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Section 1. History and archaeology

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The coming into being and the development of the diplomatic relations between Uzbekistan and Azerbaijan during the period of independence

Abstract: This article deals with the development of the diplomatic relations between Uzbekistan and Azerbaijan, and also about the role of the heads of the states in interstate connections' coming into being.

Keywords: diplomatic relations, independence, Uzbek — Azerbaijani relations, the Republic of Uzbekistan, the Republic of Azerbaijan, politics, economy, culture, connections.

During the first years of independence Uzbek — Azerbaijani relations lived through serious crisis. As a result of that in 1992–1993 years the governing body of Azerbaijan led badly thought-out politics with regard to this country, bilateral relations were completely ruined and up to October 2, 1993 there were no diplomatic relations. Only after 1993, after the restoration of relations with Uzbekistan, which aspired to the leadership in Central Asian region, made by the President Geydar Aliyev, bilateral political, economic and cultural connections began to develop [1].

The diplomatic relations between the Republic of Uzbekistan and the Republic of Azerbaijan were established on October 2, 1995. The Embassy of the Republic of Azerbaijan in the Republic of Uzbekistan functions from August, 1996, and in July, 1998 the Embassy of the Republic of Uzbekistan was opened in the Republic of Azerbaijan.

During the period beginning from 1996 there were made 7 visits of the highest degree: 4 visits were paid to Azerbaijan and 3 visits were paid to Uzbekistan.

On May 26, 1996 the official visit of the President of Uzbekistan Islam Karimov to Azerbaijan opened a new stage in the interrelations. During the visit there were signed about 20 treaties, the main and fundamental of which became the Treaty about the friendship and collaboration between the Republic of Uzbekistan and the Republic of Azerbaijan, which commenced tight mutually profitable and strategic partnership. This partnership will assist further widening and intensification of interstate collaboration in political, commercially-economic and socio-cultural spheres.

One year later on June 18, 1997 the President of the Republic of Azerbaijan Geydar Aliyev paid a retaliatory official visit to Tashkent. During this visit there were signed a number of documents between the two countries.

These treaties became logical continuation of the Treaty about the friendship and collaboration and other bilateral agreements, assisted strengthening and development of the friendship and collaboration, deemed necessary to implement concrete practical measures on intensification of economic integration, scientific technical, cultural and humane collaboration.

On September 7–8, 1998 the President of Uzbekistan I. Karimov participated in the international conference held in Baku within the framework of the TRACECA programme, devoted to the revival of historical Great Silk Road. And on February, 26 the Uzbek-Azerbaijani Joint intergovernmental commission on bilateral collaboration was founded.

On March 23–24, 2004 the President of the Republic of Azerbaijan I. Aliyev made a state visit to the Republic of Uzbekistan. As a result of the visit there were signed six important interstate and intergovernmental documents, including "The Declaration about the further strengthening of strategic collaboration between the Republic of Azerbaijan and the Republic of Uzbekistan".

The main tasks of the visit were the determination of the perspectives and prioritized directions of the bilateral collaboration development, first of all in commercially-economic sphere, the exchange of opinions on actual international and regional problems which represent mutual interest, strengthening of the contractual lawful base of the relations.

Among the matters of international and regional type in the centre of attention of the Heads' of the states dialogue were the matters of the struggle with terrorism, extremism and illegal drug trafficking. In this connection the leaders of Uzbekistan and Azerbaijan came out in favour of the soonest stabilization of the situation in Afghanistan and the revival of its economy and came to an agreement about the regulation of collaboration in this direction.

With regard to the problem of Nagorno-Karabakh the President of the Republic of Uzbekistan Islam Karimov declared that the Republic of Uzbekistan always came and comes out in favour of its peaceful political solution on the basis of Azerbaijan's territorial integrity retention principle maintenance and the fulfillment of the appropriate resolutions of the UNO's Security Council and the decrees of the OSCE.

The package of practical measures which were appealed to provide stable rise of bilateral collaboration was defined. The participants of the negotiations emphasized the importance of effective use of TRACECA Transport Caucasus corridor and the realization of coordinated measures on overcoming problems which hinder the effective functioning of the transport route Europe-Caucasus-Asia, as one of key elements of increase providing the commodity circulation between Uzbekistan and Azerbaijan.

On September 11–12, 2008 in "Zagulba" residence the Presidents' of the two countries summit was held in private. The heads of the states paid special attention to the safety problems. There were discussed the matters concerning combined struggle with such threats as international terrorism and extremism, drug trafficking, organized transnational crime.

During the negotiations it was emphasized that the two sides should develop connections in bank-financial sector and should reconsider the list of goods and services of export cardinality. It is of great importance for widening of the dialogue between businessmen.

As a result of the negotiations taken place on September 27–28, 2010 in Tashkent in "Koksaroy" residence Islam Karimov and Ilham Aliyev signed Joint declaration of the President of the Republic of Uzbekistan and the President of the Republic of Azerbaijan which provided for the development of relations on various matters.

Moreover, the Intergovernmental agreement about economic collaboration was signed in 2011–2015 [2].

Ministries of Foreign Affairs of the republics signed the protocol about the insert of changes and supplements to the agreement about entries without visa of the two countries' citizens.

The collaboration programme for the period of 2010–2012 was signed by Ministries of Foreign Affairs of Azerbaijan and Uzbekistan. Among the signed documents there is also the protocol about the interaction of the Ministries of Interior Affairs of Uzbekistan and Azerbaijan for the same period. The general offices of public prosecutor of the two countries came to an agreement about collaboration and lawful aid.

By invitation of the President of the Republic of Azerbaijan Ilham Aliyev on October 11–12, 2012 the President of the Republic of Uzbekistan paid an official visit to Baku.

During the summit of the Presidents in enlarged membership with the participation of delegations a number of Azerbaijani-Uzbek documents were signed. The heads of the states signed "Joint declaration of the President of the Republic of Azerbaijan Ilham Aliyev and the President of the Republic of Uzbekistan Islam Karimov".

The ministers of foreign affairs of the two states signed "The Programme of collaboration between the Ministry of Foreign Affairs of the Republic of Azerbaijan and Ministry of Foreign Affairs of the Republic of Uzbekistan".

Also "The Plan of measures on realization of the Programme of economic collaboration between the government of the Republic of Azerbaijan and the government of the Republic of Uzbekistan for the period of 2012–2015" was signed [3].

Summing up we can conclude that there is a great role of the heads of the states, their summits of the highest level to be exact, in coming into being of the diplomatic relations between the two fraternal people.

Moreover, it should be emphasized that both Uzbekistan and Azerbaijan holding their foreign policy keep to similar positions on many actual matters of regional and international politics. The mutual aspire to the extension of partnership relations reveals itself in principal approach to the matters of mutual support of the positions within the framework of multi-lateral formats. In this connection the position of the Republic of Uzbekistan on the solution of the Nagorno-Karabakh problem remains stable and unchangeable. Uzbekistan openly confirmed it during the vote of initiated by Azerbaijan corresponding resolutions of the UNO's General Assembly in 2008. Uzbekistan consecutively came and keeps coming out in a favour of peaceful political solution of the Nagorno-Karabakh conflict and the main stipulation of the settlement is considered the guarantee of territorial integrity and sovereignty of Azerbaijan.

In this connection Uzbekistan evaluates the Azerbaijan's support of Uzbekistan's initiatives and positions on such important regional problems as the creation of contact group 6+3 in the capacity of the important mechanism on Afghanistan's problem settlement, the solution of Central Asian hydro-energetic matters, proceeding from universally recognized norms of international law and taking into consideration the interests of all the states of the region.

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Galicia as a cross-margin in the Rzeczpospolita division period

Abstract: In this article Galicia geopolitical position in the conditions of the Rzeczpospolita state disintegration is investigated. An account of the Central Europe countries fight for historical space of this state aspects are presented.

Keywords: Geopolitical subject, geopolitical object, boundary margin, cross margin.

Geopolitical position of Galicia (Galichina) in 1772–1795 distinguishes the combination of internal and external circumstances determined by contradictory process of Rzeczpospolita society growth and the state of this society decline. Contradictory tendencies generated such remarkable phenomena, as:

— development of economy, under the influence of processes the “republic” social stabilization and domestic and foreign trade development [1, 419–424];

— territorial delimitation, in view of the developing Polish statehood disintegration process.

Gradual loss of Polish power ability to regulate internal processes strengthened not only external intervention, but also fight of the European geopolitical subjects, first of all the Russian and Austrian empires and the kingdom of Prussia, for prevalence in object space — Rzeczpospolita. During competition subjects interaction, some tendencies of development embodied in certain political strategy were defined.

The first tendency consists in aspiration of object to strengthen the influence in all territory of Rzeczpospolita; Similar strategy was designated during interaction of Russian Empire and Polish “republic” ruling persons [2, 123–132].

The second tendency assumes the division of the object territory for subjects interests balance establishment; More, Austria adhered to the corresponding strategy [3, 1–21].

The third tendency allows possible redistribution of territories under control to subjects, during interactions with “the second plan” subjects, such as the Ottoman Empire and the kingdom of Sweden. Prussia strived to put such strategy into practice. Before the first division, the Prussian king Frederick II suggested to attach to Poland Walachia and Moldova, for their independence prevention and elimination of a reason for Austria discontent [4, 407–409; 5, 469–472; 6, 493–496; 7, 498–502; 8, 503–504; 9, 508–509; 10, 514; 11, 515–520]. After the division Prussia concentrated attention on the Western Prussia.

The called tendencies, in particular the last, predetermined different geopolitical quality of the Rzeczpospolita territories. One of them became boundary margin — the territories which are under control of this state, but there isn't

enough demographically, economically, politically mastered (East Belarus and Kurland), others turned into cross margin, or spaces for which pretend to some of the adjacent states [12, 32–34]. As those it is necessary to call the Western Prussia and Galicia.

Galicia, being since 1772 an Austrian boundary margin, gradually, throughout the 70–80th years found qualities of the Central Europe cross margin. The similar situation became possible, first of all, owing to outskirts of such an area. Prussia suggested to return it to Poland in exchange for seizure of Gdansk and Torun. The contract of Prussia with Turkey assumed to force Russia to concede the Porte Crimea, and Austria — Galicia to Poland [2, 216]. Russia, on the contrary, agreed to leave Galicia as a part of Austria, having transferred to Poland Moldova and Walachia [11, 515–516]. Austria, in turn, began to develop economically this rather backward territory [13, 10–11]. Various economic privileges were provided to the Poles living in Galicia, duties on the salt delivered to other Polish lands [2, 268] were lowered. Nevertheless, Galicia subsequently remained only the Austrian empire colonial and raw appendage [14, 44]. In 1790 Austria actually recognized Galicia quality as a cross margin, having suggested to return area to Poland, on condition of return territories which were taken away from the last of the Russia and Prussia (The message of the chancellor of the Austrian empire V. A. Kaunits to the Austrian envoy in St. Petersburg L. Kobentzel of May 2, 1790. Text: [15, 205–206]).

