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Section 1. Economics

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BEHAVIORAL DISTORTIONS OF PRIVATE INVESTORS: THE INFLUENCE OF THE NEWS BACKGROUND AND THE “CROWD EFFECT” ON TRADING RESULTS

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Abstract

This article discusses behavioral errors that can occur among private investors. It explains how the news background and the “crowd effect” affect their investment decisions and trading results. The research is based on the ideas of behavioral finance and prospect theory, which explain why investors’ behavior often differs from how they would behave if they were completely rational. The article shows that in conditions of a large amount of information and a high speed of its distribution, news plays not only an informational, but also a behavioral role. They shape public opinion, enhance short-term reactions, and increase the likelihood of impulsive trades. Special attention is paid to “herd behavior”, a mechanism of social imitation and information cascades that leads people to make decisions based on the actions of the majority. This can cause price distortions, increased volatility, and increased trading costs. Based on the analysis of scientific approaches, the main channels of influence of news and collective sentiments on the activity and risk of private investors have been identified. Practical recommendations have been formulated to help reduce the negative impact of cognitive errors and social factors. These recommendations include regulating investment decisions, limiting excessive trading, and increasing criticality to information sources.

Keywords: *behavioral finance, private investors, cognitive distortions, perspective theory, news background, investor attention, news tone, information cascades, crowd effect, herd behavior, trading activity, risk management*

Relevance of the study

In modern financial markets, the behavior of a mass investor plays an important role. His decisions are often made in conditions of information overload, high uncertainty and

emotional pressure. Unlike classical financial theory, which assumes rational behavior of participants, trading practice shows that private investors often rely not only on fundamental indicators and formalized risk

assessments, but also on the interpretation of news, public expectations, opinions of opinion leaders and signals from the social and communication environment. This makes them vulnerable to systematic cognitive errors such as the accessibility effect, overconfidence, overreaction to news, and other distortions that directly affect the results of transactions and the level of accepted risk.

The study is becoming particularly relevant due to the growing influence of the news background and digital channels of information dissemination. News and comments spread at lightning speed, and their emotional coloring and “competitive” presentation can cause short-term spikes in supply and demand, increase volatility, and push for impulsive decisions. In such conditions, the crowd effect manifests itself as a mechanism of “imitation”: investors are guided by the actions of the majority or by external signs of the popularity of an idea. This can lead to information cascades, short-term price distortions and, in some cases, the formation of local “bubbles”. For a private investor, this means an increase in the likelihood of buying overvalued assets, an untimely exit from a position and an increase in trading costs due to the increased frequency of transactions.

The practical significance of this topic lies in the fact that understanding behavioral mechanisms helps to improve the quality of financial decisions and reduce losses that arise not from market factors, but from errors in information perception and social influence. The scientific relevance of this topic is due to the need for a deeper understanding of how news impulses and collective behavioral reactions transform into measurable trading results. This is important for the further development of behavioral finance and the creation of applied models for assessing investor behavior.

The purpose of the study

The purpose of this study is to understand and explain the mechanisms that influence the investment behavior of private investors and the results of their trading. We will also offer practical recommendations that will help reduce the negative impact of behavioral factors on the quality of investment decisions.

Materials and research methods

The research was based on the provisions and conclusions of scientific papers on behavioral finance and economic psychology. In addition, we used publicly available empirical methods used in the academic literature to measure the attention and collective behavior of investors.

Various methods were used in the work: theoretical analysis and generalization of scientific data, comparative analysis of approaches to classifying behavioral distortions, as well as conceptual modeling of cause-and-effect relationships between information impulses, social influence and trading decisions.

The results of the study

The emergence of behavioral finance was driven by criticism of classical and neoclassical financial theory, which are based on the idea of the rationality of economic agents and their ability to process all available information without any systematic errors. Observations of the behavior of stock market participants have shown that investors’ real decisions often do not correspond to the rational choice model. These deviations are persistent and are explained by limited rationality, emotional reactions and peculiarities of perception of risk and information. An important contribution to the theoretical substantiation of this approach has been made by the research of psychologists and economists, especially the work of Daniel Kahneman and Amos Tversky, who initiated the analysis of systematic cognitive distortions in conditions of uncertainty (You can’t force: why behavioral economics is needed – all the most interesting things in post-science).

One of the key theoretical aspects of behavioral finance is prospect theory, which describes how private investors assess risks and benefits. According to this theory, people react more acutely to losses than to similar-sized acquisitions. This leads to an asymmetric perception of risk. In practice, this manifests itself in an unwillingness to fix losses and retain unprofitable assets, as well as in premature profit taking on growing instruments. For private investors, who usually do not have professional analytical support, such behavioral reactions can have a signif-

ificant impact on the portfolio structure and final financial results.

In scientific papers, behavioral distortions are usually defined as a set of persistent errors that occur during information processing and decision-making. These distortions develop under the influence of cognitive heuristics – simple rules that allow you to quickly respond to changes in the environment, but do not always lead to optimal results. In the context of investment activity, such distortions as the effect of overconfidence, the anchor effect, the desire to confirm one’s point of view, the effect of information accessibility, and herd behavior are most often men-

tioned. These phenomena are described in detail in works on behavioral economics and confirmed by the results of laboratory and field studies on the financial markets of different countries.

In order to streamline the theoretical knowledge about behavioral distortions in investing, scientific reviews classify them according to two criteria: by the source of their occurrence and by the mechanism of influence on the investor’s decision. The table below shows the most common behavioral distortions that have been identified in open scientific sources and textbooks on behavioral finance.

