was the only country regarded as a planned economy until World War II. After the war, however, many nations started to use economic planning to improve economic development. Moreover, planning was accepted as a one of the main components of the policy used by governments as a tool for achieving rapid development“ (Tiryakioğlu, 2014). One of the fundamental goals of the Government of the Republic of Croatia is achieving balanced and long-term development of the Republic of Croatia. In order to reach these goals, the government has to establish a system of strategic planning and development management at the national level in order to define the future course, priorities, goals, targets, and optimal allocation of resources. This also implies the establishment of a legislative and institutional framework for strategic planning. It should be pointed out that a quality system of strategic development planning is essential for the efficient use of European Structural and Investment Funds (ESIF), as well as for the effective and timely implementation of the European semester activities. The analysis and the results of the Twinning light project IPA 2013 FFRAC "Support for the establishment of a national strategic planning system (CRO strategy)" implemented by the Ministry of Regional Development and EU funds in cooperation with the Office of the Government of the Republic of Lithuania served as the basis for the overall organization of the strategic planning system.

The following shortcomings were noticed during the system analysis: lack of unified standards and procedures related to strategic planning characterized by a multitude of chaotic unrelated documents and objectives, lack of a framework development strategy which would steer priorities after 2020, lack of connecting objectives to costs and resources, inability to measure efficiency of expenditures, poor accountability for results, lack of performance measurement frameworks, lack of monitoring and reporting, inability to track progress and unclear institutional responsibilities. Within the project, system analysis and comparison with other EU member states were prepared, recommendations were made for the establishment of an integrated system for strategic planning, elaboration of a hierarchy proposal and linking of strategic documents for long-term, mid-term and short-term planning and a link with budget planning, methodology for preparation of strategic documents was defined, monitoring and evaluation of achievements and specifications for the new IT platform for strategic planning, tracking and database. The results and materials will be used to draft legislative and institutional solutions for the complete organisation of the system of strategic planning and development management. Overall, it represents a quality and comprehensive framework for introducing a new system for strategic planning and development management.

According to Guidelines for Planning Authorities (2007), the best practice in development management comprises the following: “Efficiency in handling planning applications and appeals, and the elimination of avoidable delay; Rational and consistent decisions; Effective communication and explanation of decisions; Reduction in the number of poorly-prepared applications; Compliance with statutory requirements and fair procedures; High quality service offered to developers, members of the public, authorities, and elected representatives; High quality permitted developments; Effective planning enforcement.“ Stimson, Stough and Roberts (2006:78) claim that both public and private sectors are required in the process of strategic planning. Robinson (2014) states that a good plan and strong local leadership is a basis for successful economic development. Furthermore, Robinson (2014: 19) points out that „The plan could be based upon a [...] public and private sector community leaders working to promote their region or state as a world-class economic destination“. It is important to note that, although a country can have more sophisticated development planning processes than any nation in the developing world, like Saudi Arabia (Ramaday, 2005:13, following Cordesman

(2003), it does not mean that a good plan guarantees its implementation. Therefore, it is important to foresee and determine how to keep up with changes over time. Croatia has a very similar problem with the implementation of its strategic plans. The basis of the new reform proposal for Croatia includes a new legislative framework with clear rules and well-defined procedure, optimum structure and hierarchy of documents with guidelines and a common methodology, as well as coordination, systematic monitoring and evaluation with the support of an IT platform.

Currently, there is a large number of strategic documents covering different sectors as well as different implementation periods, but these documents are questionable and there is a lack of consistency. Furthermore, there is no consistency between national goals in various documents, and strategic documents differ in form and content. This is a direct consequence of the lack of a standardized procedure for preparation and drafting of such documents. The lack of an efficient and transparent monitoring system for the implementation of measures/activities and achieving goals and results is a reflection of the lack of results-oriented approach. The strategic planning process is also hampered by the absence of an integrated information platform at the national level, in the form of an information system or database, which could provide insight into all strategic documents, their goals, progress in implementation, status of the results obtained and their effects. It is very hard to manage the strategic planning process without such a system, to achieve harmonization of various sectoral policies, to implement different activities, and to monitor progress in achieving goals using relevant indicators. One of the confusing and overwhelming factors is an existence of a large number of incoherent strategies. Mirošević (2012) analyzed development documents covering the entire Republic of Croatia which were used to manage national development in different sectors. He found that terms used for naming and drafting development documents were very diverse. Nearly one-third of the development document names included the word “strategy”, while others were called national plans, national programs or national policies, but their structure was similar and they contained the following sections: “analysis of current state, goals, instruments and measures needed to achieve goals, implementation plans, financial resources needed to achieve goals, etc.” (Mirošević, 2012: 8). The fact that only a small number of these strategies and plans is implemented makes us rethink and reform the existing unsatisfactory situation. Mirošević (2012: 8) explains the failure to implement development documents in several ways: “a) development documents themselves are incomplete and therefore technically unenforceable; b) the administrative capacity of the state is insufficient for the implementation of documents; and c) there is no political will to implement the development documents”. Moreover, it has been shown that most development documents often do not have sections on sources of funding and cost estimates. However, there were some improvements in the past few years, following the preparation of development documents for euro-integration processes, which had an impact on the quality of development documents (Mirošević, 2012: 5). The Ministry of Regional Development and EU Funds has developed a new framework model for a more effective system of strategic planning and development management through which the proposals of the rules and procedures are defined and a complete methodology for the preparation of strategic documents for long-term, mid-term and short-term planning are elaborated, as well as budget planning links. The Ministry drafted a proposal for the development of an IT system, which would facilitate administration and comprehensive monitoring, and as serve as a database. The IT system is expected to become a tool for drafting and monitoring strategic documents, as well as a database that will be used to evaluate the impact of policy measures and to perform various analyses. The main elements of the new framework imply the adoption of a legislative framework, the establishment of a central institution which should function as the main system coordinator, the hierarchical link between strategic documents, the direct link between the

budget and short-term strategic plans of budget users, time alignment of the cycle of budget and strategic planning with the annual cycle of the European semester, a limited number of (mid-term) strategic documents, drafting and adoption of the National Development Strategy 2021-2030 and last but not least, the establishment of an IT system for easier administration and monitoring. Consequently, talking about strategic management at the national level, it is necessary to emphasize key components in the process of comprehensive reform in the area of strategic planning and development management, namely drafting of the new Act on the System of Strategic Planning and Development Management and drafting of the National Development Strategy for the period 2021-2030.

2.1. Proposal of the Act on the System of Strategic Planning and Development Management

Being aware of the importance of effective and responsible long-term strategic development, the Ministry of Regional Development and EU Funds plans to submit a proposal on the Act on the Strategic Planning and Development Management System (hereinafter: the Act) to the regular procedure of adoption in the Croatian Parliament this year so that the Act could come into force in early 2018.² In times of unstable economy, strategic planning is also in flux and it is more difficult to implement. According to Andrushkiv *et al.* (2013) successful strategic management improvement has to involve the connection to market requirements and the potential of new technologies, as well as integrate the results into products and processes development. From the European perspective, Mertins & Paal (2009) notice that, as European nations vary in administrative structures, competences in planning differ as well. It is probably due to differences between national economies in Europe that certain ideas and strategic planning that work for certain national economies cannot be implemented elsewhere. The new proposal of the Act will rearrange issues regarding document systems for strategic planning and development management as well as the institutional framework for strategic planning and development management.

The new proposal of the Act regulates:

1. the system for strategic development planning of the Republic of Croatia and management of the system of public policies in order to further develop the society and territory of the Republic of Croatia,
2. the principles of strategic planning and development management,
3. bodies responsible for strategic planning and development management,
4. processes of planning, programming, drafting, issuing, monitoring of implementation, reporting, measuring and evaluating the effects of documents for development planning and implementation of development policies,
5. types and hierarchies of documents for development planning and implementation of development policies, their interconnectivity and consistency and links to sources of funding in implementation,
6. the method of determining the need for adoption and the processes related to the modification of the documents for development planning and implementation of development policies.

The Act will also include the type and hierarchy of strategic documents and will define their links with the state budget and other sources of funding, especially with the EU funds and other

² The Act is included in the proposal of the Annual Plan for Normative Activities for 2017 with a deadline for adoption by the Government until the end of the 3rd quarter of 2017; The proposal of the Act will be referred to the regular process of adoption (two readings) in the Croatian Parliament and it is expected to be adopted in early 2018.

international financial instruments. Given the current state of lack of unified standards and procedures related to strategic planning, characterized by many chaotic and unrelated documents and goals, as well as their duplication, the new proposal will emphasize the principle of mutual co-ordination, focusing on the consistency of content in terms of goals, measures, activities, performance and financial plan indicators, as well as the importance of the hierarchical alignment of documents for strategic planning and development management in a way that hierarchically lower documents are aligned with hierarchically higher documents. The aim of setting up the system is to improve the planning procedures and follow-up of the implementation of strategic documents, to ensure their compliance and coordination, efficiency and effectiveness, and consequently focus on the results and the principle of fiscal sustainability. Aiming to draft a quality proposal of the new Act, the Ministry of Regional Development and EU Funds has established the Interdepartmental Working Group for drafting the new proposal of the Act on the System of Strategic Planning and Management Development, which has already started its work. In order to ensure a (multi)sectorial approach to the process of drafting the Act, the Interdepartmental Working Group brings together representatives of different state administration bodies, units of local and regional self-government and all other key stakeholders in the system of strategic planning and development management in the Republic of Croatia. The Working Group consists of representatives of the Office of the Prime Minister of the Republic of Croatia, the Office for Legislation, all ministries, the Croatian County Community, the Association of Cities in the Republic of Croatia, the Association of Municipalities in the Republic of Croatia and the representatives of the Regional Coordinators for Adriatic and Continental Croatia. Working group members are expected to contribute through active participation to drafting a quality proposal of the Act that will represent the legal basis for establishing a comprehensive system of strategic planning and development management. The first draft of the Act has been made and the members of the Interdepartmental Working Group have submitted their comments, so the new amended text is currently being drafted.

As certain parts of the Act require the engagement of specific stakeholders in the process of drafting the Act, four thematic subgroups have been established that deal with specific issues:

1. for harmonizing the strategic planning with the budget planning and the European semester cycle (Office of the Prime Minister, Ministry of Finance, Ministry of Regional Development and EU Funds),
2. for connecting strategic and budget planning at local, regional and national levels (Ministry of Finance, representatives of the regional coordinators and local and regional units of self-government, Ministry of Regional Development and EU Funds),
3. for connecting strategic and physical planning (Ministry of Construction and Physical Planning, Ministry of Regional Development and EU Funds),
4. for drafting the proposal of the institutional framework for strategic planning (Ministry of Public Administration, Ministry of Regional Development and EU Funds).

The goal of the new proposal of the Act is to achieve a coordinated approach to strategic planning, programing, financing and managing of development of central state authorities as well as local and regional self-government units in the Republic of Croatia, while also considering interests of all stakeholders within the system of strategic planning and development management. Subsequently, as it is stated in the proposed Act itself, it is necessary to have an efficient system which implies that chosen scenarios guarantee social and economic prosperity of the Republic of Croatia and that the expected results can be achieved with optimal use of available resources.

2.2. Drafting of the National Development Strategy for the period 2021-2030

Besides drafting the proposal of the Act on the System of Strategic Planning and Development Management, drafting of the National Development Strategy for the period 2021-2030 has the key role in the overall implementation of the development management, because this Strategy should serve as the overarching national development strategy. Not only does it represent the fundamental national strategic document for implementing mid-term and long-term plans, but it is also a base for planning the use of EU funds in the next European Union financial perspective 2021-2027. The National Development Strategy is the overarching strategic document for development, with elements of long-term vision that sets the course and defines development priorities, strategic goals and results which should be reached in the ten-year period. The National Development Strategy is adopted by the Parliament of the Republic of Croatia for the period of up to ten years, in this case for the period from 2021 to 2030. The process of drafting the National Development Strategy includes intense partner consultations on both regional and local level, sittings of partner councils of the statistical (NUTS II³) regions, that is The Partner Council of Continental Croatia and The Partner Council of the Adriatic Croatia, thematic working meetings with representatives of the ministries and public companies and with other stakeholders within the system of regional development management, as well as expert workshops and public consultations. Besides experts, there is also an intention of including citizens in the process of drafting the National Development Strategy. Therefore, all concrete suggestions and recommendations received in the process of communication with the citizens will be taken into consideration to contribute to the development of a document that will be largely supported by all groups on the field. In order to include multiple stakeholders at national, regional and local levels in the process of drafting the National Development Strategy, the Ministry of Regional Development and EU Funds is planning to organize five big conferences, multiple workshops and public discussions in all 20 counties including The City of Zagreb, during the entire period of drafting the document. In the process of drafting the document, it is necessary to make a high-quality analysis of the current situation and potentials for development, to identify key challenges, to set course for meeting those key challenges and to undertake coordinated actions to achieve goals. The purpose of conducting a detailed analysis and having active discussions is to discover best solutions and to suggest guidelines for the future development of the country. Taking into consideration the experiences of other countries as well as the one of Ministry of Regional Development and EU Funds in terms of programming strategic and program documents that represent the basis for using the European structural and investment funds, the time framework for drafting the Strategy is between 18 and 24 months. Therefore, the process should start no later than the first half of 2017 in order to finish the Strategy on time for the upcoming financial perspective of the European Union. In order to have the most efficient system of strategic planning and development management, it is crucial to have one overarching strategy as oppose to having a number of nonrelated and mismatching strategies. Having that in mind, it is necessary to establish appropriate management mechanisms, or in other words to strengthen the management component by establishing an efficient framework for monitoring and evaluation of results. If we set up a system that will enable the monitoring of changes, we will be able to adjust our course in line with our possibilities and needs. Furthermore, it is necessary to ensure the connection with the state budget and other sources of funding, especially EU funds and other international financial instruments and to finally shift the focus from planning to implementation. The new National

³ National classification of territorial units for statistics codified by the Croatian Bureau of Statistics refers to territorial division of the Republic of Croatia for statistical needs according to the Nomenclature of Territorial Units for Statistics of the European Union. Statistical classification is used for collecting, processing, analyzing and publishing statistical territorial data at the EU level. The national classification of territorial units for statistics 2012: http://narodne-novine.nn.hr/clanci/sluzbeni/2012_08_96_2161.html

Development Strategy should provide a holistic and long-term strategic framework for the development of the Republic of Croatia and contribute to an overall and efficient system of strategic planning and development management with clearly set elements, stakeholders and resources. First and foremost, it should serve as a platform for achieving prosperous, well balanced and sustainable development of all parts of the Republic of Croatia. The main goal for drafting the National Development Strategy for the period until 2030 is to establish an integrated system of strategic planning, monitoring of results and evaluating success of development strategies, which includes: 1) strategic planning for the long-term and mid-term period and 2) operative and budget planning for the short-term period. The establishment of such a system would enhance the efficiency of public administration and ensure the achievement of goals that contribute to the promotion of sustainable and stable development of the Republic of Croatia. It is necessary to have a clear view of the present and to responsibly start thinking about the future of the Republic of Croatia in order to ensure equal and sustainable development. To create a quality development strategy, an in-depth analysis should be made and all factors considering regional differences and development potentials of the country should be taken into consideration. In cooperation with experts from relevant fields it is necessary to consider the current state of the economy and trends, the development index, demographic changes, labour market and unemployment rates, environmental protection, the current state of public infrastructure and development potential of regions. With the help from our citizens and an overall analysis of social-economic situation and trends at the national, regional and local levels, we shall define strategic goals and development priorities aimed at stimulating a stable and sustainable growth of the economy and an overall social progress in the Republic of Croatia.

3. CONCLUSION: EXPECTED RESULTS OF STRATEGIC PLANNING GUIDELINES

The shortcomings and results obtained in the analysis of the system of strategic planning and development management should be used to draft a proposal of legal and institutional framework with the purpose of improving the system. Rules and procedures for system management should be defined, the content of strategic and implementing documents for development planning should be coordinated and unified, the process of passing and implementing strategic and implementing documents and the process of budget planning and EU fund programming should be connected, and implementation, analysis and evaluation of results should be monitored. The result of the reform is the establishment of an overall and coherent system of strategic planning and development management set at the national level, which also implies the procedure of setting course for development, priorities, goals and results, as well as distribution of resources for achieving these goals. The German experience bears witness to the so-called “decentralized concentration” based on the concepts of central places and development axes (Framework for Spatial Planning and Energy). “It implies that population, workplaces and infrastructure facilities are concentrated in agglomerations of different sizes that spread quite evenly over the whole country. It involves several intermediate centers, surrounded by smaller centers, situated along axes of transport facilities: roads and railways to create a network of cities with different functions, instead of a major city with an accumulation of inhabitants, activities and services.” The Proposal of the Act on the System of Strategic Planning and Development Management (draft proposal) sets out rules on the strategic planning process providing a framework for the formulation and implementation of effective public policies of importance for the development of the Republic of Croatia. The novelties introduced by the draft proposal may bring about significant challenges for bodies involved in the strategic planning and development management. The table below provides an overview of

potential challenges and risks to the effective implementation of the draft proposal as well as measures for eliminating/minimizing them.

Table 1: Potential challenges/risks to the effective implementation of the draft proposal and measures for eliminating/minimizing them (authors)

Potential challenges/risks to the implementation of the draft proposal	Measures for eliminating/minimizing the identified challenges/risks
Difficulties in the drafting and preparation of strategic documents in accordance with the rules laid down by the draft proposal	Drafting of the National Development Strategy providing a framework which will ensure consistency between individual strategic documents
	Precise guidelines for drawing up strategic documents
	Continuous communication, support and coordination between the Coordinating Body and other bodies in the system of strategic planning and development management (regional coordinators, local coordinators)
	Allowance for an adequate adjustment period set out in the transitional and final provisions of the draft proposal (effective as of 2020, i.e. 2021)
Improper/Untimely entry of data in the system for monitoring and reporting on the implementation of strategic planning documents	Clear instructions for the use of the IT system
	Proper/Timely organization and implementation of training and information activities
	Regular/Systematic monitoring of the Coordinating Body
Failure to comply with the requirement to enter a project into the central electronic registry of development projects and the inability for the funding request to be processed as a result	Regular/Systematic monitoring of the Coordinating Body and continuous communication and coordination with regional and local coordinators required to enter the project in the registry
Lack of public authority employees who are adequately trained for strategic planning	Public authorities independently decide on the organization of strategic planning activities in accordance with their respective areas of responsibility – central government authorities decide on the type of organizational unit which will undertake strategic planning activities; regional self-government units authorize regional coordinators that will undertake the activities, while local self-government units may appoint a legal or natural person for this purpose
Lack of relevant statistical indicators, especially at the level of regional and local self-government units, and failure to collect pertinent data	Systematic adaptation of statistical databases in accordance with the goals and monitoring indicators specified in the strategic documents

The provisions of the draft proposal seek to eliminate/address the deficiencies of the existing strategic planning system. The key issues are the deficiencies in the relationship between strategic documents themselves and the link with the budget as well as in the legal and institutional framework within which these documents are drawn up and implemented. In the existing system, there is a large number of strategic documents with inadequately defined, or even without performance monitoring indicators, or those whose goals overlap or are not linked with the budget. Thus, such documents fail to provide quality support in the management of the development of the Republic of Croatia due to the absence of an integrated legislative framework and an overarching national document which would provide the framework/basis for the production of all other documents. A significant obstacle to the establishment of an effective strategic planning system is also the insufficient number of appropriately trained public authority employees to organize and implement the strategic planning processes.

This draft proposal provides an integrated legislative solution to the abovementioned issues and creates the basis for an efficient, effective, responsible and sustainable management of the development of the Republic of Croatia. The draft proposal introduces the following novelties:

1. prescribes the procedure for drafting the National Development Strategy for the period 2021-2030;
2. limits the number of strategic documents, considering the need for their consistency, standardization, and linking to the budget;
3. specifies principles for the drafting, implementation, monitoring of implementation, reporting and evaluation of the effects of strategic documents;
4. clearly delineates the areas of responsibility of the bodies involved in the strategic planning processes and supports the development of the human capacity of public authorities for process management in the strategic planning system;
5. establishes an IT platform for strategic planning and development management and a central electronic registry of development projects, with the aim of effectively monitoring the implementation and effects of strategic documents.

One of the key positive changes that are expected to be brought about by this Act is the adoption of several interrelated strategic documents and the introduction of systematic reporting on the effects/results of their implementation. This will improve the efficiency of budgeting and public administration activities. The quality of documents will be improved by applying common guidelines for the drafting of long-, mid- and short-term documents covered by the draft proposal. At the same time, the draft proposal seeks to reduce the number of long- and medium-term documents. Long-term documents (strategies) will be drafted and produced only if this is prescribed by a special Act or EU directive; the number of medium-term documents will not be larger than the number of central government authorities (national plans) or counties (regional self-government unit development plans), while medium-term documents at the local level will be produced only in case of special development features (local self-government unit development plans). Short-term documents will be drafted for the purpose of implementing long- and medium-term strategic documents in order to ensure that the set goals are implemented during the term of office of executive authorities and link them to the budget (implementation programs of the central government authorities, regional self-government and local self-government). The draft proposal specifies the requirement for reporting on the implementation of the strategic documents. Reports on the implementation of long-term strategic documents will be submitted once every two years; medium-term documents will be produced once a year, while short-term documents will be produced semi-annually and annually. The deadlines for reporting on the implementation of strategic documents will be set according to the rules established by the Coordinating Body by 1 January 2019.

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SOCIAL-ECONOMIC AND SOCIO-ECOLOGICAL CONDITIONS OF THE REGION AS A FACTOR FOR FORMING THE QUALITY OF LIFE

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ABSTRACT

The purpose of the article is to analyze topical issues of improving the quality of life of the population, the necessary decisions on which the direction and rates of further development and the political and economic stability largely depend. The nature and specific character of the influence of socio-economic and socio-ecological indicators that shape the quality of life of various urban settlements in terms of the degree of satisfaction of people's material and spiritual needs and the well-being felt by them are discussed. As a method of research the data of sociological survey carried out by the authors in 2017 on the example of Moscow, Saratov and Lipetsk regions (Russia), an important role is assigned to such components of quality of life, financial situation, job satisfaction, satisfaction with leisure, satisfaction with their lives, affecting the quality of life in general. Among the most important social and environmental problems were the problem of low wages, the problem of alcoholism, health problems, low medical services, high unemployment, environmental pollution, poor food quality, increase in landfills. The obtained results showed the features of the perception of the quality of life by different social groups, and also revealed a high level of personal responsibility and the desire of citizens in the solution of existing problems.

Keywords: *life perspectives, socio-ecological situation of the region, socio-ecological conditions, quality of life, wellbeing assessment*

1. INTRODUCTION

Nowadays in the Russian Federation and many other countries, there is an emphasis on the problems related to the improvement of the population quality of life. At the regional level, there were determined the quality of life optimization strategies for specific territories. It sufficiently increases the role of sociological supporting in identifying public opinions about the real state of their quality of life. Modern studies of the indicated problem are based on the scientific base created by Russian and foreign scientists. Despite the fact that the term appeared only in the 1960s (Galbraith, J., 1958), the fathers of sociology M.Weber, E.Durkheim, G.Simmel, K.Marx, H.Spencer, P.Sorokin formulated the background for studying the influence of values and political changes on public social services quality improvement. Research of the quality of life in terms of the stratified approach is connected with the problems of the population welfare and scale of poverty (Vechkanov G., 2011).

One of the important features of the quality of life assessment is the possibility of using this concept in identifying the effectiveness of authorities activity or the implemented social program. The importance of the study of the subjective components of the quality of life, nature of perception of social reality and attitude toward it were developed and substantiated in the works of G.Mead, A.Schütz, P.Berger, T.Luckmann, P.Bourdieu, W.Thomas, H. Abels. Russian scientists also made the contribution to the study of problems of the quality of life improvement. There were formed the following areas of the analysis: identification of social mechanisms that characterize the various sides of public life, research of social adaptation of Russian society (Zaslavskaya T., 2004); the development of conceptual models for quality of life (Bestuzhev-Lada, I., 2017); development of methodologies for evaluating quality of life (Ayvazyan S., 2002); substantiation of the territorial conditions impact on the quality of life of the population (Gorin V., 2011). In modern studies of the quality of life, the analysis of the structural characteristics, objective and subjective impact factors including environmental conditions of human living is expanded. With all the diversity of areas of quality of life research, there are still scarcely explored issues related to the disclosure of the impact of social-economic and socio-ecological characteristics that form the quality of life of the various territorial entities of the Russian Federation in terms of the satisfaction of material and spiritual needs of people and their well-being, which defines the novelty of the conducted author's research. Its purpose was to identify public opinion of the population of all ages from Moscow, Saratov and Lipetsk regions about the status of quality of life, and particularly their perception of various social groups, as well as disclosure of personal responsibility and the participation of citizens in resolving the existing problems, which determined the main research tasks. The object of study was the quality of life of the population, and the subject is factors of forming the quality of life of the population in the region.

Quality of life is formed under the influence of objective and subjective factors. In the hypothesis of the study, quality of life was associated with the measure of their satisfaction with the social-economic and ecological conditions in the region shown in the abilities of the various social groups to implement their needs and to carry out social activities. Currently, the quality of life is a broader concept than living standards and includes a variety of factors, including environmental conditions, social well-being and life satisfaction (Spiridonov, S., 2010). The transition to a post-industrial society is accompanied by the researchers' focus switch from material to non-material aspects of the quality of life, which is considered both as a strategic management objective and as a critical indicator of the country's social-economic development (Miroyedov, A. , 2012; Sadovaya, E. 2012). High quality of life of the modern person implies sufficient healthy life expectancy; the acceptable volume of consumption of goods and services; the lack of serious public conflict and threats; family well-being; access to knowledge, education and cultural values; full participation in social and cultural life; access to a wide variety of information; comfortable working conditions for creativity and self-realization (Zubets, A., Tarba, I., 2013). Authors of this study researched quality of life through subjective evaluation using sociological methods, allowing to define the degree of comfort living in the selected territories and exerted influence on the data assessment of the environmental status and social-economic development of the regions. The methodological basis of the study were the principles of the activity approach and dispositional concept of self-direction of person's behavior developed by V.A.Yadov (Yadov, V., 2013).

2. METHODS

Objective and subjective basis in the modern meaning of "the quality of life" concept determines the existence of different research approaches in its study.

As an objective indicator of the quality of life, it's possible to use the UN Human Development Index, which includes: level of income in a country or region (defined through the GNI per capita in accordance with PPP), life expectancy, access to knowledge (defined on the basis of the proportion of the population covered by the various levels of education) (Human Development Report Technical Notes, 2014; United Nations Development Programme. Human Development Report, 2014) The quality of life in different countries can be measured by the Quality of Life Indexes. Among them, we must highlight "Better Life Index", calculated by the Organization for Economic Co-operation and Development (Better Life Index. OECD Statistics, 2017). Public opinion polls data, which reflects the subjective perception of objective reality conditions, characterize the comfort of people living in a particular society (Belyayeva, L., 2009; Zadesenets, E., 2010). An approach based on sociological data appears to be the most rewarding in studying the problems of quality of life in the studied regions because it allows conducting a fundamental study of structural components, as well as social-economic and socio-ecological conditions.

As an information base of the research, there was used a questionnaire survey of the population living in Moscow, Lipetsk, and Saratov regions, conducted by the authors in 2017. 300 inhabitants took part in this survey. The research was a pilot testing and will serve as a basis for further research. Empirical data were analyzed by means of the methods of mathematical and social statistics using the statistical package of SPSS programs. According to the objective of the study, it was necessary to find out and describe the main social-economic and socio-ecological conditions of life in the regions, to identify their essential characteristics, the degree of their importance and attitude of the region inhabitants towards them, as well as ways of solving these problems with a view to improving the quality of life.

3. RESULTS AND DISCUSSION

The results of sociological research are intended to focus and try to solve the problems of the human living conditions. The key ones are social and economic problems. And the proof of the seriousness and importance of this issue is the obtained empirical data. Also, analyzing such an important factor as a sustainable development, we see that one of the central concepts of sustainability is the concept of quality of life, which is used very widely but does not have universally accepted formal structure and the standard set of indicators. Priorities depend on the needs of the people associated with the level of development of cities and regions. The most complete list of the components of quality of life, used in international comparisons and national assessments of the developed countries, includes not only social conditions, such as unemployment, dynamics of demographic processes, education and learning, health, food and nutrition (Greenwood, D., Holt, R., 2010), but also ecological aspects such as the quality of water, air, etc. (Moser, G., Robin, M., 2006). Many definitions of sustainable development referred to the concept of quality of life. British organization "Forum for the Future" defines sustainable development as a dynamic process, with the possibility of realization of human potential and improvement of the quality of life, protecting and improving the natural vital systems. The political objective of sustainable development, established by the World Commission for the Environment and Development, is improving the quality of life for the entire population of the planet without increasing the use of natural resources to the extent exceeding the capacities of the Earth as an ecological system. Jill Jager formulates the meaning of sustainable development in her book "Our Planet. How Much More Can Earth Take?" as the creation of conditions for maintaining and improving the quality of life for all people in the long-term (Jager, J., 2008). Thus, the assessment of the quality of life consists of three components - economic, social and ecological.

For the comprehensive study of environmental and social-economic factors in the development of the Moscow, Lipetsk, and Saratov regions territory, combined with an "objective" assessment based on statistical data and official reports, a "subjective" assessment was conducted using a mass sociological survey of the population (questionnaire). The difficulty in quality of life assessment is that perceptions of quality of life and sustainability of territories are different for various population groups (urban and rural, engaged in various types of economic activity). Such differences are identified through subjective assessments in combination with objective (statistical) ones. Subjective the quality of life investigations, based on regular mass population surveys or expert assessments, are now widely used in various studies. When conducting a mass sociological research, the sample population by sex was divided as follows: men comprised 47,3%, women - 52,7%. The sample population by age was divided as follows: 61.5% were respondents aged 18 to 35 and 38.5% were people aged 36 and over. The sample included respondents with different income levels. Almost every fourth respondent (22,1%) has an average income of fewer than 10 thousand rubles for one family member. These are residents of Lipetsk and Saratov regions. A major part of respondents, namely 41.8% of them, lives on 11-20 thousand rubles. Almost all of them are residents of Lipetsk and Saratov regions. Income above 21 thousand rubles has every third respondent, and the income from 40 thousand rubles and above have mainly only residents of the Moscow region.

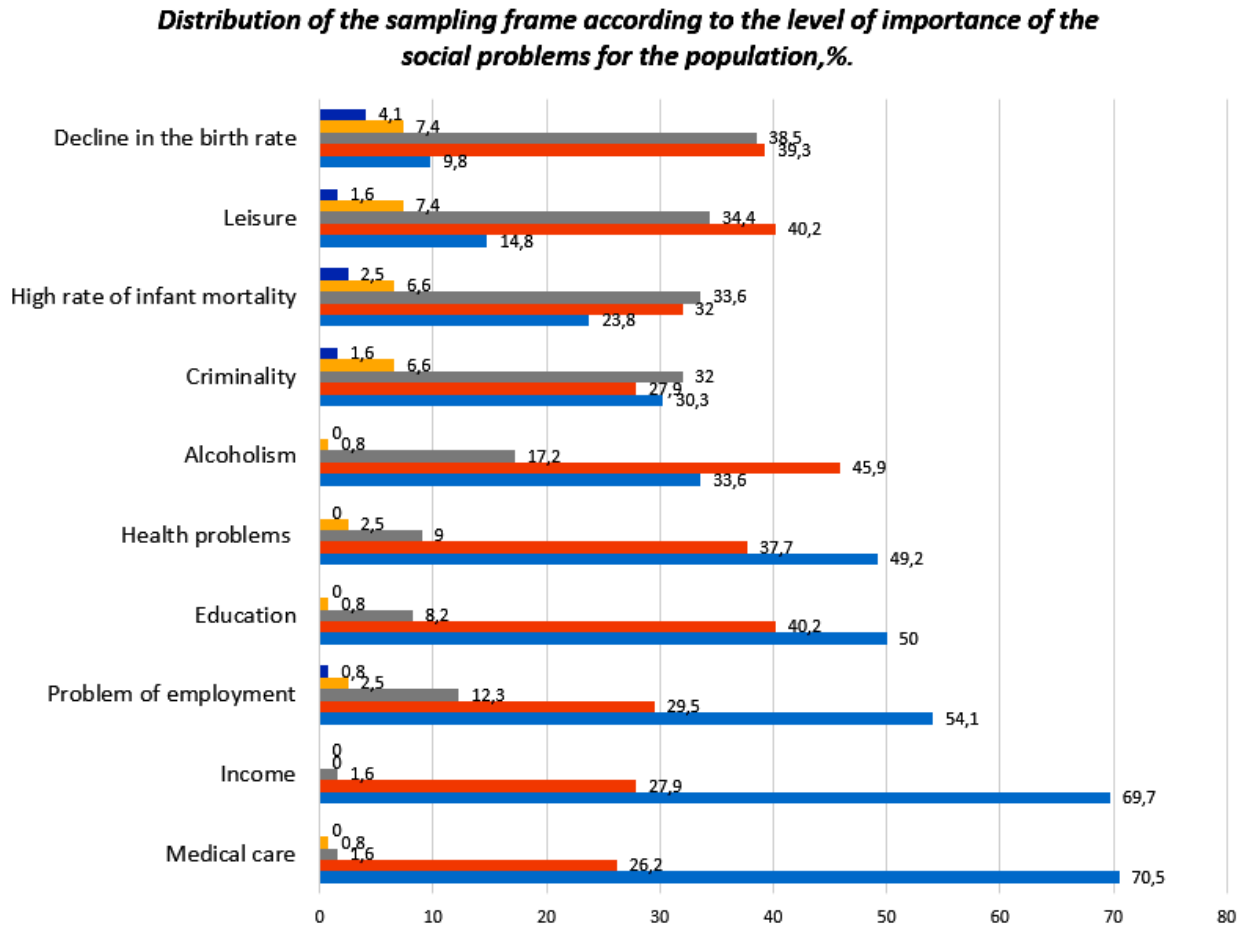
Despite low incomes, more than half of the respondents in Lipetsk and Saratov regions, namely 55%, rate their standard of life as decent, while practically all residents of the Moscow region (96.7%) indicated the same standard of life. The low and very low standard of life was indicated only by residents of Lipetsk and Saratov regions (45%). And it is important to note that none of the residents noted standard of living as high. To the question "Would you like to stay in your city for the next 5 years?" the answers of the respondents were as follows: about 80% of respondents equally in each region would like to stay in their city; the other respondents did not want to leave their city or found it difficult to choose. Most likely, this can be explained, by the different ambiguous feelings experienced by residents in Russia: on the one hand, patriotic, family, friendship feelings, habit, and family environment; on the other hand, the desire to improve their lives, have more comfortable living conditions, better work, higher quality of life forces people to give up their close environment, to break their social bonds, thus changing them, from the point of view of the respondents, for the better. The majority of respondents in the Lipetsk and Saratov regions, almost half - 47%, would like to stay in their region mainly because their relatives live there, for the same reason, only 25% would stay in the Moscow region. On the second place (19%) respondents from Lipetsk and Saratov regions stated excellent natural conditions, on the third 16.3% favorite work. At the same time, residents of the Moscow region among the main reasons chose good conditions for education (23.7%) and favorite work (18.6%). Among reasons why the respondents would like to leave their region are the following: one of the main reasons which residents of the Lipetsk and Saratov regions indicate is the desire to find a promising job, which there is no at home, as well as good medical services and good conditions for education. Citizens of the Moscow region would leave for perfect natural conditions (40%). Also among reasons why the respondents would like to move are the following (in decreasing order): about 20% consider medical service not good enough, 10% indicate unpurchasable housing, 10% stated lack of public transport service. Every third respondent, 34.4%, noted that he was concerned about the quality of life and development of the city, they were interested in everything related to their place of living and take part in the life of the city, more than half 59% were interested, but they did not take part in the life of the city and only 6.6% of respondents said that they were not interested in quality of life questions at all. Assessing the degree of the city development, almost half (47.5%) of the respondents

chose the options "poorly developed" and "not developed", 30.3% - "medium developed" and only 22.2% of residents considered their area to be developed. It should be noted that residents of the Moscow region in comparison with residents of the Lipetsk and Saratov regions assess highly the development of the territory. For further analysis of the most significant social-economic and environmental problems, it was necessary to find out to what extent the citizens of the studied areas were satisfied with the following important aspects of life: life in general, their health, earnings, leisure, work, studies, their own housing. Therefore, the spiritual and physical well-being of the residents was analyzed. These are the characteristics, depending on which we can judge in general about the quality of life of the population. To the question "How satisfied are you with your health?" 65.6% answered that they were only partially satisfied, and only 10.7% were completely satisfied. The number of those who are not satisfied with their health has grown. 82.8% of respondents are satisfied with their homes, which also is encouraging, those who are not satisfied - 16.4%. This data is approximately the same in all areas under study. In the Moscow region, according to these parameters, it differs insignificantly. As for the question about satisfaction with work and studies, in comparison with the previous data, it has increased. About a half of respondents are partially satisfied (47,5%), every fifth respondent is not satisfied with it (22,2%). To the question "How satisfied are you with your earnings?" 39.3 % of respondents said that they were satisfied or almost satisfied with their earnings, while more than half of residents (59%) said they were not satisfied with their earnings at all. In each answer, the proportion of residents of the three regions was approximately equal. The question of satisfaction with wages is one of the most important and determining the quality of life formation. To the question "How satisfied are you with life in general?" we received the following results: Every fourth respondent (23.2%) is completely satisfied with their lives in general. This figure is higher in the Moscow region (33.3%). Most of the respondents (59.8%) are partially satisfied, and 10.7% of the respondents are not satisfied with their life. The data obtained on this question looks quite optimistic and positive, i.e. in spite of the many existing problems, low level of satisfaction with different living conditions, people in the region still do not lose confidence in a better life of the region, addressing various social problems, and improvement of the quality of life in general. Among the social issues, respondents placed the problem of low earnings to the top position (24%), alcoholism was at the second place (21.6%), and unemployment was at the third place (16.7%). Respondents also pointed out other problems significant for them: poor quality of medical services - 15.8%, high morbidity rate - 12%, decline in the birth rate - 4.9%, criminality - 4.4% (Table 1).

Table 1. Distribution of the sampling frame according to the most significant social problems for the population (with differentiation of residents according to Moscow, Lipetsk, and Saratov regions), %.

	All residents	Moscow region residents	Saratov region residents	Lipetsk region residents
Low earnings	24	16,7	24.2	29,7
Alcoholism	21,6	24,4	20,6	20,7
Unemployment	16,7	5,6	18	21,8
Poor quality of medical care	15,8	11.1	19,4	14,4
High morbidity rate	12	16,7	8,5	13,5
Decline in the birth rate	4,9	12,2	2,4	2,7
Criminality	4,4	11,1	3	0,9
None of the above listed	2	2,2	0	0

Chart 1. Distribution of the sampling frame according to the level of importance of the social problems for the population, %.



The respondents didn't define any problem as not existing or not important. Such ranking of problems in order of importance reflects the reality quite objectively, although it is quite relative. Common beliefs about development issues in the social aspect were ranked by the scale from 1 ("strongly disagree") to 5 ("strongly agree"). High average value and low standard deviation (less than 1) indicate that respondents showed a high level of consensus in response selection. Most of the people are aware of the interrelation between the quality of the environment and quality of their health. Lack of confidence in the quality of drinking water encourages the population to expose water additional purification. By quite a solid vote the respondents declared the ineffective work of the administration at the local and state levels. Also, respondents agree that local community should be more involved in public life. When examining the answers of respondents regarding the question "How worried are you about the environmental problems?", we received the following results. On average around 57.4% of residents in all regions think about this almost constantly or often enough, and only 9.8% of residents think about it rarely or do not think about it at all. The interesting fact is that mainly they are residents of regions - Saratov region (70.9% of respondents think about it always or very often), Lipetsk region (51.4%), Moscow region (49.3%). It is worth seriously considering these numbers. Why do large enough regions of Russia, possessing rich environmental and social-economic potential, experience such serious socio-ecological problems? Why is the majority of the residents so much worried about it?

Researching the importance of various environmental problems in general, we obtained the following results:

- the respondents placed the problem of increasing the amount of garbage in the streets to the top position: as very important - 58.2% and as important - 26.2%;
- the problem of low-quality food is at the second position: 41% consider this problem as very important, 33.6% - as important, 18.9% as neutral and 4.1% think that this problem is not important;
- the pollution of rivers and lakes by locals and tourists is at the third place: 45.1% find this problem very important, 27% - important, 19.7% neutral and 6.6% consider that this problem is not important at all;

Then, in order of importance there were highlighted the following problems: increase of industrial landfill sites (65.5% of respondents marked it as very important and significant); increase in the number of homeless animals (65.6%); polluted drinking water (64.8%); reduction in the number of animals, birds and fish (58.5%); air pollution caused by vehicles (60.7%); lack of public places planting (46.7%). These figures are very dangerous because the solution of these problems directly influences the health of the population, which is constantly deteriorating, conditions of life and, ultimately, the quality of life in general. As you can see from the obtained data, all of these problems are considered as sufficiently important or very important to the inhabitants. The respondents didn't define any problem as not existing or not important. All of these problems are not local but regional and cover almost every part of the ecological situation.

Respondents were also asked "Who should solve the problems of development in your region? Most of the residents rely on the state (32%) and local administration (28.4%) in addressing the problems. Only 15.6% believe that the city (region) residents are responsible for solving the problems. When answering the question "Why are you proud of your city/region?", 19.6% of respondents indicated that they were not proud of their place of residence, and that should cause concern. Among the reasons for pride for their region, residents identified good environmental conditions (19.6%), good opportunities for education (14%) and feeling of safety 12.6%. The lowest priorities were given to the social aspects, in particular, good medical care (7%), employment opportunities (6.5%). Such parameters as well-established work of public transportation (3.3%), local food of excellent quality (4.2%) and affordable housing (3.3%) do not cause feelings of pride for their city (region). It was also important to identify the degree of awareness of residents about environmental and social issues. During the analysis, there were obtained the following results. Among the means of obtaining information the first place is occupied by Internet and newspapers (17%), television (14%) and friends (14.4%) are in the second place, colleagues (12.1%) and neighbors (11.8%) are in the third position.

4. CONCLUSION

As a result of the analysis, it became apparent that at the moment especially relevant and determinative issues are social-economic and ecological conditions of life of the population, and their improvement is the most difficult problems in modern society comparing to the other political challenges. Analyzing the obtained data on the all researched areas, we see that the environmental problems obtain the increasing importance among the population. They almost come to the fore when the extent and nature of human impacts on nature become threatening and become some of the main obstacles to resolving the issue of the quality of life of the population. Each of the analyzed problems is an independent, often large-scale environmental problem, closely related to the other issues.

Many residents are concerned about the poor environmental situation. Among the most important environmental issues, there is increase of garbage amount, air pollution, drinking water pollution. In addition, it turned out that the social-economic characteristics, such as wealth, job satisfaction, leisure time satisfaction, life satisfaction affect the quality of living in general. Among the most important social issues, there were highlighted the problems of low wages, alcoholism, health problems, poor health care, high rates of unemployment. There were also identified the peculiarities of the quality of life perception in different social groups. Young people under 35 years experience more pleasant feelings from life than people older than 35 years. It is this social group which has mostly unpleasant feelings from life in general, and it is primarily associated with the increasing social and environmental issues. Insecurity, poor economic situation, physical health deterioration - it all indicates the increasing detachment of people from the current government. It's also necessary to note the high level of personal responsibility and citizen's will to solve the existing problems. The results of this investigation are a reflection of the public opinion of the residents of Moscow, Lipetsk, and Saratov regions on the most important issues. It will be useful to read this information, presented in the form of statistics, for the heads of the local universities, schools, health institutions and organizations in order to improve the quality of life. The obtained results can be used in the development of learning courses and lectures on sociology and ecology; journalistic articles and research papers on the topic of evaluation and comparison of quality of life in various regions may be written on the basis of the results as well. In addition to municipal and regional authorities, the results will be interesting to the federal level authorities, as they reflect the need for a planned and systematic activities to improve the quality of life of citizens in various settlements and may become a prerequisite for the creation of new government programs relating to the quality of life of the Russians. Certainly, nowadays the issue of quality of life is especially significant for Russian society because there is a large number of unresolved problems in all spheres of life. And, despite the fact that our country has risen to a higher level of development compared to the 1990s, there is still a great demand for changes for the better, for Russia to justify the title of a social welfare state. Reaching the highest quality of life of the population is a priority objective of the social market-driven economy. One of the most important prerequisites for ensuring the implementation of this goal is the implementation of an effective policy on the well-being of the population.

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THE IMPACT OF THE ENGLISH VOCABULARY ON THE RUSSIAN LANGUAGE COMMUNICATION IN SOCIAL NETWORKS AND POSSIBLE APPROACHES TO NET NEOLOGICAL LEXICOGRAPHY

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ABSTRACT

In the present-day world social networks play a very important role as a principally new mean of communication. Growing Internet audience of social networks in Russia creates conditions for shaping a certain subculture of verbal communication in the net and beyond it in the Russian language where much will be unclear for an “outsider”. In substance, the understanding of ‘net messages’ will be similar to the understanding of foreign culture texts. This ‘encryption’ of information is facilitated by the use of the English vocabulary and its adaptation for the Russian language discourse. In this context there is an obvious need to study this theme with the use of methodology and terminology of psycholinguistics and sociolinguistics as well as, where possible, to produce glossaries and/or dictionaries for the fast growing number of ‘net neologisms’ of the Russian language.

Keywords: social networks, mean of communication, lexis, computer-mediated communication, Netspeak, net(work) neologisms, text understanding, glossary, dictionary, net loan words, Anglicisms, net neological lexicography

1. INTRODUCTION

The Russian society is one of the world leaders by the number of Internet users. For instance, in accordance with the information of the “Internet World Stats” resource, Russia in this category takes the seventh position in the world and the first one in Europe [19]. In line with the Russian official statistics, the number of mobile cellular subscriptions to the Internet in the country exceeds 117 millions [15, p. 296]. This figure is very important as, at least roughly, but demonstrates the number of Russian citizens who might constantly stay “online”, which, in its own turn, speaks about the possibility to use social networks.

Undoubtedly, the world trend of obsession with social networks is quite typical for the Russian society too. According to the “Brand Analytics” company, in May 2017 as many as 38 million Russian users of social networks (VKontakte, Facebook, Instagram, Twitter, MoiMir and LiveJournal) were recorded, who all together generated around 670 million messages [12]. Considering the number of people participating in the Russian language communication in the Russian and foreign social networks, one should not forget about numerous Russian-speaking expat communities in foreign countries (including the Commonwealth of Independent States and far-abroad countries) and people who study or practice Russian as a foreign language. Generally speaking, it is an audience targeting the number of 100 million participants. It must be noted that in the present-day world one may not use social networks or even Internet messengers (WhatsApp, Viber, etc.), but it doesn’t mean at all that he/she won’t be “interacting” with the appropriate vocabulary, including the words borrowed from the English language or those which appeared under its influence. For example, a parent constantly hearing the word лол (lol) from his child will finally have to inquire what is meant under this funny, but sometimes not very friendly, neologism. The social aspect of this problem goes far beyond the family relations or interaction between people of different generations. Failures of communication caused by an active and, to a certain degree, automated use of such lexis by one communicator with the other one’s unfamiliarity may be often seen even on TV screens.

In such situations there is a feeling that people are speaking the same language (Russian in this particular case), but the meaning at the level of separate words or phrases remains completely unclear.

2. METHODOLOGY

The volume of lexis, which has entered the present-day Russian language owing to the Internet technologies, is considerable and meanwhile is not measured. Those are different words and word combinations describing, first of all, Internet devices and processes (e.g. браузер - browser, клипарт - clipart, селфи - selfie, etc.). This research is mainly focused on lexis (borrowed from the English language and sometimes reprocessed in a creative manner in the Russian discourse), which appears directly in social network communication and serves exclusively the communicative aims. This, in principle, is the object of the research.

Considering social networks as the main source of such new lexis in the Russian language, it is important not to be limited by them and to take account of all types of computer-mediated communication. This term, interpreted by D. Crystal as a synonym to such terms as “Netspeak”, “Netlish”, “Weblish”, “Internet language”, “cyberspeak”, “electronic discourse”, “electronic language”, “interactive written discourse” [1, p. 17], is the most suitable for this particular research as it doesn't preclude a possibility of similar neologisms to be used and developed in communication via Internet messengers, electronic mail, etc.

This research does not contradict the well-established approaches to the consideration of neologisms in the Russian and foreign linguistics. Moreover, it is based on them. First of all, it relates to the approach when lexis is considered as the most flexible part of the language, which “constantly improves, updates, and at the same time reacts to the changes in our environment, i.e. develops together with the life itself” [9, p. 246]. As far as the definitions are concerned, for this work the most relevant will be the one given by N. Shanskiy, who determines neologisms as the “words, which have appeared in the language as certain significant elements, but have not yet entered its active vocabulary” [16, p. 38]. In the context of this article it is important as in the present-day Russian language the process of the appearance of new lexis borrowed from the English language through social networks is in the most active phase.

In this case we are dealing with the new type of neologisms – so-called net(work) neologisms, appearing in social networks and Internet itself. The research of such words requires a holistic character of the applied methodology, including general scientific and specific research methods. Among the main ones are linguistic observation, descriptive method and comparative analysis. For the continuation of the work on this topic it is expedient to use a statistical analysis method when a considerable body of neologisms is formed.

3. RESULTS

The research of the influence of the English vocabulary on the Russian language communication in social networks showed, first of all, that the number of net loan English words (Anglicisms) which have penetrated into the Russian language is so large that it is indeed the first time the Russian language is facing such volumes. It is quite natural that this fact requires a certain lexicographical support. In a larger context, the whole Internet communication language remains underexplored [14, p.4]. The active vocabulary appearing in social networks, “mainly having an English origin, is rapidly assimilating in the Russian language, i.e. developing variations of writing, entering the word formation processes and getting its combining ability” [8, p.74]. It is distinctive that concepts termed with such lexical items as лайк (like), репост (repost), дакфейс (duckface) etc. in the Netspeak get a certain

evaluation, become markers of approved and disapproved things, acceptable and unacceptable behavior, and thus reflect active processes in the language as well as trends of shaping net etiquette and net culture [Ibid]. Evidences of a new language/speech register formation are in place [4, p.109]. Definitely, the “life” of net Anglicisms in the Russian language flows differently, and in principle, it doesn’t differ from the “life” of neologisms in other spheres. In this respect N.Kotelova’s approach is quite illustrative, “The time, which is needed to determine a neologism destiny, its transformation into a habitual and already a well-known word, may be quite different. Some of the new words glimpse like meteors and disappear quickly, leaving almost no trace (even though sometimes they may stay in fashion for some time), others get “centralized” very quickly and become day-to-day linguistic means or slowly and gradually penetrate into the conversation practice” [7, p.174].

Currently there are some efforts being taken in order to develop glossaries/dictionaries of net neologisms of the contemporary Russian language. In particular, there is an attempt to form a frequency dictionary of Facebook neologisms by the employees of the Digital Society Laboratory with the use of the methodology of sociology, linguistics and marketing [10]. It must be noted that this is one of the first steps towards a centralized work on net neological lexicography. Meanwhile in a number of foreign states (Italy, France, Germany, China) the work on systematization of English loan words in the area of computer-mediated communication has progressed much further and has already led to the creation of a number of glossaries. This became possible also owing to the support of appropriate state bodies [5, 6, 17, 20]. There is no doubt that a similar activity is very important for the Russian language as well. First of all, it will be necessary in order to achieve adequate understanding at the level of words, phrases and whole texts in the process of social communication. Based on this, it is proposed to approach the issues of studying net neologisms from the positions of hermeneutics or, in other words, with the use of an interdisciplinary approach in the “frame of references” of those science disciplines which study text understanding. This is well illustrated by the position of semiosociopsychology, according to which, “a text as a unit of communication, as a certain way of organizing meanings and structuring essential information for the purposes of communication, as an embodiment of motivated and purposeful intellectual and mental activity of a person aspiring to exchange material and practical activities with other people, cannot be analyzed purely by the means of linguosemiotic line of disciplines” [3, p.31].

4. DISCUSSION

Following on from G.Bogin’s ideas on existence of so-called understanding techniques – “a set of methods of a system-thought-activity turning misunderstanding into understanding, and in some cases, understanding into excellence [2, p.48], it is proposed to apply a historico-etymological analysis of net neologisms to compile appropriate glossaries and dictionaries. This technique has already been proposed by us for the compilation of historico-etymological dictionaries of foreign language terms in different areas of activity, and, in particular, for the case of the English military terminology [18]. It is important that mechanisms of understanding of English net loan words will be very much similar to the mechanisms of a foreign culture text understanding.

In case of net neologisms, the etymological aspect of the analysis will step forward. As far as the historical aspect is concerned, it will also play an important role in many cases. Moreover, its use will help not only to understand implications and determine meanings of net neologisms, but also to preserve in the form of fixated dictionary entries a number of concepts, which will become historisms sooner or later. For instance, nowadays in the Russian language the word аська (a slang version for the ICQ – an instant messaging system) is used very rarely, though

around 15-20 years ago it was an extremely fashionable word. It is expedient to preserve such words in dictionaries as in any case they already exist and will be encountered in different texts, including fiction, where, for example, a word of that type may be used for the description of life, routine and style of communication of the Russians living at the edge of the 21 century. In addition to that, it will help to have a closer look at the used word-building patterns. For instance, similar principles (e.g., consonance) were used at a later stage to form such words as личка (personal messages), аватарка (profile picture), etc.

In general, word-building mechanisms represent one of the major issues deserving attention in the framework of the research of neologisms. Quite interesting, for instance, is the process of penetration into the Russian language of foreign language word-building elements, so-called “replenishment of the morphemarium of the present-day Russian language” [13, p. 589]. Examples of such formants as (-лог, -логия, -голик, -фобия) are given profusely in the quoted article by O.Rudenko, but these are well established, habitual affixes. New constructions appear too. As an example, the word сорян (meaning sorry, accept my apologies, from the English sorry), actively used in the youth slang, may not be easily referred to a particular part of speech. Functionally, it looks like a verb, which was formed with the use of -ян – a suffix of an adjective. This seems to be a so far unexplored word-building mechanism. Inherence of such mechanisms to the Netspeak is mentioned, for example, in the work by Wei Liu and Wenyu Liu, where they are referred to as “hard to define” [20, p.27]. No doubt, such words pose the biggest interest for researchers.

Analysis of net neologisms’ morphemarium shows a frequent use of a noun suffix-ер: читер (cheater – the one who deceives others in computer games and in life), лузер (loser), тизер (teaser – advertisement video), лакер (lucker, a lucky person), and the use of traditional rules of the Russian language for the formation of new verbs – лайкать (to like – to note in approval a publication or a photograph), забанить (to ban – to cancel or limit access rights), френдить (to friend – to add as a friend), etc. Quite interesting as well are so-called centaur words, where one part of a compound word is taken from one language and the other part – from another language: web-разработка (web development), е-почта (e-mail), etc. The same may be said about centaur elements in word-building. For instance, the following construction is quite illustrative: the English word fast is taken and placed in to a Russian syntax construction. As an outcome, instead of сгоняй в магазин по-быстроу (make a quick run to a shop) we are having a centaur construction сгоняй в магазин по-фасту (make a fast run to a shop), where a normal Russian equivalent for quick is replaced by an English loan word fast within the same prepositional phrase. But in most cases English word-construction elements are used for the creation of net neologisms in the Russian language: селфи (selfie), белфи (belfie), коммент (comment), треш (trash), фейк (fake), гаджет (gadget), виджет (widget), etc. The research of neologisms requires a special attention to a possible resistance to their penetration and day-to-day use from the state, society or its certain part. Indeed, this process takes places, but quite often new words overcome those barriers very quickly. For example, just a few years ago the word флешмоб (flashmob) seemed to pertain exclusively to the youth slang or even to be a kind of an improper word. A bit later it became widely spread in the corporate field (promotional actions), and currently it is already used as a term in the federal legislation. Quite surprisingly the Russian language made a lexical borrowing of the English word pulpy irrespective of the fact that there is an own set expression to it - сок с мякотью. Now, one can come across this loan word written on labels in the Russian language (палпи). Positions on this active spread of Anglicisms in the Russian language may be different, but in any case this makes the speech diverse to a greater extent. In the Netspeak, for instance, apart from the Anglicism селфи (selfie) one may use witty Russian equivalents самострел (self-inflicted

wound) or себяшка (literal translation of selfie). Thus, manipulating synonyms, a person may demonstrate his/her good education (the knowledge of the English language) using Anglicisms and wit. In this context it is worth noting that net neologisms are not just the youth slang, which is used by a younger generation to encrypt their language from the others. These are the words which confidently penetrate to the speech of adults, respected people, texts of the official language register (as it was demonstrated above). This is well noted by other researchers. In particular, V.Shcherbinina writes, “The language, born in the environment of young Internet users, gradually takes its position in the common language and tends to take a good position... Sometimes slang words and expressions force out the common language equivalents or co-exist with them.” [17, p.72].

5. CONCLUSION

In the context of the prospects of the lexicographical work with net neologisms there is no way to disagree with the opinion that “systematic study of neologisms and loan words as a separate type of neologisms may answer different questions related to how the vocabulary changes in time, and, in particular, which models and which means are used for the integration of foreign and newly-formed lexical units in the language, and how the process of their adaptation flows.” [10, p.440].

As a follow-up of the work on this theme it is proposed to launch a lexicographical project on net English loan words in the Russian language, which might be based on the described above historico-etymological analysis in relation to processed open data from pages of social networks’ subscribers, posts, exchange of messages, etc. This, of course, implies handling Big Data, but still much will be done in a manual mode in order to prevent the flow of non-standard “material”, which is so much typical for the Internet messaging. It is also important not to forget about the analysis of verbal communication, where net neologisms often penetrate to.

The end state of this project is the creation of an appropriate glossary or a dictionary of net English loan words by a group of linguists and representatives of cross disciplines studying text/speech understanding. It will be reasonable to conduct regular working group meetings for the compilation of dictionary entries, including their collective approval, editing, clarification, addition, deletion, provision of cross-references, etc. The end product dictionary or glossary should stay as a so-called “live document” with an opportunity to upgrade or edit its online version and issue printed versions when required.

For sure, in the beginning of this work it will be necessary to develop appropriate standards or requirements to the compilation of dictionary entries (some of them, most likely, will be added in the course of the project implementation). Among those are briefness, natural word order, a simple grammatical form (e.g., nominative case, singular number, infinitive form of a verb), etc. There will be a need to take account of the phenomena of synonymy, abbreviation, polysemy, language fashion, esthetics and other aspects. It is expedient to complete the entry with an example or several examples (especially in those cases when a word or a word combination has several meanings).

The practical use of the expected “product” is diverse. Apart from the main necessity – research of the present-day Russian language development mechanisms, other spheres of further application are also obvious. In particular, it will be linguodidactics. It is impossible now to study English without studying net neologisms. Communication is organized in such a way that it won’t be fully functional without the knowledge of the appropriate lexis. Some studies dealing with this aspect are being conducted [11].

As a demonstration of how the entries of the proposed glossary/dictionary may look like, a description of the word лол mentioned in the very beginning of this article might be offered: “лол or ЛОЛ (from the English acronym LOL/lol - laughing out loud, laugh out loud or lots of laughs – громко смеясь, смеяться громко или много смеха). Allegedly, it appeared in the 1980ies (first in Canada). Before the wide spread of the Internet it was used in ordinary correspondence. Currently, it is used mainly in a written form (but tends to spread in the spoken language) to express an attitude towards something as funny, amusing. Synonyms: (это) забавно/смешно – (it's) amusing/funny, ну ты даешь! - you amaze me! It was used as a model for the creation of such net neologisms as лулз (from English lulz, distorted lol) – fun, laughter, or amusement, derived from somebody's psychological imbalance - радость от нарушения чьего-либо душевного равновесия [cross reference] and lqtm (laughing quietly to myself – тихо смеясь над собою) [cross reference]. Example (in messages): - Mom, hi! I have lost our apartment key. When are you and Daddy going to be home? – Hi, son! Daddy and me have gone away for the weekend. Will be home the day after tomorrow. Lol!”

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EDUCATIONAL BUSINESS INCUBATOR AS A VECTOR CAREER OF A YOUNG SPECIALIST

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ABSTRACT

The article is devoted to topical problems of implementation of educational ideas and business incubators, and implementation of the database on their startup projects, startup accelerators and technology parks. The author defined the term "startup", "innovation project", highlighted their distinguishing features. Briefly examines the current state of the national innovation system of the Russian Federation, described the range of instruments and mechanisms for stimulation of innovative activity. Classification start-up projects. The author outlines the formed professional competence in the course of working on startups in terms of educational business incubator. It determines main types of startup projects implemented by young professionals in the framework of educational and business incubators. The article presents stages, which is the startup project when you create the finished product: stage ideas; the creation of finished sample; testing on a limited number of users; operation of product with a limited number of users; the product with an expanded number of users. The problems of development and finding sources of funding for startups in Russia. Also analyses problems that hamper the implementation of startup projects.

Keywords: *education, startups, business incubators, accelerators, technological parks, innovative project*

1. INTRODUCTION

Today the most mobile group that is rapidly developing their competence, are young professionals. They not only adopt innovations, but are often by their authors. The majority of graduates coming to work in the organization, in addition to the main occupation, combined a number of posts. This is due primarily to the relevance of recently acquired knowledge, their versatility and multi-dimensionality, the ability and desire of young specialists to obtain from all possible sources of useful information in various disciplines, related fields of knowledge and implement the mechanisms in the production process. In this regard, demanded the so-called business incubators, carrying out accumulation of the ideas of young specialists, their integration with other Sciences, exchange of experience, development of their innovative professional projects to generate vectors of development of modern production and education.

Educational business incubators are the equivalent of business incubators appeared in the West. The idea of business incubation emerged in the 60-ies of XX century, when actively began to develop free small business, and is widespread in 1980-1090-ies in the United States, Canada, England, most countries of Western Europe. In Europe, business incubators are specialised structures providing a favorable environment for new and developing small enterprises and rendering services. In Russia, the idea of business incubation started to implement recently, but she is actively spreading in various spheres of scientific and production activities.

The education system should not speak about specific "business incubators" as such, but about the "incubation of educational ideas and technology" as an interactive process of regional development, aims to inspire young professionals to corporate business and to support the initiative in the development of innovative products. Then the "incubation" in the broadest

sense will mean the creation of conditions promoting and encouraging the effective development of educational technology and beginning the first commercial projects. The main similarity of educational and business incubators a business incubator is that under both systems, it is suggested to understand the organization, established as the infrastructure to support active youth in their early stage of business or project activity through the provision of rental of premises and provision of consulting, accounting, legal and other services.

Along with providing conditions for the realization of the project and advice feature of the educational business incubators can also be a service of young innovators. It may include the following procedures: preparation of documents and execution of the project, assistance in preparing long-term planning, help in marketing researches, search of social partners and investors, support in administrative issues (drafting of contracts and other documents), acquisition and provision of information on the studied issue (selection of the literature and other sources).

2. CHAPTER 1

The main task of educational and business incubators – to help those who are trying to introduce to the education system an innovative idea, having it even in the early stage of development. Young professionals at this stage need guidance practitioners, educators and lawyers, economists, software developers, sociologists – experts, which can be found in educational institutions. The greatest benefit to young researchers in the educational business incubators bring full concentration on educational tasks, and reduce costs on qualified specialists in support disciplines.

It is obvious that to obtain successful professionals need to start preparing at the stage of their professional formation. Education industry business incubators is one of the policy instruments for the formation of adaptive, dynamic, competitive and innovative national educational system. The main educational task of the business incubator is to help the development of the education system, the introduction of new technologies, commercial projects, forming of managerial competences of young people, the emergence of professional managers, who will be able to leave the business incubator and work without his support.

Today the Directors rejuvenated, but most managers are still making innovations. Often the projects proposed by young professionals, getting classified as "damp", "irrelevant", "utopia", remain without attention and do not receive further development. In contrast to pragmatism to "young" ideas in business incubation is the concept of "startups" meaning the company begins its commercial way and in need of financial, legal and moral support and also advice.

The emergence of the term "start-up" occurred a few years ago and is associated with the designation of a business starting from scratch. When comparing the definitions of "innovation project", actively used in education and startup, can be said about the absence of unambiguous definitions. Under startapa by a company, often is not a legal entity, but is under development and creating your business or on the basis of innovative ideas, either on the basis of newly emergent technologies.

It should be noted that startups have their own distinctive features and characteristics. Like any business activity, business aims to increase capital and profits, which can be carried out at the expense of own and borrowed funds under the responsibility of the head of the organization or its guarantor. A startup is a fundamentally new organization that operates mostly in the it or Internet sector. The main characteristic of a startup is the potential for rapid growth of a young

professional, aimed at the achievement of goals by creating new market segments or offer a completely original, innovative products/services.

While analyzing the other sources, it should be noted that the term "startup" is regarded as a "temporary organization designed to search for a business model" [19, c.21]. The main difference between this startup is a fundamentally new business idea, creating a business plan and sourcing funding. The main characteristics of any startup is innovation, the rapid pace of development and the associated high risks of failure.

3. CHAPTER 2

Startup company receives full support in the modern educational system. Crude, unpolished ideas that have the potential, high probability of implementation and relevant to a specific region are transformed into finished economically and politically profitable projects. If all crude and irrelevant ideas of young professionals to Refine and give them the opportunity to implement them in the organisation, to provide initial assistance and to engage in further support of the project, one can get a development demanded by the market of educational services.

It should be noted the difference between the term "startup" from the "innovative project". The term "innovation project" we understand a draft, containing technical-economic, legal and institutional justification of the final innovation. The result of the development of the innovation project serves as the document that includes a detailed description of an innovative product, the rationale of its vitality, the necessity, possibility and forms of investment, data on terms of execution, the performers and taking into account the organizational and legal aspects of its promotion. So, in other words, an innovative project - a complex of measures aimed at implementation of group of executors of the activities contributing to the objectives and obtaining a certain result (an innovative product) using the latest technology, knowledge and equipment. Therefore, the Central difference between the concepts of "innovative project" from the "startup project" lies in the fact that the implementation of start-UPS is the creation of an independent team of stakeholders, the result of which is the creation of a small number of new (trial) product/service required for the market of goods or services is insufficient to meet potential demand.

It should highlight the special challenge faced by startups in the implementation of projects is a complex and multistage process of finding funding sources. This is especially true of the early stages of project development when risk of failure is very high, and according to statistics only 10-15% of Russian startups projects out of the total number claimed are considered to be successful. [22]

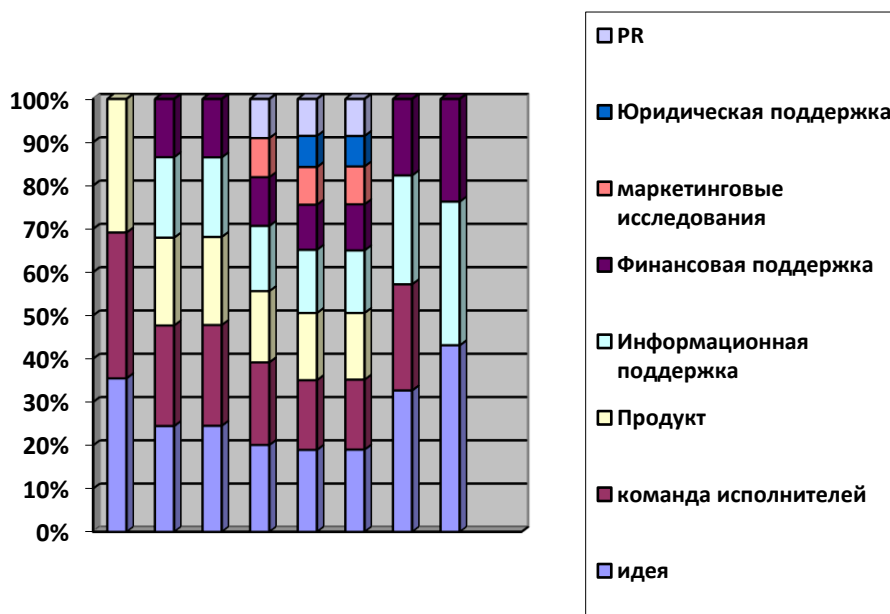
Classifying start-up projects in educational business incubators, they can be divided mastabest potential audience for which they are intended; by type of end user; time spent on the implementation of start-up of the project; type of innovation; in appearance satisfied the needs of users and others. But all of these criteria combines the level of scientific and technical significance of the project [22, c. 134]: the modernized, innovative, leading, pioneer.

Joining in the work of the education business incubator, a young professional gives the start to your future business, turning, thus, into a full-fledged project Manager, with its inherent managerial competencies. In a rapidly changing modern conditions, the resulting experience will be unique, and the established competence is to distinguish the integrative qualities and properties have Foundation built in practice. They produce ideas and having reasonable financial motivation, the process of development of managerial competencies will have a

greater practice-oriented basis. Considering start-up projects created by young professionals in the educational business incubator, you can share all the projects: to manufacture a material product (equipment, devices, robotics, biotechnology, the latest technological processes, etc.); development of new services (communication, management in Finance and taxation, representation, etc.); virtual products/services (services, including enterprise users, Internet services, social media projects, igroindustriya, advertising, etc.) as a rule, the innovation component is based on natural science. Also used advances in Economics, law, psychology. The term of the projects varies from several months to several years, with the exception of start-up projects in the gaming industry, period which can be up to 5 years. For carrying ideas and projects in the educational business incubator, unlike start-up firms, it is quite enough of one academic year, after which we can conclude about the depth and relevance of ideas, the possibility of its prolongation and expansion of testing and the development of managerial skills of the project Manager. Extremely convenient is the fact that educational business incubator with a specialist is always possible to communicate, to watch him, to control the implementation stages and at the right time to make adjustments. Constant exchange of experience with other participants who have the same interests and concerns can lead not only to mutual support, but also to cooperation and creating the so-called incubation community.

All start-up projects are the next stage of product development: idea stage; the creation of finished sample; testing on a limited number of users; operation of product with a limited number of users; the product with an expanded number of users. Each stage should be considered separately because a large proportion of the probability differences in the indicators of success.

To identify trends of success at each stage of creation and implementation start-up project, it is important to build a model of development for each stage to identify indicators orientirovannyh on the success of the project.



Association of young professionals in educational, business incubators provide them with the opportunity to exchange experiences, professional growth, a platform to implement their ideas and projects and their subsequent implementation on the broader market. Weak legal framework on the one hand, prevents the formalization of the innovative segment, on the other

– provides more features and does not put the researcher in a rigid frame. Peculiarities of the educational environment provide an opportunity for gradual implementation of the project, ongoing advice and adjustments. In the educational business incubator to learn the most advanced methods of building of new high-tech educational technologies, to participate in business-oriented activities, which is a serious motivational factor and a good motivation. Finally, a young professional at the beginning of their professional career studying team work and forms of managerial competence. Government attempts to increase investors' interest in investing funds in startup projects at early stages of their development.

It should be noted several problems hindering the implementation of startup projects. As innovative products targeted at the local decision problems, the government needs to develop the initiative of professionals, becoming an active consumer of innovations, to meet the demand and to assist in the implementation of the product in the domestic market. A very important problem, directed on financing of innovations associated with the IT sector. Grants will be more effective if they are translated in the format of public-private partnerships. Expert assessment and support start-UPS-projects that will allow the state timely to subsidize such interesting, in our opinion, projects like technoparks, accelerators, including start-up projects created on the basis of educational and business incubators.

In terms of educational business incubator possible the development of the project in the early stages of the development of ideas, more precise definition of target audiences, creation of a team able to implement projects, and organization of feedback with potential customers. In other words, the incubator helps new start-UPS to build a solid Foundation, a kind of Foundation on which they can continue to develop and grow.

Currently, there are a small number of educational start-up incubators to develop business models, development of ideas, such as ways of investing startups.. It should be noted that the educational incubators focus on start-UPS in the early stages of development, the deadline year of "growing" the minimum viable product is not defined..

You can also select and start-up accelerators that make investments of start-UPS by providing mentoring support (they are not interested in money, and the share in the project). They are included in the startup work when he has some support, established team, ready to implement investments with advice from mentors. Such programs are usually short and intense. Consequently, the accelerator helps startups prepare for the receipt of money ready to implement a large-scale project. Most often the implementers startups meet with investors during the passage of accelerators or during the "Demo days", which are the founders of projects to attract investment. Accelerators, as a rule, very carefully chosen team of project implementers, as they should not doubt their abilities to bring ideas to life.

The creation of technoparks in Russia (a network of technoparks with the total area more than 400 thousand square meters, which was organized 18 thousand workplaces) is aimed not only at developing start-UPS, but a demonstration of the finished product in action, creating potential consumers of project samples. In the industrial Park can accommodate several companies. It can be business incubator, which houses the offices of residents and partners working laboratory and production workshop, equipped with experienced units of resident companies. Annually, Technopark is conducting exhibitions, conferences, seminars, competitions, workshops for developers in their field, allowing you to keep the most promising projects. On the basis of Technopark possible creation of cluster development and engineering Center. Regional parks with strong ties to local projects, University and College developments, which

is quite logical. Active steps young professionals for the creation and implementation of startup projects will not only fulfill a dream, but to translate the results obtained on the international market. Creating an innovative product for the local market segment, Russian young professionals get the opportunity of integration into international innovation system, and have the ability to implement a defined volume of foreign investment. In the implementation of start-up projects important focus on business. The presence of pre-orders, understanding of market needs and the possibility of sales of the finished product with the maximum benefit is closely linked to the achievement of the technical characteristics requested by the customer, the possibility of achieving commercial ideas.

Also important to a thorough study of the business component of the project. It is in any case necessary if the innovator want to apply to educational organizations (universities, institutes etc.) or to investors. This allows you to immediately assess the achievements of competitors and the quality of their developments. When working on startups it is important to use all mechanisms support for project development, participation in exhibitions to expand relationships and attract potential investors, attracting grants, education and mentoring programs. It is also important to systematically increase the level of their competencies, it will continue successfully to develop a startup, to raise the level of developers in the issues of establishing the necessary contacts among experts. It is also necessary to assess risks properly and to undertake the implementation of the project with regard to possible overcome them. Within the educational incubators often implemented start-up projects to two areas: education and information technologies, which often do not overlap with each other. Today's generation have forgotten how to perceive long streams of information. The new learning approach is to split the information into smaller portions. In addition to the increasing volume of start-UPS, in which the feed is educational content focused on mobile technologies. People will be able to gain knowledge in small portions from their smartphones when it is most convenient. Today is a very acute problem of overcoming contradictions in the sphere of education in the implementation of startup projects. The unifying role in this can play with one hand, the state, and on the other, understanding by developers, start-UPS businesses in education.

In modern conditions without sustained long-term economic growth in Russia is impossible to imagine the development of innovation. This is the aim of development and implementation in recent years of the complex of measures allowing to build and strengthen the national innovation system. Thus, the Government of the Russian Federation was developed and approved the Strategy of innovative development of the Russian Federation for the period until 2020, which presents a practical implementation of a wide range of instruments and mechanisms for stimulation of innovative activity at Federal and regional levels. At the initial stage of its implementation a major challenge and a crucial component of qualitative changes of transition to innovative model of development was the creation of conditions for implementation of breakthrough innovation projects and technological change and the development of innovation infrastructure, environment and culture. [17]

4. CONCLUSION

We can say that over the last few years there has been a substantial breakthrough growth spurt of start-UPS in education. Most often created by commercial projects with a focus on making money. They understand the market, promote your product with the needs of consumers. But these projects are not yet very popular among potential consumers. And this is due to the financing of education which, on the one hand, should be innovative, on the other hand, the uncontrolled introduction of startups in the educational process can lead to significant deterioration, reduction results the effectiveness of the process. The three customer segment for

educational start-UPS: individuals, educational organizations, ministries and departments. With the introduction of the start-UPS it is important to understand the potential of breakthrough technologies. In recent years can be highlighted, from my point of view, breakthrough in the field of education is to create a platform capable of providing cheap technical education to the students of the universities worldwide: virtual access to remote laboratories, which allows to reach the best laboratories to students from around the world. In 2013 in Russia the segment of educational services was among the five fastest-growing sectors. It was quite an interesting event, which, however, does not enter trend - market training are highly susceptible to administrative barriers and resources, so how much would a project on him, win only proven startups. Thus, according to RusBase, in 2013 there were 23 deals in projects within the sector edutech in Russia. Among the major deals are 3 million investment in the educational crowdsourcing service in the school of social GlobalLab resident "SKOLKOVO". The project has attracted investment from the Fund VEB Innovations and Institute of new technologies. A virtual laboratory connects schools from Russia, America, Europe, Latin America and Asia, provides a wide range of studies in all school subjects: literature, cultural studies and linguistics, to mathematics, chemistry, physics and biology. Each student can create their own research and to attract the attention of other participants.

As the government – "conservative" facilitator of new technologies that can be realized in best practices, to this end, the necessary educational and business incubators, to organize platforms to showcase progressive ideas and technologies, and creation of conditions for startups to exchange views, ideas and best practices. We also note another problem faced by startups is a reproduction of the finished product. In order to distribute the created product, technology, service, support, and feedback from consumers of the product, and established partnerships with representatives of science, education, etc. without a doubt, for developers, startups should be created favourable financial conditions good medium for product creation, in which there is a possibility of making a contribution to create.

We need to give universities and schools the freedom to choose technologies, then startups in the open market will create high-quality products. In particular, it contributes to their rapid sales. It should be noted that in Russia, people working in education, has always been famous for the large number of ideas and projects. And although they are not always ready to go into business, implementation of the plan allows them to carry out significant changes in the education system. They have special knowledge that makes their projects even more successful.

Therefore, state support of the startup projects from the point of view of business development creates the conditions to experience the finished product of the project. The creation of an atmosphere of freedom in the choice of ideas and technologies allows to establish cooperation with other educational institution and private entrepreneurs. What is especially important, thorough strategy development start-up projects, like any it project, allows to deeply study the market of goods and services and to successfully apply innovation in an ever-changing realities, including in the field of education, anticipating the demand of the consumers.

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RELATIONSHIPS BETWEEN JOB CHARACTERISTICS AND ORGANIZATIONAL COMMITMENT: THE EXAMPLE OF HOTEL HOUSEKEEPING EMPLOYEES

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ABSTRACT

This study attempts to identify selected characteristics of housekeeping work and investigates their impact on employees' organizational commitment as a key predictor of staff turnover. More specifically, it develops and tests the research model where the relationships between job autonomy, role conflict and workload and affective organizational commitment are analyzed. A survey instrument was used to collect data from 8 hotels in Northern Poland. A total of 62 hotel employees from housekeeping departments agreed to participate in the study. The results demonstrate that there is empirical support for significant and positive relationship between job autonomy and employees' affective commitment to the organization, whereas workload and role conflict were found to have a significant and negative relationship with affective commitment of housekeeping staff to their hotel organizations. Although the results cannot be generalized, they shed light on the importance of the selected job resources and demands in housekeeping work, which may play a significant role in shaping an emotional bond between employees and their organization.

Keywords: housekeeping, organizational commitment, hotel employees

1. INTRODUCTION

In the hotel enterprise, a condition of preparing rooms and their everyday service are one of main factors determining guest satisfaction, thus the company's profit (Weber 2015, p. 42; Powell, Watson, 2006, p. 298). The accommodation standard has a considerable impact on clients' satisfaction and their willingness to return (Powell, Watson, 2006, p. 298) and any, even small shortcomings have a significant influence on guests' stay comfort and their general impression (Faulkner, Patiar, 1997, p. 103). A hotel should ensure exceptional service, i.e. service "without compromises in terms of quality" (Dominik, Drogoń, 2009, p. 17), especially in the context of distinctive features as cleanliness/aesthetics which, as the findings of the research by Lewis and McCann show (2004, p.10) take the highest place in the guests' ranking. The results of this research are not surprising considering the fact that guests somehow experience living outside their homes and this is a special challenge for the hotel industry in which most services are based on human work (Górska-Warsewicz, Świstak, 2009. p. 95). Work of hotel housekeepers is of key significance for the proper functioning of a hotel and its profitability (Kensbock et al., 2013, p. 361). However, due to its character and offered employment conditions, working in housekeeping has low prestige, is addressed to poorly-educated people, is routine and repetitive and although it is hard work (physically and mentally) posing a number of challenges, it is very low-paid (on the issue, among others, Weber 2015; Kensbock et al., 2013; Kensbock et al., 2016; Powell, Watson, 2006; Faulkner, Patiar, 1997) and employees often feel ignored, undervalued and marginalized (Kensbock et al., 2013, pp. 362, 364-365). Nevertheless, housekeeping employees as well as other groups of employees seek job satisfaction (Weber, 2015, p.43).

Therefore, it is not surprising that taking account of a demanding character of this job and its additional difficulties, housekeeping departments experience high employee turnover what results in a number of serious risks to maintaining an optimal quality of a hotel product, thus guests' satisfaction and hotel's competitiveness. Despite a strong need for research in this field, there has not been a lot of consideration given to the specific character of working in this department in literature of the subject and the conducted research (Powell, Watson, 2006, p. 298). There are only several significant studies focusing on the issues concerning housekeeping employees (e.g. Kensbock et al., 2013; Kensbock et al., 2016; Kumar, Singh, 2015; Onsøyen et al., 2009; Powell, Watson, 2006). Therefore, in order to meet demand for empirical research, the objective of this article is to identify features of working in the housekeeping department and determine their significance for commitment to an organization, whereas the research issue is searching for the answer to the question: which features of work in the housekeeping department can considerably enhance employees' organizational commitment from an affective perspective and which constitute its barriers and limitations? It was verified whether there is a relationship between job autonomy, role conflict and workload, and emotional commitment to an organization of housekeeping employees in superior hotels in the Pomorskie and Zachodniopomorskie Voivodeships.

The results of this work contribute to expanding knowledge of work experience in a strongly hierarchical structure of the housekeeping department and lead to understanding its essence and specific determinants better. In terms of the theory of human resource management, they contribute to expanding knowledge of organizational attitudes and behaviours through the identification of factors determining employees' emotional commitment to an organization, thus weakening their intention to leave. Moreover, implications for practice resulting from the research findings were also formulated in the article.

2. SIGNIFICANCE AND PERCEPTION OF HOUSEKEEPING EMPLOYEES' WORK

Hotel services include many partial services; however, their main objective is still to provide guests with accommodation and leisure. Therefore, a hotelier is obliged to ensure that guests get a room which is properly cleaned during their whole stay (Dominik, Drogoń, 2005, p. 21). As literature on the subject shows, in the case of most hotels, the sale of rooms generates a significant, or even the largest part of their income (Powell, Watson, 2006, p. 297; Kumar, Singh, 2015, p. 30).

From the guest's point of view, a stay complex (residential) is a very important type of hotel premises (Górska-Warsewicz, Świstak, 2009, p. 131) and housekeeping employees responsible for the comfort of the guest's stay in a hotel part (Faulkner, Patiar, 1997, p. 102) have a huge impact on the functioning of the whole hotel (Kensbock et al., 2013, p. 360; Weber, 2015, p. 42). In particular, housekeeping employees are responsible for cleanliness and an aesthetic appearance of residential units, preparing them in accordance with relevant standards and providing services directly to guests, e.g. taking orders for laundry services (Dominik, Drogoń, 2009, p. 67; Dominik, 2010, p. 41; Górska-Warsewicz, Świstak, 2009, p. 134; Puciato, 2016, p. 153). The existence of the housekeeping department is only proven by its work results (Górska-Warsewicz, Świstak, 2009, p. 138), what makes the hotel personnel somehow 'invisible' for guests, but they are also often unnoticed by other hotel employees, including the management (Powell, Watson, 2006, p. 298; Kensbock et al., 2013, p. 362; Grobelna et al., 2016, pp. 281-290). In their research conducted among Norwegian hotel employees, Onsøyen et al. (2009) indicated a number of problems that chambermaids experience, including, among other things, communication problems or no communication at all, problems with availability of managers who do not listen to their subordinates. Other issues were time pressure, being

undervalued and not engaged into important decision-making processes. In their research, Powell and Watson (2006), among the identified negative aspects of this job, pointed out that it is viewed as, among other things, hard and tiring, low-paid, servile and not very interesting work which often requires dealing with difficult (troublesome) guests. Similarly, Kensbock et al. (2013) in their article showed that professional roles often require submission and some servility towards others from chambermaids, they are marginalized, do not get a lot of attention from managers and feel that they are considered to be employees of a lower value and status, excluded from decision-making processes and feel that they are not heard in an organization.

On the basis of the aforementioned deliberations, it can be assumed that there is a visible lack of mutual understanding, respect for the work of housekeeping employees as well as proper communication (Weber, 2015, p. 43; Kumar, Singh, 2015, pp. 33-34). Therefore, it is not surprising that employee turnover is high there (Faulkner, Patiar, 1997, p. 103; Powell, Watson, 2006, p. 298). However, leaving work by an employee generates a number of indirect and direct costs (Lipka 2010, p. 68; Robinson et al., 2014, p. 101), including those connected with the necessity of a new recruitment process, adaptation and training as well as more significant losses for an organization such as a decrease in productivity and quality of services or lower customer satisfaction (more on that issue, among others, Nadiri, Tanova, 2010; Ratajczyk, 2014; Robinson et al., 2014).

A possible solution to the problem of high employee turnover can be enhancing organizational commitment of the employed (Robinson et al., 2014, p. 101) which, in the same way as job satisfaction, is an important factor weakening the intention to leave work (Choi, 2006, p. 334). Nevertheless, the field of interest of this study involves in particular affective commitment to an organization which, alongside normative and continuance commitment, is one of elements of a three-component model of organizational commitment by Meyer and Allen (Allen, Meyer, 1990, pp. 3-4; Meyer, Allen, 1991, pp. 67-69; Wołpiuk- Ochocińska, 2016, p. 139). Although all these dimensions concern the relationship between an employee and an organization, each of them is determined by other factors (Łaguna et al., 2015, p. 50).

Continuance commitment is connected with the awareness of costs that can result from leaving an organization, whereas in terms of normative commitment employees feel a moral obligation to stay in an organization; in other words, in the first case they feel that they have to stay, in the second case, they feel that they should stay (Bańka et al., 2002, p. 66). On the other hand, employees whose main bond with an organization is based on the affective component work in an organization because they want to do it (Marzec, 2011, p. 280). The affective component is defined as an emotional attachment to an organization, commitment and identification with it (Allen, Meyer, 1990, p. 2; Meyer, Allen, 1991, p. 67), with its goals and values (Mowday et al., 1979, p. 225; Somers, 1995, p. 49). It is emphasised that employees who feel strong commitment in terms of the affective aspect are glad to be in an organization and want to stay there as long as they can (Allen, Meyer, 1990, p. 3; Marzec, 2011, p. 280: 21, Meyer, Allen, 1991, p. 67). Employees who are characterized by strong affective commitment are more valuable employees, work more and achieve better results than people who do not display such commitment (Łaguna et al., 2016, p. 50; Bańka et al., 2002, p. 14). Taking account of the characteristics of this dimension of commitment, it can be claimed that it negatively correlates with employee turnover and absenteeism (Moczydłowska, 2013, p. 164) and a lot of findings of empirical research conducted also among hotel employees (e.g. Yang, 2010; Zopiatis et al., 2014) prove that affective commitment considerably weakens the employees' intention to leave an organization. Therefore, taking account of high employee turnover constituting an important challenge for the hotel industry (Grobelna et al., 2017, p. 154; Robinson et al., 2014, p. 101), it

seems that searching for factors which could considerably influence the level of affective commitment of housekeeping employees is very significant or even critical.

3. RESEARCH MODEL AND HYPOTHESES

The empirical research conducted for the purpose of this article should give an answer to the question: which features of work in the housekeeping department can considerably enhance organizational commitment of housekeeping employees from an affective perspective and which constitute its barriers and limitations? Thus, in the proposed research model, the existence of a relationship between job autonomy, role conflict and workload, and an affective component of organizational commitment of housekeeping employees was verified (Fig 1).

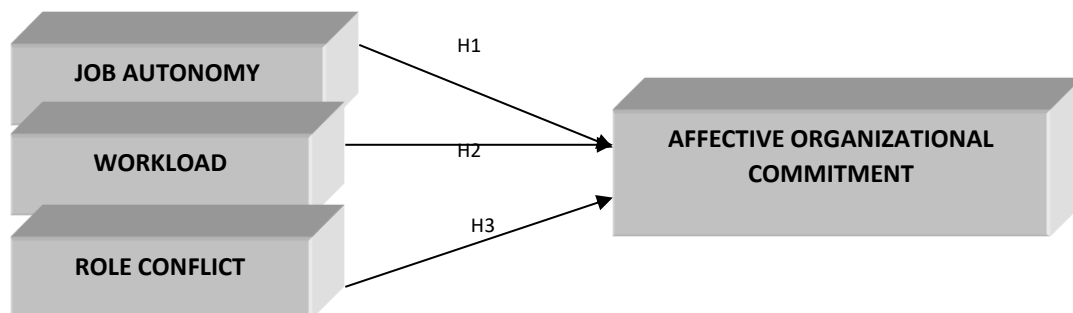


Fig 1. Selected determinants of affective organizational commitment. Proposed model of relationship

Source: own work

The selection of *job autonomy* to the research model stems from the fact that an autocratic management style characterized by strong managerial control is still typical for the hotel industry (Faulkner, Patiar, 1997, p. 103; Kensbock et al., 2013, p. 361). In the area of hotel operations, including housekeeping, it does not give employees the possibility of engaging themselves into decision-making processes and does not encourage them to show initiative or make suggestions connected with work they do (Faulkner, Patiar, 1997, p. 103). A strongly hierarchical structure of the department creates the work environment in which mutual relationships become limited and impersonal, whereas work autonomy is reduced (Kensbock et al., 2013, p. 361). On the other hand, empowering an employee to show initiative and independence can be a sign of trust and recognition. Moreover, as Powell and Watson (2006, p. 302) present, the introduction of the delegation of authority in the housekeeping department contributes to, among other things, independence, a sense of pride in work and greater openness to service interactions with guests.

The next factor which was subject to the empirical verification is *workload*. Dynamic work requiring at the same time following a specific standard of quality makes many housekeeping employees overloaded (Powell, Watson, 2006, p. 304; Grobelna, Tokarz-Kocik, 2016, pp. 489-497). Thus, it is not surprising that too many responsibilities and time pressure are considered as a major source of stress by many housekeeping employees (Faulkner, Patiar, 1997, p. 109). Additionally, the problem of workload can be also exacerbated by the fact that many hotels do not have proper supervision and organization of work (e.g. the issue of badly devised work schedules) (Weber, 2015, pp. 42-43). The emerging difficulties often result from the insufficient number of employees. The third element considered in the adopted research model is *role conflict*. This conflict happens when a person is between groups of people (e.g. co-workers, managers, clients) who have different expectations towards them (Karatepe, Uludag, 2008, p. 111) and require contrary behaviours, what can result in emotional tension felt by an

employee (Rynek Pracy..., 2017). Contradictory expectations in terms of the manner of performing a function or the necessity to do mundane tasks or tasks which are contrary to an individual system of values can affect and affect hotel operational employees who are especially exposed (susceptible) to role stress (Faulkner, Patiar, 1997, p. 103; Karatepe, Uludag, 2008, p. 111; Powell, Watson, 2006, p. 305). Role conflict often has many negative consequences, including, among other things, lower job satisfaction, tendency to leave a workplace and lower work efficiency (Rynek Pracy..., 2017).

The above discussion and the findings of the empirical research enabled formulating three research hypotheses:

H1: A sense of job autonomy enhances affective organizational commitment of hotel housekeeping employees in terms of the affective dimension.

H2: Workload weakens organizational commitment of hotel housekeeping employees in terms of the affective dimension.

H3: Experiencing role conflict weakens organizational commitment of hotel housekeeping employees in terms of the affective dimension.

4. RESEARCH METHODOLOGY

For the purpose of this study, survey research was conducted among housekeeping employees from eight superior hotels from Pomorskie and Zachodniopomorskie Voivodeships, who agreed to participate in this research initiative. In total, 62 employees took part in the research which was anonymous and voluntary. The choice of representative four- and five-star hotels (Błądek, 2010, p. 17) was based on the fact that the number and type of premises in a residential unit depend on many factors, including a hotel standard such as, e.g. apartment units in a hotel offer (Puciato, 2016, p. 152). Moreover, higher-class hotels have a wider offer of basic and additional services, including services concerning a hotel residential part as well as bigger residential units and more diverse equipment (Annex No. 1 to the Ordinance of the Minister of Economy and Labour...). It means that in higher-class hotels the organization of work of housekeeping employees seems to be more complex and requires fulfilling guests' high expectations and following strictly imposed quality standards. Therefore, in this research as well as other studies devoted to housekeeping employees (e.g. Kensbock et al., 2013), the authors decided to choose higher-class hotels. In order to operationalize the proposed research model, the authors used scales which have been widely discussed in literature on the subject and used in previous empirical research, also in the hotel industry.

Job autonomy was measured using three (3) statements adapted from Hackman and Oldham (1980). In order to measure role conflict, eight statements from Rizzo et al. (1970) were used, similarly as in other research conducted in the hotel industry (e.g. Karatepe, Uludag, 2008). Workload was measured using five questions from Spector and Jex (1998). The measurement of affective commitment to an organization was done using five statements from Mowday et al. (1979), cited after Karatepe et al. (2014), who used these statements in their research conducted among front-line employees from five-star hotels in Northern Cyprus. In order to ensure an appropriate quality of translation and proper understanding of statements from the scales, they were adjusted to the characteristics of the industry and translated from English to Polish using the so-called back translation. Respondents gave answers to each statement at the 5-point scale where (1) means "I completely disagree" and (5) means "I completely agree", except the workload scale where (1) means "never" and (5) means "always". Scale reliability was measured using Cronbach's alpha (α) which in this research was: 0.89 for the role conflict scale; 0.85 for the workload scale; 0.56 for the job autonomy scale and 0.75 for the affective commitment to an organization scale. It is emphasized that high-reliability scales should have

a value of α higher than 0.7 (Choi, 2006, p. 323), however, in literature on the subject there are scales with a value of α higher than 0.5 (e.g. 0.558) together with the justification, that at the early stages of exploratory research it is sufficient (see Kwok et al., 2012, p. 505; Tepeci, Bartlett, 2002, p. 157). Therefore, taking account of the essence of this research, which is exploratory and initially tests the suggested relationships, as well as the fact that the findings of this research should not be generalized, the authors decided to analyse the aspect of job autonomy further and interpret the research findings with due care. Descriptive statistics was applied to the analysis of the empirical material and the Pearson correlation coefficient (the Pearson's r) was used to test the hypotheses adopted in the study.

5. RESEARCH FINDINGS AND DISCUSSION

As many as 90.3% of women and only 9.7% of men (56 and 6 people respectively) participated in this research, what makes the view that housekeeping work is done mainly by women, often seen in literature stronger (Weber, 2015, p. 42; Powell, Watson, 2006, p. 298). Almost 47% of respondents (29 people) were 31-50 years old. Over 1/3 of respondents (24 people) were people aged 21-30. The remaining respondents were over 50 years old (6.5%) or under 20 years old (8.1%). In terms of respondents' education, 36 people, that is over a half of respondents (58.1%), declared having upper secondary education. However, over 1/3 of respondents (22 people) claimed to have primary education or basic vocational education and only 4 people declared to have higher education. The research findings positively verify the research hypotheses formulated in the study (Table 1).

Table 1. Determinants of affective commitment - verification of the proposed relationships

		Affective organizational commitment	Results
Job autonomy	Pearson's correlation	.292*	
	Significance [two-tailed]	.021	H1 - confirmed
	N	62	
Workload	Pearson's correlation	-.478**	
	Significance [two-tailed]	.000	H2 - confirmed
	N	62	
Role conflict	Pearson's correlation	-.390**	
	Significance [two-tailed]	.002	H3 - confirmed
	N	62	

*. Significant correlation of 0.05 [two-tailed].

**. Significant correlation of 0.01 [two-tailed].

Source: own research findings

The research findings show that there is a positive correlation between job autonomy and employees' affective commitment to an organization. Although the correlation between the analysed variables is not strong, it should be emphasized that the discussed correlation is significant and consistent with the assumption made ($r=0.292$; $p=0.021$), and enables a positive verification of the hypothesis 1 (H1). In terms of this research, it can be observed that when work independence/freedom increases, the strength of an emotional bond of housekeeping employees with their organization increases at the same time. In other words, trusting employees, valuing their skills and experience through limiting strict (excessive) work control can enhance employees' identification with a company, its goals and values, resulting in an increase in their work effectiveness and employment stability. In particular, as Kensbock et al. (2013, p. 365) show, rewarding a well-done job often encourages employees of this department to put even more effort and do more than they are expected to do.

Analysing the relationship between respondents' workload and emotional commitment, the research results prove that there is a negative and significant correlation between variables ($r = -0.478$; $p < 0.001$). In the context of this research, it means that when workload increases, emotional commitment of housekeeping employees to an organization weakens, what is at the same time consistent with the assumption of the hypothesis 2 (H2). Similarly to experiencing the role conflict, it was observed that there is a negative and significant correlation of a moderate strength ($r = -0.390$; $p = 0.002$) between variables, so it can be assumed that when experiencing role conflict increases, an emotional bond between housekeeping employees and an organization weakens, what positively verifies the hypothesis 3 (H3).

Due to the specific character of hotel housekeeping work and considering its low status, employees from this department are especially likely to experience many stressors, including workload or role conflict which, as the findings of this research show, can considerably weaken their emotional relationship with an organization and, in consequence, lead to taking a decision on leaving work and make a problem of high employee turnover in this industry even more serious. Nevertheless, it is important that the research has showed that trusting employees and valuing their work by giving them more autonomy enable strengthening an emotional bond with an organization considerably.

Considering the research findings, one should be aware that a hotel is mainly seen through people working in it. In this service industry, it is a human factor that influences hotel's competitiveness, whereas its level and manner of work often translate into guests' satisfaction, thus outcome obtained by a hotel. Employees from all departments, also housekeeping, build hotel's prestige and reputation (Ratajczyk, 2014, p. 14), whereas maintaining cleanliness is as important as work of other departments (Weber, 2015, p. 42).

6. PRACTICAL IMPLICATIONS

Trying to formulate the recommendations for the management, one should take account of enhancing a sense of autonomy at work which in terms of this research considerably improved commitment to an organization in the affective dimension. As part of this activity, for example, internal promotion should be considered for the so-called self-checking room attendant, that is an employee after whom rooms do not need to be checked before giving them to guests (Weber, 2015, p. 43), who is trusted in terms of work they do. The research of Kensbock et al. (2013, p. 365) also confirm the benefits of undertaking similar activities.

Hotel housekeeping employees should be noticed and involved in more important decision-making processes at the operational level. It is also recommended that the communication process is streamlined and the atmosphere of openness to housekeeping employees is created as they are most often the closest ones to the source of problems and, thanks to their experience, they can provide the management with many interesting ideas and initiatives improving work processes, reducing workload or experiencing role conflict. Therefore, managers of housekeeping departments should remember that open communication is one of key factors which could considerably stimulate employees' positive behaviours. However, apart from the proposed solutions, the whole organizational culture of hotel enterprises needs changes which will make housekeeping work be properly perceived as more significant. Simultaneously, it should be noted that to make employees develop affective commitment, they should feel that their needs, expectations and goals connected with an organization they work in are fulfilled and that the work environment really supports them in their activities and assesses their work results positively (Łaguna et al., 2015, p. 50). Valuing engagement of hotel housekeeping employees and paying proper attention to them will be a signal of professionalism of the

industry (Weber, 2015, p. 43), whereas communicating in an empathetic and kind way, providing current feedback as well as accepting and understanding differences in personality are one of factors which will enable building good team relationships. Therefore, it is worth making an effort so that results of housekeeping employees' work, which are so important for guests' satisfaction, their comfort and safety (Powell, Watson, 2006, p. 298), are visible also to other hotel employees and the management, and give housekeeping employees a sense that they are an important part of an organization.

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FOREIGN TRADE, HUMAN CAPITAL AND ECONOMIC GROWTH: EVIDENCE FROM ASIAN COUNTRIES

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ABSTRACT

In spite of the wave of liberalizations undertaken during the last 30 years but debate on the relationship between trades, human capital and economic growth is still open. This study aims to study the effect of foreign trade and human capital on economic growth of Asian countries using panel data in the period 2014-1999. The results show that, trade and import in Asian countries have a significant and positive effect on economic growth.

Also most of the components of human capital have had a positive effect on economic growth, but other variables not had a significant effect on economic growth.

Keywords: *Foreign trade, Human capital, Economic growth, Panel data, Asian countries*

1. INTRODUCTION

One of the most important criteria that show the progress of each country is the economic growth, that's why economic growth is one of the most important goals of economists and politician of each country. The effective factor of economic growth are very important as far as in mid-1980s studying determinant of economic growth become one of the most important issues of research in economic because of the benefits and advantages such as the improvement and promotion of living level, reduce poverty and unemployment that will be achieved in the growth process. On other hand, many economists believe that international trade is the engine of growth and development of society. They believe that international trade according to available and creatable comparative advantages creates taking advantage of the potential economic capabilities and provides appropriate situation for investment in economy. As well as international trade or openness of the economy affects the economic growth through access to foreign markets, technology and resources. Another factor influencing economic growth is human capital. Human capital refers to abilities and originator and efficient capabilities of people that these abilities and competitions include knowledge, skills and experience that create added value. Today, countries seek to improve the quality of their human resources; for now the most important determinant in technology and competitiveness position of a country is the level of education and skill in human resources for production and export products that have certain advantages. However, these goods can be produce, supply or export when the labor has high education level and expertise. In response to this increasing demand, continuous education to increase the efficiency and skill level of individuals as potential agent of change and innovation is necessary (Azarbaijani et al., 2014) in general, human capital or quality of labor or knowledge of institutionalization in human causes to increase production and economic growth in countries. Considering the key role of trade in guiding economic development programs and also considering the close relationship that the economic growth of any country has with quality of human resource of the country, so this paper investigate the impact of foreign trade and human capital on economic growth of Asian countries.

2. THEORETICAL FOUNDATIONS

2.1. Economic Growth

Economic growth increases per capita. There are some different economies in Asia. Some economies are rich and others poor. Economic growth in some countries is high and some countries not have any growth. In summary, in the literature of economic growth, growth

models are divided into two parts, i.e. exogenous growth models and endogenous growth models. In the view of Romer, technological innovation in human capital, research development affect scientific reserves. Scientific reserves are used in the production of final goods and increase the rate of growth production. The exogenous emphasize on capital and technology, while endogenous growth models based on internal mechanism of an economy such as education, human capital, knowledge, skill and so on. According to endogenous growth models, permanent changes in variables such as rates of physical investment, human capital, the share of exports, ownership, and size of government and population growth should be resulted in lasting changes in growth rates (Hajykhodazadeh et al., 2012).

2.2. Foreign Trade and Economic Growth

The first theory in literature of foreign trade are referred to Mercantilism. The followers of this school considered foreign trade as one of the effective factor of economic development and growth. On another hand, other economists offered different theories about the relationship between foreign trade and economic growth. In general, there are two major view point among them. The first trend: the followers of this trend are in favor of free trade. Adam Smith believes that only those nations that accept the conditions of free trade get higher economic growth rate. Classical and neoclassical by following Smith are fans of free trade. The second group is opponents of free trade and is divided into two categories: 1) Friedrich List, the founder of the German historical school and his followers do not deny the system of free trade in general, but seeking appropriate circumstances to employing it such as: in the case of same monopoly and economy power of involved countries. They believe that in the conditions other than this, trade causes to destroy domestic industries. 2) Economists such as Singer consider free trade to developing countries and they recommend these countries should devote a period to implement the business strategy to minimize negative effects of trade on their development (Jalaei et al., 2008). In general it can be said economists such as Romer (1986); Lucas (1988); Grossman and Helpman (1991) raise the foundations of the theory of positive relationship between foreign trade and growth and show that how foreign trade can have dynamic and continuous effects on rate of economic growth. Modern theories of foreign trade have criticized on some of the assumptions of traditional models as perfect competition and enter more realistic assumptions into the model and consider foreign trade as the factor of motivation and accelerating economic growth because provide achieving a broader range of knowledge and technology and facilitate knowledge spillover. In general, trade liberalization, with imports of advanced capital goods causes to transfer of technology. Also, by import of capital goods, foreign capital inflows will be increased. In endogenous growth models, reducing trade barriers is considered one of the major factors which promoting the growth. The growing influence of trade depends on investment, the acquisition of technology, practical training of workforce. According to the endogenous growth model, trade liberalization plays an important role in the increase of exports and GDP growth in transfer of technology. The increase in exports by utilizing resting resources can be led to the promotion of GDP (Azarbaijani et al., 2014).

2.3. Human Capital and Economic Growth

Human capital is considered an effective factor in the growth and economic development, filling the deep gap of technology, reducing the role of comparative advantage due to abundant of natural resources and increase the adaptive advantage of developing countries and to do so in developed countries, a significant share of resources to be spent on labor training (Teimori Allah et al., 2011). Simon Kuznets, the winner of the Nobel Prize in economics in 1971, believed that the concept of capital that includes physical capital and commodity is a flawed concept. In his view "the human capital of an advanced industrialized country is not industrial tools and implements of that country; rather, it is the accumulation of knowledge that are

obtained from experiments and training people of that country for applying this knowledge." He believed that investment in education is considered an important source for human capital formation, such as the empowerment of labor and technical progress in production and human capital takes into account an important factor in economic development (Emran et al., 2011). Smith, A (1776) is the first classical economists that introduce skill as one of the underlying factors that explain difference in earning and productivity. After that, other theoretical studies by Romer (1986); Lucas (1988) with a different approach from Solow and Swan growth model entered human capital as an endogenous growth model into the growth model. In the view of Lucas, human capital can be considered the engine of economic growth. He stated that given that educated labor in the production, implementation and acceptance of new technologies is better, it can be said that the cause of low economic growth in developing countries is insufficient attention of these countries to issues of education and increase the level of labor skill. Thereby, reducing the efficiency of human resources and reducing investment and economic growth in these countries will be caused (Sheidaiy et al., 2010).

2.4. Human Capital, Foreign Trade and Growth

Today, countries are seeking to raise the quality of their labor skills. Because the level of education and skill in human resources for production and export of products that have particular advantages are considered as the most important factor in technological position and competitiveness of any country. There is a close relationship between the growth and development of labor skills. The countries that have most skilled labor are able to produce more goods with higher quality and have a larger share in world trade (Azarbaijani et al., 2014). Human capital is as a means that facilitates the adoption of technology across borders. The use of superior technology and more competitive power in the market requires the use and increase human capital (Isaksson, 2002). On the other hand, increase international competition and achieve to technical progresses in the development and extension of foreign trade has increase the need for skilled and specialized labor and encourage people to learn new sciences and technologies and by this way provide the development of human capital (Teixeira and Fortuna, 2004). In other words, trade by giving incentive to people to improve their skills increase the level of their educational standards and causes to create expertise.

3. METHODOLOGY

This study aims to evaluate the impact of human capital and foreign trade on economic growth using following model:

$$G=rH+X\beta+\alpha INFL+\epsilon \quad (1)$$

where, the growth rate (g), direct function of human capital (H), trade variables (X), inflation rate ($INFL$) and a error term (ϵ) and (r), (β) and (α) are unknown parameters which will be estimated. In most of the growth model. World Bank and other organizations emphasize on health and nutrition as a solution of human capital improvement. Therefore, in this research we assume that efficiency (A) is a function of school inputs (R) families (F) and other factors such as neighbors, friends, or Neighborhoods, Peers, or General Institutional Structure (Z) and a stochastic element (η).

$$A=f(R,F,Z,\eta) \quad (2)$$

The basic idea is that the skill is measured by efficiency (A) that can be used in equation (1) as a direct indicator of human capital of a country. Training is only one part of the skills of people. Therefore, skills outside the school depend on academic level.

As it was explained before, human capital and foreign trade can be effective on each other or indeed complement each other as well. On the other hand the development of foreign trade may require more extensive training of the labor. Education and training improve different skills and increase production by raising the level of skill and specialization of labor. On the other hand, foreign trade is the main channel for the transmission of ideas, thoughts, knowledge and advanced technologies. Acceptance of these technologies depends on human capital in the host country. Furthermore, based on new theories of economic growth and foreign trade, imports of manufactured goods cause technology spillover from trading partners. Developing countries to fill the gap of technology through imports can import technology by investments in education and human capital.

3.1. Model Estimation

Model estimated for Asian countries during 2014-1990 using data from the World Bank to determine the pool or panel of model and F Limer test is done on the model.

Table 1. Test results F Limer

Effects Test	Statistic	d.f.	prob
Cross_ section F	3.403862	(18.63)	0.0002
Cross_ section chi_ square	63.176576	18	0.000

Source: Research Findings

The result showed that the null hypothesis is rejected for the model, in other words, it represents the verification of panel data versus the pool data. So to estimate the model, panel data method can be used. Hausman test employed to determine the method of fixed or random effects for estimating models. If the null hypothesis is rejected and the alternative hypothesis is accepted, the method of fixed effects is compatible and the model should be estimated using fixed effects. Statistic of Hausman test has chi-square distribution that if its possibility is smaller than 0.05, the null hypothesis at the 95% confidence level is rejected and represents that model has fixed effects. Hausman test results is provided in table 2:

Table-2. Results of Hausman test

Effects Test	Statistic	Chi- sq. d.f.	prob
Cross_ section random	20.423356	9	0.0155

Source: Findings

According to the above results in the model, the possibility is smaller than 0.05, then the null hypothesis is rejected, than the model has fix effects.

The results of the model estimation in the period 2014-1990 for Asian countries in Table 3 is shown: Coefficient of ratio of elementary school students to teachers that is one of the variables related to human capital is positive, which shows that this variable has a positive relationship with GDP growth and by increasing this ratio, GDP growth also increases but it is not significant. Coefficient of ratio of high school students to teachers is negative there is an inverse relationship between GDP growth and high school students to teachers, in other word, one percent increase of high school students to teachers decreases economic growth by 4.0 percent. In model one, coefficient of registering primary school students in Asian countries is - 0.000922, this means that if registering primary school students increases, GDP will decrease and its negative implies that there is an inverse relationship between GDP growth and registering primary school students. Registering primary school students means that the population is growing so GDP growth reduces because these two have an inverse relationship together.

The coefficient of registering high school students is positive, its positive indicates that there is a direct relationship between GDP growth and registering of high school students. That could be because the produced skills and capabilities of labor have increased and this expertise and skill, together with other factors will increase production and economic growth. In this model the coefficient of duration of primary education is negative i.e. by assuming the stability of other terms, there is an inverse relationship between the duration of primary education and the growth in GDP, that of its causes can refer to increase educational expenditures because government every year invests some funds in education and benefit from the investment by the end of the year does not appear, educational expenditure of government negatively related with growth rate. So even if the educational expenditures of the government have positive relationship with economic growth, the appearance of the positive relationship needs to passing time. The coefficient of duration of high school education is negative i.e. if duration of high school education increases one percent, GDP growth about 5.76 percent decreases. Coefficient of progress to high school is also negative that represents the inverse relationship of this variable with GDP growth.

With increasing progress to high school, economic growth reduces. Export coefficient in model is negative. Assuming stability of other conditions, its negative indicates that there is an inverse relationship between growth of GDP and exports so that one of the main factors that can due to major focus of exports of this countries are traditional products, initial raw materials and raw materials. Import coefficient is positive in the model; by assuming the stability of other terms its positive indicates that there is a direct relationship between GDP growth and imports. It is to say that the import of this country are intermediate goods. In other words, the mentioned countries can benefit from the transfer of technologies through international trade flow. The coefficient of percentage of trade is positive, i.e., its positive coefficient shows that there is a direct relationship between GDP growth and trade. Foreign trade creates opportunity to countries to achieve intermediate goods, capital, equipment, foreign technology and methods, thereby this causes to increase economic growth. Coefficient of inflation index is negative. This means that, there is an inverse relationship between inflation and GDP growth. This result is consistent with economic theories because higher inflation means greater economic instability.

Table following on the next page

Table-3. Results of model estimation

Variables	Coefficients probe
C	28.76221 (0.3466)**
Ratio of primary school student to teachers	0.229133 (0.0673)**
Logarithm of ratio of students to high school teachers	-3.927020 (0.2495)**
Registering in primary school	-0.000922 (0.9583)**
Registering in high school	0.062669 (0.4983)**
duration of primary school	-0.781507 (0.8036)
Logarithm of duration of high school education	-5.758252 (0.3786)**
Progress to high school	-0.179964 (0.0066)*
The volume of exports	-0.012443 (0.0969)**
The volume of imports	0.36432 (0.0103)*
Trade (% of GDP)	0.069791 (0.0053)*
Inflation	-0.018871** (0.7396)
F- Statistic	5.411211
R ²	0.713539

Source: Findings

** Statistically at the level 0.05 is significant*

*** statistically is not significant.*

Also, according to the R² of model, it can be said that the model has good explanatory power.

4. CONCLUSION

Foreign trade by providing take advantage of economies of scale, advanced technologies, the possibility of allocating resources and increase competitiveness in production can provide increasing efficiency of factors of production and achieving economic growth. But attracting advanced technologies and modern technologies in trade flow and compliance with domestic conditions need to invest in human resources and training skilled labor, specialized and functional. Therefore, foreign trade and human capital and the combined effect of these two factors can affect the efficiency of factors of production and economic growth. In this paper, the effects of human capital and foreign trade on economic growth in Asian countries have been studied over the period 2014 -1990. The results show that trade and imports has a significant positive effect on economic growth in Asian countries as well as human development components on average have a positive effect on economic growth. But other variables not had significant impact on economic growth.

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NEGATIVE SYNERGIES: OBSTACLES TO ENTREPRENEURSHIP IN RUSSIA AND KAZAKHSTAN

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ABSTRACT

Prior research has examined and classified various types of barriers to entrepreneurship (Gould and Parzen, 1990; Maykut & Morehouse, 1994; Pissarides, 1999; Kouriloff, 2000; Bartlett, 2001; Pissarides, Singer, & Svenjar, 2003; Hatala, 2005; Bath, Yago, & Zeidman, 2006; Bartlett & Bukvic, 2011; Gill, Biger, & Nagpal, 2011; Jain & Ali, 2014; Yukhanaev et al., 2015; Effah, 2016). However, the existing typologies do not consider that barriers to entrepreneurship may interact and reinforce one another. In this paper, we propose that four of such negative synergies exist undermining the development of entrepreneurship in transition economies. We describe them as bureaucratic-corruptive, economic-operational, cultural-cognitive, and social-moral negative synergies. We test and advance our model by analyzing Kazakhstan experts' opinions on obstacles to entrepreneurship. These experts took part in the National Expert Survey (NES) as part of the General Entrepreneurship Monitor (GEM) study in 2015 and 2016. In addition, we advance our model by examining the interviews we recently conducted with twenty Russian entrepreneurs.

Keywords: *bureaucratic-corruptive obstacles, economic-operational obstacles, cultural-cognitive obstacles, and social-moral obstacles*

1. INTRODUCTION

Entrepreneurs create small but growing businesses that fill in the niches overlooked or simply ignored by large enterprises. As such, entrepreneurs are useful for the development of economic activities in the country or region as they offer new goods and services or enlarge the existing goods or services making them cheaper and available to people living in faraway places and parts of the planet. However, creating a new venture is nothing but easy. In fact, scholars have identified many barriers to entrepreneurship (Gould and Parzen, 1990; Maykut & Morehouse, 1994; Pissarides, 1999; Kouriloff, 2000; Bartlett, 2001; Pissarides, Singer, & Svenjar, 2003; Hatala, 2005; Bath, Yago, & Zeidman, 2006; Bartlett & Bukvic, 2011; Gill, Biger, & Nagpal, 2011; Jain & Ali, 2014; Yukhanaev et al., 2015; Effah, 2016). Such barriers may run from insufficient socialization to entrepreneurship (Gould and Parzen, 1990) to perceptions of excessive business risk and fear of failure (Kouriloff, 2000) to a lack of government assistance, lack of financial support from the public sector or governmental agencies, poor infrastructure, inadequate legislation, rampant corruption in the system, and insufficient or ineffective education and training (Ivy, 1997; Kiggundu, 2002; Chu et al., 2007; Benzing, Chu, & Kara, 2009). Furthermore, barriers to entrepreneurship may arise because of discrimination with regard to race or ethnicity, scarcity of entrepreneurial pursuits in the region, i.e., few other entrepreneurial firms operating the area, restrictive government regulations, and liquidity

constraints, or arbitrary limits imposed by banks on how much money entrepreneurs can borrow (Bath et al., 2006). Institutional barriers to entrepreneurship are especially sinister as they can make both formal institutions (laws), and informal institutions (customs and beliefs) (North, 1990; Scott, 1995; 2005; Baumol, 2005) antithetical and even inimical to the spirit of entrepreneurship. Thus, studies dedicated to the examination of institutional barriers to entrepreneurship in Russia and other transition economies have shown that contract enforcement takes much longer in CEE compared to the UK or Germany (Estrin, Meyer, and Bytchkova, 2008). Moreover, “the culture of a community may be an important influence on the level of entrepreneurship. A community that accords the highest status to those at the top of hierarchical organizations encourages ‘pyramid climbing’, while awarding high status to professional expertise may encourage premature educational specialization. Both of these are inimical to entrepreneurship. The first direct ambition away from innovation (rocking the boat), while the second leads to the neglect of relevant information generated outside of the limited boundaries of a profession. According high status to the ‘self-made’ man or woman is more likely to encourage entrepreneurship” (Fogel et al., 2008: 17). Moreover, a recent study has uncovered numerous systemic weaknesses inside Russia’s formal institutional regime ranging from flaws in the legal system, to unequal application of company law to over-bureaucratization and over-regulation to abuse of public office (Yukhanaev et al., 2015). Respectively, the main objective of this paper is to shed more light on institutional barriers to entrepreneurship undermining its development in transition economies. We propose that institutional barriers to entrepreneurship in transition economies are more severe than in developed economies as they stem from interaction of several, mutually reinforcing factors producing negative synergies. We identify four types of such negative synergies. First is the bureaucratic-corruptive synergy that arises because bureaucracy produces an opportunity for corruption, i.e., using one’s formal and informal power afforded by the position and rank in the hierarchy for pursuit of personal goals, such as sexual harassment, self-enrichment or milking the system. In turn, corruption reinforces bureaucracy as strengthening the role of formal rules and procedures controlled by a corrupt official increases such official’s ability to pursue personal objectives.

We describe the second type of negative synergy as economic-operational. Weak economy in many countries undermines firms’ operations. This is because many economic activities that are widely available in developed economies as a matter of fact require using connections, putting in a lot of effort and even arranging illegal transactions. This raises the burden on the entrepreneur, increases the stress level and burnout stopping many potential entrepreneurs from launching a venture. In turn, poor operations and their illegal component weakens the general economy as other companies cannot function properly because of partner weakness. Thus, economic and operational constraints become mutually reinforcing and destructive.

Third type of negative synergy is cultural-cognitive. Smooth operation of the economy requires a good understanding of rules of the game. In transition economies, such understanding is often insufficient. Many actors may not understand how the system works as the system is not quite rational. Hence, cultural backwardness may lead to obfuscation of processes and procedures that may be quite lucid in developed economies. At the same time, cognitive confusion makes it difficult to communicate with partners and trust partners as it is not quite clear what type of transaction would benefit what party. Such confusion leads to mutual distrust, skepticism and suspicion weakening potential entrepreneurs’ intentions to start and scale up a venture. Finally, we discuss the fourth type of negative synergy as social-moral. Some cultural customs and beliefs are antithetical to entrepreneurship. Thus, entrepreneurs may be regarded as selfish and self-serving. Moreover, some cultures have a deeply ingrained aversion toward competition and profits. Hence, some employees may justify theft from their employer on moral grounds. From

a communitarian perspective, actions that make people more equal in terms of their earnings serve an important purpose as they allow restoring the preordained order of things. Naturally, it is harder for entrepreneurs to operate in such environments where theft of property is regarded as acceptable as long as it allows to stop industrious but allegedly selfish individuals from reaching their goals. At the same time, disrespect for property rights may also work in the other direction. Entrepreneurs may take away what their employees have earned feeling that it is theirs. The rest of the paper is structured as follows. In the first section, we discuss previous research on constraints and barriers to entrepreneurship. In the second section, we unfold our model of obstacles to entrepreneurship in transition economies. In the third section, we test our model by analyzing experts' opinions on barriers to entrepreneurship in Kazakhstan and Russia. In the third section, we examine the opinions of Russian entrepreneurs working in the Vladimir region on obstacles to entrepreneurship in rural Russia. In Discussion, we summarize our findings, substantiate our contributions to the literature, discuss some limitations and set future directions.

2. CONSTRAINTS AND BARRIERS TO ENTREPRENEURSHIP

One of the first and perhaps best-known typologies identified (1) lack of socialization to entrepreneurship in the home, school and society; (2) exclusion from traditional business networks; (3) lack of access to capital and information; (4) discriminatory attitudes of lenders, (5) gender stereotypes and expectations, (6) socialized ambivalence about competition and profit; and (7) lack of self-confidence as key barriers to entrepreneurship (Gould and Parzen, 1990). Other researchers generated a comprehensive list of entrepreneurial barriers preventing individuals from seeking self-employment that included 150 factors (Maykut & Morehouse, 1994). A follow-up study reduced the number of barriers to forty-six, and identified (1) business risk, (2) time for family, (3) failure concern, (4) work stress, (5) finance/capital, (6) taxes and (7) awareness of regulations as the key barriers to new business creation (Kouriloff, 2000). Related classifications highlighted such factors as (1) high costs of entry associated with business failure; (2) labor shortages; (3) high taxes and fees; (4) compliance with government regulations; (5) lack of suitable premises and (6) business set up (Choo & Wong, 2006), or similarly, (1) lack of capital; (2) lack of skills; (3) perception of capital losses; (4) lack of confidence; and (5) costs of compliance (Gill, Biger, & Nagpal, 2011).

Another school of thought proposed to classify entrepreneurial barriers by their source. Thus, one study contrasted (1) institutional (e.g., bureaucracy, restrictive licensing requirements), (2) internal (e.g., large severance pay, high labor costs), (3) external (e.g., late client payments, high social security payments), (4) financial (e.g., high cost of credit, high collateral requirements), and (6) social (lack of state or city support) barriers (Bartlett, 2001; Bartlett & Bukvic, 2011). One author juxtaposed (1) psychological barriers (e.g., lack of self-confidence or self-esteem), (2) financial barriers (e.g., bad credit, no credit, no equity), (3) start-up logistics (e.g., access to information and resources), (4) personal barriers (e.g., lack of support from family and friends), (5) time constraints (e.g., no time to devote to business creation), and what could be described as (6) knowledge/competence barriers (e.g., lack of necessary skills or understanding) (Hatala, 2005). In addition, prior research has identified many institutional barriers to entrepreneurship (Fogel et al., 2008). First of these barriers involves the type of government that may range from laissez-faire or non-interventionist government pursuing an invisible hand strategy to helping-hand government seeking to foster entrepreneurship to grabbing-hand government stealing from entrepreneurs (Frye & Schleifer, 1997; Fogel et al., 2008). Second factor is stage of development (Fogel et al., 2008). Obviously, in undeveloped economies most businesses are elementary, lifestyle businesses. Third factor is formal institutions including rules, regulations, property rights, and the legal environment that may

either foster transactional trust or distrust (Fogel et al., 2008). Fourth factor is economic stability as “macroeconomic volatility discourages entrepreneurship” (Fogel et al., 2008: 13). Fifth factor is financial development as new businesses need to obtain financing; therefore, the existence of a private equity system fosters entrepreneurship (Fogel et al., 2008). Sixth factor is corporate governance since lacking corporate governance may allow larger, monopolistic businesses suppress entrepreneurship in the country (Fogel et al., 2008). Culture and values is the seventh factor. For example, placing value on pyramid climbing in a hierarchy or growing professional expertise may divert talented individuals from entrepreneurial pursuits (Fogel et al., 2008). Finally, the availability of education, and openness and diversity of society facilitate entrepreneurship whereas lacking educational opportunities, closeness and homogeneity of society represent obvious barriers to entrepreneurship (Fogel et al., 2008). Although these are all useful typologies, none of them considers that barriers to entrepreneurship are likely to interact. It is important to study such interactions, especially in transition economies, because obstacles to entrepreneurship may become mutually reinforcing and produce negative synergies. In the next section, we develop a model of such interacting and complementary barriers to entrepreneurship in transition economies that may become embedded and difficult to disentangle and overcome. Studying such effects is important for fostering entrepreneurship.

3. FOUR NEGATIVE SYNERGIES AS OBSTACLES TO ENTREPRENEURSHIP

It is well-known that bureaucracy and entrepreneurship are antithetical. Entrepreneurship, i.e., the creation of new businesses that often fall out of the existing typologies or operate differently is an embarrassment for many government officials. It is difficult to rule over something chaotic, uncertain and unpredictable. Therefore, bureaucracies typically try to constrain entrepreneurs, regulate them, subject them to meticulous control. Russia represents an example of such over-bureaucratization and over-regulation (Yukhanaev et al., 2015). This restricts market entry of de novo firms (Aidis & Adachi, 2007; Aidis, Estrin, & Mickiewicz, 2008). Even though purely regulatory barriers in Russia may not be high in and of themselves, the actual costs of operating a new venture are much higher due to a variety of bureaucratic controls (Puffer & McCarthy, 2007; Volchek, Henttonen, & Edelman, 2013).

Unfortunately, over-bureaucratization and over-regulation (Yukhanaev et al., 2015) are only part of the story. Thriving bureaucracy, that is, an over-emphasis on compliance with the rules and regulations as well as power and excessive ambitions of state officials are complemented by thriving corruption. Bureaucracy emboldens corrupt officials using its power for pursuit of their own objectives that may include sexual harassment, bullying and self-enrichment. In turn, corrupt officials seek to enhance bureaucracy the basis of their abusive power. Potential and new entrepreneurs lacking many important resources often find themselves at mercy of powerful bureaucrats whose goal is self-enrichment at the expense of economic actors. In transition economies, such symbiosis of bureaucracy and corruption is hard to control as the corrupt officials form networks allowing them to deal with the trouble makers very effectively. Since entrepreneurs do not know the actual power and influence of a certain bureaucrat, they prefer to make illegal deals with them to avoid more severe problems in the future. Since bureaucracy and corruption in transition economies are complementary and produce negative synergies, we hypothesize that bureaucracy-corruption concerns will dominate entrepreneurs' and experts' evaluations of the relative importance of various obstacles to entrepreneurship.

To summarize:

Hypothesis 1. In the context of a transition economy, both experts and entrepreneurs will consider the bureaucratic-corruptive obstacles to entrepreneurship as significant and difficult to overcome.

Along with bureaucracy-corruption, state of the economy and firms' operations are mutually reinforcing. Specifically, weak economic infrastructure will obviously undermine firms' ability to conduct effective operations. Simply transporting goods from one place to another may turn out to be a considerable problem demanding investment of effort and energy and unlawful wheeling and dealing to get things done. Obviously, such exorbitant demands on entrepreneur's attention may contribute to paying less attention to innovation or ensuring high quality. In turn, suboptimal operations will contribute to bad economy. Few firms exist in isolation. The quality of partners' goods and services will affect the quality of their goods and services. As hard as it may be for existing businesses to compete effectively while operating in a suboptimal environment, it may be even harder to do so for new firms lacking operational capabilities. To summarize:

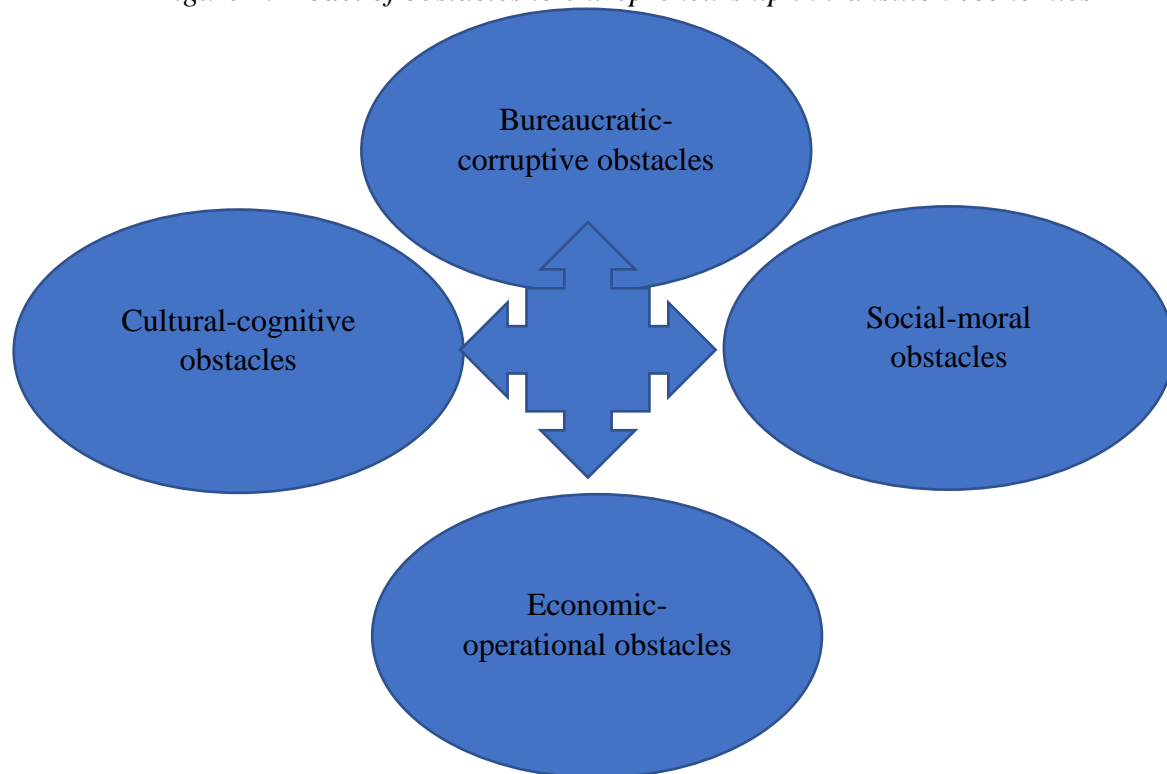
Hypothesis 2. In the context of a transition economy, both experts and entrepreneurs will consider the economic-operational obstacles to entrepreneurship as significant and difficult to overcome. Entrepreneurship requires understanding of the economy and legal system, and knowing the rules of the game (North, 1991; Yukhanaev et al., 2015). For this, the institutional system needs to be rather transparent. Such transparency, however, lacks in many transition economies. These economies could be described as cognitively challenged in the sense that getting information, interpreting information and communicating information may be more difficult than in developed economies. This can lead to many difficulties in terms of understanding how to operate. We propose to describe such obstacles to entrepreneurship as cultural-cognitive. Thus, entrepreneurs may not be sure as to what they are allowed to do, what they are forbidden to do, what they are allowed to do now but may not be allowed to do in the near future, what they are forbidden to do now but may be allowed to do some time in the future. Such cognitive challenges are not conducive to the development of entrepreneurship. It is difficult enough to quit your regular job and create a new venture, it is much harder to do so in the dark about the environment. To summarize:

Hypothesis 3. In the context of a transition economy, both experts and entrepreneurs will consider the cultural-cognitive obstacles to entrepreneurship as significant and difficult to overcome. Finally, social-moral factors may interact creating a powerful obstacle to entrepreneurship. Customs or mores may be antithetical to entrepreneurship. Thus, tall poppy syndrome prevents the development of entrepreneurship as society frowns upon overly ambitious people (Kouriloff, 2000). Pyramid climbing and expertise value may also get in the way of entrepreneurship (Fogel et al., 2008).

In addition, some societies may be opposed to competition and profits, in principle (Golden & Parzen, 1990). The problem, however, is that inimical views of entrepreneurs as selfish go-getters (Aidis & Adachi, 2007) may be justified on moral grounds. Thus, employees may rationalize their stealing from entrepreneurs arguing that entrepreneurs earn too much money. Some governments could use the same reasoning for overly taxing entrepreneurs. Since beginning entrepreneurs are especially vulnerable to theft and social disapproval, these social-moral factors acting together may serve as a powerful obstacle to entrepreneurship. To summarize:

Hypothesis 4. In the context of a transition economy, both experts and entrepreneurs will consider the bureaucratic-corruptive obstacles to entrepreneurship as significant and difficult to overcome. Figure 1 summarizes the proposed model of the key obstacles to entrepreneurship in a transition economy.

Figure 1. Model of obstacles to entrepreneurship in transition economies



In the next section, we will describe how we have tested and improved the proposed model.

4. EXPERTS FROM KAZAKHSTAN: GLOBAL ENTREPRENEURSHIP MONITOR

Global Entrepreneurship Monitor (GEM) provides a platform for testing entrepreneurial intentions of the population (Adult Population Survey or APS) and probing experts' opinions about the favorability of the venture eco-system in the country (National Expert Survey, or NES). Russia joined GEM in 2006 and submitted many reports on the state of entrepreneurship in the country (in 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2016). Kazakhstan joined GEM in 2014 and submitted three reports (in 2014, 2015 and 2016). To test our model, we examined the opinions of Kazakhstan experts about the constraints on entrepreneurship in the country. We had access to these opinions since one of the authors is Head of the National Team of Kazakhstan in GEM. Unfortunately, we only had access to Russian official reports available from the GEM website but not to raw data that is property of the Russian scholars from St. Petersburg. Our examination provided evidence supporting Hypothesis 1. Specifically, the experts pointed out that corruption in Kazakhstan is universal and can be detected at all levels of the state. Thus, government officials relegate the most profitable contracts to their contacts. Moreover, there are bureaucratic obstacles used for soliciting bribes. In general, business and the state have grown together in the sense that nothing can be done without having government connections. This undermines the foundations of competition as the well-connected win the contracts. Moreover, the state can be regarded as the most powerful actor appropriating all the best opportunities. In this sense, one could add the Competing Hand to the previous classification of the three possible roles of the government: Invisible Hand, Helping Hand, and Grabbing Hand. In this role, the government directly competes with private actors for economic advantages or is involved in self-dealing. Experts complained that combat with corruption is not conducted on a regular basis. It rather represents launching short-lived campaigns. Bribes secure victories in tenders. To summarize:

Proposition 1: In transition economies, bureaucratic-corruptive obstacles to entrepreneurship arise as the state directly competes with private enterprises for the most advantageous opportunities whereas government officials secure best contracts for themselves or sell them for money. Experts also confirmed the existence of economic-operational obstacles to entrepreneurship. They talked about the fact that the domestic market is not protected from aggressive foreign companies dumping their goods and services in the country whereas the external markets remain out of reach. Companies from Russia, China and the European Union prevail in the Kazakhstan marketplace. Moreover, the country has a poor infrastructure which makes the domestic industry less competitive. The middle class is vulnerable and its purchasing power is falling since the beginning of the crisis. As a result, the domestic market is constantly shrinking. In addition, experts pointed to the enormous power wielded by several largest financial groups. Despite this wealth, a private equity system in the country is lacking. National currency is unstable and widely fluctuates. Banks are charging huge interest rates. Due to a lack of capital, most entrepreneurs cannot put up the collateral needed to get a loan. Taxes are high given the situation. There are only a few extracting industries that dominate the economic landscape whereas other industries are undeveloped and cannot compete. Moreover, the continuing economic crisis that started after the tenge was floated, brought about a sharp decrease in the quality of goods and services available in the country and continually worsening standards of living. To summarize:

Proposition 2: In transition economies, economic-operational obstacles to entrepreneurship arise because a venture eco-system is lacking, most industries are undeveloped, the market is saturated with goods and services from other countries, state support systems of entrepreneurship are ineffective, it is difficult to obtain loans that are prohibitively expensive, poor infrastructure stalls operations whereas economic crisis leads to decreasing purchasing capability and shrinking market. Experts also pointed out the existence of other obstacles to entrepreneurship we have previously defined as cultural-cognitive. Thus, the experts mentioned the excessive complexity of Kazakhstan laws, and their continual shifting. According to the experts, efforts of the state to arrange effective cooperation with the public sector fail as a lack of clarity and confusion regarding laws prevents productive collaboration. As a result, entrepreneurs cannot obtain access to necessary resources, such as land. The same kind of confusion applies to entrepreneurship support programs. In addition, property rights are not well protected. No wonder few people understand the phenomenon of entrepreneurship that appears to many individuals very complex and even puzzling. Entrepreneurs also fail to understand laws and economy. Experts call such failure of understanding legal and economic illiteracy. Entrepreneurs also exhibit incompetence in their own trade. To summarize:

Proposition 3: In transition economies, cultural-cognitive obstacles to entrepreneurship arise because of little understanding of laws and the economy, and the view of entrepreneurship as something difficult and puzzling, due to a lack of understanding of rules of the game, entrepreneurs often exhibit incompetence while collaboration between entrepreneurs and the state is typically ineffective. Finally, experts discussed the kinds of obstacles to entrepreneurship we discussed as social-moral. First off, the experts pointed out a low level of transactional trust. Besides, the experts noted that entrepreneurs often lack sufficient confidence. It is hard for entrepreneurs to recruit employees, and the turnover is high. State employees often do not abide by the law but rather make decisions arbitrarily as they see fit. Because of great uncertainty in their ability to recruit qualified employees and count on contract enforcement as well as defend themselves effectively in court, entrepreneurially gifted individuals often do not dare to start or new venture or liquidate it promptly. To summarize:

Proposition 4: In transition economies, social-moral obstacles to entrepreneurship arise because of low levels of transactional trust, difficulties in recruiting and retaining qualified employees, state employees' tendency to make decisions arbitrarily causing uncertainty in the ability of the legal system to provide contract enforcement and protection for the entrepreneur from unfair lawsuits. In the next section, we will turn to Russian rural entrepreneurs' views of their main obstacles.

5. INTERVIEWS WITH RURAL ENTREPRENEURS IN RUSSIA

To compare the perceived obstacles to entrepreneurship in Russia and Kazakhstan, we conducted interviews with over twenty entrepreneurs from the Vladimir oblast in Russia. Examining Russian entrepreneurs' responses allowed us to further improve the proposed model of obstacles to entrepreneurship in a transition economy. First, Russian entrepreneurs pointed to the importance of bureaucratic-corruptive obstacles to entrepreneurship in their country. Thus, one of the interviewees asserted that powers that be follow entrepreneur's careers very attentively. As soon as one of them achieves success, corrupt officials immediately approach them asking for their share. It appears that excessive bureaucracy and corruption are interrelated. Thus, another respondent complained, "there are so many controllers. I am so tired of all these unstoppable verifications. And each of them needs to be pacified with a bribe. Then there is a new controller. And you need to pay again and then again." Not surprisingly, since Russia and Kazakhstan are both transition economies and have a similar historic legacy and power structures, Russian entrepreneurs' complaints are very similar to those of Kazakhstan experts. For example, one Russian entrepreneur suggested that "only those in bed with the local authorities get contracts. The village administration and the local oligarchs have grown together." Another entrepreneur claimed that there are business clans everywhere built on kith and kin relations. Outsiders are not welcome. To summarize:

Proposition 1b: In transition economies, bureaucratic-corruptive obstacles to entrepreneurship especially affect successful entrepreneurs as corrupt officials and all kinds of examiners exhort bribes whereas state officials distribute contracts via clans of kith and kin using their position for self-enrichment. Russian entrepreneurs also shed light on the state of the economy that continues to be rather bleak. Businesses that used to be successful now just survive. It is difficult to stay afloat without contracts coming from the state. "The fat times are over when money was made hand over fist." Entrepreneurs emphasize the difficulty of obtaining and repaying credits. "Everyone is in debt and nobody knows how to pay interest. This is not loans but highway robbery." The level of economic activity in the country has fallen manifold. "One can feel the impoverishment of the population. Nobody has any money. The purchasing ability of the population has decreased. To summarize:

Proposition 2b: In transition economies, economic-operational obstacles to entrepreneurship drive vanishing demand on many goods and services which leads to decreasing levels of economic activity and impoverishment of the population while lenders continue to charge exorbitant interest rates. Russian entrepreneurs also discussed the role of cultural-cognitive obstacles to entrepreneurship. For example, they gave some examples of difficult to understand actions of the authorities, such as closing successful enterprises without giving much of an explanation. Some entrepreneurs suggest that this was the way to get rid of competitors. For example, city authorities suddenly introduced a ban on selling fish at the local market. Those made a living by fishing went bankrupt. Cultural-cognitive obstacles to entrepreneurship often arise when powers that be often change rules. This is what seems to happen in Russia. Thus, one of our respondents pointed out, "legislative changes are adopted very often. And laws keep changing in the direction of greater complexity. To summarize:

Proposition 3b: In transition economies, cultural-cognitive obstacles to entrepreneurship can be seen in continual legislative initiatives that appear senseless and yet they often lead to the disappearance of entire industries and occupations making the entrepreneurs suspicious of foul play. Finally, our interviews with rural Russian entrepreneurs shed more light on social-moral obstacles to entrepreneurship. One story told by a local entrepreneur is especially instructive. One of the respondent's friends worked as an engineer at a furniture factory. Once it failed, he bought the facility and restarted the business. However, his employees would make illegal deals with the clients offering them the same product at a lower price and produced the furniture at night using his equipment. This example is interesting because so many employees worked in secret to take advantage of the owner. Apparently, they rationalized their illegal and immoral actions as restoring harmony destroyed when one of them became the owner entitled to larger profits than their salaries. To summarize:

Proposition 4b: In transition economies, social-moral obstacles to entrepreneurship arise as some basic social ideas of fairness and property rights are antithetical and even inimical to entrepreneurship so that employees may approve of stealing from the owner on the grounds that it restores harmony as people should be relatively equal in their earnings; similarly, disrespect for others' property rights could lead owners to stealing from employees appropriating their meagre salaries.

6. DISCUSSION

Prior research has identified many obstacles to entrepreneurship – from economic to institutional, from psychologic to financial, from personal to social (Gould and Parzen, 1990; Maykut & Morehouse, 1994; Pissarides, 1999; Kouriloff, 2000; Bartlett, 2001; Pissarides, Singer, & Svenjar, 2003; Hatala, 2005; Bath, Yago, & Zeidman, 2006; Estrin et al., 2008; Fogel et al., 2008; Bartlett & Bukvic, 2011; Gill, Biger, & Nagpal, 2011; Jain & Ali, 2014; Yukhanaev et al., 2015; Effah, 2016). Curiously, none of these studies has considered an idea that at least some of these factors could interact. Advancing previous research on the subject, we proposed in this paper that some obstacles to entrepreneurship may mutually reinforce one another producing negative synergies. Such negative synergies, in our view, are especially characteristic of transition economies. This is because transition economies typically have many missing ingredients that appear to be necessary for advancement of entrepreneurship in a country or region. Even worse, transition economies may have elements that are antithetical or inimical to entrepreneurship. Thus, bureaucracies in transition economies are often intertwined with corruption. Of course, corruption can help local entrepreneurs to cut some corners and even get things done. However, dealing with corruption is unpleasant. Many entrepreneurs need to bribe government officials to survive. This exposes them to the possibility of blackmail and even crime. Few people want to experience the continual stress associated with participation in crime, even involuntary. No wonder that talented and industrial individuals hesitate and often give up entrepreneurship. They want to enjoy their lives in relative safety without mingling with the thugs.

Thus, formal institutions (e.g., laws) and informal institutions (e.g., beliefs and even emotions) may interface. Excessive bureaucracy may be a formal institution. So is corruption. But people may be reluctant to deal with corruption, at least for a long time. As much as potential entrepreneurs may be driven to entrepreneurship, they do not want to deal with corrupted officials. Similarly, bad economy and poor infrastructure represent a conglomeration of formal institutions. However, the informal institutional component of poor economy is the necessity of getting things done by using connections, experiencing a high level of stress, and again, dealing with corruption. Thus, formal institutions (poor economy or suboptimal operations) and

informal institutions (i.e., the emotional labor involved in trying to get things done in such an inhospitable environment) interact raising the economic-operational barrier to entrepreneurship. In addition, rules of the game are not always obvious. This could make the game even more interesting. However, entrepreneurs dare to quit their jobs or put their entire fortune at stake. It is hard to do so without having a clear understanding of the rules of the game. Unfortunately, in transition economies there is little knowledge as to what is really going on. Bureaucratic authorities like to change laws often making them more and more complex and beguiling. Complex law is a formal institution. However, people do not like too much complexity, especially if their failure to understand it, could affect their livelihood. Hence, cultural-cognitive challenges (i.e., difficult to understand and frequently shifting laws) may increase the subjective chances of failure for an enterprising individual making him or her quit entrepreneurship.

Finally, some societies can be inherently opposed to entrepreneurship, often because of being suspicious of activism, in general (e.g., trying to raise the bar), and because of doubting the goals of entrepreneurial individuals regarded as too selfish and pragmatic, and therefore, dangerous for society. This is not necessarily a bad thing. Many Scandinavian countries are apprehensive of social and wealth inequality and use high taxes to balance the scales toward equality. However, such antipathy toward entrepreneurship may lead to rationalizing opportunistic behavior directed either against the entrepreneur or, in fact, against the employees. In this case, societal prejudices could lead to illegal and immoral behaviors undermining entrepreneurship. Once again, formal institutions (weak contract enforcement and disrespect for property rights) may interact with informal institutions (feelings of envy and hatred to more fortunate). To sum up, the main contribution of our paper lies in that it reveals the negative synergies that may arise because of interaction between various obstacles to entrepreneurship that transpire in transition economies, and identifies the informal implications of failing formal institutions.

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Obstacles to entrepreneurship (GEM Kazakhstan, 2015 – 2016)

GEM, National
Experts
Survey (NES)
Kazakhstan,
2015

Constraints: topics cited	% over valid responses
Government policies	60.87
Corruption	50
Financial support	41.3
E&T	15.22
Economic climate	15.22
Physical Infrastructure Access	13.04
Cultural & Social Norms	10.87
Capacity for Entrepreneurship	10.87
Internal Market Openness	10.87
Labor costs, access and regulation	10.87
Political, Institutional and Social Context	6.52
Different performing of small, medium and large companies	4.35
Information: all responses related to this issue	4.35
Internationalization	4.35
Commercial Infrastructure	2.17
Government programs	2.17
R&D transfer	2.17

STRATEGIES FOR ADAPTIVE-INTEGRATION BEHAVIOR OF FOREIGN MIGRANTS IN A POLYETHNIC REGION¹

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ABSTRACT

This article identifies the main strategies for the adaptive-integration behavior of foreign migrants in the Stavropol Region, based on a comprehensive sociological survey involving mass sociological surveys, guides, interviews, and focus groups. There is a view offered on the key mechanisms behind migrants' solution for such important issues in adaptation and integration as language, naturalization, legalization, financial status. Strategies for migrants' adaptation and integration were examined on the example of the most numerous categories of foreign migrants in the Stavropol region – stress migrants, immigrants from the for Soviet republics, incl. compatriots, labor migrants, foreign students. The adaptive integration strategies of foreign students were explored on the example of the North Caucasus Federal University, which is the largest university in the macroregion.

Keywords: *immigrants, foreign students, international migration, compatriots, polyethnic region, strategies for adaptive-integration behavior, stress migrants, labor migrants*

1. INTRODUCTION

In recent years, Russia has become one of the major recipient countries in international migration. By the number of immigrants, Russia is rated among the top three countries in the world. In 2015, according to the IOM (International Organization for Migration), Russia was second only to the United States and Germany, with 11.9 million immigrants (IOM ..., 2016). The scope of international migration, the cultural distance of foreign migrants from the hosting communities, as well as their legal status – all these points explain the relevance of the immigrant adaptation and integration issues in Russia. At the same time, the strategies for their adaptive and integrative behavior play an important role in their adjustment and inclusion in the new society. These processes are influenced, in turn, by the socio-economic specifics of the region, incl. the degree of multi-ethnicity of the migration flows and the host community. The purpose of this study is to identify strategies for adaptive-integration behavior of foreign migrants in a multi-ethnic region. The key area covered by the research is the Stavropol Region, which is attractive for migrants, and in which a multi-ethnic structure of the population has been shaped with active ethnic migrations going on. The contemporary science has accumulated considerable knowledge on this subject. Particularly relevant were studies on migrants' adaptation strategies covered by J. Berry, whose approach focuses, through the process of integration, on acculturation, treating it as an alternative to assimilation (Berry, 1992, pp. 69-

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85), as well as on adaptation and integration in the context of migration policy. In particular, the models of the state's response to foreign migration (segregation, assimilation, multiculturalism) covered by foreign scientists – J. Headley (Hadley, 2012, p. 122), M. Waters, T. Jimenez (Waters, Jimenez, 2005, pp. 105-125).

In Russia, the scientific circles adopted the concept of active migration policy, which is aimed at optimizing adaptation and integration processes (Mukomel, 2013, p. 692-700). This approach serves basis for studies by the sociologists I.M. Kuznetsov (Kuznetsov, 2006, p. 7, 19-20) and K.S. Mokin (Mokin, 2007, p. 10) who identify the adaptation strategies in migrants (scenarios: integration, enclave, adaptive, accommodation) and review the identity of different groups of people involved in this process. I.M. Kuznetsov, in particular, investigates this issue on the example of mega-cities. In his opinion, the specifics of the integration scenario of adaptation implies that migrants deliberately choose the values and standards of life in mega-cities, and they are ready to change their traditional behavior norms accordingly.

The enclave adaptation scenario comes into effect when the migrants' basic disposition that is not subject to change is a focus on the values of their own cultural traditions. In this case, the hosting environment is viewed primarily as a socio-economic resource for more comfortable existence within one's own cultural tradition. Kuznetsov also assigns an important role to the consideration of the migrants' integration potential (Kuznetsov, 2006, p. 22, 79-94).

2. METHODS

Through the study, sociological quantitative and qualitative methods were employed. The investigation of the current migration situation in the Stavropol Region was carried out via statistical analysis. As a result, the main categories of migrants were identified for sociological research, also taking into account their number, ethnic composition, and migration factors, which, in turn, affects the adaptation-integration processes.

In 1999-2002, 2012, 2014, 2016-2017, the authors carried out in the Stavropol Region surveys among different categories of foreign migrants present in the area:

1. Immigrants (from the former Soviet republics).
2. Labor migrants (from the CIS countries).
3. Foreign students (from the former Soviet republics as well as from other countries abroad).
4. Stress migrants.

The quantitative data obtained through questioning of target groups were supplemented with qualitative sociological research methods (in-depth interviews and focus groups). When preparing questionnaires and guides for focus groups, both national and international experience was used – D. Poletaev (Poletaev, 2013, p. 360), I. Molodikova (Molodikova, 2013), S. Ryazantsev (Ryazantsev, 2003, p. 231-225), N. Horie (Ryazantsev, Horie, 2012, pp. 62-76), V. Ilyin (Ilyin, 2006, p. 222), I. Steinberg, T. Shanin, E. Kovalev, A. Levinson (Steinberg, Shanin, Kovalev, Levinson, 2009, p. 228).

3. RESULTS

3.1. International migration in Stavropol Region

The largest group of foreigners in the Stavropol Region is immigrants, including compatriots. The Stavropol Region is an attractive area for immigrants. In view of its international flow, the Stavropol Region reveals a steady migration growth. In the first half of the 2010s. This indicator ranged from 3.6 to 6.7 thousand people (Table 1).

Table 1: Migration growth in the population of the Stavropol Region due to international migration in 2000-20015, thousand people (Major flows ..., 2012-2017)

2000	2005	2010	2011	2012	2013	2014	2015	2016
2.5	1.1	3.6	5.9	5.8	5.7	4.2	3.9	3.06

The main part (91.9%) of the migration growth in international exchange is accounted for by the ex-Soviet republics. In 2015, the Stavropol Region revealed a positive balance of migration with all the CIS countries. For obvious reasons, over 2/3 (67.7%) of the Stavropol Region's migration growth in terms of international migration with the CIS countries falls on Ukraine. The top three countries in this indicator also are Armenia (11.5%) and Azerbaijan (8.2%) (Table 2).

Table: Stavropol Region's migration flow distribution by CIS countries in 2015 (major flows ..., 2016)

CIS countries	Migration growth	
	People	%
International migration with CIS countries, incl.	3577	100
Ukraine	2422	67.7
Armenia	410	11.5
Azerbaijan	294	8.2
Uzbekistan	151	4.2
Tajikistan	90	2.5
Moldova	57	1.6
Kazakhstan	52	1.4
Belarus	43	1.2
Turkmenistan	44	1.2
Kirghizia	14	0.4

In terms of evaluating the immigrant status of the region, more revealing is the data on the number of people arriving within the international flow. In a decade only (2007–2016), the Stavropol Region took in 64.8 thousand of immigrants (Table 3).

Table 3: Number of people arriving in the Stavropol Region through international migration in 2006–2016 (thou., people) (main flows ..., 2012–2017)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
5.1	4.8	5.8	4.1	6.3	6.7	7.2	8.3	8.4	8.1

The second largest category of foreigners in the Stavropol Region is labor migrants. In the years of 2000-2015, the number of foreign labor migrants in the Region went up 10.9 times to come up to 13.1 thousand people. (Table 4).

Table 4: Number of labor foreigners involved in labor activities in the Stavropol Region, 2000, 2005–2010 (people) (Number of foreigners ..., 2011–2012, 2014)

2000	2005	2006	2007	2008	2009	2010	2011	2013	2014
1205	2390	3364	5908	8984	7225	5693	11800	12240	13150

The migration donors for Russia are predominantly CIS countries. In 2011-2014, they accounted for 83-85.2% of all the foreign nationals holding a work permit (excluding patents).

In the recent years, Uzbekistan has been leading in this flow, its citizens accounting 39-43%. As for other countries, the largest flow of labor migrants to Russia comes from Tajikistan (14% in 2014), Ukraine (13.4%), Kirghizia (7%), China (6.9%), Moldova (3.9%) %, North Korea (2.9%), Armenia (2.9%), and Turkey (2.3%) (Russia in figures-2015, 2016).

The third largest category of foreign migrants in the region are stress migrants from Ukraine. Since the conflict started in East Ukraine in 2014-2015, Russia accepted 1 million of migrants. By January 1, 2016, 339.8 thousand people were granted the status of a person receiving temporary asylum, a forced migrant, and a refugee. Of these, Ukrainians accounted for 91.7% (311.6 thousand) (Number and migration ..., 2016). Due to the close location of the North Caucasus in relation to Ukraine, 18.5% of all stress migrants from that country settled in the region. At the same time, in the early 2016 the Stavropol Region had 7,675 officially registered people who were granted temporary asylum. Almost all of them were from Ukraine (99.89%). Slightly more than half of the refugees from Ukraine are ethnic Ukrainians (51%), and almost as many ethnic Russians (48.9%) (Forced Migration ..., 2016).

The fourth important category of foreign migrants in the region is educational migrants – students. The two largest universities of Stavropol – the North-Caucasus Federal University, and the Stavropol State Medical University are currently offering training 2,600 foreign students coming both from the ex-Soviet republics and from other countries (NCFU is developing ..., 2016, History of the Faculty ..., 2017). Foreign students also receive training in other higher educational institutions of the region, yet in smaller numbers.

Given the facts above, a significant number of foreign migrants have settled in the Stavropol Region. Based on our estimates, there are about 90 thousand foreigners living in the region, including 64.8 thousand immigrants, 13.1 – labor migrants, 7.7 – stress migrants, 2.6 – students. Close migration links that the region has with the former Soviet republics and other foreign countries explain the polyethnic structure of international migration, which in turn aggravates the problems of adaptation and integration of migrants.

3.2. Strategies for adaptive-integration behavior of foreign migrants

The study showed that the most important indicators of adaptation and integration include successful resolution of issues related to the acquisition of housing, employment, language competence and naturalization. At the same time, the adaptive-integrative behavior of migrants plays an important role in resolving the issues in question, which in turn is largely determined by the specifics of the state regulation of migration.

At the present stage, in the context of largely voluntary types of migration, the adaptation and integration issues are largely addressed by the migrants themselves, be that independently or with help from friends, relatives and migrant communities, in particular those registered as NGOs. The increased role of the state in adaptation and integration can be seen only in relation to stress migration. In total, we identified 5 key strategies for foreign migrants' adaptive-integration behavior: 1. Survival; 2. Welfare; 3. Gradual naturalization; 4. Accelerated naturalization; 5. Language integration. Throughout the 1990s, the strategy of adaptive-integration behavior for stress migrants was determined by the economic problems of adaptation. At this stage, the role of the state was the least due to the lack of a well-shaped migration policy and the system crisis, where migrants had to rely on themselves only. An important feature of the first wave stress migration was the predominance of ethnic Russians in the migration flows as migration in Russia was repatriation. Given an open migration policy, such migrants had little or no trouble related to language integration and naturalization.

Under the critical situation of the humanitarian catastrophe in the 1990s, the survival strategy was the predominant one for stress migrants, where the major focus was on the housing problem. That is why many stress migrants went to the countryside, incl. Stavropol Region's villages. In particular, in the 1990's, 7 out of 10 years showed a migration growth rate in rural areas exceeding that in urban areas. It was easier to find housing here as there were many cheap houses in rural areas whereas housing in cities was expensive. Besides, housing in the Stavropol Region is much more expensive than in the CIS countries and in the republics of the North Caucasus. Moreover, many of those residing in villages survived through farming even though unemployed.

As the economic situation improved in the 2000s, as well as due to high polarization between the countryside and the city, migrants increasingly began to use the welfare strategy of adaptive and integrative behavior, which is associated with employment. Therefore, many stress migrants gradually left the villages of the Stavropol Region. The majority of foreign migrants (labor, immigrants) of the early 21st century also focus on living in cities with a choice of an employment matching their professional background.

At the same time, both strategies for adaptive-integration behavior employ actively the mechanism of reliance on relatives and acquaintances. Ryazantsev S.V. noted that for more than a third of migrants (34.7%) the main reason behind their choice of the permanent place of residence is the presence of relatives. Every second (53.4%) newcomer got help from relatives and friends. In addition, 15.1% of migrant-respondents stayed with their relatives, while another 13% bought or built housing enjoying their help (Ryazantsev, 2003, pp. 221-222). Our studies also confirm persistent importance of this factor in addressing the economic adjustment issues for migrants in the region. In 2012, a questionnaire survey held in Stavropol involved 1,345 immigrants and labor migrants. As the survey revealed, almost 2/3 of respondents had their relatives and friends helping them when moving to Russia and settling here.

Apart from ethnic Russian migrants, this mechanism is especially popular among migrants from the countries of Transcaucasia – Armenians and Azerbaijanis, whose diasporas are numerous in the region. Through their social ties, these immigrants have it easier solving their social and economic issues, as well as can easier obtain their legal status in Russia, including via obtaining labor patents. Due to the tightening migration policy in Russia and the growth of the multi-ethnicity in the structure of international migration flows, the significance of adaptation and integration in resolving the naturalization issues and language acquisition has gone up. The former is relevant for Russian-speaking compatriots as well. Compared to these, the issues of foreigners' economic adjustment appear not so relevant. At the same time, when facing such issues, migrants still have to rely on their own resources.

Given these conditions, a "step-by-step naturalization" becomes a priority strategy for immigrants through their adaptation and integration. As a rule, at the first stage immigrants obtain permits for temporary residence in Russia, and later – a residence permit. At the same time, immigrants resolve the language issue. Less often, the initial step towards naturalization in Russia implies obtaining a labor patent a permit for temporary asylum in Russia. The opportunity to obtain patents for foreigners working for individuals entailed legalization of status for former illegal migrants staying in Russia, primarily from Armenia and Azerbaijan. The dominance of this strategy can be seen from the results of a survey held in 2012. Of all the respondents (about 900 people), 41% had a temporary residence permit in Russia, 18.8% – a residence permit, with another 34% having a labor patent or permit. At the same time, 9.7% of respondents resolved successfully their naturalization issues.

Since the conflict broke out in Ukraine, more migrants have got Russian citizenship under a simplified scheme (within 6 months) through a program for compatriots' voluntary recruitment (accelerated naturalization strategy). However, many of them do not enjoy this right. In particular, out of 10 Ukrainian respondents, 7 were stress migrants having a legal right to join this program. However, only 1 of them took the opportunity to obtain Russian citizenship in a simplified way. All the other respondents preferred gradual naturalization.

The study showed that in other cases, the process of naturalization is significantly complicated, and some, especially "inactive" and legally illiterate migrants have not been able to obtain Russian citizenship since the late 1990s. In many ways, this is also due to lack of explanatory work to be carried out by the migration service. For foreign migrants staying temporarily in Russia, the main strategy for adaptive-integration behavior is "language integration". This category includes, above all, foreign students, except compatriots. The study showed that the more emphasis is placed on studying Russian in the students' home countries, the more successful is their language integration. For example, the language competence in students from Kyrgyzstan and Uzbekistan is much better compared to students coming from Turkmenistan.

4. DISCUSSION

The results of the study are of fundamental and applied importance. In our opinion, they reflect the currently existing knowledge, also enriching it with new models for adaptive-integrative behavior strategies, studying the transformation patterns of the government's influence on the adaptive-integrative behavior strategies among migrants, as well as taking into account the influence that polyethnicity and the geography of migrant flows have on these processes.

The specifics of our work implies identification of strategies for the adaptive-integration behavior of migrants in Russia throughout the entire post-Soviet period, as well as their evolution, which may bear certain potential for further theoretical conclusions. The identification of adaptive-integration behavior strategies of foreign migrants in the Stavropol Region allows identifying the weak and strong points that affect the very nature of adaptation and integration. Taking into account the effectiveness of the developed adaptive-integration behavior strategies available for foreign migrants may allow improving Russia's migration policy at the national level.

The meaning of this study is determined largely with an attempt to identify the impact that Russia's socio-economic polarization has on the strategy of adaptive-integration behavior. The example of the Stavropol Region shows that the presence of large diasporas of the Caucasian ethnic groups implies here an increased importance of family ties as well as a high role of cultural autonomies, when it comes to addressing the issues of adaptation and integration of migrants.

5. CONCLUSION

The study showed that all the strategies have both strong and weak points that determine the success of adaptation and integration. In the 1990s, migrants resolved effectively the issues of naturalization through the "survival strategy, yet at the same time they were at a lower level financially. When choosing the "welfare" strategy, migrants, on the contrary, were more successful overcoming economic difficulties while facing difficulties with naturalization and language competence due to a stricter migration policy in Russia. Especially acute the issue of language integration is with foreign labor migrants from the countries of Central Asia and from countries that were not part of the USSR, due to which their isolation from the host communities is especially prominent. Besides, many of them are staying in Russia illegally.

When choosing the “gradual naturalization” strategy, migrants have successful economically adjustment and integration. However, for many of them it takes years to solve these issues. More effective naturalization goes on following the simplified scheme, yet at the same time compatriots often have to live in areas far from being attractive for residence, including rural areas, which affects negatively the migrants’ economic adjustment. Through the process of naturalization, the state has the greatest influence on adaptive integration strategies of foreign migrants’ behavior. When implementing the “language integration” strategy, foreign students have to face almost insurmountable difficulties in training, because mastering the language sufficiently to talk “to a man in the street” is insufficient for mastering higher education curricula in Russia.

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A NEW INSTRUMENT FOR INDIVIDUAL INVESTMENTS IN RUSSIA: THE OBJECTIVES OF THE ISSUER AND THE RISKS OF INVESTORS

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ABSTRACT

This article analyses a relatively new instrument for replenishing the state treasury. The substance and qualitative characteristics of federal loan bonds for individuals are disclosed. The issuer's goals, including increases in the financial literacy of the population and an expected resulting growth of the Russians' activity in the financial market are critically assessed. The attitude of the population to investment instruments in the domestic market, the existing priorities and the possibility of their restructuring are analysed. Conflicts between the issuer's and the investors' objectives are highlighted.

Keywords: *financial investments, savings of the Russian population, commercial banks, federal loan bonds to the population, investment returns, investment instruments for the population*

1. INTRODUCTION

An increase in the money circulation is a key macroeconomic indicator. Restoration of the people's confidence in government securities may help to legalise money supplied to the market and subsequently withheld by the population from the money turnover. The people's confidence in commercial banks is being restored, which was encouraged by both the system of bank deposits mandatory insurance and the position of the Central Bank of Russia with respect to social and economic responsibility of commercial banks to their clients and depositors. The need to offer an additional affordable financial instrument for individuals was pressing and, therefore, the Ministry of Finance of Russia, considering institutional specifics of individual investors, offered government securities, with commercial banks acting as accessible agents considered reliable by the population. Individuals are not ready to take risks in investing their personal savings and incur financial losses. Furthermore, individuals are considered to be unqualified investors with insufficient financial literacy. A simplified procedure of government securities purchase with guaranteed income and low financial risks should encourage medium-term savings of individuals indirectly improving the population's financial literacy and developing the domestic capital market.

2. INVESTMENT OPPORTUNITIES OFFERED BY THE RUSSIAN FINANCE MARKET TO INDIVIDUALS

The Russian finance and investment market needs an expansion of supply. The households, which try to save, create demand for additional financial investment instruments. It should also be noted that the population in general trusts commercial banks, although their number has been shrinking in recent times (Table 1) (Gizyatova, 2014, pp. 89-98).

Table 1: The number of registered commercial banks in the Russian Federation for the period between 01.01.2015 and 01.07.2017

Indicators	As of 01.07.2017	As of 01.01.2017	As of 01.01.2016	As of 01.01.2015
The number of registered commercial banks	882	908	947	976

Source: information of the Bank of Russia

http://www.cbr.ru/statistics/print.aspx?file=bank_system/inform_17.htm&pid=lic&sid=itm_43766

Russian individuals (medium-income population able to make savings) have limited investment capabilities. According to experts (for example, per information of the Bank of Russia), in late 2016 the Russians had about RUB 3.8 trillion on hand and RUB 23.6 trillion on deposits. Thus, each Russian citizen belonging to active population must have RUB 38 thousand of savings in cash outside commercial banks [15].

Unsophisticated population that do not wish to invest professionally and set up their business in regulated financial markets, are actively offered the following instruments by the Russian financial market: term deposits with commercial banks, investment and universal life insurance, units in trust funds, securities, foreign currencies, precious metals etc. These instruments may be ranked as follows by their risk (Table 2). Any of the financial instruments mentioned below may be acquired through commercial banks acting as agents, brokers of financial service providers.

Table 2: Risks associated with financial instruments

Low-risk financial assets (the possibility of losing cash is low):	Medium-risk financial assets (the possibility of losing 100% of cash is low):	High-risk financial assets (the possibility of losing 100% of cash is high):
<ul style="list-style-type: none"> • bank deposits • federal bonds • federal bonds for the population • foreign currencies • precious metals • bills of public companies and banks • investment life insurance • universal life insurance. 	<ul style="list-style-type: none"> • trust funds of bonds and property • bonds of commercial companies and banks • bills of exchange of commercial companies and banks. 	<ul style="list-style-type: none"> • shares • trust funds of shares and indices • business start-up • forex trade • trade in shares, term market instruments and exchange traded commodities.

Source: prepared by the author

3. FEDERAL BONDS FOR THE POPULATION AS AN INSTRUMENT FOR THE PEOPLE'S FINANCIAL LITERACY IMPROVEMENT

The term 'people's federal bonds' appeared in early 2017. By the time of these securities issue, the interest to them was increased as a result of statements of expert economists and officials in mass media. As a result, on April 26, 2017 the placement of federal bonds for the population started in accordance with the Order of the Ministry of Finance of Russia dated 24.04.2017 No 323 *On the Issue of Federal Bonds for the Population No 53001RMFS*. On the one hand, federal bonds for the population are very much like ordinary federal bonds in their form, but on the other hand, these are two completely different instruments. Comparative characteristics of these government securities are presented in Table 3.

Table 3: Characteristics of government securities (federal bonds for the population vs ordinary federal bonds)

Characteristic	Ordinary federal bonds	Federal bonds for the population
Face value	RUB 1,000	RUB 1,000
Number of bonds in issue	100,000-30,000,000 bonds	15,000,000 bonds
Restrictions on sales	Nor restrictions per buyer	30-15,000 bonds per buyer
Maturity	1-30 years	3 years
Bonds placement, buyout, servicing and redemption agents	Moscow Stock Exchange	Agent banks (VTB24 (PJSC) and PJSC Sberbank)
The form of the security	Certified, registered	Certified, registered
Nationality of individuals	Residents and non-residents	Residents
Secondary market	Can be sold in the secondary market	Cannot be sold in the secondary market
Personal income tax	Coupon yield is not subject to personal income tax	Coupon yield is not subject to personal income tax
Servicing terms	An individual investment account is opened	A brokerage of depository agreement
Additional insurance of risks	No additional insurance as the government is the guarantor	No additional insurance as the government is the guarantor
Coupon payments	Coupon paid 1-4 times p.a.	Coupon paid 2 times p.a.
Early redemption	Income is not lost	Income is lost if bonds are held for less than 12 months
Coupon yield	Yield varies	Yield of 8.42 – 8.75%
Additional expenses (commission)	Commission of 0.04 – 0.1%	Commission of 0.5 – 1.5%

Source: prepared by the author

Coupon yield on federal bonds for the population is 7.5% p.a. for the first 6 months, 8% p.a. for the second 6 months, and the annual interest rate is increasing for each subsequent 6-month period over the three-year term: 8.5%, 9%, 10% and 10.5% p.a., accordingly. The issuer, the Ministry of Finance of Russia, tried thereby to encourage the people holding these government securities to hold them to maturity. Coupon yield is lost if the bonds are held for less than 12 months. Many experts believe that this investment financial instrument offered to the population is rather attractive and meets its initial goal stated by the Ministry of Finance of Russia: to improve financial culture and literacy of the population.

As of 10.05.2017, i.e. less than a month after the sales commencement, RUB 7.6 billion worth of federal bonds for the population were sold, which constitutes 50.8% of the declared borrowings. An average amount per transaction exceeded one million roubles. Moscow and Moscow Oblast are the leading regions in terms of the number of buyers (37% of the total amount of orders), followed by Saint Petersburg and Leningrad Oblast (17%), and by Samara (3.5%), Belgorod, Ufa and Kazan (3% each), Stavropol and Cherepovets (2% each). Experts are confident to state that the demand for the bonds is stable and the securities are purchased predominantly by people earning medium and high income. The Minister of Finance of the Russian Federation A. G. Siluanov states that the total borrowings amount to RUB 1.8 trillion, and another RUB 15 billion are being raised through federal bonds for the population. The decision of the Ministry of Finance of the Russian Federation to raise money from the population is about offering the people a good, reliable instrument to invest their savings and put the people's money into circulation. If the Ministry of Finance sees the demand and interest of the people to these government securities, the scope will be increased. However, at the moment this is not high considering the volumes of domestic and foreign borrowings [15].

This official position was confirmed by the ex-Minister of Finance of the Russian Federation A. L. Kudrin: “Federal bonds for the population do not represent any super-important volumes

to cover the budget deficit. However, this is an element of the new market development policy, and this is appropriate from this standpoint. This is also about an improvement of the populations' financial literacy, which will further stimulate the people to maintain a more active presence in the investment market" [16].

The volume of the external public debt of the Russian Federation was USD 11,720.6 million as of 01.05.2017. The public internal debt of the Russian Federation (in terms of government securities) was RUB 401,006 billion as of 01.05.2017. Therefore, the main objective of federal bonds for the population is to improve the people's financial literacy and to develop the saving and investing culture of individuals, including but not limited to the encouragement of medium-term savings through introduction of a financial instrument whose characteristics and risk level would place it between bank deposits and government securities traded in a regulated financial market. Additional objectives include an improvement of the people's confidence in government policy actions, domestic financial market development, creation of a new segment in the securities market, stimulation of the growth in the corporate financial services competitiveness, and expansion and diversification of the base of investors in government securities [14].

4. COMARISON OF YIELD CHARACTERISTICS OF FINANCIAL INSTRUMENTS FOR THE POPULATION

Let us analyse the yield characteristics of federal bonds for the population for investments amounting, for example, to RUB 30 thousand, RUB 100 thousand and RUB 300 thousand (Table 4).

Table 4: Comparison of yield characteristics of federal bonds for the population at various amounts invested

Characteristic	RUB 30 thousand	RUB 100 thousand	RUB 300 thousand
Commission	1.5% (RUB 450)	1% (RUB 1,000)	0.5% (RUB 1,500)
Total coupon yield for 6 six-month periods	RUB 8,025	RUB 26,750	RUB 80,250
Total return on investment for three years	RUB 7,575	RUB 25,750	RUB 78,750
Annual return on investment.	RUB 2,525	RUB 8,583	RUB 26,250
Annual yield, %	8.42 %	8.58 %	8.75 %

Source: prepared by the author

At the same time, if these amounts are deposited with a bank for three years, they will yield 4.30-4.45% in PJSC Sberbank. As for VTB24 (PAO), an initial investment should amount at least to RUB 200 thousand at 5.35% p.a., which is 1.6 times less than the yield offered by federal bonds for the population. Therefore, one can conclude that the terms of government securities offered to the population by the Ministry of Finance of the Russian Federation should be an incentive for an active use of them in personal finance. However, it should be stated that the readiness to save, accumulate and invest might be demonstrated by individuals with sufficient personal income. Considering significant differentiation in income of the Russian population, one can state that these government securities might be of interest only to a small group of individuals, which is confirmed by an average amount of investments in federal bonds for the population, which, as mentioned above, was approximately RUB 1.1 million. We performed a survey of employed population under 30 years of age in order to identify their potential readiness to private financial investments. After an explanation of the benefits of federal bonds for the population a question was asked: "If you have free cash in the amount of

RUB 30,000, where will you keep it?”. The answers were provided in the following proportion (Figure 1):

- 18% of respondents would like to invest into federal bonds for the population
- 18% of respondents would deposit their funds with a bank, being aware of the opportunities offered by federal bonds for the population
- 64% of respondents would keep their cash at home, being aware of the opportunities offered by federal bonds for the population.

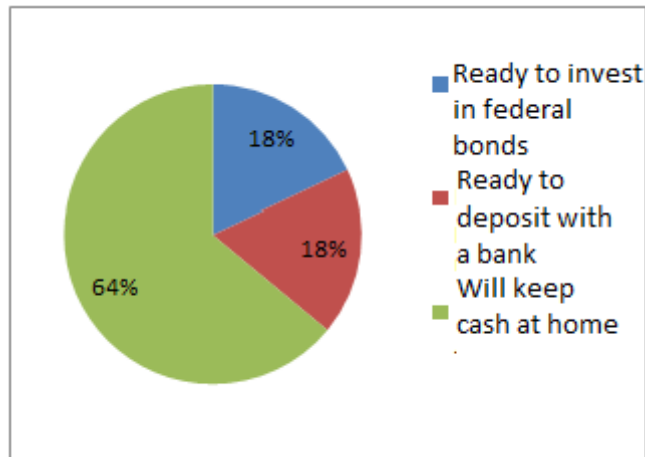


Figure 1. Individual preferences for personal savings keeping
(following a survey of employed population under 30 years of age)

Source: prepared by the author

5. CONSLUSION

A chance to earn guaranteed income from investments in government securities which is higher than yield from bank deposits is, in theory, more attractive for personal savings. However, as proved by the focus group survey, this fact does not guarantee transparency of financial information for all strata of the population having savings and wishing to keep them in the medium term. Of course, a political and economic crisis of government finance over the latest years had an impact on the savings and consumption of the Russian population. This was especially true for socially vulnerable people, active individuals who lost their work or individuals with low income, as well as for people who have regular fixed expenses for a number of years to come, for example, payment of university fees, mortgage or business loans. The opportunity to diversify personal investments and savings may be used by middle-class people with high income and a potential to accumulate cash at least in the medium term.

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DEVELOPING CREATIVE COMPETENCIES IN PUBLIC RELATIONS STUDENTS: NEW CONCEPTION OF TEACHING

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ABSTRACT

The article deals with the issue of the educational process in the sphere of PR, namely developing innovative and creative thinking skills of future PR specialists. The purpose of the study is to investigate the prospects of project-based learning implementation into a PR teaching classroom by combining the knowledge of Business English and creative competencies with the use of platforms for producing multimedia content. The subject of the work is to implement modern technologies into the educational process. The study uses general methods of research, such as analysis, synthesis, induction, deduction, experimental observation and special scientific methods, e.g. a pedagogical experiment. The result of the research is the creation of project-based learning programmes for Public Relations students. It is assumed that through cooperation and teamwork students develop creative skills, and discover innovative approaches to accomplish tasks. In this case, education focuses not only on memorizing content, but also on the practical application of knowledge. Thus, such simulated conditions create the atmosphere of a real PR-department. The situation-based nature of the project generates and develops various competencies of future specialists in terms of developing professional, social and personal values. The novelty of the study lies in an interdisciplinary approach to teaching skills and competences that embraces such fields of knowledge as design, linguistics and Public Relations.

Keywords: creative competence, design, linguistics, project-based learning, Public Relations

1. INTRODUCTION

The paper focuses on the need of an integrated training programme to be adopted at Russian universities in order to produce Public Relations graduates who are ready for the workplace. PR professionals in the 21st century must be accomplished not only in PR field, they should be fluent English-speakers, and adept in using hard and soft skills in the job. It is obvious that such a far-reaching goal can hardly be achieved without integrating efforts of subject teachers, causing them to adopt new teaching models. One of them is a Project-based model which puts greater emphasis on its interdisciplinary approach and student centeredness.

Project based instructional strategies (PBL) have their roots in the constructivist approach evolved from the work of psychologists and educators such as Lev Vygotsky, Jerome Bruner, Jean Piaget and John Dewey (Railsback, 2002). It is an authentic instructional model in which students plan, implement, and evaluate projects that have real-world applications beyond the classroom (Blank, 1997, pp. 15–21; Dickinson, 1998). Project-based learning is a holistic strategy which allows students to move away from rote learning and memorization to cooperative learning (Lumsden, 1994). Recently it has become the important part of a teaching process as it recognizes and appreciates students' different learning styles, cultural and ethnic backgrounds, and ability levels. Project-based instruction builds on individual strengths, and allows students to explore their interests in the framework of a curriculum.

A recent review of the literature on the topic (Blank, 1997; Bottoms, Webb, 1998; Dickinson, 1998; Jobs for the Future, n.d.; Moursund, Bielefeldt, Underwood, 1997; Reyes, 1998; Thomas, 1998) highlights particular benefits of project-based instructions which include:

- Enabling students to make and see connections between disciplines;
- Providing collaborative opportunities to construct and retain more knowledge working on stimulating projects;
- Increasing social, communication and problem-solving skills;
- Increasing motivation, class attendance and participation;
- Providing a practical, real-world way to learn to use technology;
- Connecting learning at higher school with reality and preparing for the workplace.

It is argued that students who often struggle in most academic settings find meaning and justification for learning by working on projects. The strategy can help students prepare for final assessment better as it facilitates learning of content knowledge as well as reasoning and problem-solving abilities (Nadelson, 2000). Thus, the researchers were encouraged to design teaching activities by integrating project-based learning in the English for Public Relations (ESP) course at Perm National Research Polytechnic University, Russia and the multimedia design course at People's Friendship University, Russia. The goal is to strengthen students' proficiency and help them to get ready to cope with everyday situations and deal with professionals in the field of Public Relations.

2. METHODOLOGY

Project based learning has many applications in the field of teaching Public Relations students at the university. This model was chosen because it is one of the most practical ways to teach students English vocabulary, PR theory, software, design elements and technics to develop and implement PR programmes.

2.1. Incorporating PBL into ESP teaching classroom

Public Relations students at Perm National Research Polytechnic University are assigned to study three four-hour credit EFL courses throughout their academic instruction during 3.5 years. The curriculum is designed to enable students to speak professional language, to design PR vehicles and to create and present PR programmes at the end of the final year.

The first course, entitled English Language 1 (General English) is taught to the 1st year students and focuses on the revision of the structure of the language and development of language fluency. The general topic of the course is Communication, which is split into four subtopics: Social aspects of communication, Psychological aspects of communication, Communication in different cultures, Communication through Mass Media. These subtopics are subdivided in their turn.

The second course, named English Language 2 (Business English), is taught to the 2nd year students and is aimed at teaching business vocabulary and principles on the topics related to their field of study: Business Communication (Business Correspondence, Networking and Business Presentations), Management, Advertising and Marketing.

The third course, titled English Language 3 (English for Public Relations), is intended for the 3rd and the 4th year students and emphasizes the professional vocabulary and knowledge in the Public Relations field together with providing the students with hands-on experience in developing and implementing PR projects. PBL is a leading method of teaching English at each level.

The 1st year students have simple tasks of writing a blog, making a videoblog, recording a news bulletin, making a presentation on topics studied. Some of the tasks are prepared individually, some are intended for a group work. The 2nd year students are required to create a brand-new product which they have to design by themselves and to promote in Perm as their end-of-the-year assignment. The 4th year students have a more complicated final assignment. It may read as the following: “You are a PR-professional at the Ministry of Sport in Perm Krai. Recently the Ministry has become concerned with a low attendance of sport clubs by schoolchildren. You have to create a PR programme promoting sport among schoolchildren of different ages and their parents and to present it to the Minister and his deputies. The programme should include a viral video and other print materials”.

On the whole, the students are expected to use English for designing a radio script, a brochure, a leaflet, a flyer; for writing for different target audiences; for giving an oral presentation; for writing on social networks and on a website. They are also challenged with their professional concepts: how to make an oral presentation, how to develop a PR programme, how to present the results of a project. The procedure of working on a project is standard: first, the students are required to submit a proposal about the project to be approved by a course instructor. Then they have two mid-project deadlines where they present their drafts and can discuss issues with a teacher who plays the role of a mentor and a facilitator. At the end of the term the final project is presented by the students and assessed by an English teacher and a PR teacher. The assessment criteria include: the English language skills, the presentation skills, professional knowledge, design (of a presentation and print materials), team work (which is a peer evaluation by filling in a form).

2.2. PBL in Communication design course

Public Relations students at RUDN University are assigned to study Communication design course throughout their academic instruction during 1.5 year in their 3rd and 4th years. The curriculum is designed to enable the students to work in the key design applications: Adobe PhotoShop, Adobe Illustrator, Adobe InDesign and Adobe After Effects, create print, digital publications and cinematic presentations.

The 1st course is entitled Graphic design basics in Adobe PhotoShop. It is taught to the 3rd year students and focuses on how to resize, color-correct and manipulate raster images, export file formats for print, web. The general topic is Photo collages and various types of Posters. During the semester, the students are asked to create a one-page poster to announce the University open days. According to the assignment it should be a simple, rectangular-shaped advertisement with a text and an image (a photo or an illustration) posted in public places and on social media. At the end of the semester, the students also gain knowledge of how to create video animations, visual effects, motion graphics and compositions in Adobe After Effects. The students are given the task to make square-format videos for Facebook. The second course is named Graphic design basics in Adobe Illustrator. It is aimed at teaching vector graphics, creating different types of logos and icons. The students also learn how to create a typographic portrait, an infographic resume and a timeline of an overview of some process steps. The students study trends taking over the graphic design of a leaflet. One of the assignments is to make a tri-fold leaflet to promote a publishing house at education and job fairs. A leaflet should showcase quotes from engrossing books about improving memory, concentration, communication, organization, creativity and time management. It may contain a flash that evokes reader's interest – a special discount. At the end of the 3rd year the students are taught to design Slidedocs (Duarte, 2016). The vehicle was invented by Nancy Duarte, an American communication expert. It is a document created in PowerPoint that integrates graphics and words in more

digestible chunks of information. They are meant to be printed or distributed instead of presented. While learning this topic the students get a task to convert a newspaper article into a visually rich and easily consumable slidedoc. One more topic connected with a presentation software is Prezi, an interactive online whiteboard that allows creating interactive presentations in a nonlinear way. The students are obliged to take part in a presentation battle and prepare an engaging pitch about a book that they have chosen from teacher's list. At the end of the contest a panel of juries (assigned students) makes a decision about whose presentation is truly absorbing and engrossing. The third course is titled Graphic design basics in Adobe InDesign. It is intended for the 4th year students and emphasizes differences between print publications and digital documents. The students produce documents that contain interactivity, including videos, audios, images, links, slideshows, responsive buttons and bookmarks and export a finished file as an interactive PDF. One of the tasks is to create a backgrounder about a business forum with facts and stories related to key speakers. On the cover of a backgrounder the students put speakers' images and make them as buttons to bring a user to pages with more detailed information. Another topic is the creation of dynamic ePubs (Electronic Publication), an electronic book standard that can be downloaded and read on smartphones, tablets or laptops. Students are given an assignment to create an electronic brochure that includes short videos demonstrating the main selling points of a product.

3. RESULTS

This set of analyses confirms that the Public Relations students of Perm National Research Polytechnic University are provided with solid and proficient knowledge of Business English and English for Public Relations. They know how to write grammatically-correct and clear texts in English to reach diverse international publics and communicate efficiently with colleagues, journalists and clients. At the same time, it has been found that the students possess basic design skills and are unable to produce sophisticated and visually attractive print materials for their professional purposes.

This result strengthens researchers' confidence in the demand for training students in digital skills and in the knowledge of design that are highly sought-after in today's constantly changing and evolving PR industry. It is highly crucial to develop cutting-edge knowledge of the Communication design to support multinational or national campaigns. Thus, a PR manager should be a multimedia specialist, who is competent in production print and digital publications using appropriate equipment and software, editing advertising material for spelling and grammar, creating designs, concepts and layouts to communicate a coherent message. The analysis of Communication design curriculum reveals that the Public Relations students of RUDN University are proficient in Adobe Illustrator, Adobe InDesign, Adobe PhotoShop, Adobe After Effects, Sketch and Prezi. They are capable of managing publication projects from digital artwork to print and external distribution. On the other hand, these results offer the vital evidence of an unsystematic teaching method, where the students learn Public Relation Theory and production of marketing publications and documents separately. Therefore, the curriculum should embrace content and skills integration. Teachers of these disciplines ought to foster collaboration, for instance, if a teacher asks students to plan any public relations campaign, another teacher should give a task to create print materials for this purpose.

4. DISCUSSION

The purpose of the present study was to investigate the prospects of project-based learning implementation into a PR teaching classroom by combining the knowledge of English and creative competencies with the use of platforms for producing multimedia content. This was achieved through integrating a project work into ESP instruction at Perm National Research

Polytechnic University and Communication design course at RUDN University. PBL served as a bridge between learning English and key design applications in class and using them in real life situations, in particular in settings related to the students' PR specialization. The study has led to the most important finding regarding the appropriateness of project-based learning for PR students at university. This kind of work enhances students' creativity, critical thinking, academic skills of conducting research, problem-solving and summarizing, professional skills of oral and written communication.

Project work provides relaxed learning environment for student, enabling them to work at their own pace and focus on the learning process and the final result. These findings are consistent with the previous results of Caruso and Woolley (Caruso, Wooley, 2008), Tsai (Tsai, 2013, pp. 111-127), Mannix and Neale (Mannix, Neale, 2005) who state that in project-based learning students are involved in process-oriented events such as pair and group discussions and problem-solving activities. They also believe that positive group experience leads to student learning, retention and overall success. It has been noticed that project work enhanced the students' motivation to study English and significantly improved their language skills as English was used as a communication means in classroom discussions while working on the project. Noom-ura (Noom-ura, 2013, pp. 1-7) underlines that PBL and ESP are a perfect match because the main components of PBL and the distinguishing characteristics of ESP can precede hand-in-hand to enhance language acquisition and achievement of proficiency. Stoller (Stoller, 2006, pp. 19-40) draws attention to the reasons why PBL has smoothly integrated into ESP classroom around the world. Among them the following are mentioned: a) authentic language use, b) a focus on language at the discourse rather than the sentence level, c) authentic tasks, and d) learner centeredness. Brush & Saye consider PBL as a bridge between learning English in class and using English in real life situations, in particular in settings related to their specialization (Brush & Saye, 2008).