Secondly, quality of Galicia as a cross margin was defined in view of area estrangement from the main east Slavs dwelling territory which appeared as a part of Russia. Since Rzeczpospolita divisions Galicia became a center of the Ukrainian nationalism, often inseparable from a social protest (see: [16, 39–60]). If in the 80th years of the XVIII century, the Polish/gentry patriotism generated by Poland went against Austria [2, 215, 223; 17, 291–292], in XIX — the beginning of the XX centuries the Ukrainian/galitsiysky nationalism stimulated by Austria turned back against Russia. In subsequent, up to the present, directed by external force, West Ukrainian nationalism finally turned into the tool of Northern Black Sea Coast destabilization.

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Section 2. Philology and linguistics

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Narratives in science: language and culture challenges of today

Abstract: Modern demand of a global scientific society is the accessibility of knowledge. Such accessibility is gained due to the general language and culture trends of the new millennium outlined by Italo Calvino. They are: lightness, quickness, exactitude, visibility, multiplicity and consistency. The present paper examines the ways in which they can be applied to the Anglo-American scientific discourse, specifically, via narratives.

Keywords: narrative, scientific discourse, scientific narrative, lightness, quickness, exactitude, visibility, multiplicity, consistency.

The postindustrial era of technology inevitably influences all the aspects of human activities. The modern pace of life and development also influences discourse modifications, which is but a natural process of language development, the reflection of human verbal interaction. There are no more rigid demands and regulations for any type of discourse, including the language of science. Indeed, scientific discourse has modified considerably in recent times. The research is relevant due to the much attention to the aspects of communication efficiency under the conditions of tough competition and world globalization in the scientific sphere.

First, let us note that the efficiency of text reception depends on its comprehensibility. A French scholar E. Benveniste wrote: "Language is also a human phenomenon. For a human it is a connecting chain among a psychological, social and cultural, as well as the means of their interaction" [2, p. 45] It's no wonder, that nowadays the structures of fiction and science discourse interact, penetrate and influence each other. It is argued that the reasons for this might well be a raging development of the electronic and Internet technologies; the information exchange acceleration; science involvement in the market economic relationship; scientific borders expansion, and science becoming a transnational phenomenon" [10, p. 136]. Genre borders of scientific discourse are rather fluid and sometimes are not defined distinctly [4, p. 65] Entering the world of the intellectual pursuit calls for the in-depth study of modern scientific discourse tendencies and to implement the outcomes in teaching the rhetoric of science. In this paper, we **aim** to outline some of such recent developments against a broader cultural perspective, specifically, the one envisaged by the Italian writer and visionary Italo Calvino.

"Is it legitimate to turn to scientific discourse to find an image of the world that suits my view? If what I am attempting here attracts me, it is because I feel it might con-

nect with a very old thread in the history of poetry," [3, p.8] wrote Italo Calvino, a famous Italian writer, the proponent of the ideas of neorealism, post-structuralism and postmodernism. He also studied the narrative technique and the possibilities of multi-level story. For instance, his "Space Stories" is an attempt to expand the structure of science fiction by involving — as a fiction material — the information taken from science. In 1988 Harvard University Press published Calvino's book "Six Memos For The Next Millennium," in which the author reveals six aspects of the language and culture trends for the XXI century. In his research, he refers to the famous writers' discourse. Calvino notes the interaction of all the systems: "the world as a system of systems, where each system conditions the others and is conditioned by them" [3, p. 6]. We also observe this trend in the narratives used in the language of science. The precise, accurate, specific scientific discourse develops its structure with the help of narratives promoting another level — the level of a story in the science discourse. We might agree that culture elements are overtly or covertly reflected in categories and functions of discourse elements, scientific discourse being no exception [4, p. 48].

Italo Calvino foresees six following culture-specific trends in the modern discourse: **lightness, quickness, exactitude, visibility, multiplicity, consistency**. The science narratives are good examples to prove the point. "I have tried to remove weight, sometimes from people, sometimes from heavenly bodies, sometimes from cities; above all I have tried to remove weight from the structure of stories and from language," Calvino writes [3, p. 3]. Let us illustrate the trend realization in the science discourse via narratives.

In order to reveal **lightness**, and simplify complex scientific ideas on the techniques and principles in language training, the author Diane Larsen-Freeman uses narratives employing cases, actually narrating them:

“... The class we observe is at the end of its first year of English language instruction in a *scuola media*.

EXPERIENCE.

The teacher is calling the class to order as we find seats toward the back of the room. He has placed a big map of the United States in the front of the classroom. He asks the students to open their books to a certain page number. The lesson is entitled “Looking at a map.” As the students are called on one by one, they read a sentence from the reading passage at the beginning of the lesson. The teacher points to the part of the map the sentence describes after each student has read his sentence...” [5, p. 18].

In this very example the author describes the “direct method of teaching foreign languages” showing the experience she had had. Thus the narrative conveys not only the information on the method, but also the atmosphere of a class using this direct method. Creating expressive emotional atmosphere, as well as esthetic audience orientation are the obvious features of a scientific narrative. Generally speaking, in this case-narrative, all the power and importance of scientific matter was shown in a light, enjoyable, and simple way.

Visibility is also observed in the above mentioned passage. Visibility is expressed through a wide range of descriptive instruments, among them are the following expressions: *by observing, to point to, to describe, to look at, to draw, to illustrate*. As Italo Calvino puts it, “this mental cinema is always at work in each one of us, and it always has been, even before the invention of the cinema. Nor does it ever stop projecting images before our mind’s eye” [3, p. 83]. Visibility promotes the imagination of an addressee and simplifies the reception of the information. In particular, scientific narratives significantly simplify the imagination practice.

Quickness is another overall language and culture trend: “saving time is a good thing because the more time we save, the more we can afford to lose. Quickness of style and thought means above all agility, mobility, and ease, all qualities that go with writing where it is natural to digress, to jump from one subject to another, to lose the thread a hundred times and find it again after a hundred more twists and turns” [3, p. 46]. In the language of science, “quickness” is about using words and expressions like *after, then, next, the first, another, this time*. They not only accelerate a story, but also convey succession. It should be noted that such markers of succession, sequence and overall linear structuring are abundant in narratives. To sum up, the agility of both thought and expression can be easily conveyed via scientific narratives. A reader is more likely to enjoy a prompt consistent narrative that will be remembered in a better way, than a boring and overly long descriptions. The expressions: *thus, finally, it is considered* indicate the final conclusions. In such a way, they considerably accelerate narrating, avoiding extra unnecessary details. The author directly goes to the final conclusions without an overly detailed description of minor points. Let us look at the following example:

“It is considered desirable to give students an opportunity to develop strategies for understanding language as it is actually used by native speakers” [5, p. 132].

Here, some questions immediately come to mind. Who decided it? When was it decided? In what way was it decided? All these details were not mentioned. The expression *it is considered* employs narrativization, in the way David Herman treats it: “narrative is intrinsic to persuasion in the sense of effective appeal to the audience. Without narrative, argument would be nothing.” (David Herman, 2008, p. 349) Thus the author appeals to the audience, makes an argument, and he does it quickly without any hesitations. In the following example, the narrator does not outline all the stages of research, yet goes directly to the conclusions:

“Finally, we noted that activities in the *Communicative Approach* are often carried out by students in small groups.” [5, p. 132].

The minimal condition of narrativity is at least one change of one condition [7, p. 16]. The expression “finally” not only conveys quickness, but also moves a story to another stage (condition).

Paolo Volonte in his article “The problem of demarcation” shows a very good way of rendering “quickness” by narrating his fundamental points in the following way:

“... let us establish some fundamental points.

First of all, the above reported scientific discussion clearly underlines the importance...

Second, we have seen that credibility is...

Third, advancing a new claim...

Fourth, it is clear that, as a consequence, people’s credibility...

Lastly, we have observed that science...

It could be argued that credibility is not exclusive to the sphere of science but determines the social relations of most professionals...” [9, p. 55].

Generally speaking, enumeration of the points that afterwards lead to a logical conclusion, are inherent features of scientific narratives. This fact is evident in the modern Anglo-American scientific discourse.

Another important thing in the language of science is clarity, precision and persuasion. It’s what Italo Calvino calls **exactitude**: “my search for exactitude was branching out in two directions: on the one side, the reduction of secondary events to abstract patterns according to which one can carry out operations and demonstrate theorems; and on the other, the effort made by words to present the tangible aspect of things as precisely as possible. To my mind exactitude means three things above all:

1) A well-defined and well-calculated plan for the work in question;

2) An evocation of clear, incisive, memorable visual images;

3) A language as precise as possible both in choice of words and in expression of the subtleties of thought and imagination [3, p. 59].

Narratives facilitate the “exactitude” in all its aspects. In order to demonstrate the exactitude realization via narratives in scientific discourse, let us consider the article written

by Brooke Ricker Schreiber “Multilingual Identity and Digital Translanguaging.” This paper presents a case study of the multilingual writing practices of Serbian university student on Facebook, examining how he uses multiple varieties of English and Serbian, images, and video to shape his online identity and establish membership in local and global communities. The exactitude is promoted also by the stimulated-recall interviews, online participant observation, images, videos, semiotic resources on Facebook and digital writing (i. e. writing on social networking sites). The purpose of the paper is to examine one student’s use of multiple linguistic codes and semiotic resources on Facebook through the theoretical concept of translanguaging. Adopting a qualitative case study approach, this paper presents the student’s linguistic history, online composing processes, and perceptions of his own writing exploring his portrayal approach to language, allowing him to accomplish his communicative goals with a linguistically diverse audience. In order to evoke visual images, to express subtleties of thought and imagination the author uses flashback narratives of her life story, history of relationships:

“As with many of my former students, Aleksander had added me to his Facebook network in order to keep in contact, and we often read and commented on each other’s posts...” (p.71)

“This case study emerged from a larger study of university student’s multilingual writing on Facebook. Participants were selected from the English department at a Serbian university where I had previously been a visiting lecturer” [8, p. 73].

In both examples we observe the use of Past Perfect, which is essential not only from the point of grammar, but also in light of exactitude as far as it helps to reveal the supplementary details from the past. To add precision, details, and to create the exact impression of the research subject, the author employs the narrative flashback, in which she explains the system of Serbian Academic Environment:

“The Serbian university system is based on a European model: students take entrance exams for specific departments and once enrolled, follow a mostly set curriculum” [8, p. 73].

Finally, let’s turn to Calvino’s **multiplicity**. Multiplicity is another trend and important feature of the modern scientific discourse. According to Italo Calvino, “there is such a thing as the unified text that is written as the expression of a single voice, but that reveals itself as open to interaction on several levels” [3, p. 117]. Multiplicity can be fulfilled in a number of ways: either through a combination of laughing emoticons, juxtaposition of slang with elevated vocabulary, or via the narrative presentation through different voices (focalization). Italo Calvino: “the proper use of language, for me personally, is one that enables us to approach things (present or absent) with discretion, attention, and caution, with respect for what things (present or absent) communicate without words” [3,

p. 77]. In particular, in the article discussed above we observe the use of laughing emoticons (:D) [8, p. 75] and juxtaposition of slang with elevated vocabulary.