Table 1. *The main behavioral distortions of private investors and their manifestations in investment activity*

Behavioral distortion	Brief description	A typical manifestation in trading
Excessive confidence	Reassessing your own knowledge and skills	Excessive frequency of transactions, ignoring risks
The anchor effect	Focus on initial information	Linking to the asset purchase price
The effect of losses	A stronger reaction to losses than to profits	Holding unprofitable positions
The accessibility effect	Estimating probabilities based on easily accessible information	Reaction to high-profile news
The crowd effect	Following the actions of the majority	Asset purchases at the peak of popularity

A source: author’s development

The peculiarities of the manifestation of behavioral distortions among private investors are largely determined by their position in the financial market. Unlike institutional participants, private investors usually rely on publicly available sources of information such as news feeds, analytical reviews, and social media posts. Limited access to professional analytics, less capital, and the lack of formalized risk management procedures make the decision-making process more vulnerable to emotional and social factors. As a result, behavioral distortions become not just random deviations, but a stable element of investment behavior (How to recognize and avoid the “herd instinct” in investments).

The news background is one of the most important external factors that influence the investment behavior of private investors.

Most non-professional market participants receive information about the state of the economy, companies, and financial instruments from news and media channels. In theory, this is due to the problem of limited attention: an investor cannot simultaneously analyze a large number of assets and a stream of diverse information. Therefore, the “visibility” of the event and the ease of access to it begin to play an important role in decision-making. Thus, the news not only provides information, but also forms the agenda, determining which assets and topics will interest the investor and which will be ignored.

The impact of news on investor behavior can be described using several key mechanisms. Firstly, news increases the likelihood that an investor will pay attention to a particular asset (the effect of attracting attention).

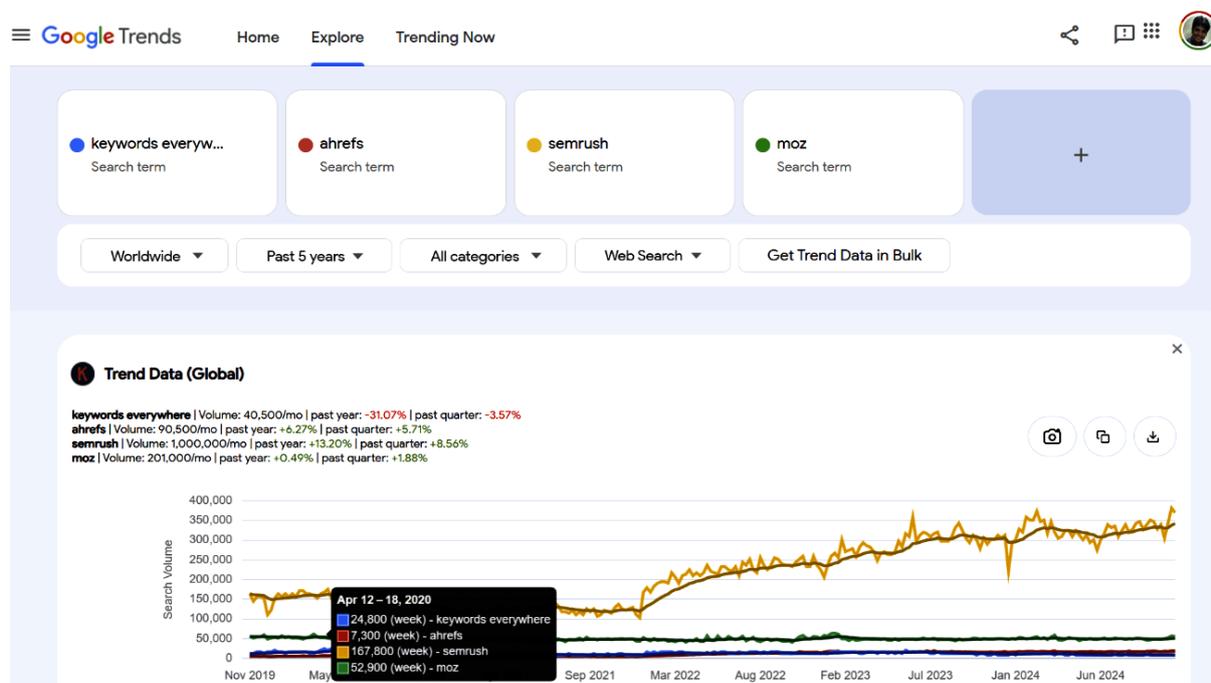
Secondly, the tone and way information is presented can influence the perception of risk and expected returns. The same economic facts can be perceived in different ways, depending on how they are presented – as a threat or as an opportunity. Thirdly, the media often selects and focuses on “extreme” events, such as unexpected strong price fluctuations, loud corporate conflicts and harsh statements. This can lead to impulsive reactions and short-term trades that are not always based on fundamental analysis.

A separate area of research is related to the fact that the appearance of news in the feed does not always indicate the real interest of investors. Therefore, empirical studies use more reliable indicators of audience interest.

One of the most well – known methods of measuring attention is the analysis of search activity on the Internet. A study by Da, Engelberg, and Gao suggests using the Google Search Volume Index as an indicator of attention. Based on data from 2004 to 2008, the authors demonstrate that changes in search activity are related to the activity of less experienced retail investors. They also discuss the role of attention in the effects seen at IPOs and in momentum strategies (Zhi Day, Joseph Engelbergz and Pengjie Gaox).

Below is a picture that explains the principle of this measurement. The indicator is calculated as an index of relative interest that changes over time. This makes it easy to track attention spurts related to various events.

Figure 1. *The dynamics of search interest in keywords in the Google Trends system (Google Trends Search Volume – See Search Volume on Google Trends)*



In the Tetlock article, the tone of news is considered as an independent factor, since media texts not only convey facts, but also carry an emotional assessment. Based on the daily content of the column “Abreast of the Market” in the Wall Street Journal, the author creates an indicator of “media pessimism” and evaluates its relationship with market parameters. The study shows that a high level of pessimism correlates with downward pressure on prices, followed by a recovery trend. In addition, unusually high or low pes-

simism values are associated with increased trading volumes. For private investors, this result is important, as it demonstrates that the news environment can affect not only the reassessment of expectations, but also the intensity of trading, which means activity and potential costs (Paul C.).