The researchers also recorded a positive attitude to project work of subject teachers. Cross-curriculum project planning required advance planning and teamwork among all subject teachers. At the beginning of the academic year subject teachers, who were involved into PBL collaboration, had a meeting where they discussed what concepts they were going to teach throughout the year, what possible overlapping in classes could appear and how their curricula could supplement the project. At the initial stage of the project, teachers had to develop assessment criteria and share them with the students in advance. During working on the project, teachers were expected to allocate time at their classes for students to work together on the aspect of the project. At the final stage of the project presentation all subject teacher got together for final assessment.

Assessment criteria appeared to be a controversial point which caused a sharp debate at the very beginning and remains the issue to be improved. First, the agreement on the rubrics to be included into the assessment criteria list could not be easily achieved. Some of the subject teachers stated that 4 criteria (knowledge of the PR field, the English language skills, the design of the final presentation and print materials, the oral presentation skills) would be a quite relevant expertise. Others argued that rubrics should comprise not only learning outcomes, but also critical and creative thinking, problem-solving skills, engagement, teamwork. The reasons behind those suggestions were apparent, though it remained incomprehensible how to assess those skills in the objective way. Then, it was decided to add a peer evaluation criterion describing the impact of each student on a project. Thus, the assessment instrument was comprised of 5 criteria, each described five levels (excellent, good, satisfactory, poor, zero) of

the students' proficiency in professional knowledge, English knowledge, design skills, performance and work in groups (evaluated by students).

Fortunately, in the present research the majority of subject teachers were rather enthusiastic about PBL and ready to introduce necessary changes into their teaching materials and curricula. However, Bradley-Levine et al. (Bradley-Levine, Berghoff, Seybold, Sever, Blackwell, Smiley, 2010), Doppelt (Doppelt, 2009, pp. 55-65) and Chan Lin (Chan Lin, 2008) point out the challenges of implementing PBL into curriculum. They assume that it requires specific skills which teachers might not possess and the necessity to develop alternative assessment methods. Thus, PBL may be viewed as time-consuming and hard to implement as it leads to the reforming of classroom structure and the re-orientation of teacher and student roles.

4.1. SWOT analysis of the ESP and Communication design courses

A SWOT analysis was conducted to generate a comprehensive understanding of the current delivery of ESL and Communication design courses and to focus on possible curriculum development. This approach was chosen in order to receive a meaningful students' feedback that could provoke insights that might not occur otherwise. So, the researchers asked two groups of Public Relations students (one at Perm National Research Polytechnic University and another at RUDN University) to write what they liked about the course (strengths), what subject areas were avoided (weaknesses), what could be included and improved (opportunities) and what could have a negative impact on the course (threats). All data was collected, the most often mentioned responses were identified (Table 1, 2).

ESP	
Strengths	Weaknesses
<ul style="list-style-type: none"> - dedicated and enthusiastic staff; - teamwork, which prepares for working with a partner; - valuable language skills that help to work in foreign companies; - role-play situations; - real-world tasks (video-spot, bulletin, etc.). 	<ul style="list-style-type: none"> - amateur level of design (ability to create print publications in Paint, Microsoft Word and Power Point); - lack of drawing and a graphic design software and staff in specialized area; - lack of knowledge in different presentation software.
Opportunities	Threats
<ul style="list-style-type: none"> - create more career workshops to increase employability perspectives; - use of design apps; - collaborate with graphic design teachers from other universities; - find an in-house design lab to produce marketing publications and advertisements needed to promote the Chair of Foreign Languages and Public Relations. 	<ul style="list-style-type: none"> - frequent internet dropouts; - university cannot appropriate money for software licensing of Adobe Creative Cloud applications.

Table 1: SWOT analysis of the ESP course

Table following on the next page

Communication design	
Strengths	Weaknesses
<ul style="list-style-type: none"> - good and regular skills workshops; - collaborative projects; - ability to express creativity through graphic design programme; - knowledge to create all marketing materials; - challenging tasks, competitions. 	<ul style="list-style-type: none"> - conditions leave us no room for creation targeted marketing materials; - promotional materials are not relevant to certain common PR strategy.
Opportunities	Threats
<ul style="list-style-type: none"> - develop skills in design software programs in conjunction with lectures about PR materials; - create marketing materials (posters, press-walls, leaflets, brochures, video-spots) about Philological Faculty of RUDN University with a help of Public Relations students; - cooperate with a professor of Rhetoric to improve students' presentation skills; - co-operate with a lecturer of English to teach students business vocabulary and principles on the topics related to design, advertising, marketing, presentations. 	<ul style="list-style-type: none"> - unwillingness of lecturers of English and Public Relation to collaborate and write the uniform inter-professional curriculum; - bureaucratic structures of the RUDN University.

Table 2: SWOT analysis of the Communication design course

This analysis has revealed that the PR students at Perm Polytechnic University get the profound knowledge of the professional language but fail to meet practical needs for design skills. One of the ways to fill that void is to collaborate with graphic design teachers from other departments, universities or advertising agencies. The treat that the University would not tend to appropriate funds for graphic design software should also be taken into consideration.

In reference to Communication design course, the analysis showed the absence of synergy between technology (skills in design software) and basic learning theories (PR lectures). One of the best ways to bridge this gap is to cooperate with a PR theory lecturer and to design promotional materials that are more focused on certain common PR strategy.

The present research puts forward a formal solution to the most effective way of using the strengths, taking advantage of the opportunities and overcoming the identified threats, which is the creation of a project-based learning programme converging design, linguistics and Public Relations. Nowadays there is an urgent demand in multimedia, English speaking specialists, who use creativity and technological and language skills to design a wide range of projects for multiple audiences. These projects range from print and digital publications to motion graphics video and much more.

5. CONCLUSION

The present paper argues that today the difference between PR in higher education and at the workplace is more blurred than ever. Accurate transfer of abstract knowledge to real-world situations rarely occurs in education. The researchers advocate for the system which facilitates student transitions to careers and blends job-related skills with the teaching. The best way to create a fundamental link between education and occupations is project-based learning that

combines software skills with the English knowledge and PR theory. This kind of work enables students to ask serious questions, conduct research, defend their arguments with reliable evidence, collaborate with a group on an extended out-of-class project, and manage time effectively. Being part of a team fosters their interpersonal skills (speaking and listening) and team working skills (leadership, delegation of power). PR educators are advised to review the suitability of current curricula in response to the era of social media and technological changes. Presumably, the approaches described here will contribute to these on-going discussions. The researchers are looking forward to establish a strong relationship between Perm National Research Polytechnic University and RUDN University which could improve the quality of teaching Public Relations in a higher school. Such collaboration could bring fresh insights and new ways of teaching and learning.

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FRAMEWORK OF INCREASING PUBLIC SECTOR MANAGEABILITY

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ABSTRACT

As a result of democratic reforms and liberalizations of the Russian society, there has been increased the number of civil associations and unions. The development of civil society institutions is ambiguous. The complexity and conflicting interests, limited resources breed conflict interaction government bodies with public associations. Conflict of interactions actualizes the problem of management and of public sector. This article analyzes approaches to the definition the concept "manageability", clarifies the content of this concept, defines indicators and criteria for manageability in relation to social space, principles and frameworks for increasing manageability of civil society institutions are identified. The analysis considered two groups of frameworks of increasing manageability: organizational, giving stability to the process of self-organization, consistency, purposefulness; and socio-psychological, associated with the characteristics of the individual's perception of objective reality, the real achievement of their goals, interests and needs. Methods: analysis of the results of sociological surveys of the population. The representativeness of the data is ensured using multi-stage stratified territorial random sample. Various forms of government support for public organizations have been determined, and the share of government funding in the incomes of non-governmental organization NGOs in the countries of the European Union, the USA and Russia has been analyzed. A differentiated assessment of the contribution of social organizations to the solution of social problems in contemporary Russian conditions, in the opinion of the authorities, the population and the leaders of NGOs, demonstrates the existing contradictions between the authorities and the public sector, that do not allow them to interact effectively. Through the analysis of the socio-psychological mechanisms are identified that trust is the underlying factor of consolidation of society and the condition for the existence of social self-organization. Manageability is achieved by increasing the level of mutual trust.

Keywords: *governance, mechanisms of control, public sector, self-organization*

1. INTRODUCTION

In modern conditions of social development, the problems of the managing processes in the society are due to the fact that the turn of the society to liberal-democratic models in practice proved extremely difficult and controversial. The result of the transformation process was the emergence of a large number of self-organizing entities applying for participation in the system of public administration. The development of institutions of civil society is ambiguous. Some researchers note the increasing trends of decentralization and deregulation in the processes of interaction between authorities and companies [Maarten Simons et al., 2013]. Others point to the existence of possible limitations of social partnership, in connection with the authoritarian

role of the state, which creates asymmetry in the networking management and reduces the quality of interaction between authorities and other actors of the partnership [Karen Johnston, 2015]. Still others say the failure of the central authorities fully recognize the need to strengthen local representative democracy that is manifested according to local authorities from government grants [George Jones & John Stewart, 2012; Copus, 2006] and lack of public incentives for participation in partnerships with government authorities [Sylvia I. Bergh, 2010].

In short, on the one hand, the public sector consolidates common efforts in solving urgent problems of the population, and thereby compensating the lack of resource states, engaging in partnerships with governments. On the other hand, it accumulates discontent in society. In the role of the opposition, it challenges the government's policy, engaging in conflicts with the authorities [Ratliff, Hall, 2014; Inclán, 2012; Murdie, Bhasin; 2010]. On both sides, the ambiguity in the development of the public sector actualizes the problem of constructing a managed social space. This topic has always been of interest to social scientists, management practitioners, and even more important nowadays. In the framework of modern management approaches, in particular in the cybernetic and systemic approaches actively are postulated mechanistic analogy. Manageability is seen as the purposeful translation of the system through management action from one state to another is required and indicates the dependence of on from the control center, and the degree of this dependence corresponds to the degree of centralization. The same dependence can be seen in the reflection of domestic social scientists in the analysis of various contexts of manageability.

So for example: A. G. Porshnev and A. J. Kibanov imply under manageability a significant qualitative characteristics governing, thanks to which "the organization as manageable and acquire the ability to achieve goals, while remaining within resource limitations..." [Porshnev, Kibanov al., 2001: 731]. V. N. Ivanov defines "handling the relationship between the manageability of the control and the complexity of the control object" [Ivanov, 2000: 249]. A. I. Prigozhin "understands the handling of a complex integrated indicator of the organization's functioning, which is measured through the ratio between the organization's objectives and achieved results" [Prigozhin, 2003]. Mr. Tikhonov believes that "manageability is a real opportunity for rational intervention and influence on the process in a socially desirable direction" [Tikhonov, 2000: 121]. According to V. Tambovtseva L. "handling ... contains at least two aspects. First, it is impossible to purposefully influence the object of management. Second, is the adequacy of the means used by the control system to influence the control object ..." [Tambovtsev, 1997: 3]. Other scientists, such as "V. A. Afanasiev, N. In. Varlamov, Yu. p. Panibratov, consider controllability as a quality characteristic of process management. Such process is limited to the time during which the organization needs to achieve the objectives and comply with resource constraints" [Belous, 2010: 27]. That is, "controllability" is considered within the subject-object management paradigm, according to which controllability is linked to the efficiency of the management entity's work, the quality of the administrative impact, the ability and ability to achieve the goals set with the subject's active position with respect to the object. Despite the prevalence of this approach in the management practices, it should be noted that in relation to self-organization and in the conditions of liberal democratic traditions, it is unpromising [Bondaletov, 2015: 15-19]. Since, firstly, the management process is considered in the context of "domination - subordination", "passivity - activity". Secondly, management, like the very reaction to management influence, can have a different focus. Clear evidence the positive reaction of the control object improves manageability, and negative lowers, no. Furthermore, the perception of a free, active person as a passive object, even in the presence of a positive reaction, reduces the effectiveness of managerial influence [Frolova, 2016]. Evidence of R. Akoff and F. Emery, "the activity of the subordinate subject is negative, it works against

the goal. Being depressed, the subject submits into a passive state. Maybe he already has no resistance, but the dominant goal of the subject is achieved only under duress. The weakening compulsion immediately leads to avoidance goals" [Ackoff, Emery, 1974: 54].

This approach harmoniously fits into the concept of constructing managed social spaces by Yu. Habermas, P. Bourdieu, and K. Levin. In the works of these sociologists, controllability is viewed as a positive quality of the social environment, where each person is potentially on the one hand a carrier of controllability, and on the other hand its creator. The purpose of the article is to analyze the mechanisms that determine the management interaction and regulate the collectivist behavior of interacting subjects within the framework of self-organization of public systems.

2. METHODS

Information base of research is the Federal and regional legislative and regulatory acts, statistical data, information and analytical materials of Federal, regional and local authorities. The empirical base was the results of the research by Higher School of Economics. The article uses the results of population surveys conducted by this organization. The representativeness of the data is ensured by using of a multi-stage stratified territorial random sample. The sample is representative of the population of the Russian Federation by type of settlement, sex, age, education. The authors also comprehensively used scientific methods of research; research activities were applied based on the mapping methods of comparative and system analysis.

3. RESULTS

Proceeding from the above, conditionally, it is possible to distinguish two groups of mechanisms of manageability: organizational, giving stability, consistency, and purposefulness to the process of self-organization; and socio-psychological, associated with the peculiarities of perception of the individual objective reality, the real achievement of their goals, interests and needs.

Organizational mechanisms have a high degree of complexity, the diversity of its constituent elements and represent the totality of all state and municipal authorities, organizations and institutions engaged in the tasks and functions of the state. Through organizational mechanisms are formed in the social space of normative-legal conditions, economic and cultural patterns of behavior. In addition, as organizational mechanisms are specialized public institutions, who received in L. P. Althusser name - "ideological apparatuses of the state". To those institutions French philosopher related: "religious (the system of different churches); school system (various schools, public and private); family; legal; political (political system, including different political parties); the trade Union; information (press, television, radio, and so on); cultural (literature, art, sports, etc.)" [Althusser, 2011: 14-58]. The most important feature called public institutions is that they draw the system of social relations determine the role and place of man in this system, determine the order of functioning and development of society. In accordance with this between organizational mechanisms must exist in dialectical interaction, before creating legal and economic conditions of any conversion, you need to create the ideological conditions that would have reduced the protest component, and not cause rejection of the new. Any attempt of introducing progressive laws or economic innovations without prior ideological training, without regard to values, mentality knowledge of the population rules of the game leads to increased feelings of alienation and hostility to the proposed innovations. Considering as one of the subjects of social relations of different formal institutions of self-organization, in particular public enterprises, it should be noted that these institutions are voluntary and self-governing organizations. And so, only a competent, well thought out

policies aimed at creating conditions that support their desire to maintain “General Affairs”, making them the subjects of managerial interactions [Bondaletov, 2015: 132-139]. Thus, despite equality of rights in the relations a major role in the regulation of these relations belongs to the state. The handling of the public sector as one of the subjects of interaction, in this case will greatly depend on how the authorities manage to establish a constructive dialogue and an effective system of support of public associations. One of the most important aspects of this direction is the material support of the forms of social self-organization, providing "the necessary premises, tools and equipment, press, etc." [Toshchenko, 1980]. Also support can take the form of social order (support of authorities), social and private-public partnerships (support of authorities and business). In principle it is possible to talk about the different types and forms of support: formal and informal. The first, involves a number of measures aimed at rationing and financial and economic support of joint activities. Financial and economic support of public sector policy is considered abroad as an important tool to increase loyalty of the public organizations to the government. If you compare across countries the proportion of state funding in the income of non-state NGOs in Russia lags significantly behind funding for other countries (See table.1)

Table 1. The share of public funding in the income of non-state NGOs (selected country groups, %)

Group of countries	The share of public funding in non-state revenue of NGOs
Western Europe, Canada, Israel	54
Eastern Europe	42
The Anglo-Saxon countries	36
Scandinavia	35
Developed countries of Asia	34
Latin America	19
The average for the group of 38 countries	36
Russia	13

Source: will the state cope alone? On the role of NGOs in solving social problems. / Hands.Pproject L. I. Jacobson. – M.: Publishing House HSE, 2011. – 56 p.

Mechanisms and instruments of public finance in the US and the EU are rather diversified. If grants are the leading place in Russia, then in the United States and the European Union, non-grant forms of support are widely used, such as target capital, corporate volunteering, operational subsidies, soft loans to social entrepreneurship, tax rebates, tax exemptions, start-ups, crowds and flagging platforms, etc. Foreign researchers confirm that state support in Western countries is an effective mechanism for the influence of state representatives the activities of public organizations.

Figure following on the next page

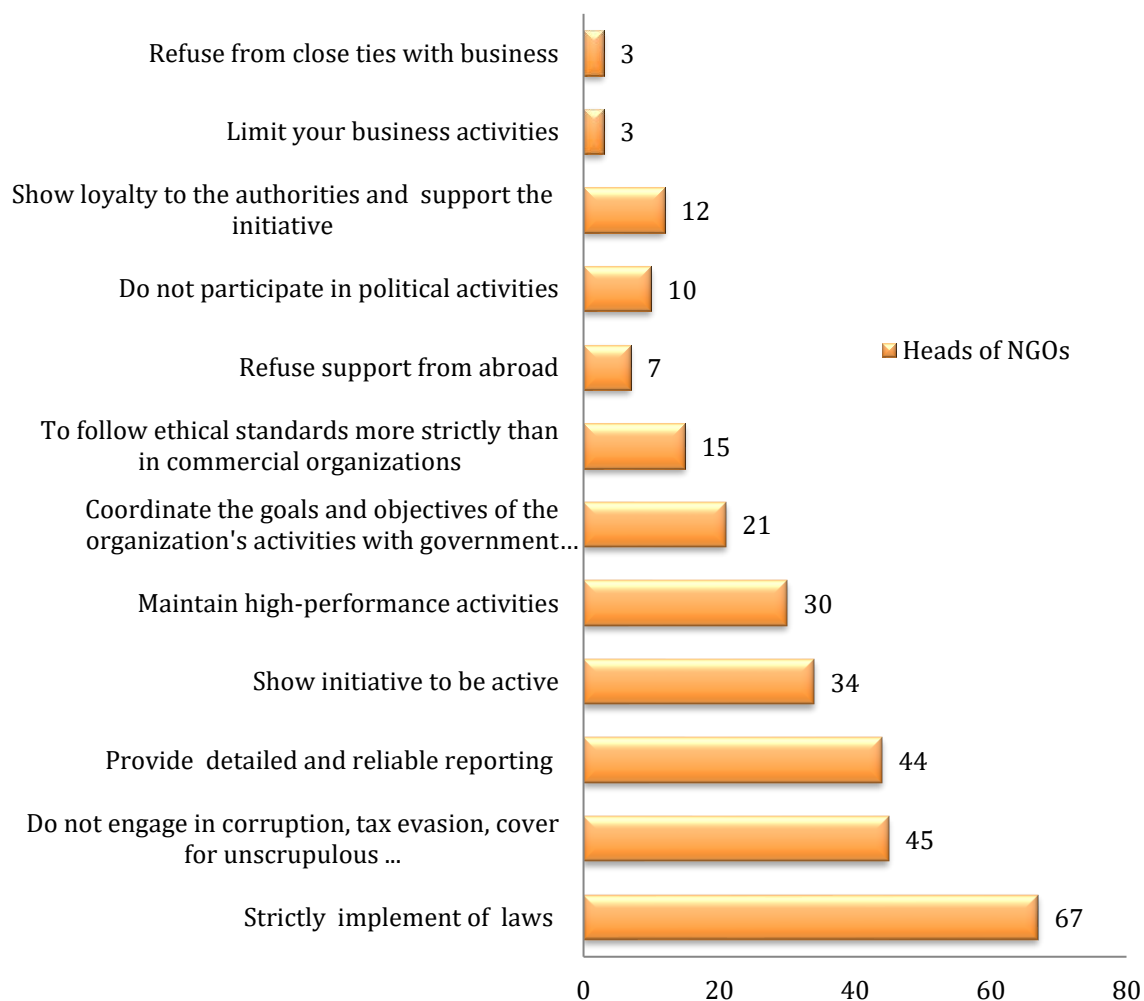


Figure 1. - That the state has the right to demand from NGOs in return for their support (in the opinion of NGO leaders, %)

Informal support refers not primarily material support from the social environment. Such support becomes a source of positive emotional experiences, stimulating activity of the individual. It can be in the form of endorsement of collective action, fixing in the public mind the high status of a public man, etc. The expectation of positive reinforcement from social networking, confirm the usefulness and effectiveness of their actions in a subject-subject relationships leads to increased control of the participating actors, motivation to sustainable forms of self-organization and formation of effective forms of interaction. Unfortunately, in the

¹ Factors of civil society development and mechanisms of its interaction with the state/ ed. by L. I. Yakobson. – M.: Vershina, 2008. – P. 163

Russian Federation in relation to the public sector is still dominated by latively negative evaluations (Cf. Fig. 2).

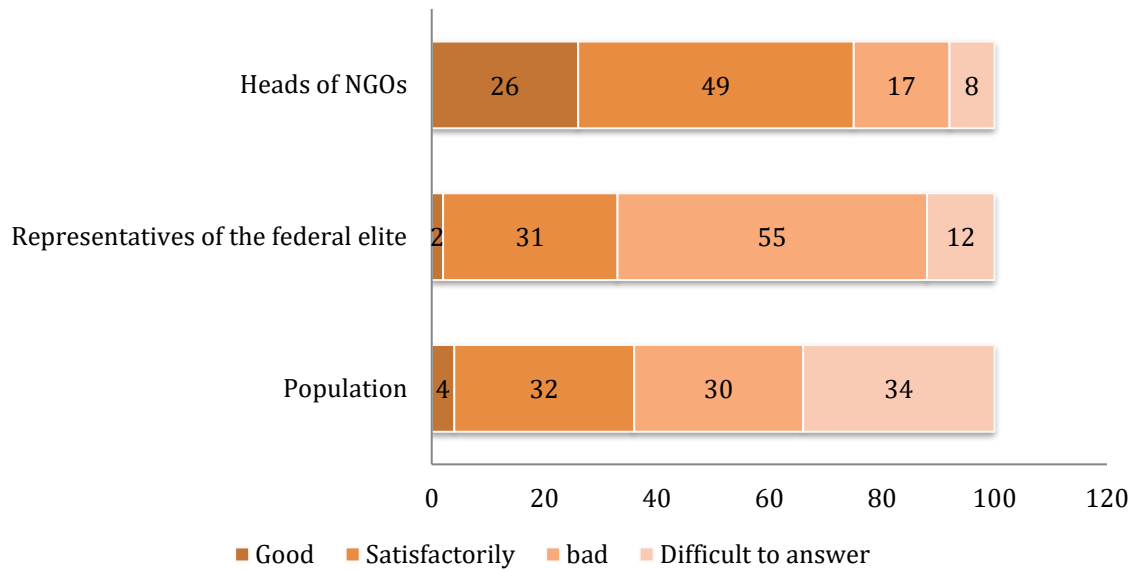


Figure 2. – Distribution of respondents' answers to the question: "How do You assess today the role of NGOs in solving social problems in our country?" (%)¹

So among the representatives of the Federal elite, more than half of respondents (55%) assess their activities as "bad" and only one third as satisfactory or good (in the amount of 33%). Relatively balanced rating to give the Executive ("good and satisfactory" in the amount of 44%, "bad" – 41 per cent) and sharply critical legislators (23% "good and satisfactory" and 72% "poor" respectively). Characteristically, the population estimates for the positions of "good" and "satisfactory" close to their distribution among the representatives of the federal elite. The attitude of the authorities, illustrate a high degree of prejudice to non-profit organizations. Officers perceive the representatives of the public sector shows that the effective connectivity options while more the exception than the rule. These trends are determined by the specifics of the mentality of Russian society. Within the framework of patriarchal consciousness, assessments are determined not so much by one's own opinion as by the reflection of socially-approved answers. Despite the fact that the start-up function performs the institutional arrangements that achieved the same handling only through the mechanisms of the socio-psychological nature of internalization, exteriorization and legitimation. In some works on the sociology of interiorization is considered along with socialization as the process of formation of individual activity through collective. Under the "successful internalization" refers to the establishment of a high degree of assimilation of the subjects of the self-organization of objective reality. That is accepted and welcome in society patterns of behavior in consciousness of the personality is perceived as inevitable. At the maximum success of internalization of various motivational and interpretative schemes internalize as an institutionally specific program behavior in everyday life, which makes the process of self-organization a high degree of controllability. Simply put, the behavior of interacting agents becomes familiar, expected and welcome in society. Accordingly, the controllability of self-organization subjects will be determined by the degree of institutionalization of collective patterns of behavior in society. "The more behavior is institutionalized, the more predictable, and hence controllable it becomes". [Berger, Luckmann, 1995].

² Will the state cope alone? On the role of NGOs in addressing social problems. / hands. project L. I. Jacobson. – M.: Publishing House. the house of the HSE, 2011. – P. 43

"The reverse process is exteriorization, with the help of which the internalization of the internal, its transition to the external plan of activity is carried out." Man is an active creator of social reality. As a product of the internalization of objective social structures, he constantly, as P. Bourdieu notes, structures social space around himself, forms social relations and relations, which in the concept of the French sociologist was named "field". Social space consists of many fields that design from different positions (included in the field at a given time and in given conditions) a certain space of possibilities for each agent. In our case, and the public sector, and public sector unions are fields. Entering into interaction, the agents want to use the field, to achieve common goals and interests. The dominant position and control in this case is achieved through mechanisms of legitimation. According to American political scientist S. Lipset [Upset, 1959: 77.] the essence of these mechanisms is reduced to the ability of managers to "produce and sustain" faith managed that the subjects of management best suited to their interests. Managed the subject with a greater likelihood of demonstrating compliance with the norms and patterns of behavior that are prescribed to him by institutions or individuals, for which it recognizes such a right, which he trusts more. However, "credibility" is not infinite, so the power is always in search of different means of maintaining control in society, resorting to the use of different legitimation mechanisms.

4. DISCUSSION

Thus, as the analysis of the above mechanisms to provide control in society is extremely difficult. The manageability is a continuous dialectical process. Organizational and socio-psychological mechanisms are so closely intertwined that they cannot exist without each other. Despite the fact that manageability in society is the result of external organizational influence, it is achieved still through the change of the internal content, namely, as emphasized by Max Weber, through the formation of emotional loyalty, value-rational predisposition, belief, etc. Historical experience and the results of the research show that any real power is committed to creating a high degree of control in society. And of course, that any process, including the formation of the manageability of the public sector should be developed and implemented in line with the overall development strategy of any territorial entity. For this, initially, it is necessary to make a diagnosis of the public sector, to determine what type of organization prevails in the territory and based on the goals of development of the territory to develop a system of support to the public sector.

The support system needs to be optimized for the desired type of organizations. To this end, the government should create extremely uncomfortable conditions for organizations unwanted type, and create favorable conditions for organizations with an acceptable type. Thus, there will be "washing out" of undesirable organizations from the public sector. And in this case it is very important that the choice of strategy has been focused on the revival of democratic ideas and values, not authoritarianism.

5. CONCLUSION

Analysis of different scientific views shows that the management of social space is determined by the manageability of interacting subjects, which is due to organized social environment. One of the main applied tasks of the organizational agents is to ensure overall control of social space.

As manageability elements are :

1. The manageability of social environment is determined by objective conditions, and they also managed. The social environment, in addition to the surrounding people and organizational structures (public, state, etc.) with whom a person and his associations enter into interactions, primarily represents the conditions in which this interaction takes place.

The conditions of the social environment, regardless of its accuracy, are the result of consciously-willed actions of people, they are subjectively determined. The main indicator of such controllability is the quality of mechanisms of state regulation: the development of the system of legislative and normative-legal acts, financial-material and socio-economic support.

2. The manageability of the subject of management, which is subjective and is determined by the adequacy of the response of the subject of management of changes (requirements) of the environment, and the desire of interacting subjects to actively participate in the solution of the "general affairs". This approach, first of all, is connected with shifting the emphasis in management from domination to the management process itself, as a process of joint goal-setting and goal-setting. Moreover, "controllability must, first of all, control entities, which then transfer it to a manageable one."
3. The manageability of managed of entity, also is subjective and is determined by the willingness to support decisions of the governing entity; the degree of coercion in relation to managed; the level of protest and of civil disobedience. With this approach to understanding "manageability", the objective reality created by organizational agents in social space is assimilated by the subjects of social space, grows into their actions and thereby determines both the controllability of the managed and controlling subjects, and the controllability of the space itself and the processes flowing in it.

As a result of the analysis was reviewed by two groups of mechanisms to improve the manageability:

- organizational, giving the process of self-organization stability, consistency, purposefulness;
- socio-psychological, associated with the peculiarities of perception of the individual objective reality, the real achievement of their goals, interests and needs.

Based on the study of organizational arrangements have been identified the dependence of manageability of the public sector as one of the subjects of interaction, the degree of effectiveness of the system of support of public associations by the state, which can be either formal (regulation and financial and economic support of their joint activities) and informal (not financial support from the social environment: state, population, public associations). Consideration of socio-psychological mechanisms has allowed to define that any social system, be it a public organization or a state, cannot exist without trust, it is the basis of all reforms and solutions to many social problems. Manageability, in this case, is achieved by increasing the level of mutual trust. At the same time, trust is given to the meaning of the system-forming factor of the consolidated society. That is, trust performs, in addition to the function of the regulating relationship, also the function of communication between people, which allows us to consider it as a background condition for the existence of the phenomenon of social self-organization and its manageability.

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SOCIO-ECONOMIC FACTORS OF MIGRATORY ATTITUDES OF YOUTH OF THE ULYANOVSK REGION

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ABSTRACT

Transformational processes occurring in society affect the labor orientation and migration attitudes of young people, which entails a change in labor behavior. Currently, socio-economic factors are dominant when the young person chooses a place of work and residence. Youth in the Ulyanovsk region in 2015 accounted for 26.4% of the total population, its population tends to decline. In 2015, its number was 97% of this value in 2014. A number of sociological studies conducted on the basis of the Department of Sociology and Political Science of the Ulyanovsk State University (2012-2016) showed that the majority of the interviewed young people (20%) would like to move to live in another city in order to find a highly paid job or work in which You can self-fulfilling. Respondents who have incomplete secondary, general secondary and incomplete higher education say more often about migration. Among graduates of higher educational institutions, these sentiments are even more active. In general, such a mood has a third of young people. The economic crisis of 2014-2015. In Russia has led to an increase in unemployment in the region, a drop in the standard of living, a decline in the cultural activity of the population, the growth of social apathy, pessimistic sentiments, and a number of others. These factors have increased the migratory mood of young people, since young people believe that work is not only a source of income, but also a way of self-realization and development. In the modern youth environment, such attitudes as "work hard and diligently if her labor is adequately paid" dominate, "the desire for professional development and self-improvement." The dominant career idea for a significant part of youth is the desire to leave the Ulyanovsk region, where, in their opinion, there are no jobs and growth prospects appropriate to their ambitions. Thus, we can talk about a fairly high level of migration sentiment among the youth of the Ulyanovsk region.

Keywords: *youth, migration, migration facilities, socio-economic factors, labor market*

1. INTRODUCTION

Migration processes are linked with social and economic integration of the person with his professional ambitions. Migration can be viewed as economic development strategy, or the survival of the family, or some other social group. Therefore, migration is the result of individual or collective solutions with the aim of finding better living conditions in a broad sense, namely: housing, economic opportunities, social integration or security. Fundamentals of sociological approaches to the study of migration laid in the works by M. Weber, K. Marx, G. Simmel, T. Parsons and others, Migration has become the object of studies of foreign sociologists (K. Carey, W., Izard, Stauffer, U. Wadycki, W., Alonso etc.) and domestic (T. I. Zaslavskaya, L. L. Rybakovsky (Zaslavskaya and Rybakovskiy, 1978, p. 64), T.N.Udin (Udin, 2003), I. A. Chichkin (Chicken, 2008, pp. 151-157).

Of particular interest to researchers are the migratory movement of young people, in particular graduates of Russian universities, the reasons and purpose of the desire to change their socio-spatial position (Yu. G. Volkov, V. I. Dobrenkov, F. D. Kadaria, P. I. Savchenko, V. A. Shapovalov (Volkov et al., 2001), I. M. Molodikova (Molodikova, 2006).

Migration settings is formed in the individual an idea of where he wanted to live (Kuznetsov, 2013, p. 39). This notion was introduced into science by W. Thomas and F. Znaniecki in the context of migration processes (Thomas, Znaniecki, 1958). If the individual plans to move, then migration settings will represent an unfulfilled desire to change their place of residence. They can be focused on different areas of migration to another district in another city or country. On the absence of migration settings the individual can say, if he has no plans to leave the territory of residence.

There are a few characteristics of the migration attitudes of the individual:

1. the presence of migration settings – the individual decided whether or not she wants to leave the territory;
2. the focus of the migration units – where the individual wishes to reside;
3. the formation of migration systems.

The latter characteristic can be manifested in three aspects:

1. the individual wants to leave, but does not have a clear idea of where, how and what will be the result;
2. the individual wants to leave and is working on a plan of action regarding this (average degree of completeness);
3. the first steps towards the implementation of their plans (a high degree of completeness).

The theory of factors has a certain significance for the content of migration behavior. The development of the theoretical search in this direction found expression in the methodology of analysis of migration processes from the standpoint of objective and subjective. Since the research of T. N. Zaslavskaya, attention is paid to the migration behavior, which is formed under the influence of not only objective, but also subjective factors (Zaslavsky, 1995, p. 5-21), (Zaslavskaya, 2003). In the context of the processes of transformation in contemporary society issues of migration are considered by N.I.Lapin (Lapin, 2000, p. 35). S. V. Ryazantsev believes that economic factors undoubtedly play a crucial role in the formation of migration attitudes (Ryazantsev, 2007). Subjective factors is proposed to include psychological attachment with the ecological, ethno-, political-, economic-, socio - demography, (Tereshchenko, 2011, p. 28).

In the theoretical analysis of the factors used by various methodological decisions, namely, the separation factors at the macro - and micro-level (Ryazantsev, 2007). Migration processes, according to E. S. Krasinets, are not only under direct influence of factors macro level (political system, level of economic development, employment, incomes, consumption, environmental conditions, migration policies), but also under the indirect influence of factors of the micro-level (social environment, needs, values and priorities) (Krasinets, 2007, p. 77-86).

2. METHODOLOGY

Virtually the only source of estimates of migration attitudes - sociological research. The authors performed a number of sociological studies from 2012 to 2015.g. at the Department of philosophy, sociology and political science of Ulyanovsk state University (hereinafter ULSU), with the purpose of studying the migratory behavior and migration attitudes of the youth of the

Ulyanovsk region:

- sociological survey conducted in 2012, on the theme: "The attitude of the youth in the city of Ulyanovsk to receive professional education as factor of labour migration" using questionnaires (sample 324, representative by age and sex);
- sociological survey conducted in 2014, on the theme " Migration in the environment of students of Ulyanovsk state University " using questionnaires (300 person sample, representative by age and sex);
- sociological survey conducted in 2015 among youth in the city of Ulyanovsk in age from 18 to 30 years to explore the value of work, the migration of plants, in the form of mass street survey method of interview (a sample of 201 people, representative by age and sex);

With the aim of studying the General demographic and migration situation was analysed statistical data for the Ulyanovsk region from 2011 to 2016.

3. THE RESULTS OF THE RESEARCH

For Ulyanovsk region the problem of migrations is particularly relevant. Every year the area leaving more than three thousand people. According to the Federal state statistics service in 2011, the region left 3,200 people in 2012 - 4170, in 2013, the migration loss of the population was 2,900, 2015 – 3000 people. According to the demographic forecast by 2030, it will reach 3,500. Also taking into account natural population decline, which has been growing steadily and in 2030 can reach 9200 people, it can be concluded that the demographic situation in the Ulyanovsk region is in a critical condition (Regions of Russia, 2013, p. 96). According to the research of the Higher School of Economics, the migration rate of graduates of Ulyanovsk universities is 35 %. According to studies conducted by the Higher School of Economics, the migration rate of graduates of Ulyanovsk universities is 35%. (Where to study and where to work, 2017, p. 16) Youth in the Ulyanovsk region in 2015 accounted for 26.4% of the total population, its population tends to decrease. In 2015, its population was 97 % of that value in 2014 (Ulyanovsk region in figures, 2015, p. 35).

Analysis of the data of migration population growth in the Volga Federal district (Privolzhsky Federal district) has helped to identify some of the key factors influencing migration processes (as an empirical basis of the study used data from official statistics for 2016):

- demographic conditions, which are determined by fertility, mortality and life expectancy in the region;
- conditions of employment (employment and unemployment);
- economic conditions (cost of living, wage);
- the conditions of the health system;
- conditions for investment activity in the region;
- housing conditions (Regions of Russia, 2016, pp. 80-100).

Some of the factors reflected in the results of original sociological research conducted at the Department of philosophy, sociology and political science at ULSU.

3.1. The results of sociological research "The attitude of the youth in the city of Ulyanovsk to receive professional education as factor of labour migration"

A sociological study conducted in 2012 showed that 50.1% of respondents want to go to another city. Among the main factors influencing this were: higher wages - was 56.3%; the possibility of employment - 50%; the possibility of self-development and self-realization - 25,1%; the presence of relatives, friends, or 18.8%. The major migration cities are Moscow, Samara, Yekaterinburg, Saint Petersburg, Kazan.

The students belong to the most mobile part of the population and the most exposed to migration processes. They are ready to leave home, leaving friends for the sake of career, self-realization, expansion of social connections, financial well-being and favorable living conditions. Because of the lack of effective migration policy, aimed at reducing the outflow of population from the region in the Ulyanovsk region, this trend can have a negative impact on the economic and demographic situation in the region (Galkina, Kadnichanskaya, 2013, pp. 60-64).

3.2. The results of sociological research "Migration in the environment of students of Ulyanovsk state University"

Sociological research in 2014 about the migration policies among students (final years) ULSU pointed out that among the reasons for which people choose a place of residence referred to in the first place, employment (economic), such as the ability to find in another city an interesting job (26,8%), getting a decent salary (28%), and for men and women, these figures are almost identical (table 1) (Klimovich, Shitikova, 2014, pp. 208 – 212).

Table 1: Reasons why respondents choose to move one or another city, %

The reason	The Number of respondents
I can count on a decent salary of	28,0%
I can find an interesting job	26,8%
This "city/country of my dreams"	8,9%
There is a demand for professionals of my provisioning profile	7,7%
They plan to change family status	6,5%
There live my relatives, friends	6,0%
It's my home town (village/country)	5,4%
I want to continue my studies in the University of that city/country	5,4%
There is a place to live	4,8%
From this city received an invitation to work or study	0,6%

The main problems that are of particular concern of respondents, according to the results of the study are: unemployment (21,3 %); the decline of the cultural activity of the population (15,4%); the decline in living standards (14,1%); recession (12,4 %); the increase in social apathy (11%); the quality problems of the ecological environment of the region (11%); economic crisis (9,3%). The main factors that have a direct impact on people's decisions to change their place of residence, are economic, including employment. One of the main goals in human life is the search for decent work with a decent earnings, which will ensure not only yourself but your family. Assessing their prospects of employment in the specialty in the city of Ulyanovsk, with the country as a whole, 50% of respondents noted that they have equal chances, 38% - in Ulyanovsk, they are much lower, 12% chances of employment in the city than in the country. At the same time, one of those who believes the chances of employment in the city of Ulyanovsk with equal chances in the whole country, I want to go 62 %. A great influence on the migration plans of respondents having the wealth.

Table following on the next page

Table 2: Influence of the conditions of residence of the Respondent on the reasons why he plans to leave (several answers), %

The reasons for moving	Living conditions				
	In the apartment of the parents	In a separate apartment	In the Dorm	In the room of a communal apartment	In a detached house
It's my home town(village/country)	5,6	13,0	37,5	-	-
I want to continue my studies in the University of that city/country	5,6	21,7	-	50	-
I can find an interesting job	61,1	30,4	25	100	50
I can count on a decent salary	50	52,2	62,5	100	50
There is a place to live	7,4	8,7	25	-	-
There live my relatives, friends	9,3	21,7	-	-	-
There is a demand for professionals of my provisioning profile	14,8	13	12,5	-	50
Plan to change family status(married/get married)	13	13	12,5	-	-
From this city received an invitation to work or study	-	4,3	-	-	-
This "city/country of my dreams"	16,7	21,7	-	50	-
It's my home town(village/country)	5,6	13,0	37,5	-	-

Comparing the reasons for the desired relocation of people with different conditions (table 2), we can observe the following picture: among those who live in the apartment of the parents, the main reasons were the search for interesting work (61,1%) and hope for a decent salary (50%). Respondents who live in a separate apartment, often mentioned getting a decent salary (52,2 %). 62,5% of respondents who live in the dormitory, on the first place put a decent salary, but also often said that the reason for the move is that another city dear to them (37,5%). The welfare level of respondents can affect the possibility of their moving. 59,4% of respondents identified themselves as middle layer, of which 33,3% are thinking about leaving, 25,6% consider it unlikely. The main reason for leaving – looking for a job with a decent wage. 7,1% of respondents who identified themselves to the layer below the average, undecided on this issue.

3.3. The results of the survey "Labour as a value of the youth."

A sociological study conducted in 2015 among youth in the city of Ulyanovsk in age from 18 to 30 years to explore the value of work, the migration settings in the form of mass street survey method interviews showed that significant labour values the youth of Ulyanovsk considers high income (23,9 %), comfortable, favourable conditions of work (17,4%), the content of the work (13,4 %). Work (interesting work) is one of the important values of young people of Ulyanovsk. Such high position of labour in the hierarchy of values is due, rather, the desire of young people to achieve material well-being. This assumption is confirmed by the nomination in the first

place such work values as "high income". Among the significant elements of the system of values characterizing the attitude to work, such as "work appropriate to skills," "work, benefiting society, people" are almost at the end of the hierarchy of work values. Today for youth work ceases to act as tools that help her the best way to assert themselves, to self-actualize. Striving for high earnings, many young people lose their moral compass and are willing to risk and illegal actions (Kadnichanskaya, Galkina, 2016, p. 53-60).

4. DISCUSSION

Despite the contradictory attitude to work, young people believe that work is not only a source of income, but also a way of self-realization and development an integral part of life. It allows you to get promoted, to move up the career ladder, to reach your goals, and to develop the skills for effective person and specialist. Today's youth has employment potential, it is full of energy, open to new knowledge and skills, willing to work hard when its work will be adequately paid, and the employer will not limit its commitment to the professional development and self-improvement. Among the stylistic characteristics of the employment policies in focus mobility / stability, and high / low professional ambitions (Omelchenko, 2002, pp. 36-47), the dominant idea of career in a significant part of young people is the desire to leave Ulyanovsk region, where, in their opinion, not relevant to their ambitions jobs and growth prospects. Therefore, it is possible to speak about rather high level of migration intentions among youth of the Ulyanovsk region. The main reason for moving is the opportunity to find a paying job. Youth are often faced with the problem of lack of demand in the labour market. Most others say about the migration of the respondents with incomplete secondary, secondary and incomplete higher education. In General, such sentiments has a third of young people (Pasovec, Kadnichanskaya, Galkina, 2017, p. 144-145).

5. CONCLUSION

Leaving the region, mainly the working population under the age of 35 years. The desire for self-actualization pushes young people to leave behind the limits of the Ulyanovsk region in search of more lucrative jobs. Often this affects people with a high education level who are the potential future of the region. Among the main factors that have a direct impact on people's decisions to change their place of residence, are economic, and especially employment. One of the main goals in human life is the search for decent work with a decent earnings, which will ensure not only yourself but your family. Therefore, competent development of the labour market of the Ulyanovsk region can provide progressive changes in the structure of employment (particularly for youth). The basis of this should be creating new and improving the efficiency of existing jobs, improving working conditions, developing small businesses, as well as the preservation of the basic living conditions of population in the municipalities of the Ulyanovsk region with the highest outflow of the population. Thus, in the current socio-economic conditions difficult to change migration of a person, but they can affect through effective state regional policy. This approach may ensure the preservation and the expanded reproduction of labor resources and attract to the region the required number of labour.

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SOCIAL ADAPTATION BY MEANS OF TOURISM: DIVERSIFICATION OF COMPREHENSIVE RESEARCHES

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ABSTRACT

During the studies on the problem of social adaptation of people with disabilities, the central concept of research was identified as the search for the optimal combination of motor activity to secure the results of physical rehabilitation and communication interactions to ensure social rehabilitation processes. Analysis on the use of tourism for socialization of persons with health limitations allowed to make conclusions regarding use of joint recreational practices using adaptive physical activity and inclusive tourism. On the basis of the analysis, it was proposed to expand the range of scientific research in this area to diversification of research directions and methods by types of tourism, types of disability and age groups.

Keywords: *social adaptation, diversification, tourism, adaptive physical education, rehabilitation.*

1. INTRODUCTION

About 15% of the world's population have disabilities (WHO, 2011). An important social problem of our time is the involvement of disabled people in public life and, if possible, in labor activity. The UN Convention on the Rights of Persons with Disabilities (UN, 2007) was signed by 200 states, including Russia. In Russia, in 2011, the State Program "Accessible Environment" was adopted, aimed to improve the quality of life of disabled people, removing various every day barriers, introducing the principles of universal design in the design of new public facilities to ensure their accessibility (RF, 2011). To ensure the social adaptation of disabled people in the society and their involvement in social activities, it is necessary to expand the range of applied social technologies that solve the problems of their social rehabilitation and social integration.

This is impossible without physical rehabilitation, recovery and recreation which include various technologies of physical culture and sports, including the means and methods of adaptive physical culture (Seselkin, 2016). Tourism as method of rehabilitation for people with disabilities provides both emotional and recreational impact as well as additional motor activity, psychophysiological regulation and rehabilitation (Evseeva, pp. 200-226). The listed problems stimulate the growth of the number of studies in this scientific field. The above leads to the expansion of the topics spectrum on diversification of integrated use of tourism, sports and recreation tools for the social adaptation of disabled people.

2. THE ANALYSIS OF MODERN DIRECTIONS OF SCIENTIFIC RESEARCH IN THE FIELD OF TOURISM, SPORTS, PHYSICAL REHABILITATION AND SOCIAL ADAPTATION FOR DISABLED PEOPLE AND PEOPLE WITH DEVIATIONS IN HEALTH CONDITION

Analysis of current trends in tourism (Pugiev, 2016) shows that in the aggregate areas of research on the problems of social adaptation of disabled people by tourism it is necessary to include such types of socially-oriented tourism such as accessible tourism, adaptive tourism, responsible tourism, barrier-free tourism, sustainable tourism and inclusive tourism. It also includes adaptive sport, in addition to tourism and social and physical rehabilitation, adaptation and integration. The study of an array of modern publications on the above areas in Scopus database allowed us to make the below generalizations.

2.1. Analysis of modern directions of scientific research in the field of social-oriented types of tourism

In the field of accessible tourism, the object of research is mainly the marketing of destinations for accessible tourism. The subjects of the study are: the choice of tourist destinations for families with wheelchair children (Nyman, 2017); accessibility of websites in the tourism industry (Dominguez Vila, 2017); disability, social inclusion and marketing of tourist attractions (Cloquet, 2017); the formation of "smart" tourist destinations (Jovicic, 2017); the competitiveness of the accessible touristic products (Lyu, 2017).

In the inclusive tourism as in the accessible tourism an object of the research was identified as marketing of tourist attractions. While subject was determined as disability and social inclusion (Cloquet, 2017). It is very remarkable that the object and subject of research in inclusive tourism coincides with one of the results of search in the field of accessible tourism. This aspect clearly reflects the tendency of identifying accessible and inclusive tourism, based on the significant coincidence of the goals, objectives and functions of these types of socially-oriented tourism (Davolio, 2016).

In the field of adaptive tourism, adaptive management in tourism is chosen as an object of research. The adaptive technologies of planning, modeling and analysis of tourist destinations (Nilashi, 2017; Briassulis, 2017) are used as a subject of research. In the field of responsible tourism, the object of research is the management of tourist destinations, and the subject of research is the influence of tourist flows on the social and economic activities of tourist destinations (Sanchez-Amboage, 2017).

In barrier-free tourism the object of research is the management of barrier-free tourism. While the research subjects are: design of the barrier-free tourist routes (Rollova, 2017; Gruner, 2010; Sarvasova, 2010); determination factors of attractiveness of tourist destination for the elderly (Lee, 2016); application of universal design approaches in the development of guidebooks (Lauria, 2016); ensuring the availability of tourist services for people with disabilities in touristic accommodations (Linderova, 2016; Tutuncu, 2016; Sanmargaraja, 2015); problems and prospects of development of barrier-free tourism in tourist destinations (Agamirova, 2015; Marsin, 2014; Wang, 2011); optimization of routes and information systems for barrier-free tourism (Frash, 2006; Winkler, 2006).

In sustainable tourism the object of research is management, namely management of sustainable development of tourist destinations. Another important object of research is tourism as a mean of recreation. Thus the subjects of research reflect not only the main problem – the strategic

planning of sustainable development of tourism in cities, regions and countries as tourist destinations (Andrades, 2017; Belhassen, 2017; Diaz-Diaz, 2017; Espiner, 2017; Lin, 2017; Nok, 2017), but also, for example, the evaluation of the effects of relaxation in the forest health tourism (Ohe, 2017).

2.2. Analysis of modern directions of scientific research in the field of adaptive sports, physical rehabilitation and tourism, social rehabilitation, adaptation, integration and tourism

In adaptive sport the main subject of research is the methodology of adaptive physical education. The subjects of research are: the development of mental endurance in the Paralympic athletes (Powell, 2017); involvement of patients with high tetraplegia in sailing (Rojhani, 2017); the concept of involving the elderly in sports (Gayman, 2017); application of adaptive motivational principles in the field of physical exercises (Hancox, 2017); interrelation of functional and environmental factors with sustainable participation in adaptive sports (Blauwet, 2017).

In this integrated field of research – social rehabilitation, adaptation and integration and tourism – the object of research is the socialization of the disabled people and people with disabilities in the state of health, and the subject is the modern methods of integrating disabled people in society (Victorovna, 2016). In another complex research area, physical rehabilitation and tourism, the object is the socialization of disabled people and people with disabilities in health, and subjects are modern methods for integration the people with disabilities in society (Victorovna, 2016; Bonkalo, 2016); psychological barriers and psychology of medical tourism (Strelkov, 2016; Hieda, 2015); trends and prospects in medical and rehabilitation tourism (Pavlaou-Panagiotopoulou, 2015).

As a result of the analysis in a number of scientific directions, we can see the indirect presence of one more stakeholder in the research - the tourist. Because all activities of the tourism industry and health facilities are aimed at satisfaction of the recreation and in this case rehabilitation requests. This "presence" is especially noticeable in the fields of "social rehabilitation, adaptation, integration and tourism", "physical rehabilitation and tourism", "adaptive sport", because here it is the person who is the subject of labor, and not just the subject research. In the field of sustainable tourism, a complex, systemic approach to the study of the triune "object-subject-person" is manifested and it is very indicative. The object is tourism and its recreational essence. The subject is tourist destination and its development. The person is the human himself.

3. DIVERSIFICATION OF COMPLEX SCIENTIFIC RESEARCH IN THE FIELD OF SOCIAL ADAPTATION OF DISABLED PEOPLE AND PEOPLE WITH DEVIATIONS IN HEALTH STATUS WITH THE HELP OF PHYSICAL REHABILITATION, SPORTS, RECREATION AND TOURISM

Based on the analysis of scientific publications in the field of management and organizational activities for the social adaptation of disabled people and people with disabilities in the state of health through physical rehabilitation, sports, recreation and tourism, the following topics of comprehensive scientific research are relevant, in our opinion:

1. Modern problems of organization of adaptive motor recreation in people with disabilities in the health state (including disabled people) in different age periods.
2. Sport and health tourism and recreation as a mean of physical rehabilitation of people with disabilities in health state (including disabled people).

3. Organization of tourist services and excursions for people with disabilities in the health state (including disabled people).
4. Organization of adaptive sport activities and tourism for persons with disabilities in the health state (including disabled people).
5. Problems of managing the complex development of adaptive sport and tourism in the region (municipality).
6. Developing of programs for involving people with disabilities in the health state (including disabled people) into adaptive physical culture, sport and tourism.
7. Problems and prospects of the development of the country, region, and municipality as accessible, inclusive and barrier-free tourist destination.
8. Principles, regularities and functions of the development of physical rehabilitation processes for people with health restrictions (state, regional, municipal levels).
9. Organization of entrepreneurial activity in the system of physical rehabilitation and health improvement of the population with the help of adaptive physical culture, sport and tourism.
10. Analysis of the main marketing directions and its organizational forms in the study of the needs of the market of health services and recreation programs.

In our opinion for the integrated field of physical rehabilitation and social adaptation of disabled people the following research topics are of undoubted scientific and practical interest:

1. Research and development of modern technologies of physical and social rehabilitation of disabled people with lesions of the musculoskeletal system.
2. Research and development of modern technologies of physical and social rehabilitation of people with disabilities with hearing disorder.
3. Research and development of modern technologies of physical and social rehabilitation of disabled people with vision disorder.
4. Research and development of modern technologies of physical rehabilitation of people with disabilities in the health state with the help of active tourism.
5. Research and development of modern technologies of physical rehabilitation of disabled people with the help of game animation in tourist and recreational complexes.
6. Research and development of modern program and methodological complexes for physical rehabilitation of people with disabilities in the health state with the help of recreation and tourism.
7. Research and development of modern technologies of social rehabilitation for people with disabilities in the health state with the help of adaptive sports, recreation and tourism.
8. Research and development of modern technologies of physical rehabilitation of people with disabilities in health state with the help of chess tourism.
9. Tourism as a method of comprehensive rehabilitation of children with visual, hearing, musculoskeletal disorder.
10. Comprehensive usage of adaptive sport games and tourism in the rehabilitation of children with disabilities.
11. The influence of cultural (sport, recreation) tourism on socialization and adaptation people with disabilities to modern living conditions.

In our opinion in the field of pedagogical activity the following research topics can be promising:

1. The content and theoretical and methodological foundations of comprehensive programs of adaptive physical education and social rehabilitation.
2. Adaptive physical education, sport and tourism in the processes of socialization for students.

3. Chess as a mean of intellectual development for children with disabilities in the health state (including disabled people) for various forms of disability.
4. The programs content for teachers training programs on adaptive physical culture, sports, recreation and tourism.
5. The programs content in adaptive physical culture, sports, recreation and tourism for skill improvement of the animators in recreational centers.

4. CONCLUSION

In general the analysis of the identified publications shows that integrated researches in this area is not enough. Tourism is considered in most studies as an economic phenomenon and not as the brightest social phenomenon of our time, giving a new and better quality of life to everyone including disabled people. It is necessary to expand the range of comprehensive scientific research to ensure the social adaptation of disabled people and people with disabilities in terms of health by integrative methods of sharing the means and mechanisms of adaptive, accessible, sustainable and inclusive tourism. The proposed set of scientific areas includes adaptive sport as well as integrated areas: tourism and social rehabilitation, adaptation and integration, tourism and physical rehabilitation. Diversification of comprehensive research by types of tourism, types of disability and age groups can and should confirm the hypothesis of a synergistic effect from the integrated usage of the means and methods of physical rehabilitation, adaptive physical education, sports, recreation and tourism for the social adaptation of disabled people and persons with disabilities in health status.

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THE APPROACHES TO METHODS AND MECHANISMS OF FORMATION OF THE NATIONAL RISK MANAGEMENT SYSTEM OF SOCIO-ECONOMIC DEVELOPMENT AND ENSURING THE ECONOMIC SECURITY OF THE STATE

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ABSTRACT

Approaches based on the formation of a management object model are the most promising from the point of view of the quality of government management of socio-economic development. Simulation models allow us to explore the possible dynamics of socio-economic development. This approach helps to identify the most vulnerable processes, objects and their interactions at relatively low costs for the creation and operation of the model. The simulation models allows their user to identify risks and neutralize threats analytically on the basis of computational experiments.

Keywords: *Approaches, methods, risk, management, socio-economic, development, economic security*

1. INTRODUCTION

A complex of factors has an impact on the socio-economic development and the level of economic security of developing countries. The list of these factors and their influence is increasing. New technologies of communication, increasing openness of society and the recent financial and economic crises require comprehensive support for social and economic development and ensuring national economic security. The problems of managing the risks of socio-economic development and ensuring economic security were studied by a number of scientists. Risks in public administration are touched upon in articles by M. Baram [1] and T. Cooke-Davice [7], in articles by T. Kontogiannis, M. Leva & N. Balfe [9], in articles by K. Tsekoev & O. Kaurova [13], in articles by M. Vinogradova, S. Babakaev & V. Koroleva [14]. Risk factors were studied by F. Chan & N. Kumar [6] and R. Kasperson, O. Renn, P. Slovic, H. Brown, J. Emel, R. Goble, J. Kasperson & S. Ratick [8]. Risks in strategic management are touched upon in articles by M. Buble, M. Cingula, M. Dujanic, Z. Dulcic, F. Ljubic, I. Mencer, D. Pucko, S. Singer, D. Tipuric, L. Zan [5], J. Rasmussen [11]. The role of information technology in solving the problems of ensuring economic security was investigated in the works V. Belov [2], B. Boehm [3], N. Snetkov [12]. Works by D. Braun, E. Clapprood, D. Guilbert & N. Mocciolo [4], T. Kontogiannis, M. Leva & N. Balfe [9] and others [10] are devoted to the modeling of risk management systems. The purpose of the article is to develop methods that enhance the effectiveness and quality of processes and mechanisms for risk management, forecasting and development of management decisions in the field of socio-economic development and ensuring the economic security of the state.

To achieve this goal, it is necessary to develop proposals for the formation of the National risk management system (NRMS) in the field of socio-economic development and ensuring the economic security of the state, which should include:

- (a) structure and functional of the NRMS;
- (b) composition, hierarchically related structure and functional of the subjects of the NRMS, taking into account individual tasks;
- (c) functional requirements for providing information and analytical support for the NRMS.

It is necessary to develop proposals for the rules of interaction and functioning of the subjects of this system at macro, meso- and micro-levels. It is necessary to develop a methodology for the formation of an optimal scenario for overcoming challenges and threats for the medium and long term, based on simulation modeling. It is necessary to develop a methodology and regulations for the development of management decisions based on the NRMS, including the creation of simulation models that provide modeling of the dynamics and state of the subject area of social and economic development or ensuring economic security under impacts.

Researchers who undertake to solve these problems should use the following empirical methods:

- (a) methods of observation;
- (b) survey methods;
- (c) methods of studying literature;
- (d) experimental methods.

The investigators who undertake the solution of these problems should use theoretical-empirical methods also:

- (a) analogy methods;
- (b) methods of abstraction;
- (c) methods of deduction;
- (d) methods of induction.

Theoretical methods should be used too:

- (a) theoretical analysis;
- (b) ascent from the abstract to the concrete;
- (c) formalization;
- (d) idealization.

2. THE EMPIRICAL METHODS

Researchers should use methods of observation that will serve the following purposes:

- The goal definition method can be used to achieve the goal of improving the efficiency and quality of risk management processes and mechanisms, forecasting and developing managerial decisions in the field of social and economic development and ensuring the economic security of the state.
- The task definition method can be used to decompose tasks.
- The method of choosing an object can be used to improve the quality of public administration. The object of research should be a risk management system.
- The method of choosing an object can be used to define the boundaries of the research in order to create a simulation model and conduct research on the possible dynamics of socio-economic development, including when sanctions are imposed by foreign states and international organizations and other discriminatory restrictions on the national economy.
- The method of choosing the method of observation can be used to monitor the existing national information systems of economic management in interaction with other information systems and resources.
- The method of choosing the registration method can be used to record data in the working tables developed by the researchers.
- The method of information interpretation can be used taking into account the developed methodology for the formation of an optimal scenario for overcoming challenges and threats for the medium and long term on the basis of simulation modeling.

- The method of included observation can be used to develop regulations for the interaction and functioning of the subjects of the risk management system at various levels.
- The method of unincorporated observation can be used to develop proposals for the formation of a risk management system using other information systems.
- The method of concealed observation will make it possible, at the first stage of the study, to monitor the current state of the strategic planning system without informing the subjects of the risk management system.
- The method of open observation will allow further monitoring of the strategic planning system and informing the subjects of the risk management system.
- The method of continuous observation will make it possible to carry out observations on the introduction of a risk-based approach at the macro level.
- The method of selective observation will make it possible to carry out observations on the introduction of a risk-oriented approach at the meso- and microlevel.
- The survey methods can be used for personal communication, as well as for electronic communications and for carrying out a survey of experts in the field of strategic planning and risk management.
- Methods of studying the literature can be used when referring, citing and compiling a bibliography of sources containing information on risk management, forecasting and development of management decisions in the field of socio-economic development and ensuring the economic security of the state.
- Experimental methods should include the comparison method and the modeling method.
- When using the comparison method, researchers should compare the provisions of the national economic security strategy with the existing normative legal acts that regulate the introduction of a risk-oriented approach to the public administration system in order to determine common features or differences between them.
- Using the modeling method, researchers can implement computer, mathematical, digital, logical, statistical, structural and simulation modeling of management decisions within the national risk management system.

3. THE THEORETICAL-EMPIRICAL METHODS

- The analogy method will permit to transfer knowledge about the revealed contradictions of the risk management system to the methodology and practical recommendations for the formation of a risk management system in the field of socio-economic development and ensuring the economic security of the state.
- The abstraction method will allow researchers to mentally highlight the essential properties and relationships of the emerging risk management system while distracting from other particular properties and relationships of the risk management system.
- The induction method will allow researchers to make generalizations related to the anticipation of the results of research into the risk management system.
- The method of deduction will allow researchers a chain of inferences or reasonings, whose links are related to the relation of logical consequence, to derive, according to the rules of logic, particular provisions about the functional requirements for the national system of strategic planning.

4. THE THEORETICAL METHODS

Theoretical analysis will allow researchers to determine the degree of research into the problems of managing the risks of socioeconomic development and economic security by other researchers, critically evaluate previous studies and clarify the conceptual apparatus of the national risk management system.

The method of ascent from the abstract to the concrete will allow to consistently depart from abstract and one-sided notions about the national system of risk management towards the increasingly concrete reproduction in theoretical thinking of the order of interaction of the subjects of the national risk management system. If researchers will use the idealization method, they will be able to create a model of overcoming challenges and threats, simplified in comparison with reality, but sufficient to achieve the goal of the study. Finally, the formalization method will allow researchers to describe the proposals for the formation of a national risk management system with precise logical means of deriving all provisions from the corresponding initial provisions.

5. RESULTS

The author sees the following ways of forming methods and mechanisms of the NRMS for socio-economic development and ensuring economic security.

The development of proposals for the formation of the NRMS using the national strategic planning system should be made on the basis of the following tasks (Figure 1):

- (a) extraction from many sources of heterogeneous data presented in various formats and bringing them to a common format and single structure;
- (b) organization of storage and provision to the entities of the risk management system of information necessary for decision-making;
- (c) operational and intellectual analysis, and preparation of a regular assessment of the state of economic security in the form of paper documents or screen forms;
- (d) preparation of the results of operational and intellectual analysis for their effective perception by the subjects of the risk management system and the adoption on their basis of adequate solutions aimed at overcoming challenges and threats to economic security.

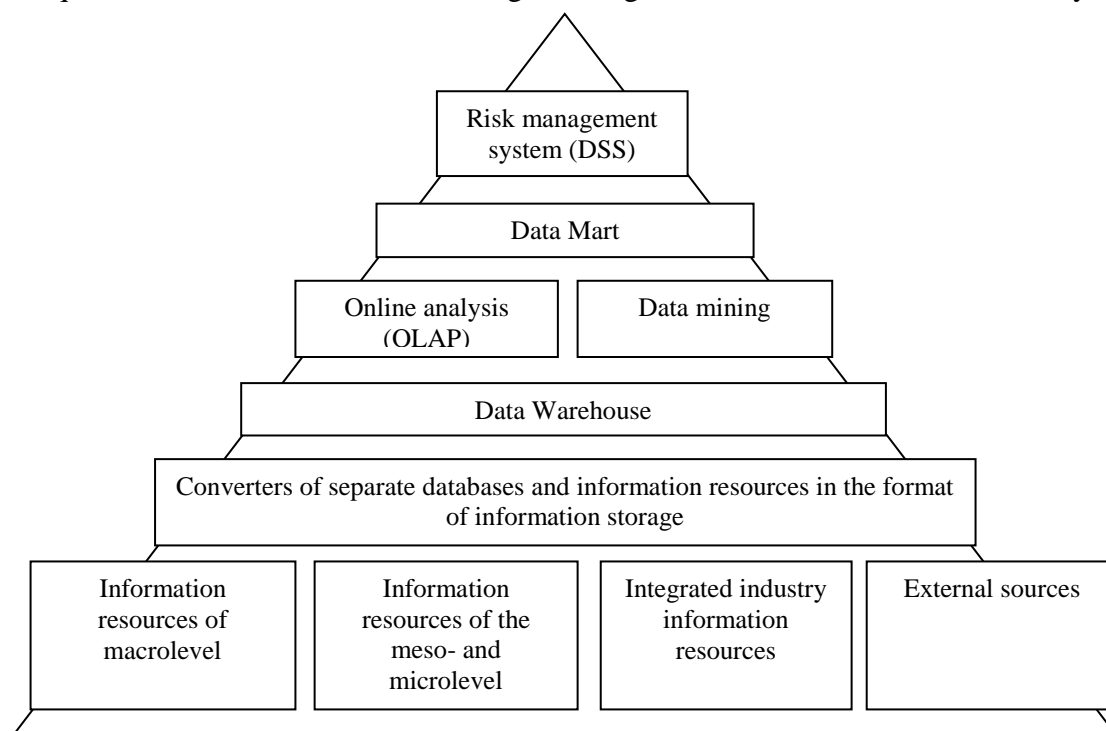


Figure 1: Construction of the National risk management system.

Source: Belov V. Information-analytical systems. Basics of design and application: a tutorial. Moscow: MESI, 2005

The process of developing of the structure of the National risk management system should be implemented by identifying the following structural and functional blocks of operational and intellectual analysis:

- (a) the block for identifying existing and assessing potential challenges and threats to economic security;
- (b) the block for assessing the resources necessary to prevent calls and threats to economic security;
- (c) the block for developing measures to ensure economic security;
- (d) the block of the control and an estimation of efficiency of measures on maintenance of economic safety.

The process of developing the functional of the NRMS should be implemented taking into account the definition of the basic functional requirements for the operational and intellectual analysis units.

The block for identifying existing and assessment of potential challenges and threats to economic security should allow:

- (a) monitoring of the investment climate;
- (b) monitoring of the tax burden on business entities;
- (c) monitoring of the control activities.

The block for assessing the resources needed to prevent calls and threats to economic security should allow:

- (a) to evaluate the investment climate;
- (b) to assess the effectiveness of budget planning,
- (c) to monitor budget expenditures;
- (d) to optimize the flow of labor migration based on the needs of the national economy;
- (e) to normalize the use of innovative technologies (including digital economy technologies) and materials in production and economic activities;
- (f) to monitor state corporations, state companies and joint-stock companies with state participation;
- (g) to monitor the practice of liability insurance for economic entities.

The block for elaborating measures to ensure economic security should allow:

- (a) to generate a set of measures aimed at de-offshoring the national economy;
- (b) to use the mechanisms of the project activity in solving the tasks of ensuring economic security;
- (c) to use mechanisms of combat the misuse and embezzlement of public funds, corruption, shadow and criminal economy;
- (d) to generate retaliatory measures in case of application by foreign states and international organizations of sanctions and other discriminatory restrictions.

The block of control and evaluation of the effectiveness of measures to ensure economic security should allow:

- (a) to assess the volume of foreign investment in business entities of strategic importance for ensuring the country's defense and state security;
- (b) to exercise control in the sphere of procurement for state and municipal needs.

Each of these blocks and their combination should ensure the compatibility of NRMS with the state management system, based on the strategic planning system.

The information space for overcoming challenges and threats should be structured on the basis of the following indicators of the national economic security:

1. the index of the physical volume of the gross domestic product;
2. gross domestic product per capita (at purchasing power parity);
3. the share of the Russian gross domestic product in the world gross domestic product;
4. the share of investments in fixed assets in the gross domestic product;
5. the degree of depreciation of fixed assets;
6. the index of industrial production;
7. labor productivity index;
8. the money supply index (monetary aggregates M2);
9. the level of inflation;
10. the internal state debt of the Russian Federation, the state debt of the subjects of the Russian Federation and the municipal debt;
11. the external debt of the Russian Federation, including the state external debt;
12. net import (export) of capital;
13. the level of economic integration of the subjects of the Russian Federation;
14. coefficient of tension in the labor market;
15. energy intensity of the gross domestic product;
16. the share of investments in machinery, equipment and vehicles in the total volume of investment in fixed assets;
17. the share of innovative goods, works, services in the total volume of shipped goods, works, services;
18. the share of high-tech and high technology products in the gross domestic product;
19. the share of organizations that carry out technological innovations;
20. the federal budget deficit, including the non-oil and gas deficit of the federal budget;
21. the ratio of the gold and currency reserves of the Russian Federation to the volume of imports of goods and services;
22. index of the physical volume of exports;
23. the index of the physical volume of imports;
24. the balance of trade balance;
25. the share of machinery, equipment and vehicles in the total volume of non-primary exports;
26. the proportion of the population of working age in the total population;
27. the share of citizens with cash incomes below the subsistence minimum;
28. production index by type of economic activity "Extraction of minerals";
29. the share of the increase in mineral reserves (by strategic types of minerals) in the total volume of reserves extinguished in the bowels;
30. balance of production and consumption of energy resources (per capita);
31. the index of entrepreneurial confidence in manufacturing enterprises;
32. the deficit of the consolidated budget of the subjects of the Russian Federation;
33. the share of machinery, equipment and vehicles in total imports;
34. the share of innovative goods, works, services in the total volume of exports of goods, works, services of industrial enterprises;
35. the share of imports in the volume of commodity resources of food products;
36. turnover of retail trade;
37. distribution of the number of employed in the economy according to the level of education;
38. decile coefficient (income ratio of 10 percent of the most well-off population and 10 percent of the poorest population);
39. the share of workers with wages below the subsistence level of the able-bodied population;
40. the level of crime in the economy.

These indicators of national economic security allow building imitation models. For this it is necessary to determine:

- (a) the key variable parameters;
- (b) the ranges of variation of variable indicators;
- (c) the probability distribution of key parameters.

The author suggests the following steps to create an optimal scenario for overcoming challenges and threats for the medium and long term on the basis of simulation modeling:

- (i). Establishment of the relationship between the initial and output indicators in the form of a mathematical equation or inequality;
- (ii). Defining the laws of probability distribution for key parameters of the simulation model;
- (iii). Carrying out computer simulation of values of key indicators of the simulation model;
- (iv). Calculation of the main characteristics of the distribution of initial and output indicators;
- (v). Analysis of the results obtained
- (vi). Development of scenarios for overcoming challenges and threats to economic security.

Every time the random factors caused by threats to economic security influence the change in the indicator, the effect of calls and threats will be imitated by a so-called "specially organized drawing" (lot). Thus, each time one random implementation of the simulated phenomenon will be constructed, representing as it were one result of the "experience". Since it is known that one can not judge the laws of the process under study from one "experience", in a large number of implementations, the average values of the economic security indicators produced by the simulation model will acquire a property of stability that will increase with the number of sales [12].

6. DISCUSSION

The solution of the problem of forming the methods and mechanisms of the National system of risk management of social and economic development and ensuring economic security presupposes the creative generation of options. The generation of options should be based on dialectical principles:

- (a) at each level of management and each decision-making node, only the information that is used to make a decision at this level and at that node is needed;
- (b) the integrating the whole and parts for the benefit of the entire NRMS and utilizing the resources of all actors in the system to track the utility of each level to address the top-level tasks;
- (c) the subsidiarity in the allocation of rights and responsibilities.

The formation of the NRMS should be based on the description of monitoring mechanisms, including the processing of numerical and text data from various sources and feedbacks for analyzing the quality of sources. The formation of the NRMS should also be based on the typology and classification of challenges, threats and risks of national economic security. These types should be allocated to form a set of methods and procedures for neutralization, and the classes should describe the priority of solving tasks to counter threats. The classification and typology will also allow to filter monitoring data of social and economic development. The simulation models that describe the occurrence of risks and threats and their dissemination should be the basis for the solution of the problem. The simulation model is created in the form of a graph showing the mutual impact of threats, risks and damage. Then a structured set of types of possible measures is formed. The relationships between numerous types of possible measures, nodes of this graph and resources required for the neutralization of threats are established. Further, the problem of finding the optimal solution is solved by the method of nonlinear optimization.

7. CONCLUSION

Thus, the choice of a specific solution in the model of the national risk management system for socio-economic development and ensuring the economic security of the state depends on a number of characteristics of the initial data and the availability of the tool base for the imitated model being created.

The model should be optimized according to a number of criteria:

- (a) avoidance of the worst scenario of development of the situation caused by risks and threats to economic security;
- (b) preventing the most likely worst-case scenario;
- (c) minimization of damage from the occurrence of threats;

A number of measures, the relationship of these measures with the objects of protection and with the types of damage, as well as the available resources, are the limitations of the NRMS's model of social and economic development and ensuring the economic security of the state. The methodology should provide for clarification of the solution of risk management tasks with actual data in the case of long-term forecasting. The point is that the processes of the actualization of threats and risks, as well as the processes of changing the protection objects, change slowly in the long run.

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RUSSIA-CHINA-JAPAN TRIANGLE IN THE CONTEXT OF THE EASTERN VECTOR OF THE RUSSIAN FOREIGN POLICY

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ABSTRACT

Over the last years the relationship within Russia-China-Japan triangle has become an increasingly important factor of the political situation at the Asia-Pacific region, and primarily in East Asia. Japan and China, being the key actors in the region, appear as two poles which determine the balance of power and form the regional subsystem of international relations. In their interactions two countries influence not only each other, but also determine the East Asian political context. Regardless the relations between Japan and China, Russia is interested to establish with both countries equally good mutually beneficial collaboration in economy, security and other areas. The decrease in tensions between Tokyo and Beijing on the base of a constructive dialogue meet Russian geopolitical aims and the interests of the region. Within the comparative politics framework and methodological approach of comparative analysis, the paper focuses on political process in the East Asian region, on the latest trends in the Russian-Chinese and Russian-Japanese interrelations, as well as on their hierarchy in Russian strategic priorities. The role of China and Japan in the Russian Far East and Eastern Siberia is described in view of Russian geopolitical interests and a prognosis is made on the development in the relationship between the three countries.

Keywords: *Russian foreign policy, Russian-Chinese relations, Russian-Japanese relations, Sino-Japanese relations*

1. INTRODUCTION

According to leading international experts, the importance of the relationship in the Russia-Japan-China triangle in the political situation in the Asia-Pacific region, and especially in East Asia, has been growing in recent years. The foreign policy of the three states largely determines the development of the East Asian regional security system in the face of new threats, for example, the struggle for energy, which has emerged as one of the most relevant in the last decade. In the region, tensions are periodically exacerbated, such as the North Korean nuclear issue, the issue of the reunification of China and Taiwan, territorial issues in which a number of countries are involved, including Russia, China and Japan. The current problems of interaction between the three leading players in East Asia have a serious impact on the balance of power in the region as a whole. Moreover, recently diplomatic activity in the relations between the countries is intensified, accompanied by meetings at the level of heads of state and foreign ministers, the creation and launch of new mutually beneficial projects in the field of economic and cultural cooperation.

The aim of the study is to study the latest trends and prospects for the development of Russia-China-Japan tripartite relations, to analyze ways of realizing Russian interests in relations with these countries. The hypothesis of the study is the assumption that the tripartite relations between Russia, China and Japan have both the "potential for conflict" and the "resource of joint development", and the tendencies of stability prevail over the tendencies of destabilization and the relations of rivalry. This can serve as the basis for cooperation for these countries. Based on the opinion of a number of authoritative scientists, one can assume that in general, "despite existing problems and contradictions, the objective tendencies of globalization and the benefits of integration will encourage countries to seek compromise options for rapprochement and interaction" (Koldunova E., 2010). It should be noted that a lot of capital works were published in the post-bipolar period between the three countries both in Russia and in the West. The problems studied are reflected in a significant number of works by orientalists, specialists in the field of foreign regional studies and international relations devoted to the study of Russia's contemporary foreign policy and the foreign policy process in the East (Shaklein, 2017, Streltsov, 2017), Russian-Chinese relations (Voskresensky, 2015, 2004; Voskresensky, 2003, Korsun, 2002; Kynja, 2010; Lukin, 2013; Portkeys, 2013), analysis of Russian-Japanese relations (Brown, 2016; Ferguson, 2008; Grishachev, 2015; Streltsov, 2015; Torkunov, Iokibe, 2015; , 2012), as well as reviewing the Chinese -Japanese relations (Vidmarovich, 2011; Zagorsky, 1991; Katkov, Chudodeev, 2001; Mikheev, 2009). A whole series of works by the Russian scientist-japanist Kistanov VO is devoted to a comprehensive study of tripartite relations. (Kistanov, 2015, 2017).

2. METHODS

To implement the research goal, a comparative historical-genetic method has been applied, which allowed considering the similarity of the political interests of the three countries; to compare their foreign policy courses and strategies, to record mutual influences. This method also allowed to take into account the experience of tripartite relations in the history of international relations. Even during the Cold War, the study of relations between China, the United States and the USSR was greatly developed. Modern researchers continue to study the "global triangle" Russia-US-China (Nagorny, 2015). The paper combines a combination of old and new approaches in the theory of world complex regional studies and international relations to explain and predict the spatiotemporal evolution of complex systems with reference to the system of international interaction. In particular, the development of Russian scientists (Voskressesnki, 2017, Knyazeva, 2016), based on an analysis of the evolution of the world system and the transformation of the political and economic systems of the world's leading countries, concluded that "the new conditions of a polycentric world do not require toughening geopolitical confrontation and the struggle for geopolitical control over buffer spaces, and the consensual development of mutually beneficial regional policies for the trans-regional interface of regional spaces "(Voskresensky, Koldunova, Kire wa, 2017, p.37). Such an approach allows constructive competition between regional and country models of socio-political structure and political-economic structure, but at the same time "prevents it from growing into a direct geopolitical or even militaristic confrontation, contributing to the transition of the world system as a whole to a more stable state through reducing the instability of its regional and Country segments "(Voskresensky, Koldunova, Kireeva, 2017, p.37).

3. RESULTS

The study of the relations in the Moscow-Beijing-Tokyo triangle made it possible to largely confirm the hypothesis that they are characterized more by stability than by destabilization. The parties are in search of compromise options for rapprochement and interaction, take into account objectively existing trends of globalization and the benefits of integration.

There are reasons to believe that an improved model of relations between the three countries, formed taking into account the constructive regional and country competition, differences in the socio-political structure and political-economic structure, can become a pilot for the development of East Asia. This is facilitated by the fact that Russia is interested in developing within the eastern vector of its foreign policy good neighborly, mutually beneficial relations in the sphere of economy, security and other areas with its neighbors. Its interests, as well as the interests of other states, are responsible for reducing tensions in the Asia-Pacific region, solving complex problems through constructive dialogue. This goal is promoted by the development of Russian-Chinese relations, which are a complex, multifaceted model that includes both promising projects of trade, economic, military and cultural cooperation, as well as elements of competition. Russian-Japanese cooperation is mutually beneficial today, developing dynamically and quite successfully. Dialogue between the two countries is conducted in an atmosphere of mutual dependence and trust, which are integral parts of the security system in the region. The international environment that is formed around bilateral relations allows Russia to increase its authority in the region thanks to its flexible position taking into account the interests of many parties. Sino-Japanese relations are more competitive, often balancing on the brink of conflict associated with disputed territories. Nevertheless, Russia's participation in the formation of a regional subsystem - East Asia in line with the continuation of multilateral negotiations and the maintenance of peace in the region - can not contribute to a forceful solution to acute regional problems.

4. DISCUSSION

4.1. Russia and China

According to Russian and Chinese experts, Russia and China today have a trusting and equitable relationship. In their opinion, "never before in world history the relations between China and Russia did not have such significance for all other countries" (Kosyrev, 2017). In their view, the relations between Russia and China can be an example for others, and become an instrument for achieving global stability. At the same time, both states do not seek to impose their systems of values and views on the world, and have different civilizational and cultural traditions.

The modern characteristics of the contacts of the two states reflect the new character of the development of mankind as a social community at the stage of "post-West" reality, and are an element of evolutionary processes in a complex system of world politics. The political request for the development of a new model of international relations is clearly caught in the speech of Vladimir Putin at the forum of international cooperation "One belt - one way": "Many previous models and factors of economic development are almost exhausted. Protectionism is becoming the norm, and its hidden form is one-sided, illegitimate restrictions, including the supply and distribution of technology. Ideas of openness, freedom of trade today are increasingly rejected. And often those who have recently acted as their champion. Imbalances in socio-economic development, the crisis of the previous model of globalization lead to negative consequences for relations between states, for international security" (Panyushkin, 2017).

Confirmation of further strengthening of cooperation against the backdrop of new world opportunities and challenges is the results of the meetings of the leaders of the two states, which offer opportunities for the implementation of mutually beneficial projects and participation in international affairs. China took the initiative of the Eurasian megaproject "One Belt - One Way", which is essentially a revival of the Great Silk Road. It involves involving the majority of Eurasian countries in a single economic space (Zhao, 2015; Zhao, 2016). The modern Silk Road will unite land transport corridors, railways and sea transport routes. As noted by Russian and Western

scholars, "within the framework of the project, China is rebuilding world trade and forming geopolitical ties." In their estimation, this unprecedented and bold plan for its scale includes \$ 1 trillion. investments in the infrastructure of more than sixty countries in Europe, Asia and Africa. (Perlez, J., Gaevsky, Yu., 2017). Russia, given its vast expanses, reserves of natural resources, scientific potential, should strive to play the first roles in this project. However, despite the scale of the cooperation plans, Russia and the PRC are not in a hurry to declare a "strategic partnership", do not keep silent on the existing problems and are trying to make bilateral relations mutually transparent. This corresponds to the provisions of the modern theory of international relations that "the presence of certain contradictions in relations is a normal phenomenon, because the foreign policy activity is based on interests that inevitably do not coincide in all" (Shakleina, 2017, pp. 467-468). And some Russian experts warn that "Moscow should exercise caution in trade relations with the PRC." According to Doctor of Political Sciences Alexei Voskresensky, "China intends to bind Russia as much as possible to its economic system, limiting our capabilities. Unfortunately, we can not act as an equal economic partner of China, because our GDP is four times less than China's GDP "(Alekseeva, Khlusova, (2017). China seeks to become the leader of a new wave of globalization, shaped by the Chinese model, with emphasis on economic efficiency and government intervention. This desire explains why today the country allocates hundreds of billions of dollars of state loans to support projects of other countries - China is winning new friends around the world. According to experts, Xi Jinping "intends to use China's wealth and industrial technologies to create a new kind of globalization that will not obey the rules of aging Western institutions. The goal is to restructure the world economic order and draw other countries and companies into the Chinese sphere of influence "(Perlez, Gaevsky, 2017).

The US and many of its major allies from Asia and Europe were wary of the project, fearing to play into the hands of China in achieving its strategic goals. For its part, declaring its readiness "to catch the Chinese wind in Russian sails," Russia can not allow itself to be drawn into a potential global confrontation between the PRC and the US.

4.2. Russia and Japan

Among Japanese experts and other specialists in the field of foreign regional studies and international relations, there was a stable understanding that "by now Russia and Japan have managed to create new relations that in breadth, depth and intensity of contacts have no analogues in the entire history of bilateral relations. They develop in almost all spheres - political, economic, military, legal, environmental "(Shakleina, 2017, pp. 508-509). Moreover, according to experts, the emerging "trend toward warming Russian-Japanese relations is increasingly manifesting itself as an independent factor in international politics" (Streltsov, 2017). Also, many scientists see advantages in establishing partnerships between Russia and Japan in comparison with other countries in the region. For example, there was a strong opinion that "both countries do not have unresolved problems of the historical past, similar to those that exist in the relations of Tokyo with Beijing or Seoul. The positions of Russia and Japan on all major issues of international politics are close or completely coincide. Both our countries, although they do not rank each other as political allies, do not view each other as a military threat "(Streltsov, 2017). One of the factors of "warming" in relations experts call the agreement on joint economic activity in the Kuriles. Some scholars pay attention to the fact that Japan's ultimate goal is to get all four islands of the South Kuriles. This, for example, said the head of the Center for Japanese Studies of the Institute of the Far East of the Russian Academy of Sciences Valery Kistanov. He stressed that on this issue, Tokyo and Moscow have opposite positions (Kistanov, 2017). Other experts believe that Russia and Japan "will be able to work out a formula for cooperation in which the issue of territories will be separated from economic

interaction" (Mikheev, 2017). Political analyst Sergei Mikheyev, commenting on the results of the talks between Japanese Prime Minister Shinzo Abe and Russian President Vladimir Putin, held in Moscow on April 27, 2017, expressed the view that the rapprochement between Japan and Russia was facilitated by the strengthening of Russia's relations with China, since there is competition between the two eastern countries (Mikheyev, 2017). In general, the objective process of changing the balance of power in the world contributes to the rapprochement of the two countries, within which there is a relative weakening of the regional and global role of both countries. Tokyo views the military and political rise of China as a geopolitical challenge, which makes it consider good relations with Moscow as a certain balancing instrument in its relations with Beijing. With great concern, Russia and Japan assess the difficult situation on the Korean Peninsula, periodically exacerbated by Pyongyang's nuclear tests. Diversification of threats, including the non-military nature (terrorism, cyber security, the ecological crisis, the fight against the consequences of natural disasters) plays a role, many of which require the consolidation of the efforts of the two countries.

It is also important that since the beginning of the 1990s Japan has not viewed Russia in its military doctrines as a potential military rival. The situation on the military threat from Russia has been removed from the White Paper on Defense and other official documents. For Japan, the importance of Russia is also manifested in the economic sphere. Russia is for it the most important supplier of energy and other natural resources of strategic importance. For this reason, Japan understands the task of including the regions of Siberia and the Far East in the integration processes in the Asia-Pacific region. However, in relations with Russia, "the Japanese government is currently forced to seek a middle ground between the desire to preserve the positive in the relations with Russia on the one hand and the demonstration of loyalty to its main and only military-political ally, the United States, on the other" (Kistanov, 2017). The latter is especially important for Tokyo in view of the same notorious "Chinese threat". After all, in the face of the United States, Japan sees the guarantor of its security and territorial integrity.

4.3. China and Japan

According to authoritative experts, Japan and China are currently key actors in the East Asia region, where they appear as two poles, which determine the regional balance of forces and form the regional subsystem of international relations (Mikheev, 2009). In the process of interaction, the two states exert a great influence not only on each other, but also on the state of the East Asian regional context as a whole. The complexity of Sino-Japanese relations is due to a number of serious problems, and scientists consider it unlikely, but do not exclude the possibility of their solution by force (Vidmarovich, 2011). The most acute problem of bilateral relations remains the territorial dispute between Japan and China about the belonging of the Senkaku Islands group (in Chinese, Diaoyu) to the East China Sea. By now it has acquired an unprecedented intensity. Assessing the relations between the two countries, the head of the Center for Japanese Studies at the Institute for Far Eastern Studies of the Russian Academy of Sciences Valery Kistanov concludes that "at the moment, along with North Korea's nuclear missile potential, the so-called Chinese threat is considered the most dangerous challenge to Japan's national security. The thesis about the "Chinese threat" is firmly entrenched not only in the lexicon of Japanese analysts, but also in Japanese official documents" (Kistanov, 2017). In this situation, Russia can play the role of peacemaker-mediator in solving the problem of Sino-Japanese relations. And among politicians, in the expert environment, as well as in the Japanese media, the issue of involving Russia in this process is increasingly being discussed. At the expense of Russia, the Japanese leadership would like to alleviate the heavy burden of territorial disputes with three neighboring countries, including South Korea.

Japan is very interested in maintaining non-confrontational relations with Russia in view of the predicted further tightening of Beijing's policy towards Tokyo on the territorial issue and the problem of interpreting the history of bilateral relations.

5. CONCLUSIONS

Russia-China-Japan tripartite relations are one of the key factors in regional and global political and economic development, undergoing significant evolution, making a significant contribution to modern world politics. This process imposes a serious imprint on the geopolitical picture of the world, forms new vectors of world and regional development, corrects general ideas about the methods and technologies for implementing the foreign policy of individual countries and their blocs. A new, "post-West" model of international relations is being formed that takes into account the diversity of interests of the parties, competition between countries, the differences in their socio-political structure and political-economic structure, accumulates various resources to mitigate or neutralize confrontation between the parties, which contributes to the stabilization of the world system. In general, as well as its regional and country segments. Russia, focused on cooperation with East Asian countries, including China and Japan, is aimed at creating external conditions for its innovative and technological development. Our country, in its relations with its eastern partners, is interested in consistently deepening mutual trust, forming a steadily positive image of the partner country among the citizens, economic and political elites of the participating countries, convincing that the current quality of bilateral, three-, multilateral relations is not artificial, politically Opportunistic construction, but an enduring value that meets the fundamental interests of peoples.

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UKRAINIAN CRISIS AND BEHAVIOR OF HIGHLY SKILLS UKRAINIAN LABOR: “I WILL MIGRATE ONLY IF IT WILL BE INTERESTING FOR ME”

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ABSTRACT

A number of research and media articles argue that taking into consideration the current economic and political situation in Ukraine, many families look for a possibility to find work abroad. According to the data of a national survey (IS UAS, 2016), every fifth family in Ukraine in 2016 had at least one member who had experience of temporary work abroad. Ukraine is indeed one of the biggest donors of cheap labor for the EU and Russia (Molodikova, Yudina, 2016). What is about the IT labor market of Ukraine's highly skilled professionals? Their salaries are at least ten times as high as an average in Ukraine. Nevertheless, majority of them has an intention to leave. The article provides an analysis of the labor market for IT experts, including their migration orientation, and tries to evaluate “push” and “pull” factors for their migration Ukraine. Based on the analysis of IT professional websites and their surveys of Ukrainian IT experts in 2016 (8188 respondents) and Relocation survey (2016) with 3300 respondents we present a picture of IT workers. Why do they want to leave the country having such high salaries?

Keywords: *Crisis, Labor, Migration, Ukraine*

1. INTRODUCTION

Every state welcomes well qualified IT experts. Public opinion of IT experts in all countries is positive because of their high salaries and contributions to economic development. They occupy a very specific niche of the labor market that is not yet saturated, because of a high demand by the High-Tech industry which is concentrated in the developed countries. In a ranking of salaries, they come in third highest after doctors and advocates (BBC 2013). Ukrainian IT professionals are not an exception. The DOU.ua IT portal surveys and evaluates the number of people employed in the IT industry and their satisfaction with jobs, wages and career development¹. In 2016, the IT sector employed 99,940 IT specialists in Ukraine. This represents a growth of more than 12 per cent in comparison to 2015. EPAM Systems remains the largest IT employer (Ischenko, 2016). An analysis of programmer salaries in Germany, the U.S., Great Britain, and Ukraine as listed on professional Ukrainian and foreign internet sites shows that an IT professional in Ukraine with a work experience of 3-5 years as a project manager earns an average salary of \$2,500 - 3,000 per month, depending on the city (Intersog, 2013). Income taxes for IT professionals in Ukraine are extremely low – only 4 per cent. For comparison, the average monthly salary in different regions of Ukraine in 2017 was \$215 in Donetsk and \$ 150

¹ See DOU.ua website

in Chernihiv (Minfin, 2016). In the U.S., Germany and the UK, the variation of IT salaries also depends on the location and working experience and ranges between \$4,500 -6,500. But the most important factor is that the net income for IT specialists in Ukraine is almost equal to salaries in the U.S., Germany and the UK because of lower taxes in Ukraine. In spite of such high salary levels, 5% or about 5,000 Ukrainian IT professionals migrated abroad, according to DUO.ua surveys² in 2016 (DOU.2016a), and only 1 per cent of respondents returned back to Ukraine. It seems that share of IT experts abroad is similar to the average number of Ukrainian migrants indicated by national labor surveys in 2008 and it is higher than in 2013 (Libanova, 2009, 2013). But the actual number of Ukrainians working abroad is higher according to the experts' opinion (Libanova, 2009, 2013). In spite of the high level of salaries the intention to migrate among IT experts is extremely high – 80%, according to DOU surveys (Ischenko, 2016a). This fact was surprising to a foreign IT expert who lives in Ukraine (DUO forum February 16, 2016) (Walker, 2016). The portal DUO.ua posted his opinion and the discussion attracted many members. He described Ukraine as a very attractive place for IT experts to live in. Under the title, “Why Do Ukrainian IT experts leave Ukraine?” (Walker, 2016), the discussion proves one of the statements in the forum that “a Ukrainian in Ukraine, and a foreigner in Ukraine see the picture of life there differently”. The quoted foreign IT expert argued that Ukraine is “the heaven on earth for IT experts of the world.” IT experts with salaries of \$3000-\$5000 and only 4 per cent taxation have interesting jobs in his opinion. He thinks that, “IT experts are respected in Ukrainian society and have good working conditions with modern offices, good private medicine and good sport facilities, paid by their employer.” So why the majority of Ukrainian IT experts is ready to migrate?

To answer this question and to contribute to the knowledge concerning the well-being of highly skilled IT experts from Ukraine, we conducted a secondary analysis of quantitative data of IT website surveys using correlations analysis. Also, we conducted a qualitative analysis of IT experts' forums for clarification of pros and cons for or against emigration. The analysis was based on the theory of push and pull factors (Fassman, Musil, 2013).

The paper proceeds as follows: Section 1 presents the methodology of research and discusses the pull – push theory. Section 2 describes methods and empirical foundations of quantitative survey and research strategy used in the study. Section 3 presents the results of correlation analysis of main factors for migration and their interrelations. Section 4 gives findings of qualitative analyses of forum discussions pro and contra emigration from Ukraine based on push – pull theory. The findings are discussed in the conclusion 5.

2. THEORETICAL APPROACH

Existing academic literature offers several approaches to evaluate push-pull motives. We do not discuss push-pull motives for refugees in our article, in other situations the main push-motives for migration are either better life standards (International Migration Report, 2015) or better payment for the same job and better career/professional opportunities than are available in the home country or personal development (Portes, 1997) or Fazzman and Musil argue that according to the model “all people are potential migrants if the living conditions elsewhere – especially labor market related conditions – are better than in the actual place of living and the cost for migration is lower than the gain which can be accumulated due to migration”. (Fazzman, Musil, 2013, p.10). Lee (1966: 50) summarizes the four factors which are relevant for the decision to migrate: 1-the place of origin, 2 - the place of destination, 3 - intervening obstacles, 4 - personal factors as perception of pull and push factors. Lee (ibid: 51). emphasizes that it is not the actual factors at origin and destination but the perception of these factors.

² All surveys SAV access: <https://github.com/devua/csv/tree/master/salaries> (retrieved 29.08.2017)

Migration networks (Portes, 1997), or 'migration chains' (MacDonald and MacDonald, 1974), or 'migration capital' (Taylor, 1986) offer information about destinations, provide assistance, and reduce the cost of resettlement and risks of failed migration and return (Massey, 1999, p. 44; Sanja, 2017). The model is looking at the balance of push and pull factors at the place of origin in comparison to the push and pull factors in the destination country (Fassman, Musil, 2013, p.17). It is important for the IT labor market to look at how intense pull factors work for highly qualified migrants. In the context of the virtual nature of IT jobs that can easily be done in remote places, the relative positioning of the countries of origin and destination can constitute another important factor in the decision on whether to migrate. Other relevant elements in the decision-making process can include cultural and behavioral factors as well as value systems (Fassmann, Musil, 2013).

3. EMPIRICAL BASIS OF RESEARCH

For this article, we examined the following primary IT experts database from the DOU.ua website: 1). database SAV annual survey of Ukrainian IT specialists "Portrait of the IT expert 2016" (N=8188)³; 2). Relocation survey (SAV survey with 3112 respondents): held in August 2016 at the forum DOE; 3). SAV surveys on base wages for 2010-2017 and materials for comparative analysis of IT salaries in Ukraine, the U.S., the UK and Germany (IT Salaries, 2013); 4). Items of discussion on the forum DOU.ua on the "Topic for tips on finding a job abroad and moving" (work and permanent residence permit) ("Forum rabota i PMZ").

The authors of this article created an additional variable "attitude towards migration" for the purpose of comparative analysis of "pull-push" factors in various groups of IT professionals. It includes 4 categories of respondents, differentiated in intention to migration:

Group 1 - who do not want to leave Ukraine (42%);

Group 2 - who want to leave (52%);

Group 3 - who left, but came back (1%);

Group 4 - who left and stayed abroad (5%).

The analyses were performed using statistical package SPSS Statistics 20.0. The level of statistical significance of differences between the variables was taken equal to 0.05 ($p \leq 0.05$). To compare groups, we used a nonparametric Kruskal-Wallis H-test (Ungureanu, 2014, p. 55). A study of the relationship between pairs of discrete qualitative characteristics was performed using analysis of paired contingency tables (using the criterion of Pearson "Chi-square" – χ^2) and correlation analysis (using Spearman's rank correlation – r) (Kramer, 2007; Nasledov, 2013). To analyze the relationship between one quality characteristic, serving in the role of a dependent indicator and a subset of the qualitative characteristics, we used a logistic regression model with step-by-step algorithm of inclusion and exclusion of predictors considered as factors in decisions about migration. As the dependent variable, we took the place of residence of the respondents. When building dimensional models, we found that almost all the predictors have a significant impact on the dependent variable.

However, with the increasing complexity of the model, the significance of some of the predictors is reduced (Kramer, 2007; Nasledov, 2013; Inglehart, 2014, pp. 25-27). We got the results of step-by-step selection in table 1. This model includes variables which are used for further comparative analyses of factors in decisions about migration for the above-mentioned four categories of respondents, differentiated in relation to migration. However, we did not rank the selected predictors based on the degree of their association with the dependent variable.

³ Portrait of an IT specialist - 2016. Infographics. (<https://dou.ua/lenta/articles/portrait-2016/?from=bestwidget>)

Table 1: Evaluation of the variables in the equation logistic regression

Variables (predictors)	B	S.E.	Wald	Sig.	Exp(B)
Level of English	0.126	0.059	4.512	0.034	1.135
Experience in IT	-0.201	0.050	16.393	0.000	0.818
Status (rank) in IT	-0.310	0.045	48.115	0.000	0.734
Satisfaction with wages	0.314	0.091	11.949	0.001	1.368
Interest in work	0.047	0.075	0.388	0.533	1.048
Housing	0.204	0.087	5.498	0.019	1.227
Family	-0.208	0.037	31.702	0.000	0.812
Constant	5.712	0.300	363.152	0.000	302.379

B – regression Coefficient; S.E. – Standard error; Wald – Wald Statistics; Sig. – Significance; Exp(B) – odds Ratio. Source: secondary survey of DOU.ua

To assess the quality of the logistic regression, we used measures of certainty of Cox & Snell and Nagelkerke, which characterize the part of variance explained with the model (Matraieva, 2013, pp. 171-172). For our model, Nagelkerke's R square was 47%. For estimates of the percentage of correctly reclassified observations we used concordance rates. The resulting model has highly predictive properties and, in general, correctly describes 96% of all cases.

To interpret the structure of the regression equation, we used the results of the analysis of contingency tables and the results of the correlation analysis for groups of dependent characteristics. Additionally, based on the results of rank correlation in the quantitative analysis, we added such factors as interest in work. Despite its weak relationship with the dependent variable ($r = -0.10$, $p < 0.01$), the importance of this factor from the point of view of decision-making on migration is confirmed by the results of the qualitative analysis of the discussions on the website. The correlation analysis of the study variables (Spearman rank correlation coefficient) is shown in Table 2.

Table 2: Spearman's correlations of the variables

	Variable s	Level of English	Experien ce in IT	The status in IT	Satisfacti on with wages	Interest in work	Housing	Family	Constant- Intention to migrate
		1	2	3	4	5	6	7	8
1	Level of English	–							
2	Experien ce in IT	0.18**	–						
3	The status in IT	0.27**	0.73**	–					
4	Satisfacti on with wages	0.20**	0.24**	0.26**	–				
5	Interest in work	0.10**	0.10**	0.13**	0.41**	–			
6	Housing	0.04**	0.04**	0.07**	0.07**	0.03**	–		
7	Family	0.06**	0.37**	0.29**	0.14**	0.12**	0.00	–	
8	Intention to migrate	0.13**	0.05**	0.05**	-0.04**	-0.10**	0.11**	0.04**	–

*Note: ** – $p < 0.01$ (two-tailed)*

Source: secondary survey of DOU.ua

4. RESULTS OF SECONDARY SURVEY

4.1. A portrait of average Ukrainian IT expert based on Relocation survey

The primary surveys were conducted and analyzed in order to compile data on the average IT specialist. He is mostly male (84%), aged 21-25 years (34%) and 26-30 years (37%). More than half of the specialists have a specialized education (64%). On average, one project manager (5%) manages eleven developers (55%) and three testers (15%), 4% of survey participants are working as systems administrators, 2% as coders, 2% as business analysts, 1.5% as top-managers and designers. Another 3% have non-technical positions (HR, PR, Sales). The work experience of half of the experts ranges from 3 to 10 years, and 24% of respondents have the status of "Senior", mainly those working in the industry for over 5 years. Most middle professionals have worked in 2-3 companies, while senior and lead in 3-4. Currently, 84% of IT professionals work in an office. About 60 per cent of respondents work as outsourcers. The main motivation of survey participants for choosing to work in the IT sector is interest in IT technologies (82%), high salaries (50%), and perspectives for professional growth (43%). For 37% of respondents, their current work is at the same time very interesting and they are satisfied with the wages, and for 52%, their work is rather interesting and they are rather than not satisfied with their wages.

According to the results of Relocation survey (2016), respondents that still live in Ukraine but want to migrate rank the following three criteria highest push factors are:

1. country of destination,
2. opportunity to get a permanent residence permit (PMZ)
3. conditions for relocation.

Next in rank are interest in the job and career development. Interest in a higher salary is in the 6th position. They have to obtain a work and residency permit that demands a lot of paperwork. Among those who want to migrate, 26,3 per cent are ready to migrate, 46,6 per cent are waiting for decent job offer, and 27,2 per cent are only thinking about emigration but have not taken any concrete steps. Overall, the IT experts' approach for the resettlement is quite pragmatic: only 26.3 per cent of those who are thinking about relocation are determined to go. Almost half (46.6%) are ready to go if there is a good offer, and 27.2 per cent have not yet decided.

The main consideration for the groups of Ukrainian respondents who are "definitely going" and "still thinking" about it was the issue of a peaceful and secure life for themselves and their families. One in four of those who will definitely migrate sees no prospects in staying. Among those who are just thinking about leaving, this proportion is slightly less – 18 per cent. Other causes of emigration are also mentioned (see figure 1).

Figure following on the next page

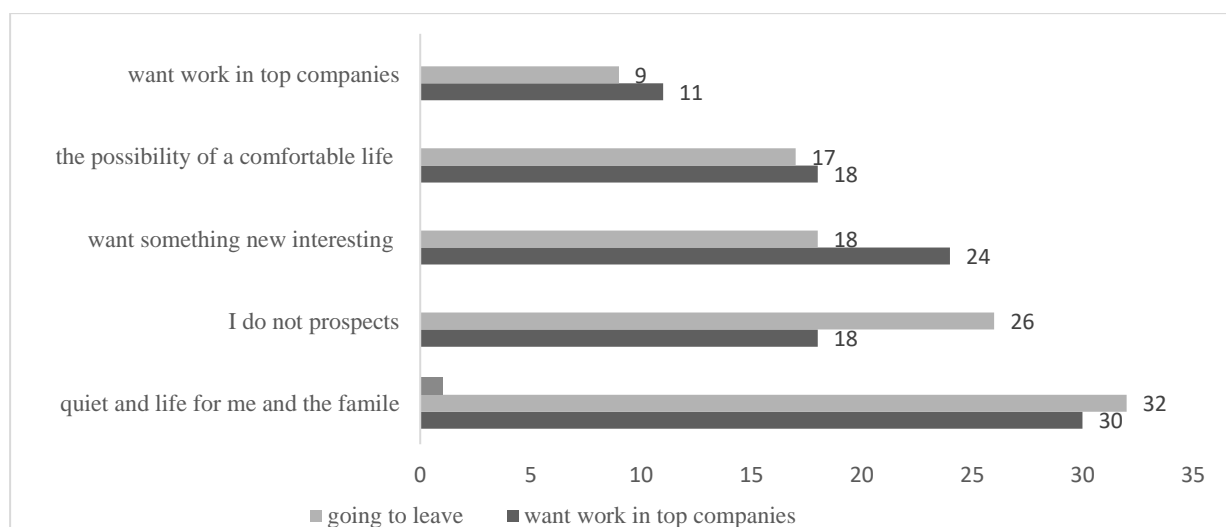


Figure 1: "Why did you decide to seek work abroad?" (%) (secondary analysis of Relocation SAV survey (2016))

The most popular country for emigration of IT specialists is the United States. Every fourth respondent considers this country as a country of emigration. In addition to the US, the top three priorities for relocation include Canada and the EU. Least of all programmers want to go to Asian or Baltic countries (see figure 2).

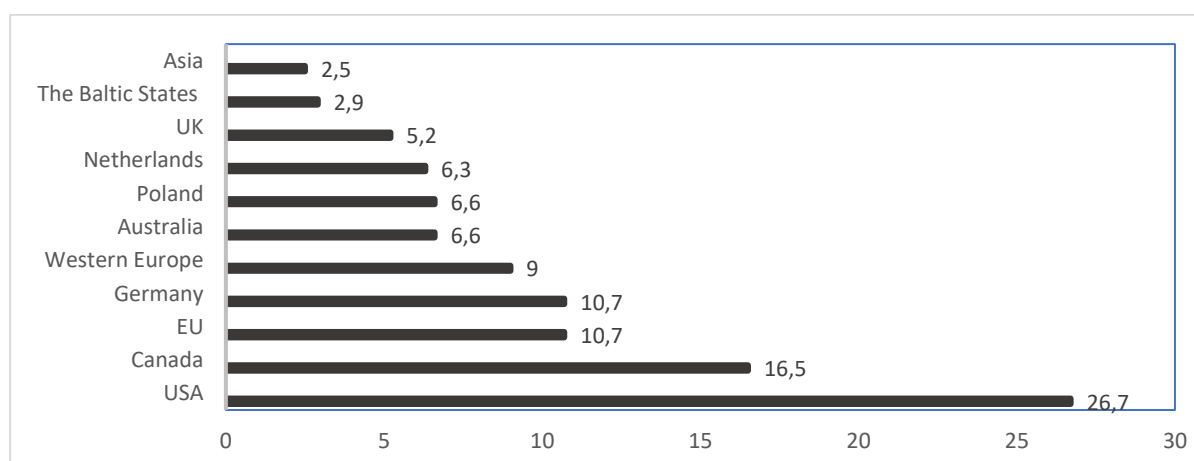


Figure 2: "Which countries do you consider first?" (%) (secondary analysis of Relocation SAV survey (2016))

4.2."Push and pull" factors in decisions on emigration based on Portrait survey (2016) quantitative analysis)

4.2.1. Knowledge of the English language

Our analysis showed that 80% of IT specialists have an average or above average level of English language skills. The level of English proficiency among the 4 categories of respondents, differentiated in relation to migration, is shown in table 4. The group 4 persons that already live abroad has the highest language skills, but the overall difference between groups on this factor is not dramatic- from minimum - 30 per cent to maximum - 40 per cent.

Table following on the next page

Table 4: Interrelation between the level of English language proficiency and attitude to migration

Attitude to migration	Group 1 - who did not want to leave	Group 2 - those who want to leave	Group 3 - those who left but came back	Group 4 - those who left and stayed abroad
The level of English	mostly average (37%) and above average (30%).	mostly average (34%) and above average (31%).	above average (38%).	upper-intermediate (38%) and advanced (40%)

There is some small positive correlation between such variables as the level of English language, intention to migrate, IT status and experience of work: the higher the level of English, the higher is the desire to migrate ($r=0,13$, $p<0,01$), the higher is the status ($r=0,27$, $p<0,01$) and the higher the working experience in IT ($r=0,18$, $p<0,01$).

4.2.2. The possibility of increasing professional status

Another factor that attracts Ukrainian IT-specialists abroad is the opportunity to improve their professional status has shown how factor 'possibility of increasing professional status' is distributed between the 4 categories of respondents (table 5), and also we do not see the big difference between groups:

Table 5: Interrelation between professional status and attitude to migration

Attitude to migration	Group 1 - who did not want to leave	Group 2 - those who want to leave	Group 3 - those who left but came back	Group 4 - those who left and stayed abroad
Professional status of respondent in the IT field	"Junior" (34%) and "Middle" (34%)	"Junior" (34%) "Middle" (36%)	"Middle" (28%), "Senior" (29%) "Lead" (31%)	"Middle" (30%), "Senior" (43%) "Lead" (46%)

On the one hand, a higher social status can be a constraining factor discouraging emigration. On the other hand, this status could be obtained through the acquisition of experience abroad. Among all those who returned, 34 per cent have more than 10 years of experience in the IT sphere, including work outside of Ukraine. We identified a strong positive relationship between work experience and the status of the respondent: the more experience in the IT sector, the higher the status ($r = 0.73$, $p < 0.01$). Among the IT professionals who migrated from Ukraine, 42per cent have 5 to 10 years of work experience in this industry.

4.2.3. The wages level as an important "push and pull" factor

The IT industry is one of the highest paid in the world and in Ukrainians well. The highest level of wages satisfies 56 per cent of top managers. Among all categories of respondents, only 18 per cent are not satisfied with their earnings. Our analysis showed that among those IT people who are "not satisfied" with their wages, 57 per cent want to leave Ukraine in search of a decent wage. The distribution between categories of respondents, differentiated in relation to migration, is the following (see table 6):

Table 6: Correlation between the satisfaction level of wages and the attitude to migration

Attitude to migration	Group 1 - who did not want to leave (%)	Group 2 - those who want to leave (%)	Group 3 - those who left but came back (%)	Group 4 - those who left and stayed abroad
The satisfaction level of wages in Ukraine	46% rather satisfied and 36% satisfied	50% rather satisfied 30% satisfied	50% rather satisfied and 40% satisfied	55% rather satisfied 33% satisfied

Based on the obtained results, we can make conclusion that not for all IT experts the decision about emigration is related to wages level. It is more depends on other push factors.

4.2.4. The interesting work as important factor

Wage level may be regarded as a pull factor as there is a direct relationship between satisfaction with salary and interesting work: the more interested the IT specialist is in the current job, the more he is satisfied with the salary ($r = 0.41$, $p < 0.01$). The largest percentage of those who are bored is among system administrators (21 per cent). However, there is a small probability that with experience ($r = 0.10$, $p < 0.01$) and higher status ($r = 0.13$, $p < 0.01$), the interest will increase. In particular, we found among the "leaders" group the largest number of specialists who are very interested in their current job (48%). It is important to remember that group 3 (IT people who returned to Ukraine) is dominated by "leads" (31 per cent). So, we can assume that they are more likely to come back not to nowhere, but to some interesting projects in the Ukrainian IT industry. For group 2 (those who "want to leave"), every fifth specialist explains his desire with uninteresting work, which is also an important push factor, especially if we consider that interesting projects have attracted about 90% of survey participants who emigrated.

4.2.5. Housing factor

Housing situation according to the information of both surveys is not push or pull factor. The IT experts are relatively young (average age from 24 to 30 years old) on the labor market. Almost a third of those IT professionals who do not own their homes have no plans to buy them yet. This may be associated with the fact that they live with their parents (24 per cent) or that they decided that the lease is more profitable (28 per cent), or it may have to do with plans for emigration – 52 per cent of survey participants are ready to move to another country. Thus, in group 2 (those who "want to leave") - a third have their own housing in Ukraine (34 per cent), but that doesn't stop them. It is therefore likely that the availability of the property does not play an important role when deciding about the migration.

4.2.6. Family factor

Family, as it turned out, is not a discouraging factor for emigration. According to the quantitative analysis, every third IT expert who wants to emigrate is officially married, and one in ten lives in a civil marriage. Moreover, among those who have already left Ukraine, 62 per cent are married, and every fourth has children.

5. QUALITATIVE ANALYSIS OF PUSH AND PULL FACTORS FOR MIGRATION IN UKRAINE

As it was already several times indicated during the analysis of quantitative surveys, the level of salaries of IT experts in Ukraine is the same after taxation as in the Western countries and the professional opportunities and success in career development are also good, because the IT sector is developing very actively. But on Relocation survey (2016) people indicated as push factors firstly, opportunity for quiet and safe life for family, secondly, lack of prospects in Ukraine and thirdly, looking for professional novelties. The qualitative analysis of Forum materials helped us to understand more the push factors for migration from Ukraine. The Forum posted letters of IT experts who already migrated into the different countries and present their pros and cons for emigration, as well as comments of IT experts on those letters (DOU, 2016a). We selected only the comments on pros and cons for staying in Ukraine. Unfortunately, the positive comments for life in Ukraine were not many in comparison to long list of push factors. The Pull factors we can name as "optimism" factors (see table 7).

Table 7: The main push and pull factors of stay or migrate in Ukraine (based on DOU.ua FORUM information)

Category	Push motives: leave home	Pull motives: stay home
Motives in Ukraine	<ol style="list-style-type: none"> 1. Ukraine is a backward country with an underdeveloped economy. This directly affects personal comfort and living conditions. The comfort is not measured only by the level of salary 2. Ukraine has a “good” neighbor (i.e., Russia, that is not good at all -authors comment) who might decide to restore the USSR and to return Ukraine back (as part of this unit – authors comment); 3. You cannot protect your savings, because the rule of law is not respected in Ukraine; 4. Inflation and the currency exchange rates can counteract the low taxation advantage; 5. Public transportation is terrible; 6. There are high levels of corruption and violence in Ukrainian society. 7. A new revolution could start, or Raska (Russia – authors comment) could start another hysteria, or a crisis could be again. Any prediction can cost dearly. The level of and security, health care, environment is not good at all. 8. I do not see enthusiasm in the situation of Ukraine. 	<ol style="list-style-type: none"> 1. Your salary is high. You pay only a 4% income tax; 2. IT education in Ukraine is good; 3. Good friends and family members, food we like; 4. Ukraine has a lot of good things and a lot still getting better 5. Do not be blinded by purely negative views that flooded Facebook.

In spite the general pessimistic evaluation of situation in Ukraine, those who call to return call for future efforts:” But I still want to do something for my country. ...As long as we are competing with Belarus and Russia, we cannot go forward. We need to focus our efforts on the Westward development and compete with international brands, to create our own products, rather than outsource. We need more active individuals, knowledge of English, and we should think as Europeans.”

6. CONCLUSIONS

The unique situation in Ukrainian IT labor market shows that the salaries there are equal to the Western ones. According to the evaluation by foreign IT expert, professional development and conditions are also good in Ukraine. Nevertheless, about 80 per cent of IT experts want to migrate (but only 5 per cent actually did it). The quantitative analysis shows among the most significant factors influencing the decision to migrate: 1. level of English, 2. experience, 3. status, 4. wage satisfaction 5. interest in work, 6. housing and 7. family. Difference on satisfaction between groups on first five factors is small. The family and housing are also not the pull factors but, on the contrary, the desire of IT expert to emigrate is related to the wish to provide a more secure life with a better quality for the family. Other push factors related to general backward position of Ukraine, economic, social and political uncertainties, that are the same factors that were pointed out by Lee (1966) and Fassman and Musil (2013). Nevertheless, as soon as the resettlement was realized by only 5 per cent of respondents, (in spite of the much higher level of desire), we can tell that may be relatively fragile balance exists in IT labor market of Ukraine. In case of changes in taxation that can be inverted (according to respondents’ opinion), the outflow if IT experts can increase dramatically.

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SOCIAL EDUCATIONAL ORDER: INTERESTS AND EXPECTATIONS OF KEY SOCIAL GROUPS

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ABSTRACT

The research is aimed at the order content study of key social groups for the preparation of Russian schoolchildren. The research was based on the hypothesis of the distance existence between a modern educational system and the interests and expectations of educational service consumers (the parental community, the institutions of higher education and the labor market). This is expressed in the "closeness" and the immunity of the secondary school to the public needs. Also, the authors put forward the assumption as an additional hypothesis that there are significant discrepancies between the requirements imposed by educational service consumers to the competencies of a secondary school graduate and the actual results of training. Using the questionnaire survey method, the study was conducted within three trends: - the survey of parental community (N = 625); - the survey of university teachers who acted as experts (N = 120); - the survey of potential employers (individual entrepreneurs, the heads of sectoral and structural divisions) (N = 316). According to the study results, they found that all categories of respondents emphasized the importance of their participation in an educational order development. The parental community and business representatives noted that existing forms of interaction with school do not allow them to fulfill their educational needs. Both parents and potential employers believe that their role in modern conditions is reduced only to sponsoring, resource and other assistance to an educational institution. The representatives of higher education believe that the role of the scientific community in the process of a social educational order development as a "consultant" and a "partner."

It was found during the study that, according the opinion of the respondents, the state-public nature of education sector management remains mainly a political declaration. The involvement of parents, the representatives of higher education and labor market to the development of a social order is indirect and imitative often. A high level of centralization and standardization in educational activity creates a fairly rigid management system that does not consider an open interaction with all stakeholders as a priority trend for efficiency provision.

Keywords: *educational order, employers, high school teachers, parental community, secondary school*

1. INTRODUCTION

Education, as a social institution that provides the increase of intellectual, spiritual, cultural and economic potential of the country is a priority object of state development today [Walter Feinberg, 2012; Shima Barakat et al., 2014]. New civilizational challenges naturally lead a country to the "educational boom", the wave of reforms of education systems [Fiona Minchin, 2009]. The solution of the tasks set for Russian education system at all of its levels requires the

revision of educational programs, technologies and the methods of teaching. A special place in the reform process is occupied by social order development practice for secondary school [Rogach, 2017]. An educational order presented to the secondary general education school is the developed position of an administrative body to the quality of schoolchildren preparation, taking into account the provision of adequate resource support, capable to "embody the idea of an educational situation, according to the requirements of a socio-economic reality" [Sukhanova, 2004]. Nowadays, due to the adoption of state-public education by management processes [Federal Law ...] they usually talk about two mutually penetrating and mutually determining positions that determine the vector of the entire Russian educational policy, namely: a state educational order and a social educational order (or a social order for educational services). A state educational order is represented by the basic requirements of a state regarding the educational outcomes of students, which is secured by the standards and legislative acts. [Federal Law ...; Federal state educational standard of secondary (complete) general education ...; The concept of the federal target program for education development during 2016-2020....].

In particular, according to FSES (Federal State Education Standards) GSE (general secondary education), a state educational order includes three components:

- the federal component of secondary education content establishes the standards of equivalent general education for schoolchildren, regardless of an educational institution "status";
- the regional component of education content ensures the unity of educational space, taking into account the national and ethnic peculiarities of Russia fixing the standards in the field of native language and literature, history, geography, etc.;
- the school component of education content reflects the specifics and the orientation of specific general education organizations.

At the same time, according to the opinion of educational service consumers and experts, such a development of a state educational order is not able to provide the satisfaction of population real educational needs. According to the results of Russians survey conducted by All-Russian Center of Public Opinion Study, half the respondents (54%) considers that the amount of school knowledge is insufficient to enter a university / an institute within the results of the Unified State Exam (USE). At that, 70% of Russians believe that nowadays students are trained only for test passing, which deteriorates the quality of knowledge.¹ Therefore, the issue of the need to change an educational course, the transformation of state educational order development foundations to attract key social groups for the definition of modern education content is raised more and more often. From this point of view, a social educational order is the mechanism which realizes social necessity [Agafonova et al., 2009]. Unlike a state order, a social educational order is the society request for quality educational services that determine the development of a set of requirements for a graduate person and their socialization [Yakushev, 2014]. In the countries with a market economy, a social educational order includes the entire complex of educational and related population demands, as well as the requirements that are presented by any social subjects to an educational institution or can be presented by them in the future [Zhelezov et al., 2009]. A special importance of interaction establishment between schools and universities is emphasized for the successful preparation of students to future working activity [Sklyarova, 2014]. Various researchers agree that the competitiveness of

¹ USE: Knowledge evaluation methods. All-Russian center of public opinion study. VTsIOM. Press release №2945 06.10.2015 [Electronic resource]. - Access mode: URL: <http://wciom.ru/index.php?id=236&uid=115418>

education should be ensured through the involvement of the expert community [Komívesa, Dajnokib, 2015], as well as employers [Tutan, 2016] for an educational order development. In modern conditions, the reforms of an educational system should be based on scientifically grounded predictions of economy and labor market development [Bailey, 1991], whereas the discrepancy between the demand structure for education and modern technologies and the needs of production leads to significant imbalances [Fakhrutdinova et al., 2015].

2. METHODOLOGY

The research purpose is to study the order content of key social groups for Russian schoolchildren preparation. The research was based on the distance hypothesis between a modern educational system on interests and the expectations of educational service consumers (parental community, the institutions of higher education and labor market), which is expressed in the "closeness" and the immunity of the secondary school to the needs of public key groups. An assumption is made as an additional hypothesis about the existence of significant discrepancies between the requirements imposed by the consumers of educational services to the competencies of a secondary school graduate and the actual results of training.

A comprehensive study of the processes establishing a constructive dialogue between the leading subjects of the educational space that have a high degree of interest to reflect their expectations and interests in the social order of modern school was carried out by the team of authors within the following key areas:

1. The first research unit (625 respondents) will allow to consider the parental public point of view on the participation issues in the processes of their educational needs and interest regulation. The sampling was carried out on the basis of a random selection. The main research method is the questionnaire survey.
2. The second research unit (120 experts) includes the data presented by higher education institutions in order to study the degree of university employee readiness in a social educational order development for a modern school. The selection of educational institutions took place on the basis of a random sample, ensuring the representation of 4 state and 2 non-state universities that provide the training of bachelors with various profiles. During the second stage of the selection, the teachers were selected in the rank of assistant professor and professor. The expert selection criteria were the following ones: the presence of an academic title, minimum 5 years of teaching work experience, more than 100 publications in RSCI (Russian Science Citation Index) database, more than 3 publications in international citation databases (Scopus, Web of Science). Questionnaire survey became the leading method of research.

The third research unit (N = 316) will allow to consider the point of view of potential employers (individual entrepreneurs, the managers of branch and structural divisions) on the modern practice of labor market representative involvement to the determination of an educational order content. The sampling was carried out on the basis of random selection. Questionnaire survey is the main method of research.

3. RESULTS

The representatives of parental community recognize the need to consolidate the efforts of government bodies, educational institutions and society to develop Russian education for the most part (68.4%). More than half of the respondents (52.7%) note the need to expand the forms of public participation in to determine the strategic points of educational institution potential growth, and 46.6% of parents talk about the importance of the social partnership mechanism use in the practice of education management. At that, according to the data obtained during the survey, it can be concluded that the parental community was divided into two groups. The first

one (63.5%) has the prevailing opinion about the necessity of "children representatives" participation in an educational order development due to the increased requirements to the school preparation results among students. Despite the fact that 87.4% of the parental community representatives support the need to modernize the existing education system to review the methods educational service consumer expectations and needs at modern schools, the very essence of their expectations remains very traditional one, namely the entering of schoolchildren at universities. Most representatives of the parental community believe that school does not perform its functions well enough. According to respondents, school implements the activities related to the transfer of knowledge to students relatively better than other tasks (35% believe that this is done well). As for the educational and motivational function, the estimates are lower here (only 28.1% and 22.5% respectively chose the "good" option as an answer). The opinion dominates among the parental community that the development of rigid indicators to assess the activities of a teacher and a student in the course of USE focuses the school system of education solely on subject knowledge transfer and the memorization of the required information. In these terms, the teaching work is reduced to training for the implementation of standard tasks. At the same time, parents acknowledge the fact that the lack of time, the domination of quantitative standard approach for a teacher activity evaluation make it difficult to develop the moral qualities of a student, his social and communication skills. The consequences of these tendencies include the aggravated contradiction between the parents' expectations for intellect, social and communicative skills, the moral qualities of students, and the actual results of study in a modern school.

According to the representatives of the parental community, their participation in the education order development for a modern school will improve the quality of education and upbringing (63.4%), will optimize the state and the effectiveness of educational process (15.8%), will increase the amount of obtained knowledge and skills (13.6%), and will increase the students' motivation to learn new knowledge (9.1%). According to the performed conditional grouping, the second part of the parental community (36.5%) is not focused on the participation in the processes of an educational request development for school. This is due to the fact that this form of interaction with educational institutions is considered by parents as inefficient one (28.9%). A special attention should be paid to the fact that the forms in which the parents carry out a "dialogue" with school are represented by the boards of trustees, the parental community councils, formal and informal public associations which serve to help an educational institution to fulfill its direct responsibilities. According to the respondents, in this case they do not get a real opportunity to realize their educational needs, but also become a source of sponsoring, resource and other assistance to an educational institution. Almost two thirds of parents discuss this (62.7%). In most cases, such councils have a nominal status and are limited in the possibility of a real impact on educational institution policy, which was noted by 60.1% of respondents. Besides, 34.7% of parents say that they have no time due to their working activity; 33.8% express distrust to any undertakings in the field of education.

Turning to the survey results among the representatives of Russian higher education institutions, it was found that 95.3% of university teachers are in favor of school education reforming. This is explained by the fact that the quality of modern school graduate training does not exceed 5.6 points out of 10 possible ones in their opinion. It is fair to say that the teachers of higher education are characterized by some heterogeneity and superficiality in judgments during the determination of the criteria that must be met by a general education institution graduate. This is manifested in a substantial disagreement between the criteria of secondary school pupil preparation claimed by higher education and the content of federal standards for secondary education. Besides, the main "interest" of a higher school is expressed in the

availability of a set of such personal qualities among graduates the development of which is not provided by modern educational programs and teaching technologies. For example, the skills of relationship development with people (16.7%); the skill of finding the solutions to non-standard life and learning tasks (12.2%); the ability to set a goal and develop the ways of its achievement (18.9%). Also, a high level of dissatisfaction among high school teachers is caused by a low level of communication between schoolchildren and a low level of knowledge about the general patterns of social development (47.2% and 49.2%, respectively).

The conducted research made it possible to establish the centering of higher education institution educational request on the internal needs of higher education and a weak awareness of the population real needs in the educational services of the educational system school component. The latter situation found its expression in the respondents' answer to the following question: "Do you think that modern school meets the needs of the general public concerning the quality of educational services?" So there were almost equal proportions between the polar poles: "completely satisfies" - 12.7%; "Rather satisfies than not" - 36.5%; "Rather does not satisfy than satisfies" - 33.3%; "Does not satisfy at all" - 12.4%.

Respondents cited "ineffective educational programs" (28.2%) as the leading reason that prevents the provision of high quality education by a modern school. Also, the "ineffective work of education management bodies" (17.7%) makes a significant problem. A particular attention was paid to such aspects as "the lack of interest and a low motivation of schoolchildren to obtain a high quality education" (16.4%); "The lack of qualified teaching staff" (14.8%). For the first time, "the lack of social partnership effective mechanisms in education" (9.3%) was indicated as the barriers.

The factor analysis of an educational order development made it possible to establish that Russian universities tend to consider the content of school education through the influence of the following set of factors: "the strategy of state development and national security" (29.4%); "Social-economic conditions for the development of territories" (26.7%); "The possibilities of educational institutions" (29.2%). Let's note that the needs of schoolchildren and their parents are the dominant factor in the development of an educational order content for the school only among 11.8% of respondents.

Due to the significant discrepancy between the content of the secondary school educational order and the requirements and the interests of higher education, the respondents were asked to answer the question concerning the need of an education request development by them. According to the obtained results, the overwhelming majority of respondents (81.8%) speak about the unconditional need for the development of an educational order to a secondary school. It is fair to note that 18.2% of higher education teachers express doubt about the expediency of this step. The respondents indicated state (53.5%), regional education authorities (28.3%), parental and educational community (3.9% and 7.2%, respectively), along with the institutions of higher education (80.8%) as the leading agents of the educational space, whose educational needs and expectations should be reflected in an educational order. At that, the respondents' opinion about the level of strengthening the needs and the interests of higher education institutions does not have a single view: 34.5% of Russian universities propose to set the forms and mechanisms for a request presentation to the education sector in federal and/or regional legislation; 10.1% - in the city education development program; 17.2% - in the program of an educational institution development. In the opinion of 22.4% of the surveyed representatives at higher education institutions, it is necessary to make an agreement, the parties of which will be the education management bodies, the heads of educational institutions and the scientific

community. 17.2% of Russian universities are in favor of one-time contract (school-university) conclusion for the implementation of long-term and/or short-term projects. The way in which Russian universities see their role (the role of a scientific community) in the processes of a social educational order development is of special interest to our research. An equal support was received by such positions as "consultant" and "partner" - 35.7% and 35.3%, respectively. 68.2% of Russian university representatives believe that the university active role demonstration in the development of a social educational order will allow school to find a way from a prolonged crisis, and also to ensure a "painless" transition of students from one level of education to another. At that, teachers assess the personal readiness to participate in the processes of diagnosing and an educational order development for a modern school highly enough (7.2 out of 10 points). Among the leading areas and the forms of interaction, the respondents indicate the following ones: the systematic admission of schoolchildren to study the expert subjects at universities for familiarization purposes (24.1%); the implementation of joint projects (34.2%), etc.

However, it is fair to say that a sufficient number of respondents (18.1%) does not see the need for the practice of close cooperation between universities and schools. This may be due to the fact that almost a third of respondents (31.8%) does not see the correlation between an active involvement of higher education institutions to an educational order development and the growth of school education quality. The results of the third unit of research allow us to see that business structures do not have the status of educational service consumers as educational institutions understand it. However, more than a third of the interviewed employers see the need to establish a close cooperation with the secondary school in order to reflect the interests of the labor market in a social educational order (graduates' competencies) adequately. According to the information received, the stated position of the respondents is conditioned by the recognition of the need to reform the education sector.

It will be fair to note that according to a number of indicators (mathematical and literary skills), modern school graduates correspond to the needs of labor market, and even significantly exceed by some indicators (natural-science literacy and language skills). However, in terms of schoolchildren personal characteristics and qualities development, according to the representatives of labor market, a significant gap is observed (initiative, independence, ability to set goals, analysis, etc.). According to the results of the study, it can be concluded that social and communication skills are of particular importance among potential employers, while the subject-information competencies are not so important. For example, the most relevant skills nowadays are the following ones: "to be able to develop relationships with different people" (72.3%); "to bear individual and social responsibility" (63.8%); "to be able to formulate a life goal and develop the ways to achieve it" (51.6%).

In order to identify the specifics of labor market interests and expectations reflection in the context of a social educational order development, it is important to determine the difficulties that reduce the possibility of a constructive dialogue development between employers and school. It was found during the study that labor market representatives consider the following things as important barriers: inefficient educational programs (26.1%), ineffective work of government bodies (22.2%), the lack of pedagogical staff (22.1%) and the lack of funding, including poor material-technical equipment of educational institutions (16.7%). Besides, potential employers point to "the lack of effective mechanisms for social partnership in education" (11.2%); "the lack of interest and low motivation of students" (1.7%). According to the majority of respondents, labor market is not considered as a full-fledged partner by school and this state of affairs only aggravates the situation.

According to the performed survey, only 3.7% of business structure representatives implement a real practice of partnership with specific educational institutions. At that, the overwhelming majority of respondents noted the important role of personal factor in its initiation: "they are the pupil's parents", "he studied here", etc. Thus, rare practices of cooperation are quite fragmentary ones, they are developed spontaneously and depend on a variety of random factors, which does not ensure their long duration and stability. The qualitative indicators of such a partnership are not high and are reduced to the obtaining of sponsoring and other support.

According to the data received, 66.2% of the labor market representatives support the development of an educational order for school, while 17.9% of the respondents consider this step to be inappropriate one. The opinion of respondents about the fixation level of their needs and interests does not have a single view: 22.5% of the interviewed employers propose to consolidate the forms and the mechanisms of their request presentation to the education sector in federal and/or regional legislation; 31.1% - in the development program of an educational institution; 23.9% - in the city education development program. In the opinion of 22.4% of interviewed labor market representatives, it is necessary to issue an agreement, represented by employers and the heads of educational institutions (14.9%), or by employers and educational authorities (7.5%). The heterogeneity of presented responses from potential employers is associated with the lack of an effective interest reflection practice at labor market in educational request for school, as well as with a significant gap in Russian legislation regarding the issues of public participation increase in education management.

4. DISCUSSION SUMMARY

In modern conditions state management structures remain the key subject which determines the priorities of education sector development. A high level of centralization and standardization in educational activity creates a fairly rigid management system, in which an open interaction with all interested participants is not considered as a priority for efficiency. The state-public nature of education sector management remains largely a political declaration, the involvement of parents, the representatives of higher education and labor market in the development of a social order is indirect and often imitative one.

Such a formal approach to the identification and reflection of population educational needs develops a distrust to any forms of social dialogue among parental community. Besides, most parents tend to view their rapprochement with school as an attempt of the latter to make them a source of sponsoring, resource and other assistance to an educational institution. During the performed study concerning domestic universities, which are currently considered as an indirect participant in the development of an educational request for a modern school, have the potential and the desire to become an active subject which determines the content of an education order. The transformation of a place and the importance of higher education for the understanding of its active participation need in an educational order development will allow to optimize the demand and supply structure for the educational services of secondary school.

In its turn, modern employers are distanced not only from the development of the educational process variable components, but even from the vocational guidance system of schoolchildren. Thus, the process of coordinated development at the market of educational services and labor market is broken now. At the same time, it is important to understand that there is no unified position on the issues of their participation in the development of an educational order for a modern school among business structures, since secondary education was not considered by legislators, let alone employers as a significant step in the development of a competitive expert until now.

However, an undoubted increase of education role in the life of modern society and the reorientation of Russia to the reproduction of new priorities for social and economic development requires a higher level of education results adaptability to the labor market needs.

5. CONCLUSION

Most parents believe that school does not perform its functions well enough. In their opinion, special problems are manifested in the weakness of school education learning and motivational component. The opinion dominates among the parental community that the development of student activity rigid indicators during USE makes it difficult to develop moral qualities and social and communication skills for a schoolchild. For the most part the representatives of the parental community recognize the need to create a social educational order due to the increased demands concerning school preparation results for students. According to parents, their participation in the development of a social educational order within secondary school will improve the quality of education and upbringing, and will also optimize the state and the effectiveness of educational process.

A high degree of higher education institution interest in the reflection of their interests within a social educational order is correlated with the willingness of teachers to direct participation in its development. However, the lack of a real participation practice of participation among higher education institutions in an order content determination concerning the educational services of a secondary school provokes a number of discrepancies. Despite the fact that the institutions of higher education position themselves as the leading subjects of the educational space, whose interests and expectations should be reflected in a social educational order, more than a third of respondents do not see the correlation between an active involvement of higher education institutions in its development and the growth of high quality school education. Besides, the teachers of higher education are characterized by a vague idea of their expectations consolidation level, the promising areas and the forms of interaction between general education organizations and universities. It was found that there is no clear understanding of a teacher role in the processes of a social educational order development.

The results of labor market representative survey made it possible to conclude that potential employers see the need to state their interests and expectations to a secondary school and fix them in a social educational order. There is an increase of labor market representative share focused on social partnership with educational institutions. However, modern cooperation practices are limited to paternalistic models in which employers are perceived only as resource providers. Employers assign a key role to the students' social and communicative skills in an educational order content, believing that these competences are not fully developed. The domination of a quantitative, formalized approach to a teacher activity evaluation directs the school system of education solely to subject knowledge transfer and the required information memorization, which limits the ability of a student moral qualities, his social and communication skills development.

Thus, the participation role and the mechanisms of all actors and consumers of secondary school services need to be reviewed. An interrelated system of student preparation for future professional work should be developed, which implies the development of a model that involves the gradual development of the necessary general cultural and professional competencies. During the performed study, the hypothesis of the distance between a modern educational system from the needs of key social groups was confirmed, expressed in the presence of significant disagreements between the requirements imposed by educational service consumers to the competencies and the qualities of a high school graduate and actual learning

outcomes. Within the conditions of modern school education inability to eliminate the "failure" in the development of those properties and qualities of personality that are in demand by consumers of educational services nowadays, this circumstance is seen as a significant barrier in the subsequent achievement of their personal and career ambitions by schoolchildren.

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CONNECTING THE HOTEL STAR RATINGS TO THE EXTENT OF RECOMMENDATION AND OVERALL HOTEL RATINGS BY CUSTOMERS IN THE CONTEXT OF THE VISEGRAD GROUP COUNTRIES

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ABSTRACT

The objective of this article is to verify the existence of a connection between the quality of the Hotel Star Ratings and the perception of this quality by the customers themselves through the variables as the percentage of the willingness to recommend the hotel and the hotel's overall customer rating based on the research conducted within the Visegrad Group countries. For the purposes of collecting primary data, the crucial factor for the selection of hotels was the identification of the suitable Expedia.com rating, which focused on post-stay evaluation of hotels in the Visegrad Group countries. We used automatic data collection for the observed variables (evaluations) within the selected hotel ratings. The total of 345 175 evaluations of 1 500 hotels were analyzed. The main focus was given to % of guests to recommend hotels in relation with the selected variables. Data collection was carried out in the first half of 2017. Our research outputs point to the fact that the category of hotels expressed in stars is linked both to the customer's rating and the guest recommendation as well as to the separate quality assessment and analogy to the overall rating. The strongest connection is assumed in Slovakia and Hungary subsequently in the Czech Republic and the weakest one among the V4 countries in Poland. Hotels that have a marketing philosophy primarily built to achieve the required number of stars as a quality indicator should not neglect activities that positively affect overall customer satisfaction.

The reward in the practical level for them is then the increasing value of the recommendation of satisfied customers or the overall positive rating on the full-service online travel portals, which can now be considered a valuable asset and undeniable competitive advantage.

Keywords: *Tourism, Reputation, Marketing communication, Hotels, Visegrad Group*

1. INTRODUCTION

It is an indisputable fact that the Internet has made significant changes in everyday life and that it creates new opportunities or challenges in a world that is extremely dynamic but also for companies that are directly active in it. This continued growth of the Internet has also significantly changed the operating environment of the hotel industry. No doubt it has become an innovative marketing tool for providing travel information and online transactions (Doolin et al. 2002, Štefko et al. 2010). Positive consumer behaviour is also closely related to the beneficial reputation of a company that is a beneficial and extremely valuable resource for them (Tat Keh & Xie 2009, Bucko et al. 2017). However, with the Internet and improved customer access to information, the current concept of corporate storyline has spread to the so- online reputation (Bakos & Dellarocas 2011). By developing the e-commerce, online reviews become increasingly important for consumers when deciding to buy products. It is currently estimated that around 82% of the consumers are reading reviews before making a purchase (ECC-Net 2013). In today's global context, 46% of the population is using social media to help with purchasing decisions (Nielsen 2012). As a result, when people decide about the purchasing, most of them are increasingly relying on online product reviews provided by consumers who purchased these products before. They use them like purchasing information sources to derive the quality of the available purchase options (Li & Hitt 2008, Simonson & Rosen 2014). Online reviews have become an important source of information which enables consumers to find detailed and reliable information by sharing their own experiences (Gretzel et al. 2011; Yoo & Gretzel, 2008 According to Liu & Park (2014) consumer reviews are particularly important when purchasing adventurous products (destinations, hotels, restaurants) because people have a problem with assessing the quality of intangible products before consumption. Consumers thus tend to rely on online comments that enable them to gain sufficient information and indirect shopping experience to reduce their level of uncertainty (Ye et al. 2011). According to Vlachos (2012), about 87% of international travelers used the internet to plan their journeys, and 43% of them read reviews of other travelers. In addition, almost half of online consumers said they were actively reading and publishing reviews as soon as they tested them (Santos 2014) and 74% of the consumers claim to write reviews because they want to share good experiences with other passengers (PhoCusWright 2012). Research also shows that more than 60% of the consumers trust the information obtained from partners and not information obtained from companies. Moreover, more than 50% of the consumers consider these evaluation portals to be more trusted sources compared to official corporate websites (Consumer Focus 2012). Surveys also reveal the fact that nearly 70% of the world's population is the main online travel planning resource for travel websites. Moreover, this information source, according to the survey results, is up to 26% over the experience gained from family and friends (TripAdvisor 2013). Also, studies at the University of Applied Sciences Worms in Germany indicate that almost 96% of Internet users view online reviews as important (Conrady 2012). Similarly, data from the USA show that over 80% of the respondents surveyed consider Internet reviews to be valuable (People Claim 2013). Baek et al. (2012) on the basis of dual procedural theory, even came to the conclusion that consumers tend to focus on different source information from reviews. These are peripheral values (such as star ratings and ranking of reviews) which are useful in the information search phase, while central processing of information, i.e. the number of total words in the rating and the number of negative words, influences the evaluation phase of the alternatives themselves. Based on the above statements and facts, we believe that the growing

popularity of e-commerce also changes the dynamics of consumer behaviour. There is evidence that many studies suggest a particularly important role for customer assessments, which are also becoming supportive elements of consumer choice in the Internet environment. Positive as well as negative customer opinions, service ratings and recommendations to others are currently an indispensable, extremely valuable sources of information available to consumers on the various online portals through which these buyers-evaluators have purchased. The world's most popular portals clearly include the world-famous Tripadvisor, Booking, and Expedia. Depending on the above, it can be said that this type of portals is not only an effective tool in building today's so important online reputation but is increasingly becoming an important e-commerce tool which should also be represented in the planning of online marketing, enterprises operating in the tourism and hospitality sectors.

2. METHODOLOGY

Our research focuses on the issue of online customer reviews, specifically focusing on customer buying behaviour in the form of their assessment of the quality of accommodation services within the Visegrad group countries - V4 (i.e. Slovakia, Hungary, Czech Republic and Poland). The goal of the research was to verify the assumption of a connection between the quality of the hotel expressed in stars and the perception of this quality by the customers themselves through the variables as the percentage of willingness to recommend the given hotel and the hotel's overall customer rating.

In relation to the above-mentioned main goal of the research conducted, we will proceed in the survey according to the following research questions and the relevant hypotheses:

- **R.Q.1.:** Is there an association in the category of the hotel and guest recommend% between the individual countries of the Visegrad Region and the user rating?
- H1a: We expect a significant rate of the hotel category association expressed in stars and the guest recommendation% of hotels in the Czech Republic.
- H1b: We assume a significant hotel association rating expressed in stars of guest recommend% of hotels in Poland.
- H1c: We assume a significant rate of association of a hotel category expressed in stars and a guest recommend% of hotels in Slovakia.
- H1d: We assume a significant rate of the hotel category association expressed in stars and the guest recommendation% of hotels in Hungary.
- H2a: We expect a significant rate of association of the hotel category expressed in stars and user rating of hotels in the Czech Republic.
- H2b: We assume a significant hotel association rating expressed in stars and a hotel rating in Poland.
- H2c: We expect a significant rate of association of the hotel category expressed in stars and user rating of hotels in Slovakia.
- H2d: We expect a significant rate of association of the hotel category expressed in stars and the user rating of hotels in Hungary.
- **R.Q.2.:** Is there an association in the hotel category and individual ratings among the countries of the Visegrad Group, specified by Room cleanliness, Service & staff, Room comfort and Hotel condition?
- **R.Q.3.:** Is there an association in the area of overall rating and stand-alone ratings among the countries of the Visegrad Group, specified by Room Cleanliness, Service & staff, Room comfort and Hotel condition?

The first step of the analysis was the identification of online portals focusing on the evaluation of accommodation providers. The decisive factor in this selection was the data completeness

condition for the subsequent analysis (absolute values). The selection of suitable portals was also influenced by their popularity, namely the number of active entities providing accommodation, as well as the technical capability for automated data collection. Based on the selection criteria, we were able to identify one online portal. The main reason for not linking multiple portals was the inconsistency of the rated variables given by the portals. Specifically, the Expedia.com portal has been identified by the company Expedia, Inc. Expedia.com is one of the world's leading full-service online travel brands helping travelers easily plan and book travel from the widest selection of vacation packages, flights, hotels, rental cars, rail, cruises, activities, attractions, and services (Expedia 2017). This portal was founded in 1996, today has localized sites in 33 countries. Expedia.com has over 40 million post-stay reviews and more than 30 million real-time reviews. For the purpose of the research, the following rated variables were identified as: Number of customer reviews, % of guests recommend hotel (Guests recommend %), Guest rating (Overall rating), Room cleanliness, Service & staff, Room comfort, Hotel condition. The next step of the analysis was to identify the subjects providing accommodation services within the monitored portal for subsequent data collection, for the customer ratings themselves. For data collection purposes, we used the automatic data collection method using a script in PHP 5.6.17, MySQL 5.7.10 databases, phpMyAdmin 4.4.15.2 MySQL database manager and Apache 2.4.16 web server. With the help of the abovementioned technologies, a script has been created, which has identified the role within the source code on the sub-pages of the summarizing rated entities providing the accommodation and subsequently records the selected monitored variables within the database. The implementation of this step took place in several stages in April 2017. As part of this step, we managed to identify a total of 1,500 profiles of accommodation providers suitable for further analysis. The third step of the analysis was the control of the monitored variables (ratings) within the identified profiles of the investigated subjects. The aim of this step was to identify suitable subjects (accommodation facilities) for further analysis, identifying entities which included customer ratings and were not identified as inactive. Entities identified as inactive were not registered. At this stage, the selective condition of the subjects was implemented, with subjects ranging from at least 20 customer reviews to the survey. As in the previous step, the automatic data capture method was used by using a script as well. The implementation of data collection itself took place in May 2017. From the data obtained in this step, 1942 subjects were identified with customer reviews. The research included 1500 (77.24%) subjects - subjects with a number of customer reviews of more than 20. The analysis of the variables examined is based on a total sample of 345 175 customer reviews. A closer look at the structure of the data obtained is provided in Table 1.

Table 1: Characteristics of the research file - by country (Own elaboration)

Country	Subjects (n)	Subjects (%)	Valid subjects (n)	Valid subjects (%)	Reviews (n)	Reviews (%)
SK	232	28,78	107	7,13	13 934	4,04
CZ	559	44,13	545	36,33	154 685	44,81
PL	857	15,14	642	42,8	101 752	29,48
HU	232	11,95	206	13,73	74 804	21,67
Total	1 942	100	1 500	100	345 175	100,00

The main part of the analysis entered as a dependent hotel category variable defined by the number of stars. Independent variables were selected as user ratings and recommend rates. In terms of variable scales, the dependent variable, which is, the star of a hotel, is understood as an ordinate scale from 1 to 5 at proportional intervals equal to 0.5, the independent variable

"Guest Rating" ranged from 2.2 to 5 with a decimal point also understood as ordinal, the last variable "Guests recommend%" was interpreted as an interval. For statistical processing, we have used the deduction of association rates on the basis of the correlation coefficient of the Kendall τ of the type c, in addition to the exact proof of association through asymptotic significance, i.e. p. We used the above-mentioned coefficient on the basis that no variable was found to be a normal statistical breakdown, and given the amount of data category which was not the same for the variables analyzed, τ was the optimal option. The analysis was conducted according to a geographic layout category and overall. However, we primarily focused on the geographic one. In geographic order, we focused on the Visegrad square. We proceeded to deduce the basic characteristics of the variables "Guests recommend%" and "Guest Rating" in the dependent variable, the number of stars, among the categories of the V4 countries. Subsequently, we have calculated the association rates for these variables. In terms of complexity, we have enriched outputs with the impact of individual ratings, and therefore Room cleanliness, Service & staff, Room comfort and Hotel condition depending on the stars in the V4 countries. Consequently, we have enriched the analysis by enhancing the analysis by associating the individual evaluations mentioned above with the overall assessment. All of these rates were processed according to the above described Kendall τ c correlation coefficient.

3. RESULTS

Table 2 summarizes the guest recommend by our basic statistical characteristics, depending on the category of the hotel, expressed by the number of stars between the V4 countries. If we look at the column showing the average, we see that with the increasing stars, the guest recommendation is also increasing. In the Czech Republic, the ideal rising sequence is ruined by the anomaly with an average of 65%, but with this rating, we have only relatively few ratings, only 4, and the standard deviation points to an extremely high degree of non-compliance of the individual recommendations. In the PR, the evaluation sequence is maintained up to small deviations. In Slovakia, at 1.5 stars, we see a 100% recommendation, this value can be misleading because it is just one case of rating. In other cases, except for minor variations, the% of the recommendation increases with an increasing number of stars. In the case of Hungary is accompanied by two strongly different values from the sequence, at 1.5 and 2.5 stars, only one rating was recorded for 1.5 star hotels, and 2 were recorded for 2.5 star hotels but with a high degree of difference and this is what the default deviation tells us. The conclusion could be that, apart from a few different values which relevance is low because of their low frequency and divergence of ratings, the guest recommendation is also rising with the rising category of the hotel.

Table 2: Des. st. stars * guest recommend % (Own elaboration)

Stars / Guests recommend %		Country											
		CZ			PL			SK			HU		
		Guests recommend %			Guests recommend %			Guests recommend %			Guests recommend %		
		Count	Mean	St Dev	Count	Mean	St Dev	Count	Mean	St Dev	Count	Mean	St Dev
Stars	1	0			9	84	18	0			1	71	
	1,5	0			5	83	16	1	100		1	89	
	2	15	83	20	73	84	18	9	77	19	11	75	17
	2,5	4	65	43	10	85	15	1	80		2	63	42
	3	176	84	13	263	89	13	36	83	18	64	86	14
	3,5	46	90	11	74	88	17	8	91	11	29	89	10
	4	244	91	10	169	90	13	42	91	13	72	89	11
	4,5	16	94	6	1	88		2	98	4	7	91	10
	5	44	94	5	36	90	8	8	98	3	19	94	5

As in Table 3, we will focus on an independent variable, in this case the average user rating and star rating category. As we can see, apart from the small deviations from the assumed sequence, which were caused by the low frequency and the differences in data, can not be considered as 100% relevant. With the increasing category of the hotel, the user rating of hotels is also growing.

Table 3: Des. st. stars * guest rating (Own elaboration)

Stars / Guest Rating		Country											
		CZ			PL			SK			HU		
		Guest Rating			Guest Rating			Guest Rating			Guest Rating		
		Count	Mean	St Dev	Count	Mean	St Dev	Count	Mean	St Dev	Count	Mean	St Dev
Stars	1	0			9	3,8	,4	0			1	3,8	
	1,5	0			5	3,8	,7	1	3,8		1	3,6	
	2	15	3,8	,4	73	3,9	,4	9	3,8	,5	11	3,6	,6
	2,5	4	3,3	,9	10	4,0	,5	1	4,0		2	3,7	,8
	3	176	3,9	,4	263	4,1	,3	36	4,0	,6	64	3,9	,4
	3,5	46	4,1	,4	74	4,2	,4	8	4,2	,3	29	4,2	,3
	4	244	4,2	,4	169	4,3	,3	42	4,3	,3	72	4,2	,3
	4,5	16	4,4	,3	1	4,5		2	4,6	,2	7	4,4	,2
	5	44	4,5	,2	36	4,5	,2	8	4,7	,2	19	4,6	,2

The following Table 4 points to the exact outputs of the hotel category association and the independent guest variables Guest recommend% and Guest Rating in the V4 countries, i.e. points to the exact assumptions we have dealt with in the previous sections.

Table 4: St. exact - stars * guest recommend + guest rating (Own elaboration)

Country / Guests recommend % and Guest Rating		Guests recommend %		Guest Rating	
		Value	Approximate Significance	Value	Approximate Significance
CZ	Kendall's tau-c	,195	,000	,376	,000
	N	545		545	
HU	Kendall's tau-c	,186	,000	,393	,000
	N	206		206	
PL	Kendall's tau-c	,066	,019	,321	,000
	N	640		640	
SK	Kendall's tau-c	,202	,002	,396	,000
	N	107		107	
Total	Kendall's tau-c	,118	,000	,333	,000
	N	1498		1498	

The green cells of Table 4 provide us information that all categories of analyzed variables have asymptotic significance value, which is the p value, and it is less than 0.05, thus associations are in all cases significant. Blue cells show the degree of association itself. As can be seen in the Guests Recommend variable, the highest association rate with the hotel category in stars is in Slovakia and the lowest in Poland. The statistical interpretation of the above-mentioned variables is very weak in all cases except in Slovakia, so we can interpret this rate as a weak association. In the second variable, the values of the association are closely related to the

average rate of the association. Relatively low rates are caused by the deviations we have described in the previous tables. The following Table 5 shows the hypothesis outputs processed in the previous sections.

For the methodologically correct sequence of the analysis, one of the following hypotheses was chosen based on the p value.

- H0: There is no significant association between the analyzed variables.
- H1: There is a significant association rate between the analyzed variables.

Table 5: Evaluation of the hypothesis (Own elaboration)

Evaluation of the hypothesis		
hypothesis	Approximate Significance	Recommendation
H1a	0,000	H1 Alternative hypothesis
H1b	0,000	H1 Alternative hypothesis
H1c	0,019	H1 Alternative hypothesis
H1d	0,002	H1 Alternative hypothesis
H2a	0,000	H1 Alternative hypothesis
H2b	0,000	H1 Alternative hypothesis
H2c	0,000	H1 Alternative hypothesis
H2d	0,000	H1 Alternative hypothesis

Table 5 shows that all the hypotheses we have chosen have been confirmed. In the vast majority of cases, the p value in the three decimal places is equal to zero, so it is less than 0.05 or 0.01. In all cases, therefore, we recommend adopting an alternative hypothesis H1 and rejecting the basic hypothesis, by accepting the view that there is a significant association between the analyzed variables. From a comprehensive point of view, it is appropriate to check the existence of an association between the quality of the hotel expressed in stars and the evaluation of the specifics, resp. of the hotel quality criteria.

*Table 6: St. exact - stars * unique evaluation (Own elaboration)*

Country / Rating		VALUE				
		Approximate Significance (all)	Room cleanliness	Service & staff	Room comfort	Hotel condition
CZ	Kendall's tau-c	,000	,366	,334	,406	,381
	N	544	544	544	544	544
HU	Kendall's tau-c	,000	,418	,372	,429	,424
	N	206	206	206	206	206
PL	Kendall's tau-c	,000	,318	,215	,382	,347
	N	640	640	640	640	640
SK	Kendall's tau-c	,000	,393	,349	,433	,398
	N	107	107	107	107	107
Total	Kendall's tau-c	,000	,324	,257	,377	,342
	N	1497	1497	1497	1497	1497

In all the variables analyzed, the p value equals zero, so it can be assumed that there is a significant association rate in all analyzed variables. We consider the association's rates to be low or medium. It can be said that there is a significant rate of the hotel category association and the individual ratings in all the V4 countries. For the variability of the variables, the following table (Table 7) shows the overall rating and the partial rating relationships.

*Table 7: St. exact - unique evaluation * complex evaluation (Own elaboration)*

Country / Rating		VALUE				
		Approximate Significance (all)	Room cleanliness	Service & staff	Room comfort	Hotel condition
CZ	Kendall's tau-c	,000	,813	,799	,823	,836
	N	545	545	545	545	545
HU	Kendall's tau-c	,000	,829	,767	,813	,843
	N	206	206	206	206	206
PL	Kendall's tau-c	,000	,785	,704	,793	,815
	N	642	642	642	642	642
SK	Kendall's tau-c	,000	,844	,837	,778	,840
	N	107	107	107	107	107
Total	Kendall's tau-c	,000	,798	,750	,802	,824
	N	1500	1500	1500	1500	1500

In all the variables analyzed, the p value equals to zero, so it can be assumed that there is a significant association rate in all analyzed variables. According to this, we can say that there is a very high association between individual ratings and the variable overall rating.

4. CONSLUSION

It is not necessary to emphasize that customers are the basis of the trade. The current popularity and development of e-commerce in the world also emphasizes the online reputation of market players. Online reputation has a tremendous impact on travel agents, particularly accommodation. In this respect, online reputation, also represented in the form of online customer reviews, greatly affects the consumer's decision to purchase the goods or services. From the point of view of competitiveness, the issue in question can be considered highly relevant. Our main assumption based on the hypotheses formulated has been confirmed, so we accept the view that, if the category of a hotel marked by the star ratings will be rising, than the percentage of customers recommending the given hotel and the customer reviews will increase too (Guest Rating %). The highest rate of association occurred in Slovakia and Hungary, so it can be said that in these countries the number of stars of the hotel corresponds to a higher degree of perceived quality examined on customer rating variables and guest recommendation as in the Czech Republic and Poland. Poland had the lowest rates of association of the above-mentioned variables. The outputs of this analysis are shown in Table 4. We verified the association of the star rating and the stand-alone hotel ratings, which are listed in Table 6, and it is possible to claim that if the hotel ratings are increasing, then the hotel evaluation will increase too. Similarly to the previous case, the highest rate of association occurred in Slovakia, then in Hungary, the following is the Czech Republic and Poland got the lowest degree. We also reviewed the link between the overall rating and the stand-alone ratings,

and we can confirm that there is a significant association rate between the stand-alone and the overall hotel rating. The outputs are shown in Table 7. In conclusion, we assume that the category of the hotel expressed in stars is linked to both the customer's rating and the guest recommendation%. It is also linked to the percentages of the quality defined by the hotel's recommendations, to the hotels guests and as well as to a stand-alone rating and analogous overall rating. With the growing stars of the hotel we can really expect a higher quality, with small differences between the countries. The strongest connection is assumed in Slovakia, then in Hungary, the third one is the Czech Republic and the weakest one among the V4 countries is in Poland. Hotels that have a marketing philosophy primarily built to achieve the required number of stars as a quality indicator should not neglect activities that positively affect overall customer satisfaction. The reward in the practical level for them is then the increasing value of the recommendation of the satisfied customers or the overall positive rating on the full-service online travel portals, which can now be considered a valuable asset and undeniable competitive advantage. Our investigating issues offer a relatively wide range of questions and create a space for further research in this area. The possibility of analyzing the association is more detailed in the classification of variables, but with respect to the outcomes which have been shown to a high degree by the association, significant deviations are not expected. It should be emphasized that the issues of online customer reviews and the issue of building a positive online reputation of tourism entities are important elements of the enforcement process in a highly competitive environment.

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THE INFLUENCE OF GLOBALIZATION ON THE FORMATION OF A CORPORATE SOCIAL AND CULTURAL ENVIRONMENT

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ABSTRACT

The article is devoted to the questions of the functioning of organizations in the conditions of the globalization of the economy. In the article, the process of globalization is considered as a multifaceted and internally contradictory phenomenon of the modern world economic system with a lot of direct and inverse links. Modern processes of globalization have a significant impact on the change in the socio-cultural environment of the organization, since the effectiveness of the organization depends on its ability to respond to changes in the surrounding world and the needs of society. Successful adaptation to such changes gradually erases the notion of a national corporate culture, generates new approaches to management, as well as new "universal" corporate values. The main directions of the process of global globalization are studied in the article, the analysis of the factors of the socio-cultural environment of the organization is made, directions and tendencies of development of the globalization process and their influence on the formation of the corporate social and cultural environment are determined. The concept of an effective corporate environment in the context of global global economic processes is proposed.

Keywords: *globalization of the world economy, modern processes of globalization, organizational effectiveness, socio-cultural environment, adaptation, corporate culture*

1. INTRODUCTION

It's no secret that globalization, as a process of worldwide economic, socio-cultural and political integration, has long and unconditionally erased the borders between countries and peoples. The path of human development goes in the prism of globalization. Even in ancient times, when one folk came to trade with another, there was already processes of exchange not only of goods, but also of cultural values. In other words, even then the globalization was arising.

Globalization is a multifaceted and ambiguous process. Positive traits include such aspects as the development of international trade, the introduction of modern technologies, the development of international competition, increased productivity, the formation of a single world market economy, the development of infrastructure. Each of the components generates new effects. For example, international competition is a stimulant of production, a means of dissemination and introduction of new technologies. Negative traits include the fact that international trade can destroy local production. A consumer that has access to products from various regions and countries can choose products other than the products of local manufacturers. This negatively affects the country's economy.

The USSR fought with globalization in different periods, not always in a direct way and not always successfully. However, this struggle was twofold. While fighting off Western propaganda, the USSR was doing its best to try to impose its own to other countries. The spread of Marxism-Leninism can be considered an example of one of the brightest political, cultural and even religious processes of globalization. At the same time, the USSR prevented the appearance of foreign products in its markets, replacing them with the fruits of its production by having a closed economic structure in every possible way.

One can talk for a long time about the harm and benefits of globalization and not come to a final conclusion that would put an end in the discussion. But we can certainly say that globalization is inevitable as the course of time itself. In today's world, we can say with certainty that globalization is an irreversible process, despite all its negative aspects and different views on this process. At this stage of globalization, company management has already begun to understand the problems associated with the organization of its companies. In particular, the structure of companies is very closely related to the cultural and religious characteristics of employees and the level of corporate culture and ethics in general.

2. CHAPTER 1

Corporate culture can be presented in the form of a systemic phenomenon, a tool for management impact on the company as a whole, and on personnel. After analyzing the definition of such a concept as corporate culture, you can identify a number of components that are most determinant for the company. For example, the goals and missions of the organization, communication systems, business ethics, beliefs, principles, the company's interaction with the person and the person's interaction back with the company, the social and psychological climate in the company's nutria, documentary provision, organization's traditions, including religious rituals and even sacraments.

Many scientists in their studies distinguish the following functions of corporate culture: the accumulation and transfer of values, mission and strategic goals of the corporation; formation of the internal communications system of the corporation; development of its external relations; the definition of norms of relations in the labor process; ensuring self-organization, team cohesion, strengthening the sense of collegiality and corporatism.

Many authors study environmental factors that influence the formation of corporate culture in general and its individual elements in specific companies. It is possible to underline some of these elements, such as: building a "tree of goals" of the company; level of organization of workplaces and working conditions of employees; the system of remuneration of labor and the degree of its satisfaction with workers; methods and technologies of personnel management; formation of corporate values; specificity of application of legal and legislative norms; level of centralization of management; style of company management; the propensity of the company's management to adopt and implement risky decisions; the orientation of the company's management "per person" or "on the task"; communication structure in the company; compliance with the rules of business ethics and the existence or absence of an ethical code of the company; level of favorable socio-psychological climate in the team; presence of corporate traditions in the form of rituals, mottos, corporate identity signs, etc.; composition of teams based on gender, age, nationality, degree of qualifications; social parameters that affect the attitude of the employee to work, organization; individual psychological characteristics of workers, such as temperament, character, competence, loyalty and motivation.

The system of values that underlies any culture is the most important attribute that shapes and determines behavioral norms. We consider the totality of material, spiritual, social values created in the course of labor activity and reflecting the uniqueness, individuality of a particular culture.

Management of the company based on socio-cultural values is an approach through which the company is in a state of constant updates and synchronization with the processes of globalization. In terms of values, true transformations relate to effective management and preservation of organizational culture in order to combine it with the company's core values and environmental requirements.

Globalization leads to the adoption of new cultural traditions by society, to a change in the world outlook. Companies that conduct international activities implement the norms that are present in another society. A concrete example is the use of a system of discounts in negotiations. Two parties that conclude a new deal may not find a common language only because in the cultural values of the first party it is assumed that the partner offers a price that is a the subject of bargaining. The second party can immediately present the fair price of the goods and not reduce it under any circumstances. The deal will not take place, as the employees of the first party will find that they were not offered the best price in the market. There can also happens a contrary example: the first party will receive a concession in the price from the second side and ask for another concession, not submitting any offers in return.

But not only companies that conduct international activities apply the standards that they are dictated by foreign partners. Globalization also leads to labor migration. And in addition to the displacement of cultural and religious values, ideologies, ways of solving the task, etc. In Western Europe, due to the integration of multiple countries into the EU, regional and national companies gained access to the international labor force. As a result of the active globalization that was taking place in Western Europe, many states adopted laws and acts that facilitate the integration of employees from other regions and countries into society. Many of these laws are aimed at preventing discrimination of people from other environments. And yet, the massive migration of labor is a radical example of globalization. Each separate unit of labor is faced with the process of integration into the specific conditions of a corporate organization.

In the conditions of constant updates, a strong company can be characterized by its ideology and not only by its strong organizational structure. Today the ideology of large companies can often be compared with the ideology of small totalitarian states, since such companies can have their own anthem, motto and also have their own unique greeting. That's what makes corporate values of the company the basis of all activities. This attitude characterizes the brand, as well as prescribes those scenarios and strategies that the company will implement, and those that the company will never, under any circumstances, implement.

It is important to determine the parameters that can be influenced and changed at each structural level of the corporate culture. Thus, at the corporate level, there are parameters that characterize the system of values: the tasks of the organization, the style of the relationship between senior management and subordinates, involving the personnel of the enterprise in solving key problems, linking salary with the firm's activities (participation in profits, etc.), traditions, rituals, the role of the enterprise in the lives of staff, the city, the region, the country, the international community, the openness of the enterprise, public awareness of its results. At the level of direction (the block of structural units), it is necessary to take into account the subsystem of values; goals; tasks; directions; the nature of the relationship between their units

and employees; awareness of members about the life of the team; problems of the direction of the adequacy of the role and contribution of each division in the work of the direction; traditions and rituals existing in the direction (in addition to the traditions and rituals of the unit).

3. CHAPTER 2

In the development of the organization there are different stages of development. Initially, the company relies entirely on the initiative and energy of the leader and employees of the organization. With the gradual increase in the volume of production and the number of employees, there is a need for differentiation of labor. To solve this problem, it is necessary to structure the enterprise: to adjust the organizational structure, to distribute functional duties, to establish communication channels, to improve business processes at all levels. At the stage of the subsequent growth, the company needs to minimize the hazards of functioning in the market and maximize the level of manageability. In this situation, certainty can be achieved only through planning and strategic management. But on the other hand it becomes obvious that in a rigidly structured organization with strict confidence in strategic plans, many employees cease to feel important subjects of this mechanistic system: the motivation system ceases to work effectively and, consequently, loyalty and responsibility decrease. The employee will feel like a used resource and begin to treat the organization improperly. In order for the organization to continue to develop further, it is necessary to find the components of the association of personal and corporate interests. To find such a unifying beginning, it is necessary to build the ideology of the enterprise on the basis of the integrated values of employees and organizational goals. Classifications of types and subtypes of individual needs are numerous. But none of them can give an exhaustive explanation of human behavior in certain cases of working life. At each specific moment for a person, depending on the degree of satisfaction of those or other needs, their ratio in terms of significance is distributed differently. [5] Value-based management (MBV) allows to achieve cohesion of all elements of a collective enterprise, to build an effective system of motivation, to stimulate the loyalty of personnel, to improve the professional level and qualification of personnel, to differentiate themselves from competitors. This work presents a developed algorithm for the process of implementing a value-based management model (Table 1).

Table following on the next page

Table 1. Workflow of implementation of value-based management model

№	Implementation stage	Subject	Responsible
1.	Preparatory	<ul style="list-style-type: none"> - Evaluation of the existing corporate culture; - determination of the possibility and necessity of introducing a new value-based management model. 	Top-managers, human resources managers
2.	Creating a value-based management model	<ul style="list-style-type: none"> - development of a mission, corporate codex, system (map) of corporate values; - development of programs of values that are being cultivated; - expenses estimation; - development of recommendations for the implementation of various program activities. 	Top managers, HR managers, external consultants.
3.	The introduction of a value-based management model	<ul style="list-style-type: none"> - Appointment of those responsible for program implementation; - implementation of program activities; - monitoring and correction of deviations. 	Human Resources managers.
4.	Assessment of the effectiveness of the introduction of a new model of social management	<ul style="list-style-type: none"> - development of a system of evaluation criteria and indicators; - monitoring and evaluation of the implementation of activities for the implementation of programs; - Evaluation of the effectiveness of the introduction of a new model of social management. 	Top managers of HR, external consultants.

Top management of the company should develop an ideological concept of the organization. The concept includes a mission, corporate code, a system (map) of corporate values. All elements of the ideological system should be unique in their kind, giving each employee of the enterprise a feeling that it is "about him/her", and only about his/her organization. Texts expressing corporate ideology should contribute to the formation of a unique image of the enterprise and have a motivating influence, to evoke a positive emotional reaction: interest, inspiration and desire to act.

The value system of the company is the values of the highest level. The values of departments and divisions of the company should be coordinated with the values of the whole company and provide them with the necessary resources. Companies should clearly articulate their values, and then develop (taking into account the specifics of a particular unit) the value of departments.

In this respect, it is important to align the representations of unit values with each other. Create a so-called value interface, whose task is to correctly translate what is important for one unit in the guidelines for the other.

The process of forming values that are specific to a particular company is determined by the management policy. Namely, management style, incentive methods, motivation system, personnel selection system, promotion and development systems, as well as channels and methods of internal communication.

When developing a value-based management model and programs for cultivating the developed values, top management is the initiator. To develop the model, it is necessary to organize round tables, seminars and strategic exercises. Programs should include special events (presentations, character development, etc.), training seminars, the introduction of new processes, the modification of existing processes (the standard of personnel evaluation, taking into account not only the professional aspect, but also ideological and personal). The practice of Western companies suggests that the best way to carry out cultivation of values is the top-down. This avoids doubts and resistance phenomena, as subordinates feel the determination of their top leadership. The top-down approach allows management to react centrally to the changes introduced by subordinates and make consequent adjustments.

In the process of introducing the value management model, an important factor is the behavior of managers in assessing the situation and making decisions. Top management should be an example in decision-making. In the future, for the average employee, the most defining example will be his own and immediate leadership. Consequently, it becomes important to train mid-level managers. Do not impose new benchmarks, it makes sense to involve employees in the discussion. It is important to remember that value-based management is subjective, so the process of implementing MBV should not be aimed at persuasion, but rather to a discussion and constructive dialogue. On the basis of dialogue in the form of discussion, it is easier to determine the reasons for disagreement and either make adjustments to the concept, or be able to affect their vision of the situation. In the dialogue mode, each employee expresses his vision of the proposed events. It is necessary to ensure a continuous process of communication between the management and the employees of the enterprise, since workers need feedback.

Problematic and crisis-like situations should be viewed as a need building new management principles, incentives for finding a new, more effective tools to resolve those problems. Modeling of situations and construction scenarios for their solution on the basis of new value orientations is one of the most effective ways of cultivating new values. This method also allows you to identify hidden problems and form their solution based on values.

4. CONCLUSION

One can single out the following methods, methods and technologies for influencing the values of the enterprise and its individual employees:

1. The method of morality. The method by itself implies an explanation of what is "good", and what is "bad". Nevertheless, this method becomes ineffective if the company does not have authorities or leaders who can refer to them as a positive example. In addition, the concepts of "bad" and "good" are very relative, which is good for one enterprise, subject and situation, it is bad for others. Therefore, the management of values for managers is partly reduced to the ability to explain to employees the cultural and moral foundations of their enterprise and to determine the rules and norms that operate in it.

2. The personal example of a leader is one of the most effective methods of managing values. That is why many organizations cultivate the value of a personal example of a leader. In practice, the action of this method is reduced to a sequence of management, the correspondence of words and actions of managers. A personal example of a manager will be more effective if the management policy excludes the existence of double standards and each employee feels the fairness of management actions.
3. Methods of creating a favorable social and psychological atmosphere in a company based on tolerance to dissent and differences of workers (sociocultural, physical, gender, racial, etc.), which contributes to the establishment of universal values, without which the successful operation of the organization in modern conditions is impossible. At the same time, one should take into account the successful experience in the management of the values of a number of Western companies that fundamentally refuse to succumb to the pressure and excessive regulation by the management of staff behavior. Managers should, if possible, allow workers to behave the way they want.
4. Technologies for the development of the communications system are also necessary for the effective management of enterprise values. Expansion of the channels of dialogue between the management and employees, the presence of feedback allow managers to perceive the personal values of workers and promote organizational values. Democratic procedures for the exchange of information in the company also help to identify alternative values that are acceptable in the context of the company's goals and operating conditions [4].
5. Personnel technologies aimed at forming a management system for the development of the personnel of the organization. Corporate culture is the most important factor in the formation and development of professional competence of personnel, a significant indicator of the effectiveness of managerial work and the effectiveness of the organization [1].

To successfully achieve the goals of programs, their implementation must be well organized. We believe that the organization of program management should focus on the following program elements:

1. The subjects of program management are top managers, specialists in the personnel management system, external consultants, linear and functional managers.
2. Program resources - financial, material, organizational, personnel, information and others.
3. The goals and outcomes of the programs are the ultimate achievements and conditions in the field of social management.
4. Program activities - actions to achieve the planned goals.
5. Program management tools - management factors.

The practice of Western countries shows that in a situation where management ignores the problem of value-based management, the competition advantages of the organization are significantly reduced, namely:

- The values declared by management do not find practical confirmation in business and interpersonal relations within the organization and in achieving the strategy. Management loses the initiative in managing common values, this role of the regulator can take on informal leaders that can be negatively and destructively oriented to the goals and policies of the enterprise. Accordingly, the authority and influence of management will decrease.
- Employees are not notified of the main criteria for evaluating their work. This affects the degree of employee satisfaction with working conditions and incentive systems.
- There is no single model of behavior agreed between middle managers and top management, which leads to management at its own level based on an individual set of values. This contributes to the growth of contradictions in the management system and conflicts between management and personnel.

- There is no unity in understanding the values of the company, which leads to a discrepancy between individual motives for activities and organizational interests and entails irrational use of human potential.

The integrated application of the management tools discussed will help create a strong corporate culture that underlies the effective system of social management of the enterprise.

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SPECIFICS OF COMMERCIAL EDUCATIONAL SERVICES AT RUSSIAN MARKET

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ABSTRACT

The development of educational service market in Russian Federation is determined by the specifics of social-economic and political conditions. During a fairly short period of time the offer of secondary school educational services increased significantly due to the development of the non-state education sector, which is not balanced by previously dominated solvent demand. Taking into account the specifics of the city of Moscow educational system, researchers determined 20 educational complexes randomly. The study groups included the following: the heads of educational complexes (N = 20) and the parents of students at educational institutions (N = 790). The leading methods of study were a weakly structured interview of experts and a questionnaire survey of the parental community. The study activities were applied on the basis of comparison method and comparative, visual and system analysis. It was determined that the spontaneous nature of the educational service market development in Russia led to the informal sector increase. Among the limiting factors of legitimate commercial interactions development in modern school education, the following ones were determined: the lack of investment and motivational mechanisms to ensure the financial autonomy of schools, the economic inertness of educational complex management, the desire to reduce financial costs from the subjects of commercial interaction, stereotypes and attitudes of the parental and pedagogical community and established informal institutional practices. The strategy of formal and informal commercial activity combination is an established practice of a school teacher employment. The results of the study demonstrate the existence of a number of problems, namely: the lack of complete and reliable information about the degree of market saturation with similar educational services among student parents, the instability of educational service market, the lack of population educational needs systematization, and the low level of commercial educational services availability for poor families. The wide spread of the economy informal sector at the educational services market leads to the deformation of student-teacher interaction institutional forms, the development of corruption, the decline of demand level for official commercial services, the restrictions on the legal protection among key participants of the educational space, the lack of service quality control provided by a tutor, which initiates social-economic risks in the context of information inequality. The commercialization of school education supports the reproduction of social inequality. High-quality educational services lose their accessibility to the general public, becoming the privilege for rich social groups.

Keywords: *educational service market, informal economy, commercialization of school education, secondary school*

1. INTRODUCTION

The actual trends and challenges of modern reality, expressed in the change of conceptual notions about the role, the aims and the content of education in the modern world, led to significant transformations in the basics of management within the educational sector of Russia (Frolova & Rogach, 2017).

School education, as a central element of the educational system, is being subjected to a wave of profound reforms affecting not only the content and instrumental components of a schoolchild preparation, but also the institutional mechanisms of knowledge economy organization (Pavlidis Periklis, 2013). The school system has recently undergone a number of significant changes, where the abandonment of state monopoly, the transition to paid education, and the change of social and economic conditions led to the creation of a number of non-state educational institutions (Peng & Wong, 2008). At the same time, the ongoing restructuring of economy and the dynamics of the functioning environment concerning public and private organizations led to the changes in the requirements for educational service structure and content (Boyle-Holmes et al., 2009).

Educational services occupy a special place in the modern market, which is determined by their social significance and specific status (Brighouse H., 1995). Educational service is a typical trusted good with a delayed period of trust verification, which is not fully defined. Considering the process of educational service market development as the vector of changes in the educational complex, it is worth considering that the implementation of the secondary school educational services in market economy is carried out in a relatively independent, open economy subsystem. In this case, the market economy as such fulfills the most important function, namely, it ensures the efficient use of available resources to meet the educational needs of society (Feinberg, 2012). The evaluation of the educational institution effectiveness in respect of educational service provision to the public, as well as in business sector of the market economy is carried out by service quality determination. However, despite the importance of this aspect of educational service provision in market economy, the definition of education quality is still a debatable issue.

"The quality of an educational service is "a set of properties and characteristics of the educational process that determine the ability to meet the educational needs of specific consumers" (Ganin, Domozhirova, 2011). The level of interested party expectation satisfaction is one of the most significant quality indicators of educational services (Jacob and Rust, 2010). It should be noted that the complexity, uncertainty, the presence of a large number of interrelated internal and external factors of the educational space (Azhmukhamedov, Azhmukhamedov, 2011), the lack of information and relevant evaluation of competencies make it difficult to perceive the quality of educational services.

The situation is exacerbated by the lack of an accurate and balanced definition concerning the minimum and the maximum of society compulsory requirements to the level and the quality of commercial educational services, as well as the lack of sufficient elaboration of mechanism for these requirements implementation. In this case, in comparison with industrial goods consumer within the situation of a competitive market, there are no technologies to identify the educational needs of population in educational sector. It should be noted that in the conditions of education market formation and development, the role of state regulation seems to be more significant than in the terms of a developed market economy. This is due to the fact that during the period of becoming self-regulatory market opportunities are not high enough, therefore, a state is obliged to intervene more intensively in market processes (Herman, 2010). State

supervision, external audit and accreditation are defined as the most effective mechanisms to monitor the quality of educational services (Henard and Mitterle, 2010). Financial resources, educational technologies and pedagogical staff determine the quality of educational services (Kalba, Mikes, 1974). Accordingly, the key characteristics of the educational process should be determined by institutional frameworks, such as educational standards, a national curriculum, a teacher development, state accreditation (Stephen, 2013). The quality of educational services is associated with the effectiveness of management.

In recent years, according to expert estimates, a steady growth of services is observed in education system, where their share has grown from 2.3 to 3%, and the average annual growth rate of educational services during this period was 273.3%, and this tendency is inclined to continue. The main consumers of educational services in Russia are middle class representatives. In 2010, about 6 million families were burdened with the expenditures for "education", and the average level of spending on education was just under \$ 1,000 per year. Sociological research carried out at different times showed that the cost of education makes about 5% of the total consumer spending of middle class Russians, while the education cost makes only 2% for Americans.

The informal economy is defined as the area of human activity aimed at benefit obtaining, a set of processes that are not regulated by national regulations and are not taken into account by official statistics (Castells and Portes, 1989; Portes and Haller, 2005) for various reasons. During the periods of crisis, the authorities can stimulate an informal employment, which leads to an informal sector expansion. Since a state avoids the commensurate (with real day-to-day demands) remuneration of school teachers, they are forced to find an additional source of labor income, i.e. to provide private educational services (Polevaya, 2009).

Informal activities are directly or indirectly related to the provision of services in a formal economy (Castells and Portes, 1989, Charnes, 2012). All existing forms of commercial relationships in modern Russian school education can be conditionally divided into official, shadow and accompanying school education. The most common and claimed form of official commercial relations is additional paid educational services. However, the stereotypes linking the quality of education with an individual approach outside the formal framework, the desire of parents to reduce financial costs, initiates the demand for informal educational services. According to international study results, participation in the informal economy is caused by a lack of coherence between the principles of a formal institutional environment and informal institutional norms (Roberts A., 2014).

In modern literature, researchers recognize that the informal economy consists of a combination of extremely heterogeneous activities that generate income. The differentiated character of the informal economy makes its scientific understanding a difficult one (Charnes J., 2012). Thus, informal employment in the sphere of education is ambivalent one, on the one hand, it forms a differentiated nature of educational services, provides material support to the pedagogical corps, and stimulates competition at educational service market. On the other hand, the participants of informal interaction do not have legal protection, which increases the risks for a "producer" and a consumer of educational services (Chen, 2016).

2. METHODOLOGICAL COORDINATES

The purpose of this study was to determine the key conditions and the factors of commercial educational service market development in Russia. The educational facilities of the city of Moscow were chosen as the base of the study, since it was the capital that received the greatest opportunities for the development of commercial educational service market.

Taking into account the specifics of the educational system of the city of Moscow, researchers identified 20 educational facilities randomly. The study groups included:

1. The first group - 20 heads of educational facilities. The gender composition of the sample: 20.6% of men; 79.4% of women. The average age of the respondents in the sample was 54.87 years with the range of 42-62 years. The sample subjects are well educated, which is included in the requirements for educational facility management: 87.9% had two higher educations in the field of pedagogy and management, 12.1% had academic degrees. The work experience among 38.5% of representatives makes 11-15 years, and the work experience among 61.5% of representatives over 16 years. A poorly structured interview was conducted with the heads of educational facilities, which took 15-20 minutes. The questionnaire was conditionally divided into three units: registration of material relationships among the subjects of educational process; the assessment of new financial opportunities; the assessment of educational service quality.
2. The second group consists of 790 student parents from educational institutions that make up the facility. The sample was represented mostly by female parents (81.4%). The average age of the respondents in the sample was 40.15 years with the range of 26-46 years. 88.4% of sample parents have higher education: 9.2% have advanced degrees. 22.1% of parents estimate their income as low, 65.8% of parents have an average income, and 12.1% of parents have a high level. The questionnaire survey was conducted with the parents of schoolchildren. The questionnaire consisted of two key units: the understanding of educational service economic nature and the attitude of parents towards the introduction of market management mechanisms; The evaluation of educational service within market conditions. Each unit included no more than 10 questions. A number of questions concerning the consequences of the education sector transfer to market relations had open answer options.

In order to validate the obtained data and to obtain an in-depth presentation of raised issue key aspects, the obtained materials were supplemented by the results of a focus group study. The authors also used the general scientific methods of research in a comprehensive manner; Research activities were applied with the reliance on the methods of comparison, the comparative, visual and system analysis.

3. STUDY RESULTS

In the course of the performed study they established that the establishment and an active development of commercial educational service market took place in Russian education in a fairly short period of time. In the opinion of 69.8% of educational facility heads, high rates of legitimate commercial interaction "registration" in modern school education left a significant imprint on the nature of market relations developed in educational sector.

Ekaterina V., 53 years old: "Market relations in education are unfinished".

Maria P., 49 years old: "In Russian education industry, market relations are deformed and unclear to the main participants".

In the opinion of almost a third of educational facility heads of the capital, the offer of commercial educational services of the secondary school increased immensely during the last 5-7 years, which in some cases allowed even to exceed demand. At that, qualitative changes in the structure and content of commercial activities in education are also observed with a quantitative growth. According to the opinion of respondents, this is primarily due to the need of marketing technology use to work with a consumer of educational services, which

necessitated the restructuring of all the work at educational institutions. Under the new conditions, the state provided schools with the right to solve their own financial problems by the provision of paid services, the list of which is determined by each educational institution on its own. For the most part, the management of educational facilities (53.6%) is inclined to consider this circumstance in a positive way. However, 46.4% of the surveyed ones believe that the transfer to new conditions of the "entrenched dependency position of schools" makes it very difficult to establish a market for commercial educational services.

Maria P., 49 years old: "This orientation for a full state funding does not allow us to use the entire resource potential of an educational facility".

In the opinion of 67.2% of respondents, the market of commercial educational services in Russia is characterized by the presence of many "unoccupied niches". But only a little more than a third of educational institution heads see this as an opportunity to increase their competitive advantages. In the opinion of 56.3% of respondents, the market of educational services came close to the "point of marketing" today. And although the state provided schools with new opportunities in the field of financial security, the management of educational institutions for the most part is not ready to support the set course fully. We believe that the resulting discrepancy was caused by the exclusion of a number of key provisions from the focus of education authorities. In particular, schooling in Russia, which began the transition to market relations, did not have either its own economic concept of development or effective mechanisms for market relations management in education, and the investment and motivational mechanisms for the financial autonomy of school provision are also important. These provisions are confirmed by the heads of educational facilities.

Eugenia G., 58 years old: "The modern school has no opportunity to act as a full participant of market relations. And the perception of education sphere, as a budget evil, does not allow us to adjust the investment flow".

Tatyana V., 55 years old: "The state does not define effective mechanisms for market relations management, which puts most schools in a survival mode".

Proceeding from the received data, the authors conclude that the modern market of commercial educational services is characterized by supply volume increase, which is not balanced by the previously dominated solvent demand. The results of research showed that the respondents of two research groups have a common position on the issue of significance understanding and the purpose of commercial educational services. In particular, respondents noted that the cultivation of market relations in the educational sphere led to the fact that educational services turned into a kind of non-material goods from a free privilege provided by the state (67.8% of respondents from the first research group and 72.9% from the second one). A special attention should be paid to the low level of commercial educational service availability for poor families. A wide spread of the informal sector of economy at the market of educational services market leads to the deformation of the institutional forms of student-teacher interaction, the development of corruption, the reduction of demand level for official commercial services, the restrictions concerning legal security of educational space key participants, the absence of quality control concerning the services provided by a tutor. This leads to social-economic risks in the conditions of information inequality. The conducted research revealed that under the pretext of the transition to a market economy and the state budget deficit, the financing of educational institutions is reduced excessively. However, different groups of respondents see the consequences of this process differently. So 51.2% of educational facility heads believe that

the development of educational service market provokes the intensification of competition. For the parents of schoolchildren, the formalization of market relations is perceived as the narrowing of free service scope, and most importantly, the narrowing of accessible education. This opinion was expressed practically by all parents - 93.2%.

Taking into account this circumstance, the position of the parental public dominates, according to which the state does not ensure the equality of opportunities to obtain a qualitative education. The differentiation by this aspect affects not only the regions and individual municipalities, but also the educational facilities of the capital. The study results show that there are no institutional factors controlling the commercial educational services in such parameters as the quality of their provision and the inadmissibility of corrupt practices for quasi-tutoring bribe-taking service provision under current conditions. The commercialization of educational services, inherent in the educational sector, supports the reproduction of social inequality. Qualitative educational services lose their accessibility to the general public, becoming the privilege of high-income social groups. This practice can be considered as the mechanism for artificial barrier creation in respect of low-resource families during a qualitative education obtaining.

"A director, in order to avoid conflict, often takes the side of a parent, especially of a status parent. The children of such parents are in a special situation in the classroom, and everyone sees it".

The spontaneous nature of educational service market development led to the increase of the informal sector share, which is accompanied by the lack of complete and reliable information among the parents of schoolchildren about the degree of the education market saturation, and, as a consequence, by the decrease of the social choice among young people. The results of the research showed that the factors triggering the increase in the economy informal sector within the market of educational services are the following ones: low teacher salary, the complexity of tutoring service legal registration, the desire to reduce financial costs, and the inadequacy of school preparation for USE passing.

"I understand that you can't do without a tutor today. It is much more convenient than the visiting of official courses and paid classes at school. First of all, it is even cheaper sometimes. Secondly, the quality is higher".

"Sometimes it seems to me that this system is specially designed so that teachers can earn extra money. You can not pass USE without a special preparation. Even honored pupils take tutor classes to pass an exam".

The declaration of ideas about the need to attract additional financial resources to school through the provision of educational services to the public is not supported by parental community. Commercial educational services provided by school are not popular, despite a number of such advantages as an official contract, a fixed fee, the transparency and the quality control by school administration. According to the results of international studies, the participation in the informal economy is caused by the lack of coherence between the principles of the formal institutional environment and informal institutional norms (Williams et al, 2015).