Multiplicity can also be employed by diverse media and tools. In the article “Commenting to Learn: Evidence of Language and Intercultural Learning in Comments on YouTube Videos” Phil Benson, the author aims his study “to go beyond observation through a case study that explores how discourse analysis tools might be used to uncover evidence of language and intercultural learning in comments on YouTube videos involving Chinese-English translanguaging. It is argued that the methodologies used have good potential for use in studies that aim to investigate learning in online settings, both at the environmental level, in macroanalysis of large data sets, and at the individual/situational level, in microanalysis of shorter interactional sequences [1, p. 88] In the example below we observe multiplicity in the combination of various cognitive processes:

“In both cases, there appears to be an assumption that learning involves a change of cognitive state, in which a specific individual learns something specific at a specific moment in time. However, if we assume that interactional learning processes also take place below the level of observation in discourse, there may well be value in approaches that evaluate broader orientations toward learning in larger data sets” [1, p. 90].

Multiplicity is understood not only as interaction at several levels, but also as “weaving together the various branches of knowledge, the various “codes” into a manifold and multifaceted vision of the world” [3, p. 112]. We treat multiplicity as the feature of scientific narratives and, vice versa, we consider narratives as the modes and tools of conveying multiplicity in scientific discourse. Finally, talking about **consistency**, we may argue that the narrative scientific discourse tends to be consistent as far as it contains lightness, quickness, exactitude, visibility and multiplicity.

To summarize, modern scientific discourse is a product of intertwining of various modes of thought, styles of expression, as well as the continuity of forms and interpretation at different levels. State-of-the-art scientific discourse emphasizes precise data, information and relevant experience. We consider lightness, quickness, exactitude, visibility, multiplicity, consistency to be inherent characteristics of scientific narratives. Such discourse trends call for the narratives as their tools. The tools that make the knowledge more accessible and comprehensible, and, eventually, understandable by both the academia and the general populace.

We also consider a narrative to be one of the best ways of effective persuasion. Narratives in science are not only language and culture challenges, but also effective tools of persuasion.

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Section 3. Pedagogy

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Key competences of a future teacher of foreign languages

Abstract: This article deals with the problems of formation of future teachers' competence in higher educational institutions. At the same time, it is considered responsibilities of pedagogical society, one of them upbringing of creative generation nowadays.

Keywords: competence, future teacher, institution of higher education, key competence.

Competence, is translated from the Latin «competentia» means a subject a person is versed in, a special area of knowledge and experience. A person who is competent in a certain area possesses a certain standard of knowledge and skills which makes it possible for him to judge soundly about this very area and act efficiently in it.

The idea of «competence» is not a new one in Russian methodology of teaching foreign languages [1, 25–26].

For instance linguistic competences have been discussed for a long time and are used by specialists in the area of methods of teaching foreign languages where the communicative competence is also analyzed. Recently the concept of «competence» has started to be studied at the level of general didactics, general pedagogics and methodology. It can be explained by its system-practical functions and its integration role in general education. The close attention to this concept is also conditioned by the recommendations of the European Council related to renewal of education.

However, we will examine a competence — oriented approach in the methods of teaching foreign languages and accordingly we will speak about forming key competences of a future teacher of foreign languages. But before identifying the key competences we have to clarify the definition of this concept [2, 47–49].

At this point, a problem of terminology has to be discussed which is to some extent a matter of peculiarly Russian usage. The thing is that Russian has two related terms which may be used in this area. One is «kompetentsia» which is generally equivalent to the English term «competence», while the other is «kompetentnost'» which may be roughly translated as a «level of competence». To reflect this difference in Russian usage, we have adopted two terms in English as well: «competence» for «kompetentsia» and «level of competence» for «kompetentnost'».

«**Competence**» — is a totality of interrelated qualities of a person (knowledge, skills, experience, command of methods of working), assigned with respect to a certain sphere of objects and processes and necessary for efficient and productive activity in respect to them.

«**Level of Competence**» — refers to the possession of a relevant competence including a personal attitude towards it and towards the object of activity.

Thus, Competence is understood as a requirement (norm) relation to the standard of achievement of a pupil and Level of Competence is understood as his personal quality or totality of qualities and a minimum experience in the relevant activity. A level of competence achieved is always something which has a personal dimension to it, which is reflected in a pupil's personal qualities [3, 105–106].

In recent investigations (year 2003 — I. Zimnyaya, Y. Tatur, A. Khutorskoy) the following functions of competence and level of competence in relation to the personality of a pupil are singled out (we will use words «pupil» and «student» as synonyms:

They:

- reflect and develop personal relevance to a pupil of the of the objects under study;
- characterize the personal component of a pupil's education, the degree of his abilities and practical skills;
- set a minimum standard of experience in practical activities;
- develop possibilities of solving real problems in everyday life — from common problems to professional and social ones;
- they are many-dimensional — they pertain to all the basic groups of personal qualities of a pupil to be developed;
- represent integral characteristics of the quality of pupils' training;
- in the aggregate, they determine and reflect the functional competence of a pupil.

With respect to the structure and content of education they are:

- multifunctional, inasmuch as they let a student to solve problems of different spheres of life;
- they are shaped by means of the contents of education;
- they give a possibility to construct purposes, the contents of education (Educational standards) and educational technologies as a system;
- they transcend individual subjects — through separate elements or as a whole they are present in different subjects and educational spheres.

With respect to the methods used, they:

- allow to use theoretical knowledge to solve specific problems;
- allow to pick out clear criteria to assess the success of students in achieving the purposes and aims in question;
- are verified in the process of performing a certain series of actions.

Many of the functions listed above are present in the definition of educational competence as differential criteria.

Educational competence is a totality of interconnected semantic orientations, knowledge, skills and students' experience which are necessary for performing personally and socially relevant productive activities in relation to the objects of reality.

We can single out the following structural components of a given competence:

- name;
- type in their general hierarchy (key, general subject, subject);
- circle of objects of reality with respect to which the competence is introduced;
- its determination by social and practical factors as well as its significance (why and what for it is necessary in society);

- personal significance/relevance of competence (in what and what for a pupil has to be competent);
- knowledge of a range of objects of reality;
- skills and experience related to this very range of real objects;
- methods used in respect to them;
- minimal standard of experience of a student in the sphere of competence;
- «Indicators» — tests and tasks which are used to determine the level of a student's competence. (We determine *the level of a student's competence* when forming a certain type of *competence*).

Communicative competence is an ability to solve by means of foreign language communicative problems important for an individual and for society, arising in the everyday, educational, professional or cultural spheres of life. It is an ability to realize linguistic competence in different situations of communication.

Linguistic competence is possession of a system of information and knowledge about the foreign language pertaining to its levels (phonetics, grammar etc.) as well as an ability to use this knowledge in practice.

Generally educational competence is an ability to make use of rational ways of intellectual work and to make independent progress in the chosen area of study.

Subject competence is a totality of knowledge, experience, skills which are formed during the process of studying a subject. Subject competence, acquired during the process of studying a language as an educational subject and characterizing a certain level of language, includes the following types of competence — linguistic, speech, communicative competence, etc.

Professional competence is an ability of a teacher for successful professional activity. It includes knowledge of didactics, psychology, linguistics, psycholinguistics, theory and methods of teaching foreign languages and other sciences which are important for a successful and effective activity of a teacher, possession of professional skills (constructive, organizational, communicative) and skills in organizing students' activity and in the management of this activity [4, 156–158].

Professional competence is one of the main goals of training in any Pedagogical University.

And this competence includes:

- linguistic competence,
- speech and communicative competence,
- methodological competence is an ability to use the foreign language with a view to achieving professional purposes as well as an ability to teach the language.

Speech competence (is a part of communicative competence) is a command of the methods of forming and formulating thoughts using the foreign language, and an ability to use these methods in the process of speech perception and speech production.

Cultural competence is a totality of knowledge about the country of the foreign language. Such knowledge provides the student with a certain level of skills and experience in us-

ing national-cultural component of the language, speech etiquette and non-verbal means of communication.

Linguo- Cultural Competence is knowledge of national customs, traditions, features of the country of in question; an ability to extract culturally relevant information from units of the language and an ability to use this information to achieve effective communication.

Strategic Competence (compensatory competence) is an ability to fill gaps in the knowledge of the language, speech and social experience during the process of communication in foreign language.

Social Competence is an ability to have communicated successfully with other people. A wish for entering communication is explained by the presence of need, motives, a definite attitude toward the future partners of communication and personal experience.

An ability to enter communication requires an ability to behave adequately in a social situation and to manage it.

Socio Cultural Competence means familiarity of students with national cultural specific features of linguistic behavior and an ability to use those components of socio — cultural context. That are relevant for production and perception of speech from native speakers' point of view: customs, rules, norms, social conventions, rituals, social stereotypes, knowledge of regional geography etc [5.6, 53–55, 84–85].

Thus, formation of competence — continuous process of expansion of borders of communication in unity of all its components: linguistic, pragmatical (social), strategic and sociocultural.

According to the concept of language formation of RK questions of communicative training in English are of particular importance since communicative competence acts as integrative, focused on achievement of practical result in acquisition of English, and also on education, education and development of the language identity of the teacher of English.

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Skills of designing and modeling professional activities in teaching

Abstract: The article consider usage of the interactive and informational technologies of study intended to form common and specific professional competences for the students. Nowadays the tutor must form proper competences for the future teachers, must be oriented in modern pedagogical technologies and use them in his pedagogical activity. High school tutor must know and understand core tendencies in development of interactive technologies, must be able to implement methods and methodic of teaching with wide usage of new interactive and informational technologies. This would help students to obtain habits and skills of using program and apparatus means for solving of different types of tutorial tasks.

Keywords: vocational education, reflection, creativity, micro-group, interactive training, competence approach.

Line education technology would not bring a good results for today. Thus, there is a reason to consider the ways to make the process of education more interesting and stimulating for the students, pursuing them to find the knowledge, which would provide them with competitiveness and professionalism. Interactive technologies accomplished with relevant modern information-communicational technologies and combination of these technologies would help student

to obtain knowledge, analyse, and reflect. Thus, usage of Interactive and informational educational technologies helps in formation of common and specific professional competence. Within the modern circumstance sin the system of education, the teacher must not only be familiar with existing educational technologies, technical sources and informational technologies, but must be able to perform educational methods in speciality education. High school teacher must know and under-

stand the main trends in Interactive technologies, must be able to actively use educational methods with wide involvement of new interactive and informational technologies. This should help students to form habits of self-dependent work with program and apparatus resources. The teacher from Kazakhstan must acknowledge with this educational technologies, its latest methods and means.

In accordance with targeted aims, within the distance study I've studied the following modules:

Module 1.«Principles and practice of teaching in groups» [1, C. 119–122; 2, C. 235–266]. The main goals of the module is to teach students to use such learning methods as:

- Curiosity;
- Asking of the open questions;
- Modeling of the constructivist assumptions;
- Engagement and Motivation;
- Critical thinking;
- Cooperation;
- Subject understanding and problems solving;
- Independency and adaptation;
- Using knowledge in the real world.

All this allows us to follow up every student and evaluate one's involvement. As a result students receives researchable habits, as well as improves their analytical and creational abilities and tendency to obtain new knowledge.

Module 2.“Student learning assessing”, includes proposal of the evaluation of the student's activity, principals of assessing, assessing of the student, possibility for feedback contact. In Great Britain student's assessing consists of writing essays, examination, portfolio creation, project work and presentations (group and individual). Evaluation principals includes appraisal during the work and after work. The key term of evaluation are:

- Summative rate (final evaluation of student's activity)
- Formative rate (current mean of control, allows correction during the process of education). Important aspect in student assessing is the feedback contact with the student. It is necessary to diagnose knowledge during the process using motivation within the fair evaluation. Key aspects of assessing process are defined in the module in details.