In finance, the “crowd effect” or “herd behavior” (herding) usually refers to a situation where market participants make similar decisions about buying or selling the same assets. This is not because they independently

came to the same assessment of fundamental factors, but because they are guided by the actions of other participants, the “general mood” or social signals (How to recognize and avoid the “herd instinct” in investments).

It is important to note that outwardly similar actions can be caused by various reasons: from simple imitation and social pressure to a reaction to the general information background, for example, to the same report or macroeconomic news. In market research, it is customary to distinguish between “true” herd behavior and “apparent” similarity of actions due to common factors. A classic example of the formalization of the mechanism of observed learning and the transition to collective choice is presented in the model of information cascades. In this model, the behavior of other market participants becomes a signal that can outweigh the investor’s own information.

For private investors, the crowd effect is particularly important for two reasons. First, private investors usually operate in conditions of high information asymmetry, meaning they have less access to professional data and analytics than other market participants do. In such circumstances, social signals such as majority behavior, popularity of ideas, discussions, ratings, and “top buys” have a stronger impact on asset selection and market entry. Secondly, many private investors face attention and time constraints. Therefore, they often make “quick” decisions based on what other market participants are buying, especially during periods of sharp market movements. Empirical studies confirm this by showing increased synchronicity of transactions and increased trading activity at times when attention to an asset increases for external reasons, such as news, price limits, or bursts of discussion.

In scientific research, the “crowd effect” is assessed not based on single observations, but using quantitative indicators. There are two approaches used. The first approach is to measure the “consistency of trading directions” between different groups of participants. For example, it determines what percentage of funds or investors purchase a particular stock in the same period compared to the “normal” share of purchases. This allows you to identify periods of synchronous purchases or sales. The second

approach is to measure the “compression” of the spread of individual stock returns relative to market returns. If, during periods of strong market fluctuations, securities yields begin to move “more uniformly,” see this as a sign of herd behavior, since individual valuations are replaced by a collective reaction. Both of these approaches are widely used in the international literature and make it possible to relate the “crowd effect” to market phases, liquidity, and future returns.

The impact of herd behavior on the trading results of private investors can be described through several key aspects. The first one is related to the quality of the market entry price. When many buyers enter the market, the price may temporarily deviate from levels that are consistent with fundamental expectations. This increases the risk that an investor will buy an asset at an inflated price. The second aspect is the increase in volatility and trading costs. When many market participants act at the same time, this increases short-term fluctuations and “makes noise” the signal. As a result, a private investor can make impulsive trades more often and pay more fees and spreads. The third channel is the risk of being forced out of a position. When the mood in the market changes, correlated sales increase the decline and can lead to people selling assets “under the influence of emotions” or due to margin requirements (if leverage is used). At the market level, such effects lead to an acceleration of short-term price fluctuations and possible subsequent returns, when the price partially “rolls back” after the momentum of supply and demand weakens.

The study of the mechanisms of the influence of the news background and the “crowd effect” on the decisions of private investors in the field of trade opens the way to the development of practical recommendations aimed at reducing the negative consequences of behavioral distortions.

First, it is important to develop and follow formalized rules when making investment decisions. Using a pre-defined investment strategy, clear entry and exit criteria, and established risk limits reduces the likelihood of impulsive trades that may be triggered by unexpected news or changes in market sentiment. In addition, the regular portfolio structure and periodic rebalancing help minimize

the impact of emotional factors on investment decisions.

The second important aspect is to limit excessive trading activity. Experience shows that too many transactions are often associated with overconfidence and a tendency to react to short-term information signals. The introduction of the “temporary pause” rule before concluding a deal and the analysis of alternative scenarios for the development of the situation make it possible to reduce the likelihood that decisions will be made under the influence of emotions.

The third recommendation is a critical understanding of information sources. Separating factual data and interpretations, using multiple independent sources of information, and focusing on the company’s long-term performance can reduce the impact of accessibility and the impact of news delivery methods. The practice of keeping an investment journal, which records the motives of each transaction, helps to identify recurring behavioral errors.

Finally, it is worth noting the importance of improving financial literacy and awareness

of one’s cognitive limitations. Understanding factors such as a tendency to herd behavior, fear of loss, or overconfidence significantly reduces the likelihood that they will manifest themselves without our control.

Conclusions

Thus, the news background and the so-called “crowd effect” are important external factors influencing the behavior of private investors. These factors reinforce the effects of limited attention, emotional interpretation of information, and social imitation. News impulses increase the visibility of assets and stimulate a short-term reaction, while herd behavior can lead to delayed entry into a position, price distortions, increased volatility and trading costs, which together worsen the risk–return ratio. Reducing the impact of behavioral distortions is possible through the formalization of investment rules, risk management discipline, limiting excessive trading activity, critical assessment of information sources and the development of financial literacy, which increases the resilience of investment decisions to information and social impacts.

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MODERN FINANCIAL MARKETS AND SUSTAINABLE FINANCE INSTRUMENTS

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Abstract

This paper examines the transformative impact of Environmental, Social, and Governance (ESG) criteria on modern financial markets. It analyzes key sustainable finance instruments, specifically focusing on green bonds, green loans, and sustainability-linked mechanisms, to determine their effectiveness in allocating capital toward environmental activities. In addition, the study assesses the strategic readiness and regulatory framework of the Georgian financial sector in alignment with the global sustainable development agenda. The findings provide insights into the challenges and opportunities for integrating sustainable finance practices within the context of emerging market economies.