The widespread use of the economy informal sector at the educational services market leads to the deformation of student-teacher interaction institutional forms. Social relations between a student and a teacher, refracted in the prism of formal interactions between a "client" and an "educational service provider", initiate the deformation of the educational space and the

distortion of traditional roles. The parents of schoolchildren believe that the modernization of school education should include the transformation of a teacher social role and his social status increase.

4. DISCUSSION

The scientific view concerning the market of educational services as a meeting place for a seller and a buyer is at the stage of development now. In this regard a consumer can not take a full advantage of the granted rights, and a seller is not ready to respond to the educational request of society promptly and adequately. It should be taken into account that the development of commercial educational service Russian market occurs in cardinally different historical and economic conditions, rather than the education market development in other developed countries. In the course of the performed study, it was established that the offer of the secondary school made a significant leap due to the commercialization of educational services in a relatively short period of time. At that, the supply growth is not counterbalanced by the solvent demand that prevailed earlier; There is an exception of low-resource families from legitimate commercial interactions.

The specificity of educational services lies in their intangibility until the moment of its consumption, it must be purchased on trust (Fursik, 2013). A producer of the offered educational services knows better their characteristics than a buyer in advance. Therefore, consumer perceptions about the quality and the content of educational services are blurred and are characterized by a high level of uncertainty (Draganchuk, 2012).

Budgetary restrictions, the reduction in the amount of educational sector funding, initiate the decline of educational service quality (Negash, 2006), the increase in the share of commercial proposals aimed at the leveling of gaps in the content of general basic education. Inadequate financing of school education by the state is the reason for appearance of official, as well as hidden (informal) commercial relationships in education process (Polevaya, 2009).

The shift in the vector of state development to the dominance of market-based management mechanisms and market-based forms of interaction in education sector built on the commercialization of educational services, creates the preconditions for representation increase in the development of the informal economy sector (Rogach et al., 2017). The demand for the phenomenon stimulates its development. The strategy of formal and informal economic activity combination is perceived by a teacher corps as a more acceptable option, since it allows to preserve professionalism and obtain the necessary means for life (Barsukova, 2000), which is reflected in the current practice of a school teacher employment.

5. CONCLUSIONS

In the opinion of educational service producers and consumers, the cultivation of market relations in the educational sphere led to the fact that educational services turned into a commodity from a free privilege provided by the state. For the parents of schoolchildren, the formalization of market relations is perceived as the narrowing of free service scope, and most importantly, the narrowing of accessible education. The attitude of the majority of schoolchildren parents to the introduction of market-based management mechanisms in the sphere of education is negative one most often. It is customary to associate this with the increased financial burden on parents in the absence of educational service quality improvement. Commercial educational services provided by the school are not popular, despite a number of such advantages such as a formalized contract, a fixed fee, the transparency and quality control by school administration.

The study showed that the lack of mechanisms that ensure the financial autonomy of the modern school, as well as the economic inertia of educational facility directors, significantly limits the development of commercial interactions in the educational environment. Also, the development of official commercial services in the sphere of education is hampered by the stereotypes and the attitudes of the parental and pedagogical community, and developed informal institutional practices. The strategy of formal and informal commercial activity combination is a well-established practice of a school teacher employment. The negative consequences of such a combination are represented by the development of corruption, a low demand for official commercial services, and the lack of quality control concerning provided services. Nowadays, there is no legal protection of the educational space main participants and all these factors form social and economic risks in the context of information inequality.

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SOCIAL ENTREPRENEURSHIP WITHIN THE FRAMEWORK OF MULTI-AGENT SYSTEM

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ABSTRACT

Social entrepreneurship is a multi-faceted phenomenon as it aims to resolve complex social problems. Multi-agent systems (MAS) which include various intellectual agents (system's elements) serve as a basis for social entrepreneurship ensuring its effectiveness. In this regard, this paper seeks to study cooperation between intellectual agents involved in social entrepreneurship and to prove that the use of multi-agent technologies helps to facilitate effective social entrepreneurship and to yield high quality services. To carry out this research we used qualitative and quantitative methods, such as comparative analysis, modeling and the study of operations. The results of this research can be applied in the study of challenges which the third sector faces in the cyberspace, as well as in the design of intellectual business models in the third sector of economics, which will enable to create adaptive structures aimed at a wide range of consumers. The novelty of this research lies in the fact that we designed a multi-agent framework for social entrepreneurship. Therefore, our research findings can help to address complex problems related to the development of social entrepreneurship.

Keywords: *social entrepreneurship, social services, multi-agent system, multi-agent technology, intelligent agent*

1. INTRODUCTION

Currently, social entrepreneurship has received increased attention, although it is still the definition of social entrepreneurship is not formalized. Today we can say that social entrepreneurship becomes a business decision of problems in social sphere. Its development becomes more intense as it becomes possible to build business models in cyber space through the use of multi-agent technologies. As the development of multi-agent systems is a stage process, and the system includes as elements of simple agents and intelligent agents, the process of social entrepreneurship becomes transparent and easy to use by different categories of consumers.

The basis of social entrepreneurship holds social problem that the social entrepreneur is trying to effectively and efficiently solved with a commercial component. In General, the criteria of social entrepreneurship are social mission, entrepreneurial approach, innovation, replicability, sustainability. Social entrepreneurship dedicated to the works of many Russian and foreign authors (Rahmat, 2017, Keohane, 2013, Stawicki, 2016, Haber, 2016, Iqbal et al, 2016, Defourny, Nyssens, 2010, Elkington, Hartigan, 2008, Lewin, 1951, Lombard, 2012, Stecker, Warnecke, Carol, 2016, Light, 2010, Pereira, Prada, Santos, 2016, Gembarenko, Tupitsyna, 2016 et al).

The term "social entrepreneurship" ("social entrepreneur") began to appear in the 60-ies of XX century in the context of what is happening in that period of social change. In subsequent years, many leaders have successfully implemented projects for the development of social entrepreneurship. Since B. Drayton, who created the Ashoka Foundation, is engaged in identifying and supporting social entrepreneurs, and was followed by others, such as E. Cowan (Fund Echoing Green), D. Skoll ("Skoll Foundation"), K. Schwab ("Fund for social entrepreneurship the Schwab"), P. Omidyar ("Network Omidyar"), etc. a Special role in the development of social entrepreneurship played M. Yunus received the 2006 Nobel peace prize. He founded Grameen Bank specializing in microcredit innovators in the field of social entrepreneurship in the developing countries of Asia, Africa and Latin America. Today created the "global network of investment cooperation" (Global Impact Investing Network, GIIN), which brought together the organizers of social entrepreneurship with the aim of developing methodological base, as well as coordination and improve the effectiveness of social entrepreneurship.

At the turn of the XXI century social activist and politician M. young opened a "School for social entrepreneurs" in the UK, with branches in Australia, Canada, Ireland, thereby creating the preconditions for the formation of the methodological and terminological apparatus of social entrepreneurship. Important role in this process was played by Mr. diz, dedicated to social entrepreneurship for over 15 years and published over 60 publications. Social entrepreneurship dedicated to the works of D. Borstein (Bornstein, 2015), P. Joseph (Paul, 2010), DJ. Mair (Mair, Robinson, Hockerts, 2006), S. Osberg and R. Martin (Osberg, Martin, 2007) and others. It should be noted that the effective development of social entrepreneurship contributes to intensive development of information and telecommunication technologies. The creation of the Internet, social networking and social media contributed to the formation and use of specialized Internet resources, such as crowdfunding and crowdsourcing, as well as complex schemes of financing of projects of social entrepreneurship. That is why now formed the necessity of introduction of innovative technologies in the formalisation of processes in the third sector. According to the authors, on the basis of multiagent technologies can be created the most effective system of social entrepreneurship. For example, Kickul J. & Lyons T. (Kickul, Lyons) believe that social entrepreneur need to master cultural, political, legal, financial, and other infrastructure. The success of a social entrepreneur or agent, from the point of view of the theory of multi-agent systems depends on its ability to operate within a certain social context. In this regard, A. Oliveira & R. Girardi (Oliveira, Girardi, 2016) noticed that the agents of multi-agent systems that are able to behave autonomously and to cooperate to achieve common goals, everyone must work according to a set of rules.

The use by entrepreneurs of a multi-agent approach investigated in the works of some economists. So, J. Farmer & D. Foley (Farmer, Foley, 1999) justified the use of multi-agent models in Economics. N. Gotts, J. Polhill, and A. Law (Gotts, Polhill, Law, 2003) investigated the possibility of its application in solving social dilemmas. S. Wolf, S. Furst, A. Mandel, W. Lass, D. Lincke, F. Pablo-Marti, C. Jaeger (Wolf, Furst, Mandel, Lass, Lincke, Pablo-Marti, Jaeger, 2013) attempted to build a multi-agent model of several economic regions.

However, the use of multi-agent approach social entrepreneurs has been little studied. The theoretical background for our research was the work on the development of the theory of agents. P. Skobelev and I. Mayorov (Skobelev, Mayorov, 2015) note that multi-agent technology allows to represent the process of solving any complex problem as a process of self-organization and learning how to balance opposing interests, implemented through negotiations with concessions on the basis of market mechanisms for the provision of services.

V. Gorodetsky, M. Grushin, A. Khabalov (Gorodetsky, Grushin, Khabalov, 1998) attempted a formalization of the basic concepts and component of multi-agent systems. A. Witt and P. Skobelev (Witte, Skobelev, 2003) complements the theory of agent-communication models for building networks of needs and opportunities. I. Zaitsev (Zaitsev, 2014) used a multi-agent system modeling of socio-economic relations. Modeling multivariate risk in multiagentskie systems dedicated to the work of A. Alekseev (Alekseev, 2015).

In our study, we relied on the terminology adopted by FIPA. FIPA (Federation of Intelligent Physical Agents) defines agent as an entity that is situated in some environment, from which it receives data and which reflects events, occurring in environment, interprets them and executes the commands that affect the environment. The use of multi-agent technology, based on the interaction of agents based on their knowledge, willingness and intentions to perform certain functions and in accordance with them to participate in the entrepreneurial process will help to ensure the transparency of transactions, to form a knowledge Bank on the subjects of social entrepreneurship in various fields, to improve the quality of rendered services (works, products) through increased use of innovation, and effectively prevent and resolve emerging problems in the social sphere. In addition, the use of multiagent technologies in the third sector of the economy will facilitate the creation of adaptive systems that are able locally to respond to the changing needs of quantitative and qualitative characteristics of the product of social entrepreneurship. Thus, the relevance of the development of multi-agent technologies in the third sector of the economy is undeniable.

2. CONCEPTUAL MODEL OF RESEARCH

2.1. Description of the functioning of multi-agent system

A multi-agent system (MAS) represents a certain set of agents that exist in a particular environment and have their knowledge about the environment, its current state, defined objectives and the logic of behavior. Thus, the activity of individual intelligent agents is to search for information, its processing, decision according to reports and opposite impact on the environment. The authors suggested that any multi-agent system some agents have to be the initiator of the process. Each of MAS, depending on its specific nature and sphere of operation of the initiator to be a specific intelligent agent. In our view, social entrepreneurship is the consumer, which formed the need and requirements to its satisfaction. In Russia social entrepreneurship is still insufficiently developed.

Table following on the next page

Table 1: Number and structure of enterprises in the field of social entrepreneurship in Russia's spheres of activity

The sphere of economic activity	Number of organizations, units	Share in total, %
social services for the population	51	10,4
children's and youth groups, sections, studios	15	3,1
health care and promoting healthy lifestyles	40	8,3
cultural and educational activities, culture and art, folk crafts	34	7,1
medical equipment, prosthetic-orthopedic and other technical means	16	3,3
prevention of socially dangerous forms of behaviour of citizens	2	0,4
career guidance and employment, promotion of self-employment	18	3,8
tourism, recreation and leisure, physical culture and sport	39	8,1
publishing activities in the field of education, science and culture	2	0,4
ecology, recycling and landscaping	13	2,7
children's goods and services	16	3,3
innovation and IT technologies	8	1,7
development of the territory and agriculture	11	2,3
the service sector, construction and transport	46	9,6
education	57	11,9
light industry	13	2,7
foodstuffs	9	1,9
energy efficiency	3	0,6
other	15	3,1
socially-oriented NGOs	72	15,0

Compiled by the authors based on data from an electronic resource "Social business enterprise" <http://soindex.ru/companies/categories> (accessed 12.09.2017)

Most of the enterprises created in the third sector of the economy are organizations in the areas of social services for citizens, education, services, tourism, sports and recreation, as well as socially-oriented NGOs. For the purposes of our research, the description of the algorithm for the operation of the MAS in social entrepreneurship will be considered on the example of social services for citizens. For example, the consumer has a need to care for a sick relative. There are several options for further developments.

Option 1. The consumer applies to the official organization of social services for citizens (hereinafter - the organization), i.e. to some agent. The organization, having studied the nature of the necessary care and the requirements of this client, determines the cost and other conditions for the performance of services. Further the organization on the basis of the information on presence at it necessary personnel selects the concrete executor of services and the resources necessary for its granting. Then, the basis and responsibility for acquiring resources (drugs, care products, etc.) is determined. At the end of the description and coordination of the preliminary processes, the service is rendered. At the same time, the quality of services is assessed by the customer during the whole process, and the result of this

assessment can be either the continuation of cooperation or the refusal of the service. In this sequence, the system operates in the preset mode.

Option 2. The consumer appeals to an official organization, but the organization does not have the necessary personnel and resources. In this case, the organization must find the necessary personnel and resources on the side (for example, through a recruitment agency), and it is necessary to comply with the client's requirements for quality of service. A recruitment agency can recommend an organization to a number of employees who could meet the stated requirements (the agent acts as an agent for other participants). There is a situation when, in a similar situation in the future, the organization has the opportunity to choose among the supplier agents, and these agents have a conflict between themselves. It should be said that the consumer in this case will associate the work of the invited employee with the organization, and the assessment of the quality of the service will relate to the work of the organization and its services.

Option 3. Customer addresses in a formal organization, but for some reason the organization refuses to the consumer in the provision of services (no qualified employee does not have the necessary resources, equipment, etc.). Then the consumer has to look for other options to meet the needs arising. Thus, the formal institution may act as an agent for other organizations and businesses, the consumer may turn to friends for information, and can study the information content (e.g., Internet sources).

Of course, the scenarios can be much larger, suggesting the complexity of relationships between agents in the field of social entrepreneurship, but for some formalization of the processes described sufficient to consider three.

We introduce the notation:

And – agent-the initiator (a service consumer);

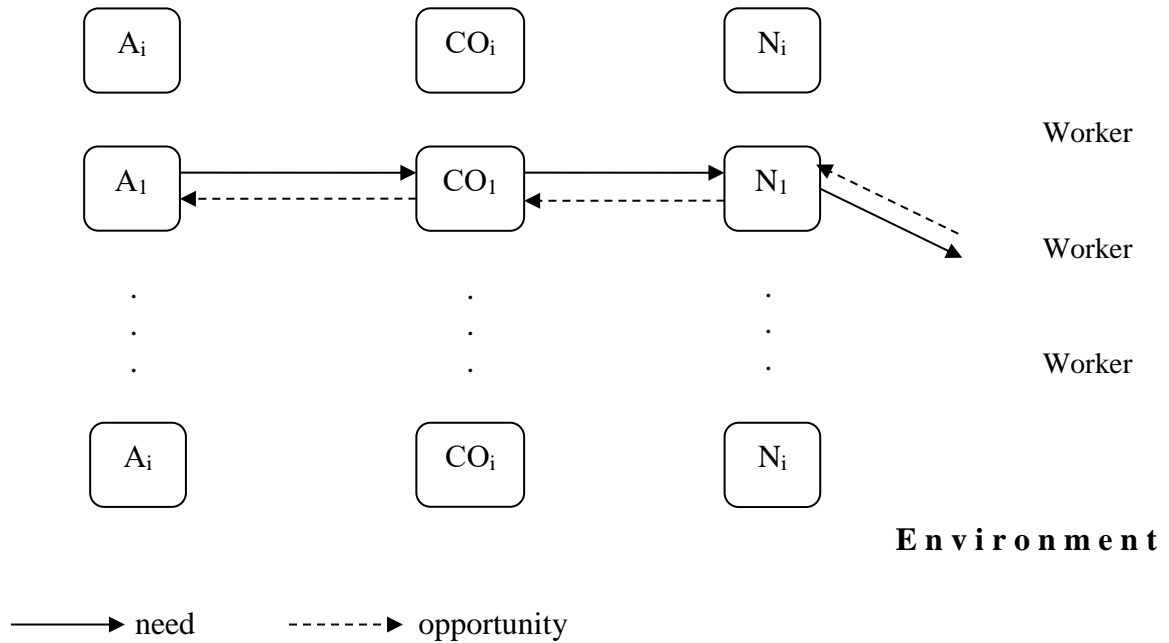
CO – reactive agent of the first level (the official social service organisation);

P – reactive agent of the second level (the recruitment Agency).

Characterization of the interaction of the agents of the MAS in the first embodiment represented in the figure (figure 1), the second scheme 2, with the third - scheme 3.

Figure following on the next page

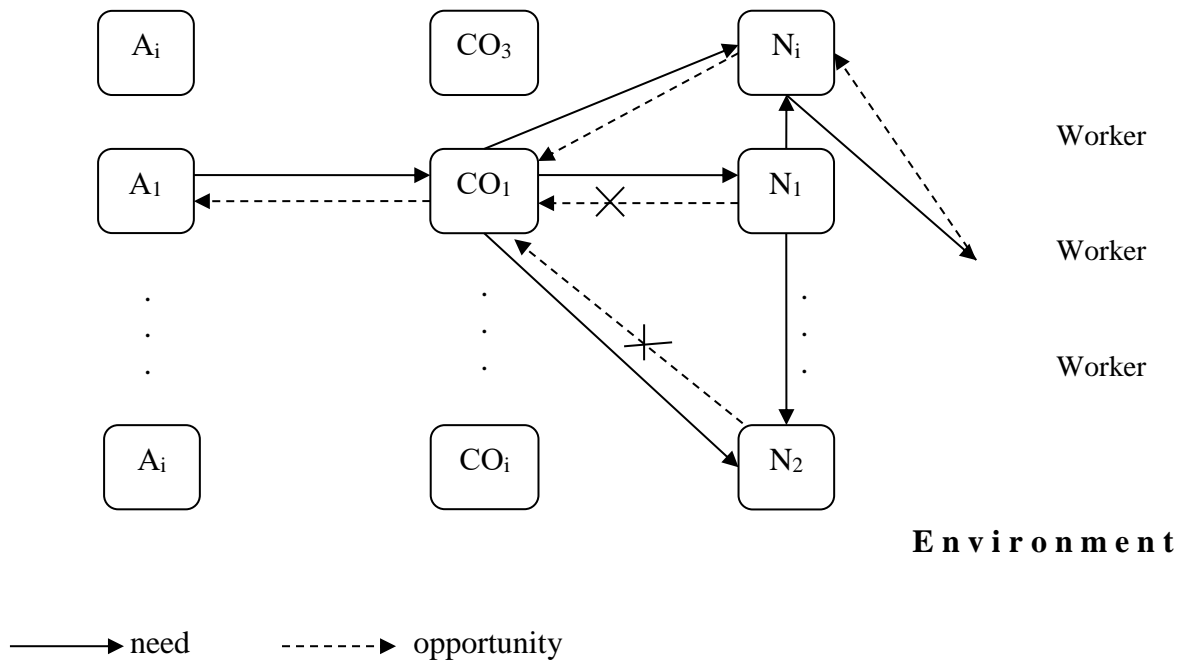
Environment



Scheme 1 - the first scenario

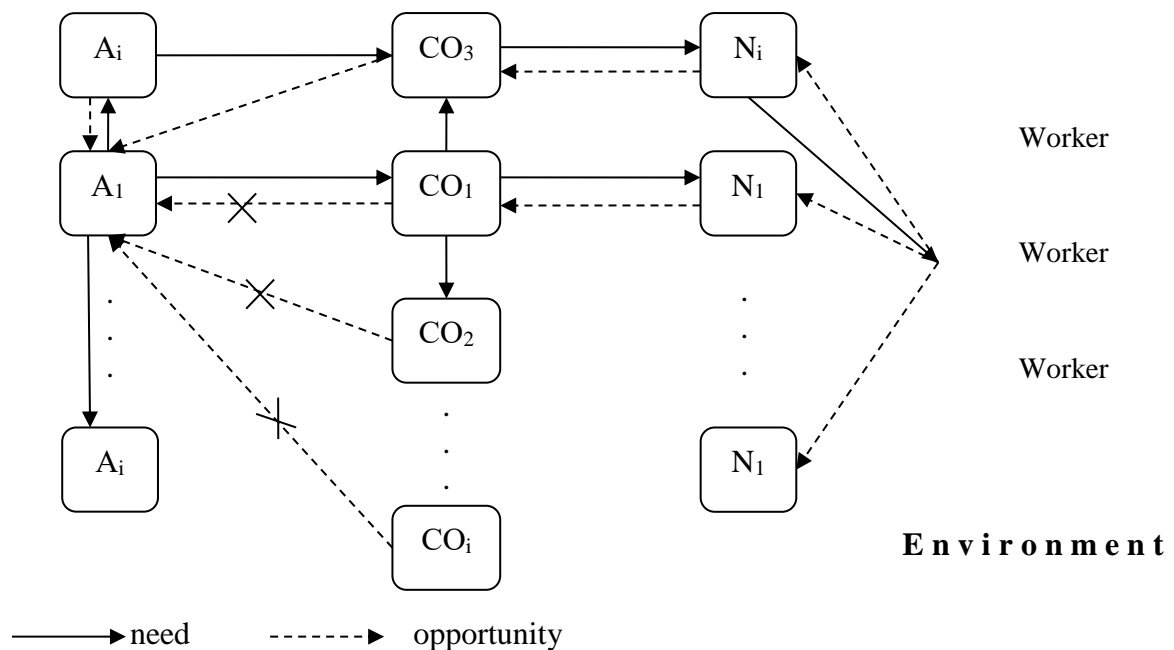
Thus, there is no disturbance in the system, everything happens in a traditional way, the "knowledge-reaction" principle works, i. the consumer A knows that in the official organization he will be guaranteed a service and it is being performed.

Environment



Scheme 1 - the second version of the development of events.

Environment



Scheme 3 – the third version of the development of events

Drawing – "the interaction between the agents of MAS in the field of social entrepreneurship"

As is evident from scheme 3, the third scenario requires more effort from participants in the system, the expansion of their communication links, the availability of knowledge not only about themselves but also about the environment on the part of other market participants (competitors). Therefore, an effective MAS in the field of social entrepreneurship involves the solution of a concrete task (in our case the provision of services for the care of the sick) through the timely deployment of knowledge and adequate reaction of each agent of the system in accordance with its functionality. In addition, MAS requires effective communication between the agents, i.e., stable bilateral relations, which themselves adapt to the system change, expansion or narrowing of tasks. In turn, relationships between agents can be built on condition of cooperation (co and P), competition (CO1 and CO2; P1 and P2), compromise (CO1 and CO2), conformism (As) and negativity, which involves the rejection of the relationship of the bases of feedback. All of these options are the place to be, however, the system will be more effective if communication between the agents in it are clearly defined. Such variants of the functioning of MAS is applicable to virtually all economic activity in the third sector and generally in the service sector.

2.2. Prospects for the development of multi-agent systems in the field of social entrepreneurship

At present, a lot find many descriptions of the functioning of the various WT. However, we are interested in prospects of development of MAS and processes associated with their transition to the structures of the type "artificial life", in which accumulated a large number of reactive agents, with decentralization, its own evolution, adaptation, and cooperation at various stages of interaction.

need the mobile agent between A and C-IA (MASM1) and mobile agent between IA and P and P and between P and the employee (MASM2).

3. SECTION RESULTS. ALGORITHM OF FUNCTIONING OF MULTI-AGENT SYSTEM

In fact, there are several micro-level micro-computers that solve various functional tasks and form meso-level MACs. For example, at the micro level, the following types of MSS are formed:

- MASM1 - unifying consumers (A), workers (service providers) (C), infrastructure agent (IA) and mobile agent (AI). In this case, the infrastructure agents for the MAMMA1 set may be different, and the mobile agent is only one that combines the generated set;
- MASM2 - combines a lot of infrastructure agents (IA), producers of material and technical resources (PMT), personnel intermediaries (PK) and mobile agent (AI). In this case, the mobile agent is also the only one that can perform knowledge management functions for the first type of MAS.

Since MMA2 can cover IAs of different MASM1, it can be assumed that they are larger. However, most likely MASM2 will be larger only in terms of the scale of activity, but by the number of agents on the contrary.

The set of MAS of the first (MASM1) and the second (MASM2) levels in a particular sphere of economic activity constitute the multi-agent meso level system, i.e. A system that unites agents of a certain field of activity (for example, social services for the population). The next level is MAS macro level, consisting of MAS meso level, i.e. MAS of social entrepreneurship will be a collection of multi-agent systems created in its various directions.

In this way,

$$\text{MASMarak level} = \{\text{MACSelection level1, ... MASMase level i}\} \quad (1)$$

$$\text{The mesme level is } \{\text{UMAmu1, UMax2}\} \quad (2)$$

$$\text{MSSM1} = \{\text{UIA, UC, UA, MAi}\} \quad (3)$$

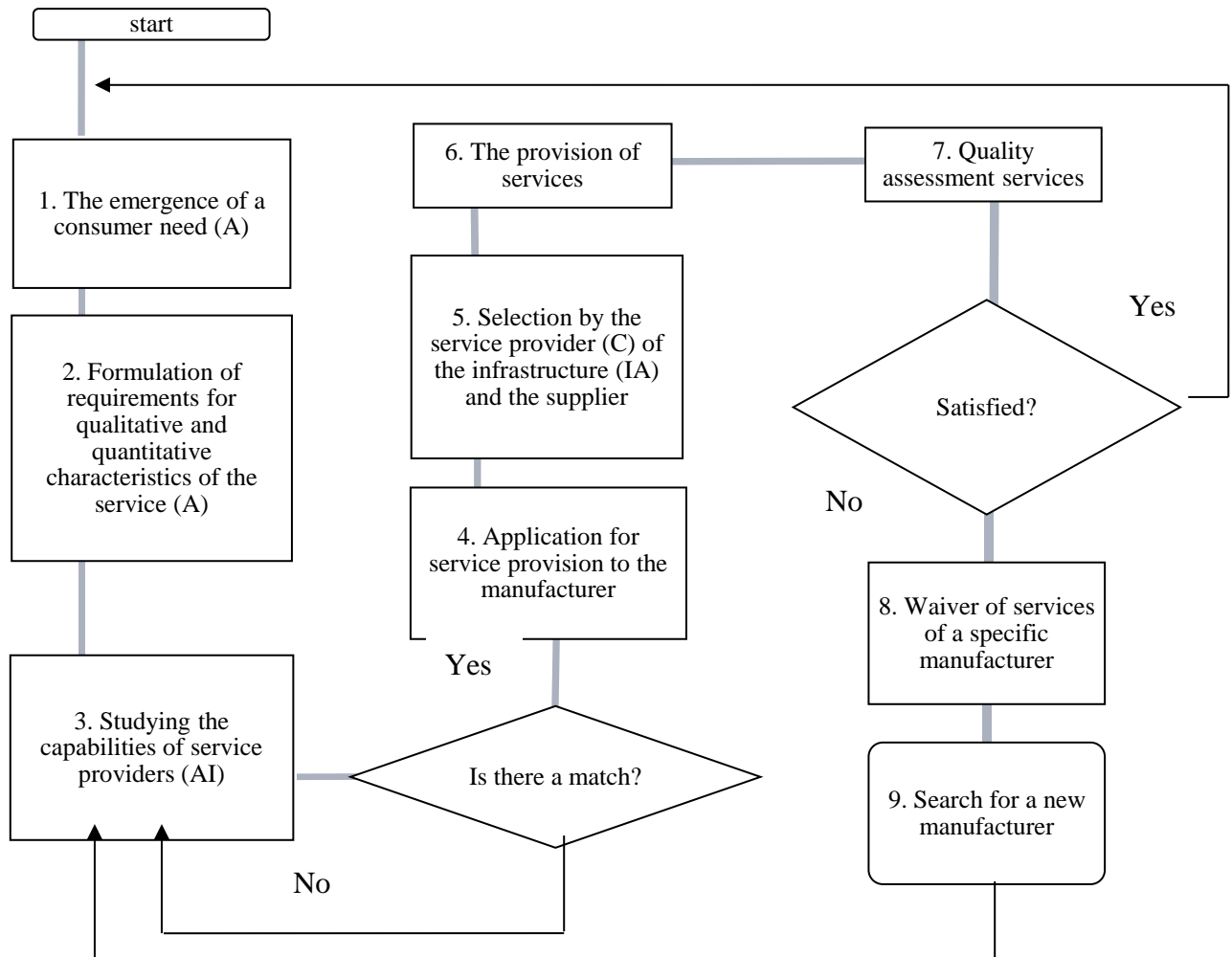
$$\text{MASm2} = \{\text{UIA, UPmtr, UPk, MAj}\} \quad (4)$$

Moreover,

$$\text{MAi} = \text{MAj} \text{ or } \text{MAi} \neq \text{MAj} \quad (5)$$

Despite the apparent complication of MAS in the separation of CO into two agents C and IA, the system creates conditions for managing the quantitative and qualitative characteristics of the service. The process of interaction of agents in the provision of services can be represented in the form of a certain algorithm, since it consists of repeating cycles. For different types of activities, the repetition of cycles over time will be different, since the processes that occur can differ significantly. The algorithm for the operation of the MAC is presented in Scheme 5.

Figure following on the next page



Scheme - Simplified algorithm for MASMI functioning.

In general, the functioning of MAS begins with the emergence of requirements in the formalization which allows to eliminate centralized control and enables the system to be self-regulating.

4. CONCLUSION

Thus, the authors considered the problems of formation of multi-agent systems in social entrepreneurship. Attempted to construct its block diagram, model and algorithm of functioning. Determined that these systems despite their apparent complexity, at the level of agents' interaction is quite simple. Multi-agent technology can create the environment for social entrepreneurship mobile agents that effectively interact with each other. Initially, social entrepreneurs interact on the basis of their own worlds. But when they meet on the decisions of others, conflict arises. The solution of these conflicts becomes possible as a result of negotiations and concessions. This approach point P. Skobelev and I. Mayorov (Skobelev, Mayorov, 2015) – can be considered an example of distributed solutions for complex problems (Distributed Problem Solving), in which a complex task can be decomposed into subtasks that are solved independently, but then the resulting solutions are combined with the analysis of detected conflicts. To improve the efficiency of multi-agent systems, first, by reducing conflict among the agents or search some solutions, balancing these conflicts. Second, to develop ways, methods and mechanisms to improve the quality of knowledge of the agents about themselves,

each other and the environment of their functioning from the point of view of their relevance, usefulness and effectiveness. Thirdly, the creation of mobile agents, some expert systems, accumulating the totality of the practices of agents' behavior and use, in the end, the best of them.

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FUNDAMENTAL STRATEGIES OF THE CULTURAL HERITAGE PRESERVATION IN THE MODERN RUSSIAN SOCIETY

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ABSTRACT

Current problems of cultural heritage preservation and the most widespread strategies of their decision are considered in article. Authors select essential characteristics of category "cultural heritage" and his interpretation in the context of preservation of national and cultural identity; they distinguish modernization, mythological, social and project strategies of cultural heritage preservation; they consider advantages and restrictions of each strategy and outline perspectives of their development on the basis of the complementarity principle; they analyze main reasons which prevent the most productive approaches to preservation of cultural heritage from unification in the state cultural policy. Special attention in article is paid to a problem of preservation of ethnic folklore traditions in the modernization conditions of the Russian society as one of resources of cultural and historical heritage preservation.

Keywords: *cultural heritage, culture, folk art, heritage, identity, mentality, strategy*

1. INTRODUCTION

There were various concepts and approaches in relation to a solution of the problem of cultural heritage preservation and using, which remain alternative to each other in many aspects. This alternativeness is generally connected with an insufficient scientific basis of complementarity opportunities of these concepts and approaches. Therefore the research in this context of the most widespread options of the modern society relation to preservation of cultural heritage artifacts becomes important task, which requires their solution.

2. METHODOLOGY

Modernization direction becomes one of the important directions of scientific search. Its basis is principle of "catching-up development" according to which the Russian society is urged to approach whenever possible civilization standards of the developed countries of Western Europe and the USA that, respectively, will promote preservation of cultural heritage which inserts into the system of the market relations and payment services to the population anyway. At the same time it remains pluralism in positions and opinions concerning what achievements of the cultural and historical past for this or that social group is to be considered culturally significant and valuable. However, this pluralism has the essential restrictions connected with need of preservation of such basic and general values as private business and commodity-money relations in society as a way of life. The development of market and legal mechanisms of cultural heritage preservation and using, which are used insufficiently to certain time, becomes the main achievement of this strategy. The reason of it consists in lack of long tradition of participation of private domestic business in realization of this strategy, beginning from

patronage and sponsorship and finishing various using of payment services as an additional financial resource in preservation and using of cultural heritage. The next reason consists in lack of distinct state ideology concerning a problem of concrete definition of those objects of cultural heritage which are to be kept as having the public importance. However at the same time it should be noted that the pluralism of opinions and views in relation to the historical past, which is maintained by modernization strategy, significantly expands possibilities of formation of the new traditions of cultural heritage preservation answering to inquiries of various social and cultural groups.

In a situation of the modern social anomy, experienced by the Russian society, there is a peculiar paradox – many members of society begin to show own cultural preferences independently, without looking back at any ideological dogmas and the prohibitions. There is a possibility to rehabilitate various objects of cultural heritage and forms of his existing in valuable space of cultural life regardless of a political conjuncture, involving in process of heritage preservation and using new and new groups of the population. In the movement to developing demand for any cultural production supporters of market and modernization approach not only to cultural heritage, but also to culture per se see further improvement of the state cultural policy according to democracy requirement, cultural values pluralism and tolerance.

As market interest at such relation to cultural heritage preservation and using is dominating, special attention is paid on attractiveness, the game relation to presentation forms of this heritage, an inclusiveness of the last in mass leisure inquiries of the population. But in such position there are also the expenses connected with an easiness and superficiality in development of cultural achievements of the past. A bright example is the widespread "kitsch" in demonstration of folk art achievements leading often to profanation of the idea of familiarizing this or that audience, listeners with the national culture. Fragmentariness and spontaneity of inclusion of market mechanisms in cultural heritage preservation and using by means of the state cultural policy should be noted. As a result in cultural life of Russia there were two segments which can exist both independently of each other and combine fancifully with each other: "state" and "commercial". Respectively various relation to cultural heritage is formed in each of these sectors. It can be examined on the example of musical art. The state concert organizations in which promoting of musical classical heritage in the philharmonic art form prevail still insufficiently use mechanisms of marketing strategies. But these mechanisms quite intensively develop in the private musical sector where preference is given to mass musical demand, and the modest place has been given to classical musical heritage. Success of the mass commercial musical industry is provided with existence of own developed infrastructure, information and advertising providing, and huge financial support.

Meanwhile, development of classical musical heritage is an important factor in formation of the musicians' persons and realization of spiritual and moral potential of musical art in modern society (Anufrieva, Tsarev, 2016). The same process of chaotic beginning of the state and commercial sectors is in other subsectors of culture with the corresponding approaches to cultural heritage. In theatrical art this is development of commercial theater, theater of an enterprise, resisting to the state theaters. The last pretty often lose to the first since they, receiving even modest budgetary financing, aren't interested in additional efforts on marketing, formation of supplementary demand for the cultural production. On the other hand the more enterprising commercial and often the state theaters pretty often so "reinterpret" classical theatrical heritage through the producer's interpretations for the purpose of filling of "cash desk" that actually destroy his adequate development by spectator audience.

The reasonable balance between museum business and the state strategy of development of museum undertaking is also not found in museum subsector. As a result traditional development of cultural heritage by means of direct perception of museum objects for increase a commercial effect of museum expositions is even more often replaced by attractive interactive technologies which are forming virtual reality, not allowing developing cultural context of the shown objects of cultural heritage fully. Without denying importance of these new technologies, it is impossible to allow their transformation into self-goal to the detriment of full development of cultural heritage. In library subsector transformation of libraries in the information cultural centers on the basis of mass demand (Internet services, information consultation, photocopying of materials, completing of library funds by detectives, etc.) at insufficient popularization and education in the books world and inattention to reader's culture formation leads to rejection many members of society, especially children, teenagers and youth, from the classical national and foreign literary heritage.

In club subsector there is falling of number of folk collectives which develop amateur creativity genres making a basis of national traditional culture: orchestras of national instruments, folk choruses, brass bands, national crafts, etc. Meanwhile folklore culture remains one of the most important spheres of cultural heritage (Anufrieva, 2013, p. 9). Interest in paid club services has led to decrease of educational activities for popularization of cultural heritage. Strange symbiosis of commerce and political involvement of many clubs participating in election campaigns and registered mass actions, as a matter of fact, has led to rejection of club activity from problems of preservation and distribution of traditional culture achievements and also development of traditions of the national leisure social culture having huge value for modern society (Kamenets, Zinchenko, 2016). In order that there was no incorrect mixing of the state and private interests in preservation and development of cultural heritage the corresponding marketing are offered to be used within the modernization strategy where trustees, sponsors and patrons will be the main subjects.

According to experts, insufficient "competence in economy, legality and management (including marketing) between the workers of the culture sphere, their readiness, desire and ability to work in market conditions" (Tulchinsky, 2001, p. 158) not least prevents these requirements from full realization. Using of positive sides of modernization strategy of heritage preservation is also prevented by noncritical loan of the western experience in the cultural policy sphere. According to E. N. Seleznyova, "the analysis of political discourses of the 1990th years and also methodology of creation of scenario models of cultural policy shows that subject of cultural heritage wasn't among priority in socially important sense. Moreover, as the state cultural policy was formed as a political 'discourse of the choice' of commercialization of cultural institution, that is as essentially tactical sphere of socio-political activity, the cultural heritage was excluded from this sphere as a rudiment of totalitarian society" (Seleznyova, 2004, p. 6). We will consider the mythological strategy of cultural heritage preservation now. Creation of myths which is included in the general political context of social life is rather widespread in the state cultural policy of the modern Russian society. Myths by their nature are capable to consolidate society around common values, ideals, images of the desirable future. Many funds are allocated from federal and local budgets for preservation of heritage, which reflects desirable mythemes for governmental power.

Now manifestation of several myths which often are antagonistic on the relation to each other is especially noticeable, and it is caused by lack of consensus in the society regarding desirable myths for maintaining national and cultural identity of the Russian people as the main subject providing this identity. It is possible to distinguish the most widespread mythologies concerning

cultural heritage: Soviet, bourgeois and liberal, orthodox and religious mythology. Respectively it is possible to find own priorities concerning preservation and development of cultural heritage in each of these the mythology. Perpetuation of the Soviet past, its heroes, cultural achievements of the Soviet society as the lost "gold past" about which have to remember and develop its achievements as society of social justice and equality is important for the Soviet mythology. Values of freedom, independence and enterprise are starting reference points for the bourgeois and liberal mythology that is reflected in the characteristic mythologization of certain historic figures and the periods in Russia development (for example, epoch of Peter First, Stolypin). Between the Soviet and bourgeois and liberal mythology there is a constant struggle for the right to become the all-national mythology applying for a state-building role and a role of the main trend in cultural heritage preservation. This struggle is appearing as in information space, so in real cultural policy (for example, continuous "war" of monuments).

In recent years orthodox and religious mythology is also coming to the forefront appealing to "great history" of the Russian superethnos formation as the carrier and the keeper of true Christianity. Separating from the first two types of mythologies, this has own sphere of influence on society out of the state institutes. On the one hand it provides to Orthodox Church big freedom in preservation of the cultural heritage related to Christian values, and on the other hand it limits possibilities of impact on society for revival and preservation of these values in the conditions of separating church from government.

Creation of national mythology as a basis of cultural heritage preservation is interfered by the developed still unsolvable contradiction between official state mythology and corresponding external sign attributes (State emblem, hymns, names of government institutions and posts like "mayors", "governors", "thought", etc.), which are called to reanimate values of pre-Soviet bourgeois and liberal Russia and revived values of the Soviet patriotism with corresponding mythemes having anti-bourgeois character in many respects.

This contradiction is solvable only on condition of adoption of the point of view that the Soviet epoch was logical continuation of Russian story with all her problems and tragic pages, but not historical misunderstanding and national catastrophe. In this case there is a real possibility of public consensus formation on understanding of the nation's historical last and corresponding historical and cultural heritage.

Whether creation of the national myth, in which all variety of cultural heritage objects can be included, is possible as a result of such desirable consensus? The analysis of historical and cultural tendencies of the forming and developing of Russian people national and cultural mentality allows to distinguish compassion and sympathy for socially unprotected members of society in a combination with aspiration to the social justice had to eliminate opportunities for emergence of rights infringement in the society and deprivation of vital wellbeing of each person as basic values in achievement of public consent concerning existence of the national myth. These qualities of the Russian character in combination with steady patriotic feelings and thoughts could also be taken as a basis of modern formation of myths with participation of the state which elaborates united approach first of all in relation to the cultural heritage having the national importance (Seleznyova, Kamenets, 2013). At the same time it should be noted that the patriotism in this case has to possess both nation-wide and regional character in the form of love to "the small homeland", local traditions, local environment, heroes of this land, region, etc. In this regard a concept of a cultural landscape which was created in cultural geography is much demanded. It assumes need of studying of "place memory", "mentality fact", making "soul" of this or that region in the form of its developed spiritual traditions, spiritual culture. In this case there is rather reliable criterion for evaluation of cultural heritage various objects as

valid for this region and for all cultural space of Russia (Vedenin, 1995, pp. 5-20). For this reason it is necessary such state cultural policy, which would promote preservation cultural traditions, way of life providing cultural identity of this or that ethnos of the territory on the basis of the united developed cultural and mythological "language" of inhabitants of the general cultural and ecological space – Russia.

Many researchers speak about insistency of the "new" mythology. So, one of them notes: "In fact, ideological support of democratic reforms, the liberal values is not created in modern Russian society as there is no positive social mythology capable to form positive thinking of the modern person by means of making role models without what society is demoralized. The mythology is realized by the main resource of country modernization" (Vojevodina, 2002, p. 140-141). And further: "The universal character of the myth allows to consider culture not as something fragmentary, but as something complete as the myth synthesizes and connects various phenomena of philosophy, religion, morals, literature, art, history, science, policy. The similarity of plots, images and poetics of world mythologies speaks about basic unity of mankind, structure of thinking of various people, archetypic repetition a complex of existential problems, situations, behavioral models in the culture history" (Vojevodina, 2002, p. 141). Thus, formation of mythological strategy of cultural heritage preservation assumes interpretation of mythology as the cultural-creative factor promoting actualization of value of heritage objects in domestic culture space.

2.1. Socially oriented strategy of cultural heritage preservation

Its content is connected not only with providing access of all groups of the population to cultural heritage, but also with initiation of formation new and new opportunities of heritage development for the solution of national social problems. The cultural heritage in this case is considered as a source of people finding the life-sense orientation points necessary for full socialization and social adaptation in modern society.

The basic standard characteristic of civilized state social policy, as we know, is realization of the principle of social justice understood as providing all segments of the population with the worthy standard of living. In this case the special role belongs to interaction of the state with various social movements, organizations and unions of culture-protective and culture-creative orientation: in the field of monuments protection, restoration of estates as objects of cultural and historical heritage, organized protests against destruction of heritage, enthusiasts-collectors of folklore achievements, etc. But it becomes possible if the club communities, representing the most various social striations and layers of society having own sociocultural orientations, can become the main subjects as partners of the state in heritage preservation, and club institutions can become the main cultural institutions on the basis of which it is possible to create first of all social communities of such orientation. These institutions work directly with the population of regions, residential districts, municipal units, etc. and it is difficult to overestimate their role in this quality. In the international practice so-called "doctrine of social participation" assuming stimulation of social and cultural activity of the most various social groups for improvement of own way of life and solution of own social and cultural problems is close to associations and communities, focused on the decision the sociocultural problems of the population. The cultural heritage is respectively developed in a context of daily activity, directly forming optimal models of social behavior having culture-creative orientation. Now it is possible to distinguish the next social groups of the population as the potential subjects interested in preservation of cultural heritage as the vital (social) value on the basis of social and stratification approach.

2.1.1. The people representing the professions which aren't demanding high qualification; temporarily jobless; the very poor persons which are at the beggary level

This social group needs availability of cultural values, charity programs with participation of social services. Many members of this group, even living in big cities, haven't lost touch with village culture, its traditional heritage from folklore song and dancing creativity to participation in national holidays and ceremonies. Interaction with the religious communities in realization of church ceremonies, development of spiritual heritage in available spectacular forms is not less important for this group. It is characteristic that working exactly with unsuccessful groups (alcohol and the drug addicts, marginalized layers of society, etc.), the church involves these groups in rich spiritual life, in preservation of religious culture traditions.

2.1.2. Workers of average and high qualification

Researching of this social group shows that formation of cultural lifestyle of the worker is important for this group. Therefore it is very important to preserve labor traditions directly at the factories, revival of prestige of working professions which form in society own cultural field necessary for continuous reproduction and development new and new generations of working class. The same social group willingly joins in programs of cultural tourism, various excursions in the course of which it develops cultural heritage.

2.1.3. Office employees, technicians of government establishments and institutions

This group possesses so specific social and cultural characteristics that can be considered as the special subject of process of cultural heritage development. Thanks to the fact that for many members of this group work isn't emotionally attractive and creative they willingly compensate this situation by active visits to theaters, concert halls, excursions; they have collection and assemble activity, making the contribution to enhancement, preservation and development of cultural heritage.

2.1.4. Teachers, doctors, engineers, employees of cultural institutions (not leading rank)

Having psychological and physical overworks, members of this social group need a systematic relaxation, bright impressions, sports and improving programs, creative self-realization. Having rather high cultural and educational level, this social group is a potential advocate of cultural heritage preservation; it is ready to participate as initiator and organizer of social movements in protection of cultural heritage, expert in various questions of heritage preservation, educator in this area, and participant of various programs of cultural tourism. Thereby this social group can be demanded in the solution of a problem of cultural heritage preservation solving own social problems connected with deficiency of physical and psychological overworks compensation.

2.1.5. Military (officers and soldiers)

First of all this social group needs constant confirmation of demand of military professions thanks to patriotic consciousness development. It is obvious that preservation of military and historical heritage with participation of this group represents a problem of nation-wide importance and preservation of cultural and historical memory and preservation of careful attitude of society to military history of our country in many respects depends on success of its decision.

2.1.6. Experts of the business sphere and employers

Considering that this social group has appeared in our country rather recently after the Soviet period, it needs a full legitimization of its existence and cultural self-identification. In this regard knowledge of traditions of national business and development of own cultural lifestyle

remains demanded by this group. So the initiative of creation of the "Union of merchants" by some members of national business is not casual; the Union is assuming deep study of business activity culture of the past, including ritual and ceremonial culture, merchant architecture, life, art, etc. It is possible to refer here revival of charity and patronage traditions belonging to business class, important for cultural heritage preservation. It is also necessary to note that many successful national businessmen can create demand for cultural heritage development as purchasers of unique collections, visitors of theaters, concert halls, exhibitions, etc.

The studied above social groups as active participants of cultural heritage preservation, development and distribution processes can't be considered as independent groups. In real society there are always potential opportunities of movement from one sociocultural layer to another. But it doesn't eliminate need of differentiation and targeting of cultural heritage preservation as necessary condition of consolidation of society on basis of cultural pluralism. When there is no such differentiation, it is replaced by zoological individualism and mad confrontation between various social groups of society.

3. RESULTS

Each of the considered above strategy of cultural heritage preservation is developed insufficiently in the Russian society that is in many respects connected with lack of interrelation of these strategies by principle of mutually complementarity which can be provided with forming of one more strategy which it is possible to call sociocultural projecting.

This strategy essence consists in interpretation of the concept "heritage" in information and symbolical context, proceeding from the root of this word – "trace". It means leaving from object understanding of heritage which is understood mainly as its material and object realization: monuments, archeological finds, paintings, musical works, literary creativity, etc. Cultural heritage according to the strategy of sociocultural projecting is not that it is possible to perceive directly as the corresponding object of heritage, but is that leaves a trace in memory of generations and respectively go through centuries in the form of spiritual and moral values, esthetic ideals, mentality, etc., i. e. that belongs to the ideal sphere influencing consciousness of this or that community, people, nation (Kamenets, 2014). Such approach to heritage essence is organic for sociocultural project strategy, the base of which is aspiration to achievement of the projected ideals which are never fully reached, but form outlook and a way of people life. It is possible to give such example as protection of culture and art monuments from positions of strategy of sociocultural projecting. Monuments will be saved only when the relation from the population is created to them as ideal image of the past, this or that hero, event, etc., when these monuments remain in memory of people as idealized reality. In this case there is a project task of formation of the corresponding social and cultural ideals among the population and preservation of these ideals in memory as proper that provides careful attitude to the real created monuments as a trace (inheritance) of last events, epochs, lives of heroes, etc. Sociocultural projecting in relation to cultural heritage preservation has to include the next stages according to the standard requirements to technology of this activity: 1) Searching and expecting activity; 2) Standardizing and expecting activity; 3) Expecting social and projecting activity; 4) Programming and planning activity; 5) Performing activity; 6) Controlling and correctional activity.

4. DISCUSSION

Introduction of project ideology in each of the considered above strategies of cultural heritage preservation (modernization, mythological, socially oriented) allows to overcome restrictions of each of these strategies and embody their interrelation. We will prove this thesis. Using of modernization strategy toward to cultural heritage preservation in a project sense assumes

existence of such components in it as all-humanistic ideals and myths formation. What are the components and why they have to be demanded by this strategy?

Existence of all-humanistic ideals in modernization strategy means that any object of cultural heritage can remain and develop by initiative of this or that social and cultural group, but not to the detriment of universal values, accepted by the world community. What are the values?

In order to answer this question we will address at first rather symptomatic event.

At the beginning of the "perestroika" period in our country there was congress of political "nonconformists" of the most various orientation at which have been formulated three principles of interaction with society of all informal associations and inside these associations in the form of three "No":

1. "No" to monopoly on possession of the truth by any informal association;
2. "No" to violence over the personality as necessary attribute of these associations activity;
3. "No" to groups and unions of extremist, Nazi, chauvinistic orientation. It should be added "No" to these;
4. "No" to causing damage to physical and mental health of the personality.

If to try to transfer these bans to positive norms of social interaction as having universal character, then we receive the next set: 1. "Yes" to recognition of the right of everyone for the truth understanding; 2. "Yes" to initial respect for the dignity of any personality in its self-worthiness; 3. "Yes" to tolerance and readiness for constructive interaction with members of any social and ethnic group; 4. "Yes" to careful attitude to physical and mental health of each personality. In other words preservation of this or that cultural heritage shouldn't interfere with realization of the mentioned above norms of positive interaction in society.

The mythological component in modernization strategy from positions of project approach assumes existence of ideal views on the world as "the required future" according to the system of the religious values and myths divided by most of members of society. Including the mentioned above components in modernization strategy, its developers and makers will be able to avoid negative social consequences in the form of turn the social antagonisms and contradictions in society for the worse concerning preservation of these or those objects of cultural heritage.

Optimization of mythological strategy of cultural heritage preservation assumes inclusion of components of modernization and socially oriented strategy in it. The modernization component consists in actualization of those aspects of mythological consciousness in society which correspond to tasks of modernization. On the other hand the modernization has to lean on mythemes which are already settled in the society, distinguishing in it those meanings and senses which are close to modernization tasks. On this counter-moving there is the possibility of finding of reasonable balance between cultural traditions and innovations in social and cultural development of society.

The social orientation of mythological strategy of cultural heritage preservation means its targeting in relation to various social groups in society. It means paying attention not only the national myths essential for heritage preservation, but also regional, local mythology, interaction with which is a certain guarantee of cultural heritage preservation by local population.

The socially oriented strategy of cultural heritage preservation in project ideology has to include components of mythological and modernization strategy. The mythology has to be shown in myths formation concerning the cultural heritage which is significant for finding of vital meanings and values by this or that social group. The modernization component consists in this case in a possibility of cultural heritage development for the decision of own social and vital problems by this or that group.

5. CONCLUSION

All these correctives and interrelations of strategies of cultural heritage preservation can be provided within the complete project including the stages stated above. Besides, the projecting process has to be considered as process of communication at all his stages with the following set of participants: 1) scientists; 2) specialists and experts; 3) population; 4) investors; 5) officials. Participating in development and implementation of sociocultural projects, these subjects in their unity make the structures of independent experts offering and filtering concrete options of various strategies of cultural heritage preservation.

Creation of such expert communities requires the shift of accents in the state support of cultural heritage preservation towards attraction of the creative unions, the organizations, other civil structures in this sphere (first of all experts and managers of resources) to this support; strengthening of the public and governmental mechanisms of management in culture area excluding an administrative or political arbitrariness in relation to cultural and artistic figures and voluntarism in the sphere of cultural heritage preservation.

The essence of sociocultural projecting consists in focus on search and realization of life-creative potential of different strategies of inheritance preservation for the solution of social problems within the general sociocultural project. In this case negative sides of every mentioned above strategies of inheritance are removed and their constructive opportunities are maximized. For example, the ideas of state legal protection of heritage are important for sociocultural projecting in the strategy of heritage preservation, called above "mythological"; preservation of a certain level of consumption culture, technologies of achievement in the material culture field and economic life of society by analogy with other developed civilizations is important in "modernization" strategy; preservation and development of the cultural dominants in daily activity providing steady reproduction of a lifestyle of various social groups and striations is positive in "socially oriented" strategy.

In general it should be noted that now prerequisites just arises for realization of project methodology as basis for synthesis of various strategy of cultural heritage preservation. This synthesis is possible thanks to participation of a wide range of experts, scientists, governmental persons, investors, interested public, representing the different strategies of

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TRANSIT MIGRATION AND TRANSIT COUNTRIES IN GLOBAL, EUROPEAN AND REGIONAL CONTEXT (IMPLICATIONS FOR RUSSIA)

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ABSTRACT

The 2015-16 refugee crisis in the EU provoked by the conflicts in the Middle East and some other countries, has clearly highlighted the global problems of forced migration. The security system of the EU that was developed over two decades proved deficient under the massive influx of migrants from Asia and Africa that used Balkans as transit route. Over the course of one year, the European Union received more than 1 million migrants. Russia is one of the top three nations receiving migrants, mainly from CIS countries. It is also neighbour to six EU countries and therefore has to face transit migrants from different countries that move to the EU through and from Russia. Russia also induce transit migration from the CIS countries by changing migration legislation. The article seeks to analyse the influence of new global, regional and local conditions on illegal transit migration to-, through- and from Russia based on information of official statistics on transit migrants, the Belorussian State Border Guard Committee and Border Guard Service of Russia and Russian Ministry of Internal Affairs (MIA).

Keywords: *transit migration, transit countries, refugees*

1. INTRODUCTION

The 2015-16 refugee crisis in Europe increased interest in the phenomenon of transit migration. During a single year, about 1.1 mln migrants arrived in the EU as asylum seekers using certain EU and non-EU countries as transit routes. However, one can tell that since the beginning of the 21st century, there has been a rapid increase in all types of migrants and cross-border flows (Czaika and de Haas, 2014, Castles and Miller, 2009; Massey et al., 2010). Russia is also included in this global system of movement. Its position "between" Europe and Asia makes Russia a "natural" transit corridor for migrants moving westward. Bordering 17 countries from the EU to China, Russia ranks among the top three immigration countries, hosting 9.6 million foreigners in 2016. It is the main country of destination for more than 80 per cent of labor migrants (MIA, 2017) from the Commonwealth of Independent States (CIS) that enjoy visa-free regime with Russia. In the late 2000s, the reasons for the transit through Russia were: poorly equipped borders, relatively liberal conditions for migration from the CIS to the former socialist countries of Central and Eastern Europe (CEE); absence of strict state control over the stay of foreign citizens, and lack of experience in the management of international migration (Ivakhnuyk, 2009).

According to the statement of the Head of the Border Guard Service of Russia, flows are increasing because of the situation with the European migration crisis, the Ukrainian crisis, and military activities in the Northern Afghanistan (TASS, 2016). In 2016, 202 500 cases of violation of the rules of entry or residence were discovered in Russia (MIA, 2016). Our article

seeks to analyse the influence of these new conditions on illegal transit to-, through- and from Russia based on five main sources of information: official state statistical information on transit migrants, information provided by the Belorussian State Border Guard Committee (GPK) and Border Guard Service of Russia for 2015 – mid 2017 (which functioned as one common entity until February 2017), the Council of the Heads of Border Guard Services of CIS countries, and reports of the General Directorate for Migration (Glavnoie Ypravlenie po delam migratsii) of the Russian Ministry of Internal Affairs (MIA) (former Federal Migration Service(FMS)).

In Introduction, we give brief description of Russian location and existing flows. In part 1 we discuss a concept of transit countries and transit migrants; in part 2, we discuss the securitization discourse in the Western countries and in Russia using available data in Russian statistics on transit migration. In part 3, we present the new and old directions of transit migration flows, geography of transit migration and response of Russia and its' neighbour countries to that challenges. Special attention is paid to the role of Belorussia as a hub-redistributor of transit migrants and to the role of some ethnic groups that are involved in facilitation of organization of the transit. Conclusion presents the main findings of article.

2. DEVELOPMENT OF THE CONCEPT ON TRANSIT MIGRATION

Transit migration as a concept was adopted by international organizations in the 1990s. Most often, this concept is mentioned regarding the relationship between EU countries and third countries; Mexico and the United States; South-East Asia and Australia (Collyer et al., 2012: 407; Düvell, 2009). The "politization" of the discourse on transit migration is related to the policies of Western countries and especially of EU states in the context of externalization.

The state as an institution is the main "player" in the classification of immigrants by determining the criteria for the legality of migrants, refugees, and other types of migrants (Sahin-Mencutek, 2012). The processes of globalization and the development of virtual networks make the regimes of migration control of national states less effective and lead to a gradual perception of migratory flows as threats to the security of receiving countries (İçduygu , 2000:359) and criminalization of transit migration (Sahin-Mencutek, 2012: 145). Transit migration has been presented as a threat to the sovereignty and integrity of developed countries. Taking into consideration the number of erected fences in EU countries to keep out illegal migrants, we see a reversal in the policy from "securitization" to "closed doors" (Schmoll, 2016:363). The balance of interests of the country's security and the protection of human rights was lost in the struggle for securitization. The complexity of factors and reasons for transit migration does not allow us to give a unified definition of this movement. Most authors note the blurred nature of the definition for transit migration. One of the reasons for transit migration is that people cannot get to the destination country directly for one reason or another(Düvell and Molodikova, 2009; Düvell, 2012) . They use an intermediate / transit country, often illegally (Ivakhnuyk, 2009). The transit migrants do not intend to stay in the host country, since their goal is to reach another country. The main groups of transit migrants are labor and asylum seekers. Traditionally Chinese, Pakistanis, and Bengalis transit migrants evaluated as labor transit migrants and asylum seekers are migrants from conflict zones: Iraqis, Afghans, Somalis, and Palestinians, and since the war in Syria - the Syrians (Duvell and Molodikova, 2009). In response to tightening border controls, migrants are trying to find new routes and increasingly attempt border crossings through smugglers. As a result, the geography of transit migration flows is constantly changing (Coller et al 2012, Castels & Haas 2016). The possibility of obtaining a visa also influences transit migration. For example, the introduction in 2002 of a visa regime by Russia against Georgia led to the emergence of new routes for illegal transit migration - Georgian migrants now travel to Russia via Belorussia.

As a result, the flow of migrants does not dry out, and often just changes direction. For example, Chechens flee from Russia to the EU through Azerbaijan, Turkey, and through Belorussia (Molodikova, 2015). Russia participates in a policy of externalization of the EU migration control, by implementation treaties on readmission. As consequence, since 2007, Russia has signed readmission agreements with some major countries of origin transit irregular migrants as Armenia, Kazakhstan, Kyrgyzstan, Mongolia, Turkey, Vietnam, Ukraine (not yet ratified), and Uzbekistan (CARIM, 2013:7-8). Under these agreements, 1,500 people were admitted to Russia in 2016 from 2,100 requests for readmission. In return, Russia also sent 836 requests for readmission to other states regarding foreign citizens illegally staying on Russia territory (MIA, 2017). In Russia, issues of transit migration are usually considered in the context of the CIS countries and attract mainly the attention of law enforcement agencies, police, and border guard services or international organizations (Zaionchkovskaya, 2009). In the opinion of the Head of the Border Guard Service of Russia, "In the context of the migration crisis in Western Europe, there is a probability of a reorientation of the migration flow to the territory of Russia." For Russia and other CIS countries, the main threat in the last decade stems from the Afghanistan border. So, the Council of the Commander of the CIS Border Troops co-ordinates joint border operations to counter threats from the territory of Afghanistan and cooperate with the Security Cooperation Organization of CIS countries and Shanghai Cooperation Organization (Interfax, 2017).

3. SECURITIZATION DISCOURSES IN RUSSIAN MIGRATION POLICY OR WHAT CAN STATISTICS TELL US?

The discourse of securitization in Russia is developing in the same way as in Western countries, scaring society with the influx of illegal migrants and terrorists. Border guard representatives give very dosed and difficult to interpret statistics. Thus, the head of the Border Guard Service of the Russian Federal Security Service believes that illegal migration every year is increasing illegally enter Russia, and traveling through Russian to Western Europe. Citizens of Southeast Asia, the Middle East, and North Africa usually legally enter Russia, but later try to use Russia for transit to Western Europe (TASS, 2016). Some Russian and CIS countries citizens also render assistance in the illegal crossing the border of Russia. He pointed in other interview in 2017 that 'in 2016, the activities of 68 organizers of illegal migration channels for foreign citizens were suppressed' (Interfax, 2017). The Border Guard Service is part of the Russian Federal Security Service, may be because of that it is difficult to understand the trends in flows of illegal migrants and even interpretation the figure they give. For example, head of Border Guard Service told in interview: 'In 2016, the border guards detained more than 3,500 violators of the state border, prevented more than 43.4 thousand violations of the regime on the state border and about 45.4 thousand violations of the border regime. The largest number of violations is reported from the Russian-Ukrainian, Russian-Kazakh border, and the Caspian region (Interfax, 2017). It is difficult to understand What the difference is between 'violators of the state border', 'violations of regime on the state border', and 'violations of the border regime'. In the 2000s, the number of illegal transit migrants from the countries of South and Central Asia, and also from Africa, was evaluated as high as 1.5 million (Ivakhnuyk, 2009). In comparison to this number, the count of illegal transit migrants has likely decreased. But the Head of the Border Service of Russia argued the opposite (TASS 2016). Let's look at the official data of state statistics. Many scholars note the inconsistency of statistical data especially on transit migration in Russia (Zainchkovskaya, 2009). Data on individual border crossings are collected by two organizations: The Border Guard Service counts border crossings by Russians and foreigners, and the Ministry of Internal Affairs (MIA) collects information from migration cards, which only foreigners are required to fill out. This information from the Border Guard Service and MIA are collected by the Russian Statistics Committee based on entry and

departure (figure 1) the purposes of travel (see figure 2) and by type of transport (Chudinovskih, 2008)

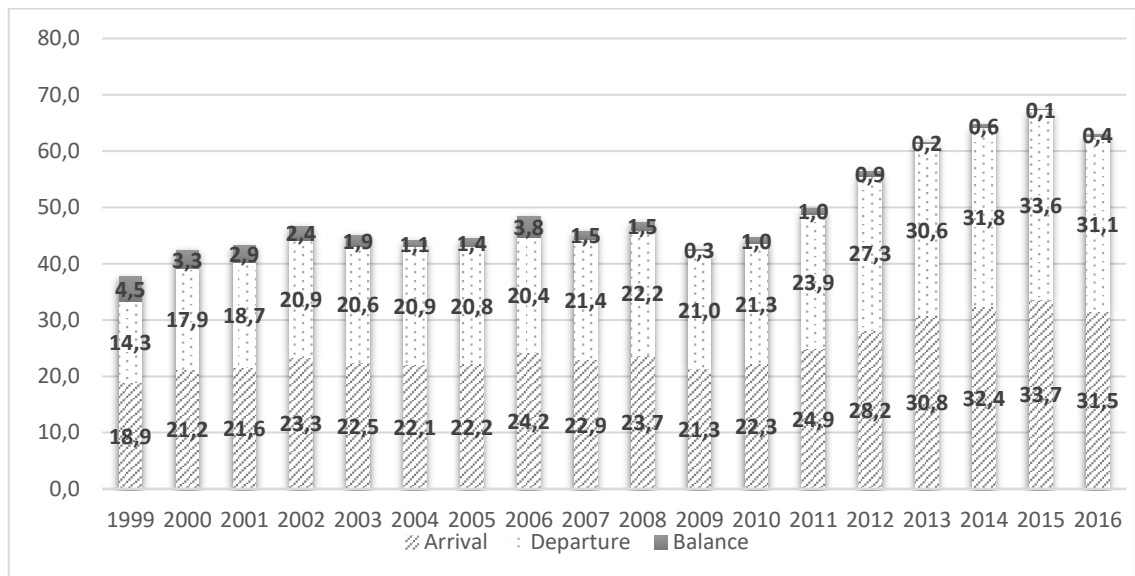
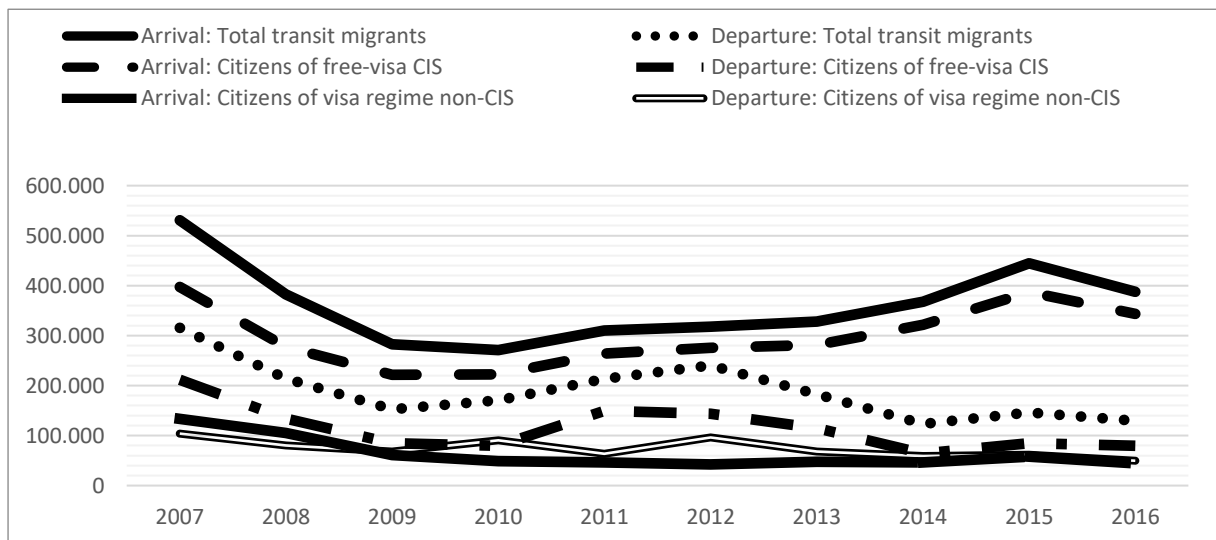


Figure 1: Number of foreigners - arrival to and departure from Russia, 1999-2016 (mln. people) (Rosstat, 1999-2016)

The discrepancy between the number of those who entered the territory of the Russia and the number of departures decreased from 4.5 million in 1999 to 400,000 in 2016 (see figure 1 and graph 1) due to improved accounting (Chudinovskih, 2008). In 2016 about 45per cent of border crossings points had a modern accounting system (Interfax 2017). In addition, until January 2017, migrants at the Russian-Belarusian border were not registered. This made the registration of persons transitioning through the Belarusian-Russian border problematic.



Graph 1: Number of transit foreign citizens (arrival and departure) to and from Russian Federation, according to the border guard service, 2007-2016, thousand people (Rosstat, 2007-16)

Data on the purpose of travel between the border service and the MIA Affairs varies by category. Categories such as "service", "service personnel", or "private" are very vague. The

MIA migration card for foreigners includes date of birth, sex, citizenship, length of stay, and purpose of the trip, including official, commercial, study, private, tourism, work, transit, etc.).

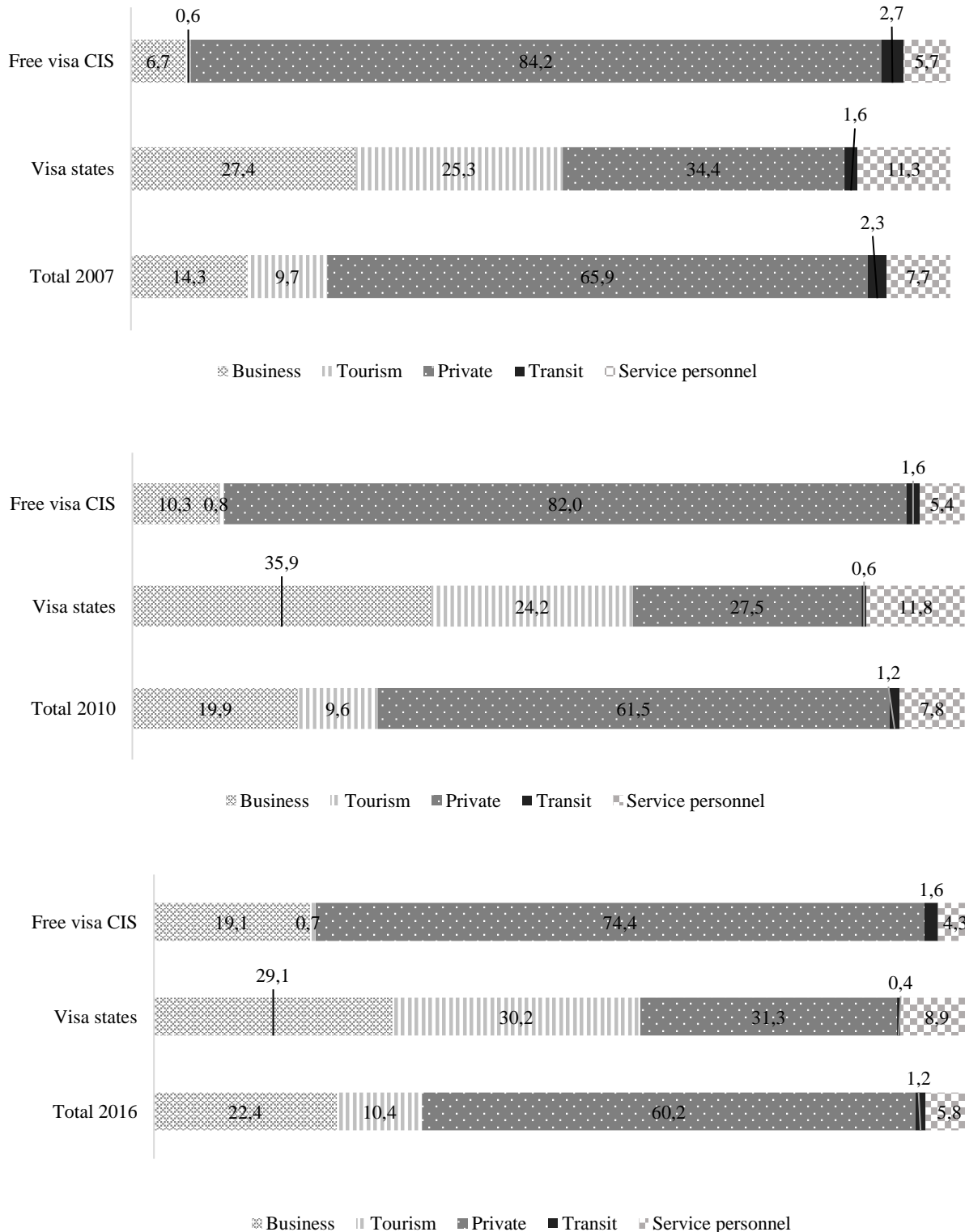


Figure 2: Distribution of arrived persons according to the reasons of arrival in 2007, 2010, and 2016(per cent) (Rosstat 2008, 2010, and 2016)

As we can see on figure 2, for the last ten years (2008-16), the number of ‘private’ visits decreased, because new labor regulations require a declaration of job intention on the border in order to apply for a work permit. The percentage of citizens who indicated transit as the main

reason for staying in Russia is small. In 2007, it was about 2.7 per cent of all those who entered from visa-free countries, and in 2010 and 2016 only 1.6 per cent. Migrants from "visa-free" countries declare reasons for entry without documentary confirmation. For persons from countries with a visa regime, the purpose of entry is related to the type of visa. Some migrants have a dual (including Russian) citizenship, so the degree of reliability of travel information is extremely low.

4. CHAPTER. GLOBAL, EUROPEAN AND REGIONAL MIGRATION PROCESSES AND TRANSIT FROM-TO AND BYPASSING RUSSIA

The estimated number of transit illegal migrants in Russia in mid of 2000s, mainly from Afghanistan, China, Angola, Pakistan, India, Sri Lanka, Turkey, Ethiopia was evaluated as 0.5 million (Ivakhnuyk, 2009). This number subsequently dropped later, with strengthening of CIS countries border control. The current migration crisis has produced a new surge in transit passage but the real figures are not clear. Nevertheless, security discourse and restriction policy support the fears on increase of flows.

Russia does not support flows of asylum seekers from outside CIS countries, providing status and assistance to asylum seekers mainly from CIS countries. In 2016, only 948 foreigners applied for refugee status on the territory of Russia, including 149 children. Only 39 applicants were recognized as refugees. The total number of refugees in Russia in December 31, 2016, was 598 people, including 258 people from former USSR, 2 from Syria and 292 from Afghanistan (including those that arrived in 2000s). The number of persons with temporary asylum in the Russia was 313,707 people and majority (311,134) were from Ukraine (MIA, 2017). Many migrants try to apply for asylum, but without success and they go further to the EU direction (Refugee, 2016).

4.1. New Polar migration route

The new transit route emerged with Syrian refugees that appeared in Russia with European refugee crisis in 2015. In April 2016, FMS registered 7,096 Syrians (Refugee, 2016). Majority try to apply in Russia for asylum without success and about 5,500 Syria left Russia through the Arctic checkpoint with Norway in 2015-16. After, Norway has tightened the migration legislation, limited the entry of foreigners to the country through this checkpoint and initiated the building a fence on Norway-Russian border. Nevertheless, the new pass already works and "on the border with Norway were captured a group of Moroccans tried to illegally cross the Russian-Norwegian border" in 2017 (Sputnik, 2017). As soon as Norway strengthened the border control, the main flow reoriented to the Finnish border. From December 2015 to February 2016, about 1,500 transit migrants for asylum passed through the Lotta and Salla automobile border points. Since April 2016 both checkpoints in Finland temporary suspended their activities (Refugee, 2017).

4.2. Russia - Belorussia's virtual border and transit migration for the EU asylum

Since 1995 the Russian-Belarusian Union was formed and the border between the two countries was demolished, according to the Union agreement. Residents of these countries and visa-free CIS countries could move across without problems. Citizens from visa countries need a visa to enter Belarus (or transit visa), but since controls were suspended, illegal transit migrants could cross border. So, since 1995, Belarus has become a center-redistributor of illegal transit migrants in different directions bordering three EU countries (Poland, Lithuania, and Latvia), Russia and Ukraine. For example, Georgian migrants used Belorussia border to enter Russia without visa illegally, because Georgia and Belarus have a visa-free agreement but Georgia and Russia do not. Majority of illegal transit migrants from CIS countries to the EU

are Chechens. More than twenty years after the first Chechen war, the Chechen diaspora in the EU has reached about 170 thousand people (Molodikova 2015). Kazakhs, Turkmen, Uzbeks, and Tajiks also try to pass through the Belorussian-European border. They come to Belorussia legally and try to illegally cross into Poland, Latvia, and Lithuania. The other big group of non-CIS illegal transit migrants is Vietnamese. In 2016, 369 people were apprehended in Latvia for illegally crossing the border, 250 of them were Vietnamese (TASS, 2017). Latvian border guards argued that the flow of Vietnamese has significantly decreased (GPK, 2017c). Nevertheless, the Belorussian border guard argues that Vietnamese are the majority among apprehended illegal migrants from Asia on their side. The number of people from Afghanistan, Pakistan, Bangladesh, Nepal, and Arab countries has increased. So, Latvia initiated the erection of fence with Russia.

4.3. Ukrainian crisis and new eastward transit migration

Since the beginning of the crisis in Ukraine in 2014, the role of Belarus as a transit corridor from Ukraine to Russia has grown dramatically. Changes in the relationship between Russia and Ukraine from good neighbours to confrontation complicated the movement across the Ukrainian-Russian border for both Ukrainians and Russians, especially with initiation of erection of 100km fence by Ukraine. Migrants nowadays often use transit through Belorussia to reach the other country (GPK 2017a). In 2017, the Ukraine received visa-free regime with the EU. This opportunity could capture the attention of smugglers and migrants from Asia and Africa to use way through Belorussia to the Ukraine and to the EU (GPK 2017 b).

4.4. Smuggling networks

International channels for the organization of illegal migration for citizens of Afghanistan, Sri Lanka, Pakistan, Vietnam and others, unite smugglers from the CIS countries (GPK 2017d). Some Chechens, Dagestanis, and Azerbaijanis settle down in Belorussia, creating their own infrastructure for smuggling compatriots to the West (Gazeta, 2015). Chechen criminal groups play a leading role in the smugglers networks across the Latvian-Russian border, according to the opinion of Latvian border guards (Eadaily, 2017). In 2016, the border guards of Latvia detained 31 Chechen smugglers (TASS 2017). They are mostly Russian citizens or have refugee status in the EU (GPK, 2017). Many of them participated in the North Caucasus wars and well prepared to hide themselves and group of illegal migrants in the forests (GPK, 2016a). Many forced migrants from non-CIS countries use strategy to obtain tourist visas to Russia, legally arrived in Moscow. Afterwards they go through Belorussia by minibuses and cars to the EU border and cross it illegally. The border strip is crossed usually by large groups. Further transportation of illegal transit migrants to Europe is carried out in smaller groups by cars or minibuses (Eadaily, 2017). The EU lifting visa regime with Georgia stopped illegal transit migration flows from Georgia through Belorussia to the EU. The last case of such apprehension was reflected by Belorussian border guards only in November 2016 (GPK, 2016b). In January 2017, the President of Belorussia simplified the entry rules to the country for citizens of eighty states, and Russia restored the border with Belorussia to control the migration flows of third-country nationals. Perhaps this decision will redirect transit through Belorussia to other countries (Sidorkova, 2017).

4.5. The southward transit migration route to ISIS

New flow on southward from CIS countries has emerged with creation of Islamic state (the forbidden in Russia). Islamic fighters for the Middle East are a new type of migration. Russia has a small but constantly bleeding flow of Islamic fighters, mainly from the North Caucasus region as a long history of underground Islamist resistance. Migrants from Central Asia are also sometimes recruited in Russia for Middle East activities as Russian officials claim. It is difficult

to estimate the real number of recruited fighters from Russia and CIS countries in Syria, but evaluation gives between 3,500 and 5,000 persons (Polyan, 2016). From Russia, they travel in ISIS mainly through Turkey and Azerbaijan (Molodikova, 2015).

5. CONCLUSION

Russia, like the Western countries, is imposing a security regime regarding its migration policy and has been developing a societal discourse on a potential criminal threat by migrants and especially illegal transit migrants. It is difficult to prove or discard Russian concerns, because official statistics are very fragmentary, suffer from low data reliability and unclear categorization. At present, according to the available information, the main factors that influence transit migration flows in the post-Soviet space and in Russia are as following:

5.1. Global factors

The geopolitical situation in the southern underbelly of Russia (Central Asia, Transcaucasia, Afghanistan, Arab countries, and the Middle East) stimulates the flow of forced migrants westward through Russia. Given the growing global number of forced migrants on the one hand and the lack of interest in Russia to provide protection to third-country nationals, other than CIS nationals, on the other hand, the transit illegal flow of asylum seekers through Russia and post-Soviet region towards the EU will continue. They are using new Polar route through Scandinavian countries and traditional routes- through Baltic states and CEE countries. So, the bordering EU countries should rely more on fences than on Schengen control system. Majority transit migrants use Belorussia as redistribution hub, following from Russia, where they often arrive as tourists. A large number of criminal groups are engaged in human smuggling. In the organization of illegal flows near by the EU border, the role of smugglers is often performed by CIS countries nationals, especially Chechens, who settled in Belarus, or received refugee status in the EU. The geography of origin of transit migrants to the direction of EU became more diverse: from traditional Afghans or Chechens to Ecuadorians, Moroccans and Syrians. The Vietnamese flow dominates among Asians. Military conflicts in the Middle East and the emergence of the Islamic State in some Arab countries stimulated new Southward route of transit migration from Russia by recruitment of radical believers from the North Caucasus, the other Muslim regions of Russia and Central Asia that go legally to Azerbaijan and Turkey and after illegally to Syria and Iraq.

5.2. Regional factors

Deteriorating relations between Russia and such fSU countries as Ukraine and Georgia increased Belorussian role as a transit redistributor of illegal migrant flows from, into, and through Russia for Ukrainian and Georgian nationals. But introduction of a free visa regime by EU for Ukraine and Georgia, and by Belorussia -for nationals of eighty countries from one side and the restoration by Russia border zone with Belarus in February 2017 from the other side has the potential to change the flow of transit migration in the region.

5.3. Internal affairs factors

Chechen asylum seekers from Russia to the EU continues unabated due to human rights violations in the republic, using the route through CEE and Baltic states. However, the Russian authorities do not hinder their departure.

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SIGNIFICANCE OF THE NEW TRENDS IN CONTEMPORARY ART AND THE TRANSFORMATION OF CULTURE INSTITUTIONS

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ABSTRACT

The authors of this thesis analyze the contents and trends in contemporary art that have radically changed over the past decades as well as those cultural institutions which provide social organization and self-representation of actual art. In their analysis the authors are trying to identify the observed synchronization between the processes that are taking place in artistic creation and the transformation of social culture institutions. During this analysis the authors are trying to formulate some hypotheses according to which the paradigm of modernity extends to the artistic life as well, including both: immanent meaning and its social representation.

Keywords: *Transformation, artistic sense, actual art, canonization, axiology, synergy, kalokagathia, institutions of art, the paradigm of modernity*

1. INTRODUCTION

The significance of studying the sense of new trends in fine art as well as cultural and institutional transformations is in many ways connected with the emerging new representative cultural practices and functions of culture institutions. These institutions replicate and spread such values whose main theme line in present times is the representation of destruction, decay and death, the cult of violence, sex, indifference, egoism, egocentrism, etc. Underestimating the complexity and danger of these processes, failing to resist them can initiate “involuntary consequences” (Giddens, 2013). It is clear that the fine arts cannot constantly develop according to a common universal scheme as they are inseparable from our history. Berdyaev N.A. wrote that “Each culture – after it had its heydays and refining – starts losing its creative power, its spirit gets distant and loses its drive, it disappears. All culture trends start changing. It is going towards the practical realization of power, the practical organization of the spirit towards its greater expansion on the territory of Earth” (Berdyaev, 1923). This is the consequence of mutual influence between fine arts and our society. The contemporary post-modern tendencies in the development of fine arts serve as a great example of such socio-cultural transformation and culture institutes, especially the institutions that represent it, museums in particular. The art started being present in the cyberspace in a multitude of its manifestations: virtual museums, virtual galleries, virtual workshops. Moreover, after the multimedia internet environment was created a unique interactive internet art emerged as well as the net literature. Thus the virtualization of fine art in the information and technological aspect happens as a kind of immersion in a universal electronic virtual environment which forms a new cultural reality.

As new trends in fine art we will consider those tendencies which are characterized primarily by their conceptual and reflective parameters regarding contemporary civilizational paradigm and to a lesser degree by temporal characteristics of emerging art works. The goal of our research is to find new sense in modifications of esthetic constants of contemporary fine art in the context of regularity of emerging new axiological landmarks. One of the central tasks of this article is to analyze the newest manifestations of the reflective function of fine art regarding the new social paradigm. Our main hypothesis is the thought about the modification of the

axiological characteristics of esthetics in accordance with the emerged new tasks dictated by our modern times. The importance of this research is also proven by how acute the social and political discussions are; such discussions go hand in hand with the dynamics of theory and practice of the contemporary fine art as well as traditional denial of the axiological content of the contemporary works of fine art at the level of everyday perception. Therefore, studying the cultural and institutional transformations is an acute problem in sociology.

2. METHODOLOGY

The methodological basis of research is represented by different aspects of contemporary fine art from the perspective of modern and post-modern discourse in sociological and philosophic context of known western scientists T. Adorno, V.V. Veidle, G. Diki, Ph. Gvattari, A. Zhilson, J. Ransier, P. Kozlowsky, U. Eco, G. Graham. The authors pay special attention to the hermeneutical approach including the hermeneutical interpretation of literary texts by E. Panofsky and H. Zedlmayr (Zedlmayr, 2000; Panofsky, 1999). The transformation analysis of social institutions of contemporary art under the influence of globalization and scientific and technological progress was based upon works of such representatives of sociological and culturological thought like M. Castells, J. Baudrillard, M. McLuhan, K. Hubner, B.M. Bernstein, T. Smith, P. Virilio, P. Weibel, K. Metz, A.V. Rykov, E.N. Shapinskaya and others. As part of the declared subject a considerable impact was made by program works of artists expressing ideological and esthetic attitudes of different trends in art of the modern and post-modern periods, such as works by K. Malevich, V. Kandinsky, P. Mondrian, J. Kosuth, A. Cockcroft, R. Krauss, Orlan. An important role in illustrating the multi-faceted aspects of the fine arts phenomenon was played by examples of contemporary artists' activities.

As our research technique we applied the combination of empirical analysis of the given research material with the theoretical understanding of the sociological and esthetic heritage regarding the role and function of art in all times.

3. RESULTS

3.1. "The End of Art"

The main goal of this research is to refute the thought about the "End of Art" which was expressed in mid- 1980-s by an American theoretician Arthur Danto (The End of Art) (Danto, 1998). We should note that Danto's conclusion was partly consistent as up to the beginning of the XX th century the esthetic conclusions were based on a 2.5-thousand-year old tradition of defining nature and expressing *esthetic qualities* according to which an esthetic approach to the world is aimed at the axiological analysis of our environment from the point of view of *beautiful, ideal, imitated, etc.* The situation in its basics has not changed since esthetics emerged as a philosophical discipline. We would like to note that in his multiple publications he absolutely did not diagnose the "death" of art as it is, but states the impossibility of its future conceptualization within the boundaries of former categories which dictated art practices a strictly defined, historically mandatory mode of existence. Besides the "end of art" according to Danto can be interpreted as lost opportunities of truly radical transformations which were not destined to happen.

A. Baumgarten, the founding father of esthetics as a philosophical discipline in the mid-18th century, as well as the classics of this philosophical discipline Kant and Hegel in their definitions of esthetics as the area of manifesting *the beautiful* anticipated Danto's judgment. Besides giving a specific definition for the object of judgment of esthetic content – the beautiful – the science of esthetics and art studies divided the history of artistic creation of the mankind into specific epochs according to the main ways, techniques, styles and visual attributes of portrayal. Each object of artistic creation was attributed to the field of art according to a certain

degree of possessing specific characteristics dictated by the given esthetic paradigm. In our opinion it is possible to claim that the social institutions of art, as an aggregate of social structures and public institutions which provided the framework for the development of fine art in those times were clearly corresponding to the defined forms of expression in artistic creation. Therefore, as per our first thesis, while preserving the artist's right of an absolute freedom in creation, the forms of self-expression were to a certain degree pre-defined. According to the laws of dialectics regarding form and substance the formal requirements towards a piece of art, which were determined by the social and artistic demands of a concrete epoch, in many ways influenced and sometimes even determined the semantic content and even the object of depiction. According to our second thesis – and here we will argue with lots of theoreticians of our epoch – based on the above we have the full right to state that art as it is on one hand is one of the most adequate forms of self-expression of a human being /as the great Hegel claimed/, but also, not to a lesser degree, it is an epistemological instrument of cognition of the depicted epoch. Works of art which were considered the greatest works of art often give us more information content about essential processes and perception of the world of a depicted epoch than any information of non-artistic character.

So, for example, in order to see in Rubens's "Bacchanal" a great work of art, when without understanding its context it might seem to a contemporary viewer as a shameless depiction of disgustingly obese bodies, it is necessary to have an understanding of many things at once. It is necessary to be familiar with the ancient myths, to understand the history of its iconography and the transformation of iconography from the Ancient Greek to the Ancient Roman one. It is necessary to understand the peripeteia of the development of art during the Renaissance era during which the conditions for turning to the pagan Bacchus and his mysteries were formed again. Finally, it is necessary to have an understanding of the way all of this finds its place in the catholic culture of Flanders in the XVII th century. Such work of art is created for an "initiated" viewer and remains to be unclear for an uninitiated one.

Based on the above we are arguing Danto's thesis about the end of art and are asking a question: what exactly could have caused a regular appearance of such expressions? The answer seems obvious to us: during the past hundred years we have experienced a notion of an absolute uncanonized state of artistic depiction which had never happened before. As a Hungarian scientist Istvan Magyari Beck put it: "the uncanonized state became the canon itself" (Magyari-Beck, 2007, pp.1-11).

We should add that the uncanonized state of the works of art that showed up during the last hundred years can be observed in both: substance and the form of depiction. The uncanonized state very often sees it as its task to completely oppose any set concepts of esthetics. During the past hundred years, approximately at the time of Marcel Duchamp's works and his active involvement in the esthetic discourse, the "actual art" got completely legitimized as a possibility of expressing the creativity of an artistic thought without borders and without limits and its personification in *any* form, to the extent of consciously and demonstratively shocking the recipient.

On the other hand, we would like to emphasize that the history of art knows lots of sad examples when those works of art that were not understood simply got destroyed as ugly, indecent or plain out useless. In this connection the problem of not understanding an individual work of art is important not only for a given period but for art in general. And this is not only a specific problem regarding art but one of the most important socio-philosophical problems of our times.

3.2. The transformation of culture institutions

Nowadays it often happens that the public is seeking in art not something new and not an original interpretation of eternal problems of existence but is looking for “traces” – those recognizable referrals to prototypical works and styles. Creating a work of art becomes a “project”, a complex of PR actions where all differences between advertisements and artistic practices in their traditional understanding are lost (Ivanov 2002). In addition an active development of unofficial cultural practices also takes place. It was proven that one cannot regard that world of unofficial cultural practices as some unimportant background as on one hand this is one of the mechanisms of social self-organization, a kind of a self-preserving “block” of a society, which concentrates in itself the richest experiences of a nation, on the other hand when a society is in a state of bifurcation the so called “super-tiny value effect” may happen, when a given practice which has a socially negative essence and possesses a destructive potential may be institutionalized. This may lead to increasing the risks of transformation and will have far-reaching consequences for the society (for example legalization of all kinds of shady institutions).

The art institutions go through modifications as well. This happens under the influence of other cultural institutions of mass communication such as television, radio and the internet. To a greater degree the downfall of these institutions is connected with the decrease in state financing, that is with the transition to market economy. Practice shows that only that institution can survive under such conditions which develops additional functions, for example starts offering their customers high level of services: information, consulting, recreational, hedonistic, etc. In the XX-XXI centuries alongside with the problems of commercialization a whole range of other problems emerges, those that are connected with the development of newest technologies based on which new types and forms of social culture institutions appear. In the past such institutions were, for example, sound libraries; nowadays these are virtual museums. As modern social practice shows us, the development of methods and technologies in the creation of art under the influence of scientific discoveries and globalization processes stimulated the development of the new representation layers in art: the traditional art represented reality, post-modern art represented ready representations of reality whereas contemporary art represents post-modern art, being the synthesis of art and innovative media technologies which shift the interest from the work of art itself towards the methods of its creation. The dominance of virtual temporal and topological presentation mode of contemporary art is presented as the result of dynamic interconnection of socio-cultural and technological processes in which every new representing reality formula loses its importance pretty fast which leads towards both: the intensification of the process of creating artifacts and the danger of evening out the sense of value in a work of art.

Spectator grounds keep growing. One of the new forms of global spatial organization is art-space represented by biennales which re-convey the modern cartography of art. Besides their cultural role biennales fulfill a political function by evaluating the ability of different art-stages to correspond to the global world criteria. The idea of biennale as a meeting place of different worlds – geographic, cultural and professional – can be viewed as a symptom of such global culture event which capitalizes the idea of intellectual exchange in order to create a certain brand value (Ten..., 2007, p.192). O. Vallenstien compares biennale with an intellectual meeting which marks the time, maps a specific constellation of ideas and unites different problems from local to global ones. Y. Bubnova regards biennale as a kind of a cultural agent, „because people who visit it want to learn more about the culture and art of the country, the city and its inhabitants” (Bubnova, 2013, p.14).

3.3. “On ruins of a museum”

There appeared concrete definitions, theoretical justifications and explanations of a massive vigorous introduction of Marcel Duchamp's creations which became a characteristic trend in the western world. The main attributes of the objects of the new art were characterized by contraposing some basic theoretic postulates to the preceding ones. The object of art/work of art is not “recognizable” anymore but “learnable”, not unique but replicable in any quantities; it can be *any* existing object, therefore the personality and the name of the author do not matter as anyone can be the author, the goal of the work of art is not to depict something ideal, beautiful, desirable, something sacred in a broad sense. Basically a work of art can be any object involved in an esthetic discourse, *anyone* can be a painter. As M. Lifshitz and L. Reingardt rightfully described it: “If you look at a tin can or a water faucet as a work of art because an artist separated these objects from their “usual context” and by that gave them their new meaning then it becomes absolutely clear that the conditional scale in this work of art is much broader than in any other object which was ever known as a painting or sculpture. Because the thing is in the act of separating which should be known to the initiated ones. The substance of a tin can as well as its appearance have not changed at all. In other words it is the context which was denied and by this raised to the power, it plays here an important role. The confederacy participants should know something as outside the limits of this psychological conditionality one tin presented by the artist is no different from another one which stands in a grocery store on a shelf (Lifshitz, Reingardt, 1968, p 169).

A bit later another criterion emerged, the value criterion expressed by the market value of the work of art, which – as it logically follows from everything we mentioned above – does not have anything in common with the esthetic evaluation criteria. A carrier of such values — and at the same time the guardian of the history of art – is a museum which used to be perceived as a universal “art space” whose history is built as a “continuous line from Altamira to Pollock”. Given the logic of such approach the art could change only from the outside, stylistically, but it inevitably reflected the ahistorical necessity of people to create artistic images.

Today the role and meaning of museums as institutions of artistic space is being transformed, it goes through a versatile and multifaceted process, accompanied by tension, retreats, reverse movements and even failures. So D. Crimp in his work “On ruins of a museum” shows that the practices of past years represented a critical response to the universalization of a museum and ideology of modernism and mark a radical break away from its logic (Crimp, 2015).

This problem is clearly defined in the works of the professor of political philosophy and social theory of Cornwell University Susan Back-Mors: „Museums have become axes of the city transformation and entertainment centers, they combine food, music, shopping and socialization with economic goals of the city's second birth. The success of a museum is determined by how many visitors it has. The experience of the museum is important – more important than the esthetic experience of the artists' work. It does not matter and can even be encouraged that the exhibits are a simple joke, that the fashion and art merge together, that museum shops transform experts into consumers. Therefore, we are talking about not the culture itself but about the forms of its presentation to people who, according to the rules of the market, should be regarded exclusively as consumers. The principals for such approach towards the functions of a cultural institution are the following: commercialization of culture, democratization and blurring of borders” (Back-Mors, 2006). The result of such “democratization” brought to the absolute of artistic creation became the expected thought about the end of art. But no one clarified that this was the end only for the monopoly of certain esthetic canons – even though they existed for millennia.

4. DISCUSSION - The use of modern/actual/ art.

On the basis of thoughts about art as the most adequate form of self-expression by a human being and about the epistemological role of art taken as an axiom, we should consider arguments in favor of the modern /actual/ art. As a rule, arguments should be based upon both: empirical and theoretical conclusions. Let's start with the theoretical base. We will suggest an original – in our opinion – thought which has never been formulated before. We completely agree with Hegel who considered art one of the most important forms of self-expression for people. Starting from ancient times we observe a human being as a creative artist (Szucs,.2013, p.104.).

The esthetic evaluation even of the simplest items of daily use can be demonstrated by everyday items of early men found during excavations. When we were doing research regarding the origin of an esthetically oriented approach we found a deep connection between the so called beautiful and practical. The connection between esthetics of a human being's creation with his instinct – and later with different cultural forms – of survival seems undeniable. The ontological connection and interdependence of a work of art/image with the depicted, even for a rather far distance, makes our speculation about the epistemological essence of art rather plausible. Works of art, especially those that are really important and great, via specific artistic means suggest and sometimes even directly tell us about the essence of the depicted event, about the perception of the world by a human of a given epoch, about his feelings and emotions, about the main unsolved problem of the given period of existence of a social system.

Especially great works of art always express the paradox of a human's existence, both in his deep-down feelings and his life within the social milieu. No one else but the artist himself will show us the essence of the condition of the society and a human being in it. By using his specific means an artist shows us the picture of the spirit of that epoch, that is those main tasks which are to be solved by that epoch on its historical path.

If we accepted the above arguments we will have no reason to talk about the end of art. The society is in complete shock just from what the majority of objects in the modern art are. Few people described it better than Baudrillard when he called the world – including its depictions – a simulacrum (Baudrillard J, 2015, p. 18). The created secondary reality in form of artistic creations of the past hundred years is radically different from all previous epochs. The artistic practice, supported by the esthetic theory described above, in its canon of an uncanonized state truly presents a new thing to us that we have not realized yet; this new thing shocks us more than pacifies us, puts forward more questions than gives answers and what is more important does not augur us a bright future based on the ideals of good and beautiful. Does that mean that this is not art anymore? Of course not.

According to our speculation this only means that in the kalokagathia system – according to the essential changes that happened in the world – the hierarchy of the three values has shifted and in the forefront of art instead of depicting something beautiful there came a necessity to depict the truth. To know the truth about the world that has radically changed at the present moment is more important than admiring the non-existing perspectives of a “bright future”. The modern art has undertaken – maybe sometimes without realizing it – a mission of warning in an esthetic form, which might even have a goal of shocking.

5. CONCLUSIONS

In case the suggested speculations are accepted we should evaluate the subject of modern art not on classic criteria, far from it, and in no case on our subjective esthetic taste. We should learn to rationally analyze the works of art and first of all see in them an epistemological

message which will help us to even more adequately understand our inner and social environments. Only in this case – with the help of intellect and an artist's intuition – will we be able to try to foresee the opening alternative of the future. In our opinion the main problem of the modern culture lies first of all not in esthetic but in social aspect. It appears as an impossibility of building an efficient counteraction between the attitudes of consumer individualism and socially meaningful values. And only through a rational understanding of the threats towards culture from the modern society there lies a way towards preserving the fruits of Enlightenment as opposed to the chaos of Consumption. Here, just to be fair, we should note that as far back as Plutarch times he said that the excess makes us happy and not only what we need.

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EVERYDAY PRACTICES OF MUSCOVITES

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ABSTRACT

Nowadays we can see many changes in the social and labor relations of the Muscovites in comparison to 1982. For example, number of citizens who believe that their work does not match their knowledge, skills and capacities increase in 1.6 times. The number of respondents who evaluate their relations with colleagues and supervisors as good decreased. The opportunities for the professional development and skills improvement on the job place have deteriorated, as a result, the level of job satisfaction has declined. Nevertheless, the number of Muscovites who believe that their work is well paid increased by one third. According to Muscovites self-esteem they are better fed, dressed and have opportunity for leisure. But the prospects for the education of children (grandchildren) become worse in 2016. In 1982 the majority of the respondents believed that these opportunities are good. Significant change happened in the system of values and attitudes. The hardworking, a responsible attitude to the job, responsiveness, sensitivity to others, honesty and attitude to the to success have become less important in the modern metropolis. According to Muscovites opinion, the increased the value of relations with the "important people" and self-care. Every fifth person believes that to reach success is important to be able to break law, morality, moral restraints, etc. About 13.7 % of people are ready to risk everything to become really rich, and an average level of income is not enough for them already. Every sixth resident of Moscow feels anxiety, fear, despair, hopelessness irritation, and every third person has never had a sense of confidence in the future life. A fifth of respondents are ready to migrate abroad for ever and one third are temporary under the conditions of housing and job provision.

Keywords: *Everyday practices, Muscovite, social and labor relations, work, values and attitudes, social well-being*

1. INTRODUCTION

In people's life, the daily occurrence takes a key role. It appears as the sphere of their first-hand experience. People find sense of the life in everyday life and builds up their relationships with others. Importance of the appeal to daily occurrence consists also in a research of those public changes which are generated by social contradictions and desire of ordinary people to live in harmonious society.

Influence of sociocultural, sociopolitical and economic transformations on everyday life and the human relations is undoubted. Therefore, a need of a research daily practices is relevant nowadays for the best understanding of a trajectory of the development of our society in the near future.

The theoretical and methodological basis of our research was based on structural, structurally functional approach, phenomenological sociology of A. Shyuts [18, 19], and the concept of social activism of P. Bourdieu [3, 4].

2. CHAPTER 1

Use of structural approach allows to reveal structure of everyday life; it is defined by empirical way, and is structured in the rational way. The structure consists of certain elements, which does not separate on smaller components any more. Elements of daily occurrence interact among themselves, elements are dynamic. And structurally functional approach is useful in this case. The main objective of this approach is in revealing elements of structure of daily occurrence, and based on the principle of "inclusion" of functions of its elements, to find characteristics of daily occurrence as certain dynamic process.

The vital world within phenomenological sociology is the comprehensive sphere of human experience, orientations and actions which helps people carry out the plans, settle the affairs and meet the desires, manipulating objects and communicating with other people. A fundamental problem of phenomenological sociology is the description of process of formation of the subjective social world, that is socially confirmed ways of its interpretation which is the cornerstone of social communication and sense. The daily occurrence appears as "the Supreme reality" as the person lives in daily occurrence, always inevitably come back to it. Analyzing properties of daily thinking and activity, A. Shyuts noticed the transition from first-hand personal experience of the individual to social as objective experience, that is finds out how everyday life becomes the field in which the social world is constructed. According to A. Shyuts, the daily occurrence is a sphere of human experience, and the special form of perception of the world is peculiar for this sphere, that is caused by work [15, 17].

P. Bourdieu looks for the third way in a research of social daily reality which would pass between structuralism and phenomenology. For achievement of this purpose of P. Bourdieu enters the concept "gabitus". The word "gabitus" comes from the Latin verb "habitus" – to have, to own, to borrow, to have on hand, to dispose of something. It also can mean tendency, tendency to certain actions, acts. Tendency to certain actions and acts of social agents and their ability to dispose of the available resources, both material, and mental, creates and structures their daily practices. They allow to social agents to be guided in social reality and to react adequately to vital problems. To create a gabitus, it is necessary to do a great job on socialization of the individual which consists in assimilation of the basic principles of behavior by him in certain life situations [4].

The ordered reality of everyday life is the result of activity of the person. The activity of the person helps it to overcome the negative factors of external influence, constraining his actions. At the same time, the activity can be the personal purposes creating or destroying, directed only to achievement or a combination personal and public. These representations emphasize the importance of one of the principles of our research – subjectively-active principle.

We understand as dynamics daily occurrence at the same time stabilization and change of the social environment, occurring under the influence of subjects of social activity. Such dynamics demands feedback between "external" (the social environment) and "internal" (subjects of social activity). Practice is a concept which gives more freedom to social agents of everyday life, individualizes actions of the subject and brings it out of influence of superstructures. Today the concept "practice" is used not singular, and in plural that demonstrates a variety, individualization and a subjectivation of daily occurrence.

The complete characteristic of dynamics of everyday life of individuals and the important instrument of studying of daily behavior of people and its forms is the conduct of life.

3. CHAPTER 2

The conduct of life as scientific research began to be developed actively by Soviet scientists in 70-80 years of the previous century [13, 17]. Theoretical interest in this perspective was dictated, on the one hand, "by failures of economic reforms, decrease in rates of economic development and need to overcome these problems within the existing system what required the forecast of change of a conduct of life; and on the other hand, transition to construction of the developed socialism, formation and development of a socialist conduct of life". Scientific researches and assumptions of scientists demanded empirical verification [10].

Within the research of dynamics daily occurrence of Muscovites, the methodical strategy of a research considering experience of 1982 and feature of social reality of 2016 includes the following:

- the analysis of documents of national statistics and publications of scientists with indicators of inclusiveness of Muscovites to the main spheres of activity of society (work, family, level of living conditions, leisure).
- poll of the population of Moscow which selection represents urban population of the capital aged from 18 years. 1500 people, men/women who are constantly living in Moscow are interviewed (the structured interview).

The theoretical and methodological bases of the sociological analysis of a conduct of life were formed in the Soviet Union by efforts of scientists I. V. Bestuzhev-Lada [2], Zh. T. Toshchenko [14], A. A. Vozmitel [5] and were also guided first of all by a Marxist paradigm of an explanation of social reality. As the main condition of emergence of diverse forms of activity of members of society the dominating way of production was considered.

By results of a research of dynamics of indicators daily the practices for the last 30 years, conclusions are drawn on change of orientation of activity of people, their acts and behavior, social activity. Results of our research show that the personal system of values, which formed on the basis of that system which dominates in this concrete society, led to change of ideas of residents of the capital of importance of these or those properties, qualities of the person necessary for achievement of success and wellbeing. If in 1982 the first 4 places were taken with considerably bigger density of answers: "Diligence, conscientious attitude to business" (66,6%), "Honesty, adherence to principles" (54,4%), "Responsiveness, keenness to other people" (48,1%) and "Education" (42,5%), in 2016 a set of properties was diversified and on the first place there was "Money" (2016 – 47%, in 1982 33%), further "Diligence, conscientious attitude to business" (42,0%), "Communications with the necessary people" (grew from 13,8% in 1982 to 41% in 2016), "Education" (40,0%), "Ability to adapt" (grew from 9,4% in 1982 to 36% in 2016).

The first indicator of level of social satisfaction of the population which is considered as one of the most important when determining social activity of the population and its relation to further development of the city is the financial position of the person and his family. It should be noted that now poverty and differentiation of income of Russians contain the high potential of social tension and social disintegration, destruction of positive links of generations. From statistical data, it is known that in Russia 14,6% of the population are among needy (at the same time it is necessary to remember from relativity of the poverty threshold established in Russia (living wage) - its low). The index of concentration of income or as it is called sometimes, "the index

of justice", in 2016 it was 0,399, and a ratio of the average salary of 10% of workers from the biggest and 10% of workers with the smallest salary (coefficient of funds) – 14,1 times [8]. As is well-known admissible the value of this indicator is considered up to 8-9 times.

Such situation is fraught with political instability in the country as it causes dissatisfaction with the situation in society for a lot of people, and political compromises between the wealthy people and the poors, as we know, are hard to achieve. In turn, the political instability increases risks of investment into national economy, frightens off potential investors and causes huge damage to the prospects of economic development of the country. Deterioration in conditions for education, spending vacation, chronic instability and uncertainty affects a conduct of life of Muscovites.

Basic change of priorities of social development, reduction of the social rights and guarantees, on the one hand, and growth of requirements to level and quality of life, with the other hand, takes from our point of view, to expected result – decrease in assessment of the way life goes in general.

The comparative analysis and assessment of changes of a conduct of life of Muscovites showed that the number of the Muscovites considering that work which they perform does not correspond to their knowledge, abilities and opportunities in 2016 in comparison with 1982 grew up by 1,6 times, and the difference between those who considers "Yes + generally yes" and " No + generally not " decreased by 21,6 percentage points (p.p)

It should be noted also that the modern economic realities connected, first of all, with the western sanctions contributed the share in process of change of the place and kind of work for rather big part of Muscovites. For 17,4% of residents of the capital, these changes were estimated "It was necessary to work more at the same conditions". Approximately every 17th got a new job, 7-12% worked in several places or took additional work on the main place. That is the intensity of work considerably grew at every fifth respondent.

In 1982 the number of the Muscovites believing that their work is paid insufficiently well was 16 p.p higher in comparison with 2016. And the difference between answers "Yes + generally yes" and "No + generally not" in 2016 gained positive value and grew by 10 %. In more categorical answers "No" and "Yes" the same tendency is traced. The number of those who believe that their work is paid insufficiently well was 17,8 p.p higher in comparison with 2016. And the difference between answers "Yes + generally yes" and "No + generally not" in 2016 grew by 4,3 p.p.

And the share of those who are satisfied with the work was higher in 1982. The difference between answers "Yes + generally yes" and "No + generally no" in 1982 was 43 % more. It can be explained with the fact that in the late eighties Muscovites worked in their specialty more often, the relations in collectives were more tolerant. By estimates of Muscovites the relation to work both in 1982 and in 2016 was approximately identical. 6 of 10 usually direct to the work all efforts. By estimates of Muscovites successfully handle with work both in 1982 and in 2016 approximately identical amount of people. 7 of 10 usually estimate their part as successful. By estimates of Muscovites 8 of 10 of their environment try to work better. Comparative assessment of answers to a question of conditions for professional development, professional growth at work demonstrates that in 1982 it was better. The difference between answers "Good" in 1982 and 2016 is 8,7 p.p. The relations with direct heads were more often estimated as "Good". Also, as well as relations with colleagues and fellow workers. 5 of 10

respondents consider that it is necessary to work for the country benefit, and not just for themselves. 6 of 10 Muscovites believe that if you will work hard all the time without having a rest, life will pass in vain. It is necessary to be able to enjoy pleasures that gives us life. And only 13,7% are ready to risk everything that they have to become really rich, they are not happy with common income.

Most of Muscovites are supporters of a reasonable combination of work and rest. At the same time, 4 of 10 had to take in the last 5 years any hard or unattractive work to ensure themselves (or their family) a worthy level of living, 2 of 10 had to take a risk (property, reputation, even their life), for the sake of receiving a large income. In the late eighties people lived in Moscow more poorly. There were more by 10 p.p those people, whose money was enough only for food and those who have enough money for daily expenses, but for purchase of clothes it was necessary to borrow or postpone. In 2016 there are 16,9% of Muscovites who obviously have not enough money for the most necessary: food and clothes. And another 40,4% of Muscovites have enough money for food and clothes, but purchase of the new refrigerator or TV already causes difficulties. And ensuring worthy payment on work, quality education and medicine for all citizens who needs them (69,6%) must become the main obligation of the state. In a situation of decrease of real income and purchasing ability of ordinary people and falling of their level of living against the of continuous growth in incomes of large business and families of influential officials, Muscovites (5 of 10 respondents) will look for ways of increase their own and (or) family income and 3 of 10 will vote on elections for the candidates representing the interests of ordinary people. Every seventh is ready to support the meetings, protests, etc. directed to the solution of pressing problems of ordinary people. Everyone eighth – will do nothing and still everyone 8 will try to leave Russia.

According to the majority, receive disproportionately more than they should to: representatives of large companies, heads of the ministries and departments, top managers of the large companies, producers, directors, film actors, representatives of show business. Earn unfairly a little: farmers and other workers of agricultural industry, doctors, teachers, teachers of Universities, scientists, working industrial enterprises. And fair payment on work is received: representatives of medium and small business, police prosecutors, investigators, judges, engineers, masters, chiefs of shops, services and their deputies, military personnel. The majority believes that excess of the highest income over the personal income of ordinary Muscovites is admissible can be no more than 20 times. Despite lower salaries in 1982 most of Muscovites estimated the material security as "good", and in 2016 as "satisfactory". Modern Muscovites on a self-assessment eat better, could buy better clothes. Twice more than it was in 1982 those who estimate the state of health as "good". Approximately equal number of respondents estimated and now estimates the housing conditions as "good". But as the housing conditions is "bad" in 1982, there were by three times more Muscovites than nowadays. In 1982, it was more on 6 p.p who estimated the relations in the family as good. And on 7,9 p.p more of those who estimated opportunities for spending vacation, holidays as satisfactory. Opportunities for carrying out free time are more highly appreciated by modern Muscovites. In 2016 noted "well" every second, and in 1982 only every third. In 1982 was more respondents who estimated opportunities for definition of children (grandsons) at day nursery, a garden as bad on 5,3 % and 8,1 % less as satisfactory. And possibilities for training, education of children (grandsons) are worse estimated in 2016. In 1982 the vast majority considered that these opportunities at them good, in their 2016 it became 40 p.p less. In assessment of progress of relatives, the majority in 1982 chose a position "well", in 2016 – it is "good". In assessment of the life the percentage of those who estimate that it develops well grew up on 10 p.p. The relative majority believes that they have good vital prospects.

If in 1982 honesty and adherence to principles “it is very important” were considered by 52,4%, then in 2016 only by 21,7%. Every fifth respondent considers that it is important for achievement of success to be able to break: law, morals, moral limiters, etc. In comparison with 1982 the number of those who are sure in future was reduced twice. And respondents have feelings of confidence in tomorrow very seldom, and every third respondent never feels it. Every sixth often has feeling of injustice of everything that happens around, every third has feeling of alarms for safety and the future of children, every second has feeling of vulnerability to discretion of officials, employees of law enforcement agencies and closely related businessmen.

Practically every second often has feelings of hatred to those groups and individuals who made life in the country what it is today and still every third of responders (38,6%) – sometimes has feelings like that. The fifth part of respondents, on condition of provision of housing and a guarantee of work, could leave the country forever, and a third for a short period of time. Dominating there is the Soviet principle – everyone gets a job. The USSR is estimated by the majority as based on collectivism (8 of 10), strong (7 of 10), independent (7 of 10), helping to the citizens (6 of 10), safe for the citizens, fair (5 of 10). Muscovites hope that Russia will return the former characteristics, but with a democratic (5 of 10) and legal (5-from 10) characteristics. The relative majority of Muscovites believes that for reduction in Russia of an abyss between wealthy men and financial situation of most of their compatriots and more equitable distribution of a national wealth it is necessary to use an ascending scale of the taxation to withdraw a part of money from the rich and to aim them at the development of national education, science, culture and also to the aid of the people not capable of to provide themselves (33,7%) and it is necessary to return in the property of the state the highly profitable enterprises for oil extraction, gas, gemstones and metals, air and railway transport, etc. (30,1%) Those who believe that the ordinary person can really assert the legitimate rights before local or regional officials is 10,5 p.p less. In the answer to the question "And what in your opinion such people as You can perform to make Your life and life of the People Surrounding you became better?" most of responders considers that it is necessary to take personal responsibility for providing worthy life to yourself and other people. And for this purpose, people must not to bribe, to protest against an arbitrariness and inaction of the authorities, to organize meetings, pickets, etc. if it is required – to go on barricades, and to change life to the best all of us have to work better. Opinions of Muscovites are diversified. No more than a quarter of respondents adheres to each of the offered alternatives. But in this row the first three places are taken by answers "Suitable political system for Russia is still not found", "Soviet, but in much more democratic option" and "The socio-political system of today's Russia".

4. CONCLUSION

In answers to the question "In whose interests, in Your opinion, does the Power in modern Russia works?" the most popular opinion is: "The power serves, as a rule, only the interests of ruling class" ("give everything that you can your social circle - for the others there is a law"). The relative majority of Muscovites is considered that the rich and very wealthy men holding high posts in power structures cannot work for the benefit of ordinary people as the interests of wealthy and ordinary people in Russia are opposite. Opinions of Muscovites on the main sense of modern staff of government institutions were divided approximately equally: protection of interests of the department, professional community, clan, etc., protection of interests of ordinary citizens of Russia, receiving the maximum personal income. Thus, the presented research shows clearly that the future of Russia, success of innovative development of the country are closely connected with results of activity of the government and civil society on formation of the harmonious and stable social relations in society.

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MATHEMATICAL SUPPORT FOR EFFICIENCY MONITORING OF THE HEALTH CARE SUBSYSTEM AT THE REGIONAL LEVEL

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ABSTRACT

Effective management of a health care system involves comparative analysis of the efficiency of its subsystems at various levels of their organization. In this paper, the authors propose their own original methodology for rating regions upon various efficiency components using fuzzy clustering procedures. Analysis of the regional health care subsystems efficiency is based on the Donabedian's three-dimensional approach: structure – process of health care delivery – outcome of health care delivery. We propose a system of statistical efficiency indicators for each of the efficiency category. We have developed a formalized methodology to rate regions upon the main categories of the health care subsystem efficiency. The method includes preliminary graphical analysis of the efficiency indicators through the principal components method for dimensional reduction of the original attribute space, clustering regions into typological groups according to the level of efficiency based on fuzzy clustering procedures, as well as calculation of integrated efficiency indicators for subsystems. Particular attention is paid to the problems of selecting the partition to initiate fuzzy clustering and the appropriate fuzzy typology. In particular, we propose to estimate the adequacy of fuzzy partitions based on the Xie-Beni index. The proposed method has been verified on real data. Thus, it was used to rate and set up typologies of the constituent units of the Central Federal District in the Russian Federation upon various components of the health care subsystems efficiency, to conduct comparative analysis of the regional subsystems performance, and to identify "leading regions" and "outsider regions" according to groups of efficiency indicators. This method is primarily intended for state and municipal authorities, since the results obtained should serve as guidelines for the development of a policy aimed at improving health care efficiency.

Keywords: *Monitoring, health care system, efficiency, typology, rating*

1. INTRODUCTION

The most important social task of any government is to provide the population with affordable and high-quality medical care. Under current conditions, in which the Russian health care system is developing, the systems differ significantly in the availability of funding and resources. Thus, one of the key issues of managing the health care system at the state and municipal levels is to evaluate the efficiency and performance of its subsystems. Solving this problem includes the development of a methodology for comparative analysis of the efficiency of health care subsystems at various levels of their organization.

Russian specialists in health economics offer various systems of criteria and methods for efficiency evaluation of health care subsystems (Andreeva, Belova, 2010; Batievskaya, 2010; Glinsky, Tretyakova, Skripkina, 2012; Kakorina, 2011; Korablev, 2015; Kudelina, Eremina, 2016; Starodubov, Son, Leonov, Sterlikov, 2010; Stepanov, Golovschinsky, 2011; Tikhomirova, 2012; Ulumbekova, 2010). The key step in the implementation of the methods developed by the authors of this paper are the calculation of performance indicators, rating the country's constituent units (CUs) or typologies of subsystems by the level of their efficiency. The typology of health care subsystems is formed by means of cluster, quartile, discriminant and factor analysis (Glinsky, Tretyakova, Skripkina, 2012; Starodubov, Son, Leonov, Sterlikov, Gazheva, Shebaev, 2013; Tikhomirova, 2012), with cluster analysis being the most common tool in the research. Practical experience suggests that cluster analysis provides satisfactory results suitable for meaningful interpretation only in case of high homogeneity of sample observations. Otherwise, it is problematic to evaluate the quality of the obtained partition of the CUs into typological groups and select the optimal typology.

Russian academic literature pays little attention to the problem of selecting a rationale for the number of partition groups for cluster analysis. The most common are the two following approaches. If methods of hierarchical clustering are used, then the obtained dendrogram is analyzed and the formed groups are given meaningful interpretation to. If non-hierarchical methods of cluster analysis are used, then the number of partition groups is set in advance based on some assumptions. In particular, the simplest case is when "outsiders" and "leaders" are determined. In this paper, the authors propose a methodology for building typologies and rating of the Russian Federation CUs in terms of the efficiency level of health care systems, including the implementation of procedures for selecting the optimal typology.

2. METHODS

Let's now consider the methodology of building the typology of regions with the use of fuzzy clustering procedures. Efficiency evaluation of regional health care subsystems is based on the well-known Donabedian's three-dimensional approach: structure – process – outcome. Thus, "the structure of health care system", "the process of health care delivery" and "the outcome of health care delivery" are considered as the fundamental synthetic categories of the health care efficiency. The term "synthetic categories" is used in the paper (Ayvazyan, 2003, p. 33) as applied to the problem of assessing the life quality of the population.

Within the framework of the three-dimensional approach, we shall understand the overall efficiency of the regional health care systems as a correlation between the medical and social outcomes of health care delivery, the structure of the system as the context in which care is delivered, as well as the processes of health care delivery.

The proposed methodology for monitoring the efficiency of regional subsystems includes the following stages:

1. Developing a hierarchical structure of synthetic categories and specific criteria to evaluate efficiency of regional health care subsystems. A list of specific criteria should be formulated for each synthetic category. Funding, staff and beds can serve as specific criteria for the synthetic category of "structure". For the "process" synthetic category, we can single out specific criteria characterizing the activities of outpatient clinics, hospitals and emergency medical service. Specific criteria for the "outcome" of health care delivery are the rates of morbidity, mortality and disability. To evaluate the efficiency of health care subsystems, the authors propose to use fuzzy clustering analysis procedures, so the specific criteria for each of the three synthetic categories should be represented by a set of statistical indicators.

2. Primary statistical processing of data and the formation of matrix-attributes of clustering objects (Paklin, Oreshkov, 2010, p. 167). Each clustering object R_i is defined by values vectors X_i of statistical indicators for each specific criterion of the synthetic category. At this stage, the key task is to standardize and unify the source data. The unifying transformation should be selected taking into account the direct or inverse effect of the indicator on efficiency.

3. Graphical analysis of the data structure. To perform a graphical analysis of sample data, the authors propose to use the method of dimensional reduction of the attribute space – the method of principal components (Ayvazyan et al., 1989, p. 334). This is a preparatory stage for typology construction. Graphical analysis is aimed at detecting "discordant" observations in the initial collection, determining the "optimal" number of groups of the desired partition and the selection of the method for building a typology and its parameters.

4. Implementation of fuzzy clustering analysis procedures for the aggregate of statistical indicators of a specific criterion (Everitt, Landau, Leese, Stahl, 2011; Gan, Ma, Wu, 2007; Theodoridis, Koutroumbas, 2009). The input parameters for clustering algorithms are the number of clusters, the metric and the stop criterion. The number of clusters and their centroids should be set based on the results of the graphical analysis of the data structure. As a result of the implementation of the fuzzy clustering procedures, each clustering object is assigned a set of membership functions $\mu_{C_k}(R_i)$ for the object in clusters C_k . If sort the clusters by quality "from best to worst", then for each object R_i can be obtained an ordered vector of the function values $\langle \mu_{C_1}(R_i), \mu_{C_2}(R_i), \dots, \mu_{C_K}(R_i) \rangle$.

5. Quality analysis of the constructed fuzzy partitions and the selection of the optimal regional typology. At this stage, it is necessary to validate the "optimal" number of partition groups. In the present study, in order to determine the "optimal" number of partition groups the authors propose to use functional analysis of the partition quality and the specially developed Xie-Beni index (Xie, Beni, 1991), in addition to the preliminary graphical analysis. Xie-Beni index allows to evaluate the adequacy of the partitioning of the original set of objects and is calculated by the formula:

$$S = \frac{\sum_{k=1}^K \sum_{i=1}^n \mu_{ki}^2 \|V_k - X_i\|^2}{n \min_{1 \leq l \neq j \leq K} \|V_l - V_j\|^2}, \quad (1)$$

where μ_{ki} = membership functions of i object belonging to k cluster; X_i = the coordinate vector of i object; V_k = the coordinate vector of the centroid in the k cluster; $\|\cdot\|$ = Euclidean norm; K = the number of clusters; n = the number of objects.

The optimal partition is the partition that corresponds to the minimum value of this index.

6. Rating the CUs in terms of the efficiency level of health care subsystems. The rating is determined based on the values of the integral indicator. Integral indicator $\rho(R_i)$ of a CU R_i by the level of efficiency is calculated as:

$$\rho(R_i) = \sum_{j=1}^K \frac{K - (j - 1)}{K} \cdot \mu_{C_k}(R_i), \quad (2)$$

Thus, for each CU, integral indicators $\rho(R_i)$ can be obtained to evaluate the level of efficiency by the component under consideration, $\rho(R_i) \in (1/K; 1]$. The obtained integral indicators $\rho(R_i)$ enable to rank the CUs and set the rating $\tilde{\rho}(R_i)$ of the constituent unit R_i in the general list. The lower the overall rating of the CU is, the higher the efficiency of the health care subsystem.

3. RESULTS

The empirical results of the efficiency monitoring of health care subsystems on the example of the constituent units in the Central Federal District (CFD) are as follows. The objects of clustering were 21 CUs: 17 CUs in the CFD, a reference CU with average values for the CFD, a "leading CU", an "outsider CU" and a CU with average values for the RF. As compared to the paper by the same authors (Russkikh, Sirotkina, Tinyakova, 2015), two more CUs have been introduced: a "leading CU" and an "outsider CU". To analyze the resourcing in view of the information base and the tasks set, the joint specific criterion of "staff and beds" was chosen. The activities of health care facilities were considered a specific criterion of the "process" synthetic category, while "morbidity" and "mortality" were specific criteria of the "outcome" category. The information base in this study was a sample of observations of indicators as of year 2015.

Let's consider in detail the results of ranking the regional subsystems of public health care on the example of resourcing indicators. The statistical indicators of a specific criterion were selected as follows:

- hospital beds per 10,000 people;
- hospital beds in day patient departments of outpatient clinics per 10,000 people;
- density of doctors per 10,000 people;
- density of primary care pediatricians per 10,000 children;
- density of primary care physicians per 10,000 adults;
- density of nurses per 10,000 people.

After unifying the values of indicators through the principal components method, the projections of the objects of the original attribute space are constructed into the space of the first three principal components.

According to the results obtained, we can conclude:

- in the initial set of objects there is no clear division of objects into groups;
- it is preferable to divide the set of objects into 3–5 groups.

To build the typology, the authors used the fuzzy k -means algorithm. It is known that the input parameters of the fuzzy k -means algorithm are the number of partition groups and the initial approximation of centroids. The authors carried out the procedure for the objects partition according to the fuzzy k -means algorithm into 2, 3, 4, 5, 6 clusters in the Maple 15 computing software. As a criterion for the quality of the partition, we used the weighted sum of the squared distances of objects to the cluster centers.

To determine the preferable number of partition groups, we propose to use functional analysis of the fuzzy partition quality and the Xie-Beni index. Table 1 shows the values of the quality functional and the index for 2, 3, 4, 5, 6 clusters.

Table 1: Values of Fuzzy Partition Quality Functional and Xie-Beni Index

No. of clusters	Values of the Fuzzy Partition Quality Functional	Xie-Beni Index Values
2	5.22	1,38
3	3.43	0,96
4	2.50	5,75
5	1.94	1,89
6	1,57	4,78

The greatest increase in the quality functional and the minimum value of the Xie-Beni index is achieved with 3 clusters. Consequently, in accordance with the calculations, the optimal number of partition groups is 3. Analysis of the values of statistical indicators for the aggregate of three obtained clusters allowed us to form typological groups using a linguistic scale:

1. Typological group 1 (Cluster 1) – constituent units with the above average level of resourcing;
2. Typological group 2 (Cluster 2) – CUs with the average level of resourcing;
3. Typological group 3 (Cluster 3) – CUs with the below average level of resourcing.

The results of fuzzy partitioning of CUs according to the level of resourcing for the three clusters are given in Table 2. The membership of an object in the cluster was determined by the largest value of the membership function.

Table 2: Results of Fuzzy Partitioning of CUs in the CFD according to the Resourcing Level of Health Care Systems as of 2015

Clustering Object	Largest Value of the Membership Function	Cluster No.
Russian Federation	0.70	2
Belgorod Region	0.44	2
Bryansk Region	0.43	2
Vladimir Region	0.80	3
Voronezh Region	0.42	2
Ivanovo Region	0.59	1
Kaluga Region	0.75	3
Kostroma Region	0.39	2
Kursk Region	0.51	2
Lipetsk Region	0.47	2
Moscow Region	0.66	3
Orel Region	0.40	2
Ryazan Region	0.45	1
Smolensk Region	0.44	2
Tambov Region	0.42	2
Tver Region	0.45	2
Tula Region	0.52	3
Yaroslavl Region	0.55	1
Reference CU	0.93	2
Leading CU	0.58	3
Outsider CU	0.56	1

The obtained optimal fuzzy partitioning allowed to build ratings of CUs in the CFD by the level of resourcing. Similarly, the partition optimality was analyzed and ratings were built for the categories of "process" and "outcome" based on the selected system of statistical indicators.

The following served as statistical indicators of "the activities of health care facilities" specific criterion:

- average bed occupancy per year;
- average length of hospital stay per year;
- bed turnover;
- mortality;
- average number of visits to an outpatient clinic per capita per year;
- proportion of emergency team visits with the arrival time of less than 20 minutes from the time of the call.

Statistical indicators of the specific criteria "morbidity" and "mortality" included both absolute and relative indicators. Absolute indicators include: total morbidity, mortality per 100,000 of the total population; morbidity, mortality of the child population; morbidity rates of malignant tumors, circulatory diseases, mortality from malignant tumors and circulatory diseases. Relative indicators include regional rates of morbidity and mortality of the population in relation to the previous year.

Table 3 shows the obtained ratings of the CUs as of 2015 for all the specific criteria. It should be noted that for each specific criterion the optimal number of clusters is 3.

Table 3: Ratings of CUs in the CFD by the Main Specific Criteria of Health Care Subsystems Efficiency as of 2015

Clustering Object	Rating			
	Structure	Process of health care delivery	Outcome of health care delivery	
			Morbidity	Mortality
Belgorod Region	4	3	6	5
Bryansk Region	9	5	8	17
Vladimir Region	18	8	15	12
Voronezh Region	11	4	4	1
Ivanovo Region	1	9	13	4
Kaluga Region	17	6	6	13
Kostroma Region	8	10	12	15
Kursk Region	7	11	2	7
Lipetsk Region	12	2	1	6
Moscow Region	16	13	5	3
Orel Region	5	15	17	18
Ryazan Region	3	7	10	10
Smolensk Region	6	14	3	11
Tambov Region	14	1	7	2
Tver Region	13	17	16	16
Tula Region	15	16	9	14
Yaroslavl Region	2	12	14	8
Reference CU	10	10	11	9

4. DISCUSSION

The results obtained through the ratings allow to conclude that the levels of efficiency of the regions vary a lot upon different components. We will analyze the efficiency on the example of certain regions in the context of three components of overall efficiency: resource efficiency, efficiency of health care delivery, and medical and social efficiency. In 2015, Belgorod region occupied quite a stable positive position by all the specific criteria and components of efficiency (ratings of the region were from 3 to 6). Belgorod region can be called a leading region. To develop interventions at the regional level aimed to reduce morbidity and mortality, it is

necessary to monitor the efficiency from the perspective of certain classes of diseases. Vladimir, Tver, Tula, Bryansk, Kostroma, Orel and Yaroslavl regions belong to the group of outsider regions, since they have low levels of medical and social efficiency. Vladimir, Tver and Yaroslavl regions are characterized by a low level of resourcing. Health care policy of municipal authorities in these regions should, first of all, be aimed at increasing the level of system resourcing. Orel region, being the 5th in the rating of resourcing for this group of indicators, only occupies the last position in the rating of the CUs in the CFD by medical and social efficiency. At the same time, despite the high rating in resourcing, Orel region is characterized by an extremely low level of density of primary care pediatricians. Health care delivery process in Orel region is also highly inefficient. Such regions as Voronezh and Tambov regions with medium and low resource availability are, on the contrary, highly rated by the levels of health care delivery and medical and social efficiency. This indicates a high level of overall efficiency of the regional health care systems. Moscow region, unlike Voronezh and Tambov regions, has a low level of efficiency in the health care delivery process. In 2015, Moscow region was characterized by high figures of the average length of hospital stay per year compared to a low number of visits to outpatient clinics, as well as a high rate of mortality. At the same time, Moscow region has a high level of medical and social efficiency.

5. CONCLUSION

As part of the development of the methodology for monitoring the efficiency of health care subsystems outlined in the paper (Russkikh, Sirotkina, Tinyakova, 2015), the authors of this paper propose to analyze the overall efficiency in terms of three components: resource efficiency, efficiency of health care delivery, and medical and social efficiency. Particular attention within the framework of the developed methodology of forming the rating is given to the problem of selecting the optimal typology. The approach to the selection of the optimal typology proposed in the paper can be considered as one of the possible options for an optimal fuzzy partition in constructing a typology of regions. As a result of the study, the authors have formed typologies and ratings of CUs of the CFD upon various specific criteria based on a set of selective observations of statistical indicators as of 2015. The paper presents a comparative analysis of the overall efficiency of subsystems that identifies "leading regions" and "outsider regions". The obtained empirical results show that this original methodology can be used by the state and municipal authorities for efficiency monitoring in order to develop a health care package aimed at improving the system efficiency. We see analysis of the regional health care systems efficiency trends over time as a promising task of great practical importance, that can help to draw out recommendations for the selection of the best strategy of the health care system development.

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FORMATION OF QUANTITATIVE EVALUATION METHODS OF INSTITUTIONAL LABOR PRODUCTIVITY ON THE EXAMPLE OF ENTERPRISES OF CLEANING MARKET IN RUSSIA AND POLAND

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ABSTRACT

The article explores economic processes in the framework of institutional theory, penetrating into the subject area of labor economics. The aim of this work is to introduce a new institutional approach to the interpretation of the concept of labor productivity and quantitative methods of its measurement. The original research of the market has been carried out using the methodology for the field of personal services. The results of the quantitative analysis are used by business entities in order to improve intra-firm routines and rules of business organization and to increase the competitiveness of enterprises. Quantitative assessment of institutional labor productivity has not been undertaken in economic literature so far and turns out to be new. The article presents research areas for young scientists which will allow expanding the market of cleaning services.

Keywords: *Evaluation, Labor, Productivity*

1. INTRODUCTION

The importance of productivity of various assets including labor productivity in the increase of the standard of well-being of society is a universally recognized factor at the present stage of the development of humanity. However, in the home practice of reforming economy the ultimate goal of transformational actions turned out to be profitability or maximizing profit. As a result reformers have lost control over the correspondence of structure, quality and price of production with the solvent opportunities of the bulk of consumers, their mental aims and customs; and such indicators as ethnometry, labor productivity, development of institutional environment and some others remained unclaimed at administrative decision-making. Now the gravity of such a situation begins to be realized not only by scientists, but also by representatives of state authorities in management and business. The Government of the Russian Federation¹ made arrangements concerning the plan of measures on ensuring increase in labor productivity, creation and modernization of highly productive jobs, measures to correct the situation in this strategically important for economy area². Within this direction, according to the authors, it is necessary to set the following tasks: to carry out a wide range of scientific research, to develop new materials of methodological character containing the corresponding approaches to the management of labor productivity, to provide the use of new methodological tools necessary

¹ The Government of the Russian Federation, direction №1250-p, from 9.07.2014.

² Among them, scientific-methodical and normative-reference support of activities to increase labor productivity.

for the realization of innovative approaches in this field of knowledge, to create the relevant normative-reference base. In modern research the increase in labor productivity is connected with the process of thrift, i.e. with the reduction in general costs of living and last labor per a unit of commodity, and not just living labor (Kalyuzhny V.V. 2006). However, the similar interpretation of the problem is only the statement of a low degree of its solution. Despite a broad coverage of problems of measuring labor productivity, they need further development. Such a statement of the question is caused by the fact that many theoretical aspects of this perspective are treated by various authors eclectically and don't meet modern requirements of economic science, and institutional interpretation of this perspective isn't presented in economic research or considers these questions fragmentary. New conditions of social and economic development of post-industrial society demand the corresponding reflection of new economic trends which are neo-institutionalism and new institutional economic theory (NIET) in the theory of economics of labor (Blaug 2004, Chernovalov A.V., Solodukha P.V., Chernovalov P.V. 2016).

Deep analysis of the problems related to labor productivity in the modern world is impossible without the development of new approaches to understanding its nature, genesis, correlations with other characteristics of economic activity. Only such a complex examination of labor productivity, in the author's opinion, allows defining its real value for functioning of organizational and economic systems, methods of quantitative expression (Chernovalov A.V., Solodukha P.V., Chernovalov P.A. 2017).

2. RESEARCH TECHNIQUE

It is impossible to apply only neoclassical methodological support while examining processes of economic changes. Within the framework of the diversity of the economic subject of research it is quite possible to single out an elementary economic event which is on the one hand the main information medium about the previous history of such changes and on the other hand is their driving force. By analogy with the concept "genes" in the course of biological evolution R. Nelson and S. Winter introduced the concept "routine" into the economic circulation for these purposes (Chernovalov A.V., Solodukha P.V., Chernovalov P.V. 2017). In the previous works by the authors it was marked that economists originally considered the concept "labor" as a specific commodity or as a production activity of the person which was characteristic of classical and neoclassical approaches in labor economy (Chernovalov A.V., Solodukha P.V., Chernovalov P.V. 2017). The Marxist stand focuses attention on certain relations between its participants, at the same time it was emphasized that labor was of dual nature. From the point of view of institutional approach in labor economy, routines can become the initial element of the analysis of the nature of labor activity within the firm. So, if institutes set rules of the game in the economy of the state, then routines are rules of realization of labor operations in the firm.

2.1. Labor productivity as a social phenomenon

Labor productivity is a productive force of labor measured on the understanding that the intensity of labor is at the average level. Thus, it is defined by the level of productive force and the degree of intensity of labor. If the intensity of labor is at the average level and doesn't change, then labor productivity = the productive force of labor. The degree of labor productivity is defined by the amount of products received per unit of time. Therefore labor productivity can also be called labor efficiency. Labor efficiency depends both on the productive force of labor and intensity of labor. The productive force of labor depends on the conditions of production when the same amount of labor during the given time can produce a bigger or a smaller quantity of the product. But the productive force of labor doesn't depend on its intensity, it is defined by various circumstances: the average degree of the worker's skill, his human capital, the level of

development of science and the extent of its technological application, public combination of production process, social capital, sizes and efficiency of means of production, environment. Western economists³ consider this problem a little bit differently, they have a tendency to measure the efficiency of factors of production (capital, labor, materials, energy and outside service and also cumulative (multifactorial) productivity of the selected groups of factors. Actually the speech is about the measurement of fruitfulness of factors which don't have to do with the measurement of labor productivity, but characterize only a ratio between physical streams of factors and products at the input and output of the production system. Thus, Soviet economists as well as western scientists agree that "labor productivity turns into productivity of labor factors" (Kalyuzhny V.V. 2006), which leads the measurement of labor productivity to the methodological deadlock. Nevertheless, western scientists had attempts to end the deadlock by calculating the indicator, the numerator of which included production output, and the denominator – all costs of production, and not just expenses of living labor. N.A. Gorelov insists that if the creative energy of the personality "is drawn" from social environment, then its consumption or generation to ensure manufacturing the specified product with the required labor productivity is a complex function of conditions of social environment (institutional environment or intra-corporate way of regulation within the offered research) which depends on the level of development of culture, science, morals, morality, etc. (Gorelov N. 2007). Thus, labor productivity defining intensity of transformation of the environment into the objective world depends both on the degree of differentiation of creative energy between the certain performers (which is realized on the basis of action of a set of standard and search "routines", defining elasticity of institutional innovations to the intra-corporate way of regulation quantitatively) and on its subsequent corporate integration. Thus, among economists there appears more and more distinctly an understanding of this phenomenon as a social phenomenon and attempts to connect labor productivity with such concepts as human and social capital (Elster Yu., 1993). "Human capital represents a possibility of creating more and more perfect civilized space based on social communications, values connected with the feeling of usefulness for other people, belonging to various groups, creation of new values, to put it briefly, creation of culture" (Bialon L. 2002). Elements of this culture are material and non-material riches, examples of behavior, traditions, habits and the corresponding social institutes. In other words, the concept of labor productivity based on a certain level of human capital in its social status is typically given institutional characteristics which, in a consequence, have a significant effect on characteristics of the institutional environment of each state (Table 1):

Table 1: Formalization of the concept of human capital from the point of view of the impact on labor productivity (Chernoalov A.V., Solodukha P.V., Chernoalov P.V., 2017, p.61)

Index	Name	How the factor influences	Why the factor influences
h _i	Human capital	Increase in the level of education	Increase in the level of management of innovations, high efficiency of labor
		Increase in qualification level	Increase in the level of control of devices, high efficiency of labor
		Promotion of health	
			Higher intensity and productivity of labor

Thus, developing cause and effect relationships of these concepts, it is necessary to provide quantitative methods of calculating both human capital and labor productivity within the framework of institutional principles of economic research.

³ Among western researchers it is necessary to mark out G. Emerson who introduced the concept of productivity in the science of production management. (Kalyuzhny V.V. 2006).

2.2. Quantitative assessment of human capital

The problem of quantitative assessment of human capital in scientific research has not been solved definitely so far, and methods of calculation of its cost are quite various (Miciuła I., Miciuła K., 2015). However, wide accessibility to different databases and development of mathematical tools in economics have a positive impact on more and more perfect methods of assessment of human capital. At present it is possible to single out two basic approaches to the solution of the problem of calculation of this index (Miciuła I., Miciuła K., 2015):

1. cost ones (E. Engel, T.W. Schultz) are based on counting all costs associated with investments into the person;
2. profitable ones (W. Petty, R. Nicholson, J.M. Clark, D. Lorgenson) are based on counting the current cost of the flow of income from the studied asset.

However, labor-output ratio and ambiguity of results of measurements with the application of the specified methods or lack of the relevant data and not high practical importance of these results have caused the necessity of search for other methods of assessment which has led, for example, to the emergence of methods based on the use of indexes designed on the parameters of education, demography and some data characterizing labor market of the particular country. Considering the previous methodological developments of the authors using index technologies of estimates, this method is believed to be the most productive. Index method of calculating the cost of human capital (Miciuła I., Miciuła K., 2015) was offered by C. Mulligan and X. Sala-i-Martin (1995). It is based on the approximation of human capital by means of the indicator resulting from the division of the average salary in the given country on the average income of the unskilled employee. Thus, the authors offered the technique which allows limiting the influence of technical and technological factors on the final result. The following formula was offered:

$$h_i(t) = \frac{\int w_i(t, s) \eta_i(t, s)}{w_i(t, 0)}$$

where:

$w_i(t, s)$ – salary of the employee advancing in skill during s years in i -state,

$\eta_i(t, s)$ – specific weight of specialists advancing in skill during s years in i -state,

$w_i(t, 0)$ – salary of the unskilled employee in i -state.

In practical calculations, depending on the studied time spans, the following formula is used:

$$h_i = \frac{\sum w_{i,e} L_{i,e}}{w_{i,0}}$$

where:

$w_{i,e}$ – salary of the employee having e -level of education in i -state,

$w_{i,0}$ – salary of the employee having the lowest level of education (secondary, primary or its absence) in i -state,

$L_{i,e}$ – specific weight of specialists having e -level of education in i -state.

In the previous works the authors formulated the following hypothesis: the higher the level of development of institutes of rational labor activity within the framework of administrative and technological systems and thus, the higher the level of human capital of employees, the shorter is the critical period between innovative cycles of the firm, that is there is a high level of institutional productivity of labor routines and more opportunities for institutional stabilization

of the firm. Besides, in the research of economic organizations, opportunism which is a subtle and deeply-rooted feature of human nature should be taken into consideration. According to O.E. Williamson opportunism should be understood as a "cunning intention to realize own interests (...), it deals with incomplete or misrepresented information, especially consciously ongoing efforts to mislead, deform, conceal, darken or confuse affairs in a different way" (Williamson O.E., 1998). This phenomenon is extremely complex, having many aspects. It is possible to meet more often delicate and subtle forms of deception, however such forms as a lie, theft or fraud, evasion from conscientious execution of the duties, deliberate breakage of equipment and other violations of labor agreement are also met. The world without opportunism would be based on complete observance of rules, but such a world doesn't exist. According to O. Williamson, opportunism is a source of unreliability of the concluded economic bargains (Williamson O.E., 1998). This unreliability disappears only when individuals are characterized by openness and honesty in their aspirations to individual benefits. Such objectives can be achieved when there is absolute subjection and obedience. The latter should be understood as refusal of pursuit of own interests. It can be added that corporations based on cooperation and co-managing can be destroyed by opportunistic behavior of some members of these organizations (Rudolf S., 2010). In such a situation actions weakening the effects of opportunism are necessary and therefore that should be taken into account while preparing administrative and production technologies of the firm or corporation, the parameters characterizing their activity should be corrected considering opportunistic behavior of subjects with which the firm establishes various transactions (as well as labor ones). It concerns, in particular, a widely understood behavior of both employees and clients, their needs or expectations, the behavior of suppliers, banks, institutions of public administration, municipalities, etc. It means that consideration of opportunistic behavior (which is far from rationality) in the mentioned strategies accords with the company's interests (Chernoalov A.V., Kuzmitsky M., 2016). Opportunism and limited rationality occupy an important place in the theory of transactional expenses by O. Williamson. Opportunism, according to the author, is eliminated or limited with the help of organizational structures (hierarchy). There are various techniques of considering opportunism: from the technique offered by Ya. Kornai based on the assessment of honesty and trust by means of calculating the number of transactions with advance payments and their ratios with the total number of arrangements to cost methods with the use of quantitative ways of calculating the corresponding transactional expenses of opportunistic behavior and index indicators. The authors of the article, as it has been already stated above, for a number of reasons, are also in favor of (Chernoalov A. V., Solodukha P.V., Chernoalov P.V., 2017). Taking into account the offered methods of calculating the level of human capital, the content of the hypothesis formulated above and remarks concerning consideration of opportunistic behavior, we'd like to introduce the following formula for the calculation of institutional labor productivity and realization of the subsequent practical research:

$$P_i = \frac{\sum h_i(1 - R_{i,e})}{n_{i,0}}$$

where:

h_i – index of human capital of the employee having e-level of education in i-state (or firm),
 $R_{i,e}$ – index of the level of opportunistic behavior of the average employee in i-state (or firm),
 $n_{i,0}$ – specific weight of employees from the total number of the population in i-state.

3. RESULTS OF THE RESEARCH

On the basis of collected statistical data from papers of several enterprises on the market of cleaning services of Moscow and region, Warsaw and county and using the information of some

selective methods of questioning carried out, the data necessary for corresponding calculations are grouped in Table 2. In the same table (with the use of the above-stated formulas) index indicators of human capital and institutional labor productivity have been calculated:

Table 2: Separate economic indicators of economic activity of enterprises on the market of cleaning of Moscow and Warsaw in 2011-2015

Year	Average number of staff and non-staff employees, person	Payroll, thousand €	Average salary, €	Average salary of unskilled employees ⁴ , €	Specific weight of skilled employees	Index of human capital	Index of opportunistic behavior ⁵	Specific weight of staff employees	Index of institutional labor productivity
	L	V = L _v	w _{i,e}	w _{i,0}	L _{i,e}	h _{i,e}	R _{i,e}	n _{i,0}	P _i
LLC «ABC» Moscow and branches									
2011	72	27502,8	380,1	179,43	0,318	0,67	1-0,46	0,55	0,66
2012	81	33747,1	412,4	196,76	0,311	0,65	1-0,45	0,43	0,83
2013	91	41345,39	453,8	214,19	0,347	0,72	1-0,45	0,45	0,88
2014	67	20449,86	305,2	143,46	0,211	0,45	1-0,44	0,42	0,60
2015	82	32788,47	400,32	188,95	0,29	0,61	1-0,45	0,47	0,71
LLC «BCA» Moscow and branches									
2011	76	29614,5	390,45	184,29	0,292	0,61	1-0,37	0,51	0,75
2012	83	33460,7	400,34	188,96	0,238	0,49	1-0,40	0,49	0,6
2013	80	33953,76	423,24	199,76	0,328	0,68	1-0,39	0,45	0,92
2014	75	22506,1	300,05	141,62	0,272	0,57	1-0,41	0,41	0,82
2015	85	31354,02	367,3	171,96	0,28	0,60	1-0,38	0,47	0,79
LLC «AAC» Moscow and branches									
2011	38	11440,0	299,00	141,00	0,338	0,7	1-0,46	0,59	0,66
2012	87	25110,0	287,00	135,00	0,443	0,93	1-0,49	0,62	0,77
2013	88	29963,2	342,00	161,00	0,465	0,97	1-0,5	0,66	0,73
2014	40	10355,5	260,00	122,7	0,524	1,1	1-0,5	0,42	1,30
2015	97	29065,3	300,0	141,67	0,42	0,88	1-0,5	0,50	0,88
LLC «YX» Warsaw and branches									
2011	26	29143,0	1103,	490	0,247	0,54	1-0,11	0,34	1,41
2012	31	34319,7	1100,	490	0,272	0,60	1-0,13	0,33	1,58
2013	35	40026,34	1134,	490	0,249	0,56	1-0,11	0,35	1,42
2014	43	49810,9	1145,	490	0,20	0,47	1-0,09	0,35	1,22
2015	44	50157,57	1150,0	490	0,21	0,49	1-0,11	0,36	1,21
LLC «ZX» Warsaw and branches									
2011	51	44176,1	867,0	490	0,238	0,41	1-0,13	0,34	1,05
2012	53	51792,4	978,0	490	0,208	0,40	1-0,20	0,34	0,94
2013	64	63116,0,2	987,0	490	0,216	0,42	1-0,09	0,36	1,06
2014	78	78419,3,	1009,	490	0,20	0,41	1-0,09	0,34	1,1
2015	68	70836,5	1043,	490	0,27	0,57	1-0,10	0,35	1,46
LLC «YZ» Warsaw and branches									
2011	17	13765,0	789,0	490	0,243	0,39	1-0,12	0,46	0,75
2012	17	14820,6	876,0	490	0,195	0,34	1-0,13	0,40	0,74
2013	19	15384,6	803,0	490	0,209	0,32	1-0,20	0,41	0,62
2014	18	16448,3	903,0	490	0,270	0,49	1-0,13	0,42	1,02
2015	13	13076,7	980,0	490	0,22	0,44	1-0,20	0,47	0,75

⁴ According to the data of Russian Statistics, the level of the average salary of unskilled personnel irrespective of the field of activity is 47,2% of the average salary in economy. <http://roszarplata.ru/news/16977-obzor-rynka-truda-nekvalifitsirovannye-rabochie/> In Poland wages of unskilled employees are between 2050 zł. and 490 €. <https://wynagrodzenia.pl/moja-placa/ile-zarabia-pracownik-produkcji/>

⁵ The data are calculated using a separate technique on the basis of selective questioning of employees and managers of cleaning companies

4. DISCUSSION

The analysis of the data in Table 2 shows that the market of cleaning services both in Moscow and Warsaw is presented as a rule by small and middle-size enterprises (SME) with the number of employees in the first case from 40-up to 100 people, and in the second – from 13 to 80 people which corresponds to characteristics of SME. At the same time it is possible to observe an essential difference in the average income of an employee, however differences between the average salary of skilled and unskilled labor are approximately identical: in Moscow this indicator is 47% of the payment of the skilled employee, and in Warsaw it is 45% correspondingly. Thereupon the calculating index of human capital in both cities is also approximately identical, nevertheless, in view of the fact that Moscow is a larger object of research with several times bigger population, the competition on labor market causes inflow of employees with a higher index of human capital to SME (Table 2). This fact also confirms a higher index of the specific weight of skilled employees.

It should be noted that within the framework of the organization of production activity in cleaning companies such forms of work as outsourcing, flexible working hours, management contracts and some other forms of employment which characterize the index of specific weight of staff employees are widely used, at the same time in Moscow most part of unskilled work is done by immigrants from Tajikistan, Uzbekistan, Kyrgyzstan, and in Warsaw this work is done by Ukrainians and Moldavians. Ethnometric estimates carried out by the authors in the previous works show that unskilled employees in Moscow have a rather high level of opportunism in comparison with the same category of employees in Warsaw which essentially influences the indicators of the index of institutional labor productivity which at some SME of Warsaw is several times higher than at the same enterprises in Moscow.

5. CONCLUSION

Now it is possible to draw the following conclusions:

- The institutional environment of SME on the market of cleaning services of Moscow with the purpose of increasing in the index of institutional labor productivity should be subject to essential modernization to reduce the high level of opportunistic behavior.
- The experience of the development of SME of Warsaw shows that the enterprises on the market of cleaning services having a smaller number of employees and using developed, flexible forms of employment (LLC “YX”) have the greatest efficiency.
- The index of human capital is a fundamental basis of the indicator of institutional labor productivity, however, traditions and customs allowing to include the signs of opportunism in the behavior significantly reduce its value. As O. Williamson noted, this disease is treated by methods of obedience and submission.

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EURASIAN ECONOMIC UNION: PECULARITIES OF INTEGRATION PROCESSES

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ABSTRACT

The need for a new level of economic integration led to the transformation of the Eurasian economic community in to the Eurasian Economic Union (EAEU) as a regional international institution responsible for the economic integration on supranational level. It is designed to provide a comprehensive modernization, cooperation, the competitiveness of the economics, the creation of conditions for sustainable development and improvement of living standards of the Member States. The concept of the EAEU development implies free movement of goods, capital and labour mobility among member states and also a more extensive integration with major world powers such as China and India, some Asian and European countries. Some other states pay great interest to the close cooperation with the EAEU institution. For example, agreement between the EAEU and Vietnam on free trade is on the stage of negotiations. India, Turkey and Israel also ready to discuss trade cooperation. The formation of the EAEU faced with difficulties due to the crisis in the economies of the member States of the EAEU, sanctions against Russia, the competition of the Eurasian and European integration projects, some bureaucratic barriers, problems in coordination of social and migration policy and creation of common economic and legal documents. There are some nationalist feelings exist among some part of national elites, that hamper the integration processes. Some of them see the EAEU integration as the return to the Imperial Russia's model. The EAEU is considered as the instrument of Russian imperialism market economy. The fears of elite to lose power and money hamper the integration processes. Nevertheless, integration processes are creating a new geopolitical reality, corresponding to the goals of regional integration, historical and cultural needs of the regional development.

Keywords: *The Eurasian economic Union, integration processes, regional integration, and geopolitical realities*

1. INTRODUCTION

The global character, scale and systemacity of manifestation of the crisis phenomena of our time pushing the world community to need of search of ways of an exit to a steady trajectory of economic growth and social development, induces the countries to initiate the introduction in different integration associations by the conclusion of the relevant international agreements. Under the influence of factors of the general globalization regional economic integration reflects objective developments and strengthenings of economic and political interaction of member countries in present conditions. And though the interests of the interacting parties are various, rapprochement and interpenetration of national economies is provided with the system of the integration agreements regulated by supranational institutes.

Exploring the international and Russian materials devoted to the Eurasian Economic Union the content analysis method was applied. The current state, appeal in the political and social and economic plan and also model, mechanisms and possible scenarios of development of integration processes was studied. Regional integration takes place at the same time a number of stages, each of which has the peculiar features. And on each of stages certain barriers are eliminated and prerequisites for more effective production and foreign economic relations between the countries are created. As a result there is a process of creation of complete regional economic complexes with the general national and interstate governments [16].

2. RESEARCH

There is no uniform general theory of integration now, however the existing theoretical concepts in general allow to explain the integration phenomena and to develop an acceptable algorithm of actions. So, as prerequisites and conditions of development of integration processes significantly important that member countries were approximately at the identical level of economic development; integration progresses more successfully when the economy of the countries is on rise, it is promoted also by geographical proximity of member countries. One of important imperatives is existence of political will from the leaders of the integrated countries. Important also creation of structures to which the countries gradually have to transfer, delegate separate powers, tools for their implementation is necessary already at the beginning. The initiating center – one-two states which the partner countries have to rally is necessary. Today integration processes as objective reality turned into a real factor of development of the modern world economic relations. Interstate integration associations become fundamentals of modern global world economy which specific sign is development of processes of regionalization. As a result the world economic space, in fact, is distributed between regional economic associations, and existence of national economies is caused by their competitive opportunities of successful activity in the global markets. Thus, in the conditions of globalization extent of integration of the certain states determines the level of communications and the nature of their cooperation with interstate integration educations.

In general international experience of economic integration confirms that countries of EU, NAFTA, APEC, ASEAN thanks to integration cooperation in different spheres, scientific and technological cooperation, specialization and diversification of productions reach growth of competitiveness in the global markets not so much due to decrease in production expenses and transaction expenses, how many due to synergetic effect of free movement and application of factors of production and evolution of integration processes. The integration processes which began on the Euroasian space after the collapse of the USSR so far got historical chance to pass into constructive phase [18]. It is that so far it was possible to observe only either bilateral, or narrow sector integration motions of local character separate, as a rule. At the same time, mostly, they had character of the compelled response of the leaders of the countries of the former Soviet republics to the arising political and economic problems. It should be noted also that development of integration processes in the CIS significantly was constrained by objective differences in social and economic development of the certain countries and their geopolitical orientation; heterogeneity of structural reforms of national economies and also other factors defining the choice by member countries of the format in social and economic and military-political interactions of the states of the CIS. As, according to fundamental documents of the CIS, the form of participation in the Commonwealth practically does not impose any obligations on the country, integration processes within the CIS began to get an integration form on interests more and more that allowed each state to choose the most acceptable and expedient formats of participation and the direction of cooperation from their point of view. Today the most initiative participants of integration blocks in the territory of the CIS realize

what to become the independent subject of national economies capable as equals to interact with world leaders of industrial business – the EU, the USA, China, Japan, etc., it is possible only at association of social and economic, scientific and technical and integration potentials, deepening of mutual cooperation on regional fundamentals, activization of processes of adaptation to conditions of national economies. Creation of the Eurasian Economic Union (Russia, Belarus, Kazakhstan and so forth) is the first successful example of regional economic integration between the countries of the former Soviet Union. Former attempts to achieve economic integration in the former Soviet Union, for example by signing of the contract on the free trade area within the CIS, in practice did not lead to a little real integration. At the same time creation of the Eurasian Economic Union allowed to start in practice the mechanism of integration processes in the field of trade, especially thanks to decrease in non-tariff trade barriers. Association of economic, political, human and administrative resources within EES is capable to bring to member countries a set of benefits which can be shown in economic, social and political spheres.

The most important aspects of appeal in the field of economy. Acceleration of development of economy in the region, creation of new jobs and increase in income and also real providing for businessmen of liberty of choice of the country or administrative territory of registration of the business – that can be provided with set of the following mutually intertwining circumstances. This is: providing to the enterprise case of conditions for production of competitive production and modernization of the enterprises; The General, integrated market, in case of its full creation, will be more attractive to mutual investment and investments of "the third countries"; expansion of opportunities of access to infrastructure in the field of power, transport and communications; increase in efficiency of interaction of business and state bodies.

The essential simplification of freedom of movement within Russia, Belarus and Kazakhstan of the capitals, labor and services caused by creation in 2011 of the Customs Union of these countries, offered in real prospects to institutional formation of really functioning Common Economic Space.

Key aspects of appeal in the social meaning. Optimization of the relations in labor market, as a result of simplification of conditions of movement of labor and increase in purchasing power of the population, could lead to decrease in social tension in member countries and, promote overcoming deformations in the housing markets which developed in Soviet period and are not overcome to this day. In this regard, appropriate to give S. Glazyev's opinion expressed, however, concerning the Customs Union according to which, advantage consists in such association of economies of the countries entering it which is capable to provide a combination of their national advantages and features that generates new quality. As he believes, the common economic space is most capable to bring benefits of Belarus which economy is obviously focused on foreign trade. It is defined by the fact that any barrier, "automatically" creates problems in the sphere of its competitiveness. And its aspiration to association, even a little bigger, than is shown by other member countries of process, is caused by what it more than others loses owing to disintegration. At the same time, S. Glazyev highlights that creation of a common economic space, not to mention the Customs Union, has to be interfaced to search of the real balance of interests reflecting a real contribution, power and the importance of the corresponding national economies [3]. From the point of view of increase in level of transparency, balance and quality of supranational regulation and also development of institutional measures for improvement of business climate fixing in the Contract on EEU of the new internal procedure – evaluating the regulating influence of drafts of decisions of the

Euroasian economic commission which can exert impact on conditions of maintaining an entrepreneurial activity is extremely important.

The principle of four freedoms as the fundamental market principle was established by refusal of application of measures of protection of domestic market in mutual trade. Completion of formation of uniform commodity market, services, the capital and labor – the purpose of the Euroasian integration at this stage which differs in the bigger depth of integration in comparison with the Customs union and the Common economic space. One of the key purposes of EEU according to the Contract on the Union is "creation of conditions for stable development of economies of state members for the benefit of increase in living standards of their population". Thus, improvement of quality of life of citizens of the countries of association is extremely significant for development of EEU. Creation in 2015 of the common market of the work which allowed to provide freedom of movement of labor in the Union became one of the most important results of integration in this direction. Earlier freedom of travel in the Union thanks to which the mobility of citizens of member countries of EEU significantly increased was provided. The equal rights of labor migration for citizens of the states of the Union are provided. Uniform conditions of the taxation of income of natural persons from the first day of work on an equal basis with citizens of the state of employment are provided to workers. Social insurance and medical care are also provided on equal terms. Since January 1, 2015 mutual recognition of diplomas in all specialties, except pharmaceuticals, medicine, law and pedagogics is provided. Improvement of conditions for business is one of priorities of work of the Commission. In ECE it is built and successfully the system of institutes for work with enterprise community functions. At the Commission Advisory committees into which enter both officials and experts, and representatives of enterprise community of the countries of EEU work at a constant basis. In total at Board of the Commission 20 Advisory committees, including concerning business, trade, oil and gas, intellectual property, the financial markets, etc. function. In 2012 the Advisory board on interaction of the Euroasian economic commission and the Belarusian-Kazakhstan-Russian business dialogue was created. It became really working platform on which ECE and representatives of business associations interact and discuss system and strategic issues of functioning of EEU. In 2015 the idea of creation of Business council from representatives of business associations of the countries of the EEU developing work of the Advisory board in more profound format began to be implemented.

For elimination of excess administrative barriers for effective development of business in the EEU countries by the Commission carries out expertize of efficiency of the drafted regulations of ECE infringing on the interests of businessmen. In 2015 in practice of activity of ECE assessment of the regulating influence of drafts of decisions of the Commission for the purpose of elimination of excessive administrative barriers is successfully introduced. It should be noted that the Eurasian Economic Union does not seek to unite only the Post-Soviet states; the formed Euroasian space will have wider borders. The economic union can play a link role between Europe and the Pacific Rim. Relationship of EEU and the EU has big prospects of joint development, despite some tension of the last period, and the satisfaction of mutual economic interests in the 21st century can lead to formation of a common economic space from Lisbon to Vladivostok. According to the President of the Russian Federation, Putin V.V.: "The EEU will become a part of both the European, and Asian economic space, will create the big platform of economic interaction, "harmonious cooperation of economies" [13]. In comparison with other examples of manifestation of regionalism in the former Soviet Union, advantage of EEU – in prosecution of accurate tasks what mutual benefit and respect of sovereignty of member countries is the cornerstone of. Now many international actors show great interest to the Eurasian Economic Union. During the existence the EEU received about 40 applications for trade and economic cooperation from various states of the world. The vast majority of interested

parties wish to sign the contract on the Free Trade Area (FTA) with the Eurasian Economic Union. On May 29, 2015 the countries of EEU and Vietnam signed the agreement on creation of the free trade area. The document assuming zeroing of duties on 90% of goods will allow to increase by 2020 commodity turnover of Union States and Vietnam more than twice. The agreement laid the foundation for the subsequent closer integration of EEU with the countries of the Pacific Asian region. In May, 2015 Presidents of the countries of the Eurasian Economic Union made the decision on the beginning of negotiations with China on agreement on trade and economic cooperation. It is the important stage in development of economic cooperation ordering all structure of the relations and creating base for the further movement in the field of simplification of trade and elimination of the non-tariff barriers limiting mutual access to the markets. For the effective organization of this activity in October, 2015 Presidents accepted the order about coordination of actions of the countries of the Union concerning interface of the Eurasian Economic Union and the Economic belt of the Silk way.

In October, 2015 on the Supreme Euroasian economic council Presidents of five allied countries approved the Main directions of economic development of EEU till 2030 – the important document defining further coordination national the politician and ways of increase in competitiveness of economies of the states of the Union. The effect of participation in EEU by 2030 for state members is estimated up to 13% of an additional gain of GDP. In 2016 in comparison with previous year the greatest progress in dynamics of positions of the states of EEU is noted in the following directions: innovations (The index of global competitiveness, the Global index of innovations), trade with the third countries (The index of the involvement of the countries into international trade), quality of state regulation (The index of global competitiveness), logistics (The index of efficiency of logistics) [4].

The positions of EEU (average over five countries) on average belong to group of the countries with the level of development above an average. In particular, rating "Business-2017" – the 40 of 190 (2016); The Index of global competitiveness – the 44 of 138 (2016); The Global index of innovations – the 47 of 128 (2016); The Index of globalization – 51 of 207 (2016); The Index of human development – 52 of 188 (2014). In 2016 the states of EEU showed positive dynamics according to the majority of ratings, remaining world leaders in some of them. In particular, Armenia has high ratings by criteria: macroeconomic, business climate, trade, financial sector; Belarus – on some indicators of appeal of the business environment (accession to electrical networks, registration of property, international trade); Kazakhstan – on indicators of efficiency of logistics, quality of infrastructure, availability and quality of transport services; Kyrgyzstan, as well as Belarus, – on separate indicators of appeal of the business environment (regulation of the credit market, labor market, business); Russia – on development of education, infrastructure and innovations. As for public support of the Euroasian economic integration, it in general has quite high level, despite existence of skeptical moods. The integration project for Eurasia and the countries participating in it remain are attractive as well to the population of some other countries the former Soviet Union, first of all, for Tajikistan, Moldova, Uzbekistan [6, page 81]. However the Eurasian Economic Union still should make a lot of things for deduction and stimulation of public interest in association. So far state members of the Union lose to other countries of the world, for example, in appeal of educational services, scientific and technical cooperation, the imported goods and the capital [6, page 81].

3. CONCLUSION

In order that the EEU did not lose trust, it is important to provide accountability and transparency of its structure. The tasks, functions, the budget and the EEU organization of the general public and to politicians are clearer, the situation when development of the organization

is defined by bureaucratic inertia is less probable. It also means for association development that economic subjects will use more often institutes of EEU (for example, Court of EEU) for achievement of the purposes. It, in turn, will strengthen an integration project for Eurasia. Development of integration association should not go by the principle "expansion for the sake of expansion". This way as a result reduces efficiency of the regional organization. Any expansion has to pursue the conscious aims. It is impossible to lose sight also of the fact that the accession to EEU is not only economic, but also political step. Therefore, when training the most probable candidates for the accession to EEU, it is necessary to estimate readiness not only their economies, but also readiness of their standard legislative base. In the long term of EEU it has to be actively presented in the developing system of "integration of integration" – in interaction and the solution of global problems at the level of integration associations of the world. It will allow to create certain "margin of safety" and to strengthen an economic basis of state members of the Eurasian Economic Union.

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THE SOCIAL POSITION OF THE "LEFT" OPPOSITION IN MODERN RUSSIA (ON THE MATERIAL OF PUBLICATIONS OF THE COMMUNIST PARTY OF THE RUSSIAN FEDERATION)

Maxim Kozyrev

ABSTRACT

The article describes the social position of the counter-elite group, main social characteristics, including types of available resources, the relationship between elitist groups and the left opposition, represented by the Communist Party on the basis of the analysis of publications of representatives of the Communist Party of the Russian Federation. Certain elements of the self-positioning of the counter-elite are defined, as well as its relation to the socio-economic formation existing in modern Russia. On the basis of this, the prospects for the participation of the Communist Party of the Russian Federation in the political process are indicated.

Keywords: ideology, Communist Party of the Russian Federation, social position, social representations

1. INTRODUCTION

The texts of public politicians are the valuable source of information about social reality than, for example, the opinions of respondents. And for the study of some groups, taking into account their closeness and inaccessibility to the researcher, the analysis of their publications becomes almost the only method of study. The first who carried out a systematic and purposeful study of the relationship between ideology and social reality was the well-known scientist Karl Mannheim [Mannheim, 1994; Mannheim, 1991; Mannheim, 1993; Erickson, 1946; Gosnell, 1935; Meyers, 1937; Sapir, 1938], who had a huge influence on the development of Western ideology. The purpose of this work is to identify the social position of the counter-elite group, whose interests are represented by the CPRF, as well as the features of their relationship with other social groups.

2. RESEARCH

The methodology of this study is based on Carl Mannheim's affirmation that ideology is not only a cover or justification of its short-term interests (private ideology) by particular social groups, but also reflects the social position that they occupy, that is, certain points of view and type of thinking definite to social position corresponds (total ideology) [Mannheim, 1994]. Therefore, the main method used in the article is a classic analysis of documents. Proper use of this method will allow us to isolate ideal-typical tendencies from the ideological text, discarding the individual, due to the peculiarities of the worldview positions of the authors of publications. The Communist Party of the Russian Federation, headed by Zyuganov, G.A., who apparently assumed the role of the party's main ideologist, is the largest political party among the so-called left opposition. In the publications of the Communist Party Russia is positioned as a unique civilization, that does not belong to the West or the East. And both of them are aggressive towards Russian civilization. As a confirmation, this can be illustrated by the following quotations.

"This means that if we do not want to lose the historical perspective as a state, as an original civilization and as a great nation, we must find worthy answers to the challenges of the East" [Zyuganov, 2012a]. "It must not be forgotten that our state is located at the clash of the civilizations of the West and the East. This circumstance has caused a large number of problems in the past: we were subjected to invasions from both sides" [Zyuganov, 2012a].

The frequent use of the leader of the Communist Party in describing the political picture of the world and the place in it of terms unusual for classical Marxism in Russia is notable. The following quotation can serve as bright illustration. "On the one side -The Soviet Union and its allies represent the continental force, from the point of view of geopolitics . On the other side,the USA and its allies represent mainly sea force. The confrontation between these poles determined the character of the new geopolitical era". [Zyuganov, 2012a]. Describing the historical past, the publications of Zyuganov G.N. are focused on the Soviet era and the period immediately preceding of the Great October Socialist Revolution of 1917. In brief, his interpretation of recent history can be summarized as follows.

It's notes that the Soviet Union is a continuer of the "natural" geopolitical tradition of the Russian Empire. But the lack of proper reaction of the tsarist government and then the provisional government to the acute socioeconomic and political crisis of the early twentieth century brought to power a Bolshevik party that was able to solve all the pressing problems of the time. The party is assessed in two ways: on the one side, there was a Russophobic radical wing that neglected the millennial tradition of Russian statehood, and on the other side, healthy national-patriotic forces. A bright representative of the second side, in the opinion of Zyuganov G.A., is I.V. Stalin, who is pictured here exceptionally positively. However, it did not succeed in completely destroying the Russophobe part of the CPSU (B), which in the end of the twentieth century initiated the dismantling of the USSR.

In 1991 the creation of the State Committee for the Emergency Situation (GKChP) was the last desperate, but poorly organized effort of the patriotic part of the Communist Party to save the Soviet Union and ended in failure. In addition to weak organization, the reason for the defeat of the patriotic wing was the refusal to rely on the people. [Zyuganov, 2012a]. Interestingly, a constant and indispensable indication of the refusal to accurately repeat the experience of the Stalin era in particular and the Soviet period in general. "Of course, it would be a mistake today to try to repeat the old Soviet experience exactly in the new conditions, on the threshold of the third millennium," [Zyuganov, 2012a]. In the described interpretation of the newest domestic history, attention is drawn to the fact that the latter basically appears in the form of a constant struggle between two intra-elite (intra-party) groups. The first, of which is the expression of destructive forces, "comprador liberalism" and Russophobia, and the second is about "healthy party forces" and patriotism. This reading of the past can be explained by the peculiarities of the political situation of the Communist Party, where the main marker is the constant opposition to the ruling elite. The future of Russia in the publications of the representatives of the Communist Party of the Russian Federation is primarily associated with a strong, stable and independent statehood, in their view, that is traditional and should combine elements of both centralism and federalism. "As a matter of fact, now, as well, as before, the task is to create in Russia a stable configuration of state power that would combine the most constructive qualities of centralism and federalism" [Zyuganov, 2012a]. The proposed model of Russian statehood should be based on the use of the experience of the Soviet Union with its self-sufficient economy, while it is necessary to reject "the basic ideological attitudes of the" liberal market "[Zyuganov, 2012a]. The solution of the way out of the "systemic deadlock" lay in the implementation of the program of action developed by the Communist Party of the Russian Federation, based on "the nationalization of raw materials and other leading sectors of the economy" [Zyuganov, 2012a; Zyuganov, 2009] ("bringing about the return of the most important branches of the economy to state control" [Zyuganov, 2016a]), "the creation of a centralized body for managing the national economy - the state plan type" [Zyuganov, 2009], "the revival of Russian science and culture through large-scale financing" [Zyuganov, 2016a], the restoration of "moral foundations and moral principles, on which both society and authority

should rely" [Zyuganov, 2016b], "the development of competitive small enterprises for the production of goods for the population" [Zyuganov, 2009] and so on. Certainly, the way out of the crisis and prosperity of the country is possible only if the left government led by the CPFR comes to power [Zyuganov, 2012a]. The emphasis on strong and independent statehood speaks about the importance of the political resource at its disposal. The support of voters allows the party to get seats in the parliaments of the country. Weak state power, that has to constantly coordinate its decisions with various types of non-governmental organizations and interest groups doesn't work for the Communist Party. The voters support is devoid of any meaning in place where laws are not implemented, and the decision of almost all social problems depends solely on the executive bodies and related groups of influence. Therefore, the desire to maximize and in some sense monopolize the political resource should be explained by the statist rhetoric of Zyuganov G.A. Apparently, the reason for constant attention to social justice, social inequality, social security lies in the same plane. Curiously enough, how the leader of the Communist Party sees the dichotomy of "the elite - the masses." The socio-economic formation that exists in Russia today is characterized by the Communist Party as criminal-oligarchic capitalism. In this case the state (country) is used to protect the interests of the financial and bureaucratic elite [Zyuganov, 2016b; Zyuganov, 2011b].

Moreover, according to Zyuganov, the reformers of the 90s and the current political elite who initiated the dismantling of the Soviet Union are representatives of one social group. They have the same political course and ideological models [Zyuganov, 2012a]. In addition, there are senior officials and staff oligarchy, "analysts", political analysts and government economists referred to as service [Zyuganov, 2016a]. The leader of the Communist Party characterizes the political elite in the majority of them as negative factor. However, there are two sides of rationale explanation for this. On the one hand, it is stated that the reason for the plight of the majority of the Russian population is the class egotism of those in power, which satisfy only their own class interests and aspirations of the people they are alien to [Zyuganov, 2012a]. On the other hand, the gaps in state regulation are explained by the low moral and business qualities of the bureaucratic elite. "As a result, the First Deputy Prime Minister Shuvalov delivered the keynote speaker at the "government hour". In his speech, two main features have been combined, traditionally demonstrated by the government, and in particular by its economic bloc: blatant incompetence and inconsistency in covering issues that the status is supposed to solve by the Cabinet, and open cynicism in assessing the socioeconomic situation, the situation of the country and the citizens" [Zyuganov, 2009]. The correlation of such estimates allows us to identify the contradiction inherent in the ideology of the Communist Party. The predominance of the narrow-group interests of the elite for the purposes of state management and their ignoring of the aspirations of the masses can be explained by the moral degeneration of the former. This interpretation, although it is exaggeration, but can have a real reason. However, in this case it is not hard to see how the incompetent, incapable of adequately assessing the situation, lost the state's thinking and not listening to wholesome advice people could become the leaders of the state and large private corporations, remaining in this status for three decades? The fact that Zyuganov implicitly notes the successful manipulation of public opinion by elite groups, at least during the preceding decades, is the way to intensify the contradictions. [Zyuganov, 2012a]. In this case, there are similar questions. How can incompetence and inability to adequately assess the situation be combined with the ability to skillfully manipulate the consciousness of tens of millions of people? How did tens of millions fail to discover either the manipulation or incompetence of those who claimed elective office in the state apparatus? The only answer that does not fall out of the logic of party publications, the questions may be that the voters are much more incompetent and inadequate than those they elected. But then it is hard to see why the left-wing opposition led by the Communist Party, which, apparently,

often consisted of perspicacious professionals, could not come to power in a society with such a low quality of human capital at all levels of the social hierarchy. Why Zyuganov G.A. is not always correlating the goals and results of state policy with the class interests of the powers that would be quite natural for Marxism? Such a transfer of the causes of the plight of the majority of Russia's population from the socioeconomic sphere to the field of psychology and ethics is reminiscent of the liberal version of the arguments of opponents of the insurrection, described by R.Merton, as a reaction to the discrepancy between goals (values) and the opportunities for achieving them in the social structure [Merton, 2006, P.276; Merton, 1992a, P.299–313; Merton, 1992b]. The only one difference is the political elite as the object of accusation in low moral and business qualities but not the frustrated and deprived sections of the population.

This similarity suggests that the representatives of the Communist Party of the Russian Federation are not interested in the mutiny and in a significant transformation of the social structure of modern Russia. In fact, the party just has argued for a broader rotation of the political elite, and to improve public the measures proposed by administration are not antagonistic to the existing social system in Russia. In particular, the requirements for the nationalization of a number of industries are clearly not identical with the thesis of Marxism about the need to socialize the means of production in order to eradicate the vices of capitalism. Characterizing by the leader of the Communist Party of the Russian Federation the majority of the population is considerable creative potential [Zyuganov, 2012a]. However, as described above, the public conscience of the Russian people was subjected to massive propaganda, whose impact only in recent years has lost its effectiveness due to cognitive resistance of recipients [Zyuganov, 2012a]. The result of both manipulation of consciousness, and socio-economic reforms have become confusion, disappointment, lack of worthy ideological and moral ideals among Russian citizens. For some reason, the citizens could not form or choose worthy ideals.

"The life of the whole generation -the first generation of the" new Russia ", that entered a great life and immediately deceived at the turn of the 1980s-90s, will take place in a senseless race for false values, without worthy ideological and moral ideals and high goals" [Zyuganov, 2012a]. Although the above passages could suggest that the Russian population in the eyes of the CPRF leaders basically acts as an object of political action. Actually this quality is not absolute and Zyuganov is not to blame for latent social racism. For the last one, there are not good reasons. Most likely, such an assessment is a result of the action of two factors. First of all, the belonging of leaders of the Communist Party of the Russian Federation to the political elite even to the opposition. Their own social experience does not know of any other political interaction than the intra-elite. As a rule, mass actions (rallies, demonstrations, etc.) are organized by any public associations and therefore can not be called natural elements. Spontaneous political activity by them is not taken into account and is not considered as a determinant capable of changing the alignment of power in public policy. Perhaps the civil protests of recent years have somehow changed the views of Zyuganov, who began to declare the "slow awakening and enlightenment" of the people.

Secondly, the absence of significant power and economic resources at the disposal of the party allows it to rely only on the support of the population (especially during the elections). Therefore, the leaders of the Communist Party of the Russian Federation are not free in their statements and can not afford to attribute to the population a lack of self-organization and mutual trust, as, for example, representatives of The United Russia Party do. [Kozyrev, 2017; Kozyrev, 2014; Kozyrev, 2015] Otherwise, a decrease in the political resource is inevitable.

In addition to the above, it should be noted that in the works of G.A. Zyuganov there are no examples of successful articulation and aggregation of the interests of any specific social groups or their legal protection (through appeals to judicial or executive authorities, as well as the organization of public events), carried out with the active participation of the Communist Party. Apparently, the protection of specific interests, specific social groups is the second important thing for the Communist Party. Perhaps the lack of necessary economic and other resources imposes an objective restriction on activities of this kind. In the publications of the Communist Party of the Russian Federation there is a reference to "liberal" opposition and the associated middle class in addition, to two elite groups ("bureaucrats" and "oligarchs"), as well as some "elite" experts. [Zyuganov, 2012a]. In the opinion of the leader of the Communist Party of the Russian Federation, the liberal opposition represent a counter-elite, one way or another left out of work and eager to regain its former positions. In general, Zyuganov's work does not focus on any specific social groups (except for elitist and counter-elite groups). The problems of workers, peasants (farmers), intellectuals, teachers and health workers, etc. are considered in general, not in detail, in the context of all-Russian and nation-wide processes. For example, workers are mentioned in describing the shortage of skilled workers (locksmiths, turners, etc.), with which the ruling class is criticized, doing nothing to revive the domestic industry [Zyuganov, 2011].

3. CONCLUSION

Based on the analysis of the ideology of the Communist Party, the following conclusions can be drawn.

1. The party leadership and those whose interests it protects are not bound by economic and other relations that would have a significant impact on their social situation with foreign countries.
2. The leadership of the Communist Party stands in opposition to the ruling elite and the main leitmotif of their activities is the confrontation to the last one.
3. The party's activities are not aimed at changing the socio-economic formation despite this opposition and statements about the need to build an updated socialism. The leaders of the Communist Party of the Russian Federation were able to occupy the political niche of the "parliamentary opposition" (counter-elite) and successfully adapt to the modern political regime of Russia. The reason for abandoning revolutionary activity that would correspond to the dogmas of classical Marxism is far from being that the leaders of the Communists are extremely cautious or indecisive. The main power and economic resources are privatized by the ruling elite, and the counter-elite groups have only the opportunity to use the support of the electorate or other forms of political resources. Apparently, they are not ready going to risk being outlawed and outside the legal policy in case of a call from the leadership of the Communist Party to change the constitutional system. Therefore, the probability of a positive outcome with such a distribution of resources is small, and the consequences of defeat are fatal. Apparently, as a maximum, the CPRF claims to be more involved in its governance. It is unlikely that its leaders, soberly assessing the political situation, expect a complete change of the ruling elite by "national-patriotic forces."
4. The political resource available to the party is possible to maximize and, in the limit, monopolize only if there is a single state and independent of non-institutionalized and illegitimate state intervention. For this reason, the ideology of the Communist Party is more "state" than the ideology of the party about "state power".
5. The desire to increase the number of supporters of Communists should explain the refusal to focus on any particular social class and the active use of national self-consciousness (primarily Russians) in their ideological self-positioning.

6. The electoral support of the Communist Party is due primarily to its opposition to the current regime. Voters vote more likely against The United Russia Party, but not for the Communists. However, this does not exclude the existence of stable electoral groups that support the party regardless of political or economic conjuncture. In the works of Zyuganov G.A. there are no undisputed indications that the party actively and permanently protects the specific interests and specific social groups. Most likely, this kind of activity for the Communist Party is the second thing. Perhaps the lack of necessary economic and other resources imposes an objective restriction on human rights activism of the party.

7. The circle of social contacts of the leaders of the Communist Party of the Russian Federation is limited to groups of bureaucratic and economic elites, as well as to the sub-elite "expert" community.

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VEGETABLES' ENVIRONMENTAL SAFETY WHILE FARMING THEM UNDER THE TECHNOGENIC LOAD CONDITIONS IN REPUBLIC OF BASHKORTOSTAN

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ABSTRACT

It was studied the ability of vegetable plants accumulating in relation to Cd, Pb, Zn, Cu, Ni, Cr, Mn on leached chernozems soils under the conditions of the Sterlitamak district of the Republic of Bashkortostan. Samples of soil and vegetable crops (selected on private plots located at various distances from the industrial city center of Sterlitamak Bashkortostan Republic) are investigated. The analysis of the distribution of such a geochemical index as a coefficient of total pollution, pointing to the spatial structure of contamination of the explored territories, makes it possible to identify the risk zones for public health as permissible for the content of gross forms of heavy metals and moderately dangerous in content mobile forms. The content of heavy metals in organs of such agricultural plants as potatoes, carrots, beets, radish, cabbage and onions was studied. To assess the migration of elements in the soil-plant system, the biological absorption coefficient and the accumulation coefficient were used in these studies. Our research showed that different plant species belonging to different families differed sharply in their capacity to store heavy metals. Thus, the maximum content of Cd, Pb, Zn, Cu and Ni was observed in onion bulbs, Cr in potatoes, and Mn in carrots. Thus, obtained data make it possible to assess the area under investigation and the products farmed on it as moderately dangerous.

Keywords: *agricultural plants, agroecological survey of soils and plants, content, heavy metals, maximum permissible concentration, mobile and gross forms, soil, Sterlitamak district, technogenic load, vegetable products*

1. INTRODUCTION

The development of industry, the growth of the population, the continuing trend of moving it from rural areas to urban centers, leads to the emergence of unusual high concentrations of chemical elements, including heavy metals, of special ecological, biological and medical importance. The chemical composition of vegetation in certain areas corresponds to the presence of specific elemental composition of soils, the conditions of their formation. Plants were formed according to the presence of a certain chemical composition of the areas where they grew. This is very important, as it can be extrapolated further to the entire animal kingdom, to people, their health and even to their psyche (Barsukova, 1997, 66 p.). The bulk of technogenically dispersed metals, though being released into the atmosphere, quickly reaches the soil surface where heavy metals accumulate as a result of anthropogenic activity. A significant part of them is included in the soil-educational processes, some part is absorbed by agricultural plants and alienated from the crop (Maistrenko, Khamitov, Budnikov, 1996, 57p.).

Virtually any of the chemical elements, depending on the concentration in the external environment, or rather the dose received and the relationship with other elements and compounds, can have both a positive and negative impact on human health. One of the priority directions of the development of agriculture in the next century will undoubtedly be the creation of human food and animal feed with the specified elemental composition. The urgency of this direction is dictated by the growth of unfavorable changes in people's living conditions and is due to inept human intervention in the circulation of chemical elements in the biosphere (Karplyuk, 1996, 39 p.). Migration of many chemical elements in agrocenoses is a complex phenomenon, especially for elements that are present in small quantities in soils and plants. First of all this applies to biogenic microelements, whose role in the life of plants and animals is well studied now, as well as to microelements of heavy metals that can exert a toxic effect on living objects (Davydova, 2002, 36 p.). The flow of toxic elements from the soil into plants leads not only to a decrease in crop yields, but also to the quality of the products obtained. The study of heavy metals migration is particularly relevant, since the final link of the trophic chain is man. Agricultural products with a heavy metal content exceeding the maximum permissible concentration (MPC) are hazardous to health. In connection with this, it is necessary to study the content of heavy metals in soils, the patterns of their arrival and accumulation in plants (Daukaev, 2010, 15 p.).

The intake and accumulation of heavy metals by plants are determined by a number of regularities (Yanturin, 2007, 22p.):

1. different ability to absorb and accumulate heavy metals;
2. presence of physiological and biochemical protective mechanisms that prevent the entry of heavy metals;
3. the absence of a direct link between soil contamination level and intensity of heavy metals in plants.

There is a link between the chemical composition of plants and the elemental composition of the environment, but the direct dependence of the heavy metals content in plants on soil content is often disturbed because of the selective ability of plants to accumulate elements in the required quantity, as well as the properties of the soil (Ilyin, 1985, 76 p.). The direct correlation dependence of the heavy metals content in plants on the content of their mobile forms in soil solution is more often observed. There is an assumption that there are two leading factors in the formation of elemental composition of plants – genetic and ecological (Vitkovskaya, 2013, 105 p.). Their share participation varies depending on changing environmental conditions. The ecological factor becomes the leading one at technogenic environment's pollution by heavy metals, especially of their mobile forms. The most significant lack of social and economic development of the Republic of Bashkortostan is a severe ecological situation and a high probability of anthropogenic accidents in a number of regions and cities due to oversaturation of environmentally hazardous industries (State report, 2016, pp. 542-544). Significant contribution to the pollution of atmospheric air in the largest cities of the republic, such as Ufa, Salavat, Sterlitamak, is made by enterprises of the oil refining and petrochemical industry. The main enterprises of the industry are oil refineries that are part of Public Joint Stock Company «Joint Stock Oil Company «Bashneft» and Open Joint Stock Company «Gazprom Neftekhim Salavat». The gross emission of pollutants into the air from these enterprises in 2015 amounted to 135.707 thousand tons, and the total fixed amount of pollutant emissions from stationary and mobile sources in the country was 885.3 thousand tonnes (State report, 2016, pp. 251-254). The Republic of Bashkortostan is one of the largest producers of chemical products in the Russian Federation. The main enterprises in the chemical industry are Open Joint Stock Company «Bashkir soda company» («Soda» site and «Kaustik» site) and Open Joint Stock Company

«Sintez-Kauchuk», located on the territory of the Sterlitamak region that we are studying. The presence of such productions causes an increased technogenic load on the components of the biosphere, leading to a complex association of elements in the soil and living organisms, changing their functional characteristics, depleting the assimilation potential and adaptive reserves (Report, 2017, pp. 86-88). Violation of the ecological balance in nature affects, first of all, on the soil, as it is the main receiver and accumulator of toxic elements. At the same time, the soil acts as the initial link in the soil-plant system (Chernyaeva, 2011, 55 p.). The aim of our research was the agroecological assessment of vegetable plants in the accumulation of heavy metals in conditions of technogenic load on the soil.