Module 3. Info on students duties and final results of their learning process. The control from tutors and administration is necessary, in form of planning, meetings, record writing, correction and keeping.

Module 4.“Professional development and planning” [3]. This module gives an answers to the following questions: what the professional development is and what it is necessary for. How the professionals study and what is necessary to achieve success. In his answers, Dr. Rene Koglbauer teach us to learn the combination of practical experience, reflection and context. We could reflect the professional evolution by “4 lens” critics 1) Autobiography study; 2) Via students eyes; 3) Colleagues experience; 4)Scientific literature. Absence of one of the ‘lens’ do not reflect hole professional evolution. For per-

sonal evolution it is necessary to 1) development of specific knowledge (what do you want to achieve?); 2) measurability (how can you measure your success?); 3) accessibility (how to achieve?); 4) relevancy (accordance to the standards); and 5) time (terms of achievement).

Module 5. «Microteaching» [4]. Learning in micro groups. The aims of the study is to consider the role of feedback in professional activity, to obtain the skills and attitudes needed to successful learning, to discuss and identify participation in expert evaluation or enhance existing collective discussion. Module answers to the following questions: “Why it is necessary look at the colleagues?”, “Why is this important for professional development”, “Why do we need the professional and qualitative management?”, “Who provides the feedback?”, “What kind of information obtained?”, “What comes as a result of observation?”

Module 6.«Module Design». The core moments of the module are- introduction to student learning, information for learning, assessing and promoting, online learning, principles and practice of teaching in groups, preparing to lectures and interactive lectures. The necessity of writing of the module arises from the external demands, financial reasons, internal systems, personal reasons. Interesting moment here is defining of the role of the Teacher as a task manager, Teacher as a curriculum deliverer and Teacher as concept and skill builder. Good module design can turn visions into reality, can consider the diversity, can provide goal achievement, can help to develop and adapt to the new circumstances. For the Curriculum planning model development we need timing, resources, staff, module parameters and student's demands. Teaching program based on Bloom's taxonomy gives classification of tasks given by teachers to students according to the aims of education. There are three spheres: cognitive, affective and psychomotor cal. Skills and knowledge in cognitive area includes knowledge, understanding and critical thinking. There are six levels (knowledge, understanding, usage, analysis, synthesis and assessment. Affective area reflects emotional reaction of the man, and shows how he can feel someone's joy or pain. So affective aims connected to human relations, emotions and feelings. Psychomotor cal area describes ability to manipulate with tools and instruments. Thus psychomotor aims associates with changes or development of practical skills.

Module 7. «Writing for Academics» [5]. To write the blog to engage students, colleagues, policy players and public. We learner blogging and studied SOLO taxonomy method. We studied 5 levels. First level –preliminary extraction of the figure from the background. Fifth level — deep understanding of the basics, exit to the above system. Level 1-Presrtuctural Stage, Level 2-Identifying one basic and one cause-effect relation. Level 3-not one but several basics which are not connected to each other. Level 4-Integral, holistic understanding of the theme. Level 5-Going beyond the frames of the idea, connection with other themes). Results could be used within development of the tests, and student's assessment.

Module 8. «Preparing to lecture and interactive lecturing» [6]. Lectures given in the following formats: 1) classical; 2) problematic lection; 3) comparison lection; 4) consequence lection; 5) interactive. All type of lections were studied in details with special attention to interactive lection. All this gives a confidence and allows students to share their knowledge and prepare answers before attendance.

Modern society demand active and well educated professionals, who able properly and creatively realise many professional challenges. Therefore being in trend with time, Kazakhstan's high school should have those specialists as its final product. WE must create the process of professional education in such way, that our graduates should be able to interest the employer and perform their professional tasks with high quality.

New interactive educational technologies became practical requirement. It is also important to use competent approach, which provides with clear definition of practical action, required by modern society. Teaching of the students using new informational technologies is the next important requirement of our days. All of this new technologies we were able to see in practice in Newcastle university.

Qualification courses gave us an opportunity to familiarize with international educational experience, analyze this experience and set up most valuable aspects to adopt within local circumstances. As a proposal for enhancement of the courses can I propose the following — if it possible to include some hours to the course program with video demonstration of study sessions of international colleagues with their students. Or review of the movies with after analysis in groups.

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Section 4. Psychology

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Psychometric evaluation of the Albanian version of TOSCA – 3 to measure shame and guilt

Abstract: The present study's main goal was to evaluate the psychometric properties of the Albanian version of TOSCA – 3, a well known measure of shame and guilt. Although widely recognized, these emotions haven't taken much attention by the Albanian researchers till now. They belong to the self – conscious emotions family, have a negative valence, are considered moral in their very nature, are elicited by the same event and are displayed one after the other in a very short sequence of time, depending on the attributional style of the person.

Keywords: Shame, Guilt, psychometric properties, TOSCA – 3.

Introduction

The last decades have seen an increased attention in the study of self – conscious emotions. Among others, various authors have tried to design suitable measures in relation to them. Although, all of them display weaknesses, research has shown that some are more appropriate than others. Scenario – based measures belong to this category. TOSCA is probably the most well – known with a wide range of use in various cultures. Tangney, the leading author, and her associates have already presented TOSCA – 3 intended to measure self – conscious emotions in adults, TOSCA – A for adolescents, TOSCA – C for children and TOSCA – SD for socially deviant populations. As a result, psychometric properties of these measures, especially TOSCA – 3 have been tested in the USA [20, 11], Sweden [12, 1], Greece [3, 1], Turkey [5, 27–76], China [4, 1] etc, but such a study was not performed in Albania till now.

The subject – generated scenarios are probably its strongest point. They were built based on hundreds of college students and non college adults everyday experiences regarding these emotions. Consequently, authors claim they can be generalised in order to measure shame and guilt proneness. Though both shame and guilt can be generated by the same events, their arousal depends on the attributional style of the person who experiences them. The attributions' role is crucial. Those who are prone to shame seem to have a major preoccupation for their personality traits and see themselves as small, bad, and unlovable, while guilt – prone people are more concerned for their behaviours' effect on others. Thus, the first ones among other styles of behaviour mostly use avoidance of others and their blaming. On the contrary, guilt – prone people are keen to reprimanding the unacceptable, or undesirable behaviour. As stated above, though different in nature and scope, shame and externalization are interconnected. If

the measure shows to be appropriate in the Albanian culture it should make this clear.

Hence, except of the Albanian version of TOSCA – 3 three other measures were applied to the sample of the study. *The Other as Shamer Scale*, is supposed to strongly correlate with TOSCA dimensions because of the similarity among shame measures. The same argument stands for the subscales of the *Symptom Checklist – 90 – R*. Here, it is expected a low connection between the psychopathology subscales and guilt. Finally, TOSCA – 3 was compared to *The State Hostility Scale subscales* since a series of studies confirm that shame, but not guilt, is externalized through hostile patterns of behaviour. Further more, a correlation among TOSCA – 3 variables will be conducted. If appropriate, strong positive and negative correlations should result among them.

Method

Subjects

250 Psychology, Social Work and Teaching undergraduate and graduate Students, participated in the study. They were administered several measures at the same time among which the Albanian version of TOSCA – 3 (For the Albanian version of TOSCA – 3 contact the author) 196 of them were female students (78.4%), while 54 were male students (21.6%). The average age was 19.45 (SD = 1.022).

Measures

The Albanian Version of TOSCA – 3. It is a scenario based measure composed of 16 scenarios. 11 of them are negative scenarios, while 5 of them are positive ones. Each scenario generates four, or five subscales of shame – proneness, guilt – proneness, externalization (of blame), detachment, Alpha pride (pride in self) and Beta pride (pride in behaviour). There are no forced choices for the scenarios of TOSCA – 3. On the contrary, each of the subscales rates in a five point Likert scale from not likely to very likely (1–5). Scale scores

are the sum of the responses for the relevant item, i.e shame – proneness scores for shame items only. The same is true for the rest of the subscales. Shame and guilt subscales score in all of the scenarios, and that is true even for the externalization. On the other hand, detachment scores only in negative scenarios (11), while Alpha & Beta pride only in the positive ones (5). The scenarios are subject – generated which is a clear strength of the measure. The authors chose the most relevant situations derived from the responses of thousand of students and other adults to build these scenarios. Tangney & Dearing [8, 43] in three different studies reported high levels of internal consistency for shame – proneness, guilt – proneness and externalization and moderate ones for detachment and Alpha & Beta pride.

The Other as Shamer Scale (OAS). It is a self – report measure built by Goss, Gilbert & Allan (1994) as a way to measure the shame generated by the way people believe others see them. It is composed of eighteen items rated in a five point Likert scale from never to almost always (0–4). It contains three subscales: inferiority, emptiness & mistakes. A total score of the measure is also possible. It has shown an excellent internal consistency in the original study.

The Symptom Checklist – 90 – R (SCL – 90 – R). It is also a self – report measure developed by Derogatis in 1977 that contains 90 items. Similar to the above mentioned measures items are rated in a five point Likert scale from not at all to extremely (0–4). It is composed of ten subscales that measure the frequency of certain symptom dimensions as follows: (1) somatization, (2) obsession – compulsion, (3) interpersonal sensitivity, (4) depression, (5) anxiety, (6) hostility, (7) phobic anxiety, (8) paranoid ideation, (9) psychoticism, and (10) sleep disorders during the last week. It is well – known and widely used in research studies.

State Hostility Scale (SHS). It was developed by Anderson, Deuser & DeNeve [1, 1]. It uses a five point rating scale from strongly disagree to strongly agree (1–5). The measure is composed of thirty five items divided in four subscales: (1) feeling unsociable, (2) feeling mean, (3) lack of positive feelings, and (4) aggravation. It is widely used in psychological studies of the field, or in related studies such as the present one.

Procedure

Translation & adaption of TOSCA – 3 in Albanian. A translation – back- translation procedure was carried out according to the procedures of the International Test Commission [5, 3]. As Hambleton [6, 8] puts it “*When adapting an instrument cultural, idiomatic, linguistic and contextual aspects concerning its translation should be considered*”.

The original version of TOSCA – 3 was firstly translated by the author. Then it was back – translated by an independent psychologist who hadn’t previously seen the English version. The final decision on the Albanian version was taken by a comitee of experts fluent in English and Albanian native speakers, familiar with the field as well. Synthesis of the agreed version was tested to a small group of students (N =

30). Several changes were made and the corrected version was then applied to the sample of this study.

Data gathering. Participants were contacted in their classes during their courses, or in their spare time. A part of them got credits for their participation, while most of them volunteered. It took 30 to 45 minutes to the respondents to complete the battery of measures.

Ethics of the study. Students were firstly told the aim of the study and the freedom of participation. They were assured confidentiality of their personal data and informed they would be used for study purposes only.

Results

Table 1 shows the means, standard deviations, and the possible range of variables for the TOSCA – 3, The Other as Shamer Scale (OAS), The Revised Version of Symptoms Checklist – 90 (SCL – 90 R), and the State Hostility Scale (SHS).