Keywords: *ESG Integration, Environmental Taxonomy, Financial Markets, Sustainable Finance, Georgian Financial Sector*

Research method

The study uses a systematic literature review, comparative and qualitative analysis methods. Reports and peer-reviewed articles published by leading financial institutions (e.g. World Bank, EBRD) over the past decades are analyzed to identify common trends between sustainable development and the changing financial market landscape. The article provides a SWOT analysis of sustainable bonds and sustainability-related bonds as part of the comparative analysis.

Introduction

The global challenges of the 21st century, especially climate change and social in-

equality, have fundamentally changed the role of capital markets in the modern economy. Once a niche segment, sustainable finance has grown into a multi-trillion dollar market that now dictates investor behavior and corporate strategies. Along with traditional securities, modern financial markets offer sustainable financing instruments that are essential tools for financing renewable energy, green infrastructure, and social initiatives. This article examines how modern financial markets address the demand for sustainability and evaluates the role of innovative financial assets in this transition.

Results analysis

At the current stage of society's development, climate change and natural resource degradation represent a fundamental economic dilemma. Traditional financial models, which were focused solely on the classical relationship between profit and risk, are today being transformed into the context of sustainable financing, where ESG (Environmental, Social, and Governance) factors play a crucial role.

The evolution of business social responsibility reflects the relationship between the success of business entities and social benefits, which leads to an integrated approach to the field of business social responsibility (Mzevinar Nozadze, 2024).

Consequently, global climate commitments, such as the Paris Agreement and the UN Sustainable Development Goals (SDGs), have necessitated the development of innovative financial instruments and a standardized taxonomy to facilitate the financing of environmental initiatives. Sustainable Development Taxonomy – This is a classification system that determines which economic activities or investment projects can be considered “green” or “sustainable”. The most developed and influential model of sustainable taxonomy was created by the European Union. The EU taxonomy is a cornerstone of the EU's sustainable finance framework and an important market transparency tool (EU taxonomy for sustainable activities. What the EU is doing and why, 2025). The EU taxonomy is a transparency mechanism. It helps: Investors – to avoid “Greenwashing” (when a company deceives itself by pretending to be environmentally friendly), Companies – to become more attractive to capital, as banks and funds give preference to projects that “conform to the taxonomy”.

Green finance and sustainable business create a synergy, where businesses integrate environmental, social, and governance (ESG) principles into their long-term perspective (Mzevinar Nozadze L. V., 2025). As mentioned above, sustainable development is unattainable without the integration of innovative, sustainability-related financial instruments. This was a truly unprecedented event in the history of financial markets, which to a certain extent contributed to the

spread of the mentioned financial instrument and the growth of its popularity (Rusudan Kutateladze, 2025).

Among these instruments, **Green Bonds** have emerged as a primary vehicle for mobilizing large-scale private capital toward carbon-neutral projects. In global practice, the standards for such projects and the issuance of green instruments are determined mainly by the Green Bond Principles developed by the International Capital Markets Association (ICMA) (Mzevinar Nozadze G. B., 2025). As for the “Climate Bonds Initiative” (CBI), it is regulated by the “Climate Bonds Taxonomy” – accordingly. The GBP recommend a clear process and disclosure for issuers, which investors, banks, underwriters, arrangers, placement agents and others may use to understand the characteristics of any given Green Bond (Green Bond Principles, 2025).

The cumulative amount of green, social, sustainability, sustainability-linked, and transition (labeled sustainable) bonds issued in the market reached USD6.1 trillion as of March 2025. The increasing share and growing popularity of green bonds in global financial markets are evidenced by the following data provided by the World Bank. Green bond issuances represented the largest share of the labeled sustainable bond market, representing 53.2% of the overall issuances in Q1 2025, with a significant rise in sustainability issuances (Labeled-Bond-Quarterly-Newsletter-Issue-No-11, 2025).

Green loans are financing instruments used to finance specific projects that have clear environmental benefits, such as energy efficiency, clean transportation (for example, electric cars), green buildings, or pollution prevention, in support of sustainable development goals. The green loan market aims to facilitate and support the key role that credit markets can play in financing progress towards environmental sustainability (Green Loan Principles, 2025).

It is important to distinguish between Sustainability Bonds and Sustainability-Linked Bonds (SLBs), as they differ in their structure and the allocation of proceeds. In **Sustainability Bonds**, the proceeds are ring-fenced, meaning the issuer is committed to spend-

ing the capital exclusively on eligible green or social projects (the installation of solar panels). In 2024, global issuance of sustainable bonds amounted to USD522 billion in the corporate sector and USD473 billion in official sector. At the end of the year, the outstanding amount in the corporate sector totalled USD2.4 trillion, representing 7% of all outstanding corporate bonds (Sustain-

able Bonds Trends and Policy Recommendations, 2025).

Sustainability-Linked Bonds (SLBs) are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability/ESG objectives ((htt1) Sustainability-Linked Bond Principles, 2024).

Table 1. *Comparative Analysis: Sustainability Bonds vs. Sustainability-Linked Bonds (SLBs)*

Criteria	Sustainability Bonds (Use-of-Proceeds)	Sustainability-Linked Bonds (SLB)
Capital Allocation	Funds are dedicated exclusively to specific environmental or social projects	Proceeds are flexible and can support overall corporate operations
Primary Focus	The nature of the project being financed	The ESG performance of the entire company
Financial Structure	Fixed terms; no direct link between interest rate and sustainability performance	Variable terms; coupon rates may increase (step-up) if targets are missed

Source: *Compiled by the author based on International Capital Market Association (ICMA) Guidelines*

In recent years, Georgia’s financial landscape has undergone a significant transformation. While ‘sustainable finance’ was previously perceived as a purely theoretical concept, it is now being materialized through concrete financial instruments, such as green bonds and energy-efficient loans.