2. MATERIALS AND METHODS OF RESEARCHES

Agroecological survey of soils and plants was carried out in the period from 2015 to 2016. On private plots located at a different distance from the large industrial center – Sterlitamak-city of the Republic of Bashkortostan (Roshchinsky village, Buguruslanovka village, Maxyutovo village) (Khanipova, 2016, pp. 163-175).

The intensity of anthropogenic pressure on the ecosystems of the Sterlitamak district can be judged by the amount of pollutant emissions into the atmosphere (Table 1).

*Table 1: The volume of emissions of pollutants into the atmosphere**

Years of research	Emissions, thousand tons	Emissions of pollutants into the atmosphere, tons	
		For one person	For one hectare of territory
2011	<u>102.8</u> 1148.5	<u>0.35</u> 0.28	<u>9.70</u> 0.08
2012	<u>89.7</u> 910.1	<u>0.33</u> 0.22	<u>8.23</u> 0.06
2013	<u>73.2</u> 783.6	<u>0.26</u> 0.19	<u>6.72</u> 0.06
2014	<u>68.8</u> 903.0	<u>0.25</u> 0.22	<u>6.31</u> 0.06
2015	<u>66.0</u> 885.3	<u>0.24</u> 0.22	<u>6.06</u> 0.06

** In the numerator for Sterlitamak district, in the denominator – in the Republic of Bashkortostan*

The density of pollutant emissions per hectare in the city of Sterlitamak is the highest among cities and is an average of 5 years 7.40 tons per 1 hectare of territory. At the same time, it exceeds the average density in the country by 123 times. The main anthropogenic sources of environmental contamination by heavy metals in the survey area are petrochemical industry (Hg, Zn, Cu, Cr, As), mechanical engineering (Pb, Zn, Ni, Cr), agriculture (Pb, Cd, Zn, As, Hg, Cr, Ni) (National Portal «Nature of Russia», 2017). The soil on which the studies were conducted – leached black chernozem heavy loam with a weakly acid reaction of the medium (pH = 5.1-5.5), the content of humus is 8-10% (Khanipova, 2016, 139 p.). Sampling and determination of heavy metals in soils and plants were carried out in accordance with the guidelines for the determination of heavy metals in soils in farmland and crop production (Methodical instructions for the determination of heavy metals in soils of farmland and crop production, 1992, pp. 18-24). Mobile and potentially available forms of heavy metals were extracted from the soil, respectively, by an acetate-ammonium buffer solution with a pH of 4.8

and 1M nitric acid. Method for the determination of heavy metals – atomic absorption (GOST 26929-94, 1995, p. 9). The processing of the results of the studies was carried out by statistical methods (Dospehov, 1985, pp. 45-62). Weather conditions during the study were generally favorable for the cultivation of vegetable crops.

3. RESEARCH RESULTS

The state of human health is largely determined by the ecological safety of food. In the production of vegetables, it is necessary to monitor, in the first place, such indicators as residual amounts of pesticides, the content of nitrates, heavy metals.

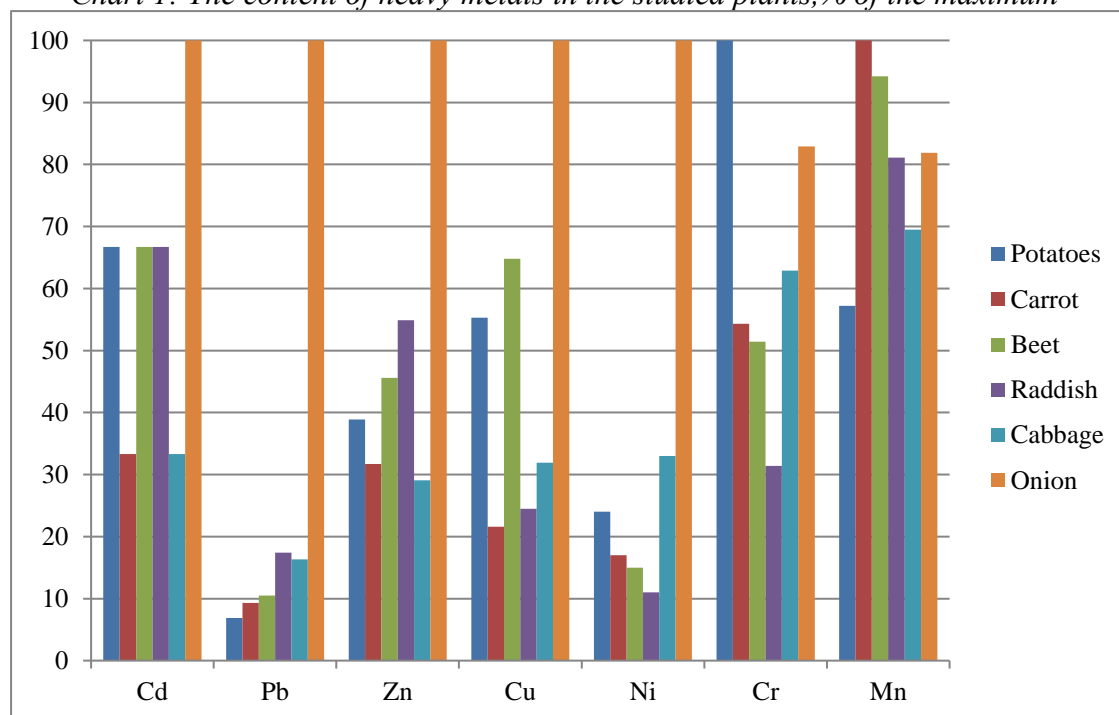
Our studies conducted with crops selected on household plots located in the zone of man-made load showed that different plant species belonging to different families differed sharply in their ability to accumulate heavy metals (Table 2). Thus, the maximum content of Cd, Pb, Zn, Cu and Ni was observed in onion bulbs, Cr – in potatoes, Mn in carrots (Chart 1).

Table 2: Influence of biological features of plants on their accumulation of heavy metals (main products), mg/kg

Plants	Cd	Pb	Zn	Cu	Ni	Cr	Mn
Potatoes	0.02± 0.001	0.06± 0.008	2.41± 0.19	1.51± 0.051	0.24± 0.033	0.35± 0.041	1.39± 0.14
Carrot	0.01± 0.001	0.08± 0.005	1.96± 0.09	0.59± 0.043	0.17± 0.005	0.19± 0.008	2.43± 0.29
Beet	0.02± 0.001	0.09± 0.003	2.82± 0.28	1.77± 0.16	0.15± 0.005	0.18± 0.003	2.29± 0.08
Radish	0.02± 0.002	0.15± 0.011	3.39± 0.22	0.67± 0.04	0.11± 0.009	0.11± 0.007	1.97± 0.17
Cabbage	0.01± 0.001	0.14± 0.09	1.80± 0.17	0.87± 0.06	0.33± 0.021	0.22± 0.01	1.69± 0.13
Onion	0.03± 0.02	0.86± 0.06	6.18± 0.55	2.73± 0.18	1.00± 0.007	0.29± 0.031	1.99± 0.13
MPC	0.03	0.5	10.0	5.0	0.5	0.2	-

On the content of heavy metals, not all plant products were safe for humans. In carrots, beets and radish, the average contents of all heavy metals studied did not exceed the maximum permissible concentration. In potatoes and cabbage, above the MPC, Cr accumulated. The most polluted product was onions. It exceeds the maximum permissible concentration of four toxic elements. According to the total accumulation of heavy metals per unit of production of natural moisture, the studied plants can be arranged in the following decreasing series: onion> beet> radish> potatoes> carrots> cabbage.

Chart 1: The content of heavy metals in the studied plants,% of the maximum



Investigating the content of heavy metals in the accumulation of assimilates, it can be noted that the mechanisms preventing the transport of pollutants in them are particularly effective against Cd in potatoes (the content in the tops is 10 times greater than in the tubers) and for Pb in beet and carrot in the topsoil the content of heavy metals is higher than in root crops by 10 and 8 times, respectively). Ni in the tops of potatoes, carrots and beets accumulates 3.6; 4.5; 6.5; and Cr in 2.4; 2.5; 1.4 times, respectively, more than in the storage of assimilates (Table 3). Potato has no protective effect against Pb and Cu when they enter the tubers, and Mn – in the roots of beets.

Plants	Cd	Pb	Zn	Cu	Ni	Cr	Mn
Potatoes	0.21± 0.01	0.05± 0.003	1.72± 0.16	0.58± 0.05	0.86± 0.07	0.85± 0.04	6.13± 0.44
Carrot	0.02± 0.001	0.62± 0.04	1.53± 0.11	1.09± 0.09	0.77± 0.05	0.42± 0.003	5.72± 0.36
Beet	0.04± 0.001	0.93± 0.08	1.82± 0.15	2.07± 0.19	0.98± 0.09	0.26± 0.03	1.65± 0.18

Table 3: Average content of heavy metals in by-products, mg/kg

From a practical point of view, the above data mean that the severity of the emergent situations in areas with contaminated but used in agriculture soils will not be the same depending on which part of the plant is included in the food chain. At the same time, the anthropogenic load in the studied region is such that the pollution of production by all elements can be considered as insignificant, but quite stable. In addition to the obvious biogens Zn, Cu, Mn, Cd, Pb, Ni, Cr

were found in the commercial part of all vegetables. The isolation of three sites that are far from sources of pollution showed ambiguity in the content of heavy metals in soil and plants (Table 4, Chart 2) (Khanipova, 2017, pp.168-175).

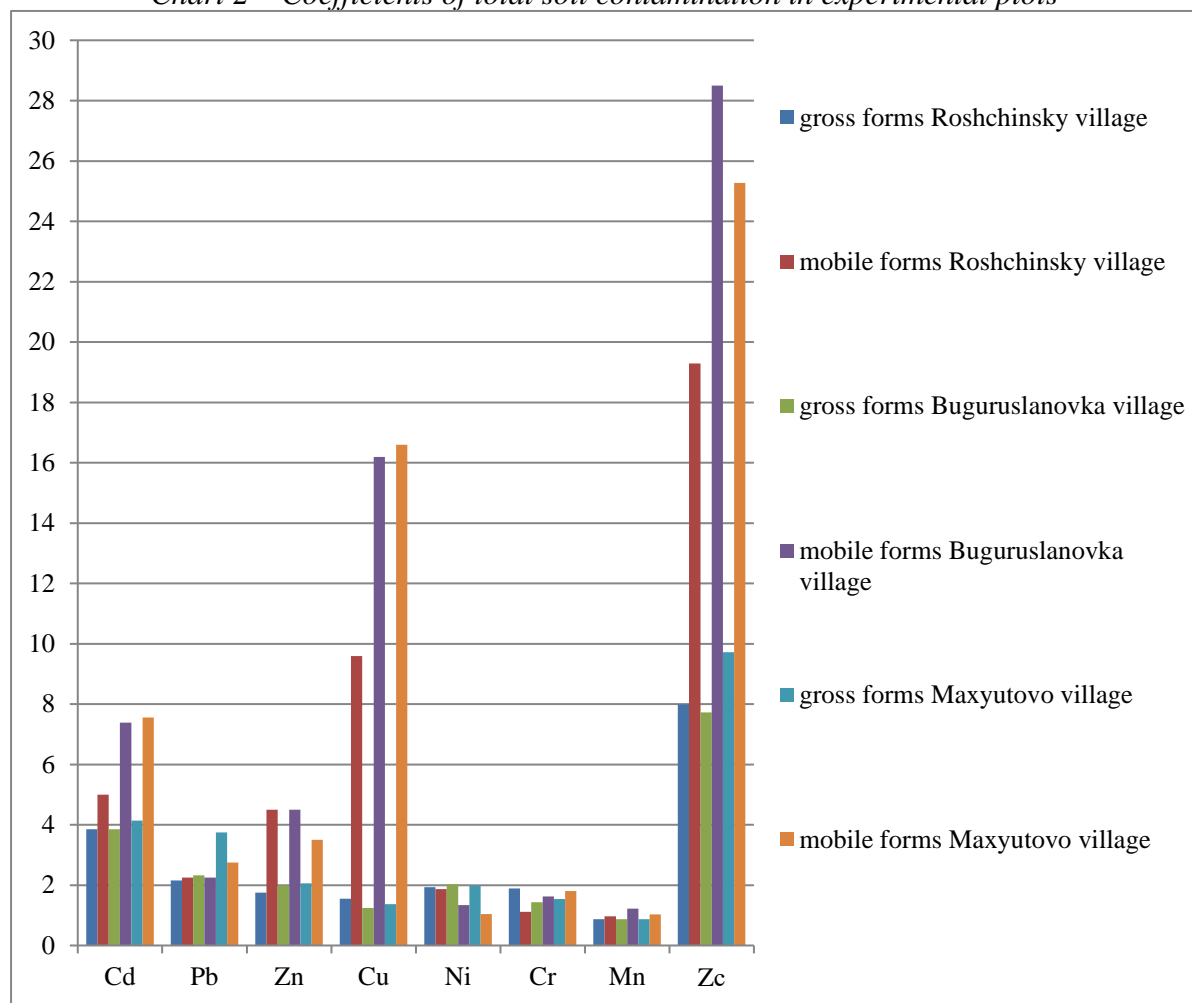
*Table 4: Average content of heavy metals in the soil's gardens, different distance from contamination sources**

Indicator	Roshchinsky village	Buguruslanovka village	Maxyutovo village	MPC (RPC)	Background content
Cd	$\frac{0.27 \pm 0.01}{0.09 \pm 0.004}$	$\frac{0.27 \pm 0.01}{0.09 \pm 0.004}$	$\frac{0.29 \pm 0.01}{0.11 \pm 0.004}$	$\frac{3}{0.5}$	$\frac{0.07 \pm 0.003}{0.04 \pm 0.002}$
Pb	$\frac{13.55 \pm 0.81}{0.80 \pm 0.05}$	$\frac{14.59 \pm 0.88}{1.18 \pm 0.07}$	$\frac{23.56 \pm 1.41}{1.21 \pm 0.07}$	$\frac{125}{32}$	$\frac{6.29 \pm 0.38}{0.16 \pm 0.01}$
Zn	$\frac{73.36 \pm 4.40}{4.03 \pm 0.24}$	$\frac{83.25 \pm 4.99}{6.80 \pm 0.47}$	$\frac{86.39 \pm 5.18}{6.47 \pm 0.39}$	$\frac{500}{23}$	$\frac{41.86 \pm 2.51}{0.42 \pm 0.03}$
Cu	$\frac{29.74 \pm 1.49}{0.27 \pm 0.02}$	$\frac{23.78 \pm 1.19}{0.27 \pm 0.02}$	$\frac{26.32 \pm 1.32}{0.21 \pm 0.01}$	$\frac{200}{3}$	$\frac{19.20 \pm 0.96}{0.06 \pm 0.003}$
Ni	$\frac{69.19 \pm 4.84}{1.33 \pm 0.09}$	$\frac{72.84 \pm 5.10}{0.97 \pm 0.07}$	$\frac{71.47 \pm 5.00}{0.74 \pm 0.05}$	$\frac{150}{4}$	$\frac{35.86 \pm 2.51}{0.71 \pm 0.05}$
Cr	$\frac{151.50 \pm 4.55}{0.56 \pm 0.02}$	$\frac{114.18 \pm 3.43}{0.71 \pm 0.02}$	$\frac{123.23 \pm 3.70}{0.60 \pm 0.02}$	$\frac{250}{6}$	$\frac{79.95 \pm 2.40}{0.58 \pm 0.17}$
Mn	$\frac{531.16 \pm 5.31}{78.76 \pm 2.36}$	$\frac{474.67 \pm 4.74}{114.03 \pm 3.42}$	$\frac{475.14 \pm 4.75}{126.79 \pm 3.80}$	$\frac{1500}{700}$	$\frac{544.50 \pm 5.44}{70.53 \pm 2.12}$

* In the numerator – gross form, in the denominator – the mobile form of heavy metals

The determination of the concentration coefficients of the gross forms of heavy metals in the soil showed that in the first section the maximum excess of background values over Cu (1.6 times) and Cr (1.9 times) was noted, on the second – Ni (2 times), on the third – Pb, Cd and Zn (respectively, 3.8, 4.1 and 2 times). The third section was characterized by the greatest coefficient of total pollution by gross forms. At the same time, there were no exceedances of MPC for either of the elements.

Chart 2 – Coefficients of total soil contamination in experimental plots



Assessment of soil pollution as an indicator of adverse health effects of mobile forms of heavy metals indicates a significant excess of their concentrations compared to background values: Cd of 3.9-7.6; Pb – 2,3-2,8; Zn – 3.5-4.5; Cu – 9.6-16.6; Ni – 1.1-1.9; Cr – 1,1-1,8 times.

Analysis of the distribution of such a geochemical indicator as a coefficient of total pollution, pointing to the spatial structure of contamination of the studied territories, makes it possible to identify health risk zones as permissible for the content of gross forms of heavy metals and moderately dangerous in content mobile forms.

Analysis of plant products for heavy metals indicates that in all areas cabbage and potatoes are not safe for Cr. In the second section cabbage is also unsafe for Cd and Ni, the third section for Cd (Table 5).

Table following on the next page

Table 5: Average content of heavy metals in some types of plant raw materials, selected on personal plots, mg/kg

Crop	Cd	Pb	Zn	Cu	Ni	Cr	Mn
	MPC, mg/kg						
	0.03	0.5	10.0	5.0	0.5	0.2	-
The first section (the territory adjoining of the Roshchinsky village)							
Potatoes	0.01± 0.001	0.01± 0.003	2.44± 0.15	0.48± 0.04	0.19± 0.01	0.39± 0.02	1.31± 0.15
Carrot	0.01± 0.001	0.06± 0.002	2.66± 0.21	0.73± 0.06	0.19± 0.02	0.15± 0.01	4.23± 0.40
Beet	0.03± 0.002	0.06± 0.003	4.51± 0.19	0.84± 0.05	0.18± 0.02	0.17± 0.01	0.96± 0.08
Radish	0.02± 0.002	0.14± 0.01	3.37± 0.22	0.77± 0.05	0.11± 0.008	0.14± 0.009	1.90± 0.16
Cabbage	0.06± 0.003	0.12± 0.01	5.51± 0.38	1.17± 0.11	0.37± 0.06	0.31± 0.03	1.96± 0.19
Onion	0.02± 0.02	0.84± 0.07	6.10± 0.54	2.93± 0.20	0.91± 0.07	0.32± 0.03	1.95± 0.11
The second section (the territory adjoining of the Buguruslanovka village)							
Potatoes	0.02± 0.002	0.02± 0.002	2.31± 0.12	0.52± 0.05	0.27± 0.02	0.33± 0.02	1.37± 0.12
Carrot	0.01± 0.001	0.11± 0.01	1.96± 0.16	0.53± 0.05	0.13± 0.01	0.17± 0.01	2.44± 0.21
Beet	0.02± 0.002	0.08± 0.006	5.13± 0.41	0.85± 0.06	0.11± 0.01	0.20± 0.02	4.52± 0.40
Radish	0.02± 0.002	0.17± 0.02	3.41± 0.22	0.65± 0.04	0.16± 0.01	0.12± 0.01	1.93± 0.15
Cabbage	0.03± 0.001	0.09± 0.01	5.72± 0.40	0.75± 0.04	0.57± 0.008	0.22± 0.01	1.92± 0.08
Onion	0.02± 0.02	0.89± 0.07	6.18± 0.51	2.63± 0.19	1.08± 0.08	0.27± 0.03	2.00± 0.15
The third section (the territory adjoining of the Maxyutovo village)							
Potatoes	0.01± 0.001	0.14± 0.02	2.47± 0.19	0.45± 0.03	0.23± 0.02	0.33± 0.02	1.49± 0.13
Carrot	0.01± 0.001	0.05± 0.006	1.51± 0.14	0.52± 0.03	0.19± 0.01	0.25± 0.02	5.82± 0.48
Beet	0.03± 0.003	0.10± 0.001	10.05± 1.23	0.73± 0.06	0.18± 0.01	0.19± 0.01	0.99± 0.08
Radish	0.02± 0.001	0.19± 0.01	3.49± 0.22	0.71± 0.06	0.12± 0.01	0.12± 0.01	1.97± 0.18
Cabbage	0.07± 0.001	0.15± 0.01	5.82± 0.44	0.85± 0.04	0.39± 0.008	0.23± 0.01	1.95± 0.08
Onion	0.03± 0.02	0.91± 0.07	6.38± 0.51	2.73± 0.18	1.03± 0.09	0.29± 0.031	1.99± 0.16

Onion at all sites contaminated with Pb and Cr, and the third portion has Cd and Zn. In the second portion beet roots contaminated Cr, and the third Cd and Zn. The carrots in the third section is exceeded the MPC by Cr. The radishes all heavy metals are within the MPC. Obviously, vibrations of the elemental chemical composition of the plant caused by the action of a set of various factors in each particular case. Conventionally, these factors can be divided into three major groups: genetic, environmental and age. Our studies have shown a wide variety of elemental chemical composition of various types of bulbs of onion (Table 6).

Four species grown on the same soil differed markedly in copper content (7.6 times), zinc (5.3 times), cobalt (2.2 times), manganese (2.76 fold) , iron (by 3 times). Less copper and cobalt distinguished *Allium nutans*, zinc – *Allium obliquum*, manganese and iron – *Allium hymenorhizum*.

Table 6: Content of heavy metals in various kinds of onions, mg/kg of natural moisture

Species	Cu	Zn	Co	Mn	Fe
<i>Allium oleraceum</i>	3,66	11,05	0,33	4,76	33,56
<i>Allium obliquum</i>	0,74	2,07	0,31	5,64	13,98
<i>Allium nutans</i>	0,48	2,51	0,15	3,06	18,71
<i>Allium hymenorhizum</i>	1,13	6,03	0,19	2,04	11,2

4. CONCLUSION

Thus, these data allow us to estimate the study area and the products obtained on it as moderately hazardous. Protecting food chains from heavy metal pollution can be performed by using a powerful adaptive capacity of plants for resistance to environmental factors edaphic (Vaganov, 2008, 23 p.). The protection of plant capacity due to the absorption mechanisms and neutralize the heavy metals to accumulate their relatively low content of the heading part products. But even with the allowable amounts of heavy metals in soils in the conditions of anthropogenic load requires regular monitoring of their content in the soil and plants, as well as the implementation of measures aimed at detoxification. When a critical level of heavy metals in the soil and the impossibility of obtaining marketable products with their permissible amount necessary to estimate the contaminated soils crop productivity used as feedstock in the process industry.

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ENHANCEMENT METHODS OF EMOTIONAL INTELLIGENCE-RELATED COMPETENCIES OF SUCCESSORS IN FAMILY BUSINESSES

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ABSTRACT

The following article presents issues related to the enhancement of emotional intelligence-related competencies of family business successors. A particular emphasis was put on emotional intelligence which constitutes an essential element of the successors' competencies. The role of emotional intelligence, constituting a significant part of successor's competences, was underlined. The author focused on emotional education of successors with indication of sample activities and methods for improving competences in this field. The author presented methodology of research on methods for improving competences in the field of emotional intelligence in successors on the basis of author's own research.

Keywords: *competences, emotional intelligence, successor, family businesses*

1. INTRODUCTION

The concept of management in family businesses requires a different approach to functions executed by contemporary managers and their successors. Moreover, it requires to elaborate new models of education, "tailored" to the needs of family businesses, which, in the larger extent, will take into consideration the following aspects: development of leadership skills, development and improvement of employees' competencies, practical motivation skills. In the family businesses, one can combine business and their family by shaping entrepreneurial values during the upbringing of the generation of successors, the latter regarded as future managers (Więcek-Janka, 2014, pp. 139-155). Owners of family businesses require from their successors to have numerous multi-discipline skills, the acquisition of which is a highly time- and work-consuming process. The acquisition and use of the skills are to ensure that the family-run enterprise will continue to develop in compliance with a determined strategy.

Competencies of successors are subject to studies by numerous members of the scientific community. Elaborating a set of competencies for successors, necessary to run a family business, is a complex and ambiguous process. Family enterprises which, under the long-term strategy, anticipate succession processes, should take into account the successors' competence profiles. The studies on the specific character of diagnoses and assessments of the use of successors' competencies confirm that the competencies related to emotional intelligence are essential for succession processes. The following study particularly focusses on emotional intelligence that constitutes a great part of the successor's competencies. It is difficult to find, among various papers, the ones which involve studies on emotional intelligence competencies of successors. The owners of family businesses more and more frequently seek help from psychologists or employment counsellors on "how to raise a successor". Certainly, there is no ready-to-use recipe on how to mould a potential successor for him/her to take over the family business in the future. However, taking into consideration the significance of emotional intelligence in the professional life, looking for methods of shaping and developing the competencies in question seems to be rightly justified.

2. THE IMPORTANCE OF SUCCESSORS' COMPETENCIES RELATED TO EMOTIONAL INTELLIGENCE

There is not even a single area in life in which emotional intelligence would not play an important role. The emotional intelligence acts as a drive for people to develop their own potential, it allows them to take hold of bad habits, helps to set interpersonal borders and facilitates the development of satisfactory relationships, in both private and professional life. Emotional intelligence is people's personal competencies, understood as their ability to recognize their own and other people's emotional states, as well as the ability to make use of their own emotions and tackle other people's emotional states (Mikołajewska, Mikołajewski, 2013, p. 3). It involves one's ability to control and regulate one's mood, which, in turn, is helpful in coping with various situations. The ability to understand emotions and make right use of them plays a key role in the human life.

The studies on emotional intelligence were initiated by H. Gardner. He distinguished (Gardner, 1989):

- Intrapersonal intelligence involving the capacities of understanding and controlling of one's own emotions (relationship with the self),
- Interpersonal intelligence involving the capacities of understanding and coping with interpersonal relations (relations with the others).

Interpersonal intelligence, also known as social intelligence, means one's capacity to get on well with people and be willing to co-operate with them. It also means the empathy, the capacity to enter into deep relationship with the others, understand their needs, and promote desired attitudes and reactions. Moreover, the social intelligence consists of empathising with other people's emotions and building of trust. The importance of social intelligence in family enterprises has been confirmed by the findings of the report entitled „Competencies of the future in the family businesses 2017” (Report..., 2017, p. 15). The analysis of responses submitted by all companies proves that social intelligence is the most desired competence of the future. Over ¾ of surveyed businesspeople declare both the willingness and need to develop the said competence. The studies on the specific character of diagnoses and assessments of the use of successors' competencies confirm that the competencies related to emotional intelligence are essential for succession processes. A list of successors' competencies, needed in the succession process, elaborated on the grounds of a study carried out by E. Więcek-Janka and A. Hadryś-Nowak (Więcek-Janka, Hadryś-Nowak, 2016, pp. 61-72 in 2014, enumerates 20 competencies, out of which eleven competencies refer to emotional intelligence. One can find here: diligence, communication skills, organisational skills, accuracy, resourcefulness, commitment, resistance to stress, firmness, ambition, motivation, courage. It was emphasised that the most frequently chosen competencies are, among others, diligence and commitment, whereas the competence of diligence was granted the highest average mark. Furthermore, Polish successors of family businesses stated that the abilities to introduce changes and adapt to the closest and more remote environment of the enterprise are the most useful skills in the succession process. Adaptive skills, i.e. the ability to change and the ability to act and make decisions are also regarded as competencies related to emotional intelligence. The classification of successor competencies used in the succession process implies their various origins. Providing the family enterprise with multi-generation resources and development, and ensuring that the enterprise is highly efficient are, to a large extent, dependent on relevant competence potential of successors. Those family enterprises that anticipate succession process should focus on competence profiles of their successors, while taking into consideration the role played by the competencies related to emotional intelligence.

The significance of competencies in the area of emotional intelligence was also underlined by L. Weroniczak, who defined the following qualities, i.e. (Weroniczak, 2012, p. 81):

- communication skills,
- empathic perception,
- ability to solve conflicts through co-operation,
- understanding of change processes,
- seeing diversity as a resource,
- regarding the company and the family as intertwined systems, as psychological and social skills, necessary to create space that promotes an intergenerational dialogue, existing in the succession process.

The managing of the family enterprise is undoubtedly a test of successors' competencies. It is of great importance for managers to have competencies related to emotional intelligence as the managers shape the culture of the entire organisations, set development trends and motivate the staff to work more effectively. Creating the empathy-based atmosphere being, more often than not, a factor that builds team stability, is one of the key competencies of contemporary businesspeople. Those managers who can act wisely and keep their teams together are able to carry on and expand their family businesses.

3. EMOTIONAL EDUCATION OF SUCCESSORS

The source literature explicitly defines emotional education as a process of developing essential, emotional and social competencies (CASEL, 2002; Denham, Weissberg, 2003). The most effective acquisition of emotional and social competencies takes place in supportive, meaningful and challenging person-person relationships (e.g. a mother – a child, a teacher – a student) or person-group relationships (e.g. a tutor – a class team) (Brzezińska, 2000, p. 224-257; Shapiro, 1999). The development of emotional intelligence should focus on its personal and social aspects. One should bear in mind that emotional intelligence is shaped already in the childhood, for example by observing parents or other people playing important roles in one's life. That is how people learn to manage their emotions and relationships. Notwithstanding any experiences taken from the childhood, the improvement of emotional management skills may be effected by other methods of emotional intelligence development. W. Machalica – a psychologist and expert for InstytutBiznesuRodzinnego, has created a series of programmes and training sessions, including workshops on emotional intelligence as a connector among generations.

To that end, she has advocated to use numerous tools (Machalica, 2017):

- relationship-building tools,
- tools to tackle difficult situations in family-related and work-related groups,
- communication without violence tools,
- tools to tackle one's own and other peoples' emotions,
- constructive criticism and appraisal tools, tools to deal with criticism,
- tools to support employees' development,
- tools to chair meetings effectively,
- motivational tools and tools to delegate tasks in a motivating way,
- tools to set aims and plans,
- tools to access one's own resources.

The author believes that the enhancement of competencies related to emotional intelligence, with the application of the above-mentioned methods, allows to achieve the following benefits (Machalica, 2017):

- elaboration of an effective system to manage emotions – one's own emotions and other people's emotions – in such a way as to turn them into one's advantages,
- development of one's own initiative and self-driven personality,
- effective building-up and controlling of relationships, to win over and inspire other people,
- professional and effective team management and co-operation,
- benefits derived from the skills of coping with a difficult situation and stress in an effective way,
- elaboration of one's own strategies on how to tackle stress; deliberate use of one's own resources in the stress management process; enhancement of skills of how to react in a planned and effective way,
- significant influence on one's own emotional states, in order to reduce stress and strengthen motivations,
- gathering adequate opinions on oneself and on the others in order to generate a strong internal motivation and motivate other people in a proper way.

It is worth using specialised “survival schools for young, future managers”. In Poland there is still a lack of such institution, which may bring about the situation that Polish family firms would be in worse situations than their counterparts in the countries where succession processes and succession-related social awareness are considerably more developed. There is also a necessity to establish new scientific organisations such as the Young President Organisation, tailored to educate leaders and future presidents of the boards. Put into practice, a child or a teenager may be provided with competition workshops, exercises involving riddles, team-building tasks like Outward Bound, divided into segments and designed to teach and enforce such values as: sociability, analytical skills, foresight, dexterity, astuteness, as well as courage and distance to a given task (Sułkowski, Mariański, 2009, p. 40).

W. Machalica (Machalica, 2012, p. 110) put a special emphasis on the role of self-development, i.e. a systematic work on developing one's personal competencies, which is an indelible element of strategies to support family businesses, since it ensures a qualitative change as to attitudes.

The author underlined the fact that the deliberate self-development is a constant work at all three levels of existence of an individual, i.e.:

- self-awareness level – the development of the self, which entails the necessity to recognize one's own advantages, motivations, needs, and also limitations;
- interpersonal level – psychological and social level, which entails the necessity to work on relationships between an individual and the external world, people who surround the individual, and interactions between the individual and other people at different stages of the former's life (for owners and managers of family businesses the enhancement of interpersonal competencies, which affects the establishment of satisfactory relationships, is an indelible element of their self-development);
- the level of knowledge and competencies related to the enhancement of abilities and acquisition of knowledge on management, strategic planning, marketing and other areas strictly connected with successful running of a family firm (within the said area, it is extremely important to deliberately implement the acquired knowledge and competencies in the everyday life and conditions under which the family business operates).

4. METHODOLOGY TO ASSESS METHODS OF ENHANCEMENT OF COMPETENCIES RELATED TO SUCCESSORS' EMOTIONAL INTELLIGENCE

The study was carried out in Poland, in the śląskie province from February to December 2016. The study - aimed at selecting methods to enhance the successors' competencies related to emotional intelligence - used a method of collective assessments by experts.

The experts were selected purposely by means of an expert's competence co-efficient (K_k), taking into consideration their knowledge and experience as to the subject matter in question (formula 1).

$$K_k = \frac{k_z + k_a}{2}$$

where:

K_k – co-efficient of experts' competence,

k_z – co-efficient of experts' familiarity with a given issue,

k_a – co-efficient of argumentation.

Source: Męczyńska A., Grupowa ocena ekspertów w procesach decyzyjnych zarządzania, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, z. 40, Gliwice 2007.

A threshold value of the competence co-efficient was determined $\rho = 0.8$. In the process of final selection of the expert group, the following assumption was taken into consideration – if the value of competence co-efficient for a given respondent equals or is higher than the ρ threshold value, i.e. $K_k \geq \rho$, then the given respondent is appointed a member of the experts' team, while the acquired data are subject to further analyses.

Finally 16 experts out of 25 respondents were selected for the purpose of the study.

The people, subject to partly structured, individual, in-depth interviews, were:

- psychologists being at the same time personal development trainers and coaches - 44% of the surveyed experts;
- psychology lecturers at higher education institutions (Lecturers...) being at the same time psychology practitioners (HR managers in corporations, trainers, therapists and coaches) - 56% of the surveyed.

The experts were presented with 17 methods of competence enhancement as well as 7 competence groups related to emotional intelligence (Figure 1).

The experts' task involved a selection of the most effective methods of competence enhancement, by providing each method with a grade from 1 to 3, where:

- 1 – low effectiveness of the enhancement method of a given competence group,
- 2 – mediocre effectiveness of the enhancement method of a given competence group,
- 3 – high effectiveness of the enhancement method of a given competence group.

During the interviews the experts were welcome to suggest enhancement methods other than the previously selected ones. The researchers adopted the following assumption: the most effective method of competence enhancement was the method the most frequently selected by the experts, as having the highest effectiveness. The Table 1 presented the applied methods of competence enhancement.

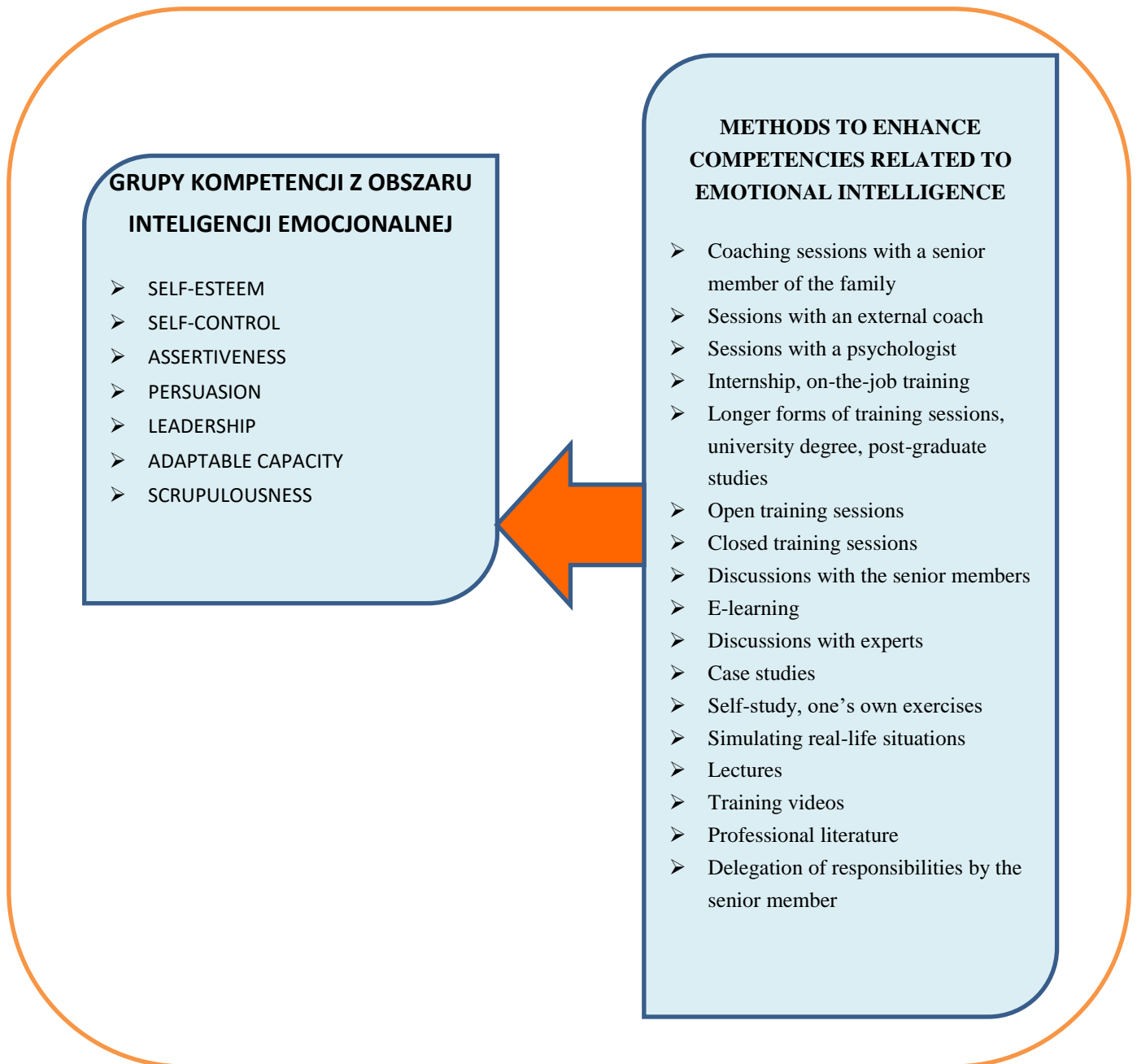


Figure 1. (Own Study).

Table following on the next page

Table 1: The most effective methods of enhancement of competencies related to emotional intelligence (Own work).

COMPETENCE GAP	THE MOST EFFECTIVE METHODS OF ENHANCEMENT OF COMPETENCIES RELATED TO EMOTIONAL INTELLIGENCE
SELF-ESTEEM	<ul style="list-style-type: none"> ➤ Coaching sessions with a senior member of the family ➤ Sessions with an external coach ➤ Discussions with the senior members ➤ Discussions with experts ➤ Self-study, one's own exercises ➤ Delegation of responsibilities by the senior member
SELF-CONTROL	<ul style="list-style-type: none"> ➤ Sessions with a psychologist ➤ Internship, on-the-job training ➤ Discussions with experts ➤ Self-study, one's own exercises ➤ Professional literature ➤ Delegation of responsibilities by the senior member
ASSERTIVENESS	<ul style="list-style-type: none"> ➤ Coaching sessions with a senior member of the family ➤ Sessions with an external coach ➤ Sessions with a psychologist ➤ Open training sessions ➤ Discussions with the senior members ➤ Discussions with experts ➤ Self-study, one's own exercises ➤ Simulating real-life situations ➤ Training videos ➤ Professional literature ➤ Delegation of responsibilities by the senior member
PERSUASION	<ul style="list-style-type: none"> ➤ Coaching sessions with a senior member of the family ➤ Sessions with an external coach ➤ Sessions with a psychologist ➤ Longer forms of training sessions, university degree, post-graduate studies ➤ Open training sessions ➤ Discussions with the senior members ➤ Discussions with experts ➤ Case studies ➤ Self-study, one's own exercises ➤ Simulating real-life situations ➤ Lectures ➤ Training videos
LEADERSHIP	<ul style="list-style-type: none"> ➤ Coaching sessions with a senior member of the family ➤ Discussions with the senior members ➤ Discussions with experts ➤ Self-study, one's own exercises
ADAPTABLE CAPACITY	<ul style="list-style-type: none"> ➤ Closed training sessions ➤ Discussions with experts ➤ Case studies ➤ Self-study, one's own exercises ➤ Delegation of responsibilities by the senior member
SCRUPULOUSNESS	<ul style="list-style-type: none"> ➤ Coaching sessions with a senior member of the family ➤ Sessions with an external coach ➤ Internship, on-the-job training ➤ Discussions with the senior members ➤ Discussions with experts ➤ Self-study, one's own exercises ➤ Delegation of responsibilities by the senior member

Obtained findings allow to draw a conclusion that discussions with experts and self-study/own work were used as enhancement methods in all seven competence groups related to emotional intelligence. The methods may be applied as optimal methods for the sake of improvement of

emotional intelligence-related competencies. As far as self-study/own work is concerned, the application of the method is confirmed by numerous researchers who advocate self-development by means of self-science programs (Stone, Dillehunt, 1978). It is helpful to become familiar with various situations and results of suggested solutions, combined with an analysis of one's own emotions and ways to restrain them. Although developing self-knowledge on emotions is undoubtedly of essential importance, it is still deprived of a rudimentary feature – there is no experts' assistance in correcting errors connected with expressing, using or understanding given competencies related to emotional intelligence. Hence, it seems to be understandable that the competence-enhancement method, i.e. discussions with experts, was hailed by the experts as equally effective as self-study. During the analysis of the research findings, the emphasis was put on the fact that e-learning is the only method which was not applied in the process of the enhancement of successors' emotional competencies. None of the experts put forward a different method of competence enhancement than the methods quoted here.

5. CONCLUSION

Family firms have been the oldest way of doing business, and as such they constitute one of the pillars of the world-wide economy. Their creation, operation and collapse considerably affect the development of both national and global economies. A long-term perspective of running a business by a future generation, as well as combining family-related and managerial functions result in distinct identities of the said entities (Sułkowski, Marjański, 2009, p. 9). Effective addressing of challenges of contemporary companies requires significantly more than just proficient management of tasks. It requires greater interpersonal skills, committed people and a transparent system of values. In such conditions one may experience a growing need to find more appropriate predictors of professional successes and life achievements than mere traditional skills.

More and more family businesses have been facing a decision to launch a succession process, which is mainly connected with the handing over of responsibility and management. And to this end the future managers of the said companies are required to possess determined competencies. One should bear in mind that the specific character of the family business management entails a necessity to take into consideration not only economic aspects, but also interpersonal relations in their broad sense. Thus, it is necessary for the successors to possess not only textbook competencies; one should also have intuition, imagination, courage and determination. The process of preparing successors requires an intergenerational co-operation, with a special emphasis on the role of family seniors in the upbringing of children from their early childhood, through gradual introduction of successors into the family businesses, combined with sharing of knowledge, good practice, behavioural patterns, encouraging to take actions and applying of competence enhancement methods. The author's own studies confirmed a wide application of methods aimed at the improvement of the competencies related to successors' emotional intelligence. Two methods are of particular importance: discussions with experts and successors' own work/self-study, which, according to the experts, may be used as methods to enhance selected seven competence groups, within the scope of emotional intelligence. Thus, the methods in question may be treated as optimal methods for the sake of improvement of emotional intelligence-related competencies. Nonetheless, one should bear in mind that the successors in family firms are not inborn managers, they may become them through comprehensive upbringing by senior family members (Gutkova, 2014, pp. 4-5). The parents who want their businesses to be taken over by next generations should consistently implement the educational project (including emotional intelligence) for their successors.

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CORRUPTION IN MASS CONSCIOUSNESS OF RUSSIANS: SOCIAL AND PSYCHOLOGICAL ASPECT

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ABTRACT

The article deals with the study of the peculiarities of perception of corruption at the level of mass consciousness. The subject of the study is proverbs and sayings about corruption. The study is conducted in order to study the mass consciousness and understanding the specifics of the reflection of various types of corruption activities through the prism of oral folk art. For the study, content analysis and an expert method were used. As a result of the research it was received that the majority of proverbs and sayings are justified in content and most often they justify people "taking" bribes. The novelty and urgency of this work is dictated by the need to study the socio-psychological component of corruption acts in order to obtain a greater effect from the state's anti-corruption policy.

Keywords: *corruption, perception of corruption, bribery, mass consciousness, perception stereotypes, sayings and proverbs*

1. INTRODUCTION

Corruption as the social phenomenon appeared many centuries back, tells a large number of the historic facts attributed by different eras about it. Forms of corruption and methods of corrupt officials are constantly improved, but the corruptibility and bribability of persons (including official), i.e. a human factor is the cornerstone of corruption actions. Corruption as scientific category has a set of definitions and interpretation. To understand what is meant this word us explanatory dictionaries were analysed. Corruption (Latin corruptio – bribery, damage) – the term which designates use by the public official of the office powers in the mercenary purposes.

Explanatory dictionaries give the following definitions to the term corruption:

- the moral decay of public officials and politicians which is expressed in illegal enrichment, bribery, plunder and accretion with mafia structures [14];
- bribery, seducing, depravity by bribes [7];
- bribery by bribes, bribability of public officials and politicians [6];
- bribery, bribability of public officials, political figures, etc. [5].

In explanatory dictionaries corruption most often is defined as bribery, and it is connected with activity of politicians and public officials.

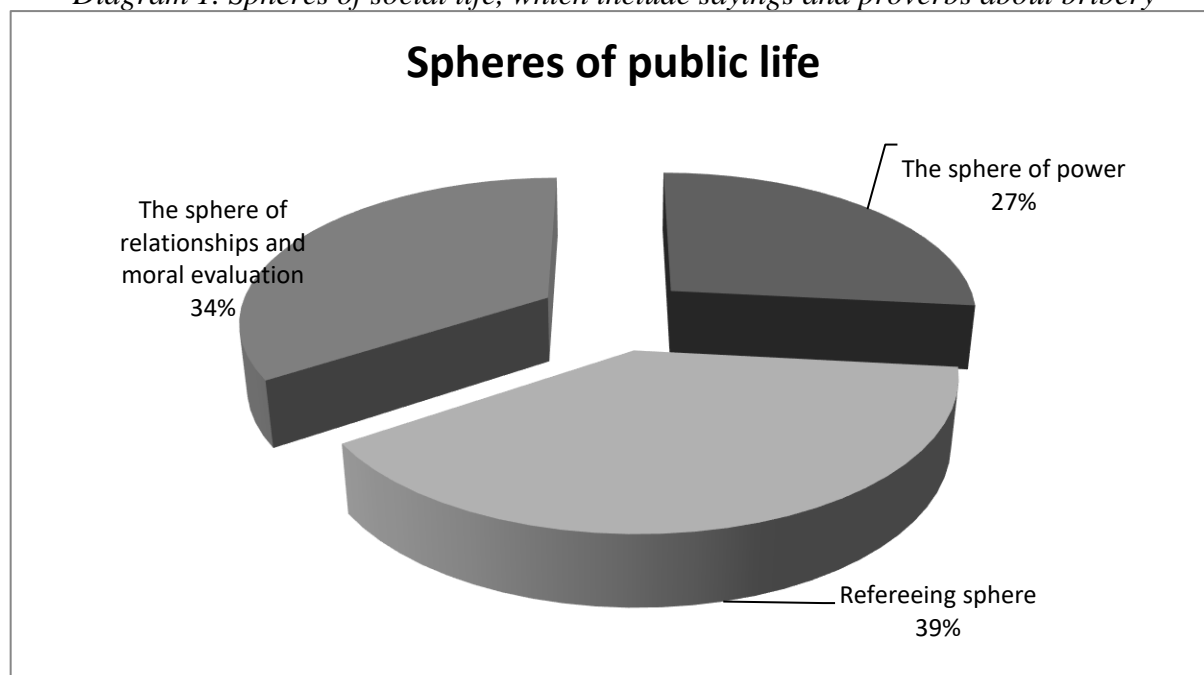
2. RESEARCH

In modern researches several main interpretations of corruption are now distinguished: legal, economic, sociological, etc. The most widespread definition of corruption has legal character, it comes down to a concept of a bribe and abuse of official position. The main attention in such approach is focused on questions, "the signs of corruption, a circle of the acts getting under this category, qualification of corruption crimes, their proof, definition of measures of punishment connected with specification" [13].

From the economic point of view it is accepted to consider corruption as the shadow market in which there are rules of economic relationship [19]. One of the first researchers who began to consider corruption from sociological approach is K. Friedrich, he considered that "corruption is the deviant behavior connected to the private motivation meaning that private (individual, group) the purposes are implemented for the public account" [8]. Studying of corruption from a position of sociologists allows to see steady social practitioners and a branching of social communications because corruption is a system social and psychological phenomenon. From social and psychological approach corruption represents the system of the interpersonal relations, it is one of explanations of stability of corruption throughout history of any state. Participants of these relations move in system (across or verticals), thereby create new communications within this system. The corruption system increases not only in connection with increase in number of its participants, but also with emergence of new social communications in system. The hierarchy of similar social systems where everyone knows a circle of the opportunities is one more reason of stability of corruption. Corruption differs on the bases: bribery, protection, clientelism, lobbyism, favoritism, protectionism, nepotism, assignment of public resources for personal reasons, illegal privatization, rendering services to relatives, friends, acquaintances [9]. Let's consider some of these bases in more detail.

Under bribery it is accepted to consider such situation when there is a voluntary offer, giving, consent to use any sum of money to influence actions of the public official in own favor [13, 23 pages]. If to compare bribery to other forms of manifestation of corruption, it is possible to assume that it is one of the most dangerous and the most cynical manifestation of corruption as it is exposed to risk of criminal prosecution and public condemnation in general. Bribery is immoral practice, discredits representatives of the government and strengthens neglect to the law. The circle of situations in which this form is used is rather wide because bribery does not mean friendship and the long relations between actors [20]. Concept the bribe designates a payment or a gift to the public official for commission of some illegal actions on a position for the benefit of giving [7]. In other explanatory dictionary the bribe is defined as money or material values which are given to the public official as bribery, i.e. payment of actions for the benefit of giving [6]. The economic dictionary enters into this definition a concept of the intermediary at commission of similar act [3]. Definition of a bribe in the philosophical dictionary is treated how any remuneration to the public official which is not provided by officially approved rules [16]. For studying of mass consciousness and specifics of reflection of different types of corruption actions we conducted a research of the Russian sayings and proverbs which are used for the description of this phenomenon. Proverbs and sayings belong to a genre of folklore which arose many centuries back. This genre differs in the fact that it developed throughout the life of people, it reflected also important events from life of all society, and the most ordinary everyday occurrences. The relevance of studying of sayings and proverbs about corruption (bribery) at the moment is, first of all, that in these short expressions the outlook of the Russian people is reflected. In them characteristic features of certain phenomena are thinly noticed that allows us to speak about objective assessment of the situation. Within this research we collected 106 sayings and proverbs on the basis of the analysis of warranty sources in the beginning [2; 11]. We divided all sayings into groups on the basis of the above-stated classification by manifestations. The majority of sayings, in our opinion, belong to a concept of bribery. At the following stage by means of an expert method (7 experts, professional psychologists and political scientists) we divided 106 sayings about bribery on spheres of public life to which they belong. Three areas were identified: the sphere of power, the judiciary and the sphere of relationships and moral evaluation. The following picture is obtained (diagram 1).

Diagram 1. Spheres of social life, which include sayings and proverbs about bribery



Thus, the majority of sayings about bribery can be referred to the judicial sphere and the sphere of relationship and moral assessment. Results of this series of the content analysis concerning the most known sayings are given in table 1.

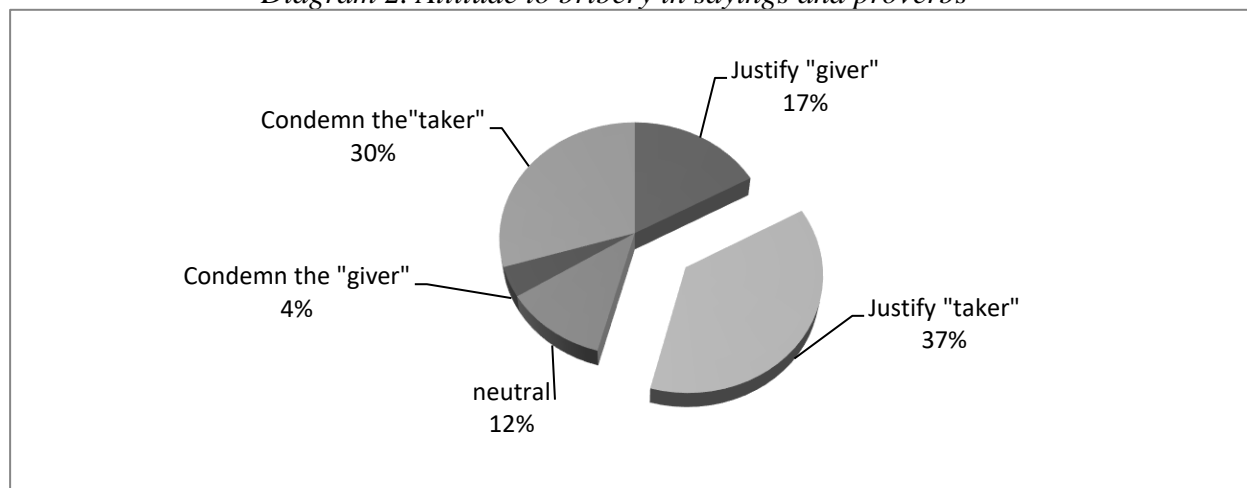
Table 1. Sayings of bribery

The sphere of power	Refereeing sphere	The sphere of relationships and moral evaluation
<ol style="list-style-type: none"> 1. U prikaznogo pravdy za rubl' ne kupish'. 2. Vsyak pod'yachiy lyubit kalach goryachiy. 3. Zemlya lyubit pravdu, a nash voyevoda prinos. 4. Den'ga popa kupit i Boga obmanet. 5. Ryba gniyet s golovy. 6. Kozel da prikaznyy – besova rodnya. 7. Na mir beda, a voyevode – nazhitok 8. Pod'yacheskiy karman, chto utinyy zob: ne nab'yesh'. 9. Yemu i zhalovan'ya ne nado, dopusti tol'ko kazennogo vorob'ya kormit'. 	<ol style="list-style-type: none"> 1. V sud podi i koshelek nesi, a to skazhut: zavtra. 2. V sud nogoy – v karman rukoy. 3. V sud poydesh' – pravdy ne naydesh'. 4. Voz'mi kalachi, tol'ko delo ne volochi. 5. Drugoy sud'ya chto dyshlo: kuda povernut, tuda i vyshlo. 6. Zakony svyaty, da zakonniki supostaty. 7. Kogda karman sukh, togda i sud glukh. 8. Na krivoy sud obraztsa net. 9. Chto mne zakony, koli sud'i znakomy. 10. Podpis' sudeyskaya, a sovest' lakeyskaya. 11. S kogo sud'ya vzyal, tot i prav stal 12. Skoreye delo vershit', koli sud'yu odarit'. 13. Sud kriv, koli sud'ya lzhev. 14. Sud pryamoy, da sud'ya krivoy. 15. Sud'ya sudi, a za sud'yey glyadi, kuda delo povedet. 16. Sud'ya, chto plotnik: chto zakhochet, to i vyrubit. 17. Sud'yam to i polezno, chto v karman polezlo. 	<ol style="list-style-type: none"> 1. Day grosh – budesh' khorosh. 2. Kogda zoloto vsplyvayet, to pravda tonet. 3. I umnyy берет, kogda gluppy dayet. 4. Stoit kryaknut' da denezhkoy bryaknut', tak i vse budet 5. Luchshe bednost' da chestnost', nezheli pribyl' da styd. 6. Ruki dlya togo, chtoby brat'. 7. Legki vzyatki – tyazhely odatki. 8. Sukhaya lozhka rot deret. 9. Ty – mne, ya – tebe 10. Voru potakat' – chto samomu vorovat'.

Sayings show that in the mass consciousness reflects certain features of a bribe. For example, such function as appeasement of judges («voz'mi kalachi, tol'ko delo ne volochi», «kogda

karman sukh, togda i sud glukh»). Part sayings expresses the attitude to corruption phenomena, contain moral judgments that are exculpatory or inculpatory in nature. In order to identify the prevailing attitudes and moral evaluation, our experts have conducted a content analysis of the statements on signs: blame (giving and taking), to justify (giver or taker) and neutral. The results of the analysis are presented in Diagram 2.

Diagram 2. Attitude to bribery in sayings and proverbs



Having analysed this picture, we came to a conclusion that the majority of the Russian proverbs and sayings of an justified according to contents and 37% from them acquit people who take bribes. But it should be noted that 30% of the analysed sayings are condemned "taking" bribes. This fact can be explained with national peculiarities of the Russian people, the developed mentality and historic facts. The mentality of the Russian person is that rendering service to the relative or acquaintance is considered the normal and decent phenomenon, even in spite of the fact that it can contradict the law. The Russian person considers it as the help and gratitude, but not as abuse of the office powers. And from here other feature of the Russian character follows: always it is necessary to thank for the help because on another it is "inconvenient". And there is a service for service, and as a result mutual responsibility [12]. As for historic facts, it is necessary to remember the principle of "feeding" in Russia existing to the middle of the 16th century when public officials (deputies) had no salary, and they lived at the expense of the population which was obliged to support them ("to feed"). Since this "contents" was not regulated, deputies abused the powers and imposed the additional taxes, for the purpose of own enrichment. From history it is possible to remember also that at the time of existence of orders (the 17-18th centuries) "corruption" turned into characteristic feature of the power, under the name mandative red tape. [12].

At the next stage, experts analyzed the proverbs in order to identify possible ways of carrying out bribery. The method of expert evaluation revealed six possible ways:

1. Bribe as a gift: «Vsyak pod'yachiy lyubit kalach goryachiy», «Skoreye delo vershit', koli sud'yu odarit'», «Dary i mudrykh osleplyayut»;
2. One good turn deserves another: «Ty - mne, ya – tebe», «Ne v sluzhbu, a v druzhbu»;
3. Bribe (from the side of the «giver»): «Voz'mi kalachi, tol'ko delo ne volochi»;
4. Extortion (from the side of the «taker»): «Kogda karman sukh, togda i sud glukh», «Za pravdu denezhki podavay, da i za lozh' tozh»;
5. The hidden bribe: «V sud poydi i koshelek nesi, a to skazhut zavtra»;
6. Mediation: «Chto mne zakony, koli sud'i znakomy», «Stoit kryaknut', da denezhkoy bryaknut', tak vse i budet», «Koli koshku obderut – tebe shkurku dadut»

From all revealed ways only the bribe and extortion in our opinion are obvious indicators of corruption. All other ways are kind of veiled and have the hidden character. Proceeding from it, it is possible to say that in mass consciousness not all manifestations of corruption are defined as obvious bribery, most of them is perceived in softer form. We classified sayings about bribery by spheres of manifestation, the relation and ways of implementation. Similar classification allows to see reflection of mass consciousness of the Russian people on a bribery phenomenon, and also to track the relation of the person to this phenomenon. The following manifestation of corruption which needs to be considered is «blat». The word «blat» got into Russian from a thieves' cant where in turn got from Polish where «blat» is designated "by the swindler covering on acquaintance" [4]. Explanatory dictionaries [5; 14] give similar definitions, protection is acquaintances and communication which can be used in the personal, mercenary purposes.

Blat is a form corruption the practician which is based on non-monetary exchange, it is so-called barter of services, and it is based, as a rule, on existence of the personal long-term relations. Here most of all the saying "you – me, I – you" approaches. Blat plays a role of system of redistribution of resources which is based on a personal contact. The important characteristic of protection is that the person providing a certain service thinks that his behavior morally and deserves a praise. This service is most often rendered not for the sake of immediate benefit, and for the help to the friends, relatives, acquaintances. In a similar situation the image of the individual who can render such service is represented to him in altruistic tones. But, nevertheless, blat is a form corruption the practician because provides informal redistribution of any resources on the basis of use of official capacity [20].

The clientelism is defined as a form corruption the practician which acts as relationship between the people holding unequal social position. "Forty - the thief cooked porridge, fed children. Gave it, gave it, and did not give it". This children's saying can quite characterize clientelism. In this type of the relations the boss and the client transfer each other certain rights and duties. Clients offer the boss the support and respect, and the boss in turn offers the client favor, a patronage, work [20]. The personal, frequent, personalized contact between people is characteristic of similar the practician. These communications are based first of all on inequality in possession of resources of the power and a difference in the social statuses of individuals and also on mutual obligations and interest. The similar type of relationship is characterized by isolation and hierarchy of structure of group which functions by the principle of clientelism. And also these communications are informal interactions in fight for a possibility of control over resources.

The lobbyism can be considered as one more manifestation of corruption. In the explanatory dictionary by Ojegov it is told that the lobby is a group of representatives of economically strong structures who can exert impact on policy of the state. In our opinion most fully determination of lobbyism is presented in the Historical dictionary: "this political phenomenon as a kind of pressure, acts in the form of various committees, the commissions, councils, bureaus created at the legislative and government organizations" [10].

The lobbyism can bear both negative, and positive sense. The lobbyism is positive in that case when civil society for the purpose of realization of the interests and requirements can influence the decisions made by public authorities. But often by means of lobbyism legislators make decisions which are directed to protection of interests of separate groups of people, but not societies in general. In this regard the lobbyism can significantly limit free competition. The American publicist of the 20th century Joseph Fok said in this respect that "bad politicians are

corrupted by good businessmen". Protectionism is also a form of corruption. In the explanatory dictionary Ozhegova protectionism is the selection of officials not by merit but by familiarity, under the patronage. In the economy protectionism refers to the economic policies of the state, which aims fencing of the domestic market from penetration on it of foreign goods. [3] Protectionism most often permeates all segments of society and the state apparatus, and it is not as harmless and disinterested as it might seem at first glance. The use of official position to provide services to family and friends turns into a serious problem that is not only economic in nature but also affects the politics and moral component of society. The development of kinship and corporate ties in the state apparatus leads to an increase in the number of illegal actions. The high position allows to resolve certain issues in circumvention of the law, i.e. to provide services, which in turn increases power over people and generates a sense of mutual responsibility. Some authors believe that «the constant companions of protectionism are poor management efficiency and a decline in the authority of the authorities» [15]. One of the serious dangers of protectionism lies in the fact that it can manifest itself not only at the domestic level, but also at the level of the formulation of normative acts and laws, as well as at the level of resolving personnel issues of various departments.

In the socio-psychological aspect, protectionism is a self-serving patronage rendered to someone by a person or group of persons who have power [17]. Protectionism primarily leads to the emergence of a privileged circle of persons, with such relationships, the interests of families, individual groups and personalities are placed much higher than the interests of the collective and society as a whole. We can say that protectionism is incompatible with the principle of social justice, it negatively affects the productivity of labor and adversely affects the psychological climate of the collective. The most effective means in the fight against protectionism are to ensure publicity and the rule of law.

Favoritism is a phenomenon in any area of public life, under which everything is conditioned by the influence and role of favorites. [5] Favoritism is the provision of services primarily to the family, and after all others. It causes unfair distribution of social resources among the whole society. Favoritism is divided into nepotism and cronyism. Nepotism is a system of power built on nepotism and cronyism - is the organization of system of power built on friendship. In the explanatory dictionary, nepotism is defined as excessive indulgence, reduced exactingness in official or business relations, which are conditioned by friendship or kinship ties [5]. Earlier, it was said that the human factor is at the core of corruption. The motive of a person taking bribes is to get rich. The bribes in this case may be different - in addition to money, it can be houses, apartments, cars, positions, titles, etc. From the point of view of the bribe taker, there are several purposes [1] and motives.

A number of authors believe that bribes are given to:

- The bribe-taker accelerated the process of providing a service (accelerating bribe);
- Who received a bribe in breach of its powers and slows down any processes («brake bribes»);
- The one who received a bribe, more loyal to the bribe-taker (giving a bribe «for a good attitude»).

3. CONCLUSION

From all of the above, it becomes clear that corruption in Russia has acquired a variety of forms. According to Professor V.V. Radaev, a bribe is the initial form of corruption relations, a primitive bribe further develops into a system of exchange of services of all kinds that are not expressed in monetary form. At the next stage, a bribe may develop into a system of long-term

cooperation between officials and entrepreneurs [18]. We can say that the notion of «single-player corruption» in modern Russia goes to the background, and the notion of «corrupt network» is put forward. Of course, corrupt networks are more dangerous for the society for many reasons, the most important in our opinion are:

Firstly, the individual's decision to accept a bribe is taken not only from his personal motives, but basically it is dictated by the norm of behavior in the network structure;

Secondly, the sense of guilt and risk is reduced if the individ knows that in his environment «so do everything», and, the more numerous the network, the less the sense of guilt.

In order for the fight against corruption to be successful, it is important to know how it arises, develops and what harm does the society. The fight against corruption should not focus only on the establishment of bans and the prosecution of persons convicted of such acts. The main link in the anti-corruption policy of the state should be the activities to eliminate the root causes of corruption.

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CORRECTION OF SPEECH DISORDERS OF 5-6 YEARS OLD CHILDREN WITH MENTAL DEVELOPMENTAL DELAYS

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ABSTRACT

When studying the problem of childhood disability, the development of a child, it is the fact that motor activity is the basis for the development of physical and mental abilities. Based on the analysis of scientific and methodological literature and results of an experiment we developed a methodology for physical rehabilitation of children of 5-6 years with a delay of mental development and disorders of speech. A distinctive feature of rehabilitation is the inclusion of physical training rhythmic speech therapy – physical exercise conducted under the musical accompaniment and agreed with the child's speech outdoor games, singing, and special breathing exercises. The obtained results allow to conclude that the use of the complex rhythmic speech therapy for 5-6 years old children with mental retardation and speech disorders opens up additional opportunities for their rehabilitation.

Keywords: *correction, children 5-6 years of age, mental development, speech disorders, speech therapy rhythms*

1. INTRODUCTION

Today, 1.7 million children in Russia fall within the category of children with special needs on medical grounds and require special upbringing and education. According to the RF Ministry of Health, 552 122 disabled children under 15 years of age, inclusive, were registered as such on the 1st of January 2014 [5, 16]. A large percentage of children suffer from speech impairments. Speech complications in children lead to motor development delays, coordination disturbances, changes in spatial perceptions, poor development of sense of rhythm [8]. Abnormalities occurring in speech development have a serious impact on the overall development of a child, and prevent from proper interaction with other children, participation in play activities, afflict the emotional and mental condition of the child and impede the cognition of surrounding world [10, 18].

When addressing the child development problem and child disability, it is noteworthy that motor activity is the basis for the development of physical and mental abilities. Physical education, toughening up activities and hygiene factors should be a large part in the system of rehabilitation of children with speech disorders, mental developmental delays with a possible abnormality (MDD) [3, 20]. Physical exercises enhance functional capabilities of cardiovascular and respiratory systems, improve the health. Studies by S.P. Evseev, Yu.A. Savchenko confirm the insolvency of the view that medicine has any exclusive prerogatives in health. The experts note in their studies that the problems of physical and motor development are addressed in pre-schools in various activities; physical education special classes are in the

first place, and rhythmic is included thereto. [1, 19, 21]. Many preschools use the "Indicative adapted program of remedial learning support in speech therapy groups of a kindergarten for children with severe speech disorders (speech general underdevelopment) aged 3 - 7 years" [12]. Existing recommendations on planning of speech therapy classes made for educators, speech therapists, methodologists of physical education and aimed at correcting the underdevelopment of speech in children, do not completely solve problems of complex rehabilitation of speech function in preschool children with mental developmental delay. This hinders the process of their effective special adjustment [2, 17].

2. METHODOLOGY

The study was conducted on a preschool base, a kindergarten of a compensating type. The study involved 14 preschoolers, aged 5 - 6 years. Each experimental and control group consisted of 7 children. The primary diagnosis of children in both groups was mental developmental delay and speech general underdevelopment (II-III level of speech development).

The following methods were selected to achieve the objectives of this study: analysis of scientific and methodical literature and compilation of best practices, educational observation, educational experiment, educational testing – the study of physical development, physical fitness and functional capabilities of the respiratory system of children, methods of mathematical statistics. A systematic analysis and evaluation of individual method of organization of physical training of children with MDD were carried out during the educational observation. The involved into the study were aware that the observation was open and conducted in accordance with the study schedule 3 times a week for six months also the recording was made. The well-being of children, the desire to exercise, control tests performance quality and functional tests were evaluated, as well as the external condition of the subjects during physical education lessons: sweating, pallor.

The following control tests were conducted to analyze the parameters of general physical fitness: the "Shuttle run 3x10 m", "Forward bend, sitting on the floor", "Standing long jump" [4]. The study evaluated the speech sound condition, namely, pronunciation of sounds in separate words and in phrasal speech [1, 6, 13]. For this purpose, the sets of images were used having subject and story contents, the title of which had the testable sounds in different positions. The speech sound condition was evaluated according to a three-point rating system.

Assessment of physical development was carried out on the following parameters: the body length, body weight, chest circumference, dynamometry of hands [9, 14]. The following functional tests were used to determine the functional state of respiratory system of children aged 5-6 years with speech disorders: breath holding on inspiration (Stange's test) and expiration (Gench's test); and the lung vital capacity ratios (VC) were recorded. We developed a methodology for physical rehabilitation, the specific feature of which is a remedial and developmental effect on children, considering their physical development [7, 11, 15]. The method focuses on correction of speech disorders by means of development and correction of motor functions, based on mental health characteristics and functional performance of senior preschool children. Table 1 provides the list of physical exercises of the method for 5 – 6 years old children with MDD.

Table following on the next page

Table 1: Rhythmic speech cueing physical exercises aimed at overcoming the speech disorders through motor functions development and correction of 5-6 years old children with mental developmental delays

Location	Parts of exercise (min)	Time distribution (%)	Frequency	Content of the exercises	Focus of the exercises
Gym	Introducing part - 5 min	15	6 - 8 times 2 - 3 min	General developmental exercises. Music listening.	Body major muscles development. Development of a tempo and rhythm sense of speech and non-speech facial expressions.
Gym	Main part 20 - 25 min	60	5 - 6 times 10 - 12 times 4 - 6 times 8 - 10 times 4 - 5 times 2 - 3 times	Rhythmic warm-up: musical and rhythmic exercises; - walking sideways one by one on a wire on a floor, by sidesteps; walking with stops on each step; walking forward and taking a step back; - exercises for all muscle groups, performed with different intensity; exercises on speech coordination with movement; - exercise to develop dexterity; movements representing any fairy tale character, who overcomes various obstacles by jumping, skipping, throwing, climbing performed to the music with singing.	Development of main features of attention, motor memory. Regulation of muscle tone Development of static and dynamic coordination. Development of attention main features. Development of transition of passive attention to active and conscious motor performance
Gym	Final part 5 - 7 min	15	1 - 2 times 1 - 2 times 1 - 2 times 5 - 6 times 1 - 2 times 3 - 4 times	The final walk to some peaceful march. Exercises for development of facial muscles. Physical exercises with recitations. Breathing exercises (static and dynamic). Finger gymnastics Games and dances with recitations and songs.	Development of a timekeeping and sense of rhythm Development of speech and facial expressions Development of gross, fine and articulatory motor skills. Increasing the functional possibilities of the respiratory system. Development of motor skills (gross, fine, facial and articulatory). Development of a tempo and rhythm sense of speech and non-speech facial expressions. Training the mobility of nervous processes in the Central nervous system, activation of cerebral cortex.
Musical room					

Physical education classes of rhythmic speech cueing with inclusion of physical exercises conducted under musical accompaniment and agreed with the child's speech, active games with singing, special breathing exercises are a distinctive feature of rehabilitation. Physical exercises with children took place three times a week for 15-20 minutes from 10 to 11 a.m., using educational principles of adaptive physical education.

3. RESULTS

The analysis of physical fitness level dynamics, functional condition of respiratory system of the test subjects with speech disorders showed the successful effect of the developed method with the inclusion of rhythmic speech cueing on speech of 5-6 years old children. The results of physical fitness re-testing analysis allowed us to reveal a positive dynamics of tested parameters in both groups. Indicators of dexterity and coordination of children in the experimental group improved during the term of educational experiment: the results of the test "Shuttle run 3x10 m" showed the decrease of test completion time by an average of 0,6 (s). The average result has improved by 4,6% ($p<0,05$). In the control group, it was by 0,2 (s). The average result has improved by 1,0% ($p<0,05$). The results of agility evaluation show a higher growth of indicators in preschool children of experimental group. The result improved by 1,0 cm on the average, representing 20% ($p<0,05$). In the control group, the average meaning was by 0,5 cm, representing 4,0% ($p<0,05$). The results of the test "Standing long jump" showed the increase in children of the experimental group by 4,0 cm on the average, representing 4%. In the control group, it was by 1,0 cm, representing 1%. The traditional test "Standing long jump" defined characteristics of speed-strength abilities of 5-6 years old children with speech disorders. Table. 2 provides indicators of dynamics of physical fitness of the test subjects during educational experiment.

Table 2: The indicators dynamics of physical fitness level of 5-6 years old children with MDD and speech disorders during educational experiment

№	Tests	Groups	Initial ($\bar{x} \pm \sigma$)	Outcome ($\bar{x} \pm \sigma$)	Significance of differences
1.	Shuttle run 3x10 m, s	c	12,9 \pm 1,6	12,7 \pm 1,4	$p<0,05$
		e	13,0 \pm 1,6	12,4 \pm 1,3	$p<0,05$
2.	Forward bend, sitting on the floor, cm	c	5,5 \pm 1,0	5,7 \pm 0,8	$p>0,05$
		e	5,0 \pm 0,9	6,0 \pm 0,8	$p<0,05$
3.	Standing long jump, cm	c	108 \pm 2,7	109 \pm 2,7	$p>0,05$
		e	107 \pm 2,6	111 \pm 2,3	$p<0,05$

To compare the results of control and functional tests in different units of measurement the relative results were leveled in percentage (%) during the experiment. The result at the beginning of the educational experiment was taken as 100%.

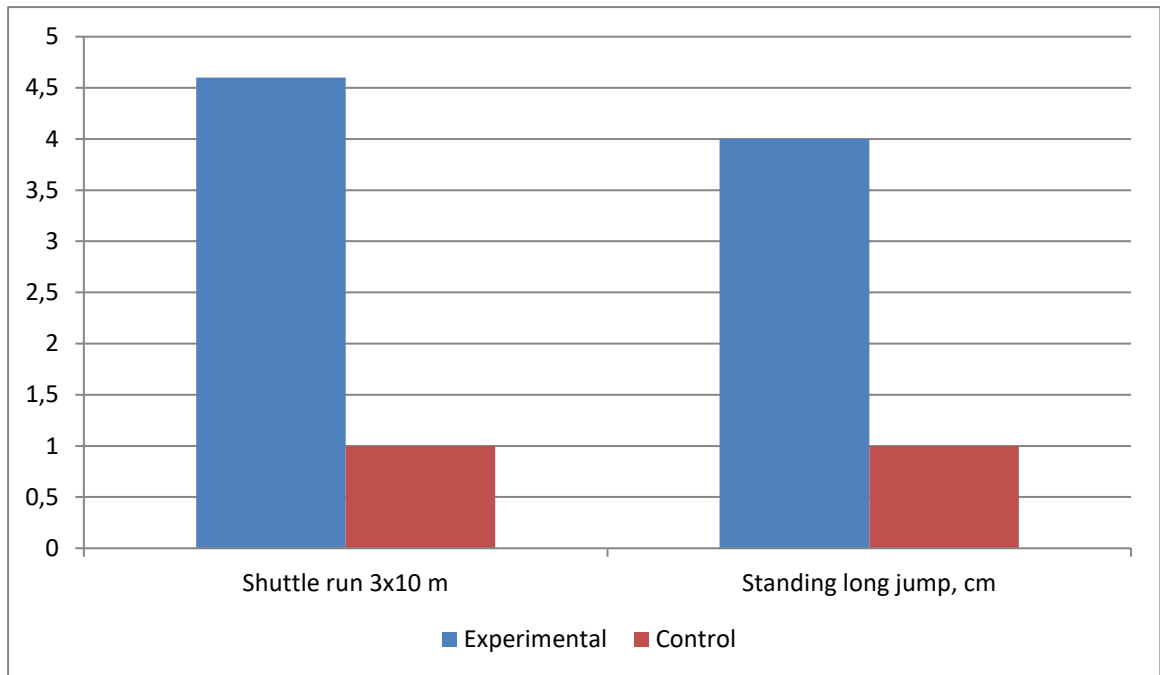


Figure 1: The indicators dynamics of physical fitness of 5-6 years old children with MDD and speech disorders (%)

Analysis of the results showed that the average indicator of physical fitness improved by 20% at the end of the experiment in the experimental group, and by 6% on the average in the control group. Complex rehabilitation classes with the inclusion of rhythmic speech cueing resulted in formation of more perfect level of respiratory system functioning in test subjects.

The time of breath holding on inspiration (Stange's test) at the beginning of the educational experiment in the experimental group was $11,4 \pm 1,2$ s on the average, and $14,0 \pm 1,5$ ($p < 0,05$) on the average in the end. The result improved by 22,8% on the average. It was $11,2 \pm 1,2$ s. and $12,3 \pm 0,8$ s ($p < 0,05$) in the control group, respectively. The result improved by 10 % on average.

The time of breath holding on expiration (Gench's test) at the beginning of the educational experiment in the experimental group was $7,2 \pm 1,2$ s. on the average, and $8,1 \pm 1,1$ s. on the average in the end. The result improved by 12,5% ($p < 0,05$) on the average. It was $7,3 \pm 1,2$ s and $7,5 \pm 0,9$ s. in the control group, respectively. The result improved by 3% ($p < 0,05$) on average.

Dynamics of VC increasing confirmed the positive impact of the developed method. Thus, VC in children of the experimental group improved by 8,3% ($p < 0,05$) on average, and by 4% ($p < 0,05$) on average in the control group during this educational experiment

4. DISCUSSION

The analysis of indicators average results of physical development of 5-6 years old children with MDD and speech disorders showed that they coincide with average somatic metric indicators of healthy children. At the same time, the physical fitness level of the test subjects has lower values of the development of physical capacity compared to their healthy peers. The analysis of functional parameters of the test subjects respiratory system indicates that 5-6 years old children with speech disorders have lower functional capabilities of the respiratory system. The analysis of articulation characteristics of 5-6 years old children with speech disorders showed that the children mainly have a low level of speech sound development at the beginning of the educational experiment.

The results of the study have fully confirmed the hypothesis about effectiveness of rhythmic speech cueing for 5-6 years old children with MDD and speech disorders. This resulted in the improvement of physical fitness indicators, functional condition of respiratory system of children in the experimental group. These show the reliable intergroup differences ($p < 0,05$) relative to baseline.

5. CONCLUSION

Thus, the application of experimental methods of rhythmic speech cueing in the physical rehabilitation of preschool 5-6 years old children with speech disorders yielded positive results in the development of physical qualities, increase of functional possibilities of the respiratory system during educational experiment, and opened up additional opportunities for their rehabilitation. Monitoring of the level of speech sound development in test subjects during the main educational experiment revealed positive changes: in the experimental group, four children showed the average level, and three showed the low one. In the control group: two children showed the average level, five showed the low one. Children with the low level of speech sound development have deep emotional behavior disorders. Perhaps, those disturbances constituted a deterrent factor in correction work for the rehabilitation of speech function. The rehabilitation of speech function in 5-6 years old children with MDD requires a comprehensive approach, implying medical and educational effect on various aspects of mental and physical condition of a child by various means and specialists. Curative and educational activities include speech therapy classes, physical therapy, rhythmic speech cueing, educational activities, complementary to eliminate or reduce the concomitant disorders of voice, breathing, motor skills, contributing to the overall improvement and nervous system strengthening, as well as save the child from a wrong attitude to his speech defect. Most educational activities, such as physical therapy, rhythmic speech cueing, relaxation exercises and breathing exercises can also be practiced at physical education lessons. Exercises develop coordinated and accurate movements in children with MDD, help to do away with stiffness or, conversely, disinhibition of movements, promote to the discipline and concentration.

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INSTITUTIONAL MODEL OF INNOVATIVE DEVELOPMENT OF THE CONSUMER COOPERATIVE SYSTEM AT THE REGIONAL LEVEL

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ABSTRACT

The system of consumer cooperation has a certain potential in solving national problems related to the provision of employment, food security and social reorganization of the village. However, the emerging trend of losing the competitive positions of the consumer cooperative system in the regional consumer markets in Russia leads to the realization of the need for institutional changes that would allow full use of the economic and social potential of the development of consumer cooperation in the conditions of the structural transformation of Russian society. The authors offer practical recommendations on the design and formation of effective forms of management of economic entities in the cooperative sector, as well as the development of a new institutional model of innovative development of the system of consumer cooperation adequate to the challenges of modern society, capable of restoring the competitive positions of its subjects in the regional market. Modeling of sustainable innovative development of the regional system of consumer cooperation assumes the use of the following system-forming components: resources (material, human resources, knowledge, technologies, etc. necessary for the production of an innovative product), space (territorially differentiated innovation activity of economic systems), institutions (set of rules and Mechanisms that stimulate the innovative activity of economic systems). It is the personnel resource as the most difficultly formalized will be the subject of our consideration. The choice of the vector of its strategic transformation should be directed in favor of new methods of managing this resource, in order to achieve the set goal with nonincreasing material costs. The first stage in the implementation of the proposed system may be the formation of a basis for designing the vector of economic development, namely, the creation of map-bases of the basic regional resources. And, as an example, the creation of a single regional base of the labor reserve as a key (system-forming) factor. It is the definition of the structure of this resource that will give the main impulse for the rational formation of this or that production cycle. That, in turn, will solve a number of acute social problems in the region.

Keywords: *human resources, personnel policy in the system of consumer cooperation, quality of life of the population, consumer cooperation, regional base of labor reserve, regional system of consumer cooperation*

1. INTRODUCTION

In the modern world, the cooperative form of the economy is the most massive social and economic movement, that was ideologically formed almost two centuries ago and includes not only a third of the able-bodied population of the Earth, but also the most important branches of

the economy. In discord with the global trend there is a Russian cooperation - with a rural population of forty million it covers only 200,000 workers, and the share of total trade turnover is 0.5%. As known, cooperative organizations are created to meet the economic interests of their members through economic activity and rely on the attraction of their personal means and labor. In a concentrated form, the main principles of cooperative entrepreneurship can be formulated as follows: voluntary and open membership, democratic control, economic participation of members of the cooperative and their independence, opportunities for learning and receiving information. However, from other organizations, consumer cooperatives have distinguished themselves by their social purpose and cooperative values, such as democracy, equality, justice, solidarity, personal responsibility and mutual assistance, which should not be the cause of any kind of discrimination and infringement.

Summing up what has been said, it can be noted that it is the presence of a dual nature, the dialectical interconnection of the economic and social entities, that fosters the construction of a socially oriented market economy throughout the world.

2. ROLE OF CONSUMER COOPERATION: RETROSPECTIVE VIEW

Foreign experience convincingly testifies to the high assessment by the authorities of the special contribution that the cooperative movement makes to the national economy. Deep in history, we can recall the incredible rise in the development of cooperative farms at the turn of the century and the century before, when Russia held the first place in terms of the number of farms and membership in them. This was a successful line of search for a form of market economy acceptable to our country. A favorable social environment allowed the development of a traditional Russian *artel*, rooted in the XIII-XIV century, introducing the principles of the European cooperative movement, but taking into account the country's multinational structure. By 1917, there were already about 50,000 cooperatives, uniting 14 million people. But, having acquired a political color and having directed its forces not to economic development, but to political struggle, the cooperative direction in the Russian economy was defeated even in spite of the short-lived renaissance of NEP in 1921. The development of the collective-farm system, command and government-regulated, finally supplanted private cooperation from the leading positions, leaving it only a system of consumer cooperation oriented to serving the interests of the rural population and art folk crafts. (Bilimovich A.D. 2005, p. 231)

Despite the modest share of the cooperative economy in the modern development of Russia, it is necessary to note the positive dynamics of its growth rates, even slightly outstripping the average growth rates of the national economy. This suggests the return of former priorities in the formation of national directions of a market economy. The President of the Russian Federation at the Congress of Trade Unions of 2015 defined a vector: "We need to change the structure of our economy." And taking into account the sectoral structure of the modern economy, burdened by the sanctions, it is necessary to apply project modeling in solving the problems outlined by the Concept of Long-Term Social and Economic Development of the Russian Federation for the period up to 2020. In accordance with this document, "implementation of measures to develop competition in the food markets of the subjects of the Russian Federation, the development of infrastructure for the marketing of agricultural products, the expansion of the network of supply and marketing agricultural consumer cooperatives" becomes of fundamental importance. (Zakharov I.V. 2001 p. 24) This requires the creation of a multi-layered agrarian economy, granting of equal rights to economic entities of various forms of ownership, including cooperative ones. This will allow to take into account risks, failures and lay down measures to minimize them.

The creation of a multi-layered agrarian economy will provide equal rights to economic entities of various forms of ownership, including cooperative ones. Competition will require constantly stimulating scientific and technological progress, saving resources, ecology of agro-industrial production, which, ultimately, will have a favorable effect on such indicators as: living standards and welfare of the population, the quality of manufactured goods and services, the relationship between people and the environment, issues of production, distribution, exchange and consumption of goods and services, production efficiency. A multistructured economy also involves cooperation between different forms of ownership and management. The development of society is impossible without coordination of efforts, coordination of actions, without purposeful use of human and material resources, which implies a system of cooperation. It is the correlation of the interests of agricultural producers, processing enterprises and the product market that will allow them to overcome the antagonism of their interests and form a scientifically grounded technological algorithm for the functioning of this system. Large industrial capital, while remaining the basis of the economy, is designed to give impetus to the development of small and medium-sized businesses. "Small," as Osipov rightly noted, "is fine as part of a large whole, connected with it by the division and combination of production, the exchange of innovations." (Osipov 1991, p. 316). The close interweaving of various forms of property and management allows us to build a network of a single economic mechanism, the scale of which will depend on the task, and experience can be transferred as a "calibrated tracing paper" to objects of both local and state significance. Moreover, the basis for optimistic design is: the statistics confirm the presence in some regions of not only the existing conditions, but also the necessary resources. (Ermakov V.F. 2001, p 37)

An important argument for boosting the development of consumer cooperation is its self-sufficiency, and, consequently, its readiness for world economic integration in comparison with the country's agro-industrial sector. Proposed technological algorithm of functioning of this system as best as possible will allow to build the most rational horizontal and vertical links of economic entities. If at this stage of the country's economic development the cooperative relations are formed under the influence of self-regulating economic mechanisms and have the character of a spontaneous, sometimes chaotic formation, then in the process of systematization of this process, the role of state policy increases and the main task becomes the study, generalization and proposal of rational, effective and scientifically grounded mutually beneficial partnership and cooperation.

3. INNOVATIVE MODEL OF FORMATION AND FUNCTIONING OF CONSUMER COOPERATION

Co-operative formation forms a single economic mechanism that ensures a closed production and technological cycle, reduces the percentage of production risk, and processing enterprises provide themselves with a reliable raw material base and a guarantee of marketing of finished products. To ensure a higher organizational and technological level of production, it is necessary to rely on the doctrine of the social division of labor, which determines its form and form, depending on the emerging market situation.

The model of the formation and functioning of consumer cooperation will be an open nature of the logistic pilot, focused on development and consolidation in the following stages:

1. Structure formation:

- Resource base formation;
- Base of material and technical capabilities formation;
- Formation of the base of potential investors.

2. Technological links formation.
3. Functional structure with revealed regularities. Development of a clear perspective for the development of commodity policies, allowing to engage in priority and most profitable activities in the perspective of the program for the development of cooperation at the micro, meso and macro levels.
4. The mechanism of generalization and introduction in the consumer cooperation of the experience of advanced enterprises, international experience in the development of the sphere.
5. Development of the mechanism of the perspective state regulation of development of cooperation in Russia.

The first stage in the implementation of the proposed system may be the formation of a basis for designing the vector of economic development (and, in a particular case, of one or another production), namely, the creation of map-bases of the basic regional resources. And, as an example, the creation of a unified regional labor reserve base. It is the definition of the structure of this resource that will give the main impetus for the rational formation of this or that production cycle. That, in turn, will solve a number of acute social problems in the region.

Unlike big capital, consumer cooperation, as a self-organizing structure, allows and gives a chance for self-realization for enterprising people, (Moiseev V. V. 2008, p 412) with which our country is famous, but is suppressed by the established bureaucratic machine. Also there is an opportunity of an investment of free money resources of legal and physical persons by creation of credit cooperatives.

While implementing measures to improve the state regional planning by setting priorities in the current and long-term plans, it is necessary to keep in mind not only the financing, the development of infrastructure and technologies, but also the scientific, methodological and personnel support of the region. It is the personnel resource as the most difficultly formalized will be the subject of our consideration. The choice of the vector of its strategic transformation should be directed in favor of new methods of managing this resource, in order to achieve the set goal with nonincreasing material costs. Properly organized management will allow to synchronize the formation, redistribution and effective application of such a specific economic resource. (Gunin, 2017 p. 550) Serving an innovative way of development of modern economy, management of human resources must also be innovative. Management processes should not be in discord with the newly developing technological processes of economic activity. The structure of the management process is formed by such volatile factors that without a scientific analysis and improvement of the conceptual apparatus, clarification of the interpretations of classifications and the introduction of new concepts is indispensable. Complex spatio-heterogeneous factors of regions and unstable resource conditions complicate the task of choosing the optimal development vector.

The statement of the problem should occur with a clear identification of directions taking into account resource constraints. And since the human resource, by virtue of its specificity, is subject to the operation of both objective economic laws and the operation of public and state laws, and its development is due to the manifestation of a number of factors: economic, political, technological, demographic, socio-cultural and others, design and forecasting should be carried out within the framework of a single socio-economic system of the economic entity. And the deeper the factors of this system are worked out, the more rational they will be built into the logic of the forecasted development model with the maximum possible result and sufficient state intervention in the innovation process with the aim of optimizing it. (Viharsky, O. S. 1989 p.35) Traditional methods of statistical accounting do not give a complete picture of the personnel reserve as a dynamically complex object. (Kuzyk, B.N. 2006, p 442) Not to

mention the ability to effectively manage it because of the laboriousness of such a long cycle from collecting information to analyzing it.

The application of the generally accepted criteria for assessing human resources does not give the desired effect due to:

- Subjectivism of questionnaires;
 - the lack of a mechanism for determining representative samples of the indicators in question;
 - Significant laboriousness of existing methods;
 - difficult to trace the dynamics of expert assessments;
 - impossibility of quantitative definition of quality depending on the level of professional preparedness;
 - impossibility of taking into account indeterminism and stochastic nature of the indicators.
- (Gunin 2015 p. 241)

It is necessary, on the one hand, to study reality, on the other hand, to provide prompt and reliable information in the form of a set of supporting features. In this situation it is necessary to turn to the linear programming system. Computer technologies create objective opportunities for creating a model of human resources. The integrated computer space is able to rework the network of mathematical matrices, building a complete life cycle of this resource, consisting not only of information gathering and analysis, but also the possibility of making operational management decisions. One of the conditions for the successful operation of the proposed system is the continuity of the process, its transparency and the possibility of introducing refinement adjustments. Automation of the process eliminates the subjective factor with its indeterminism, ambiguity and uncertainty. This creates a condition for including the most objective information in a harmonious system of links, making it predictable, and therefore viable. (Birchall J. 2003, p. 174)

In addition to the traditional structural analysis of the resource, it is necessary to turn to the study of its functional content with a reference to the personal and professional potential. His personality-formative and personality-developing content requires introducing in the traditional methods of management not only quantitative but also qualitative indicators. Taking into account the heterogeneity of the measurement units of the indicators, the problem turns into a category that is difficult to formalize. By solving this problem when processing data in a qualitative manner, the application of the qualimetry method becomes. This will prepare the indicators in a homogeneous key for introducing them into the algorithm of software analysis. Systemic tracking of the state of the human resource, based on the developed indicators and indicators, will allow not only to track the qualitative and quantitative composition, (Lvov, D.S.) the dynamics of its development, but also to predict the results of the proposed changes. This advantage makes it possible to carry out a proactive situational analysis and make operative decisions, relying on their variability with a predetermined reliability. Simulation modeling translates the collected information from the category of inert material into the evaluation process, thereby increasing the efficiency and validity of management decisions.

The essence of the proposed optimization-qualimetric model of creation and management of the personnel reserve is to maximize the effect of using the potential of the region. The issue of not just staffing the planned economic activity, but the selection of personnel with a possible calculation of its compliance is being addressed. The risks of ineffective use of the personnel reserve are reduced, since in addition to the traditional parameters of qualification, it becomes possible to monitor innovative components as well. At creation it is necessary to apply the

following stages: retrospection, diagnosis, prospectus. The final stage of the proposed system should be the forecasting of the spatial and economic development of the human resource. (Gunin V.K. 2017, p. 243) The necessary variational prediction is possible only with the use of virtual situational control within the framework of simulation modeling with the possibility to analyze its relational structures and interrelations. (Gunin V.K 2016, p. 249)

For the placement of this software product, it is advisable to use the ramified system of the state employment service, improving technology. It is quite enough to impose an innovative algorithm on the already formed organizational and methodological functional, which is an effective conductor of state policy. The unified network of the state employment service with established practice and the generalization of positive experience of personnel work perfectly suits the requirements of a clear legal regulation of the procedure for the adoption and implementation of all personnel decisions. Already, the regulatory and legal basis in the work are federal laws, laws of the subjects of the Russian Federation, decrees of the President of the Russian Federation.

Prior to the existing functions in the system of the state employment service of the population, priority issues of the personnel policy will be added:

1. Formation and effective application of the personnel reserve formed on a rating basis (using the method of qualimetric modeling of "professional portrait");
2. Personnel rotation services: taking into account their qualification level, professional education, length of service, etc. on the basis of computer program simulation of the order;
3. Evaluation of the results of professional activity through the use of modern personnel technology

Thus, the creation of institutionalized mechanisms for the formation of the personnel reserve will allow monitoring its configuration, respond to emerging tensions in the labor market and timely stabilize the situation. (Gunin VK 2017, p. 244)

The model will allow to develop preventive measures to prevent spontaneous outflow of rural population from their territories. These measures should be the nature of socialization of potential forced migrants. The social effect will be manifested in the growth of productivity and profitability of agricultural labor, and, consequently, in improving the quality of life of rural residents. Attractive should be a variety of not only a permanent form of employment, but also temporary and seasonal work, part-time work, the use of home work. The introduction of the entire spectrum of diversity of forms of employment will give a chance to choose the most acceptable, which does not violate the traditional living conditions of the rural population. This will be the starting point - the fulcrum for the formation of a sustainable, personnel-oriented reserve for the cooperative direction of the economy. Given the universality of the proposed model, it can be applied in any business structure.

4. CONCLUSION

The cooperative economy, having received sustainable development, should not only stop the outflow of the rural population, but also become attractive to the urban population and, ultimately, change the vector of spontaneous migration and give impetus to the development of the traditional economic system for Russia. It is important to revitalize and strengthen the cooperative movement, while the idea of collectivism still exists in the public consciousness, to use it fully for the emergence of a prosperous socially-oriented Russian state. Low-rise Russia will return the country not only the traditional way, but also traditional values, which, to great regret, are blurred by the "industrial machine" of large cities.

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LABOR MIGRATIONS FROM UKRAINE TO FINLAND: SUBJECTS OF MIGRATIONAL SERVICES

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ABSTRACT

The multi-faceted market of migrational services has been formed during 26 years of independent development in Ukraine. Subjects of these services are the Object of the current survey, the activity of which is directed to the employment of Ukrainian citizens for seasonal agricultural works in Finland. The survey is devoted to the history of the circuit formation of the Subjects, variety of their social roles and adaptive strategies, which were influenced by Ukrainian and Finnish legislation. Interviews, conducted in 2015-2016, author's observations, statistic data of the web-sites of Ministry of labor and social politic in Ukraine and information about Subjects, which was taken from the social networking sites and sites of companies on the Internet, are used in this survey. The studied segment of the intermediary services market today there are around 100 companies, the majority of which is located in the shadow sector of Ukrainian's economy. What is the problem? What doesn't allow to be legalized and to work undisturbedly? The research encloses detailed answers to these questions and recommendations to solve the established problems in both Ukrainian and Finnish legislation. Such kind of survey has been conducted on the territory of Ukraine for the first time, and its results showed, that Subjects played the main role in the construction of migrational currents and in the geography of labor migrations at the beginning of the 21st century. The current "shadow" position of intermediary companies shows the necessity of the changes in the legislation and strengthening of the impetus to legalize the activity of the Subjects. This impetus can be represented as visa-free regime for Ukraine with European countries, which was introduced on the 11th of June 2017. But in our opinion, it won't lead to significant changes in the market of migrational services in Ukraine in the nearest future.

Keywords: *migrational services, Subjects, legislative field*

1. INTRODUCTION

Dynamic development of the range of external labor migration in independent Ukraine has generated a number of new social and economic relations, previously unknown to the socialist society. Together with the increased demand for jobs outside the country, there was a demand for mediation services in employment. A multi-faceted migration services market has been formed over the past 25 years of the development in Ukraine, and we would like to stop your attention on one of the approaches. The object of this study is the Subjects of migration services (Subjects) aimed at the employment of citizens of Ukraine for seasonal agricultural work in Finland. Research is devoted to the history of formation of the subjects' network, the variability of their social roles and adaptive strategies under the influence of Ukrainian and Finnish legislation. We used statistical data from the World Wide Web, interviews conducted in the years 2015-2016 and personal observations of the author.

2. RESEARCH

The emergence of intermediaries in the studied vector of labor migrations refers to the mid-2000s., i.e, to the same time when the flow of seasonal migrant workers in Finland with its characteristic features was formed. In the 90-ies - the beginning of the 2000s a small number of seasonal migrant workers from Ukraine to Finland was due to the high cost of working visa (about 200 euro) and the existing allocation of agricultural labor market in Finland between

employees from Russia and the Baltic countries. Analyzing the development of labor migration in the studied direction, we can distinguish three phases, which determine the influence of external factors:

The beginning of *the first stage* determines the expansion of EU and the entry of A8 countries (Poland, Czech Republic, Latvia, Lithuania, Slovakia, Slovenia, Hungary and Estonia) May 1, 2004. As a result, many labor migrants from the Baltic countries reoriented to other countries with higher wages (England, Holland, Sweden, Norway) (Findlay A., McCollum D., Shubin S., Apsite E., Krisjane Z. 2013, P. 145–167.), thus significantly altered the ratio of seasonal migrant workers in the agricultural sector in Finland. Taking into consideration the differences in wage levels, and the fact that in most other EU countries the transitional measures to ensure access to their labor markets have been adopted, it is not surprising that the majority of migrants A8 prefer working in the UK, where such measures have not been taken (Findlay A., McCollum D., 2015, P. 428.).

In order to avoid the shortage of workers in 2004, Finland has changed the visa regime for seasonal migrant workers, including those from Ukraine. Visa "C" (<http://www.finlex.fi>) allowed to work on the basis of Schengen tourist visa instead of an expensive working visa. Later, there was a mark «seasonal work» on such visas in 2013. Saved up to this time the migration experience was reinforced by simplification of visa regime and the intensification of the activities of intermediary firms which appeared first, significant impetus was given to the development of the labor migration vector, which is under consideration. Parallel to this, the formation of migration services market occurs. The first agency, aimed at the employment of citizens of Ukraine for agricultural works in Finland originated in 2002 in Uman, the second - in 2004 in Odessa. In the mid-2000s, these two cities were the centers, on the basis of which is formed not only a network of Subjects but also the vector of labor migration as a whole. Expanding its services, increasing the number of partners and customers in Finland and in Ukraine, the agency contributed to the formation and construction of the flow of migrants, from number of which new Subjects began to appear. Findlay, A., F. Lee noted that the mediators do not only reflect the existence of the migration system, but are also partially responsible for its structuring (Findlay, A., Li, F., 1998, P. 684.).

The second stage is connected with the global crisis of 2008. Inability to repay huge loans led to the impoverishment of the large number of families among Ukrainian citizens. The economic collapse led to the bankruptcy of business entities, private enterprises and the whole companies. This gave a rise to a surge of unemployment. Dramatically the number of Ukrainian citizens, seeking a solution to their problems with the help of labor migration, has increased. The increase in migration flows for seasonal work in Finland led to the manifestation of three trends in the field of migration services. Firstly, in 2009 - 2010 a whole network of new subjects appeared among the migrants who visited Finland. Secondly, this migration network services segment includes the group of agencies who worked in other areas before. First of all, these are companies with experience in the organization of seasonal labor migration to Poland. Thirdly, cooperative Ukrainian-Finnish agency appeared. As a rule, affiliate parties divide functions among themselves: the Ukrainian side is engaged in recruiting migrants, and the Finnish side is engaged in finding jobs.

The beginning of the third modern stage predestined the political crisis in Ukraine of 2013-2014 and the following wave of mobilization to the army, and at the same time, a significant deterioration of the economic condition of the Ukrainian citizens. In the spring of 2014 a new surge of migration activity was observed, especially among the male part of population in

Ukraine. Fear of mobilization and subsequent dispatch to the ATO zone made a lot of men, especially young men, seek a shelter abroad. One of the outputs became labor migration, even short-term and seasonal. Moreover, part of Ukrainian citizens goes to Finland to get political asylum there at the end of the seasonal field work. Changes in the Finnish tax legislation represented another significant economic catalyst in increasing the number of seasonal migrant workers in Finland, in addition to the deterioration of the situation in Ukraine. Since January 2014 the Government of Finland has introduced a progressive system of taxation for foreign workers, previously applied only to citizens of Finland. Thus, the Ukrainian citizens, working in the agricultural sector in Finland, got zero interest charged on income below 11000 euro per year, instead of 35% income tax, accrued payroll over 510 euro earned in a month. These are, in fact, seasonal workers, whose wages do not exceed 4-5 thousand euro for 90 days, were completely exempted from income tax. Before proceeding to the characterization of the modern condition of the object of our research, we would like to pay attention to the field of activity of the Subjects of migration services. It is important to note, that this is a short-term seasonal migration of labor for agricultural work in the agricultural sector in Finland.

Migrants can be divided into 3 categories by the duration of contract:

1. About 10% are workers leaving the country for 6 months on the basis of obtaining a residence permit with the permission to work;
2. About 60% go for 90 days on the basis of Schengen visa "C" with the mark "Seasonal work";
3. About 30% are migrants in Finland for 60 days on the basis of the Schengen visa "C", but with the limited duration by their employer.

Based on the preferences of Finnish farmers considered migrational vector includes mostly women. Speaking about seasonal labor migration for agricultural work in Finland, we observe a group that includes from 10 to 11 thousand people, who brought to Ukraine from 33 to 35 million euro in 2016. The studied group shows a stable increasing tendency of migration activity, reinforced with a growing interest among workers from Ukraine, who are employed by Finns.

Considering the subjects of migration relations of Ukraine in general, they can be divided into 3 major groups:

1. Subjects, included in the Unified State Register of legal entities, individual entrepreneurs, community groups and those, who received a license from the Ministry of Labor and Social Policy of Ukraine to employ abroad. The main economic activity is the "employment abroad".
2. Subjects, included in the Unified State Register, working without a license. The main economic activity is the "information services". This group can be supplemented with travel agencies offering employment.
3. Entities operating on the territory of Ukraine beyond its legal framework.

The data of the State Statistics Service in 2010 - 2014, showed in Figure 1 (<http://ukrstat.gov.ua>), reveal the dynamics of the number of Subjects in the first group. It is remarkable, that despite the surge in migration activity in the past three years, the number of agencies has decreased, probably due to the political situation in the country.

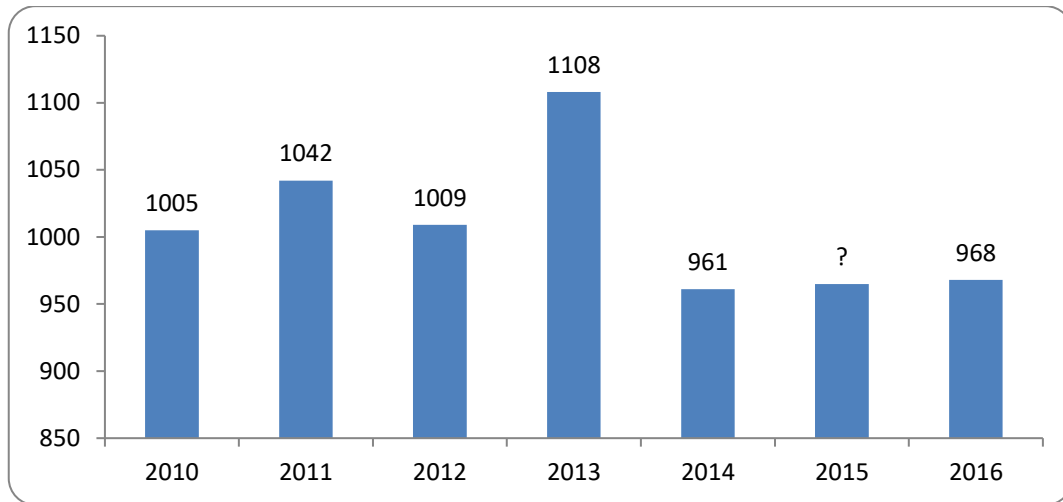


Figure 1. Number of Subjects of the first group by year.

There is a list of Ukrainian companies, which have received a license for employment of Ukrainian citizens abroad on the website of the Ministry of Labour and Social Policy of Ukraine in public domain (www.mlsp.gov.ua). During the period from 23.03.2010 to 08.19.2016, 968 Subjects received a license in Ukraine. We distributed the Agency by countries, which they work in association with, and the results are shown in Figure 2. The scheme shows that almost half of all Subjects, working in the legal framework of Ukraine, cooperate with employers from Poland and only 3 of them received a license for employment in Finland. Two of them work in the agricultural sector of the economy (www.mlsp.gov.ua).

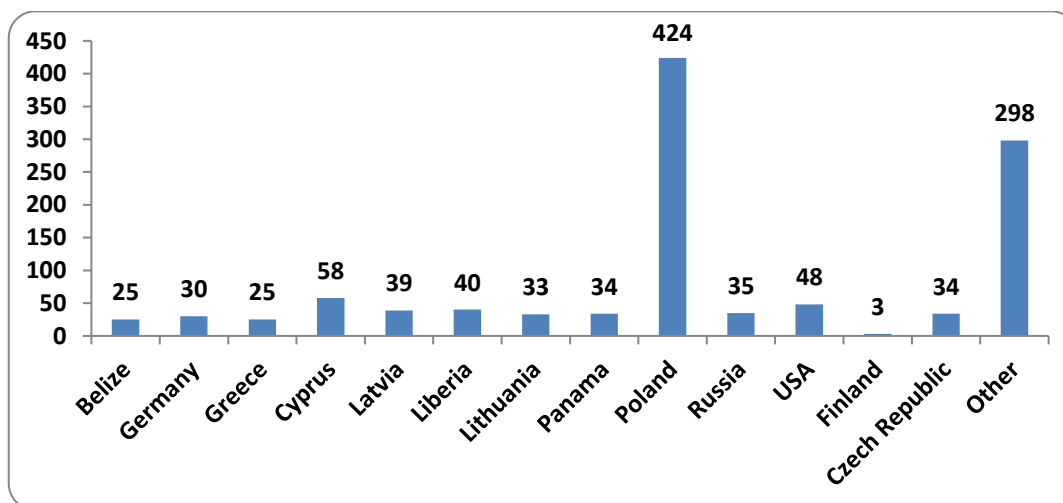


Figure 2. The distribution of licensees by the countries of employment.

Despite the lack of licensed agencies, aimed at the employment of Ukrainian citizens in Finland, nowadays the services market represents a wide range of businesses and individuals, working in the legal framework of Ukraine and beyond its borders. The analysis of data from the Internet revealed the information only about 38 entities working on the territory of Ukraine and providing employment services for agricultural work in Finland. It is important to note, that only 15 of 38 agencies are focused only on the employment in Finland. Figure 3 shows the countries, where agencies offer employment in cooperation with Finland. And again, the leader is Poland, which today is one of the main consumer of Ukrainian labor resources.

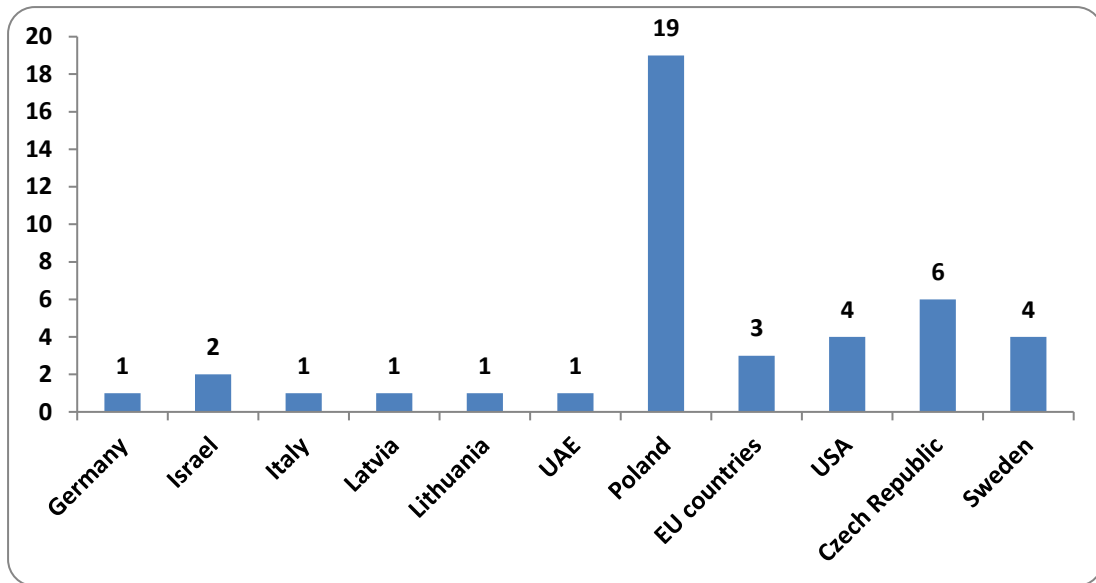


Figure 3. Division of Subjects by the countries of Service.

Lack of data, presented on the Internet, does not allow judging the organizational-legal forms of each of the intermediaries, but with the high probability we can say that 16 of the Subjects were found outside the legal framework. However, the results of our research show that the vast majority of entities, working on the territory of Ukraine, are located in the informal sector. The probable number is about 70 people. Thus, the total number of Subjects should fluctuate in the range of 100.

It is necessary to pay attention to the details of geographical location of mediators, which is presented in Figure 4. The incontrovertible leader in quantitative terms is Kiev. It is followed by Odessa, Uman, Cherkasy. At the same time, the results of our study showed, that 4 largest agencies are located in Uman, Odessa, Kiev and Kharkov (in descending order). It is estimated, that they cover 25-30% of the studied segment of migration services.

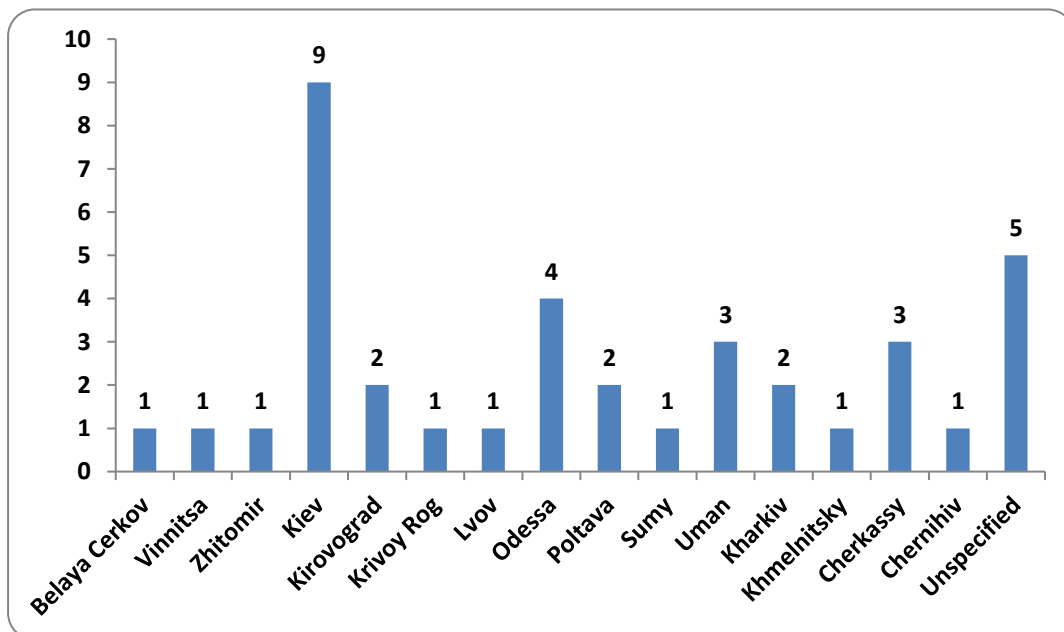


Figure 4. Devision of Subjects in Ukrainian cities

On the basis of provided by Subjects' services, we divided intermediaries into 4 groups:

1. Subjects, who sell invitations received from employers, which were found on the Internet.
2. Subjects, who work and provide manpower to one particular farm, sell invitations, assist in the preparation of documents for obtaining visa.
3. Subjects, who sell services, arrange visa support, assist in medical insurance for migrants moving to Finland.
4. Subjects, who sell services, arrange visa support, assist in medical insurance, moving to the employer and back. The presence of representatives in Finland allows arranging informational and organizational support while migrants stay in Finland.

With the process of formation of the subjects' network, relationships and interaction between them were formed. Rivalry between intermediaries is linked to the search of employers in Finland. Their names and contact details are the most carefully concealed information, despite the abundance of information on the Internet. Potential customers are not the subjects of rivalry. The economic collapse in the country has created tens of thousands of potential migrant workers, and the use of the Internet and a number of social networking sites made it easy to find employees. In Ukraine, the demand emerged in dozens over the past few years, or even hundreds of times greater than the offer. Nowadays, the vast majority of Subjects continue to be out of legal framework in Ukraine. What is the problem? What prevents intermediaries legit and work without "looking around?" Of course, the problem lies in the legislative framework of Ukraine. If we talk about the fact, why the representatives of the third the most widespread group of intermediaries did not even register as business entities, in our opinion, the answer to this question lies in two trends:

On the one hand, an abrupt increase in the number of migrant workers has generated a considerable number of new Subjects. At the moment they are in the process of basic accumulation of capital and, in time, some of them will register the company in order to expand the business and find new partners in Finland, but some of them will stop their work, and some will continue to work illegally.

On the other hand, a considerable part of non-official intermediaries constitute Subjects that provide workers only to one farm, where, as a rule, they work longer than one year. These people remain hidden here, and they do not plan to expand their business. To identify these intermediaries and determine their number is almost impossible, as they find clients without advertising in print media or on the Internet.

Speaking about the situation with the Subjects registered as legal entities and individual entrepreneurs, but do not apply for a license to employ Ukrainian citizens abroad, therefore we have an absolutely different situation.

Analyzing the interviews, we came to the conclusion that part of the intermediaries, who wish to obtain a license, are stopped by the stereotypical fear of regulatory authorities. Working in a familiar mode, they are afraid of innovation, the emergence of another, and perhaps of a few new inspectors who will definitely find some violations and they will have to "negotiate." Still, the main reason is the complexity of the legal procedures to obtain a license. To become a licensee, the applicant must submit a list of documents, which in addition to the legal documents of the company includes a lease premises. Its presence is a must. For small businesses, this condition is a big obstacle, as office rent and maintenance of employee requires additional financial investments.

But the most difficult thing is that the list includes 4 of the documents, which must provide the employer with the following:

- Apostilled employer registration documents. Apostille can be put only in the magistrates of large cities that are in tens or even hundreds of kilometers away from the employer's place of residence.
- The document, which confirms, that the employer has not concluded any agreements with the trade union or trade union association. I think, it is quite difficult to understand for the employer what he should sign and what this document is about.
- The project of agreement between employee and employer. The document must be in Ukrainian and English languages, 6 pages of fine print. In Finland, the main practice is oral agreement and a standard contract application form on 1 page is accepted by the Ministry of Labour in Finland.
- Agreement about the supply of intermediary services to employ Ukrainian citizens abroad. There are certain requirements to this contract of the Ministry of Labour and Social Policy of Ukraine, it is also written in two languages, consists of 5 pages of fine print and not easy to understand.

These four documents are difficult for the subjects to obtain a license, and very few people can get that around. Moreover, it can be assumed, that nobody checks the submitted documents, and will not check. They are declarative. There is no doubt that similar difficulties can be in obtaining licenses and employment in other countries. There is no doubt, that there is a necessity to change the licensing procedures, the mechanism of changes in original data as well as reporting on the company's activity. Nowadays, taking into consideration general computerization and the presence of state-owned enterprises' database in the public domain, it is necessary to simplify the procedure to apply for license. In our opinion, this can be done as following. It is necessary to create online form, including all information about the applicant, as well as declared names and contact information of their employers, who the Subjects are in business relations with. After verification of the applicant's information and call back to confirm the intention of interpreting, the intermediary receives an electronic version of the license to the mentioned e-mail address, and a link to download a program. Having installed the program in computer, the Subjects must insert all prescribed information about the company, employers and workers, actualizing the information on the first day of each month. In our opinion, such changes would allow a considerable number of intermediaries to get out of the informal sector into the legal framework. The introduction of such a scheme of interaction between governmental institutions and the Subjects would greatly facilitate the work of companies, and the government would receive regular statistics on the screen with one click. A special role in the formation of market migration services aimed at employment of Ukrainian citizens in Finnish agricultural sector plays the legislation of host country, the conductor of which is the Finnish Embassy in Kiev.

According to the rules, established by the Embassy, the vast majority of visa applications for seasonal work are applied through a network of visa centers VFS.Global. As far as we know, nowadays only a few Subjects received the accreditation by the Embassy of Finland and received the right to apply documents to the visa center by their clients' attorney. In our opinion, facilitate intermediaries accreditation procedures would have a significant impact on their transition to the legislative environment and at the same time to release a huge number of applicants from the necessity of personal appearance for the submission. For many of the applicants to visa centers, where the Subjects bring them to, are often at a considerable distance, and it requires free time and additional expenses.

Finnish Embassy in Ukraine published on its website, the directive about seasonal work 01.03.2016 and confirmed them again 16.01.2017. The directive says, that according to Article 12 §5 of the Law of employment and business services №916 from 2012 worker should not pay for employment agency's services. Violation of this law is punished according to §6 Art. 47 of the Criminal Code of Finland. The peculiarity of this directive is an indication that, despite the charges will be made abroad by foreign intermediary, criminal penalties may also be applied to the employer in Finland. And thus, according to claim 13, licensing conditions for economic activities related to the mediation in employment abroad, approved by the Cabinet of Ministers of Ukraine №1060 of December 16, 2015, the entity may charge a fee for its services after the signing of employment contract with the employer. It reveals an apparent contradiction in the legislative framework. The reaction of Subjects in Ukraine, that followed can be called as the reaction of disappointment. Agency, which spent time, efforts and money in the development in the legal framework for many years, turned out as losing party. Those, who planned to register the company, have refused from it, those, who would like to obtain a license, postponed it until better times. The Directive has become a powerful factor that slowed down the development of the surveyed migration services market segment in Ukraine. The Subjects, who were in the informal sector, got a double benefit.

3. CONCLUSION

Based on statistical data, we can say, that in the next 2-3 years migrants from Ukraine will reach the maximum possible number of employment in this sector. In the summer of 2016 in agriculture in Finland 14,500 migrants worked officially, 10,000 of which were from Ukraine (gatherers of wild berries are not considered). The subsequent increase in the number of seasonal workers is only possible by reducing the number of employees from Thailand, Russia, and Baltic countries. Probably it will not be possible to exceed 14000 by 2020, as there are niches occupied by Estonians and Karelians for many years, who speak languages of the Finno-Ugric group; Latvians and Lithuanians, located nearby, and other EU citizens - Poles, Czechs, Romanians, Bulgarians, etc. As for the network of Subjects' migration services, it will continue to develop in an extensive way by increasing the number of migrants and the number of employers. At this stage of development, there will be more Subjects who will fill the list of informal agencies. The list of registered companies will increase significantly and the number of licensees will be even less. We can assume that after 2020, an extensive way of development will gradually move into intensive. Visa-free regime will allow licensed companies to expand their activities and extend its services to other sectors of the economy in Finland. New opportunities for agencies will open the availability of the license, which must give a rise to desire for its obtaining and, consequently, to improve the quality of the provided services. Reached maximum of the agricultural sector will stop the quantitative increase of Subjects, some of them will remain in the informal sector, and the part which is pushed by rivalry and the desire to develop, will get out of the informal sector and will move to the legal framework.

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ART THERAPY AS AN INNOVATIVE METHOD OF CONFLICT RESOLUTION IN CREATIVE GROUPS

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ABSTRACT

The article justified the increased emotional background and bright contents subnormative content environment of creative teams. These features create problems and risks of non-standard situations in the field of interpersonal communication and actualizes the objectives of the study and harmonization of interpersonal relations in creative teams. Thus, the aim of this work is to find adequate the environment, convenient for a given environment, does not cause rejection in the environment of methods and mechanisms of conflict prevention. The research methodology is based on the works of V.M. Bekhterev, L.S. Vygotsky, A.I. Kopytin, V.I. Petrushina, I.M. Sechenov, V.S. Suarjana, V. Becker-Glosa, E. Kramer. In the choice of instrumental approaches, special attention was paid to the analysis of structural models of conflict V.N. Salenko, modular method of interpersonal conflict A.J. Antsupova, methodology K. Thomas, in terms of diagnosis of predisposition of the individual to conflict behavior. The result of a scientific experiment showed strong positive change in the attitude of the kernel of the conflict to colleagues, harmonization vnutrioblastnoy atmosphere, the enrichment of the corporate culture of the entire organization. Due to the high dynamics of actualization of the information society, and a substantial increase in the share it the creative part in business relations, the scope of this study becomes as a really significant and significant potential interest to institutions that are not monotonous and repetitive nature of the relationship. Conducted scientific experiment has shown that art therapy is a relatively little-known, new and very substantial and effective way of preventing interpersonal conflict and harmonization of sustainable development organizations not only in the sphere of interpersonal relations, but also in other conflict areas of cooperation.

Keywords: *interpersonal, organizational conflict, art therapy experiment*

1. INTRODUCTION

Modern science knows a quiet significant set of mechanisms and technologies for preventing, diagnosing and resolving conflicts in the group. Generally, they are classified into two large groups - structural and interpersonal, including, in turn, various coordination and integration mechanisms of influence and interaction. The conflictologist palette is patchy and includes a set of tools used in cases of negotiation and joint search for solutions to the purposefully designed confrontation. [Assagioli, 2011] Is there an innovation place in such a lively, creative, and an ancient process at the same time? Definitely, there is, as such activity of a conflictologist can not be routine, - routine social technologies are easily recognized by stuff, include protective rigid processes like those described by E. Mayo, and, therefore, it can not be fully

effective. Therefore, a good conflictologist is always an innovator. His activity should always be fresh, diverse and unpredictable, because a steadily developing collective should not feel external interference, drawing strength for growth in internal potencies and self-organizational capabilities.

Therefore, the classical notion of innovation as an introduction of innovation that ensures a qualitative increase in the efficiency of production processes in this sense will not be complete and trivial, since the conflictological impact must always be predictable and fresh, like the waving of the conductor's stick. [Beljakov B.L.V. and all, 2016].

2. CHAPTER 1

To understand the process and the meaning of innovation in the work of a conflictologist, need to follow the more interesting understanding of the nature and essence of innovation: "... the motivator, the accelerator of attenuation, the dilator of morphostasis is a fighter with a conservative non-entropy, having an inertial tendency to isotropic turbulence and uncontrollable disorder". [Maslikov V.A., 2015].

That is to say, when traditional forms of socio-psychological influence, such as negotiations, conversations and coercions become formal and ineffective, it is necessary to seek unexpected solutions. Certainly, the more structured and formalized the collective, the more brutal can be the forms of conflictological influence, since in most cases the formal methods there are perceived as a norm. Although, definitely, even thinner scalpels would be very useful, the only question is in their cost. However, in a team with poorly formalized, not always optimally perceiving administrative-command methods of influence, it is much more difficult to manage without delicate instruments.

That's exactly circumstance that substantiates the research interest in art therapy as an innovative method of preventing conflicts in creative groups. Art therapy as a method based on artistic creativity and aimed at correcting the emotional, communicative, cognitive, regulative spheres of the individual is now widely and effectively used in psychological counseling and psychocorrection.

Positive dynamics in the use of this method was noted by many Russian and foreign scientists – V.M. Bekhterev, V. Bekker-Glosh, A.I. Kopytin, E. Kramer, V.I. Petrushin, I.M. Sechenov, V.S. Shusharjan, etc. It should be noted that the American Art Therapeutic Association was proclaimed in the United States in 1960. The main purpose of art therapy can be expressed in creating a harmonious mental state and stable psychoemotional images, states and stereotypes through the development of the ability of self-knowledge and self-expression.

When it comes to the production process or about other activities that unite people, then the tasks of art therapy are also the creation of a sustainable positive image of the workplace, the collective, the team management. Sometimes, such opportunities for art therapy as obtaining empirical material for psycho diagnostic are necessary for the possibility of establishing contact with a client or in a team, obtaining socially acceptable recognition of latent conflictogens, the possibility of an exit of aggression and other negative feelings, the development of self-control, self-esteem and creativity.

3. CHAPTER 2

The most known today types of art therapy are based on visual arts, literary creation, drama, dance and music. Thanks to the fact that art therapy has a close connection with creativity, contact with which is in childhood of every person, this method becomes an effective tool for preventing interpersonal conflicts in the organization. [Dahrendorf,2008]

It is the art therapy that promotes the expression of internal contradictions and conflicts in non-verbal ways, enables the negative emotions to sublimate into an act of creative activity, promotes the deepening of the ability to identify their own emotions, generates strong-willed qualities, facilitates comfortable social adaptation and interpersonal interactions, promotes internal emancipation and disposal of internal clamps .

Revealing the essence and features of the method of art therapy, what can not be overlooked is like everything in nature, this method also has "dark" sides. One of them was talked about by the Soviet psychologist L.S. Vygotsky, explaining the nature of the "terrible" paintings of expressionists, such as the widely-known "The Scream" by Edvard Munch: "Our experiences and emotions are a source of energy that can be catalysed through expressive arts that are a powerful tool for finding, living and accepting the "dark" aspects of ourselves". [Vygotsky,1998]

Another "dark" side of "subjective creative experiences," used as a psychological influence, was recently disclosed in an open letter sent to the US president and members of the Senate Armed Services Committee by UK citizens Shafiq Rasul and Asif Iqbal. These people described the tortures practiced at Guantanamo Bay. Among other things, torture was also called terrible for rock music, the very one that many art critics consider to be contemporary musical art.

Whatever it was, the negative aspects of art therapy only once again confirm the real effectiveness of the instrumentation in question and, in turn, provide an opportunity to assume about a certain degree of effectiveness in managing conflictual interpersonal relationships by redirecting destructive internal components to a constructive channel.

To achieve this hypothesis, a study was organized and conducted. GGBU School No. 1273 with in-depth study of the English language was the experimental base for the application of the art-therapeutic method for preventing interpersonal conflicts in the organization.

The testing took place in the structural subdivision No. 6, where the main thing is immersion in choreography and subjects of the artistic and aesthetic cycle. Children who opted for this specialization definitely have certain qualities and characteristics that have a creative orientation. [Fomicheva and all, 2017]

Creative individuals have an extremely subtle degree of psychological organization. So, for example, their desire to uncover inner creative potential often leads to the development of selfish tendencies, which lead to unconstructive, and sometimes destructive, consequences interacting with other people. [Kataeva, 2016]

In addition, psychological science draws attention to some additional reasons for the emergence of the problematic of interpersonal communication between creative individuals, this is the instability and even the contradictoriness of creative people, the inconsistency in decision-making, and often the illogicality of the thinking process. [M.S. Kozyrev, V.A. Maslikov.

2016]. The aims and tasks of the study causally determined the selection of three stages of its experimental part: preparatory, main and final.

Preparatory stage

The preparatory stage covered an extended period of time three academic years from September 2014 to May 2017 and manifested itself in studying the dynamics of conflict interpersonal relationships between learners in the process of mastering the art-therapeutic approach, that consisted in a complex-expressive method, implemented in the process of creating a school musical theater. The interaction of children in the musical theater allows using the technologies of a multidisciplinary art-therapeutic approach. It includes the entire creative palette, that can be used by the conflictologist not only as diagnostic but also as protective measures: this is a creative realization in dramatic action, stage speech, an element of choreography and rhythemics, music-vocal works, fine arts (make-up, scenery), the manufacture of props (clay therapy, puppet therapy), tailoring costumes.

In September of 2014, when the musical and theatrical studio began its work, the children were tested according to the method of K. Thomas, regarding the diagnosis of predisposition of a person to conflict behavior. The study involved 64 students who attend the musical and theatrical studio "The inspiration". The results are shown in Table 1.

Strategies of behavior by K. Thomas	Age groups		
	7-10	11-14	15-17
Rivalry	9	8	7
Cooperation	2	-	4
Adaptation	8	2	5
Compromise	-	2	5
Avoidance	2	10	2

Table 1: The results of diagnostics of students predisposition to conflict behavior in the initial stage of the experiment

During the processing of data, the fears were increased about the activity of the students is more aimed at rivalry, adaptation and avoidance, which means that the level of anxiety and aggressiveness, which directly has a connection with conflicts, has been raised alarmingly. For three years the musical and theatrical studio "The inspiration" continued to function actively, and empirical data gave cause for restrained optimism. [Lebedev, 2013] At the end of the experimental period of three years, in May of 2017, another questionnaire was conducted, which revealed that the level of anxiety and aggressiveness decreased significantly, and the guys were more focused on cooperation and compromise.

Strategies of behavior by K. Thomas	Age groups	
	10-14	15-17
Rivalry	3	5
Cooperation	11	13
Adaptation	2	2
Compromise	9	14
Avoidance	2	-

Table 2: The results of diagnostics of students predisposition to conflict behavior at the end of the first stage of the experiment

The course and results of this preparatory stage of the research project made it possible to discover certain transformations in the behavior not only of students but also of the teaching staff who took part in creative projects personally. In connection with this assumption, a hypothesis was put forward that the complex implementation of art-therapeutic technologies contribute to the prevention of interpersonal conflicts not only in the children's group, but also in the methodological unification of teachers in the artistic and aesthetic cycle. This assumption predetermined the conduct of the second research stage. [Lebedev,2010]

Main stage

Therefore, the object of research of the second stage was the collective of methodical association of teachers of the artistic and aesthetic cycle, and the subject itself was the conflict itself, which takes place in this collective. A brief conflictological analysis of the object-subject database is presented below.

Subjects of conflict

- Choreographers 1, 2, 3.
- Concertmaster.
- Teacher of acting.
- Fine Arts teacher .
- Teacher of vocals.

For all participants the subject of the conflict has an intangible character. Immediate conflictogens are in the area of conflicts of goals and interests. For a variety of the reasons, the conflict is subjective in nature, because it's based on personal reasons. For the organizational structure, the conflict is mixed nature, because relationships are built like in a dyad between the leader - subordinates, and in the dyad between subordinate - subordinates.

By the level of evidence, the conflict includes hidden, masked and obvious mini-conflicts.

- In the spheres of manifestation, the conflict has a social color.
- The results are dysfunctional, due to the fact that the structure of interpersonal relationships becomes more complicated over time, while there are no positive results on problematic issues.
- The social consequences are destructive, since the conflict is based on subjective causes, which introduces social tension and leads to the destruction of interpersonal interactions and adversely affects the outcome of joint activities.

Before starting to work on the study of conflict interpersonal relationships among teachers of the artistic and aesthetic cycle, a structural model of the conflict was developed according to the method of Dr. V.N. Shalenko. There are such components considered as mutual relations, interests, values, information, role structure. The results are shown in Table 3.

Table following on the nexttwo (2) pages

Relationships (tightness of the relationship)		
WEAK	AVERAGE	STRONG
<p>Teacher of Fine Arts</p> <p style="text-align: center;">↕</p> <p>Instructor of acting</p>	<p>Choreographer 2</p> <p style="text-align: center;">↕</p> <p>Choreographer 3</p> <p style="text-align: center;">↕</p> <p>Concertmaster 1, 2</p>	<p>The artistic-esthete director of cycle ↔ All other participants of the experiment</p> <p style="text-align: center;">↕</p> <p>Vocabulary teacher (unspoken conflictologist)</p>

The importance of relationships		
LOW	AVERAGE	HIGH
ABSENT	<p>Choreographers 2, 3</p> <p style="text-align: center;">↕</p> <p>Concertmaster</p> <p style="text-align: center;">↕</p> <p>Fine Arts teacher</p> <p style="text-align: center;">↕</p> <p>Instructor of acting</p>	<p>The artistic-esthete director of cycle ↔ All other participants of the experiment</p> <p>Vocabulary teacher</p> <p style="text-align: center;">↕</p> <p>All other participants of the experiment</p>
STATUS EQUALITY		INEQUALITY
<p>Choreographers 2, 3</p> <p>Concertmaster</p> <p>Teacher of Fine Arts</p> <p>Vocabulary teacher</p> <p>Instructor of acting</p>		<p>The artistic-esthete director of cycle</p> <p>All other participants of the experiment</p>

INTERESTS			
Nature of interests	Personal, social, psychological nature		
Level of claims	Tall	average	Low
	Choreographer 1 Choreographer 2 Choreographer 3	Fine Arts teacher Concertmaster 1 Vocabulary teacher Teacher of acting	Absent
The divisibility of the "conflict pie"	Objectively-amenable	Difficult to give	Practically intractable

	None	Rights and obligations; Spheres of influence	The greatest number of moral, personal, psychological
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INFORMATION	
Character and quality of information	Due to the fact that the conflictologist is behind the scenes, the reliability and security of the information is confirmed.
The importance of owning of the information	The possession of unofficial information by all participants, the high degree of importance of information for each participant
Role structure	
Status positions of opponents	Mixed
Strengths of influence on each other's behavior	The power of influence is expressed in the psychological and moral pressure of the parties to the conflict

Table 3: The results of diagnostics of students predisposition to conflict behavior at the end of the first stage of the experiment

Directly with the participants of the conflict, as well as with the children, a survey was conducted on the preferred strategy of behavior in the conflict according to the method of K. Thomas. Judging by the results presented in Table 4, it can be seen that the main strategies of respondents are avoidance of conflicts and rivalry.

Strategies for behavior by K. Thomas	Results						
	Choreographer 1	Choreographer 2	Choreographer 3	Choreographer 1	Teacher of vocals	Fine Arts teacher	Teacher of acting
Rivalry	❖		❖				
Cooperation					❖		
Adaptation							
Compromise						❖	
Avoidance		❖		❖			❖

Table 4: The results of diagnostics of the predisposition of the conflict participants to the conflict behavior

The logic of further conflict diagnosis required the holding of a modular sociological test of interpersonal conflicts A. Antsupova. During the processing of the data, the attitude to each member of the group of all the parties to the conflict was studied, the opinion of each member of the group on how his colleagues are related to him, the quality of his duties and the development of his moral qualities. The results are shown in Table 5 below.

Position	Attitudes towards colleagues	Attitude towards me	Professional knowledge	Quality of performance of duties	The importance of interests
Choreographer 1	Difficult to assess	Difficult to assess	average level	average	In favor of personal interests
Choreographer 2	negative	to the highest degree-	low level	more harm than good	In favor of personal interests
Choreographer 3	Difficult to assess	Difficult to assess	Difficult to assess	more harm than good	In favor of personal interests
Concertmaster	neutrally	to the highest degree +	average level	average	In favor of personal interests
Teacher of acting	Difficult to assess	neutrally	Difficult to assess	average	In favor of personal interests
Fine Arts teacher	neutrally	neutrally	average	average	In favor of personal interests
Vocabulary teacher	neutrally	neutrally	average	average	In favor of personal interests

Table 5: Results of modular sociological test of interpersonal conflicts

Thus, the empirical base obtained allowed us to embark on directly the experiment. During the second stage of the experiment, the idea of a joint project was presented - the creation of a musical, which includes dramatic, vocal, choreographic, graphic directions. None of the project team was aware that one of the teachers is directly a conflictologist with specific tasks and objectives for studying interpersonal relationships between teachers of the artistic and aesthetic cycle. The teacher-conflictologist, despite the fact that he was not the head of the artistic and aesthetic cycle, took over the function of an unofficial leader and from the very beginning acted as a screenwriter and director of a musical.

Before the presentation of the project, an individual interview was conducted with each teacher in order to clarify the answers to specific questions:

- What does each teacher want from this project?
- In what role does he represent himself?
- What ideas arise?
- What do they want to see?
- Who and how can students be represented in this project?

Such a "production" interview made it possible, first, to awaken a meaningful initiative – each teacher was able to open and share his secret visions and desires concerning not only pedagogical realization but personal ambitions, revealing to himself and the researcher the reason for the provocative factor of rivalry. Secondly, if the maximum number of real / wishes of each of the teachers is observed in the production of this musical, the mechanism of inclusion and interest of the individual in this project has worked.

The project was implemented throughout the school year and the release of the musical was planned by May. In the first academic trimester, a general state of "calm" was observed, all participants took a wait-and-see attitude and each participant was absorbed directly by the fulfillment of certain tasks assigned to him.

In the second academic term, joint rehearsals began. From this time on, a change in the relationship between the teachers of the artistic and aesthetic cycle became noticeable. Undoubtedly, a turning point can be called a point after which choreographers "2" and "3" began to greet each other, although for more than a year they basically pretended not to notice each other and passed by. This event was positively evaluated by the entire creative team and, of course, had a very positive impact on the overall socio-psychological climate of the group. In the third academic trimester, universal internal and external mutual respect began to be observed, moreover, even sincere enthusiasm, fueled by a rather densely tangible sense of responsibility and experience that there was very little time left before the release of the play. In the communication, tension in relations disappeared, teachers during common breaks communicated not only on the topic of teamwork, but also discussed personal topics (previously this was never the case with interpersonal relationships among colleagues). Finally, the appearance of the play was perceived by all participants of the project as a general holiday, at the end of which a tea festival was organized.

The final stage

Three weeks after the release of the project, when the intrapersonal sensations of joy and delight subsided and one could look at the situation from the side, the modular sociological test A. Antsupova. [Scott, 1991]

The processed data gave the result, which showed that all three choreographers, who formed the core of the conflict, changed their attitude towards colleagues and, above all, to each other. All three showed that the attitude towards their colleagues was positive! Also the opinion of all choreographers coincided with the fact that in personal clashes with the interests of the organization, they are ready to sacrifice personal interests in favor of the interests of the cause. [Kopytin, 2015]

The rest of the teachers of the artistic and aesthetic cycle, namely the Fine Arts teacher, the teacher of vocals, the accompanist and the teacher of acting skills, after the release of the work, noted the brilliant professional knowledge and qualitative performance of all the duties of their colleagues. [Vachkov, 2011]

4. CONCLUSION

Thus, a comprehensive art-therapeutic approach to prevent interpersonal conflicts among teachers of the artistic and aesthetic cycle gave positive results and allowed to establish productive working relations. The results of the conducted experiment allow to draw a conclusion about the possibility and expediency of introducing complex art-therapeutic mechanisms in the life activity of such complex collectives as creative ones in order to stabilize and harmonize social and psychological processes, to develop team building and to establish effective joint activities. [Komarenko, 2015] This experiment is a modest contribution to the treasury of innovative methods of managing complex teams, and it is possible to create a large number of forms and connections in its boundaries. However, it is important to note that the nucleus and the basis for the success of the experiment was not just a joint, routine activity, namely, creative, requiring joint search for non-standard answers, giving hopes for unpredictable results determined solely by joint efforts.

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"PROFESSORIAL UNEMPLOYMENT" AS A NEW SOCIO-ECONOMIC PHENOMENON IN MODERN RUSSIA

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ABSTRACT

The article analyses professional labor market of Russian universities' faculty in the conditions of modernization of higher education. A sharp reduction in the number of jobs in higher education has led to a significant tightening of competition at the professional labor market and the emergence of the category of unemployed teachers. Although the "Professorial unemployment" has not yet received the status of recognized social and economic phenomenon, official statistics and results of sociological studies highlight the significant negative trends in the professional labor market of university teachers. The article assesses the scale of the problem in modern conditions, as well as the essence and reasons of unemployment of University teachers and identifies the factors that increase the risk of loss of teachers in different categories. Scientifically sound and comprehensive assessment of the socio-economic impact of the reform of the personnel sphere of the universities is impossible due to the lack of the necessary amount of empirical information. But nevertheless negative dynamics of structural and qualitative characteristics of the teaching staff of universities in terms of large-scale reductions in the number of employees is obvious. The vulnerability of the position of teachers in the professional labor market is largely due to the lack of effective mechanisms allowing them to fight for their rights while risking their jobs. In this context, the development of proposals to reduce unemployment and stabilize the professional labor market of University teachers is of particular importance.

Keywords: *Professional labor market, unemployment, modernization of higher education*

1. INTRODUCTION

The modernization of higher education is one of the priority reform areas in modern Russia. An active discussion about the causes of low competitiveness of the Russian universities and the need for quality changes in the implementation of academics' scientific and innovative potential takes place not only among experts but also in diverse social classes (Gohbert et al., 2011; Popova, 2012, Makeeva et al., 2016). In recent years the difficult and contradictory reforms of the Russian higher education system have radically changed the academic's status in the professional labor market. The requirements to the faculty members are getting stringent, the situation in staff policy is becoming strained. The massive reduction of the faculty members in universities and, as consequence, a spike in the number of unemployed professors have become the adverse tendencies in Russia's higher education institutions. Many Russian research papers are devoted to the problems of growth of the faculty members' competitiveness and their adaptation in conditions of higher education reforms (Roschina, 2015, Kirillov et al., 2015).

The experts in other market-economy countries study the transformation of employment and work conditions of the university teachers in up-to-date stage. Thus they draw attention to the deterioration of the academics' status in the labor market of the USA and Europe (Musselin, 2013; Stocum, 2013), reveal the negative dynamics of professors' wage level and work conditions (Ouardighi et al., 2013).

2. METHODS

Complex analysis of the problems in the professional labor market of Russian universities' faculty demands for the active use of wide range of the scientific methods of inquiry. The authors apply such general scientific methods as structural analysis, synthesis, system approach. Besides the authors use the methods of typological, historical-genetic, benchmarking micro- and macroeconomic analysis. Different sociological methods such as survey, supervision, system analysis are actively used, too. Empirical base of the research consists of the economic and statistical data and the results of the sociological studies. The official statistics, presented in the research, is provided from the Federal Service for State Statistics of Russia (Rosstat) and obtained during the monitoring of the educational sphere, conducted by the National Research University "Higher school of economics" (Indicators of Science, 2015, Education in the Russian Federation, 2014). The researchers use also the results of the survey among students and selective interviews with the faculty members of the Russian state social university, conducted in 2015-2016. Collection, accumulation and colligation of the information about the main trends in the sphere of labor and employment of university professors allow creating a basis for further in-depth analysis of the problems of the development of higher education, as well as formulating proposals for reducing tensions in the professional labor market.

3. RESULTS

3.1. The transformation of the professional labor market of Russian universities' faculty in conditions of transition to market relations

Benchmarking analysis of the performance of professional labor market of Soviet and modern Russian universities' faculty shows vast and not always positive shifts in this sphere.

Table 1. The main characteristics of the professional labor market of Russian universities' faculty

	Main characteristics	Soviet University	Modern Russian university
1.	Occupational prestige	is upmarket and respected	Prestige of the profession of university professor is low
2.	Wage level	Substantial wage (much higher than the average earnings for Soviet economy)	Gradual growth of wage in recent years
3.	Occupational mobility	Possibilities of mobility are limited	Unlimited mobility, but its real level is low
4.	Possibility of double jobholding	Possibilities of double jobholding are limited	Unlimited opportunities for double jobholding (tendency: reduction)
55.	Work contract	Competition is a formality, the work contract is elongated almost automatically	Transition to "the system of effective contracts", real competition

In the USSR the university professor was one of the most noble professions. Professors were highly qualified and respected social and professional group, which was entrusted with an important mission - not only to give a set of knowledge, but also to promote the formation of the student's personality.

Currently, less than 1/5 of the respondents among university employees classified high school professors as middle-class or even upper-class, 60% of the respondents defined their place in the social structure at the lower-level class. The results of the survey among students, conducted in the Russian State Social University in 2016, shows low attractiveness of teaching profession. 28 % of respondents rate professor as a human who couldn't succeed in other spheres.

High-status positions of university professor in Soviet Union were confirmed by a high wage level and different benefits, - reduced working hours, long leave, additional living space for the cabinet. The average salary of university professor was about 300% of the average salary in the economy as a whole, and the salary of the beginning young teacher - 110-120% (Future of higher education, 2013, p.87).

In the late 1980's the real incomes of teachers have significantly declined. Thus, the average monthly earnings of teachers in the primary place of employment was about 75-90 dollars in 2000-2001. Only in recent years the positive tendency has been appeared in the sphere of professors' labor remuneration, - by 2018 it is planned to bring the average professor's salary up to 200% of the average salary for the economy.

Professional mobility level was low in Soviet Union. For the teaching community work at the same university throughout the entire career passed for normal. Comparatively low mobility level remained in the Russian higher education institutions at the beginning of the XXI century. According to research, almost 65.6% of teachers can be classified as "non-mobile", i.e. their work experience at this university is the same as the total academic experience (Gorelova, 2016).

Today a free schedule and the opportunity to combine the main teaching activity with different types of freelancing are considered as essential "benefit" of the teaching profession. But it was not always so. In Soviet Union double jobholding was permitted only in one institute; part-time employee had to present a written permission from the main work place to the secondary employment, etc. (Smirnov, 1958).

The professors in the higher education institutions were released from the limitations of the secondary employment in the 90's of the XX century. From 2000 to 2005 the number of the part-time employees has increased significantly (in 1,5 times), which was the consequence of the active development of the private universities. But since 2006 the number of external part-time employees began to decrease and by 2015 it has fallen more than ¼ (Education indicators, 2016).

Soviet universities held formal competitions to fill the posts of faculty, which resulted in a work contract for a fixed term (several years), but in fact the contract was elongated many times without unnecessary formalities. Nowadays Russian universities descend to the individual "effective contracts", which must become basis for conducting not formal but real competitions to fill the vacancy. (Contracts in the academic world, 2011). There is a real competition among professors in the professional labor market.

3.2. Contents and factors of the “professional unemployment”

With almost full-time occupation, typical for the administrative-command economy, the risk of unemployment for highly qualified university professors was minimized. But in recent years due to the policy of optimization and the reduction of the number of universities the situation in the labor market has been complexified. Overwhelmingly such approach is connected with the “demographic hole”, - a significant decrease in the birth rate during the crisis of the 1990s of the XX century has led to the reduction of the pupils’ number from 22 to 14 million for 10 years, so the number of enrollees has been cut too (Druzhilov, 2011). The growth of crisis trends in the Russian economy in 2014-2015 had also certain impact on higher education. The reduction of public funding made the Ministry of Education and Science toughen demands to the state universities and push them to reduce staff costs.

In recent years the process of reducing the number of universities is very active. According to the Federal Service for Supervision in Education and Science of the Russian Federation (Rosobrnadzor of the Russian Federation) 800 universities and their branches have been closed for 2014-2015. In coming years it is planned to close another 600 universities and their branches (Fedotov, 2015). Obviously “professors’ unemployment” is new and understudied phenomenon in modern Russia. According to the Rosstat in period of 2010 to 2016 the number of the universities’ faculty has been cut by more than 62 000 (almost by 20 %) (Indicators, 2017, p. 234). There is no particular information about professors, who lost their jobs. According to the labor union of the university workers “University solidarity”, only in last year thousands of professors were made redundant or transferred to a lower rate (the society of dead associate professors). In 2014-2016 reductions took place in the State University of Management, the Moscow State University of Press, Russian State Humanitarian University, Kazan Federal University and other universities. Wide-scale reductions were planned at Lomonosov Moscow State University, but the administration of Moscow State University decided to avoid a scandal at the most famous Russian university and ceased dismissals. The university professors’ attitude to the job loss problem has changed. According to the survey of Russian State Social University’s professors in 2009, 45.3% of respondents were confident of their stable position at the university and believed that they would not lose their jobs. In 2016 absolutely all interviewed professors noticed that the job loss in modern conditions is quite real. Besides, more than ¾ of respondents are sure, that they will face a real challenge in search of new job in the professional labor market.

From our point of view the situation on the professional labor market is exacerbated by the absolute unreadiness of Russian professors to a keen intensification of competition. Obviously the average Russian professor in modern conditions is turned to be extremely vulnerable for a number of reasons (Ilina et al, 2016):

- habit to a stable life,
- low level of professional mobility (absolute unreadiness to the regional mobility),
- insufficient language skills,
- domination of theoretical knowledge under practical experience (i.e lack of working experience and useful contacts outside higher education’s institution),
- lack of “knowledge commercialization” culture, i.e. skill of transforming the intellectual capital into real money (by non-criminal methods),
- lack of skills of the competition for the workplace, lack of legal literacy, that does not effectively protect their rights in a dispute with the employer,
- strong confidence that a high professional qualification status (PhD degree) is a lifelong guarantee of relevance in the system of higher education.

3.3. The main types of the “professional unemployment”

According to the analysis of the main tendencies in the professional labor market among professors it is emphasized several types of the “professional unemployment”.

1. Frictional unemployment.

It appears, when professor resigns from one work place to find another one. There can be plenty of reasons for the resignation. The position of the professor in a modern university demands from him a "supercompetence". In addition to the teacher's work he has to pursue science, take part in the process of the commercialization of his intellectual property, work on the guidance papers, - and all of this in conditions of financial constraints and constantly increasing competition. The resignation is often a remonstrative sign, i.e. by such way the professor expresses his disagreement with the policy pursued by the administration of the university. The problem is that in conditions of wholesale redundancy in the universities the period of searching for the new job is significantly delayed. Moreover, there is no guarantee, that the problem of the employment will be solved.

2. Structural unemployment.

Nowadays it is the most popular type of unemployment in the higher education. Work loss by professors is most often associated with the processes of restructuring and optimizing the university system. The admission to the universities without accreditation or license is ended, universities unite or the weaker institutions join the stronger ones. The structure of the students' training is often changed. It is turned to be the most difficult situation for the professionals in humanitarian and social sciences. According to the plans of the Ministry of Education and Science of the Russian Federation, first and foremost the preparation of students' training in management, economics and jurisprudence is reduced. Structural unemployment is one of the most concerning type of unemployment in all fields. The professors, having lost their jobs due to the closure of the university or wide-scale reductions are practically defenseless and have no chance to find a suitable vacancy without the help of their colleagues.

3. Reputational unemployment.

This type is new for the Russian universities. A modern professor, who wants to "stay afloat" has to achieve formal quantitative indicators. The problem is that the real strategy of increasing competitiveness is often replaced by imitation, flashy demonstration of dubious successes or even direct deception. As a result the professor sustains significant reputational losses, and the university, taking care of its own reputation, tries to get rid of such employees. Sometimes the job loss is the consequence of scandalous exposures of the professors, whose theses turned out to be a piracy. The professors deprived of the PhD degree have big challenges to find a new job at the university.

4. Concealed unemployment.

The growth of “hidden” unemployment or The growth of "hidden" unemployment or forced part-time employment of university professors has become one of the most significant latent trends in the professional labor market. Formally the professor does not lose his job – using all means to stay at his workplace, he agrees to a part-time job or a payment on an hour basis. Such situation is usual for employees with low competitiveness - for instance, young inexperienced teachers, or elderly people. In the face of increasing competition in the labor market there is a risk that the possible discriminatory manifestations against different categories of the universities' faculty will only increase.

3.4. The dynamics of number and structural changes of the universities' faculty

In conditions of the modernization of higher education institutions the structure of the universities' faculty has significantly changed and the number of the most categories of the university faculty has declined. So, from 2010 to 2015 the number of serving, administrative and educational auxiliary staff fell significantly, the number of scientific workers decreased by one fifth. This trend also affected some categories of university leaders: the number of faculty deans decreased 1.3 times, and the heads of departments – 1.2 times. The faculty's reductions were made primarily at the expense of such categories as senior teachers, teachers and assistants. The total number of employees occupying the position of a senior teacher has decreased almost 1.4 times, and the teacher and assistant – 1.6 times.

Table 2. The number of the university faculty by ranks (without external part-time workers, thousand people) (Indicators of Education, 2016, page 230)

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Professors	40,4	41,1	42,4	41,9	40,2
Associate professors	149,1	149,2	149,9	144,1	140,9
Senior teachers	76,5	72,9	69,4	61,5	55,2
Teachers, assistants	54,6	49,9	46,2	39,6	33,7

The question of attracting young perspective teachers to work was repeatedly raised, even before the next phase of modernization of higher education. But the result is turned out to be opposite. Thus, the proportion of teachers under the age of 25 has decreased by half, and teachers by 25-29 years by 1/3. At the same time the category of "age" professors has significantly strengthened its positions. Nowadays 65 years old or older people make up 18%, in 5 years their share has increased 1.3 times.

Table 3. The structure of the university faculty by age groups (without external part-time workers, at the beginning of the academic year) (Indicators of Education, 2016, page 234, Indicators of Education, 2017, page 242).

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Under 25 years	2,3	2,0	1,7	1,5	1,4	1,1
25-29 years	9,5	8,9	8,2	7,6	7,1	6,5
30-34 years	13,1	12,9	12,6	12,0	11,4	10,8
35-39 years	11,3	11,8	12,2	12,6	13,0	13,1
40-45 years	8,7	9,1	9,5	10,0	10,6	11,4
46-49 years	9,3	9,1	8,9	8,6	8,6	8,9
50-54 years	10,4	10,3	10,2	10,1	10,0	9,8
55-59 years	10,5	10,5	10,5	10,5	10,5	10,5
60-64 years	10,1	10,0	9,8	9,9	9,9	10,0
65 years and older	14,8	15,4	16,4	17,1	17,5	18,0

This arising negative trend leads to the generation gap in the higher education institutions, provokes difficulties to transfer the experience and knowledge, does not contribute into the practice of continuity, which is extremely important in this field. If today the universities are not replenished with young experts motivated to professional and scientific growth, in the future nobody will be able to provide the educational process in accordance with the new requirements established by society to the higher education.

3.5. The ways to reduce unemployment and stabilize the professional labor market of university professors

The primary directions to stabilize the situation in the professional labor market of the university faculty may be the following:

1. The tightening control of the Ministry of Education and Science for reduction procedures at the universities.
2. The improvement of the social welfare mechanism for teachers at the universities, deprived of accreditation or license.
3. The increase of the trade union's activity in protecting the interests of professors, especially those who are in the "risk group".
4. The administration of not formal, but real open competitions to replace vacant faculty posts.
5. The transition to the individual "effective contracts", where all requirements imposed on the employee by the university must be well-defined.
6. The formulation of the dedicated program to attract young people to work at the universities, the creation of the effective motivation and stimulation system of young teachers.
7. The formation of the particular conditions to increase inter-university mobility of teachers on the basis of cooperation agreements between universities, including the interregional and international level.
8. The work of the "hot line" of the Ministry of Education and Science on dismissal of employees, the initiation of elections and competitions for the replacement of faculty posts.
9. The monitoring of the situation in the professional labor market of universities' faculty with the participation of the representatives from the Ministry of Education and Science, media and labor union.

4. DISCUSSION

Although "professorial unemployment" has not yet received the status of a generally recognized socio-economic phenomenon, the official statistics and the results of sociological research indicate the presence of negative trends in the professional labor market of teachers in higher education institutions. As for now the researchers accumulate and systematize theoretical and factual material of the professors' unemployment at the Russian universities. The Russian higher education has many problems today, and possibly the professors' unemployment is not crucial. But the current situation requires special attention because in the history of Russian higher education there is no experience of solving such problems. In several last years thousands of professors have lost their jobs, but the Ministry of Education and Science hasn't react to the situation yet. The universities' administration is trying to disguise the real extent of the problem. At the same time, professors who lost their jobs without getting any support fall into the most vulnerable categories of the unemployed. The dissimilarity and disunity of the teaching community halts large-scale protests and consolidated teachers' movement. But in case of increasing tensions in the professional labor market and further reductions, the prospects of uniting teachers in the struggle for their rights are becoming more real. It's necessary to admit, that meanwhile the discussion of labor problems in the higher education institutions is mostly emotional, it takes time for a deeper study of these issues.

5. CONCLUSION

The lack of the necessary empirical information and the discrepancy of the policy in the educational sphere complicate the implementation of the comprehensive analysis of the new socio-economic phenomenon - the unemployment of university professors. The peculiarity of the "professional unemployment" in Russia is its latent character. Dismissed professors almost never apply to the Government employment service (GES) and don't get the status of unemployed. The search for a job through the internet is not appropriate in this case in spite of

the accessibility and efficiency of this source. Rare job ads for higher education institutions' teachers are usually posted by commercial universities with dubious reputations and not very favorable working conditions (it often offers part-time employment). Private employment services (employment agencies) don't hasten to propose jobs to the unemployed professors, since the universities are not among the most profitable customers. Consequently, the formation of the supporting mechanism for the professors, searching for a job is the problem, which needs to be solved immediately. The special proposals to reduce the social and psychological tension in the work collectives of universities also deserves attention. The necessity of this work is determined by lack of information, increased nervousness and the emergence of conflict situations, that negatively affect the quality of professional activities of professors. The stable professional labor market is one of the crucial tasks of the higher education system, which solution is expected not only by tens of thousands professors of the universities in the whole country, but all people who are interested in the successful development of the system of higher education in modern Russia.

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EDUCATION IN GLOBALIZING WORLD: BASIC INSTITUTION DETERMINING DEVELOPMENT OF WORLD CIVILIZATION

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ABSTRACT

The present research represents the social and philosophical analysis of the situation in the system of the world community, concerning a vector of development of economics, culture, education, their interference, forecasting the prospects of development of the world community. The aim of the research is defining the role and value of the education institution in development of the world community, with all its social institutions and structures. The tasks assigned in the research are: to define “pressure points” of the present market economy; to reveal the role of management in socio-economic and socio-cultural development of the state and the society; to develop possibilities of education institution in forming the new society and the person reasonable and spiritual. The methodological basis of the present research is fundamental works of Russian scientists [(I.A. Ilyin, 2004. – 352 p.), (V.I. Vernadsky, 2004. – 576 p.), (V.P. Kaznacheev, 2005. – 448 p.), (N.N. Moiseev, 2000. – 112 p.)] and foreign scholars [(M. Berger, T. Luckmann, 1995. – 323 p.), M. Weber, 1990. – 302 p.), (H. Bainhauer, E. Shmakke, 1973. – 240 p.), (S. Huntington, 2003. – 603 p.), (H. Blumer, 1969, p. 70)], revealing the laws of development of the society and the person. The results obtained can be used in developing strategies of social and economic development of the state and the society, concepts of development of the national education systems. The following conclusions are reached: firstly, the negative state of the world economy proves the previous crisis in social and economic development of the world civilization; secondly, management becomes an essential factor and a condition of forming of the new world in the developing globalized society; third, the education institution becomes the base factor of the development of the world community.

Keywords: *globalization, culture, new society, education, control, person reasonable and spiritual, economics*

1. INTRODUCTION

The subject of the present research is the system of education in the context of the development of the world community. The following tasks have been assigned: to define and give proof of the world tendencies leading to changing the way of development of the world civilization; to produce the futurological forecast of the development of the mankind and to reason a choice of a new way; to characterize an education system as the base factor which determines the development of the world civilization. The research has been based on four stages.

At the first stage collecting of the information was held, that characterizes processes and tendencies of development of the world civilization, its analysis, comparison and generalization. Many theories and concepts of the researchers, who study the problem of survival and sustainable development of the world community, were analyzed [(H. Bainhauer, E. Shmakke, 1973. – 240 p.), (P. Buchanan, 2007. – 444 p.), (H.A. Barlybaev, 2001. – 143 p.), (V.B. Iordansky, 2012. – 432 p.), (V.P. Kaznacheev, 2005. – 448 p.), (K.K. Kolin, 2015, pp. 80–87), (A.I. Subetto and G.I. Imanov, 2008. – 308 p.)]. On the basis of the materials analyzed at the first stage, at the second stage the futurological model was developed and grounded, showing evolutionary development of the world civilization. Three possible ways of development of the mankind in the XXI century were defined and grounded: noosphere, cyber-civilization, stagnation. At the third stage the role and importance of an education system was defined and proved as the base factor which determines sustainable development of the world community, influences awareness and the world view of a person of the noosphere epoch, including all small and large nations of the world community. At the fourth stage general conclusion of all materials obtained and evaluation of the results of the research were held.

2. METHODS

The present research is characterized as analytical and prognostic. For getting the objective data in solving the tasks, a complex of complementary methods has been used: theoretical (analysis, synthesis, comparison, concretization and generalization of the branch materials of the Russian and foreign scientific resources on the problem researched; social analysis of the social and cultural factors determining approaches to the problem of development of the human community and the person); general logical (conceptualizing the universal practice of life-building); empirical (forecasting and projecting the model which demonstrates evolutionary development of the world civilization).

The theoretical and methodological basis of the research is approaches, concepts and key theories: philosophy that considers the man, senses and values of the human objective reality as the supreme value of the global order [(N.Ya. Danilevsky, 1871. – 358 p.), (N.O. Lossky, 1994, pp. 20–32)]; connections of evolution of the human civilization with biosphere, laws of space and physics, Universe space, the idea of catastrophy in case of breaking these laws (V.I. Vernadsky, 2004. – 576 p.), (N.N. Moiseev, 2000. – 112 p.), (V.P. Kaznacheev, 2005. – 448 p.)]; the main mission of education in the development of the world community, its relations with the culture [(K.D. Ushinsky, 1990. – 528 p.), (D.A. Homyakov, 1982. – 207 p.), I.A. Ilyin, 2004. – 352 p.)]; the humanistic pedagogics idea of the mission of education in the development of the person and the human community [(V.V. Davydov, 1978, pp. 41–60), (V.A. Suhomlinsky, 1971. – 214 p.)].

3. RESULTS

3.1. Development of the world civilization

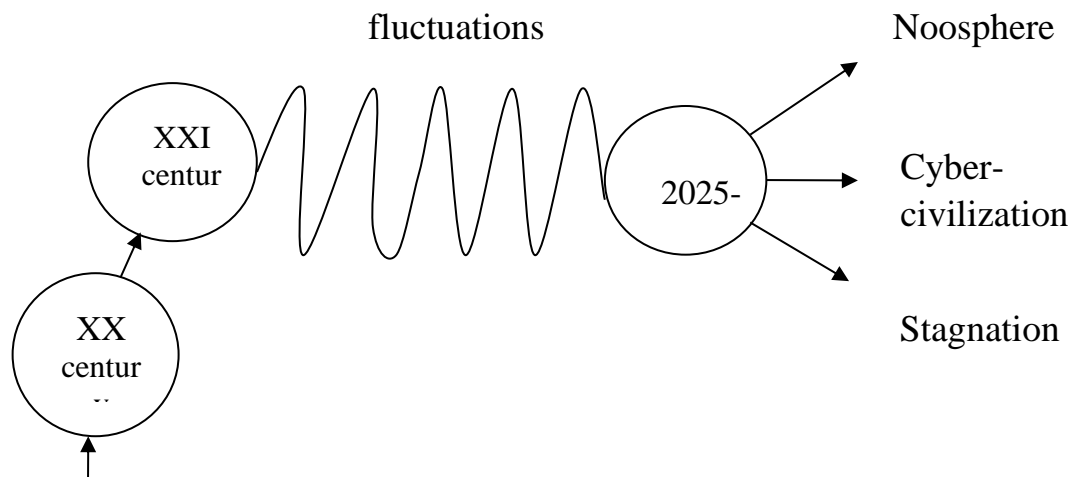
3.1.1. Projecting the model which demonstrates evolutionary development of the world civilization

Due to organizing and holding policy of globalism in the XXI century, the modern world community has got new forms of organization and functioning of the financial and economic system that has influenced the development of almost all institutions and structures of the modern states, the system of their interaction and cooperation. At present in the world community the huge scientific and technological capacity has been built, various international unions, committees and organizations has been established: the United Nations (UN), the European Union (EU), the Euroasian Development Bank (EDB), the Interstate Aviation Committee (IAC), the Asia-Pacific Economic Cooperation (APEC), the Euroasian Economic

Union (EEU), the World Customs Organization (WCO), and others, which are aimed to solve different problems of international cooperation and interaction; nevertheless, the world has not become more predictable, stable and socially organized. Moreover, as many world analysts and experts point out, today more than ever, the world is on the edge of self-destruction [(A.I. Subetto, 2008. – 308 p.), V.P. Kaznacheev, 2005. – 448 p.), (P. Buchanan, 2007. – 444 p.)] Even possessing considerable historical experience of the development of market economy, huge intellectual and technological capacity, nevertheless, at present the mankind cannot manage to reveal and substantiate clearly the prospects of development of global social processes (economic, demographic, social and cultural, national, technological, informational, biospheric, migratory, others) which will affect all countries in the nearest future within the limits of the strengthened world globalism, and to prove the outline of the new civilization. It is necessary to admit that forums of different levels (conferences, round tables, scientific symposiums, others) are constantly organized and held to search the answers to the questions which are arisen by processes and results of the modern world social and economic policy. Russia also tends to be active in organizing such kinds of platform (the Moscow economic forum, the Gajdar forum, the Izbor club, the Stolypin club, others) where known scientists, economists and politicians (S. Glazyev, O. Dmitrieva, R. Grinberg, E. Nabiullina, A. Chubays, K. Babkin, B. Titov, Yu. Boldyrev, A. Kudrin, B. Gryzlov, others) try to assign the strategy of economic and social development of the country.

All over the world there are activated discussions about the global problems facing the mankind and necessity of changing a vector of development of the world civilization. Many known scientists, politicians, analysts speak and write about it. It can be said that it is quite a natural process caused by the historical requirement. All over the world there is an increasing awareness that any delay, within the limits of the existing ideology of the world order, threatens serious problems of survival and development of the mankind. It concerns to the existing technological way and orientation of economy to uncontrolled consumption of the natural resources, and also, that is very important – impossibility of the further development of the existing system with valuable reference points of the market economy. The exclusive important moment is an attitude which expresses such the development of the future economy that would not obscure problems of social and spiritually-moral development of the person, the whole world community. The careful analysis of diversified scientific materials on the given range of the problem, has allowed to project futurological model which characterizes the evolutionary development of the world civilization. In its general view it has been already presented before [(A.M.Egorychev, 2015, p. 80)]. We are to present in general what awaits the humankind in the near future. Up to the XXI century the mankind has built the huge scientific and technological capacity, experience of developing the world civilization within the limits of the market economy, also a lot of problems which cannot be solved on the basis of former principles and approaches, and has naturally approached to the bifurcation points (that is a choice of a new way of development) (see Scheme 1).

Figure following on the next page



Scheme 1. Model which demonstrates evolutionary development of the world civilization

It must be noted that the mankind has passed some huge bifurcation points on the historical multi thousand-year way of its birth, development and formation. There was search of an optimum alternative of the way of development of the world community which, to some extent, would be acceptable for each particular national state and ethnic community, its survival and further development. The will of ardent people (passionaries) of the mankind and the collective consciousness of the world community has not yet acted as determining factors in a choice of the evolutionary way of the universal development. The mankind has not yet approached to perceiving itself as the united social system, as the integrated human community.

While developing industrial and technological capacity, forming spiritual and moral bases of the collective consciousness, all started changing, although slowly. To respond to the challenges of the time, the mind of passionaries of the whole world community started to influence the process of the world community development.

3.1.2 Forecast of a possible way of development of the mankind in the XXI century

According to the theory of the Russian thinker and scientist V.I. Vernadsky (1863-1945), the mankind is at the transition to a new sphere of the life-fulfilling, that is noosphere. According to his theory, noosphere assumes controlled social and natural evolution on the basis of social intelligence and education [(V.I. Vernadsky, 2004. – 576 p.)]. Considering results of the multi-factor analysis of the present state of the world community, it can be assumed that the required resources will suffice to the mankind for “slow start” (fluctuation) in choosing a new way of the development, approximately to the middle of the XXI century. During about this period there also will be the evolutionary gigantic crisis, that is a choice of a new vector of the further development of the world civilization. From a set of choice of the way we are going to point out three ways, which are the most possible (see Scheme 1):

1. The mankind is aware of danger threatening to it and hopelessness of the former way of the development. The collective consciousness of the world community starts to act as the real force capable to unite the nations on the Earth, for the sake of the worldwide idea which is realized in building the new world order, meeting the demands of the majority of citizens of all nations and states. Consciously controlled, global activity on reorganization of all social structures and world community institutions starts, in accordance with the laws of harmonious existence of Biosphere, Socio-sphere and Space. This is the way of building noosphere civilization, which is the sphere of reasonably organized and controlled life on the Earth.

2. The mankind realizes hopelessness of the social and economic organization of the community, danger of breaking the ecological balance, and following the main principles of the vital organization of the society of the capitalist market, it chooses a way that leads to some bio-socio-equilibrium condition in which biosphere, social and genetic human nature are ruining nevertheless, slowly but steadily. Scientific progress is directed at artificial reconstruction of the ruined and lost biological component. It is a way of building cyber-civilization with its vague future.
3. Though the mankind partially is aware of the threatening ecological and social disaster, nevertheless, it keeps inertia of the former way and follows the way which leads to nowhere. At the same time so called “cosmetic” or even global program events on saving the nature and the person are held, while retaining the bases of the former way (market economy). It is a way of stagnation, which leads to either partial destruction of the nature and total death of the mankind, or total loss of the life on the Earth, in particular unfavourable situations.

What way will the mankind choose? At present, more than ever, the human civilization possesses all possibilities to follow any way. It would be still desirable to believe that the mankind will choose noosphere.

Noosphere is the result of the person's handwork and his mind, as V.I. Vernadsky wrote [(V.I. Vernadsky, 2004. – 576 p.)]. The human mind, being spiritual with the surprime aim and the highest good, creates its future history deliberately and purposefully, on the basis of social management.

4. DISCUSSION

4.1. Chapter 2. The person and the society in the XXI century

4.1.1. *The person as the phenomenon of nature, culture and education*

The person is an integrated derivative of nature and space, the human community and Heaven. Bodily he is created by Mother Nature (as it belongs to mammals); as a social creature, the person is generated by the community of ones, similar to him. As to his soul, the person is the Son of God. Having all united forms (natural, psychic, social, spiritual, space), the person has got the huge power and endless possibilities both for his own development and for harmonization of the surrounding world environment. Simultaneously he found himself in dealing with the most complicated problem, which implied that this power became enormous and endless only under condition of the unity of all those five forms, with supremacy of spiritual one. This problem required enormous evolutionary activity of the nature and the human community to create a proper ideal of the person, to fill him in with actual substance, to develop mechanisms and conditions of achieving it. It also required and still continues to require creation and perfection of the social institution responsible for making such an ideal of the person, that means education. Taking the developed ideal of “the person harmonious and spiritual” as the basis of its activity, such education should constantly fulfill the activity on up-bringing and forming the person of the noosphere epoch, on making the person spiritualized.

Due to his complex structure, only the person possesses an ability to purposeful and conscious activity on developing and spiritualizing himself and the world around. However, the born human has only capacities of the future person in itself. To become the person of full value, it is necessary to pass the long development way, connected with the continuous process of up-bringing, training, socialization and integration into the society of ones, similar to him. All this difficult way is connected with the necessity of projecting the person's proper image. Activity on projecting such the image is the most important direction in the life activity of any national community or state. For many centuries and thousands of years the nations of the Earth were creating their national culture, the system of social education, the ideal (image) of the person; they were bringing up a person accordingly to it.

The XXI century has come and challenged all nations and the world states to meet them, has set new problems, effective solving of which will determine the destiny of all live beings of the Earth.

4.1.2. Beginning of the XXI century: entry of the world civilization the new space-time

The beginning of the XXI century has shown that the human civilization enters a new stage of its development caused by many factors and conditions (financial, economic, social and cultural, ecological, technological, demographic, informational, spiritual and moral, others) of the modern world, that define its movement in time and space. The existing way of the vital organization, established philosophy of life, both of the certain state and all world community, does not correspond to challenges of a new period. So the known Russian scientist V.P. Kaznacheev, while considering a modern strategy of development of the human civilization, points out that what the mankind is doing at present, does not correspond to the natural space evolution of the Earth [(V.P. Kaznacheev, 2005, p. 7)]. It is necessary to admit that the mankind entry the new space and time is difficult and contradictory. The mankind is burdened with the former historical experience of the fulfilled senses and values, norms and principles which determined organizing and functioning of all spheres, structures and institutions of the state and the society, the most complicated system of relations and interactions. The present crucial point generates a chain of natural disasters and social indignations expressed in various forms (social and political antagonism, “coloured” revolutions, systemic terrorism, local wars, growth of drug addiction, moral falling, new illnesses, many others). Despite the human principle of “freedom of choice”, the mankind is not able yet to change an evolutionary vector of development in a systemic, purposeful and deliberate way. Meanwhile nobody has cancelled the principle of determination (certain dependence of all world events and processes).

The present situation in the world community in the beginning of the XXI century requires all people and the states to hold a thorough critical analysis of the existing situation in the world politics, economy, the financial system, ecology, the system of international relations, the system of the world education. Each nation and state has to make the careful analysis of their own history, first of all, to define the national idea (which includes all best senses and values, traditions and norms, others) and on the basis of it to project the strategy of noosphere developments which connect the historical past, the present and the future of any national community, determines the way to new space and time. It is necessary to admit that the mankind has taken and continues to take attempts to organize the united community, with common unified senses and values. Moreover, it becomes obsession for some world states and communities (the USA, the European Union) which at the world policy level try to use all possible and accessible ways to impose their senses and values, which seem to them to be the best ones, the vision of the world development, the way of life organizing upon the world, and finally to subordinate it completely to them. Other communities (ISIS) try to establish their values in the world by destructing all other cultures which are not corresponding to their understanding and religious belief

4.1.3. Education as the main factor which determines the humanity transition to noosphere

According to the doctrine of the great Russian philosopher and scientist V.I. Vernadsky, the mankind can enter the new noosphere space of life only by means of the social intelligence (mind) formed by the system of education [(V.I. Vernadsky, 2004. – 576 p.)].

Nowadays there are many thousands of national education systems on the Earth, which formulate and implement the educational policy, taking into account their national traditions and ideology that has been established in the certain state.

In the modern world scientific field there are dozens of concepts that consider development of education system in the nearest future. The majority of them is based on the principles of the market economy and assumes the corresponding purpose, that is formation of the competitive person (in the labour market) who possesses strong social mobility and is capable to work much, focusing on his personal success. This purpose implies forming “the person of function” who is capable to make the maximum profit on the highest level of expression of his personal essence. As the given concepts have slight variations in understanding development of the future education, in their true essence they accept the idea of globalism and market fundamentalism as the ideology of the future world development. It just corresponds to the direction of the way of the mankind on building cyber-civilization (the market capitalistic way of the development of the mankind).

5. CONSLUSION

The logic of the conducted research allows to say that development of the system of the world educational space should be based on understanding the essence of education as the major factor, a condition and the mechanism which provides:

1. Formation and development of the social intelligence and noosphere consciousnesses of all small and large nations of the world community, including each person.
2. Social and economic development of all nations and states of the Earth, which leads to a new quality of organizing their vital environment.

Formation and development of the social intelligence and noosphere consciousnesses of all small and large nations of the world community is the purpose of functioning and developing of the world education system. When speaking about the unity of the world education system, it cannot be identified with unification of a social and cultural component of the national education systems of the peoples and the states that are at different levels of their development. Conceptually the subject should be necessity of keeping the existing national social and cultural varieties of the world community which is expressed in projecting of various forms and kinds of the national education systems. The unity of the system of world education should be based on the principle positions which concern to the world philosophy basis of general and vocational education. The world community needs the unified long-term Strategy of development of the world educational space, that expresses priorities of the future noosphere epoch. The Strategy should act as a condition of breakthrough of the mankind into the new noosphere epoch: and education must be the mechanism of forming a new quality of social intelligence. It is viewed as the mission of new education, focused on the noosphere epoch. The formed social intelligence starts to act as the conscious force, capable both to control the social development, and to define and correct movement to the noosphere epoch. The social intelligence becomes more and more spiritually oriented. Penetration of the high spiritual and creative force, arisen by the social intelligence, in the world of each person's entity starts to create a new noosphere person. Being spiritualized, the social intelligence begins exerting an impact on all phenomena and processes in the world community, causing radical changes in the vital organization of all nations of the Earth.

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CONCEPTUAL APPROACHES TO THE ANAGEMENT OF ACCOUNTS RECEIVABLE IN THE PROVISION OF AUDIT SERVICES IN THE RUSSIAN FEDERATION

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ABSTRACT

The article examines a set of techniques and methods of accounts receivable management in order to avoid the formation of false accounting and financial reporting arising from a violation of normative documents of the Russian Federation in the accounting of calculations with debtors. The article can be used by accountants, auditors, specialists of controlling bodies that are responsible in accordance with the legislation of the Russian Federation for reliability of the accounting (financial) statements and the results of their inspections and audits.

Keywords: *auditor, accounting, accounts receivable, reliability, management, services, financial control, effectiveness*

1. INTRODUCTION

Born in Russia, state financial control, the need for which was caused by the strengthening of the financial sector, since the establishment of the order of the accounting Affairs is constantly improving. In the theory of auditing it should be noted the work of such scientists and practitioners as Adams R., Arens, E. A., Burtsev V. V., Danilevsky, Y. A., E. A. Kochurin, Lebbek D., Robertson D., Shapiguzov S. M., Bumpkin V., Sokolov Y. V., suyts VP, Sheremet A. D., and S. O. Shokhin. However, in the works called scientists do not fully reflect the problems of the audit of receivables and to date have not been sufficiently studied. The absence of methods allowing to reduce the size of receivables of the economic entity in the provision of audit services limits the ability of financial services to improve financial institutions to prevent the bankruptcy [2]. In the process of financial-economic activity of economic entities making associated with established contractual obligations assumed. Under obligation to understand the civil legal relations, in virtue of which the debtor is obliged to make in favor of lender of certain actions. In accordance with article 307 of the civil code can refrain from the transfer of property, performance of works and services, payment of funds etc. Also GK of the Russian Federation defines the parties obligations of the debtor and the creditor [4]. The debtor – physical person or legal entity whose responsibilities include committing in favor of the lender certain actions. The debtor has the right to refrain from execution of obligations. Creditor – a natural or legal person in whose favor an obligation runs [3]. Settlements with counterparties is a significant part of the accounting system of the entity, due to its need for interaction with the external environment related to the implementation of circulation, which involves the processes of acquisition, production and sales of products (services). [6]

Receivables arise when the acquisition of raw materials, production of goods and implementation of works (services) in the process of buying and selling and business transactions aimed at acquisition by reporting entities of the economic entity materials and other material values received for travel expenses advances. The task of the Supervisory bodies - accumulation of advanced methods for the verification of calculations with debtors, which will be excluded episodes performance on the test of auditors of false accounting (financial) statements. According to the Federal state statistics service in our economy is growing every year receivables. However, its reduction in the country's institutions is not sufficiently effective. Therefore, to improve the methods and procedures of accounts receivable decrease of economic actors should be developed a set of measures oriented to the detection of deviations from norms and rules on the recording, reflection and cancellation of the debt, search for ways of reduction of expenses of means of the Federal budget and its effective use [21]. This set of measures, and we refer to the receivables management.

2. TECHNIQUE

When writing the article was accepted by the regulatory acts of ministries and departments, functioning on the territory of Russia concerning accounting issues, reflections, write-offs of accounts receivable in institutions and organizations. Accounts receivable we understand the property requirement of the economic entity to their debtors arising from violations of contractual relations. Reasons of formation of debts is first of all a violation of contractual relations, including: not correctly issued for cash under report, theft of valuable materials, shortage. Debt is also formed in overpaid taxes and fees, penalties, with no refund to the customer of money received as advance works and services, not paid penalties for breach of contract, and more. According to paragraph 3 of the Instructions for use of the uniform chart of accounts[5], in the budgetary organizations accounting is accrual basis. Accrual-the recognition of the results of financial operations the fact of their Commission. It does not depend when the cash received or paid. Accounts receivable is the expenditure and revenue. Under expenditure we understand receivables – advances paid for execution of works, rendering of services. Accounts receivable revenues are obligations of the debtor in the form of lost revenue and must be transferred to the budget. It should be noted, investigated the various types of debts, the sound is mainly in the documents regulating budget relations, but it is applicable to organizations of other forms of ownership. For example, in an audit of the account of calculations with debtors public joint stock companies apply the arrangements set out in this article, only change of owner is the state of the owner of, say, a private person. Given that receivables income still causes the temptation of concealing (not reflection) of some state structures and organizations, we will focus this article mostly on this type of receivables. After all receivables for revenues that obligations to the owner, i.e. the lost revenue that should go to the budget by the chief administrator of budget funds or a government body, acting on behalf of the state.

3. RESULTS

Reveal the process of formation of revenues of receivables, as well as its regulation in our country. The main documents regulating the contractual relations and their implementation at the state level, are the Civil code of the Russian Federation and Federal law.[15] Under the law the penalty is defined by law or contract the amount of money that the debtor must pay to their lender in case of default or improper performance of the obligation. The regulatory documents are synonyms of the word penalty, such as "fines" and "penalties". The lender, exposing the account for the payment of a penalty, is not obliged to prove causing to it losses. In order to claim the payment of penalties by the customer, guided by existing Rules,[7] exposes the executor of the contract claim.

In accordance with international practices and business ethics, the parties shall sign the act of reconciliation of mutual settlements, where each side confirms the amount of the revenue debt payable. On the basis of the certificate issued by the employer to the counterparty account increases the amount of the expenditure receivables by the amount of the revenue debt. However, the contractor often does not agree with billed demands for the payment of sanctions. Part, instead of discussing the articles of the contract related to the violation of deadlines of works, services and their quality start to bargain on the amount that the counterparty will pay to the customer, which contributes to corruption. So, accountants institutions sometimes deliberately prescribed in accounting policies on the allocation of the amounts of revenues to the budget are made at the time of occurrence of the requirements of the payers of income, income from payers amounts of pre-payments. Accordingly, the accounting policies of the institutions specified the time of occurrence of claims to the payer intends glossed over claim requirement and the reconciliation report. It can be: entered into force court decision, the license agreement, the act of the insured, the act of receiving the transfer of property and so on. So, if the organisation funded from the Federal budget, has exposed the requirement about payment of fines for violation of contractual obligations, that's not a reason to reflect this amount as debt performance of the state contract to the Russian Federation. The process will last as long as the judicial authority will decide in favor of the customer.

Pay attention to the possible actions of the economic entity contributing to the formation and increase of debt, as follows:

- if the customer went to court, he can play and process accounting will not reflect the amount of the debt formed as a result of violations of the conditions of the state contract;
- if the customer does not appeal in court, he may wait for the expiration of the Statute of limitations, thus accounting receivables not listed.

As a result, to take into account the statistics of overdue receivables. Now, the notion of uncollectible receivables, while using the bad debt is not government regulated. In the end, given that for the execution of works, the services used funds from the Federal budget, decisions can be as follows:

- the ultimate fulfillment of contractual obligations;
- in violation of contractual obligations to collect accounts receivable only in a judicial order.

Otherwise, the components of corruption on the face because the client and the contractor signed the contract always will solve the issue without witnesses. When filing a customer claim for the conclusion, the auditor should check the amount charged with the amount in the statement of claim. In connection with the increase of the period of delay of execution of obligations, the amount specified in the claim of penalties for violation of the deadlines may vary from the original. Once the court made a decision on the adoption of the statement of claim to the production accountant of the institution adjusts the amount of debt by adding to the initial amount. The statement should be a detailed calculation of the amount of penalty in accordance with contract terms and applicable laws of the Russian Federation.[1] After full payment of the debt and accounting of the amount of payments received by an accountant drawn up a bilateral act of the final settlement.

4. DISCUSSION

4.1. The accuracy of the reflection of accounts receivable in the financial statements of economic entities in Russia.

According to the Federal state statistics service in the Russian economy is growing every year receivables of economic entities.

Table 1

**Receivables of economic entities of the Russian
from 2012 to 2016.**
(year-end).[13]

Figure	Year				
	2012	2013	2014	2015	2016
Only in the economy, (million RUB)	22 866 854	26 263 685	31 013 596	35 736 421	37 053 181
Including overdue (million RUB)	1 224 705	1 482 765	2 015 920	2 275 556	2 240 921

Now to wrap the attention to overdue accounts receivable by Russian economic actors for 2014-2016.

Table 2

**The overdue debt of the Russian economic entities from 2014
through 2016. [13]**
(year-end).

Figure	Year		
	2014	2015	2016
Only in the economy, (million RUB)	31 013 596	35 736 421	37 053 181
Including overdue and bad debt (million RUB)	2 015 920	2 275 556	2 240 921

Please note, part of overdue receivables became uncollectible debt, whose share in the total receivables in the statistical documents of the Russian Federation is not represented. The data are shown in table 2, indicate that on the background of an annual increase of accounts receivable, the increase in overdue receivables in 2016 compared to 2015 stopped.

The reason for this, in our view, are steps the country's leadership:

1. given the right leadership, institutions make their own decisions on the recognition to be uncollectible arrears on payments in budgets of state [8]. It turns out that the institution receiving the funds from the state and prevent the formation of this receivable itself, these cash and cash withdraws.
2. institutions granted a deferment of payment of penalties and (or) the implementation of the write-off of assessed amounts of penalties [9].

Now the indicator accounts receivable in accounting statements remained "behind the scenes", as data on write-off of fall out from the balance sheets of institutions. The explanatory notes question write-off of overdue debts accountants prefer not to touch.

The program management audit accounts receivable should include the following procedures:

- correctness of reflection of sales volumes;
- verification of returns and discounts on sales;
- write-off of doubtful debts;
- correct handling of cash;
- the formation of amounts of bad debts and doubtful debts.

4.2 Procedure and the audit procedure accounts receivable in the provision of audit services in Russia.

As a result of research the authors developed a "Procedure and the audit procedure accounts receivable in the Russian Federation", table 3. Legislation approved List of chief administrators of Federal budget revenues and designated revenues of the budget in a cut of codes of budgetary classification of the Russian Federation[18]. Based on the practices of the audit of accounts receivable of Russia of punitive damages on government contracts, you can define a list of procedures and order of their execution:

1. Calculation and charging penalties.
2. Accrual of the penalty (the reflection of the accrual of penalties in accounting).
3. Debt collection in court if you refuse to pay voluntarily.
4. According to the decision taken by the court to change the amount of the claim, the adjustment of the amount of debt in the account.
5. Repayment of debt reflected in the budgetary accounting of business transactions on the basis of the amounts of payments received.
6. The signing of bilateral mutual act

Table 3

**The method and procedure of auditing accounts receivable
in Russia**

in Russia			
Stages	The name of the stage of implementation of contractual obligations		The action of the customer at the stage of execution contractual obligations
	Signing of a contract for execution of works (rendering of services) The adoption of a monetary obligation		The reflection in accounting of possible penalties, the terms of the contract
The breach of contractual obligations by the counterparty (failure to meet deadlines or the quality of performance of works (rendering of services)) Education accounts receivable			
I	Billing claims requirements, calculation and filing penalties		
II	Pre-trial settlement with the debtor. Accrual of penalty	Receivables management	Billing the legal service claim requirements for payment of penalties the debtor. Reflection in accounting
III	Recovery in court (in case of failure of payment in a voluntary order)		Корректировка в бухгалтерском учете суммы дебиторской задолженности исполнения работ (оказания услуг) - в сторону увеличения в случае нарушения сроков; - в сумме претензии при нарушении качества
IV	The court's decision		Adjustment in accounting the accounts receivable on execution of works (rendering of services) - upwards in the case of violation of the terms; - the amount of the claim in violation of quality
V	Repayment of debt reflected in the budgetary accounting of the amount of payments received		Reflection in accounting the amount of payments received.
VI	The signing of bilateral mutual act		
The closing of the contract			

The proposed order and procedures for receivables management in the provision of audit services in the Russian Federation can be applied internal, internal and external auditors.