The correlations among the dimensions of TOSCA – 3 revealed that shame strongly correlated with externalization ($r = .43, P < 0.001$) and guilt ($r = .35, P < 0.001$). Moderate correlations exist between shame and Beta pride ($r = .17, P < 0.01$). Meanwhile guilt also correlated strongly and positively with all the other subscales of TOSCA, except shame with scores ranging from .28 to .54 ($P < 0.01$). Externalization too had a strong correlation with all the other TOSCA subscales namely detachment, and Alpha & Beta pride with scores from .29 to .42 ($P < 0.001$). Detachment showed significant positive correlations with Pride dimensions ($r = .40, P < 0.001$) for Alpha pride, while ($r = .43, P < 0.001$) for Beta pride. A very significant correlation was observed among pride dimensions ($r = .62, P < 0.001$).

For the convergent validity of the Albanian version of TOSCA – 3 to be established the relationship of its subscales with those of OAS was firstly examined. As seen in table 2. Shame dimension was positively correlated with all the subscales of OAS, ($r = .31, P < 0.001$) for the Inferiority subscale and for the total score of the scale, while another lower, yet significant correlation resulted between this dimension and the other subscales: emptiness and mistakes ($r = .20, P < 0.01$). Other significant positive correlations were observed between Guilt dimension and inferiority and mistakes subscales of OAS ($r = .12, P < 0.01$). Externalization was significantly positively related with the inferiority subscale and the total score of the scale ($r = .12, P < 0.01$). A modest correlation was noted between this dimension of TOSCA and the mistakes subscales ($r = .09, P < 0.05$). No significant correlation was noted between detachment, Alpha & Beta Pride dimensions and OAS subscales, except of Alpha Pride and inferiority subscale ($r = .11, P < 0.01$) which not surprisingly was a negative one.

TOSCA and psychopathology subscales relationship was examined as well. As shown above by table 2 all psychopathology subscales were strongly and positively correlated with the Shame dimension with coefficients ranging from .35 to .49 ($P < 0.001$), except hostility and sleep that showed a moderate correlation, $r = .20$ & $r = .16$ respectively ($P < 0.01$). Further-

more, Externalization dimension was strongly and positively correlated with almost all of psychopathology subscales. Coefficients here ranged from .22 to .32 ($P < 0.001$). This dimension too showed a weaker correlation with hostility and sleep, respectively .13 & .17 ($P < 0.01$). While there was no correlation between Alpha Pride dimension and the psychopathology subscales, only a modest correlation was found between obsession – compulsion subscale and Beta Pride dimension .10 ($P < 0.05$). On the other hand, guilt dimension strongly, or moderately correlated with some of the psychology subscales: Obsession – compulsion ($P < 0.001$), interpersonal sensitivity, depression and anxiety ($P < 0.01$), but showed only a modest correlation with somatization .10 ($P < 0.05$). Finally, detachment showed a moderate correlation with sleep and psychoticism ($P < 0.05$), whilst its correlation with obsession – compulsion and hostility was found to be moderate ($P < 0.01$).

The strong and positive correlation among shame dimension and hostility is obvious in three of the SHS subscales: feeling unsociable, mean and aggravated with coefficients ranging from .28 to .34 ($P < 0.001$). No correlation was found between Shame and Lack of positive feelings. The same subscales showed high correlation coefficients with the Externalization dimension: feeling unsociable ($r = .21$, $P < 0.001$), feeling mean ($r = .23$, $P < 0.001$), and Feeling aggravated ($r = .27$, $P < 0.001$). A modest correlation ($r = .09$, $P < 0.05$) was observed between externalization and the Lack of positive feelings subscale.

The Albanian version of TOSCA – 3 subscales were found to have strong to moderate, or low internal consistencies. Coefficient Alpha was .72 for shame – proneness, .73 for guilt – proneness, .61 for externalization (of blame), .66 for detachment/unconcern, .45 for Alpha pride, and .55 for Beta pride.

A separate sample of students ($N = 50$) were administered the Albanian version of TOSCA – 3 three weeks later in order to attain a test – retest reliability analysis. In this version Alpha coefficient for shame – proneness was higher .78. This is true even for guilt, externalization and detachment that obtained these Alpha coefficients respectively: .76, .70, and .69. On the contrary Alpha pride showed an even weaker coefficient .43, while Beta pride saved the initial coefficient .58.

Discussion

Several conclusions can be drawn from the above shown results. The correlations among TOSCA – 3 dimensions, in line with Tangney's theoretical framework, are else confirmed by their correlation with OAS subscales. Significant correlations among all OAS subscales and shame dimension as well as between externalization dimension and inferiority subscale of OAS were observed. This seems to have an impact even in peoples' sense of pride in their traits as the correlation between Alpha pride and inferiority shows.

Then, it can be stated that the Albanian version of TOSCA – 3 successfully distinguishes between shame and guilt as different self – conscious emotions. In the same line with Tangney's conceptualization and other field conclusions

there was a significant correlation between shame dimension and all psychopathology subscales. Externalization too was related to all psychopathology subscales, except phobic anxiety and paranoid ideation. This does not stand for guilt which moderately correlates with only some of the psychopathology subscales. As expected guilt did not show any correlations with hostility, while shame and externalization did. The literature supports this conclusion since TOSCA – 3 is said to measure only adaptive aspects of guilt (and sometimes accused for this). Hostility itself acts as a defensive mechanism when ashamed. Tangney, Stuewig & Mashek [20, 13] assume that the negative feelings of shame and the hostile behaviour are mediated by the externalization of blame. Thus, although shame and externalization are opposite to each other regarding internal – external dimension, they serve to the same function: hiding the truth which may be too harsh for the person who experiences it. Their relationship was also supported by the excellent correlation between three of the SHS subscales (1) feeling unsociable, (2) feeling mean, & (3) feeling aggravated and shame & guilt dimensions. However, Woien et al. [21, 7] call for attention, since the activation of blaming “*ironically has the same results as shame*”. The relation between depression & interpersonal sensitivity subscales and guilt is also explicable, because of the tendency of guilt – prone people to be hypersensitive during their interactions and subsequently to be critical toward themselves. On the other hand, anxiety, may arise from guilt when the person repeatedly fails to distinguish between the appropriate behaviour standards, or when deliberately makes a transgression. This would explain the significant correlation between guilt and anxiety. Obsession – compulsion showed the strongest positive correlation with guilt. Researchers have already found that “... *individuals with OCD report significantly higher levels of trait and state guilt than normal controls. It is also found that trait guilt was a significant predictor of obsessive – compulsive symptoms in both individuals with OCD and normal controls independent of anxiety and depression... .. guilt in OCD is likely triggered by the unwanted intrusive thoughts that characterize the disorder, and it is closely related to responsibility beliefs and obsessive – compulsive thoughts*”. This statement further supports Tangney's conceptualization of guilt as a moral emotion that tends for one's relationships. Meantime, as stated in the psychoanalytic view, the destructive superego that diminishes the role of the ego is the key of explaining the significant relationship between guilt and psychoticism. Obviously, ego was previously and purposefully destroyed by superego. Thus, when the pressure becomes unbearable this destructive superego's unique alternative is punishment. It is here that guilt shows its maladaptive side. Further analysis can be drawn observing the correlation between Alpha pride and some of the psychopathology subscales like anxiety, paranoid ideation, and hostility. As Gouva & Kaltsouda put it “... *pride arouses as a result of defending against selfcontempt, or self-hate, which, in turn, comes from the inconsistency between*

the ideal and the real selfimage. Various unconscious mechanisms, such as projection, are then applied, common to both narcissism and paranoia". The moderate correlation between Lack of positive feelings and Detachment is probably the expression of lack of preoccupation, though this is not to be confused with negative feelings. In fact only a modest correlation was observed between detachment and Feeling mean subscale.

In sum, it can be concluded that the Albanian version of TOSCA – 3 is a reliable measure as well. Its internal consistency

is generally appropriate. The low levels of consistency for the pride subscales are common for other versions too [3, 105–113], [8, 27–78], while it is comparable with the original English version. The obtained correlations are mainly expected, can be explained by the literature, can be compared to other similar studies and finally can support the validity of the Albanian version of this measure.

Descriptive Statistics and Bivariate Correlations.

Table 1. – Means, standard deviations and the ranges of variables

Measures	Mean	Std.Deviation	Min.	Max.
TOSCA – 3				
Externalization	41.70	8.28	24	70
Detachment	35.81	7.49	15	52
Alpha Pride	18.01	3.53	5	25
Beta Pride	19.37	3.68	9	25
Shame	38.18	9.30	20	65
Guilt	59.04	9.53	24	80
OAS				
Inferiority	11.21	7.67	1	41
Emptiness	4.1	3.47	.00	14
Mistakes	3.62	2.55	.00	12
Total Shame	18.93	11.82	1	64
SCL – 90 – R				
Somatization	11.24	9.85	.00	43
Obs. – Compul.	12.96	7.83	.00	32
Interp. Sensitivity	9.69	6.68	.00	29
Depression	13.15	12.17	.00	48
Anxiety	8.96	7.66	.00	31
Hostility	5.65	4.65	.00	21
Phobic Anxiety	4.90	4.73	.00	22
Paranoid Ideation	7.03	4.54	.00	21
Psychoticism	7.58	7.53	.00	35
Sleep Dis.	4.29	2.97	.00	12
SHS				
Feeling Unsociable	6.93	2.25	3	13
Feeling Mean	26.01	8.53	14	52
Lack of Pos. Feelings	39.68	6.26	11	50
Feeling Aggravated	15.81	5.40	7	32

Table 2. – Correlations among TOSCA–3 subscales and between TOSCA – 3 & OAS, SCL – 90 – R & SHS subscales

Measures	TESTOFSELFCONSIIOUS			AFFECT-3 (TOSCA-3)		
	Shame	Guilt	Extern.	Detach.	Alpha Pr.	Beta Pr.
1	2	3	4	5	6	7
TOSCA – 3						
Shame pron.	1	.35***	.43***	.07	.03	.17**
Guilt pron.		1	.28***	.54***	.32***	.38***
Externalization			1	.42***	.30***	.29***
Detachment				1	.40***	.43***
Alpha pride					1	.62***
Beta pride						1
OAS						
Inferiority	.31***	.12**	.12**	-.03	-.11**	.08

1	2	3	4	5	6	7
Emptiness	.20**	.08	.02	.06	.02	.08
Mistakes	.20**	.12**	.09*	-.05	-.05	-.05
Total Shame	.31***	.05	.12**	-.01	-.07	.06
SCL – 90 – R						
Somatization	.35***	.10*	.28***	.05	-.03	.02
Obs. – Compul.	.49***	.21***	.32***	.16**	.05	.10*
Interp. Sensitivity	.45***	.15**	.27***	.08	-.00	.05
Depression	.48***	.14**	.27***	.07	-.06	.07
Anxiety	.45***	.15**	.09*	.08	.29***	.03
Hostility	.20**	.08	.13**	-.08	.13**	-.09
Phobic Anxiety	.32***	.06	.06	.05	.27***	-.00
Paranoid Ideation	.36***	.09	.04	-.06	.22***	-.00
Psychoticism	.43***	.12**	.10*	.03	.29**	.05
Sleep	.16**	.11*	.17**	.10*	.04	.07
SHS						
Feeling Unsociable	.31***	.10*	.21***	.03	.08	.09*
Feeling Mean	.34***	.10*	.23***	.10*	.13**	.06*
Lack of Pos. Feelings	-.06	.03	.09	.16**	.10*	.15**
Feeling Aggravated	.28***	.13**	.27***	.04	.14**	.07

* $P < 0.05$ ** $P < 0.01$ *** $P < 0.001$

Table 3. – Correlations of test and retest scores for TOSCA – 3 subscales

TOSCA–3 subscales	Time 1		Time 2		r
	Mean	SD	Mean	SD	
Shame pron.	38.18	9.30	39.70	10.53	.78
Guilt pron.	59.04	9.53	60.18	9.65	.76
External.	41.70	8.28	42.04	8.42	.70
Detach.	35.81	7.49	35.90	8.60	.69
Alpha pr.	18.01	3.53	18.16	3.91	.43
Beta pr.	19.37	3.68	19.38	4.80	.58

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Section 5. Philology and linguistics

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Implicit ways of rendering inclusiveness in the language of science

Abstract: The paper deals with the analysis of implicit ways of conveying the category of inclusiveness as one of integral categories of modern scientific discourse. We have examined the main implicit linguistic devices in the Anglo-American articles in the field of information and communication technologies. The following linguistic devices are used implicitly to express inclusiveness: *include... but not limited to (including... but not limited to)*; *among others (among other things)*; *inter alia (i. a.)*; *there are + Approximator*.