It is important to note that the National Bank of Georgia has developed a taxonomy of sustainable finance in collaboration with local and international experts and stakeholders. „This framework involves the consideration of environmental, social and governance (ESG) issues by financial sector and capital market participants, and the management of related risks, which are important for financial stability and sustainable economic development“ (Sustainable Finance Taxonomy for Georgia (2022), 2022). The issuance of green bonds was a turning point for the Georgian financial sector, as it laid the foundation for the ‘greening’ of the capital market.

Bank of Georgia was among the first to take significant steps toward sustainable in-

struments on the international stage. Event: In 2019–2020, the Bank began actively mobilizing green resources. Its collaboration with International Financial Institutions (IFIs), such as the EBRD and IFC, is particularly noteworthy. **TBC Bank** has played a significant role in shaping the local green capital market. In 2022, TBC Bank issued GEL 75 million worth of sustainable bonds. This marked the first time that such bonds were denominated in the national currency (GEL), thereby reducing currency risks for local borrowers.

Despite the sustainability reporting regulatory framework in the Georgian context is immature and not detailed, some of the entities (especially foreign stock exchange listed banking entities) seem to have well-embarked in the journey (Erekle Pirveli, 2022).

In addition to commercial banks, various Georgian companies are also issuing green bonds. Georgia Global Utilities (GGU) set a groundbreaking precedent in the corporate sector by issuing \$250 million in **Green Eurobonds** in 2020. This marked the first time

a Georgian non-financial corporate entity raised capital on the international market through a green instrument. The green Eurobond is listed on the Euronext Dublin and aligns with the International Capital Market Association's Green Bond Principles (EBRD invests in Georgia Global Utilities green Eurobond, 2024).

This transaction confirms that the Georgian business sector – including both commercial banks and corporate entities – possesses the potential to meet international environmental standards, issue sustainability financial instruments, and attract high-quality investments.

Conclusion

In conclusion, the development of sustainable finance instruments represents an

irreversible evolution of modern financial markets. For market participants – both issuers and investors – financial returns and socio-environmental responsibility are becoming inextricably linked. Looking forward, increased transparency, the refinement of taxonomies, and the integration of digital technologies (including Fintech, Green Blockchain) will further facilitate capital mobilization toward achieving Sustainable Development Goals (SDGs). This research confirms that sustainable finance is no longer the exclusive prerogative of developed markets but is actively emerging in developing economies as well. For Georgia, this process presents a strategic opportunity to attract responsible investment and modernize its economy in alignment with international standards.

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Section 2. Pedagogy

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DIGITAL PEDAGOGY AS A CATALYST FOR PROFESSIONAL READINESS OF FUTURE TEACHERS

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Abstract

The rapid digital transformation of education has reshaped the requirements for teachers' professional readiness, demanding not only technological skills but also innovative pedagogical approaches. This article examines the role of digital pedagogy as a catalyst in preparing future teachers for professional practice by enhancing pedagogical competence, digital literacy, and adaptive teaching abilities. A conceptual analysis of contemporary digital pedagogical strategies – including instructional design, blended and flipped learning, learning management systems, and digital assessment tools – was conducted. Based on this analysis, a conceptual model is proposed, illustrating how digital pedagogy transforms initial pedagogical knowledge into professional readiness through reflective and practice-oriented processes. The findings highlight that systematic integration of digital pedagogy in teacher education significantly strengthens future teachers' capacity to operate effectively in digital learning environments. The study emphasizes the importance of embedding digital pedagogy as a core component in teacher preparation programs to foster sustainable professional readiness.

Keywords: *Digital pedagogy; professional readiness; future teachers; teacher education; digital competence; pedagogical practice; digital educational environment*

Introduction

The ongoing digital transformation of education has significantly reshaped teacher education systems worldwide, altering expectations regarding teachers' professional readiness. Rapid technological advancements, the expansion of digital learning environments, and the growth of online and blended instructional models require educators to

demonstrate not only subject knowledge and traditional pedagogical skills but also digital competence, pedagogical flexibility, and the ability to integrate technology meaningfully into teaching and learning processes (OECD, 2019; Redecker, 2017).

Within this context, *digital pedagogy* has gained increasing scholarly attention as a holistic pedagogical approach that integrates

didactic principles, instructional design, digital technologies, and reflective teaching practices. Unlike the instrumental use of digital tools, digital pedagogy supports student engagement, promotes active learning, and fosters higher-order thinking skills, thereby transforming traditional educational practices (Koehler & Mishra, 2009; Laurillard, 2012; Bond et al., 2020). Despite these developments, teacher education institutions continue to face challenges in preparing future teachers for professional activity in digitally enriched learning environments. Research consistently identifies a gap between theoretical preparation and practical pedagogical demands, particularly in relation to digital competence and pedagogical adaptability (Instefjord & Munthe, 2017; Tondeur et al., 2018). Consequently, many novice teachers enter the profession with limited readiness to design and implement digitally supported learning experiences.

Addressing this challenge requires rethinking traditional teacher preparation models and positioning digital pedagogy as a core component of professional training. Conceptualizing digital pedagogy as a *catalyst* enables a clearer understanding of how initial pedagogical knowledge is transformed into professional readiness through reflective and adaptive teaching practices (Voogt et al., 2015; Mishra et al., 2020). Therefore, this study aims to examine the role of digital pedagogy as a catalyst in preparing future teachers for professional pedagogical activity and to propose a conceptual model that explains this transformation process within the digital educational environment.

Research method

This study adopted a conceptual qualitative research approach to examine digital pedagogy as a catalyst for the professional readiness of future teachers. The research was based on a systematic review and analytical synthesis of relevant scientific literature focusing on teacher education, digital pedagogy, and professional competence development. Rather than collecting empirical data, the study aimed to develop a theoretically grounded understanding of how digital pedagogical approaches contribute to professional readiness in teacher education.