5. CONCLUSION

In the end, if the experts involved in financial control in our country is not formally belong to the indicated in the article on the errors and violations, the proposed approaches to decrease receivables, it will increase the assets of economic actors, the adjustment of the negligent actions of officials and legal entities, and in some cases to assist law enforcement in bringing the perpetrators to justice [23]. A study of the current state of accounts receivable, analysis of individual legislative acts reveals a new, conceptual approaches to the management of accounts receivable in the provision of audit services in our country.

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THEOLOGICAL KNOWLEDGE OF MODERN RUSSIA: PROBLEMS OF THE INSTITUTIONALIZATION

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ABSTRACT

Forced extrapolation of various areas of humanitarian knowledge is a feature of the domestic knowledge institutionalization. This situation was typical for the early 90s of the 20th century. Even today the echoes of this trend are observed in the sphere of theological knowledge. The institutionalization of theological cognition is formed on the basis of the global historical context, the challenges of western and Russian civilizations, which were implemented not only in the socio-economic but also in the spiritual sphere. The process of cognition formation is carried out via the scientific theological Russian community. Such community is developing at a new historical stage, then, with a view of the world's cognitive space, scientific and confessional schools have developed theological doctrines at the level of various scientific and spiritual paradigms for several centuries. Formation of the objective language inherent not only to the spiritual and secular scientific schools, but also to the first scientific conferences of scientists and clergy. These trends determine the specific nature of the processes of institutionalization of Russian modern theological cognition.

Keywords: *theology, cultural encapsulation, de-encapsulation, complementarity principle, discourses, paradigm, transversality*

1. INTRODUCTION

Theological knowledge acquires new forms at the backstage of the 21st century. The discourse peculiarities of modern Russian theological cognition are characterized by the processes of institutionalization. Such processes are determined by the forced extrapolation of ideas and approaches in the matrix of the modern Russian humanitarian knowledge. If we refer to the latest period of the Russian history of science, we observe tendencies, which were typical for various research areas in the 1990s. The peculiarities of these processes were so called "new knowledge" defining its boundaries within the framework of postmodern discourses. Marxist methodology of science dominated and radically excluded cognitive space from all scientific fields at the end of the century.¹ On the one hand, "the removal of Marxist approaches" from the areas of Russian humanitarian knowledge has expanded the "traditional approaches" within the framework of scientific paradigms, which could be observed in sociology, pedagogy, and psychology.²

¹ Bornoiev A., Elmev V., Orlov V., The subject of sociology as a general science of society // Socis, 1991, №5; Toshchenko Zh.T. Is a new paradigm of sociological knowledge possible? / Socis., 1992. №7.

² Bocharova V. On the scientific status of social pedagogy and its role in contemporary sociocultural practice / Humanitarian culture as a factor of Russia's transformation, Proceedings of the International Scientific and Practical Conference / 24 -25 May /, St. Petersburg 1995, p. 147.

On the other hand, the "exclusion of Marxist methodology" from all humanitarian fields of knowledge did not change the nature of the "essential characteristics". Moreover the knowledge carriers transferred the principles of the "class struggle" to new areas of knowledge, which were "decreed" by the new time. For example, such area as social work was decreed at the end of the 20th century in scientific discussions and publications. Most of researchers sought to identify an independent field of knowledge with discourses of social pedagogy.³ However, the process of theological cognition institutionalization in the Russian Federation at the beginning of the 21st century differs from the historical tendencies of the 20th century. But the post-Marxist paradigm of cognition has little to do with the processes of institutionalization a new scientific paradigm that was inherent to the disciplines of "forced extrapolation".

The modern stage of theological cognition institutionalization is determined by a number of global historical and social contexts, which will be described afterwards. First, the modern process of institutionalization of Russian theological knowledge is determined by global processes, both theological and the humanitarian fields of knowledge. The development vector was defined by the tendencies of postmodern discourses, which determines new methodological approaches. Regarding the historical context, one can observe how the Church became an important socio-political actor, but also contributes to the field of education and cognition, which were not observed in the Soviet period of Russian statehood.

Secondly, in the world scientific community there is a convergence and complementation of the scientific reflection of such areas as psychology, pedagogy, social work, political and sociological sciences, history with theological fields of knowledge. This trend has been designated as the implementation of the principle of complementarity in humanitarian knowledge. So, within this context we observe a mutually directed tendency when theological cognition includes concepts of the social world in the system of theological reflection, such concept also lie on the basis of the principles of complementarity. These tendencies are also significant for domestic theological cognition.

Third, today it is impossible to ignore the spiritual sphere of a person, his beliefs, which are not only a part of the socialization process, but also an indispensable element of those subject resources that allow modeling individual programs assistance and upbringing. Especially, when we deal with areas of helping and pedagogical professions, when considering the existential demands of clients and its alumnus. Such installations are characteristic for domestic and foreign practice of assistance both secular and confessional, for example, in the practice of applied diakonia.

Fourth, the theological doctrines of various confessions are developing, which determines the development of theological knowledge in traditional religious paradigms. Russian Orthodox spiritual schools and secular educational institutions are included in the processes of cross-cultural spiritual research, which is reflected in the approaches to theological cognition, in connection with the development of the spiritual schools of various faiths,. All these tendencies find their own expression in modern processes of institutionalization of the Russian model of theological cognition in the new century. In this article, we will focus on the implementation of the complementarity principles in modern theological cognition in the context of institutionalization of scientific thinking.

³ Nikitin V. Social pedagogy, Moscow, "Vlados", 2000, p.272

2. PRINCIPLES OF COMPLEMENTARITY IN HUMANITARIAN KNOWLEDGE

Nowadays we can observe the development of humanitarian and theological thought in the convergence of seemingly incompatible paradigms for describing reality. Scientific and theological knowledge seek common ground in relation to the problems of human anthropology. In this connection, the search for "transition points" of various subject fields, as well as the systems of "organization of propositional fields"⁴, in which concepts circulate that contribute to the creation of a common configuration of various cognitive texts. The search for principles of knowledge of the scientific and theological allow to combine various cognitive practices. One of such principles that allows to realize the integration of theological and empirical fields of knowledge is the principle of complementarity, which does not cause rejection in the theological community. Moreover it is one of the principles of scientific cognition. The principle of complementarity in the context of the institutionalization of theological cognition is applicable to the situation of convergence of theological and social discourses both in foreign and in domestic theological cognition. However, the reasons for the convergence of theological and humanitarian knowledge in domestic and foreign knowledge have their own peculiarities. As is known, the principle of complementarity was introduced by M. Born, who described atomic objects. The scientist believed that in the process of cognition, for the reproduction of the integrity of the object, it is necessary to apply mutually exclusive, "additional" classes of concepts, each of which is applicable in its special conditions⁵. Subsequently, this principle will be extended to a number of processes of the social world, as well as various areas of knowledge.

3. WESTERN EUROPEAN APPROACHES TO THE PRINCIPLES OF COMPLEMENTARITY IN THE CONTEXT OF THEOLOGICAL KNOWLEDGE

The message to the principle of complementarity in theology, as applied to the disciplines of the social cycle determined a different set of problems. One of them, according to foreign researchers, is the challenges of post-modernism and deconstruction. Modern western theology tries to find out an answer. Various discussions on the inclusion of humanitarian knowledge in theological knowledge are wide enough. However, the following groups of approaches can be subdivided. The first two approaches are radical and irreconcilable, "radical theologians" and "radical empiricists".⁶ On the one hand, «Radical theologians" believe that Bible is an exhaustive source of knowledge. On the other hand, "Radical empiricists" believe that only empirical observations can be credible and legitimate knowledge. And there is the third group who supports the theory of integration and believe that it is possible to integrate theological and social knowledge, especially on the basis of the principles of complementarity. It can be observed that the integration of theological and social cognition is realized on the basis of modeling cognitive schemes that do not contradict empirical and theological discourses. And it will be determined both by the system characteristics of the cognition domain and by the individual methodological approaches of the researcher.⁷ According to the "subject of integration", a representative of theology or social knowledge determined the place of cognition in the dualistic scheme. For theological representatives of integration, humanitarian knowledge complements theology, fulfilling the role of "maid servants of theology", according to F. Akvinskiy.⁸

⁴ Foucault M. The Archaeology of Knowledge. St-Petersburg: "Humanitarian Academy", 2012, p.121

⁵ dic.academic.com> dic.nsf / enc ... 6020 / additions

⁶ John A. Battle Theology 1: Revelation and Theological Method Western Reformed Seminary, wrs.edu/.../Theology_1/Chapter_1--Introduction_Theology

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⁸ Dillen A. The resiliency of children and spirituality: a practical theological reflection. International Journal of Children's Spirituality Vol. 17, No. 1, February 2012, p 61-75

As an example of the integration of theological and social knowledge, we can describe the approaches to psychological cognition. According to S. Porter, the most important methodological issue, allowing, to consider the integration of theological and psychological cognition are following:

- "a logical question: is it possible to integrate psychological theories and theological doctrines?"⁹
- normative question: should we integrate psychological theories and theological doctrines?
- a methodological question: how should we integrate psychological theories and theological doctrines?"⁹

The researcher comes to the conclusion about the possibility and consistency of the "combination of two levels of cognition", as the interaction of reason and experience on the basis of the Wesleyan theological methodology. According to the researcher, psychological data on the nature of the human person, the functioning of a person in a social environment, the psychopathological personality can be integrated with the appropriate theological content, within the framework of "doctrinal categories and boundaries."¹⁰

According theological discourses, psychological approaches expand and enrich them at the level of practical application. Such problems can be noted in the works of As W. James (1902)¹¹, Z. Freud (1927)¹², K. Jung (1937)¹³ and other psychologists. In the middle of the 20th century such approaches were realized in the classical works by E. Fromm and F. Perls. Both psychologists based on the Buddhist theology and found intersections in the doctrines of psychoanalysis and Zen Buddhism. They believed that the concepts of "Zen" allow to understand better the unconscious processes especially in the context of cognition of the surrounding reality.¹⁴

At the beginning of the new century, various psychological phenomena such as intellect, emotions and will not only in the context of Buddhist theology, but also Sufism, the Islamic tradition, the Theosophical tradition, have being studied in a wide range of secular researchers "clarifying various aspects of human nature".¹⁵

Thus, we can talk about the prevailing tendencies of mutual interest in expanding boundaries of knowledge based on the principles of complementarity in the context of theological and social cognition in Western civilization. Nowadays we observe how secular psychological discourses expand to theologians the presentation of the "divine revelation" presented in the Bible, and on the other hand, theological discourses complement the psychologists views about the man essence and nature.

⁹ Porter S. Wesleyan theological methodology as a theory of integration. *Journal of Psychology and Theology* 2004, Vol. 32, No. 3, p. 190

¹⁰ Porter S. Wesleyan theological methodology as a theory of integration. *Journal of Psychology and Theology* 2004, Vol. 32, No. 3, p. 197

¹¹ James W. *Variety of religious experience*. Trans. with English. - Moscow: Nauka 1993, p. 41

¹² Freud, S. (1927). *The Future of an Illusion*. The Standard Edition of the Complete Psychological Works of Sigmund Freud, Volume XXI (1927-1931): *The Future of an Illusion, Civilization and its Discontents, and Other Works*, 1-56

¹³ Jung C.G. *Psychology and religion*. <http://research-books.info/2016/10/10/psychology-and-religion-c-g-jung-pdf/>

¹⁴ Fromm E. *Psychoanalysis and Zen Buddhism / Zen Buddhism and Psychoanalysis*. N-Y, Harper & Row, 1970; Peris F. *Gestalt therapy verbatim*. Laffayette, CA: Real People Press, 1969, p.357

¹⁵ Frejger R., Feidimen J. *Religious theories of personality. Yoga. Zen. Sufism. Theosophical direction*. St. Petersburg, 2007. p.3

4. THE CONVERGENCE PROCESSES OF THEOLOGICAL AND HUMANITARIAN KNOWLEDGE IN THE CONTEXT OF RUSSIAN HISTORICAL TRANSFORMATIONS

The process of the convergence of humanitarian and theological texts in the national cognition has its own cultural and historical features. It is very interesting to observe both the originality of approaches and the general laws of processes with the Western model, which is determined by the modern postmodern paradigm of thinking. We consider the convergence of the "historical meanings" of different conceptual territories at the present stage of knowledge institutionalization from the point of view of encapsulation concepts, applied to the psychological field of cognition, preliminarily denoting the socio-historical context.¹⁶ The origin of theological discourses in the mass consciousness. Its processing within the boundaries of scientific psychological cognition was caused by socio-historical tendencies in the formation of cultural encapsulation at the stage of the post-Soviet society formation. In the 1990s Russian ruling elites sought a new social identity and the similar mythologems that were of interest to the authorities were one of the main interest of the social state with the philosophies of individual well-being. Diversity in the choice of ways to build a "new society", Russian "democratic architects" had a fairly limited number of options. As French philosopher M. Foucault stated, the nature of societies "get rid of their dead" and "living fellow citizens", so he classified into "slaughterhouses and ritual murders, society of exile, rehabilitation society and prison society".¹⁷ The ruling Russian elites in the historical retrospective of the 20th century, worked out all forms of the public organization, according to M. Foucault typology "from slaughter and ritual murders," to "exile and imprisonment societies." The obtained historical experience has introduced original codes into the collective unconscious of Soviet society. However, certain fears, attitudes have formed on the actions of the ruling elites, all that was captured in the historical memory of Soviet people.

The most appropriate scenario was the scenario of "rehabilitation society". Such ideologem was similar to the population, regardless of social stratification; they were understandable to the world community. So, here we can state that the script "fit" into the trajectory of the model development of the social state of both the European and Anglo-Saxon directions of democracies. In the models of the social state, the main role was assigned to the family, and religious organizations, as the most important institutions of the social human well-being. After of exclusion from the life of a Soviet man such institutions as Church and the family "returned" to a new historical stage into the social space of the community. These social institutions, "reproduced the stereotypes of sociocultural behavior of the nation, formed the collective unconscious of peoples, reproduced on the basis of archetypes traditional values for millennia."¹⁸ The legalization of Church institution of the at the end of the 20th century created prerequisites not only for the formation of new identity vectors, conditions for organizing new forms of social encapsulation were created, other forms of collective identity were defined, and conditions for the development of "other forms of cognition," including theological ones. During the Soviet period, collective encapsulation was strictly limited to the political terms which define person in the system of norms and liberty.

¹⁶ Ruben J. Cultural encapsulation // Key Words in Multicultural Interventions A dictionary / ed. by J. S. Mio [et al.]. London: Greenwood press Westport, Connecticut, 1999. Access mode: <http://www.daximeba.ru/xyga.pdf> (application date: January 23, 2017)

¹⁷ Foucault M. Capitalism and imprisonment. // Intellectuals and power. Selected political articles, speeches and interviews. Part 2. M., Praxis, 2005 p.10

¹⁸ Firsov M., Yudina T., Chernikova A. Features of Encapsulation Process in Multidimensional Russian Society / ZabGU. 2017. Volume 12, No. 3 p. 32

Only such models of collective encapsulation were defined as pro-social, all other forms of collectivity were considered as destructive and antisocial, while the state controlled and severely suppressed any forms of group encapsulation. Moreover, prosocial collective behavior models were defined by norms of Soviet ethics, law, codes, including the "moral code of the communism builder", which consisted of eclectic principles taken from various sources, including theological ones.¹⁹ Let us illustrate the following example: the maxim "conscientious work for the benefit of society: who does not work, does not eat" is a paraphrase of apostle Paul: "If anyone does not want to work, he does not eat" (2 Thess. 3:10). Creation of post-Soviet model of social encapsulation, in connection with the legalization of the Church institution, the determination of its place by the ruling elites in the system of social relations, led to the "reform of theological thought". This process allowed activating the collectivist identity processes on the basis of theological discourses. So, we can point out how the process of the formation of a new Russian statehood was defined for confessions in the structure of social institutions. The ruling elites assumed the Church as the most important actor in changing social consciousness. On the basis of "cooperation" with the most vital problems of a multi-confessional and multiethnic people living in the Russian Federation. They even coordinated their actions and activities in the context of the social doctrines of the Churches. This strategy of the ruling elites became a new Russian historical experience of the Church and the state unification.

Finally, another level of social encapsulation is associated with the phenomena of "deprogramming," decapsulation, the destruction of patterns of Soviet identity, and with the adoption of encapsulation religious forms. In fact, society returned to the archetypal forms of identity, which were the "basis" of the personality formation in the preceding historical epochs. The identity of the individual begins to take shape at a given period not on ideological collectivist patterns, as in the Soviet period: octobrist, the pioneer, the komsomol, the communist, the non-party member, but on the basis of ethnic and religious identity, which will be further complicated by social stratification processes. According to the German researcher W. Welsch, who stated that Russian society occurs in a situation of "simultaneity of diversity" at its stage of the formation.²⁰ At the end of the 20th century and the beginning of the 21st century different generations were in multi-vector social dimensions of the process of cultural encapsulation. Generation, whose process of socialization and development were forming during the Soviet era, can be divided into two groups. The first group is the "generation of Soviet de-encapsulation", which accepted new identity archetypes based on religious and ethnic self-awareness, and the second groups whose generations remained in the previous encapsulation matrix, "born in the USSR.". At the same time, there was a generation that have been formed in accordance with "Soviet matrix of encapsulation", but for its either a "near" or "distant" historical myth that could not significantly influence the formation of mass consciousness. Objective prerequisites were created on the bases of ethnic and religious patterns for the formation of a new identity in the context of the archetypal matrix of national consciousness. Perhaps this was one of the conditions for intergenerational integration in society, while intergenerational dialogue is acceptable on the basis of spiritual discourses. A new images of Russian social encapsulation are being formed, that "laws, blindness and insights" begin to be activated, as the philosopher M. Mamardashvili designated them²¹. The new social encapsulation allowed different generation cohorts to "begin to begin to see clearly", to realize new forms of prosocial behavior on the basis of a religious worldview.

¹⁹ The moral code of builders of communism krotov.info> Lib_Sec> 11_k / kom / munizm.htm

²⁰ Welsch W. *Unsere postmoderne Moderne*. Weinheim, 1987, p.45

²¹ Mamardashvili M. *Full course of lectures. Philosophy of Europe. Psychological topology of the path*. From the AST, Moscow, 2016, p. 22

Man began to discover forms of spirituality, where "spirituality reveals itself and becomes a way of life for a person when he is opened and when he enters into a personal relationship with God."²² All these ways of life had different vectors of changes, as an individual who consciously consoled and helped or chose the way of churching, or chose the path of priesthood and deny the secular way of life. Another option of "enlightenment" was the subjective activity of individuals in collective encapsulation, including scientific encounters, which seemed to have long been defined with the question "What is the truth?". Theological discourses have become an integral part of Russian and determined not only new prosocial behavior patterns based on spirituality, but also defined new horizons of cognition. M. Mamardashvili stressed "blindness does not depend on our abilities". He connected it with the historical moment, "light" and "faith."²³ The historical moment determined the possibility for researchers to go beyond the boundaries of traditional knowledge on the basis of a new spiritual experience. Nowadays, according to the Russian philosopher V. Soloviev, there was a transition to integral knowledge that overcome the existing rationalism and empiricism in cognition, on the basis of the religious principle²⁴. Today we monitor the fields of humanitarian cognition, and in some cases segments of scientific paradigms, violate the demarcation of the existing cognitive boundaries at the level of individual narratives and theoretical approaches. We observe a movement toward the integration of psychological and theological cognition on the basis of the religious principle, as applied to spirituality and Christian human anthropology. These are the two main vectors of the measurement systems, which allowed integrating psychological and theological knowledge into domestic practice. These are the points of various theoretical approaches, which "intersect in some important applications", according to T. Kuhn²⁵. Here, we clearly observe two factors development of objective knowledge at a new level (psychology), and the need for a theological community to revive the traditions of Russian spiritual psychology that have been lost in the Soviet era.²⁶ It was possible to evaluate the parties, the psychological community, as a certain collective encapsulation, and it was impossible to comprehend the problem of psychology in the matrix of the "activity approach". As the Russian psychologist S. Bratus wrote, "psychologists have begun to appear consciously form a conceptual apparatus capable of moving closer to the beginnings of Christian anthropology in the professional environment."²⁷ On the other hand, the theological community was ready to discuss the problems of Christian psychology, especially since many priests were graduates from secular universities. Therefore, the combination of priesthood and secular psychologists in a single paradigm of Christian psychology defined the Russian way on the basis of the principles of complementarity²⁸. The matrix of Christian psychology allows determining empirical and theological approaches in humanitarian cognition within the framework of general discourses. However, unlike the western civilization, the Russian matrix is formed on the basis of the integrative approach, holistic, transversal, according to the authors of the first textbook on Christian psychology, "taking into account the scientific and psychological positions and the philosophical-theological side."²⁹

²² Slobodchikov V. A new chapter in Russian psychology. / B. V.Nichiporov Introduction to Christian Psychology Reflections of the priest-psychologist Moscow, "School-Press", 1994. p.6

²³ Mamardashvili M. Full course of lectures. Philosophy of Europe. Psychological topology of the path. From AST, Moscow, 2016,p. 26

²⁴ Soloviev V. Philosophical principle of integral knowledge. Mn. Harvest, 1999. p.912.

²⁵ Kuhn T. After the "Structure of Scientific Revolutions" M., AST, 2014,p.255

²⁶ Soloviev V. Philosophical principle of integral knowledge. Mn. Harvest, 1999. 912 p.

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²⁸ Bratus B. Christian psychology as a scientific direction: to the history of the issue. // National Psychological Journal. - 2015. - No. 3 (19). - p. 9

²⁹ Bratus B. The Beginnings of Christian Psychology: Textbook. Ed. S.L. Sparrows. - Moscow: Science, 1995, p. 46

This feature of the interdisciplinary approach in the formation of a new domestic matrix of knowledge draws attention of foreign researchers who distinguish the "interdisciplinary subject" of Russian Christian psychology³⁰. Of course, it's impossible to describe the development of matrix of collective encapsulation of Russian Christian psychology develops outside the context of radical views, both from the scientific and ecclesial community. For example, prof. A. Petrovskiy stated that "psychology, like any science, can not cross with faith and religion. My position is following: science and religion exist in parallel, disjoint planes, and if they even intersect, but only in the field of ethics"³¹. Representatives of the church community, despite the convergence of psychological and theological worldviews, are quite skeptical about psychological theories and practices, especially in terms of spiritual nourishment³². Nevertheless, the dominant vector of development, from our point of view, is aimed at integrative, unifying processes between theological and psychological cognition, where radical points of view are necessary for understanding criticism and the development of that processes.

5. CONCLUSION

Thus, nowadays it can be noted that theological cognition in Russia is looking for ways of integration with empirical knowledge. However, western theology seeks to overcome the challenges of post-modernism and deconstructionism on the way to the convergence of conceptual matrices, into which western Christian theology has plunged, Russian Christian theology emerges from the "intellectual ghetto". Formation of modern domestic theological cognition is developed on the basis of national traditions, the experience of Church serving, and also on the basis of rapprochement with humanitarian disciplines that reveal new perspectives for both secular and theological understanding of reality.

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³⁰ Khalansky V. Psychology and Theology: the main prerequisites for integration. religion.in.ua> Publications> -i-bogoslovie-osnovnye

³¹ Bratus B. Christian Psychology: Pros and Cons // Skepticism. - 2005 - № 3-4. // /library/id_402.html

³² Lorgus A. At the reception with the shepherd.//people/2005-07-13/6_priem.html

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A STEP TO SOLVING THE PROBLEM OF INFORMAL ECONOMY

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ABSTRACT

Informal economy is one of the side effects of modern business activities which has not been resolved in the right way even in developed countries and represents a serious problem to numerous economies in spite of a large number of regulatory attempts. Studies indicate that informal economy is reversely proportional the economic development of a country, that is to say that a large part of business activity is conducted in that zone. Anyhow a part of assets acquired in informal economy is returned to the zone of formal economy in a certain way and continues to be circulated there. When the assets acquired in informal economy enter into regular cash flow they ostensibly get the status of regularly acquired assets, they also seemingly appear to have been taxed in some previous business cycle which makes them amnestied in a certain way. Still assets from informal economy are introduced into the regular cash flow through certain business transactions which make it possible. However, what seems to be symptomatic is the fact that when assets gained in informal economy are put into regular cash flow, this activity is manifested as money laundering. The aim of this paper is to throw light on the similarity and relation between money laundering transactions and those which enable introducing money from informal economy and to explore a possible way to potential reduction of the volume of this phenomenon. In order to achieve that we explore and point out the fact that the potential solution to both problems lies in the correlation between informal economy and money laundering which appears in formal business activities. That very aspect offers certain potential for countries to establish some control mechanisms and indicators which will enable these phenomena to be identified and regulated afterwards.

Keywords: *informal economy, money laundering, pre-phase of identifying, two-phase tax collection*

1. INTRODUCTION

Modern business activities create a large number of business relations which enable the participants to carry out business transactions in a smooth and fast way. Dynamics of the business practice initiates new forms of business interrelations with a tendency to make them even faster and simpler. While the business reality is creating business combinations, the state is striving to sustain and encourage business activities with the right regulations. It is in this clash between theory and reality that a new field is created for establishing certain business relations which are not within legal boundaries. However, there is also a reverse situation with a large number of business activities, with a large volume, active for a prolonged period of time that evade regulations and regular course of business. We are talking about informal economy as a forerunner, but still a part of modern business activities which poses a serious problem even to modern economy. The aim of this paper is to point out similarities between shadow economy and money laundering as well as the analysis of the ways of their potential reduction. With a view to finding an adequate solution, one should start from the countries which have established certain regulatory mechanisms with regard to money laundering and have a significant volume of activities in informal economy.

The emphasis is on regulatory, control and preventive mechanisms as well as informational potential which is necessary to put these issues under control and regulate them which would result in the promotion of the whole economic system.

2. VARIABILITY OF DEFINING THE TERM INFORMAL ECONOMY

It is relatively complex to define the concept of informal economy, especially because words such as underground, shadow, unofficial, cash-based, parallel, hidden, unobserved, unreported, unrecorded, second, parallel, black economy etc. are often used as synonyms for this specific form of business. Because of numerous controversies in defining its volume and contents, there is no clear definition of economic practices which are classified as informal economy or as its synonyms. In favour of this idea Feige concludes that „there is no single underground economy, there are many. These underground economies are omnipresent, existing in market oriented as well as in centrally planned nations, be they developed or developing“ (Feige, 1990, p. 6). So as to define the limits of the definition of this phenomenon Schneider and others (Schneider, Raczkowski, Mroz, 2002, p. 35) point out that „unofficial economy (shadow economy) should not be associated exclusively with the media picture of gray zone (gray economy)... It is a natural element of the economic/social life and should be considered in such a context. ... the term shadow economy can be applied to unregistered activities aimed at yielding tangible benefits, in either natural or in monetary form, generating given consequences of value creating and/or distribution character“. In order to differentiate among the given terms which are often used as synonyms, Freige (1990, p. 7) defines them as „illegal economy (income produced by economic activities pursued in violation of legal statutes defining the scope of legitimate forms of commerce), unreported economy (economic activities that circumvent or evade the institutionally established fiscal rules as codified in the tax code), unrecorded economy (economic activities that circumvent the institutional rules that define the reporting requirements of government statistical agencies), informal economy (economic activities that circumvent the costs and are excluded from the benefits and rights incorporated in the laws and administrative rules covering property relationships, commercial licensing, labor contracts, torts, financial credit and social security systems)“. Fleming and others (Fleming, Roman, Farrell, 2000, p. 391) are of the opinion that „of greatest concern is that this activity is unrecorded, and, as such, national income accounts statistics do not accurately represent the true state of a nations economy. Given that these statistics are employed to generate economic policies, inaccurate figures may lead to inappropriate policy responses“. This problem has more profound consequences, because as Fleming and others point out (Fleming, Roman, Farrel, 2000, p. 389) „one role of the state is to provide public goods, such as law and order including contract enforceability funded by tax revenue. But, shadow economic activity escapes taxation, and, as a result, state tax revenues are lower than they could be. This in turn limits the ability of the state to provide such public goods and/or the quality of such goods suffers“. Unlike then above mentioned, Frey and Schneider (2000, p. 2) stress that „underground economy should not be identified with illegality either. Some activities are perfectly legal but are not subject to taxes (e.g. because of their small size), and therefore escape measurement in official statistics. Other activities are legal as such, but taxes are evaded. Finally, on illegal activities (such as drug production and distribution) no taxes are paid“. It is interesting to discuss the interpretation of this phenomenon from the standpoint of Schneider and Enste (2000, p. 5) „The shadow economy includes unreported income from the production of legal goods and services, either from monetary or barter transactions—hence, all economic activities which would generally be taxable were they reported to the tax authorities“. This means that „all economic activities that contribute to the officially calculated (or observed) gross national product but are currently unregistered“ (Ibid, p. 74), which suits to the definition of the term „informal economy“ which will be used for the purpose of this paper.

Modern business is extremely dynamic and therefore requires a high level of adaptability of all participants so they could reach set targets. In that sense informal economy shows its advantages in better adaptability to the market requirements compared to formal economy which among other things implies slow regulatory changes. Mogensen and others (referenced by Schneider and Enste, 2000, p. 79) discuss this phenomenon as „the shadow economy develops all the time according to the ‘principle of running water’: it adjusts to changes in taxes, to sanctions from the tax authorities and to general moral attitudes, etc.” Freige has the same viewpoint. (1990, p. 23) and he concludes taking into account all the previously mentioned features of informal economy that „the informal sector, defined as the sector that circumvents the State's distortions, is highly productive, efficient and profitable”. Doing business within the boundaries of formal economy has its price, and the reasons for omnipresence of the informal economy was briefly described by Freige (1990, p. 5) as „members of the formal sector, constrained by a particular institutional set of rules, confront a different set of transformation and transaction costs than those faced by members of the informal sector”.

2.1. Controversies of the Informal Economy in the Economic Environment

Comprehensive literature dealing with the study of informal economy and its influence on economy and economic growth has a somewhat unclear attitude about this issue. The reasons for this lie in the fact of the acknowledgment of its initial detrimental effects on the local and international level, but also of its beneficial aspects. Most studies about the shadow economy focus on the influence of the allocation of resources and the loss of revenue for the state (Schneider, Enste, 2000, p. 108). The impact of the informal economy on (inter)national economy according to Schneider is clear, and the reasons for its increase can be found „in the overall tax and social security burden what may lead to an erosion of the tax and social security bases and finally to a decrease in tax receipts and thus to a further increase in the budget deficit or to a further increase of tax rates with the consequence of an additional increase in the shadow economy“ (Schneider, 2000, p. 4). However, Schneider and Enste (2000, p. 89) stress that this aspect of economy „responding to the economic environment’s demand for urban services and small-scale manufacturing, adds to the economy a dynamic and entrepreneurial spirit and can lead to more competition, higher efficiency, and limits on government activities. Also, they point Asea’s conclusion (referenced by Schneider, Enste, 2000, p. 89) that the informal sector may also contribute “to the creation of markets, increase financial resources, enhance entrepreneurship, and transform the legal, social, and economic institutions necessary for accumulation”. According to Eilat and Zinnes (2000, p. 43) the negative effects created by informal economy and their influence on the economic development of transition countries can be grouped according to the type of problems they cause: macroeconomic, microeconomic, or social problems. Negative macroeconomic impacts of the informal economy are those affecting public finance and are caused by the reduction of tax income due to insufficient tax revenues provision for budgetary financing, due to which governments are often forced to resort to inflationary financing. Moreover, available statistical data and indicators as a basis for making key macroeconomic decisions are not reliable, which results in inefficient decisions of macroeconomic policy as well as harder reaching and sustaining macroeconomic stability. At the microeconomic level problems caused by informal economy are mostly related to the efficiency with which the economy operates. It also creates the opportunity for distortions in resource allocation (for eg. Labor market), it can also draw demand away from the official firms they compete with by offering lower prices (no taxes for the purchaser to pay). Schneider and Enste (2000, p. 8) believe that the impact of the shadow economy on official institutions, norms, and rules is even more important.

The shadow economy can be seen as an indicator of a deficit of legitimacy of the present social order and the existing rules of official economic activities; it can increase competition to the official sector and impose boundaries on governmental activities. Also, Schneider's (2000, p. 24) empirical findings show „clearly that over 66 percent of the earnings in the shadow economy are rather immediately spent in the official sector. The positive effects of this expenditure for economic growth and for the (indirect) tax revenues must be taken into account as well”. On the other hand Eilat and Zinnes (Ibid., p. 45) mention certain positive aspects of the impact the informal economy has on the economy in transition. At the macroeconomic level informal economy helps maintain economic activity and it can increase competition to the official sector and impose boundaries on governmental activities. Also, since much of the money earned in the unofficial economy eventually gets spent in the official economy, a shadow activity may have a positive effect on growth and taxes. Regarding social benefits, it may have a positive effect on income distribution and social safety, to the extent that small firms provide employment to those with lower income and provide them with sources for livelihood. According to Kauffman and Kaliberda (1996, p. 27) positive effects on the macroeconomic level refer to the influence which unofficial economy can have during the transition period, because „it has helped keep economies afloat, since the costs of efficient production in the official economy have often increased. It has also debunked the myths of lack of entrepreneurship and lack of readiness for the market by FSU citizens. Furthermore, it has provided a valuable market experience to such budding entrepreneurs”.

2.2. Positive and Negative Aspects of Doing Business in Informal Economy

Informal economy includes business activities (production, trade or provision of services) which are ostensibly conducted within the legal framework. However, according to Schneider and Williams (2013, p. 25) the volume of these activities is deliberately concealed from public authorities to avoid: payment of income, value added or other taxes, payment of social security contributions, having to meet certain legal labor market standards (minimum wages, maximum working hours), and complying with certain administrative obligations. Moshi (2012, p. 1) especially differentiates between informal economy and cash-based economy where „transactions may be either reported or unreported, but are not necessarily illegal, due to a lack of a legal, institutional, or administrative framework prohibiting cash transactions. However, cash-based and informal economies share one common aspect, namely the dominance of cash transactions”. In that sense, countries going through the process of transition especially stand out. Namely, because of the specific socio-economic circumstances of transition from socialist to market economy, they do not have a clear perception that informal economy represents a kind of economic pathology which affects the society as a whole. In developed countries tax evasion and social security contributions represent the key reason for doing business in the zone of informal economy, but in transition and developing countries these do not seem to be the primary motive, but the way of life. According to Moshi (2012, p. 2) „in a developing economy, formal and informal sectors are closely linked, to the extent that for almost each regular (formal) activity there is a replica informal one. This dualism is the critical aspect that distinguishes developing from developed countries”.

3. MONEY LAUNDERING

The term money laundering generally stands for different activities and financial transactions which enable bringing the money acquired in criminal activities into legal financial cash flows and circulating it with an aim of concealing its illegal origin. The issue of identifying money laundering and informal economy is extremely complex and it gets even more complex all the time.

The business environment is dynamic and it is incessantly creating new forms of business activities and finding new ways of conducting such illegal activities. This makes their identification more difficult and represents an invariable challenge of theory and practice. Regarding the issue of identifying suspicion of the money laundering, certain modalities and indicators of suspicion of money laundering have been recognised. The established system is open for further improvement, stimulated by new money laundering methodologies, but also by the existing deficiencies which can be prevented in the legislative boundaries of the financial system both on the national and international level. It is necessary for the above mentioned reason to examine the existing system of identification and reporting about suspicious transactions and ask what can be done to improve it and reduce such economic-pathological phenomena. There is no point in discussing the cost-effectiveness of business activities in the zone of the informal economy because it is a widely known fact that extremely large amounts of money are circulated and legal business channels are evaded. However, in the shadow economy as well as in money laundering this money enters legal cash flows. By adopting the Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, a large number of countries have established a new level of measures for the struggle against money laundering and financing terrorism. In this way, a system of detection has been established and it consists of the correlation between the financial intelligence unit, reporting entities and competent authorities for implementing laws within the competent ministry of finance (tax authorities), police and judiciary system. Except for the legislation within the international legal framework, by-laws, instructions and indicators at the national level, FATF Recommendations (2012, p. 16) are of special importance. Within 40 Recommendations, they provide legal, regulatory and operational measures in the struggle against money laundering, financing terrorism and other related threats to the inviolability of the international financial system. With their contents the Recommendations represent the turning point in the prevention of money laundering by means of intensive risk assessment, with the emphasis on financing proliferation, international cooperation, high business standards, anti-corruption measures, tax frauds, improved transparency as well as sophisticated means of payment. It is inevitable that at the point when they appear, namely at the moment they enter legal –formal cash flows, money laundering and informal economy (in the broadest sense of the word) are often manifested in the same way. Authorised persons within the reporting entities, who are responsible for detecting suspicious, illogical, or unusual transactions, identifying them and consequently reporting suspicious transactions, sometimes have difficulty in realising which phenomenon is in question. The consequence of the mentioned procedure is taking further measures of enhanced due-diligence, marking the red flags (Weismann, 2014, p. 81) and following the client's transaction, which prolongs the process of finding a solution, and makes situation more complex.

3.1. Informal Economy and Money Laundering Relation and Detection

Detecting the function of a transaction as illogical or unusual, but not necessarily suspicious of money laundering, is the essential step in the prevention of money laundering which reporting entities have difficulty in overcoming. This problem is often encountered in countries with significant participation of the informal economy in the GDP because of the cash transactions and financial malversations within business entities. Given the fact that there is a certain degree of personalisation with clients, reporting entities are often familiar with the origin of the assets which are the subject of transaction, actually their legal, but unrecorded activities. In such a situation reporting entities do not take measures for the prevention of money laundering, which is one of the key points where they would have to react.

Although the problem of informal economy is omnipresent, it is hard to find a universal way of resolving it, which could be implemented internationally in different economic systems. In favour of this Schneider and Williams (2013, p. 141) suggest “to think in terms of ‘meta’ solutions or in terms of detailed policy recommendations. As an increased tax burden can lead to an increase in the size of the shadow economy and reduced state revenues... reversing this vicious circle could be an important policy and, when thinking about the size of public spending and taxation as a proportion of national income, the relationship with the shadow economy should not be ignored”.

4. A STEP TO RESOLVING THE PROBLEM OF IDENTIFICATION OF THE INFORMAL ECONOMY

In economies with a significant participation of informal economy, there is a certain interweaving with formal economy, but there is no clear awareness that the funds from the informal economy have the characteristics of illegality. The analysis of the informal economy has indicated that small business entities are often connected to that type of business activities. However, comparative business activities in the zone of formal and informal economy is characteristic of big entities too (Eilat, Zinnes, 2000, p. 15), especially in the transitions countries, which Franicevic (referenced by Bicanic, Ott, 1997, p. 7) has observed including the fact “that a large number of informal activities are performed by economic entities which are part of the official economy”.

Informal economy is a very complex phenomenon because on one hand it is not illegal and has certain positive aspects, but causes a far more substantial economic and social damage. For the given reasons without the intention of presenting a universal solution to the world issue of informal economy, we are shedding light on some possibilities which could facilitate certain progress. The essence of the solution is in the process of identification of suspicious transactions in the process of prevention of money laundering by introducing another phase, actually a pre-phase of identifying unusual transactions. It would have a wider scope than direct focus on money laundering. In this pre-phase certain transfers of assets (money) could be identified as transactions originating from shadow economy, and adequate tax would be imposed on them. The tax would have to be paid by either individuals (participants in the transaction) or legal entities (companies and banks involved in executing the transaction). It is expected that each party will protect its interests. The seller will try to get the agreed amount of the compensation/price, without the reduction for the additional tax for receiving a large cash payment. The intermediary (for example the bank) will also protect its interests because if it receives such a payment, and does not charge tax, it will be obliged to pay tax liability itself (with potential regulatory consequences). For the given reasons it can be expected that the party paying in cash (the buyer) would have to pay this tax.

By introducing prompt taxation for all cash payments which are evidently not transferred from the taxable sources like citizen's bank accounts (for example, salary, dividend or sale of real estate which was paid through the bank account), or from corporate accounts or payments above the prescribed limit, VAT would be charged. These transactions would be interpreted as a previously made sale of goods or services which was not taxed. Tax for payments over certain limits appears as a transactional tax that must be paid in order to get into the zone of legality. For that reason it can be defined as “entry barrier”. Regarding this topic, Eilat and Zinnes observe that “another way of interpreting these transaction costs is to view the movement between legal statuses as having “entry barriers”. The “height” of such barriers is often affected by public policy (i.e. tax amnesty).

There are two primary entry barriers of concern: movement out or into of the official economy. However, amnesties may lower barriers into the official economy but they also can lower them into the shadow one” (Eilat, Zinnes, 2000, p. 16). In such a situation where larger transfers are carried out in cash, from the buyer's perspective there would be a two-phase tax collection; the first tax is related to the sale of goods or services which is the subject of a transaction (such as VAT or other taxes related to real-estate), the second tax is tax on cash transactions for which it is not clear whether they were taxed previously. This tax would be calculated and paid promptly at the moment when the transaction is executed. If a bank executes this kind of transaction without tax charge, it is obliged to pay for it instead of the party who made the cash payment. However, if the salesman receives a substantial cash payment, without the buyer paying tax on cash payment previously, the salesman would be liable for calculating and paying tax. Since neither the salesman nor the bank have an interest to pay tax liability for clients (and suffer potential consequences), after a certain period of time we could expect the reduction of cash payments and limiting them to a reasonable extent.

If the sources (cash, assets) have previously been taxed, individuals will be able to prove that easily, and the already collected tax would be refunded. Otherwise, if it is not possible to prove that the assets have been taxed the state, besides collected taxes, would reach one of the vital aims, and that is ensuring a broader information basis for the analysis of transactions which are suspicious of money laundering because in that case competent authorities would have more data at their disposal for the analysis of suspicion of money laundering as well as of financing terrorism. In this way the existing mechanism is used, established with an aim of identifying suspicion of money laundering and financing terrorism, but also system solutions with new potentials for its prevention. We can conclude from the above mentioned that informal economy and money laundering are two very similar phenomena which are essentially hard to separate, especially in the activities of reporting entities (banks, exchange offices, accountants, etc). The solution to the problem would be in the enhancement of the detection system of suspicion of money laundering and financing terrorism by introducing another phase which would precede suspicion of money laundering, and that pre-phase would be identifying informal economy and reporting it. The mere fact that the money from the informal economy has to enter the legal cash flows at some moment opens the field for action, so it can be said that this very moment is convenient for the reaction of the state.

5. CONCLUSION

It is hard to find a universal solution for the issue of the informal economy which could be applied at the international level, as well as principles within which each state would reach its national solutions. Efficient establishment of a system of detection of transactions of the informal economy defined in a wide scope and in correlation with money laundering and financing terrorism depends on a certain state and the level of development of its economic system, as well as the participation of informal economy in the whole economy. First of all it is necessary to make a cost-benefit analysis to realise all the costs of the changes of the system of money laundering detection as well as the costs of the introduction of the pre-phase into that system. The pre-phase would include the collection of tax as the first step, which would be followed by the process of the identification of informal economy, and afterwards the suspicion of money laundering or potentially financing of terrorism. On the other hand, it is vital to recognise all the benefits which these changes would bring about. With regard to the above mentioned, it can be concluded that the system of detection of suspicion of money laundering and financing terrorism should be expanded by the introduction of the pre-phase of identification of suspicion of the informal economy which would be the basis for the collection of data and timely identification of suspicious transactions.

On the basis of this information relevant authorities in charge of analysis would have at their disposal a wider range of information sources, and authorised persons would decide whether a transaction in question is suspicious of money laundering or informal economy. Variable results of reported cases, as well as slow further investigation procedure speak in favour of the idea that the process of identification of suspicious transactions should be improved. If a pre-phase of the identification of informal economy is introduced as obligatory in the process of detection of suspicion of money laundering, we could expect positive results after some time. In that way this phenomenon would be put under an additional level of control. By establishing such a system states would gain more benefits by increasing tax receipts, as well as regulating "pathology" in their economic system.

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SOCIAL AND ECONOMIC RESPONSIBILITY OF TOUR OPERATORS

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ABSTRACT

The purpose of this work is the development and justification of recommendations for strengthening the responsibility of tour operators to the consumers of tourism services. The economic and financial basis of the tour operators' obligations fulfilment stability includes both the maintenance of their financial sustainability and solvency, and their reliable financial support as well as the liability guarantors identification, which is important. A study was undertaken to research the economic and financial causes of tour operators' bankruptcies in Russia during the last wave of the crisis in the tourism sector, which resulted in a public response.

Keywords: *bankruptcies of tour operators, financial stability, financial security of tour operators, social and economic responsibility, travel operations, tour operators*

1. INTRODUCTION

Tourist services play an important role in the consumption capacity growth and the improvement of the people's life quality. Multiplicative effects of tourism on the national and regional economy and investments into the tourism sector help in the development of agriculture, construction, folk craft and other activities, support the people's employment and self-employment and the growth of their wealth (Voskolovich, 2016, pp.71-86). A wide area of issues for the research in the tourist sector gives a central place to the operations of tourism intermediaries, namely, tour operators, as their functions include the creation, promotion and sale of tourist products. A variety of tasks faced by tour operators in their capacity of tourism organisers requires the development and application of specific approaches to the studies of their operations (Voskolovich, 2016, pp.71-86). Financial instability in the tourism sector may have an impact on both the social and the economic areas of life. Financial sustainability of tour operators in their capacity of mass tourism organisers is a key management task within the framework of their social and economic responsibility. Bankruptcies of tour operators undermine the tourists' confidence in organised tourism and result in civil unrest and grievances against the authorities. This work analyses the reasons of Russian tour operators' bankruptcies during the latest wave of the crisis and provides management recommendations for the improvement of the tourism sector financial mechanism.

2. ANALYSIS OF RUSSIAN TOUR OPERATORS' BANKRUPTCIES

Two positions may be outlined in the discussion about the substance of bankruptcies: a legal and an economic ones. According to the first position, a bankruptcy is an official procedure of registering a business closure and an organisation liquidation. A long insolvency period resulting in financial instability may lead to a bankruptcy recognition as a status and an official procedure of the organisation liquidation. Per this concept, the main purposes of a bankruptcy is a civilized and effective settlement of the insolvency situation and legal liquidation of an organisation.

From the other standpoint, a bankruptcy is an isolated instance of insolvency resulting from evolving financial inability of an organisation to meet its financial obligations in full. Ultimately, the tour operator's insolvency results in the deterioration of its financial and general stability (Gizyatova, 2016, pp. 58-62). A tour operator's stability is a characteristic of tourism business explaining its changeability potential and adaptation to risks, viability in the existing environment that is ensured by the availability and utilisation of resources under the tourism market specifics (Gizyatova, 2016, pp.58-62). In the market economy, the tour operator's sustainability is, to a great extent, the responsibility of the entity's management, within a strategy based on an independently selected business policy and business model (Gizyatova, 2017, pp.25-29). The latest crisis bankruptcy wave (when over twenty Russian tour operators suddenly suspended their activities in 2014) was a result of these operators' insolvency and the loss of financial sustainability. An analysis of a sample of seven tour operators' balance sheets right before their bankruptcy (Table 1), a calculation and comparative analysis of their key financial indicators demonstrated all possible evidence of window dressing that significantly complicated the possibility to obtain real conclusions from their financial analysis (Gizyatova, 2017, pp.25-29). Based on the official balance sheet information analysis of tour operators one year prior to their bankruptcy, all indicators of their failure were discovered: insolvency, inefficient borrowings, poor management of debtors and creditors.

Table 1: Tour operators that suspended their operations in 2014 (a sample)

Name	Gross sales revenue in 2013, RUB	Profit for 2013, RUB	Claims filed against the operators after 2013		Legal entity status
			No	Amount, RUB	
CJSC NEVA Firm, Saint-Petersburg	3,784,527,000	1,433,333	21	33,931,454	Declared bankrupt on 13.01.2015
Labirint Company LLC, Moscow	57,612,000	6659,000	2	2,356,176	Declared bankrupt on 04.06.2015
CJSC Labirint-T, Moscow	40,668,000	3,275,000	14	7,757,475	Declared bankrupt on 25.04.2015
IntAter LLC, Moscow	32,120,000	2,171,000	9	16,073,326	Declared bankrupt
SOLVEKS-TURNE LLC, Saint-Petersburg	4,550,927,000	245,000	12	57,673,048	Went into receivership on 10.02.2015
Yuzhnyi Krest Travel, Moscow	1,899,388,000	2,455,000	12	327,559,088	Went into receivership on 11.06.2015
VESNA LLC, OOO «BEPCA», Saint-Petersburg	5,493,016,000	11,909,000	39	75,137,174	Declared bankrupt on 16.05.2015

Source: prepared by A. Gizyatova

An analysis showed that the sales margins of tour operators (entities that work in the same area of business) differed by hundreds of times. Some operators with billions of turnover showed almost zero profitability. Others demonstrated profit margins in the range of 379-538%, which indicates that in fact every single rouble invested into travel business earns approximately 5 roubles (Gizyatova, 2017, pp.25-29). Altruistic results of some operators that are far below this profit margin in the sector would rather evidence revenue and profit understatements in their accounting records. The asset structure of tour operators is also worth attention. Approximately 90% of their current assets are accounts receivable, i.e. their customers' debts, which prove poor management of debtors. Shortage of cash resulting from slow receivables turnover was compensated by borrowings used for the settlements with creditors. While some operators had a high proportion of accounts receivable within their current assets, the payables turnover was higher than the debtors' turnover. Based on the understanding of existing tour operators' practices, where tour operators usually prepay for the purchased tours and quite often pay for them in cash, the accumulation of accounts receivable in their accounting records looks suspicious (Gizyatova, 2017, pp.25-29).

Over 90% of tour operators' equity and liabilities were represented by borrowings while in some cases borrowings accounted for 108 % of total equity and liabilities, i.e. this was used to cover the entity's losses. Per accounting records of some tour operators, their cash outflows exceeded cash inflows. For example, a tour operator showed a proportion of RUB 1 payable to a credit entity per more than RUB 1,500 of cash deficit (Gizyatova, 2017, pp.25-29). The banks lending to those tour operators may be asked logical questions: what information was used to take decisions about those operators' creditworthiness as potential borrowers and why did they (the banks) place their depositors' funds into the tourism business Ponzi scheme? The same questions may be addressed to insurance companies that insured tour operators' responsibility (Gizyatova, 2016, p.63). The indicators of the analysed operators' insolvency persisted in their accounting records for a number of years. There is something interesting about the above mentioned: the structure and composition of balance sheets of some tour operators that avoided the 2014 system crisis in the tourism sector and are still operating in the Russian market and keep sending their tourists abroad, follow the trends described above (Gizyatova, 2017, pp.25-29).

3. FINANCIAL SECURITY OF TOUR OPERATORS

Financial security of tour operators implies that the tourists will be protected should the Russian operator's insolvency prove probable (Gizyatova, 2017, pp.25-29). An important factor that helps to ensure the entity's financial stability is the adequacy of its equity. Table 2 presents comparative information about legal requirements to the minimum amount of equity in the Russian Federation and in adjacent countries: it is clear that Russian law does not pose any requirements for the tour operators' financial independence (Gizyatova, 2017, pp.25-29).

Table following on the next page

Table 2: Minimum required equity of a tour operator

Country	Minimum equity	Legal framework
The Russian Federation	RUB 10,000	<ul style="list-style-type: none"> • The Federal Law dated 08.02.1998 No 14-Φ3 <i>On Limited Liability Companies</i>. • The Federal Law dated 26.12.1995 No 208 <i>On Joint-Stock Companies</i>.
The Czech Republic	CZK 300,000	The Law of the Czech Republic <i>On Tourism</i> 159/1999 dated 30.06.1999.
The Kingdom of Spain	<ul style="list-style-type: none"> ✓ EUR 60,000 for retail travel firms. ✓ EUR 120,000 for wholesale travel firms and branches of foreign legal entities. ✓ EUR 180,000 for wholesale travel firms which also provide services to the population. 	A resolution of the Ministry of Industry, Energy and Tourism of Spain.
The People's Republic of China	<ul style="list-style-type: none"> ✓ CNY 300 thousand for national tour operators engaged in inbound tourism and domestic travel. ✓ CNY 40 million for tour operators with foreign capital (less than 100%). ✓ CNY 500 million for tour operators with 100% foreign capital. 	<ul style="list-style-type: none"> • The Law on Tourism. • The Decree of the Chinese National Tourism Administration of the State Council of the PRC No 14.

Source: prepared by Gizyatova A.

The Russian Federation operates a financial security system as an ancillary source of finance of a tour operator's responsibility to its customers (the tourists) should the operator be unable to meet its liabilities due to objective reasons. Financial security may be guaranteed by both an insurance company and a bank.

From 01.01.2017 the Federal Law dated 24.11.1996 No 132-Φ3 *On the Fundamentals of Tourism Related Operations in the Russian Federation* introduced innovations with respect to the tour operators' financial security formation aimed at the tour operators' financial stability improvement through external guarantees. Tour operators involved in outbound tourism face tougher financial requirements (financial burden) to their full financial security as opposed to operators working in the area of inbound tourism and domestic travel. This innovation may indirectly help to diversify the operators' activities into the domestic tourism market. Table 3 presents comparative information about legal requirements to financial security in the Russian Federation and in adjacent countries (Gizyatova, 2017, pp. 25-29).

Table 3: Requirements to financial security of entities involved in tour operations

Country	Financial security	The amount of guarantee (a deposit)
The Russian Federation	<p>✓ At least RUB 500 thousand for tour operators involved in <u>inbound tourism and domestic travel</u>.</p> <p>✓ At least 5% of the total tourism product price in the area of <u>outbound tourism</u>, but at least RUB 50 million for tour operators with 10 thousand or more outbound tourists per year and with the total outbound tourism product price exceeding RUB 40 million in the previous year.</p> <p>✓ At least RUB 10 million for tour operators with 10 thousand or less outbound tourists per year and with the total outbound tourism product price not exceeding RUB 40 million in the previous year.</p> <p>✓ At least RUB 50 million for tour operators not engaged in outbound tourism in the previous year.</p> <p>✓ At least RUB 50 million for legal entities planning to be engaged in outbound tourism but not engaged in this business previously.</p> <p>When a tour operator is engaged in several areas of tourism, the largest amount of the tour operator's financial security is applicable.</p>	<p>1. A Reserve Fund of the Association of Tour Operators in Outbound Tourism «TourAssist» is formed from contributions of tour operators engaged in outbound tourism:</p> <ul style="list-style-type: none"> ✓ RUB 50 thousand for tour operators with 10 thousand or less outbound tourists per year and with the total outbound tourism product price not exceeding RUB 40 million in the previous year. ✓ RUB 100 thousand for tour operators with 10 thousand or less outbound tourists per year and with the total outbound tourism product price exceeding RUB 40 million in the previous year. ✓ RUB 300 thousand for tour operators with 100 thousand or more but 500 thousand or less outbound tourists per year and with the total outbound tourism product price exceeding RUB 40 million in the previous year. ✓ RUB 500 thousand for tour operators with 500 thousand or more outbound tourists per year and with the total outbound tourism product price exceeding RUB 40 million in the previous year. <p>2. The Fund of Personal Responsibility of a Tour Operator Engaged in Outbound Tourism is formed from the tour operators' annual contributions in the amount of 1% of the total tourism product price in the previous year, and accumulated on special bank accounts of the Association of Tour Operators in Outbound Tourism «TourAssist».</p>
The Czech Republic	Tour operators should provide insurance guarantee in the amount of at least 30% of annual revenues from tour sales per accounting records of the previous year.	2% of annual revenues from tour sales.
The Kingdom of Spain	The minimum total amount for the association should not be less than EUR 2.4 million regardless of the scope of operations (local or national).	50% of the individual guarantee per a travel agent association member.
The People's Republic of China	The responsibility limit should not be less than CNY 200,000 per person.	<ul style="list-style-type: none"> • For a tour operator engaged in domestic travel and inbound tourism, a one-off bank deposit to guarantee the tourism service quality (similar to the Russian compensation fund) is CNY 200 thousand. • For a tour operator engaged in outbound tourism as well, an additional deposit is CNY 1.2 million. • For tour operators operating a branch network for inbound tourism and domestic travel, an additional amount is CNY 50 thousand per branch. • For tour operators operating a branch network for outbound tourism, an additional amount is CNY 300 thousand per branch.

Source: prepared by Gizyatova A.

4. CONCLUSION

Unfortunately, we can infer that all legal measures taken in Russia to ensure external financial security of Russian tour operators in the area of outbound tourism fail to give them financial stability, which does not ultimately prevent potential failures of operators but only creates funds to compensate the debts of bankrupt operators. The only way to improve financial stability of tour operators lies through increases of their equity. Currently all financial resources that could improve the financial status of tour operators are channelled to commercial banks and insurance companies that provide financial security as well as to the Association of Tour Operators in Outbound Tourism "TourAssist". The issues of the Association of Tour Operators in Outbound Tourism "TourAssist" efficiency in safekeeping and managing the cash is worth another discussion. The problem of poor financial sustainability and insolvency of Russian tour operators may be resolved at a level of financial terms and institutional requirements to the equity amounts set for a travel business at the stage of the creation thereof. The government supervision in tourism operations in the Russian Federation is declarative and lacks real supervision and effective financial control mechanisms (Gizyatova, 2015, pp.29-32). Economic efficiency and sustainability of the travel business contribute to life standards of the population and household economy by promoting the credibility of organised mass tourism and the growth of touristic and related services consumption.

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INVISIBLE FINANCIAL COSTS OF EMPLOYEE ABSENTEEISM

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ABSTRACT

Employee absenteeism or employee absence consider all types of unpaid and paid time off such as vacations, sickness, personal time off, bereavement, parental and civic needs so it can be planned and unplanned, as well as justified or unjustified. Absenteeism is one of the most important organizational behaviours while it slows down the job and causes huge qualitative and quantitative costs: it seriously damages organizational productivity and it has a strong impact on organizational structure and culture. Financial costs can be direct ones, and they include wages and benefits, but their hidden nature of indirect costs is far more dangerous and it refers on replacement costs or overtime costs and productivity lost. This paper investigates all types of absenteeism causes, financial costs of employee absenteeism, methods of tracking and calculating costs, their effect on organizational output as well as implications for reducing absenteeism duration and frequency with special emphasis on sick leaves. Namely, there is a whole range of programmes for sickness reducing, reward programmes for motivating work presence and return-to-work policies that can ensure quite good return on investment. This is important especially in public sector where, commonly known, absence rates are higher than in other organizations, so government needs to deal with complexity of absenteeism problem. Also, this paper provides insight into financial costs of inefficient presenteeism so further, it compares financial costs of absenteeism and presenteeism. Undoubtedly, each employee deserves time off, but this time needs to be planned and well controlled so the main goal of this paper is to underline that absenteeism is measurable and it's tracking and managing is not an "extra" cost.

Keywords: *Absenteeism, Financial costs, Presenteeism*

1. INTRODUCTION

The most valuable resources of each organization are employees so the core task of Human Resource Management is to choose, and later to shape, motivate and retain the best employees. Even when recruiting and selecting processes of employees are detailed, well-executed and when they result in the selection of the best candidates, they cannot guarantee their long-term commitment and loyalty to the organization. Also, HRM cannot predict all circumstances in which some employer could work during his carrier so dealing with different behaviours in different situations is extremely challenging task. The most difficult task in the marketing concept is to create a loyal consumer, but in the organizational sense is to keep the best employees. Still, it is natural that organization cannot always relay on its employees. The first precondition for their productivity is their presence.

Employee absenteeism or employee absence consider all types of unpaid and paid time off such as vacations, sickness, personal time off, bereavement, parental and civic needs so it can be planned and unplanned, as well as justified or unjustified. Certainly, avoidable absenteeism is an area of interest of organizational behaviour, although some authors even believe that inescapable absenteeism (such as vacation or maternity leave) cannot be considered as real absenteeism. Due to different circumstances, the justification of absenteeism is often questionable, so it is desirable to be able to manage not only unjustified absenteeism, which already involves deviant behaviour in the workplace, but also justified absenteeism. In modern times, there is less talk about absence from the workplace because the concept of workplace has changed over time and emerged from the traditional frameworks of the workplace as a physical space within an organization in which an employee is engaged in his working hours.

Nevertheless, most organizations, and thus workplaces are still conventionally established, even more, there are more controversies in controlling working hours and time spent at the workplace without shrinking from different monitoring methods and tools. Many organizations, therefore, except prescribed Employment Schedule by the Labour Law, are monitoring their employees through various business information systems including sensors, cards, fingerprints and the like, and it is expected that the progressive development of the Big Data platform will remove in the future the limits between business and private life. By excluding the ethicality of such approaches, it is undeniable that by virtue of such systems organizations receive accurate, precise and timely information about the employee's presence at the workplace. The monitoring and measurement of the absenteeism gives direct insight into the employee's working time, which is why it is easier to associate with its productivity and job satisfaction.

Absenteeism is one of the most important organizational behaviours while it slows down the job and causes huge qualitative and quantitative costs: it seriously damages organizational productivity and it has a strong impact on organizational structure and culture. Financial costs can be direct ones, and they include wages and benefits, but their hidden nature of indirect costs is far more dangerous and it refers on replacement costs or overtime costs and productivity lost. Employee's output is his/her productivity and lack of mentioned outcome represents productivity loss of whole organization. Dealing with absenteeism, poor job performance is recorded with replacement employees, co-workers but also a supervisors which represents true invisible absenteeism costs. However, poor job performance is often present even when there is no absenteeism so presenteeism brings whole new range of different costs and it is questionable whether employee should remain on his workplace when he/she is tired, sick or under the stress.

2. ABSENTEEISM CAUSES AND COSTS

To know how to reduce some costs it is important to find their causer. The following table therefore displays various absenteeism causers according to different theoretical background and literature.

Table following on the next page

Table1: Absenteeism Causers (authors according to literature review)

Category	Causer	Author, year
<u>Personal</u>	Alcoholism	Jones et al., 1995; Quinley, 2003
	Burnout	HR Focus, 2000; Westman & Etzion, 2001; Hemp, 2004; Forbes, 2013
	Childcare	HR Focus, 2000; Quinley, 2003; Forbes, 2013
	Depression	Hemp, 2004; Drugs & Therapy Perspectives, 2008; Forbes, 2013
	Disengagement	HR Focus, 2000; Quinley, 2003; Forbes, 2013
	Eldercare	Quinley, 2003; Forbes, 2013
	Gambling	Quinley, 2003
	Job hunting	Forbes, 2013
	Low moral	Quinley, 2003; Forbes, 2013
	Sickness	Monthly Labor Review, 1987; Akazawa et al., 2003; Bertera, 1990; HR Focus, 2000; Chatterji & Tilley, 2002; Gale, 2003; Quinley, 2003; Hemp, 2004; Pauly et al., 2007; Ivanova et al., 2009; Galante et al., 2012; Ammendolia, 2016; Beeler Asay, 2016; Lammerts et al., 2017; McGrandle & Ohemeng, 2017
	Stress	HR Focus, 2000; Westman & Etzion, 2001; Hemp, 2004; Forbes, 2013
<u>Organizational</u>	Bullying and harassment	De Boer et al., 2002; Pauly et al., 2007; Forbes, 2013
	Burnout	HR Focus, 2000; Bakker et al., 2003; Hemp, 2004; Rauhala et al., 2007; Forbes, 2013
	Hard work	HR Focus, 2000; Rauhala et al., 2007; Dionne & Dostie, 2007
	Monotony	Dionne & Dostie, 2007
	Partial shifts	Bakker et al., 2003; Rauhala et al., 2007; Dionne & Dostie, 2007; Forbes, 2013
	Poor control	Bakker et al., 2003; Dionne & Dostie, 2007; Pauly et al., 2007
	Transport	Bakker et al., 2003
	Working conditions	HR Focus, 2000; Mitchell, 2001; Bakker et al., 2003; Dionne & Dostie, 2007; Pauly et al., 2007
<u>Environmental</u>	Accidents	Quinley, 2003
	Holiday	Quinley, 2003
	Injuries	Forbes, 2013
	Weather	HR Specialist: Pennsylvania Employment Law, 2014

Each cause does not create the equal cost while they differ in their duration and frequency. Work arrangements are important determinants of absence: standard weekday work hours, work-at-home options, and reduced workweeks are associated with reduced absence, whereas shift work and compressed work weeks are associated with increased absence (Dionne & Dostie, 2007, p. 108.) Organizational causers can be managed easily - job demands are primarily responsible for health impairment, whereas job resources lead primarily to increased motivation and attachment to work and the organization (job demands are unique predictors of burnout (i.e., exhaustion and cynicism) and indirectly of absence duration, whereas job resources are unique predictors of organizational commitment, and indirectly of absence spells) (Bakker et al., 2001, p. 341), but this is not the case in personal and environmental causers. However, it is possible to track them as well, and sometimes even predict them. Sickness is obviously the most observed cause because it is the most common one and therefore, special emphasis is going to be devoted to it.

2.1 Visible absenteeism costs

There are two different measures for absenteeism: duration and frequency and they should be tracked when calculating absenteeism financial costs. Absence frequency is the number of spells or times an individual has been absent during a particular period, and absence duration is the total length of time an individual has been absent over a specified period regardless of the length of each of those spells and absence duration is generally considered to be an indicator of “involuntary absenteeism” that results from the inability rather than the unwillingness to come to work (Bakker et al., 2001, p. 342). The annual cost of absenteeism from the workplace in the UK has been estimated to be over 1% of GDP (Chatterji & Tilley, 2002, p.669). U.S. Bureau of Labor Statistics has announced that American businesses lose an average of 2.8 million work days each year due to unplanned absences and these absences cost U.S. employers more than \$74 billion (OfficePro, 2011, p.5). Total cost of absenteeism can range anywhere from 12% to 18% of a company’s payroll (Carroll, 2000, p.17). According to SHRM (Society for Human Resource Management) and Kronos (2014, p.2) absenteeism can be defined as paid days off offered per full-time employee including vacation and personal time off, sick time off and other paid time off, such as for bereavement, parental and civic needs, but it is important to mention that there are also the costs associated with unpaid time off. Their Employee Absences Survey measures both the direct and indirect costs of employee absences, including costs associated with payroll, replacement workers, overtime and productivity loss. Payroll shows direct costs (wages/salary earned during an employee absence and overtime costs), and productivity loss the indirect ones (lower productivity of replacement workers and productivity loss of co-workers and supervisors). Their results shows that direct costs of paid time off as a percentage of payroll is 29,4% and indirect costs of paid time off as a percentage of payroll is 7,8%. That means that the total cost as a percentage of payroll in European organizations is between 36.3% and 38.3%, and according to Mercer survey (2008, p.1), the total cost as a percentage of payroll is also around 36%. USA has better results so the total cost as a percentage of payroll in American organizations is between 20.9% and 22.1% (SHRM and Kronos, 2014, p.1). However, it is very interesting to notice that indirect/invisible costs in Europe and USA are almost equal (Europe 7.8%; USA 6.2% of paid time off as a percentage of payroll). Direct absenteeism costs are very quickly visible. Rates of overtime wages are double than the regular once. Of all the expenses related to absence, unscheduled time-off has the biggest impact on productivity, profitability and morale. Companies lose approximately 2.8 million workdays because of employee injuries and illness, according to the U.S. Bureau of Labor Statistics (Gale, 2003, p.72). To summarize all visible costs of absenteeism, here is a list created according to literature review:

- wages/salary earned during an employee absence
- overtime costs
- replacement worker costs
- total cost of lost time
- administrative expenses
- medical costs
- benefit payments.

2.2 Invisible absenteeism costs

The direct cost of absence is often recorded and reported in annual surveys but the indirect costs, such as paying overtime and calling in temporary staff are rarely reported, yet can exceed the direct costs by as much as 200% (Mercer, 2010, p.2). Invisible absenteeism costs are often ignored but they can directly or indirectly shape organizational productivity, moral and therefore organizational culture. When a worker is absent, whole work schedule needs to be reorganized; workload of inexperienced or less experienced employees; training time and costs;

job adjustments; delays are often, as well as bottlenecks, mistakes and it draws a huge amount of energy and time. Cohen (2012, p.6072) found out that assigning temporary workers as substitutes for absentees has a major potential for generating bottlenecks. Such a bottleneck typically appears when an inexperienced worker replaces an absentee worker at their position. The inexperienced worker starts their learning curve, and for the initial period is significantly slower than other stations, and therefore is a bottleneck. Coles et al. (2007, p.268) believe that the shadow cost of absenteeism varies across firms that operate different technologies: due robust production firms operating just-in-time technology have higher invisible costs of absence than firms that do not. The hidden costs of absenteeism can add 25% to your labour bill (Mumbula, 2016). Supervisors are spending an average of 4.2 hours a week — or 5.3 weeks a year — dealing with absences, including finding replacements, adjusting workflow and providing training (SHRM, 2014). On average, supervisors were perceived to be 15.7 percent less productive and co-workers 29.5 percent less productive when providing coverage for a typical absence day (SHRM, 2014). The indirect costs of absenteeism — which include replacement costs such as temporary staff or overtime and lost service or production time — can double or even triple that amount (Mercer, 2010, p.2). Replacement workers are less productive (they are only 71 percent as efficient when covering for unplanned absences and 79 percent as efficient during planned and extended absences) and they slow down work output and other processes, cause meetings to be postponed, and create delays in key project steps (Mercer, 2010, p.3).

To summarize all invisible costs of absenteeism, here is a list created according to literature review:

- productivity loss
- workload of replacement workers
- lower productivity of replacement workers
- productivity loss of co-workers and supervisors
- training time and costs
- poor quality of finished goods/services
- lapse in product delivery/missed deadlines (delays, bottlenecks, mistakes)
- customer service satisfaction level drop
- problems with employee morale.

2.3 Sick leave

Sickness is one of the most common causes of absenteeism. People work long hours and except physical illness and injuries, the number of mental difficulties (HRFocus, 2000, p.5). Companies lose approximately 2.8 million workdays each year because of employee injuries and illnesses and up to 6% of any given workforce is absent every day (Gale, 2003, p.4). Seasonal diseases increase productivity losses where influenza each year seriously damages not only employee's health, but also children's, so this increases the number of people who need to be absent from work for caregiving (Galante et al., 2012, p.31696). The economic attractiveness of investing in influenza vaccine depends greatly upon the costs of vaccine, the costs of lost time, and the incidence of influenza in a specific population (Akazawa et al., 2003, p.114). Bertera (1990, p.1101) suggest that comprehensive workplace health promotion programmes can reduce disability days among blue collar employees and provide a good return on investment. Today's way of life worsens human health and living and working conditions so health problems are more and more the result of unpalatable and irresponsible lifestyle. In the U.S. working population, one-third of adults are obese, approximately one in five is a smoker, and more than half do not meet physical activity recommendations (Beeler Asay, 2016, p.3).

However, of all mentioned conditions, obesity seems to be the biggest issue because people with this problem on average are more absent from work and obesity has the highest total cost of absenteeism. On the other hand, nowadays modern sickness – stress – drags back a growing number of employees and its costs are mostly invisible. Very often people are becoming anxious and depressed, but evidence-based treatment of depression disability, with pharmaceutical agents and / or psychotherapy may reduce absenteeism and restore productivity, thus improving the quality of life, reducing its overall cost to society (Drugs & Therapy Perspectives, 2008, p.23). „Depression is a major source of absenteeism in the workplace“ (among other chronic diseases) so it is important to underline the economic benefits of appropriate evidence-based treatment: direct medical costs are offset by reductions in indirect costs; reduces absenteeism and duration of disability leave; restores productivity; reduces other indirect costs (e.g. costs of hiring and training replacement employees, accidents and overtime for other employees) (Drugs & Therapy Perspectives, 2008, p.26), and also reduces presenteeism costs. Individual health sometimes can be product of organizational health. Some studies indicate that employees in healthier work environments had significantly higher job satisfaction, commitment, and morale and they also had lower absenteeism (Gale, 2003, p.4).

2.4 Preventive programmes

The most important step in preventing absenteeism should be taken at a very beginning – hiring employees. Job requirements should give detailed and precise description about some workplace with the intention to avoid application from people who maybe cannot perform tasks as required. This will prevent sickness as a most common absenteeism cause, but the biggest problem about sickness is that often, it is just not sickness. More often than not, employees are using the “sick” time to tend to things other than being sick so the trend of most employees’ calling in “sick” for reasons other than physical illness continues (Managing Benefits Plans, 2002, p.6). In that case, good motivation in reducing absenteeism are Work-Life Programmes that are benefit programmes designed to help employees balance work with their personal life (ranked in the terms of their effectiveness): alternative work arrangement, compressed work week, leave for school functions, on-site child care, employee assistance plan, telecommuting, wellness programmes, on-site health services, job sharing, satellite workplaces, career counselling, child care referrals, fitness facility, work-life seminars, elder care services, sabbaticals, holiday/summer camp, concierge services (Managing Benefits Plans, 2002, p.7). Except positive stimulation, Absence-Control Programmes ranked by effectiveness are: paid leave bank, disciplinary action, buy back, bonus, yearly review, verification of illness, no fault, personal recognition (Managing Benefits Plans, 2002, p.7).

In the USA there are Specialty Insurers that are creating programme for tracking absenteeism and designed to trim benefit costs (Insurance Advocate, 1999, p.32). New era had left traditional leave programme and brought new programme called Paid-time-off system (PTO). PTO is a bank of days from which employees can draw for vacation, sick leave, doctors’ appointments and personal days off from work and its use grew by 43 percent from 2002 to 2010, while traditional programmes declined by 24 percent during the same period (Warford, 2014, p.27). It is still not proven that PTO can reduce total absenteeism rate in organization, but it definitely reduce unscheduled absences and the costs and productivity losses associated with it. Except natural employee resistance, transition to this flexible programme is quite easy and short and it does not require long time period. Still, since employees have more control, sometimes they take advantage and are gone more frequently than they would be if they had specific days off for certain purposes. Of course, that means they come to work even when they are sick so it decrease their productivity but they also risk endangering their colleagues.

Nevertheless, some benefits specialists agree that the future lies in paid-leave packages rather than with the traditional sick-time/vacation model (Warford, 2014, p.48). On the other hand, there are Employee Assistance Programmes (EAPs – part of an competitive benefit package) in which employer provide his employees with an outside service that can help solve their different problems and give them counselling (Quinley, 2003, p.6). Rewards could be good motivation in return-to-work policies, as well as transitional work programmes making “Light duty” or modified work. Also, part-time work sometimes is the best solution because studies show that soon afterwards, workers want to return to full time work (Carroll, 2000, p.17). Keeping in touch with employee could be crucial for his/her sooner return, so supervisors should be skilled in communicating with their employees when they are absent for longer period. There are also minor steps that can help in reducing absenteeism rate such as paid fitness programmes. Namely, exercise and fitness programmes leads to lower medical costs and lower absenteeism and they have short-term results (1-2 years) (Monthly Labor Review, 1987, p.27). Except those, Gale (2003, p.4) suggests wellness programmes (that target common costly medical conditions such as diabetes and heart disease); disability management programmes (that get employees back to work sooner through closer management of treatment and recovery: on average, such programmes get employees back to work two weeks sooner than non-managed programmes); reward programmes that offer employees cash or gift certificates at the end of the year for up to three unused days off. Bad weather often make employees to come to work in late, they leave their job earlier, or even they miss whole working day. One of the options is to pay them only the time they really spend on their working place (HR Specialist: Pennsylvania Employment Law, 2014, p. 4) or employer could offer work at home if applicable. Absenteeism is a specific issue in public services (De Paola et al., 2014, p.337). McGrandle and Ohemeng (2017, p.215-240) are criticizing recording absences with a lack of acceptable form of absence measurement so information across the departments are not understandable and comparable. They highlight that very rarely supervisors are aware of real causes of theirs employee's absenteeism. This is why adequate Absence Management Programme needs to be implemented. It can enhance productivity, improve return-to-work results, reduce benefit costs, increase employee satisfaction and cut down replacement labour costs (Mcgraw Wentworth, 2003, p.2).

3. PRESENTEEISM

Some authors define presenteeism as on-the-job employee illness (Chatterji & Tilley, 2002, p.669; Pauly et al., 2008, p.469; Johns, 2010, p.519) or as Hemp (2004, p.1) wrote „at work – out of it“. He mentions that most common reasons for presenteeism are fever, headache and heartburn. People decide to stay at work when they are sick because their sick days are little or no paid; their employer have great expectations; or simply they believe they are fully able to work. According to Ammendolia et al. (2016, p.1) presenteeism is a growing problem in developed countries mostly due to an aging workforce and the economic costs related to presenteeism exceed those of absenteeism and employer health costs. They found out that the top health problems for productivity loss are stress and depression but they can somewhat reduce with wellness programmes. Measuring presenteeism costs is quite difficult so it is even more difficult to manage it. Despite that, self-report measures can be linked with administrative records (Goetzel et al., 2004, p.411). The exact degree to which various illnesses reduce productivity is still not fully explored (Hemp, 2004, p.2). A number of worker self-reported presenteeism measures have been developed and validated, and the impact of various health conditions on the workforce has been measured so most researches suggested that the cost of presenteeism may substantially exceed the costs of either absenteeism or direct medical costs (Pauly et al., 2008, 482). One reaction to reducing absence may be to lower sickness pay but such a policy may well result in greater presenteeism (Chatterji & Tilley, 2002, p.686).

Presenteeism costs are higher than medical costs (Goetzel et al., 2004, p.398) and it appears to cost companies substantially more than they spend directly on medical treatment and drugs (Hemp, 2004, p.4) and presenteeism is actually costing employers more than absenteeism. The total cost of presenteeism to US employers has been increasing, and estimates for current losses range from about \$150 to \$250 billion annually – costs for presenteeism are about 60 percent of the total cost of worker illness (Schaefer, 2014). Such as absenteeism, presenteeism also has its invisible costs: infecting other employees or even customers, sickness prolongation, compromising organizational output (especially in delivering services). Researchers have found that less time is lost from people staying home than from them showing up but not performing at full capacity (Hemp, 2004, p.9).

4. CONCLUSION

It is not easy to track absenteeism costs while many organizations have poor tools and they still do not realize an impact of absenteeism losses. However, broad spectrum of different methods can provide accurate monitoring. Each individual employee absence should be accurate for the purpose of tabulating company wide absenteeism totals. After tracking it is important to calculate financial impact that each and every absence behaviour has on organization and its business. Visible costs calculated as a percentage of total payroll (such as wages/salary earned during an employee absence and overtime costs) are only one part of total absenteeism cost. Another one, more complex, are invisible costs which are manifested mostly in productivity loss and workload. Therefore, poor job performance becomes bigger problem than salary cost. Quantifying those costs allows detecting periods when absences are particularly high so it creates insight into various types of absences. Sick leaves for example are the most common absenteeism cause so tracking causes and their costs, as well as their frequency and duration, gives an opportunity to recognize trends and patterns. This also opens a space for incentives for improvement and predicting and later avoiding undesirable behaviours.

In the sickness area, health education in workplace should increase and traditional leave programme may be replaced with modern Absence Management. When planning a budget, some room needs to be left for investing in cost-effective treatments. Work policies should be clear, informative and written (roles and responsibilities) with and intention to avoid misunderstandings. Employee cannot choose his absence behaviour but it is recommended to leave a space for discussion about terms. On the other side, it is imperative to develop awareness on management and leadership levels about employee needs but also the impact of undesirable behaviour on the whole organization system. Absenteeism and especially presenteeism education is a basic precondition for managing behaviours while poor motivation and productivity and someone's performance during presenteeism is not visible easily. Further, employee's perception of absenteeism should be directed to increase their effectiveness so considering their interests is the interest of entire organization.

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INTEGRATED APPROACH IN THE SYSTEM OF INCLUSIVE EDUCATION IN RUSSIA: SOCIAL NEEDS, DIRECTIONS OF DEVELOPMENT AND CHALLENGES OF IMPLEMENTATION

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ABSTRACT

In the modern world, special attention is paid to the formation of the integrated environment of interaction, to amend the comprehensive approach in organization of inclusive education system. Russian society has also developed and implemented the current methodology, technology inclusive education. Objectively observed social need, the formation of new programs, areas of work with children and adults with special needs health. But from a practical point of view, not all able to successfully implement. Should take into account the specific regional characteristics of the Russian province, opposed to foreign experience, the level of economic development, infrastructure, mobile and human resources. There are also have positive examples of successful experiences of partnerships and the work of University groups. The authors present some results of effective experience of the Russian state social University in the implementation of projects in the field of inclusive education propose to consider the scientific community's socio-political criteria enhancing the effectiveness of the implementation of the integrated approach and inclusive education in modern Russia.

Keywords: *public education system, integrated approach, Russian education, inclusive education, social policy*

1. INTRODUCTION

Inclusive education in the modern world is an advanced training system that is necessary to children, having certain features in development and health. According to her, the guys healthy and with disabilities or some deviations in health are trained together. Description of the components of inclusive education represented in the Federal law "On education in Russian Federation" dated 29 December 2012 № 273-FZ. The essence of inclusive education determined that all children now have equal access to education regardless of their special educational needs and individual capabilities. But if effectively implemented this program in a complex education?

As the history of human civilization, people at all times considered to be his constant duty to assist their fellowmen, have had limited possibilities of life. Depending on the changing socio-economic relations that took place in the development of society, changing the direction and approaches to aid to needy disabled (nahornova, Makarova, 2014, pp. 27-34).

Already in the oldest Slavic communities gradually evolved the simplest forms of assistance, protection and support to weak and vulnerable, including the frail elderly, crippled, etc. the Special place in system of mutual support of community members took mutual responsibility – *verv*'. The most common manifestation of communal tribal assistance were feeding at the expense of the community poor and the sick relatives (Melnikov, Kholostova, 1998, pp. 15-16, 53,57).

The destruction of tribal relations demanded new forms of support and protection was a princely types of charity and the Church and monastic charity, which lasted until 1917 and was revived in our days. At the present stage the rights and social security of the disabled in our country are protected by the Constitution of the Russian Federation. Protection of the rights, interests and needs of people with disabilities to health in public life and respect for this category of citizens is enshrined in a number of Federal laws. "About social protection of invalids in the Russian Federation" of 24 November 1995 No. 181-FZ; "About social service of citizens of advanced age and invalids" of 2 August 1995, No. 122-FZ, etc. The legal acts define the state policy in the field of social protection of disabled persons, the purpose of which is to ensure equal opportunities in realization of civil, economic, political and other rights and freedoms. The signing in 2008 of the Russian Federation of the UN Convention on the rights of persons with disabilities have created additional guarantees of realization and protection of the rights of citizens with disabilities, a qualitatively new legal basis for active social policies in relation to the citizens of this category, practical activities in the field of social protection, rehabilitation and social integration. In order to implement the state policy in the sphere of social protection of citizens with disabilities in 2009, established the presidential Council of the Russian Federation for Affairs of persons with disabilities.

Of course, an important component in addressing the issue of integrated approach in the system of inclusive education are the causes of the manifestations of the factor of disability in society, both in historical and contemporary perspective. The number of people with disabilities in Russia is growing by about 10% per year. The total number of disabled people in our country more than 13.15 million people (about 10% of the population) (Rosstat, 2016). Only 4.4 million (40%) of people with disabilities in our country are employable, 400 thousand (10%) of them are officially employed, but are really no more than 50 thousand (1,1%) of the total number of disabled persons (Smirnov, 2006). Of the total number of people with disabilities, 600 thousand are children. Annually are born in the country about 30 thousand children with congenital hereditary diseases, among them about 80% are disabled, more than 50% of children have functional deviations that require medical-correctional and rehabilitation measures. According to the official data of the Government of the Russian Federation, only 30% of infants can be considered healthy (the Federal program "Children of Russia", 2007-2010).

With the aim of identifying key criteria of this approach, the authors highlighted a number of challenges regarding the gradual disclosure of all aspects of the set research problem and formulated a hypothesis. The basis for the hypotheses laid claim that in the conditions of intensive development of the education system in modern Russia does not take into account a number of criteria of formation of the inclusive environment. Also not taken into account critically different-level features of the development regions of the country, which has a negative impact on the effectiveness of the implementation of the whole complex system of inclusive education at the Federal level.

2. METHODS

As fundamental in the study the authors used the following methods and approaches. The historical method of research, allowing to reveal the dynamics of changes and approaches to the formation of attitudes towards disabled persons and persons with disabilities to health. Comparative approach, in which the authors have studied the specifics of the mechanisms and technologies of implementing inclusive education programmes. Methodological basis of the study also incorporated the synthesis of certain scientific works of foreign and domestic authors in the field of psychology and pedagogy. For example, the problems of constructing theoretical concepts of inclusive education was engaged in such Western scholars as L. Barton, John. Deppler, E. Doris, T. Loreman, Sailor, E. K. Sliker, D. Harvey, etc., Among the Russian scientists, developing the conceptual framework of inclusive education are highlighted, S. V. Alekhina, D. V. Zaitsev, E. N. Kutepova, N. N. Malofeev, E. R. Yarskaya-Smirnova and many others. The study of technology inclusive education engaged Western scholars M. Banerjee, X. Gartner, S., Day, D. Mitchell, D. de, M. Pullan, K. M. Evertson etc. In Russian pedagogy, the technological side of inclusive education is partially presented in the studies of L. S. Vygotsky, I. Yu. Levchenko, I. V. Karpenkova, S. I. Kudinov and others (Miller, 2012). In particular, the authors used a set of several complementary methods for the analysis of domestic and foreign literature of Humanities and social orientation, research and summarize the dissertation research on the problem.

3. RESULTS

The continuing rise in the number of disabled people in our time makes to improve ongoing against persons with disabilities policy. Avoiding the term "handicapped" will not solve the problem of increasing the percentage of disability. Highlight the following main reasons actualizes the tendency of constant growth of number of invalids:

- inefficiency of health services: the complexity of diagnosis, obstetric care, inadequate treatment, lack of innovative research methods, equipment, etc.;
- technogenic accidents and military conflicts;
- environmental pollution and unfavorable environmental conditions with a lack of state resources allocated for maintenance of ecological safety of citizens;
- traffic accidents;
- domestic violence;
- increased longevity of the population in developed countries and increase the risk of disease, which can lead to disability;
- antisocial lifestyle (alcoholism, drug addiction, Smoking);
- the absence or underdevelopment of skills of a healthy lifestyle and many others.

In recent decades there has been integration and inclusion of persons with disabilities into the normal life of society, recognition of the potential of people with disabilities. In may 2008, entered into force the most important international document – the UN Convention on the rights of persons with disabilities, approved by the UN General Assembly on 13 December 2006 the Convention encourages countries to solving the problems of barrier-free environment - system physical accessibility of public buildings, sports facilities, cultural places and information, and transport. This is an opportunity for the disabled to lead an independent life and to participate in all aspects of life: study, work, relax with them. But to create all this requires large resources. Financial, infrastructural, human. In the context of the sanctions, rising inflation, economic and social tensions in Russia, in the regions cut spending on social needs, minimize the number of areas to implement a comprehensive program of inclusive education. Elementary, do not have enough funds for the refurbishment of schools, roads, transportation systems, and training professionals. There is a psychological barrier among teachers, parents, children.

Home schooling, even with the use of individual educational trajectories and the use of necessary computer equipment will not provide the learner a complete, integrated environment for inclusive education. Inclusion today is a developed, humane and effective educational system, designed for total learning and healthy children, and those who require more careful attention. Despite the fact that inclusive education is spelled out in the Federal law on education, the implementation of this direction in our country is causing a lot of controversy, but even more difficulties. In foreign countries, inclusion is an educational process rich in history, which is enshrined in law. In Russia this problem, despite the fact that according to statistics, nearly 5% of the child population referred to persons with disabilities. It is worth noting that large cities have succeeded in this direction. Thanks to the system of continuous education from preschool, school to the higher, well-developed infrastructure, it is possible to implement measures and create the necessary conditions for the successful education of children with special requirements on health. So, at the Russian state social University pays special attention not only to the training of specialists in this field, but also to develop entire programs of training of students, support of children with features, there are regular trainings for the teaching staff. In 2015 on the basis of RSSU was established Resource training center for training of disabled persons and persons with disabilities. The main purpose of RUMC is the accumulation, dissemination and development of innovative technologies for scientific, methodological and technical development of inclusive forms of education in Russia, organization of labor and vocational guidance of persons with disabilities with different nosology.

On the basis of the Center is a complex of both internal and external directions. Is online counseling/support for guidance through a personal account, ROOMS. Works call center (business) education and careers, the new technical means of training and rehabilitation. Important is the implementation of legislative requirements on educational environment for people with disabilities, the use of model solutions for training on diseases (on the basis of analysis of global best practices), also holding contests for best practices and the provision of training, retraining, advanced training of specialists according to programs of vocational guidance of persons with disabilities (ROOMS, 2017). A special role of the University in the development of the volunteer movement and International non-profit movement", Abilympics" which purpose is increase of prestige of working professions and the development of professional education through harmonization of best practices and professional standards worldwide through the organization and conduct of professional skills contests for persons with disabilities.

4. DISCUSSION

4.1. Historical factors in the development of system security to socially vulnerable layers of population in Russia.

Until the revolution of 1917, the Church and monasteries in Russia were the center of social assistance to old, poor, crippled and sick. Monasteries contained almshouse, the asylum for cripples, the sick and the poor, and orphanages. One of the first almshouses are considered a special building, created in the epoch of Kievan Rus by St. Theodosius hegumen of the Kiev-Pechersk (Kontsevich, 2009, p. 129). Practice of social assistance to the needy has evolved and through the parishes. From the eighteenth century, for example, in Moscow there were about 20 of the parish almshouses. All 90 of the Moscow hospice, belonged to the Church, the city and private benefactors, contained in 1719, about 4 thousand needed. In General, the 90s of the XIX century Orthodox Church contains 660 almshouses and almost 500 hospitals. As of 1 December 1907, out of the 907 men's and women's monasteries were at that time in Russia, more than 200 monasteries were constant work on social care of disabled persons (nahornova, Makarova, 2014, pp. 27-34).

Under Peter I a system of social protection of persons with disabilities becomes more branched. According to the Decree of 8 June 1701, all patients who are unable to go for collecting alms, should make a "brownies in the poorhouse of his Holiness Patriarch" and treat it, this decree was ordered to have special doctors, and of the Patriarchal house the Treasury allocated money for food to buy drugs" (Complete collection of laws of the Russian Empire. Coll.1. Vol. 4. – SPb., 1830. - No. 1856. – P.168). A bright example of private philanthropy beginning of the NINETEENTH century was the work of count N. P. Sheremetyeva, which in 1803 established a Hospice for 100 people and a hospital with him for 50 seats, where they found refuge crippled and sick. A huge contribution to the charity was made by the merchants Morozov, Demidov's dynasty, the largest mine owners in the Urals. Princess N. B. Trubetskaya, who led in 1868 the Ladies ' Committee of the Moscow branch of the Society for the care of wounded and sick soldiers (after 1879 the Russian red cross society) (Melnikov, Kholostova, 1998, pp. 15-16, 53,57). Important role in assisting the handicapped, the disabled, the sick, played the organs of state and public management. The funds of the charity societies and private donors in Moscow was built Alekseevskaya, Bakhrushin, Soldatenkovskaya hospital, Vladimir and Morozov children's hospital. For the first time were opened specialized sanatoriums and hospitals for patients suffering from tuberculosis, skin and venereal diseases etc. (nahornova, Makarova, 2014, pp. 27-34).

In the 20-ies of XX century in Moscow for people with disabilities was organized 5 Central schools, with an enrollment of 1,000 people daily for 11 different professions (Shoe-making, tailoring, agriculture and others) (Moscow meeting of the heads of departments of social welfare, 1926, p. 53-54). Such a professional school of nuac was aimed at preparation of higher qualification in the particular field so that later they can organize a gang or involved in other cooperatives as a qualified wizard (Hankin, Sharapov, 1968, p.14). An important area of social work during the great Patriotic war and the postwar years became the social rehabilitation of the wounded, the return to productive activities of persons with disabilities, creating homes for the disabled and labor boarding schools, etc. In the late 60-ies of XX century in many developed countries started the development and implementation of a new concept of disability, given the connection between the limitations experienced by a disabled person, structure and nature of the environment, and the attitude of the population towards people with disabilities. The main terms that reflect this process, was a "disability", which includes a significant number of different functional limitations, which are found among the population in all countries of the world, and "disability" means the loss or limitation of opportunities to participate in society on an equal basis with others.

4.2. Modern approaches to the organization of an inclusive environment in the society.

In Russia and in the world there is a steady increase in the number of disabled persons in the social structure. There are more than 650 million (about 10% of the population) people with disabilities. In the world report on disability indicates that approximately 15% of the world's population has any form of disability. Of these, 2-4% of people experience significant difficulties in functioning. The prevalence of disability in the world higher than previous estimates by the who, done in the 1970-ies, and is approximately 10% (see http://www.who.int/disabilities/world_report/2011/report/ru/. Date of access 03.08.2017).

The share of developing countries account for 80% of this category of persons, 20% of the poorest of the world's population are disabled. In Finland, disabled persons constitute 32.2 % of the total population in the UK of 27.2%. The Netherlands Was 25.4%, France – 24.6 Per Cent, Sweden Is 19.9 Percent. (see <http://vawilon.ru/statistika-invalidov-v-mire/>, accessed 03.09.2017).

In Russia this figure is one of the lowest among European countries, people with disabilities make up 9.3% of the total population, but their number continues to grow. So, in 2015 in the Russian Federation, there were 12 million people with disabilities, and in 2017 is around 15 million (see *ibid*, <http://vawilon.ru/statistika-invalidov-v-mire/>, accessed 03.08.2017). In most countries of the modern world the number of cases of disability among women is higher than among men. Women question categories of persons are often rejected on the basis of disability, and by gender and, therefore, are in a particularly unfavourable conditions compared to men with disabilities. They are especially often suffer from moral humiliation and physical ill-treatment. On top of that one of the common factors of disability in women is domestic violence. Violence against women is not so much a question of a political nature, but the social and family. The main motive of this kind is the gender of the victim. According to statistics, nearly one in four women are faced with a situation of domestic violence by her husband or father. This is the most common human rights violation in the world. Every year, more than 36,000 women victims of violence and up to 40% of serious violent crimes are committed within families. Women exposed to violence were significantly reduced self-esteem, there is a chronic sense of shame, sense of guilt, constant fear, depression, distorted perception of reality, is personal deformation, and show signs of post-traumatic stress. According to the world health organization (2016), at least 35% of women globally at least one incident of violence by a partner or another male. For example, in the scientific article lot's I. P. D. crazy.N., Professor Walnut and E. Ya., doctor of pedagogical Sciences.N., Professor, given the content characteristics of family violence against women presents detailed data on the prevalence of this phenomenon in the world, including statistical data on violence against women in Russia, as well as the experience of violence and cruelty in France. The authors analyzed the Plan against violence in France over the period from 2014 to 2016, and the law on real equality between women and men, who in 2014 was approved by the Senate and the National Assembly of France (lotova, Smith, 2015). According to UNICEF, among children who do not have permanent residence, have a disability 30%. The mortality rate of these children reaches 60% in countries where the mortality rate of children under five does not exceed the level of 20%. According to UNESCO, 90% of disabled children do not attend educational institutions and universities, despite the increase in their numbers worldwide. Global literacy rate for this category of people is only 3%, and for women with disabilities – only 1%.

5. CONSLUSION

Overall, at the present time in Russia embarked on the transition from the current system of social protection of persons with disabilities to the policy of removing barriers and obstacles to their full and effective participation in society on an equal basis with others. The diversity of causes leading to disability causes a need for comprehensive development and implementation of social policies aimed at social adaptation, rehabilitation and integration of citizens into society. A huge role in this process belongs to education. In Russia and in the world, as practice shows, there is a growing contradiction between the increasing number of such people and by extension their social integration and adaptation to the constantly transforming socio-political and economic conditions. Today it is the transition to targeted social assistance, the transfer of some state functions to civil society, creation of all necessary conditions for those who are able to work. However, this process is lengthy and inconsistent. It depends on many objective and subjective circumstances: the resources, the professionalism of the authorities at all levels, supporting programs for those who are not able to carry out the organization of their life (elderly, children, disabled children, seriously ill, handicapped, persons with disabilities). The formation of the corresponding worldview and life orientations of this category of citizens, employers, society in General etc.

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TEACHING THAI AS A FOREIGN LANGUAGE: CHANGING FOR GOVERNMENT POLICY, THAILAND 4.0

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ABSTRACT

The objective of this research was to study the changing of learning and teaching Thai language as a foreign language for government policy Thailand 4.0 by studying curriculum document, interviewing curriculum committees, teachers, students and stakeholders. The research tools were questionnaires and structured interview about teaching and learning Thai language as foreign language at the university in northern part of Thailand. The results were curriculum for teaching Thai language as a foreign language have both short term programs and long term programs which is one year exchange student programs and 4-year Bachelor degree programs. The objectives of the curriculums focus on communication in daily life and understanding Thai language and culture on communicative level and pass on knowledge correctly, including Thai language skill for career in government sector, private sector or freelance. There are teaching activities including classroom and beyond classroom.

Keywords: *Learning and teaching, Thai as a foreign language, Thailand 4.0*

1. INTRODUCTION

Thailand 4.0 is a government's vision which is aimed to transform Thailand's old economic system to the innovation-driven one. The first model, Thailand 1.0, is about agriculture, focusing on growing crops and raising livestock for living and earning. The second model, Thailand 2.0, is about light industry, using tools for manufacturing. This model can improve the potential of the country. At present, the third model, Thailand 3.0, is about heavy industry, emphasizing manufacturing and exporting machines. However, it relies on technology and capitals from foreign countries. The income of this model is at moderate level, and the growth is slow while the world is highly competitive. Therefore, the transition to Thailand 4.0 will make Thailand become high-income country and base on the use of technology and innovation. The formation of new economic structure has to be based upon the innovation and creative thinking to create skillful labors. There should be the education reform and the integration of research and cultural change. Thus, changing the education strategies will be the significant duty of development, especially in business communication among people with the diversity of race, religious, language, and culture. Therefore, learning and teaching Thai as a foreign language is raised as the policy based on Thailand 4.0 model. This policy is already mentioned in the 20-year national strategy which focuses on the involvement of technology and innovation for developing and connecting to globalization. The model aims the country to be internationally competitive.

2. PURPOSE

This study aims to survey an opinion about studying and teaching Thai as a foreign language based on Thailand 4.0.

3. DEFINITION OF TERMS

Instruction means a curriculum or a learning activity designed for learners to gain knowledge and skills which meets the objectives of the curriculum.

Thai as a foreign language refers to Thai skills course for foreigners on learning, teaching, or communicating for making understanding each other. Thailand 4.0 is a government's policy on developing Thailand's economy based on technology and innovation. This model focuses on the collaboration of education reform and research for creating stability, prosperity, and sustainability.

4. RELATED RESEARCH

Research on learning and teaching Thai language for foreigners focuses on producing a self-learning instructional media for learners. The innovation might be an audio-visual material which aims to improve Thai language skills, especially in business or tourism. The related researches included the research on "an instructional package on Thai speaking skills in tourism and hotel management for Chinese students" (Fang Ziyu, 2009) or the research on "an instructional package on sightseeing at Rattanakosin Island for teaching Thai language and culture to foreigners" (Prasitchai Sampaotong, 2013). Moreover, Liu Ronhan (2016) studies a construction of Thai language learning package for foreigners in Thai auspicious desserts. This study contains a CD recorded Thai sound. Foreign learners can improve their listening skills as well as pronunciation like native speaker from the CD. Either Thai or foreign teachers can use this CD for their own need. The related research also includes the research on Thai self-learning package on forming a sentence for foreign monks which is aimed to improve reading and writing skills of foreign monks who stay in Bangkok. The finding illustrates that the package can fulfill the needs of learners. They do not feel that they cannot keep up with other learners, and they have a freedom of learning based on their readiness in timing and location. Computer-assisted instruction (CAI), instructional package, supplementary book and other book is a learning-supportive innovation for foreigners with no limits of place and learning method.

5. CONCEPTUAL FRAMEWORK

Instructional management of Thai as a foreign language class is a study on opinion based on Thailand 4.0 concept, the policy on developing Thailand's economy proposed by Prayut Chan-o-cha, the current prime minister and the head of the National Council for Peace and Order (NCPO). With the vision of "stability, prosperity, and sustainability", the government has a primary task to push out the country to readjust, organize, and build the development as well as be able to handle with new challenges and threats which tend to change rapidly in the 21st century. The paradigm on developing the country based on Thailand 4.0 aims to lay the foundation of long-term development by means of reforming the economic structure, researches and development, and education together. All sectors work in collaboration under the concept of incorporation between civil state and business networks, development research, and staff from both inside and outside the country. The concept of Public-Private Collaboration focuses on the participation from various sectors including private, financial and banking, people, institution, university, and research institution to brainstorm and work together in a project, MOU, or research from civil states group such as basic education and developing the leaders (Public-Private Schools), and promoting the level of professional quality.

6. METHODOLOGY

This is qualitative research collecting data by analyzing curriculum documents and interviewing committees, lecturers, foreign students, and concerned people in teaching Thai as a foreign language program, Khon Kaen University. The findings are presented as the descriptive analysis.

7. FINDINGS

According to the analysis of curriculum documents and opinions towards learning and teaching Thai as a foreign language based on the government's policy, the findings can be presented as the following components:

7.1 Curriculum

Curriculum refers to a particular subject, teaching content, experience which each institution provide for learners. Curriculum can also refer to an instructional activity, social expectation, or learner's anticipation. Therefore, it is a mean which lead learners to their goals, and it is the process of interaction between learners, teachers, and learning environment. The curriculum management of Thai as a foreign language should have various patterns. 1) Long-term curriculum provides a degree for learners, such as bachelor, master, and double degree from an academic collaboration between regional and international institution. 2) Short-term curriculum provides an academic service which run 1 months or above, and the content focuses on specific skills, such as Thai for diplomacy, translation and interpretation, business negotiation, and writing for public relations.

However, most of the committees think that the curriculum management is based on university's policy or strategy because the curriculum proposal sometimes does not meet the university concept or policy, or the Ministry of Education does not give approval to the curriculum. Currently, the curriculum, however, are in line with Thai Qualifications Framework for Higher Education which develops learning outcomes in terms of numeric analysis skills, communication, and information technology skills according to Thailand 4.0 concept.

7.2 Objective

The objective of the curriculum can act as the curriculum development. In general, the objective of the curriculum is drafted after having basic information about problems and social and learner's needs which can indicate the instruction management. The objective setting based on Thailand 4.0 should be more specific in order to satisfy many learners' needs as well as focus on Thai competency which can apply authentic learning to a real-life situation. The objective setting covers cognitive domain, affective domain, and psychomotor domain which highlight on knowledge, thinking, solving problems, attitude, value, and communication skills which can connect active prior knowledge and skills to the new one. The objective setting based on both Thailand 4.0 and old policy is not different, but the management of the curriculum should be correspondent with the objective.

7.3 Content and Learning Experience

Learning activity plays a significant part of building knowledge, skills, or attitude as mentioned in the instruction objective. The effective instruction management need to concern about behavior-based indicators including clarity, diversity, direct instruction mission, learners' collaborative instruction, and making learners become successful. Activities in the learning process include preparative learning, active learning, skills-improving learning, and instruction support. Content or learning experience should consist of as follows;

- Content or course that learners must know in order to get the principle knowledge based on the level of difficulty such as Thai grammar or principle use,
- Content or course that learners should know in order to boost their Thai understanding such as translation and interpretation or writing for specific purpose, and

- Content or course that learners might know in order to be aware of Thai lifestyle. Although most learners think that the content is quite difficult and old-fashioned, but it reflects Thai thoughts, beliefs, and ways of life, such as Thai literature and modern literature.

Besides, there are several learning courses to serve career benefits or interests or base on labor market trend or society, such as Thai for tourism, Thai for secretary, business Thai, business speaking.

7.4 Learning Experience Management

Learning experience management or instruction management is curriculum implementation in which teacher focuses on learners and concerns about the difference among people in learning experience management. According to Tyler's theory, he implies that the management aims learners to build their own experience as well as to design an activity that could be held in both instruction and learning support. The Tyler's theory has proposed the criteria for considering learning experience as follows;

- Learners should have an opportunity to take a behavioral practice and learn as specified in the objectives.
- Activities and experiences should make learners satisfied to behave as specified in the objectives.
- The level of satisfactory of activities and learning experience should be practical.
- A number of activities and learning experiences might attain to one objective.
- One activity and learning experiences might attain to many objectives.

Nowadays, technology becomes a significant part of instructional materials. Photos or online lessons can be found from YouTube or Google Search which can be used at the convenient time.

7.5 Learning evaluation

Instruction evaluation is significant to be used as the data to improve, adjust, and support learners' learning and development as well as to modify the instruction management to become more effective, and to measure the learner's achievement. Learning is not only evaluated from the test, but also from the activities both inside and outside the class. The evaluation is probably conducted by a teacher, classmates, or those with whom learners make an interaction. However, evaluation criteria must be systematic and have a clear Key Performance Indicator (KPI). The learning evaluation can allow teacher to help their learners appropriately. For example, teacher can support their learners according to their abilities, skills, and interests. They can select the teaching methods which are appropriate for their learners, and they can also group their learners and do the learning activities.

8. CONCLUSION AND DISCUSSION

Thai as a foreign language instruction is a challenging issue which leads to “the changes of learning process through the whole system” in order to inspire Thai people to have a powerful and meaningful life. These changes consist of changing passive learning to active learning, changing duty-driven learning to passion-driven learning, and changing standardized learning to the personalized learning. Moreover, learning should be improved to produce a creative thinking and ability to generate new innovation. Learning should be held outside the class and non-formal, and it should be based on idea, rather than fact. Thinking out of the box is better than thinking in the box. Transmitting learning should be replaced with the mentoring one.

However, the changes of learning to realize the mindful learning should focus on common interest, sharing value, individual creating, common creating, and changing competing incentive to sharing incentive. Result-based learning focuses on how to analyze and solve problems, instead of learning from the theory. Lecture class should be replaced with working project and solving problems. Success should be measured from learning achievement, rather than credits. The objective of learning is for a career, not a degree.

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THE MAIN SOCIETAL RISKS AN AUTOMATED FUTURE CONSTITUTES

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ABSTRACT

Beside all opportunities which automation entails, it also leads to new social and economic risks. By focusing on a special phenomenon of automation, the arise of autonomous vehicles, the two main risks of the future are represented. In the case of fully autonomous vehicles, the importance of ownership will decline because vehicles would have a similar high availability as todays "services on demand" do. Therefore the market for individual vehicle ownership will heavily decrease in the long term and this could include the collapse of significant numbers of vehicle sales. This could lead furthermore to the dismantling of many jobs in the automotive sector while the remaining jobs will be shifted to low-wage countries. This, however, entails the outflow of purchasing power, thereby initiating a lethal economic downward spiral. This study analyses if this development will be realistic or if there are alternatives. The second main risk which occurs concerning the arise of autonomous vehicles is the division of the society. While one part of society has the knowledge to understand the technique of autonomous vehicles, the other ones do not have these skills. Therefore the one group has to believe what experts tell them, the other group has the ability to intervene in the technique for the reason of their personal advantage. This will lead to dependency and possibly the end of self-determination of a huge percentage of people. Moreover, because everybody wants to get out the best of it, the crime-character of »Hackers« actions gets trivialized. Therefore the society is no longer split in »good vs. bad«, but in »knowing vs. unknowing«. To counteract this both developments the Austrian research project »KIRAS - Cybersicherheit in zukünftigen Verkehrssystemen« conducted a Workshop and a survey with stakeholders from the security and consumer field in order to discussing about responsibility and necessary changes for the future and to implement this knowledge into strategic recommendations for future development.
Keywords: Autonomous vehicles, Development of Society, Employment, Knowledge

1. INTRODUCTION

The concept of autonomous vehicles sounds fascinating: without having to steer actively the car will autonomously drive from A to B, meanwhile the passenger can take the preparations for the next business meeting, read the newspaper or sleep and can save money as it is no longer necessary to own the car, as an autonomous vehicle is always available on demand. Furthermore these cars will protect the environment due to their electric motors. But until these ideas and dreams of a perfect automobile world become reality, however, much time will pass. Despite all visions and dreams of autonomous vehicles and their relief, however, one must also consider the disadvantages, limitations and possible dangers of autonomous vehicles in order to avoid potential dangers.

In autonomous vehicles, all decisions are no longer made by oneself but by the system. Vehicles will consequently be automatically routed and redirected by traffic control centres if there is a traffic jam on the route, the route is not passable or faster routes are available. Autonomous vehicles will thus move the individual interests behind the interests of the group. Although social well-being is massively emphasized, this is done on the basis of the withdrawal of individual interests. Ethics committees are currently discussing who will be responsible in the case of accidents in autonomous systems. Is it the driver, the system manufacturer or the car/system itself? How will we manage to program systems that have to make the decision, whether an obstacle should be raised or omitted? Ultimately, the development results in the entrusting of control systems concerning to the own and the life of many others.

This technical point of view focuses ethical questions and systems-confidence, but on the other hand, autonomous vehicles implicate also disruptive changes concerning the production, the ownership and the usage of cars. To date it is normal to buy a car in order to use it but also to represent a social status. In the future, this representation will be reduced to the background and the use of the vehicle in the sense of demand-oriented availability will be the main focus. This leads consequently to new forms of demand and different production of cars. The question concerning the societal consequences of autonomous cars is, what will happen, if the demand falls or will be dramatically reduced. Are there signs for that and what will be the consequences? In order to investigate this, we analyse four studies with a global approach. In addition when thinking about autonomous vehicles, we talk about little computers on four wheels. Just as the use of computers also the handling of autonomous vehicles is not that simple for everybody in society. This leads, based on the »digital divide«, to the intensified division of society. But what will this mean for society as a whole and how could we counteract this development? To answer these questions different theories to the topic are analysed.

2. METHODOICAL APPROACH

To answer the research question different methods were used within this study. First a theoretical meta-analysis was carried out. To find out the state of knowledge, existing literature to the topics autonomous and connected vehicles and their impact on society was collected. The literature consisted of scientific papers and theoretical works as well as media reports. By the use of a literature analysis there could be carved out some threat scenarios as well as central issues and questions of the future. As a form of literature analysis there was used the qualitative content analysis of Mayring (2003, 2005). The process of this method is based on specific theoretical guidelines and follows explicit rules of coding. To remain true-to-life the existing categories get adapted to the empiric material (Mayring, 2005, pp. 471-474). In particular the textual material of this study got evaluated by the structuring content analysis, which focuses on specific issues of the text (Mayring, 2005, p. 473).

In the next step the theoretical material should be back referenced to practice. Therefore there were used the qualitative and the quantitative method to get out the best from both methods. First there was held a qualitative focus group with the target group of experts and stakeholders from the security field. To realize this, the theoretical material was prepared in five open questions, which were discussed within the focus group. The qualitative focus group suites well, to produce concentrated amounts of data to the researcher's topic of interest. One of its strengths is, that it is possible to start productive discussions and therefore to collect different thoughts about a topic as well as agreements and disagreements (Morgan, 1997, p. 13). „Summarizing the strengths of focus groups, we find that what they do best is produce an opportunity to collect data from groups discussing topics of interest to the researcher.” (Morgan, 1997, p. 16)

The aim of the focus group was to discuss the theoretical findings from the literature analysis, to find new perceptions and insights as well as to supplement the central issues and questions of the future concerning autonomous and connected vehicles. Finally to complement the qualitative research, a quantitative survey was produced and spread around the target group of security experts and stakeholders. Therefore the theoretical findings of the literature-analysis were prepared in closed questions and presented as online survey. The standardized survey is often called »silver bullet of social science« (König 1974), because it allows calculating indexes and make comparisons. The method is fine to find out the attitudes and opinions of the target group and to reach a huge amount of people. The online survey as special method of quantitative questionnaires has the advantages, that it is a fast, cheap and designable way to get your questions answered (Diekmann, 2010, pp. 520ff.). The aim of the quantitative survey was to answer some of the questions, which were created within the meta-analysis.

3. SOCIETAL RISKS OF THE FUTURE

When analysing different theories and studies there could be found many societal threat scenarios, some of them are mentioned in the introduction. By examining the topic two scenarios which occur as the most dangerous threat scenarios regarding possibility and impact were identified. Social scenarios are decoupled from the technical security risks and represent a long term, substantial change concerning the societal security.

3.1. The impact of autonomous vehicles on jobs and economy

By analysing different studies, we identified different societal and economic scenarios whereby the dismantling of jobs and a threatening economic downward spiral are the most important social and economic challenges. But due to the economic dynamics of disruptive technologies there is a predictable possibility of new products and target groups resulting from the changed behaviour concerning mobility. The initial situation: The scenario focuses on the individuality of today's automobile versus a future use of cars. In the case of fully autonomous vehicles, the importance of ownership will decline because vehicles would have similar high availability as today's »services on demand«. In this case, the respective use of the vehicle would be in the foreground and no longer, as now, the prestige oriented property. This would merge the prestige oriented vehicle purchase and the pragmatic use of the vehicle. In the future, the use of autonomous, collectively used common vehicles, such as public transport buses or trains with autonomous individual traffic (such as those used for holidays, family weekends or business trips) will alternate (Johnson, 2015, p. 3). This initial situation appears to be without alternative, but it is not, which I will show in this article.

3.1.1 The dismantling of jobs and the economic downward spiral

The economic impact of this scenario could on the one hand be that the market for individual vehicle ownership would disappear in the long term, since only public transport and individual rental variants or similar structures exist. Since, in this case, municipalities or fleet managers are the owners of the vehicles; this oligopolistic market position increases the negotiating potential versus the automobile industry with regard to durability and guarantee possibilities. Following the laws of market power, the vehicles would become more durable on the one hand, and secondly more reliable, on the other. This reduces the number of units sold and guarantees a higher TCO for the owners. In this case we exclude the possibility of a planned obsolescence in order to increase the frequency of procurement (Zhendong et al., 2017, p. 433ff.). The negative effect of this scenario would be the elimination of individual vehicle ownership. This can lead to a breakdown of relevant vehicle sales (Johnson, 2015, p. 3). According to this study, vehicle sales in the US could drop by 40% over the next 25 years. This would reduce the total number of vehicles in the US to 100 million vehicles.

Currently 250 million vehicles are on the road in the USA. A similar result was found by researchers at the University of Michigan (Schoettle, Sivak, 2015, pp. 8ff.). The social outcome in this negative scenario would be dramatic. If sales decline by 40% (Johnson, 2015, p. 3; University of Michigan, 2015, p. 8), this would lead in the worst case to the dismantling of approximately 50% of the jobs in production and service and the remaining industrial- and service-jobs might be shifted to low-wage countries. This, however, entails the outflow of purchasing power, thereby initiating a lethal economic downward spiral.

3.1.2 The possibility of an alternative development

In order to analyse the automotive sector in depth, which would be beyond the scope of this study, all the actors involved must be considered: the automotive industry, which is made up of car manufacturers, automotive suppliers, manufacturers of bodies, superstructures and trailers. Other sectors are electrical engineering, metal-, chemical-, plastics- and textile industries and mechanical engineering. Research facilities play also a relevant role. The downstream sectors include dealers and service stations, logistics companies, special banks, insurance companies, experts, development offices, TÜV and breakdown services (Deutsche Bank Research, 2017, p. 8; McKinsey & Company, 2016, p. 6). All these sectors contribute to the added value and will play an essential role, even if the users change their behavior. With respect to digital/autonomous vehicles, other sectors can also be integrated into this value-chain, such as IT and consumer electronics companies. As an example, the increased availability and the permanent use of the vehicles increase the effectiveness of individual traffic. Vehicles currently standing 20 - 23 hours per day will be permanently used which will reduce the necessary parking and traffic areas and make them available in favor of the social community. Regarding the mentioned scenario, on the other hand, it must be taken into consideration that while consumer behavior is changing substantially and »on demand services« are moved to the front, as a result of which the individual car purchase can be reduced by 40%, the intensive use of the carsharing/on-demand vehicles, these car-fleets experience a very high procurement fluctuation, which could lead to the production of vehicles on the same level. The Deutsche Bank study (2017) therefore reaches this conclusion: here, the positive effects are that the decline in individual purchases will be offset by increased vehicle use and therefore an increased production of car-sharing vehicles. As a consequence, there will be little change in the production volume, but the changed user behavior will create a new downstream service industry as well as new business models that create new jobs (Deutsche Bank Research, 2017, pp. 9ff.). McKinsey even predicts a growth of 30%, which is directly linked to the new digital business models (McKinsey & Company, 2016, pp. 6ff.). Moreover also other positive economic effects of autonomous vehicles should be taken into consideration: decreasing healthcare costs due to the increased safety of autonomous vehicles, the new mobility behavior of the elderly and persons with physical disabilities, new possibilities for space utilization by constricting traffic and thereby gaining valuable urban space, to name just a few. The positive scenario therefore assumes a steady or slightly rising production, so that no industrial jobs will be lost and additionally new jobs will be created, which correspond primarily to the changed user behavior.

3.2. The intensified division of society

3.2.1 First there was the »digital divide«

The second main risk which occurs concerning the arise of autonomous and connected vehicles is the intensified division of the society. This division arises out of the so called »digital divide« which is already nowadays an important topic. »As used here, the term 'digital divide' refers to the gap between individuals, households, businesses and geographic areas at different socio-economic levels with regard both to their opportunities to access information and

communication technologies (ICTs) and to their use of the Internet for a wide variety of activities.« (OECD, 2001, p. 5) The study from Deursen and Dijk (2015) shows, that the »digital divide« consists of limited access in four areas: motivation, material, skills and usage. To not get harmed from the digital divide one need to have the motivation to become a part of the digital world, the physical access to it, the skills to use the instruments to participate and as well the time to do so (Deursen, Dijk, 2015, pp. 380f.). Dependent on these variables the society gets divided into two classes: the ones linked to the internet and the ones not linked to it. This division leads to a politically important development, because in the nowadays existing information-society information and knowledge is translated into power. Therefore inequalities in knowledge lead to inequalities in social power (Bonfadelli, 2002, p. 66).

3.2.2 Intensification trough smart vehicles

Within this already difficult situation the development of autonomous and connected vehicles arises. This leads to the extent of the »digital divide«, which now also occurs with regard to vehicles. To refer to the areas mentioned before (Deursen, Dijk, 2015, pp. 380f.), there is the need to be interested in using an autonomous or connected vehicle. Moreover it needs the financial resources to buy such a vehicle, the skills to use and understand its functions and the practice to handle it. Therefore the »digital divide« gets intensified by the development of smart vehicles. Also at this area knowledge and information lead to power and therefore the inequality in social power rises. While one part of society has the knowledge to understand the technique of autonomous vehicles, the other ones do not have it. As a consequence of this lack of knowledge, also the capacity to act of this part of the society gets reduced. While the »unknowing part« of society has to believe what the »knowing part« of society tells them about the technique and gets very dependent, the »knowing part« is able to intervene in the technique for the reasons of personal advantage. This depends on the development that everybody wants to get out the best of it. While the »unknowing part« of society is not able to fulfil this wish for personal advantage through intervening in the technology on their own, they start to purchase these services from the »knowing part« of society. This leads to the growing of self-administered justice and the fundamental trivialisation of »hacking« as a crime. Moreover another consequence is the arise of the career-model »Hacker«. Therefore it is observable, that while the border between »good« and »bad« gets even weaker, the border between »knowing« and »unknowing« reinforces. This finding can be strengthened by the statements from Jordan and Taylor (1998). They found out, that the demonisation of those who manipulate computers arises from the fear many people have of the power of computers over their lives (Jordan, Taylor, 1998, p. 776). This fear arises from insecurity in regard to technology and is rooted in a lack of knowledge about this topic.

3.2.3 Possible solutions against continuing division

To counteract this development measures must be implemented at the overall beginning of the problem, therefore against the »digital divide«. While the implementation of autonomous and connected vehicles is another brick in the wall, the causal problem is the already existing division of society through the knowledge gap. To counteract this problem measures must be set in different areas like awareness and motivation, physical and financial access, skills and education as well as usage and user-friendliness. The authors Deursen and Dijk recommend, that policies should address all access stages they mentioned simultaneously: »Although the sequence has a conditional nature in the respect that skills, for example, will not develop without a sufficient Internet attitude or motivation and without physical and material access, all stages have their own grounds of determination and interact together to shape cumulative digital inequalities.« (Deursen, Dijk, 2015, p. 387)

Also Bonfadelli mentions, that policy must not only focus on questions of supply and access, but also on the education content provided by the internet and the communication skills of the potential internet users (Bonfadelli, 2002, p. 82). The empirical investigation showed, that security stakeholders overall mentioned the political actors as responsible for the »digital divide«. As operational measures against the knowledge gap some points were outlined: earlier education regarding technology, higher quality of education regarding technology as well as more trainings and possibilities to inform about new technologies in terms of lifelong learning and a fast developing technology. But as far more relevant as operational measures the stakeholders postulated a new way of thinking. When discussing the topic, stakeholders advised to overcome stereotypes and to implement a new thinking far away from exclusion and divide. This idea was already named by Warschauer (2003), who mentioned, that technology cannot be seen as an external variable to be injected from the outside to bring about certain results: »It is woven into social systems and processes. And from a policy standpoint, the goal of bringing technology to marginalized groups is not merely to overcome a technological divide but instead to further a process of social inclusion.« (Warschauer, 2003, p. 47) This means to mobilize community and institutional support toward achieving community goals (Warschauer, 2003, p. 47). Since 2003 the importance of this topic increased, especially regarding future developments like autonomous and connected vehicles as well as the internet of things and artificial intelligence.

4. CONCLUSION

In our studies, we were able to show that the development of autonomous vehicles will be a technical challenge. Regarding all the above mentioned reasons, the development of autonomous vehicles is from an economically and social sciences perspective nevertheless welcome. Ideally, the technical development will lead to the support of different groups of people (elderly and disabled people), contribute to the reduction of accidents and thus prevent suffering and realize an enormous saving potential. Furthermore, this development provides sustainable mobility solutions under the aspects of ecological compatibility and also provides the chance for new jobs and business models. On the basis of the lost jobs, new jobs will emerge that bridge the digital economy and society. In principle, however, these new jobs will only be feasible on the basis of a well-trained workforce in both production and (above all) the downstream service, provided that a high level and a culture of innovation and permanent change exist, matching the high global speed of the digital world. The basic condition for all these developments is education, which must start as early as possible in order to keep the country's economic location attractive. Our study shows, that measures can only lead to a useful result, if actors from politics, economy, technique and society work together. Therefore politics and economy should think about education policies and new ways to educate the workers of tomorrow. Actors in technique and society should work on awareness, trainings and education of society to develop an easier access to technical contents and operations. As a result, we recommend examining the scenarios and initiating appropriate labour market management instruments to train future workforce the above mentioned areas.

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DEVELOPMENT OF ICT IN LATIN AMERICA: SOCIAL CHANGES, THREATS OR BENEFITS?

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ABSTRACT

The proposed paper will take a cast of development of the ICT in Latin America in order to understand what role or roles do the ICT play for the development of this region. Latin America is an interesting case from different points of view. Firstly, owing to fundamentally different target audiences (from indigenous people to urbanised youth). Secondly, from the point of view of strong integration processes on the continent which present a fertile ground for manipulations. Thirdly, the left turn in the politics of the countries on the continent is a target of numerous manipulations.

Keywords: *ITC, Latin America, social changes, social threats*

1. INTRODUCTION

When we say ICT we usually emphasize the idea of united communications and the integration of telecommunications, computers, software, storage, audio-visual systems which enables users access, transmit, store and manipulate information. The major problem here lies exactly in the understanding the latter – the ability to manipulate. For communication specialists it's obvious, average users are happily and unfortunately ignorant of ICT's potential to affect mass consciousness and even social construction - they construct new behavior patterns (e.g. social harassment), social structures and types of social net. The convenience to share and multiply information seems so overwhelmingly pleasant that we tend to miss the point when ICT turn into dominating phenomenon. Russian professor from HSE D. Evstafiev¹ stresses the fact that development of ICT is becoming a new geopolitical reality. So digital is more about people than computers. "For every action there is an equal and opposite reaction. This third of Newton's laws of motion of classical mechanics is affecting the whole Spain-speaking world" - El Pais tells its readers.² The statement concerns the current digital trends and the striving in the countries of Latin America to find their own solutions and their own place in the globalized world.

2. CHAPTER 1

The global shift towards the new information age has brought new challenges and questions. Information needs management. This also means that we are living in a world which is not only shaped and defined by the proclaimed freedom of information and one's opinion. Our world is also a state of managed public opinion and information. Manipulation of information has become the decisive form of power.

¹ Evstafiev D. (2013) Integrated communications as global reality of the XXI century. Moscow Э.РА IP Rakitskaya

² Latinoamérica busca su sitio. 2012 URL

http://internacional.elpais.com/internacional/2012/09/18/actualidad/1347987179_939705.html

But, while it is widespread, it has also become more subtle, more sophisticated, and less evident. War itself has become both virtual and real, with the former often dictating the outcome on the plane of the real. Modern mass media are a powerful instrument in public opinion formation. The competition of the leading countries for the communicational advantage is growing ever more intense. The Western mass media, especially, mainstream media, are important facilitators and mediators, but also gatekeepers, of worldwide information, views, and opinions and they are winning in the battle for the hearts and minds of humanity. In this context, it is worth considering the communicational security of Latin American countries or their communicative space as it has been shaped and dominated by the Western mass media. Communication does not exit beyond the context and this context is not actually geographical, it has nothing to do with the national borders but it does exist from the cultural point of view, it is connected to the people and the language they speak. Latin America is practically totally Spanish-speaking. And Spanish is the third popular language in the world. Latin America takes up to 10% of the global Internet audience³ (2016 World Internet Stat) and there 20% of Facebook users are from Latin America. 95% of consumers surf the internet before buying a car in Brazil and 90% in Colombia. There is even a neologism – internauta – user (like austronaut – exploring real space, they explore virtual one) in Spanish. That's on the one hand. And on the other hand we have only 5 % of content placed in the Internet in Spanish. And Analysis of web traffic data (2016) shows that less than 30% of content accessed in Latin America and the Caribbean is in local languages within these 5% . This figure is also important as we remember the role of indigenous people and their movements on the continent. While analyzing these figures we may see a problem and an opportunity at the same time. The problem is connected to the low engagement rate of the audience in the process of communication as the major part of communication is held in a different language, with strange discourse, unfamiliar culture-specific concepts. This also leads to the wrong estimation of the internet and especially mobile internet role. The major part of the existing content is of entertainment, creating a misconception among non-users that the internet is just an entertainment tool and masking the real relevance and lifestyle-changing potential of the mobile internet. This fact partially leads to the wrong perception that the digital communications are ripe for harvesting.

3. CHAPTER 2

The lack of locally relevant content discourages both users and non-users. What is needed is some information which can be of an influential power for those in the region from weather forecasts to crop pricing, the content that will improve their productivity. But the content can be not only locally relevant, but locally created. And here we come across one great opportunity. Firstly, this is a huge business area for local communication and advertising agencies to work with international brands helping them to keep their communications in tune with the local peculiarities. It means long lasting investment but it also means bearing quick fruits. Latin American companies are demonstrating that they have anticipated these changes and are vigorously embracing new agile and digital models. For example, banks, retailers and airlines are developing new platforms to engage with millennials, new HR models to empower employees, and new systems to enable their organizations to create, innovate, fail and learn faster than ever before. We have too few companies in Latin America that are going digital-first, but those that do are great examples of the region's potential. Brazilian digital bank Banco Original is the first in the world that allows customers to open accounts entirely online.

³ Internet Usage Statistics for all the Americas. (2016) Retrieved 03.09.2017
<http://www.internetworldstats.com/stats2.htm>

Nubank, a Brazilian company with an online credit card offering, has caught the attention of Silicon Valley investors. Argentinian digital bank Galicia Move targets university students and has attracted over 35,000 clients in only one year of operation. A recent Reuters poll reported that 83% of women in Bogota, Colombia, do not feel safe using mass transportation; this is the highest of any Latin American city⁴. With public transportation quality being so low, digitally-powered ride-sharing services are instantly accepted as a better alternative, and these services are taking that responsibility seriously. Tappsi, now merged with Easy Taxi, uses an in-depth process to screen its drivers to establish credibility and trustworthiness. The app also includes a secure chat function so that drivers and users can communicate anonymously without having to share contact details. What is more in behalf of the government and business (mobile internet providers for example) there is a wide field for interaction (government providing funding and support to promote ICT usage and learning in schools; promoting local tech innovations and start-ups; providing locally relevant content via e-government services and mobile internet providers may collaborate with government and other organisations to promote digital literacy and awareness). Education forms the cornerstone of holistic and inclusive growth in society⁵. Latin America as a region has ensured high literacy rates for both genders (over 90%) and high enrolment rates in primary and secondary schools (over 75%). In the present digital age however, it is equally important to equip the population with digital literacy, defined as a set of skills that allows a user to not only access the internet but to navigate websites, and evaluate and create information through digital devices. The journey to digital literacy begins with increasing consumer awareness, in parallel to which runs the journey of digital skills and literacy. In addition to gaps in digital education in school curricula, there also is a significant gap in the supply of ICT infrastructure and teaching support in most countries.

4. CHAPTER 3

The development of ICT and the 4th industrial revolution that we are experiencing nowadays is about the convergence of the digital, the physical and the human. Digital is not about technologies, digital is about people. And it can be a very sharp problem for Latin America. The jobs market in Latin America sits at the intersection of the opportunity and concern. The opportunity is huge for Latin America to move closer to its economic vision of thriving entrepreneurship, innovation and inclusion connected with developing of ICT. The concern is that the Fourth Industrial Revolution will likely result in the loss of thousands of manual labour jobs⁶ as many traditional jobs are disappearing and being replaced by jobs that require a new set of digital skills – skills that the majority of the population lacks. To compete in the digital economy, Latin America needs a workforce that is trained in essential and emerging networking skills, as well as non-technical skills like proficiency in English, team work, problem solving, creativity and innovation, and communication. But according to a recent IDC study, Latin America will lack 449,152 IT professionals who are trained in these skills by 2019.

⁴ Vasques C. (2016) How innovative companies are transforming Latin America. World Economic Forum. 5.06.2016. Retrieved 02.09.2017 <https://www.weforum.org/agenda/2016/06/how-innovative-companies-are-transforming-latin-america/>

⁵ Connected Society. Digital inclusion in Latin America and the Caribbean. (2016) Retrieved 10.08.2017.

<https://www.gsmaintelligence.com/research/?file=895f6c0a1efa7a25f5d6b4ff874e92f1&download>

⁶ Botifoll J. (2017) Creating (and filling) jobs in Latin America's new digital economy. World Economic Forum. 14.04.2017. Retrieved 17.08.2017.

<https://www.weforum.org/agenda/2017/04/creating-and-filling-jobs-in-latin-america-s-new-digital-economy/>

The largest gap (55% of total Full Time Employees skills gap in 2015, growing to 64% in 2019) was in emerging networking technology skills: video, cloud, mobility, datacenter & virtualization, big data, cybersecurity, IoT, and software development. Essential networking skills, representing 45% of the skills gap in 2015 and 36% in 2019, are basic router and switching skills, network security, wireless networking and VoIP and unified communications. The IDC study also showed that networking professionals need non-technical skills to succeed as well. Proficiency in English, team work, problem solving, creativity and innovation, and communication skills are all important⁷. Lack of jobs and lack of professionals can be toxic for any economy and especially toxic for developing Latin American economies – social tension, economic crisis and political instability – all of these are so familiar for the region unfortunately. But things are not as bad as they seem.

The ministries of education in this region are aware of this skills gap, and they are working hard to fill it, entering into partnerships with nonprofits and corporations like Cisco to get training to the people who need it. Peru, a country of 31 million people, has more Cisco Networking Academy students than anywhere else in the world (+130,000 students are currently enrolled through partnerships with 80 learning institutions). Of those students, 43% are women. In Costa Rica, 102 of its 138 technical schools teach the Networking Academy curriculum – 20,000 students are learning information and communication technology (ICT) skills this year. Costa Rica's educational institutions are taking digital learning one step further. Recognizing the need for digital skills in all career paths (tourism, management, etc.), the ministry of education plans to make Networking Academy courses available for all students in technical schools, regardless of their area of specialization.

In Argentina there are 47 technical schools that are partnering with Networking Academies to teach digital skills to 5,000 students this year. And Argentina's ministry of education plans to expand the Networking Academy curriculum to all 2,000 of its technical schools, with the goal of preparing 100,000 Argentinians to work in the digital economy. Networking Academy students are not all your typical displaced job seekers. A 99-year old man, encouraged by his granddaughters, recently graduated from a Networking Academy Get Connected programme in Buenos Aires. Nonprofit organizations in Peru are targeting populations that might otherwise have a hard time finding work: at-risk youth, people with disabilities, and people in remote communities in the jungles of Peru, where illegal drug production is often the only option for lucrative work. And in Colombia, the ministry of defense is piloting a programme to teach digital skills to injured soldiers who are out of work now that the country's 50+ year civil war is finally over. But this training means nothing if you can't find a job. That's where the connecting piece comes in. One of the biggest challenges that countries in the region face is income inequality. Income inequality lies at the core of the barriers to digital inclusion in the region.

Approximately 30% of the non-users say that affordability, measured as price of equipment and services, is a barrier to internet adoption. To address this challenge, governments in Latin America and the Caribbean have launched “social broadband tariffs” and mobile operators have offered creative and flexible pricing plans.

⁷ Botifoll J. (2016) Filling the IT Skills Gap in Latin America with Qualified IT Talent. Cisco Blogs. 05.08.2016. Retrieved 13.08.2017. <http://blogs.cisco.com/news/filling-the-it-skills-gap-in-latin-america-with-qualified-it-talent>

One of the key barriers to affordability is the taxation of mobile services, particularly in countries such as Brazil and Argentina where consumer taxes account for over 30% of the total cost of mobile ownership. Mobile specific taxes include the following:

- Consumer taxes– consumption tax, mobile-specific tax, customs duty on devices, SIM activation tax and surtax on international incoming traffic
- Operator taxes – corporate tax, mobile-specific tax, regulatory fees, universal service obligation, customs duty and other, miscellaneous taxes.

Operator investments in infrastructure have contributed to providing mobile broadband coverage to 90% of the population in Latin America and the Caribbean. This a significant achievement. However, the region still faces infrastructure challenges. Firstly, covering the remaining 10% population (more than 20% for countries such as Cuba, Haiti, Venezuela and Honduras) is not an insignificant problem.

This gap equates to an unconnected population of 64 million, residing in sparsely populated areas in Uruguay, Bolivia and Brazil, including mountain ranges, rainforests and islands. There are commercial challenges for the operators to roll out networks in these areas. Secondly, it is important to ensure that services provided in the covered areas are reliable and high quality. Unreliable and patchy network coverage disincentives users from using mobile broadband.

5. CONCLUSION

The development of ICT brings about different concern. One more is the problem of communication security which is usually understood as a system of measures used in public communications to defend the population against undesirable effects of information warfare.⁸ Among the main communication assets are the country's image and reputation formed within the communicative space. G. Simons argues that narrative, vocabulary, values and images need minute sifting for the desired effect.⁹

Russian communication specialist S. Plotnikova points out that, within one and the same communicative space, people can be situated in various geographical locations.¹⁰ Distances do not play an essential role. What is really important is what is being said, to whom, by whom, in which media, how fast and how effectively. The meaning does, however, still matter, and so does, the search for truth. To report the truth, to arrive at the truth, to fight for the truth is vital in the formation of the communicative space. The communicative space itself is made of a number of components, layers, and dimensions a combination of which comes together to form a resulting image or persona of the participant in the act of communication.¹¹

⁸ Pashentsev E. (2012) Communication management and strategic communication. M., ICSPSC, 2012, P.16

⁹ Simons G. (2012) Understanding Political and Intangible Elements in Modern Wars. // XV International Conference "Culture, Person, Society in the Modern World: Methodology and Experience of Empirical Research". Yekaterinburg, 2012, P.12.

¹⁰ Plotnikova S. (2008) Language, discursive and communicative space. – Vestnik IGLU, 2008, P. 134.

¹¹ Gasparov. B (1996) Language, memory, image. / Gasparov B. – M.: Novoe literaturnoe obozrenie. – P. 295.

T. Vorontsova outlines the following ways by means of which communicative space is being formed: 1) intrusion into the communicative space of the addressee in order to change it in accordance with the sender's values and views; 2) expression of the sender's values and views without deforming those of the addressee; 3) formation of a completely new communicative space together with the addressee.¹²

Informational warfare in Latin America according to Prof. Pashentsev¹³ has a multi-level character:

- clash of values, interests and aims of different political powers;
- tension within Latin American world (e.g. Venezuela and Columbia, Nicaragua and Costa-Rica);
- conflict of interests between Russia, the USA, China;
- growing competition between transnational companies and transnational banks under the conditions of reducing volumes global trade, military and political potentials and ambitions of different global and national actors.

To sum up, it is obvious that there is a new revolution in Latin America underway. And the continent is both a risky and fruitful area for development. I do hope that the region will overcome digital illiteracy, coverage barriers, income inequality and others to head the ICT development. By acting upon these opportunities, Latin America can be a trend-setting region – and the new leader of the Fourth Industrial Revolution. Let us hope that Latin America will take all advantages itself and before other global actors.

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¹² Vorontsova T. (2009) Communicative space in the linguistic and pragmatic paradigm. – Vestnik Udmurtskogo universiteta. №1, 2009, P.16.

¹³ Pashentsev E. (2017) Modern stage of informational and psychological warfare in Latin America. Gosudarstvennoe upravlenie. Electronny vestnik. №61. 2017. P. 173-189. Retrieved 14.08.2017.
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LEGAL NATURE OF THE RESULT OF THE CONTRACT FOR THE VALUATION AS AN OBJECT OF CIVIL LAW

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ABSTRACT

The article studies the legal nature of the result of the contract for the valuation with the purpose of determining its place in the system of civil law objects. The authors use general-purpose (analysis, system-structural) and special (formal-legal) research methods. While investigating the authors come to the conclusion that there is a significant intellectual component in the valuation activity. The appraiser has the opportunity to choose the methods for conducting the valuation independently, analyze the collected information and draw independent conclusions based on it. Also, the authors examine the legal nature of this contract, concluding that it is possible to classify it as a contract for the provision of information services. All these features indicate that the valuation service has consulting and information character. The intellectual criterion is of such a great importance here that it brings this service closer to the result of intellectual activity – to the database. The obtained results can be useful to practicing appraisers who wish to formalize their rights to the result of the contract, as well as to research scientists. All previous studies in this area did not take into account a dual nature of the result of the valuation activity, not recognizing the possibility of considering it as an object of intellectual activity. Based on the work results, the authors come to the conclusion that the result of the contract for the valuation has a dual nature and features of a service as well as features of an intellectual property object (the database).

Keywords: *contract for the valuation, database, appraisers, valuation result, information service, result of intellectual activity, valuation service*

1. INTRODUCTION

A peculiar situation has arisen in the civil legislation when the lawmaker equates the term “activity” with “service” in laws and regulations governing particular activity that cannot be acknowledged from the point of view of the civil law doctrine. Current Federal Law #135-FZ “On Valuation Activities in the Russian Federation” as of July 29, 1998 (hereinafter, the Law on Valuation Activities) doesn’t imply any provisions that make it possible to clearly define the legal nature of the result of the contract for the valuation as an object of civil law. At the same time, we assume solving of this issue is currently important – this not only gives the possibility to provide further assurance of the appraiser’s rights, but also introduces clarity into resolution of the issue on the legal nature of valuation service. As a rule, scientific dispute dedicated to research on this topic is definitive that while executing of the said contract such object of a right arises as provision of services (Volkova, 2014, p. 365; Istratov, 2015, p. 21, Zalavskaya, 2005, Lutovinova et. al., 2016, Lutovinova et. al., 2014). However, to our opinion, the legal concept of the legal relations arisen is more complex.

It is noteworthy that the analysis of the object nature of valuation activity, whether it is conceptually the performance of works or provision of services, is not presented in the professional literature.

2. MATERIALS AND METHODS

At the present stage of the development of the legal science, the necessity arises to research the legal nature of the result of the contract for the valuation as an object of civil law, in particular, it is necessary to pay special attention to the presence of gaps in the legislation and a number of doctrinal approaches. The framework of the research is the complex of scientific methods of enquiry, the authors followed general scientific and private law methods of enquiry while conducting the research: historical and legal, technical legal, comparative legal, sociological etc. System and structure-oriented method is the main method used that allowed to define the legal nature of the result of the contract for the valuation as an object of civil law. Technical legal method allowed to analyze the legal provisions governing the objects of the civil law resulted from execution of the contract for the valuation. Comparative legal method allowed identifying the differential characteristics of the contract for the valuation. Conclusions, suggestions and recommendations, including those aimed for legislation improvement taking into consideration the information obtained from official collected works, web-resources, standards, legal reference systems and mass media, are validated on the basis of sociological method.

3. RESULTS

At present latest tendencies of the lawmaker to holistically regulate particular sphere of legal relationships raise a number of issues. As noted earlier, their content often contributes to “washing out” of the concept of service as an object of particularly civil law relations (Volkova, 2011, p. 29). Absence of criteria of content definition of a service as such, its quality (fairly explained in the Civil Code of the Russian Federation as in general regulatory legal act), possible permissible deviations that do not constitute the violation of the contract, become quite unclear in specific acts. Such situation also reflects in the civil law doctrine, for example, as L.V. Sannikova justly noted, by now the civil lawyers have not managed to develop the definition of a service that could clearly separate services from other legal phenomenon (Sannikova, 2006, p. 757). This opinion seems to be based largely on deviation of the lawmaker from traditional views on legal nature of the services, substitution of this concept with the activity of holistic nature. Federal Law #135-FZ “On Valuation Activities in the Russian Federation” as of July 29, 1998 defines the concept of valuation activities. According to Article 3 thereof, valuation activities shall be understood as professional activities of the subjects of valuation activities aimed at appraisal of market, cadastral, disposal, investment or other values foreseen by the Federal Standards in relation to the objects of valuation.

Thus, we evidence that the lawmaker provides definition based on:

- 1) subjects of valuation activities;
- 2) objects of valuation activities, which are material goods, personal estate (movable or immovable, as well as corporate), right of ownership of such goods and estate, claims, obligations (debts), works, services, information;
- 3) other objects of civil rights for which the right of civil law transactions is secured in legislation (Yalbulganov, 1999, p. 6).

In Article 14 of the Law on Valuation Activities the rights of appraiser are listed which include in particular the right to independently apply the methods of valuation of the object of valuation in accordance with the standards of valuation.

Method of valuation is recognized as consequently performed procedures that make it possible to determine the value of the object of valuation basing on the information relevant for this method within one of valuation approaches (Sitdikova, 2008). In this context, three approaches are determined: income approach (set of valuation methods on determination of expected income derived from the use of the object of valuation), comparative approach (based on comparison of the object of valuation with similar objects for which the information on value is available), cost approach (based on determination of costs required to cover reproducing or substitution of the object of valuation considering depreciation).

Possibility to independently determine the most optimal valuation methods evidences of considerable intellectual component. In addition, it is evidently impossible for the customer to set clear parameters for the future result while entering into the contract. Moreover, such instructions provided by the customer may affect the credibility of the valuation to be conducted. Thus, necessary criterion of a contract for performance of works is missing in the contract for the valuation – performance of works as assigned and instructed by the customer. Another compulsory criterion of contracts for performance of works – presence of a material result – is also missing. It cannot be equated with drafting and submission of the report as this document is issued based on the results of the conducted estate valuation (Article 11 of the Law on Valuation Activities) and only documents the actions already performed. Furthermore, the content of the report has the legal significance, but not its form.

Thus, the service shall be acknowledged as the subject matter of the contract for the valuation, namely – valuation service and the contract itself shall be considered as paid services agreement with classification of its subject matter as rendering of information services. Said circumstances let us make several conclusions and assume of the necessity to amend the Law on Valuation Activities. It is suggested to implement the following changes to Article 3 of the Law on Valuation Activities and to define the following concepts:

1) valuation – creative process, performed by the specialist-appraiser, involving generally established rules, standards, methods and techniques, based on expertise and intuition of the appraiser;

2) valuation activity – special type of consulting and information services rendered by the legal entity or entrepreneur without the formation of a legal entity for a fee in accordance with the provisions of civil and special legislation of the Russian Federation for the purposes of determination of market or other value.

4. DISCUSSION

Such characteristics of a service as intangibility, inseparability from the performer and the consumer, perishability and stability of the quality, form a special group that is specific for all types of services, i.e. are general and make it possible to define the term “service” (Neznamova, 2016, p. 39). E.D. Sheshenin was the first to define legal criteria for “service”, which are used by modern researchers. According to E.D. Sheshenin, services as object of legal regulation are characterized by such features as:

1) service is the activity of a person, its rendering doesn't create material result;

2) advantageous effect is consumed at the moment of its rendering (Sheshenin, 2001, p. 757).

In our opinion, these are the main criteria and they make it possible to differentiate services and works. As opposed to the contract on performance of works, in some contracts on rendering services non-achievement of the effect in no way influences completion of obligations, the parties thereof may only wish to achieve particular result, but such achievement doesn't depend on their will; such situation is applicable for consulting, legal, medical and other services (Kuzakhmetova et al, 2016).

L.B. Sitdikova meaning informative nature of valuation services at the same time defines the process of valuation as a research, and thereby she makes a conclusion on the presence of the features specific to consulting services (Sitdikova, 2008, p. 6).

Other authors adhere to similar position. For instance, O.M. Zalavskaya not denying informative nature of valuation services, yet defines the valuation process as a research, i.e. she also admits the presence of the features specific to consulting services. These conclusions were also made in the conference of the appraisers, where it was suggested to include clearer definition of valuation and valuation activity as a special type of consulting and information services into the Law on Valuation Activities (Zalavskaya, 2005, p.74).

Strong correlation with intellectual, creative component predetermines introduction of the new object of civil regulation – result of intellectual activity. In accordance with Article 1225 of the Civil Code of the Russian Federation, the results of intellectual activity and the means of individualization of legal persons, goods, works, services and enterprises that are granted legal protection (intellectual property) are as follows: works of science, literature and art; programs for electronic computers (computer programs); Database; performance; phonograms; broadcast or cable broadcast of radio or television programs (on-air broadcasting or cable broadcasting organizations); inventions; useful models; industrial designs; selection achievements; topology of integrated microcircuits; secrets of production (know-how); company names; trademarks and service marks; Appellations of origin of goods; commercial designations.

Intellectual property is directly related to the right to the results of intellectual activity and means of individualization. Proceeding from the provisions of articles 1225 and 1226 of the Civil Code of the Russian Federation, the concept of "intellectual rights" covers all civil rights, the object of which are protected results of intellectual activity (that is, intellectual property) including exclusive (property) intellectual law. At the same time, such interpretation of this concept is at variance with its understanding in the foreign doctrine, where only personal non-property rights are meant by intellectual rights (Zenin, 2011, p.14).

As noted in the literature, the term "intellectual rights" is used as a general legal, technical and classification category, since its use does not mean the emergence of a new category of civil rights as intellectual rights include both property and personal non-property rights. The category of intellectual rights is actually designed to distinguish the concept of intellectual property in its new understanding as an object of civil rights and the very rights to such objects.

The non-material nature of the results of intellectual activity and means of individualization does not allow their free movement in civil circulation from one person to another, which enable us to conclude that it is impossible to involve them in civil circulation (para. 4, article 129 of the Civil Code of the Russian Federation). However, in order to engage in civil circulation, there is no prohibition on "... the rights to such results and means, as well as material carriers in which the relevant results or means are expressed", which may be alienated or otherwise transferred from one person to another. This circumstance draws the attention of M.A. Rozhkova, pointing out that "... for the result of intellectual activity or the means of individualization to obtain legal protection as an object of intellectual property, they must be expressed in an objective form, which implies the possibility of their perception by another person (objectified). It can be any form that corresponds to the essence of the object of intellectual property, which allows to understand the non-material object embodied in it.

At the same time, in most cases, objectification implies materialization - the embodiment of an intangible object in a material carrier." (Rozhkova, 2014, p. 8). While performing his/her activity, the appraiser tries to consider the factors influencing on the results of valuation, such as income of the object, risks, earning capacity of the object, specific features of the object evaluated (content and structure of assets, and obligations), market conditions and current standing in particular industry sector and the economy as a whole. Thus, he/she not only gathers and organizes the information, but also analyzes it making independent conclusion based on the obtained data. All of the above evidences the creative and intellectual component of his/her activity.

Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) flags that compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such (Clause 2, Article 10 thereof).

Russian legislation contains similar norms, thus Clause 2 Article 1260 of the Civil Code of the Russian Federation provides legal definition of such result of intellectual activity as database. In accordance thereto, a database is the totality of independent materials (articles, accounts, normative acts, judicial decisions, and other similar materials) presented in an objective form and systematized in such a manner that these materials may be found and processed with the use of a computer. Furthermore, as noted by the researchers, consumer appeal of a database, its purpose, value etc. are of no importance for valuation of protectability of a database as a copyright object. Thus, it is irrelevant, for which purpose a database is created, whether it is complete and the data it contains is accurate, whether it is of anyone's commercial interest. (Romanova, 2015, p. 875).

However, the given definition is marginally narrower than the one given in TRIPS Agreement due to indication of the necessity of possibility of its systematization with the use of a computer. This particular criterion does not allow applying the valuation results to this object. However, they have all other characteristics of a result of intellectual activity. Thus, V.A. Dozortsev relegates the intangible nature, commercial value, aesthetic or informational content, capability of isolation from other objects to such characteristics (Dozortsev, 2005, pp. 38-39). According to S.A. Babkin, results of intellectual activity are notable for the presence of the following features: non-material nature; objective form; transferability through replication; legal certainty; commercial value (Babkin, 2005, p. 10).

5. CONCLUSION

Non-material nature of the result of valuation can be acknowledged basing on two factors: firstly, it appears at the end of rendering of service that is non-material as such; secondly, economic value is introduced not through the method of material, formal fixation of appraiser's activity, but the result of his/her intellectual process. Commercial value of the result of valuation is also practically assured – this data can be used repeatedly in commercial activity of the client as well as third persons. Presence of the information content is proved by the fact that the valuation as such represents gathering and analysis of the information to make particular conclusions. Other mentioned criteria are also practically assured to be applicable to the phenomenon analyzed. The question remains about the possibility of changes in the legislation on valuation activities in terms of empowerment evaluators in their conclusions on the results of the evaluation remains discursive.

It is interesting also in the perspective to conduct a comprehensive study of this issue, taking into account foreign legislation, the legislation on valuation activities and international and

intellectual property law. Thus, a conclusion can be made that the result of the conduct of the valuation formally fixed in the appraiser's report has all the attributes of the result of the intellectual activity not being however within the scope of any of its types captured in the current Russian legislation.

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SOURCES AND CAUSES OF ORGANIZATIONAL PATHOLOGIES

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ABSTRACT

An organizational pathology is a long-lasting, substantial malfunction which causes waste within the organization. Sources of pathologies can be found both inside the organization and in its environment. It is particularly difficult to study pathologies in business because, for various reasons, respondents are reluctant to disclose the problems of the organization. Regardless of differences between individual cases, most pathologies can be interpreted as an undesired shift of goals, which may therefore be considered a universal pathology. The purpose of the article is to show the causes, manifestations and mechanisms of development of selected organizational pathologies. The article describes both pathologies caused by internal factors and those arising when the organization interacts with the environment. The article is based on the qualitative research conducted by the author. This choice of method was a consequence of the aim and object of the study. The study identified the sources of some organizational pathologies, such as: negative empowerment, goal displacement, loss of responsibility and commitment, lack of trust, dishonesty and lack of loyalty, poorly designed and excessively oppressive control systems, hiding and shifting costs to other parts of the organization (budgets), dogmatism, functional "shredding" (fragmentation) of organization, lack of redundancy and others. Identification of pathologies is difficult, but possible and desirable. Although the western business culture is a culture of achievement and success, yet identification of the causes, mechanisms and symptoms of pathological phenomena can bring important theoretical and - above all - practical benefits.

Keywords: *autonomization, displacement of goals, dysfunction, organizational pathology*

1. INTRODUCTION

The aim of this paper is to present selected pathologies in organisation and management, with particular emphasis on the sources and mechanisms of their formation. Pathologies – understood as abnormalities – are inherent in all human activities. This also applies to management. Indeed, it is difficult to consider management as an organised activity without referring to pathology. Management would not have separated itself as an area of interest for practitioners and theorists, the subject of numerous research and later a scientific discipline, had it not been for the numerous problems of the functioning of the organisation. These problems included the effect of repeated errors and irregularities in management. The authors of almost all recommendations for (ancient or contemporary) managers warned against making such mistakes. When writing how to proceed, they also drew attention to what not to do. Even the creator of the term economics – Xenophon, in his work *Oikonomikos* principally devoted to management, instructed how to run a farm, and next to the instructions there were also warnings against making mistakes leading to a deterioration of the functioning of the farm (Polowczyk 2009, p.4). As pathologies of management always have practical consequences, there is still a great need for critical reflection and insight. The work *Commentariorum de Republica emendanda libri quinque* (*On the repair of the Commonwealth*) by Andrzej Frycz Modrzewski of 1551, was quickly translated into German, French, Spanish and Russian. And, beginning in the United States at the turn of the 20th century, *scientific management* provided concrete guidance on how to proceed and how to avoid it, within a few years had spread to the entire industrialised world. Also today there is a need for such guidelines. Only a few researchers have made pathologies the central point of their deliberations. Most have addressed these issues "along the way", addressing selected aspects of the functioning of the organisation or management.

2. THE ESSENCE AND EVOLUTION OF ORGANISATIONAL PATHOLOGIES

The term pathology comes from Greek and denotes a state of illness or disease science. In everyday language, pathology is understood to be a significant abnormality appearing for a long time. Assuming that pathology is the science of disease, the pathology of the organisation can be treated as a science of the “disease of the organisation”. Referring to the second meaning of this term, the pathology of the organisation will be a long-lasting significant malfunction of the organisation. According to W. Kieżun, investigation of the pathology of organisation can be treated as a distinct part of organisational and management theory, devoted to the analysis of deviation and then the theoretical generalisation and definition of remedies (W. Kieżun 1971, p. 9) And the pathology of the organisation is described by the same author as "a relatively permanent malfunction that causes waste, in an economic and/or moral sense, beyond the limits of social tolerance" (W. Kieżun 2012, p. 16). Similarly, the pathology of management can be defined as a long-lasting significant mismatch in organisational management processes or a separate part of management science, which deals with the analysis of the functioning of management irregularities.

A similar concept to pathology is dysfunction. Dysfunction should be treated as a phenomenon that affects a specified social system in a negative way. As a result of dysfunction, systems undergo tensions and changes in the wrong direction. The prolonged effects of dysfunction can lead the system to a pathological condition. This means that the dysfunction of the organisation leads to disruption of the smooth functioning of the organisation and the management dysfunction prevents or hinders proper management of the selected organisational system. However, the boundary between dysfunction and pathology is not always visible, which is reflected in the definitional area. For example, according to R. Stocki "pathology is any dysfunction in the organisation; one that does not allow the achievement of the realistic goals designated for a given organisation and meeting the social goals in a given time and with certain means" (Stocki 2005, p. 49).

The perception and assessment of pathological phenomena in the functioning of organisations and management methods has changed with the development of organisational activity and perhaps primarily with the evolution of dominant social relationships. Dominating in the world for hundreds or even thousands of years, organisations based on slavery and later on total serfdom in the face of power are from today's point of view evil and wrong because the underlying social relations are morally reprehensible. At present, a slave-based organisation can be regarded as a pathological phenomenon precisely because it is based on slavery. However, in times when such organisations were the cornerstone of political and economic life, the sources of their inefficiency and pathology were also sought. These searches took place, inter alia, in such areas as currently, i.e. in the preparation of work and tools, coordination of activities, supervisory activities, inspections, etc. Economic and social development has meant that the existing social relations began to be seen as a pathology and a brake on further development. Focusing on the perception of organisational phenomena by theorists, but also on the practices of organisation and management, since the formation of this discipline one can also see the evolution of tools, views and evaluation systems.

As previously mentioned, the perception of certain phenomena as appropriate or inappropriate (or even pathological) is a derivative of the existing social relations. Social relationships are, however, significantly related to the level of scientific, technical and economic development. Until the era of mass production, small businesses, mostly craft production plants, dominated the economy. The main area of concern for craftsmen was the quality of the items produced uniquely or on a small scale.

Poor quality was punished not only by the guilds, but also by the rulers. One of the first legal acts referring to quality was the Hammurabi Code, which recommended penalties for the low quality of listed products and services. The beginnings of management science can be found in the period after the industrial revolution, which allowed a gigantic increase in the amount of work and productivity. Any maladjustments to the specific fetish of productivity was treated as pathologies. Contemporary organisations must take into account external and internal conditions in their operations that are complex as never before. This also means that the objectives they formulate must be multi-dimensional and that the range of activities undertaken is subject to numerous constraints. For example, organisations have only recently had to comply with environmental standards or be socially responsible. It is possible that soon organisations that do not comply with prohibitive (from today's perspective) ecologically-sound and ethical standards will be severely condemned and perceived as pathological.

3. AREAS OF RESEARCH

Depending on the assumptions, pathologies can be analysed in the context of the ecology of the population of the organisation (Scott, 1992, p. 25), the organisation's life cycle (Samuel 2013, p.5), psychopathology (Kets de Vries, Miller, 1984, pp. 35-55) or using the systemic metaphor of the organism (Miller & Miller, 1991, pp. 239-252). There is also a rich collection of representatives of the diagnostic view that seeks and creates instruments for identifying and analysing pathologies in specific situational conditions (e.g. Launsby 2016, Gouliemos 2005, pp. 362-377). This group of authors includes R. Stocki (Stocki, 2013), M. Gestmann (Gestmann, 2001), M. Guy (Guy, 1989); Hensel. (Hensel & Glinka, pp. 69-86) and also S. Robinson and R. Benett (Robinson, Benett 1995, pp. 555-572), who have created an interesting typology of organisational behaviour deviating from the norm. It seems that the greatest successes in exploring organisational pathologies have been achieved by academics studying administration. Pathologies in administrative organisations are easier to identify, because the dysfunctional mechanism of their origins is known – a strong and progressive formalisation combined with the dominant specific defensive motives of workers breed bureaucratic behaviour. It is also important that researchers in administration have easier access to information. The undoubted achievements of such authors as M. Crozier (1967), R.K. Merton (1968), P. Selznick (1949) A.W. Gouldner (1954) H. Finer (1941), D. Osborn, T. Gaebler (1992), B. Weingast (1983) W. Kieżun (1971) R. Batko (2013) and others is identifying the causes and mechanisms that deepen and consolidate pathologies in administrative organisations. Investigation of pathologies in business is more difficult and is often confined to selected areas (hierarchical, problem, functional) of enterprises and their environment. The authors of such analyses include K.S. Cameron, D. Whetten, M.U. Kim (1987), S. Einarsen, H. Hoel, D. Zapf, C.L. Cooper, (2000) S.P. Goffnett, L. Lepisto, R. Hayes, (2016) I. Jamil, P. Panday (2012) and others. The division between pathologies in business operations and pathologies of administration is plainly unclear – a considerable, if not predominant, part of pathologies is universal. Many corporations, after reaching a certain amount of turnover and employment, undergo a strong bureaucratisation, and pathologies characteristic of administration appear in them. On the other hand, over the past decade or so, from the inspiration of New Public Management, administration has taken over many solutions from the commercial sector. This exposes it to pathologies characteristic of business organisations. In addition, many pathologies occur at the junction of the business and public sectors.

4. RESEARCH METHODOLOGY

The research work underlying this article was conducted between 2015 and 2017. The study consisted of two stages. The first stage was the analysis of the literature on the subject. Literature that deals with organisational pathologies exists but is surprisingly poor in relation

to the importance of the topic and real needs. Many of the positions are of a causal and guiding nature and therefore do not have much value in terms of research. The study included items in volume form and scientific articles. The daily press or high-volume journals, where pathological phenomena are often described in selected institutions, however, are not analysed. It is possible that research will cover this group of sources in the future. The literature devoted exclusively to pathologies, dysfunctions and other manifestations of organisational problems is relatively poor. Many writings deal with these issues while discussing other issues. In spite of the difficulties mentioned above, the literature analysis allowed for the development of a working list of pathologies. The second stage of the study was partially structured interviews. They covered a group of 36 entrepreneurs, specialists and managers at various levels. Among the interviewees were 12 entrepreneurs, most of whom were micro-entrepreneurs. Interviews were conducted with two specialists employed in multinational corporations and a housing cooperative specialist whose work consisted in contacts with Warsaw City Hall. The remaining group was the managers. The size of the companies they ran ranged from a dozen or so employees (legal office) to several thousand (multi-branch holding). Some of the managers were also owners of the employer's firms. The second phase of research – partially structured interviews – also required confronting specific difficulties and overcoming certain barriers. First of all, the specificity of the subject matter creates numerous interpretative problems. The issues of organisational pathologies are perceived and valued subjectively. Secondly, the organisational role played by the interviewee and their perceived position in the formal and informal structure is important. This means that certain organisational phenomena are differently perceived and evaluated by different organisational actors: senior executives, subordinates, or union activists. Thirdly, the same persons may differently assess certain problems in private conversations, and otherwise during official appearances, in the presence of co-workers, supervisors or subordinates. Fourthly and finally, many organisational phenomena in general evade unambiguous evaluation. Another difficulty was technical and was expressed by the reluctance of respondents to participate in the research. This is a universal problem and is known to almost all researchers. However, studying pathology, dysfunction, error or malfunction seems to be particularly difficult. The attitude of "not speaking badly of the company" can be motivated by the threat of sanctions on the part of the organisation, but also the fear of revealing oneself in an unfavourable light. Analysis of sources of reluctance of respondents to participation was not, however, the intention of the researcher. The purpose of the research determined the research methodology used. The researcher's intention was to create an open catalogue of pathologies and identify their sources. This would not be possible using quantitative methods – by definition restrictive research. The use of partially structured interviews has allowed for wide and varied information, although the lack of representativeness and limited generalisability of the study is a weakness. In spite of the difficulties and research constraints mentioned above, we managed to achieve high repeatability of opinions. The studies were recorded and transcribed. The length of the interview ranged from 30 minutes to 6 hours. The researcher had a list of examples of pathology developed on the basis of literature analysis, but due to the nature of the research and the intended purpose, the researcher sought to avoid pointing out specific examples and suggestions to the respondents.

5. SOURCES OF PATHOLOGIES – RESEARCH RESULTS

Analysis of the literature and material from the interviews leads to specific conclusions. In the area of organisational goals several sources and causes of pathology can be identified:

- 1) No clear organisational goals. The interviewees pointed to the lack of clearly defined strategic goals, the continuous change of goals, or the lack of a link between strategic and operational goals. Interestingly, difficulties in indicating goals were also evidenced by entrepreneurs who – although aware of the consequences of this state of affairs – were not

able to define the goals of their business. As a result, such companies are not in a position to rationally plan activities, properly allocate resources, or benefit from long-term competitive advantage. Such companies are also more vulnerable to harms arising from the desire to follow prevailing fashions and trends or attempts to legitimise their actions.

- 2) Displacement of goals and autonomization. Negative autonomization includes changing the main goal to a side or other main goal, changing the mode of operation, and changing the goals in which means of action (indirect goal) becomes the main goal. Negative autonomization and displacement of goals is a major source of bureaucratization mechanisms, but this mechanism also works similarly in business organisations. The result of the displacement of goals may be the concentration of organisational efforts on secondary issues, conflicts, unwillingness to change or even lack of ability to react to current problems or challenges.
- 3) Organisational dissociation. This is a peculiar disorder of organisational identity manifested by autonomization or contradiction. It may, for example, take the form of a restrictive austerity policy and at the same time wastefulness in the same organisation. Examples of such phenomena were often been pointed out by the specialists and middle managers including enormous wage differences or disparities in the financing of individual parts of the organisation
- 4) A specific pathological effect in the area of goal setting is the shortening of the decision horizon and the dominance of the short-term perspective. This phenomenon is universal and covers all kinds of human behaviour ranging from consumer behaviour to politicians' decisions. They can also be seen in the area of management. The same decisions, the realisation of which results in the current desired results, can in the long run contribute to the unfavourable phenomena and consequences. For many managers, subordination to short-term rationality is a condition of survival. The principle of free movement of capital and huge (on the part of the media, regulators, shareholders, banks, etc.) pressure to speed up the dynamics and ensure transparency sometimes even incapacitate executives leading companies. In effect, there is a "rationality conflict" – accepting that in the near time horizon decisions are rational, but in the long run their effects are sometimes damaging. Submission of decisions to short-term rationality thus becomes a condition of survival, but at the same time can adversely affect the processes of future development. Examples of such irrational behaviour may be avoiding investment, following fashions, and herd behaviour.

The most frequently identified pathologies in the social sphere are:

- 1) Dysfunctional organisational games. Managers of larger companies pointed out this problem. Games aimed at gaining control of rare organisational resources are manifested in the creation of strong informal groups, "empire building" by increasing their organisational units, reluctance to share knowledge, or apparent activity.
- 2) Unlawful or unethical behaviour. This problem can affect all levels and organisations and is only partly a consequence of organisational policy. Corruption, bribery, theft, bullying, and sexual harassment also occur in organisations that put a lot of emphasis on ethical behaviour. It happens, however, that such actions and attitudes are somehow forced by external conditions (e.g. the need to submit predatorily priced bids in public tenders) or are the result of low moral standards in the organisation. Respondents were aware of numerous unethical and illegal behaviours, but generally outside their organisation. Entrepreneurs pointed to large corporations as unethical entities, and business managers – fiscal administration and state supervisory institutions.
- 3) Lack of trust. Based on the research, it can be stated that this is a universal pathology manifesting itself in both corporations and small enterprises. Excluding the sources of this pathology (which are largely external), its consequence are numerous problems such as:

bad interpersonal relationships in the company, overly developed control systems, bad relationships with external stakeholders, etc. The lack of trust is evident in internal and external relationships. All this leads in consequence to increased transaction costs.

- 4) Bad relationships between people. This phenomenon, depending on intensity, may be a factor that makes it a little difficult to work, or a serious pathology threatening the functioning of the company. Bad relationships can occur on superior-subordinate lines as well as in horizontal relationships. Symptoms of bad relationships include a whole array of behaviours, from gossiping and denunciation to violence and exposure to danger. Most respondents claimed that bad relationships are derivative of conflicts of interest or personality, but some believed that their sources may also be embedded in organisational solutions.

Structural and operational areas indicated the following pathologies:

- 1) Ineffective communication. Despite the unlimited technical possibilities of information flow, many organisations fail at communication. The main barrier is not technical issues but lack of knowledge or lack of motivation for executives to communicate effectively. Improper communication often results in misunderstandings within the organisation and with the surrounding environment, low motivation, and conflicts, and problems with change.
- 2) Wrong division of labour. Numerous authors underline the negative consequences of over-formalization. At the same time, the respondents listed under-formalization as a very burdensome phenomenon in the area of division of labour. It happens that senior managers are reluctant to give a clear division of responsibilities between employees. This is usually officially motivated by the desire to provide flexibility for the organisation, but in practice it may also be treated as part of an organisational game designed to secure the interests of the stronger party in the superior-subordinate relationship. Consequences of this phenomenon include conflicts, falls in motivation, or quality problems.
- 3) Fragmentation of the organisation. This pathology concerns medium and larger organisations. Fragmentation involves the formation of informal barriers between parts of an organisation. The bigger the organisation, the higher the probability of fragmentation. Fragmentation can be considered as a catalyst for autonomization. The stronger the barriers within an organisation, the greater the tendency for pathological shifts in goals towards individual objectives at the expense of the objectives of the whole. The consequences of fragmentation combined with autonomization can be very painful for organisations. Such companies lose flexibility, have difficulty in making changes, are full of conflicts, dysfunctional games and rivalry. At the same time it is very difficult to avoid fragmentation as it is a simple derivative of the division of labour in the organisation.
- 4) Bad information flow. Despite the unlimited technical possibilities of information flow, many organisations fail at communication. The main barrier is not technical issues but lack of knowledge or lack of motivation for executives to communicate effectively. This problem affects both large and small organisations and regardless of the position and education of employees. Among the respondents, both managers of a cleaning company as well as legal advisers, employed in a medium-sized law firm, pointed at the bad flow of information. Improper communication often results in misunderstandings within the organisation and with the surrounding environment, low motivation, and conflicts, and problems with change.

6. CONCLUSION

Pathologies are an integral part of the organisation and the first theoretical considerations of management were focused on dysfunctions and pathologies. Despite many studies, this is still a relatively poorly understood area. This is due both to the difficulty of acquiring information

and to the specifics of the matter itself characterised by ambiguity, subjectivity and dynamics. Pathologies can appear in all subsystems of the organisation and its surroundings. Sources of pathology are systemic and complex. Individual dysfunctions interact with one another, mutually reinforcing and leading to new pathologies. Their identification is difficult, but possible and necessary. Unfortunately, many of the propagated solutions contain dysfunctional elements. According to M. Gestmann, "in times of despair entrepreneurs seek every, even half-reliable theory of management. All of the known management principles – from Total Quality Management through Human Relations to Reengineering – are instructions that promise to help eliminate organisational, communication, dependency and other workplace-related disruptions without properly investigating what is causing them." (Gestmann 2001, p.18). This critical, perhaps not fully fair assessment, is undoubtedly an expression of concern for the lack of reflexivity in the use of simple solutions that streamline organisations. For pathology research, the most appropriate seems to be qualitative research enabling closer contact with the respondents. Their weakness, however, is lack of representativeness and limited generalisability. Although business culture in the West is a cult of success, which translates into a reluctance to reveal weaknesses, the identification of causes, mechanisms and symptoms of pathological phenomena can have a significant theoretical and, above all, practical importance. Eliminating or avoiding the most common dysfunctions can reduce unnecessary costs. Nevertheless, pathologies can never be completely eradicated due to the great complexity of their sources and the dynamics of internal and external factors influencing the organisation's functioning. They should be treated as a significant challenge for managers.

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QUALITY ASSESSMENT OF PUBLIC SERVICES: IDENTIFICATION OF ISSUES THROUGH FOCUS GROUPS

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ABSTRACT

The problems of citizens' satisfaction with the quality of public services are investigated in Russia mainly through mass surveys. This makes it possible to find out the satisfaction of different social groups with different aspects of the provision of public services. This also makes it possible to determine the extent of existing problems and shortcomings in the provision of public services to citizens. However, in the shadow of scientific analysis there are many reasons for the dissatisfaction of recipients of public services. There are no known answers to the question of what needs to be done in the first place, so that the level of citizens' satisfaction with the quality of service increases. To obtain answers to these questions, the authors of the article used the group focused interview method. Its application made it possible to identify the main causes and factors of dissatisfaction with the quality of service delivery. Many reasons for dissatisfaction do not depend on institutional changes and regulation of activities through the introduction of quality standards. As a result of the research, the "image of a good public service" was defined, and a way of improving the perception of the quality of public services was found. The obtained results supplemented the quantitative assessments of sociological surveys and made it possible to develop recommendations for improving the work of state and municipal services. The analysis of the results revealed a lack of a clear linear relationship between the growth of satisfaction with the quality of public services and institutional improvements in the work of public service providers. An important conclusion of the study was the recognition of the need to support institutional reforms by a number of marketing activities related to social expectations and the socio-psychological state of recipients of various public services.

Keywords: *Public services, Municipal services, Evaluation of the quality of public services, Satisfaction with the quality of service provision, Reasons for dissatisfaction with service quality, Focus group, Image of the "ideal service"*

1. INTRODUCTION

One of the most important criteria of an effective state at the present stage is the high level of accessibility and quality of public services provided to citizens. Improving the interaction of the state with citizens requires the organization of reliable feedback. This feedback is largely provided by sociological research, which allows us to provide a scientifically sound assessment of the functioning of the entire system of rendering state and municipal services.

In turn, this helps to identify problems in this area in a timely manner, improve laws, norms and standards for the provision of services, and develop comprehensive measures to improve the relationships between authorities of different levels and recipients of services. Sociological research is able to identify the main facilitating and impeding factors that affect the satisfaction of citizens with the level of public services provision, identify priorities in optimizing the interaction of the state and citizens in the provision of public services. Ensuring mass accessibility and high quality of state and municipal services to the population will serve as a transition from a traditional state, oriented towards the idea of a "state for the performance of functions" to a social and service state based on equal partnership with the society. Currently, the transition to a social and service state based on the idea of a "state for citizens" is seriously hampered by excessive bureaucratization of the activities of state and municipal bodies, the existence of administrative barriers and by the underdevelopment of information technologies in the provision of public services to the population.

The idea of a social state - a "state for citizens", providing services to society, goes back to the works of philosophers-enlighteners (J.-J. Rousseau, T. Hobbes, J. Locke) and classical economic theory (A. Smith, D. Ricardo, J. Mill and others). This theme is presented in the works of J. Keynes, D. Hicks, E. Hanson, J. Robinson, in the modern doctrine of the social state and the theory of equal social partnership between the state and society. Effective interaction and equal partnership between the social state and civil society allows us to increase the economic, political, cultural potential of the society, more fully implement human rights, the interests of the development of society as a whole. In recent years, a number of sociological studies have been conducted in Russia the effectiveness of the activities of public authorities and municipal government in terms of accessibility and quality of service delivery to citizens. Empirical studies conducted by the State University "Higher School of Economics", the Public Opinion Foundation, the Russian State Social University and a number of other research centers that were commissioned by the Ministry of Economic Development of the Russian Federation [8, 9, 12] can be distinguished among them.

Despite the constant attention of researchers to the topic of rendering public services to the population, the relevance of its further study is very high. This is due to a number of reasons and circumstances: first, with the priority development of the sphere of public administration oriented to the needs of citizens; second, with the requirement to increase the availability and improve the quality of the provision of public services; third, in connection with the need to increase the confidence of citizens in the institutions of state power and municipal government by improving their interaction in the provision of public services and social services to the public from the state. Fourth, this is due to the orientation toward international experience, since the institution of an independent evaluation of the public services effectiveness, accessibility and quality of public service delivery has become widespread in foreign countries and is now being actively introduced into the practice of public administration in Russia using world experience [11, 12, 13].

The results of previous studies have made it possible to solve a number of problems in the study of this topic, that is to offer a general algorithm for the sociological evaluation of the quality of public services, based on identifying inconsistencies between the perception of service delivery and customer expectations; develop a system of common criteria, indicators and indicators for assessing the quality of service delivery; identify the main factors of dissatisfaction with the quality of public services; to analyze and rethink the existing approaches to improving the process of providing state and municipal services, taking into account the Russian conditions.

Today, as studies show, many problems related to improving the level of citizens' satisfaction with the quality of services in general are still quite relevant and require their further solution. Despite serious work on the part of the state to improve the quality of the services provided in general, the level of citizens' satisfaction in recent years not only does not increase, but in some regions it falls significantly. The causes of such a phenomenon are still poorly understood. It is still not possible to answer the question why this occurs against the backdrop of a comprehensive development of the infrastructure of public services, increasing accessibility, simplifying the procedure for providing them, improving information, improving the service culture and many other actions on the part of the state aimed at improving the overall quality of public and municipal services. In our opinion, the answer to this question can be obtained on the basis of a wider use of qualitative methods of sociological analysis of this problem.

In accordance with the recommendations and guidelines of the Ministry of Economic Development of the Russian Federation [14], the basic methods of sociological research on the accessibility and quality of the provision of public services should be both quantitative and qualitative methods for studying this problem, among them, mass questionnaire and expert surveys, surveys of focus groups. At the same time, as the application of the first two methods is widely included in the practice of sociological research on this topic, the application of focus groups still lags far behind the needs of a scientific understanding of the motivational basis of low citizens' satisfaction with the quality of public services. This article is dedicated to reviewing the experience of applying the focus group method as an important scientific tool to identify the main causes and factors of citizens' dissatisfaction with the quality of service delivery.

2. MATERIALS AND METHODS

Focus groups for assessing the reasons for dissatisfaction with the quality of public services were conducted in November 2016 in Moscow. To be invited to participate in focus groups citizens had to apply in 2016 to the MFC ("one-stop shop") for providing one of the following state and municipal services:

1. Services related to the registration and recalculation of pensions;
2. Services related to the registration of real estate or transactions with it;
3. Services related to the registration and receipt of monthly child support.

These services were selected from among other state and municipal services for two main reasons. First, they are quite widespread and massive. Second, in comparison with other services, the level of satisfaction for these services is the lowest (by 10-15 percentage points below the average).

The study was conducted in age-homogeneous groups; discussion in each focus group was devoted to one type of services (services related to the registration and recalculation of pensions, services related to the registration of real estate or transactions with it, services associated with the registration and receipt of monthly child support), that is, all respondents were equally aware of the subject of the conversation. Respondents were selected from those who were not satisfied with the quality of the service provided to them, with 60% of participants in each group receiving a positive result and 40% receiving a negative result. In total, three focus groups were held for 9-10 participants each. The purpose of the study is to identify the main reasons for the dissatisfaction of citizens with the quality of providing those public services in the MFC (My Documents), which have the lowest satisfaction rates, and find ways to increase the level of appreciation of the quality of public services provided.

During the group discussion the following tasks were solved, which were the main content of the topic guide for the focus groups:

- explore social expectations and socio-psychological expectations related to the results of requests; time, means and other efforts spent, and social communications in the process of applying for government services;
- identify the general background of sentiment associated with the need to apply for the provision of public services;
- identify the main factors of dissatisfaction with the quality of service delivery and result;
- evaluate the role of different aspects in providing services related to customer satisfaction or dissatisfaction;
- identify the main forms of manifestation of dissatisfaction;
- identify the ideal image of a quality service;
- identify the main signs and reasons why the quality of the service is assessed as "very bad", "unsatisfactory", "satisfactory", "good", "excellent";
- identify and find additional positive factors that will affect the overall level of satisfaction with the provision of services;
- identify the range of desirable additions and changes related to the organization of the provision of services and specific results of requests, which could positively affect the level of customer satisfaction with their quality;
- find ways to improve the perception and evaluation of provided public services quality, and develop proposals for their implementation in the practice of the MFC.

Discussion on these issues by focus group method allowed to obtain some new scientific results related to understanding this problem.

3. RESULTS

Expectations of citizens regarding receiving state and municipal services

The social expectations of citizens regarding the quality of receiving state and municipal services are ambivalent. They depend on a number of circumstances, including past social experience, the very nature of applying for a public service, the attitude to the innovations themselves associated with reforming the service of providing state and municipal services by creating a "one-stop shop". Among the citizens who applied on real estate issues, the level of respondents' expectations regarding the quality of services provided before the visit to the MFC ("one-stop shop" service) is not high: in general, one can speak about the average and low level of expectations. The low level of respondents' expectations is conditioned by the past negative experience in applying to the MFC or in the negative image of organizations, some of whose functions were transferred to the "one-stop shop" service. In general, the negative attitude is associated with long terms of clearance; redirection to other organizations; errors in the preparation of documents. Expectations of citizens who applied to the MFC for monthly child benefits were mostly positive, especially among younger participants. They were informed that the system of providing state and municipal services is undergoing changes, and they were counting on themselves to feel the promised convenience of the "one-stop shop" service. The more experienced respondents were more reserved in their expectations. Respondents who applied on the issues of registration and recalculation of pensions were also very positive. They remember the Soviet and post-Soviet times when people were forced to wait for hours in queues to get state and municipal services, collect certificates and other necessary documents in various instances, which, at times, were at a considerable distance from each other; the premises were uncomfortable, and the employees were unfriendly or even rude, so they believed that the establishment of the "one-stop" service, would if not relieve all the inconveniences, would

solve at least some problems. From MFC, they expected, first of all, speed, lack of queues and attentive, human attitude of employees. The identification of the general background of sentiments related to the need to apply to the MFC showed that the majority of respondents who applied to the MFC for real estate issues noted that they were going to the "one window" service with a "fighting" mood, because they assumed that in order to get a positive result will have to fight. Many citizens who registered child allowances described their mood before the visit to the MFC as "worried", "tense". Basically, this attitude was associated with uncertainty about the availability of necessary documents, and with their assumption that they would have to act as a "beggar". This is how many citizens perceive the role of the applicant in the provision of public services.

The opinions of the respondents who addressed the issues of registration and recalculation of pensions were divided - some went to the MFC in an "upbeat" mood, some - with obvious reluctance.

The ideal image of a quality state and municipal service.

In all three groups, there were opinions that an ideal state or municipal service could be achieved if the need for visits to the MFC and interaction with employees were reduced, and some of the clearance was transferred online without going to the MFC.

Respondents in all three groups believe that in order to be called ideal, a state or municipal service must correspond to a number of parameters:

- Qualified employees (experienced, informed and responsible);
- Prompt service;
- Compliance with deadlines;
- Absence of errors in the final documents;
- Customer-oriented (respectful attitude towards the recipients of services, benevolence);
- Provision of a list of necessary documents;
- Possibility of telephone consultations;
- Shortened set of documents to fill out;
- Ability to ask several questions in one window.

Participants in all three groups believe that MFC staff should provide an up-to-date list of necessary documents, because citizens are not fully aware of what documents need to be provided for obtaining a specific state or municipal service.

Respondents who applied for registration of real estate or transactions with it noted the following characteristics of the ideal service:

- Online reception;
- Possibility of payment on the spot (online bank or cash desk);
- Comfortable furniture.

Respondents who applied to the MFC for processing and receiving monthly child benefits also feel a lack of information about what public and municipal services they could use, and believe that it is necessary to raise the level of awareness of citizens.

Respondents who applied to the MFC for registration and recalculation of pension also consider that in order for the service to be ideal, recipients should receive notifications about the status of the service. These alerts will save citizens from unnecessary visits to the MFC. They also noted that MFC employees need to be more attentive to visitors, to help them, including information and advisory.

Satisfaction factors for public and municipal services

Participants of all three groups note that the work of the MFC on Saturday and Sunday is definitely a positive factor. Most respondents also like that the queues are either completely

missing, or waiting does not take much time. It is also important that the documents can be filed in the area of residence. This is very important, because not everyone actually lives where they are registered. Respondents from all groups also noted some improvements in terms of comfort at the MFC. As a fundamentally important positive phenomenon, the respondents noted that several issues can be solved at the MFC, thus relieving them of the need to visit several offices. Greater goodwill and politeness on the part of employees than it was before is noted, however, in isolated cases only.

Factors of dissatisfaction with state and municipal services

The main factor of dissatisfaction among the respondents of all three groups is the incompetence of the employees: lack of awareness, inattention, followed by mistakes in the final documents, delay in obtaining the results.

Some respondents in all three groups complain that due to the negligence of the employees of the "one-stop shop" they had to make several visits to the MFC.

Dissatisfaction with the respondents also caused by unnecessary visits to additional organizations when MFC employees send recipients for documents that are not needed to obtain the required state or municipal services, or the requirement to submit documents that are not mandatory after all.

For most respondents, satisfaction with the positive result of the service was offset by a low quality of service and negative impressions from the clearance process.

In all the surveyed groups, the main criterion of satisfaction with the quality of the public service is its final result: if the result is negative, then the service is of unsatisfactory quality. Moreover, to citizens who have received a negative result, it is not clear what steps need to be taken to finally get the service for which they applied. However, a positive result is not an indicator of good quality. Among the main list of characteristics for which respondents rated the service as low quality and expressed their dissatisfaction with its provision, the following are most often noted:

- Violation of deadlines;
- Incompetence of employees;
- Repeated visits to the MFC;
- Large number of documents to fill out;
- Rudeness, inattention, ill-will on the part of employees.

Most respondents at the behavioral level do not show their discontent with the quality of state and municipal services. In all three groups, there was only one respondent who wrote a complaint to the chief of the MFC, and one who left a complaint on the website of state services. Only a few people took advantage of this form of demonstrating their dissatisfaction with the quality of the service, such as putting an unhappy smile on the service quality assessment desk at the service provider's desk. Respondents believe that complaints do not have any effect, since, being in good relations with subordinates, their superiors cover and do not punish for rudeness and incompetence, and complaints filed through the official portal <https://www.gosuslugi.ru/> are formal in nature and in fact remain without attention. Respondents are not ready to achieve positive changes more persistently, because they think that they will not change anything, but will only waste time and nerves.

4. DISCUSSION

As the main hypothesis about the major reason for the continuing dissatisfaction with the level of public services provision, the assumption was that the actions taken by the authorities to improve their quality and accessibility associated with the opening of the MFC and the services of the "one window" gave rise to overstated social expectations of citizens in this area, which in practice did not materialize to a large extent in the form expected.

In part, this hypothesis has found its confirmation, rather in the context of the expectation of a change in the very essence of the provision of public services, than its form and content. The improvement in the process of service delivery has led to clearly overestimated expectations related to the changing role of the state that it will play in servicing citizens: the transition from superiority to the implementation of regulations, to the primacy of the applicant's rights and orientation not so much to the service delivery process as to their final result. However, according to focus group participants, this has not happened yet.

An important leitmotif of perception of public services, as shown by the discussion, is in many ways a widespread view of respondents about the "excessive" regulation by the state of all spheres of citizens' activities and, accordingly, excessive regulation of the provision of public services. This leads to an increase in the manifestations of bureaucracy and the predominance of a purely formal approach in the provision of services. In part, this manifests itself in the noticeable expansion of necessary certificates, permits, approvals and other documents that citizens need to collect for the legitimate exercise of their rights. There is a situation in which in the process of strengthening the role of the state in the life of society there is a certain imposition of an ever increasing volume of public services, regulations and standards for their implementation by citizens from the state and municipal government.

After all, if we consider public services as activities to implement the functions of the state and municipalities, which are carried out at the request of the applicants, as is spelled out in federal laws, the process of expanding public services can go on continuously. This is due to the fact that the very functions of the state often have a vague character, vague from the legal point of view as well. It is important to note that most of the functions of the state are supervisory and controlling. In the process of developing and approving administrative regulations for the performance of public functions, a certain burden of responsibility for clear compliance with established norms and rules is transferred to citizens, which they must confirm in the process of applying for the provision of public services. Therefore, often the "regulations" and "standards" for the provision of public services are perceived as humiliating for citizens.

In developed democracies with their idea of "states for citizens", unlike Russia, where the idea of "the state for performing functions" is still dominant, the main emphasis in the process of providing public services is not so much on the state's implementation of standards and regulations, but rather on the formation of opinion on service work of the state. To achieve this goal, considerable efforts are being made to form a feedback mechanism, to create conditions for observing human and civil rights, and to form a culture of real social partnership between the state and civil society. In our case, as the study has shown, feedback mechanisms do not work well, and first of all mechanisms for protecting the rights of users of services, which often leads to a formal response to criticism or punishment of individual performers. In this regard, respondents do not see systemic changes for the better.