Keywords: scientific discourse, linguistic categories, inclusiveness, linguistic devices, explicit, implicit.

The **object** of our investigation is the study of **the category of inclusiveness**, and implicit ways it could be conveyed in English language of science. It is argued that categories help us to understand the world better [8]. Categories are integral parts of scientific discourse. However, the full list of *all* categories is yet to come. The category of inclusiveness is an important category of modern English scientific discourse because it sheds light on the basis traits of scientific thinking, namely, discriminating between “part-whole” and “system-element” [2]. It should be noted that corpus linguistic studies reveal that the verbs of inclusive semantics such as to group, to system, to include, to involve are among the most frequently used words in 120 billion words COCA (Corpus of Contemporary American English) Academic vocabulary lists of English [6].

Inclusiveness has been analyzed from a psycholinguistic perspective as a way of structuring and understanding the cognition and as a way of mental possessing the new information [3, 352]. In linguistics, it was professor Zhabotinska who argued that a part always belongs to the whole (partitive scheme); content (as independent part) can be whether inside container or outside container (scheme of inclusiveness) [1, 47–76]. US researchers in their paper “Typology of Verbs for Scholarly Writing” (2010) classify the verbs into four main groups, one of which is statement verbs that consist of implicit, explicit and inclusive verbs. The latter is used for description of connection among elements of a whole [7, xxiii].

Previous studies have been limited to these points and don't single out inclusiveness as a category of Anglo-American scientific discourse. We suggest: if one thing (part) is the element of other thing (whole), is included in other thing (whole), if one element (part) is grouped with other elements (parts) to form a bigger thing (whole); or if one thing (whole) is composed of a number of smaller things (parts), then such interrelation is called **inclusiveness**. In this paper we address the main implicit

ways of conveying inclusiveness in the language of science, hence the **subject** of our study. **The novelty of the research** is unveiling the main implicit linguistic devices that express inclusiveness in modern Anglo-American scientific discourse.

To do our research, we used the language material selected from Anglo-American articles in the field of information and communication technologies, such as Telecommunications Policy (2013–2014), The International Journal on Advances in Internet Technology (2010–2015), The International Journal on Advances in Systems and Measurements (2010–2015), The International Journal on Advances in Telecommunications (2010–2015), The International Journal on Advances in Intelligent Systems (2010–2014), The International Journal on Advances in Networks and Services (2010–2015), IEEE Communications Magazine (2008–2014). Overall number of such articles is 1686, or about 8 billion words.

If “**explicit**” means *precisely and clearly expressed, leaving nothing to implication; fully stated* [9], then “implicit” means *not explicit; implied; indirect* [9]. H. H. Clark states that the process of creation the implication is pragmatic activity that combines given information and new information [4, 170]. We consider implicit ways of conveying inclusiveness as specific linguistic devices that express inclusiveness indirectly. Because the meaning is hidden, they render inclusiveness without involving lexical and grammatical indicators and explicit markers of this category. Implicit linguistic devices of inclusiveness are: *among others (among other things)*, *inter alia (i. a.)*, *include... but not limited to (including... but not limited to)*, *there are + Approximator*.

Let's consider them in more detail.

1. When we have analyzed explicit ways of expressing inclusiveness in scientific discourse we have shown the main explicit types, one of them is a whole that consists of parts (partial listing). The main linguistic device of this type is

the verb *to include*. Phrases include... *but not limited to* and *including...* *but not limited to* imply parts that are included in a whole, but which aren't listed. For example:

These factors include, but are not limited to, specialization on different technical domains, cost optimization through usage of shared infrastructure and services, and regulation policies imposed by national laws [13, 2012, p. 34].

That is to say, besides parts (specialization on different technical domains, cost optimization and regulation policies) that are included in whole (these factors) there are some other parts although they aren't indicated in the list.

Let's consider one more example:

The signaling messages include information such as, but not limited to, node type, geographical location, route, velocity, data plane link range, power status, storage status, bundle format and size, delivery options, and security requirements, among others [13, 2010, p. 138].

In this sentence the author names a part (information) that is involved in whole (the signaling messages) and gives the explanation of this part through the list using the marker of exemplifying (such as). Moreover we can see "the chain" of implicit markers, that is *include... but not limited to* and *among others*.

2. Set phrases *among others* and *among other things* as implicit way of rendering inclusiveness is used to point out additional parts of a whole, for instance:

OSSIE was developed at Virginia Tech, and has become a major Linux-based open source SDR software kit, sponsored by the U. S. National Science Foundation (NSF) and the Joint Tactical Radio System (JTRS), among others [10, № 3, 2011, p. 91].

Here we can see only two organizations that are the sponsors of OSSIE, and the phrase *among others* denotes other organizations that exist but are not pointed out in the list.

Sometimes, if the author wants to attract reader attention s/he can place implicit marker of inclusiveness at initial place, as in the following example:

Among other things, this is connected with the fact that the virtualization principle is built in many discussed Future Internet (FI) architectures [14, 2012, p. 139].

We have found large number of examples with "the chains" that combine implicit and explicit ways of expressing inclusiveness:

This includes equipment cost, equipment lifetime and maturity of the network, among others [10, № 11, 2012, p. 125].

3. The synonym of *among other things* and *among others* is the Latin borrowing *inter alia* or *i. a.*, for example:

Global data and knowledge reuse (e. g., traffic environments have a common infrastructure, which inter alia provides means for storing and sharing of traffic information; agents may access external information sources located, for example, in the Internet)

[12, 2010, p. 291].

For example, the duplication of rthe1 requires i. a. the duplication of rax [14, 2010, p. 256].

4. One more implicit marker of inclusiveness is construction *there are* + Approximator, that expresses approximate number of parts in a whole. Depending on markers of approximation, the number of parts can be large, as in the following examples:

In 3D CVEs there are a lot of 3D objects and avatars present in a 3D space [12, 2013, p. 266].

There are numerous implementations of conventional SIP servers and SIP softphones on various OS platforms [16, 2012, p. 112], or approximate marker can express smaller amount of parts:

There are several OpenFlow controllers available, e. g., NOX, FloodLight, Beacon, POX, and Trema [14, 2014, p.164].

Actually, in this sentence, the author uses the construction *there are* + several + parts (OpenFlow controllers), plus he gives the list of parts with the help of exemplifying marker (e. g.) (NOX, FloodLight, Beacon, POX, and Trema).

Also we have found examples of combining the approximation marker and the number of parts (expressed by numerals) that is used as implicit way of expressing inclusiveness:

This option is currently being exploited in the United States, mainly on small scales for local communities, where there are currently about 3000 Wireless Service Providers (WISP) that use this model [10, № 3, 2011, p. 71].

Here we would also like to draw attention to implicit device of temporariness — currently — that implies the potential increase in number (implication: currently we have about 3000 (but potentially there could be more than that)).

To sum up, let us present some quantitative numbers of implicit ways of conveying the category of inclusiveness in the language of science. Out of the corpus of research articles studied (8459768 words), we have encountered the following number of linguistic devices of inclusiveness *there are* + Approximator — 2219, *among other things* (*among others*) — 220, *include* (*including*)... *but not limited to* — 29, *inter alia* (*i. a.*) — 7.

We can conclude that implicit ways of expressing inclusiveness as well as explicit ones play an important role denoting inclusiveness in modern Anglo-American scientific discourse. Grammatical construction *there are* + Approximator is the most frequently used implicit linguistic device that renders inclusiveness. In the future we plan to contrast implicit and explicit ways of conveying inclusiveness in the language of science, as well as to study the features of inclusiveness in correlation with others categories, namely the category of possessivity.

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Section 6. Philosophy

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Competition between political parties in Uzbekistan

Abstract: In this article some aspects of the competition between different political parties and political groups and fractions in the process of the construction of democratic state and civil society in the Republic of Uzbekistan are considered.

Keywords: political parties, Uzbekistan, competition, political fractions, political groups, executive power, Parliament, governance, political activity.

Political parties are considered as one of the main institutions through which occurs government by the people. One of the organizational-institutional manifestations of political parties is voluntariness, consent of citizens in association. Therefore, all citizens based on common views, interests and goals can join efforts the party and can be their members. "Parties equally referred to as the large national organizations which express the public opinion in the modern democracies" [1].

In the very essence of activity of political parties is the consent and voluntariness and openness of their work that is one of the most important institutions of democracy.

In fact, political parties differ from other voluntary associations are actively involved in the political processes and play an essential role in the emergence of democracy. Especially this clearly manifested during election campaigns. During the conduct of the election campaign for the position of the President, for the position of member of the Legislative chamber and the Deputy of local Kengash of people's deputies subject offering of a candidate for these posts are the political parties and it is implied that their proposed candidate will be supported by the people. It is the real measure of democracy associated with civil society.

In the Republic of Uzbekistan in the development of democratic state and civil society very important role belong to political parties. In the years of independence, multi-party system was formed in the Republic. "A multi-party system is the important condition of democracy, the existence of the constitutional regulators in the relationships of the divided branches of government, guarantees of the rights and freedoms of man and citizen" [7].

Multi-party systems inherent in political life such states as Italy, Belgium, Holland. Unlike the USA, in most Western countries there are multiparty systems and their quantity the amount ranges from about 3 to 10 parties. To them include Germany, France, Canada, Austria, Australia. They can be called a modification two-party system because two large par-

ties are in the opposition can attach themselves to third party to create a government.

"The multi-party system actually means different struggle and the debate between the ideas it is this field of political competition for various parties, including for opposition parties" [5]. Party competition, struggle is the driving the power of a multi-party system. If there is no party competition, inter-fractional struggle the society will not develop. For this reason, in article 12 of the Constitution declares, "In the Republic of Uzbekistan, public life develops on the basis of diversity of political institutions, ideologies and opinions. No one ideology cannot be established as the state" [2].