Relevant sources were identified through an in-depth review of peer-reviewed articles published in Scopus-indexed journals, along with reports from international educational organizations and foundational theoretical works in the field. The selected literature was analyzed using thematic and comparative analysis, enabling the identification of key digital pedagogical components and their functional relationships with indicators of professional readiness. Based on this analysis, a conceptual–structural model was constructed to explain the transformative role of digital pedagogy in preparing future teachers for professional pedagogical activity.

Results and Discussion

The results of the conceptual analysis indicate that digital pedagogy plays a transformative role in enhancing the professional readiness of future teachers by systematically connecting pedagogical theory with instructional practice. The findings are structured in accordance with the proposed conceptual model, which conceptualizes digital pedagogy as a catalytic core within teacher education.

Digital Pedagogy as a Catalytic Core

The analysis revealed that digital pedagogy functions not merely as a set of technological tools but as an integrated pedagogical system that accelerates the development of professional competence. Digital instructional design, learning management systems, blended and flipped learning models, and digital assessment strategies collectively create conditions for active, student-centered, and reflective learning. These elements act as catalysts by intensifying pedagogical engagement and facilitating the transition from theoretical knowledge to applied teaching skills. This finding aligns with previous research emphasizing the integrative nature of digital pedagogy in teacher education (Koehler & Mishra, 2009; Voogt et al., 2015).

Transformation of Pedagogical Thinking and Practice

One of the key results of the study is the identification of a transformation process in pedagogical thinking among future teachers. The integration of digital pedagogical approaches supports the development of

adaptive teaching strategies, encourages reflective practice, and promotes continuous professional learning. Through sustained engagement with digital learning environments, future teachers are better prepared to design flexible learning scenarios, respond to diverse learner needs, and evaluate learning outcomes using digital assessment tools. These results are consistent with studies highlighting the role of digital pedagogy in fostering pedagogical adaptability and reflective competence (Laurillard, 2012; Redecker, 2017).

Enhancement of Professional Readiness

The proposed conceptual model demonstrates that the systematic implementation of digital pedagogy contributes to multiple dimensions of professional readiness. These include pedagogical competence, digital teaching readiness, and the ability to operate effectively in digitally enriched educational environments. The findings suggest that digital pedagogy strengthens the alignment between theoretical preparation and professional practice, thereby reducing the gap frequently reported in teacher education literature (Instefjord & Munthe, 2017; Tondeur et al., 2018).

Critical Discussion: Comparison with TPACK and DigCompEdu Frameworks

To contextualize the proposed model within existing theoretical perspectives, it is compared with widely used frameworks such as TPACK and Dig Comp Edu. The TPACK framework emphasizes the integration of technological, pedagogical, and content knowledge as the basis of effective technology-enhanced teaching (Koehler & Mishra, 2009). While it provides a valuable structure for understanding teachers' knowledge domains, TPACK primarily focuses on *what teachers need to know* rather than on the processes through which professional readiness develops.

Similarly, the DigCompEdu framework offers a comprehensive classification of educators' digital competences across areas such as professional engagement, teaching and learning, and assessment (Redecker, 2017). However, DigCompEdu functions mainly as a descriptive and evaluative framework.

In contrast, the proposed model explains the transformational mechanisms through which digital pedagogy supports professional readiness in teacher education.

Unlike TPACK and DigCompEdu, which are often applied as assessment or curriculum-mapping tools, the present model adopts a process-oriented perspective. By conceptualizing digital pedagogy as a catalyst, it emphasizes reflective practice, adaptive teaching development, and theory–practice integration as core mechanisms of professional readiness formation. Overall, the findings indicate that digital pedagogy effectively transforms teacher education by enhancing professional readiness and supporting future teachers' continuous professional development in digitally enriched educational environments.

Conclusion

This study explored digital pedagogy as a catalytic mechanism for enhancing the professional readiness of future teachers in contemporary teacher education. The findings indicate that digital pedagogy, when conceptualized as an integrated pedagogical framework rather than a set of technological tools, effectively bridges the gap between theoretical preparation and pedagogical practice. Through the systematic integration of digital instructional design, learning management systems, blended and flipped learning models, and digital assessment strategies, digital pedagogy supports the development of adaptive and reflective teaching competencies.

The proposed conceptual–structural model extends existing frameworks such as TPACK and DigCompEdu by offering a process-oriented explanation of professional readiness development. By emphasizing transformation mechanisms rather than competence classification alone, the model contributes to a more dynamic understanding of teacher preparation in digitally enriched educational environments. Despite its conceptual nature, the study provides a theoretically grounded framework that can inform curriculum design and pedagogical innovation. Future research should empirically validate the proposed model across diverse educational contexts.

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Section 3. Philology

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AKUTAGAWA RYŪNOSUKE: THE ARTISTIC REPRESENTATION OF THE AUTHOR'S PSYCHOLOGICAL CRISIS IN "SPINNING GEARS"

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Abstract

Akutagawa Ryūnosuke is recognized as one of the most prominent figures of twentieth-century Japanese literature and is widely regarded as a master of the short story genre. Drawing inspiration from both classical Japanese literature and Western modernism, Akutagawa developed a distinctive literary style and played a significant role in the formation of modern Japanese literature.

Written only a few months before the author's death and published posthumously, the short story "Spinning Gears" occupies a special place in Akutagawa's literary legacy. The work is often interpreted as an artistic reflection of the writer's psychological condition, particularly his mental disorders and suicidal tendencies. In the final years of his life, Akutagawa experienced severe psychological distress and, due to suffering from hereditary psychosis, lived in constant fear of developing schizophrenia. This fear is clearly manifested in "Spinning Gears." The narrative foregrounds visual hallucinations, paranoia, memory loss, and persistent thoughts questioning the nature of the self and existence.