In the analysis of the results of focus group discussions, there was a distinctive lack of a clear linear relationship between the increase in satisfaction with the quality of public services and the institutional improvements in the work of services providing public services. It seems to us that to increase the level of perception of state and municipal services and, accordingly, the growth of citizens' satisfaction indicators, it is obviously not enough simply to improve the quality of their provision for purely formal target criteria (shortening the time for providing services, the number of applications, and increasing satisfaction with the provision of services). There is a need to reinforce institutional transformations by a number of marketing actions related to social expectations and the socio-psychological state of recipients of various public

services. First of all, it is necessary to form a new image of the state and civil servant. We need a transition from the perception of the state, as an organization "for the performance of functions," which prescribes itself to the organization "for the realization of the rights of citizens." Without this, many public services are perceived by citizens as imposed on them by the state itself, as a kind of barrier to the exercise of their rights and interests. All this can be attributed to the image of an employee - an employee of the MFC, who is perceived as a person-function of the state mechanism of supervision and control, and not a partner who assists the citizen in exercising his legal rights and helps to solve emerging problems along the way. The image of the "one-stop-shop" service and the "MFC employee" becomes the main point of crystallization of the sense of satisfaction with the service provided by the state. Therefore, without a new "reformatting" of the image of these two components of the quality of public services, it is difficult to expect further growth in citizens' satisfaction in this area of public administration.

5. CONCLUSION

As the specific proposals that will contribute to the formation of a positive image of state and municipal services, based on the results of focus groups, attention should be paid to the following areas that positively influence the perception of service quality:

- Transfer part of the operations to online mode;
- Increase the number of competent telephone support operators;
- Translate the workflow into electronic mode;
- Employ competent, competent and responsible employees;
- Be polite and friendly to visitors;
- Develop clearly prescribed instructions for MFC employees regulating the process of providing the public service they are required to follow; it is advisable to add an order to notify citizens about their actions in order to obtain a positive result of their treatment, as well as about the opportunities available for this.
- Notify customers (by SMS or e-mail) about the status of services;
- Send out reminders that the deadline for registration / reissuance (by SMS / mail / e-mail) is coming up;
- Provide lists of necessary documents, as well as instructions, for the recipients of services.

The greatest indignation of all respondents is caused by the lack of professionalism and rudeness of the MFC employees, and most importantly - absolute indifference on their part and unwillingness to understand the situation. Sometimes employees honestly admit that they cannot provide a service, because they themselves do not know what needs to be done. Accustomed to the fact that over the years, the level of service in state organizations could not be called excellent, citizens are internally ready to face all sorts of difficulties related to the human factor, but consider such problems a relic of the Soviet past. In the conditions of modernization of the system of rendering state and municipal services, the state should "modernize", in the opinion of the participants of the groups, first of all, employees of the "one window" service. Proposals from respondents of all three groups are as follows:

- Organize mandatory training, advanced training and certification of MFC employees and telephone support services;
- Assign curators for training and supervision of work for new, inexperienced employees;
- Provide MFC employees with a memo in which the algorithm of actions for each type of service will be reflected, as well as all documents that recipients must provide to the "one-stop shop" service;
- Enter a piece-rate payment or a bonus system.

According to respondents, employees must have sufficient knowledge to be able to perform their duties, to be aware of the latest changes. They should feel responsible for mistakes and violations and be aware that the discrepancy between professional requirements and lack of due attention to people (this, of course, should not be attempted to regulate) will not go unnoticed and unpunished, and the high quality of visitor services will be encouraged. Thus, employees will independently strive not only to improve their professional level, but also to show more attention to the applicants and care for the final positive result of the service.

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IMPACT OF COMPELLED CONTACTS ON PSYCHOSOMATIC DISORDERS OF EMPLOYEES OF ORGANIZATIONS

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ABSTRACT

Understanding of the phenomenon of "compelled contact" is deepened. The main socio-psychological signs are identified, psychological forms are disclosed, the classification of compelled contacts is developed, the structure of the compelled contact is characterized. A comparative analysis of the psychosomatic disorders of two groups of employees, compelled to contact and having the opportunity to avoid compelled communication, namely the influence of personal problems and hidden stress on health, the intensity of manifestations of psychosomatic disorders, violations of the respiratory system, violations of the musculoskeletal system, disorders of the digestive system, Violations of the cardiovascular system, violations of skin reactions. The comparative analysis of the symptoms of occupational disadaptation of two groups of employees who are compelled to contact and have the opportunity to avoid compelled communication, namely, disturbances in the "sleep – wakefulness" cycle, the characteristics of social interaction, a decrease in motivation for activity, somatovegetative disorders, impaired well-being (emotional shifts, Processes, reducing overall activity, feeling tired). The influence of compelled contacts on psychosomatic violations of employees of organizations has been established. Attention is focused on the need for psycho-prophylaxis and psychocorrection of psychological forms of compelled contacts, which directly affect psychosomatic disorders and professional disadaptation of employees of organizations.

Keywords: *compelled contact, respiratory system, skin reactions, musculoskeletal system, digestive system, professional disadaptation, professional deformities (burnout), psychosomatic disorders, cardiovascular system*

1. INTRODUCTION

The study of the problem of compelled contacts as the specific form of interpersonal interaction is gaining various aspects and trends nowadays (Makarenko, 2011). One of the principal trends is the study of compelled contacts, connected with the job of employee of organisation (Mironova, 2014). This article is dedicated to the analysis of psychosomatic disorders of employees of organisations as the consequences of the frequent compelled contacts at work. Firstly, it is necessary to disclose the main features of compelled contact, to define more precisely its notion, forms of demonstration and the main kinds, to characterise its psychological structure. The main socio-psychological features of compelled contact are: a) the presence of the outer task, the conditionality of the significance; b) the presence of the necessity of the interaction with another one, mainly as negative in the definite situation and aimed at the interaction which causes on the one hand, person's internal conflict and on the other hand, the rejection and the resistance of the interaction, the understanding of the necessity of its potential

significance for the employee's activity which is full of personal meanings. The additional features of compelled contact in the interpersonal interaction are: the orientation on the role behaviour and the presence of the disadaptation which one of the co-partners has (the former models and ways of behaviour do not work) (Ushkov, Rekhtina, 2015); the understanding of the impossibility to get rid of the situation easily; the experience of the situation when there is the restriction of the freedom (either external or internal one), being equipped insufficiently (Ushkov, 2017); the presence of the psychic tensivity.

The compelled contact displays in the individual relation of a person to the present situation, to another necessary interaction and in the interpersonal relations between people who have this interpersonal interaction (Mironova, 2010). The compelled contacts are represented by various kinds. The classification of compelled contacts has been worked out where the basic notions are the frequency, duration, sphere of origin and so on. According to the determining factor the following kinds of compelled contacts have been distinguished like 'forcing', 'obligation or duty', 'conservation of the achieved results or reward'. All these kinds are typical for the interpersonal interaction of employees of organisations. The understanding of the structure of compelled contact due to the situational approach and the analysis of the objective and subjective (psychological) components of the structure of the compelled contact are very important for the study (Filonov, 1982). The compelled contact has the informative, motivating, resource, behavioural and reflexive components (Mironova, 2012).

2. METHODS.

2.1. Organization of the study.

Examination of compelled contacts from the standpoint of stress psychology (Polyakova, 2008) suggests that negative interpersonal communication, in the absence of conditions for its elimination, is a psychological prerequisite for the occurrence of psychosomatic disorders and professional deformations (burnout), (Polyakova, 2014). At the same time, the somatic genetic program is analyzed as a warning, warning of a psychological social threat (Polyakova, 2015). All employees of the organizations were divided into two groups:

- 1) the first group consisted of 30 workers engaged in compelled professional contacts and unable to evade them;
- 2) the second group includes 30 employees whose professional functionalities make it possible to avoid compelled contacts and motivated to exclude such interpersonal relations from their professional activities.

During the research, one of the mandatory conditions was taken into account - the workers of both groups did not interact with each other. They did not have the opportunity to exchange views on the results of the study and discuss the production situations in which they were many times.

2.2. The device of diagnostics.

All diagnostic procedures were divided into two blocks:

2.2.1. A block of techniques for identifying the characteristics of general psychosomatic health:

1) questionnaire "Problems and their impact on health", authors – Members of the HR community and HR specialists HR League (*Problems and their impact on health: questionnaire*, 2017);

Author of the modification of data processing and interpretation of results – O. Polyakova: each answer is "yes" is estimated at 1 point; Each "no" answer is estimated at 0 points; Next is the amount, the value of which varies from 0 to 12 points; The levels of personal health problems; 0-2 points – low, 3-4 points – below average, 5-7 points – average, 8-9 points – above average, 10-12 points – high (Polyakova, 2008);

2) questionnaire "Hidden stress", authors – Members of the HR community and HR specialists HR League (*Hidden stress: questionnaire*, 2017); The author of the modification of the interpretation of the results is O. Polyakova: the value of the sum varies from 0 to 9 points; Levels of hidden stress: 0-1 points – low, 2-3 points – below average, 4-5 points – average, 6-7 points – above average, 8-9 points – high (Polyakova, 2008);

3) questionnaire "Degree of contamination of your body", authors – Members of the HR community and HR specialists HR League (*Degree of contamination of your body: questionnaire*, 2017); Author of the modification of the data processing and interpretation of the results – O. Polyakova: it is necessary to calculate the number of answers "yes" (+); The value of the amount varies from 0 to 17 points; Degree of body contamination: 0-2 points – low grade, 3-6 points – less than average, 7-10 points – medium, 11-14 points – higher than average, 15-17 points – high degree (Polyakova, 2008).

2.2.2. A block of techniques for identifying specific psychosomatic disorders:

1) questionnaire "Psychosomatics of our life", authors - employees of the Internet portal "Psychological Navigator" (*Psychosomatics of our life: questionnaire*, 2017); The author of the modification of the interpretation of the results – O. Polyakova: the value of the sum by factors varies from 0 to 11 points; The levels of exposure of parts of the body to negative psychological factors: 0-1 points – low, 2-4 points – below average, 5-6 points – average, 7-9 points – above average, 10-11 points – high (Polyakova, 2008);

2) questionnaire "Giessen questionnaire of somatic complaints", authors: E. Bruchler and J. Sner (*Giessen questionnaire of somatic complaints: questionnaire*, 2017); (Malkina-Pykh, 2005); The author of the modification of the interpretation of the results – O. Polyakova: levels of severity of somatic complaints (for individual groups of complaints): 0-4 points – low, 5-9 points – below average, 10-14 points – average, 15-19 points – above the average, 20-24 points – high; Total score: 0-16 points – low, 17-36 points – below average, 37-56 points – average, 57-76 points – above average, 77-96 points – high (Polyakova, 2008);

3) questionnaire "Questionnaire of the assessment of professional disadaptation", authors: E. Zehner, E. Simanyuk. Information received on 08/06/2017. Source (Zeer, Symanyuk, 2005); Author of the modification of the interpretation of the results – O. Polyakova: levels of severity of signs of occupational disadaptation (by average value): 0-0,4 points – low, 0,5-0,8 points – below average, 0,9-1,2 score – average, 1,3-1,6 points – above average, 1,7-2 points – high (Polyakova, 2008).

3. RESULTS.

Data processing was carried out separately for each diagnostic unit. The mathematical processing of data was carried out using the Mann-Whitney U test.

3.1. Results of diagnostics of features of general psychosomatic health.

Table 1: Results of diagnosis of the characteristics of the general psychosomatic health of employees of organizations participating and not participating in compelled contacts

№№	Names of diagnostic procedures	The maximum score	Employees of organizations involved in compelled contacts			Employees of organizations that have the opportunity to avoid compelled contacts			The significance of the differences between the Mann-Whitney U test
			Points	Levels (degree)	%	Points	Levels (degree)	%	
1	Problems and their impact on health	12	9,77	High	64,00	8,60	Above average	53,90	289.5*
2	Hidden stress	9	8,00	High	67,90	5,42	Average	55,30	269.5*
3	Degree of pollution of your body	17	14,60	High degree	67,00	12,90	Degree above average	54,80	257*
The level of significance of differences: *p ≤0,01; **p ≤0,05; *** There are no significant differences; The Mann-Whitney U test.									

The results of diagnostics of the features of the general psychosomatic health of employees of organizations participating and not participating in compelled contacts, showed that there are differences in psychosomatic ailments:

1) employees of organizations permanently involved in compelled contacts have:

- a high level of psychological problems and their impact on health (compelled contacts of negative shade hamper self-understanding of problems, it is necessary to find a "sore spot" in the soul and consult with a psychologist, the organism acts as an innocent victim of personal and interpersonal problems; daily status);
- high level of hidden stress (permanent production troubles hurt nervously, you need to learn to avoid such troubles or pay less attention to them, this will help a little to smooth out the stressful situation and escape from hidden stresses, imperceptibly destroying the psyche);
- a high degree of "body contamination" (the body signals discomfort with abdominal pain, skin eruptions, redness or pimples, frequent dizziness, increased irritability, sleep problems, decreased visual acuity and physical endurance, impaired attention, frequent headaches);

2) employees of organizations that have the opportunity to avoid compelled contacts are identified:

- a level above average psychological problems and their impact on health (perhaps the cause of serious ailments lies in prolonged compelled contacts, constant stress and a growing psychological mask, without delay, it is important to understand yourself and weigh the pros and cons, you need more carefully Treat your physical and mental health, you need to be alert, the body can react and more strongly by arranging a "strike");
- the average level of hidden stress (the ability to behave in the hands and the appearance of not showing your feelings is expensive, but for the time being, sooner or later the psychosomatic program will fail and then professional deformation will follow);
- the degree is higher than the average "body contamination" (the body signals discomfort with brittle or greasy hair, unstable stools (alternating constipation and diarrhea), a feeling of fatigue for no apparent reason, a constant rumbling in the stomach and nausea, a decrease in speed and quality of assimilation of new information, appetite).

3.2. Results of diagnosis of specific psychosomatic disorders.

Table 2: Results of diagnostics of specific psychosomatic disorders of employees of organizations participating and not participating in compelled contacts

Organizations participating and not participating in compelled contacts									
№№	Names of diagnostic procedures	The maximum score	Employees of organizations involved in compelled contacts			Employees of organizations that have the opportunity to avoid compelled contacts			The significance of the differences between the Mann-Whitney U test
			Points	Levels	%	Points	Levels	%	
1	Psychosomatics of our life								
1.1.	Respiratory system	11	0,92	Low	3,90	0,87	Low	4,30	361***
1.2.	The cardiovascular system	11	6,04	Average	58,40	4,42	Below average	47,00	285.5*
1.3.	Digestive system	11	1,35	Low	11,40	3,25	Below average	24,10	335**
1.4.	Skin Reactions	11	2,16	Below average	23,50	0,66	Low	12,10	279*
1.5.	Musculoskeletal system	11	0,53	Low	2,80	1,80	Below average	12,50	383***
2	The Giessen questionnaire of somatic complaints								
2.1.	Exhaustion	24	10,93	Average	73,20	5,24	Below average	56,30	250*
2.2.	Gastric complaints	24	4,41	Low	26,00	4,43	Low	29,80	368***
2.3.	Rheumatic factor	24	4,05	Low	19,30	3,89	Low	24,10	340***
2.4.	Heart Complaints	24	13,40	Average	76,80	6,76	Below average	51,20	240.5*
2.5.	Pressure complaints	96	32,79	Below average	64,00	20,32	Below average	53,50	325**
3	Questionnaire for the assessment of professional disadaptation								
3.1.	Emotional shifts	2	1,37	Above average	66,40	0,79	Below average	49,30	295*
3.2.	Features of individual mental processes	2	0,51	Below average	23,50	0,48	Below average	21,00	363***
3.3.	Decrease in total activity	2	0,59	Below average	27,20	0,47	Below average	26,10	384***
3.4.	Feeling of fatigue	2	1,10	Average	56,00	0,93	Average	54,50	341***
3.5.	Somatovegetative disorders	2	1,49	Above average	68,20	0,78	Below average	47,00	279.5*
3.6.	Violation of the "sleep-wake" cycle	2	1,35	Above average	69,50	0,64	Below average	51,30	289.5*
3.7.	Features of social interaction	2	1,78	High	71,10	0,46	Below average	58,00	267*
3.8.	Decreased motivation for activities	2	0,72	Below average	25,00	0,70	Below average	23,20	354***
3.9.	Professional disadaptation	2	1,11	Average	50,90	0,51	Below average	43,10	355**
The level of significance of differences: *p <0.01; **p <0.05; *** There are no significant differences; The Mann-Whitney U test.									

The results of diagnostics of specific psychosomatic disorders of employees of organizations participating and not participating in compelled contacts showed that there are differences in specific psychosomatic disorders:

1) employees of organizations permanently involved in compelled contacts have:

- the average level of psychosomatic disorders of the cardiovascular system (in the experience and effort, employees often reach the limits of opportunities, the forces are spent on winning love and respect for others, but workers sometimes forget about their needs, they are sensitive to their own mistakes and unfavorable surroundings; It is necessary to learn not to allow circumstances to determine events in life), a level below the average psychosomatic disorders of skin reactions (many intra nnih conflict; the staff attach great importance to the opinion of others about them, skin problems - an excuse to keep away from people, workers belong to the category of people who do not give yourself room for error; you must learn to make decisions, interesting by itself);

- an average level of exhaustion and heart complaints (dizziness, stitching or drawing pains in the chest, a feeling of a coma in the throat, narrowing of the throat or spasm, attacks of dyspnea (choking), heart attacks, palpitations, heartbeats or heartbeats); Level below average pressure (intensity) of complaints;

- level above the average emotional shifts (indifference, lethargy, gloomy thoughts, passivity, depressed mood, constantly changing mood, irritability), somatovegetative disorders (pains in the back and neck, headaches, dizziness, red spots on the neck and cheeks, shortness of breath, puffiness Limbs, drop in visual acuity, palpitations, nausea, frequent sweating, frequent colds, noise and ringing in the ears), disturbances in the "sleep-wake" cycle (restless sleep with frequent awakenings, insomnia, constant with Difficulties in falling asleep, it's difficult to wake up in the morning), the characteristics of social interaction (gloominess, lack of desire, lack of desire is in noisy companies, irritating teamwork, minimizing contacts, reducing motivation, difficulties in communicating with people, frequent quarrels and clarifying relationships) Professional disadaptation;

2) among employees of organizations that have the opportunity to avoid compelled contacts, the following are ascertained:

- the level below the average psychosomatic disorders of the cardiovascular system, the digestive system (there is a need to always be confident and protected, increased criticality to everything around, in the future, employees will abandon new ideas, adhering to old and habitual foundations, it is necessary to learn to trust people more With relatives, to think positively) and the musculoskeletal system (the causes are actual mental conflict situations and stagnant emotional tension; horns to themselves and do not allow yourself to relax, burden of the past does not give an opportunity to act and move on; you must learn to say what oppresses, and resolve the situation as soon as possible);

- level below average exhaustion (rapid exhaustion, lethargy, sensation of weakness, increased drowsiness, fatigue), heart complaints and pressure (intensity) of complaints;

- the average level of fatigue (desire to lie down and rest, general malaise, bad mood, loss of motivation, weakness).

4. DISCUSSION

The main features of general psychosomatic health and specific psychosomatic disorders of employees of organizations that are constantly involved in compelled contacts are: 1) a high level of "body contamination", psychological problems and their impact on health and hidden stress; 2) the level above the average violation of the "sleep - wakefulness" cycle, the characteristics of social interaction, professional disadaptation, somatovegetative disorders and emotional shifts (Voronin, Ushkov, 2015); 3) the average level of exhaustion and psychosomatic disorders of the cardiovascular system; 4) the level below the average pressure (intensity) of complaints and psychosomatic disorders of skin reactions (Polyakova, 2015).

The main features of general psychosomatic health and specific psychosomatic disorders of employees of organizations that have the opportunity to avoid compelled contacts are: 1) the

level above the average "body contamination", psychological problems and their impact on health; 2) the average level of feeling of fatigue and latent stress; 3) the level below the average pressure (intensity) of complaints, exhaustion, psychosomatic disorders of the musculoskeletal system, digestive and cardiovascular systems (Polyakova, 2015).

5. CONCLUSION

In the course of the study, the negative impact of the impossibility of avoiding compelled contacts of negative coloring on the psychosomatic health of employees of organizations was proved, which in turn leads to the emergence of professional deformations (burnout) (Polyakova, 2015). As psychological recommendations to employees in such a state, it is necessary to advise: to pay more attention to their physical and mental health; more to trust people, starting with relatives; weigh the pros and cons; express what is oppressive; avoid such trouble; less to pay attention to negative interpersonal situations; think positively; find a "sore spot" in the shower; not allow circumstances to determine events in life; pay attention to your daily condition; to make decisions interesting to them; understand themselves; resolve situations as soon as possible; and if necessary, consult a psychologist.

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MIGRATION AND DIASPORIZATION: THE COMPARATIVE ANALYSIS OF THE EUROPEAN AND REGIONAL RUSSIAN TRENDS

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ABSTRACT

The article considers the detailed review of diasporization of the modern societies, brings the different approaches to understanding the notion of "diaspora" in the Russian and foreign literature. The role of migration to strengthen the diaspora processes in the European countries and Russia is demonstrated. The analysis of the formation, activities and significance of diaspora communities in the contemporary societies, their role and potential in migrants adaptation and integration is being executed. The article represents an attempt to classify diasporas in the Kaliningrad region, gives recommendations on strengthening the role of diasporas existing in the region in integration of newly arrived immigrants and migrant workers.

Keywords: *diaspora, diasporization, forced migration, labor migration, multiculturalism, ethnic identity, migration policy, adaptation, integration*

1. INTRODUCTION - MIGRATION PROCESSES AND DIASPORIZATION OF THE MODERN SOCIETIES

Global changes occurred in the political, economic and social life of the modern societies over the last quarter of the century, gave impetus to the unprecedented population migration mobility. Today it has allowed the experts to talk about a new "Great transmigration of peoples". We are now witnessing the largest population displacement after the World War II - the IOM report says [United Nations, 2015]. The number of refugees has increased dramatically, and the number of asylum applications has doubled in the EU countries in 2015 in comparison with 2014, and reached 1.2 mln [Rossiya, 2016]. In the modern world a distinctive feature of existence of the two complementary processes namely globalization and regionalization on the background of such a large-scale migration movements was the strengthening factor of ethnicity in the life of host societies, and as a result, diasporization countries and individual regions. This was greatly facilitated by the growth of the world economy internationalization; undermining the foundations of the statehood within its own borders; the appearance of the so-called "porous borders"; supranational integration unions in all spheres of society life. On the one hand, it has stimulated more close interaction and movement of a variety of social, national and economic status groups and individuals outside of their territories, but at the same time, it has enhanced the effects of ethnic identity on local level. Thus globalization, as noted by R. Jenkins, provided "easy access to cultural diversity; at the same time one can talk about the formation of differences in relation to the different cultures that have become available; migration has opened the possibility for the formation of transnational communities and diasporas; peace and human life began to appear more dynamic in respect of national borders" [Jenkins, 2007]. V.I. Dyatlov, Doctor of Historical Sciences, notes that diasporization like "dispersion has become a way of life, in particular the sustainable socio-economic, cultural, moral posture of society, a special form of existence in a physical and psychological isolation from ethnic mainland or without one in general" [Dyatlov, 1999].

As a result of such global migration movements societies of the world become more diverse beneath our eyes, and in the words of S. Arutyunov, "almost all of the old diasporas are increasing in size and proportions, new diasporas appear» [Arutyunov & Kozlov, 2005]. According to G. Sheffer, "a number of diasporas increases more and more, their ranks become wider, as well as area of interests; their activities get more diverse and evolving within a clearly defined strategy; they are involved in politics on state, regional and global levels more actively" [Sheffer, 2003]. According to most experts, this is an objective process, based both on the existing demographic proportions in the world in some countries and regions, and the actual ongoing processes of globalization and regionalization. Active diasporization over the past 25 years is confirmed by increasing international migrant stock in the world with 152.6 millions in 1990 to 243,7 millions in 2015 [United Nations, 2015]. While researching this phenomenon, G. Sheffer led to the consideration of modern diasporas as cross-border communications networks. The system of relations built by diasporas "is very complicated and complex due to the territorial fragmentation of many ethnic groups; manifoldness of exchanges undertaken by them on various social and political levels; necessity to be in contact with their homeland, host society, related communities in other countries and other stakeholders" [Sheffer, 2003]. American researcher R. Brubaker focuses on three grounds of diaspora formation: "dispersion in space provided that dispersion crosses national borders"; "focus on the real and imaginary homeland by maintaining the collective memory"; "existence of borders forming a quasi-diaspora community in the wider state structure and keeping them from assimilation" [Brubaker, 2005]. Drawing attention to the passion for theorizing, the term "diaspora" and diasporization processes, R. Brubaker appeals scientists to "think of diaspora firstly as a category of practice, and then ask themselves how it can be productively used as a category of analysis". Otherwise, we can talk about imaginary, non-existent diasporas with lots of "mythology" around them. Sociological approach of the Russian scientists is described diaspora as "a stable community with a common ethnic origin, living in other ethnic environment outside their historical homeland (or outside the area of their nation settlement) and having social institutions for development and functioning of this community» [Toschenko & Chaptiykova, 1996]. V. Tishkov, the leading Russian ethnologist, gives his own definition of "diaspora" namely "diaspora is a distinctive cultural community based on understanding of a common homeland, and the collective ties, solidarity and the demonstrated relationship to the homeland built on this basis. There is no diaspora if such features do not exist. In other words, diaspora is a style of life behavior, not a tough demographic and even ethno-cultural reality, and thus the phenomenon differs from the rest of routine migration" [Tishkov, 2011]. Based on the scientific grounds of domestic and foreign researchers, V. Popkov makes an attempt to introduce a typology of diaspora communities. He offers the following reasons: common historical destiny; legal or illegal status; facts of migration or movement of the borders; nature of motivation for resettlement; nature of residence in a region of a new settlement; existence of a "base" or network for communication in a region of a new settlement; nature of a "cultural proximity" with a host society; existence of state formations in the country of origin [Popkov, 2003].

2. DIASPORIZATION IN EUROPE AND RUSSIA: THE COMPARATIVE ANALYSIS

The process of active diasporization of the European societies has at least half a century. The massive influx of migrants from former European colonies firstly to the UK, the Netherlands and France, began in the early 1960s. The next wave was the flows of migrant workers to the rapidly developing economies such as Germany, Austria, Belgium, Denmark, Luxembourg, and Sweden. It has been enhanced by special bilateral and multilateral agreements with other less developed European and non-European countries. The first practices of integration and adaptation of migrants were evolving in the Netherlands, the UK and Sweden. The main ideology of the implementation of such policies towards migrants was the multiculturalism

concept that had been borrowed from the integration practices in Canada, USA, and Australia. And it has formed the basis for EU supranational policies of migrant integration since the beginning of the 1980s. The German philosopher J. Habermas defines multiculturalism as "recognition policy", pointing out that "identity of each individual citizen is interwoven with collective identities and this individual identity is forced to enter the mutual recognition network in order reach stabilization" [Khabermas, 2005]. Habermas says that establishment of "multicultural citizenship" requires a policy with a view to equitable coexistence life forms of different ethnic communities, language groups, religions [Khabermas, 2005]. O. Nemenskiy draws attention to that fact that "reverse side of the multiculturalism policy consists in delegating individual powers to ethnic and religious group and so individual human relationships with the state became mediated by this group" [Nemenskiy, 2011, p. 61]. Multiculturalism policy has featured prominently in Europe until the end of the twentieth century but today it hardly withstands the challenges of the last avalanchine migration wave of refugees from the North African and Middle Eastern countries. And nowadays it is a subject of severe criticism firstly by leading politicians of such European countries as Germany, France and Italy. Further worsening the migration crisis will require significant efforts in the field of modernization of integration models (especially, the adoption of a new concept of "civil" immigrant integration [Potemkina, 2016]) and the development of new approaches in the field of migration regulation, both on the European level and on the level of individual countries. In this context, applying the potential of already existing ethnic communities and diasporas is extremely important and most promising. They have a double experience of living in the countries of origin and in the host country and could help to find a new mechanism of comprehensive and deeper integration, based on an individual approach. The result of the constructed model of the multicultural European society and the migration policy is the dramatically increased number of diaspora groups that no scientist can count due to inconstancy and dynamism of the diasporization process itself reflects the implementation of this policy. One cannot count the number of diaspora organizations in EU as well due to the large variety of their institutional forms and legal status, and the abundance of its activities from the cultural, religious and social to political, economic and legal [Nebiler, 2013]. The diasporization process in the former Soviet Union caused unprecedented flows of Russian returnees in the 1990s. A.G. Vishnevskiy estimated that "more than 17% of Russians lived in the Soviet Union turned out to be "in dispersion" outside the Russian Federation; thus, we found some grounds to consider them as the Russian diaspora [Vishnevskiy, 2000]. During this period, a certain population replacement regime has developed in Russia thanks to the peculiar emigration and immigration balance. As L.L. Rybakovskiy pointed out in his works, "Russia is losing a highly qualified workforce and forcedly "absorbing" needless labour forces of neighbouring countries and even beyond" [Ryibakovskiy, 2003, p.88]. The basis for diasporization of the Russian society that actively started twenty-five years ago, were fundamentally different than in Europe. Diasporization processes in the European countries claimed to develop policy tools for integration of immigrants and incorporation of a diaspora process, and those tools were formulated within the framework of the multiculturalism policy. Instead, in Russia that kind of articulation was not required because of the "multicultural" foundations of the Russian state initially. As V. Tishkov notes "the policy of recognition and sponsorship of an ethnic diversity both in the strictly cultural areas ... and in social, economic and political spheres" existed in the Soviet Union during the XX century [Tishkov, 2003]. So was only necessary to recognize and register members of particular ethnic groups into institutional forms. It was started in 1996 with the adoption of the Federal Law "On National and Cultural Autonomy". According to the Law "The national and cultural autonomy in the Russian Federation is a form of the national and cultural self-determination that represents itself a union of citizens of the Russian Federation who consider themselves belonging to a certain ethnic community but being a

national minority on a certain territory on the basis of their voluntary self-organization in order to solve issues related to preservation of their identity, development of a language, education, and national culture independently" [On national-cultural, 1996]. Amendments to the Law "On Non-governmental Associations" were adopted in the year of 2003. It was said that "a national and cultural autonomy is a kind of public association", and a public organization is a legal form of organization of a national and cultural autonomy." Thus, since 2003 non-governmental associations have got the opportunity to register as public organizations. In light of this, national and cultural autonomies have become a new phenomenon of the political landscape in Russia. According to Ministry of National Policy of the Russian Federation, today in Russia around 1600 NCAs (19 of them are federal and 250 are regional) have been created [Na ostrie, 2016]. Legal aspects of the NCAs functioning in Russia are analyzed in detail by V.V. Stepanov, who points out the need to improve legislation in this area. He offers to regard the law as the "state support" not of specific organizations, but of "ethnic development as an important element of state ethnic policy" [Stepanov, 2004, p, 116]. Diasporization processes directly depend on a size, nature, directions and patterns of external migration. The analysis of national statistics of the international migration and citizenship of immigrants in Russia shows that among those who provide migration growth in the past eight years 40% are the Russian citizens themselves including 11% with another second citizenship. Thus, we can talk about a fairly high degree of mobility of Russian citizens in the post-Soviet space and beyond. The table 1 shows the main ethnic groups having more than 1000 people in total net migration during the years of 2007-2014.

Table 1 - The total net migration of the population in Russia by citizenship of migrants in 2007-2014, persons

Citizenship of migrants by the countries of origin	Total net migration for 2007-2014
Uzbekistan	216887
Ukraine	188331
Armenia	118196
Tajikistan	113745
Kazakhstan	83239
Azerbaijan	78221
Republic of Moldova	48876
Kyrgyzstan	36247
Belarus	23460
Georgia	16030
China	15977
Turkmenistan	9907
Vietnam	9482
Turkey	4642
Afghanistan	2357
India	2313
Syrian Arab Republic	2253
Germany	1876
Latvia	1820
Lithuania	1792
Israel	1148

Source: [Demographic, 2015]

The citizens of these countries will influence the further diasporization process of the Russian society in coming years. Today the citizens of the CIS countries play a leading role in migration processes on the territory of Russia, and we generally understand and take into account their displacements and diaspora claims. However, the flows of Syrians, Afghans, Chinese, Vietnamese, and Indians are a relatively new phenomenon and require close attention in terms of the definition of migration needs, strategies and their motivation to adaptation according to ethnic identity. Moreover, the most numerous labour migration contributes significantly to the migration streams. It is gradually turns from a temporary migration into a long-term due to the liberalization of the Russian legislation, the introduction of new forms of employment of immigrants (patents, attracting foreign highly qualified specialists, by passing the quota system), as well as policy decisions on the formation of the common Eurasian economic space. This two-way joint process should affect both the governmental institutions and all sectors of civil society, and historical diasporas should play a special role in this process.

3. RUSSIAN REGIONS IN DIASPORIZATION PROCESSES: KALININGRAD CASE

The active migration processes in the Kaliningrad region lead to the further complication of the national structure of the population, the creation of conditions for the development of diasporization phenomena. The population, on the basis of the 2002 Census, consisted of representatives of 132 nationalities. According to the 2010 Census, it was already 148 nations and ethnic groups (the 1989 Census numbered 109 nationalities) [Ob izmeneniyah, 2006]. If we talk about the involvement of diaspora communities in the life of the region, then today we have 17 registered NCAs (7 have regional status, 10 – local) and 19 national non-governmental organizations.

Table 2 - The National-cultural autonomies in the Kaliningrad region

Territorial status	Name of NCA	Year of last registration
Regional	"Kaliningrad fraternity of Belarusians "	2002
Regional	NCA of Russians in Kaliningrad	2003
Local	Ukrainian NCA ("Batkivshchyna") in Kaliningrad	2003
Regional	NCA of Germans in Kaliningrad	2003
Regional	NCA of Lithuanians of the Kaliningrad region	2003
Regional	NCA of Azerbaijanis of the Kaliningrad region "Azerbaijan"	2003
Local	Polish NCA "Polonia" in Kaliningrad	2004
Regional	Armenian regional NCA of the Kaliningrad region	2005
Local	Tajik local NCA in Kaliningrad	2007
Local	Local NCA of Assyrians "ASHUR" in Kaliningrad	2008
Local	Ukrainian NCA "Svitanok" in the town of Sovetsk of the Kaliningrad region	2008
Local	Local NCA of Assyrians "ATRA" in the Guryevsk district of the Kaliningrad region	2009
Local	Jewish NCA of Kaliningrad	2010
Local	Korean NCA in Kaliningrad	2010
Local	NCA of Lithuanians in Sovetsk urban district of the Kaliningrad region	2011
Local	Lezgians NCA (Zelenogradsk district)	2013
Regional	Ukrainian NCA "Our Fatherland" ("Nasha Batkivshchyna")	2013

Source: [Information, 2016]

Based on the V. Popkov's typology of diasporas, we can say that diasporas formed in the Kaliningrad region (except of the NCAs of Poles and Korean) belong to the type of diasporas with a common historical roots of cohabitation in the USSR. By the legal status, all the diasporas (even unregistered in the Ministry of Justice) are legal and their activity is declared at least in front of the regional authorities. By the fact of migration or movement of the borders, all the diasporas of the Kaliningrad region have been formed as a result of both migration movements and displacement over the entire period of existence of the region and changing the boundary status (internal Soviet borders became the state borders). By the nature of motivation for resettlement, diaspora communities in the region have been formed as a result of both voluntary movements and forced migration in the post-Soviet space in the 1990s or, for example, the latest wave of immigrants of the Ukrainian origin. By the nature of residence in the region or a settlement, the diasporas' representatives demonstrate three cases. For example, the Russian Germans might consider the region as a transit territory because of its proximity to the borders - significant flows of migrant workers, which we regard as part of the diaspora, are set to continuous migration. However, the majority are focused on a long-term residence. By the existence of a "base" in the region, there are classical diasporas of Armenians and Jews having long-established communication networks. Diasporas of Belarusians, Lithuanians, Ukrainians, Azerbaijanis, Tajiks, Koreans, Russian Germans have been formed during the collapse of the Soviet Union. New diasporas appeared in recent years are the diasporas of Yezidis, Abkhazians, Dagestani and Ingush. By the nature of a "cultural proximity" with a host society the regional diasporas include all three types. As studies show, the speed of migrants' adaptation and "rooting" into the Kaliningrad multicultural society is high due to the established dense networks of migrants during the entire period of the existence of the region. So the cultural distance between representatives of the different nations is not so noticeable. By the existence of state formations in the country of origin, the most part of registered diaspora communities are associated with their historical homeland, and can independently go back. Only the diasporas of Yezidis maintaining ties with Armenia where they come from, and Assyrians, whose ancestors migrated to Russia from Turkey as a result of persecution in the early 20th century, can be characterized as a "stateless" type of diasporas with a complex relationship with their historical homeland. The essential requirement of migrants in a receiving country is the need to stay in their ethnic environment in order to obtain information and, if necessary, support. So, the institutionally long-established diasporas can play a significant part at the first stages of adaptation and integration. Their participation in the issues of labour migration management, development of adaptation mechanisms in the region has been quite active in the framework of the Public Advisory Council under the Federal Migration Service of the Kaliningrad region prior to reorganization of the Federal Migration Service. The issues of changes in the migration legislation of the Russian Federation, cooperation in the field of protection of rights and interests of foreign citizens engaged in labour activity in the Kaliningrad region were discussed at the meetings of the Council with the obligatory presence of the representatives of the NCAs. To facilitate employment processes and initial adaptation of migrants from Tajikistan and Uzbekistan, the leadership of the Tajik diaspora organized the OOO "Mezhdunarodny migracionny centr" and website www.tjkaliningrad.ru, providing support to migrant workers in obtaining documents, finding a job and housing. The website of the NCA of Azerbaijanis www.kolnaze.com is also very developed and informative. The website provides information on assistance in finding a job, running a business, preparation of documents, legal consultation. Diasporas actively use the information media field. The regional NCA "Kaliningrad fraternity of Belarusians" and OAO "Narodnaya Gazeta" with the assistance of the Permanent Committee of the Union State and the Embassy of the Republic of Belarus in the Russian Federation monthly release the newspaper "Belorusskaya narodnaya gazeta".

Other diasporas' newspapers like the "Gintaras" in the Russian and Lithuanian languages (the NCA of Lithuanians), the "Golos s Pregoli" (Society of the Polish Culture), the "Tretij sektor" (newspaper of non-governmental organizations of the Kaliningrad region), the "Nairi v Kaliningrade" (the NCA of Armenians) and the "Kyonigsbergsky ekspress" (in German) are published monthly as well. The Jewish community "Shofar" periodically releases the Bulletin "Shofar" and the Society of Polish Culture in the town of Gusev releases the "Newsletter" [Report 2015]. These mass media provide extensive coverage of joint events, festivals, seminars, evenings of friendship and other activities organized and carried out by autonomies and national public organizations, contributing to the process of adaptation and integration of migrants into the Kaliningrad society.

4. CONCLUSION

Diasporization of modern societies is the objective process of the globalizing world giving a string impetus to migration movements of people beyond their historical homeland and promoting active self-determination of ethnic groups in the territories of receiving states. European countries have been faced the problem of diasporization long before Russia and have a considerable experience in attracting diaspora organizations to the processes of adaptation and integration. Russia and its regions have actively participated in the diasporization process since the 1990s. The diasporization process in Russia is enhanced by economic migration, which is becoming more and more long-term and cause the need to develop mechanisms of migrants' adaptation and integration in a host society. Integration processes under formation and expansion of the influence of the Eurasian Economic Union (EEU) will further strengthen the processes of labour migration and the harmonization of approaches to the regulation of labour migration. So, the development of common professional and educational standards among all participants in the EEU will be an important step for the further integration. The modern migration crisis in Europe has revealed insufficiency of the existing mechanisms of integration. It is necessary to revise approaches and the basics of ethno-cultural policy so that it would be based not on the understanding of the individual's affiliation to a particular group, culture, but on the recognition of "multilayered" structure of the culture of the modern society. This structure is a result of totality of the processes of the last decades like globalization, migration, diasporization, and understanding that "people do not act in a monocultural society, and therefore do not belong to one-group culture, because the culture itself is multilayered» [Tishkov, 2003]. But in this new policy approach one should also take into account the already established social structures of the modern societies with the obligatory presence of diaspora organizations with their influence on the societies' life, and making them full participants in this process.

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THE REFORMING OF RUSSIAN CIVIL LEGISLATION (FROM THE GENERAL PART OF THE CIVIL CODE TO THE PARTICULAR IMPLEMENTATION OF THE NORMS)

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ABSTRACT

This paper explores and makes an attempt to understand the current state of the General part of the Russian Civil code in the course of reforming of the civil legislation of Russia. Major reform in this area, which began several years ago, has generated a lot of contradictions in the law enforcement and scientific disagreement. This facts and the absence of comprehensive scientific papers on this issue determine the novelty of this study. The authors were guided by the general scientific and private methods of cognition: historical-legal, formal-legal, comparative legal, sociological, etc. The main used method was the comparative method, which allowed us to compare the implementation of the rules of civil law before and after the reforms. The study revealed a number of both positive and negative changes, and also, unfortunately, contradictory. Thus, the legislator has tried to unify the rules on legal entities, but the result is unclear, for example, about the nature of the Central Bank as a legal entity. Also, the authors found that the reform of corporate relations on the one hand put a symbolic end to the dispute about their nature. However, many norms in this area began to carry the administrative and legal features, which is not acceptable for private legal relations, and other norms, on the contrary - too soft, which again requires further legislative changes. The reform of the property law is also not fully implemented. The obtained results can be useful to scientists-jurists, practitioners, and anyone who carries on business and enters into civil law relations in Russia. According to the results of the conducted research the authors came to the conclusion that a number of Russian civil law norms continue to require improvement, and on how carefully and deliberately will further changes be made the stability of civil turnover depends on.

Keywords: *civil law, civil code, civil turnover, corporate relations, property law, legal reform*

1. INTRODUCTION

1.1 Introduction of the Problem

The transition from the administrative-control type of economy to a market economy in 1992 – 1994 in Russia has not allowed creating legal norms that meet the needs of the state. Many institutions, such as the right of ownership of land simply fell out of the proper legal regulation for ten years – from the adoption of the first part of the Civil code and till the adoption of a specialized act – the Russian Land code; the inclusion of the land plots into civil turnover (the return to the division of property on movable and immovable) has occurred without proper record of these objects and has led to numerous and lengthy disputes about the boundaries of neighboring plots of land and about the rights on them; in General, the reform of property right and of other real rights led to the transient and not fair process of privatization of state and

municipal property (especially businesses, buildings, structures, constructions) which gave rise to the gap between the living standards of the population. The last large-scale reform of the civil law began with the issuing of the Presidential Decree from July 18, 2008 No. 1108 "On the improvement of the Civil code of the Russian Federation" according to the developed Conception of development of civil legislation of the Russian Federation (endorsed by decision of the Council under the President of the Russian Federation on codification and enhancement of civil legislation of 7 October 2009). The need for reform has matured so acute that on April 27, 2012 the State Duma adopted the bill on amendments to all four sections of the Civil code in the first reading. But such extensive and simultaneous reform of the entire sphere could have lead to significant difficulties in implementation and the actual impossibility of their execution, and in connection with this the original bill was divided into sections, chapters and even parts of the Civil code of the Russian Federation. Unfortunately, this approach did not take into account the need for simultaneous changes in the interrelated rules that led to lot of controversy, and even to some confusion for researchers and the complexity of the study. In 2012 the subject of civil law was expanded by the introduction of the corporate relations – the relations based on membership of their participants and, consequently, the approach to the classification of legal persons as participants of civil relations was changed, the mechanism of the internal control of such legal persons was expanded. Currently, the General part of civil law contained in the first part of the Civil code of the Russian Federation is at the final stage of reform, however the fundamental institute of property law will remain "untouched" due to the complexity and controversial nature of the proposed changes. We believe that the development of society, science and technology is not static, the civil law is not static also; and on how carefully and thoughtfully the future changes will be made - the stability of the Russian civil turnover depends.

1.2 Importance of the Problem

The Presidential Council of the Russian Federation on codification and enhancement of civil legislation 2008 and 2014 consists of eminent scholars and practitioners, conducting research and presenting their results to public debate and study that should help to make the right decisions for the improvement of civil legislation. Study of some aspects of the recent and planned reforms is conducted by a number of scholars-jurists not only from the above-mentioned members of Presidential Council. In particular, the problems of the legal nature of corporate relations in the civil law dedicated work of V.A. Belov, S.A. Zinchenko, D.V. Lomakin, O.A. Markova, V.A. Mikryukov, G.A. Mikryukova, L.B. Sitdikova, D.I. Stepanov, I.S. Shitkina and others. Some aspects of the problems of property were discussed in research papers of A.Y. Kolov, S.A. Lipsky, O.V. Makarov, A. Poltorak, S.V. Savina, K.I. Sklovsky, S.J. Starodumova, A.L. Shilovskaya and others. The problems of property law were considered by the most famous scholars-lawyers – V.V. Vitryansky, E.A. Sykhanov and some others.

1.3 The Hypotheses and Their Correspondence to Research Design

- 1) It was found that the reform of the General part of the Civil code is conducted inconsistently, and since 2012 till now the legislator "bypasses" the section "The ownership right and other real rights".
- 2) Corporate relationships, as a new relationship, were not fully explained in frames of the subject of civil rights and were articulated only through "participation" in the corporate entity or its "management". Provisions relating to the members of corporations' rights, were repeated for the founders of unitary entities, which casts doubt on the need of the fixation of this new kind of relations in legislation.

- 3) In relation to the objects of civil rights, the legislator firstly uses interchangeable definitions of "immovable thing", "real estate" and "property" first, without explain them, secondly, leaves the question of the characteristics of such things unresolved. New property objects and the maintenance of notions of such objects require further improvement.

2. METHOD

During the study the authors relied upon general and private methods of cognition: historical, legal, formal-legal, comparative legal, sociological and others. The main method is a comparative which helped to compare the implementation of the rules of civil law before and after the reforms. The combination of legal, historical and comparative legal methods allowed us to identify the specifics impact of the historical conditions at the development on the whole. The method of complex analysis were used in the coverage of a set of interrelated legal institutions, with different industry affiliation, in particular corporate relations included in the subject of civil right. Systemic-structural method gave the authors the opportunity to find internal and external ties of civil-legal relations, and the nature of the interaction of General and Special part of the Russian Civil code. On the basis of the sociological method, conclusions, suggestions and recommendations based on specific information obtained from official sources, materials, periodicals, Internet resources, standards, legal-reference systems, the media, were grounded.

3. RESULTS

The analysis of the changes, that have been done, has allowed revealing positive trends in Russian civil law. The reform of corporate relations and their regulation in frames of civil law on the one hand has put a symbolic end to the dispute about the nature of these relations. On the other hand, a lot of rules have administrative-legal character, which is not acceptable for private legal relations; other norms on the contrary are too permissive, which leads to the need for further reform. The attempt of unification of the norms on legal entities in Russian Civil Code undoubtedly had a positive impact on current enforcement, however, the basic rules regulating the corporate and unitary entities have not been differentiated, and the status of the Central Bank of Russia as a form of legal entity has not been determined. The list of real estate objects was expanded, which undoubtedly positively affects the stability of civil turnover, however, remained the need to clarify the characteristics for classifying objects to immovable property (in connection with impossibility to expand the list of such objects in the law endlessly) and to clarify the definitions of existing objects, such as land plot, parking space, apartments. The question of the reform of real rights in civil law stands the most acute nowadays.

4. DISCUSSION

The study of the reform of the General part of the Civil code has identified the inconsistency of the legislator in matters of gradual changes to the Code, in this regard, it was decided not to fix the changes in chronological order, but in the order of their location and their importance in the Code, in consideration with the peculiarities of the implementation.

4.1. Legal nature of corporative relations

The first thing, on which the attention should be paid, is the specification of civil law subject in the civil law in relation to new corporate relations. Both the concept of "corporate relations" and the concept of a subject of "corporate law", deriving from it, are now discursive. Currently, the concept of corporate relations is reflected in article 2 of the Civil Code as "a relationship involving corporate entities or its management" are based on the membership of their participants.

According to V.A. Mikruev, and G.A. Mikryukova the notion of corporations (corporate legal entities) was key in the definition of corporate relations as a structural element of the civil law subject, since the specificity of the civil legal relations, recognized by the legislator, is associated with the involvement of them or their management (Mikruev & Mikryukova, 2017, pp. 45 – 49). Corporate legal entities (corporations) are those in which the founders (participants) have the right of participation (membership) in them and shape their supreme body (paragraph 1, article 65.1 of the Civil code). From the point of view of V. A. Belov the concept of "corporate relations" and "corporation" are used in broad and narrow sense. In a broad sense it is correct to call such relationships between people - corporate which include any union component – an element of association, community, cooperation. In a narrow sense, the author defines a corporation as a legal person of the joint property and (or) activities and current joint activities of several persons (Belov, 2009, pp. 47 – 57). I.S. Shitkina considers that the corporations in the narrow sense include business companies and production cooperatives (Shitkina, 2008, p. 12). O. A. Markova considers the corporation as a social totality in which the interests of all shareholders correspond each other and are the same and correspond the common interests of the corporation (Markova, 2008, p. 291). D. V. Lomakin states the fact of the absence of a unified notion of the corporation, as its contents depends on the characteristics of a particular legal system. Therefore it is incorrect to use this term to determine the legal form of the organization of shareholders according to Russian legislation (Lomakin, 2008, p. 20). D. I. Stepanov believes that for the ease of the research one should understand the corporation as business companies, the main conclusions and analysis results of which, are applicable to legal persons, non membership, including non-profit organizations equally (Stepanov, 2009, p. 35). Exploring the nature of corporate relations, A. Molotnikov and I. Shitkina came to the conclusion that they are neither real nor absolute, since the corporation transferring its assets in exchange for shares (stakes of participation), lose the ownership (Molotnikov & Shitkina, 2009, p. 42). According to S. A. Zinchenko corporate relations represent an absolute relationship of ownership of shares (stakes), the dynamics of which forms the whole system of corporate relations (Zinchenko, 2014, pp. 8 – 12). Thus, we can say that the nature of corporate relations, included in the subject of civil law, is not fully disclosed, because it is not of proprietary or contractual nature, and is formulated only through "participation" or "control" over the corporate (the corporation) legal entity. In addition, many of the provisions relating to the rights of members of corporations, were repeated for the founders of unitary entities, which casts doubt on the practical necessity of this regulation. A separate discussion milestone is the legal nature of such a subject of civil turnover, as the Central Bank of Russia referred to in paragraph 4 of article 48 of the civil code "The notion of the legal entity". It should be noted that this subject do not fit into the overall fixed signs of the legal entity, in particular according to article 2 of the Federal law on the Central Bank: does not have separate property (the authorized capital and other property is the federal property); is only the title owner, as has no right of ownership or right of economic management or operational management on the balance of property, but independently exercise the powers of possession, use and disposal of this property; may not be held liable for the obligations, because withdrawal and encumbrance of the property which is on balance of Bank of Russia without its consent is not allowed. With regard to the legal form of the Bank of Russia as a legal entity, according to N. Pastukhov, it does not fall under any of the existing forms, and it is a legal person of public law (Pastukhov, 2015, pp. 38 – 43).

4.2. The immovable objects of civil rights in frames of reforming

Some confusion remained also after the reform of the subsection 3 of the Civil Code "The objects of civil rights." Until now, the legislator uses such interchangeable definitions as the "property assets", "real property" and "immovable thing". Among these identical terms should

be taken only the concept of "immovable thing" and "real property", due to the fact that "property assets" can include also the property rights (Starodumova, 2015, pp. 52-55). In addition, many varieties of real property are named in legislation, but not explained by the legislator. According to article 130 of the Civil code the real property includes land plots, subsoil plots, buildings, constructions, the parts of buildings and constructions, residential and non-residential premises, construction in progress and other objects firmly connected with land, the movement of which is impossible without disproportionate damage to their purpose. However, the modern technologies allow carrying buildings and constructions, and the list of immovable property includes the objects that do not have a close connection with the land. It is worth noting that the scholars identify the following key features of the property: the physical feature; economic feature; legal feature. Physical feature is the possibility of the real existence of things, for example, land as an object of rights (within the boundaries of the land set square, etc.). The economic feature characterizes the reasonability of the purchase of the objects: if the object has no value, its purchase is impractical. Also the real estate in the system of economic relations shall perform such functions as: means of production, of consumption and of storage (Lipsky, 2014, pp. 103-122). The legal feature is characterized by the object's legal status (registration record in the appropriate register) assigned to him in accordance with law. There is the discussion among scholars about the dependence of his existence from the state registration of the rights to it (Sklovsky, 2008; Rongalo, 2001). Currently, the information about the objects of immovable property are contained in two data arrays: in the Unified state register of rights to immovable property and transactions with it (EGRP), which corresponds the Federal law of 21.07.1997 № 122-FZ "On state registration of rights to immovable property and transactions with it" and loses its legal force from the January 1, 2020, and in the State real estate cadastre (GKN), which is in accordance with the Federal law of the Russian Federation from 24.07.2007 № 221-FZ "On state cadastre of real estate" (effective 1 January 2017 called the "On the cadastral activity"). In accordance with the provisions of the Civil code two characteristics of real estate are specified: fixation of the object in the list of objects considered to be real estate under applicable law; a strong link with the earth, the impossibility of the movement of the object without disproportionate damage to its purpose. The named characteristics are conditional, because, firstly, the property has already existed in its physical state before the registration in accordance with the requirements of the act Federal law from July 13, 2015 No. 218-FZ "On state registration of real estate" (ed. by G. 3.07.2016). Secondly, the concept of "strong tie" with the land is of a subjective nature, since a strong tie with the land is a relative concept. So, O.V., Makarov considers that the category of strong tie, in particular, the characteristic of the disproportionate damage to its purpose to the object in process of its movement, requires the exclusion of (Makarov, 2014, pp. 11 – 12). Certain difficulties also arise in the formulation of definitions for such real estate as land, cars, apartments and others. Currently, the land plot is the immovable thing, which is a part of the earth's surface and has characteristics allowing defining it as individually certain thing. Thus, the legislator points out the characteristics allowing to define it as individually certain thing, which, undoubtedly, includes the physical features of the property, its natural, man-made and legal features. In opinion of A.Y. Kolov, who concretize the natural objects listed in the Civil code, natural features include the soil layer of the earth, tree-shrub and forest vegetation, isolated water bodies (Kolov, 2004, pp. 81 – 82). One can identify those or other natural features by the land category, on which the land plot is situated, according to the Russian Land Code. However, in the definition of land plot in the Russian Land Code there is a phrase about the existing land rights that were established specifically by the Land Code. Taking into consideration the provisions of the civil law and of the concept of development of civil legislation of the Russian Federation main types of property rights to land plots and their regulation are provided by the Russian Civil Code, that obviously limits the application of the notion of the land plot in frames

of the proprietary rights, provided or to be regulated in the Civil code, but not mentioned in the Russian Land code. It should be pointed that land plot is a complex, often composite thing, which has not only natural features, but also man-made, artificially created, depending on the category of land. So the integral (movable) part of the land according to the courts legal positions may include: fields that have a coating (for example, a football field), fencing of the plot, drainage systems, etc. A number of authors also consider the presence of real estate on the land plot to be the man-made features of the land plot also, allowing to classify it as complex (single object) or composite immovable thing. The Federal law from 13.07.2015 No. 218-FZ (as amended on 03.07.2016) "On state registration of real estate" is complemented by the new types of real estate to be recorded: parking space and a single immovable complex. Parking space is explained in paragraph 1 of article 130 of the Civil code, it is part of the buildings or structures, designed to accommodate vehicles, if the borders of such premises, parts of buildings or structures are described in order established by the legislation on the state cadastral account. The Russian Urban Development Code of the Russian Federation makes this notion more concrete, and in the in item 29 of the article 1, describes it as individually-ascertain part of a building or structure which is not restricted or partially restricted by some building construction or by other enclosing structure, and the borders of which are described in the order, provided by the legislation on the state cadastral account, and intended exclusively for vehicle placement. Thus, innovations do not relate to Parking spaces located on the territories outside the buildings, structures, premises. Such objects are not independent, and one won't be able to register its right to the parking space (Poltorak, 2016, pp. 83 – 92). We consider this issue to be the subject of following research. As for the apartments, the legislation does not define such notion. In accordance with the classification of hotels "apartment" is one of the room categories (p. 27 sec. 2 Order, approved by order of the Ministry of culture of Russia from 11.07.2014 No. 1215), in this regard "apartments" can be classified as non-residential premises. The problem of this object is the desire of property developers to build residential premises as the non-residential property. This, on the one hand, leads to failure to comply with the requirements for the design and construction of dwellings, lack of social infrastructure in actual use of the premises as residential, and on the other, increases the cost of the owner for the maintenance of such a facility, does not allow to register the place of stay (except the availability status of the hotel). According to S.V. Savina, it is the existence of many unreasonable restrictions in the design and construction of residential premises along with other reasons, leads, in practice, to the situation when the property developers undercover of apartments build premises without compliance with these restrictions (Savina, 2015, pp. 55-64). Besides court decisions, you can come across the term "residential apartments" (Appellate decision of the Voronezh regional court dated 19.11.2013 No. 33-5878), which leads to the necessity to define in legislation whether the apartments are "residential" or "non-residential" premises. A.L. Shilovskaya tells about the advisability of additions to article 16 of the Housing code of the Russian Federation: "the apartments are not residential premises". Clear legal definition of the apartments as non-residential premises will avoid intentional or inadvertent misleading of many thousands of buyers of the real estate in megalopolis (Shilovskaya, 2015, pp. 36 – 39).

4.3. Property law

The most problematic situation is in the sphere of reforming of real (or property) rights. It should be noted that the changes in land legislation ("The granting of land plots of state or municipal ownership") and the law on registration of rights, cadastral registration is based on "old" customary norms on real rights that is in conflict with the planned course of reform. However, the authors of the Concept of development of civil legislation of the Russian Federation (hereinafter – the Concept) noted the fact that the most important place in it occupied by the provisions concerning the right of property, at the same time the norms regulating other

rights are at the second plan, and it is the main shortcoming of section 2 of the Russian Civil Code (Vitryansky, 2016, pp. 3 – 48). As E.A. Sukhanov correctly marks, in Soviet times, the property law as a scientific research and legislative category was absent; property law was restricted only to the right of ownership, which had been in those days the basis for the very lean and simplified circulation (Sukhanov, 2017, p. 5). The suggestions about the fundamental reforms in sphere of property law, enshrined in the Concept in the draft new wording of section 2 of the Russian Civil code, were adopted by the State Duma on 27 April 2012 in frames of the single bill on the Civil Code amendments. But several years passed and they remain without movement, and in fact without any attention of the legislator (Sukhanov, 2017, pp. 5 – 6). Thus, a situation impeding the reform of real rights in general and the rights on land plots in particular (as the largest part of the limited property rights refers to this particular type of real estate), is artificially created.

4. CONSLUSION

The dynamics of civil turnover determines the need of the civil legislation reforming, but these relations are so extensive, that we were able to reveal within the scope of relations only the most important from the point of view of the authors. This study did not address the issues of the special part of the Russian Civil code, although the General provisions undoubtedly affect all existing obligations in the civil law, especially such as inheritance law, intellectual property, because it requires using other methods and approaches to the study of these legal institutions. The authors also could not paid attention to the principles of civil law, among which the newly introduced principle of good faith of participants in the relationships, revealed through desloratidine right, takes a special place. The consequences of such regulation and the problems arising from the situation when the legislator introduced a series of abstract formulations, will be the subject of further research. Also, the future research will cover the problem of the parking space - whether to expand this status on a parking space outside the buildings. Also the peculiarities of the legal regime of such real estate as unauthorized construction, construction in progress, etc. should be analyzed in future. Special attention will be paid to the reform of real rights in civil law due to the unresolved issue at the present time.

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THE INFLUENCE OF SOCIAL MEDIA ON ONLINE AND OFFLINE POLITICAL PARTICIPATION OF YOUTH

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ABSTRACT

Young people are considered to be most disengaged age segment when it comes to politics and political issues. To increase the level of political participation of young people is a socially desirable goal, especially considering the fact that they are the ones to shape the future of politics. The impact of Internet and new media development mostly effected younger generations and it can be presumed that new media, such as social networks, will continue to have a significant role in their lives. Thus, social networks can be an effective media in strategies that are aiming to increase political participation among young people. The purpose of this research is to determine to what extend do young people use social media for discussing politics and does using social networks for political information influence their online and offline political participation. The survey was conducted using online questionnaire among young people between the ages of 15 to 29. Results have shown that using Facebook for accessing and discussing political information has a positive influence on the intention for both online and offline political participation. The influence is, expectedly stronger in the case of online political participation. Twitter, however, has shown to have a significant influence on online political participation, but not on offline political participation of young people.

Keywords: *offline political participation, online political participation, social media, youth*

1. INTRODUCTION

Social networks can easily be explained as “a group of Internet-based applications built on the ideological and technological foundations of Web 2.0 that allow creating and exchanging user-generated content” (Kaplan and Haenlein, 2010). The presence of social media can't be ignored, and the daily increase in number of users can be seen in a simple example of Facebook. In 2015 there was one billion active daily users, and today Facebook can be proud of averagely 1.32 billion active users every day (data taken for June 2017) (Facebook official site, 2017). 1.23 million people represents one sixth of the total world population and when only one type of social media (in this case Facebook) has so many active daily users, it is easy to conclude that the impact of social networks on people and their everyday lives really exists. Shirky (2011) explains the importance of social media in society by saying that: ‘...social media have become a fact of life for civil society worldwide, involving many actors - regular citizens, activists, nongovernmental organizations, telecommunications firms, software providers, governments’. The influence of social media was the strongest among young generations. Young people have always been interesting to the researchers because their attitudes, values, competences and behaviour can explain wider tendencies of a society. When it comes to politics, young people have always been a problematic social group because their interest in politics is significantly

low. Young people are considered to be most disengaged age segment when it comes to politics and political issues. Political participation is essential for the health of every democratic system and it is necessary to monitor it and to encourage it. To increase the level of youth's political participation is a socially desirable goal, especially considering the fact that they are the ones to shape the future of politics. The purpose of this research is to determine to what extent do young people use social media for discussing politics and does using social networks for political information influence their intention for online and offline political participation.

2. SOCIAL MEDIA AND POLITICS

The research about the relationship between social networks and politics begins with Bimber's 'contributions on the Internet impact in communication and interaction of citizens and politics' (Sandoval-Almazan according to Bimber and Copeland, 2013; Bimber, Stohl, and Flanagin, 2009; Bimber, 1998; Bimber, 1999). In social network analytics framework, Stieglitz and Dang-Xuan (2013) conclude that 'due to the great influence of social networks in general, social media such as SNS, weblogs, microblogging, and wikis play an increasingly important role in shaping political communication around the world.' They also concluded that 'in the last few years social media have become an important political communication channel and it enables political institutions and voters to directly interact with each other. Therefore, political activities might gain more transparency and citizens might be more involved into political decision-making processes.' An example from Moldova - when the Communist Party lost its power in 2009 after massive protests broke out coordinated by text message, Facebook, and Twitter because of obviously fraudulent election (Shirky, 2011) - shows the great power of social media in the context of politics. Impact on politics through social networks can be observed from two sides. On one hand, influence can come from those who compete in the elections (social media in political campaigns, etc.), while on the other hand influence can come from 'ordinary' citizens who are changing politics with their activities on social networks (publishing, commenting, reacting, etc.). Nowadays, when there are many forms of social networks, two networks stand out - Facebook and Twitter. The use of these two platforms, in political sense, has exploded since 2008 Obama's presidential campaign (Sandoval-Almazan, 2017). Furthermore, social networks like Facebook and Twitter are increasingly used as a source of news (Pew research centre, 2015), so the fact that 44 percent of Americans used social networks get information about presidential campaign in 2016 should not be surprising (Pew research centre, 2016). The great presence of Facebook has already been mentioned, but it is surprising that people are spending more time on Facebook than on Google (Ray, 2010). Robertson et al. (2012) tracked and studied Facebook wall posts of two most prominent US Congress candidates. In their research they observed reactions, number of comments and content of comments (or similar) of Facebook posts on candidates' wall. They came to the conclusion that political dialog is always more positive than negative, although the positive comments decrease and negative comments increase through time. Some other researchers did similar research, so Bode (2012) focused on political behaviour and found out that 'intensely engaging with one's Facebook community facilitates behaviours and activities that spur political participation of all kinds.' Furthermore, Conroy et al. (2012) show us that Facebook positively affects political engagement and they explain it with following: 'Facebook allows for the creation of online political groups that provide many of the benefits that we have known face-to-face groups to provide for decades, such as information, motivation for political action, and a forum for discussion and communicative exchanges.' Examining the link between political participation and Facebook, Tang and Lee (2013) found out that exposure to political information on Facebook has a positive effect on political participation. Like Tang and Lee (2013), Theocharis and Lowe (2015) have also confirmed that, under certain conditions, Facebook encourages political participation.

Twitter is social microblogging network established in 2006. Short messages called “tweets” which are limited to 140 characters is what makes Twitter special (Sandoval-Alamaz, 2017). Data from March 2015 show that Twitter had more than 1.3 billion registered users. Moreover, data from July 2017 show that Twitter surprisingly had approximately 157 million daily active users (Smith, 2017). Twitter (especially in America) is widely used social network during political events and research on Twitter is more recent than Facebook (Sandoval-Almaz, 2017). Lassen and Brown (2011) began researching electoral connection using Twitter; in their paper they analyzed the use of Twitter among Congress members in the United States. Authors concluded that, in the House, Republicans are far more likely to use Twitter than Democrats are. Gainous and Wagner (2013) explored in the same direction. Kruikemeier (2014) has researched how political candidates use Twitter, and major conclusion is that Twitter has significant impact on preferential votes. In many studies related to political behaviour, users of Facebook and Twitter were researched together. Hyun and Kim (2015) found out that political conversation via social media contributes to boosting political participation. Further, regarding political participation, Skoric and Zhu (2016) found that expressive uses of egocentric social media, including writing and commenting on blogs, Facebook, or Twitter, were not predictive of offline political participation during the elections.

3. ONLINE AND OFFLINE POLITICAL PARTICIPATION

Political participation is a term relatively often researched in its relation to Internet and social networks. According to Verba, Scholzman, and Brady (1995), political participation refers to activities with the intent or the effect of influencing government actions. The influence can be direct by affecting the making or implementation of public policy or it can be indirect by influencing the selection of people who make those policies. Online participation requires less time and effort and this is why this model of participation is "easier" than offline participation (Vitak et al., 2011). Boulianne (2009) has conducted a research in order to examine whether the Internet use has a positive or negative impact on political participation among the citizens. The author concluded that the effects of Internet use on engagement are positive, but did not establish that these effects are substantial. She predicts future use of the Internet and greater correlation with the studied variables by saying that “if the effect is increasing across time, in the long run Internet use (particularly use of online news), may produce a substantial effect on engagement.” Moreover, the same author points to a positive impact on candidates using social media tools on campaigns (Sandoval-Almazan, 2016 according to Boulianne, 2009). Through social networks youth have shaped a new way to protest. They use these channels to express opinions and fight against political situations by spreading anti-government attitudes (Lee & Chan, 2017). Today, political participation of young people on social networks can be seen as a substitute for the traditional political participation (Ahmad and Sheikh, 2013). Ilištin (2003) explains that political participation of youth in Europe is below the average. In the Scandinavian countries there is a slightly greater participation, and in the Mediterranean countries political participation is the lowest in Europe. Li and Chan (2017) conducted research among students in China and Hong Kong which discovered that online/offline discussion mediated the relationship between information seeking and online/offline political participation. They concluded that information seeking activates the mental elaboration process, by which political discussion leads to increased awareness and turns into online and offline participation. Under "online" participation are primarily considered new social networks in China (such as Facebook, Twitter, WeChat and Weibo). Also, they point out an interesting phenomenon that online discussion negatively predicts political trust among the university students. Political trust in Croatia among youth is mostly associated with the perception of political institutions' activities, more precisely it refers to the very weak institutional openness to the youth and their involvement in policy making (Gvozdanović, 2014).

In the other hand, Bebić (2007) suggests Internet and social networks as an opportunity to restore political trust among the citizens. Although youth may seem apolitical because of low political participation and political trust, results from the research conducted by Ali and Fatima (2016) highlight that young people are not apolitical but increasing the political awareness of youngsters.

4. RESEARCH METHODOLOGY

4.1. Participants and procedure

The research is based on an online survey carried out in 2017 on a convenient sample of 220 young people between the ages of 15 and 29.

The information obtained was analysed using the statistical software package SPSS version 21.0. Statistical techniques of univariate analysis (frequency distribution, central tendency measures) and multivariate analysis (reliability analysis, linear regression) were used. Table 1 shows sample description.

Table 1: Sample description (authors)

		N	%
Gender	Male	60	27.3
	Female	160	72.7
Education	No school	1	0.5
	Primary school	5	2.3
	High school	115	52.3
	Faculty	85	38.6
	Master's degree	12	5.5
	Doctorate	2	0.9
Place of residence	Village	22	10.1
	Town/city	195	89.9
Employment status	Student	176	80
	Unemployment	11	5
	Employment	33	15
Members of household	1	5	2.3
	2	16	7.3
	3	48	21.9
	4	77	35.2
	5	49	22.4
	>5	24	11
Monthly income of all members in household	<400€	12	5.5
	401-800€	44	20
	801-1200€	68	30.9
	1201-1600€	40	18.2
	>1600€	56	25.5
Religion	Catholic	174	79.1
	Atheist	16	7.3
	Agnostic	16	7.3
	Orthodox	3	1.4
	Muslim	4	1.8
	Other	7	3.2

98.6% of the respondents said that they use social networks, and only 1.4% of them said that they do not use social networks. Most of the respondents use Facebook (98.6%) and Instagram (70.45%), then Google+ (21.81%), LinkedIn (16.36%) and least number of them uses Twitter (10.2%).

Even though Twitter was least represented social network among respondents, the aim of the research was to examine the influence of two most popular and most suitable networks for political discussion. It is very unlikely for Instagram and LinkedIn to be considered suitable platforms for political discussion considering the fact that they have specific purposes (Instagram is a photo sharing application and LinkedIn is a business and employment oriented social networking service).

4.2. Variables and measurement

Measurement scales were created by authors or adapted from previous studies in this field. Facebook and Twitter usage for political discussion was adapted from Abdulrauf and Ishak (2017). These constructs measured to what extent ranging from never to very often (Likert-type scale from 1 to 5) participants use Facebook and Twitter for political discussion (post, share, tweet or comment posts about politics and like or follow politicians or political parties). Intention for online and offline political participation was developed by the authors and measured to what extent do participant intend to engage in online political activities (expressing their political attitudes on the Internet, signing online petitions, contacting a politician about an issue using social networks, etc.) and offline political activities (voting, joining a political party, visiting political meetings etc.). Each scale comprised a set of statements presented in Likert-type format with a five-point scale to capture the extent to which respondents agree or disagree with the statements in the questionnaire or how often on the scale from never to very often do they engage in certain activities. All proposed constructs have adequate reliability (Table 2). According to Nunnally (1978) it is considered for Cronbach's alpha to be acceptable above the value of 0.7.

Table 2: Reliability analysis of the constructs (authors)

Measurement scale	Number of items	Mean	Variance	Standard deviation	Cronbach's Alpha	Average inter-item correlation
Facebook usage for political discussion	7	1.827	0.529	0.727	0.811	0.387
Twitter usage for political discussion	8	1.679	0.777	0.882	0.910	0.558
Intention for online political participation	4	2.090	0.848	0.920	0.790	0.507
Intention for offline political participation	10	2.565	0.602	0.776	0.812	0.311

5. RESEARCH RESULTS

The aim of the research was to determine does the usage of social media (specifically Facebook and Twitter) for political discussion influence youth's intention for political participation. In order to obtain more detailed insight, political participation was divided into online and offline political participation. To test this research question, two separate linear regressions was conducted. First, the influence of Facebook and Twitter usage for political discussion was tested on the intention for online political participation.

Table 3: Model summary of the intention for online political participation (authors)

Model	R	r ²	Adjusted r ²	Std. Error of the estimate	Change Statistics				
					R square change	F change	Df1	Df2	Sig. F Change
1	0.871	0.759	0.731	0.53041	0.759	26.823	2	17	0.000

a. Predictors: (Constant), Facebook, Twitter

b. Dependent Variable: Intention for online political participation

Table 3 depicts the model summary of the intention for online political participation. The proportion of explained variance as measured by R-Squared for the regression is 75.9%

Table 4: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.092	2	7.546	26.823	0.000
Residual	4.783	17	0.281		
Total	19.875	19			

a Dependent Variable: Intention for online political participation

b Predictors: (Constant), Facebook, Twitter

Source: Authors' work

ANOVA results in Table 4 show that the model reaches statistical significance (Sig =0.000).

Table 5: Regression coefficients of intention for online political participation (authors)

Model		Unstandardized coefficients		Standardized coefficients	t	Significance
		B	Std. Error	Beta		
1	(Constant)	-0.036	0.335		-0.106	0.917
	Facebook	0.837	0.185	0.641	4.526	0.000
	Twitter	0.384	0.161	0.337	2.382	0.029

The results of linear regression analysis (Table 5) show that both Facebook and Twitter usage for political discussion positively influence youth's intention for online political participation. Using Facebook for political discussion was found to have larger significant positive influence on intention ($t=4.526$; $p=0.000$; $\beta=0.641$) than using Twitter ($t=2.382$; $p=0.029$; $\beta=0.337$).

Further analysis included testing the influence of Facebook and Twitter usage for political discussion on the intention to participate in offline political activities. Table 6 depicts model summary of the intention for offline political participation. The proportion of explained variance is 53% which is significantly lower than the one in case of online participation.

Table 6: Model summary of the intention for offline political participation (authors)

Model	R	r ²	Adjusted r ²	Std. Error of the estimate	Change Statistics				
					R square change	F change	Df1	Df2	Sig. F Change
2	0.728	0.530	0.475	0.57288	0.530	9.587	2	17	0.002

a. Predictors: (Constant), Facebook, Twitter

b. Dependent Variable: Intention for offline political participation

Table 7: ANOVA (authors)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.293	2	3.146	9.587	0.002
Residual	5.579	17	0.328		
Total	11.872	19			

a Dependent Variable: Intention for offline political participation

b Predictors: (Constant), Facebook, Twitter

ANOVA results in Table 7 show that the model reaches statistical significance (Sig =0.002).

Table 8: Regression coefficients of the intention for offline political participation (authors)

Model		Unstandardized coefficients		Standardized coefficients	t	Significance
		B	Std. Error	Beta		
2	(Constant)	1.300	0.362		3.597	0.002
	Facebook	0.570	0.200	0.565	2.854	0.011
	Twitter	0.216	0.174	0.246	1.242	0.231

Table 8 depicts regression coefficients of the intention for offline political participation. Results show that using Facebook for political discussion has statistically significant positive influence on the intention for offline political participation ($t=2.854$; $p=0.011$; $\beta=0.565$), but Twitter in this case has shown not to have statistically significant influence on the intention for offline political participation ($t=1.242$; $p=0.231$; $\beta=0.246$).

6. CONSLUSION

The aim of the research was to establish whether using social networks for political discussion increases the intention for online and offline political participation of the youth. Young people are under a great influence of social networks and the results of this research confirmed the growing importance of social networks when it comes to politics. The more active young people are on Facebook and Twitter in political discussions, the greater is their intention to participate in online political activities. This shows great potential for using political marketing strategies focused on encouraging young people to be more involved in politics. Facebook is most commonly used social network and thus it has the greatest influence on young people's online political behaviour. But, this is not the case only for online political activities, but the offline too. Using Facebook for political discussion (posting, sharing and commenting about politics and liking pages of political parties or politicians) influences young people's intention for offline political participation (voting, joining a political party, attending political meetings etc.). Twitter, however, in the case of the intention for offline political participation did not show significant influence. The results of this research could be helpful for politicians and political parties in forming their political and marketing strategies. Social networks, especially Facebook, can be very useful tool to reach young people and get them to be more involved in politics. It is necessary to encourage young people to be more active on social networks in political context and to develop their political interest because the future of politics and thus the entire country lies in their hands. As every research, this one is also not without limitations. First limitation is related to the sample. The sample is convenient and was limited to a smaller geographic area.

Another limitation related to the sample is the fact that 72.2% of the respondents are women. Regarding the usage of social networks, Twitter is not that widely used in Croatia as it is in some other countries so its effects cannot be generalized. Further research in this area should focus on exploring other influential factors on online and offline political participation. Also, it would be interesting to explore if there are any differences regarding political activities among men and women or differences between some other sociodemographic factors (income, education, place of residence, etc.) Exploring and understanding the influence of certain factors on political participation of young people can help developing strategies aimed to increase their level of political participation and thus the democratic development of the entire country.

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GLOBALIZATION, GLOBAL TRANSITION OF DIETARY PATTERNS AND OBESITY PANDEMIC

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ABSTRACT

Globalization is the term that describes the link between markets and countries around the world, ie globalization is the expansion of the market beyond national boundaries. However, national borders lose their importance not only in relation to economic processes, but also in ideas, cultures and values. Since its beginnings up to date, globalization has been led by the most developed Western countries. As one of the most powerful trends after the year 1945, most countries in the world became involved in globalization. Expecting the benefit of their own development, the economically weaker countries mimic the model of development of the successful countries, while abandoning some segments of their traditional lifestyle and cultural values. This also includes copying of the nutritional and dietary habits from the Western countries. The consequence is global uniformity of the lifestyle and diet structure, based on the westernized pattern. Unfortunately, sedentary lifestyle, excess intake of calories, consumption of nutritionally low quality food, the neglect of physical activity etc. lead to obesity pandemic and its numerous health consequences. What was once a problem of developed countries, now affects all regions of the world regardless of their level of development. Today, around 2 billion people worldwide have excessive weight, of which 670 million are obese. Obesity is a clinical, public health and socio-economic disease whose pandemic proportions, consequences and continually rising trend are threatening the stability and the development of the contemporary world. Along with obesity's characteristics from the aspect of a disease, the paper describes the risk factors with special emphasis on those linked to globalization, transition in the structure of diet, and proposes measures for control for obesity's immense negative impact on every aspect of human life and development.

Keywords: *globalization, obesity pandemic, transition in diet structure and lifestyle*

1. INTRODUCTION

The paper discusses the effects of globalization on global changes in dietary habits and its structure that increase the risk of obesity, and related diseases. Obesity is a chronic disease that has devastating effect on health of hundreds of millions of people around the world, their quality of life and life expectancy. This has become a major social problem because of the constant rise in health expenditure for its prevention, treatment and control. Additionally, its consequences slows economic development and threaten social safety. The analysis included a political economy analysis, descriptive and statistical analysis, historical and predictive methods, comparative analysis and systematic review. The aim is to describe the complexity between multidimensional globalization processes, change of dietary habits and its structure and correlate them to obesity pandemic. Also, the paper reaffirms some neglected questions related with the dominating neoliberal capitalism, such as relation between production and new information-communication technology, restructuring of the production, work and distribution, as well as free time and diet of the population. The second part of the paper globalization is defined in all its dimensions, the main drivers are determined as well as goals of the globalization processes, achieved positive results are underlined but also developmental risks related with the globalization. Among globalization challenges, uniformed patterns in material production and consumption, politics and cultures are especially emphasized.

In the context of neutralization of diversity, uniformed work and life are highlighted, including dietary changes and uniforms. The third part of the paper defines obesity as a disease and public health and financially-economic damages caused by its pandemic proportions. After a short review and systematization of obesity's risk factors, the focus is put on political, economic, demographic, social and technological changes that during 1970s and 1980s in the United States and other western developed countries led to transition in dietary habits and its structure. These changes caused many nutritional disorders, consequently causing obesity's prevalence to increase to staggering proportions. The effect of technologic progress along with the social changes increased the pressure towards change in lifestyle and dietary habits. Multidimensional globalization a large part of the cause, structure and consequences of food change implemented in Western countries spread to the rest of the world. Concluding remarks synthesize the most important research findings and confirm that the globalization should be listed as one of the socio-economic risk factors for obesity. However, the effects of globalization around the globe should be distinct. Finally, negative contribution of globalization on obesity pandemic can be diminished through active policies to control diet of a population as one of the basic human needs.

2. GLOBALIZATION – DEFINITIONS, SOURCES, DIMENSIONS, AIMS, EFFECTS AND RISKS

Globalization is the term that describes the link between market, countries and regions around the world. In other words economic globalization, most commonly thought off when using the term »globalization« is market expansion beyond national and regional borders. Besides economic, globalization has other dimensions. It is also a set of processes that include political, social, cultural, technologic and communication linkage and integration of the world. This means that national borders and distance lose their significance not only in terms of economic processes but other conceptual, political and cultural processes. The totality of multidimensional globalization processes focuses different societies towards common networking and integration, with the world gradually establishing itself as a unique social entity. Globalization develops world's market, unifying the patterns of production and consumption, but also creating global society with uniformed politics and culture. Basic initiating drivers of globalization wave started after the World War II are fall in transportation and communication expenses, and national and international politics that liberalized conditions of trading, investment and people transition. After-war globalization was thought by the most developed countries of the west, led by the United States (US), and the same countries are still leading the globalization. Since the middle of 20th century, globalization refers to recovery from the sudden stop in the process which started between the World War I and II. The recovery was stable but slow. For example, the ratio between global import and export of goods and global GDP only in 1970 reached the one from 1913. Trading expansion in comparison to global GDP started to rise significantly only after 1990, and since then world's export has tripled and significantly overcome GDP's growth. The greatest stimulus to expansion came from fast industrialization in Asia, liberalization of trading conditions and trading expansion on the relation »South-South«. After the temporary fall due to the Great recession, till 2015 share of export of goods and services (especially data) in the global GDP increased, and now is approximately one third of world's product, with predictions to long maintain this position (Megapromjena, 2015, p. 190). Together with the global trade exchange, foreign direct investment (FDI) is the second well-known indicator of the level of global integration, i.e. progress of economic globalization. However, FDI in the total fixed investments is still below 10%. Low FDI, along with many other globalization indicators, forced professor Pankaj Ghemawata, from business school IESE in Barcelona in his book World 3.0 to speculate that in the best case we live in the time of »semiglobalization« (Megapromjena, 2015, pp. 188-189).

Collapse of dotcom balloon at the end of 1990s, terroristic attacks in the US in 2001 and financial crisis in 2008 further slowed down »semiglobalization«. Therefore, for example during 2009 significant drop in world trading occurred, with drop in world's export by 22%, the most striking fall since the World War II. Unlike 1990s optimism and claims that globalization is irreversible, mentioned deviations led to the fact that claims of inevitable globalization are said with more couscous. Despite distortions due to increased number of protective measures and trading restrictions as a consequence of the Great recession, global trading in 2010 started to recover. Even though the influence of economic globalization varies between countries and regions, its positive impacts probably contributed to recovery of economic activities, improved quality of life and prolonged life expectancy for the majority of world's population (O svladavanju, 2017, pp. 7-8). Still, globalization received many critics even before the start of the Great recession. Globalization is considered as a mean used by developed countries to expand their market, which enables economic growth of less developed countries. Also, it is thought to contribute to inequalities within societies and between regions of the world, environmental degradation and deterioration, the weakening of national sovereignty and democracy, as well as increased exploitation of workers (Megapromjena, 2015, p. 189). Recently, even the most developed western countries have reasons to fear of the effects economic globalization, from the fact that their companies are taken over by foreign rivals, higher competitiveness on the labor market or multiplied effects of financial-economic crisis (O svladavanju, 2017, pp. 8-9). Part of the criticism, especially emphasized among wide circle of citizens is related to globalization as a threat to their identity and tradition, i.e. their way of life. The essence of this objection is focused on the fact that globalization through uniformed patterns of production and consumption develops world's market but at the same time develops global culture hostile oriented towards cultural and life diversity. The emerging global culture often is nothing more than expansion and adoption of patterns of the »American way of life«, i.e. »westernization of life« of all people in the world. Listed economic, social, cultural and other challenges related to globalization consequently can lead to change in dietary habits and dietary patterns. Transition towards worsened dietary habits is underlying cause for various health related problems. Even though globalization is only one of the risk factors for increased prevalence of obesity, type 2 diabetes, malignancies and many other non-communicable diseases, consequences in terms of personal health costs and social costs (public health, financial, and economic) ask for more thorough examination on the dynamic and influence globalization has. Net positive effects of globalization should remain undiminished.

3. DEVASTATING EFFECTS AND GLOBAL PREVALENCE OF OBESITY

On the basis of Body Mass Index (BMI) which represents the ration between body weight (in kilos) and square of the body height (in centimeters), all adults are according to the World Health Organization (WHO) classified into one of the following categories: underweight (BMI < 18.5 kg/m²), normal weight (BMI 18.5 to 24.9 kg/m²), overweight (BMI 25.0 to 29.9 kg/m²) or obese (BMI ≥ 30.0 kg/m²). In comparison to year 1980 when globally 921 million of adults was overweight or obese in 2013 the number has increased to 2.1 billion or almost 30% of all adults in the world (Dobbs, 2014, p. 1). Among them, about 670 million are obese (IHME, 2017). Obesity has overcome the number of chronically undernourished, and those overweight is 2.5 times more than the number of people who constantly do not have enough food. Global weight gain, so called *globesity* is visible from the data on the average weight gain between years 1975 and 2014. Every decade the average weight gain per person was 1.5 kg. Within the trend, the United States, United Kingdom, Australia, Ireland and Canada have one of the highest rates of BMI increase. More importantly, in these countries live more than quarter of the total number of extremely or pathologically obese people in the world (NHS, 2016).

Obesity is a clinical, public health and economically dangerous disease whose prevalence globally more than doubled from 1980 till today. Even though obesity is a non-communicable disease, its incidence and prevalence follow the pattern of infectious diseases. Overweight and obesity are conditions of excessive storage of body fat, as a consequence of energy disbalans, i.e. when intake from foods exceed body's needs. WHO considers obesity as an endocrine, nutritional, metabolic and chronic disease. The problem is still underestimated, and even those with the condition do not consider it as a disease. This is most likely because obesity's problems accumulate so its consequences become visible only after several years (Musić Milanović, 2017, p. 168). Overweight and obesity have devastating effects on the body and simultaneously represent the leading risk for a number of other acute and chronic diseases. Overweight and obese individuals are more prone to diabetes type 2, heart diseases, hypertension, several malignancies, lung diseases, arthritis, asthma, mental diseases and others. The risk increases with the severity of obesity and is the highest when BMI is over 40.0 kg/m^2 (extreme obesity) when between 60 and 80% of these individuals suffer from type 2 diabetes, hyperlipidemia (increased blood cholesterol), hypertension or other related complications. Almost every fourth malignancy and every third death due to malignancy is a consequence of inadequate nutrition, physical inactivity or increased body weight. Obese individuals also suffer from major psychological and socio-economic complications and conditions. They are more likely to be exposed to social stigmatization and discrimination, which can lead to disturbances in emotional functioning, loss of self-esteem, depression, anxiety and stress. Additionally, this condition can negatively affect their work and life in general, i.e. quality of life. High comorbidity and low socio-economic status negatively affect life expectancy which is about 4% lower from non-obese individuals. It is estimated that obesity is responsible for 4 million of preterm deaths per year (7.1% of all death causes) (WHO, 2017), and for about 300.000 deaths in the US (NHS, 2017). Obesity pandemic is the top public health issue concerning health expenditures for treatment and control of obesity and related conditions represents significant financial burden to national budgets, and simultaneously slows economic growth. Estimates of health expenditures related to obesity and comorbidities in the US are somewhere between 1147 and 210 billion USD per year, or 5 to 10% of the total health expenditures. In comparison to a person with normal BMI, health expenditures are 42% higher for an obese individual with the same health conditions (Frankel, 2012). Similarly, in Australia in 2011-2012 minimum of 8.6 billion of dollars was spent to treat obesity and its comorbidities. Developed countries spend anywhere between 2 and 7% of the total health expenditures, and with expenditures for its comorbidities the amount rises to striking 20% (Dobbs, 2014, p. 1). Crude estimates of global health expenditures due to overweight and obesity related diseases are around 2 billion USD or 2.8% of world's GDP. Still, the biggest concern is increasing incidence in children and adolescents, because obesity in this age increases the risk of obesity later in life and causes numerous lifelong consequences. Some of the consequences of obesity in childhood and adolescence include type 2 diabetes, metabolic syndrome, hyperlipidemia, respiratory distress, orthopedic problems, preterm menarche, malignancies, psychosocial and social disturbances (Toromanović, 2017, p. 181). As already mentioned, obesity is not any more a disease restricted to well developed countries. More than 157 million obese people live in middle and low income countries. Even though obesity has no gender, age, socioeconomic, racial, ethnic and other groups of people, the highest prevalence is continuously reported among people of low socio-economic status, lower education, racial and ethnic minorities. Children are the most affected. Globally, around 42 million of children under the age of 5 years are either underweight or obese. This number had risen from 32 to roughly 42 million between 1990 and 2013 (Toromanović, 2017, p. 181). Again, the majority of these children live in less developed countries, and almost half in Asia. High prevalence of obese children are also reported in North Africa and Middle East. In Africa, the number of overweight/obese children

doubled during the same period, from 5.4 to 10.6 million (Musić Milanović, 2017, pp. 166-167). In developing countries, the trend is more than 30% higher than in well developed countries. The main reason for that is considered inadequate nutrition from the earliest age of child's development. In the US more than 30% of children and adolescents are either overweight or obese, in Australia 25% and in Europe around 20%. Since the 1980s overweight and obesity more than doubled in American children ages 6 to 11, and almost quadrupled between the ages 12 to 19. Among total of 12.5 million of overweight/obese children and adolescents in the US almost 60% of them are exposed to at least one risk factor related to heart disease. Prediabetes and type 2 diabetes, condition previously restricted to adults, now have one quarter of adolescents in the US (Sweet Act, 2015). Analyzing the prevalence of obesity across world's regions, Middle East, Northern Africa, Middle America and Pacific islands are in the spotlight. In 2013 prevalence in these countries already reached 44%, and among adults' rates in the majority of these countries are well above 50% (IHME, 2017). In North America region the rate of overweight/obesity in adults is 26.8%, European region 23,0%, Africa 10,4%, and South-Eastern Asia around 5% (Musić Milanović, 2017, p. 166). In Australia, more than 60% of adults are overweight or obese, and obesity as a risk factor for non-communicable diseases and preterm non-violent death is a bigger threat than smoking (NHMRC, 2015). From the aspect of distribution through separate countries, more than 50% of the global overweight/obese people live in 10 countries: The US, China, India, Russia, Brazil, Mexico, Egypt, Germany, Pakistan and Indonesia (IHME, 2017). Interestingly, even though countries (e.g. China) that are not related to obesity in the near future can also expect increase of the trend (Miljković, 2015, p. 1278). With China and India that currently contribute 15% to the total number of obese people globally (NHS, 2016), the US have the highest world population of obese (13% of the global population). According to the *Centers for Disease Control and Prevention* in 2012 more than one third or 34.9% of adults and 17% of children and youth, aged 2 to 19 years were overweight/obese.

The trend had continuously risen to 38%. More than 5% of males and almost 10% of women fall into the group of pathologically obese (Fox, 2016). The worst situation is among non-white population. In 2012 almost half (47.8%) of adult African Americans were obese, and among Hispano-Americans 42.5%. The risk of being overweight/obese is 2 times higher among Afro-American women than Caucasian women, while one quarter of Hispano-American women are overweight/obese (Drewnowski, 2004, p. 154). Estimates say that by 2030 between 42 and 44% of adult Americans could be overweight/obese. Unlike other chronic non-communicable diseases with constant drop in the prevalence (e.g. heart diseases), overweight and obesity trend is constantly rising. If current trend continues, by 2025 one fifth of adults could be facing overweight/obesity, while developed countries and countries of the Caribbean and Latin America would be affected the most. If the trend continues among children, prevalence among young would increase to 70 million by 2015 (Toromanović, 2017, p. 181). In all world's countries the problem of overweight/obesity escalates much faster among children and adolescents than the adults. Finally, the majority of the world population lives in countries and regions in which obesity shortens life expectancy, more than the effect of underweight. Current trends suggest that obesity will continue to have pandemic proportions, but some countries did manage to slow the trend since year 2000. The slowing is most visible in well developed countries, probably as a result of stronger public health measures towards prevention and treatment. Still, chances of achieving global goal to stop obesity's positive trend, according to many epidemiologist is close to zero (NHS, 2016).

4. GLOBALIZATION AND OTHER RISKS RESPONSIBLE FOR RISING TREND OF OVERWEIGHT AND OBESITY PREVALENCE

The data on overweight and obesity prevalence strongly support core changes in diet due to globalization. Epidemiologists classify globalization as one of the socio-economic risk factors. The effects of this group of risk factors is closely related to behavioral risk factors, and to a certain extent to other risk factors as well. The basic explanation of the global transition in dietary habits and structure suggest it's a consequence of several centuries long strengthening of the global economy and the growth of the material wealth of the world, especially advanced efficacy of agricultural-food sector and internal and international trade exchange. Partly, it's the consequence of the positive effects of economic globalization. Economic development and trade increase food supply, ensure its continuity and expand food selection. The described trends have led to a global increase in caloric intake through food. Between 1960 and 1990 caloric intake globally increased by 450 kcal, and even 600 kcal in developing countries (Musić Milanović, 2017, p. 164). According to FAO, the average daily caloric intake was 2.780 kcal globally in 2010, while people in the developed countries had an average energy intake of 3.420 kcal and in the developing countries 2.630 kcal. In the US average daily caloric intake between 1971 and 2000 increased by 530 kcal or 24.5%. Americans in 2000 consumed on average 3.800 kcal per day, ie 800 kcal more than in 1957-1958 (MMWR, 2004). The Americans are followed by Austria (3.760), Italy (3.660), Israel (3.540), Ireland (3.530), United Kingdom (3.440), Czech Republic (3.320), New Zealand (3.150), Argentina (3.000) etc. (Peppers, 2014). If we compare these data with the recommended intake for males (2.500 kcal) and females (2.000 kcal) the excessive energy intake is obvious. For the last 40 years, the global increase in caloric intake has contributed significantly to the increasingly aggressive and successful consumerism, especially "dietary consumerism". This new kind of ethics is for the vast number of people in earlier times of scarcity being unknown, morally repulsive or even banned (Harari, 2015, p. 385-386). Strengthening "dietary consumerism" in its own way contribute marketing, branding and advertising. For example, a typical American child or adolescent on TV daily sees between three and five fast food commercials, and the US fast food industry in 2010 spent about \$ 10 billion for advertising its food and beverages to children and adolescents. Regardless of the actual caloric needs, personal income growth, consumeristic ethics and food advertising encourage people to increase caloric intake through diet. Still, in the US the increase in caloric intake during nearly 20-year period, from the early 1960s to the late 1970s, did not result in an increase in prevalence of obesity. Obesity prevalence remained relatively stable, around 15% (MMWR, 2004). The reasons that led to change in the prevalence during late 1970s are marked by ideological-political, economic and social changes through which the US have gone through since the beginning of that decade (Kalanj, 2001, pp. 203-207). In the context of a deep economic crisis (stagflation), these changes triggered a profound restructuring of the US economy and society, but also the lifestyle, dietary habits and its structure. Economic, social and food transition are the key factors in the development of numerous nutritional disorders. In the mosaic of structural changes that have changed the American economy and society, the emphasis is on the neglect of the welfare state and social democracy, the reduction of social solidarity, the abolition of workers' rights and the disappearance of public investment. At the same time, the ruling political-economic class is successful in imposing the domination of profit and the development of state policy in accordance with their own profitable interests. In order to ensure the implementation of the set goals, they used a revenue policy that, in spite of economic growth in the next decades, has resulted in stagnation of real income of middle and low income households (Stiglitz, 2012, p. 296). In the circumstances of rising living costs and the disappearance of the welfare society, great social inequalities and millions of poor people were created.

All these changes and repercussions have been repeated in the 1980s and subsequent decades in the countries that have taken over and followed the neoliberal economic policy model. As a response to years of stagnation in the income for working males, the US labor market is becoming more opened to women that want to help with living costs. At the beginning of this process in 1975, only about one third of American mothers with young children worked on paid jobs, but in 1998, two-thirds of them worked. Sociologists C. L. Macdonald and C. Sirianni believe that entry of women into the labor market has strongly increased the demand for various types of services traditionally performed by women, such as cooking, cleaning and childcare. The fast-food industry, by the late 1970s, was already well-developed, this economic-demographic change prompted to extend its offer of cheaper meals that were no longer prepared at home and opened low-paid jobs for millions of young women who need additional income (Schlosser, 1998, p. 2-3). The development of this industry is favored by the fact that the US workers remain on the job 10 to 30% more than those in Europe (Chang, 2014, p. 113), meaning that large percentage of the workforce is forced to rely on fast food restaurants, sandwich bars and bakeries. The change in dining out practice is a clear evidence of the change in dietary habits and its structure. Diet of children, adolescents and adults became more irregular, high in calories and nutritionally of less quality. Now as well as then, the adoption of bad dietary habits is under the influence of poorly informed and low nutritionally educated people. To understand the transition that affected diet, the most indicative is exactly the expansion of the American fast food industry. This industry includes restaurants and shops of burgers, pizzas, Mexican food, donuts, etc., but also sweetened beverages. Every day, approximately 50 million Americans eat at McDonald's restaurants, and additional about 65 million people worldwide. Every second McDonald's sells 75 burgers, and about 44% of Americans eats at least one hamburger a week. Approximately 34 % of children and adolescents aged 2 to 19 regularly consume fast food. The average American yearly spends about \$ 1,200 on fast foods (NHO, 2016), and only 4% never eats fast foods (Lake, 2015). The number of registered fast food restaurants in the US is 152.000 (that employ 3.7 million people), and globally additionally around 826.000 (with almost 13 million of employees) (Lake, 2015). Revenues of the US fast food industry grew by around 20% between 2001 and 2012 (Schlosser, 2012), and today are around \$208 billion. The annual revenue of all fast food restaurants in the world today amounts to about \$ 550 billion. In the 1970s, Americans spent about \$ 6 billion on fast foods, in 1997, more than \$ 100 billion, and in 2011 spending rose to about \$ 168 billion. It is probably not a coincidence that this amount is very similar to the total health expenditures for the treatment of obesity and comorbidities (Schlosser, 2012). For example, studies have proven that women who eat fast foods two or more times a week have 40 to 70% higher risk for type 2 diabetes. Also, the risk of heart attack rises by 20% for people eating fast foods once a week, and almost by 80% for those eating fast foods four or more times a week (Lake, 2015). Culture, values, industrial arrangements and prices of the American food industry as a symbol of Western economic development are increasingly being imported by countries in the rest of the world. Thus, the fear of "*mcdonaldization* of the US" becomes a fear of "*mcdonaldization* of the world". Much is said by the fact that today about 70% of McDonald's revenue comes outside the US. Low unit prices of calorie foods are a consequence of the manufacturing and technological progress of the agro-food industry, but also of the misguided US agricultural policy. Namely, this policy, through its generous incentives for the already efficient and export-oriented agriculture, promotes further growth, but without any obligation to care about the variety and quality of the product or its impact on the quality of nutrition. Through the control of several transnational food corporations associated with a small group of large retail chains, American agribusiness dominates the global food market. Targeting the production of cheap, homogenous and health-damaging foods does not mean that they do not realize significant business profits.

In the US, profit on processed wheat, corn, potato and soybean are several thousand percent, much more than on low-fat meat, fish, eggs and vegetables. The poorer who have a reduced and unequal access to quality nutrition are turning to the consumption of less-quality food, remaining within the scope of their disposable income. True, the full price of such a diet is paid in diet-related health problems that turn out to be extremely expensive in the long run. Parallel with the socio-economic changes numerous technological (in IC and transportation technology) and political changes since the mid-1970s occurred. Especially important was integration of China, India and some other growing economies into the international economy. These changes will strengthen the global connection through the global network of production, trade, investment and communication. IC technology, later the Internet, not only enabled networking and communication but also transforms all aspects of everyday life: work, leisure and entertainment (Meštrović, 2006, p. 12). TV viewing, working and computer entertainment, use of cell phones, use of personal vehicles, on-line shopping and food delivery, etc. contribute to the development of *sedentary lifestyle* (Drewnowski, 2013, p. 838s). Although daily physical activity would help overcome excessive caloric intake, it's not easy for young or old to start moving. After work, people are more likely to rest watching television and consuming caloric food than be physically active, and those with higher living standard often dine in restaurants. Sedentary lifestyle is one of the most influential behavioral risk factor for obesity (Musić Milanović, 2017., p. 164). Globalization is one of the most powerful contemporary trends, designed and implemented on the basis of ideas, goals and interests of the most developed Western countries. The majority of other countries took active participation in it, through international trade and global division of labor, global financial flows and cross-border investments, and in work of WTO, WB and IMF. Expecting the benefit for their own economic development, the majority of developing countries mimic the economic and social model of the developed Western countries. However, during "convergence", or "dependent development", they renounce smaller or larger segments of their own economy and rely on foreign investment. They therefore cease to be "national" and are structurally and functionally subordinated to the logic of the world market. Production of the final product is disintegrated to a greater number of distant countries, meaning that "the producer and the buyer become culturally and geographically arbitrarily distant and the production and consumption of food lose their national and regional connections" (Matutinović, 2000, pp. 1201-1202). The most important consequence of the disintegration of the national economy is "increased dependence on international trade in the functioning of all economic sectors, to meet the primary needs of the population" (Mo, 1996, referenced by Matutinović, 2000, pp. 1201-1202), among which the need for food is the most important. Only a few economies and societies manage to escape the logic, such as China and some other Asian countries, who quite firmly hold the "national" direction of development, wisely acquiring knowledge, technology and capital from multinational corporations and monetary funds. Economic globalization, therefore, expands the internal and international markets for agricultural and food products, which has its own good sides: increased offer and food supply, continuity of supply and expansion of food assortment (Oberlander, 2017, p. 2). Thanks to the expansion of free trade, consumers have more choices of low-priced food, which raises purchasing power and the standard of people with lower socio-economic status and revenues. The bad side is simultaneous growth in the availability of foods of questionable nutritional quality, dominated by few but globally dominant American-European agro-food corporations, retail chains and fast food restaurants. If economic globalization contributes to economic development, every increase in revenue increases every form of consumption, including foods. The increased availability of imported and cheap processed foods with high levels of sugars and fats is confirmed to increase the risk of obesity in middle and low income countries.

Building a global market for global food products that are marketed without significant or minimal change in key features, such as Coca Cola, have taken on a large agro-food and trading corporations. In order to be profitable, such products need to be accompanied with a global culture where production and consumption will be homogenized and uniformed. The imperative of engaging in globalization flows compels the poor and middle-developed countries to dismiss traditional lifestyle and specific cultural values. Some foods disappear from the diet once distinct for, traditional dietary habits and local-specific structure of diet is adapted to a more westernized pattern. For some, a uniformed system of mass production and consumption of food is a source of profit, and for others, the underlying cause of obesity. Due to strong economic upturn in China, India and several other developing countries, a mass of hundreds of millions of low-paid workers was created, who are the most prone to the westernization of their diet. Cultural globalization and the new global culture include global uniformity of dietary habits, but in the direction of the *Westernization* and *McDonaldization* (Barber, 1996, referenced by Šporer, 2001, p. 20).

The progress of information and communications (computers, satellites, cell phones, internet), and transportation technologies in the last 40 years represents the foundation of globalization. In years when economic globalization is slowing, this technology acts as an independent factor that accelerates globalization. This enables fast exchange of information that integrates the world faster, but has also created a new manufacturing sector and improved all other sectors. Technological progress and globalization are constantly complementing and accelerating. However, technology causes transition towards sedentary lifestyle. People are spending more time in front of the screen (TV or computer), both at work and at home, accompanied with seating during transportation (public transportation or personal vehicles). Once characteristic of Western lifestyle now became reality in many parts of the world. Internet is the central hub through which information, trade, capital and money are passed, but also »tendencies towards cultural unification« (Šporer, 2001, p. 11). Sedentary lifestyle combined with lack of daily physical activity, consumption of high-calorie food, snacks and sweetened beverages consequently creates the basis for the development of various nutritional disorders, including obesity and its comorbidities. In the realization of the concept of the global market and culture, ie uniformed way of production and lifestyle, significant contributions come from extremely globalized entertainment and advertising industries.

5. CONSLUSION

Obesity is a very dangerous disease with many adverse health effects. Its pandemic proportions and predicted trends represent danger to public health, financial stability, development and safety of the contemporary world. Even though in reality, numerous interrelated risk factors affect the trend, this paper focused on the multidimensional effects of globalization. However, globalization is considered as one of the socio-economic risk factors which is, along with behavioral risks extremely important in the context of obesity pandemic. Despite being confirmed in a number of studies as a risk factor for obesity, the level of its effect varies significantly. Also, there is no consensus on the level and magnitude that certain dimensions of the globalization have on the rising trend of obesity. The change in dietary habits and its structure that occurred in the US and other well developed countries are being transferred to middle and low-income countries. Transition worsened dietary habits, abandonment of the traditional dietary patterns has led to the problem we are facing, the immense impact of obesity on every aspect of the contemporary life we know. The broadest framework for understanding the transition of the diet of people from western countries is neoliberal political, economic and social restructuring that started at the second half of the 1970s and during 1980s.

Along with dietary consumerism and marketing that accompanied it, costs and technological changes in the food production and supply, women's access to the labor market and sedentary lifestyle as a consequence of technological progress and individualization of life, structural political, economic and social changes have all acted as triggers in unfavorable dietary changes and consequently caused obesity pandemic. Unlimited orientation to profit, social deprivation and the reduction of public policies resulted in an increase in the number of members of vulnerable social groups. While economic growth should raise everyone's living standard and strengthen purchasing power, people and households who are excluded from the progress are forced to adapt their day-to-day living strategy on cheap and nutritionally low-quality food. Poor and low-income households cannot afford sufficient quantities of nutritiously high-quality and expensive foods such as fruits, vegetables, non-fat meat, dairy products, etc., and are not in a position to develop healthy dietary habits that prevent not only obesity but all diet-related health issues. But in terms of the interests of capital valorisation of production results does not depend on their usable value but from estimate of expected profits. Guided by the same concept and policy of unobstructed neoliberalism, globalization in most of the non-Western countries triggers numerous economic, social and cultural changes that lead to a sharp reduction in the number of people living in poverty and malnutrition. At the same time, with the rise in living standards, globalization promotes the emergence of diverse personal and social challenges, problems and harms, including health and socially dangerous dietary changes. In the developing countries, structural changes in diet and lifestyle affect all social groups, often more powerfully than in developed societies. And within the framework of these countries, the world economy, society and culture successfully promote principles of planetary unity of the world and uniform patterns of production and consumption, labor and leisure, information and communication to Western principles and ideals. Their "values" are poorly questioned, often even glorified, while building a global identity today most often means that everyone in the world, for example, must eat like Westerners and look like them. When these structural, ideological, economic, social and cultural changes result in rising trends of obesity, they cease to be a public health problem of only developed societies and become a global problem.

Besides positive effects, globalization's negative effects should be corrected to preserve net positive effects and protect vulnerable population groups. Improvements can be achieved through a variety of public policy interventions, eg in the agri-food policy (subsidies for production and consumption of nutritionally high-quality food, taxation of low-quality food), foreign trade policy (control of imported food of questionable quality), income policy (raise minimum wage), social policies (increase financial assistance), investment policies (food and nutrition restrictions, eg in fast food restaurants), public health policies (larger financial support to prevention programs) and educational, demographic, cultural, media, etc. In times of renewed globalization, national prevention strategies aimed at obesity may prove to be ineffective, and a global public policy will have to be shaped in which the supranational institutions and organizations could have a very important role. Global civil organizations that fight *food colonialism* and food being treated as any other commodity can also make a significant contribution in fight against obesity. Without jeopardizing economic freedom, it seems necessary to eg. impose behavioral rules for the global food and trading corporations and globally regulate the world's dietary standards, especially for children and the most vulnerable groups. Regardless of the level of intervention, all programs and institutions should be based on the premise that nutritionally high quality foods and balanced diet is a prerequisite for healthy life in long terms, saves money and helps economic and social development. Even may seem obvious, this perception has its strong opponents who disagree that the combat against obesity pandemic needs political and socio-economic initiatives and reforms.

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LABOR RESOURCES OF THE ECONOMY OF THE USSR IN THE YEARS OF THE GREAT PATRIOTIC WAR

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ABSTRACT

The article shows the role of state bodies; party, Komsomol and trade union organizations in the formation of a nation-wide system for the reproduction of labor resources, and the improvement of their qualitative characteristics during the Great Patriotic War.

Keywords: *labor resources, the system of state labor reserves, Stakhanov schools, production and technical training, human resources*

1. INTRODUCTION

Modernization of the Russian economy and its transition to an innovative way of development is one of the main goals of the socio-economic policy of the state at the present stage. The concept of long-term socio-economic development of the Russian Federation for the period until 2020 provides for a breakthrough in increasing the global competitiveness of the economy on the basis of its transition to a new technological base (information, nano- and biotechnologies), as well as economic diversification, the formation of a modern system of human potential development and social environment. At the same time, it is emphasized that "the level of competitiveness of the modern innovation economy is largely determined by the quality of the professional staff, the level of their socialization and cooperation" (GD Belyaeva, AB Makarets, GA Fedorenko, 2012). Consequently, the most important subject of the innovation economy in the new conditions should be the education system, which ensures the production of knowledge and the formation of an innovative generation of people who can use them in practice. For modern Russia, which often uses the experience of Western powers in carrying out reforms, extracting and comprehending its own historical lessons on the reproduction of labor resources acquires special significance. These lessons are unique in that the formation and development of the institution of state labor reserves took place in the era of the most complicated socioeconomic reforms - industrialization, collectivization, cultural revolution, and in the hardest wartime conditions. It was during the war years that the solution of such an important task for the country - the personnel supply of the military economy - was most clearly manifested as the state's ability to implement an effective and purposeful educational policy, which resulted in an increase in the qualitative characteristics of the managerial and engineering staff, workers and employees. The personnel that the Soviet military industry had in the war years were unique both in terms of the speed of formation and the strength of the labor motivation, the enormous innovative and innovative potential, and the skill level. That is why the formation of a systemic and holistic view of the activities of party and state bodies in providing labor resources with the needs of the country's economy, mobilizing them for solving the pressing problems, that the defense industry faced during the Great Patriotic War, on the basis of the latest scientific achievements is very relevant, because it allows us to extract lessons from past experience with the help of scientific tools in order to avoid repeating the mistakes made.

2. METHODOLOGY

The introduction of the notion of "cultural and historiographic space" into the scientific revolution allows one to trace the history of historians' views on the key problems of staffing the country's economy during the Great Patriotic War. It also shows clearly that Russian and Western historians, acting on the same subject field, operate in qualitatively different cultural-historiographic spaces, which sometimes explains the significant theoretical and ideological differences between historical schools and trends that exist both in our country and abroad, with respect to the research results and conclusions drawn. In addition, the application of this concept when raising new questions on already well-known sources contributes to the growth of historical knowledge, helps to evaluate and verify existing hypotheses.

The "cultural-historiographic space" should be understood in a definite way as an organized, logically conceivable form, serving as the environment into which the subject of cognition (a historical school, a separate historian, etc.) is integrated and under whose influence it forms and acts. The most important parameters of the cultural-historiographical space are: the ideology that prevails in society; socio-political order; an array of historiographic sources available to the historian, and a historically developed technique for interpreting them; social and cultural traditions prevailing in the professional environment; the personality of a historian that manifests itself through a system of political views and ideological convictions, and which can be influenced by nationality, personal preferences, and in some cases, social status (Natalia V. Lyapunova, Nikolai V. Starostenkov, 2015).

3. RESULTS

The analysis of the Russian and Western markets of historical literature made it possible to identify two of its characteristic tendencies. The first of them reflects the authors' desire for objective coverage of the state's social policy during the Great Patriotic War, including the problem of mobilizing labor resources to expand the volumes and rates of increasing production of military products. The second trend is characteristic of a number of foreign historians and publicists, as well as the part of anti-patriotic Russian authors who share their views. This tendency expresses a focus on the deliberate distortion of historical facts and events, sums up pseudo-scientific foundations, using fraudulent facts, substituting concepts and other methods of sophistry that justify the social revision of the results and the very meaning of the Great Patriotic War, including the labor exploit of the workers of the rear, the so-called "human dimension" of the war.

The purpose of these falsifications is to place propagandist accentuations discrediting the Soviet regime and to offer anti-Russian political guidelines in interpreting the events of the past war. It is characteristic that at the present stage of public contradictions in the relationship between the West and Russia, the interpretation of history is given an unenviable propaganda role. In addition, the main approaches to assessing the activities of the military and political leadership of the Soviet Union to ensure the needs of the national economy of the country in labor resources, the formation of a flexible and effective system for the reproduction of labor and the use of the results obtained in practical activities were determined: a conservative dogmatic approach that rejects a balanced view on a number of issues, excluding the multivariate nature of the discussion of complex problems; a negative-nihilistic approach characterized by disrespectful and sometimes disparaging attitude to the works of historians of previous generations, and, finally, a creative and creative approach based on a multifaceted analysis of historical events.

4. DISCUSSION

4.1. The first stage of providing labor resources for the needs of the country's economy: June 1941 - mid-1942

During the Great Patriotic War the Soviet Union developed a new system of training personnel, which played a huge role in the formation of labor resources, possessing high qualitative characteristics. It was the knowledge, qualifications, creative abilities of workers that were regarded as the main resource for increasing the efficiency and competitive advantages of the Soviet military economy in the period under review. The training of workers who were supposed to possess the combination of labor, intellectual, creative abilities and moral qualities, was conducted both in the system of state labor reserves and directly at defense enterprises without interrupting production.

The war dealt a heavy blow to the whole system of state labor reserves. In 1941 - early 1942 more than 700 vocational and factory-training (FT) schools and their 125,000 students, had to be evacuated to the eastern regions of the country. Owing to the difficulties that arose, the number of vocational and FT schools in 1942, in comparison with 1941, decreased from 1551 to 1129, and the number of students fell from 602,000 to 445,000. However, thanks to the measures taken, by 1943 the number of students had increased to 608,000, and the number of schools had increased to 1737 (Mitrofanova A., 1971).

In 1942, 569,000 people were trained in vocational schools and schools of the labor reserves system, which was almost 1.3 times higher than the pre-war figures of 1940 (Mitrofanova A., 1971). This result was achieved by reducing the time required for training in vocational and railway schools from two to one year, and in FT schools - from six to four-five months. At the same time, training programs were revised. From now on, the main emphasis was made on the fulfillment, in the process of studying, of very real production assignments, and the training itself took place directly in the factory workshops.

During 1941-1942 16 conscriptions (mobilizations) of young men and women for vocational training in schools and FT schools were conducted (Moskatov P., 1943). Along with this, some serious shortcomings in the work of these schools should be noted. Many qualified teachers left to fight at the front, and they were replaced by people who often did not have the pedagogical experience or high production qualifications that were so necessary for the successful organization of the educational process in difficult wartime conditions. These shortcomings eventually led to the fact that in the first half of 1942 almost 40,000 students were expelled from the vocational and FT schools of the labor reserve system (GA RF, d. 47, Mitrofanova A., 1971).

The situation in the system of vocational schools and schools of labor reserves became the object of attention of the Central Committee of the Komsomol, who studied in April 1942 the state of educational work in a number of educational institutions. The revealed shortcomings required the adoption of decisive measures. To this end, the Central Committee of the Komsomol established a department responsible for work with students of schools and colleges of the labor reserves system, and special posts of educators were introduced in special educational institutions of the Council of People's Commissars of the USSR on July 15, 1942; so 2411 people started this work (Mitrofanova A., 1971). The main types of training for the working professions that were practiced at defense industry enterprises in 1941-1942 were: individual and brigade-individual training, short-term training (with and without separation from production), as well as in Stakhanov schools and groups.

During the period under review, the most common types of training were individual and team-based individual training. In the opinion of contemporaries, the success of training skilled workers directly in production was largely determined by the planned nature of the process of reproduction of the workforce, the patriotic desire of the newcomers "to quickly master the technique of their work in order to help their soldiers fight at the front," the active participation of cadre workers in transferring their production experience to those, who just started to master the profession (Kuz'minov I., 1943).

Indeed, from the outset, the system for preparing a new replenishment of the working people of defense enterprises was built on a rigid planned basis. Thus, on December 25, 1941, the government of the USSR approved a plan for the short-term preparation of workers in the mass professions for the first quarter of 1942. It was planned to train 365,500 people, out of which 166,700 persons - at short-term courses, 198,000 persons - through individual and team-based training (RGAEH, d. 554, Mitrofanova A., 1971).

Komsomol organizations played a significant role in training the personnel, which was quite justifiable, since the proportion of young people among workers employed in the defense industry was very significant, reaching 60% at some enterprises. In order to increase the efficiency of the activities of Komsomol organizations at industrial enterprises, the Bureau of the Central Committee of the Komsomol passed a resolution on June 25, 1942, "On the Work of Young Communist Workers' Organizations for the Production and Technical Training of Young Workers," and on August 29, 1942, the Youth Workers' Section of the Central Committee of the Komsomol was established.

Individual educational work with young workers in addition to Komsomol activists was conducted by experienced workers, Stakhanovites. It is known, for example, that the staff worker of the Uralmashzavod Pavel Spekhov, having trained 30 young turners, appealed to the Stakhanovites to take up the painstaking work of training and bringing up newcomers. Thus, one of the most famous Stakhanov schools was born (Bol'shevik, 1942).

The great contribution of Stakhanov schools to the training of skilled workers, ensuring the growth of labor productivity, can be seen from the notes of their contemporaries. P. Komov in his article "The Power of Socialist Competition," published in 1942, for example, wrote: "In the Ural Mountains, the first Stakhanov schools were organized within the rolling process. The brothers Shestovskikh, who came to the plant to replace their older brothers fighting at the front, three times increased their productivity by three times after finishing school ... Roller Starlupova did not fulfill the norm, but after entering Stakhanov school, started to produce 160-165% of it. Roller Kargapolova, after finishing school, increased production by one and a half times. Stakhanov schools brought great benefits to moulders. Graduates of the school, workers Tonkushin, Kharlova, Chechulin and others began to perform assignments for 130% of the task. Great results were achieved by technical training in the new turning and other shops of the plant" (Komov P., 1942).

Summarizing, we emphasize that only through brigade-individual training, training on short courses and in Stakhanov schools in 1941-1942 more than 6.5 million workers were trained and retrained, of which 2.5 million were workers who just started, and more than 4 million were personnel workers who increased their production skills (Voznesenskij N., 1948, Statisticheskij sbornik, 1967).

4.2. The second stage of providing labor resources for the needs of the country's economy: 1943

The year of 1943 was an important stage in the development of schools and colleges of the labor reserve system. First of all, the increase in state allocations for the training of young skilled workers began. In 1943, 1,850 million rubles were allocated for these purposes (Mitrofanova A., 1971), which is 16.1% more than in 1942. Even such a relatively small increase in funding allowed expanding the network of educational institutions of the labor reserve system. This task was solved by creating new educational institutions, and re-creating schools and vocational schools on the territory liberated from the enemy. Party and Komsomol authorities took an active part in expanding the network of educational institutions. For example, a significant role was played by the decision of the Central Committee of Komsomol of 12 November 1943 "On participation of Komsomol organizations in the reconstruction and organization of vocational schools and factory-training schools on the basis of mines and enterprises of the Donetsk coal basin." As a result of measures taken, the number of vocational, railway and FT schools increased by almost 65%. The work of the system of educational institutions of labor reserves was positively affected by the new order of their acquisition. During the first years of war mobilization was implemented by draft boards of the executive committees of local (city and district) Soviets; however, in 1943 the Soviet government entrusted this task to the Committee on the accounting and distribution of the labor force. In 1943, the specialization of educational institutions was carried out in order to fully meet the needs of industry in skilled workers. A large number of schools and training schools for metallurgists, builders, coal miners, etc. were opened. Specialized educational institutions were created for other industries, for example, tractor-building. Despite the shortage of personnel, the government of the USSR, the Central Committee of the Party and the Central Committee of the Komsomol took measures to staff the schools and FT schools with qualified teachers, masters of industrial training and educators. Moreover, by a special decision of the Council of People's Commissars of the USSR of June 7, 1943, industrial technical colleges of labor reserves were created on the basis of the best vocational schools and FT schools, the main task of which was to train masters of industrial training with a high production grade, as well as pedagogical and general education training in the amount of an average special educational institution (Mitrofanova A., 1971, Starostenkov N., Lyapunova N., 2011). Those measures made it possible to achieve tangible results. In the period under review, 1737 schools and FT schools for all industries trained 598,000 skilled workers (GA RF, d. 217). During the period under review, the situation in the system of training specialists with higher and secondary education has improved somewhat. As of September 1, 1943, there were 400,000 students in 533 universities, which was 173,000 more than in 1942. The number of students in secondary schools also increased. In 1954, 503,000 people were enrolled in secondary schools, which exceeded the number of students in 1942 by 187,000 people (Statisticheskij sbornik, 1990). Thus, in 1943 the network of educational institutions of the system of labor reserves expanded significantly, their specialization deepened, the quality of training increased, and the educational and material base improved.

4.3. The third stage of providing labor resources for the needs of the country's economy: January 1944 – May 1945

At the final stages of the Great Patriotic War, the system of training skilled workers in the schools and FT schools still faced important tasks. With a view of their successful decision the state authorities went on to increase allocations for the system of the state labor reserves preparation. Particularly noticeable growth in allocations happened in 1944, when the state allocated 2,601.6 million rubles, which was 41% more than in the previous year.

The increase in allocations continued in 1945, although the rate of growth in allocated funds declined markedly. A total of 2,903.5 million rubles were allocated for the program of support for personnel training (Mitrofanova A., 1971, Nikolaeva K., 1944). The expansion of the network of educational institutions of state labor reserves was continued. A distinctive feature of this period was the scope of the patronage movement, which was based on the desire of the colleges of the schools and FT schools located in the rear areas of the country to render all possible assistance in the restoration of educational institutions in the newly liberated regions from the occupation. Sponsored schools got machines and other equipment, housing and household equipment, educational and fiction literature (Mitrofanova A., 1971). As a result, in 1944, 2132 vocational schools and FT operated in the system of labor reserves, and in 1945 their number increased even more and reached 2587 (Mitrofanova A., 1971).

However, despite the measures taken by the Party Central Committee, state bodies, Komsomol and trade union organizations to improve the work of the system of vocational and FT schools and certain successes in improving the educational and material base, until the end of the war, it was not possible to completely overcome the shortage of training, production and residential areas, low level of material and technical support of the educational process, serious flaws in the organization of production training. Nevertheless, during the Great Patriotic War, the students of the system of labor reserves made 3000 metal-cutting machine tools, 6 million mines, 26 million parts of weapons; produced 7 million tons of coal, 3 million tons of ore, 400,000 tons of oil; 1 million tons of cast iron, 2 million tons of steel were smelted; 11,000 locomotives, 100,000 wagons, 5000 tractors and combines were repaired (Moskatov P., 1956).

In 1944-1945 869,000 skilled young workers were trained in colleges and schools of the system of labor reserves for all sectors of the national economy of the USSR (Statisticheskij sbornik, 1990). Positive changes occurred in the system of training specialists with higher and secondary special education. The number of universities operating in the country at the end of the war continued to increase and by September 1, 1945, it had reached 789, which was 96.5% of the pre-war level. 730,000 students were trained (89.9%) there. The number of students in technical schools grew. In 1945, their number was 1,008 million people, which was 3.4% higher than the number of students in secondary specialized educational institutions before the war (Statisticheskij sbornik, 1990).

Thus, the educational institutions of the labor reserve system, despite serious difficulties and certain shortcomings in the organization of the training of skilled workers, during the Great Patriotic War turned into an important component of the national system of reproduction of labor resources. The fierce battles on the fronts of the war demanded the production not only of a large number of modern military equipment and weapons, but also their constant improvement. The increase in the volume of restoration work on the territory formerly occupied by Nazis Germany was to be provided by a sufficient number of highly qualified specialists capable of promptly raising from the ruins and putting into operation the destroyed factories, mines, mines, railways, etc. Diverse and profound knowledge was demanded by the approaching conversion of a significant part of military production, the transition of industry to large-scale production of civilian products. Thus, in the period under study it was necessary to put the stress on improving the quality of training for personnel coming to production and to implement measures to improve the existing system of retraining of cadre workers, employees and engineering staff of enterprises. Given the exceptional importance of the issue of training qualified personnel, it was given much attention by the party and state bodies, Komsomol and trade union organizations. The State Planning Committee of the USSR, the People's Commissariats of the main branches of industry, the Central Committee of the Komsomol, the

All-Union Central Council of Trade Unions (AUCCTU) worked out plans of measures to improve the training and professional development of cadre workers in production, and monitored their implementation. The state of personnel training has become an important indicator of the effectiveness of enterprises, was one of the most important indicators of the All-Union Socialist Competition, turned into an object of constant concern for production collectives.

5. CONCLUSION

As can be seen, the tasks that the Soviet leadership faced in providing labor resources for the military economy and training personnel for the defense industry and other branches of the national economy of the USSR were largely resolved. The system of technical training in production created during the Great Patriotic War made it possible to improve the quality of labor resources employed in the defense industry and, along with the system of labor reserves, became an integral part of the national system for the reproduction of labor resources and the enhancement of their quality characteristics. From all that has been said, it can be concluded that further research into the main directions, forms and methods of the activities of state authorities in ensuring the needs of the national economy during the Great Patriotic War in a skilled workforce continues to be an urgent task of Russian historical science.

As a conclusion, we can note the following:

- First, the creation of an innovative economy requires the restructuring and modernization of the system of vocational education, taking into account domestic historical experience.
- Secondly, the main trend in the modernization of education is a pronounced orientation toward consumers. The formation of such a dynamically developing system of spreading rapidly changing knowledge will create a microclimate for the birth of innovative approaches to learning.
- Thirdly, modernization of higher professional education should be oriented to the strategic needs of the economy and society. The solution of this problem is possible on the basis of integration of educational institutions of professional education, research organizations, business, authorities and public structures.

In conclusion, we should thank all our colleagues, who assisted us in carrying out this study of the historical experience in dealing with personnel problems during the Great Patriotic War.

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INSTITUTIONAL RECONSTRUCTION: COMPLETE ALTERATION?

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ABSTRACT

Analysis of the transformation processes of social reconstruction, conducted without taking into account the local socio-cultural specifics, reveals the destructive nature of such changes. The application of the Path Dependence approach as a methodology for studying public reforms in particular, as well as use the civilizational model as a whole, provides new research opportunities in comparison with the linear stadia approach. This allows one to discover the fundamental mistakes of modernization programs of total likening, based on erroneous theoretical assumptions and containing immanent contradictions, and to substantiate the need for significant restrictions in the processes of social transformations. Retention of the positive vector of the ongoing reforms aimed at maximum adaptation to the changing conditions of social reality and an adequate response to exogenous challenges does not eliminate the need to maintain its relative homeostasis, to avoid disintegrative tendencies, to ensure existing balance of own society. Maintaining the constructive nature of institutional changes as a form of social creativity actualizes the task of correcting the modernization programs implemented by the public administration system in transitional societies.

Keywords: *Civilizational matrix, Coevolution, Diversity of humankind, Institutional reforms, Invariance, Modernization, Path Dependence, Social changes, System sustainability*

1. INTRODUCTION

The world culture is the existence of diverse and different national cultures, between which there is a constant dialogue, the process of interpenetration, mutual enrichment. The protection and development of the national culture in all its manifestations and forms is a condition for the normal vital activity of the ethnos. The result of domination in the modern world of the idea of an "open society" with unlimited interference in the life of local societies and "universal human values", which are mandatory for establishing on a global scale, is the destruction of the economic and cultural diversity of humankind. In the process of implementing social transformation programs imposed from the outside under the slogan of necessary changes for this particular society, the fact that country-recipient of cultural innovations is populated by people is ignored. For most of the population, such large-scale social changes, not limited to adopting borrowings of the technical and technological plan, but aimed at restructuring the way of life and being values, changing the civilizational identity, turn into dramatic results and personal tragedies. The changes in customs, bases of economic life and the foundations of management have the following negative consequences: the destruction of habitual habitat, the loss of orientation in life, the inability to adapt quickly to changing conditions. The alteration (under the influence of external forces or on its own perplexity) of a national character, the rejection of one's own culture, the desire to be someone similar is equivalent to the suicide of the ethnos. These conditions actualize the need to maintain a certain balanced relationship between man and the environment, both natural and social. In other words, the preservation of culture, the preservation of its integrative function under conditions of aggressive exogenous influence becomes extremely important. These defensive actions to protect their own culture and preserve conservative forms of society, as well as the role of the coordinator of the life of the society, are realized by united integral set of cognitive stereotypes that determine the modes of action of social groups and individuals in all social spheres of common life without exceptions, the civilizational matrix.

The composition of the civilizational matrix is not only coherent and interdependent, correlated to the environment, it is relevant to each individual society, commensurate with its specificity and uniqueness, but also is invariant. The civilizational matrix carries out structural and functional activity in the context of socio-cultural dynamics, reconstructs the elements of the system, adapts to environmental changes, rejects destructive and recruits constructive innovations. This is about the adaptive capabilities of the system, its possibilities for changes, while preserving itself and the corresponding limitations of social creativity in reforming the system, which includes a number of invariant system-forming components capable of discrete changes, but retaining their own functionality in the long term. In the process of intercultural communication, the problems of selectivity of innovations and the preservation of the constructive incrementally nature of social changes are of particular importance.

2. RESEARCH

Analysis of various specific trajectories of institutional changes reveals that the resulting changes are subject to a certain pattern. This pattern rises from the dependence on the path of the previous development (Path Dependency). The self-organization of society, according to the classical paradigm of social knowledge, according to E. Durkheim, occurs because of the interaction of individuals, "social facts", social regulators that provide social control (Durkheim, 1982). A relatively stable society exists in the presence of social regulators in combination with the formed common base values and the corresponding social norms, as well as the social mechanism that reproduces these values and norms. The origins of the emergence of social institutions, according to P. Berger and T. Luckmann, lay in the physical nature of human beings (Berger and Luckmann, 1995). Historically, society arises once, but does not arise in timelessness or in a vacuum, it is organized in a certain state of the environment (climatic factor), localized in a spatial dimension (geographical factor), having an initial resource base. Moreover, such resource potential: human (demographic), economic and scientific and technical (technological), are not the same for different societies. Institutional matrix is the most early original-base forms, which laid the concrete society. It is invariant, preserves its nature in time, and determines the nature of the development of a given society. The idea based on theoretical assumptions about two (at least) types of economic systems, set forth in the writings of M. Weber, K. Marx, D. North, W. Eucken, K. Polanyi and A. Smith. H. Buckle, K. Wittfogel, F. Gizo, L. Gumilyov, W. McBride, M. Featherstone, A. Frank note that the peculiarities of the evolution path of countries are determined by the primary types of social forms that arise in the emergence of society, which correspond to the specific nature of the range environment. In the modern literature the concept is stated, its aspects analyzed and the provisions supplemented in the works of O. Bessonova, V. Dementyev, S. Kirdina, R. Nureyev, and Yu. Semenov. The concept of institutional matrices emerged as a theoretical hypothesis, as a result of comprehending the history of the development of ancient and modern states, as an attempt to resolve the dichotomy, civilization-cultural opposition East-West. It is still under development and supplementation by various researchers: the system of concepts corrected, due to which it becomes more objective, the compliance with scientific criteria grows and the empirical and source base expands. We hope that our own work will also have some impact on the development and establishment of this theory in social science. In accordance with the topic of our study, it seems to us appropriate to address precisely to factors of this kind that make other cultural borrowing appropriate or unacceptable. We consider the most obvious and, in our opinion, particularly significant of them, the importance and priority of which in the formation of cognitive stereotypes underlying all types of human activity and defining civilizational diversity is undeniable:

Geographic factor. H. Buckle considered climate, food, soil and nature as the key factors. He deduced the gradation of societies from the needs for irrigation, protein saturation, demographic pressure and other similar factors (Buckle, 2007).

Economic factor. Technological determinism connects the technologies of life support that dominate in a particular society and the emergence of the corresponding social institutions. K. Wittfogel considered this factor as fundamental in the framework of that methodological approach (Wittfogel, 1967).

Ethno-Linguistic factor. N. Danilevskii, O. Spengler and A. Toynbee marked the fact that language, like the ethnic composition, undoubtedly influences the formation of the civilization matrix and is extremely important in the process of civilization (Danilevskii, 2013; Spengler, 2006; Toynbee, 1972).

Thus, the invariant matrix of society is formed by the communicative component (language and writing), technologies for satisfying the needs and vital functions (economic structure) and the system of established historically social relations corresponding to specific forms of public consciousness, which together constitute a certain genotype of social development. Performing the role of coordinator and integrator of the life of society, the matrix realizes the function of preserving the conservative forms of society. In other words, the matrix defined as an integral set of cognitive stereotypes, which is uniting large-scale group of individuals and determine the modes of action in all social spheres of life. Carrying out structural and functional activity in the context of socio-cultural dynamics, the civilizational matrix reconstructs the elements of the system, adapting to environmental changes, rejecting destructive innovations and accepting constructive innovations. Thus, it is about the adaptive abilities of the system, its capability be changed, while preserving itself. K. Polanyi, studying the formation of the industrial society in Western Europe of Modernity, proposed a fundamentally new approach to understanding the theory of economic systems, creating an institutional concept that criticizes the notions of the universal nature of market relations and affirms the relationship of social institutions and the historical experience of society (Polanyi, 2001). Dependence of the economic structure, innovation orientation of the economy and the ability to modernize on the type of culture deduced in their works by D. North (North, 1990), S. Huntington (Huntington, 1996) and L. Harrison (Harrison, 2012), proving that the cultural specificity of different countries influences their political, social and economic development. The fact of determination by the peculiarities of the historical and cultural-psychological development of the corresponding society and the national model of the internal market reflected in the theoretical assumption of the eternal parallel existence of both market economies and non-market economies. Both types of economies have arisen in the extreme antiquity: market economies have taken the "base" of intercommunity exchange relations, while the distribution ones are the intra-community relations of "hand-over" (Bessonova, 1993). Changing only the historical forms of their own basic institutions, different systems of management, throughout the world history until now market and distributing economies continue their progressive development irrespective of the resource provision or changes in interests and knowledge about economic entities (Bessonova, Kirdina, O'Sullivan, 1996). It is not about special types of economic activity with its unique separate patterns for Russia, Hungary, China, the United States, Uganda, etc. Common social rules, that is, the grounds for the existence and conditions for the progressive development of societies, including the principles of the functioning of the economy, are realized in their immanence, but they mediated by the cultural environment with the mentality prevailing in it, that is, with the civilizational features discussed above, with its own social regulators. In accordance with the concept proposed by S. Kirdina, societies with the X-matrix characterized by a redistributive economy, a unitary political structure, a communitarian ideology, with the predominance of "We" over "I", and societies with the Y-matrix – a market economy, a federal

political structure and subsidiary ideology with the priority of "I" over "We" (Kirdina, 2016). Hence, in our opinion, the uncontrolled rollbacks in processes of modernization and the processes of counter-modernization in different countries, the observed impossibility of societies, even with absolute conformist intention to reproduce a different path of civilizational development. The fact is that it is fundamentally impossible to transfer the beginning of one civilization to another. The matrix conceptually laid the foundations of the political structure and economic structure. The analysis of the death of societies in world history by A. Toynbee showed that both the refusal to adapt to changed conditions, the inability to parry response to emerging risks and threats and the voluntaristic restructuring of social institutions resulting in system dysfunction are equally destructive for social systems and have disastrous consequences (Toynbee, 1972). The social system is then self-sufficient, indeed has the capacity for self-organization and is able to realize it when structural changes take place through self-adaptation to a changing environment, rather than imposed on them by force and guided from the outside. For example, by dictate because of debt by international financial institutions or threat to use of armed force because of the low level of democratic local society with its lack of openness to Western capital. This provision is actual when studying the non-viable institutions created in the so-called "transitional" societies by the forced recommendations of stronger geopolitical players pursuing their own goals. The transition from the X-matrix to the Y-matrix or vice versa is principally impossible. The replacement of the generic archetype of the historical community is not feasible: since the emergence and adoption of major religions in world history, there is no precedent of successful changes in the civilizational type in any countries, states, ethnic groups or subethnoses (it is not to be confused with **colonial or nominally occupied territories**). The society is a large and comprehensive organized life system that formed historically, but not logically. Therefore, the confidence and esurience of the comprador elites of the "transitional societies" and their foreign patrons that such system has a chance for quick reconstruction according to a drawing obtained from Harvard, Brussels or Bologna may appear as a mechanically unreasonable utopia. We do not consider such activities as an unreasonable mistake or a sincere naivety. We suppose that in the basis of these reductionist models is a rather different motivation. We assume that any system is stable, structurally constructed from the stabilizing origin of more or less stable constants and possessing variable components. Different countries have relatively homogeneous technological equality, but the sociocultural component of the constants of a particular society is unique. It also is a kind of guard of the principles of the functioning system and determines the specificity and dynamics of the transformational processes taking place in society, and absorption or refusing of borrowed innovation. According to N. Luman, the autopoietic system composes (builds) itself, choosing (selecting) relations with the environment in the form of experience. At the same time, the boundary of the system with the environment is the fundamental property of any system that allows it to retain itself (Luhmann, 1986). E. Sedov hypothesized that there is a certain entropy corridor, where social systems develop evolutionarily. His analysis of the laws of the accumulation of structural information in the texts revealed 80% of the remaining rules, which stipulate the integrity of the structure and 20% of the novelty. The level of system diversity should fluctuate within 20-33%, providing an optimal ratio of entropy and determination. Such boundaries, on the one hand, ensure the system's ability to innovate, and therefore – to adapt under changed conditions, and on the other hand, to maintain systemic integrity (Sedov, 1993). Studying institutional changes, we have to take into account also the negative experience of the unsuccessful modernizations of the both 20th and 21st century's and their consequences. We believe that the results of such studies give grounds for thinking about the limits of the institutional reforms, about the indisputable and non-discussable tabooing (restriction) of such social actions that can realize the social catastrophic potencies contained in them. Thus, behavioral programs accumulated historically.

The functional features of each fragmentary aspect of culture, their vital utility and relevance in real life are not only forms of rational thinking, but also concrete actions. They act as a system-forming factor of the cultural phenomenon and behavioral programs themselves. At all stages of the development of the system its hereditary nucleus, genotype, a certain set of basic features, or otherwise the civilizational matrix, is preserved. The catastrophic consequences of attempts at voluntaristic social transformations are the result of ignoring the socio-cultural factor in the policy of reforms. If the cultural code of civilization does not at all correspond to the solution of the problems that have arisen, and goes against the co-evolutionary path of development, this society decays (Huang, 2006).

The accelerating pace of changes in social reality causes an ever-growing imbalance in the "environment-civilization" system. This fact puts the civilizational matrix in a critical state. The non-catastrophic way out of this crisis, which repeatedly fixed in the history of humankind, is modernization. The borrowed and own created social constructs and institutions that are adaptable and capable in the local environment, are the mobile, changing social forms that are constantly improving and embodying the diversity of the reality created by man. The historically stable and constantly reproduced social relations that ensure the integrity of society and its development as a social system that set the direction and natural limitations of its evolution are the invariants of social structure. In the practice of revision of the institutional sphere, it is necessary to know the limits of the reform possibilities and the importance of the fundamental limitation between abovementioned institutional constructs.

3. CONCLUSION

Constructive intrasystemic transformations take place in the existing social order, without destroying its foundations, underlying the institutional structures. We are convinced that the chaos observed in forcibly transformed countries of Eastern Europe, Asia and North Africa and their long period of bifurcation can be solved by returning to the trajectory of their own development, according to the local matrix. An indicator that can show the need to correct the excessive introduction of foreign cultural elements into local everyday life can be the growth of social tension accompanying attempts at large-scale privatization of the land, full commercialization of medical services, destroying reforms in the education system with a change in its basic principles, etc. At the same time, the principle of matrix replication that is, the completion of the institutional structure of the complementary institutions of a different matrix (a reasonable balance of the ratio of matrix types X-Y), is objectively necessary.

The attempts to not only supplement and compensate, but to replace the basic forms with complementary ones, that is, deform the institutional matrix, lead to a threat not only to the development of society, but also to its survival. Acting on revision of the institutional sphere, we must know the limits of reform possibilities and importance of fundamental distinction between mobile, changing social forms, which constantly improved and implemented diversity by human activity (borrowed or own created social constructs and institutions, adaptable and capable in the unique local environment) and the non-changeable invariants. Those invariants are historically stable and constantly reproducing social relationships that ensure the integrity of society and its development as a social system that define the direction and the natural limitations of its evolution. Such conclusions actualize for governments and public administration systems the need to follow the principle of invariance in institutional restructuring, preserving their constructive nature in the reform process, which does not violate the unique social ties that create the systemic integrity of society.

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NEW MARKETING APPROACH IN BUSINESS CONSULTING

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ABSTRACT

Today business consulting is facing significant transformation. The digital evolution and financial crisis underscores even more the need for consulting companies to provide new marketing approach based on real and true personalized experience. This goes far beyond companies and clients profiling. It means building a strong relationship with clients meeting their needs. In this regard, this paper seeks to study the interaction of the consultant and his client in the process of providing services within the cycle of business consulting, and to prove that applying a new marketing approach to business consulting can significantly improve the quality and the efficiency of the consulting services. To carry out this research we used qualitative and quantitative methods, such as comparative analysis, modeling and the study of operations. The results of this research can be applied in the study of intellectual service field and integrated into practice of business consulting. The novelty of this research lies in the fact that we designed a new model of business consulting based on new marketing approach. Therefore, our research findings can help to adopt consulting business to changes which accrued in modern economy and social life.

Keywords: *business consulting, consulting service, marketing model of consulting services, quality of consulting services, efficiency of business consulting, cycle of business consulting*

1. INTRODUCTION

Nowadays we face new trends in business environment due to changes in various aspects in economy and social life. Had been found in 1886 consulting industry still is one of the most growing industries. Originally consulting industry became grows from USA mostly because of welcoming business culture. Industry had been driven by pioneers of consulting such as Arthur D.Little, Booz, Proudfoot Consulting and Boston Consulting Group. From the very beginning consulting service was accepted in USA by various types of companies. It happened not only because of needs in intellectual support but also because of understanding the necessity of external help from consulting. In Europe attitude towards consulting was absolutely different. Being under huge pressure of competition companies tried to avoid using external help from consultant. They in wanted to keep all business information «in house». But after tremendous grows of American economy and expansion American companies in European market consulting started to be part of business environment and before the Second World War became one of the fastest growing industries in Europe and after the War the position of business consulting in Europe became even stronger and today it is huge market. Consulting business has constant growth in Europe and reached to 14 billion Euro. Considering Russian market needless to say that consulting as industry got started only after failing of centralized planning and distribution system by the end of Soviet Union history. Big changes in economy let thousands of new individual companies begin to growth. In this new economic environment was a lack of professional knowledge of making successful business. So the history of Russian consulting has begun. In early 90s world's top consulting companies came to the Russian market without facing any competition from the Russian companies simply because such companies did not exist.

From the beginning such companies has been concentrated on multinational companies which needed qualified support to operate onto new post-Soviet market. Most of consulting projects were based on technical assistance to provide better integration of business process to new environment. These projects considered the issues of developing the infrastructure of market relations (including mass privatization, laying foundations of the stock market and mechanisms of small business support). That is why the number of new native consulting companies got an access to knowledge and tools base of world's leading consulting companies. After the 1998 crisis hit both local and foreign participants in the consulting services market in Russia was badly hurt. Due to financial situation many of companies cut their external advisors costs. Even multinational and large Russian companies and banks did that. Size of market dramatically dropped and some of the world leading foreign companies (McKinsey & Company, Bain, Boston Consulting Group, Arthur D. Little) decided to cut down their offices in terms of minimization their presence in Russia. But the core player of market managed to retain their positions and the small Russian companies in terms of survival were pushed to optimize business process and work on efficiency of business. After a couple of years in 2000 it brought its benefits - Russian consulting market first saw a rapid growth and we can say that crisis 1998 gave the remarkable opportunity to ambitious consulting companies. So 1998 can be count as a year of birth of Russian consulting market. Today Russian market is about 450m euro. And the market shrank up to 84% in comparison to 2012 because of dire economic situation, with low oil prices accompanied with western sanction which reduces number of international companies operating in this market. The situation reminds 1998 so it is time not only big problems but also huge opportunities. In Russia business consulting is facing significant transformation. The digital evolution and financial crisis underscores even more the need for consulting companies to provide new marketing approach based on real and true personalized experience. This goes far beyond companies and clients profiling. It means building a strong relationship with clients meeting they needs. In this regard, this paper seeks to study the interaction of the consultant and his client in the process of providing services within the cycle of business consulting, and to prove that applying a new marketing approach to business consulting can significantly improve the quality and the efficiency of the consulting services.

2. METHODS

To carry out this research we used qualitative and quantitative methods, such as comparative analysis, modeling. It was done by studying international issues, researches and interviewing managers from small and medium size consulting companies. From these was taken theoretical and practical background for the thesis. Also this research is based on real consulting practice of authors since 2006 and relays on experience they have got on this field.

3. DISCUSSION

3.1. The nature of new marketing approach

To understand the nature of new marketing approach in business consulting we have to look back into marketing principles for consulting services by Kubr :

- Regard the clients' needs and requirements as the focal point of all marketing
- Remember that every client is unique
- Don't misrepresent yourself
- Don't oversell
- Refrain from denigrating other consultants
- Never forget that you are marketing a professional service
- Aim at an equally high professional performance in marketing and in execution

These to principles of Kubr shows the necessity of understanding client's needs. This element should be taken as a key element of entire consulting services.

Each client has unique needs and seeking the consulting service in appropriate way. There no room for general solutions there could be useful only customized solutions and tailored services. It should be understood by consulting companies as major element of consulting service. The principle «every client is unique» open the way to success for every single consulting companies. The all marketing context should be assumed as a way of meeting customer needs. It means that consulting company has to understand grows of customer expectation and be able not only to provide but also to deliver different services to different customers. Doing this company must consider its competitors or other consultants as a part of global consulting market in terms of sharing knowledge, technology and best practice. Providing professional services company must remember that appropriate marketing techniques must be used. Working this way company will have ability increase selling to existing customers and reach new ones.

3.2. Consulting service is intangible instead of buying tangible products

When it comes to marketing, consulting company should realize that marketing activities has to concern intangible nature of consulting service. It means that all aspects of providing and delivering consulting service has to be in touch in customer needs not only in field of consulting process but also on individual requests in pricing, distribution, communication and so on. Consulting company must understand all unique enquiries of each new market and even each specific market segments in terms of flexibility especially in pricing policy and service delivery instead of offering all sort of services to everyone. Of course it is much easier to promote tangible products than selling and intangible due to possibility for customer make the opinion before having the deal done. Customer can touch or test every product before buying and then decide. In consulting there is always a big risk to buy service which does not work on needed way. That is why so many attentions are paying towards trust and customization. We have to point out that requirements for sales staff in consulting are higher than in other, tangible industries. Selling process is based on relationship between salesperson and buyer and this key factor of understanding of complicity all marketing efforts in consulting business. Sales manager has to start from his own promotion to show his own skills and abilities in sake of building right impression and convince the customer in trustworthy. Without that all next steps will not have any sense.

3.3. Marketing strategy for consulting companies

We can define two basic marketing strategies which can be implemented in order to build strong consulting business in today economic and social environment. To be successful company should seriously think on this issue and consider the best from the very beginning. First strategy is based on the product itself. It means that company concentrates on internal business process without changes the main proposal in terms of environmental changes. The second strategy is based on constant changes towards changes in customer needs. According to this the marketing activities of consulting company should be focused on the needs of the market, market structure for the sector, market analysis, and demands of the services. Today marketing of consulting service has to consider not only the needed of customers and industries but also the possibility of creating high quality service based on such demand.

3.4. Market focused marketing approach.

New marketing approach starts from research of the current status of the company itself, consulting industry and updating market definitions. To do so consulting company should find out:

1. What is our difference in terms of solutions we provide, service we make, problems we solve from our competitors – other consulting companies in the market?

2. What is going on with our pricing policy and profit indicators? Do we feel confident that our business model gives us acceptable profit?
3. Does our consulting service meet the quality requirements on the market?
4. How the way we do our consulting meets needs of our clients?
5. Do we need to concentrate on current market or we should start looking for new ones?

These are five crucial questions which should be answered before the new marketing approach is start to be developing. It will have a huge impact on marketing strategy, it will help to identify new ways of growing, it will show new markets and identify possibilities and opportunities, strengths and weaknesses in terms of environment and competitions.

3.5. The most popular marketing strategies of consulting companies

Unfortunately it is hard to find the relevant information describing consulting market in Russia in terms of the most popular marketing strategies of consulting companies. So we can rely on survey which was done by Consulting Success and make an assumption that we can extrapolate it into Russian reality. The survey information gathered more than 15000 consultants who have origin from:

- 53% US,
- 20% Europe,
- 10% Asia,
- 10% Australia and
- 7% Africa.

What we can learn from this survey? First of all we need to understand what most useful marketing strategy is in order to obtain more clients. It should give an idea of most effective way of expanding business, gain new customers and redesign business processes. So the headline of this survey was a question of “What kind of marketing do you spend the most time on?”. Here is the result:

1. Networking – 37%
2. Referrals – 17%
3. Presentation / Speaking – 12%
4. Social Media – 7%
5. Email Marketing – 6%
6. Blogging – 5%
7. Writing Articles / Reports 4%
8. Cold Calling – 4%
9. Direct Mail – 4%
10. Joint Ventured – 2%
11. Online Advertising – 2%
12. Publicity / Media 1%
13. Print Advertising 0%

From this research we can see that majority of time companies spent on networking and referrals – 37% for networking and 17% for referrals, another 12% is going for presentation /speaking which makes in total 66% and for the rest of marketing activities is only 34%. It means that networking and referrals are most popular marketing strategies among consulting companies. Following this we can conclude that networking, referrals and presentation / speaking should be considered as a vital marketing activity for the consulting business.

When we look in this situation in matter of return of investments we will define the most useful marketing strategies. From this logic, the next question is: “ Which has made your business the most profit?”.

As a result, these numbers emerged:

1. Networking – 35%
2. Referrals – 35%
3. Presentation / Speaking – 11%
4. Email Marketing – 4%
5. Social Media – 2%
6. Blogging – 2%
7. Cold Calling – 2%
8. Direct Mail – 2%
9. Joint Ventured – 2%
10. Online Advertising – 2%
11. Writing Articles / Reports - 1%
12. Publicity / Media 1%
13. Print Advertising 1%

The result shows that difference between leading activities and the rest of it even more dramatic. Networking, referrals and presentation/speaking got in total 81%. This result is completely in Pareto logic – 80/20 and it proves that it really works. From this research we can conclude that every consulting company before developing marketing strategy must admit that majority of investments for marketing activities should go through networking, referrals and presentation/speaking channels. It has highest level of benefits beyond other marketing activities. As we can see networking and referrals have taken the most time but bring huge revenue.

3.6. Marketing approaches towards new customers

As we mentioned before, marketing of consulting service much more complicated than marketing of tangible products. Especially when it comes to purchasing decision. No doubts that sell tangible product is much easier than intangible consulting service. The core subject of consulting service is the unique know-how for excellent solving a client's problem. Due to this the person who is promoting the consulting company must have relevant knowledge and skills to show highest level of expertise through communication process to convince client to make purchase. There are two basic ways for consulting companies in the field of marketing – direct and indirect marketing. One way is longer and this is indirect marketing and another one is shorter when we talk of direct marketing. Direct marketing has another advantage, direct marketing is really good in terms of getting new clients and penetrate new markets. We have already discussed that, referral, networking and presentation/speaking is the best tools in matter of marketing approach to get new clients. But sometimes and less workable issues can make a good impact on marketing approach.

3.7. Direct marketing

In general direct marketing methods better fits to small and medium size consulting companies and include three main categories - systematic cold contacts/canvassing, unsystematic cold contacts/cold calls and following up of cold contacts. The most uncomfortable marketing activities especially for sales managers is cold contacts, telephone calls or canvassing cold visits making on routine base. Needless to say that such marketing activities in nowadays should be taken as the least appropriate among other marketing activities. Today managers should call clients in order to book time or make an appointment and avoid calling to establish first contact. Still some of the companies are keep sending commercial letters or brochures in hope to create interest towards consulting company and its service. It is old-fashioned but can be effective if do in on a right way.

First of all printed materials should consist all necessary information about consulting company and its service. Secondly this information should be present in the way which is appropriate for certain client or group of customers. It is very important to get the trust from the potential client so materials have to be accompanied with references. Using direct mailing consulting company can make the first good impression and established new level of communication. At this stage is very important to make potential client feel interest towards company's proposal and push him to ask additional information. If he does so it means that company is on right way and there is high possibility to make a deal. Sometimes direct marketing could be count as extra cost but if look to this tool closer we can find that direct marketing can successfully bring to company following benefits get customers attention, develop customers interest, demonstrate benefits from cooperation, show companies credibility and at least, deliver a call to action.

3.8. Indirect marketing

To increase sales consulting company should consider indirect marketing as important method. Indirect marketing has to be implemented especially when the direct marketing does not bring needed results. There are top five methods of indirect marketing with we indicated through the reach:

1. When company has strong reputation it becomes the subject of information streams. Such stream is called word of mouth. It is great when a professional talking about your company in complementary style and your service goes to legend. The best recommendation you client could get comes to him not from you but from the person he totally trust. That is why it is so important to build strong networking, get referrals and have good relationship inside key audience.
2. If your company provides excellent consulting service you must tell about inside your professional community. The best way to that is to make various types of seminars, workshops, presentation and so on. Consulting is much about publicity and due this fact than frequently your company will take part in different events than better. It is good way to meet possible clients. When company became a sponsor partner it gives it remarkable opportunity to make stronger its market position. Besides all public events give possibility to demonstrate professional and competitive advantages of consulting company.
3. To obtain credibility and make positive professional image company should get memberships in related business associations. Being a member means that company can use some extra resources in terms of publicity and PR. It is also good for spreading information about consulting company and its service due to professional directories.
4. Using principles of Reputation Management. For consulting company reputation is crucial factor of growing. Hardly ever can consulting company do successful business not having strong positive reputation. Building reputation is long process which can lasts for years or decades but you can destroy it over a minute so consulting company should be very careful and pay extra attention to this matter.
5. If your consulting company is successful it means that high level professionals are working for your company so it would be very helpful in terms of building reputation if they will write and publish articles and books.

4. CONCLUSION

From this research we can conclude that networking, referrals and presentation / speaking is the most effective types of marketing activities in terms of new marketing approach for consulting business.

Networking, referrals and presentation / speaking have strong influence on process of selling consulting service due to its intangible nature. In comparison of selling tangible products such

methods are the most appropriate among various types of marketing activities. These methods show the best returns on investments and have deep impact on growth of selling consulting service. New marketing approach in consulting would not work without positive references from the past. Much attention should be paid in terms of getting references from previous clients. New marketing approach in consulting towards a new potential client should be made in personal way. It is vitally important to have customized proposal, and after that personal meeting and discussion before making a deal. Research proves that strong relationship with client make the selling process easier due to the fact that long-term cooperation is much profitable than one-time or single consulting projects . So the new marketing approach in consulting should not only bring new clients but also transform them into loyal customers.

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SPIRITUAL AND THEOLOGICAL ASPECTS OF SOCIAL EDUCATION AT THE END OF XIX - THE BEGINNING OF XX CENTURIES

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ABSTRACT

The subject of this research is the formation and the development of social education in its spiritual and theological aspect in Russia at the end of XIX - the beginning of XX centuries. Social and pedagogical experiments of that period were included in the process of social education rise and its formation. The spiritual core of the professions, which are aimed at the social assistance and support of the population, the search of this core became the feature of this process in Russia. The search answer was found in the theological aspects of social education. The methodological basis of the study is the concept of cultural and moral succession and continuity of social education, as well as recognition of not only the social value but also the spiritual one of social assistance. The research methods adopted in the theological works are complex in nature: there is a comparative historical research, the analysis of texts, stratification analysis and subculture research, modeling method, method of evaluation from the perspective of theological knowledge. The main research problem is the correlation analysis of social education standardization and its formalization as well as its spiritual and moral main point, also there is the problem of motivating the specialists' activities in the social sphere and the threat of its decline. The results of this research are important for content formation of the modern social education and determination of its spiritual and moral basis.

Keywords: *Social education, spiritual and theological bases of education, specialists of the social sphere, the value bases of vocational training*

1. INTRODUCTION

The revival of cultural orthodox basics of our society put the task of recovering educational succession and training staff for social service. Nowadays staff for social work is trained in major secular orthodox universities [31]. But the revival of spiritual bases of social education has also importance for universities with fully secular educational programs. Representatives of confessional social service believe that such difficult functions as taking care of hard sick or disabled people requires not only of professionalism, but of mercy, patience and humility. Of course, some specialists can form such qualities themselves without confessional training. But the orthodox educational organizations pay special attention to these qualities in educational and pedagogical process as well as in the course of studying practice. This approach makes especially relevant the study of spiritual and theological social aspects of education in Russia, which began to form during the period of the late XIX– early XX centuries.

It is necessary to restore the search of spiritual and moral core of professions aimed at social assistance and support of the population [5, p. 24]. This task is relevant for the training of social specialists in any educational institutions at any level and in all life spheres.

2. METHOD

There are no special research methods, which could be strictly related to theology [18]. In the research there are used interdisciplinary methods and techniques, corresponding to the object and the subject of the study. Theoretical methods used by the authors of the research should be meant comparative historical research, stratification analysis, comparative cultural analysis and subculture research. Applied methods include analysis of texts, the method of historical and cultural modeling, secondary analysis of the data obtained by other researchers, including ones of the XIX - XX centuries. Methodological basis of the study is the concept of cultural and moral succession and continuity of social education, as well as recognition of not only the social value but also the spiritual one of social assistance.

3. RESULTS

The formation of social service began with the first years of baptism in Russia. The specifics of the church social service is wonderfully determined by Russian historian of the XIX century V.O. Klyuchevskii, writing that the church is valid for special sphere, which is different from the sphere of the state activities. Its sphere is a believer's conscience; its policy is the protection of this conscience from sinful attractions. But the church, bringing up a believer for another "high" world, gradually updates and rebuilds the world of the earth [9, p. 1]. He stresses that religious freedom is not given to man for "self-destruction" and immorality. It is given for "self-formation" and "self-improvement". Therefore, helping to keep a man's moral purity, Church refers to the faith, beliefs, internal (spiritual) values (not only external, like welfare). It contributes to the reconstruction of the real world on the basis of the internal spiritual rebirth, gives a motivation to action and this motivation becomes the basis and the incentive of improvement. The scope and scale of the social disasters at the end of XIX - the beginning of XX centuries are well described in the scientific literature. Today, it is not discussed. It is more usual to write about the prosperity of charity, social service of Russian Orthodox Church, the rise of state social assistance. However, these actions were the response to the growing conflict and impoverishment in the society. According to the official data, in Russia there were about half a million of poor people (401, 3 thousand), including professionals [11, p. 11]. It is 5% of all rural inhabitants. Population often felt hungry in lean years, epidemics decimated the whole districts, and the infant mortality was one of the highest in Europe [1, pp. 172-173]. Social stratification analysis shows that society had glaring contradictions; there was a struggle of different groups' interests, and it was caused with the growth of social disasters [2, pp. 4-10]. The growth of the revolutionary terrorism and the peasant revolts at the end of XIX century, the bare-knuckle political struggle and three Russian revolutions at the beginning of XX century "tell their own tale". The conflict occurred in the period of economic growth and good economic indicators. It is considered that economic growth guarantees civil peace. But the experience of our country shows that it is not like this. Everything depends on the price paid by all people for the prosperity of several ones. Unfortunately, a lot of things from the past experience repeat. That's why it is particularly important to learn a lesson from our own historical, cultural and spiritual experience. Public figures, teachers, representatives of the Russian Orthodox Church gave another, not political and not violent, answer [8, pp. 178-185]. It was most clearly showed in the development of social education on the spiritual and theological basis. First of all, we should define the concept of "spiritual and theological bases of education". Social specialists work in the sphere where values of life meaning play the main role of systematization.

In their professional activities, they follow such values as recognition of moral principles and life value, the need for understanding the purposes of human life, which is seems to be in self-improvement and overcoming the negative life circumstances, help and mutual aid in society, the preservation and accumulation of national cultural values. Many experts accept these spiritual bases. However, the theological component has two main differences. According to the first difference there is not as much social and subjective origin of those spiritual bases, as the superior origin which is divine [17, p. 16]. According to the second difference modern pedagogical positivism concepts originate from their purposes of self-realization, satisfaction of needs, the individual's competitiveness and aspiration for superiority, the absolute priority of personal interests before the public ones; in a certain way "I take myself as I am". In the spiritual and theological approaches developing in Russian pedagogy at the end of XIX – the beginning of XX centuries, the development of personality was understood as the sort of great work on him or herself as well as aspiration for perfection through fighting against temptations and negative sides of the world as well as helping others and, of course, being obliged for social service in any life sphere [32]. These are two basic principles which distinguish a lot the theory and practice of social education based on spiritand theology, as well as the social service to the Church [23, pp.352-376]. Based on these principles there is formed a certain moral codex, which is addressed first of all to teachers. It is developed in the works of Russian teachers (K. Ushinskii, Rachinskii), scientists (surgeon N. Pirogov), writers (L. Tolstoi, V. Odoevskii), etc. According to K. Ushinskii, the impact of personality and beliefs of the teacher (lecturer) on the spiritual formation of students can not be replaced by any regulations or other administrative documents [28, p. 19]. In other words, even the most wonderful curricula or educational program can not replace the influence of the individual teacher. Individual basis of a teacher's activity is predetermined with choosing life goals of professional activity [13, p. 85]. In other words, a teacher is measured with what he or she does for the formation of student's personality and what type of personality he or she creates. Giving some knowledge and operational skills are only auxiliary tools, which contribute to spiritual formation [29]. This principle indicates very accurately the special social education. Giving spiritual values, the teacher must constantly improve him or herself, work a lot on him or herself, and broaden the mind and general education, develop new pedagogical techniques and educate students to understand and trust their teacher [14, p. 64; 15, p. 206; 16, p. 136].

Keeping on his thoughts about the teacher's role, Pirogov highlighted three roles of the teacher in modern education: a called teacher, a teacher and an official, a teacher and a profiteer. The first one follows vocational and spiritual values, the second one prefers instructions and regulations, the third one follows the principles of benefit as a rule. All pedagogical methods, as well as the results of their activities depend on this vital choice: what kind of role will each specific teacher choose. This choice strictly depends on the appearance of the whole society [26, pp. 291-292]. Today essential attention should be paid to save "called teachers", otherwise the education, including social one, will die [12]. The research object of this article became the development of social education at the end of XIX – at the beginning of XX centuries. As always, it was divided into formal and informal education. Informal education includes the core components of general education, and general social elements of vocational training in different life spheres. It can also insert giving some philosophical knowledge about the nature of social relations and social structure, about the relationship between individual and social interests, about social and cultural values, about traditions and succession, about patriotism, about man's rights and duties. It also should include pedagogical functions of education and training [24]. General education operated in Russia during this period in the form of gymnasiums and schools, real schools (a type of secondary school), urban and rural public schools and parochial schools. They all were very different in curriculum, school environment and teachers [3].

Many of them had a high level of conservatism, and even stagnation, school strict discipline and drudgery of learning. Unfortunately all of that was presented in the teaching of God's Law, which existed in most schools. Many outstanding people of culture and science had a lot of recollections about it. Outstanding scientists and lecturers denied such schools. Among them there was a prominent Russian psychologist L.S. Vygotskii, who became the creator of the social and cultural school of psychology and pedagogy [30]. Historical experience shows that everything depended on the teacher's personality. There were great examples of experimental schools, where the ideas of outstanding teachers of late XIX – early XX centuries were realized. One of these experimental schools was the rural school of Aleksandr Rachinskii, Professor of Moscow University. He combined spiritual and theological basis of the school education with teaching natural sciences, art education, problematic teaching methods and the unity of theory and practice. He professed the principle "You should win the right of reading the Gospel to children without blushing for yourself" [20]. Formal education is connected with vocational training and the relevant document giving the right of professional activity in the social sphere. Actually vocational social education didn't exist in Russia in this period, but there were its bases. In 1907 Vladimir Bekhterev founded St.-Petersburg Scientific Research Psycho-Neurological Institute (PNI) and Experimental Clinical Institute for alcoholism research which became the first one in the world (In those years Anti-alcoholic Institute was the world's only institute for the study of the alcohol effect on the body). Its organization in 1911 was awarded with the highest prize at the exhibition in Turin. In 1911 at its law faculty there was opened the Department of public care (at that time it was the synonym for social work). The same year the first-year students began to study this specialty. In 1913 in Paris, the International Congress dealing with the fight against alcoholism unanimously adopted the resolution according to which it was expedient to transform Anti-alcohol Institute into the International Research Centre. The basis of social education was the philosophy of humanism. Teaching attached high importance to spiritual values and social ideals. Pedological Institute, opened in 1907 as a part of PNI, became the important supplement to social education, or rather to its social and educational component. It made a great contribution to the development of educational theory. The main educational principle of Psycho-Neurological Institute as the new type of university was a mix of training and actual scientific research practices in the most socially important ways. The training of national teachers attached great importance to the spiritual and patriotic values. In particular, it was presented in the Higher women's courses, founded by V. Guerrier. S. Goguel, Professor of St. Petersburg University, developed the idea of uniting social forces in social care. Today, this concept is called "social partnership". The Museum of Labor Assistance had the same purpose. This museum was founded in 1901 to coordinate the efforts of all partners and to research regional experience. The Houses of Diligence had educational activities on the spiritual and theological foundations [4]. They were founded in 1887, by the priest Saint John of Kronstadt, with the aim of social rehabilitation and adaptation of poor, homeless and unemployed people. In 1912, there were already 239 Houses of Diligence; they cared about thousands of needy people [25, pp. 121-122]. Saint John of Kronstadt believed that social recovery is impossible without spiritual recovery. Russian Orthodox Brotherhoods and Sisterhoods took active part in education on the spiritual and theological bases [19]. This was the association of men (Brotherhoods) or women (Sisterhoods) of different classes. They were focused on social service in various forms. Welfare was supported with spiritual lessons. At the end of XIX century in Russia there were 140 active Brotherhoods. Sisterhoods became particularly popular during the First World War (there were over 100 Sisterhoods). Their special service was to care for sick and wounded people. There was extremely needed patience and humility, a kind word and support of people who experienced all difficulties and losses of war.

4. DISCUSSION

Researching the formation of social education with spiritual and theological bases, it is showed that it is the great part of the social work history and the social pedagogy history. The study of philosophy, both secular and religious social work in the context of modern education allows finding areas of common interest and correlation [6]. One of these areas is the area of professional values and the need to return the moral foundations of education [7; 12]. This issue is topical for Western European universities: the theological bases are not studied in the context of “strict theology”, but in the interpretation of ethical norms and values, common worldviews [27]. The study of historical experience in implementing the principles of moral and social education helps to understand the origins of Russian charity [10]. The acutest problem of modern literature is the ratio of standardization in social education and in vocational social activity [21]. Research experience shows that professionals have not evaluated the level and significance of standardization risks yet [22].

5. CONCLUSION

Every historical period has a unique specificity of solved problems and methods of their solutions. However, exaggerating pragmatic and individualistic values and personal interest priority begin to threaten public security nowadays. The experience of the recent past can improve the situation. Spiritual values become the required part of social education and the bases of vocational activity in the social sphere.

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THE EXPERIENCE OF SOCIO-ECONOMIC ADAPTATION OF THE RUSSIAN NOBILITY IN A DEVELOPING SOCIETY IN THE LATE XIX-XX CENTURY

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ABSTRACT

The noble class of the Russian Empire for centuries personified the political, economic, and cultural power in the post-reform era was in a very difficult position, gradually eroding their socio-economic position and had to adapt to new conditions.

The historical experience of socio-economic adaptation of the Russian nobility, expressed, in particular, in the commercial and industrial entrepreneurship is particularly relevant in the current environment characterized by dynamic reformation of all spheres of life of modern Russian society.

Keywords: *adaptation, nobility, modernization, entrepreneurship, post-reform era, socio-cultural changes*

1. INTRODUCTION

Modernization is a process of developing social structure, aimed at the formation and consolidation of bourgeois-capitalist relations in society. Modernization refers to a model of a transition from a "traditional" (agrarian) to a industrial (capitalist) society. We can highlight three main directions of the research of the modernization process applied to the Russian social classes at the beginning of the XX century. The economic sphere, where modernization is associated with the establishment of market relations as the main type of social relations, with the transformation of simple reproduction into an expanded one, with the creation of an integral infrastructure of industrial, factory production and large share capital. The social aspect, where modernization means the social division into two main strata, appearing from the replacement of the traditional hierarchical class-corporate society by a dynamic but rather rigid social model consisting of proprietors and employees. Famously "the process of modernization is...variable in its type". It means, that historical process is determined not only by universal, "eternal" laws of formations' change suitable for all mankind, but by "a specific historical, sociocultural and mental environment of its course" [Shelokhaev, 2001. P.42 - 43.]. The historical experience of socio-economic adaptation of the Russian nobility, which is particularly expressed in the commercial and industrial entrepreneurship at the current class and social status, culture and mentality, is especially relevant in the current conditions characterized by a dynamic reform of all spheres of life in contemporary Russian society. The main aspect in this topic and the fundamental law of the modernization theory is the recognition of the continuity of the historical process and its cognition as a unified whole.

The basis of the modernization approach as a method is the focus of the researcher's attention on the problems of development, ways and means of transition from traditionality to modernity; the analysis of events is conducted primarily at the level of a specific country with account of the national development model; key concepts are "tradition" and "modernity", as well as such introsocial categories as public institutions and cultural values; the modernization process is estimated as a dynamic, promising, significantly expanding the potential of human capabilities [See, for example: Poberezhnikov, I.V. 2005. - P.16; see also: Poberezhnikov IV, 2006]. In a strict sense modernization is a research method of the study of the historical process, which is useful in the work on this problem.

2. RESEARCH

The methodological basis for the study is the modernization approach, systemic, integrated and comparative, historical methods. On the base of the modernization theory the authors were able to trace the main components of the adaptation process that was taking place during the cardinal changes in the economic, social, cultural life of the country in the late 19th and early 20th centuries. In modern historiography, the repeatedly tested methods of the concrete historical interpretation of the facts of the past on the basis of a comprehensive critical use of a wide range of sources, which allowed to construct a theoretical and methodological basis for research. The main principle of research is the principle of historicism, which considers the individual historical events and phenomena within the concrete historical situation.

The complex method based on this principle. The comparative method allowed to appraise the changes taking place during the affected period in the Russian nobility, its economic position, world outlook, socio-cultural image. It is necessary to actively involve and use widely the techniques and scientific information of auxiliary ("additional") historical disciplines - genealogy, heraldry, sphragistics to cover this particular topic. The author of the research paper also uses the specific techniques of the other sciences: jurisprudence, political science, culturology, sociology, psychology. In the course of the study, it was created a new database of noble entrepreneurs, which allowed to objectively illuminate the investigated processes by systematizing the material obtained as a result [Kurkov KN, 2005. - P.128-535]. Let's consider the circumstances of the inclusion of the higher Russian class in the modernization process more detailed.

One of the ways of such adaptation was the occupation of commercial and industrial entrepreneurship, the restructuring and intensive development of capitalist enterprises on their own farms (who still had such property), participation in the corporatization, finally, wage labor in posts that required no longer personal courage on the battlefield, selfless work on the state service or selfless public service in the counties' institutions, but manifestations of completely different qualities and properties, which didn't at times typify the nobility. Necessity forced to abandon the usual notions and prejudices, to replace the code of honor by the false morality of bourgeois businessmen, home education by the university and even the technical education.

There are few research works that somehow affect the problems of the nobility's participation in the socio-economic modernization of Russia, which makes it impossible to offer any of their classification or coherent criticism. There are no researches, devoted to the adaptation of Russian nobility to new realities by their involving into the sphere of industrial and commercial entrepreneurship, which doesn't allow to go beyond the commented description of any significant work relating to such a phenomenon as noble entrepreneurship.

Almost all Russian historians who wrote about the nobility, its relations with the authorities, its participation in the life of the country, and intrasocial processes, spoke above all about the local nobility, the ways of conducting the landlord economy, the new capitalist forms of its organization [Anfimov AM, 1969; Anfimov AM, 1997. №5. - P.49 - 72; №6. - P.41 - 84; №7. - P.81 - 99; №9. - P.82 - 113; Minarik LP, 1971; Proskuryakova NA 1973. - P.55 - 75; Koval'chenko ID, Selunskaya NB, Litvakov BM, 1982; Koval'chenko ID, 2004; Problems of source study and historiography, 2000.]. But the advanced methods of management in estates still did not prove the inclusion of noble landlords in the modernization process, since the dominant feature of this process was the transformation in the leading sectors of the economy (including the sphere of industrial entrepreneurship) that caused qualitative changes in the social structure of society.

The question of flexibility, of the adaptive capabilities of the nobility was raised even before the revolution [New Encyclopedic Dictionary, [1913]. - Ст66.694.]. Works devoted to noble entrepreneurship in Russia as a phenomenon are still extremely few. The only exception is the article by A.P. Korelin [Korelin AP, 1978. - P.128-140.], included in a shortened form in his monograph dedicated to the postreform nobility [Korelin AP, 1979. - P.106 - 122], the research papers of the author of this article [Kurkov KN, 1997; Kurkov KN, 2005.], and, finally, a small chapter in the monograph by M.K. Shatsillo [Shatsillo MK, 2004. - P.144 - 149.]. However A.P. Korelin did not conduct special study of the legal norms regulating the life of the estate; there is no special section devoted to its socio-cultural appearance in his works. The chronological framework of this work is limited to 1904, the pre-war and pre-revolutionary period, which covers the whole decade, whose events turned out to be decisive for the entire subsequent history of the country, remains unexamined. The problem is also considered in the works of A.N. Bohanov about the business "elite" of Russian society, and the author has given several lines to special issues such as the nobility and the Russian mentality in his attitude to the bourgeoisie and bourgeois "morals", the relative weight of the nobility in the group of the largest bourgeoisie, the relationship of the bourgeoisie with the authorities [Bohanov AN, 1992; Bokhanov AN, 1994; Bohanov AN, 1989].

There are almost no works in the western historiography devoted to the problem of noble adaptation to the conditions of the modernization process. The exception is American historian Seymour Becker, who "tried to depart from the generally accepted treatment of the decline of the nobility, which allegedly failed to adapt to changes, and proposed a different interpretation of what was happening" [Becker S., 2004. - P.314.]. The fact that "a large number of nobles, after the liberation of the peasants, got rid of their land," according to S. Becker, "was a manifestation of a healthy ability to adapt to radically changed social and economic circumstances." But the American researcher does not give a detailed description and analysis of adaptation ways and readiness of the Russian nobility to the changes. The traditional foundations of the nobility's welfare, its social pillars, the meaning of life and the existence of the estate were local landed property and public service.

Most of the latifundists, having huge personal wealth and connections, participated extensively in capitalist entrepreneurship, and at the beginning of the 20th century the relationship of the aristocratic elite with land ownership and with a number of different branches of commercial and industrial entrepreneurship became simultaneous [Dyakin VS, 1978. - P.13-17]. Capital are tried to invest in "traditional for the class" industries. In what conditions the noble entrepreneurs had to act at the beginning of the century? "By 1905 ... only 30-40% of members of the estate were provided with land (of the hereditary nobility - 55%). The main part of incomes consisted of the state service, business, rent.

The contradictions between certain groups and strata of the nobility are preserved and intensified, for instance, according to personal and hereditary, property and national characteristics, the nobility is re-bourgeoisized. At the same time the most wealthy and influential strata of the noblemen are consolidating their corporate organization, official and kinship ties, the presence of their representatives in the ruling elite, the common interests of the latifundists in the economic and non-economic exploitation of the peasants, and the social homogeneity of *the nobility and autocracy*.

The basis of the conservatism of a considerable part of the nobility is the preservation of its landownership, especially in the old regions ... The struggle for its interests, on the basis and with the support of the autocracy, hampered the development of the country, preserved many of the remnants of the past "[Buganov VI, 1994. - S. 40.]. The same members of "the highest strata", who run a business, faced the same obstacles as the entrepreneurs - natives of other classes. "On the one hand the state had to promote the development of trade and industry in the country, ensuring the stability and power of autocracy, but on the other hand - the development of private initiative in the economic field, inevitably in the future, would entail liberalization in the social and political spheres, redistribution authority in favor of the nascent bourgeois stratum. The absolutism could not allow this, and Russian entrepreneurs ... had difficulties, despite the declarations of the supreme authority on the protection of trade and industry" [Startsev AV, 1995. - P.8 - 9.].

It was concentrated considerable wealth in the hands of the nobility at the beginning of the XX century. Undoubtedly, the noble class had "capitalization" opportunities. In 1905 the cost of noble land in 50 provinces of Russia, at average sales prices of 1900 - 1902 years was 4040 million rubles, 60 per cent higher than the total mass of the capital stock of the bourgeoisie in the country [Spirin, LM, 1977.-P.16.]. There were more than 107000 estates in the indicated 50 provinces in 1905. "... The nobility of the whole country was influenced by the economic and political processes that took place after the abolition of serfdom. Land ownership lost its class nature, the land market was formed quickly (it was allocated by me. - Auth.)". However despite the big losses noble land ownership remained prevailing in the structure of private land ownership" [Penkova OP, 2003. - P.20]. And "although a number of legal obstacles hindering the process of the transformation of the noble land into a commodity, [by the beginning of the considered period. - Auth.] it was eliminated, complete freedom to alienate and acquire the lands - the main features of capitalist landed property - was still hampered both by general vestiges of estate and special privileges of aristocratic land ownership, the preservation of which was ensured by the whole power of the political machinery" [Korelin AP., 1979. - P.286].

According to the foregoing, it should be concluded that in the early XX century there were all the prerequisites to the entry of landlords "on an equal footing" into those wealthy bourgeois strata whose capitals had a different "commercial and industrial" origin. Another financial resource, that could become the basis for entrepreneurial activity under skilful orders was the lease of the landlord's land by the peasantry. The mortgage gave large funds, especially in the southern, most fertile provinces. However, it could not automatically "translate" the Russian landlord economy into capitalist rails. The same processes took place in the civil service: throughout the nineteenth century there was a gradual offensive of "raznochinets" on this most important noble privilege, the employment competition increased. These processes particularly affected the military personnel, which consisted of hereditary noblemen who often served in the continuation of many generations [Petrov Yu.P., 1956. - P. 6; Spirin LM, 1965. - P.11.]; on the eve of 1917 the share of "democratic elements" among officers, especially from lower classes, was over 80 percent [Kavtaradze, AG, 1988, p. 28.].

The interests of businessmen and landowners, the ties of the landed aristocracy, the local nobility, the military, the bureaucracy, the intellectuals with entrepreneurship increased and strengthened, which resulted in the separation of political power from the ground rent holders. The legal status of the nobility almost wasn't changed from the pre-reform era. All these processes determined the specific features of noble entrepreneurship as a means of adaptation to the new socio-economic conditions. The main features of democratic economic adaptation relied on state support, as well as the manifestation of a private noble initiative. Among the industrial sectors where the upper classes were employed, there were less changes in the most important for the nobility traditional industrial sectors, as well as the textile industry and the food-manufacturing industries. At the beginning of the XX century the existing legal field didn't create conditions for adaptation precisely to the upper class, without giving it serious advantages to adapt to new realities. It was the problem of the legal status of the nobility. It's necessary to draw attention to the common feature of the activities of all noble entrepreneurs, associated with state power, their strongest reliance on that position and the connections they possessed. Getting profitable orders, business contacts, the initial capital - all of this originated from their inextricable link with the higher society. The process of adapting the nobility to the new socio-economic conditions was traced by the example of several thousand people whose origin and class membership aren't doubted, who are in the corresponding directories as owners of the factory enterprises of the Russian Empire. The total number of the industrial enterprises recorded at the beginning of the XX century was 16350 in 1903 and 21954 in 1914. More than half of the factories that existed in 1902 and belonged to hereditary and personal noblemen as well as individuals with class ranks appeared in the last decades of the 19th century, and only 18 percent of these enterprises arose in the prereform era. Most of them were related to agriculture and land ownership, 90% were located in rural areas. Among the large enterprises (over 400 of 1894) there were beet-sugar, refinery, distilleries, large mills, cement, brick and particularly mining plants. 56% of all aristocratic enterprises were based in the period of agrarian crisis and industrial recovery, which indicates, at least, the intention of part of the upper class to adapt to the new conditions. The share of noble enterprises in the total number and volume of output was small (only in the early 1830s mountain plants accounted for 30%) [Korelin AP, 1979. - P. 110 - 111.].

In general, the preference of the hereditary nobility and associated social groups to the main production sectors was unchanged. Absolute leadership among members and relatives of the Imperial Family, bearers of patrimonial titles, untitled hereditary noblemen and holders of ranks of military I-XIV classes and civilian I-IX classes, as well as members of their families, and associated owners of enterprises from this category preserved "the processing of nutritious and taste products" associated with the traditional occupation of the local nobility - agriculture. This sphere has suffered the smallest losses by previous owners; at the same time big changes have taken place among the owners of mills, oil mills and starch plants, but almost all distilleries, beer and mead brewing, sugar beet and vodka plants, confectionery factories remained in the same hands during the whole pre-revolutionary period. The positions of the personal noblemen and the attached to them social strata were rather weak in this sphere. The second important industry and its owners was "the industry of mineral substances" where the hereditary nobility lost more than 2/3 of their positions, the number of associated owners has doubled. After food-manufacturing industry the most attractive was wood processing, but the nobility has lost more than half of the enterprises in this sphere, the number of associated owners decreased by half. Similar processes took place in the next most significant industry - paper and printing production. Only in the fifth place for groups "a" and "c" was "serious" industries - metallurgy, engineering.

And in these spheres for eleven years the nobility has ceded almost 2/3 of the enterprises that had previously been in its hands; the share of a group of personal nobles was negligible. The share of the nobility in the leading technical and advanced branches of industry, in the metallurgical, machine-building, and chemical enterprises has also declined. The upper class lost control over the technical progress in the country. Overall there were more than 2,500 of the noble entrepreneurs among almost 2 million people from various groups of the "noble class" [Kurkov KN, 2005]. At the result of the conducted research we can make the following main conclusions. The entrepreneurial activity of the Russian nobility as the main indicator of its adaptation to the changed Russian conditions of the early 20th century was closely connected with the social "tops" of the empire, with the bearers of state power. The absence of this support increased the possibility of socially active nobility retain economic positions; it reveals the deep causes of qualitative changes in the noble class as a result of its economic adaptation to new conditions. Adaptation of the Russian nobility to the conditions of modernization was the most complicated process that took place during a long transition period; the problem of the disintegration of the old estates, the process of mobility of social strata, their adaptability to new conditions, the transition of their representatives to the strata and classes of capitalist society required a special significance. The contradictoriness of this process was fully expressed in the guise of the noble entrepreneurs. The inclusion of traditional society in a complex modernization process is well observed in the example of the Russian nobility. Their common features were:

- belonging to the middle and upper strata of the nobility, the existence of kinship and class relations, contacts with representatives of the authorities and often a direct reliance on state support;
- existing of the starting capital (even small) in the form of official state content, real estate or output from its sale, payment of state salaries, allowances and pensions;
- constant preference given to the main industrial spheres associated with such traditional for the local nobility sectors as agriculture; use of local lands as factory territories, places for factory buildings, warehouses, buildings for workers; personal noblemen preserved and consolidated their positions in the paper and printing industry;
- choosing of sources of income in the non-productive sphere, weak competitiveness, compared with people from non-privileged strata.

Adaptation of the Russian nobility passed with varying success, depending on the sphere where it took place; if in the economy the adaptation successes were significant, then their social position gradually began to yield to representatives of other social classes, although its strength and intrasociological structure still allowed it to somehow influence the transitional processes. The successful "entrance to the market", the acquisition of new social features depended on wealth and position in the existing hierarchy.

3. CONCLUSION

The process of sociocultural adaptation has changed the attitude to special, professional education that allowed to find place in the modernizing economy. The nobility, disintegrating, gave material to other social classes: entrepreneurs, employees, intellectuals, and wage workers; nobles entered the market economy as part of the "white-collar" layer. Serious changes are observed relatively to the family, marriage, moral values. Psychological changes in the nobility mentality were the most difficult. The concept of honor which defined the moral code of the individual in the noble society is replaced by completely different notions where the value of the person was no longer determined by his personal merits, but increasingly by wealth that determined his position in society.

The political system prevailed in the country left its imprint on the ongoing processes marked by incompleteness and internal contradictions. The nobility class legislation preserved those legal norms, which didn't help the successful adaptation of this estate. Significant changes taking place in the ideology of a part of the nobility, didn't turn into the irreversible process; noblemen, who adapted psychologically, successfully adapted in other spheres. It is the inconsistency and "selectivity" of the nature of Russia's modernization that predetermined the paradoxical combination of successful entrepreneurial activity with the most archaic phenomena in the ways of extracting profits and spending the received funds, employers' relations with employees, advanced views with "traditional" anachronistic ideas.

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MODERN GLOBAL ECOLOGY AND ENVIRONMENTAL ETHICS: ECONOMIC AND SOCIAL BARRIERS TO THE SUSTAINABLE DEVELOPMENT IN RUSSIA

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ABSTRACT

The paper examines the problems of the formation of environmental ethics or environmental consciousness in contemporary Russian society. The formation of environmental ethics and environmental consciousness is one of the basic conditions of modern sustainable social and economic development at the local and global levels. Ecological consciousness is constantly reproduced within the framework of the modern system of mass communications and forms a specific spiritual environment, specific environmental ethics. This ethic includes norms, values, rules of conduct and social sanctions for their non-compliance. Environmental ethics determines the attitude of society to various problems of environmental protection and the possibilities of their solution under existing economic, political, and sociocultural constraints. The paper presents the results of the sociological analysis of the main social and economic factors in the formation of environmental consciousness and environmental ethics and are the main barriers to the formation of the social and ethical foundations of Russia's sustainable development.

Keywords: *ecology, "Eco-friendly" way of life, environmental ethics, environmental consciousness, sustainable development*

1. INTRODUCTION

Despite many years of discussions within Russian and foreign social studies on environmental ethics, its development problems and outspread in modern social communication systems, the term of "environmental ethics" itself stays still not clear. Attempts to define it often look like protruding certain opinions on significance of various environment-oriented initiatives. From the perspective of previous studies undertaken by the authors of this article, ecological ethics can be regarded as an integral part of social ethics, a set of collective representations that reflects opinions of various social groups about the nature, permissible forms and boundaries of its social exploitation, and the place of man and society.

Ecological ethics is constantly reproduced in the modern system of public communications and forms specific cultural environment, i.e. norms, values, rules of conduct and social sanctions for the non-compliance. It defines society's attitude toward various problems of natural environment protection and solubility taking into account existing economical, political, socio-cultural restrictions. Often ecological ethics is treated as a general category, and even as general value (or value system). However, the society's stance on nature, capability and above all the need to preserve it unspoiled is not universal at all. The attitude depends on the specific socio-economic and political conditions that form characteristics of sustainable social development and determine approach to the nature as to the most important and still underestimated by the majority factor. We can name quite a number of works written by global ecologists concerning the need for the ecological ethics' development, which prove its necessity and capability of evolving in the system of modern societies beyond reasonable doubt (Sideris, 2003; Traer, 2009; Keller, 2010; Rolston, 2012; Attfield, 2014; McShane, 2014; Hourdequin, 2015; Gardiner, Thompson, 2017).