Where is no constructive competition, there is no a healthy opposition, that there will be no progress, no development. This pattern confirmed the law of dialectics "the Law of unity and the struggle of opposites (law of contradiction)". Of course, this law can be applied on political parties, their political participation and activity. To prove this, it is possible to quote the following provision from the program of the People's democratic party of Uzbekistan: "The people's democratic party of Uzbekistan considers its main political opponent the liberal-democratic party of Uzbekistan" [9]. From this, it becomes obvious that in Uzbekistan exists a political opposition. As said Dr. D. Y. Tatarkova: "The Institute of political opposition is not only an important feature of democracy, but one of the most effective institutes of civil society" [8]. The opposition called political party with its political agenda of the development of society; the electorate; acting through their representatives in the state representative bodies to the official authority and leading the struggle for political power within the requirements of the laws.

The main goal of any party is achievement of power. The party is due to the initiative of a certain social group, it means that it becomes of the facility of implementation of the interests of this group. What are the goals of the party in set ourselves, they are all related to struggle for power by forming their gov-

ernment, or the formation of the coalition government by introducing their representatives, thus, the party achieves its purpose. The party which fought the reigns of power-committed use the power of the state to meet the interests include social forces that gave it powers to fight for its policy.

It is known that all social relations are regulated by law. In Uzbekistan, also political parties are participating as subjects of social relations. The activity of political parties are organized on the basis of the Constitution of The Republic of Uzbekistan, Laws “On voluntary associations”, “On political parties”, “On financing of political parties” and the constitutional Law of the Republic of Uzbekistan “On strengthening of the role of political parties in the renewal and further democratization of state management and modernization of the country”. These laws are considered the legal basis of the formation of the multiparty system in the country.

Today in Uzbekistan four parties carry out their activities on the basis of relevant regulatory documents. One of the political institutions that provide transparency and democracy in society, serve as a communication tool of the state and society, and also reflect the interests of the electorate are the parties. In these terms, i. e. in the transition to a healthy political system, when the process of the release of subordination of the state and strict control of the established from the side bodies of the state power of the various institutions inherent to citizens meeting the society, if the role and status of political parties will be high, only in this scenario, it is possible to speak about occurrence and development of genuine democracy.

If political parties perform the role liaison between the state and society, a natural question arises as to who of them the parties are in a closer ratio. This situation was evident in the experience of developed democratic states, i. e. if the “root” of the political party “embedded” in society, its upper “reaches” of the government. Political parties arise in the depths of society and represent its hopes, aspirations, needs and interests. To society no more close to the organization than a political party and it outputs through political ways the goals and the aspirations of the public to the government. Other words, party paths the way to solve problems provides transparency and establishes public control.

Political parties as representatives of democracy should serve the social interests. Serving the general social interest diminishes the service of the political organization group interests. In this sense, we are talking about harmony with group interests and interests of the state and society. However, group interests do not always match the state governmental and public interest otherwise, there would be no place for political pluralism. We need to appreciate that the interests of political groups, as well as need to fully support their mutual competition and the control between them. Creative controversy, debate and approaches to “bring to life” the socio-political life, and most importantly, give rise to between the groups, peer review, avoiding the situation associated with the establishment of autocracy of the state and abuse their powers of officials.

Political parties on the basis of the occupied their status in the system of state power, develop the program, and determine the path of socio-political development of the country. For example, one of the goals of the dominant currently in the Parliament of Uzbekistan the Movement of businessmen — Liberal-democratic party of Uzbekistan “will seek expression and realization of measures aimed at creating an effective system of public control over the activity of state bodies, reduction of numerous supervising, controlling structures, the fight against corruption among officials and abuse of official affiliation” [10]. At the same time, the programs and statutes of political parties must be supported by the people. For this political party must occur not “on top” but “inside” people representing goals and aspirations and interests of society’s groups. Only in this case given political party will have its genuine electorate.

The place of political parties in ensuring their democracy depends on their participation in parliamentary activity. Currently all available in Uzbekistan political parties in the Legislative Chamber of the Oliy Majlis organized factions. These fractions in their activity use the following authority: to participate in shaping the agenda of the meeting of the Legislative chamber; to contact the President of the Republic of Uzbekistan with the initiative to the dismissal of Prime Minister of the Republic of Uzbekistan; on guaranteed words of the representative of the faction in the debate on each question of the agenda of the Legislative chamber; requesting to corresponding to the speaker of the Legislative chamber of the Oliy Majlis and the Government of the Republic of Uzbekistan, to the Ministers and the heads of other state public bodies; to make proposals for candidatures of the Vice-Speaker, Chairman of the Committees and Commissions of the Legislative chamber; spread adopt the position of the faction on the topics discussed during the meeting of the Legislative chamber among the deputies; to carry out other functions prescribed by the legislation for the deputies of the Legislative chamber [3].

In accordance with the Constitutional law of the Republic of Uzbekistan “On strengthening the role of political parties in updating and further democratization of the public administration and modernization of the country” of 11 April 2007, the fractions of political parties in the Legislative chamber have the authority to approve as Prime-Minister and releasing him from affiliation, party groups in the Kengashes of people’s deputies (field and regions and Tashkent city) participate in the appointment on the post and release from office of Governor of region and Tashkent city, monitoring their activity [4]. Performing batch functions of social control is one of the tasks to promote a genuine democracy.

There are many criteria of origins of the legal state and civil society. One of such criteria is elections in the state. Of course, these processes cannot be held without the participation of political parties. One major functions of a political party is — to ensure the active political participation of citizens in the electoral system. Elections are the criterion of evaluation of activity of political parties. In a result of elections

the party with the highest number of seats are considered to be winning and acquire opportunities in the process of the formulation of laws. Therefore, parties which get their hands on elections of parliamentary interest can directly participate in the actual mechanism of state power in accordance with law to participate directly in the management of the state and society.

In the process of democratization of society in Uzbekistan, civil society development, increasing of continuing political and legal consciousness of the people, modernization of multi-party system, further deepening of reforms implemented under the leadership of state power and governance require the creation of conditions for strengthening activity of political parties. The President Islam Karimov spoke about the report on joint meeting of the Legislative chamber and Senate of the Oliy Majlis [6]. Especially, it is necessary to recognize the strengthening of the place and responsibility of political parties in the society in the appointment and acquittance of the Prime Minister of the country. With increasing influence and authority of political parties and non-governmental public bodies, strengthening their status they become an important link in public control over the activity of government structures. The establishment of public control from the side of civil society institutions, in particular, political parties on local and in the center over the state and power structures, in-first, eliminates their monopoly on the autocracy, secondly, provide rights and freedoms of the human, thirdly, realize the priority of interests of the personality over the interests of the state.

It should also be noted that in the result of the increasing of role of political parties in the democratization of state power and governance there was an increase of socio-political thinking, which proves the possibility of further improving of democratic institutions and further deepening of reforms. Generally, it is possible to say that the further deepening of democratic reforms and development of civil society dem-

onstrate that the principle “from the strong state to the strong civil society” according to its quality has risen to a higher stage of development.

In accordance with the approved by the President of the Republic of Uzbekistan Islam Karimov Law On amendments of changes in articles 78, 80, 93, 96, 98 of the Constitution candidature of the Prime Minister of the Republic of Uzbekistan proposed by political party scored the greatest number of Deputy places on elections in the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan, or by several political parties, which received an equal highest number of deputies places [2]. First of all, to political parties won the largest number of deputies seats in the elections to the Lower House of the Parliament, they will have to conduct broader agitation and propaganda among the population and of the electorate. In second, it will further strengthen the inter competition between political parties. Thirdly, there is a requirement once again review their programs by the political parties. Fourthly, it will lead to elected from political parties deputies (members of fractions of political parties) must have higher political consciousness and thinking. As announced by the President Islam Karimov “The Concept of further deepening democratic economic reforms and formation of civil society in the country” providing to political parties right to approve the candidate for the Prime Minister or right to express “no confidence vote”, including the right to hear the report of the Prime Minister, have created for them new opportunities, and at the same time, put them great responsibility.

In the process of enforcement laws coordination among the parties is an objective necessity. In general, the trust and responsibility which is vested in political parties in Uzbekistan is a clear demonstration of democratic processes. Resume, we can say that the political parties exist in Uzbekistan take an active participation in the development of legal democratic state and civil society.

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Application of the notion “truth” in arts

Abstract: In the article the nature of objects that can be estimated on the base of truth is considered. It is asserted that the work of art as a reflection of one (any) aspect of the infinitely varied world by one (any) of possible ways cannot be false. The claim for the uniqueness of understanding makes the work of art ontologically undeniable.

Keywords: arts, truth, values, estimations.

The main topic of this article is the question, which may be formulated in two forms: What does it mean “to be truthful” in arts? Or: In what sense some work of art can be assessed as true or false?

In order to answer this question in any of its forms we ought to begin with another one: Does any kind of objects, phenomena or components of socio-cultural activity can be estimated on the base of truth? The answer to this question is not as obvious as it might be supposed, because it is concerned with fundamental principles of philosophy. The question about the kind of objects which can be evaluated on the base of truth cannot be resolved without reference to ontological models of reality that underlie the worldview of the evaluating subject. This is why the distinction between idealistic and materialistic concepts of the objects which might be assessed at truth is determined by understanding of the essence of Being itself.

In materialistic systems, which consider matter as the essence of Being, only ideas and assertions of subject may be true or false, because Being may or may not be represented in them. As for material objects, phenomena and processes, they can be neither true nor false, but only either existing or not existing, since they are mere varieties of Being-in-itself. It is emphasized in materialistic philosophy that in any field of human activity assessment at truth is possible only to the cognitive component, regardless of whether this component is expressed in the concept or a set of different views. So, within the framework of materialistic philosophy it is important to discern whether we speak about a result of cognitive activity which is assessed at truth, or about evaluation of any other phenomenon on the other — not truth — grounds.

In idealistic systems, where the essence of Being is considered as ideal, not only ideas of the subject, but any material objects, phenomena or processes can be evaluated as true or false, because ideal Being may or may not be represented in them. It means that for objective-idealist Hegel characteristics “true” or “false” can be applied to cognition as to Being itself, so our view that matches the object and which is “formally correct” may be, nevertheless, untrue, as untrue is the object itself not corresponding to its concept. “About such a bad object we may form a correct view, but the content of this view is in itself untrue. We may have in our heads a lot of righteous that is, at the same time, not true” [1, p.126]. According to Hegel, the

distinction between truth and correctness is determined just by the fact that in his philosophy the essence of Being is a concept and a concept can be represented or not represented by the object that is assessed at truth.

The special case for both kinds of philosophy is appeared to be value judgments. In the tradition running from neo-Kantianism the term “knowledge” is identified exclusively with knowledge of the natural (material, objective) reality, while knowledge of needs, conditions, inner world of subject is not considered as “knowledge” in the proper sense. It is this understanding of knowledge underpins the assertion that such value judgments, as “It is fine here!” cannot be assessed at truth, since they cannot be compared with reality outside the mind of the subject of assessing, unlike such judgments, as “Matter is made of atoms”.