The aim of this article is to examine the literary representation of the psychological crisis experienced by the author in "Spinning Gears," and to analyze how elements such as hallucinations, suicidal ideation, and stream of consciousness are employed within the text.

Keywords: Akutagawa Ryūnosuke, *Spinning Gears*, death, *superego*, psychological crisis

Introduction

Ryūnosuke Akutagawa was born in Tokyo in 1892. Shortly after his birth, his mother developed a severe psychiatric disorder and later died in a psychiatric institution. This maternal illness profoundly shaped Aku-

tagawa's psychological development, instilling a lifelong fear of inheriting the same fate. He reflected: "I was only afraid of ending up in an asylum like my mother" (Akutagawa, 2003, p. 62). Over time, this fear assumed an obsessive character, manifesting in insom-

nia, depression, and chronic psychological tension.

Melanie Klein conceptualizes the formation of the paranoid–schizoid position in early childhood as the result of the dynamics of internal impulses, the libidinal and destructive fantasies they engender, and their interaction with primary object relations (Grimmer). This theoretical framework provides a productive lens for understanding Akutagawa’s early psychological disturbances and persistent sense of internal fragmentation. Akutagawa’s early literary output, notably the short story *Kodoku Jigoku* (“The Hell of Solitude”, 1916), vividly mirrors his psychological state and inner torment: “Everything that surrounds a person can, in a blink of an eye, turn into the hell of anguish and torment. A few years ago, I fell into such a hell. Nothing can bind me for long. That is why I am constantly seeking change... If I ever lack the strength to do so, only one path will remain – to die” (Akutagawa, 1995, p. 72–73).

These words reveal a profound sense of loneliness, existential anxiety, and the early formation of thoughts of death. Akutagawa repeatedly struggled to overcome his psychological isolation, noting that the “cruel demon of the end of the century” dominated his spirit (Akutagawa, 2015, p. 347). The prolonged internal conflict, exacerbated by the fear of repeating his mother’s fate, gradually eroded his psychological resilience. Ultimately, in July 1927, at the age of thirty-five, Akutagawa committed suicide by ingesting a lethal dose of medication. He articulated his contemplation of death as follows: “I wish to die from the sorrow that wounds my heart, from the bitterness that defiles my body. That is why I want to die. My life is not worth a single penny. Nor is my death. Yet, even if it is worth nothing, this death is better than life” (Akutagawa, 2015, p. 58). In this context, Cesare Pavese’s assertion that “everyone has a good reason to commit suicide” (Demirdagh, 2020, p. 29) allows Akutagawa’s suicide to be interpreted not as romanticized but as the culmination of a profound psychological and existential crisis.

Nikolai Berdyaev, in *On the Slavery and Freedom of Man*, observes: “Death is the experience of rupture in the destiny of the personality, the cessation of its connection with the world. Death is not the end of the inner

existence of the personality, but the end of the existence of the world as another being encountered by the personality on its path” (Berdyaev, 2018, p. 64). Berdyaev’s perspective symbolically complements Akutagawa’s: death does not annihilate the self but signifies the cessation of the connections that link the individual to the world. Although Akutagawa often depicted suicide as a folly in his writings, confronted with extreme psychological vulnerability, he perceived death as the only viable recourse.

For Akutagawa, literature functioned not merely as an aesthetic endeavor but as a vehicle for moral and intellectual engagement. His prose is marked by precision, multilayered symbolic imagery, and profound philosophical reflection. Through these qualities, Akutagawa emerged not only as a master of the short story but also as a seminal representative of modern consciousness and intellectual inquiry in twentieth-century Japanese literature.

The Artistic Representation of Psychic Disintegration and the Death Instinct in “Spinning Gears”

Written shortly before Akutagawa’s suicide in 1927, “Spinning Gears” (Haguruma) stands as one of the rare works in the author’s oeuvre in which psychological crisis is transformed into an artistic form not merely at the thematic level, but as a direct structural manifestation of consciousness itself. Although the story contains autobiographical elements, its primary aim is not to recount lived experiences in a linear manner, but rather to render visible the very mechanism of psychic disintegration through literary form.

Prior to his suicide, Akutagawa suffered a severe nervous breakdown accompanied by persistent hallucinations. In “Spinning Gears”, published posthumously, the author attempts to articulate the inner process that conditioned his final choice between “madness” and “death” (Kato, 1983, p. 241). When read through the theoretical lenses of Freud’s death instinct (Thanatos), Melanie Klein’s paranoid–schizoid position, and the existentialist notion of ontological anxiety, the story acquires a deeper analytical resonance.

Throughout the narrative, the image of the “spinning gears,” endlessly rotating within

the protagonist's consciousness, functions as a sustained metaphorical symbol of mental and psychological tension. *Spinning Gears* departs from classical plot structures and is presented as an introspective, fragmented text. The protagonist – an “I” that closely overlaps with the author's own self – confronts a series of psychological disturbances, including hallucinations, fear of death, social isolation, and progressive estrangement from reality within the flow of everyday life.

In this story, Akutagawa attempts to construct an artistic model of inner psychosis. Rather than external events, the narrative foregrounds the protagonist's stream of consciousness. He constantly perceives the spinning gears, lives with their sound, and experiences their increasing intensity over time: “The spinning gears gradually increased; they filled my field of vision halfway, though not for long – they soon disappeared, followed invariably by a headache” (Akutagawa, 2003, p. 34).

Thus, the “spinning gears” emerge as a symbol of incessantly rotating thoughts and psychic tension that deprive the protagonist of inner calm. Psychologically, this uncontrollable structure represents a mechanical, automatic, and destructive system of thought within the human mind. It functions as a metaphor for the internal mechanism that leads toward suicide: the individual no longer governs his thoughts; rather, the thoughts govern him. Akutagawa's assertion that “human life is a hell worse than hell itself” (Akutagawa, 2003, p. 49) is concretized throughout the narrative by visual hallucinations, paranoia, and intense mental disturbances. These experiences delineate Akutagawa's schizoid condition and offer a psychological sketch of the impending suicide.