However, still quite little attention is paid to studying the factors that impede its development and global spread. We have it as it is despite significant increased popularity of discussions about problems and capability for environmental conservation in the second half of the 20 – early 21st centuries. Despite the formation of a specific socio-political discourse, called environmentalism (Smith, 2001) – by this term we mean specific view of the possibility of getting rid of threats caused by increased human interference in nature in the course of progress in science and technology, freedom from the escalation of extensive undue resource-consuming industrial and economic activity, and also cultivation of perception of our planet as an interdependent ecosystem. In face of the adherence to principles of the well-known doctrine of sustainable (balanced, self-sustaining) development declared by the international political and economic organizations (as well as by the certain socio-political movements), environmental ethics has not become the basis for a new vision on the nature which is “the environment is the only one home for all of us”. And Russia is not an exception. Being based on factor analysis, employing the structural genetic approach and data taken from empirical sociological researches this article reviews problems and dissensions of ecological ethics developments' evolution in the world and in modern Russia.

2. GLOBAL PROBLEMS OF THE FORMATION OF ENVIRONMENTAL ETHICS

There are plenty of factors that hamper the evolution and spread of environmental ethics in the world and in Russia, and with the beginning of the new century we can see more and more of them. The first factor, which is generally not taken by many researchers as essential, is the socio-historical one. The fact that first conservation laws appeared in ancient Babylon and ancient China only confirms the idea that the whole history of mankind could be fully seen as the totality of the processes of adaptation of different societies in different epochs to the environment through degradation of nature itself. And efficiency of this adaptation is directly proportional to the degree of destructive impact of human's activity on the environment. However, humanity always acts with slim thought for the problem of environmental costs of its economic activity, preferring to solve its short-term problems of providing comfort and obtain "modern" ever-increasing material needs at the expense of future generations. With the times passing by, the historical types and forms of the impact of different societies on the environment were being changed. But the fact that this process finally overcame local boundaries for the first time in history is quite a distinguishing characteristic of the second half of the 20 – early 21st centuries. And the whole system of global environmental threats to mankind was formed based on it. In large extend this happened under the influence of the process (or rather totality of inconsistent processes) which was named in the 21st century as "the industrial society's

formation," and which, through the efforts of many representatives of the social sciences, primarily adherers of the economic theory, has been turned into the main subject of all scientific researches, and also proclaimed a stepping stone of the socio-historical development of the mankind. With all the intellectual consequences that come with it like significant artificial limitation of the critical perception of consequences of various industries' development, both in academia and people's minds. Industrial and economic upturn, apparently carried out through nature degradation, began to be considered (and promoted) purely as a goal in itself, and socio-economic development sustainability was interpreted mainly as stability of rates of increase in its statistical measures. Existence of environmental threats is made worse by the fact that mature economies and developing countries react in completely different ways, as a rule, depending on their financial and economic possibilities. So that another one factor hindering the global spread of ecological ethics is the existing and increasing geo-economic disparity. According to the global development researchers, at present inequality, already considerable, is being increased. The USA, Western Europe and Japan are 100 times richer than Ethiopia, Haiti and Nepal. And if the gap between countries in the early 20 century was only 1: 9, then at the beginning of the 21st century this gap in income per capita (between 10% of the richest countries inhabitants and 10% of the poorest) exceeds 10 thousand times (Birdsall, 2005). According to the World Bank experts, at the end of the 20 century, in the thirteen richest countries in the world income per capita was in excess of \$ 20,000 per year, while in the 26 poorest countries it was less than \$ 350 (Global Economy and Economic Disparity, 2005). Cyclical movements in the global economy happened in the first decade of the 21st century, called the "world economic crisis," only strengthened it.

The issue of global disparity growth is exacerbated by the a priori idea of externalizing environmental costs, common for traditional economy (primarily classical and neoclassical approaches). All the more, global industrial economic growth is usually proposed as the main way of solving all the contradictions between rich and poor countries. Until now it is believed that the industrial human intervention in nature costs nothing to nature itself, which integral part the humanity is. As D. Efremenko rightly notes: "The cost reduction in the Largest Economies due to externalization stimulates a further increase in consumption thereby further increasing global inequality and environmental stress". (Efremenko, 2007, p. 86). The rise of the global consumer society is another factor hindering the development and spread of environmental ethics. The values of the global consumer society, which direct people to total abundance of nature by making life comfortable, come into direct contradiction with the ethnic cultures values. After all, these cultures for thousand years have guided people to harmonious engagement with the environment. New social values target an increasing number of people around the world to follow in their consumer behavior an universal strategy for creating personal comfort at any cost, including the cost of nature degradation. The doctrine of sustainable growth implies, among other things, some restrictions of global consumerism (however clearly vague) and buildup of prerequisites for moderate consumption. But such ideas apparently contravene both with the aspiration of modern transnational producers of goods and services to obtain super profit because of the global spread of industry and expansion of consumption, and with the aspirations of the majority of people of different societies to achieve universal standards of the consumer society regardless their welfare. This contradiction is aggravated by the presence of yet another, more substantial, structural contradiction, associated with the global consumer society evolvement. This is a contradiction between the ever-increasing production, the imposition of universal consumption patterns on millions of people, and real possibilities, which are quite modest, of the majority to follow these patterns. In such a situation, environmental ethics itself turns into one of the elements of the universal consumption patterns.

It can become an effective background for the discourse of the global consumer society that is being formed, transformed and managed by advertising and specific PR tools. This discourse manifests itself, for example, in the wide-spread trend for "green" (ethical) consumerism. The global consumer society and global industrialization can't be imagined without transnationalism – the expansion of the transnational companies' influence. Indeed, as many experts rightly believe, it would be impossible to solve global and local environmental problems without their assistance and support with the new technologies of efficient use of resources and power management, investment capitals, without their strategies for implementing corporate environmental standards. Still when we talk about transnationalism we also cannot hide a number of dangers connected with it. Thus, there is a risk of freezing of environmental regulation, especially in poor countries and regions, where rise of income in certain social groups and broaden options for joining the values of the "consumer society" becomes prior over environmental activities. Taking into account weak and dependent on big business bureaucratic apparatus, it is more convenient for the state to abandon the improvement of environmental regulation, if it is present to some extent, or simply not to conduct any real work to control the maintenance of environmental standards, limiting itself to declarations of intent. Research data, which has been accumulating year after year, disprove the optimistic view saying that "environmental degradation is only a temporary phenomenon that will easily change," since negative changes tend to accumulate from decade to decade. And with the growing cost of solving environmental problems, the opportunities for making effective conservational and environment restoration policies at the global and local levels are rapidly disappearing. From an economic point of view it makes this depravation of the ecological situation more and more irretrievable. Also noteworthy is the fact that "a policy in which priority is given to economic growth at the price of the environment is short-sighted, as it will subsequently lead to significant expenditures that could otherwise be avoided" (Globalization, Growth and Poverty, Building a Global World Economy, 2004, page 159). Ecological ethics will receive a new impetus to its global spread only when the majority loose the illusions, driven by the impact of the factors listed above. Factors, which sideline possibility for an independent and responsible evaluation of most of the risks that actually exist and are reproduced in connection with the escalation of the extensive economic activity in the modern societies' system.

3. THE SOCIOLOGICAL ANALYSIS OF THE FORMATION OF ENVIRONMENTAL CONSCIOUSNESS

Number of surveys aimed on ecology and ecological ethics is growing but not as fast as it is necessary under current conditions. Their findings reveal that about two thirds of Russian citizens to some extend express concerns about ecological situation in their own town or rural area (Problems of Ecology, 2016). However, despite the significant growth of information in the media in recent years on topics related to the environment, only one quarter of Russian citizens know that 2017 was declared the Year of Ecology. At the same time, over the past seven years the number of citizens who believe that environmental situation will not change significantly for better in the coming years has grown from 40% to 48% (Ecological situation in Russia: monitoring, 2017). Ecological issues began to bother the inhabitants of Russia in the 2000s in a time when economic growth and a certain improvement in the standard of living took place. By the end of the 2000s two-thirds of Russians (64%) were confident that sustainable development of Russia is impossible without solving environmental problems. That very time a significant number of Russians (84%) began to presume that grassroots should deal with environmental problems. Nevertheless, 56% of respondents were sure that they can't influence the progress in this area, shifting responsibility to the authorities, and only one third of respondents (31%) were convinced that they can influence the solution of environmental problems personally.

Moreover, the more prosperous were citizens, the more active was their position on environmental issues (Ecological situation in the mass consciousness of Russians, 2008, pp. 3, 10). Has the situation changed by the end of the new decade? Even if so, this change is insignificant. Survey data shows that citizens still assign responsibility for environmental protection and solving environmental problems mainly to the authorities, with the only difference that in the second decade of the new century the emphasis in environmental protection expectations shifted to local (25%) and regional (23%) of the authorities (Ecological situation in Russia: monitoring, 2017). It is remarkable that Russians pay more and more attention to the ecological reputation of organizations (public and private, domestic and transnational). At the same time, the gradual expansion of environmentally responsible consumers in Russia arises. However, this can be just a part of the global fashion trends (pushed by advertising in the media) for a healthy or "green" lifestyle and "green" consuming so far. By the middle of the 2010-s only 30% of Russians in some way dealt with ethical consumption (purchase of the appropriate goods or boycotting purchases, waste recycling). Still, experts conclude that ethical consumers in Russia are multi-profile. They reveal the highest "sensitivity" to information about the environmental harm caused by manufacturers in the place of residence of respondents - 78% (Shabanova, 2015).

Over the past seven years, the number of respondents who noticed some improvement in the environmental situation has increased from 10% to 24% (Ecological situation in Russia: monitoring, 2017). However, according to recent VTsIOM research, ratio of Russians who believe that human health is deteriorating particularly because of environmental problems (61%) also increases (Environmental issues, 2016). At the same time the main sources of environmental hazards in Russians' opinion are transport and industrial enterprises, and air and water pollution is their main concern. It should be noted that concerns among Russians about the state of the environment is growing year by year due to the increase of the amount of information about the state of nature and environmental initiatives. Moreover, the vast majority of citizens consider it important to obtain information permanently about the state of the environment (especially about the cleanliness of air and water bodies - more than 80%) and about environmental initiatives (environmental projects).

With that in mind, it is important to pay attention to the fact that the manifestation of civil ecological consciousness for many Russians is associated primarily with "plain to see" problems solution and sometimes literally – for instance, personal participation in dealing with problem of garbage and waste driven by consumption (Abramov, 2013, pp. 4-7, 12-14). Despite commendable growth in the number of youth environmental movements and organizations in our country, especially in the last ten years the ever more steadfast commitment of young people to the trend of "green" consumption, Russian youth is still poorly involved in their activities (the share of environmental movements in the socio-political activity of youth is 3.5%, although every second young person takes part in two or more social movements) (Sheregi, 2013, pp. 26-27). The problems of low income (71%) and threats of unemployment (54%) caused much more anxiety among Russian youth (as well as the rest of Russians), even in the "steady period", before the crisis. (Gudkov, Dubin, Zorina, 2011, page 38). Now the situation has only worsened. However, as basic values for Russian youth, along with good job, money and family, health and sound environment (as a factor that exerts paramount influence on health) comes first (Sheregi, 2013, pp. 88-89). That is why an important aspect of the development of environmental ethics in Russia is also an environmental education system development (which includes a set of measures for the development of environmental education starting from pre-school institutions and schools), since such a mechanism for environmental ethics' extension is sought by the society.

4. CONSLUSION

We note finally, that, despite the significant increase in the popularity of environmental initiatives and environmental policy effectiveness' growths in Russia, economic barriers remain significant encumbrance to the environmental ethics outspread. These are especially important in times of the current global economic crisis, as in presence of negative global trends issues of wages and unemployment seem much more topical for many than the environmental problems. And this must be taken into account when implementing environmental policy measures and developing environmental education. Thus, it should be noted that the opportunities for the advancement of environmental ethics in the system of modern mass communications are still being reduced under the influence of many negative factors – both exist and coming ones. Overriding these factors' influence in the patterns of modern mass communications should become the top target of environmental policy in different countries in the first half of the 21st century.

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MODERNIZED POVERTY OR SOCIAL CONSTRUCTION OF PRIVATION

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ABSTRACT

Poverty is a recurrent phenomenon, its permanence as a subject of study proves it. The market evangelists' breach with the values of ancient societies was responsible for the advent of a new form of poverty, « a modernized poverty » unrelated to poverty under its Arab-Muslim, Greek or vernacular form. This new version of poverty is the fruit of the pressure and frustration conveyed by the economization of human societies. The modernized poverty flourished with the advent of the phenomenon of globalization. It is currently the art of under-developed countries as the counterpart of integration in the "planetary village" for these same countries is synonymous with the breach with the lifestyle of ancient societies. The present paper is meant to highlight deprivation in the era of successive crises and the questioning of the single-minded approach so dear to the market evangelists. This work is the fruit of a series of observations combined with a heterodox analysis of poverty and deprivation. We endeavoured to underline the nature of the poverty-growth causality. Is growth indeed synonymous with the decline of deprivation? Is economic growth actually beneficial to the poor? Shall we witness the advent of a new version of deprivation as a result of non-adherence to or rather exclusion from a dominant life standard?

Keywords: *Poverty, deprivation, market, despotism, growth, development, misery*

1. INTRODUCTION - DEVELOPMENT: THE STORY OF A NEW POVERTY

A lot of ink has been spilled over development, this newcomer which was initially supposed to serve the cause of the victims of social and economic discrimination, in particular, those impoverished by colonial regimes. The myth was so tenacious in the minds of its promoters that fifty years after the introduction of the word and despite all the evil it caused to millions of poor people in terms of displacement and immiseration the Heads of States did not refrain from reaffirming unanimously before the UN Assembly their staunch commitment to development programs. These evils, euphemistically called *repercussions* or second or collateral effects, have been studied and their manifestations so apparent. We deemed highly important to highlight two significant facts: the preponderance of development in the dominant jargon related to poverty; and its key role in the process of colonising the contemporary imaginary. If, since its inception, the concept of development has enjoyed a near unanimous support, it's because it was indeed at the convergence of three change conceptions emanating from different sources: the neo-colonial new powers, the ruling class of the countries concerned and the people of these same countries. For its western promoters, it represented the ideal mask to restore life to the colonial enterprise under a neutral and promising name. In the same time it embodied the vitality and intelligence of a dynamic economic system in quest of satellite nations all over the independent countries to offer them to open up a new page of "cooperation".

The novelty of the approach was in the idea of "partnership" destined to meet the defined needs of the "poor" countries, which could give the illusion that now they actually partake as peers in

the making of the big decisions about their future. For the ruling classes of this "Third World", the idea represented the hope to join the club of the rich, but also an opportunity to convince their people that the time had come for all to experience the promises of economic abundance shared. For the displaced and dispossessed of their wealth by centuries of colonial domination, it meant finally the hope to regain their rightful place. In the so-called poor countries, the word development has yet served to subtly colonize the elite in the first place, and then the entire population. The elite began to accept, often without reserve, the social policy proposed by northern economies. Then, this elite was used as a relay to convince the locals in a language adapted to the national conditions. What was the substance of their poverty and what were the most appropriate types of interventions to stop this condition? In fact, the most tangible result of development programs in the north as well as in the south was to deprive the poor from the means to self-counter the new miseries and to install the new winners in decisive control positions. In southern countries, these positions allowed the local rulers - especially those who followed the first generation of nationalist and anti-colonial combatants - to sell at the lowest price the human and natural resources in exchange of aid programs aimed mostly at consolidating the interior colonization of the country by the same rulers. These Third-World re-colonization processes were largely promoted by the new development language. It is development which introduced the idea that some countries are now declared "poor" and "under-developed". Why? What's the criterion? Because they lacked the necessary economic resources and poverty was generally and essentially an economic problem. The international aid would profit the countries contingent upon a scale of the different national revenue levels. As less developed countries are eligible for more aid, some governments went so far as to claim themselves *as the least developed countries*. To streamline the fight against poverty and ensure consistency between objectives and intentions, which are often contradictory, the same language has introduced a whole vocabulary around the notion of "priority". The first of them deals with the creation of the necessary institutions and national senior officers for development and infrastructure essential to the practice of "national sovereignty". While entire populations were systematically impoverished and deprived of livelihood, a significant share of national resources was thus directed towards the "priority" needs of the States, on the one hand to strengthen the armed forces, the law enforcement institutions and the bureaucracy; and on the other hand, to direct all the productive capacity of the countries to exportation in order to repay some of the debts of the financial, economic, military, technical aid, etc. Thus, in the name of development and the fight against poverty, most of the countries declared poor or underdeveloped turned quickly into zones of influence for the economic and political powers that became their donors and protectors. This is where the dominant language under the cloak of humanitarian action and cooperation helped establish a globally new modernized form of slavery. Whether at the individual level or at the national level, the social construction of poverty at the global scale serves loyally the cause of a productive system favourable to the interests of the rich and the ruling class rather than that of the poor it claims to help. It is the same language that made it possible and whose condescending accents stigmatize the poor as useless individuals and social parasites producing nothing and asking for more. It is a language that transforms all those rejected by modern economy, whether individuals or entire nations, into "to-be-assisted" bodies, unable to take care of themselves. A perfectly binary language that strips them of their power of decision as it pushes them whether to take the risk of displacement in order to enter the world of "progress" (and most will be condemned to modernized poverty) or to return to their roots in a land that successive colonizers depleted, drained or polluted. This supposedly scientific and humanitarian "Newspeak", blind to the true dimensions of poverty, is even less able to help the poor fight against the socially manufactured needs that the global market make them covet, that it has become itself a major cause of immiseration. The noose that is tightening worldwide around hundreds of millions of poor people is therefore not

the result of a lack of "development" or "economic growth". Certainly, the material dimension of poverty remains an undeniable concern. But the history of the last two centuries proves, alas, that the highest growth rates have nowhere been able to properly address the real issues, including at the material level. For the evangelists of the market, the removal of trade barriers is one of the most crucial measures that governments can take to give poor countries better access to global prosperity. Moreover, the report of the World Bank published in 2009 concluded that *"openness is why globalization leads to growth and reduces poverty faster in countries."* In other words, integration through trade and openness are almost an automatic guarantee of speedy growth and reduction of poverty. Faced with this determinism, some voices rose to denounce reductionism of the approach adopted by ultraliberals.

The question that arises at this level is: Does liberal globalization really benefit the poor? Between 1998 and 2008, the incidence of poverty in the world has declined at a rate of 0.2% per year. The already huge income inequalities have merely widened. In the late 2000s, high-income countries with 14% of the world population were sharing over three-quarters of the world income¹. In the late 90s, the world economy was more unequal than any national economy since then. Some economists argue, without any credible evidence, that the incomes of the rich and the poor are starting to converge. There is no more doubt that international trade boosts income inequality. As exports are growing faster than world GDP, they have a more important effect on the distribution of income. The shares of world trade are like patterns of income distribution. At this level, it should be noted that for every dollar linked to exports, \$ 0.75 goes to the richest countries in the world and about 0.03 to low-income countries. According to Kevin Watkins, senior adviser to Oxfam, *"as long as developing countries do not receive a larger share, trade will continue to contribute to the widening of income gaps in absolute terms."*²

It is therefore obvious that we go awry when we assert that the incomes of the poor rise consistently with growth and economic openness, as Amartya Sen indeed confirmed in his book "Rethinking Inequality". For him, countries where income inequality is low can expect much higher levels of poverty reduction than those where inequality is high. Openness as such is therefore not really a strategy to fight poverty. Strategy documents for poverty reduction (SDPR)³ prepared by governments that were committed to programs supported by the IMF and the World Bank provide an excellent opportunity to devise an approach to the trade policy really focused on poverty. However, most SDPRs do but repeat the conventional wisdom about the virtues of free trade. These hypotheses that inspire government actions often have serious consequences for poverty reduction. For example, Cambodia's SDPR forecasts a quick general liberalization of imports, with the lowering of customs duties to an average of 5%, even for sensitive agricultural products such as rice. Yet, in a country where a third of the population lives below the poverty line, the SDPR contains no assessment of the consequences of such measures for the distribution of rural incomes while rice is the very pillar of both the rural economy and society. The belief that sustained growth is synonymous with declining poverty is therefore subject to serious criticism. The opposite is true, however, because deprivation in its western version is rather a result of liberalization that wants to be blind to the markets which cause the ever increasing exclusion of populations that are victims of a growing economization of the societies they belong to. The same view was underlined by the proponents of this approach in terms of modernized poverty.

¹ These figures come from a report published by the World Bank in 1999, « True World Income Distribution, 1988 and 1993», p. 73..

² International Monetary Fund, «The physiognomy of global integration», *Finance & Development*, March 2002.

³ International Monetary Fund, "2001 Annual Report ", website: [http / www.imf.org](http://www.imf.org).

During the 50s and 60s, the World Bank financed primarily equipment (roads, railways, power plants, ports, telecommunication, etc.). It stipulated that the endowment of a country by a good infrastructure network stimulates development. Thus, it refers to the theory of the trickle-down effect commonly called economy of repercussions. For experts of the World Bank, the best way to help the poor is to promote growth. *"They have faith in the economy of repercussions."* The benefits of growth, they say, eventually cascade to the poorest. Yet in England, in the nineteenth century, pauperism increased while the whole country was getting totally enriched. In his famous book *"Globalization and its Discontents"* Joseph Stiglitz points out that *"it is true that we cannot achieve sustainable poverty reduction without strong economic growth. But the opposite is not true. If there is growth, there is no pre-requirement that it should benefit everyone. It is not true that "a rising tide lifts all boats." Sometimes when the tide comes in quickly, especially in bad weather, it projects the frailest boats against the rocks of the coast and shatters them."*⁴

Therefore, it turns out that the illusions raised by the language of the dominant institutions have already transformed many victims of modernized misery into agents of their own downfall, even into violent actors with sterile and self-destructive behaviour. The last four decades have unfortunately witnessed the development of such a type of language, based on ethnic, nationalistic, political or religious populist claims destined to combat the apparently most revolting, but often superficial symptoms of the injustices suffered. The masses deeply scarred by a long history of humiliation and structural violence naturally favour the speech of challenge, temporarily emancipative. But this purely reactive language is no different from the one that created it. The language of the "impoverished" promoted by a politicized fundamentalism is one of the most striking examples: after having borrowed and diverted the culturally constituted vocabulary of the genuine poor, it began serving a politico-religious ideology, was transfigured by this manipulation and ended up turning against the poor themselves. However, where the most discerning of the poor and most attached to the traditions of conviviality sought to invent a language reflecting their own experiences, they have turned this into a refined instrument for the pursuit of alternative lifestyles corresponding to their own aspirations, taking into account both their traditions of simplicity and hospitality and the requirements of modern society where everything is constantly to be re-thought.

2. THE MODERNIZED POVERTY

The concept of modernized poverty is the work of Professor Majid Rahnema, diplomat and former Minister of Science in Iran. This new version of poverty is the result of pressure and frustration conveyed by the economization of human societies. Majid Rahnema believes this modernized poverty threatens all social categories. *"Notwithstanding the fact that the goods and services produced by the modern economy are enough today to meet the necessities which all people worldwide need for their well-being, the vast majority of these people lives in poverty or is threatened by it. This anomaly is coupled with a perfectly paradoxical discourse: societies that promote the principles of sovereignty and freedom of the individual, equality for all, reduce in fact, the human being to a mere market value, increase inequality and reinforce the undemocratic structures and thus, create new hierarchies even more difficult to combat."*

For liberal ideologies, the period of structural adjustment was a great contribution to the underdeveloped societies. Insofar as it gave them time to adapt to new market rules and allowed the poor to enjoy the benefits of growth "trickle-down effect". However, these same strategies that claim to be able to raise their standard of living, often simply rather increase slightly the needs of the poor and the hope to meet them, and in the long run, forge more dependence to the

⁴ J. Stiglitz, "Globalization and Its Discontents", Paris, Fayard, 2002, p. 114.

system. The same social outcasts are weakened by another syndrome namely; loss of self-confidence. The logic of the market is to disqualify the labour of the poor and reduce them to mere "recalculated". At the same time, the requirement of the progress it represents creates barriers to alternatives that may enable the excluded to be self-employed. The poor condemned to inactivity is thus forced to face the facts "*Since there is no use for their capabilities in a system of capital money valorisation, they are rejected, excluded, deemed inexistent*"⁵.

Modernized poverty is magnified by the isolation that it condemns its victim to. The loss of their relationships and friends capital following the loss of their job leads the poor to shun. Historically he who works is never considered poor. The label: *vagabond* was the label of he who did not want to work. Today, with the advent of modernized poverty, hundreds of millions of women and men who are willing and able to work are classified as poor if their skills do not match a specific profile and are not valued in the market of employment. Market fundamentalism wanted this mismatch between system requirements and skills of people to increase with every technological progress, especially in the so-called developing countries. In these countries, the production system pushes the poor farmer to invest in mass production or what is commonly known as "agribusiness" to ensure currency influx, a sine qua non condition for the modernization of a country. The same farmer who was always solvent to his community and habits is now, consequently, forced to accept what is decreed. The day when the market decides to do without him, pretending he is no longer qualified, all the skills, which for centuries had made people like him socially recognized and respected, will be of no more value to the community. Globalization that Serge Latouche describes as blind provides a good example of a technology; like IT, whose progress widens the gap between children with a highly developed know-how and others structurally disqualified.

In human societies, the poor lived in the strictly existential fear of becoming one day a stranger. He was mainly afraid of being in a situation of isolation. Yet, it is precisely this fear that is the daily routine of the modernized poor who begins to have a strange perception of themselves. The poor suffers, according to Emmanuel Mounier, this "*only real misfortune which is to suffer separately, deprived of cruel fraternity and unfortunate intimacy*." ⁶ And even if they have access to new services and have far more assets than the poor in vernacular societies, they are more than ever doomed to marginalization. The ancient writings tell us that in human societies, the individual could live in dignity while being devoid of any kind of materiality. Working, even for a meagre salary, was an honour for the individual. It was a way to establish oneself within the community. Proving their social utility by work, the person knew in advance that they would always be reliable in case of need. Unlike the old times, and instead of developing human labour, the new economy tends rather to underestimate the labour of the poor and to relegate it to the nth rank on the scale of profitability. In the eyes of the System these poor workers become interesting only when their addiction to the invented needs is profitable. For market fundamentalists all means are good to make these same people, despised at first by the system, loyal consumers to the capitalist mode of production. Thus, among the needs of a family, which is reduced to the simple condition of survival in the suburbs of Casablanca, there is now: the satellite dish, the Barbie doll, tablets, mobile phones, Coca-Cola packs, the enrolment of children in private schools, etc., even if over-indebtedness ensues, and all this so that their children may have a lean chance of success. While instilling this lifestyle, the system has condemned the family to enter into a dead end, and where it is almost impossible to reconcile the never ever sufficient resources and the never ever satisfied needs. The remarkable breakthroughs in technology and marketing are far from fixing matters. The production system is no longer content with transforming simple desires into real needs; it plays on the

⁷ Gorz A., *Misère du présent, richesse du possible*, Paris, Galilée, 1997, p. 18.

⁶ Rahnema M., « *Quand la misère chasse la pauvreté* », Paris, 2003, p. 221.

management of differences in order to deprive the consumers of their uniqueness. The market Evangelists often refer to state-of-the-art discoveries in human-science, anthropology, sociology, psychology and economy- to probe the secrets behind the creation of desires and their satisfaction. The behaviour of the subject concerned is observed meticulously in order to better identify the needs. The uniqueness of their needs is brutally broken down and disfigured. For this reason, appropriate tools are implemented: the sales, promotions, advertising, etc. The picture depicts consumers who believe that, by accumulating purchases, they are actually exercising their freedom while their choices are in fact dictated by what Jean Baudrillard calls "*the constraints governing differentiation and obedience to a code.*"⁷. There is no doubt that globalization has become a gigantic exclusion machine. Despite the crises, the economies show a great ability to reproduce, which is unfortunately not the case for individuals. The surge of populist parties in Europe is the proof. When assistance policies have shown their limitations, where reality portends a bleak future for the poorest, where market fundamentalism takes over the middle classes making them more vulnerable, we need to rethink strategies to combat poverty. Having demonstrated their limitations, public development aids should be more respectful of the socio-bio-diversity and of contexts because "*a poorly devised aid produces automatically to-be-assisted people.*"

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A NEW PARADIGM FOR THE DEVELOPMENT OF SOCIO-ECONOMIC RELATIONS AT THE MUNICIPAL LEVEL: CHALLENGES AND PROSPECTS

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ABSTRACT

The socio-economic well-being of the country largely determines the social and economic well-being of Russia's municipalities. In this article, new directions in the activities of local authorities are considered, which can ensure a significant increase in the socioeconomic status of municipalities. These include: the development of effective investment policies, the multiplying of the opportunities for public-private partnerships, the use of the strategy of implementation of managerial practices from commercial structures, the active development of intermunicipal cooperation, the improvement of management effectiveness introducing the city manager model in municipal practice and the search on this basis for an optimal division of functions of administrative structures at the local level. In addition, the article proposes to intensify the use of socio-engineering methodology for making managerial decisions, which provides a scientific justification for the ongoing management activities. Much attention is paid in the article to the improvement of the personnel policy on the basis of the introduction of such a form as rotation creative managers from business into managerial structures. This practice can give a significant impetus to the development of innovative management technologies in local authorities, but it also implies a certain danger of destructive consequences, manifested in the use of administrative resources by individual private organizations and their leaders, in the emergence of conflict of interests, corruption and protectionism. Certainly, such direction as increase of activity of people in the decision of questions on the local level is not disregarded, being one of the effective tools in the practice of self-government. In the article, each of the proposed areas for improving social and economic relations at the municipal level is regarded in the aspect of technology, the implementation of this activity, possible problems and conflicts, ways to resolve them.

Keywords: *public-private partnership, investment policy, personnel policy, conflict of interests, municipal formation, socio-economic relations, socio-engineering methodology for making managerial decisions*

1. INTRODUCTION

In the 90s of the last century transformation of socio-economic affairs in our country dealt a serious blow to all aspects of life. The beginning of the new century for Russia was a period of search for new forms of management required by new factors such as marketplace, the era of

new technologies [Ivanov, 1996], development of the IT environment, and significant changes in geopolitical environment. In such a situation, the vision for the country development is based on the thesis that social and economic well-being is largely determined by socio-economic well-being of each individual Russian municipal entity. The municipal reform was developed and launched in 2003 for this concept realization. The very core of the reform was divestment divestiture of the areas under administrative influence and the approach of authorities to the population. As a result, the amount of municipalities in the country increased almost four times (about 23 thousand units). That made territorial administration more effective. If before the reform the territorial structure included an administrative district or a city for a unit of measurement, then in a new situation such a unit became a settlement. Proceeding from the fact that not all issues can be solved at the settlement level, the following territorial unit was introduced - the municipal district. It is called upon to solve issues of inter-settlement (inter-municipal) scale. In connection with it, a list of matters of local significance for municipal districts appeared. This model of territorial organization made it possible to approach the issue of delineating the competence of municipalities more carefully. With such a system of governance, the role the local self-government institution began to appear more clearly. Thus, issues local government bodies are responsible for have been determined more specifically, the separation of powers between the state authorities happened also as establishment of relations with other bodies of local self-government. Today's reduction in the number of municipalities to almost 20 thousand is due to the optimization of the territorial organization of local government with the enlargement of self-governing units. It makes sense since in some cases this is caused by economic expediency, meaning by development of a united economic capacity within the territory. However, this merging is not always carried out without a conflict. In some cases, it is associated with conflicts caused by the divergence of interests of the population and the administration. The population is interested in making the government more accessible, which provides for municipal reform. And it means not only transport accessibility. This is the maximum involvement of local governments in the problems of the population. And the administration more tends to amalgamate due to having more resources for solving a number of problems that it considers to be prior. Thereupon problems of the people are not noticed as "less important" from the administration's point of view. Undoubtedly, each merging of municipalities should be specifically justified, and it should not lead to the liquidation of the settlement level of local government. Also territory size of a new settlement should allow citizens to have access to local governments and service organizations. The model of intermunicipal cooperation gives an opportunity of solving many problems related to resources without enlarging the municipalities. At the heart of the municipal reform, of course, was the idea of increasing the population's activity. After all, improving of living conditions and quality of life is possible only when the population is involved in the implementation of local socio-economic programs. Lots of researches have been carried out in economic, legal, sociological domain, etc. Many articles have been concerned with the solution of issues related to the improvement of social and economic relations at the municipal level. This article is an attempt to systematically approach the development of a new paradigm for the formation of socio-economic relations at the municipal level on the basis of modern management technologies.

2. METHODOLOGY

Management can be effective only in case it is provided on the basis of a logically built methodology. The view that management is not a science, since it does not have its own methodology, is a profound mistake. The methodology of management activity can be clearly traced in the core of social engineering which is a specific part of sociological knowledge. Unfortunately, social engineering is an insufficiently developed research area in our country.

However, it gives the transformative function of sociology, makes it possible methodologically and methodically to provide an impact on a social object with the aim of modernizing or completely updating it. Social engineering is a chain of interrelated successive procedures aimed at transforming social objects in order to improve them. This includes, of course, the detection of a social object's state, the prediction of its future state, the modeling of a new modernized state, the carrying out of an experiment of a social model, in the case of a successful outcome - the creation of a social project for a new state of the object, the social technologies development for the implementation of the project, the planning of this work and the making effective connections in process of project implementation management [Urzha, 2017]. For the first time the term "social engineering" appears in R. Pound's work (1870-1964) in 1922. However, K. Popper, an English philosopher (1902-1994), gave a further, more detailed insight to the core of social engineering, defining it as a way to organizing the influence on human activity, aimed at its transformation through social technologies. In his works K. Popper, revealing the core of social engineering, paid much attention to the goals and methods of this transformation activity, dividing it into "utopian social engineering" and "stage-by-stage social engineering." From his attitude social changes, if it happen with a view to improving it, should be carried out with the help of an impact on objective reality by non-violent, "step-by-step", "delicate" methods. His concept was opposed to the Marxist conception, which is based on the methodology of radical and large-scale transformations. This is exactly what Popper called "utopian social engineering." Popper's objection to this approach was that, in his opinion, the implementation of large-scale social projects implies violence and, consequently, a dictatorship. "An utopian attempt to achieve an ideal state, using the project as a whole," Popper wrote, "requires the concentration of power in the hands of a small group of people and most often leads to a dictatorship" [Popper, 1992: 202].

This was one of the reasons of unpopularity of his views in our country. Another reason why social engineering was not adopted in the Soviet-era was that the main representative of this scientific field, K. Popper, criticized the methods of carrying out conversion activities in the Soviet Union. He repeatedly questioned the inconsistency of "utopian social engineering", saying: "The restructuring of a society is a colossal undertaking, which for many - and for a long time - will inevitably bring inconvenience" [Popper, 1992: 202]. It should be noted, that the national social engineering school, despite the fact that not everyone recognized this name, accumulated the practices of socio-engineering approaches in the field of its separate components. In the 1920s these were associated with the names of A.K. Gastev, P.M. Kerzhentseva and M.M. Birshtein. A.K. Gastev (1882-1941) preceded from the premise that before changing any of the methods of work, these methods should be carefully studied, that is, the comprehensive diagnosis, which is a strand of social engineering, should be carried out [Gastev, 1972: 94]. P.M. Kerzhentsev (1881-1940) emphasized the wide use of experiment – the most important aspect of social engineering [Kerzhentsev, 1968]. Since the 1960s the methods of socio-engineering activity developed in our country in such areas as the theory and practice of social planning, social design, setup of social technologies for the selection and valuation of management personnel. In the 1970s targeted programs for regions, industries, public life areas started to work out. The 1980s. were marked with carrying out imitation business plays, development of game and technical activity and management consulting [Drjahlov and all, 1989: 153]. In this work, we proceed from the assumption that management activity should be based on the social engineering methodology. Reforms held in our country require exactly this scientific approach. In nowadays Russia 20,000 municipalities cannot and should not be reformed and developed being based on a single one scheme. Planning of social projects for each individual municipality, each city or village, taking into account many factors, conditions and traditions is highly needed.

3. EFFECTIVE INVESTMENT POLICY DEVELOPEMENT

One of the main problems currently facing municipal entities is to create necessary and supportive environment for economic growth intensifying and improvement of the population quality of life. At the same time, under current conditions in modern Russia and financial insolvency of municipal entities, it is impossible to solve it without attracting investments in various sectors of the national economy [Melnik and all, 2016]. The volume and pace of investment growth in fixed assets are indicators of investment attractiveness of the territory. Stepping up of the investment activity of the regions contributes to the recovery and further development of the economy. With the help of investments new enterprises and, inevitably, additional workplaces are created, the existing production volume is being expanded, and new types of goods and services are launched. However, today municipal entities are not ready to organize activities to attract investments to their territory [Kryukova and all, 2015]. It should be noted that the modern Russian business environment is not supportive for attracting investment in the real economy. Funds available for investment are distributed among the regions extremely unevenly, mainly concentrating in megalopolises and resource-rich regions. The rest of the regions and most of the processing industries in Russia do not have an opportunity to use the investment potential [Gorbunova and all, 2015]. According to the investment climate statements, Russia ranks 112th, behind countries such as Pakistan, Vietnam, Zambia, Ghana, Thailand, etc. Of course, it is very difficult to call this state of affairs satisfactory. The unfavorable investment climate in Russia (relatively many other countries) is the main cause of the fatal deficit of both domestic and foreign investments and the flight of Russian capital abroad to more attractive countries [Klimova and all, 2015]. It is necessary to consider the climate in the industry, the region, and the municipality assessing the country's investment climate. On June 2nd, 2017, at the site of the St. Petersburg International Economic Forum, the top 20 regions of the National Investment Rating of the Subjects of the Russian Federation were presented (National rating of investment climate in the subjects of the Russian Federation. The Agency for strategic initiatives. Electronic resource. Mode of access: <http://asi.ru/investclimate/rating/>).

The rating was led by the following regions: Republic of Tatarstan, Chuvash Republic, Moscow, Tula, Kaluga, Tyumen Regions and the Krasnodar Territory. In 2017, all regions of Russia took part in the rating on general terms. According to the results of the Rating 51 regions demonstrated the overall growth of the integral indicator in comparison with the previous year. The greatest increase in comparison with the previous year's rating was demonstrated by the Voronezh Region (+15 positions), Ivanovo and Leningrad Regions (+14 positions), the Kostroma Region (+13 positions), Moscow Region (+12 positions). Out of the top 20, three regions managed to maintain their rating place - the Republic of Tatarstan, the Tula Region and the Krasnodar Territory. However, in four regions the rating fell: the Vladimir Region (-7 positions); The Kaluga Region (-2 positions), the Tyumen Region and the Republic of Moldova have lost one position. One of the rating indicators is the regional organization for attracting investments and working with investors. The highest results of this rating were demonstrated by the Ulyanovsk Region, the Kaluga and Kostroma Regions, the Altai region, and Moscow.

Key aspects of the best practices.

1. System construction for attracting and supporting investment projects by filling the information space with up-to-date information on the social and economic development of the region (or municipal settlement) and key investment proposals, media and organizational support for various events held in the municipality and in the region, and consulting services provision.
2. Promotion of the region (or municipal settlement). The main issue of local authorities in the implementation of the policy of attracting investments facing to create a favorable

investment climate conducive to the development of existing firms and new investors attraction. The source of investment funds should be firms working in the territory, as well as small and medium enterprises of municipal settlements [Skvorcova, 2012]. The success of investment development depends on the information awareness of potential investors.

3. Interaction with municipalities, which means providing representation of corporations in the municipality (searching for and attraction of investors, consulting services as well), and employees of municipalities training.
4. A qualified team. Should be formed a system of training and development of staff skills set, also should be highlighted key competencies of each employee, and organized trainings seminars on the basis of employees' individual expertise.

Strengthening of investment attractiveness will create a favorable environment encouraging to private domestic and foreign investments attracting for the reconstruction of enterprises, support of the most important life-supporting industries and social sphere and increase the efficiency of investments.

4. ENHANCEMENT OF THE PUBLIC-PRIVATE PARTNERSHIP

Financing is one of the most difficult issues among many problems of municipal infrastructure development to be solved. Budget money for solving issues of local importance, as a rule, is not enough. And for the construction of new facilities - even more so. Attracting investors, increasing the investment attractiveness of the region is one of the most difficult challenges [Kryukova and all, 2016]. Until now, its decision was carried out on the basis of concession agreements. However, this path was not effective and attractive. As known, a concession is a contract between the state and an independent entrepreneur – a foreign firm – for the construction and operation of industrial enterprises, land and other type of concessions, for the construction of a railway, etc., on the basis of which a public-private partnership (PPP) is held. In the legislation public-private and municipal-private partnerships mean a legal partnership between public and private partners that is legally formalized for a certain period and based on the pooling of resources and sharing of risks. Public-private and municipal-private partnership is carried out to attract private investments into the economy, to ensure the availability of goods, works, services and improve their quality by public authorities and local governments. As a public partner may be the Russian Federation, its subject, municipal structure. On their behalf, respectively, the government of the Russian Federation or the federal executive authority tasked by it, the senior executive body of the constituent entities of the Russian Federation or the executive authority of the region authorized by it, the head of a municipal structure or other authorized body of local government, depending on the municipality's chapter. A private partner is a Russian entity with who an agreement of public-private partnership was concluded [Maloletko, 2016]. Within the framework of concession agreements, the implementation of a large part of Russian public-private partnership projects (PPPs), including federal, regional and local concessions, was based on public ownership of the infrastructure object, that is, PPPs could only be implemented in those areas where the infrastructure could be transferred after construction to the public partner. This is what deprived the use of concessionary agreements of attractiveness. After the Federal Law of January 1, 2016 No. 224-FZ (45) "On Public-Private Partnership, Municipal-Private Partnership in the Russian Federation and Amendments to Certain Legislative Acts of the Russian Federation" has entered into force it became possible to transfer ownership to a private partner. This greatly expands the opportunities for PPP. The law introduces a special concept of open private partnership (OPP – since it is the new and Russian only reality we suppose the new term to avoid confusion) that is different from other countries.

In the traditional understanding accepted in many countries, the term OPP (PPP) refers to those special public-private partnership projects in which the return on investment is at the expense of a public partner, as opposed to concessions in which the return of investments is made by a private partner by collecting fees from consumers. The interpretation of the new Federal Law under public-private and public-private partnerships is understood as OPP projects implemented solely on the model of private ownership of the infrastructure object, and everything else is called concessions, which fall under both traditional concessions and traditional OPP projects based on public property. Among the other advantages of the new PPP law, besides the possibility to acquire an infrastructure object in the ownership of a private partner, it should be noted the possibility of pledging the PPP facility for financing the project, the absence of a requirement for binding model agreements that were in the law on concession agreements. All this in aggregate should increase the investment attractiveness of OPP projects in Russia. Public-private partnership with competent and rational behavior is a mechanism that can become a basis for creating high-tech corporate structures designed to focus business and the state on solving problems related to bringing real economy out the crisis.

5. IMPROVEMENT OF PERSONNEL POLICY IN THE SYSTEM OF SOCIO-ECONOMIC RELATIONS

The new laws and new technologies are not enough to develop effective social and economic relations. The main role in this process belongs to the personnel. Training of managers who are able to solve modern problems and use effective management technologies is the stepping stone of the development of the personnel policy in the country [Sheinov, 2010]. Unfortunately concerning this question for now we can find more problems than solved cases. The first problem is related to the current staff selection system. As a rule, to the competitive commission for recruitment, come people who have left the previous place of work for some reason. Consideration of such nominations occurs mainly on formal grounds. The destruction of the Soviet Union began precisely with the destruction of the system of forming the workforce, standing on people who have made a good showing. Such people entered the database, which was called staffing nomenclature. It was impossible to get a position without experience in management. Today, unfortunately, this system is completely eliminated. The second problem is related to the lack of a system and willing to attract the youth to participate in the administration work, starting from local government. On the one hand participation of young people in the political life of the country and the municipal settlement promotes representation of the interests of youth in public affairs, on the other – it gives an opportunity for the younger generation to be involved in the management in local authorities. This contributes to the creation of a new generation of management and personnel policy formation. The third problem is related to the fact that the education system in the country completely refused to participate in personnel policy formation. Prior to the introduction of CSE (Common State Examination) in schools, the vocational guidance system was active. The universities conducted full-time and part-time vocational guidance work, which had significant results - graduates of schools entered higher education institutions, based on the desire, who they want to be. After the introduction of the CSE, this situation has changed dramatically. Applicants now focus more on passing scores on budget places. Vocational guidance work in schools has lost much of its importance and effectiveness. The second stage of education is the university [Bakhtina and all, 2015]. And here the state completely disappeared from employment even those whom it prepares for budgetary money. Logic is not completely available: budget funds are allocated for the training of specialists, and there is no demand for what the effectiveness of the money spent is. Is this possible in a commercial organization? Of course, not. The entrepreneur is interested in the return on each ruble invested in the case.

Particularly surprising is the state's refusal to budget training of personnel for the state and municipal service, since for many years budgetary seats have not been allocated to this line of training. How can we talk about the quality of state and municipal employees' work today? The fourth problem is also related to education, namely, the organization of a system of advanced training and retraining of municipal employees. Studies conducted by the All-Russian Council for Local Government showed a low educational and professional level of officials and elected officials of local government. Among the deputies, only 50.8% have a degree. Moreover, a degree in legal education have only 3.5%, in the economic - 6.6%, and degree in state and municipal management have only 2.5%. Among the heads of municipalities, only 68% have higher education, and, as a rule, this is a technical or other non-core education. Among municipal employees 75.5% have a degree, but almost half of them got non-core education. Undoubtedly, the personnel policy should also include work on the training of the personnel reserve, and on increasing the attractiveness of the municipal service for highly qualified specialists. In this respect, the idea of rotation of managers in public and private economy sectors is of interest. As stated by D. Medvedev at the investment forum in Sochi in 2012: "The main problem is how to encourage effective managers to come to the civil service. We must create attractive conditions, and not frighten people with all kinds of restrictions." This position is based on the assumption that managers who have successfully manifested themselves in the conditions of market competition will be able to apply their experience in organizations operating outside the market. This idea is quite interesting, since it assumes that creative people who have moved from business to public service can introduce new management practices, forms, methods and work experience that contribute to improving organization efficiency. However, there are certain risks associated with the possible manifestation of corruption, protectionism and conflict of interest [Kirchler and all, 2009].

6. RISKS, CONFLICTS AND METHODS OF THEIR RESOLUTION

Conflict within local government bodies often assumes a dysfunctional character. Especially this conflict is clearly manifested now during the period of municipal service reforms - consolidation and unification of municipal structures, which in their essence should be closer to the population and to its needs [Fomicheva and all, 2017].

Dysfunctional conflicts in the municipal authorities arise as contradictions between:

- planning criteria and their implementation;
- execution of functions by individual municipal officials and the target setting of achieving the goals and results;
- violation of irrational communication flows of input and output resources at vertical and horizontal levels and process control [Kataeva and all, 2016].

"Conflict of interest" is one of the key elements of anti-corruption control. In spite of the fact that a number of provisions concerning conflict of interests have been rethought in the legislation, some gaps remain in the regulation of this issue: in particular, this issue is even more actualized in the municipal service, as some purviews (e.g., in many respects the formal activity of the commissions on compliance with the requirements for the behavior of municipal employees and the settlement of conflicts of interest), are only recommendatory in nature, which leads to the dysfunction of the corruption prevention measures. Moreover, the implementation of effective steps to prevent and resolve conflicts of interests is only possible with the comprehensive development and establishment at the legislative level of the organizational and legal characteristics of their execution. Choosing one or another strategy at certain stages and phases of a confrontation evolution, particular municipal bodies (structures, individual leaders) can resort to the technologies of either control or management of the conflict.

In the first case, the main emphasis is on preventive measures related to the identification of conflict factors, their primary analysis and attempts to prevent a disruptive form by the dispute, i.e. prevent transformation of conflict from "crisis to violence" [Dahrendorf, 2014]. The use of the second type of technology requires way more significant energy and resources from managing entity and involves the implementation of specific procedures and actions for meaningful modification of conflicting parties behavior and the external environment transformation, conflict context - the implementation of a certain information policy; formation of institutional structures for negotiating; attraction of additional economic resources for reconciliation of the parties, etc. But whatever approach is used, they all presuppose the solution of a number of universal tasks, which include, in particular: preventing the outbreak of a conflict or its transition to a phase that significantly increases the social price of its settlement; bringing to the fore all latent, shadow, implicit conflicts, in order to avoid wider shocks, the settlement of which will require additional resources and energy.

7. CONCLUSION

The present socio-economic situation in Russia is quite complicated. It is impossible reverse the momentum by usual methods. In this regard, today we need a new paradigm for the formation of socio-economic relations, and municipal level is a priority for this in many respects. This calls for the development of new directions in the activities of local authorities that can ensure a significant increase in the socioeconomic status of municipalities. These include active investment policy, development of public-private partnership. To do this, it is necessary to increase the investment attractiveness of regions and territories of municipalities. The growth of investments is one of the main factors contributing to the rise of industrial manufacturing, the general improvement of the economy, dealing with problems of regional technical and technological base renewal as well as deterioration of fixed assets in industry. The solution of these issues is possible only on condition of a strong personnel policy, professional trainings, attraction to management of creative people, youth, increase of activity of resident population. At the same time, there should be zero tolerance to any manifestations of abuse, self-interest, corruption, protectionism, conflict of interests.

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SOCIO-ECONOMIC RISKS OF MODERN RUSSIA'S PENSION SYSTEM

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ABSTRACT

The article examines the socio-economic risks of the Russian pension system of the Russian Federation, including demographic, macroeconomic, financial, political, institutional, analyzes the decisions and actions to enhance the attractiveness of private pension insurance, corporate pension schemes, a new system of relations between the state and the NPF, and also to assess the effectiveness of any pension Institute

Keywords: *pension reform; corporate pension plans; strategy for long-term development of the pension system of the Russian Federation; development model of second level pension system*

1. INTRODUCTION

Pension is the most important source of income for the elderly population. As of June 1, 2017, the population of Russia was 146,8 million people, of which 43 million pensioners. [Andryushchenko, Volkov, 2016. S. 17-25]. The operation of the pension system one way or another affects most of the population, therefore, so relevant is the discussion of the development of a national pension system. Demographic and macro-economic trends worldwide and in Russia change the conditions for functioning of pension mechanisms. The problem of choice of the pension system for a country refers to the strategic, affecting the livelihoods of several generations. Thus, the pension is basic and one of the most important social guarantees for the stable development of the society, directly affecting the interests of the disabled population of any country and indirectly almost all the working population. The pension system is an essential element of economic and social policy. This duality cannot be ignored: the pension system – part of the social contract and the social model of the state. The pension system also plays an important role in the formation of solidarity, both between generations and within each generation. It is a profound mistake to say that social solidarity is the obsolete term. For successful economic development it is impossible to prevent some deep social problems. Many studies, including economic, demonstrate that, for example, efforts in the last decade, inequality is not only a source of socio-political tensions and unexpected political outcomes, but also hinders economic development. In this sense, the role of pension provision should not be underestimated. If in the present circumstances, to abandon the social policy of the state, including on pensions, it will lay a mine under the prospect of economic growth and development of human capital will create high risks, economic and social. Given the very strong inertia of the pension system it will be necessary increase the efficiency of the current pension model, primarily distribution model. Narrowing of the ability of the state to Fund retirees should not mean withdrawal of the state from activity in social and pension spheres. Rather, the focus should be on the transition to the so-called "soft paternalism".

That is, to a situation where the state plays a very active role in the regulation of standards of pension provision. In particular, if the pension system is organized with the participation of markets, enhancing transparency of rules, the formation of private pensions for the population and for the players of financial markets, increased competition in these markets, aimed to increase the level of funded pensions. [Sinyavskaya, 2017] The aim of the pension reform in the Russian Federation is to improve the quality and living standards of pensioners. This changes the role of financial and social institutions in society. The realization of the goal leads to the adoption of decisions and measures to increase the attractiveness of private pension insurance. Comparative analysis of private pension insurance in the developed countries and Russia indicated the presence of reserves of development of this sphere in our country, as well as the potential use of its financial resources for economic development of the regions and the country as a whole. Currently pension funds accumulated by the NPF, are an attractive borrowing, turning them into one of the key players of the financial market. [Vakhitova, 2017]. Thus, in the context of the ongoing process of reforming the pension system of Russia and search for new ways of formation of the pension capital of citizens, the problem of the study is very topical, and the topic is very relevant. This is the basis for the formulation of timely and effective mechanisms for non-state pension insurance and build a new system of relations between the state and the NPF, which will lead to greater involvement of financial resources of NPF in investment processes in the economy of the country.

2. TECHNIQUE

2.1. Risk analysis of pension systems

The choice of the architecture of the pension system is a strategic problem several generations and requires the development of unification in the understanding of fundamental categories. The lack of a consistent theoretical framework for the development of the pension system led to the fact that today on the agenda once again raises the question of determining the directions of development of the national pension system. Western countries have more experience of the organization of the system of corporate pension provision. Citizens of the USA, Great Britain, Holland, Belgium, Switzerland, Japan and Australia, on the one hand, have a high level of income, and with another – the size of their state pension is relatively small. The main income after retirement for the citizens of these countries is formed by corporate pensions and private savings. Current international practice is that in most countries have combined the pension system that has public distribution, as well as mandatory and voluntary funded elements. [Pudovkin, 2016. S. 258-264]. Mixed type of pension system the most effective from the point of view of financial stability and the level of pensions [Fedotov 2008,. S. 168-173]; [J. Stalebrink ,2014. P. 92-111]. Pure accumulation and allocation models are rarely present in the world, as well as the model in which both would be present both mandatory and voluntary funded part. Among OECD countries, this combination exists only in Norway. [Vafin, 2016. Pp. 6-12.]

The review of the world experience allows to identify a few political risk, to a greater or lesser extent inherent to pension systems:

- the intervention of state pension funds in asset management lead to their use in the interests of the political leadership of the country determined by the current moment, and not the interests of depositors. Mostly funds are spent to cover the budget deficit. By adjusting investment structure, the state sometimes uses resources and private pension funds;
- world practice shows that States that solving immediate problems of social tension, reduce the threshold of mandatory contributions and payments to current pensioners. This is detrimental to the long-term stability of the pension system.
- frequent state intervention in pension rules reduces the cumulative ability of citizens in the pension system. [Fedotov, 2008].

However, the self-restraint of the state is almost an impossible task, especially in conditions of an undeveloped civil society. [Mindova, 2016. P. 98-100.]. The only way to ensure efficient management of assets for future retirees - a complete autonomy of pension funds, but under a severe public and state control. Experience shows the ineffectiveness of the state management of pension reserves for many reasons, including:

- first, the state often prescribes to invest the funds' assets exclusively in government securities or deposits in local currency. Under these conditions, the risk of damage from inflation or loss of yield due to excessive conservatism in investments;
- secondly, quite often authorities require investment in non-market instruments with a low interest rate, government mortgage programs, as well as social projects. [Boroda, Kozlovskaya, 2016. S. 45-51].

All risks of the pension system of the Russian Federation, which extrapolated to the society, can be divided into external and internal, that is inherent in the system itself. External risks should be divided into political and economic. Most often, political risks arise from the priority of political over economic objectives, lack of political will in bringing order in the labor market. To external economic risks of the pension system should include the weak development of the real sector of the economy, low wages

2.2. Conditions for the success of modernization of the pension system

Important conditions for the success of modernization of the pension system, from the point of view of the Institute of labour and social insurance Ministry of labour and social protection of Russia, is a complex of the following measures:

- application of regulatory and contractual regulation of wages of workers with low levels with the aim of gradually increasing the minimum wage to 40-50% of its average size, and alignment of its size at the extreme decile groups, at least to ratio 1:10. This measure will improve the ability of employee financial participation in the pension insurance, which depends on indicators such as the ratio of minimum wage to its average value. In most Western European countries this ratio is 50-60%, in Russia it does not exceed 23%, which is not consistent with the ILO recommendations (40%) and the EU (60%);
- development of the state program of participation in the labour force of older persons through the provision of employment opportunities for older age groups;
- development of the state program of prescription drug insurance and social services for the elderly population. [Rybina, 2016].

3. RESULTS

In the Russian Federation the General problem of balanced budget of the Pension Fund of Russia (PFR), the retirement age, the structure of the pension obligations and sources of formation of pension rights directly affect the development of private pension system as a tool for the formation of additional retirement income and source of long-term investment resources in the economy. [Andryushchenko, 2012. P. 179-188]. Attempts to reform pension provision in the Russian Federation undertaken since the early 90-ies. In fact, these attempts were limited to the modernizing of earnings, compensation and other highly unpopular measures. However, the presence of rather low retirement age, a large number of beneficiaries, the possibility of receiving a pension after reaching retirement age, the ratio of working population to the number of pensioners, a sharp decline in the number of contributors compared to the number of recipients of pensions under the existing measures could not lead to a significant change in the level of social protection of unemployed population. Question about the analysis and study of pension reform in the Russian Federation currently still very relevant.

Innovations in the pension system include the tasks that you propose to solve the main problems of the old pension system: achieving financial balance of the pension system; improving pension security of citizens; the formation of a stable source of additional income in the social system.

Table 1. The pension system of the Russian Federation (2015)

The number of recipients of pensions	42,7 million.
The number of recipients of insurance pension	39,2 million.
The average size of pension (in thousand roubles)	12380 roubles
The average size of insurance old-age pension (roubles)	12830 roubles
The cost of insurance pensions, % of GDP	6 200,6 billion roubles (9,17 %)
Expenses of the budget of the Pension Fund, % of GDP	7 670,3 billion roubles (11,35%)

1. Sources: Pension Fund Of The Russian Federation. URL: <http://www.pfrf.ru/>. Date of access 12.08.2017; URL: <http://www.rosmintrud.ru/the/docs>. Date of access 02.08.2017.

Analysis of the current situation has led to the only solution to the need to reform the pension system. From 1 January 2002 in the Russian Federation began large-scale pension reform with the objective to increase the level of pensions of the population and to ensure the current and long-term financial sustainability of the pension system in the forthcoming serious deterioration of the demographic situation. Pension reform, along with the adoption of the Labour code was the most significant event in the social sphere of Russia in recent years. The state pension system reflects all the problems of the social sphere: institutional structure, demographics, wage levels, taxation system. All this in varying degrees, the factors in the development of the pension system. The choice of the architecture of the pension system has always been a strategic issue for several generations. [Andryushchenko, Volkov, 2016. S. 17-25].

Pension institutions system depend on the types and conditions of employment as well as wages and other incomes, which determine the possibilities of application of different methods of funding: mandatory social (collective) pension insurance, personal insurance and state social security, as well as organize them based on the corresponding system architecture. When considering the structure and evaluating the effectiveness of one or another pension Institute shall be guided by the rule that there are no universal and efficient pension institutions. Each are organized and operates under unique laws and financial rules covers certain groups of citizens, provides different size of pension, some will legislators place a particular person in society. The most important theoretical constructs of the pension insurance are: interconnection of national systems of wage regulation of employment and linkages into a single unit of this management system with taxes and social insurance. Modern Russia's pension system are inherent features of the former Soviet pension system, as well as features of an emerging new insurance institutions. It is not the Soviet system of state social security and insurance. Its interim, transitional nature is due to the incompleteness of reforms in the sphere of income and employment, as well as the tax system. [Roik, 2015. P. 184-185]. One of the most important criteria of efficiency of national pension systems is the coverage of the working population pension insurance. Economically developed countries in the postwar period solved the problem of mass coverage of pension insurance in the formal sector of the economy (about (80-90%) and an acceptable coverage (40-60%) self-employed in the informal sector.

In Russia, these social benchmarks and indicators are not maintained. Most experts and official statistics say that even in the formal sector as the systemic weaknesses of the organization income of the population supports a significant proportion of "grey wages" (up to 30-40% of the total volume in the country). In addition, the coverage of pension insurance of self-employed population and population employed in the informal sector is about 15-20% of their total value, which is estimated as very poor value. In the end, the pension insurance covers not more than 70% of the total economically active population, which indicates the accumulation of the crisis consequences of the current situation in the field of pension provision in the country. Thus, the domestic pension system, as with the position of pensions and financial stability is substantially inferior pension systems of the countries of the West. The total capacity of its pension institutions is much lower (half to two times) than the potential of countries such as Germany and the UK.

4. DISCUSSION

The views of the representatives of various departments, science and business differ significantly, however, some fundamental issues can be seen unanimity. Especially hot is the debate over retirement savings. Many illusions about retirement savings that existed 15-20 years ago, now vanished. There is a very contradictory experience of creation of pension systems in different parts of the world. Studies in recent decades, including economic, questioned the high ability of pension systems to counter various challenges. However, the rejection of the existing pension savings is fraught with even greater erosion of trust not only to these but also to the pension system in general and to state action in this area. This is evident in sociological research: people's disappointment from the freeze of pension savings causes the negative attitude to any proposals to reform the existing system. Therefore, the future of the pension system is seen as one of the elements of multilevel, multicomponent structure, which in particular will provide additional diversification of risks to different categories of pensioners. The state thus has an obligation to actively participate in the regulation and formation of stable and transparent rules of the game, and more actively than it has done in the last 15 years, to educate the population, informing, explanation of the rules of participation in the pension system, its pros and cons. [Sinyavskaya, 2017]. The specifics of the Russian market of pension funds is that the rules of the game change, and therefore investment opportunities are worse than those of colleagues abroad. It is useful to look to international practice where rules do not change and pension funds are strategic investors in the domestic economy and the major players in the global stock market. According to statistics of the Russian pension funds and the state management company, as well as foreign pension funds, and operating in countries with different pension systems (American, Canadian, Norwegian, Japanese. Somewhere private pension funds, where corporate pension plans where, as in Japan and Norway, the state pension funds) for 7-10 years, and in many cases, and in 5 years they are ahead of the growth rate of the economy, and all the "beat" inflation, which is especially important for the Russian Federation. Can be failures associated with the state of the economy, as was the case in the Russian Federation, because we have not yet developed market pension funds. And as it was in Norway, Japan in the period of financial and economic crisis of 2008-2010, But for 5-10 years, they always show the yield. This is due, probably, to the fact that professional financial market participants can successfully leverage their existing investment even in a falling economy. According to statistics of the Central Bank in relation to Russian pension funds, at the end of 2016 the leaders of this industry (and more than ten funds) showed a stable yield exceeding the rate of inflation. But almost nowhere in the world there is no legislative norms that would guarantee not only the preservation of the Deposit, but also a certain level of profitability. [Belyakov, 2017].

Accumulative pension system has a positive impact on financial literacy. It compels to think about many things. About life insurance, own savings to invest in their health, education of children, that is, about lots of things for individuals can be much more important than the actual retirement savings. And funded pension system produces, of course, many positive effects that are not in distribution. But it has its costs. So, we'll have to painfully seek a compromise, because to refuse it is impossible, and reform is necessary. Likely to be achieved some palliative solutions. For example, the Central Bank jointly with the Ministry of Finance develop the voluntary or quasitopological pension system. Apparently, quite a long time is still needed to support this mode at least the minimum, but a required contribution, although one per cent; otherwise the whole system, the whole financial model will be unstable. [Nazarov, 2017]. From the point of view of the Ministry of Finance, the most correct and best tool for investment of pension savings is bonds with a floating rate tied to inflation. They allow, in fact, to ensure that the safety of savings, that is, adjusted for inflation, and, in fact, to some, maybe small, but income. The Ministry of Finance has already released such a tool. Of course, the government wants pension funds invested in the development of the economy, long funded infrastructure projects. And pension funds have the task of ensuring the reliability and profitability. So they can solve the problem of the state's desire to borrow cheap money from pension funds and the opportunities offered by the market.

Pension funds are following very closely in infrastructure projects, but, if the yield or any other project-specific settings below what the market gives, of course, they choose more interesting and attractive market opportunities and market direction of investment. But the Bank of Russia very carefully monitors and discloses information on the investments of all pension funds and private management companies. It should also be noted that the state currently is the main source of risk: changing the rules, changing the planning horizons, when it is very difficult to plan costs and revenues from long investments. The government has no clear opinion on the pension issue. Now pensions are a matter of choice long-term trends of socio-economic development of the country. The government will select a system of state paternalism, when the state will determine the level of income of all citizens and the level of pensions, or the model of individual responsibility, entrepreneurship, promotion of personal savings and the creation of a tiered system, more or less balanced. [Popov, Yakushev, 2017]. According to Y. Y. Finogenova Etc. Odinakovoi and many other scientists, the experience of developed countries in building the architecture of the pension system shows that an essential complement to state pensions are corporate pension plans, and for employees with high incomes are the primary source of retirement. While retired, fully or partially formed by the employer, have an average of from 30 to 50% of the income of pensioners. The achievement of this indicator in many countries due to increased employer liability, enshrined in law. In our country, despite the fact that corporate pension plans are also becoming more commonplace, corporate pensions get less than 3.6% of the total number of pensioners consisting on the account in the Pension Fund of Russia. [V., Odinkova, 2017. 647-668]. In fact, the economy of the Russian Federation is interested in the development of corporate pensions. In the long-term development Strategy of the pension system rightly recorded that by 2020 there should be formed a three-level model in which private and corporate pensions should form a twenty percent replacement ratio. This requires modernization of the existing system, which is intended to encourage employees to more actively participate in their own future. [Andryushchenko, 2012. Pp. 179-188] Non-state pension provision offers a wide variety of products. You can define these types of pension schemes as pension schemes with defined contributions, then the pension comes from the accumulated in the account by the time retirement funds and schemes with a defined benefit when the amount of the pension identifies the level of the regular contributions.

Also, the conditions of the scheme may provide for different frequency of payment of contributions and non-state pension payments (monthly, quarterly or annual). The pension itself may be paid urgently (mainly from 5 to 15 years) or for life. In any event, it should reliably determine the share of participation of the employee, the employer and, perhaps, in some cases, States. Thus, there is a parity program, where the employer co-finances the dues of the employee himself or a fully funded program. Programs funded exclusively by party contributor (individual) relate to private or individual pensions are a tool of personal pension savings. [Andryushchenko, Volkov, 2016. S. 17-25]. The variance allows to take into account the financial possibilities of participants of the relations and expectations of the pensioner in the level and period of income. Popular be programs with so-called "pay-by step"; the first five to ten years after retirement, payments are made at a higher rate, retaining the level of the latter employee's income in subsequent years there is a lifetime reduction in pension. The state pension system offers and will offer a uniform product that is unable to take into account the individual characteristics of future pensioners. Pension product pension OPS quite monotonous from the point of view of the client's needs, provides for the exclusive lifetime monthly payment, though, and provides immediate and lump sum in exceptional cases. The average corporate pension plans in Russia to ensure revenue at the level of 10-30% replacement rate addition to the state pension, which fully corresponds with successful international practices of developed countries, although the share of pensions due to the low popularity does not exceed the total replacement rate of 1%.

Despite the obvious advantages of corporate pension schemes should state with regret that over the last ten years, their development has practically stopped. The reasons for this negative trend:

- no stimulation of non-state pension provision from the state;
- the macroeconomic situation, low living standards of a significant number of the population;
- low awareness and literacy of the subjects in the non-governmental pension provision and opportunities for additional pension products;
- lack of interest of employers in corporate pension programs.

Advantages of corporate programs are as follows:

- corporate pension plans take into account the interests of all parties of social partnership, usually the employer, not the state is the guarantor of the program that diversify risks of unilateral changes in the terms of pension schemes practice retail programs OPS;
- funding of programs is carried out from a number of sources due to which there is a uniform distribution of the financial burden while maintaining a finite amount of income.

It should be remembered that to date the company implements the corporate pension program can reduce the tax burden through a whole range of benefits, not only reducing the personal income tax (pit) from employees, as proposed in the framework of the IPK (reduced tax base for income tax as pension contributions are included in the transmission costs of the company amounting to 12% of the total payroll, contributions to corporate pensions, the employer pays insurance premiums to the Pension Fund of Russia, saving about 30%). Therefore, any change in benefits must be made with great care in order not to break the fragile built a system of long-term motivation of employees and business Economics. Analyzing the causes and ways to address risks faced by the funded part of the last years, the following conditions of its stable and long-term development:

- implementation of the model of formation of pension savings built on private law at the maximum definition of the terms of the contract between the insurer and the insured person (or a member of the system);

- the possibility of establishing a tariff determination system the parties to the relationships, the distribution of costs between worker, employer and government based on the economic potential of the accumulation period, the target retirement income and urgency of the pension payment;
- state participation in financing the program is carried out through a system of tax deductions and exemptions, as well as direct co-financing of pension accounts, but not at the expense of the insurance premiums paid through the Pension Fund of Russia;
- the preservation of the interest of the employer in determining the terms of the pension system, the possibility of redistribution of the contributions of the program to use as the controller of personnel relations and part of personnel policy of the organization.

5. CONCLUSION

Time to think, to realize how the world has changed, and offer a system that will be sustainable and viable. Even if you raise the retirement age, the number of pensioners is too large that the diminishing number of workers paid for their pensions. It is needed to think about their pensions, about the incomes they will have in old age and today's decision must take into account those citizens who today are just entering working age. Step by step we aim to approach the formation of a reasonable pension system. [Yasin, 2017]. Now the standard pension expense in the quarter consists of investment income, accumulated over the years of participation in the pension system. Obviously, each person should have their own portfolio of preparation for retirement. Opinion polls show that the bulk of pension strategy of citizens is to work to death. This means that there is no clear picture for them of the future, including confidence in financial institutions: a permanent change, the mess in the pension legislation undermine confidence in the pension system. A pension system is, as already repeatedly noted, the link between generations is a picture of the future. The current functioning should be sure that the rules by which they pay the premiums, converted into a future retirement. Now the communication of current duties and future rights almost every year is broken in favor of the current situational interests, forget long-term goals that primarily decides the pension system. It is very inert. [Hlaew, 2017] With all this, it should be noted a significant change, namely the increasing regulation of private pension funds, firstly, decided on the state level of vesting the Bank of Russia of control, and secondly, it was decided to make pension funds more transparent, more understandable, more manageable. From this point of view, it was decided to convert them from non-profit organizations into joint-stock companies. And, thirdly, a system for guaranteeing pension savings, which implies that if all other measures of state control and regulation will be insufficient and the pension Fund goes bankrupt, the DIA will return to the Pension Fund of Russia in the accounts the total contributions that were previously run by private player. These are very important innovations that significantly changed the picture of the market. [Popov, Yakushev, 2015]. In the current demographic conditions, government spending on pensions will grow rapidly, so they should more actively support the establishment of voluntary pension provision that will improve the quality of life of pensioners in the short term and to promote socio-economic development by investing for this purpose is formed so resources. To develop this area of need by actively informing citizens and providing tax incentives and other forms of incentives, including voluntary corporate pension schemes. [Krikunova, 2012] An effective pension system – the system that promises something that the government in the future will not be able to perform. The capacity of the state in pension provision, directly derived from the state of the economy, not the economy that existed when current retirees were still working, and one that develops by the time of retirement.

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ANTHROPOLOGICAL ASPECTS OF VALUE DECISIONS IN EUROPE

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ABSTRACT

Current transition from agrarian societies to industrial ones around the globe carries shift of values along with – namely, from Traditional to Self-expression. The shift has been described by analysts of the World Values Survey Association (WVSA). In much described Inglehart & Welzel cultural map of the world Baltic States are positioned somewhere in the middle between the poles. The article sketches dangers arising from one-sided over-emphasizing benefits of democracy and self-expression. Societies undergoing fast transition between their former experiences and current challenges testify frictions and they may be described as torn societies. The author uses the term “plastic man” coined by Martin Heidegger – in whom the changing part of personality is increasing whereas the steady side is decreasing. As sociologist Arnold Toynbee puts it, the man of today is a “man running away from God”, consequently, his plasticity takes over and man is not in position to control his own choices and his changeability. The article offers Christian anthropological view of man in his relations with God. The reminder refreshes knowledge of European Christian roots and challenges current social development.

Keywords: *anthropological crisis, democracy, traditional and self-expression values, values*

1. INTRODUCTION

Conferences around the world show that regardless of lack of its uniformity society thirsts for stable value-oriented criteria. The truth behind the need is simple – the criteria described as “stable” would help to live through the turbulent and conflicting, albeit beautiful age. Research recently published by the World Values Survey Association (WVSA) describes two mutually correlated value directions in European countries, namely, Traditional values versus Rational-secular values (World Values Survey, *see* WVS Findings and Insights). Traditional values emphasize religiosity, national pride, and respect for authority, obedience and marriage. Secular-rational values emphasize the opposite on each of these accounts. However, the overall value system is linked to both political and economical performance of the given society. Consequently, the survey points to interaction between the Traditional values versus Rational-secular values on the one hand and Survival values versus values of Self-expression on the other. Survival values involve a priority of security over liberty, non-acceptance of homosexuality, abstinence from political action, distrust in outsiders and a weak sense of happiness. Self-expression values imply the opposite on all these accounts.

2. REFLECTIONS

Interaction is attention worth in many ways, particularly because Baltic States are located somewhere in the middle between the opposing poles, as Inglehart-Welzel cultural map shows (*see* Sterbenz, 2014). No doubt, both Latvia and Lithuania experience dynamic changes within society, both societies undergo transition from more traditional orientation unto paradigm of Self-expression, openness and freedom. And they just repeat what other European countries have gone through before: “Since the first world values survey in 1981, every western country

has shifted markedly along the spectrum towards greater self-expression” (*see* Living with the Superpower, 2003). These latter values are seen as more and more important for “natural” development of personality and there is no doubt that the tendency will grow in future. As it was emphasized, both dimensions suffer from internal contradictions with the opposite and acceptance / non-acceptance depending on different national cultural contexts in various European countries. Axis of Traditional / Rational-secular values have helped to describe differences between societies where traditional Christian values are still valid on the one hand and societies that strive to ignore their historical roots of Christian culture on the other. As it was said above, traditional values emphasize national pride among other values, respect for authority, obedience and marriage. Consequently, societies with higher national self-esteem and high level of national pride emphasize values that work for healthy development of the society:

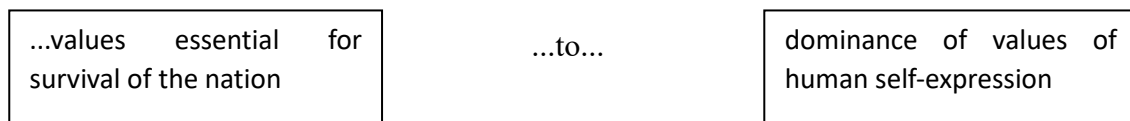
1. Importance of parent-child ties, deference to authority and traditional family values.
2. Non-acceptance of homosexuality, divorce and abortion, euthanasia and suicide.
3. Defense of self-respect of man / woman, and recommends registered marriage.

Transition experience moving from agrarian to industrial society, depopulation of Latvian countryside is sad and illustrious. Losing people in rural areas work for deep changes within society. Consequently, the largest shift from traditional values towards secular-rational values happens in this phase of national development. So far characteristics of the region we know the best. New challenges arise after European Social agenda has announced shift from industrial society towards the so-called knowledge society (*see* UNESCO World Report “Towards Knowledge Societies”). The World Report in this regard emphasizes: “The future [is painted] in both promising and disquieting tones, promising because the potential offered by a rational and purposeful use of the new technologies offers real prospects for human and sustainable development and the building of more democratic societies; disquieting, for the obstacles and snares along the way are all too real.” As promising as it may sound, the document expresses also some concerns in regards to loss of some key characteristics and attributes of humankind, be they professional or moral: “But do not the information technologies, by automatizing knowledge, provide grounds for the fear that we may witness the disappearance of know-how and traditions that, only a few decades ago, constituted the daily way of life over much of the planet?”

The issue of values is taken up by further conclusions. Due to widespread and not foreseen use of internet changes occur also on human identity level: “The internet offers, moreover, radically new possibilities for experimenting with personal identity, thanks to the recent instituting of exchanges that are fixed up without the parties’ physical involvement, in an entirely anonymous, disembodied and synchronous way. By enabling virtual selves to be superimposed on real selves, the Web establishes a wholly new realm of self-expression. On the one hand, it fosters the tendency towards depersonalization and self-forgetfulness; on the other, it creates dynamics enabling individuals to multiply their virtual identities, under cover of an almost infinite number of pseudonyms” (*Ibid.*). Knowledge society is characterized also by culture of innovation: “In a global knowledge economy, where the touchstone of competitiveness will be capacity for innovation, the fostering of a culture of innovation is a matter of encouraging the rapid spread of inventions and new ideas throughout a society.”

The spread obviously pushes the innovation process to its limits, consequently, innovations often mean break away from traditions, the well-known. This is where values of self-expression come into picture. The UNESCO document warns against the threat to human basics: “It is precisely because innovation has become largely unforeseeable that it is important to concentrate on the conditions that favor the emergence of the process of innovation... We also have to watch out for the human cost of these transformations, keeping in mind that innovation is truly a process of “creative destruction”: “The destructive mechanisms inherent in innovation must be paid special attention so that their social and cultural consequences can be mitigated.” “The technological revolution underpinning the rise of the knowledge society carries, like any other, a serious danger of making some social relations and the position of some social groups precarious. Does recognizing this necessarily mean accepting the idea that certain individuals or whole generations may find themselves being sacrificed on the altar of change? Knowing that there is often a violence inherent in times of foundation, can we really not envisage that, on the contrary, this challenging of established practice and knowledge will itself crucially depend on the development of individual and collective capacities? This is the true issue for societies, which are going to need to be both knowledge societies and innovation societies – and must therefore become learning societies.”

The much-quoted UNESCO document along with WWSA survey show that the knowledge society is characterized by strong conviction – sustainable persistence of society is secured by sticking to values of self-expression. Societies undergoing swift shift over to knowledge society may experience sharpened tension between its former experience and current challenges. It may be described as a shift from...



In the value discourse human developmental dynamics may be formulated as follows:

$$\text{Quality of life} = \text{subjective welfare} + \text{subjective self-expression}.$$

Overall paradigm of the knowledge society points to self-expression of its members as an essential value. Knowledge society would be unable to reach its goals unless values of self-expression are put in center. “Knowledge societies cannot function effectively without highly educated workers, who become articulate and accustomed to thinking for themselves. Furthermore, rising levels of economic security bring growing emphasis on self-expression values that give high priority to free choice” (Inglehart & Welzel, 2010, pp. 551-567). What is the spectrum of self-expression values?

It follows from the WWSA survey that self-expression values are characterized as putting emphasis on individually taken freedom, and satisfaction of individually subjective will of self-expression. It envisages toleration of:

1. Questioning of ethical proto-norms of human existence.
2. Profanation of religious norms.

3. Carelessness towards value of life (e.g. legalization of euthanasia, surrogate motherhood, legalization of abortions etc.).
4. Ideology of same-sex marriages.
5. Repudiation of children in the name of comfort of adults.
6. Decline from hard work while delegating it to immigrants.

The overall tendency is described as creating danger to the very existence of democracy. Inglehart & Welzel point to the fact that “mass publics become increasingly likely to want democracy, and increasingly effective in getting it. Repressing mass demands for liberalization becomes increasingly costly and detrimental to economic effectiveness. These changes link economic development with democracy.” Paradoxically, the danger is facing the very same system giving birth to the value of self-expression.

It seems that process of democracy is threatened by the loss of human self-identity. The identity may be described as the concept of following aspects:

1. The outward concept of the self.
2. The inward concept of the self.
3. Awareness of changing and steady sides of the self.
4. Awareness of the proto-norm.

The man of today is called a plastic man (the term of philosopher M. Heidegger) in whom the changing part of personality is increasing whereas the steady side is decreasing. As sociologist A. Toynbee puts it, the man of today is a “man running away from God”, consequently, his plasticity takes over and man is not in position to control his own choices and his changeability. Because religion offer the standards of unchanging proto-norms, crucial for survival of humanity. In this situation is there any need for instruments to oppress the changeability and plasticity? – Of course, no. Rather, what is needed, may be called “self-hermeneutics”, i.e., certain criteria for self-understanding.

Let's use simple example to show that human identity can't be reduced to his / her professional activity; rather image and likeness of God” is used as definition of the identity of man:

Who am I?

Lawyer Student Pupil Professor Politician

“None of them is ME, because there are thousands of specialists in each mentioned field. Man has been created in God's image and likeness.”

In Christian tradition man is characterized as a creature possessing dual nature. He can think about himself as being self-sufficient and to ignore his Creator, and still he can recognize himself as a person endowed with capacity to become a “likeness of God”, as Bible describes him in the book of Creation (Bible, Genesis 1: 26).

<i>A man of secular society.</i> “...made from the dust of the earth” (Gen. 2: 7, 19)	<i>A man with capacity to become</i> “ <i>likeness of God</i> ”. “Created a man (‘ <i>adām</i> ’) and endowed with life-giving breath (‘ <i>neshama</i> ’)” (Gen: 2:7). “God said: let us make a man (‘ <i>adām</i> ’) according to our image and likeness” (Gen. 1:26)
Consequence: Anthropological border and value perception is short-limited	Consequence: Anthropological border and value perception is limitless

Willing to be free and to “understand the self” are universal attributes, however, they shouldn’t be practiced on behalf of values essential for human existence. If basic conditions of human existence (family, positive demography, the virtue of work, mutuality) are respected, then the self-expression values are not threatening for society. Otherwise “democracy” may lead to the “culture of death (*see* Pope John Paul II, 1995) and slow destruction of society essentials.

Conclusions of WVSA points to threatening development of society (feared also by the early American politicians in their own country) in two directions:

1. Fear from aggression from outside.
2. Fear from pseudo democracy which may take to values reducing society’s capacity to survive and sustain itself. Satisfaction of the need for egoistic self-expression taken on the level of ideology may threaten the very existence of society.

Democracy and self-fulfillment has become specific ideologically engaged mind-set. Perverted democracy and the so-called emancipation may lead to anthropological crisis. How anthropological crisis is manifested? It has been described as “individuation, in other words, the individual and self-fulfillment increasingly taking precedence over community”, “perverse effects that this glorification of individual freedom is having” (Lipietz, 2014, pp. 66-68). It is worth to quote well-known philosopher Y. Lotman – within the context of the current political development based on freedom of subjective opinions, democracy forgets that “culture takes its origin in limitations, in rules aimed to limit instincts”. This is an axiological counter-revolution, as it was recognized by WVSA analysts. The process destroys not only family life, but also basics of democratic state.

Anthropological crisis should be balanced by the concept of the structure of human being described by the Church Fathers in 4th-7th centuries. The view has been encompassed by European Christian tradition.

Thinking	Will	Heart	Awareness	Conscience
It's NOT a function of brain, but rather the energy of rational activity, synergy of the Spirit of the Lord Christ and human consciousness. Results – inspiration, revelation, discovery, intuition	It's NOT an item-oriented motivating function of psyche, but rather spiritual uniqueness of soul, synergy – power satisfying the needs of soul	It is spiritually emotional organ of the mystical content of soul, the key object of pedagogical impact	Activity of the Spirit of the Lord manifesting in the sphere of consciousness and soul. Leads to personality. Man in unity with Christ is a free personality. It regulates goals of human values, self-evaluation, self-respect	An organ regulating spiritually the emotional life of soul; the place where Spirit of the Lord acts

3. CONCLUSION

1. System of opposites “Traditional versus Self-expression values” has been widely used to describe changes occurring worldwide. The Inglehart & Welzel cultural map of the world positions Baltic States right in the middle between the opposites – pointing to fast changes of societies both politically, economically, socially and culturally. Move from agrarian towards industrial society causes values shift.
2. Now, the move from industrial society towards the knowledge society makes the issue of values even hotter. Societies with traditional values promoted and supported for centuries are facing fast development of democracy. In certain cases new liberal-democratic values are met with suspicion – as mentioned in the article. However, development of democracy requires promotion of values which work for initiative and individual creativity of citizens.
3. It should be pointed that radically new possibilities for experimenting with personal identity, thanks to the recent instituting of exchanges that are fixed up without the parties' physical involvement, in an entirely anonymous, disembodied and synchronous way creates new type of anthropology – alienated from that of European Christian foundations.
4. Duality of humans is a well-known topic in Christian anthropology, stemming from the Biblical account of the creation of man. M. Heidegger has described man as possessing mutually related “changing” and “steady” sides. The very idea of democracy may be threatened by the one-sided self-sufficiency of man with tendency to ignore his Creator.
5. Christian anthropology speaks about “proto-norms” as essential for human co-existence (family, procreation, roles of mother and father etc.). In case these proto-norms are ignored, society is under risk to degrade its spiritual tradition and follows the way of the “culture of death” (Pope John Paul II).

6. Although M. Heidegger uses the term “steady” side of a man, Christian anthropology describes it as being in dynamic and creative relationships with God. Spiritual creativity – and not the outward one – is what should be protected in the current development of society basics.

All nations have common basic proto-norms, and all Europe shares common roots in Christian culture (anthropological notions). Now, different attitude met in various cultural entities called “nations” towards values of self-expression may be treated as “different cultural scenarios” (the term from social psychology). Following those basic values each nation develops its own behavioral type – illustrating what people mean by freedom, what are limits of freedom, how do they celebrate weddings, how mother cares for her child, how father speaks to his son, how the stronger one cares for the weak, how the living ones bury their dead – all these basic cultural scenarios determine particular lifestyles.

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TOPICAL ISSUES OF THE DEVELOPMENT OF VALUATION ACTIVITIES IN RUSSIA

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ABSTRACT

This research presents historical trends for the appearance of valuation activities in Russia, its development and the current status. The current legislation on valuation activities was analyzed too. The review helps specialists to understand the semantic structure of existing approaches and methods in valuation activities, to understand its essence. When somebody understands the essence of existing approaches and methods in valuation activities he can easier find optimal and timely decision for every object of evaluation. Many existing enterprises in the real sector of the economy have not been assessed for objective reasons in the period after 1991. Now due to the rapid changes in the economic situation in the country many of the leaders of such enterprises for strategic decision-making require a realistic assessment of their property business. This review will help the specialist conducting this assessment to understand what methods are preferable to use, what methods give an objective assessment and why. Also this review is indispensable for those cases when the object is revalued, and the revaluation occurred after significant periods of time. The review will help to understand why in this period of time these results were obtained.

Keywords: *business value, evaluation activity, evaluation activity development, Russian society of appraisers*

1. INTRODUCTION

The valuation activity has the particular importance in the modern market economy. When someone sells land, property, companies, he needs to know its real market value. Company real market value is to know to make investment decisions in the business. The intangible assets valuation becomes a significant direction of activities in organizations because of the increasing complexity of access to and use of patented technology, licensed products in the company economic activities and the intellectual property rights. There are different problems with the fixed assets assessment in the modern activities of economic entities in Russia. The fact is that the last thirty years a large part of the basic production assets of business entities in many industries is in deplorable conditions. Therefore, in the economic activity of industrial enterprises in modern conditions the valuation of machinery and equipment is of paramount importance both for the seller and for the buyer, and ultimately affects the continued efficient operation of the enterprise and productivity of employees of these enterprises. That the most accurate assessment of the real value of your business is extremely important for the proprietor. The general strategy of any business aimed to increase its value. That is why the real value of the business is the starting point for the development of all long – term business strategies. Now, many medium and large companies strive to go to an IPO, and as a result, to attract additional funding.

So one of the basic and first requirements for such a public offering of shares is the market value of the company. As we can see, the business valuation activity in all its manifestations is one of the most important parts of any market economy.

2. THE DEVELOPMENT OF VALUATION ACTIVITIES IN THE RUSSIAN EMPIRE

Preconditions for the emergence of valuation activities in Russia seen as early as the fifteenth century, when the object of evaluation was a land allotment. In those days, existing special cadasters were the land allotment inventory. It was not possible to determine the exact characteristics of the lands in such cadasters. Only in the seventeenth century, the systematic approach began to appear. Such factors as the legal status of the land, the number of peasant households, the quality of the land and its purpose were determined in these cadasters. About the thirties of the eighteenth century, there was the following rule. If the property not sold at the price determined by the appraiser, or for a large sum, the money collected from the appraiser. Knowing this rule, the appraiser determined not even the objective value of the object but the price included all characteristics of the transaction, the conditions of its conclusion, the characteristics of the object, and the mutual interests of the parties to the transaction. This was the beginning of a departure from the docking of the concept of rates. It was the first radical step in determining the independent fair value.

The first legislative recommendation in the assessment of cost was mentioned in the Decree of 6 November 1758 No. 8822 and related to the calculation of generating income[(the Decree of 6 November 1758 No. 8822)]. Such an important procedure as the land division began in 1765 by the Imperial Manifesto of Catherine the Second. The main objective of this process was the demarcation of land allotments throughout the Empire [(The Imperial Manifesto on the General delimitation of lands throughout the Empire on 19 September 1765)]. At the same time the study, description and evaluation of noble estates took place. In 1864 the Zemstvo, provincial and district institutions began to be responsible for the land allotment evaluation. The real estate valuation engaged for the purpose of taxation authorities too. This procedure approved by the "City regulation" in 1870 [(The City regulation of 1870)]. During twenty years (from 1860 to 1880) the Zemstvo conducted tremendous evaluations of real estates in the Russian Empire.

In the second half of the nineteenth century various industries such as engineering, mining, chemical industry, wholesale and retail trade, banking, insurance rapidly began to develop. A large number of industrial cities began to appear too. Owing to such qualitative radical changes in economic life of society, land now ceased to be the main object for evaluation. As a result, it was profitably to use the businesses, trade organizations and other different properties for taxation for the state. In 1893 the revaluation law for all property types was approved in 34 provinces in the Russian Empire. The "Rules for the valuation of real property for taxation Zemstvo duties" introduced too [(Saltykov, 2010, p. 256)]. It was the first valuation activity legislation in Russia. The subjects of valuation were the County evaluation Committee. The committee were very knowledgeable about the situation on the ground. In 1894 S. Y. Witte, the Minister of Finance, adopted the "Instruction on evaluation of immovable property". This instruction served as a kind of methodological explanation of the previously adopted law [(Saltykov, 2010, p. 257)]. Very specific recommendations for the assessment given. It has become quite clear that despite the tremendous efforts of the provincial evaluation committees for enforcement of standards of assessment to a single "direction", they have failed to create consistency not only across the state, even within a province [(Saltykov, 2010, p. 258)].

Given the results of the work, the Law on the assessment of real property approved on January 18 in 1899. According to this law the competence for setting evaluation standards for the

evaluation given to the provincial commissions. The development of the economy of the Russian Empire, namely the rise of industrial enterprises, trade organizations, the emergence of representative offices of foreign companies, has made a major contribution to the development of valuation activities in the country at that time. New types and forms of assessments appeared. As objects of evaluation are increasingly began to be machines and equipment, the important role in the assessment was in the depreciation (moral and physical deterioration of objects of evaluation). At the beginning of the twentieth century, the active work on the revaluation of immovable property carried out. The first General revaluation carried out in 1901. The revaluation of the basic production assets carried out in 1910. The real estate revaluation planned in 1914. It canceled in connection with the war. After 1917 the methodological development of the evaluation activities was completely suspended, as the country refused to market relations and private property [(Saltykov, 2010, p. 258)].

3. THE VALUATION ACTIVITY IN THE SOVIET UNION

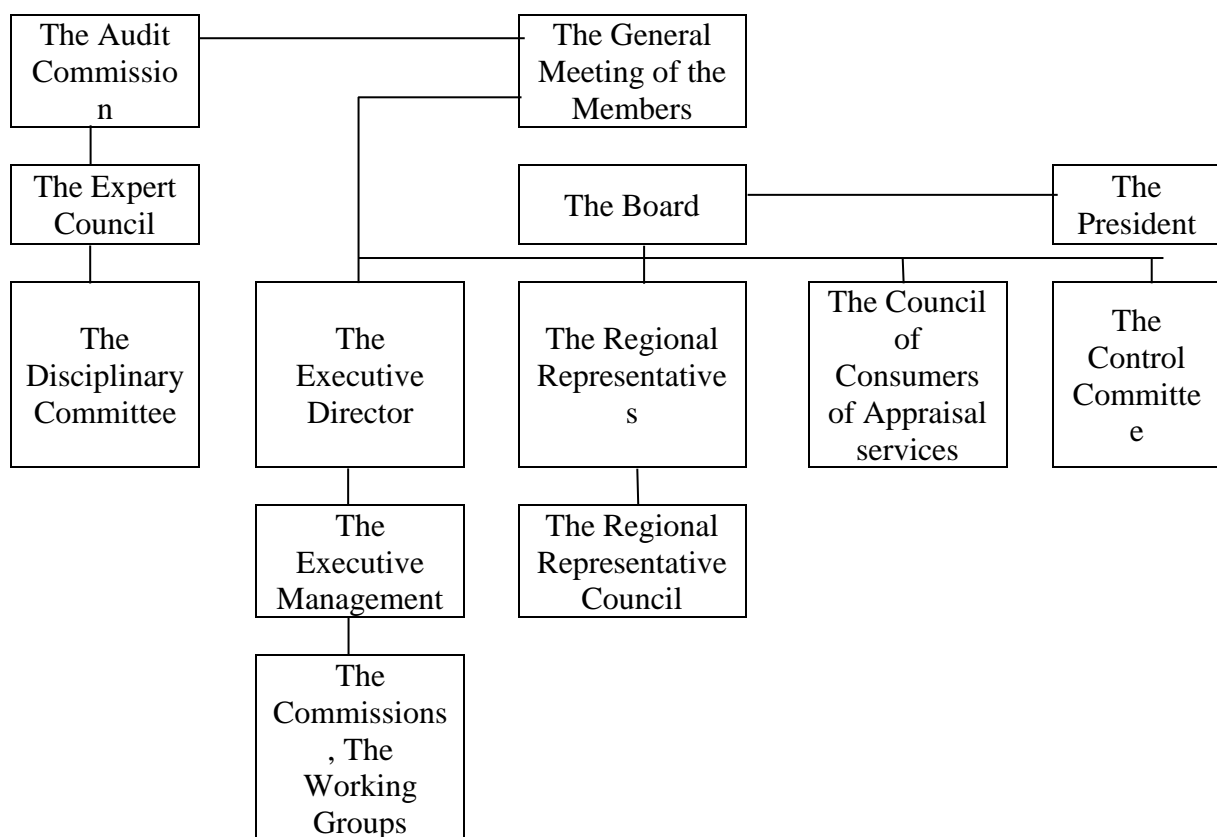
In the period from 1914 to 1991, the valuation activity in Russia practically was not developed. A full general revaluation of fixed assets of the country held periodically at that time. A correction of the book value of fixed assets in accordance with the established norms of costs of their production and recovery held too. The first time such revaluation made in 1935. The BTI regional office (Bureau of technical inventory) decided such issues as inventory, evaluation, reevaluation and registration of fixed assets. Of course special secondary vocational and higher professional education in the field of evaluation was not required at that time. The valuation of intangible assets and intellectual property did not take place in the Soviet Union too. The patent offices made only one function. Namely, their function was the registration function. The patent offices maintained the register of patents. Because of the industrialization development in the late nineteenth century, the evaluation subjects were not only land but also property, equipment and entire enterprises. Industrial development in Europe, including Russia, demanded drastic structural changes in the valuation activity because the valuation activity plays an important role in any market economy. Forms and types of evaluation began to change. The development of technologies for a variety of industries went too rapidly. The questions of evaluation and protection of intellectual property were not so acute. Also the question of assessing the profits which the intellectual property is able to attract, was not so acute. Economists seriously will wonder these questions by the end of the twentieth century. In the twenty first century it will become a real necessity for any industrial enterprise. Within seventy years the evaluation activity had not the development because the planned economy was interested in the carrying value only.

4. THE VALUATION ACTIVITY ISSUES IN MODERN RUSSIA

After the Soviet Union collapse appeared, there was again a need for assessment activities. The next stage of its development took place. The state assets privatized. The government did not regulate all prices. Experts in the field of valuation activities and the Russian legislation in this area are absent. Evaluation activity conducted by specialists of Bureau of technical inventory, insurance organizations and different auditors. The international evaluation standards, the US and European evaluation standards used as recommendations. In the period from 1992 to 1993 the Russian society of appraisers was registered. In the period from 1998 to 2006 there were two attempts to license the valuation activity by the state. It was not successful. As a result independent regulation of the valuation activity was established by the Russian Federal Law No. 157-FZ dated 27.07.2006 "On amendments to the Federal law "On valuation activities in the Russian Federation". The structural organization of valuation activities in the country, where the main Agency in charge of this activity is the Ministry of economic development is interesting too [9]. Here all draft laws considered and adjusted.

After this all drafts laws will be submitted for consideration to the President of the Russian Federation, the Federation Council and the State Duma. Evaluation activity in the Russian Federation regulated by the Federal Law No. 135 "On valuation activities in the Russian Federation". The Council for evaluation until the authorized Federal body regulates in the legal framework. According to this Federal law for the provision of services of valuation of land, other real estate, debt, and finally, enterprises you need to apply to the self-regulating organization of appraisers. All these organizations are non-profit. One of the oldest and most important organizations is an interregional self-regulatory noncommercial organization - noncommercial partnership "Society of professional experts and appraisers" (ISNO-NP SPEA), based on voluntary membership. The voluntary membership is also one of the prerequisites to create such organizations under the Russian Federal Law No. 135-FZ. ISNO-NP SPEA established on April 2, 1997 [10]. The structure of ISNO-NP SPEA shown in the figure 1. This structure is optimal for self-regulating organizations of appraisers. The Audit Commission has more powers than the President and the Board. In this industry, due to its characteristics, exactly such hierarchy required. Activities of self-regulating organizations of appraisers governed by the Russian Federal Law No. 315-FZ "On self-regulating organizations" [14]. Their activities should be completely transparent for all participants of the evaluation.

Figure 1: the structure of the interregional self-regulatory noncommercial organization - noncommercial partnership "Society of professional experts and appraisers"



To ensure transparency of their actions, according to the Russian Federal Laws No. 135-FZ and 315-FZ, each self-regulatory organization of appraisers must publish all information required by these regulatory legal acts in the information-telecommunication network "Internet" [13].

The appraiser must include the information (the report of the evaluation) on the evaluation of the object in the Unified Federal register of information on facts of activity of legal entities within ten working days upon expiry of six months from the date of the evaluation report of the facility assessment. It is need to secure transparency of the procedure of estimation of cost of objects. Since 2008 the National Board on Estimated Activity (NBEA) established by self-regulatory organizations of appraisers. Its main functions are discussion of state policy in the field of evaluation activity and representing the interests of SROO in the Federal bodies of the state power. The formation of proposals for the development of state policy in the field of valuation activity; formation of proposals on improvement of legal and economic regulation of evaluation activity; development of the Federal evaluation standards, are the main functions too.

The General Meeting of participants of the National Board on Estimated Activity (NBEA) is the Supreme management body of the National Board on Estimated Activity (NBEA). The development process of the normative basis of the valuation activities in modern Russia should be highlighted especially. The first and fundamental law regulating appraisal activity at the present stage, was adopted in 1998. It was the Russian Federal Law No. 135-FZ dated 29.07.1998 "On valuation activities in the Russian Federation". During these seventeen years, there were changes in the social life, economic life, and thus there were changes in the evaluation activities. All these changes reflected in subsequent versions of the Russian Federal Law No. 135-FZ until 2016. This process is far from complete due to various objective economic reasons. All existing Russian Federal valuation standards developed based on international valuation standards. The introduction of new standards not yet fully resolves all disputes, and sometimes their use in practice, even limited really. It is necessary to pay attention to the fact that the value of the business, where there are hidden flows of money can be considerably distorted. The legislative framework and methods of assessment of business reputation are insufficiently developed. Thus, the evaluation of goodwill using any approach (the profit approach, the comparative approach or the expensive approach) is problematic. The goodwill magnitude is uncertain. In the current economic situation, assessment of future earnings from the intangible assets are unlikely to give adequate results, because the inflation, currency, credit, political risks are very high in modern Russia.

5. CONCLUSION

It has been more than 25 years after disintegration of the Soviet Union. Federal standards for valuing the business, cost of machinery and equipment, intangible assets and intellectual property were adopted only in 2015. It turns out that a huge number of objects within these 24 years, most likely, had not quite a correct assessment. I want to say that since 1991 in connection with the transition from a planned economy to a market economy the valuation activities in Russia came to the next stage of its development. Over the years a base for training specialists with higher professional education of the appraiser has formed. The legal basis for the assessment of all major existing facilities formed. Now there are facilities for the assessment of land, real estate, equipment and machines industries, intangible assets, intellectual property and even business reputation. The process of development of valuation activity in Russia is far from complete. Outstanding issues regarding the valuation of intangible assets and intellectual property every year will become even more acute. In the nearly 25 years of valuation activities in modern Russia made a major breakthrough in the development of the Russian valuation standards.

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THE IMPACT OF INNOVATION IN THE ECONOMY ON THE SYSTEM OF PROFESSIONAL EDUCATION

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ABSTRACT

According to this study, the specifics of the current trends in the sphere of Russian professional education, the peculiarities of the Russian economy, the authors identify the general trends and distinctive features of Russia's higher professional education. The authors study and substantiate innovative approaches to the formation of professional competencies for specialists with higher professional education in Russia. The methodological basis of the study is the dialectical method, which makes it possible to study phenomena and processes in their historical development and based on it general scientific, special research methods. An analysis of the current state of the Russian system of higher professional education shows the advisability of using innovative approaches to the formation of new professional competencies of future specialists who are able to compete in the sphere of professional activity in the labor market. Based on the study, it is recommended that the educational programs of higher professional education be improved in order to train specialists with professional competencies that meet modern demands of the economy. The theoretical positions formulated in the study can be used in scientific and legislative activities, in the field of professional education, with the improvement of the qualification of workers and scientific and pedagogical personnel in the field of higher professional education.

Keywords: *professional competence, higher education, innovative approach, educational programs, professional activity, economy*

1. INTRODUCTION

The study is due to the existing trend in the Russian economy and the need to understand how innovation processes in the economy are changing demands on higher vocational education and professional competencies. The implementation of government programs and projects in Russia demanded experts to solve them. Based on the study the authors recommend the improvement of educational programs of higher professional education with the aim of training specialists with professional competencies that meet the current demands of the economy that is demanded on the Russian labor market. Analysis of the Russian system of higher professional education shows the feasibility of formation of professional competence of specialists. Under core competencies, we understand the system and critical thinking of the employee, communication skills, ability to work in team, to manage projects and willingness to learn. John Equal allocated the different types of competencies including the ability to make the right decisions, the ability to work together to achieve a goal, ability to listen to other people and to take into account what they say independence of thought originality and self control (J..Equal,2002, p.396).

A. Darjania examined the formation of organizational and managerial skills, which are based on skills of information management and decision making, the ability of information provision is a theoretical practical activity, which includes the possession of a variety of methods of practical action planning process information retrieval of information quality, analysis and adaptation of information to the set task, the ability to make decisions on theoretical practical activities such as command of various methods of practical action for the analysis of the problem situation to identify constraints and criteria for decision, formulation of alternatives, choosing an alternative, implementing the decision, monitoring and correction of the decision (A. Darjania, p. 309-313) V. Tishchenko developed a system of tasks on development of communicative skills, which are understood as the possession of intellectual and practical actions, aimed at establishing and maintaining appropriate relationships with people in the process of educational and professional activities in the conditions of education and society (V. Tishchenko, 2004, p.135). In this work we used scientific methods such as dialectical method, empirical methods such as structural functional study of the regulatory documents in the field of education, professional educational programs of universities, testing and questioning, scientific substantiation of hypotheses and statistical methods of data processing.

Object of study is innovation processes in the economy and vocational education. Objective is to explore and describe the professional competencies in the system of Russian professional education. It is based on the understanding of the purpose of work formulated objectives of the study; based on the study of scientific literature to perform scientific approaches to the management of innovative processes in the training of specialists with necessary professional competencies, define improvement strategy. The authors study and compare the level of development of professional competencies of the Russian and European specialists on the example of commercial organizations and explore the views of managers and professional staff on professional competencies of applicants for open positions in the organization. The authors research hypothesis: if the education system will have innovative approaches to formation of professional competences for the tasks of economy, it is possible to increase the professional level of professional quality in organizations and their position on labor market. Experimental base of the research: Russian and European organizations of IPA GARANT, LLC "EKVANT", LLC "Informbusiness". The work comprehensively addressed the question of the approach to formation of professional competence, the parameters of evaluation of innovative ideas, which are central to professional education.

2. MATERIALS AND METHODS

2.1 Innovative approaches to formation of professional competencies

In the formation of professional skills the approach to formation of professional competence play an important role in which focuses on the result of education, and as a result there is no amount of learned information and the ability of a person to act in various problem situations. Professional competencies serve as a method of modeling of results of professional education and as the norm of its quality. Today innovation is as the transformation of new knowledge in the methodology of educational process in technology that meets the demands of society. The basis for the development of diagnostic training at all stages and levels of education lifelong the main categories of which are competencies. All these expertise are of direct relevance to the profession. The study showed the transition to a higher level of communicative competence and skills. L. Andrukhiv developed technology of formation skills to work with information which is a theoretical practical activity including the possession of diverse ways of practical action on the search, processing, analysis and presentation of textual and numeric information to the intended target, discussed the structure of this ability and the allocated operating part of each action (L. Andrukhiv, 2008, p. 347-351).

At the present time, there is a significant gap between the requirements of employers in the labour market and the knowledge, skills, and abilities that get young professionals in the learning process. According to the analytical center "Expert" and public organization "Business Russia", about 80% of Russian families believe higher education is the most important factor for their children; more than 60% of college graduates can't find work in the specialty; more than 50% do not use professional competence, thus, about 35% of the own funds of the families and 25% of budget funds are used inefficiently (Electronic resource, access: reitor. EN/EN/analitic/tress-reilis). Thus, it can be stated that the existing educational system cannot cope with the task of training in accordance with fast changing requirements of a market. The authors analyze existing trends in Russian education and explore how social and technological processes and trends are changing demands on higher vocational education. Future employees will have to be able to work in different cultural and economic environments. Therefore, the ability to work in project teams, but also to organize the projects is important to most employees. Employees need to be prepared to work in conditions of high uncertainty and thus to make decisions quickly react to changing conditions, to allocate resources, to manage their time. There is a need to relate educational objectives with situations of applicability in the working world. Working with technology solutions and setting the constant willingness to change, requires employees who are able not just to navigate but also to effectively manage projects, teams and entire organizations to focus their activities on the infinite variety of life and professional situations.

2.2 Innovative processes in vocational education

The implementation of government programs and projects in Russia will be a demand for professionals for their solutions. Every year on the basis of the forecast needs of the economy formed the order of the state and business for training of specialists in universities. To achieve the competencies are necessary to improve educational technology. Disciplinary and content side with the competencies will enhance orientation. Approach to formation competencies oriented to a new vision of goals and evaluation of vocational education and to other components of the educational process content is educational technology, tools monitoring and evaluation. You need to design and implement such learning technologies, which would create a situation of inclusion of students in different types of activities: communication, problem solving, discussions, debates, projects. These methods are effective for development of professional skills as students try to apply the received knowledge in practice and realize the need for continuous self-improvement. One of the innovative forms it can be noted the business game on the basis on personal counseling and testing. All of these are actively used in the formation of professional competences, which contributes to "growing" a full-fledged professional. Thus, the activity of the teacher at the introduction of innovative technologies will contribute to the achievement of goals.

The government strategy of modernization of education suggests that the basis of the updated contents of general education will be based on professional and key competences. The system of Russian education has undergone significant changes in line with general processes of economic and political transformations taking place in society. The laws of the Russian Federation "On education", "On higher and postgraduate professional education", national doctrine of education in the Russian Federation covering the period up to 2025 have become the most important legislative framework in the field of education globalization of all sectors of the economy that occur on the modern stage of society, has an impact on educational processes. A new educational model includes integration are closely linked to ideas of life-long education. The idea of life-long education meets the strategic goal of Europe becoming the most competitive society in the world, based on knowledge.

Russia's accession to the Bologna Declaration (2003) adopted by most European countries, a means to move our country toward a convergence of educational systems. At the same time, the process of transition to European standards in the Russian education system does not mean simple replication of Western models of education. Higher education is subject to specific national policy objectives. Standards and technology allow us not only to shape the content of education, but to keep the very structure of knowledge, which is represented in standards and technologies.

3 THE MODEL OF INNOVATIVE MANAGEMENT IN THE SYSTEM OF PROFESSIONAL EDUCATION

The aim of the study was to investigate the views of managers and professional staff in commercial organizations on the availability and professional competence of researchers. Objectives of the study is to identify the properties of the model of management of innovative processes, to identify the professional competencies of staff required for the economy and business, to evaluate the status and level of professional competences, to determine the degree of satisfaction of respondents quality of management of innovative processes in the approach to professional competence. The object of study is applicants jobs who received diplomas of higher professional education in 2017 who are carriers of the studied problem. The study was conducted in organizations of IPA GARANT, LLC "EKVANT", LLC "Informbusiness", where the selection of employees for open positions. The sample was 300 people. The information obtained is sufficiently comparable. The article reflects data as directly to the organizations that allowed us to compare them and average performance, which gave the opportunity to evaluate the management of innovative processes in the approach to professional competence in general. The authors identified problem and collect actual data, present quantitative and qualitative analysis of survey data. Research method is a questionnaire survey. To determine the properties of the model of innovative process management approach to the professional competence of specialists with higher professional education, it is necessary to identify criteria for assessing the management of innovation processes (Table 1).

Table 1 - Evaluation criteria for the management of innovative processes in the approach to professional competencies, according to leaders and experts on staff

Commercial organizations	Criteria for assessing the management of innovation processes
IPA GARANT	the level of efficiency of project implementation, systems thinking
LLC "EKVANT"	the level of professional knowledge , ability and skills to work in a team
LLC "Informbusiness"	the performance, efficiency, professional knowledge gained in higher education

Commercial organizations criteria for the evaluation of innovative processes management was IPA GARANT, LLC "EKVANT" , LLC "Informbusiness". Does the applicant (graduate student 2017) work in conditions of professional activity special additional training and the acquisition of additional professional competences for employment? To the question "have You received additional training to work" received the following answers (in %): answers: trained IPA GARANT -23% of respondents, LLC "EKVANT" - 89% respondents, LLC "Informbusiness" - 56% of respondents; untrained IPA GARANT -77% of respondents, LLC "EKVANT" - 11% of respondents, LLC "Informbusiness" 44% of respondents. The simple average of study is 47% of the respondents trained and 53% of respondents did not receive training.

As can be seen from the information data in all organizations there are trained to work in conditions of innovation activities in commercial organizations in the European company LLC "EKVANT" these applicants are more likely (77%); IPA GARANT is 56%, LLC "Informbusiness" is 43%, respectively. According to managers and professional staff, the applicants seek, and the customer has a requirement to learning new approaches and technologies, to obtain professional competence, therefore, the respondents in addition to professional competencies in higher education have received additional professional competence by attending courses of additional professional education. The relevance of the conducted research is that the results allow for signs to determine the state of innovation in the approach to formation of professional competences and to identify methods and approaches to better manage the innovation process at training of specialists in higher educational institutions in professional education.

4. CONCLUSION

Under the influence of innovation held changes in Economics and education in the quality and content of training of teachers in the selection and implementation of new forms and methods of training; providing of scientific-methodical material on innovation issues. The analysis allowed to analyze the approaches to professional competencies and to determine a strategy for improvement. Thus, the research problem is solved, the hypothesis put forward by us, is confirmed. Qualification competencies include knowledge and skills that a graduate has mastered over the period of study at the University, appropriate to the level rated qualifications, which he is able to play in professional activities and to meet the requirements of the customer. This group of competences is basic, without which the competitiveness is not possible, but not guaranteed. Professional business knowledge and skills represent the qualification and personal competence, reflecting the image of the specialist. The most important business competences are result orientation, decision making, prioritization, teamwork business etiquette. The paper explored and described professional competence in the system of Russian professional education. Based on the study of scientific literature to perform scientific approaches to the management of innovative processes in the training of specialists with necessary professional competence, identified strategies to improve, studied the levels of development of professional competencies of the Russian and European specialists on the example of commercial organizations, opinion leaders and professional staff on professional competencies of applicants for open positions organizations. Thus, if the education system will have innovative approaches to formation of professional competences for the tasks of economy, it is possible to improve the professional level of professional quality in organizations and their position on the labor market. Based on the study recommended the improvement of educational programs of higher professional education with the aim of training new professional competencies that meet the current demands of the economy that is demanded on the Russian labor market. Analysis of the current state of the Russian system of higher professional education shows the feasibility of using innovative approaches to the development of new professional competences of future specialists of Russia, able to compete in the field of professional activities. We need to strengthen the fundamental in higher education institutions by subject area, and the development of key competencies of students. Key competencies that will be relevant in the future, we understand the system and the critical thinking of human communicative abilities, ability to work in team, to manage projects and willingness to learn. The system of higher education must provide the basics of building a successful professional career. In this work, we used the study of normative legal documents of education, organizational, statutory and local documents of the universities, professional educational programs of universities, testing and surveys of teachers and students, scientific substantiation of hypotheses and statistical methods of data processing.

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“INNOGOROD” AS CONCEPT OF URBAN ORGANISATION: INNOVATIVE INFRASTRUCTURE MANAGEMENT (A CASE STUDY OF SKOLKOVO)

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ABSTRACT

Innogorod is a form of city organisation, a city initiative, formed on the basis of ecosystem of innovation. This article studies the experience of creating and managing an innovative urban environment on the example of Russian innovative centre of Skolkovo. The author derives the main features of a new type of urban space in a comparative analysis of innogorod and naukograd. The methods of empirical and theoretical level (abstraction and analysis and synthesis) are used. The research reveals the system of infrastructure arrangements and the principles of its management.

Keywords: *Innogorod, innovation, infrastructure, ecosystem*

1. INTRODUCTION

Innogorod is the term that nowadays is used to denote a space of urban type or a space with urban features, the purpose of which is to unite in one territory a knowledge-intensive sector, scientists and professionals engaged in the development of technologies in this sector and tools for commercialisation of the resulting product - Innovation. Educational institutions, an administrative structure and a certain infrastructure reveal themselves as accompanying elements of this system. An economic factor should be considered as the first one in the appearance of “innogorod”. At the present stage, economic growth is associated with the development of innovative sectors, the creation of innovations. This trend has existed in Russia since early 2000s, when the Russian Federation Government established “PBK” - the state fund of funds and the development institute of the Russian Federation, one of the functions of which is the strategic development of the national innovation system. Next, the initiatives were started to develop creation of special economic zones, planning and construction of Russian innovation centres began. These include the project "ИНО Томск", Иннополис (Republic of Tatarstan), Технополис GS (Kaliningrad region), IC Skolkovo. The results of the Skolkovo Innovation Center have aroused public resonance and sometimes extremely negative assessments. However, this study is devoted to the problem of urban structure and will not consider the economic side and effectiveness of technologies developed in this IC. The main goal of the research is the definition of “innogorod” as a concept of urban structure. As L. Wirth fairly noted, the city has long stopped to be an administrative concept, it has specific characteristics and is a special form of human community. In addition, cities are diverse, like their social entities. And people, integrating into the system of city life, acquire certain behavioral strategies, a specific style of life. Arguing about urbanism, L. Wirth emphasizes that there occur “changes in the direction of the so-called urban lifestyle that are manifested in people wherever they fall under the influence of the city - the influence due to the power of its institutions and personalities” (Wirth, 2016, pp.13). Innogorod offers its community a city space that is qualitatively different from the traditional one, so it can be assumed that the influence exerted on citizens by its institutions and infrastructure will be different.

1.1 Innogorod as an untraditional type of urban structure.

The research hypothesis is that an innogorod is built on some other principles than a city in the classical sense. A practical example of this problem was the Skolkovo IC as an innogorod with a fundamentally new approach to the construction of urban space and the environment on the basis of which the empirical part of the research is built. The subject of the work is the management of the innovation infrastructure - the methods and principles of work on the creation of infrastructure and urban space in the IC Skolkovo. To test the proposed hypothesis, the study presents and analyzes materials illustrating the strategy of the Skolkovo Fund for the arrangement of space and the formation of the urban environment of the innovation center. In the course of the work, answers are given to the main research questions:

- How the status of an innogorod (Skolkovo) is determined by law?
- Whether town-planning decisions affect the urban environment?
- What infrastructure does the innocent offer?
- What socio-cultural practices work in the space of innogorod?
- Whether the postulate that the townspeople is built in city environment and a way of life of a city or the city offers communication and is open to initiatives of the townspeople will remain unshakable?
- Has the status of the townspeople changed in an innogorod?

1.2 The place in the classification of cities.

The Russian Federation town-planning Code classifies cities according to the population principle. Another common typology is based on employment - in this case, we mean the classification according to the functional profile of the city: industrial, commercial, port, resort, multi-profile, etc. Accordance to this classification innogorod can be attributed to the city with a scientific profile - science city. We can not assert definitely, but nevertheless, one of its city-forming functions is the development of scientific potential. Further the study presents a more detailed examination of the status of an innogorod using the example of the IC Skolkovo. But in order to approach one more problematic field of research, it is necessary to conduct interconnection of an innogorod with a science city (naukograd). According to the proposed hypothesis, the specificity of the urban environment of an innogorod is determined by its concept. But the Russian practice knows the experience of designing science cities, whose concept reveals a clear similarity of the ideas that are put in the basis of both a science city and an i innogorod. An important question arises: what is the quality of the urban environment of the science city and how innovative is it. "Naukograd" of the Russian Federation is a municipal entity with the status of a city district, which has a high scientific and technical potential, with a city-forming research and production complex" (Federal Law, 1999, №70). The status of a science city (naukograd) is assigned for 15 years if the city meets certain federal law (FL) criteria, for example, the number of people employed in the scientific and technical complex of residents should be at least 15% of the total number of working population within the city; the volume of scientific and technical products should be at least 50% of all products produced in the territory of the municipal formation, etc. Also, the Federal Law determines the development of the infrastructure that ensures the functioning of the RPC. In the list of science cities (naukograd) of the Russian Federation there are Also 4 academic cities of scientific centers of the Russian Academy of Sciences. "Akademgorodoks" have the status of the administrative district of the city (Novosibirsk, Tomsk, Krasnoyarsk, Irkutsk) and were created to enhance the potential of industrial production and ensure the development of a particular sector due to the inflow of scientists with subsequent settlement of the proposed territory and the formation of an autonomous settlement. "Akademgorodok" - this phenomenon of 60-70-s of the XX-th century. The first and, probably, the most ambitious Soviet project was the construction of the Akademgorodok of Novosibirsk.

The authorship of the concept belongs to Soviet scientists academicians M.A. Lavrentiev, S.L. Sobolev, and S.A. Khristianovich. Its construction was started in 1957. Unlike most science cities the campuses were built from zero level, and the infrastructure was created in the form which was designed for the scientific environment of the settlement. Most “akademgorodoks” already existed as towns or settlements long before the middle of the 50's, when the Soviet campaign began to open branches of scientific institutes that became city-forming enterprises and subsequently enabled these cities to obtain the status of a science city. That is, a certain infrastructure, as well as the way of life in these cities have already formed not under the influence of a scientific or innovative vector.

1.3. Studies of the urban environment

The city's research has a long history. In the historiographical review, various approaches for understanding and studying the city are manifested: the city is viewed as an administrative unit, as a sign-symbolic system and text (F. Schleiermacher, V. Dilthey, H. G. Gadamer, P. Ricoeur) as a community of individuals (M. Weber, G. Simmel), etc. And at the beginning of the twentieth century, studies appeared that addressed the planning of urban space, urban planning practices: the model of zoning of urban space by E.U. Burgess, the concept of the decentralisation of the cities of L. Mumford, the study of social relations in the urban environment (L. Wirth), the urban environment is seen as the logic of spatial organisation (E. Sodzha), etc. A significant contribution to the historical development of urban space was made by American city planners. In the 10th century they still used the model of a rectangular grid of streets, not setting themselves aesthetic or sociocultural goals for the formation of a certain environment. But half a century later, "the cities came under the influence of three great ideas: the concept of “a beautiful city” Ch.M. Robinson, turned into a nationwide campaign of cities, the concept of "garden city" of E. Howard and the concept of "towers in the park” of Le Corbusier (Rybczynski, 2015, pp.58-59). Accomplishment of city life, which Ch. Robinson, saw only to the aesthetic component, but implied a general harmony in the organisation of urban space. Le Corbusier influenced the concept of the city structure, justifying the principles of zoning, mostly aesthetically. In addition, the city had to be organized logically, with the functional fullness of the urban space enriched - provided for cultural, public, sports zones. Another change in views on urban development began in the 50-s of XX century and was associated with the name of J. Jacobs. She stood for busy streets, compact neighborhoods and high traffic density of citizens. Now the infrastructure dictated the way of life and its rhythm. Jacobs stressed the importance of the exchange of ideas that takes place in the urban space, the complex cultural and economic life that the city must support. This is one of the most progressive concepts for its time.

Today, the research emphasis is increasingly placed on the study of the quality content of the urban environment, its changing characteristics. The concept of the urban environment has become firmly established and, evaluating its quality and development, operate with the concepts of media city, smart city, creative city, global city. All these concepts imply a traditional urban education in its developed, modern form. A lot of scientific works are devoted to close and detailed study of the urban environment, directions and methods of its investigation have been formed. Territorial distribution of various objects of urban infrastructure, urban environment quality, urban community research, social activity, urban lifestyle (urbanism), the nature of communications, the study of the cultural and symbolic content of urban space, the socio-cultural influence of architectural structures are used (Scherbakova, 2010, pp.79-80). The presented research continues the practice of analyzing the urban environment, complementing the presented series of representations of the modern city with another phenomenon - an innovative city.

2. METHODS

The methodology of the study includes methods of empirical and theoretical level. At the initial stage of the research, methods of abstraction and analysis and synthesis were applied. At this stage, the goal was to determine the status of an innogorod and conditionally designate its place in the typology of cities. We can say that despite the term "innogorod" or "innograd" adopted in Russian practice, the latter does not always meets the definition of the city according to its constituent acts. In the Federal Law "On the Innovation Center Skolkovo" (Federal Law, 2010, №244) the status of the city still does not appear, and when Skolkovo is mentioned in his communities, the designation "city initiative" is often used. At the same time, another example of Innograd, Innopolis, is the administrative center of the new municipal formation "City of Innopolis" in the Verkhneuslonsky municipal district of the Republic of Tatarstan (Law of the Republic of Tatarstan, 2014, №115) and is actively designated as a city on its own Internet resources. It will be fair to note that townships of urban and rural types are also found among the science cities. The next - the key stage of the study was the study of urban space and the environment of innocent. The following directions were chosen: studies of the territorial distribution of various urban infrastructure objects, urban lifestyle (urbanism), the nature of communications, and the study of the cultural and symbolic content of urban space. In general, a qualitative method was used. The next interesting stage of the study is the study and correlation of the two urban forms of the innogorod and the academic campus. We can not say that the urban environment of an innogorod is unique and innovative, without analyzing other experience. Akademgorodok is the most comparable form of urban structure to an innogorod and is the most successful example for studying the hypothesis of the research.

3. URBAN SPACE AND THE ENVIRONMENT OF SKOLKOVO

3.1 On the issue of determining the status of an innogorod

The Federal Law "On the Innovation Center Skolkovo" does not say on the status of an innogorod as a municipal entity. innogorod Skolkovo is defined as a project, that is, a set of activities to ensure the functioning of the Skolkovo Information Center. The land plots of the territory of the innovation center belong to the management company, they are not allowed to dispose of them on the basis of ownership rights - they can be leased out. Subletting is not allowed. The powers of state authorities and local authorities in the territory of the IC are extremely limited and do not include: approval of documentation for the planning of the territory, organization of transport services for the population, provision of low-income citizens, etc. (Federal Law, 2010, №244). All tasks to ensure the life of the project and the territory are assigned to the management company - from assigning names to the streets to providing the population with communication, catering, trade, leisure services - which makes it possible to make an assumption of sufficient autonomy of the innogorod. Thus, it is possible to define an innogorod as urban space, recreated around an innovative production with the aim of its effective implementation.

3.2 Design Code and Infrastructure

"One of the main ideas for the formation of the urban environment of the Skolkovo Information Center is" The City is a special place for communication and meetings. Creating the territorial planning project, this principle was realized due to the organisation of a large number of public spaces, which are divided into open and internal, based on the visual principle of zoning the territory" (Attachment 1 to the Order No. 280 - Design code of the urban environment of the Skolkovo Information Center, 2015, p.3). In 2015 the Design Code of the Urban Environment of the Skolkovo Information Center was developed, it regulates the formation of urban space and its visual characteristics. This includes everything from the principles of zoning and navigation to festive and event design.

When designing a city space, a complex approach is used, the environment is designed to link the elements of the infrastructure, create the logic of filling. According to the design code, in Skolkovo space the system of location of objects of residential, labor, recreational and public spaces is considered, taking into account the convenience of transport and pedestrian connections between these objects. The zoning system in Skolkovo includes 5 types of spaces, among them an important role is played by open external and internal public spaces and squares. These spaces for meetings, communications, events play an important role in shaping the climate of interaction and trust in the territory, define its character as recreational.

3.3 The city enters communication

The town-planning task in Skolkovo is the design of an understandable, comfortable and useful space. At this stage, the Department for the Development of the Urban Environment of the Skolkovo Found is taking various measures. One of the main principles is a continuous dialogue with the community. The first thing the team undertook was to create their own mythology of the place, when the "aging" of the city occurs artificially. For this, the historical aspect is connected: there is a search for events happening in the given territory, the search for historical personalities, somehow connected with the place, that is, the cultural context that new cities lack. Next to Skolkovo is the burial place of avantgardist Kazimir Malevich. The figure of the artist was used to give an unfilled socio-cultural space with certain meanings. Skolkovo has a rather sparse social environment. At the moment, the natural use of the objects of the city has not yet developed in a natural way, so long as it is characterized only by point usage. In the absence of a scenario of multitask usage of space, which is usually characteristic of a traditional inhabited city, one of the social and cultural initiatives of Skolkovo today is to create a scenario of human flows, to erase the boundaries between objects. For this purpose events of various formats are organized: conferences, excursions, festivals. This allows to identify the objects of the city in a symbolic space, give them assignments.

Another task is the symbolic combination of space and people. This process is organized through interactive projects, during which people themselves articulate certain zones, allocate landmark places. Also in the urban space appear art objects that invite people to some kind of interaction, forming contextual interrelationships of places and objects. So, leaving a kind of backlash for self-organisation, Skolkovo allows for the natural formation of the environment in given coordinates. Within the framework of work with external space, the definition and translation of values takes place. The main value - Skolkovo as a territory of innovation and science. However, today Skolkovo is only trying to determine its audience, often resorting to an appeal to more understandable categories, such as culture, a healthy lifestyle, representing them as their values and trends.

3.4 Resident, not a city dweller

An important point, which is working at Skolkovo, is the definition of formats for communication with residents. City public space in this context is seen as a communication program. One of the problems of the urban community of an innogorod is that its inhabitants are not connected by anything other than a place. This is understandable, Skolkovo is a new populated territory, mostly young specialists and scientists move here, many of them do not have families yet, and the circle of communication within the territory of the innocent city has not yet developed. In addition, Skolkovo is not a monotown, it has several scientific profiles. Consequently, the contingent is also assembled heterogeneous. With the goal of uniting the city community, residents are involved in the life of the city through profile activities and joint activities. The latter implies certain urban activities aimed at solving everyday problems of citizens.

And one more important initiative is the integration of residents into the organization and management of the city, when everyone can identify the problem that he faces while living in the city and offer or even implement his project aimed at solving it. The ecosystem of an innogorod is formed by people and, perhaps, in this lies the solution of the problem of its self-reproduction and the duration of the life cycle. First, the solution is achieved by a heterogeneous population composition (L.Wirth wrote about the importance of this aspect); Secondly - the status of a resident. All housing in Skolkovo, as, for example, and in Innopolis is in rent, you can not buy it. In fact, a resident is a temporary resident, which, in fact, is useful for an innogorod. So it has a chance to quickly reorient itself to new tasks and missions (Zadorin, 2010, p.1).

4. INNOGOROD VS. SCIENCE CITY: SOCIAL UNDERSTANDING OF THE URBAN ENVIRONMENT

Returning to the qualitative difference between the science city (of the Akademgorodok) and innogorod, we noted that, although the idea of these two phenomena is similar, nevertheless, the difference in approaches to the creation of this type of cities is too strong. There is an assumption that the key reason for the difference between an academic town and an innogorod lies in the problem of seeing what is a city, what it forms, on the basis of which elements it functions and develops itself. It is obvious that today the city is a living organism, within it works the principle of self-reproduction. Therefore, the project of camp towns often accompanies the epithet "utopia". Obviously, the problem of the second generation threatened the existence of such a city. However, in the period 60-70-s the idea of the city was understood differently than today.

The main role in the formation of space was assigned to social engineering, simple zoning and sufficient infrastructure. Zoning, proposed in the project of Akademgorodok of Novosibirsk in the 60s, was a division of the city into 3 main zones: the territory of a research institute, a sleeping area and a city center with a shopping area. The principle is unlikely to be different from the zoning of an ordinary Soviet city. Another aspect not in favor of effective urban planning in the Akademgorodok will be that the overriding objective of the project is the development of science, so the academic town is a scientific project, not a town-planning one. And the main element, unnoticed due to a somewhat different cultural paradigm of that time, was lost sight of. The problem was the lack of social understanding of the urban environment. Experience shows that a city can not be highly specialized - it is detrimental to the development of its social environment and is detrimental to an ecosystem that must be self-reproducing. The mission of creating a viable urban organisation rests precisely on the socio-cultural environment, which becomes a springboard for continuous dialogue of the concept of the city with its community.

5. CONSLUSION

"Innogorod" represents an unconventional type of urban structure and new principles of urban space organisation, and therefore dictates new guidelines for understanding the urban environment and the townspeople as an element of this environment. In the course of the study, key elements that shaped the innovation environment were identified: sufficient autonomy of the city, which gives the opportunity to design life and communication space according to the rules of its own constituent documents; Social comprehension of the urban environment model; organisation of density and planning of human flows within the infrastructure; Conformity of the existing economic model. Today, the development of urban space is at a different level, and we can say that the urban environment enters communication with the townspeople, forms a new emotional experience of the person, initiates the game consumer behavior (J.Bodriyar).

A recommendation to further research of the presented problem is the content analysis of the urban environments of the Akademgorodoks of the Russian Federation (Academgorodok of the Novosibirsk Scientific Center of the Russian Academy of Sciences, Akademgorodok of the Irkutsk Scientific Center of the Russian Academy of Sciences, Akademgorodok of the Krasnoyarsk Scientific Center of the Russian Academy of Sciences, Akademgorodok of the Tomsk Scientific Center of the Russian Academy of Sciences) in comparison with the Skolkovo Innovation Center. Indicators for the quantitative assessment: urban infrastructure, cultural and symbolic content of urban space, urban city communication, urban social and cultural initiatives, events and cultural leisure in the city. In the future, it is possible to expand a number of indicators for a deeper analysis.

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THE IMPACT OF THE ECONOMY ON TRAINING OF SPECIALISTS (IN THE CONTEXT OF TOURISM AND HOSPITALITY INDUSTRY OF RUSSIA AND LATVIA)

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ABSTRACT

The relevance of the study is determined by current trends in the Russian education, thus, in conditions of integration of the economies, despite economic sanctions, a significant favor have the program of the second degree. In the framework of the cooperation agreement between the Russian State Social University and the University of Latvia ISMA were held the negotiations and agreements were reached on the opening of the double degree program for students of the Russian State Social University attend classes in tourism, hospitality, economy (bachelor degree and master's degree level). In the context of development inter-University (RSSU - ISMA University) partnerships in the field of training of specialists in tourism and hospitality special favor is the comparative analysis of the development of the tourism industry. The research of modern world trends in tourism and hospitality, characteristics of the economies of the countries explored, the specifics of Russian and Latvian tourism, the definition of general trends and distinctive aspects of the industry evolvement occurs prospectively. On the basis of the study were given recommendations to adjust the educational programs with the goal of training practice-oriented specialists is a high demand on the Russian employment market but in the global employment market.

Keywords: *economy, Latvia, Russia, tourism, tourism and hospitality industry*

1. INTRODUCTION

Lately in the eyes of the Russian state hospitality industry, and with it tourism become more important and the industry receives additional incentives for development. Unlike foreign countries, in the Russian Federation the development of the industry has occurred through the influence and interest, primarily of the state itself, not private business. A distinctive feature is the fact that a catalyst for raising the quality of hotels, services and their number was a Grand international event in our country – from the Olympics-80, open the "iron curtain" and ending with the Winter Olympic Games in Sochi in 2014 and the upcoming football world Cup in 2018. All the accumulated "Soviet heritage" hotel industry moved to modern Russia, has undergone minimal changes, which required and still requires a significant infusion of funds to bring the hotel to international standards. One of the steps to bring the Russian hospitality industry to the international level of educational technology in training for industry (Maloletko A.N. . & al, 2015; The Ministry of Labor of Russia Has Developed a Draft Handbook of

Professions That Are in Demand in the Labor Market, New Promising Occupations and Specialties, 2015). The tourist industry is characterized by an instable position of the staff. There are a lot of universities that have the right to prepare specialists for this industry, the industry faces a shortage of qualified personnel however, in many respects this is due to the lack of a practical approach in formation of curricula and creation of educational process in the university. The results are low training of graduates and their nescience of modern hotel business. (Mikhoparov N.I., 2016; Mukhomorova, I.V. ,2009; Levina E.Y. & al., 2017; Reiting spetsialnostei napravlenii podgotovki vuzov. Retrieved May 3, 2017; National Research University "Higher School of Economics", 2016).

Today many Russian educational institutions work actively with Russian touristic and hotel companies to know exactly the requirements that the employer makes to graduates of the universities in the specialty «Tourism» and «Hotel business». Semenova F.O. & al., 2017; Kachestvo priema v gosudarstvennye vuzy RF – 2016) Universities realize the necessity of formation the educational standards in the hotel industry that meet the requirements of the employer, so in the Russian Federation there is a new, modern, most adapted to the requirements of the employer standard-order of the Ministry of Education and Science of Russia «On approval of the federal state standard of higher educational – magistracy in the direction of training 43.04.02 Tourism» (as of 25.05.2017) (prepared by the Ministry of Education and Science of Russia) (Order signed 15.06.2017 N 556); order of the Ministry of Education and Science of Russia «On approval of the federal state standard of higher educational – magistracy in the direction of training 43.04.03 Hospitality industry» (as of 25.05.2017) (prepared by the Ministry of Education and Science of Russia) (Order signed 15.06.2017 N 558). (Monitoring the Quality of Admission to Higher Education Institutions: The Main Results of 2016; Srednii prokhodnoi ball v vuzy po spetsialnostyam i napravleniyam, 2016)

Besides the introduction of the new educational standard, it is necessary to create training hotels on the basis of higher educational institutions on the Western model, where students work and study at the same time. (Kaurova O.V. & al., 2015) It is a very good practice for them, because in most cases the graduate orientates badly with what he will have to work with (Vakansii budushchego – na Super job segodnya, 2016). If these plans are implemented, according to experts' forecasts, the situation in the industry will improve in 5-10 years. In the modern Russian education for the formation of competitive education, many universities in addition to practices at enterprises, the establishment of training centers, develop programs of double diplomas, integrating into the international educating system and thus forming specialists of international level who have mastered not only the competences established by Russian educational standards, but mastered international technologies. Cooperation with foreign universities will allow not only to raise the level of training of Russian specialists, but also significantly enrich educational programs for the purpose of training practitioners oriented not only on the Russian labor market but also on the world market (Maloletko A.N. & al., 2016; Rynok truda: glavnoe za ,2017).

2. METHODOLOGY

The research was carried out using a set of theoretical and empirical methods. Theoretical methods : a) The analysis of normative documents on higher education was used to substantiate the relevance of the problem and determine the legal possibilities for its solution ; b) theoretical and methodological analysis allowed to formulate the initial research positions; c) conceptual and terminological analysis was used to describe the conceptual field of the problem; d) systemic analysis served as the basis for a holistic examination of the problem; e) modeling was used to describe the professional training of future specialists in the conditions

of integrations Russian education with an international system of training specialists in the tourism and hotel industry. It was made in the framework of cooperation with a foreign university and monitoring its effective functioning. Empirical methods: a) studying, analyzing and generalizing the effective experience of training future specialists; b) contrasting experiment on the estimate of professional training of future specialists; c) Forming an experiment on the practical testing of joint training of specialists in the tourism and hotel industry in the framework of cooperation with foreign universities and the characteristics of such interaction; d) observation of questionnaires, testing, self-assessment, expert review; e) statistical methods of data processing and verification of the proposed hypothesis. The research has a practical nature aimed at the development of educational programs in order to prepare practical-oriented specialists demanded not only in the Russian labor market, but in the world market.

3. RESULTS

Dual degree program is a joint program of higher educational institutions, in which students who study abroad in these programs receive at least two diploma of higher education. In joint international educational programs with all the main elements agreed by the partners: curricula, learning outcomes, teaching methods, requirements, examination, management, etc. Training sessions are conducted according to agreed requirements of the partner universities. The curriculum of the Academy of tourism and international relations are coordinated and adapted to the curricula of partner universities. Dual degree programs greatly increase the competitiveness of graduates of dual degree programs. Diplomas international universities, currently is recognised diplomas in the world, these universities - promoted brands in the field of tourism and hospitality education. Students gain new knowledge, skills in accordance with international requirements and standards. (Dusenko S. & al., 2016)

Training for international programs abroad is to prepare students to work in a very dynamic market, broader than the national labor market. Study abroad for dual degree programs is the professional and personal adjustment of students to work in international companies, which gives a certain resource of freedom. For graduate programs, expanding opportunities for further study at any University in the world. From the position of the educational process, exchange of experience, technology, and knowledge enables us to enrich the educational program and thus increase competitiveness as programs and educational institutions that ultimately influence not only the efficiency of the activities of the University, hotel - tourist enterprises, but also the economy as a whole.

4. DISCUSSION

Training of highly qualified specialists of international level in the tourism industry is a key objective of competitiveness of tourism products. Despite the fact that Russia in this area are almost 400 universities, personnel is still not enough to provide such events as the Universiade in Kazan in 2013. The Olympic games in Sochi in 2014, the football world Cup in Russia in 2018. Great attention in the framework of tourism development focuses on the creation of 14 recreation and tourism zones, including in Vladivostok. And for successful work in these areas also need skilled personnel of international level. Therefore, the definition of ways of formation of personnel policy in training specialists for the international tourism industry is timely, necessary and useful, one of the most effective solutions to be the program of double diplomas, allowing to obtain an international level of education and to develop international standards of service not only in theory but in practice - students get the opportunity not only to practice but to seek employment abroad.

The end result of such education will be a specialist of international level, able to efficiently affect the industry of tourism and hospitality Russia. (Kryukova E. & al., 2016; Maloletko A.N. & al., 2016; Maloletko A.N., 2015)

The benefits of education in the dual degree program abroad:

- Graduates with a diploma of leading foreign universities have benefits for employment in international companies;
 - Dual degree programs greatly reduce the cost of studying abroad;
 - The programs are implemented in cooperation with the partner institution.
 - Students are trained on new advanced techniques and gain practical skills in the framework of Russian and foreign experience, are attached to different systems of education quality assessment;
 - Education programs and study plans comparable ;
 - Agreed length of stay of students participating in the dual degree program.
- Students participate in mobility programmes;
- The language of instruction at the University partner is foreign. Students regularly receive language practice and study in cross-cultural environment, visit lectures of the professors of a foreign University, learn to present yourself in a foreign language and to feel confident in a new environment;
 - Periods of study and results of exams the partner University is automatically counted on the basis of existing in the partner universities of the agreements, common principles and quality assurance standards. Upon completion of education, students are assigned the degrees of each partner institution

An approximate procedure of education in dual degree programs :

- Students get acquainted with the dual degree programs and have the opportunity to choose training for any program;
- To write an application for training under the dual degree program;
- For training under the double degree program, you must pass an additional test or meet certain requirements;
- Each program has its own feature of learning, which are set out under each program, the programs have a specific training plan, agreed by both parties;
- The program includes compulsory practical training;
- Students are being trained in Russian, further studying intensive English and second foreign language;
- All programs have different tuition fees ;
- Students who are enrolled in the programs of a double diploma pass the final tests in accordance with the requirements of partner universities;
- As a result of training, students receive a diploma of the Academy of Tourism and International Relations and a diploma of a partner university.

However, when speaking about the dual-degree program with a career-oriented bias, it should be noted that there are many reasons that impede wider cooperation. It is necessary to compare the points of view of representatives of the hotel and tourist business and representatives of higher education institutions that train personnel of this profile. Trainees have very weak training, this is noticed by hotel staff managers. Students have only a theoretical basis and there is not even the slightest idea of the hotel and tourism business and its specifics. After a young specialist arranges to work in the hospitality industry, the staff of the personnel service and the heads of the personnel services and departments begin their training. In this context, it is advisable in the training process that the training programs can be carried out only by hotels belonging to international hotel chains.

For private hotels, this is expensive, so the training of young professionals often happens without interruption from production, which creates additional inconvenience to the work of the hotel's line staff. At the same time, money spent on training young professionals does not guarantee that they will work for more than a year in their positions and will not leave it in search of a better-paid job in another hotel or even in another field of business. Graduates of specialized educational institutions at the end of training expect to take a managerial position, having a bad idea of what their job responsibilities will be. It is important to note that in the first place employers often put professional knowledge and practical skills of applicants for the job. On the second possession of related professions and the ability to innovate. The least important to employers theoretical training, the desire to constantly improve professional skills and the level of development of technology. The sad fact is that 25% of employers believe that graduates did not meet the needs of the enterprise, therefore, 75% of employers conduct additional training on their own.

5. CONCLUSION

One example of such cooperation was the agreement on cooperation between the Russian state social University (RSSU) University of Latvia ISMA negotiations were held and agreements were reached on the opening of the double degree programme for students of the University majoring in Tourism, Hospitality, Economics (a-level bachelor and master). (Official RSSU website: <http://www.rgsu.net>:circulation date August 31, 2017)

In accordance with the agreement the students of the University starting next year will be trained at the University of Latvia ISMA according to the program "Entrepreneurship" with a variety of fields including: Tourism, Wellness, IT and others. In the course of your studies at ISMA students will be available the possibility of the ERASMUS program, which includes not only training at the University of Latvia, but in any other educational institution included in this program (funded program). In addition, students will be able in summer to undertake paid practical training in enterprises the partners of the ERASMUS programme (including accommodation and travel to and from practice and back). The main advantage of these programs is that the training is available in English and Russian.

Upon graduation in the University, students receive the European diploma of the University of the ISMA and the state diploma of the Russian state social University. Also, the implementation of double degree programs with universities of different countries, including Lithuania and Bulgaria, an agreement has been reached on the mutual exchange of teaching staff, which will significantly improve the quality of educational programs in RSSU, and European universities. In conclusion, tourism industry and hospitality sector requires trained professionals with specific experience. However, the graduates come to the labour market with more theoretical knowledge and insufficient skills. Preparation and training is the investment of money and time that must be used rationally, so we should improve the training system with the requirements of the market of hotel and tourist services and out of universities is already well prepared for the practical activities of specialists. Thus, the modern economic conditions require otherwise, a new approach of educational institutions to the training of XXI century in the field of hospitality industry.

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ACTIVE INDUSTRIAL POLICY OF THE STATE AS A FACTOR OF PROFESSIONAL DEVELOPMENT OF ECONOMICALLY ACTIVE POPULATION

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ABSTRACT

On the basis of the analysis of foreign experience of transformation of economy of economic transformation the authors illustrate the need of for creation of creating a new role of the state as the built-in regulator providing that provides smoothing of the consequences of cyclic fluctuations in labor market and making impacts on science and education. Especially urgent this question becomes This problem becomes especially important within the framework of the active industrial policy as it the policy is impossible in the conditions of market economy without accurate appropriate distribution of responsibility between the state and the employer in the field of development of human resources of human resources development. On the basis of systematization of experience gained by both the developed and developing countries it is shown that programs of strategic development of the human capital are the effective tool allowing to smooth that gives an opportunity to smooth structural shifts in the economy in the sphere of development of productive forces and a manpower, human resources, to eliminate contradictions between social and economic interests. The authors prove that the active industrial policy of the state actually has to form the organization of the advancing training in the system of professional education. For the solution of this task it is necessary to trace the current demand and to define perspective future requirements on connected to the existing professions, and also to predict the emergence of new ones.

Keywords: *Active Population, Human Resources, Industrial Policy*

1. INTRODUCTION TO THE PROBLEM

The development of highly effective socially-oriented economy that is receptive to innovations requires constant development of an economic mechanism, forming a relevant infrastructure and legal base, and increasing business activity of market makers. Moreover, achieving the required results of institutional reforms is possible only on the basis of profound changes in the system of employees' values, motivation of their business behavior and interest in maintaining and developing business relationship. Domestic and foreign experience shows that interest of the population in any kind of change and wish to participate in them means increasing people's educational and professional level. The example of negative consequences of ignoring this interconnection may be seen in the results of institutional changes that took place in 1980s, which were caused by the difficult economic situation of "a regular catching up modernization" and had insufficient measures of timely explaining the meaning of these changes to employees of enterprises and organizations.

Ignoring the educational aspect of continuous professional education (CPE) while training staff for economic, technical and technological changes did not lead to positive response to the reforms and caused the braking effect. The market reforms have radically changed the existing economic relationship in Russia. The strict regulation of economic activity has been changed to liberalization that touched the important mechanisms of carrying out an active policy (including prices, plans, foreign economic activity), the opportunity of running enterprises. The character of change in the institutional sphere was shaped by the nature of privatization and corporatization. Undervaluing the importance of education at the initial stage of transition to market methods of managing the economy, however, has led to the situation when employees and minor shareholders were unable to run their property efficiently due to lack of experience and knowledge in market economy (Nikologorsky, 1997).

Absence of market orientation and education together with the existing attitude to the enterprise as an impersonal, "not belonging to anyone" property implied rapid and easy enrichment and not well-planned, hard work. New owners either could not or did not want to invest in company reconstruction. Consequently, most of them failed to develop their business to the extent that could enable them to get the profit sufficient for normal operation and paying taxes and the government, in its turn, lost the substantial part of taxes and due to this failed to support the emerging class of owners. As a result of reduction in the volume of industrial output the national income in 1998 in comparison to 1991 halved and by 2008 it reduced by 2,2 times (Russian Statistics Yearbook, 2016). The significant rising tendency can be seen since 2014, the sanctions implemented against Russia made company heads reconsider the dependent approach to company management.

The largest share in producing gross domestic product is taken by the industries of the resources sector. Material production industries which attract the most part of the working population are in crisis. Their share in gross domestic product is around 50 per cent. Before the reforms started, about one third of the employed population worked in these industries, nowadays this figure is a bit over 20 per cent. In 1998 practically a half of the manufactured goods was constituted by the exported goods. This figure contained 51 per cent of the goods coming from the industries extracting and processing raw materials and fuel. The recession of industrial production concerns both the industries producing goods of logistical purpose and industries producing commodities.

In these conditions, it is especially important to take into account the experience of economically developed countries which demonstrates that an effective industrial production process is impossible without state participation. The market mechanism is not a universal tool of modern economy, or its single regulator. The following factors influence the development of market economy: an active and differing in scale and methods government activity; a sophisticated system of social institutions; a non-market sector including ecology, fundamental science, national culture, education, healthcare, etc. The presence of different forms of ownership does not exclude, but complements development chances, provides economic stability and flexibility, its high effectiveness and social orientation.

2. LITERATURE VIEW AND HYPOTHESIS

The greatest influence on the competitiveness of the country in general and its organizations in particular is made by the scale of technological shift in the economy, the level of directors', experts' and employees' professional education. Hence, education should be considered globally and does not finish by having been employed, as knowledge quickly becomes obsolete and professional requirements are constantly rising.

It is obvious that education should be continuous and its connection to the employment market in its turn should be a constant process including integrated tasks and practical goals. According to the opinion expressed by the President of the Union of Metal Products S.Z. Afonin, the most valuable asset of enterprises and organizations should become "the highest level of qualifications and employees' new understanding of their place in the production process" (Afonin, 2002). So it becomes practically important to identify the connection between spending the core production resources, the level of employees' qualifications and the results of economic activity, including the usage of the mechanism of production functions, which connects the expenditure of resources to the production output (Solow, 1957).

Despite the existing scientific research devoted to the issues of the state policy in the sphere of additional education, many problems in this area are still not developed enough. The authors of the research offer:

- combining the elements of market mechanism and state management in the sphere of educational policy implies identification of the limit to the development of business activity in the educational institution without damage to the quality of the educational process and establishing a wise relationship between financing the activity of the educational institution at the expense of the state and the profit received from business activity;
- formalizing the process of financial support makes it possible to calculate the expense of teaching different groups of students taking into account the influence of the market environment and the need for competitiveness of the educational institution; moreover, to identify the need for financing some particular educational programs in order to develop economically active population professionally.

3. METHODOLOGY

The following methods were used as a research and analytical mechanism: groups, methods of spatial and dynamic analysis, methods of table and graph visualization. While conducting research some special methods were applied as well: generalizing statistical indicators, dynamics indicators, methods of econometric and imitational simulation. During the process of building and describing models the authors followed the principles of a complex approach, which gave an opportunity to identify the most important notions and processes influencing the quality of professional development of economically active population. The informational database of the research consisted of statistical and analytical materials of the Federal Service of State Statistics of Russia. The main sources of data for analyzing the condition of the employment market at manufacturing enterprises were the materials of the future development program of the metallurgical industry of the Russian Federation.

4. THE ROLE OF THE GOVERNMENT AS A REGULATOR OF AN ACTIVE INDUSTRIAL POLICY

Institutional changes in the economy should go along with an active state industrial policy aimed at manufacturing competitive domestic products and creating favorable conditions of selling them; providing investment in the real sector of the economy; conducting structural reorganization and boosting the development of hi-tech and knowledge-based production; streamlining production and consumption, increasing the quantity and quality of workplaces. In the countries with market economy the following concept has become popular: according to it the state is the most important institution that defines the level of manufacturing activity (Nikologorsky, 1997). American economists J. Galbraith and A. Hansen believed that modification of the American economy was mostly due to the new role of the state, the creation of automatic "built-in stabilizers". As a result the state has become the balancing power in the modern economy (Nikologorsky, 1997).

The notion of the built-in stabilizer (regulator) implies that the state with the enterprises, organizations and financial system belonging to it creates a special sector of the market economy which ensures the balance and stability of the whole system. This approach implies the role of the state not only as an absorber of cyclical fluctuations in the private sector, the influence of which depends on the amount of public sector, but also as a real means of influence on the dynamics of social and economic development, including science and education. In order to pursue an active industrial policy, the state has to have the corresponding means of its implementation. The analysis shows that on 01.01.2016, 22 per cent of large and medium-size enterprises and organizations were state-run. Besides, the state is the major shareholder (having over 51 per cent of stock) of 2.9 per cent stock companies. Thus, being the largest proprietor and having opportunities for the effective management of its property, the state can and must promote an increase in production and commercial operations of private businesses using legal and financial means. It also must increase their owners' responsibility for the results of those operations.

The logic of this influence lies in the principle of dividing responsibility between steadily functioning economic operators. A private business is responsible to the society represented by its employees and customers and must therefore carry out its own commitments. However, a private business must not be responsible for meeting the commitments of the state or local authorities at its own expense. Nevertheless, private businesses often perform uncharacteristic functions including maintaining social infrastructure facilities, providing employment for population, etc. A large number of such functions worsens the financial position of businesses, weakens their competitiveness and chances of efficient development. At the same time, owners of private businesses have not been responsible for their personnel's professional growth so far. The specified standard for continuous professional education (CPE) should be made not recommended, but widely accessible. CPE allocations which are included by entrepreneurs in the production cost but not made use of accordingly should be withdrawn and transferred to the budgets of public administration at corresponding levels. At the same time, "the state almost completely retired from performing the owner's function and does not consider itself to be one" (Baryshnikov and others, 1991). State property started to be considered basically from the perspective of "state property" liable to selling or assignation under certain conditions to individuals with an aim of budget replenishment in the context of its deficiency. That is, it has become a variety of economic activity performed in an environment of utilizing resources without the opportunity to replenish their supply.

The commonly accepted concepts say that state property is "a form of property; which means belonging to the state material benefits – means and techniques of production" (Nikologorsky, 1997), "state property is property owned by the state as a subject of law" (Baryshnikov and others, 1991). At the same time, the "state" is "the main political institution of the society, performing the functions of its management, protection of its economic and social structure" (Baryshnikov and others, 1991). Thus, the state cannot act inefficiently, to the detriment of its society's interests. On the contrary, the functioning of state property must set favorable conditions for the state policy implementation including the social sphere and education. The observance of such an approach by the state represented by the government and authorized public administration requires vigorous actions in industrial policy activation. Since it is the state that is responsible for the condition of the economy, the social position of population, and the development of the country's human potential.

5. PROFESSIONAL EDUCATION OF POPULATION AS AN IMPORTANT ELEMENT OF AN ACTIVE NATIONAL INDUSTRIAL POLICY

The analysis of the dynamics of changing ownership forms by enterprises makes it possible to say that the state expresses readiness to become an efficient owner of large and medium-size businesses. The process of privatization has significantly slowed down since 2011. For instance, during 1995, 2087 industrial enterprises (objects) were privatized, but over the last five years this number has been only 854 (Russian Statistics Yearbook, 2016). Improving ownership structure, including an increase in the number of federally owned enterprises or those owned by federal subjects, by means of nationalization or redemption of enterprises that are important for the country's defense, bankruptcy of inefficiently working ones, makes it possible to strengthen the state's role in economy administration, eliminate the way of development that would potentially lead to industrial recession. In some cases federal subjects' authorities evaluate the prospect of return of large enterprises under their ownership.

To pursue an active economic policy, it is vital to prepare and implement perspective programs of socio-economic, scientific and technical development of industries, regions, economy in general, as well as the differentiation between the state and other employers that are responsible for the development of human resources. An obvious necessity is to prepare programs of socio-economic development having various duration and extent of elaboration of individual stages, to control and correct them during their implementation. It is stipulated by the processes of division of labor and plant concentration, development of productive forces and constructive shifts in economy, the dynamics of social needs and others. Thus, the programs have to become an instrument that makes it possible to pursue a united structural and spatial policy; eliminate contradictions between economic and social interests, use economic regulators to control socio-economic processes.

The range of problems being solved is characteristic of economic planning, in which France, Japan, India and some other countries have a large experience. In these countries economic regulation remains the most important function of the state and ensures purposeful development of the society's productive forces, active implementation of economic stimulation techniques in the key spheres of economy for achieving nationwide goals. In 1991, it was assumed that such an approach to planning could be realized during Russia's gradual transition to market economy. "A transitional economic period requires a transitional, compromise plan, retaining elements of 'hard' directive planning and new elements meeting the ideal of 'soft' state regulation under conditions of market economy" (Tsaregorodtsev, 1996). At the first stage of the transitional period, it was supposed that directive tasks should be considered as the main levers of the prospective structural policy and social orientation of the economy. Further on, the role of means and techniques of indirect regulation should have been growing. For the compromise plan they were going to keep the five-year forecasting interval. At the same time, individual stages of the plan (state order and the connected figures) had a one- or two-year prospect, but activities in demographic policy, ecology, scientific and technical process, education, etc. could considerably overrun a five-year prospect. The process of gradual transition from directive to economic planning was never accomplished.

Nowadays, there is a clear need for methods of program economy planning to be practically implemented. It is essential for setting national and regional economic guidelines for the purpose of choosing acceptable decisions. Businesses need "beacons" allowing them to see their prospects in the context of economic development of the country, region and to develop production and human potentials accordingly (Tsaregorodtsev, 1996).

The dynamics of jobs, professions, qualifications, and the demand for them can be forecasted considering employees' interest in skilled personnel, combined with the country's active industrial policy expressed in programs through the data of socio-economic development of national and regional economy, and the length of accomplishing individual stages and the program as a whole (1-2 years, up to 5 years, over 5 years).

6. CONCLUSION

Thus, the active state industrial policy, revealed in economic planning, actually creates the organization of advancing training as an important direction of reorganizing continuous professional education. It contributes to the global tendency in the development of human resources, according to which the basis of a well-educated person is his preparation to future change, repeated change of ideas, outlook and point of view, workplaces and even professions. For CPE the process of gradual transition from labor division to its change and expanding the sphere of human activity implies the necessity to trace the current demand in labor market and identify the future demand for the existing professions, the emergence of new professions and disappearance of some outdated ones. Forecasting the dynamics of professions and possible quantitative evaluation of the need for them in different economic sectors, regions, economy in general will contribute to the satisfaction of the future labor market needs shaped under the influence of socio-economic development, human needs for developing or changing their professional profile, acquiring related knowledge and enterprise needs for strategic development of their staff. Moreover, it contributes to providing coordination of educational institutions giving basic and additional education in satisfying the changing labor market needs (Tsaregorodtsev, 1997). Due to the fact that the process of shaping the future labor market needs will be influenced by the programs of developing socio-economic, scientific and technical industries, regions and national economy in general, the identification of the future need for advancing training must become an integral part of different programs of developing human resources and be taken into account by the state system of education. The existing simulation models of identifying future needs for professions, specializations and qualifications may become the basis for forming programs of CPE. So following the socio-economic guidelines makes continuous development of human resources necessary and possible, whereas the depth of developing the expected programs will ensure the possibility to see the future needs for educational services of continuous professional education, its pedagogical and financial support. It is necessary to note that the leading role of the government in developing CPE in market conditions is one of the basic issues in developing the concept of reforming the organizational and economic mechanism of the CPE system.

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SOCIAL WELL-BEING OF THE SENIOR GENERATION IN RUSSIA AND IN KYRGYZSTAN: SOCIOLOGICAL ANALYSIS

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ABSTRACT

The analysis of separate criteria of quality of life of the senior generation in Russia and in Kyrgyzstan allows to define the general and special aspects of social well-being of the considered group of persons in present time. The questions affecting material security of pensioners, the state of health, education and employment, favorable conditions for activity are analysed. Recommendations about improvement of social well-being of the senior generation in the considered countries are submitted.

Keywords: *senior generation, social well-being, quality of life, universities of the third age, discrimination*

1. INTRODUCTION

Currently, the phenomenon that occurs in Kyrgyzstan is not as intense as in Russia and in Europe, and therefore the demographic burden here is insignificant. However, taking into account the facts of acceleration of the aging process on a global scale and the lack of a tendency to increase the birth rate, one should seriously approach the issues of studying the social well-being of the senior generation, the causes and consequences of deteriorating their social health, and also the issues of quality social services, which will positively affect the quality of life of the designated group persons, and, accordingly, on their social well-being. The relevance of the stated topic is reinforced by the fact that socio-economic and political changes taking place in Kyrgyzstan and in Russia contribute to increasing the concentration of researchers' attention on the life of the senior generation. Complex adaptability to what is happening in the countries under consideration, increased dependence on retirement age on social policy in the designated countries, the absence of an ascendant, the prevalence of downward mobility and marginalization to worsen the social well-being of the designated group of people.

2. METHODS

The analysis of the topic under consideration will be based on the studies of the life of the senior generation in Russia and Kyrgyzstan, which is explained by the fact that both states belong to the CIS countries and have, in connection with the latter, the general and special characteristics that make up the quality of life of persons of retirement age.

3. RESULTS

The proportion of people of retirement age in the structure of the population, according to statistics in Russia, is now one quarter of the population of 36,685.1 thousand people, an average of more than 25% of the total number of 146,804.4 thousand people.[14] Out of 6 million 140 thousand people, according to the national statistical committee of the country, 448 thousand people (7.3%) are older than working age. [15] According to the forecasts of experts, the share of citizens of the retirement age by 2025 in Russia will be 28%, in Kyrgyzstan - 8%, which allows to speak about the possible increase in the group of persons in Russia, respectively, by 3%, in Kyrgyzstan by 0.7%. According to the UN scale, if the proportion of people aged 65 years and over in the entire population is below 4%, then the population of such a country is considered young; if in the range from 4 to 7% - the population is on the threshold of old age; if above 7% - the old population.

At present, the population of Kyrgyzstan is gradually approaching the threshold of old age, as at the beginning of 2017, at the age of 65 and older, there were 275.2 thousand, or 4.5% of the Kyrgyz, which is 9.5% less than in Russia (14% which makes it possible to classify the population of Russia to the old one) and lower than that of other CIS countries (for example, at the beginning of 2016 in Kazakhstan, persons aged 65 and over were 7%, in Moldova 11%, in Ukraine 16%).

4. DISCUSSION

Relevant in the analysis of the stated topic will be the discovery of the characteristic "the social well-being of the senior generation". The social state of health of the senior generation should be understood as the totality of the sensations of the elderly person, which testify to the degree of its social, physiological, emotional comfort. Many researchers consider social health as an integral characteristic, including subjective and objective components. The first of them concentrate on the consideration of values, assessment of the own position in the new conditions, the general emotional state and confidence in their future, the degree of satisfaction with their own lives as a whole. Objective characteristics are focused on health, education, marital status, social activity in various spheres of life. Analyzing the works of some Russian sociologists, D.Z. Hamdokhov proposed to consider the social state of health from various positions. "First, well-being is defined through the concept of people's satisfaction with various aspects of life. Supporters of this position consider social well-being as a reflection of the way of life, and for the fullness of its measurement they try to take into account various spheres of human life activity. Secondly, social well-being is considered as an integral characteristic of the realization of a person's life strategy, his attitude to the surrounding reality, his subjective aspects. Thirdly, social well-being acts as a definite result of a person's reflection of his own life, his successes and failures. "[1,11-12]

T. Londadjim regards social well-being as a result, an "indicator of the success of the adaptation process," noting that "social well-being consists of three components: the internal state of a person (health, mood, feelings of happiness and optimism); assessment of external conditions (perception of the situation in the country and the time in which a person lives); perception of one's own situation in the new conditions. " According to T. Londadjim, this aspect includes a person's sense of satisfaction with his state of health, depending on a number of social factors (level of consumption, development of health care, medical services, etc.), financial situation, social status, professional activity, legal protection, family arrangement, interpersonal relations at work, as well as the state of the political, socio-economic, ecological, interethnic situation in the region of residence and in the country as a whole. [3,70-71]

Summarizing previous definitions, we will assume that the social well-being of older people is determined by the degree to which they meet social needs, depends on the existing social system in society, the deficit of which adversely affects the considered category of citizens. Analysis of the scientific literature and information published in the media on the study of the social well-being of the senior generation in Kyrgyzstan and Russia allows us to identify the general and specific aspects of the aspect under study. To analyze the stated topic, we turned to the results of a study conducted by the international non-governmental organization HelpAgeInternational, in conjunction with the United Nations Population Fund (UNFPA), which presented the Quality of Life and Wellbeing of Older Persons Index in 96 countries in 2015 (GlobalAgeWatchIndex 2015), since at the time of writing the article for 2016, 2017 results of similar studies were not found. [4]

In our opinion, the four groups of indicators considered in the study reflect the social well-being of pensioners:

- *material security* (sufficient income and ability to use it independently to meet basic needs, including coverage of pension income, poverty level in old age, relative welfare of older people and gross domestic product per capita);
- *health status* (risk of poor health and disability, life expectancy after 60 years and mental well-being);
- *education and employment* (level of employment, education and active life after 60 years);
- *favorable conditions* (social ties, physical security, civil liberties and access to public transport).

The above groups of indicators were identified by older people and politicians as key components of their well-being. The results of the rating are presented in Table 1.

Table 1. - The quality of life rating of the population of the third age

Indicators	Value / Rating	
	Russia	Kyrgyzstan
The quality of life	41,8/65	48,8 / 51
Material security	76,2 / 30	64,8 / 51
Health status	27,1 / 86	28,9 /83
Life expectancy level	68 / 129	67,5/135
Personal potential	48,4 /25	42,3 / 32
Enabling Environment	55,5 / 82	69,6 / 36

It can be seen from the table that in 2015 Russia's position was on the 65th place in the rating, with the priority position of Kyrgyzstan by 14 units. Such results were obtained due to higher health indicators and favorable environment for Kyrgyz pensioners (the state of the environment, wider social ties, physical security, the level of civil freedom). At the same time, the indicators of material security (Kyrgyzstan gives Russia 21st place, occupying 51st place) and personal potential (Russia ranks 25th in the rating ahead of Kyrgyzstan by 7 positions) of Kyrgyz pensioners is much lower than data on their Russian peers. It will be objective to admit the insufficient correctness of the statistical data that form the basis of the rating due to the social policy in these countries.

The prevailing position of Russian pensioners in terms of material security is confirmed by the size of the pensions received. Thus, in a statement by Deputy Prime Minister O. Golodec at a meeting of the head of the Cabinet of Ministers D. Medvedev on January 23, it was said about increasing the average size of pensions in Russia in 2017 to 13,620 rubles, and exceeding the pension of the pensioner's living standard by approximately 60%. [5] But after the lump sum payments and compensations, the average monthly pension in Russia increased to 14 thousand rubles. This was stated by the head of the Pension Fund Anton Drozdov at a meeting with the head of the government D. Medvedev 06.02.2017 ... This is a significant increase, because according to federal service of state statistics the average pension in 2016 was 13.1 thousand rubles. [6]

Analyzing this indicator in Kyrgyzstan, we note that in 2016 its size was 4 651 KGS with a subsistence minimum, calculated for a pensioner at 4303.69 KGS (106%), The average pension as of January 1, 2017 was 5,078 KGS in a report submitted on 24 April 2017 by the Prime Minister of the Kyrgyz Republic on the work of the Government of the Kyrgyz Republic for 2016 [16] at a subsistence minimum of 4,538.54 soms (111.8%).

But according to the first deputy chairman of the Social Fund Meder Israliev, out of 614 thousand pensioners of the country 42 % receive pensions lower cost of living. In the quantitative equivalent, this amounts to 259,000 elderly people.[7]

Thus, with the average pension of Kyrgyz pensioners exceeding the subsistence minimum of the pensioner by 11.8%, the average pension of Russian pensioners exceeds the subsistence minimum of the pensioner by 60%, which indicates a more prosperous financial position of the pensioner in Russia. However, the conclusions of the rating (Russia ranked 40th out of 43 possible in the rating of GlobalRetirementIndex by the French financial corporation Natixis), about the plight of pensioners in Russia, allow us to only guess at what place Kyrgyzstan could have appeared when taking part in this rating.

The pensions established in the designated countries force pensioners to look for other sources of income. The agricultural (dacha-garden, cattle-breeding) activity, small trade on the streets is widespread for Russian and Kyrgyz pensioners. In a more prosperous situation in the post-Soviet countries, those pensioners (they are minority) turned out to be able to rent an apartment, continue to receive dividends from their own business, or continue working. It is important to note that the expressed traditional support of pensioners by relatives in Kyrgyzstan (in Russia this aspect is less pronounced), testifying to a favorable environment, contributes to a favorable social well-being.

In eastern societies the distribution of the elderly to social institutions is a rare and reprehensible phenomenon. The logical consequence of the latter was the functioning in Kyrgyzstan of only 12 state centers, residential care facilities for senior citizens. It is objective to recognize that the material and technical equipment of these organizations that do not meet new requirements (the buildings were built in the Soviet years or adapted from other premises (hospitals, schools, clubs), some of them were in an emergency condition, absence of hot water supply, indoor toilets) lack of funds for their overhaul, does not allow even to plan the construction of new institutions of this type. However, the observed increase in wards from among the representatives of Asian nationality shows a deviation from the traditional system of relationships and moral foundations in Kyrgyzstan. [8]

According to the Federal Service of State Statistics of the Russian Federation, the number of stationary social services for the elderly and disabled people (adults) by 2016 was 1277, designed for 256990 places, which served 253382 people (in 2012, their number was 1406 for 250782 places in which served 246972 people).[17] Consequently, 0.7% of Russian pensioners live in nursing homes. However, the presence of a large number of nursing homes and the placement of an elderly person in these institutions in Russia does not mean lack of care in the family, many explain these actions by pursuing the goals of providing full-fledged care and meeting the needs of an elderly family member.

Analysis of the issues of providing social protection and support for the senior generation, shown by the state, made it possible to highlight the most effective measures taken in Russia, in comparison with Kyrgyzstan. This is confirmed by the functioning of 1,882 centers and social services for pensioners, 8,609 social services at home, 1,766 urgent social services, 588 specialized medical and social services at home, 50 social and 818 social rehabilitation centers serving older citizens (statistical data are given on 01/01/2017).[17]

Strengthens the position of the effectiveness of social protection in the Russian Federation, the strategy of action in the interests of citizens of the senior generation, adopted by the Government of the Russian Federation in 2016, which contains two main directions: measures to improve social services for people in need of constant or incidental outside help, which imply the availability of social services at home, in stationary establishments, the development of mobile forms of service; activities designed to prolong the active longevity of a person, to make his life as full as possible, since employment and demand contribute to health and longevity. [18]

The functioning of 14 organizations (public associations, public funds, representative offices) in Kyrgyzstan that work with older citizens and 6 non-commercial organizations that implement state social orders aimed at this group of people [19] reinforces the view that there is insufficient attention to the designated category of citizens here, whereas there are more than 140 thousand socially-oriented non-profit organizations in Russia today, every third of which is engaged in social services (including older people). [9]

Analysis of the average life expectancy as a criterion of the quality of life, and therefore a good social state of health, allows us to establish in Russia the excess of the 72-year limit [10], whereas in Kyrgyzstan it is 70 years. [11]

Socio-demographic and economic changes have actualized in Russia now a discourse on the gradual increase in the threshold of retirement age, from 55 to 63 for women, for men from 60 to 65 years. [12]

In Kyrgyzstan, women retire from 58 years old, men - from 63 years, it should be noted that the discourse on the need to raise this bar here also takes place. At the same time, women in Russia live on average up to 77 years, and men - up to 67, in Kyrgyzstan, the life expectancy of women is 75 years, and men - 67 years. The shorter life expectancy of women in Kyrgyzstan is explained by the worst socioeconomic conditions of life (excessive domestic workload, higher susceptibility to psycho-physical violence in the family (including living in mixed families), the presence of problems hampering their seeking medical help in health facilities (poor awareness of medical institutions, mistrust, disregard for their health, etc.)).

Labor activity is one of the best means of longevity, the analysis of this component showed that their most vulnerable position is their Kyrgyz peers, since the number of working pensioners in Russia in 2016 was 15.25 million people 31.1% [20], which is 19.3% more Kyrgyz pensioners. At the same time, it is possible that these indicators will decrease when the retirement rate in Russia rises. The number of working pensioners in Kyrgyzstan, for the same period is 53 thousand people. (11.8%). [21] It is necessary to recognize the problematic nature of preserving one's workplace in the transition to retirement status as the last. Good physical well-being of an aging person is facilitated by physical and social activity. In this aspect, the Russian experience of working with pensioners, which assumes the formation of a positive image of the elderly, through defining them as an active part of society, can be indicative for Kyrgyzstan. Russian pensioners master information technologies, new knowledge, culture and art, as evidenced by social projects implemented in the country (for example, "50+", "Your nurse", "Little Motherland" (social tourism), "In life" (Scandinavian walking, etc.), the functioning of third-rate universities in many regions of the Russian Federation (education at the faculties of "Legal Knowledge", "Orthodoxy", "History and Culture", "Life Safety", "Health and Longevity", "Tourism and regional studies").

Introduced new forms of social services (boarding houses, social homes for the elderly, hospitals at home, mobile assistance, etc.) also have a positive impact on the social well-being of the citizens of the senior generation in Russia. The scarcity of economic and human resources, the weak interest of the public in improving the social well-being of citizens of the senior generation in Kyrgyzstan, does not allow organizing and developing the activities of third-rate universities, which consist in the free provision of educational services [17, p.450]. However, it should be noted that some attempts to implement the described activities in the republic take place (for example, in the southern capital of the country in 2014-2015, the project "University of the Third Age" was implemented, whose goal was to help pensioners get relevant information on issues of culture, history, local history, health protection, politics, human rights and psychology through their association in interest groups).[2]

One of the criteria for a healthy social well-being of a pensioner is living in safe and decent conditions, full participation in the life of society. In legal terms, the quality of life of a pensioner is provided constitutionally and is determined by the realization of the right to a decent life and free development at retirement age. In the Constitutions of the Russian Federation (Chapter 2, Article 19.21) and the Kyrgyz Republic (Chap. 1, Art. 16, p.1.2), the highest value of human rights and freedoms, the inadmissibility of discrimination (cruel or degrading treatment) , for any circumstances of a personal or public nature. In the second chapter of the Constitution of Kyrgyzstan (Article 37, paragraph 2), it is said that respect for the elders, caring for relatives and friends is the responsibility of everyone. In Art. 20 p. 1 of the Constitution of the Kyrgyz Republic and art. 55 paragraph 2 of the Constitution of the Russian Federation states that in these countries laws should not be issued that cancels or diminishes the rights and freedoms of man and citizen. " However, the studies conducted in Russia and Kyrgyzstan allow us to draw conclusions about the insufficient implementation of laws on social protection and life support for the senior generation, discrimination, bureaucratic manifestations in solving problems that arise for pensioners and adversely affect their social well-being.

Its objective to admit that the Labor Code of Russia and Kyrgyzstan does not provide for the legal regulation of the work of older workers of working age. Despite the fact that the labor legislation of these countries allows the work of citizens who have reached retirement age to continue working in the labor code of the Kyrgyz Republic, unlike the labor code of the Russian Federation, there are no administrative measures to discriminate (illegally dismiss) workers on the basis of age. One of the most common pathologies negatively affecting the social well-being of the senior generation in Russia and Kyrgyzstan is family violence (economic, mental, physical), remedy of which are criminal sanctions. However, the criminal codes of the Russian Federation and the Kyrgyz Republic do not differentiate citizens according to their age, either for criminals or for victims. It should be noted that in Kyrgyzstan in 2003 the Law on social and legal protection from domestic violence was adopted [22], in Russia there is no law on protection from family violence.

5. CONCLUSION

Therefore , a comparative analysis of the social well-being of the senior generation in Russia and Kyrgyzstan made it possible to single out general and specific factors affecting its positive (negative) dynamics, which depends on the social policy being implemented regarding the senior generation, economic, political features, established norms and traditions in society.

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THE CONTINUOUS EDUCATION OF SOCIAL WORKERS IS THE REQUIREMENT FOR INTENSIVE DEVELOPMENT

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ABSTRACT

An intensive social and economic development of a society implies a transition to intensive social technologies in the area of social protection and activating own potential of citizens. A match between professional standards of social workers and demands of the society requires an ongoing monitoring and optimization of competences of social workers. A personal certification including objective indicators is a tool to achieve this goal. A model for certification of social workers has been created in this study. The study offers changes of curriculum in higher education and additional professional education. The concept of social partnership acts as a methodology of the research. Methods: in-depth interviews, expert assessments, testing, case studies, document analysis, statistical and demographic data, content analysis of websites of social organizations, modeling method. Special attention is paid to issues of education of teaching staff for the practice oriented higher education and more active engagement with employers in training of social workers on the basis of social partnership.

Keywords: *competences of social workers, certification, continuous education, intensive social and economic development, social workers*

1. INTRODUCTION

An intensive socio-economic development of a society implies a high level of integration of labor market with education and science. In today's Russia such integration is hindered by the fact that professional training curricula do not meet the requirements of the labor market. While traditional and unique feature of the Russian higher professional education is its focus on the fundamental training of students, their practical skills and competencies leave much to be desired. Another hindrance that is worth noting is the backwardness of the labor market itself, particularly in the social sphere. This obstacle gives birth to one more barrier – the gap between theory and practice in the social sphere. These circumstances have been noted by both Russian and foreign scholars. Professionals who are called to solve social problems have to be especially well versed in both theory and practice. Their skills have to be improved throughout their professional career. There are several problems that require analysis. Let's highlight at least two. First, the analysis of the influence of the level of education on the efficacy of professional work and the increase in the wellbeing of the population. Second, the ability to form systems of incentives for social workers that will allow motivate them to update their professional skills continuously.

2. METHODOLOGY

The issues of continuous education of social workers are inextricably linked with finding new approaches to heightening the effectiveness of social safety nets and social policies of the government. In our country this work goes on in the context of social partnership which is thought to play crucial role in the social sphere. The concept of the social partnership and the ideology of the social responsibility have served as the methodological base for the authors of this study. The applied research had been conducted in 2014-2017 in all regions of Russia. Varied approaches were used: internet polls (N-280), expert assessments (N-12), tests and in-depth interviews (N-28), and also analysis of documents, statistical and demographic datas, content analysis of internet sites of relevant organizations. The results of the study were verified with the analysis of studies of other authors, and through case studies (N-8). As a result the authors came up with a model for certification of social workers. The model is focused on building the base for continuous education as a condition for an intensive development of the society.

3. RESULTS

The correspondence between the effectiveness of performance of social workers and their level of education was examined during internet polling in 2015. Each poll contained 262 closed questions. 820 responses were received. Over a half of respondents had professional education (56,4%; and 35,9% had a graduate level of education). The analysis of the result demonstrated that the level of professional skills depends directly on the level of professional training. Today's complex challenges require high flexibility and continuous updates of one's professional skills. Even for relatively simple tasks such as home care prior training is required: knowledge of psychological and communicational norms of communication, safety requirements for workers, basics methods for monitoring psychological and physical (medical) conditions of the clients. Due to the ever increasing numbers of people who suffer from mental disorders (depression, dementia, PTSD, etc.) it is essential to teach social workers the basics of psychiatry. This is even more important when it comes to providing services in work or educational settings, or providing other, more complex social services. It is noteworthy that the vast majority of respondents were in favor of increased requirements for educational levels of heads of social work organizations (specialty and Masters degrees). At the same time the responses pointed out that in different regions of the country there is a varied level of potential for development of the systems of social safety nets and social welfare. The higher the level of education in a given region the more effective both systems become.

Along with that there are other tendencies. According to the data of the All-Russia Scientific Research Institute of Labor of the Ministry of Labor and Social Protection of the Russian Federation, the effort of the government to increase capacity for social worker's education is not yet at the required level. The representatives of the profession "Social Work" are in the lead. Same can be said about social workers and specialists in social work, heads of social work organizations. Of them 55 to 58% have attained professional degrees and engaged in continuous education. However, the specialists in sign language, medical and social expertise, specialists in tutorship and guardianship agencies have not yet become the recipients of the government's support in this industry. Only 5 to 8% of the professionals had increased their qualifications as a result of establishment of professional standards [33]. Expert polls show that the level of education of the social professionals is higher in those regions where the local governments pay a particular attention to resolution of social problems. Thus, there is a reverse correspondence between the effectiveness of social policy and the efforts of local governments aimed at increasing the professional education of social workers. Among the motivating techniques are competitions of professional mastery, system of monetary and moral incentives [5; 23].

It also means that the external motivation does not yet play a dominant role. The study of the views of social professionals demonstrates their rather contradictory positions on their incentives for education. The absolute majority of the semi-formal in-depth interviews understand the necessity of continuous education. However they also recognize barriers to it. The most difficult issue is the combined effort of work and study where both have to be attended to at the same time. The majority of respondents cannot leave aside their work duties. This is true particularly of those working in specialized organizations [14]: Psychological rehabilitation and boarding agencies, schools for population with special needs, etc. The second factor is financial. The diversion from work may result, according to the respondents (36,72%), in decrease of their incomes. 15,16% of respondents reported a lack of interest of their supervisors in their continuous education. In their organizations the conditions for the Additional Professional Education are not in place. The obtained materials on this issue have been verified through case studies (N-8).

A number of issues lie in the content of the continuous education. There is a perception that the programs should consist of practice-oriented subjects only. Usually the role of theoretical subjects in post graduate education is underappreciated. The in-depth interviews have demonstrated the erroneousness of such a view. First, an in-depth theoretical base, according to the opinion of the heads of social work organizations, allows for a more thoughtful approach in the choice and application of social technologies. Second, it allows to better understand not only tactical but also strategic goals of the profession. Third, an understanding of the social mission of the profession, plays a major role in management and prevention of staff burnout. This conclusion is supported by studies of other authors, not only in Russia but also abroad [7; 9, 11; 12; 13; 27].

Correspondingly, it is important to strengthen the practical components of the higher education of social workers. This applies particularly to those components that are aimed at creation of applied professional skills [1; 2; 21]. This issue raises a question regarding the practical training for the instructors in higher education. There cannot be a practice-oriented higher education without a practice-oriented instructor [26]. The problems discovered in creation of the system of uninterrupted professional education may be solved with augmentation of the system of professional certification to a personalized level. The certification is procedure established by law to verify that goods and services are of the established norms of quality. It maybe mandatory or voluntary. Currently, the mandatory requirements are applied to organizations, in particular in the system of education or social work. These organizations must pass the certification. Today there is a goal to introduce personalized certification. The heads of organizations that look to improve the effectiveness of their agencies organizations can become clients in this process. But also the individual specialists who either wish to receive an acknowledgement of their level of competence, or those who would like to grow their careers or salaries. The certification is administered by the Centers For Professional Certification. Their mandate and functions are described in regulatory documents at the federal level. The criteria, content, assessment funds are developed by professional experts in the industry and are approved by the Council for Professional Qualification. The Council consists of representatives of a professional society and experts in theory and practice. The representatives of the education industry are also included in the work of the Council. The indicators of the levels of staff training directly relate to the accreditation of the organizations of social welfare as well as the system of staff incentives and their possibilities for career growth [15]. In this model the interests of staff and organizations, internal and external incentives are intertwined. It plays a major role in increased quality of social welfare and in the end, influences the increase of socio-economic development of the country including an improved social welfare.

4. DISCUSSION

The obtained results were tested at various scientific forums: The Eurasian Forum “Transforming Society: new directions and models of advanced social development” (Jakutsk, June 2015); at the seminar of the European Council “Europe’s Social Charter – toward human rights”; at the Asia-Pacific Summit of Social Workers (Vladivostok, October 5-8, 2016), etc. The discussion of the recommendations took place at science and practice conferences dedicated to experience of implementation of professional standards for social workers. The problem was discussed in theoretical and applied studies. The level and importance of the goals of this study assumes the need for theoretical analysis of the problem. The current scientific discussion of this issue used the international experience, studies of foreign scholars who analyzed the problems of professional development in the social sphere at various times in the past: J. Clark, A. Flexner, R. Hugman, T. Marshall, C. Mills, M. Payne, M. Saks, S. Shadlou and others. They studied the trends in professional theory as well as practical approaches to organization of continuous education, mission of social work and social education in the World, the inherent risks and barriers, conducted comparative studies of various national schools of thought [3; 10; 11; 16; 17; 20; 23; 24; 33; 35]. The problems of social work are being actively studied in the Russian literature. The establishment of the profession and its educational bases are highlighted in the works of P. Romanov, E. Yarskaja-Smirnova [21; 22]. According to the scholars, the development of the profession is heavily influenced by sociological and cultural bases of the education for social workers. Here in particular the importance of professional social work manifests itself (A. Egorychev [4], O. Shalkovskaja [25], T. Shanin [26]). These circumstances stimulated a great deal of attention to the problems of staff training for social work. M. Firsov, S. Fomina, V. Kelasiev, V. Sizikova study the issues of integration of sciences, education and social work practices as the conditions for training of the social workers [6; 9; 12; 28; 29]. Continuous education is linked to the establishment of professional standards. Their influence on the process of staff training is studied both in Russia and abroad [29; 30; 32; 34]. The threats of devaluation of responsibility in social sphere were pointed out in the works of A. Klepikov [13]. The issues of staff training in the social sphere are not confined by the sphere of social welfare. The array of vendors of social services is becoming more varied with new legislation and this segment has its own issues when it comes to continuous education and fulfillment of the social mission [6; 14; 15].

5. CONCLUSION

Our study came to the following conclusions:

1. The modern society faces the growing complexity of social problems. To solve them there is a need for more educated specialists of social sphere;
2. These specialists have to have a focused professional training of various levels (from worker types to those with degrees of higher education). Their education must be built on a solid theoretical foundation and have an extensive practical base. A practice oriented education assumes the development of the practice oriented teaching staff with enough competence in the practical aspects of social work;
3. The development of specialists in social sphere should be based on continuous education. The organization of additional professional education must be systematic, phase-based, and multi-faceted with a well thought through combination of theory and practical aspects;
4. In order to make this system viable and sustainable it is important to solidify both external and internal incentives that can motivate the heads of social welfare organizations and workers alike to heighten their professional level;
5. One of the most important ways for solving the existing problems is the system of professional certification that reaches the level of an individual specialist.

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CONTENT-ANALYSIS OF SWIMMING DISCIPLINE'S EDUCATIONAL PROGRAMMS FROM SOVIET PERIOD PEDAGOGICAL HIGH SCHOOLS

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ABSTRACT

The state put great emphasis on education in general, and teacher education and training, in particular, including physical education teachers during the Soviet period of society development. The authors sought to perform a content analysis of "Swimming" training program in educational universities of the Soviet period with a view to train future physical education teachers, and eventually, the teachers of physical education of secondary school focused on mastery of competitive swimming styles and methods of teaching children and adolescents within the school curriculum. The Soviet scientists and specialists experience accumulated during decades helped to keep the traditions and continuity during the transition to a multilevel system of bachelors training in "Physical education" in "Theory and methodology of swimming" and "Technology and teaching methodology of swimming" subjects.

Keywords: *swimming, training programs, physical education teacher, educational universities, teaching practices, skills, teaching methods*

1. INTRODUCTION

The beginning of the 90-ies of XX century gave rise to the review of education as well as of best practices in well-functioning higher physical education system established and proven over the years. Change in the time-frame of physical education specialists training at higher school, focus on foreign experience, elaboration of state educational standards for higher professional education, right of universities to adjustments in curriculum and development of educational documents thereof, introduction of modern technologies into educational process have led to a new round of modernization and adaptation of educational process to up-to-date conditions and requirements [3, 15]. Changes in the modern professional training system for future physical education teachers became possible due to the extensive experience of the Soviet period. The experience of Soviet teacher education cannot be lost, because it is based on the focus, structure and content of many educational disciplines and, in particular, "Theory and methodology of swimming," which are fundamental for physical education teacher training [2, 3]. The current steps of Russian university education towards foreign structure, content and education environment will not reject the search results for the optimal content and forms of practical sports disciplines study which leading experts of the last century outlined in the national educational programs and unified textbooks. The traditions and continuity of the Soviet period programs are preserved in modern programs on "Theory and methodology of swimming" subject.

2. THE RESULTS OF THE STUDY

The country's first faculty of physical education was opened in 1946 at the Krupskaya Moscow Regional Educational Institute (MOPI), now Moscow State Regional University (MGOU) to prepare qualified physical education teachers for comprehensive schools. In this context, it has become necessary to elaborate new policy documents for educational universities, as the specificity of training the comprehensive school future physical education teachers had to be focused on physical exercises teaching methods for all children and adolescents, without exception, in contrast to training of the coaches to work with gifted children, and the physical education universities programs are originally focused on training graduates to ensure training process for gifted children and high qualification sportsmen training [13, 14]. All "Swimming" sport educational disciplines (SED) training programs of the socialist period during higher school development and formation designated for educational universities were elaborated at the physical education faculty of Krupskaya MOPI. The first program, released in 1958 [5] and all the subsequent up to 1983 inclusive, were prepared by B.N. Nikitsky, Candidate in Educational Sciences, Associate Professor, Dean of the faculty (1961 -1982).

The 1958-program included the experience and content of similar documents for children's and youth swimming sports schools []. 170 hours educational material was intended for the first two years of study: 20 hours for lectures, 8 hours for seminars, 120 hours for practical lessons, 14 hours for review and methodological training (RMT), 8 hours for practical training; any number of hours for independent work of students was not regulated. The lecture course consisted of seven fundamental units: introduction; historical review of the development of swimming in the USSR; general theoretical fundamentals of sporting and applied swimming methods; basis for swimmers teaching and training methods; special aspects of school age children training in swimming; arrangement, planning and accounting of swimming education and training; arrangement and running of competitions. The practical section included the study of teaching techniques and methods of exercises for swimming skills formation performed on land and in water. During I year students studied preparatory exercises to feel at ease in water, competitive swimming styles: a front crawl, a back crawl, a breaststroke, starts and turns; during II year they studied dolphin style and applied swimming. The program provided for sports improvement materials during both years; elements of figure (synchronized) swimming were introduced into games and entertainment in the water section.