The story consists of six sections, structurally tracing the gradual disintegration of consciousness. At the outset, ordinary details of daily life – the haste to attend a wedding, casual conversations on a train – reflect a relatively stable phase of consciousness. This stability, however, is merely superficial. Rumors about nightmares emerge as the first irrational elements entering the realm of reality. From a psychoanalytic perspective, this stage corresponds to the unconscious still under control, yet beginning to assert its presence. Akutagawa presents fear not as

a concrete event, but as anticipation and possibility, marking the initial transition from neurotic anxiety to psychotic experience.

The episode involving the coat hanging on the hotel room wall foregrounds the problem of divided identity: “It seemed to me that the coat hanging on the wall was myself; in haste, I threw it into the wardrobe. Then I approached the thermos and stared carefully into the mirror. My facial bones protruded. A maggot appeared vividly before my eyes” (Akutagawa, 2003, p. 36).

The sensation that the coat contains the self indicates the collapse of the boundary between the “self” and the “non-self.” Forcing it into the wardrobe constitutes an attempt to repress unacceptable psychic content. Freud's concept of repression is clearly operative here: the repressed image does not disappear but returns in a more dangerous and destructive form. The careful scrutiny of the face in the mirror and the depiction of the skull beneath the skin transform the body from a bearer of life into material evidence of death. The image of the maggot intensifies the idea of decay and confirms the centralization of the death instinct within consciousness.

In the second section, the protagonist's sense of guilt differs sharply from conventional moral culpability; it is instead an ontological guilt arising from existence itself. Akutagawa compares himself to the protagonist of Tolstoy's *Polikouchka*: “I began reading Tolstoy's *Polikouchka*. The protagonist had a complex character – vain, ambitious, and prone to seizures... The tragicomedy of his life became a caricature of my own” (Akutagawa, 2003, p. 40).

At this stage, Freud's concept of the superego emerges in a pathological form. In *The Ego and the Id*, Freud identifies the three core components of the psyche – id, ego, and superego – as internal mechanisms governing human behavior (Freud, 1961, pp. 25–27). According to Freud, the ego's decisions are never fully autonomous but represent a compromise between the impulses of the id and the normative demands of the superego (Freud, 2019, p. 47). The conflicts among these psychic agencies shape behavior and choice, and the protagonist is portrayed as a captive of this internal mechanism.

In the third section, the motif of the “spinning gears” ceases to function mere-

ly as a metaphor and becomes a direct visual expression of the psychic condition. Semi-transparent gears rotating within the eyes symbolize the automation of consciousness and mental processes independent of will: “Once again, semi-transparent spinning gears appeared in my right eye... I swallowed 0.6 grams of veronal and tried to fall asleep... Like an old man who has suffered for years and quietly awaits his own death...” (Akutagawa, 2003, pp. 52–54). These gears neither stop nor can be controlled; they rotate aimlessly. In this sense, they become the artistic equivalent of psychosis and the mechanized consciousness of the modern individual. The temporary relief afforded by sleeping pills underscores the illusory and transient nature of chemical “salvation” in the face of profound psychic suffering.

In the fourth section, fear of death is no longer abstract but personified as a concrete subject. The death that claimed the protagonist’s brother-in-law now follows him as well: “Death, like my sister’s husband, was pursuing me” (Akutagawa, 2003, p. 59). The mirror scene once again raises the problem of the “double self”: “I approached the mirror I had not looked into for a long time and fixed my gaze directly upon myself. It was clear that he, too, was smiling, as if to remind me of my double” (Akutagawa, 2003, p. 59). At this stage, the psychic condition can no longer be described merely as neurotic anxiety, but as a schizoid process progressing toward the fragmentation of personality.

In the fifth section, religious debate exposes the metaphysical dimension of Akutagawa’s crisis. The argument with a priest concerning the existence of God reveals a profound contradiction between the need to believe and the inability to do so. Here, Akutagawa approaches an existentialist stance, emphasizing the radical loneliness of the human being in the face of the cosmos.

In the final section, the return to the family creates an illusion of stability, yet the psy-

chological crisis intensifies further. Doubt, fear, and a sense of divided identity become permanent states. Akutagawa perceives life as “hell” and openly articulates a passive suicide fantasy: “I no longer have the strength to write. To live in such a mental state is unbearable torture. Will there truly be no one who will quietly strangle me while I sleep?” (Akutagawa, 2003, p. 75). This desire does not constitute an active intention to commit suicide; rather, the wish to be strangled in one’s sleep represents a passive suicide fantasy and reflects the final stage of psychic exhaustion.

Conclusion

“Spinning Gears” functions as an artistic diagnosis of Akutagawa’s psychic crisis. Within the framework of modernist poetics, the author universalizes his individual neurotic experience, producing one of the most conceptually intense examples of psychological modernism in twentieth-century world literature. By abandoning classical plot structures and linear narration, the work immerses the reader directly into the process of psychic disintegration; rather than explaining events or offering resolution, it enacts the fragmentation of consciousness. The central motif of the “spinning gears” serves as a metaphor for the automated, mechanized, and uncontrollable system of thought within the human mind, subverting individual volition and rendering the subject a passive object of his own cognition. Accordingly, suicide is not presented as a spontaneous decision but as the logical outcome of prolonged psychic disintegration. Akutagawa does not choose death; rather, he presents it as the inevitable consequence of a consciousness that has exhausted all possibilities of life, making the story both a key to understanding the author’s final mental state and a universal model of the crisis of modern consciousness.

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