Seminars were devoted to the analysis of various competitive swimming techniques; basis for exercises used for swimming training; planning of sports training; examination of the paperwork rules for competitions running, ensuring of the educational process in comprehensive school, summer camp. Review and methodological training (RMT) subject matter, which main task was the compilation and systematization of educational material, was devoted to the content study of swimming programs for pioneer camps, comprehensive schools and special children's sports schools; the analysis of swimming technique of outstanding athletes. Each course scheduled 4 hours of teaching practice. In the first year, the students analyzed technology, defined significant errors, learned to command, to organize the exercisers, to carry out separate exercises with fellow students; in the second year, they identified and corrected main drawbacks in swimming technique; made notes and gave credit lessons with a group of fellow students according school and summer camps programs. The requirements to professional teaching competence of students were the following:

- I year – level of swimming by mastered styles (50 m), the ability to execute starts and turns; reaching 400 m distance by any chosen method; executing a head first jump into the water from a height of 3 m;

- II year – level of swimming by dolphin style and on one side (50 m); reaching 100 m distance with a result; diving to a depth of 4 m and length of 25 m (men), 12 m (women); release from a drowning person's grip and his/her transportation (25 m); skills in intensive care of the injured in water; fulfillment of all requirements of practical training and theoretical report on the exam.

The curriculum changed in 1961: the study of "Swimming", sport educational disciplines (SPD), was extended to the third year; that required a necessity to update the curriculum. Total hours left almost unchanged – 178 hours, the number of seminars has only doubled – 16 hours; review and methodological training (RMT) and educational practice became part of the practical training [6]. The "Explanatory note" was expanded in the new program: a workshop on sports improvement, preparation and defense of course papers on swimming teaching methods were added for students-swimmers. The RMT subject matter became more focused on secondary school: the emphasis was placed on the methods of primary education, the features of introductory-preparatory part of the lesson, arrangement and conduct of outdoor games. A "continuous training practice" appeared which was planned in the final part of each practical lesson for 10 – 20 minutes; the credit lessons were logically transferred on the third year; the refereeing was supposed to take place in their spare time. The requirements to professional and educational training were revised in the 1961 program: there was introduced an oral test on the subject and a mandatory homework completion (contents not disclosed); a transportation standard became more complicated – 50 m; jump in the water head first was replaced by the jump down feet from a height of 5 m. "Swimming", the first textbook for the physical education faculties of educational universities was published in 1967, under the general editorship of B. N. Nikitsky [4]. There were given recommendations for the teachers as to how present educational materials to students, rational organization and to conduct a training lesson in the "Swimming Course at the faculties of physical education" chapter. In particular, the mandatory inclusion of swimming lessons into the content of educational practice at III and IV years was indicated: 4 hours for the conduct and analysis of lessons; it was defined as essential for the teaching practice assessment of students in general. A new program under a new name "Swimming with methods of teaching" was published in 1968; according to the new curriculum, the study of this subject was again scheduled for the first two years. The same amount of hours remained, but seminars time increased only for two hours due to the practical training [7]. The main innovations were: study of teaching techniques for swimming facilitated methods; figure swimming withdrawal; changing the sequence of swimming sporting methods mastering: I year – the front crawl, back crawl and dolphin style; II year – breaststroke and on side. Applying the facilitating methods of swimming to the children educational process has caused disagreement among national experts, and today, these methods of swimming find both its adherents and opponents. Requirements for students swimming training remained the same, but the distance of the volumetric swimming lengthened to 1000 m, which increased the practical focus of the discipline. The following two programs of 1978 and 1983 differed from the 1968 document by a very minor update of the "Introduction" section and some other insignificant changes; for example, analysis of the Dolphin style swimming methods was excluded from RMT topic [8, 9]. The distribution of teaching materials was revised by years of study in accordance with the new curricula: in 1978, the discipline was planned for the first two years based on 190 hours, and in 1983, based on 186 hours. The main advantages of the specified policy documents will be a clear systematization and logical sequence of the lecture material topics; serious development of techniques and methods of training with a focus on swimming mass training; planning of continuing education practices during practical training; the inclusion of swimming lessons into the educational practice content of III and IV years; introduction of some special material for students-swimmers; giving departments an autonomy in determining credit

requirements for the subject practical course [1, 12]. However, the programs focused on preparing students to perform practical test standards, which was clearly insufficient for high-quality professional and educational training of future teachers. "Swimming and methods of teaching", a new program was published in 1987 and prepared by V. S. Vassilev, Candidate in Educational Sciences, Head of the Department of sports, Associate Professor, and O. Y. Savelyeva, a senior lecturer [10]. The authors attempted to upgrade the previously published programs, having intensified the methodological orientation of the document. They took into account the wishes and recommendations resulting from the survey of swimming teachers from 24 universities of the Soviet Union and physical education teachers from 96 comprehensive schools of Moscow in the course of their program design. The Ministry of education identified 160 hours in 1987 to study "Swimming and methods of teaching" SPD (specialty 2114 – "Physical training"), of which 20 were assigned to the lecture course; 118 to the practical classes, 14 hours to RMT and 8 hours to seminars. Study of the subject was scheduled on the I – V semesters [10]. The lecture course of the new program focused on such characteristic features of swimming as physical exercise and sport, outlined modern scientific and theoretical bases for the technique and gave reasons for its variability. For the first time, "Bases for swimming teaching", a new section, carefully considered swimming education, determined the specificity of a swimming lesson, analyzed innovative approaches to the formation of swimming skills and the skills given predisposition of the students. Some of the lecture course matters that were found in previous programs were excluded, for example, the "Basic techniques of applied swimming" topic was transferred into practical course; the "Swimming with children work planning and accounting" topic was distributed in the form of logical inclusions in other topics and sections of the course. Facilitated methods of swimming have been completely removed from the program as they failed to meet their tasks. The innovation systems of preparatory adaptive testing exercises and preparatory exercises for the study of swimming sport methods were introduced into the practical course, based on characteristics of swimming as the exercise and sport and allowing to determine the swimming method for initial study given predispositions of students []. Algorithm of swimming training without the use of any support, by "natural method" of learning was cited. Sport swimming technique mastering was planned during the I year and the applied swimming mastering during the II year. The III year practical training was mainly aimed at individual sports improvement. Requirements for swimming readiness were conceptually consistent with the requirements of the 1983 program, excluding reaching the 100 m distance with the result, which were withdrawn due to the complexity of providing high-quality training. The authors planned educational practice in the course of each practice session, as its organic part; students were offered a variety of educational tasks, simulating different situations of the lesson. The content complexity of continuous training practice was emphasized, based on the level of preparedness of students. The authors considered it appropriate to conduct final educational practice among children. The 1989 program prepared by the same authors in accordance with the new curriculum in the specialty 03.03. – "Physical education" was designed for four semesters of the first two years [11]. The hourly fund remained unchanged. The seminars were reinstated in the program and a list of tasks for independent educational activity of students was included: taking notes of practical training contents; fulfilment of methodical homework; improving of swimming fitness during the vacation. Not any significant changes did occur in the content of educational material, in general. However, it should be noted that the material devoted to swimmers training was withdrawn from the lecture course, since it repeated to a large extent the same section of "Theory and methods of physical education and sports training" subject; the released hours were shifted to the section "Bases of swimming teaching", thus increasing the methodological focus of the program.

A clear advantage of two latter programs completed the socialist stage of the higher physical education was the intensification of the methodological orientation of the discipline as a whole; a shift of emphasis in student education from the practical implementation of standards to the training of a thoughtful teacher and technologist; creation of conditions for the students' creative potential disclosure; the approach of educational activities to the realities of mass swimming training.

3. CONCLUSION

The beginning of the 90-ies of XX century gave rise to the review of education as well as of best practices in well-functioning higher physical education system established and proven over the years. Change in the time-frame of physical education specialists training at higher school, focus of education on foreign experience, elaboration of state educational standards for higher professional education, right of universities to adjustments in curriculum and development of educational documents thereof, introduction of modern technologies into educational process have led to a new round of modernization of Russian educational process and adaptation of teachers to the up-to-date conditions and requirements [15].

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PHILOSOPHICAL AND THEOLOGICAL HEIGHTS OF RUSSIAN THOUGHT IN EXILE

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ABSTRACT

The article contains a description and analysis of the Parisian stage of Russian religious philosophy, represented by the activities of domestic philosophers who found themselves in forced emigration after the revolution. Analyzing the thematic range of creative research that was carried out by the leaders of the Paris School, the author pays special attention to the leading one among them - who defined the so-called "patristic revival" and associated, above all, with the name of Archpriest George Florovsky.

In addition, the article shows that it was in emigration that Russian philosophy reached a completely new stage, having overcome the creative hobbies of the Silver Age.

Keywords: *patristic revival, the Paris School, neo-patristic synthesis, eurasism*

1. INTRODUCTION

As is often the case in history, the crisis situations in one country or another, as one of its consequences, lead to the export of ideas and their dissemination in a completely different environment - by emigrating the carriers of a persecuted ideology. Watching this, we can marvel at the Providence of God, which even turns tragedy into a blessing. The revolution in Russia led to the fact that the major philosophers, who formed an opposition to official ideological attitudes, concentrated outside their Fatherland, which became the focus of revolutionary events. One of the places of concentration of Russian thought was Paris, in which, in the 1920s, theologians and philosophers settled - exiles and emigrants from Russia. Throughout the history of its development, Russian thought has conducted an active dialogue with the West. The new situation has expanded this dialogue. The collapse of tsarist Russia has extremely sharpened all the problems of Russian culture, made us comprehend the causes of the catastrophe, and sought to find a way out of it. Domestic philosophy, experienced in the early twentieth century, its "Silver Age", its unprecedented heyday, raised many questions, which did not have time to answer. The tragic events of history were powerful accelerators on the path of Russian thought "from Marxism to idealism." The whole post-revolutionary situation, both in Russia and outside it, led to the extreme existential sharpness of the entire philosophical problematic, and contributed to its religious rethinking.

In 1925, the opening of the St. Sergius Theological Institute in Paris, which in the 20th century became the largest center of Orthodox theology in the European space, was opened. The Institute united the best minds of Russia, who found themselves in exile: S.N. Bulgakov, B.P. Vysheslavtsev, G.V. Florovsky, V.V. Zenkovsky, A.A. Afanasyev, L.A. Zander and others. "While planning the creation of a higher school, the organizers were rather modest and did not dare call it the usual name of the Theological Academy, but they called it the Theological Institute in memory and continuation of that theological Institute that temporarily existed in Petrograd in 1919-1921 after the destruction of the Theological Academy, "- wrote A.V. Kartashev, one of the founders and first professors of the Institute [20]. The St. Sergius Theological Institute became the nucleus of the formation of a whole circle of philosophers and theologians, known as the Paris School. Many representatives of this circle began to teach at the institute, some of them spoke there with reports at conferences or lectures.

There were opponents who were in controversy and who criticized, but it can be said with certainty that, beginning in the mid-1920s, an intellectual semantic field of a high degree of tension arose in Paris. In a dialogue with Catholic and Protestant theology, with Western philosophy, the representatives of the Russian emigration not only themselves came to understand and comprehend the spiritual tradition of Orthodoxy, but also opened it up for the West. The result of this discovery was that many Catholic and Protestant thinkers turned to the Eastern Christian religious and philosophical discourse or even accepted the Orthodox faith.

2. RESEARCH

Analyzing the thematic spectrum of creative research carried out by the figures of the Paris School, four main trends can be singled out [5, p. 301]. The leading one, who defined the so-called "patristic revival", is associated with the names of Archpriest George Florovsky (1893 - 1979), Archbishop Vasily (Krivoshein, 1900 - 1985), VN Lossky (1903 - 1958), Archimandrite Cyprian (Kern, 1909 - 1960), Archpriest John Meyendorff (1926 - 1992). George Florovsky owns the key idea of modern reading of the heritage of the great Fathers of the Church. "The study of theology," he wrote, "led me long ago to the idea that I now call "neo-patristic synthesis". This should not just be a collection of sayings and statements of the Fathers. It should be exactly a synthesis, a creative reassessment of the insights sent to the holy people of antiquity. This synthesis must be patristic, faithful to the spirit and contemplation of the Fathers, *ad mentem Patrum*. At the same time, it must also be neo-patristic, since it is addressed to a new century, with problems and questions that are characteristic for it "[1, p. 155].

Reflecting on the crisis of Russian society, the manifestation of which was a revolution, with all its disastrous social consequences, in the book "Paths of Russian theology" published in 1937, G. Florovsky outlines the way to overcome it, affirming the most direct and immediate cause-and-effect relationship with the spiritual crisis. "Restoring the patristic style, this is the first and basic postulate of the Russian theological revival. It's not about any "restoration", and not about a simple repetition, and not about going back. "To the fathers," in any case, always forward, not backward. We are talking about loyalty to the fatherly spirit, and not just the letter ... It is only possible to follow fathers in creativity, not in imitation ... "[2, p. 506].

It is this patristic direction that opened the world the treasures of the Byzantine spiritual tradition, the inspired works of the Greek Fathers of the Church; Under his influence, the movement "towards the Fathers" arose on Western European soil. More precisely, interest in the Fathers of the Church arose in the West not only under the influence of Russian thought - it can even be said that there was a mutual influence of various Christian confessions that turned to a single patristic past. In the 40s of the 20th century in France, the dismal period of Hitler's occupation coincided with the golden age of return to the Fathers [4, p. 75]. Amazes not only the quantity, but also the quality of publications in these difficult years, especially if we take into account the situation in which this initiative unfolded and the material conditions. Here are just some of the data on the publications of this period: in 1938 Henri de Lubac's book "Catholicism" was published - the doctoral thesis of Henri Marro (Marrou H.I. "S. Augustin e la fin de la culture antique") was published, and in the same, 1938, the anthology of von Balthasar about Origen. In 1941, Baltasar published his monograph on Maximus the Confessor ("Kosmische Liturgie"), and in 1942 - "Presence et Pensee, essai sur la philosophie religieuse de Gregoire de Nysse". It was in those years that the publication of the famous series "Sources Chretiennes" started under the leadership of J. Daniel and de Lubac - the publication of the "Life of Moses" by Gregory of Nyssa. Currently, this series has more than 500 volumes; the scientific level of this publication is so high that it is a compulsory source for all who study the Fathers.

In 1944, two monographs were published: "Platonisme et theologie mustique, la doctrine spirituelle de Gregoire de Nysse" of J. Daniel, and "Clement d'Alexandrie, Introduction a l'etude de sa pensee religieuse a partir de l'Ecriture" of Mondesser who headed the publication "Sources Chretiennes". In 1944, also came out "Origene" of Daniel. And here are the names of thinkers who do not belong to the Eastern Orthodox tradition who were able to discover the legacy of the great Fathers of the Church for themselves and for the Western world: I. Ozer, V. Völker, L. Prestige, V. Yeager, J. Kausten, J. Kelly, Yaroslav Pelikan, Cardinal K. Schönborn, G. Bunge, S. Brock, and others. What is the reason for this turn? In 1946 in the magazine "Etudes" J. Daniel explained his deep motive: "For us, the Fathers are not only reliable witnesses to the situation that was left in the past. They still represent the most actual food for the modern person, because they have such categories lost by the scholastic theology that characterize modern life" [15, p. 77]. This statement by the Catholic philosopher and theologian, speaking on behalf of a whole circle of Western thinkers, is of great value and indicates that the Western culture, which experienced the modern crisis in the twentieth century, turned to a single source for the whole Christian civilization, the Greek patristic, in search of a way out of the impasse.

In the framework of the described "patristic revival" was put forward by Georgy Florovsky the idea of "neo-patristic synthesis", the key direction of which was his appeal: "forward to the fathers". Neo-patristic synthesis became a whole trend of religious and philosophical thought of the twentieth and twenty-first centuries, which united on the basis of the patristic heritage of theologians of various Christian denominations. In Paris, there was also something very important for the whole history of Russian philosophy. Before the revolution, due to the considerably superior age of Western thought and its influence, domestic philosophy could be qualified as a special school of the classical Western European philosophical tradition. As a result of the search for a new ontological foundation, which began even before the revolution in Russia and accelerated by historical circumstances, Russian philosophy reached an entirely new level - identifying itself as a different philosophical tradition. This new tradition is a modern philosophy, built on the foundation of Eastern Christianity, i.e. on a different ontology with respect to the West: "... the status of a parallel tradition that would inwardly respond to our situation in the Christian ecumene was first intuitively understood in the theology of the Russian diaspora, in the self-consciousness of Russian Orthodoxy that found itself in the intellectual reality of the West. This is a huge contribution of the Russian diaspora to Russian self-consciousness and philosophical self-determination" [10, p. 240].

Another direction in the activities of the Paris school is associated with the liturgical revival of Orthodoxy. It was developed in the works of Protopriest Nikolai Afanasyev (1893 - 1966) and Archpriest Alexander Shmemann (1921 - 1983), where the central role of the Eucharist was substantiated in the life of the Church, the wealth of the liturgical tradition was revealed. The third direction is the comprehension of Russian history, culture, literature; it is associated with the names of A.V. Kartashev (1875 - 1960), G.P. Fedotov (1886 - 1951), Archpriest Sergiy Chetverikov (1867 - 1947), I.M. Kontsevich (1893 - 1965), N.A. Zernov (1898 - 1980). The fourth direction developed the traditions of Russian religious and philosophical thought. It is associated with the names of N.A. Berdyayev (1874 - 1948), N.O. Lossky (1870 - 1965), L.P. Karsavin (1882 - 1952), I.A. Ilyin (1882 - 1954); B.P. Vysheslavitsev (1877 - 1954), archpriest Vasily Zenkovsky (1881 - 1962), S.L. Frank (1907 - 1950), L.I. Shestov (1866 - 1938). In the works of these thinkers, the themes that they started in the pre-revolutionary period of the Russian philosophical renaissance were creatively worked out, new stages of the path "from Marxism to idealism" were passed; Their fruits brought multiple contacts with European personalism, phenomenology and existentialism.

One of the brightest stars in the galaxy of Russian emigration was Protopriest Sergei Bulgakov, who made a significant contribution to several areas of the Paris School. In 1935 in Paris there was a whole range of sharp discussions on the subject of sophiology. Sofia, the Wisdom of God, which in the Eastern Christian tradition since ancient times was identified with Christ, in the writings of Vladimir Solovyov acquired a hypostatic status and, clothed in philosophical and poetical clothes by her brilliant creator, entered the works of almost all Russian philosophers of the early twentieth century. But, if other philosophers "could afford it", then from the archpriest Sergius Bulgakov, who headed the chair of dogmatic theology at the St. Sergius Theological Institute in Paris, required a great doctrinal rigor. Theological analysis of the works of Archpriest Sergius at the request of Metropolitan Sergius (Stargorodsky) was carried out by V.N. Lossky, speaking with their strict criticism and the conclusion about the incompatibility of the sophiological views of the author with Orthodox theology. Such a principled approach provoked an active protest among thinkers accustomed to philosophical permissiveness. We can say that V.N. Lossky summed up the line under Russian sophiology, divorcing the tradition of the patristic thought of Orthodoxy from a free philosophical search.

With the Paris school indirectly connected is another name - Archimandrite Sofronia (Sakharov, 1896 - 1993), a disciple of the outstanding Athos ascetic, canonized in the twentieth century, the elder Siluan. Archimandrite Sofrony opened the spiritual visions of his teacher to the world, and also contributed to the development of theological personalism, which focuses on the communication of the personal God and man as a person. Not passed by Paris and such an influential direction of the social and philosophical thought of the Russian Abroad, as eurasism, which arose in 1921 in the writings of N.S. Trubetskoy, P.N. Savitsky, L.P. Karsavin, and others, and caused a large number of oral and printed discussions. In the works of these scientists, Russia was viewed as a very special cultural and historical phenomenon, the fruit of the synthesis of cultures of Europe and Asia - Eurasia. However, the period of schism in the Eurasian community is connected with Paris, when articles appeared in the Eurasian periodicals with an appeal for ideological and political unity and cooperation with the Soviet authorities. The Eurasian movement was taken under the control of the government of post-revolutionary Russia, it was qualified as a source of potential political threat and gradually ceased to exist as a movement. However, it still has its apologists [21].

Thus, the Paris School accumulated in itself the most important intellectual processes of the Russian abroad, created an environment for the further development of Russian philosophy, which was impossible in this period in Russia. In this environment, a mutually enriching dialogue of Eastern and Western discourses took place. But the main thing is that there was a new acquisition of Orthodox theology, which became the pivot for all areas of thought; significant efforts have been made to interpret it in the language of modern philosophy - a process similar to the one that took place during the heyday of the patristic writing in Byzantium. Then, in the writings of the great Fathers of the Church, a new language was developed, born from a meeting of Orthodox theology with Hellenic philosophy.

The philosophical and theological process begun by the Paris School continues today, expanding, attracting new names, not already in the Parisian framework: in the 50s of the 20th century Archpriest George Florovsky, Alexander Schmemmann, John Meyendorff moved to America, creating in New York Center for Orthodox Theology. In addition, after the collapse of the Iron Curtain, when a stream of unknown philosophical, theological, historical publications poured into Russia, the "re-opening" of Russian thought, its new self-identification, the connection of new thinkers to that truly great intellectual and spiritual process occurred on Russian soil, which took place in a very difficult time in Paris.

3. CONCLUSION

Hopefully, those developments, those discoveries that were made in the harsh conditions of emigration, will not go unnoticed by Russian thinkers and will serve to build a high building of modern Orthodox philosophy on the foundation of the newly discovered legacy of the Fathers of the Church.

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SOCIAL CAPITAL AS RESOURCE OF PUBLIC WELFARE: GAPS AND SYNTHESIS IN POST-SOVIET RUSSIA

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ABSTRACT

Reforms of the 90th years of the 20th century transformed Russia to the new capitalist country of the postcommunist block. Owing to these modernization processes the Russian society lost values of Communitarianism and aspiration to participation in the collective actions directed to achievement of public welfare. At the same time, in the countries which passed a way of organic and innovative modernization personal participation of citizens and their contribution to socially important projects is considerable and it is estimated at hundreds of billions dollars. On this basis the author draws a conclusion about need of deep institutional transformations for the Russian society which assumes the strategy of creation of public welfare.

Keywords: *state, capitalism, modernization, public welfare, political elite, social capital*

*“The benefit of the certain person or separate nation is
connected with general welfare for all.”*

Henri Barbusse

1. INTRODUCTION

The prospect of formation of new social and technological way does not cease to excite minds and imagination of scientists. The way to the future is surely paved by four key directions of modern scientific and technical progress: nano - bio - information and cognitive technologies designated in scientific literature by a collective abbreviation of NBIC that reflects their integrity and interconditionality. Facts and promises, truth and success are closely and controversially intertwined in NBIC technologies. Discoveries and achievements in one of the areas create incentives and conditions for the development of all other directions, forming scientific tandems, as a result of which a new system quality of science arises, determined by features of collaborativeness and transdisciplinarity. A different existence of science is born as a multi-complex structure, with large integrative nodes, conceptually uniting the positions of the sciences of society and the sciences of nature. But, it should be noted that many of the studied problem fields of natural and social sciences are the same that for centuries were represented in different hypostases and forced scientists to search for either the deep laws of nature or the answer to the question "What forms the fabric of society?"

2. SOCIAL CAPITAL: CONCEPTUALIZATION OF THE IDEA

Since the methods of acquiring knowledge about society were transformed on the basis of a change in the general structure of scientific activity and its methodological and philosophical principles, constructs and models of society were created "in the workshops of social theorists" that corresponded to certain phase contexts of the development of science. As a result, the picture of social theories is a "motley mosaic panel, in which the most diverse components of the color scheme are reflected" [22]. It is in this totality that a three-dimensional, multi-valued and dialectical image of society is created: from the representation of society by an integral system, a social organism independent of man, to the construction of reality, continuously changing agents that produce social changes.

Scientific analysis of the foundations of society and its conceptualization begins in the works of A. Comte, H. Spencer, K. Marx, E. Durkheim. "The theory of society as a special kind of construction of the theory bases its reflection on certain structural features of the existing society, which determines the forms of its movement, self-interpretation (ideology) and its conflicts. The theory of society constitutes itself as an analysis of the present" [3]. Therefore, the meanings and ideas born in this process by thinkers of the nineteenth century were an expression of the actual problems of the contemporary society of classical capitalism. Of course, the main role in the study of the genesis of capitalism belongs to K. Marx. K. Marx, inheriting classical political economy and utopian socialism, regarded capitalism as an economic system in which the transition from economy to market economy took place, and also as a type of separate society different from the primitive, slave-owning system and feudalism. Over time, social theorists will find new approaches and other aspects in understanding the complex systemic process of capitalism formation. The concept of the emergence of capitalism from the spirit of Protestant ethics of M. Weber will take the prevailing position as the leading explanatory model of the difference between Western and non-Western capitalism. But it is precisely the different philosophical and sociological views on the dynamics of the formation of capitalism that make it possible to form an objectively true knowledge of the aspects of the genesis of capitalist society under investigation.

K. Marx, using the dialectics of the abstract and concrete in scientific knowledge, conducted a "comprehensive analysis of the anatomy of modern industrial capitalism, considering it not as stable, but as unstable over time, moving toward internal collapse for a number of reasons" [18]. However, Marx's optimism about the communist future of mankind has left the philosopher's natural flexibility beyond the field of view of the philosopher and the possibility of his transformation. Over the past century, the evolutionary stages of development and the point of bifurcation have fundamentally changed the appearance and spatio-temporal characteristics of Western capitalism of the 21st century. A number of his names in the scientific literature: non-classical capitalism, post-capitalism, global capitalism, information capitalism, glam-capitalism ... reflects the aspiration of scientists to reveal not only the new depth of the capitalist system, but also to highlight its various perspectives. At the same time, for all the variety of interpretations and interpretations of capitalism, a number of Marx's provisions remain unchanged in the interpretation of the capitalist mode of production.

For example, K. Marx used for a critical analysis of capitalism a significant categorical apparatus, which includes a number of concepts. They were presented "not just in a reciprocal relationship, but in a system reflecting production relations" [6], where capital was the basic definition. From the standpoint of K. Marx, capital is:

- benefits, the use of which allows increasing the production of future goods;
- value, that brings surplus value;
- the main element of production, acting in a variety of forms.

K. Marx kept unchanged the content of capital as a resource of production in all interpretations. This invariant received various interpretations and was transformed into other types of capital in modern social discourse. But the influence of Marx's views on capitalist production as the production of a certain type of sociality is preserved. "Capital today is understood not only as the accumulation of material resources, but also the concentration of human, cultural, symbolic resources and the possibility of their conversion" [10, 19]. It should be noted that the evolution of the market mechanism to the social component occurred gradually and found its embodiment in the concept of social capital. P. Bourdieu carried out the actual introduction of the term into scientific circulation.

He viewed social capital as "a collection of real or potential resources associated with the possession of a more durable network of more or less institutionalized relationships based on mutual recognition - in other words, membership in the group" [5]. Later there has taken shape a significant circle of scientists who were engaged in the development of theoretical ideas about social capital and its facets on the basis of various methodological approaches. For example, if we look at the comparative analysis of social capital theories created by P. Bourdieu [5], R. Putnam [17] and J. S. Coleman [7], one can see that along with the differences due to the cognitive interests of researchers, there is a common ground in the explanation of the concept itself. Theorists view social capital as "a balance of personal and public interests that arises and grows at the individual, group and social level as a result of the interaction of participants in contacts and their collective actions" [4]. Since the end of the 20th century, the concept of social capital has been at the center of interdisciplinary research. "In particular, this approach is characteristic of World Bank analysts: they determine social capital through" institutions, attitudes and norms that form qualitatively and quantitatively social interaction in society, "in other words, highlight the individual's willingness to take part in collective actions aimed at achieving a certain goal"[1].

3. SOCIAL CAPITAL IN THE CONTEXT OF RUSSIAN REALITY

Hypothetically, it can be assumed that if people are not indifferent to their future, the goal of collective action can be the creation of a national economy from the standpoint of sustainable economic growth as the basis for the reproduction of social welfare. In turn, social welfare implies full satisfaction of the socio-cultural, spiritual and ecological needs of people. Traditionally, it is believed that the basic indicators of economic development, which can be judged on the achievements of the country and the level of the national economy, is the macroeconomic indicator of GDP. But does the GDP growth reflect the welfare level of the population? As a rule, the indicators of market success not only do not reflect real changes in the quality of life - people's health, their level of safety, the state of the environment, etc., "but quite often, as in the "Kingdom of crooked mirrors" create a distorted view of it [8].

«The narrowness of the GDP index increasingly came under fire from a number of quarters. Feminists pointed to the ways in which much of the unpaid work carried out by women was simply invisible in GDP accounting (Waring 1988). Development agencies such as the United Nations Development Program noted the need to include health, education, housing and income inequality outcomes and trends (UNDP 1996) The environment movement became a strong advocate for the inclusion of environmental trends as well as highlighting the ways in which economic growth often involves environmental costs as well as benefits» [20]. Therefore, the Genuine Progress Indicator (GPI) is a more adequate measure of the economic, social and environmental well-being and real well-being of the population. GPI not only complements GDP, but improves it, as it takes into account more than twenty parameters, which are represented by a combination of economic, environmental and social indicators that increase or decrease the welfare of the population. Currently, a number of European countries, such as England, Germany, France, Sweden, the Netherlands, as well as the US and Canada, are recalculating the GDP indicator using an indicator of genuine progress. However, judging by publications and statistical data, the Russian scientific community does not pay much attention to the use of GPI in relation to the Russian economy. Only a few references to this indicator are found in scientific publications or provide brief reference information about it. In this connection, let us turn to the annual report of the World Economic Forum, which is a report on global competitiveness. In this document, the countries is ranked on the basis of the "Global Competitiveness Index" (GCI), made up of 12 items.

The competitiveness index assesses the ability of countries to ensure a high level of well-being of their citizens, which primarily depends on how effectively the country uses the resources available. The global competitiveness rating 2016-2017, published by the analytical group of the World Economic Forum, was led by Switzerland. Russia occupies only 43 place in this rating [24]. Certainly, the current social and economic situation in Russian society is largely determined by the combination of political, economic and social factors of previous periods, and is also affected by the global market conditions, international contradictions and sanctions imposed by the West in 2014. There comes an understanding that this problem does not have a simple solution. Ensuring the country's economic recovery will be possible if steps are taken to increase productivity growth, stream innovation, reduce risks. That is why the activation of Russian social capital is becoming more urgent.

Social capital is one of the basic in a complex of all resources that allowing to improve economic growth for creation of public welfare. If we do not observe the expected result, then it makes sense to try to analyze the "weak" places in the structure of social capital to see why it "does not work" as a full-fledged resource of production."Social capital is based on values and beliefs. It is their communion that leads to predictability in the behavior of people, determines the unity of behavioral norms. In turn, if people adhere to the same norms of behavior, this, as a rule, generates trust between them "[21]. If we consider social capital in the context of Russian reality, then, trust is its most vulnerable part. Of course, it is very difficult to talk about trust on the scale of the entire Russian society, which represents a lot of "parallel worlds". It is more correct to talk about a social atmosphere in which a spirit of trust reigns, unifying or, on the contrary, dividing society.

What undermines the spirit of trust in Russian society?

An attempt to find an answer to such a difficult question refers to the era of privatization of the 1990s. Gaidar-Yeltsin's neo-liberal reforms were developed in cooperation with IMF experts and Western economists in order to dismantle a planned economy and ensure the launch of a new economic model as the basis of the capitalist way of life. However, the reforms had extremely fragile and ambiguous results and became the cause of the opacity, instability and chaos of social life, in which the natural characteristic of capitalism manifested itself - generating inequality in incomes. The transformation of social relations and profound stratification changes have led to a violation of the basic principles of justice, a sense of "irregularity" of what is happening, which leads to an increase in atomization, which destroys the directly experienced sense of the organic community of the nation and, thereby, the foundations of social solidarity of Russians ... "[11, 289]. To understand the new configuration of Russian society, it is possible to use the dichotomy model, i.e. the simplest stratification of society into two large segments, where they confront each other as fundamentally unequal. These major segments are the ruling elite and social groups with an unstable socio-economic situation, with a conditional or reduced status and thus socially unprotected. "As a result, privileged estates are vested with various exclusive rights and benefits that protect them from the market element. At the same time, mass estates are compelled to take on increasing risks, to struggle for survival in the conditions of market competition and the curtailment of the social state "[14]. Vice Prime Minister of Russia O.Yu. Golodets at the conference "Week of Russian Business - 2017" stated that poverty in Russia is unique: "This is a unique phenomenon in the social sphere - the working poor." We do not have such qualifications that are worthy of a salary level of 7.5 thousand rubles "[23]. Simultaneously Russia's richest people are represented by an impressive list in the Forbes rating, reflecting the global trend: the growth of the number of world billionaires. Forbes list in 2017 included 96 representatives of Russia, 19 more than the year before [25].

Against the backdrop of the picture of Russian capitalism, which demonstrates the chronic poverty of wide sections of the population, the contradictions and the gap between the poor and the rich become more acute. Comparison of data for 2005 and 2015 shows that in the Russian society "significant contradictions and hostility between the poor and the rich - respectively 72 and 74% [13]. Expansion of capitalist relations forms Russian society, for which it becomes customary that "the contribution of citizens to socially significant spheres of public life lies to a lesser extent in the space of altruistic motives for helping others, but more so in the space of public tasks in which one can gain personal success and Demonstrate personal abilities". Individualization and formation of private worlds are more important for most Russians than the collectives they belong, and more significant than the state from which they no longer expect support. The social ties are weakens, the whole fabric of society is torn at the micro and macro levels in vectors of different directions.

4. POLITICAL ELITE AND SOCIAL CAPITAL: THE NATIONAL ASPECT

We must not forget that the nature of social capital, which is created within the whole of society, is determined by cultural heritage, traditions and customs, by the peculiarities of national legislation, depends on the form of government and the social and economic policy pursued by the state. It is the state, in the person of the political elite, if it cultivates democratic principles, can neutralize negative tendencies that lead to destabilization and inequality and recreate the spirit of trust in society. Solving this problem in itself integrates a whole complex of components and we will consider only some of them. First, it is an image of the political elite. "According to this group of scholars, who base their research on historical case studies, experiments, or large-n survey data (or all three), it is trustworthy, uncorrupt, honest, impartial government institutions that exercise public power and implement policies in a fair manner that create social trust and social capital"[19]. From this it follows that the political elite, possessing higher development, talents, competence in comparison with other social strata, must meet moral and ethical standards. Secondly, in solving the classical dilemma of the relationship between the private and the common good, the political elite must strive to bring together the positions of liberalism and communitarianism. It is necessary to realize that the ethics of the common good developed within the framework of communitarianism "has a significant potential for Secondly, in solving the classical dilemma of the relationship between the private and the common good, the political elite must strive to bring together the positions of liberalism and communitarianism. It is necessary to realize that the ethics of the common good developed within the framework of communitarianism "has a significant potential for constructing a harmonious social architecture of the modernity" [9]. Thirdly, despite the contradictions between the proclaimed equality of the citizen's rights with a very real inequality in the standard of living, the political elite have to develop programs ensuring the creation of a social and legal state in which "faith in the opportunity to overcome inequality through work and personal dignity or at the measure of hope placed on such changes" [12]. This will save the foundations of modern democracy. Fourth, the political elite should realize that despite globalization as a global development trend, "the national state remains an important link in the process of profound modernization of many aspects of social and tax policy and, to a certain extent, in the development of new forms of governance and joint ownership representing an intermediate form between state and private property, which is one of the main tasks of the future "[15]. The peculiarity of the Russian political elite lies in the fact that it was formed as a result of the synthesis of the Soviet party-state nomenklatura "with the elites of the transition period, primarily the business elite, including its criminal segment, with the elite emerging from the security structures" [16]. Due to this specificity, the Russian elite, in its desire to create its own combination of harmonization of relations between social groups, and the improvement of the post-Soviet society, can not to take into account the experience of the socialist period.

Despite the ambiguity and contradictory nature of the history of the communist project, it can be said that the Soviet elite managed to create an unprecedented social capital, or rather, a securing social network, a certain social atmosphere that unified society and developed economic activity at a certain stage of the emergence of socialism. As a result, grandiose plans from the construction of the first five-year plans to the first manned flight into space were embodied in life. Of course, Soviet society and the post-Soviet society are different social projects. But there is something in common that the political elite must take into account. The basis of social capital is the extent to which people understand the basic values to which the values of self-identification are uniquely related. A person correlates himself with the meanings of the sources of his becoming through belonging to some encompassing social community, such as an ethnos, a nation.

5. CONCLUSION

As the research conducted by the Institute of Sociology of the Russian Academy of Sciences has shown, "for the overwhelming majority of our citizens, the identification of oneself with Russians is currently on the periphery of their consciousness, given its latent prevalence, depth and significance, under certain conditions, its rapid actualization" [11, 291]. These conditions of actualization can create the ruling elite through institutional changes and concessions. "It will demand super-ordinary political and organizational efforts, since it is impossible to forget about existence of the groups having different values and different interests in society, many of which reject the idea of general welfare" [2]. But the interest of society in preserving the unity, integrity and independence of the country can ensure the real implementation of positive changes in the stratum of social relations associated with the formation of an atmosphere of trust, and the social capital derived from it.

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VIRTUALIZATION OF FINANCIAL MARKET : BASIC TENDENCIES AND PROSPECTS

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ABSTRACT

The main purpose of this study is to analyze the current state, key contradictions and prospects for further development of the main segments of the Russian financial market in the vein of virtualization of society as a whole and financial services in particular. During the research methods such as analysis, synthesis, abstraction, generalization were used. The results of this study provide for the possibility of their further application both in subsequent theoretical and methodological developments and implementation of the findings in the practical activities of financial market entities with the goal of timely response and building further activity processes in a controlled manner. The obtained results can be used for scientific purposes, as a material for further studies of specifics of the financial market in the context of its virtualization. It is possible to use the material for methodological purposes as a starting point for a number of economic disciplines. The novelty of the research is to study existing positive and negative trends in the virtualization of the Russian financial market, to generalize the results obtained and summarize the final conclusions about possible further changes and their consequences for society from the authors' point of view.

Keywords: *economy financing, virtualization of finance, financial and banking services, insurance market, stock market*

1. INTRODUCTION

Virtualization of modern society is reflected in virtualization of all processes occurring in a given society, including economic, and, in particular, financial. A special status of virtualization of finance is caused by the process of financing modern world economy, which makes it possible to declare a particularly significant status of virtual financial relations in society. Current processes of virtualization can be interpreted in two ways: either as limitation of classical models of society transformation (Ivanov, D. (2012) 96 c), or as an innovative step in the development of society, requiring new instrumental accompanying elements, different from the classics. Both the first and the second require a timely study and subsequent response in order to build further processes in this vector in a controlled manner. The processes of globalization and informatization, in fact, predetermined the creation of two systems of the economy: real and virtual, moreover, the virtual economy acquires dominant features in the world economy, which is determined by the preferential position of financial capital over other types of capital. Financial flows and financial activities in general are maximally informative in nature, and, therefore, more adapted to virtualization. (Votintseva, L., Drozdovskaya, L. (2012), pp. 75-81).

2. METHODOLOGY

In the process of research certain scientific methods of the empirical-theoretical group were used: analysis and synthesis, which are oppositely directed and interdependent methods of cognition. These methods of scientific research can be designated as the main methods used by the authors of the study. These methods of research help not only collect the facts, but verify them, systematize, identify non-random dependencies and determine the causes and consequences of the virtualization processes of the financial sphere under study. These methods were used as universal ones, being basic due to the fact that the research implied the need for collecting and filtering quite diverse information, since the subject of the research assumes the existence of diverse approaches to obtaining information on this research direction. In addition, the method of abstraction was used; basing on the results of its application, certain knowledge of certain aspects of financial market, both as a whole and its varieties, was systematized. The application of the generalization method in the study should be also highlighted. A monographic method was used as well, in particular, the methods of comparison and detailing (Zaitsev, Yu., Kostina, O. (2012).

3. RESULTS

The main key components necessary for the implementation of financial transactions today, taking into account virtualization of finance, are:

- Stability and regularity of access to own finances;
- Speed of decision making (service delivery);
- The presence of remote uninterrupted access to Internet services;
- Easiness and simplicity of existing and newly introduced technologies application;
- Maximization of confidentiality positions.

Presence of these qualities in their best performance is able to give the individual entity of the financial market a strong competitive advantage in this market, and for the entire financial system of the state - to provide a certain breakthrough in the global financial market. The subjects of the financial market, which have only the Internet presence deserve particular attention. Presence of sufficient freedom of action for the subjects of the financial market in the conditions of its steady virtualization has a number of contradictions, possessing both positive and negative features. The following should be considered as positive:

- financial technologies are referred to as the most promising areas of business, which is due to the absence of restrictions existing in the sphere of traditional banking products (Evdokimova, Yu. (2016).) Pp. 27-36.
- appearance of qualitatively new tools and opportunities to access Finance and banking services expansion of investment opportunities,
- large-scale development of financial markets,
- appearance of new varieties and forms of financial cooperation.

The negative effects include:

- creating fertile ground for the emergence of diverse financial pyramids in a new capacity;
- increasing risks of fraud in an electronic environment,
- the risks of systemic defaults;
- sharp decline in production development (Votintseva, L., Drozdowski, L. (2012). P. 75-81).

4. DISCUSSION

4.1. General provisions

Let's highlight the main trends in the development of financial market in the context of its virtualization:

- There is a diversification of money and personification of money, generating a multiplicity of their types;
- Special attention should be paid to the process of emergence of crypto-currencies empire, introduction of crypto-currencies being reflected in the policy of the Bank of Russia, although operations with crypto-currencies were banned in Russia for some time.
- Electronic signature is increasingly replacing existing traditional forms;
- Expansion of new types of financial transactions in the financial market is going on.
- There is transformation of activity of all subjects of the market;
- New forms of relationships between market subjects are emerging;
- Penetration of banking institutions into all existing spheres of the country's economy is being implemented;
- Banks accumulate the main share of all types of risks, which entails the need to create a strict restrictive legal component;
- There is a merger of banking and information technologies;
- Banks are leading the way in introducing the most advanced technologies into their customer service activities, the Internet banking, Internet trading and Internet insurance being the leading ones (Zadorozhny, G., Khalina, O., (2012).) P.97- 113).

4.2. The processes of virtualization of the insurance market in Russia

Let's consider separately the features of virtualization of the insurance market. It should be noted that in this case, Russia lags far behind the developed countries: the share of sales on the Russian insurance market via the Internet is about 12%, while in the leading European countries this figure is significantly higher. Basing on statistics, it can be pointed out that in Germany life and property are insured by every third citizen, in the UK - one in four (Sale of insurance policies through the Internet). Currently, more than 20 large international insurance groups have entered online market. Among them, one can note such as Allianz, Generali, AXA and RSA (World Insurance report 2013). Insurance companies also began to apply "cloud" technology: the most striking example is the leading insurance company AIG, which provides insurance services in more than 100 countries. It implemented virtualization technology with the Global Infrastructure Unity project (GIU), which implies the transfer of all applications and databases of AIG offices to the corporate cloud data center. Worldwide trends in the insurance market - Internet sales through so-called Internet representative offices, offering remote service through the browser. This technology allows the company's customers to carry out insurance operations without installing specialized software. It is noted that this technology has significant advantages for companies: increasing the speed of insurance operations, expanding the clientele, reducing the costs of operating the Internet system (Shpalin, G. (2014).P. 46-54).

The ongoing process of virtualization of the insurance market is the main threat to traditional insurance business, affecting not only direct interaction with the client: due to development of communication technologies, key risk variables need to be restructured and will lead to fundamental changes in the development of a new product and risk management for insurance companies. It is pointed out that, the lower the age of buyers, the more likely it is that they will buy insurance in the online market (World Insurance report 2016). Turning to the analysis of the situation in the insurance market of this country, it can be noted that on the online market the most popular are "simple" insurance products, for example: voluntary CASCO insurance for vehicles, insurance for people traveling abroad, insurance of citizens' property etc. Due to the availability of the Internet on a large part of our country territory, the lack of being bound to the time and place of a purchase, as well as to prevalence of mobile communications and the speed of information exchange, an increasing number of both individuals and legal entities in Russia are switching to full or partial insurance services online.

The state has also contributed to the development of virtualization of the insurance market: from July 1, 2015, amendments to the law "On compulsory insurance of civil liability of vehicle owners" came into force, which regulated the procedure for issuing an electronic policy (On compulsory insurance of civil liability of vehicle owners (2002)). Initially, this service was provided in a test mode and enabled only to extend existing agreements on OSAGO, but from October 1, 2015, it was possible to conclude new contracts. A significant impetus to the development of the OSAGO e-policies resulted from the entry into force on 1 January 2017 of amendments to the law, obliging insurance companies to provide the possibility of buying an electronic policy (On Amending the Federal law "On obligatory insurance of public liability of proprietors of transport vehicles"). This led to increase in the number of electronic policies: if for the period from July 1 to December 31, 2015, when the project started, 56 thousand electronic policies were issued, in 2016 more than 330 thousand of these types of policies were sold, and only in the first six months of 2017 — the number reached 2.7 million (Official data of the Russian Union of Motor Insurers).

The high growth in sales is easy to explain - apart from the usual advantages of online insurance, it is an increase in availability of services for policyholders in many regions. Previously, in many regions, primarily unprofitable for insurers, companies sought to minimize sales of OSAGO policies. Not having the right to completely leave the region, the firms significantly reduced the number of their offices or referred to the lack of policy forms, some companies imposed additional insurance services, without which the policy of OSAGO could not be purchased. This led to difficulties when buying a policy for drivers. With the mandatory electronic policy of OSAGO, the need for drivers to visit their offices was eliminated, and all of the above problems have disappeared. In many ways, it is for this reason that among the leaders in e-OSAGO sales for this period were problem regions: Krasnodar, Stavropol Territories, Volgograd and Rostov regions. Leading companies in terms of the number of Electronic policies sold in 2016-2017 are: PJSC IC Rosgosstrakh, IPSC RESO-Garantia, «VSC» IJSC, OJSC AlfaStrakhovanie, IPJSC Ingosstrakh, JSC SOGAZ, CJSC MAKES, LLC NSG-ROSENERGO ", LLC IC 'Moskovia' and LLC IC "Soglasie" (Official data of the Russian Union of Motor Insurers). However, on the way of introducing the electronic policy there are still significant obstacles that make many car owners refuse to purchase it electronically. First of all, this is fraud, primarily the sale of counterfeit electronic policies of OSAGO on fictitious websites-clones of real insurance companies that have a consonant e-mail address and the same design as the official page of the insurer. It should be noted that this problem is one of the most serious not only in the field of OSAGO, but also in the entire online insurance market. The user can lose not only the money paid - the problem of **phishing** is also acute: due to the fact that certain personal data are required to purchase the policy, scammers get access to them and use them further for their enrichment - for example, they take a loan etc. The only way to combat this phenomenon so far - blocking of sites-clones.

4.3. The processes of virtualization of the Russian stock market

Securities market is one of the first to absorb the Internet innovations, being not only a locomotive for the introduction of virtual technologies in the specifics of its activities, but also a kind of indicator of this technology quality. Internet-trading, which aims to conclude transactions with financial instruments on the securities market, is extremely popular in Russia, being profitable both for the client and for the broker. Internet trading systems in Russia began to appear after the creation of a gateway at the Moscow Interbank Currency Exchange (MICEX) at the end of 1999, enabling brokerage systems for collecting client requests (Prospects for the development of the Russian securities market based on Internet technologies) to be connected to the MICEX trading complex.

Today, Internet trading systems are interesting in that they allow technical analysis, margin lending, and online consultations with specialists. But, besides this, one more interesting feature should be highlighted: the orientation of the Internet trading on a small private investor (Kudryashov, A. (2015). 293 p). That is, we see a clear relationship with banking and insurance services - in increasing trends aimed at personalizing the services provided to customers ("Technology" section of the "Securities Market" magazine). The development of relations with investors follows the path of interaction of two main principles: "one window" and "not leaving home." Increasing needs of customers dictate the need to create technologies that are convenient for them. For example, taking the example of the Moscow Stock Exchange, one can note the availability of a wide range of professional solutions for access to exchange markets and electronic commerce based on modern technologies.

There are many network solutions for connecting to markets: through dedicated channels or the Internet, Co-location. Network access to exchange trading is possible from major financial centers, including London, Chicago, New York and Frankfurt, through its global connection infrastructure. (Stock Market of the Moscow Stock Exchange: tools, services and technologies) Given the increasing financial risks, special attention should be paid to the presence on the Russian stock market of new solutions to minimize the latter, in particular, the existence of such solution as the module for calculating the collateral (IT solutions of the Moscow stock exchange). One of the features of the warranty system of urgent market is the use of on-line calculation of providing under requests and positions. market guarantee system is the use of online settlement of collateral under requests and positions. This allows to substantially minimize the risk of default and to continuously assess the level of market risk of each calculation firm positions. The calculation algorithm is worked out taking into account the experience of the world's leading exchanges and offers of leading specialists on the Russian urgent market. (Technological solutions).

5. CONCLUSION

Summarizing the above, we can note the following:

- Virtual technologies inevitably become the main instruments in all spheres of financial activity;
- Virtual financial technologies are optimal in the conditions of crisis, because their application provides a number of new opportunities without large-scale investments;
- Virtual technologies change the specifics of capital accumulation processes by individuals and corporations;
- Virtual technologies strengthen the tendencies of transition to a value society;
- Virtual technologies give rise to a number of problems in the field, above all, banking security, since the existing standards of the Bank of Russia do not have due diligence and are exclusively recommendatory in nature (we are talking about the Bank of Russia Information Security Standard (IS) of the Russian banking system) (Ensuring information security of organizations of the banking system of the Russian Federation (2014);
- Virtual technologies give rise to a new kind of the Internet fraud not only in the banking sector, but also in related industries with which it is necessary to fight;
- Virtual technologies stimulate the emergence of a new society - a society where money is the only supranational meaningful regulator, bypassing governments, state power, laws and morals.

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EVOLUTION OF SOCIOLOGICAL KNOWLEDGE IN THE FIELD OF SELF-ORGANIZATION OF SOCIETY

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ABSTRACT

The subject of scientific interest for justify the research approach of the authors is a popular trend awareness, self-determination, integration and self-organization, inherent in any social system. A reflection of the demands of society is an important condition for the understanding and sustainable development of society. The methodology of the conducted research is based on generally accepted scientific approaches and principles of analysis of social processes. Discusses the ideas of self-organization of the recognized classics of sociology Hobbes, N. Machiavelli, John. Vico, Voltaire, J.-J. Rousseau, K.A. Saint-Simon, Auguste Comte, H. Spencer, E. Durkheim, K. Marx, G. Simmel, F. Tennis, M. Weber, T. Parsons, P. Sztompka. Attention is paid to methods of analysis of social processes of self-organization of such distinguished associates of social science, V. V. Vasilkova, O.D. Kutsenko, N.N. Moiseev, I.R. Prigozhin, G. Haken, W.R. Ashby, M. Eigen, and other. The result of the theoretical analysis can be considered a classification of sociological theories in the field of self-organization of society at reasonable copyright criteria groups of the main sources self-organization process. Understanding of the essential nature of natural processes of self-organization described in the article, will allow society and government to more confidently begin to create a reliable model of sustainable development.

Keywords: *public self-organization, spontaneity, rationality of interaction, orderliness*

1. INTRODUCTION

The term "self-organization" was first used in 1947 in the scientific language by the English cybernetics W.R. Ashby. His work "Principles of self-organization of dynamic systems," has the following categorical statement: "...every isolated, determinate, dynamic system obeying unchanging laws will develop organisms that are adapted to their environments." He explained the idea as follows: Imagine a system. It has unstable states and stable, equilibrium states. Over time it will go toward the stable, equilibrium states. As it does so, it selects, thereby organising itself. [Ashby, 1966: 314 - 343]. In the 1960s, the term has been absorbed into the theory of systems, and in the 1970s - the 1980s it's used extensively in the physics of complex systems. In the future, the problems of self-organization are more general versions of the theories in many fields. Today, undoubtedly, the social and natural world surrounding us is a product of self-organization and it has natural mechanisms of self-regulation. Synergetics is an interdisciplinary science explaining the formation and self-organization of patterns and it is founded by H.Haken, inspired by works of the scientists I. Prigozhin, M. Eigen, N. Moiseev. Synergetics is currently rapidly developing. At present, synergetics is rapidly developing. In today's world point of view, synergetics is positioned as a universal theory of self-organization. And as any new concept, synergetics is for the introduction of new terms, where dynamic processes in the system are described.

2. DISCUSSION

The complexity of the interpretation of the concept of self-organization confirms that the theoretical-cognitive status of this concept is still under construction. Accordingly, the adaptation of synergetic terminology in sociology has not yet been completed, but the tendency to get self-organization in relation to the society as spontaneity, frankness has recently prevailed. It is possible that such an approach is acceptable for studying processes in technical systems or systems of inanimate nature, but is hardly acceptable for studying the process of self-organization in society (social self-organization). To our mind, in sociology there is a sufficient variety of concepts explains the complex dynamic processes of building and developing societies in sociological concepts. Well, to be fair, it should be noted that questions about the laws of social order, social dynamics, were considered long before the emergence of the science of sociology. Representations about the nature of society can be found in the theories of antiquity, such as - Hindu Ahimsa, Confucian harmony "Jen/ lee", ancient Greek "hubris", were the basis for get the essence of the phenomenon of people's self-organization, as it was said by Plato, Aristotle and many other ancient thinkers. Afterward the ideas of social order were often manifested in the works of N. Machiavelli, J. Vico, Voltaire, J.-J. Rousseau, K.A. Saint-Simon, T. Hobbes. The ideas of the great thinkers and humanists were reflected in the works of the classics of the sociology of evolutionism – A. Comte, G. Spencer, E. Durkheim and K. Marx;

A considerable number of works were brought by Russian scientists A.A. Bogdanov, V.I. Vernadsky, A.A. Lyubshchev, P.A. Kropotkin, G.V. Plekhanov and many others. The principal of views of evolutionary sociologists underlies the approach to society, as a living organism, the development of which was associated with the complexity of the organization and the diversity of forms. That is, social evolution appears as a succession of developed states of society more developed. To their mind, this dynamics is conditioned by the fact that the social system is always open to the environment and, accordingly, adapting to it, is forced to change in the direction of complexity and variety of forms. Comte thought that the driving force of evolution lies in the ways where people comprehend reality in the methods they apply to explain, predict and control the world. Therefore, evolution is, first of all, the evolution of methods of obtaining and accumulating knowledge. Spencer describes evolution as a general tendency toward an increase in internal differentiation, accompanied by a structural and functional complication of the social organism. Simple, isolated societies are replaced by societies with doubled complexity, and then replaced by the most complex social entities (civilizations) where the division of labor and various social functions are accompanied by the emergence of social structures and institutions. Under the social institution, the English sociologist understood the way and form of self-organization of people's common life, although he did not even use the concept of self-organization. Essentially, the very evolution of the types of society is characterized by a transition from one type based on coercive unification "from above" (military society) to a second type based on voluntary association "from below" (industrial society). Spencer determines special mechanisms that explain evolution: 1) "natural selection"; 2) "struggle for existence"; 3) "Survival for the fittest" [Zborovsky, 2004: 44-51]. According to Durkheim, the desire to create a desirable social bond is a such of a mechanism of the internal solidarity of the social system that arises from the division of labor and the intensification of differentiation. Durkheim argues, the evolution of society represents a movement from "mechanical solidarity" peculiar to simpler types of society and based on the underdevelopment and similarity of individuals and their societies to the "organic solidarity" inherent in the modern type of society based on the division of labor, cooperation and complementarity with the individual characteristics of each other. [Durkheim, 1996: 256-309].

According to Marx, "The premises from which we begin are...They are the real individuals, their activity and the material conditions under which they live, both those which they find already existing and those produced by their activity." [Marx, Vol. 6 : 441]. Conforming with the theory of Marx, the self-transformation of society occurs due to the complex interaction of human actions and structural conditions. The main provisions of his theory is in full harmony with the ideas of classical evolutionism. As a whole, the views of the classics of early evolutionism significantly come down the self-organization to the notion of social evolution. It is regarded as predominantly internal, orderly by stages, growth and complexity of the original structure and functions where external factors play a secondary role compared to such factors as the division of labor and the development of internal solidarity. In addition, social evolution often ends with a break, a stable, final state of society, getting as the ideal. This understanding of the development of society, significantly limits evolutionary theories in the study of dynamic processes (problems of self-organization) occurring in modern societies. A somewhat different position on social dynamics is considered in the concepts of the classics of German sociology G. Simmel, F. Tonnies, M. Weber; an interaction is united by a key concept of scientific views, despite the existing differences. Simmel believes the interaction as the main "cell" of society, in his view, the society is continuously engendered by an interaction that "develops as a result of certain impulsive action or to attain certain goals ... a variety of other motives induce a person to work for another, to combine and harmonize mental state, that is, to influencing and, in turn, to their perception. These mutual influences mean that unity, as "Society," is formed from individual holders of driving principles and goals. "[Simmel, 1984: 170-171].

At the same time, to Simmel's sociological concept the concept of "society" is closely linked to another key concept – "socialization". In his opinion, individuals interacting, join in society, that is, "socialize". By the socialization he means process of the formation and reproduction of various forms of social life, that becomes possible under the condition of a localized social space and the participation of two or more individuals corresponding to each other (Simmel, 1996: 419). Another classic of German sociology, F. Tonnies, finds a reason of social cohesion between people in their general "swell". That is, the motivation for social interaction and the construction of various forms of social life comes from the will of individuals, based on the instincts, feelings, the allover requirements, in one case and, their inspiration to achieve some specific common goal, in another case, and in the third case natural forces (the land treatment, cohabitation, etc.). In his work "Community and Society," he identifies two types of such will and, accordingly, two types of social groups. There is community on the basis of an "essential will"; The other will is the "arbitrary will": An actor sees a social grouping as a means to further his individual goals; so it is purposive and future-oriented that's called society. [Tonnies, 2002: 98-113]. Tonnies associated the process of socialization (self-organization) and the formation of society with the formation of rationality.

In the course of social interaction, each individual is being affected by the meaningful action of others, that is, there is an exchange of actions, which, above all, are oriented towards others. According to M. Weber's theory of social action, this orientation is called "expectation." Steady expectations are leading to the formation of "common social" structures, such as: unions, organizations, the state, etc., that is, structures where the individual could be able to focus on and orient himself in his actions, expecting a certain reaction from them. To Weber's concept, in accordance with this dynamic processes are closely linked to the theory of social action, where the problem of self-organization is a stable interchange of actions, consisting of a set of rational, motivated interactions of individuals that lead to the formation of socially shared structures.

In addition, as T. Parsons observes, in Weber's theory there is one more system-formed aspect of the action, namely, what could be called "ways of expressing" values. In Weber's studies this aspect is analyzed in the context of the normative orientation of the individual with regard to the choice of goals and means of action. Thus, it is obvious that in classical German sociology, the process of self-organization can be considered as the process of the formation of structures through a system of sustainable rational interactions of subjects, meaning a system of mutually conditioned actions that are related to the actions of other people and are oriented toward them. There is an essential difference between the views of the classics of German sociology and representatives of positivism that concept self-organization is more social in nature, it is oriented toward others, and therefore the process of self-organization is determined from the outside, while positivists are more focused on internal factors. Ideas on the semantic nature and value conditioning of social action, were further developed in the sociology of T. Parsons. In his theory, he shares M. Weber's idea that getting each other is the basis for interaction, becomes possible just if there are common moral values. Parsons believed that morality is the most important source of social self-movement. In his work "The Structure of Social Action," he notes that it is the system of moral values shared by people that allows them to integrate into a society that at the next stage appears to be represented in the interaction of social institutions [Parsons, 2000]. Social institutions ensure the equilibrium state of the social system. Any social system, and, above all, society, has a sufficient level of internal orderliness, where is achieved mainly through the integration of social institutions. Parson wrote: "Obviously that any social system is neither fully integrated nor completely disintegrated. There is the most important source of self-organization should be sought it is out of integrated sectors where institutional roles do not allow us to act in accordance with expectations, or a predisposition as an institutionalized expectations impede the satisfaction of needs, or where safety mechanisms do not relieve stress" [Parsons, 2000 : 196-198].

Essentially, the main content of Parsons's work is the accumulation of ideas, characteristic of the classics of evolutionism and representatives of German sociology. However, the sociologist saw the cause of the systemic ordering in the system, but not in the actions of its individual parts. That is, in his works Parsons focuses on the conditions and sources of order that are explained through the functionality of the social system, but not on the causes of social order. Parsons consider that self-regulation processes are functioning in society, that due to the interaction of functional subsystems (economic, political, social, law, culture) and the fulfillment of their functional requirements (adaptation, goal-setting, sample maintenance, integration) in their various forms and options provide for the birth and preservation of order in society. The final conclusion of T. Parsons is that society is a self-regulating system, the integrity is maintained through the interaction of interdependent functional subsystems that create conditions for the development of society as a whole. The very development of society has been accompanied by continuous processes of complication, growth of adaptive capacity for the environment and conscious control over the behavior of the individual from the structures of society. With this understanding and considering society as a self-organizing system, according to the theory of Parsons, there are two sources of self-organization: external stimuli (the environment) and internal activity (the structural elements and personality). At the same time, the structural elements of society, being the product of the self-organization of individuals, serve as an external factor in relation to the creative activity and will of the individual, and generally occupies the secondary place in this process. In some manner, almost all the next sociological theories underline the "dualism of relations" of structure and action.

Modern sociology identifies the various origins of the self-organization process, which can give rise to the further classification. So it's an interesting viewpoint that depending on the role the self-organization plays for the system, there are destructive (protest) and constructive (positive) self-organization. On these positions there are representatives of the theory of relative deprivation: T. Garr., D. Davis, L. Killian, N. Smelser, etc. Although, that's pretty much Parsons said: "...the most important source of self-organization is outside the integrated sectors where there is no way to satisfy their needs " Therefore ,we should all agree that self-organization is where crisis situations take place, i.e. there and then, where the system is not quite effective and is not able to provide satisfaction of needs, order or solve problems. However, to our mind, the so-called mobilization approach covers much larger arrays with the theory of self-organization. Representatives of this approach are:K. Wilson, K. Jeniks, M. Zalit, J. McCartney, Maxim, A. Obershol, and others, focus on the resources and mobilization opportunities of self-organizing structures (groups, organizations, etc.) as the decisive factors for their occurrence. Well, sure, it worth remarking that a close inspection of this approach, all the same structural and functional bases are included [Kozyrev M.S., Maslikov V.A., Medvedeva N.V. Frolova E.V., 2016: pp. 3589-3598].

Thus, the problem of self-organization in sociology rests on a well-developed theoretical basis. The most significant role to get the causes and course of social development, despite the existing insufficiency, might be the concept of evolutionism. Recognizing the objectivity of social development, evolutionists regarded man as the main source of dynamic processes, in him they saw the objective and subjective causes of self-organization. Developing the ideas of the classics of evolutionism neo-evolutionists come to a new level of getting of the processes of social development. According to their concept, the main source of dynamic processes is the collective communities (structures), it is they who lead to the ordering of the social system and create conditions for the self-organization of individuals through stable interactions. This understanding of the production of social structures and society as a whole contributes is conducive to the consideration of the process of self-organization on two levels of social reality: the first is the level of individuals and the second is the level of social communities. At the first level of self-organization, we consider the interaction of individual individuals or individuals with specific social communities (groups, organizations, society, etc.), where individuals are as active agents oriented in their activity to social structures and institutions, but not as passive objects or completely autonomous entities. At the second level of self-organization we consider the interaction of the social communities among themselves, where social communities are interpreted as really existing structures and institutions, but not as simple combination. The necessity and ability to achieve one's goals and respond to the needs of interaction is a fundamental prerequisite for the emergence and existence of a first-level self-organization. Proceeding from this premise there is a certain psychological aspect. The individual enters freely into interaction with social subjects, another individuals, groups, organizations, social institutions, and expects to obtain a useful result that would correspond to his goals or needs. Generally, self-organization of the first level is possible just as long as the subjects of interaction believe that the reward received in the process of interaction is greater than their contribution.

3. CONCLUSION

The fundamental limitation of the psychological approach is that the sociological aspect of self-organization is not taken into account. It's about the interaction, then there must be mandatory standards for all participants in the interaction must be there. Such standards are the product of social communities that determine the behavior of the participants in the interaction, turning them into social individuals.

There are moral postulates, social values, norms, traditions, customs and other social regulators, rationally accepted and approved by the subjects of interaction as such standards. Thereby, like-minded groups, social structures are formed, that are the source of orderly self-organization - as self-organization of the second level. Thus, it should be noted that, whatever the psychological or sociological aspect of self-organization is considered, there is always a desire to be self-organizing as a rationally motivated choice of the subject. In the first case, rationality is characterized by a clear awareness of the interacting subjects of their benefits (values, needs, interests), in the second it's characterized by conscious and free acceptance of public standards (normative and value). That is, the choice of self-organization as a method of action is made on the basis of assessing their effectiveness in achieving the goal or representation of public debt. A desire to be self-organizing arises through the appropriateness of the selected means, which are joint actions and the perception of them as a cultural pattern of behavior.

In the first case, rationality is characterized by a clear awareness of the interacting subjects of their benefits (values, needs, interests), in the second – by conscious and free acceptance of public (normative and value) standards. That is, the choice of self-organization as a method of action is made on the basis of assessing their effectiveness in achieving the goal or representation of public debt. Thus, without detailing the levels of the process, self-organization is a set of rational, stable interactions aimed at "structuring" social processes or ordering the social system as a whole. Taking all of the above into consideration, it should be noted that the view of self-organization and its problems as a sustainable interaction based on rational choice is more practice-oriented and promotes the development of the concept of managed self-organization. Such a scientific approach allows us to raise the questions of the generation of self-organizing entities at various levels of social interaction, of ways of finding the desired ways of development, of the correct combination of organization and self-organization. Also, such a vision of the problems of self-organization corresponds to the tendency to create a fundamentally new system for regulating public relations based on a broad and integrated introduction into the social practice of fundamental and applied conclusions of the humanities.

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SOCIOCULTURAL INTERACTION OF FOREIGN STUDENTS

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ABSTRACT

The concept of global education assumes the transformation of the foreign students training system the given study who are able to lead a process of intercultural cooperation based on sociocultural interaction and communication, taking into account the theory and practice of intercultural education, which determines the relevance of the study presented. It is noted that successful sociocultural interaction presupposes the ability to interpret the behavior of representatives of intercultural adequately, as well as the willingness of participants in interaction to perceive another form of behavior, to understand its differences and vary from culture to culture. The conclusion is made that the socio-cultural interaction of foreign students promotes dialogue not only at the level of individuals, but also predetermines the willingness and ability of foreign students to conduct a dialogue of cultures within the framework of intercultural cooperation.

Keywords: *intercultural education, sociocultural interaction, foreign students, international educational space*

1. INTRODUCTION

Higher professional education of Russia develops under new conditions, on the basis of the concept of global education, the tendency of integration into the international educational space and modernization of the experience of intercultural cooperation of Russian universities (O.V. Arsenyeva, V.I. Bidenko, A.I. Vroeinstein, A.П. Liferov, G.A. Lukichev, G.N. Motova, V.V. Ryabov and others). When studying new trends in the world education system, it was revealed that "Russia's accession to the Bologna process meets the challenges of modernizing the national education, integrating it into the world educational space, and the political and civilized choice of Russia" (Ryabov, Pishchulin & Ananishnev, 2004). Following V.V. Ryabov believes that the transformation of the system of preparing students for the international educational space is also incomplete, therefore, this research in this direction is topical.

2. METHODOLOGY

Relying on the pedagogical principles of the development of the personality and theoretical positions in the field of pedagogical anthropology, we tried to present the intercultural education in the study as the identification of the experience of scientific and socio-cultural activity in the conditions of the international educational space. Here the choice of values is conditioned by the specific pedagogical context (ie the type of international cultural and leisure institutions and educational institutions, the national and historical and cultural features of the inosocium, the priorities for the formation and development of the scientific community in it, and contain a certain normativity, the rules of scientific and pedagogical activity).

In the study, the type of intercultural education is derived from an analysis of the original sources on the theory and practice of education that existed and exists in European pedagogy (H. Aebli, Th. Ballauff, G. Becker, V. Berning, U. Blankertz, F. Carlgren et al.) (Carlgren, 1990). It is necessary to emphasize the importance of studying the process of formation of the scientific and interactive culture of the personality of the foreign student, the value and depth of his views in the field of intercultural. As the student youth who study according to the programs of the humanitarian, socio-economic and technical profile, as shown by the studies conducted, do not have sufficient knowledge of intercultural, this creates the problem of mutual adaptation and unification of the national cultures of education of two or more states in the design and organization of an integral pedagogical process. Consequently, in our opinion, the problem of sociocultural interaction and intercultural cooperation of student youth is unresolved both in pedagogical science and in practice.

The concept of global education determines the transformation of the training system for foreign students who are able to conduct a holistic process of intercultural cooperation and scientific work based on sociocultural interaction and communication, taking into account the theory and practice of intercultural education. In the works of I.P. Andriadi, Yu.K. Babansky, E.A. Bodina, A.L. Busyginoy, V.A. Slastenina the problem of the formation of the professional culture of the teacher is considered (Andriadi, 1999). A number of specialists (V.I. Zagvyazinsky, V.V. Kraevsky, B.T. Likhachev, V.G. Onushkin, and others) examine the provisions that reveal general questions of the methodology of pedagogical science and the conceptual apparatus of pedagogy (Zagvyazinsky, 2004). Based on the analysis of scientific and pedagogical literature on the problem of the formation of the professional culture of the teacher, the principles laid down in the basis of the training of a teacher of a higher professional school for intercultural cooperation are established:

- scientific, characterized by the processes of integration and differentiation;
- humanization, which focuses on the unity of the social, moral, general cultural and professional development of the individual;
- the relationship between fundamentality and practice-oriented content aimed at solving the theoretical and methodological and applied problems of pedagogical science;
- culturality, which allows to differentiate the content necessary for self-determination in the context of world and national pedagogical culture;
- integrity and modularity, which presuppose not only ensuring the unity of all branches of pedagogical science, the continuity of its ideas, interrelation with other sciences, but also the identification of logical units of the content of pedagogical science.

3. RESULTS

The analysis of the above mentioned pedagogical developments on the methodology and methodology of pedagogical research has made it possible to determine the significant units of the structure and content of the training of foreign students, which provide an adequate process of socio-cultural interaction and intercultural cooperation in the international activity of non-linguistic universities (Apanasyuk, 2013, Kireeva & Pridanova M.V., 2016). These are units of a special culture of an international student in the field of intercultural research, which are marked taking into account the problems of this work:

- scientific research and pedagogical research, methodology of pedagogical research, methodological culture of the teacher;
- typology of scientific research in culturology (applied, developmental design);
- the main elements of the study;
- research methods, selection and application of research methods;
- registration of the results of pedagogical research;

- introduction of the theory of socio-cultural activities in the practice of the higher vocational school: problematic theoretical seminars (talks, debates, discourses, meetings with compatriots), theoretical and methodological conferences, scientific and practical seminars, research activities of foreign students, study, synthesis and dissemination experience of socio-cultural interaction and intercultural cooperation (Apanasyuk, 2013; Smirnova, 2016).

According to the conceptual foundations of this study, the above units of methodological and methodological research culture are mastered by foreign students on the basis of analysis of domestic and foreign literature, also in the process of generalizing the experience of intercultural cooperation. This setting allows foreign students to form an integral system of relations with the interculture of education. In the course of the generalization of the scientific literature, the characteristics and structure of the whole pedagogical process were revealed: the essence of the holistic pedagogical process as "the process realizing the goals of education and upbringing in the conditions of pedagogical systems" (Kodzhaspirova, 2005), the essence of educational and processes, content, methods and tools, forms of organization of an integral pedagogical process (a pupil in the educational interaction, a teacher and an individual style of his activity).

Based on the above definition, we attempted to characterize the essence of the holistic pedagogical process and scientific work within the framework of this study as a process that realizes the goals of socio-cultural activities and education in the context of the unification of pedagogical systems. Accordingly, it is necessary to conduct additional research on the characteristics and structure of the whole pedagogical process in the conditions of university vocational education, to determine the essence of educational and educational processes, the specific content, appropriate methods, means and forms of organization of intercultural cooperation, to characterize the subjects of the whole pedagogical process (foreign students in the educational-interaction, a teacher of a non-linguistic high school and an individual style its social and cultural activities).

When studying the theory of the activity approach to teaching and education (L.S. Vygotsky, M.S. Kagan, A.N. Leontiev, A.V. Petrovsky, P.I. Pikadasisty, S.D. Smirnov, etc.) was the concept of the reproducing and creative activity of the trainees as components of the whole educational process has been singled out, the dialectical unity of reproduction and creativity in the activity of the trainee has been revealed (Vygotsky, 2000). The ways of the analysis of the process of social and cultural activity of trainees, which are of special interest in the design and organization of holistic intercultural cooperation, are revealed: the content and volume of cognition, the available level of knowledge, abilities and intellectual development of the trainee, the logic of the educational process.

In addition, there were established didactic bases for the classification of independent works in the organization of socio-cultural interaction, types of independent work (independent work on the model, reconstructive independent work, variable independent work on the application of concepts of science, creative independent work), which allowed in the study to structure the reproductive and creative activity of trainees. A qualitative didactic analysis of the structural elements of the student's activity was also singled out. When studying the theory of the activity approach, the essence of independent work was defined as "a means of organizing and executing certain activities by trainees in accordance with the goal ... under the condition of mastering the methods of science and scientific cognition" (Pidkasisty, 1972).

It is known that independent work predominates in the foreign theory and practice of training (Ryabov, 2004), therefore it is of special interest for us. In the studies of S.A. Arkhangelsky, V.S. Bezrukova, V.P. Bepalko, N.F. Talyzina, Yu.K. Chernova, P.A. Yucavichene the conceptual basis for modeling and designing the pedagogical process were defined (Bespalko, 1989). Based on the analysis of the above mentioned studies, the objects of pedagogical design were identified in the organization of socio-cultural interaction: the pedagogical system, pedagogical processes, pedagogical situations (Bezrukova, 1996). Next, the order of actions related to their design was established: preparatory work, project development, quality control of the project.

4. DISCUSSION In the course of the analysis of scientific and pedagogical sources, the organizational and pedagogical foundations of the invariant preparation of student youth have been revealed. It is established that it is necessary to raise the level of invariant preparation of foreign students, who, in turn, can be future specialists of a non-language profile. It was determined that "the professional competence of a teacher of a higher professional school is a system consisting of a conceptual and deep specific specialization in specific sciences, free orientation in invariant areas of knowledge (also in theory and methodology of socio-cultural activity), possession of communicative technology, and possessing a high creative and moral potentials" (Busygina, 2000). Nevertheless, the above-mentioned sources more often define the conceptual provisions, structure, content and methods of pedagogical systems in the context of the national culture of education, outside its integration into the international educational space.

Analytical review of the work on the variability of pedagogical technologies (N.F. Talyzina, P.Ya. Galperin, V.A. Slastenin, G.M. Kodzhaspirova, N.A. Gorlova, V.V. Davydov, V.K. Dyachenko, V.M. Monakhov, T.N. Ivanova, M.P. Sibirskaya, Yu.K. Chernova, P.A. Yutsavichene, etc.) made it possible to identify the essence and define the concept of pedagogical technology as "a set of actions, operations and procedures, providing a diagnosed and predictable result" (Slastenin & Podymova, 1997; Gorlova, 2004). In the course of the study of the essence of pedagogical technology, the criteria for manufacturability (conceptuality, system, controllability, efficiency, reproducibility) are established, the provision on the necessity of scientific justification of pedagogical technologies (philosophical, psychological, from the point of view of socio-pedagogical concepts of assimilation of experience). The sources and classification of pedagogical technologies (reproductive, productive, algorithmic, differentiation and integration) that are important in solving the problem of this study are determined. The principles of pedagogical technology, which have special significance in the theory and practice of socio-cultural activity, are revealed: the pedagogical tact, the hidden pedagogical position, the variety of forms and means of communication, the dynamics and dialectics of the pedagogical demand, the orientation toward the formation of cooperative relations, the mutual disclosure of the personality of the teacher and the trainee's personality. The study of the theoretical foundations of designing and modeling the pedagogical process in the system of university vocational education made it possible to determine the leading principles of the education of foreign students: the scientific, humanization, the relationship of fundamentality with practice-oriented content, culture, integrity and modularity. A special role in the study is played by works in the field of theory and methodology of teaching Russian as a foreign language (T.N. Astafurova, A.V. Volovik, N.A. Gorlova, E.Y. Dolmatovskaya, N.B. Ishkhanyan, A.A. Leont'ev, E.I. Passov, V.V. Safonova, E.N. Solovova, I.I. Khaleeva, Sheiles J., etc.), as actual studies of the intercultural experience of interaction and communication, giving guidance in the original scientific-didactic developments, and constructive information for pedagogical creativity under conditions of interculture are impossible without learning foreign languages (Sheiles, 1995).

During the generalization of the scientific literature, the principles for the preparation of foreign students in the context of the dialogue of cultures and civilizations, the sociocultural approach in teaching foreign languages (Safonova, 1991), the goals, methods and means of teaching at the present stage were revealed. In determining socio-cultural approaches in the education of foreign students, the need to form an intercultural communicative competence based on an integrative-reflexive approach (Solovova, 2002) is identified. The paper also used the basics of contextual, communicative-pragmatic and communicative-activity approaches (A.A. Verbitsky, V.V. Passov, Sheiles J., etc.) (Passow, 1989), which allowed us to identify the main goal of teaching the Russian language as Foreign as the formation of intercultural communicative competence. Among its components, we emphasize sociocultural competence, strategic competence, discursive competence. Dedicated components in our opinion can become a priority in the design and organization of a holistic intercultural process of cooperation in the context of intercultural education. The formation of a sociocultural competence facilitates dialogue not only at the level of individuals, but also predetermines the willingness and ability of foreign students to conduct a dialogue of cultures within the framework of intercultural cooperation. E.N. Solovova notes that "the dialogue of cultures implies knowledge of one's own culture and culture of the country or countries of residence" (Solovova, 2002).

5. CONCLUSION

It should be noted that to solve intercultural problems and communication tasks, when designing and organizing a holistic process of integrative cooperation, only knowledge of a culturological nature is not enough. It is necessary to reach a level of strategic and discursive competence. The latter include the formation of skills in organizing speech, the ability to build it logically, consistently and convincingly, set communicative tasks and achieve the goal, including intercultural communication. An analysis of scientific and pedagogical literature has shown that the problem of socio-cultural interaction and intercultural cooperation of student youth is being developed in the research of modern scientists, and its further study seems relevant. At the same time, there are rare developments on the problem of foreign studies on the national culture of education are more common, types of culture are determined. Less common are studies on the integration of domestic and foreign education cultures, which ensure the integrity of the intercultural scientific and pedagogical process and scientific work in the higher professional school.

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SOCIAL PARTNERSHIP IN THE CORRELATION OF THE LIFE SITUATION OF DISABLED PEOPLE IN CONTEMPORARY RUSSIA: EXPECTATIONS AND REALITIES

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ABSTRACT

The study aim is to identify the main resources of the institutionalization of social partnership and to reveal the potential of this social mechanism. Enhanced understanding will allow you to define a new ideology of social cohesion and mutual social responsibility. The different actors involved in the correlation of the living space of persons with disabilities. The subject of the research involves the study of risks and barriers in the interactions. More specifically, a dedicated group of wheelchair users. These are people with significant limitations in the possibilities of life, often with preserved intellectual sphere. Their expectations, possibilities, ways of adaptation to the environment very expressive show strong and weak sides of the social partnership. Applied in the study factor analysis has allowed to identify the indicators weights of the different parties interact and to identify possible ways of overcoming social barriers. Methods in-depth interviews revealed the perspectives of enhancing the life attitudes of wheelchair users, their adaptive behavior and ways to improve their effectiveness. Expert assessment has helped to identify the pain points of interactions public organizations, business and state structures in the context of social partnership. The authors drew conclusions and made practical suggestions for the correlation of the life situation of people with disabilities in modern Russia.

Keywords: *social partnership, social interaction, social responsibility, people with disabilities, correlation situation*

1. INTRODUCTION

The idea of social partnership goes back more than ten years. Traditionally until the late twentieth century, this term meant the joint work between employers and employees through trade unions. Today, the Social partnership is understood much broader, although the concept is not completely solved. The process of institutionalization of social partnership involves the definition of objects and subjects, mechanisms and technologies of interaction, and most importantly – goals, objectives and ideology of social partnership, its value in the modern world. Social partnership is not only a redistribution of resources to address social problems, but also the way to effective state based on social cohesion and expands social connections. It is possible to realize own responsibility for human ills, have different opportunities to assist, different ideas about the nature of social problems. Despite these differences and contradictions, cooperation is possible, and most importantly – necessary. It should be emphasized that the literature clearly underestimated the subjectivity of the individual or social groups in whose interests is social partnership.

Based on these methodological assumptions, defined the object of study – the subjects involved in the system of social partnership, aimed at mapping the life situation of people with disabilities in contemporary Russia. Correlation means the interdependence of individual behavior of the respondents and their expectations in relation to the partners with whom they interact. As a subject of study risks and barriers to interaction and their influence on the choice behavior of people with disabilities. The study was conducted on the example of wheelchair users of people with serious limitations in the possibilities of life, but to preserve the intellectual and psycho-emotional sphere. The purpose of the study was to identify favorable conditions positions of persons, in the methods of the stroller socio-cultural socialization and involvement in Social partnership with the various actors in the interaction. In this article the focus is on the leisure time of persons with disabilities, as the basis of socio-cultural socialization and advancement of people with disabilities. This sphere of integration of people with disabilities in recent years very actively develops. In turn, this is where the most obvious strengths and weaknesses of the social partnership.

2. METHODOLOGY

The research methodology included a survey procedure, implemented in the form of an online questionnaire. Overall, the study was organized by the available sample. Sampling of this kind due to the fact that the main objectives of the study are not typical for social groups of wheelchair users. This task will require the achievement of representativeness. This study aimed at studying the processes and some elements of the institutional framework of the cultural socialization of wheelchair users. This means that the task of achieving representativeness in this case was not raised. The results of the survey are processed using the method of factor analysis allowed to determine the weight ratios of the various parties interact and to identify possible ways of overcoming social barriers. Applied research method in-depth interviews showed the potential to improve attitudes of wheelchair users, their adaptive behavior and ways to improve their effectiveness. Method of expert estimations allowed defining the main problems of interaction of public organizations, business and state structures in the context of social partnership. Research methodology included conducting a survey of procedural implemented in the form of online questionnaires. Overall, the study was organized by the sample available. Sampling of this kind is justified by the fact that the main objectives of the study are not characteristic of the social group of disabled people in wheelchairs. Such a task would require the achievement of representativeness. This study is aimed at studying processes and some elements of the institutional framework of the cultural socialization of wheelchair users. This means that the task of achieving representativeness in this case was not raised. The survey results are processed by the method of factor analysis has allowed to identify the indicators weights of the different parties interact and to identify possible ways of overcoming social barriers. Applied research method in-depth interviewing has shown promise of enhancing the life attitudes of wheelchair users, their adaptive behavior and ways to improve their effectiveness. The method of expert evaluations gave an opportunity to identify the main problems in interactions of public organizations, business and state structures in the context of social partnership.

3. THE RESULTS OF THE STUDY

In the online survey included 274 respondents. The sample included wheelchair users living in Russia. Among them residents of Moscow and St. Petersburg 43,8%; provincial or regional centers of 25.9%; the inhabitants of small towns (but not regional centers) – 12,4%; villages – 17,9%. men – 47.1 per cent; female - 52.9 per cent. The level of material wealth (measured based on self-assessment of respondents) respondents were divided as follows:

- I consider myself, in General, wealthy people – 10,9%;

- Do not consider themselves, in General, wealthy people – 61,7%;
- It's difficult to determine your security status is 27,4%.

In General, the survey involved a relatively prosperous group (on the background of Russia's total). People, who could take part in the online survey, i.e. have computers and access to the Internet. The results of the survey identified five factor groups.

The first group is wheelchair users, young age (18-29 years), most of whom live in small towns and rural settlements. This index is correlated with a low opinion of real and potential capabilities of all social institutions to solve the problems of the disabled, or radically improve their life situation in General. Estimated value of the share of this subgroup in the total number surveyed is around 35.5%.

The second group believes that the real existing possibilities of carrying out desired leisure small. They have a wealth of average and below average and not very positive about his emotional and psychological state. They tend to believe that NGOs are able to make some contribution to the solution of problems of persons with disabilities. To improve your and General provisions of the disabled are willing to personally write to go to court. Thus, these indicators are correlated with a more active social position of persons with disabilities. Estimated value of the share of this subgroup is approximately 14% per cent.

The third group is wheelchair-bound, middle-and older-middle-aged (30-59 years old) sharing a high opinion about the real contribution of the Federal Executive authorities in solving their problems. For this group significant is the opportunity to spend long vacations as we would like – and on vacation, and every day. However, the position of the group as a whole is rather passive. The proportion of this subgroup is about 11.8%.

The fourth group includes mainly women, practicing active forms of adaptation (those who, responding to a question, chose the answer "Have to "spin" take any job", "can't use new features"). These respondents are quite skeptical of institutionalized activity of disabled people, aimed at improving your and General provisions. In particular, the low estimated willingness to unite in public or political organizations to protect their rights or to go to work in the government. For members of the described group of wheelchair users is characterized by the average and below average the opportunity to realize themselves in the profession and the educational opportunities. They give a low estimate of the actual contributions of entrepreneurs in solving problems and improving the quality of life of wheelchair users. However, wheelchair users in this group tend to actively types of adaptive economic behavior. The proportion of this subgroup is about 9.5% per cent.

The fifth is the group of women, not seeking self-actualization in the profession, but showing institutional activity. This group is characterized by a wait and see position. Their goal is to strengthen the position of the state. Its institutional activity, participation in the work of public organizations, aimed at strengthening the role of the state in the correlation position in life of persons with disabilities. This is a pretty typical position, reflecting the installation of many wheelchair users, although the study sample it was about 6% per cent.

Grand total: overall for the majority of wheelchair users characterized by a moderate social activity. The assessment of actual and potential partners in solving their problems rather skeptical.

However, it is necessary to consider in more detail the issues of interaction of a social group of wheelchair users with designated groups and institutions as it may not be the only institutional framework, but also the factor of "accelerator" development of the leisure sector. The table shows the distribution of responses of wheelchair users, showing their opinion on what contribution different occupational or status groups in dealing with problems of this social group. These data allow us to characterize the capacity of the respective groups in a designated area.

Table. 1. The real and potential contribution of representatives of various groups in the decision of problems of invalids

The real contribution to date (share of respondents, %)			The list of groups	The possible contribution (share of respondents, %)		
Tangible	Small	Useless		Tangible	Small	Useless
6,6	71,5	21,9	Entrepreneurs	94,5	5,5	0,0
0,0	83,6	16,4	Municipal authority	72,6	10,9	16,4
0,0	83,6	16,4	Federal executive	83,6	16,4	0,0
5,5	72,6	21,9	Deputes of local legislative assemblies	83,6	5,5	10,9
4,7	62,4	32,8	Deputies of the State Duma	83,6	16,4	0,0
7,7	75,9	16,4	Regional executive power	72,6	10,9	16,4
31,0	52,6	16,4	Public organizations	72,6	27,4	0,0

The data show that on real cases "palm" hold public organization, in spite of their more than modest organizational, material and financial resources. Not far behind the bodies of regional authorities. The representatives of the two institutions, currently make the greatest contribution to the correction of the life situation of disabled persons in wheelchairs. Completing the list of elected officials at the Federal level – as the least efficient helpers in solving problems of persons with disabilities.

In-depth interviews conducted with the wheelchair, was directed at clarifying expectations, opportunities, ways of adaptation to the environment. Interviews were conducted with two groups of wheelchair users: active and passive (1 N - 25, N -2 – 25). Prefer Active forms of leisure activities: Internet, walking, including off-site (country), visits to exhibitions, museums, playing sports, traveling, playing sports. Limited to the passive viewing of TV programs and TV films, walks near the house, visiting relatives, but communication on the Internet also has meaning to them. The interview questions were formalized and non-formalized.

To the question: "What is the role of cultural socialization and self-identification of persons with special needs?" active gave the following answers. Active believe this is an opportunity of self-realization (60%), increases the General level of culture and education (56%), facilitates opportunities in education, including professional (48%), helps in communication (60%). Passive said that it helps in communicating with others (40%), and 60% were undecided. However, the responses to the question about the barriers to integration of persons with disabilities namely passive showed the highest activity: the low level of funding (72%), inaccessible environment (72%), unwillingness of the population to accept disabled people as equal (64%), poor health and health disabled persons themselves (60%), the government is not too interested in the activity of disabled people (48%), lack of trained personnel (36%) and lack of special programs addressed to disabled persons (36%).

Active disabled people called the 4 obstacles: the lack of accessibility (particularly educational institutions and cultural organizations) – 88%; unwillingness of the population to the perception of disabled people as equal (56%), not enough professionals willing to work with people with disabilities of different nosologies (56%), passivity of disabled people (40%). According to passive persons with disabilities, the success or failure of integration depend on government support (76%), accessibility (72%). Active isolated sequence of state support (72%), improving the legislative base (68%), activity of PWD – 60%).

This is not an exhaustive summary of the interviews shows that the positions of active and passive wheelchair users, a notable difference. But assessing the obstacles, they give similar assessment. This fact should be taken into account for the development of partnerships and enhance the position of disabled people. As you can see, the results of interviewing are correlated with the results of the online survey.

During the expert survey investigated the problems of interactions of various actors. The experts were selected representatives of public organizations representing the invalid organizations; heads of non-profit organizations working in the field of leisure and social tourism (paratourism), representatives of municipal authorities, practices that implement the technology of socio-cultural socialization of people with disabilities, and scientists studying this experience. Assessing the risks and barriers to social partnership, they first put the undeveloped mechanisms of interaction, the gaps in the legislative framework, problems in the financing of their activities associated with the installation separately, lack or low degree of knowledge of the mechanisms of co financing of mutually beneficial partnerships, etc. are Noted socio-cultural and socio-psychological factors that hinder the development of partnerships: the readiness of society to perceive people with disabilities as equal and unwillingness to work together in the most different spheres of life. Finally, one of the most important reasons cited reluctance of disabled people to active life position.

These issues are being actively discussed in the scientific literature. Methodologically, the development of the concept is based on the works of Durkheim (social solidarity), M. Weber (the idea of rational behavior and its adaptation to the constellation of interests), P. A. Sorokin (the interaction of complex social systems). Currently abroad are highlighted in the works of scholars such as E. Gellner, John. Keane, John. Cohen, O. Encarnacion and others who study mainly the problems of development of civil society institutions [9, 12, 4, 16].

In modern Russian science the problems of social partnership are studied in different contexts: O. A. Anikeeva (in the context of social cohesion) [1], I.e. Demidova (in the context of the implementation of social policy in modern Russia) [5] D. V. Zaitsev (in the context of social work) [20], V. A. Mikheev (in the context of labor relations) [15] A. A. Yakovlev (the interaction with the non-profit sector in the social sphere) [19]. The issues of institutionalization of social partnership, its strengths and weaknesses, the mechanisms of interagency cooperation in the Russian reality are studied in the works of A. G. Antip'eva, G. P. Arakelova, S. A. Ivanova, E. M. Osipova, E. V. Fehtel [2, 3, 10, 16, 17, 7].

Methodological aspects of the problem in the solution of social problems based on the concepts of transversality studies M.V. Firsov. This concept gives you the opportunity to look at the problems of social partnership in the context of complex social interactions that correlate the expected results. It should be noted the study in the scientific literature of training to perform professional functions [14, 13, 18].

4. CONCLUSION

Theoretical study of issues of social partnership and increasing the position of the subjects of this partnership, especially persons with disabilities themselves, has made good progress in recent years. However, left many issues unexamined. Social policy and practice should be based on ideology (concept) mutual responsibility, in which defined zones of action of all parties and mechanisms of interaction. However, this problem is not solved yet. For this reason, there are many barriers of interactions, including those based on mistrust of partners to each other. A lot of the unchanged and not stacked issues in the legal field. As a consequence of the model of adaptive behavior of persons with disabilities in General are quite passive. Active people in this group are rare. It was extremely difficult given such an active life. Ways of overcoming these barriers lie both in theory and in practice. In theory should be more closely and deeply to engage in the development of relevant multilateral (transversal) concepts of interaction and ideologies of consent and responsibility. You should also study the experience of effective partnership in changing the life situation of persons with disabilities and to make it widely known and available. In practice, there is a need to fulfill the experience on the level of technology and to ensure that this experience can be replicated. For the disabled a large role can play as information support in the legal field, and in respect of different subjects of social partnership. This can be information about opportunities and resources partners, on current technology, ongoing programs and projects, as well as the conditions of inclusion in these programs. Experience of research of the problem shows that the conductive recent years, Russia has undergone significant changes, but there are still many unresolved issues.

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RESEARCH ON TRANSFORMATION PROCESSES OF MODERN MANAGEMENT MODELS

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ABSTRACT

The purpose of the article is to analyse modern management models in their dynamics, to identify management prospects in context of development of knowledge-based societies. The authors through methods of socio-philosophical analysis: comparative method, systemic and dialectical approaches, hermeneutical method conduct the research on determinants' fundamental transformations of modern management models in the information society at the stage of transition to knowledge societies. Based on tendency of trends in knowledge structure research, mechanisms of reproduction, distribution, exchange, storage and consumption of socially significant information, the authors identify a number of new trends in modern management models: a significant increase in the role of innovative solutions, an increase in the number of synergistic effects, and as a result, an increase in unpredictability in management processes, the growing importance of emergence in management, a dramatic increase in the dependence of successful management on the image component and skills with technology of "soft power", increasing risks of the usage of new information technologies in management. The trends of changing the nature of management identified are universal and can be employed in the development of management models in various areas of social life.

Keywords: *management models, knowledge societies, innovations, emergence, synergistic effects, technologies of "soft power", adaptive management*

1. INTRODUCTION

The formation of a new type of social relations within the framework of knowledge societies (Towards Knowledge Societies, 2005) leads to significant transformations in management models, the emergence of new methods and technologies that are natural for a new type of social relations. In up-to-date research, special attention is paid to the phenomenon of "knowledge", its distinction from "information", which causes the emergence of new factors in management processes (Archer M. S., 2015; Erstad O. & Kumpulainen, K. 2016; Stiglitz, J. E. & Greenwald, B.C., 2014; Castells M. & Himanen P., 2014; Orman, L. V., 2016; Kharchevnikov A.T., 2015). Change in the place and role of knowledge that generates value and becomes the determining economic factor (Lesser E., Lorens P. (2006)) leads to the emergence of new organizational structures within network enterprises, conglomerates that widely use virtual forms of relationships in management (Warner M., Witzel M., 2003; Benton D. A., 2012; Shekhar, S., 2016; Lema C., 2012; Cascio, W., 2012; Agoston, S. I. , 2014)). Based on cloud technologies the process of integrating smaller enterprises into large networked structures through the development of business on demand, which causes both new management capacities and new risks, due to the necessity of providing a larger structure with

confidential information (Cloud Computing: Assessing The Risks, 2012). Rise in the complexity of organizations makes new technologies in management based on computer modeling of adaptation processes of the organization and its evolutionary development by analogy with living systems be in demand. The emphasis is on the processes of self-organization, which causes an increase in the significance of emergent properties of the network organization as a complex system, the importance of synergistic effects arising in the course of its activities. New forms of management lead to the demand for such qualities of employees as the ability to produce innovations, generate non-standard, risky ideas, flexibility in decision-making, the breadth of approaches to the problem, expressed in the ability to involve material for solving it from seemingly distant areas of knowledge, the ability of mutual understanding and confidence (Hamel G. (2007), Florida R., 2014). Management processes involves mainstreaming diversity of the environment including economic, political, cultural, mental. Within information wars, which have a decisive impact on management processes, the technologies of "soft power" are in demand, the importance of the organization's image in the global information space dramatically increases. The success of social systems' management in present circumstances implies a systemic combination and correlation of the conditions and factors identified.

2. METHOD

Within the research methods of socio-philosophical analysis were implemented. When considering approaches to the interpretation of key concepts hermeneutical method was implemented. Systemic method was used when considering the functioning of new management models as a part of synergistic effects and emergence. The comparative approach enabled us to compare previously existing and newly emerged management models, to reveal common and distinct in their implementation. Dialectical method allowed to reveal the controversy of new approaches to management, their risk exposure.

3. DISCUSSION

Transformations of management models are closely connected with the changes in a modern society. The intensive development of information technology at the beginning of the 21st century put the transition from the information society to "knowledge societies" on the agenda. An analysis of the modern era and the rationale for the necessity to move towards "knowledge societies" was given in the UNESCO World Report "Towards Knowledge Societies" (Towards Knowledge Societies, 2005). Objective conditions for the transition of the information society to "knowledge societies" were formed by the end of the XX century. The emergence of the Global Internet in the second half of the XX century led to explosive information flows, which caused the phenomenon of "information shock" (Toffler A. ,1984). This in turn was the reason of heightened interest in the analysis of information, its essence and role in social development. During this period, information was considered as a sequence measure of the movement of code characters (Shannon, Claude E., 1971) or as a designation of a set of signals and data that are received and produced by a particular system in its interaction with the environment (Wiener, N., 1968). Information exchange intensity becomes the main attribute for determining social progress in any given country. At the end of the XX century to assess the dynamics of social development quantitative criteria were mainly used. Analysis of various approaches to the definition of the information society was carried out in a monograph (Webster F., 2014). It is clear from the analytical review that mainly quantitative criteria are presented: traffic intensity, development of communication networks, availability of information resources, etc. Quantitative approach to information as a value neutral resulted from the technical requirements of processing information flows by mathematical methods. The situation changed in the XXI century, when there appears requirement for a qualitative selection and information assessment.

This very period the concepts of "information" and "knowledge" are separated. Rather than information knowledge is data on reflection the outer world altering trends. These are selected, ordered and value-oriented data, which enable evaluation and impact analysis. The emergence of the concept "knowledge society" highlights the research on the structural components of knowledge. On the one hand, it is general, panhuman component, and on the other, its cultural-historical, axiological contents. Along with reasonable, established elements, knowledge has an implicit component (Polanyi M., 2009), which is essential to be taken into account while using. Depending on what was emphasized in the analysis of the knowledge structure: the general component (Bekhamm G., 2010) or sociocultural feature (Alekseeva I.Y., 2009; Osipov G.V., Kara-Murza S.G., 2012) the concept of the essence of "knowledge societies" was determined. In our opinion while analyzing the transformations of modern management models, it is necessary to start from systemic unity, universal, cultural-historical and implicitly-psychological elements of knowledge structure.

In the modern society, the mechanisms of reproduction, distribution, exchange, storage and consumption of socially significant information also change. Cloud computing plays an important role at the present stage of the society development. Capacity for innovation of cloud technologies is caused by the emergence of the possibility of rapid and high-quality exchange of large databases for unlimited distances. Content diversity, including high-resolution media content, allows to store, transfer, exchange information without restrictions in real time. Cloud computing allows to optimize economic processes, because it provides with universal network access to required content on demand. It is possible to configure resources for a specific order, which really increases the efficiency of their usage. The development of cloud computing is mainly caused by the evolution of business on demand, when the solution of the task of a specific consumer is transmitted by an Internet to server with the capabilities which manifold exceed the resources of the consumer. Based on specialized servers, a software deployment model that provides the required functionality depending on the needs of the customer is implemented. Access to the service itself is not complicated and does not require specialized training. The user denounces from purchasing the server and software in favour to lease the capacities. Along with the definite pioneer advantages of cloud computing, their usage also causes a number of problems due to necessity of transferring information to third parties, which requires to trust in the personnel of the server providing the services. The problem is not so much technical as psychological, since for the user the external server acts as a "black box", as the consumer does not know any of the employees who serve it, nor the management. As a result, the role of public image and reputation of the firm, that provides services in the field of cloud technologies, is growing. Efforts aimed at creating conviction of public opinion upon their competence and fairness are required.

Along with the transition of the information society to "knowledge societies" stage, the complexity of economic and social systems dramatically increases, approaching highly organized systems in wildlife. It is no coincidence that Bill Gates in his book "Business @ The Speed Of Thought" introduces the concept of the "electronic nervous system", thereby transferring anthropomorphic (human-oriented) characteristics onto the economy and the society in general (Gates B., 1999). Transition to a new stage in the development of the information society leads to an increase in the role of innovative solutions. A dramatic increase in competition in the economy, an increase of volatility and dynamism of the society produces the rapid obsolescence of existing knowledge and the demand for new ideas.

The ability to produce innovations requires the following conditions:

- The presence of a highly educated capable of self-education and new ideas generation workforce (Castells M., 2009).
- Increase in innovation capacity through dynamic involvement of broad socio-cultural context and tacit knowledge (Yagolkovsky S.R., 2011; Bono E.De., 2015).
- Presence of business culture, transparency in business relations. (Fukuyama F., 1996).
- Revolutionary changes in new information technologies stimulate the widespread transfer of network management forms into a virtual environment (Warner M., Witzel M., 2003).

Remote work, temporary personnel for a specific task lead to a breakdown of the stable relations between the manager and the performer. With no clear idea of the personality, character, individual characteristics of each other, the employee and employer in cyberspace take a chance to either misunderstand or overvalue each other, which in its turn causes the necessity to create an atmosphere of trust. The constantly growing super sophistication of network organizations generates synergistic effects connected with the instability of systems, which leads to inconsistency and volatility of human existence nowadays. Risks are becoming the determining factors of modern life. The emergence of modern information infrastructure leads to the tendency of faster innovation deployment to the market, increased competition, extremely short life of any product, including gadgets, which are replaced with new ones.

Together these processes generate high instability, risk exposure of the society. Risk is determined both by inner and external factors altogether. It arises from both the activity of people who chose alternative solutions and calculate the likelihood of the outcome, and the overall socioeconomic and sociocultural situation (Skorodumova O.B., et al., 2015). The risk exposure of modern society puts forward new requirements for management. The most effective becomes a flexible management system, common usage of decentralization, the role of personal initiative increases. On the basis of new information technologies, management methods are implemented on the principle of a distributed network, for which typical are decentralized methods of organizing labor and management. Among them stand out organizations with domestic markets, built on the principle of transition: from hierarchy to organizational networks. The network as an organizational form contains local networks of self-managed enterprises. System operation is carried out through cooperation between firms which combine into one network structure for the period of work on a given (specific) business project and change their networks when aims change.

The distinctive features of management network enterprise involve consolidation of elements of large corporations, small and medium businesses, research and project design organizations. For such type of consolidation is typical a flexible communication between the producer and the consumer, which is carried out in real time. The consumer comes to the fore, here his individual preferences are taken into account, including the features of the religious worldview, cultural orientations, the mentality and even personal preferences (Throsby D., 2012). The management of complex systems is based on the search for such small resonant effects that can push the system to the most natural and desired development path. Nonlinearity in management supposes the creative destruction of established structures for obtaining new constructive properties and the capabilities of a managed system. (Knyazeva E.N., Kurdyumov S.P., 2014). Synergetic effects leading to chaos in complex systems, actualize the need for new management methods, based on artificial neural networks and evolutionary modeling (Headleand, Ch.J., Teahan, W.J. Ap Cenydd L. (Eds). (2014)).

Management technologies based on evolutionary modeling and the usage of neural networks produce emergent qualities caused by the evolution of the organization and its connections with the external environment, such as: the ability to generate independently effective new forms of management and develop them taking into account new data, depending on the requirements to recombine existing structural elements in order to achieve the most effective result, to identify areas of weakness and dead-end, to cut them off or temporarily isolate.

Using the Internet as an information environment, self-learning systems are able to quickly process an increasing flow of new information and select the necessary solution of a specific task. With the growth of the number of relationships as a result of interaction with the Internet information environment, there is an emergence effect, i.e. rise of systemic qualities that are not determined by the properties of the elements within the system. A new type of management, based on adaptation of the system to the environment like a life form, is required. In business there is a new criterion for assessing the company's success, related to its ability to adopt and adaptation rate to the environment. Successful adaptation of a company increases its stability and vitality. Analysis of similar features in the evolution of complex systems, methods of their adaptation to the environment allows us to find general patterns that manifest themselves in biology, economics and sociology. Building of the adaptive company model allows to take into account the deep processes that were ignored by the generally accepted management systems (Meyer C. & Davis S., 2003). In adaptive management, the management structure is redesigned in such a way as to push the activity of ordinary employees in order them to produce new non-standard ideas and develop models for their implementation. On the basis of evolutionary modeling, such innovations can be tested, viable ones within the environment marked, and those that are not currently effective set aside. For successful functioning of supercomplex organizations built on methods of adaptive management and the usage of evolutionary modeling technologies and computer neural networks, the most important factor is the openness of the system, the willingness of staff for dialogue, innovation and confidence.

At the same time, the importance of factors related to the image of the company strongly increases, but in a broad context also with the public image of the country which the organization belongs to. Creation of a positive public image in modern society is based on the technology of "soft power". The concept of "soft power" ("Soft Power") was introduced and thoroughly considered by Joseph Nye (Nye J., 2009, Nye J., 2008). Nye interprets the "soft power" technologies as one of the most effective ways of defending one's interests and damaging the opponent (competitor) in the current conditions of information wars. Economic and management activity at the present stage of development of society is closely intertwined with policy. Most of political decisions are due to economic interests. Broadly, "soft power" is a form of conducting political power and economic interests, achieving the desired results on the basis of creating own attractive public image and deliberately destroying such an image of the opponent or competitor. For such competition, the media, Internet resources, social networks are widely used. Victory over the opponent is achieved either by the forces of the opponent himself, or by an anonymous agent of cyberspace. J. Nye draws attention to the fact that the events taking place in virtual cyberspace have serious real consequences in the real world. This is particularly reflected in the operation of financial markets, the fall or rise in the stock prices of certain companies, depending on the result of this struggle. One of the widely used technologies of "soft power" is the propaganda of one's own cultural values and the destruction of the national cultural identity of the enemy. In modern studies (Jonathan McClory, 2011), dedicated to the analysis of the possible usage of "soft power" and the development of the "soft power" index for the world's leading countries, special attention is paid to such factors as culture, diplomacy, education, business innovations.

The US is a leader in usage of “soft power” at this moment. The top five countries besides the United States are Great Britain, France, Germany, Australia. The success of the US is explained by the wide spread of American mass culture.

4. CONCLUSION

As a result of the research it was revealed that when the information society is transferred to the stage of "knowledge societies", the transformation of management models is carried out in the following directions. Due to the dominance of network organizations and the dramatic increase in the complexity of the structural interrelations, the use of technologies such as cloud computing, computer neural networks and evolutionary modeling in management is becoming popular, allowing to take into account the diversity of links and correlations. The importance of emergence and synergetic effects sharply increases, which creates risk exposure of controlled systems and the need to enhance their sustainability. The model of adaptive management that most organically corresponds to the behavior of a complexly organized system comes in demand. The basic factors of the successful operation of the managed system are the ability to create and innovate, a high degree of adaptability, an atmosphere of confidence, the ability to create and maintain a positive public image, the breadth of relationships with the external environment, and risk tolerance.

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QUALITY OF LIFE OF THE POPULATION IN THE WORLD SOCIETY

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ABSTRACT

the article analyzes the theoretical perception of the category "quality of life" in sociology. The scale and ambiguity of the category "quality of life" also determines the variability of approaches to its description and evaluation. It is noted that the objective, subjective and combined approaches are widely used in sociology in the way of forming indicators. The Human Development Index (HDI) is regarded as a system for assessing the quality of life. A certain "breakthrough" in the notions of the quality of life is characterized by the development of "international indicators of the quality of life." The object of the study is the quality of life of the population. The subject of the study is the quality of life of the population in the world community. The purpose of the study is to study the quality of life of the population in the world community. For the formation of quality of life indicators, the combined approach is most justified and adequately applied. The essential interrelation between quality of life and an indicator of forthcoming (expected) life expectancy in the concrete countries is traced. When working on this research, methods of document analysis were used: traditional (primary) document analysis, and secondary, comparative analysis. Practically tested during the work on this project, specialized quantitative content-analytical techniques. Scope of research results: Innovation of training courses in the discipline "sociology of the region." The scientific novelty of the sociological approach to the study of the definition of "quality of life" is the inclusion in the aggregate objective indicators and indicators of measuring socio-psychological factors of the content of this concept. Conclusions: there is a need for monitoring studies of the quality of life in the world community. According to sociological data, the countries showing the greatest satisfaction with the quality of life were identified.

Keywords: *quality of life, indicators, world society*

1. INTRODUCTION

1.1. Problem-oriented definition

At present, the modern world civilization is in a state of changing value systems, changing stereotypes. The global society is today concerned about impending economic and environmental problems, population growth of the planet, spontaneous migration processes (Sulyagina, 2013); (Sulyagina, 2012); (Yudina et al., 2015), a decline in the aggregate social product, an increase in the unemployment rate, diseases (Yudina, 2016), man-made disasters and terrorist threats. Civilization as a whole increasingly tends to turbulence (Kataeva et al, 2015). One of the basic contradictions of the present is the expansion of the confrontation between the individual and society. The development of this imbalance leads, first of all, to a change in the value system in the personal space. The sense of instability of the social system determines the existence in the value consciousness of Russians of irrational values and goals. Among the young population of Russia, professional landmarks are increasingly being formed, related to the dream of speedy wealth. Positive attitudes are being formed regarding deviant

behavior in the society, including economic ones (Monitoring the quality of life of the population of the municipal entity: problems, principles, construction prospects, 2015). The degree of satisfaction with the quality of life of the Russian population is dynamically measured (Rating of quality of life in the regions of the Russian Federation: Results and calculation methodology, 2012). When forming the rating, 64 indicators were used, combined into 11 groups, which characterize the main aspects that affect the quality of life in the region. To assess the regions, the following groups were used, each includes a number of indicators (Rating of quality of life in the regions of the Russian Federation: Results and methodology of calculation, 2012): income level of the population; housing conditions of the population; Provision of social infrastructure facilities; Ecological and climatic conditions; security of residence; population satisfaction; demographic situation; Health of the population and level of education; Transport infrastructure and level of development of the territory; Level of economic development and development of entrepreneurial initiative.

1.2. Quality of life of the population

The quality of life is one of the integral indicators of the social welfare of society and the individual. Regarding the methodological and methodological approaches to the study of the category "quality of life" in sociology, there is still no consensus. Problems and problems of quality of life are considered in the works (Alekseeva, 2006), (Murina, 2008), (Nagimova, 2010), (Nesterenko, 2011), (Yakunin A.S., 2010). At the same time, the quality of life as a problem in Russia and other countries needs to be understood and constantly studied dynamically. The encyclopaedic sociological dictionary treats the quality of life as a combination of material, social, demographic and other living conditions and the level of their development, and at the same time, as a subjective perception and evaluation of one's own life (Sociological Encyclopedic Dictionary, 1998). The specialists of the All-Russian Scientific Research Institute of Technical Aesthetics define the concept of "quality of life" as a set of life values that characterize the types of activity, the structure of needs and conditions of human existence (population groups, societies), people's satisfaction with life, social relations and the environment (Alekseeva, 2006). Often the concept of "quality of life" is perceived in close relationship with the concept of "need", with the need for conditions for the full development of the individual, the society. It is possible to formulate several typological models of the categorization of the definition of "quality of life" associated with different in scale social elements: directed towards the individual, aimed at organizing and directed at social institutions.

2. METHODS

The scale and ambiguity of the category "quality of life" (Nesterenko, 2011) also determines the variability of approaches to its description and evaluation (Zadesenets et al., 2010), which causes the existence of various systems of indicators. By the method of forming indicators, objective, subjective and combined approaches are used (Nagimova, 2010). In the research practice, a combined approach is increasingly used, based on possible combinations of objective and subjective indicators of the quality of life within certain social groups (Murina, 2008). The main difficulty in measuring the quality of life of the population is, first of all, in the diversity of its indicators (Monitoring the quality of life of the population of the municipality: problems, principles, construction prospects, 2015). Systems for assessing the quality of life are also diverse. First of all, it is the Human Development Index (HDI). A new stage in the notion of a quality of life is characterized by the development of "international indicators of the quality of

life." Such indicators include peaceful coexistence, anti-fascism, lack of violence and terror, and public health. Presentations about the quality of life category in the modern world focus on the ecological aspect with the aim of developing sound environmental policies that support a balance between the development of the natural environment and the invasion of man. The main groups of indicators in the study of the integral concept of "quality of life" are population health and demographic well-being, the level of fertility, life expectancy and natural reproduction. In the second block of indicators, indicators reflecting the population's satisfaction with the natural conditions of life (material well-being, satisfaction of materialistic and vital needs, as well as social satisfaction, accessibility of educational, medical services, environmental, social security, justice of authority, etc.) are included. Sometimes the objective criterion of dissatisfaction is the level of suicidal activity of the population. The third set of indicators includes indicators characterizing the spiritual state of society (the number of social projects, initiatives, etc.). At the same time, the precondition for studying the quality of life is the sociocultural processes in the world community as a whole. When working on this research, methods of document analysis were used: traditional (primary) document analysis, and secondary, comparative analysis. Practically tested during the work on this project, specialized quantitative content-analytical techniques. Thus, a "triangular approach" was used to study the quality of life of the population of the world community.

3. RESULTS

3.1. Quality of life in modern Russia

Tracing the relationship between quality and the indicator of the forthcoming (expected) life expectancy of Russians in certain regions of residence, one can find a direct relationship between the quality of life and its expected duration in the Central, North-Western, Ural and Far Eastern Federal Districts.

Table 1. Dynamics of indicators of the duration of the upcoming life of Russians (life expectancy at birth) (number of years) (Regions of Russia. Socio-economic indicators 2016, 2016, p. 69-70)

Region, in t.ch. RF subject-leader	2015г.	The place, occupied in the RF in 2015g.
Russian Federation	71,39	
Central Federal District, incl. (Moscow)	72,72 76,77	2
North-West Federal District, incl. (St. Petersburg)	71,70 74,42	4
Southern Federal District, incl. Krasnodar region	72,13 72,53	3
North-Caucasian Federal District, incl. The Republic of Ingushetia	74,63 80,05	1
Privolzhsky Federal District, incl. Republic of Tatarstan	70,71 72,81	5
The Urals Federal District, incl. Khanty-Mansi Autonomous Area-Yugra	70,38 72,58	7
Siberian Federal District, incl. Tomsk Region	69,31 71,25	8
Far Eastern Federal District, incl. The Republic of Sakha (Yakutia)	68,68 70,29	9
Crimean Federal District, incl. Sevastopol	70,55 70,67	6

A specific sociological approach to the study of the definition of "quality of life" is the consideration of objective indicators; Inclusion in the totality of indicators and indicators of measurement of sociopsychological factors of the content of this concept. They assume a measurement of the "social well-being" of the population: the degree of satisfaction of the individual with his social position is a category of "happiness"; The measurement of the reaction to the transformations produced in society.

According to monitoring polls (the Rating of the quality of life in the regions of the Russian Federation: Results and methodology of calculation, 2012), the inhabitants of megacities - Moscow and St. Petersburg - show the greatest satisfaction with the quality of life. The top ten of the rating also includes such regions of Russia as the Moscow Region, the Republic of Tatarstan, Khanty-Mansiysk Autonomous District, Tyumen Region, Krasnodar Territory, Belgorod Region, Voronezh Region, Nizhny Novgorod Region. On the opposite "pole" of the rating: Karachay-Cherkess Republic, Republic of Buryatia, Zabaikalsky Krai, Jewish Autonomous Region, Kurgan Region, Republic of North Ossetia-Alania, Republic of Altai, Republic of Kalmykia, Republic of Tyva, Republic of Ingushetia (Rating of quality of life in Russian regions: Results and calculation methodology, 2012).

3.2. Problems of quality of life in the Russian society

In some regions, there are problems that have a negative impact on the quality of life of the population. Among the subjects of the Russian Federation, ten for all groups of selected indicators do not fall below the 60th place. These are Moscow, St. Petersburg, Moscow Region, Republic of Tatarstan, Krasnodar Territory, Belgorod Region, Voronezh Region, Rostov Region, Yaroslavl Region and Murmansk Region. In other regions, one or more indicators are at a relatively low level (Quality of life rating in the regions of the Russian Federation: Results and calculation methodology, 2012).

Dissatisfaction of the majority of the population with the work of employees of state institutions has become one of the main factors of social tension (Kataeva et al., 2016). Among the problematic aspects expressed by the society to the authorities, there are numerous bureaucratic apparatus, and the low efficiency of its activities, and a high level of corruption. According to the results of monitoring (Quality of life in the regions of the Russian Federation: Results and calculation methodology, 2012), the quality of life in the region depends little on the number of officials. There are subjects of the Russian Federation where the number of officials is quite high, and the quality of life in the region leaves much to be desired, perhaps there are objective reasons related to the specifics of the economic development of the territory.

3.3. Quality of life abroad

Consider the quality of life in foreign countries for key indicators, such as: life expectancy at birth, total fertility rate, demographic burden factor (ratio of the number of people aged 60 years and over and children under 15 to the population aged 15 to 59 years).

Table following on the next page

Table 2. Excerpts from the tables Dynamics of indicators of the duration of the upcoming life of Russians (Life expectancy at birth) (number of years), Total fertility rate, Demographic burden factor (Russia and the countries of the world 2016, 2016, p. 39, 41-42)

A country	Life expectancy at birth (number of years) -all population 2014,	Demographic load factor (in%) 2014.	The total fertility rate per 1000 people. of the population 2014.
Russian Federation	71,4 (2015r)	57,6 (2015r)	13,3
Europe			
Germany	80,8	67,4	8,7
France	82,4	74,7	12,0
Switzerland	82,8	61,6	10,3
Asia			
Indonesia	68,9	55,8	---
Kazakhstan	72,0 (2015r)	59,1 (2015r)	23,1
Kyrgyzstan	70,6 (2015r)	62,0 (2015r)	27,7
Tajikistan	73,4	65,8 (2015r)	27,8
Turkey	75,2	55,9	17,4
Japan	83,6	84,3	7,9
Africa			
Algeria	74,8	58,5	25,9
Egypt	71,1	61,7	31,3
South Africa	57,2	62,3	22,9
America			
Argentina	76,2	66,8	18,2
Brazil	74,4	53,9	14,5
USA	78,9	63,7 (2012r)	12,5
Australia and Oceania			
Australia	82,3	63,7	12,8
New Zealand	81,4	66,8	12,7

It can be noted that the highest life expectancy at birth is shown by the countries of Europe, such as Germany, France and Switzerland, as well as the countries of Australia and Oceania and Japan. This can be explained by the good quality of health services in general in these countries. The coefficient of demographic burden is highest in Japan and France. The total fertility rate is high in countries with developed traditional Islamic orientation: in Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Algeria and Egypt. This shows the strong role of the traditional religion of Islam in society. It can be concluded that the quality of life in the countries listed in Table 2 is based on aggregate data. High quality of life can be noted, especially in Germany, France and Switzerland, the United States, Japan, Australia and New Zealand. Relatively low quality of life can be noted in South Africa, Indonesia, Kyrgyzstan and the Russian Federation.

4. DISCUSSION

The category "quality of life" as an independent, has been studying since the 1920s in A. Pigou's book Economic Theories of Welfare. Then this category was developed by J. Galbraith in the work "Society of Abundance". The theory of the quality of life that he proposed confirmed the need for a transition to "Post-industrial society", which has elements of "organized consumption" and assumes the existence of spiritual, social and cultural benefits. Therefore, instead of economic development criteria, the category "quality of life" was formed, which was often mentioned in the UN in the discussion of issues of human development and struggle with a low standard of living.

As a result, the concept of the quality of life was formed, in which a person and the idea of forming a humanistic society are given a key place. From the Campbell-Converse-Rogers point of view, Campbell Angus, Converse Philip E., Rodgers Willard Z. *The Quality of American Life*, NJ 1976, highlighted specific socially significant indicators of the quality of life: health; marital relations; family relationships; economic and political situation in the country; having friends; housing; interesting job; Place of residence; religion; hobbies; reliability of the bank; participation in political life. In general, foreign scientists have found that using the category "standard of living" in the form of the goal of social development is accompanied by an inconsistency of the interests of society and private entrepreneurs, long-term landmarks and short-term consumer installations. In this connection, today in the world practice distinguish between the concept of "quality of life" of society (the quality of life QOL) and "subjective well-being" (SWB). Priority in this link remains "quality of life" of society, because the idea of an absolutely independent individual does not seem realistic. As a result, the view was formed that the tasks of economic development must be subordinated to the guidelines for improving the quality of life of the population, which, in its essence, serves as a target for the development of society. The development of the problem of the quality of life of the population in Russia began in fundamentally different conditions than in countries with developed market relations. Abroad, the need to study the quality of life issues was related to the necessity to overcome the consequences of the "consumer society". In Russia, a country with a transition economy where a significant part of the population is struggling to survive, interest in quality of life was due to the need for a transition from survival to survival development. In the USSR the term "quality of life" was not popular, but the term "welfare of the population" was used more often, and along with it, there was almost identical perception of the term "standard of living". The main criterion for measuring the standard of living was the consumption of goods and services. This point of view still exists. Evaluation of the concept of "quality of life" on the basis of material consumption actually equates the concepts of quality of life and standard of living in its semantic meaning. According to N.M. Rimashevskaya's definition, the concept of "welfare" differs from the term "quality of life" by including in it components of the services of social infrastructure (education, medical and cultural services, etc.) provided on a gratuitous basis at the time of consumption. Therefore, according to N.M. Rimashevskaya, the people's well-being and the quality of life are different concepts (Rimashevskaya, 2004). There were other points of view. For example, E.I. Kapustin believed that the concept of "quality of life" in many respects is similar to the terminologically close concept of "way of life". The category "quality of life" was compared with the term "standard of living". But it should be noted that in spite of some similarity, the category "quality of life" is not identical to the category "standard of living". V.N. Bobkov, notes that the quality of life has an objective and subjective side, and therefore can not be determined only on the basis of quantitative assessments of the standard of living (Bobkov, 2005). The question remains as to which category is the "quality of life" - economic, social or socio-economic. I.V. Bestuzhev-Lada proposed to determine the quality of life as a sociological category expressing the quality of satisfaction of people's material and cultural needs (Philosophical Encyclopedic Dictionary, 1983). It should be noted that in Russia the discussion on the relationship and difference in the concepts of the level and quality of life has not yet been completed.

5. CONCLUSION

From the foregoing, the following conclusions can be drawn: monitoring research on the quality of life of the population is necessary and desirable. The study of the problems of the quality of life has evolved so much that today we should consider the quality of life as a criterion for all state foreign and domestic policies and public policy in general. In this context, it is important to: identify the dynamics of values, their dependence on the material situation of the population;

The level of social groups deviance and marginalization in Russian society. At present, experience has been accumulated in the comparative analysis of international, state, regional, municipal quality of life assessments. Work has been constantly carrying out to identify and assess the individual components of the quality of life. In this regard, it is necessary to conclude that a variety of methods and systems of indicators of measuring the quality of life indicate the importance and significance of this category in sociological science. The quality of life is becoming one of the key resources of modern social development, and its management is an indispensable condition for this development. The study of the quality of life makes it possible to form a comprehensive sociological view of the socio-economic situation of the population in the world community.

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THE FINANCIAL MECHANISM OF MANAGEMENT AS A WAY OF ORGANIZING FINANCIAL SERVICES AND FINANCIAL VALUES

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ABSTRACT

This article analyzes the substance of financial activity and the financial mechanism of management. The aim of the study is to clarify concepts of financial activity, the financial mechanism of management, financial services, and financial values. The study used abstract-logical and topical-thematic methods. Structural, structural-functional, and comparative methods were applied, as well as expert and functional analysis of information on the topic.

The study resulted in clarification of the above concepts, which can be used for further development of the theory of the financial mechanism of management for optimization of financial policy, both at the macroeconomic level and at the level of businesses, improving organizations' financial reporting. The novelty of the resulting, more precise, concepts is that previously these concepts were interpreted in the context of management of the economy, whereas the present authors attempted to analyze these concepts in the context of the productive operations of businesses. Financial activity is treated as a system of economic relations in the production of financial services; financial service, as a system of economic relationships for production of financial value; financial value, as the ability to meet the financial requirements of businesses in the formation and use of financial resources; the financial mechanism of management, as a way of organizing the production of financial services and financial values to meet the financial needs of businesses. Clarification of these concepts also allows us to trace the connections among them as elements of a unified system of production.

Keywords: *financial activity, financial transaction, financial requirement, financial service, financial value, financial mechanism of management*

1. INTRODUCTION

Under conditions of globalization of the economy, financialization is becoming one of its main trends. Finance is becoming the dominant characteristic of economic relations ("finance for finance's sake"), as discussed by G.I. Khotinskaia and L.I. Chernikova (Khotinskaia, G., Chernikova, L. (2009). p.75). According to E.O. Mirgorodskaya, a change is occurring in the functions of money capital in the financial context, by separating the monetary component from the productive one (Mirgorodskaya, E. (2007). A.A. Zaletnyi notes that there has been an outflow of financial and other resources from the real economy into the financial sector (Zaletnyi, A. (2014). p.117). A.E. Dvoretzkaia argues that financial liberalization is increasing (Dvoretzkaia, A. (2007). Iu.V. Korechkovyi and V.A. Korechkovyi note the prevalence of fictitious financial capital over real capital (Korechkovyi, Iu., Korechkovyi, V. (2015). Financial capital, according to P.N. Liutov, is managed by the largest corporations and financial-industrial groups (Liutov, P. (2014). G.I. Khotinskaia and A.V. Suvorov believe that systemic risks in the economy are growing (Khotinskaia, G., Suvorov, A. (2009). V.V. Makarov, V.L. Gorbachev, V.M. Zheltonosovyi, and Iu.O. Kolotovyi note that financial capital is attaining a perceptible advantage over other forms of capital (Makarov, V., Gorbachev, V., Zheltonosovyi, V., Kolotovyi, Iu., (2009). 224 p).

Under these conditions, it is especially relevant to explain the substance of the financial mechanism of management. This timeliness is amplified by the insufficient development of the theory of this mechanism in Russia. There are no clearly formulated definitions of financial activity, financial services, financial value, financial needs, or the financial mechanism of management. Financial activity is interpreted as activity performed by a list of financial institutions defined by law (On Protection of Competition). (2006). The financial institutions include: credit organizations; professional participants in the securities market; market makers; clearing organizations; microfinance organizations; consumer credit cooperatives; insurance companies; insurance brokers; mutual insurance companies; non-governmental pension funds; management companies for investment funds, mutual funds, and non-governmental pension funds; special depositories of investment funds, mutual investment funds, and non-governmental pension funds; pawnshops (financial organizations supervised by the Central Bank of the Russian Federation); leasing companies (other financial organizations, financial organization not supervised by the Central Bank of the Russian Federation). De facto, financial institutions also include financial intermediaries. But there are also others that participate in the financial markets – juridical and natural persons who have available funds and entities that need additional capital. This definition names the entities that conduct financial activity (by no means all of it), but not its substance. Financial service is defined by law as “a banking service, insurance service, service on the securities market, service for a leasing contract, as well as a service provided by a financial institution and connected with the attraction and/or placement of the funds of juridical and physical persons” (On Protection of Competition). (2006). This basically names the types of financial services, but not their substance. Based on the wording of the law, “financial” should refer to activities that are strictly limited by law to financial institutions for the attraction and/or placement of funds of juridical and physical persons – i.e., the main function of financial institutions is the accumulation of temporarily available funds of juridical and physical persons and their placement with persons who need capital. The ultimate goal of such operations is to meet the needs of businesses for financial resources, or to provide direct and indirect funding through the financial market. In the case of indirect funding, financial institutions are the initiators, attracting the temporarily free funds of juridical and physical persons. With direct funding in the form of issue of shares and bonds, it is the businesses that take the initiative. From the legal definition of financial service, it follows that only financial intermediaries are involved in creating this service, that there is no other side in this process (businesses), which is not correct methodologically. Furthermore, the object of deals on the financial market are identified as the funds of juridical and physical persons, but not money as capital. Funds are not always used as capital. The lack of clear formulations of the concepts of financial activity and financial services, the financial mechanism of management, makes effective financial policymaking more difficult both at the level of the entire economy, and at the level of individual organizations and physical persons.

2. METHODS

The study used abstract-logical and topical-thematic methods. Structural, structural-functional, and comparative methods were applied, as well as expert and functional analysis of information on the topic.

3. RESULTS

The study allowed us to draw the following conclusions:

1. On the level of being, **financial activity** is activity for the formation and use of financial resources; on the substantive level, it is a system of economic relations for the production of financial services. The subjects of this activity are businesses and financial intermediaries.

2. **Financial service** on the ontological level is the effect (positive and negative) of financial activity at the substantive level – the system of economic relations for production of financial value.
 3. **Financial value** on the ontological level is the usefulness for members of society of the process of formation and use of funds; on the substantive level, it is the ability to meet the financial needs of businesses in the formation of financial resources and their use for future development.
 4. **Financial need** is an objective necessity for the formation and use of financial resources.
 5. **Financial mechanism of management** is a method of organizing the production of financial services and financial values to meet the financial needs of businesses.
4. Discussion

The financial mechanism of management is created and operates at different levels of the economy. According to A.M. Chernopiatov, the financial mechanism functions in different domains and links in the chain of financial relationships (Chernopyatov, A. (2012). 270 p).

The process of its functioning can be traced in stages:

- financial activity in the form of specific financial transactions;
- creation of financial services;
- production of financial values;
- meeting the financial needs of businesses.

Russian economists give varying definitions of the financial mechanism. G.B. Poliak interprets it as “a complex of financial forms and management methods by a process of the social and economic development of society” (Polyak, G., Akodis, I., Krayeva, T. (1997). p.8).

N.F. Samsonov singles out the financial and credit mechanism as a “system of financial and credit methods and levers for the implementation of financial policy” (Samsonov, N., Barannikova, N., Volodin, A. (1999). p.13).

N.V. Miliakov defines the financial mechanism as “a system of forms, types, and methods of financial relations established by the government” (Milyakov, N. (2004). 543 p.)

I.A. Blank defines the mechanism of management of financial resources of an enterprise as “the totality of basic elements affecting the process of development and implementation of management decisions in the areas of their formation, distribution, and use” (Blank, I. (2010). 768 p.)

V.V. Kovalev believes that the financial mechanism is a “system of organization, management and planning of financial relations, methods of formation and use of financial resources” (Kovalev, V. (2003). P. 610). Most authors treat the financial mechanism as a system of elements of economic management.

The second approach to defining the substance of the economic mechanism is as a mechanism of organization of the social economy. The author of this approach is Iu.M. Osipov: “The mechanism is the system under consideration by the organization, or more precisely, by the implementation of the organization,” “the mechanism is the carrier and the implementor of the organization, its process. The organization is a function of the mechanism, the result of its actions” (Osipov Yu. (1994). P. 22). The authors of the present article endorse the second approach: the financial mechanism is a financial method of organizing economic activity.

The functioning of the financial mechanism of management is the process of carrying out an organization's financial activity. When financial activity is taken to mean activity to attract and invest funds, this ignores the significant differences between funds and financial resources. Not all funds are financial resources. Money can be used for purchase and sale of goods and as capital. In the purchase and sale of goods, the money is not a financial resource. The functioning of money as capital means creation of surplus value and the transformation of money into a financial resource, a source for the creation and accumulation of profit, for raising the cost of capital, for growth of the value of the business. Financial resources also have other significant features (Blank, I. (2010). 768 p):

- 1) they are a component of economic resources (along with material resources, labor, information, entrepreneurship);
- 2) they are in the form of accumulations of funds, the distinctive feature of which is the targeted nature of their use, the existence of specific sources of their formation, and strict control over their use;
- 3) they are used as sources of financing for future development of a business;
- 4) they are used in the form of additional attracted or reinvested capital.
- 5) they are formed based on their own and borrowed capital.

Our analysis allows us to conclude that **financial activity is a system of economic relationships for the formation and use of financial resources**. The subjects of this activity are businesses and financial intermediaries. The organization of financial activity means turning its potential into reality. The organization of activity also means joining individual production processes into one single process. The main functions of the organization of production are:

- joining together the factors of production;
- establishing ties between production units;
- creation of organizational conditions for interaction of all the links in the chain, as a single production system.

Organization of financial activity is not possible without the creation and functioning of its forms, methods, and instruments. The financial mechanism of management is a system of financial forms, methods, and instruments of the organization of economic activity, through which economic property is realized (Kolpakova, G., Evdokimova, Y. (2015). Pp. 221-225).

The financial mechanism also acts as a form of realization of financial, intellectual, and social capital (Evdokimova, Yu. (2016). 140 p). We can assert that the financial mechanism of management is a method of organizing economic activity for the formation and use of financial resources.

The main link in the chain, a single act in the process of formation and use of financial resources, is the financial transaction, which is a specific type of financial activity. Every financial transaction has its own inherent forms, methods, and instruments for organizing financial activity. For example, the forms of settlement transactions are cash and non-cash settlements, by a method of double entry on the accounts of the participants in the settlements (debit–credit), by instruments such as payment orders, checks, letters of credit, payment requests, collection orders, and electronic funds transfer. In the “method–form–instrument” triad, the main thing is the method of organization of the financial transaction. The principal differences between financial transactions lie in their purposes and the methods by which they are conducted. Each method has its own forms and instruments for organizing a financial transaction.

There are a multitude of types of financial transactions, so it is necessary to classify them, which can be done by different criteria. The first criterion of classification is the according to the designated purpose of the financial transaction. By this criterion, transactions are classified according to the formation of financial resources and transactions that use them. Among the operations for formation of financial resources are the following: the formation of authorized capital, capitalization of profits, financing from budgets at different levels, issue of debt and equity securities, leasing, formation of reserve and additional capital, and other operations. Operations for the use of financial resources should pertain to: financing and investments, lending and borrowing, settlement transactions, financing of reproduction of fixed assets and intangible assets, financing of working capital growth, financing the growth of inventories, financing of the operating activities of businesses, and other operations. Operations for the formation of financial resources are passive; those for the use of financial resources are active. Classified by methods of implementation, the operations are for investment, settlement, taxation, budgeting, corporatization, discounting, capping, and etc.

- By title of ownership: transactions with one's own and borrowed sources of the formation of financial resources.
- By objective: strategic and tactical financial transactions.
- By subjects of financial activity: transactions with juridical persons, transactions with physical persons, transactions with and among financial intermediaries.
- By types of economic activity: operational, investment-oriented, and financial.

Here the question of the structure of financial activity arises. In the statement of cash flows of the organization, financial activities include the receipt and repayment of credits and loans, and securities transactions. Substantively, financial activity is mainly reduced to activity for the formation of financial resources, obtained on the financial capital market. But financial activity includes not only the formation, but also the use of financial resources. Investment activity is also financial activity, but pertains to the use of financial resources. It would be more correct, therefore, to designate a third type of economic activity: not financial activity, but activity to attract financial resources. Accordingly, the second type of activity could be called activity for using financial resources.

Classified by duration, there are short-term, medium-term, and long-term financial transactions.

- By level of risk: no-risk, low-risk, medium-risk, and high-risk transactions.
- By sources of financing: external and internal. External operations could pertain to the placement of national securities on the international financial markets, the issuance of Eurobonds, obtaining loans from international financial organizations and international banks, etc. Internal operations are performed on domestic financial markets.
- By economic domain: macroeconomic, mesoeconomic, and microeconomic.
- By citizenship of the owners of the financial resources: national and foreign.
- By effectiveness: effective and ineffective.
- By activeness: active and inactive.
- By effect: positive and negative (transactions to launder illegally obtained income).
- By type of financial mechanism of management, we can distinguish political, legal, ideological, scientific, informational, ethical, and national operations (Kolpakova, G. (2015). Pp. 44-51).

This means that at the core of every financial operation is, first and foremost, its scientific foundation, the whole complex of ideas for carrying out the operation (its ideology). Then the strategy and tactics of its implementation (policy) are worked out. No financial transaction is possible without financial information and analysis of that information.

Each financial transaction must conform to ethical requirements – human, national, and professional values. A financial transaction must be conducted strictly within the framework of international and national financial law, for the breach of which financiers are administratively and criminally liable. And, of course, in every financial transaction there must be an element of national security.

While at the level of being, financial activity is a system of economic relationships for the formation and use of financial resources, at the substantive level it is a system of economic relationships for the production of financial services. In the above-mentioned definition of financial services (On Protection of Competition (2006), the substance of financial services as the result of a productive process is not disclosed. In addition, it is a matter of funds, but not of financial resources. From the point of view of the authors, financial service at the level of being is the effect (positive and negative) of the formation and use of financial resources. More often than not, a financial service is considered as a positive effect of financial activity, but this is a one-sided approach to the substance of financial services. Following the laws of dialectics, every concept is a unity of contradictions. In this case, it is the dialectical unity of the positive and negative effect of financial activity. For example, a financial transaction to increase the share of a particular corporation on the financial market has not only a positive effect on the company, but also negative ones: rising costs, increasing financial risks. Therefore, at the level of methodology, any financial service is the dialectical unity of a positive and negative effect of the activity that produced it.

At the substantive level, a financial service is a system of economic relationships in the production of financial value. Financial value constitutes (Evdokimova, Yu. (2017). Pp. 191-195):

- on the ontological level, the usefulness for members of society of the process of formation and use of funds;
- on the substantive level, the ability to meet the financial needs of businesses in the formation of financial resources and their use for future development. Financial need is an objective necessity for the formation and use of financial resources.

Thus meeting the financial needs of businesses is the ultimate goal of the logical chain of operation of the financial mechanism of management.

5. CONCLUSION

Our research allows the following definition of the substance of financial management: a method of organizing the production of financial services and financial values to meet the financial needs of businesses. This definition of the substance of financial management is not only of theoretical but also of practical significance: for working out an effective financial policy at various levels of management of the economy, for the formation of a national financial ideology, for the creation of an effective national financial mechanism of management, and for strengthening Russia's financial national security.

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HAPPINESS: LANGUAGE AND PROFESSIONAL IDEOLOGY IN THE DISCOURSE OF NETWORK MARKETING BUSINESS

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ABSTRACT

This article examines the relationship between linguistic devices and professional ideology in the discourse of network marketing business in member's periodicals. The 10 data were taken website, published in April 2016. It was found that the linguistic devices were employed to construct professional ideology in the discourse of network marketing business such as the use of lexical selection, metaphor, presupposition, intertextuality, definition, hyperbole and thankful. However, The linguistic devices were employed to construct professional ideology in the discourse of network marketing business in member's periodicals that is happiness and success in your work.

Keywords: *Discourse, Ideology, Network Marketing Business*

1. INTRODUCTION

Network Marketing Business is a type of marketing that is developed from Single Level Marketing (SLM) to Multi-Level Marketing (MLM) (Boripant, 2009: 21). The network marketing business currently tends to have a potential growth. According to the survey by the World Federation of Direct Selling Association (WFDSA), Thailand was found to be one of the top 15 world's direct selling market which has gained the highest sale. Besides, the value of Thailand's direct selling market is likely to grow up significantly (Banmueang, 2007). However, the principal key in the network marketing management is that a business owner needs to increase a number of product members in which member's expense will affect the dividend or the revenue of the monthly network marketing business's owner. As a consequence, each member probably pay fee for annual membership. Member's success is considered to be necessary information which can attract member to invest in the network marketing business. As a result, the company's revenue will be increasing and stable. In fact, it was found that language used in the member's periodicals has some hidden agendas for the professional ideology which might benefit the company's revenue and stability. Therefore, the study on the relationship between language strategies and professional ideology in the discourse of network marketing through the column of member's success were conducted in order to illustrate that language used in the periodicals were simple. However, it concealed something in which it was in harmony with the advantages of some groups of people that is beneficial to the company.

2. LITERATURE REVIEW

To show your reader that you have read, and have a good grasp of, the main published work concerning a particular topic or question in your field. This work may be in any format, including online sources. In the latter cases in particular, the review will be guided by your research objective or by the issue or thesis you are arguing and will provide the framework for your further work.

3. CONCEPTUAL FRAMEWORK

Critical Discourse Analysis is the study of relationship of creating a meaning or thought towards one context. This framework highlights the power abuse, the ideology dominance, and the repeated and reproduced inequality in society (Fairclough, 1995: 132-133; Van Dijk, 2001:352).

Fairclough (1995: 56), the British linguist, has proposed the 3-dimensional framework of critical discourse analysis as follows:

1.Text is the analysis of language form, meaning, and connector in the discourse in both spoken and written styles.

2.Discoursepractice is the analysis of the communication situation related to both production and consumption of text in a discourse.

3.Sociocultural practice is the analysis in which the dimension of society and culture affecting both production and consumption of a text.

Ideology in the context of this study was based upon the concept of Van Dijk (1995, 1998). He explained that the ideology was no longer a tool for the authorized people only, but it was defined as belief systems of various groups of people in a society where they lived or accepted each other. In addition, it was found that the study of the network marketing business in terms of language had never been carried out. Most of the studies were related to the management and economics in which the objective was to examine factors affecting the business or the network marketing business management as well as to study the patterns and the strategies of the business. With these reasons, this research study focused on the discourse of network marketing business in order to demonstrate that languages used in the website has underlined some thoughts or beliefs of the profession through the language in the company website.

4. DATA COLLECTION

Observed company was selected for this study because this company is regarded as no.1 direct selling marketing business in sales and members, which has been managed for more than 40 years. The column in the network marketing business containing 10 articles published on April 2017 was chosen in the study. Purposive sampling was implemented as a research methodology by selecting the column of successful member in the network marketing business, where the members could share the same ideology and decide to do the business.

5. RESULTS AND DISCUSSION

The characteristics of the articles published in the member's success column were as follows: Observed company is a direct selling business company with Multi-Level Marketing (MLM) which has been established in abroad since 1959. The company has more than 3 million members worldwide. In Thailand, the company has been established since 1989. It has used the website as the primary channel to contact with members and publish articles for general people. Column used for this study was a place for introducing a member who got promoted to a higher level. In the column, it featured 10 photos of all levels of business members with texts. The format of the articles in each discourse was divided into following 3 parts:

1. Photo was positioned on the top of the article including single photo and couple photo. In the photo, male and female wore a universal suit or formal attire with a smiling face. Plus, a businessperson who was in a high level would have a photo of traveling abroad and party events attached in the article.

2. Personal information included province, name, occupation and Upline's name-surname. According to the data collection, it was found that a person who became a business member resigned from his/her permanent job to do the direct selling business, e.g., government officer, retired government officer, teacher, doctor, nurse, pharmacist, army aviator, soldier, architecture, engineer, beauty salon, employee, factory worker, maintenance, housewife, and owned business.

3. Content of 10 texts consisted of introduction, body, and summary.

The Relationship between Language Strategies and Professional Ideology in the Discourse of Network Marketing Business

1. Work Happiness

The discourse of network marketing business in the member's success column has created the mindset as follows:

Feeling Happy all the Time during the Working

The mindset was developed by various language strategies including a lexical word used to demonstrate that doing the network marketing business would bring happiness all the time while working. The examples of this strategy were *"Be always happy with doing the business,"* *"Not only we ourselves, but also people concerned are happy,"* *"Working with XXX with fun and happiness and get almost all the rewards,"* and *"Be happy every day working with XXX."* However, a presupposition was one of the language strategies applied to explain that doing this business would bring about happiness and freedom. Here are the examples of the presupposition: *"Do a full-time XXX and life will be happier,"* and *"Once you decide to do the business, freedom will come to you within 1 year, no more Monday morning and Friday night."* It was also found that intertextuality with photos and texts could give confidence to members in obtaining happiness from doing the business. The example of the intertextuality was *"...Now be happy every day, have a first-class life, travel around the world, and have more money."*

Getting a Good Job Opportunity

Language strategy used to create this mindset was a presupposition. It was used to show that the network marketing business was great, and it would be an option for members to get a good opportunity from the business. The examples of the presupposition were *"XXX gives an opportunity,"* *"XXX provides the best business opportunity,"* and *"XXX brings a great opportunity."* Moreover, the presupposition strategy was applied together with gratitude expression to build the mindset of getting a good opportunity from the business. The examples were *"Thank you the founder of XXX for giving this opportunity to own this business,"* *"Thanksto Upline for giving this opportunity,"* and *"Thanks to myself for being open-minded and get this opportunity without any bias."* However, it was found that there was an exaggeration used to emphasize that the network marketing business gave an opportunity of work. Here are the examples of this strategy: *"The world's best business of opportunity,"* and *"The world's best business opportunity."* Besides, intertextuality was one of the language strategies to highlight the reliability of getting a great opportunity from the business. The examples of intertextuality included *"XXX gives an opportunity for a young girl who dreams to be rich, to have a house and car, to fully support her parents and 2 brothers",* and *"Thank you the opportunity on that day because we don't know which opportunity can change our life".* Defining strategy was also employed to convince that this kind of business could bring a great opportunity to those who were interested in. For example, *"XXX is the business for everybody to be equally successful,"* and *"Great opportunity is the opportunity given by XXX."*

Working in a Reputable Business Organization and Having All Types of Balance

The discourse of network marketing business created the mindset that people doing this business worked in a reputable business organization and had all types of balance. In other words, they worked with a long-time trustworthy and famous organization with well-organized and systematic working plan. There were mentors helping during working. This mindset was set by various language strategies including lexical choice to demonstrate that the network marketing business was a job with well-organized and systematic working plan and stability.

The examples of the lexical choice were *“Business plan is really good, the business is stable, and the vision is great.”* *“The direct selling marketing business company which has been established for a long time and been stable.”* *“The powerful network potential.”* and *“Trust in our marketing plans.”* Furthermore, there was an exaggeration strategy to convince members of periodical that the network marketing business was stable. Here is the example of this strategy: *“XXX is absolutely outstanding with unlimited potential.”* However, it was found that metaphor and gratitude expression were implemented to explain that the business organization had well-organized work system and good cooperation during the working. The examples of the metaphor and gratitude expression were *“A coach who guides.”* *“Successful people who are our role model to follow.”* *“A diamond-level businessperson and the great teacher who always support us.”* *“All levels of Upline who are along with us to teach, guide, and support.”* and *“Sincere gratitude for those who let us walk in the path of success with warmth.”* Moreover, intertextuality with texts from successful people in the network marketing business was used to emphasize the mindset of working in a reputable business organization and having all types of balance. The examples of this strategy were *“I think the system of XXX is very good.”* *“Grow together, grow bigger.”* *“We do this business because of its worthiness.”* and *“we choose XXX business because it's worth our life.”* Defining was also found to reflect this mindset such as *“XXX is a business that can bring good, smart, passionate, hard-working, and patient people to work together and bring success for the business”* and *“XXX is a business that allows us to improve ourselves.”*

Based on the results, it could be implied that the discourse of network marketing business had the ideology or mindset that allowed members in the business to get happiness and success. Consequently, the presentation of the discourse would convince the members who read the periodicals to believe and become interested in the business which might have a good effect upon the business and support the operating result of the company.

6. CONCLUSION AND RECOMMENDATION

To summarize, the analysis of the articles and language strategies through the discourse of network marketing business in member's periodicals aimed to make an understanding and reveal the process of making, distributing, and consuming the articles. The creator needs the members who read or obtain the periodicals to believe, accept and understand what the discourse presented by having the ideology or mindset of happiness and success the members will get from doing the business. This will either meet or fulfill the member's needs, and the member will not realize that the creator just want to search for those who have the same ideology to support the business in which it can be run forward.

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PSYCHOLOGICAL AND PHILOSOPHICAL APPROACHES TO STUDYING THE "SELF-BETRAYAL" EXPERIENCE

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ABSTRACT

In article approaches to an "self-betrayal" experience phenomenon study in philosophy and psychology are considered. Philosophical approaches to «self-betrayal» experience from a position of existentialism and its founder Seren Kierkegaard where a phenomenon "self-betrayal" arises in the situation of a choice rising before the person in life are considered. This approach is expanded a line item of the founder of positive existentialism Nicolo Abbagnano where this experience is considered as one of nodes of a vital "valuable arc" the individual with formation of valuable structure of the personality. Psychological approaches to a phenomenon study of "self-betrayal" from a position of psychoanalysis of S. Freud where this experience is considered as the internal conflict generated by contradictions between components of "mental life" of the person, one of which "Super-Ego" are considered. Approach of the theory of set of D. N. Uznadze where the strong-willed behavior of the person contradicts his vital set which it perceives as a part of, the entity is considered. From a position of psychology of experience of F. Vasilyuk in successful option of «self-betrayal» experience there is an analysis and revising of values taking into account personal needs. In approach of the theory of a cognitive dissonance of L. Festinger the experience situation "self-betrayal" can arise in case of a contradiction of behavior of the individual to internal beliefs of the person, that is the behavioral element of the personality contradicts cognitive.

Keywords: *«self-betrayal» experience, internal beliefs, psychoanalysis, psychology of experience, theory of a cognitive dissonance, theory of set*

1. INTRODUCTION

In the modern world, which often shows to the personality contradictory and sometimes mutually exclusive requirements, the person faces understanding that arrived in some situation not as would follow, he feels that he broke vital norms, significant for himself, the principles in this connection it has an internal conflict, psychological discomfort, he endures "self-betrayal", asks for the advisory help the psychologist. The psychological phenomenon of «self-betrayal» experience in the scientific and practical plan is investigated insufficiently. Nevertheless, the analysis of various authors' works allows us to consider some approaches to a research of this phenomenon. "Self-betrayal" in Russian most precisely suits a treatment "betrayal of beliefs". If a person has principles, norms and beliefs and makes any actions which break these principles – it is "betrayal of beliefs". But not each betrayal of beliefs can be called "self-betrayal". "Self-betrayal" assumes violation of any steady moral principles of the person, his valuable beliefs making a basis of self-conception of his personality. It is important to consider also that "self-betrayal" relates to emotional experiences of the person.

So "self-betrayal" is when the person acts contrary to the habits, rules, views, beliefs, values. It can be single act or actions, extended on time, breaking its norms and beliefs. Because of «self-betrayal» experience the refusal of former views, their revision is possible. Despite lack of in-depth scientific research of a psychological phenomenon of «self-betrayal» experience– there are some works of various authors and their analysis will allow to allocate various philosophical and psychological approaches to experience studying "self-betrayal".

2. PHILOSOPHICAL APPROACHES

2.1. Existentialism of Søren Kierkegaard

First of all let consider one of philosophical approaches to this phenomenon, namely from an existentialism position (Latin of *existentia* — existence), existence philosophies. One of the principles of existentialism says that the person makes himself passing through vital experiences, crises, on the course of the existence it finds the essence and a maturity [14]. «self-betrayal» experience is intra personal crisis which forces the person to comprehend his principles, norms, beliefs and values. As a result of this experience person can understand more deeply itself, disclose the true essence, overcoming this vital crisis and making the choice.

The founder of existentialism Søren Kierkegaard focuses the attention on a choice problem. Whether it is possible to consider that in a situation of "self-betrayal" the person faces the choice? Certainly. Even if he estimates past event which actually caused such experiences [9]. Kierkegaard considers several possible "elections" depending on a stage of development of the person, and he offers three stages: esthetic, ethical, and religious. According to them Søren Kierkegaard considers four types of people: inhabitant (*Spidsborgeren*), esthetic (*Æstetiker*), ethic (*Etiker*), religious person (*den Religiøse*).

The inhabitant is guided in his life on people around, social norms. Tries to follow them, to work, to make a family, to wear on according to the accepted rules, to express himself correctly. He just does not know that there is a choice. The esthetic already realizes that he has a choice that it cannot follow crowd. The induce of his choice is life full of pleasures. It has no thoughts of call of duty and responsibility, what is good and what is bad. Sense and the purpose of life for such people are in wealth, power, honors, for example..." [7, p. 231]. Precisely in that moment, when the reason and call of duty begin to direct its acts, values are already created, call of duty and responsibility are developed, he starts coordinate his life with essential things, with something he thing must be. This is transitional stage: esthetic does not disappear completely, and there is a continuous fluctuation between esthetic and ethical.

In this approach, it is possible to consider "self-betrayal" as a contradiction between ethics and an esthetics: the choice which the person needs to make in this situation. It can occur on transitional stage of development of the person - from esthetic to an ethical when the life bases are already defined, but they are still exposed to check, conflicting to esthetic pleasures of the world. Exactly there is an active development of the identity of the person [11]. "Esthetic sees everywhere life opportunities causing for him the maintenance of the future; ethic sees tasks in his life, as gives his lives the known definiteness and confidence which esthetic life doesn't have enough, so it servilely depends on all external conditions" [7, S. 298].

S. Kierkegaard describes the person at an ethical stage as completely imbued with call of duty and responsibility which in each timepoint works in a consent with the values, duties to itself. This is that person who found business of the life and follows the calling. At this stage "self-betrayal" is already impossible - the person always acts according to its values and ideals.

2.2. Positive existentialism of Nicolo Abbagnano

The ideas of Søren Kierkegaard had an interesting development in the founder of positive existentialism Nicolo Abbagnano who considers that, considering crisis conditions of human existence, it is possible to place emphasis on their positive character, exactly as giving to the person a chance to find what discloses his true nature and gives the chance of his realization in the world, in the society of other people [1].

Experience of "self-betrayal" is connected with need of valuation of values. According to N. Abbagnano, value is an opportunity which can be true (original) or deceptive and illusory (not original). From the substantial point of view of N. Abbagnano calls an original opportunity that which allows the individual to create the "I" as original unity, establishing with others such relations which guarantee this opportunity and avoiding those ones which destroy this opportunity [16].

One of important characteristics of value of N. Abbagnano considers its objectivity, it becomes a certain norm or an ideal which accepted by the individual, and includes him in existential activity. And original existential activity is a task in which the individual is involved in formation of own unity. In the course of finding of this unity the person has situations when he faces the moral choice, where norms or values contradict with requirements and motives [11]. In such situations, there can also be a phenomenon "self-betrayal".

Still Kant pointed that if the person had true mind and he would be free from passions and requirements - that would not be need for morals [6]. Duality of the person demands existence of the moral law. N. Abbagnano adds that there would be no need of morals for perfect society where everyone accurately carries out all the duties. On the contrary, in society where live individuals with their requirements, motives and they need to put them in compliance somehow – here in what function of morals consists [17].

Thus, the process of formation of existence of the individual gets some form: this peculiar movement from an opportunity to a possibility of this opportunity, i.e. to a transcendental opportunity which N. Abbagnano calls structure of existence. Namely the structure is "a valuable arch" where initially arises a problem situation where "value" exists at the individual in the form of some ideal or norm. If the choice is not made in favor of value, exactly there can arise an experience "self-betrayal", N. Abbagnano calls it a "not-genuine" choice.

3. PSYCHOLOGICAL APPROACHES

3.1. Psychoanalysis of Siegmund Freud

In Siegmund Freud's psychoanalysis experience of "self-betrayal" can be treated as the internal conflict generated by contradictions between components of "mental life" of the person. Freud allocated such components of mental life as conscious, preconscious and unconscious. According to his doctrine the structure of mentality has three parts "Super I" (super-Ego), "I" (Ego) and "It" (Ides) [4]. Per Freud "Super I" is storage of values and carries out adjustment of acts of the person during all his life, and a part of it is the understood person, a part - unconscious. As for "It" - it is predetermined genetically and represents the instinctive inclinations and hidden from consciousness desires of the person, it completely is in subconsciousness and submits to the principle of pleasure. "I" which per Freud is a product of individual experience and bears function of preservation of an organism, this part of mental human life represents the arena for fight of contradictory tendencies of "Super I" with its moral and social values and "It" which desires contradict these norms are concentrated.

"I" try to resolve these contradictions, to find justifications of its future or past actions. "I" thus per Freud submit to the principle of reality. If we consider «self-betrayal» experience from the point of view of the psychoanalytic theory founder, then it is possible to note the following. If "self-betrayal" is a violation of internal norms and values, and values are concentrated in "Super I", then «self-betrayal» experience can represent the following two options of the internal conflict. The first option is the conflict between "Super I" and "It" if it includes any extramental needs which satisfaction breaks norms from "Super I". In this situation, a person initially does not even realize why something contradicting to its norms and beliefs is made. The second option is the conflict between "Super I" and "I" if some rational ideas living in "I" argue with beliefs, norms or values of "Super I". Taking into account that "I" undergo considerable influence extramental "It", in this situation, experience of "self-betrayal" can be realized before acting, arise in the form of experience, conscience tortures. However, at the same time the person has doubts in the value existing in "Super I", belief or norm, otherwise he would have no opportunity to act counter to them. In such situation of people makes the choice contradicting the norms - what we call "self-betrayal".

3.2. Theory of set of D.N. Uznadze

It is interesting to consider a phenomenon "self-betrayal" from a position of the theory of the set developed by the Georgian psychologist and the philosopher Dmitry Nikolaevich Uznadze at the beginning of the 19th century. This theory allowed to look at deep mechanisms of human behavior in a new way. In due time, it promoted opening of new productive approach to studying of unconscious. Basic provision of this theory is as follows: "... emergence of conscious mental processes is preceded by a state which in any degree cannot be considered not mental, but only a physiological state. We call this state "set" – readiness for a certain activity, which emergence depends on existence of the following conditions: from the need which is urgent operating in this organism and from an objective situation of satisfaction of this need" [19, S. 131].

D.N.Uznadze's researches showed that at the person the certain internally complete state, defining its behavior in specific situation, is formed. And this state is not realized by the person, he cannot explain the reason of the behavior.

He considers impulsive behavior, when the person is practically a slave to external conditions: the actual environment influencing it. At the same time, the human attention automatically chooses those agents acting on the subject which ones are related to problems of his behavior. In this case, the behavior of the person is not defined by direct influence of the environment, but by a certain complete reflection of this reality in the subject of activity, mediated through his installation.

As opposed to impulsive behavior D.N.Uznadze considers strong-willed behavior when influence of the environment at the person is evolved by an impulse to action, but it does not follow it. At strong-willed behavior the decision on action is made by the person not only proceeding from requirement and the available external circumstances for its satisfaction, it is in addition estimated proceeding compliances to norms, values, plans and the purposes of the subject [15].

Considering «self-betrayal» experience in given approach, then there can be two options. In the first case, we have strong-willed behavior of the person which contradicts his vital set which he perceives as a part of him, the essence. There is a situation which demands from the subject of certain conscious actions which broke or break this set.

It is endured as the unconscious internal resistance to such behavior, including both mental, and possible physiological reactions. The rational component directs the person to realization of these actions, and an unconscious part opposes at the time of their commission and facilitates experience emergence "self-betrayal" after their performance.

The second option – as opposite, impulsive behavior can realize the available unconscious installation of a possibility of need's satisfaction in a suitable life situation. And such actions can contradict the realized ethical standard of the person which exists inside him as the realized value and the rule of life. Here is an «self-betrayal» experience as a contradiction of actions to the existing value making "I-concept" of the subject [12].

In both cases sensibleness and ability of the subject to a reflection will promote change of its sets or internal norms, or to estimate these actions as wrong. As a result the person can create new sets or revise actual values.

3.3. "Experiencing" of F.E.Vasilyuk

One of approaches relates to the fact that the phenomenon "self-betrayal" is treated as a critical life situation in which the person should carry out special internal activity, work, for transferring of these or those vital events, to restore the lost composure to cope with this situation. F.E.Vasilyuk calls such activity "experiencing" [20] and notes that "need for experiencing arises just in such situations which cannot be directly resolved by practical activities" [20, p. 4]

He notes that an experiencing work product always is something subjective and internal, for example, intelligence, composure, tranquility, new valuable consciousness, etc. Before F.E.Vasilyuk experience was treated as some passive process. Looking on it in relation to consciousness, it was considered that experience is given "by itself", without being result of the act of realization effort or a reflection, that it proceeds spontaneously, without demanding from the person of special efforts.

Unlike such concept of experience-contemplation F.E.Vasilyuk defines a concept of experience-activity when the person in lack of a possibility of subject transformation of reality, which would resolve the created situation, carries out internal work on conceptualizing. In a situation when subject and practical action powerlessly, mental reflection, both rational, and emotional can only express the subjective sense of a situation but not change it, even development of emotion in process of the solution of "a task on sense" has no ability of its permission, F.E.Vasilyuk also enters category "experiencing" which allows not just to realize sense of a situation, to reveal the hidden, but actual sense. Experiencing allows to create new sense, so it is a sense-generation, a sense-formation.

In this approach if we consider a critical situation of "self-betrayal", as a situation of impossibility of the internal need of life (motives, aspirations, values) realization, then this fight for creation of a situation of a possibility of vital needs realization is "experiencing". "Experience is an overcoming some "rupture" of life, it is a certain recovery work, as if perpendicular to the line of realization of life.... on the psychological sense and appointment are the processes directed on life and on providing a psychological possibility of its realization" [20, p. 9]. In experiencing "self-betrayal", as it was already noted above, is called in question the existing principles and values of the person which contradict requirements or other values. It causes strong emotional processes, consideration and the analysis of the principles and values.

There are two possible results of experiencing "self-betrayal" in this approach, so-called "successful" and "unsuccessful". In successful option there is an adaptation to reality allowing to satisfy requirements, it is the realized process and there is an accumulation of experience of a coping with vital problems. In successful option of experiencing "self-betrayal" there is an analysis and revision of values considering requirements, the person develops new values or is approved in existing, recognizing the made mistake.

The unsuccessful option aims at elimination or mitigation of displeasure, often process proceeds unconsciously and can sometimes lead to neurosis or to temporary private improvement of a situation at the price of deterioration in a situation in general, to regress, disintegration of the personality. Experiencing "self-betrayal" in this option can lead to the amplifying sense of guilt because of discrepancy to own principles and values, to the internal conflict or protective adoption of the behavior without any analysis, forming a trauma and translating it in unconscious, continuing to influence further human life.

In a situation of the choice need a person develops some principles for definition of the importance of different motives. The author considers value the only measure of comparison of motives. In difficult inner world in a situation "self-betrayal" the person faces a problem of the choice which leads emergence of a task of revision of hierarchy of values. F.E.Vasilyuk assumes that "in process of the identity of value undergo a certain evolution, changing not only in contents, but also in motivational status, in its place and role in the structure of activity" [20, p. 47].

Certainly, experiencing process "self-betrayal" also goes in these conditions and its course depends on a set of factors both inner world of the personality, and the outside world of an environment. It is quite clear that the individual gets into an experiencing situation "self-betrayal" when the internal valuable system was not approved yet and did not clear up. Experiencing "self-betrayal" in this situation is the most intensive development of values, proceeding during elections and decisions, significant for the personality.

3.4. Cognitive dissonance of Leon Festinger

Let's consider cognitive and behavioral approach to experience "self-betrayal", based on the theory of a cognitive dissonance of Leon Festinger. The cognitive dissonance per L. Festinger is the psychological phenomenon arising at "the contradictory relations between separate elements in system of knowledge" of the individual where the term "knowledge" is understood "as any opinion or belief of the individual concerning the world around, itself, his own behavior". [3, p. 18]. According to this theory, the cognitive dissonance is the motivating factor leading to the actions directed to its reduction.

In this approach, the experiencing situation "self-betrayal" can arise in case of a contradiction of the individual behavior to his internal beliefs, so the behavioral element of the personality contradicts cognitive one. L. Festinger calls such phenomenon the "forced consent" causing emergence of a cognitive dissonance in the psychological plan. The forced consent, in his opinion, arises in a situation when the threat of punishment or desire of an award are stronger, than a possibility of the individual resistance with preservation of the behavior corresponding to a frame of reference or the principles. The threat of punishment or desire of an award can be as external in relation to the individual, a social environment, and internal: needs and desires. In L. Festinger's work an example of how the worker of the shop under pressure of the surrounding him colleagues reduces performance standard of details for change is reviewed, and at their elimination (transfer to other shop), his productivity increases again.

It means that the decision on smaller productivity was made by him under pressure of colleagues, contradicted internal beliefs and did not lead to their revision. That is some time it worked in a condition of the forced consent which stopped when pressure source in the form of colleagues was removed, and the worker restored harmony in the matter, having returned high performance standard. Festinger fairly notices that "the size of the offered award or size of punishment is the factor defining degree of the dissonance accompanying the forced consent". [3, p. 127]. If these actions were followed for the worker by strong sincere experiences, then it is possible to tell about a situation of "self-betrayal", extended on time.

L. Festinger notes that "any person aim to the internal harmony reached by him. His views and sets have property to unite in the system which is characterized by coherence of the elements entering it." [3, p. 14]. Thus, by consideration of the experiencing "self-betrayal" in this approach, the defining role is played by degree of the dissonance arising at the person. Per L. Festinger, it is directly proportional to importance of the cognitive elements participating in it. Considering that the behavior at which the person breaks the principles, beliefs and values which are the deep and steady rules and the center of the personality which importance in comparison with other forms of knowledge can be hardly correlated, is understood as "self-betrayal". From positions of this approach "self-betrayal" is a cognitive dissonance of high degree. This phenomenon causes emergence of active experiencing process of the individual for elimination of a dissonance and restoration of the lost harmony. Full elimination of the arising dissonance requires change of cognitive components: or those ones which cause the behavior breaking beliefs, or beliefs themselves. It is clear, that there is resistance to change of these cognitive components, in other way there would not be bases for a dissonance emergence. For example, such changes can be painful or assume some loss. Or the behavior estimated by the individual as unacceptable from one point of view is quite satisfactory with another. In a situation of "self-betrayal" change of cognitive elements means need of assessment of made act or number of the actions contradicting personal system of values. Person should admit that the action was wrong and confirm his values, or to revise them and change as cognitive elements of the personality.

4. CONCLUSION

So, in philosophy and psychology the phenomenon "self-betrayal" was practically not studied, however it is possible to approach understanding of this phenomenon through the ideas presented in existentialism philosophy, psychoanalysis, the concept of a cognitive dissonance, ideas of D. N. Uznadze and F. E. Vasyulik's theory. The analysis shows us that "self-betrayal" is a person's doing an act contrary to his habits, rules, ways of thinking, beliefs or values. There are options for both variants: a one-time act, and long-term actions that violate their own norms and beliefs. The individual is involved in formation of own unity, having situations when he faces the moral choice, where norms or values contradict with requirements and motives. Experiencing "self-betrayal" causes strong emotional processes, consideration and the analysis of the principles and values. Because of the experience of "self-betrayal", person may renounce the former views and revise them or on the contrary - to establish himself in his views. Experience "self-betrayal", being an actual problem of many people of mature age, demands carrying out fundamental theoretical and empirical researches.

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THE CONSUMER'S PREFERENCES WITH DIFFERENT INDIVIDUAL-PSYCHOLOGICAL TRAITS

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ABSTRACT

The dynamic of change costumer's preferences is most important researching way in social-psychological mechanisms society life. Consumers preference inject in structure of social-psychological mechanism, contains three levels: social, groups and individual. In article we research correlation between olfactory preferences of consumers in market's production and individual psychological traits. Subjects were presented with 7 aromas in blotters and ask to rate them semantic differential of G.Osgud. Before that subjects rate fragrances this way, they assess themselves. In addition, we research respondent's psychological traits of them.

Keywords: *sense of smell, consumer's preferences, social-psychological mechanism, olfactory, fragrances*

1. INTRODUCTION

Smell is one of the most mysterious phenomena of consciousness, the nature of which is still being clarified [14]. In psychology, along with other sensory systems, the sense of smell is awarded only to the position of the appendage in the whole system of perception [11]. There are a number of reasons for this. Firstly, the sense of smell in everyday life extends to separate fragments of the world picture, far from each other. Secondly, there is no clear explanation of the sense of smell mechanism and its significance for human life. Thirdly, the benefit of such knowledge seems minimal, since the human orientation system contains more significant components. Sufficiently small and weighty set of reasons determine difficulty process of knowing the sense of smell sphere. "Sniffing" is the visible part of the orienting reflex, which in turn consists of a complex interaction of the organism's adaptive systems [18]. Olfactory information is received by nerve cells of the nasal mucosa directly, bypassing the distortion nervous, as well as high selectivity from the position of the smell quality diagnostics [17]. In animal life, odors play a key role in survival [20]. Olfactory signals report fugitive dangers, potential prey, sexual partners and much more [6, 9, 21, 22]. Virtually any smell can be felt at a distance, before direct contact with its carrier, in addition to nonvolatile pheromones [2].

On the psychological field, attempts to understand the value of the "nose" were made abruptly. In psychoanalysis, the idea of fetishism by Freud is brilliantly developed. It is also significant that Freud was acquainted with Wilhelm Fleis, convinced that the nose is the most important organ. They both had a pathology of a nose which had fought nasal anesthetic and neutralizer of pain – cocaine [19]. There are attempts to establish the relationship between emotional state and smell, as well as the participation of olfactory system in the communication process [3].

Of particular interest is the possibility of "transferring" emotional states in the process of communication [1]. For example, in one of the works disclosed the problem of latent aggression caused by the olfactory factory [13]. As it turned out, the sense of smell plays an essential role in interpersonal perception [23]. The age dynamics and gender differences in the use of perfume in the olfactory process is revealed [7]. As can be seen from the above, the problem of the psychology of odors covers a wide range of problems and one way or another, linked to life experience of emotional states and affects.

The prospect of research the problem of odors and their effect on the behavior of living organisms is enormous. The fact that through the holes in the skull through which the olfactory information comes in is also ensured a constant inflow and outflow of oxygen and carbon dioxide, makes the sense of smell one of the key weapons in marketing. Aromatic impact on buyers creates a first impression of the space-place and is often used in shops, boutiques, hotels and public places [5, 7, 8, 10, 16]. For commercial enterprises, this is logical. Knowledge of the emotional states of customers can be used in sales techniques to influence the client's situational preferences. But in addition to situational preferences, a huge role in choosing a product is played by constant preferences.

Consumer's preference is a socially and personally determined positive subject-object relationship of the consumer to the product, service or their attributes, which determines the choice [15]. The preferences are both congenital (genetic) and acquired. Define factors that sometimes have an opposing effect on consumer preferences: sensory (physiological) and social. Despite the apparent systemic nature, there is a lack of a system of knowledge in this matter.

In today's conditions, it is almost impossible to predict the development of the market. Its own internal component is occupied by the interests of citizens, manifested in consumer preferences. The component, from which the movement of human interest is formed, is a huge number. Technical and technological progress only sets the vector by which society moves. Research of consumer preferences is conducted from three different angles of review: economic, marketing and social-psychological.

The economic angle of view allows us to view society as a consumer machine, giving its money to certain goods and services [4]. The peculiarity of this angle of view is that you can see the real consumption of society by the end of the purchase, but it is difficult to predict it. But there is a plus. Knowledge of the economic situation of citizens, their earnings, can help in forecasting quantity volumes, but not quality.

Marketing research, partially aimed at studying the qualities of consumer preferences [12]. The created research procedures are focused on studying the real structure of consumption channels and the possibilities of introducing the proposed product to the market. The basis is the behavior and opinion of the consumer in relation to the product. At the same time, calculations of the reaction of the customers is not made on the basis of internal properties of the user, and based on socially desired preferences

The social-psychological angle of view allows you to look not at situation or buying, as the marketing does and not in the consumer's wallet, as the economy does. Socially psychological approach allows us to consider the essence of consumption, as a vital human need, woven into the social context of the development of society and the formation of each individual. From this point of view, preferences are studied at three different levels: individual, group and social.

One of the most interesting and least studied topics is the study of the mechanisms of consumer preferences in the choice of fragrances. Aroma as a consumer object carries a number of functions that the buyer acquires. The person decides, whether this fragrance is applied to the skin or not. He will be given or will remain in personal use, the same way. The consumer determines for himself where and when he will use the fragrance and for what purposes. The strategy of choosing fragrance, in this case, should be based on how the person decides to position himself before other people, will use the fragrance only for himself or will spray it into the air for everyone. In all cases, the consumer at the time of purchase from a certain coordinate system of his intropsychic. The proposed study attempts to disclose the mechanism of functioning of the intropsychic process of choosing the fragrance emanating from its system of preferences.

2. RESEARCH BASE AND METHODS.

The research was conducted in winter season on the basis of the Russian State Social University (RSSU). We used methods of conversation, questioning and testing. 100 people took a part this. All of subjects were asked to choose the most and least preferred smell from the prepared range of perfume products. This study used fragrances of Hermes brand (Equipage EDT, Un Jardin Sur Le Toit EDT, L'Ambre de Marveilles EDP) and Cartier brand (Eau de Cartier Concentree EDT, Baiser Vole EDP, Declaration D'un Soir EDT, Roadster Sport EDT). In total we used 7 fragrance compositions. During the tests, respondents were not informed about the belonging the fragrances to the brand, their name were not advertised and the bottles were not shown. The fragrances were sprayed onto a special paper for tasting.

Preliminary, before the start of study, we conducted a lot of conversations with professional consultants of perfume brands. We found out details, accompanying the construction of an adequate methodical apparatus. All the information was analyzed and applied in the process of creating the methods "Self-assessment of personality" ("SOP") and "Assessment of fragrance" ("AOF") on the basis of C. Osgut's semantic differential (scales: "Evaluation", "Strength", "Activity"). The smell was rated with relatively to the chosen as the most, and the least preferred smell.

The calculations of the data array of these methods were carried out with mathematical operation, expressed in the formula:

$$P = (- C) - (- A), (0.1)$$

where «C» - scores of factor of the inquirer "SOP";

«A» - the scores of factor in the inquirer "AOF";

«P» is the resulting factor, which includes a range of values with a "-" sign and a "+" sign.

The use of this mathematical operation in the study makes it possible to determine the degree of discrepancy between the self-esteem indicators of an individual and the evaluation of the most and least preferred smell. Individual psychological properties of personality were studied by the technique of LN. Sobchik "Individual-typological questionnaire" (Further - "ITQ").

Counting the array of data produced a statistical package SPSS Statistics: Spearman correlation analysis, Pearson correlation analysis, The Mann-Whitney U test, the Kraskel-Wallis test.

3. RESULTS

At the first step, a correlation analysis was made between the factors of the "SOP" and "AOF" inquirer with regarding the choice of the most preferred smell. Correlations between similar factors of the methods were found ("Evaluation" - $r = 0.251$, $p < 0.05$, "Activity" - $r = 0.258$, $p < 0.01$). Regarding the choice of the least preferred smell, correlation links between the factors of the inquirer were not found.

Similarly way, we performed the mathematical processing of data on the above formula (0.1) to all inquirer factors. As a result of this we get 6 factors of discrepancies. Three of which factors regarding to the choice of the most preferred smell and three to the choice of the least preferred smell ("Evaluation", "Strength", "Activity").

In both side of preference scale of all scales of discrepancies there are indices in the range of negative values and in the range of positive values. Further, the obtained indices were divided into groups, depending on the magnitude of the discrepancies between similar scales and their sign. The groups are formed on the basis of the standard deviation according to the scales of the "SOP" inquirer. The standard deviation for the "Evaluation" scale is 4.8; "Strength" = 4.6; "Activity" = 4.7.

Rounding and averaging the initial standard deviations, the minimum discrepancy thus became a range of 5 points. The remaining indicators are beyond this range, formed two other groups of answers for the subjects. First, on the field of negative values. Second, on the field of positive values. So each subject in this study was identified in the appropriate group for each scale separately, regarding the choice of both the most preferred and the least preferred smell. The result of such a distribution is outlined in Table 1 and symbolizes the type of the preferential mechanism by which the subject made an assessment of the most and least preferred smell.

Analysis of the differences in the answers of subjects between the scales "Self-assessment of personality" and "Assessment of fragrance"

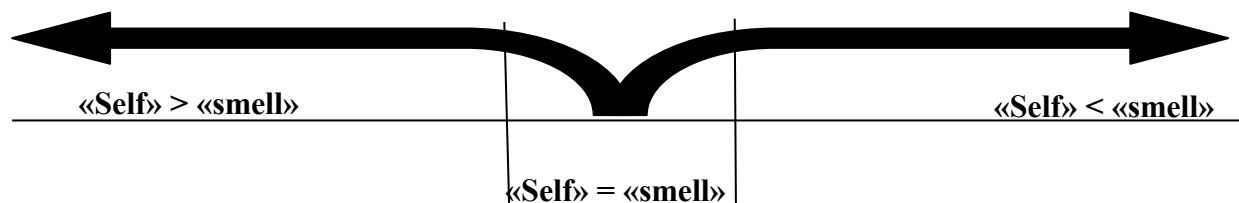
TABLE 1

Most preferred smell	Groups	1	2	3	Total
	Evaluation	13	27	60	100
	Strength	35	13	52	100
	Activity	29	15	56	100
Least preferred smell	Groups	1	2	3	Total
	Evaluation	51	7	32	100
	Strength	7	67	26	100
	Activity	34	19	47	100

Response groups of subjects: 1 - indices of the negative range (decompensatory type); 2 - indicators of the region of positive values (compensatory type); 3 - the results of the data entering the central data range - the type of identity.

Gray mark in the table indicates the groups with the largest number of respondents who are members of a particular group. The first group is characterized by the prevalence of the values of the factor «evaluation» of the "image of self" over the values of the smell assessment - the decompensatory type of preferences. The second group is characterized by the prevalence of the values of the smell assessment over the values of the "image of self" - the compensatory type of preferences.

The third group is characterized by a minimal discrepancy between the values of the "image of self" and the values of the aroma assessment - the type of preferences for identity. For the convenience of visualizing the results obtained (scheme 1), we constructed a schematic representation of the distributions of respondents' answers between the types of mechanisms.



Scheme 1. Range in standard deviations

"Self" > "smell" - a decompensatory type of preferences; "Self" = "smell" - type of preferences for identity; "Self" < "smell" - compensatory type of preferences.

Further, we carried out a correlation analysis of the relationships between the scales of discrepancies in the semantic differential and scales of the "ITQ" L.N. Sobchik.

Regarding the choice of the most preferred smell, it was found that there are correlations between the scales of discrepancies in the semantic differential: "Evaluation" and the scale of "ITO" (Aggravation - $r = 0.212$; $p < 0.05$), "Strength" and scales "ITO" (Aggravation - $r = -0.234$; $p < 0.05$; Aggressiveness - $r = -0.322$; $p < 0.005$), "Activity" and "ITQ" scales (Extroversion - $r = -0.3$; $p < 0.005$; Introversion - $r = 0.315$; $p < 0.005$).

Regarding the choice of the least preferred smell, it was found that there are correlations between the scales of discrepancies in the semantic differential: "Evaluation" and the scale of "ITQ" (False - $r = -0.403$, $p < 0.001$), "Strength" and scales "ITQ" (False - $r = 0.296$; $p < 0.005$; Extroversion - $r = 0.227$; $p < 0.05$; Sensitivity - $r = 0.264$; $p < 0.01$), "Activity" and the scales "ITO" (Extroversion - $r = -0.384$; $p < 0.001$; Spontaneity - $r = -0.251$; $p < 0.05$; Lability - $r = -0.237$; $p < 0.05$).

The subsequent analysis of the data was aimed at revealing the differences in the individual typological profile of the respondents divided into different groups. The analysis was carried out for each scale of discrepancies of the semantic differential separately.

For the most preferred smell, the most significant differences are shown in Table No. 2.

Table following on the next page

Most preferred aroma

TABLE 2

The scales of discrepancies in the semantic differential	Scale of "ITQ"	U-test	Val.	1		2		3	
				Av. rang	N	Av. rang	N	Av. rang	N
Evaluation	VI	244,5	0,033	25,81	13			39,43	60
Strength	L	292	0,016			45,28	13	32,12	52
	L	169,5	0,03	21,15	35	30,08	13		
	III	466,5	0,002	51,95	35			35,47	52
Activity	I	117,5	0,018	30,93	29	15,89	15		
	VIII	259,5	0,047			26,04	15	37,87	56
	III	504,5	0,002	54,68	29			37,51	56
	V	215	0,009			48,14	15	32,34	56
	V	92	0,003	18,57	29	25,58	15		

Response groups of subjects: 1 - decompensatory type of preferences; 2 - compensatory type of preferences; 3 - type of preferences for identity with the object; Scales "ITQ": I - extraversion; III - aggression; V - introversion; VI - sensitivity; VIII - lability; L - lie;

Regarding the choice of the least preferred smell, the same operation was conducted to find statistically significant differences between the grouped indicators of respondents. The results are shown in Table 3.

Least preferred aroma

TABLE 3

The scales of discrepancies in the semantic differential	Scale of "ITQ"	U-test	Val.	1		2		3	
				Av. rang	N	Av. rang	N	Av. rang	N
Evaluation	L	686,5	0,04	49,24	51			37,8	32
	III	687,5	0,41	49,63	51			37,83	32
Strength	L	604,5	0,006			52,05	67	35,84	26
Activity	I	274	0,013			24,42	19	37,17	47
	I	133,5	0,001	32,57	34	17,03	19		
	I	544,5	0,013	48,49	34			35,59	47
	II	593	0,047	47,06	34			36,62	47
	VIII	278	0,015			24,76	19	37,09	47
	VIII	184,5	0,009	31,07	34	19,71	19		

Response groups of subjects: 1 - decompensatory type of preferences; 2 - compensatory type of preferences; 3 - type of preferences for identity with the object; Scales "ITO": I - extraversion; II - spontaneity; III - aggression; VIII - lability; L - lie;

At the last stage of processing the analyzed data, we compared groups of subjects who made different olfactory choices. We compared for differences in the individual-typological profile of the individual.

Recall that the amount of aromas in the study - seven. The statistical analysis involved smell of fragrances and the corresponding groups in which the number of subjects corresponded to the statistical tolerance. The most revealing, in our opinion, was finding the differences between the groups of respondents who chose 2 and 7 fragrance (Spontaneity - $2 < 7$; U-test = 104; $p < 0.005$; Introversion - $2 > 7$; U-test = 117; $p < 0, 05$; Sensitivity - $2 > 7$; U-test = 107.5; $p < 0.01$). Other differences are less informative, but nevertheless, we will quote them. The differences between the groups of respondents who chose 2 and 5 fragrance is the predominance of the factor "Introversion" in group 2 (U-test = 61.5, $p < 0.05$). Between 4 and 7 group of respondents, one statistically significant difference in the factor "Sensitivity" was found with its predominance in 4 groups of respondents (U-test = 155.5, $p < 0.05$).

The results of the statistical analysis reveal the essence of such a phenomenon as the preference for the object - fragrances. The mechanism of preferences, functioning according to the principle of comparing the characteristics of the "self-image" and the characteristics of the preferred object, is revealed.

Fragrances acts in the role of such an object, the assessment of which is subjective. The quality of the evaluation of the preferred object does not always coincide with the assessment of its own "self-image". The mechanism of preferences answers the question of how a person chooses a preferred smell.

The types of functioning of the mechanism of preferences are three:

- 1) by identity;
- 2) compensatory;
- 3) decompensatory;

The greatest number of subjects passes through the first type. The subject chooses a fragrance that corresponds to his own self-esteem. A person choosing a preferred aroma identical to himself has a less aggressive character of interaction with the outside world and being more impressionable, inclined to reflection.

Compensatory type is characterized by increased values of aroma assessment over self-esteem. When choosing a fragrance, the respondent complements his own image with the characteristics that he himself put in the chosen fragrance. Using the fragrance in everyday life, the person, thus, probably increases his own self-esteem. Other characteristics are mood variability, rapid and little predictable switchability of the emotional state, high sensitivity to the signs of attention. Interesting relationship between the compensatory type of preferences and decompensatory. It passes through two opposite qualities: "introversion-extroversion". Compensatory type, unlike other

Reveals low rates for the factor "Extroversion" and high in the factor "Introversion" in the context of the semantic scale - activity. The opposite picture is observed in a person choosing a fragrance according to the principle of decompensatory type. The main characteristics: the personality turned to the world of real objects, open, sociable, striving to expand the circle of contacts. It is curious that such a person is more aggressive than the one that chooses the preferred flavor by the identity type with himself. She is active in self-actualization and defending her own interests, is stubborn and willful.

The person who chooses the fragrance as a means of influencing the environment differs from the compensatory type by using fragrances as a means to achieve one's own goals. This is evidenced by high rates of extraversion, which say that the existence of a fragrance in the real world is rather aimed at other people surrounding the person.

Diagram 1 presents the quantitative results of variations in the factors of the factors "Introversion" and "Extroversion" for various types of preferences.

DIAGRAM 1

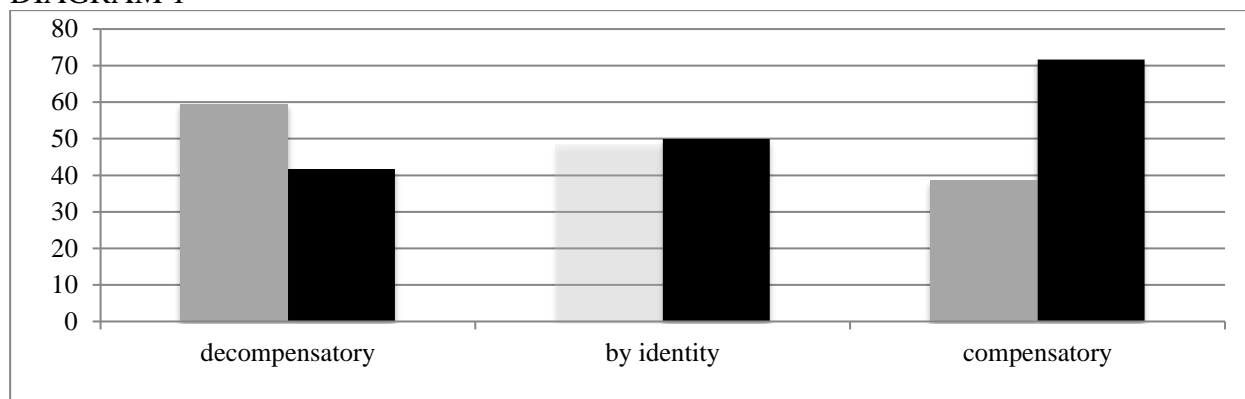


Diagram 1. Differences in index of the factor "Extroversion" and "Introversion", depending on the type of preferences in the choice of aroma. The "Extraversion" factor is highlighted in gray, the factor "Introversion" is highlighted in black.

In the studies of foreign colleagues, the "introversion" factor was analyzed, but did not find a place in the methodological construction of the study. The data show that, in addition to the "introversion", another component is involved in the process of choosing the fragrance - extraversion. It is these features that make this phenomenon a mechanism.

4. CONCLUSION

Answering the question about the reasons for choosing the fragrance, we turn to the essence of man, the quality of his personality. In this study, we tried to understand how a person carries out a choice of fragrance, and then find out the reason for this choice. The first is the definition of the mechanism of preferences. This mechanism, conditionally, is divided into three types (identity, compensatory, decompensatory), depending on its manifestation. Having learned how a person makes his own expression of preferences, we concentrated on answering why a person gives his preference to a particular fragrance, along with others. The second is to determine the reasons for making preferences. The preferences of aromas are closely related to the psychological qualities of the individual. These results do not fully cover the question of the relationship between the psyche and the smell, on the contrary, they reveal new, deeper and interesting interrelations, the study of which is the task of the psychology of odors. There is an incredible opportunity to study the dynamics of olfactory preferences in the age aspect. Allocated sub-mechanisms constitute a single organic tissue of the mechanism of preferences in the selection of fragrances, offering us an answer to the question of how exactly the choice is made with which bases it is made. The reasons, for which the subject chooses a particular fragrance, as is clear from the results of the study, are closely related to the psychological qualities of the individual. Apparently, this mechanism has dynamics at various intervals of time. Presumably, in the process of immediate purchase, there may be a switch from one sub-mechanism to another.

This assumption is beyond the scope of this study and requires verification. The final choice of aroma, on which a person stops is related to the stable psychological qualities of the individual, which was shown by the study. Given the pluralism of science and the "dendrike network" of olfactory penetration into various spheres of life, it can now be assumed that an in-depth study of the olfactory personality can lead to the creation of a system of knowledge combining many different research directions. For many reasons, the active center of this layer of knowledge relative to others is in the area of the Mariana Trench of Science. Raising it to the surface is the task of today. It should be taken into account that the closer to the surface the active. Cent, the harder it will be to raise it, because it is for sure not known how deep the roots of this mysterious phenomenon and what its real weight is.

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