Meanwhile, knowledge has a uniform nature, regardless the specificity of its object. Therefore, not only that knowledge which is expressed in scientific theories and worldview, but any knowledge, including technological, prescription statements or statements describing the inner condition of subject, can be assessed at truth. If an exclamation “It is fine here!” is regarded as emotive expression that has a symbolic meaning and can be an abbreviation or shortened name of a certain situation, it is not object of truth-evaluation, as well as any sign, because no sign is a form of thought. But if “It is fine here!” is the judgment, than in this judgment a certain reality is represented: the state of the subject, the totality of his/her feelings and experiences. And in this case, this judgment may be assessed at truth and is true only when reality is in fact so as it is represented in this judgment, i. e., if for someone it is really fine here, since she/he feels pleasure being here. This assessment at truth is no different in its essence from the evaluation of the judgment “Matter is made of atoms”, which is true, if only things really are so that matter consists of atoms.

Therefore, the question is whether to consider the condition of the subject, his feelings, emotions, moods as real Being or not? It seems that if we suppose that both ideal and material phenomena belong to the realm of existence, then all judgments might be objects of truth-evaluation and can be true or untrue, expressing or not expressing Being-in-itself. Establishing of the truthfulness of value judgments is vital in interpersonal relations, because people can and actually hide their true feelings and experiences, expressing aloud such evaluations

that are directly opposite to their actual feelings only too often. Understanding of this feature of human activity promotes awareness of the fundamental differences between formal logical analysis of judgment as a form of relation between certain signs and analysis of judgment as a form of thought, since in the real process of thinking and communication any elements or forms can be objects of truth-evaluation, if they are cognitive images of things both material and ideal.

Just the fact of our hesitations in the need of evaluation on the base of truth can be considered as a motive to determine what kind of products we are dealing with. So, in all cases of problematization as of the conditions of the problem as of possible methods of its solution their assessment at truth becomes necessary. Therefore, any regulations, methods, norms, rules, recipes are the objects of truth-assessment to the extent that their relationship with objective reality, i. e. with what is to be achieved as a result of following these instructions, norms, prescriptions and so on, is problematic. Moreover, the evaluation of prescriptions or methods as optimal or convenient is possible only when the question of their truthfulness is already settled and doubts about their compliance with the nature of the task does not occur.

If we return now to our main question: What does it mean “to be truthful” in arts? Or: In what sense some work of art can be assessed as true or false? — we ought to say that the concept of “artistic truth” has arisen precisely because the assessment of a work of art at truth is determined not by correspondence of its content to the material-being, but by the conformity of this content to the ideal-being, i. e. to the subjective world of an artist himself. It means that truthfulness of an artist are determined not by formal cognitive adequacy of his work to reality, but by his own inability to be in accordance with himself out of the compliance of his work to the world in which an artist is aware of his own existence. The art memorizes sensations, emotions, feelings, and creates, in the words of G. Deleuze and F. Guattari, “the monuments” to “percepts and affects” [See: 2, 207–255]. In this sense, all artists, embodying their ideas in their own creations, are equally truthful.

Epistemological program of art does not imply obtaining an inter-subjective image of Being-in-itself. Every work of art claims to be only and exclusively such a personal image of reality, which is distinct from any of the others by the greatest possible individualization of the form of perception and the method of expression of some information about reality obtained by an artist. But it means not that scientists and musicians have different types of rationality, but only that they create different cultural products because they pursue different aims, follow different methods, tools and standards, while remaining the bearers of one and the same human mind. And this mind does not become typologically different when we speak about different languages as material carriers of thought. The fact, that artist “thinks by images” while scientist — “by theoretical abstractions”, does not change the essence of thinking itself. There is no any reason to believe that the differences in the results of activity of these subjects are generated just by the differences in the “types of rationality”, i. e. in the essence of intelligence as such.

One can think only by concepts, judgments and conclusions, but to express these logical forms in various languages. In addition, the fact that art can express not only thoughts, but feelings, does not change the nature of the mind. Any artistic image is the result of the mental activity, of a certain concept or a set of ideas. But these ideas are expressed by the artist (poet, composer) on the language of the relevant art-form, but not in the language of theoretical abstractions.

The content of artistic image claims not its cognitive correspondence with reality itself, but only its being a display of something that has not been displayed in the other images and, most likely, in such a form — will never be. That is why the work of art as a reflection of one (any) aspect of the infinitely varied world by one (any) of possible ways cannot be false. Or — it is such a “falsity” that cannot be proved. In fact, what would mean “falsity” of painting, sonata, sculpture or dance? Obviously, only that the artist sees the world differently than the others, that he sees something that others don’t see. But it is just on this special, personal, unique vision the artist pretends. So, strictly speaking, individual understanding as a singular, unique event does not require assessment at truth because its being true cannot be refuted in principle. Claim for the uniqueness of understanding makes the work of art ontologically undeniable. A work of art is always true as a reflection of an attitude of the artist and, perhaps, some of those whose worldview coincides with the author’s.

Only an imitation is false, for it is not a work of art in its own sense. But in every genuine work of art there is at least a shadow, a ghost of absolute truthfulness of an artist, which allowed him to create a “monument” to true “percepts and affects”, perhaps even contrary to his own cynicism. That is why every artist is justified by his creations and genius and evil are “two things incompatible” indeed.

We can say that “to be true” in arts means “to be a work of art” and that a measure of truth in arts is a measure of artistry. Just as in the sphere of morality it is not enough to have good intentions for being moral; it is not enough to be truthful in arts in order to create the work of art. One can be perfectly truthful and absolutely mediocre. The problem of artistic understanding of the sense of human existence is inseparable from the search for an artistic means of expression of this understanding.

Thus, if there is a work of art in front of us, it is true. But how to determine what is it really in front of us? Assessment of some work at its compliance to the notion “work of art” is, like any other assessment, based on the samples and standards and, therefore, is always not only relative and historical, but also predefined by ontological presuppositions of the subject of estimation concerning the Being-itself. Therefore, the issue of assessment of a work of art at truth concerns not the question of correspondence of its content to the objective reality, but the conformity of the work to the essence of art. The resolution of this issue is beyond the scope of the epistemological function of the category “truth” and relates to the field of axiology.

As to the axiological content of the definition “true work of art”, it means the correspondence of the work to that understanding of the ultimate goals of culture, which is appropriated to the subject of assessment. Whatever socio-

cultural features of this understanding might be, a universal base of value evaluations of art-works is the embodiment in them Truth, Good and Beauty as the ultimate meanings of human existence.

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Section 7. Economics and management

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Role of electronic commerce in the economic activity of trade organizations

Abstract: Nowadays communication networks have achieved great development. It forces trade organizations to use their potential to increase an efficiency of their own economic activity. The article describes problems of combining traditional and electronic commerce.

Keywords: Trade, retail trade, remote trade, electronic commerce.

The end of the twentieth century was characterized by rapid development of information technology. This refers, in particular, to the formation of various telecommunication networks, which rapidly developed throughout the world. The information technology allows a rather quick doing of operations that do not require physical transfer of goods. As a result, the process of a remote purchasing of goods becomes much quicker. Moreover, the buyer can familiarize himself with goods in greater detail than through paper catalogues. As a result, electronic trading, as a type of distance trading, has greatly developed.

Great potential of electronic trading conditioned its development even in those cases when there was no problem for a buyer to visit a stationary store. By lowering some costs, electronic trading organizations can offer a lower price level [1] to buyers.

Electronic trading is associated with a number of risks for the buyer: the buyer knows the location of a stationary store, but in case of electronic trading the place of submitting claims is not clearly known to the buyer. Also, the benefits of electronic trading themselves are helpful for different buyers to a different extent — a number of buyers find it more convenient to buy goods in a classic way than to expect delivery [2].

On the other hand, social function of electronic trading is important. Great development of Web shops led to the fact that remote purchase of goods is not a special service, but is provided everywhere in stores of electronic trading. Moreover, today the obligation of Web shops to deliver goods is formalized in legislation. It is also needs to be pointed

out that there are consumers that are prejudiced against innovations in trading or do not possess the necessary knowledge for using computing tools.

Thus, all the aforesaid defines the limits of the electronic trading market segment, which allowed the segment of traditional trading to exist simultaneously with it.

Integration of different forms of trading is the modern trading development trend.

Web shops, as well as traditional ones, have their advantages and disadvantages. One of the important factors influencing the choice of a place for purchasing goods is convenience of visiting the store. Of course, it is most convenient to make purchases sitting in a soft armchair at home. However, in the store the buyer can touch goods, evaluate their visual appearance, see how different models fit (in case of footwear, clothes, accessories), which is impossible in the Internet. In accordance with legislation, the seller shall provide necessary information on size and other specifications, but it is not always sufficient.

Internet trading allows the buyer to make the choice of goods from a wider assortment [3]. In the Internet, one can find goods fitting every taste, with any characteristics.

A trade organization carrying out its activity with the use of the Internet network can optimize its assortment. At the same time, there is no need of having full assortment in every sales outlet — the goods are stored in the central warehouse and delivered directly to the buyers or, if the goods are ordered on condition of customer pickup, to the places of retail sale, but specially for a particular buyer, which allows keeping only those trade stocks that will be demanded by buyers [4].

It makes a special difference for regional trading. The population size of regions, as well as regional consumer purchasing power, is much lower, and some goods are not traded on the regional level because of it. Use of Internet trade contributes to resolution of this problem.

In traditional stores, 2 methods of paying for goods are used: By cash (payment in the cash registering center of the store) and by wire transfer with the use of a bank card.

Web shops allow expanding payment ways — it is facilitated by use of a personal computer by the buyer at the moment of purchasing goods, which enables the buyer to safely put in passwords and other confidential information. Thus, Web shops accept payments in much more ways, and these payment methods are more diverse: Paying by cash upon receipt of goods (for example, upon delivery of goods by a courier or at the time of customer pickup); by bank card; transfer of funds to a store's settlement account; use of electronic money/purses; paying for goods at the post office (collection on delivery).

When the buyer places an order via the Internet, he or she can choose delivery methods. Usually stores provide some of them for a choice, and also offer a service of customer pickup. A traditional store has the following «advantages»: reliability, ability to touch and test goods before purchasing, instant receipt of goods. And these very advantages are preserved when using the service of customer pickup of goods. With the traditional store, there is usually no service of goods delivery, or such delivery is carried out for an extra fee and takes more time than in Internet trading.

At present, delivery via parcel automats, or postamats, is gaining popularity. A postamat is a terminal where goods are stored in cells. As soon as goods are delivered to a postamat, an SMS-notification comes to the buyer with a code for receipt of the order. Before receiving goods, one will have to pay for their storage via a payment terminal installed in the postamat. Use of a postamat system allows broadening the geography of customer pickup service provision. Such delivery is not a full-fledged customer pickup, since by using postomats one cannot physically familiarize themselves with goods at the time of customer pickup. However, the potential of development of this service is quite large — it can be explained by a rather low cost of this type of delivery, as well as by the fact that it is often more convenient for the buyer to receive goods directly on the way to or from work, than to reserve a time interval for delivery of goods.

However, Internet trading can not completely replace traditional trade. Some buyers avoid buying goods via the Internet. A number of factors contribute to this, such as buyers' desire to familiarize themselves with goods before purchasing, the necessity of waiting for delivery, complications with return of goods when necessary, and many others.

Modern state of the trade industry is characterized by a high degree of integration of traditional and electronic trading. Internet companies introduce services of customer pickup, while organizations of traditional trade create websites with information on products, introduce services of goods

reservation, create a full-fledged trade — on its own or with the use of a goods reservation service.

In modern economic conditions, great influence on the economical activity of trade organizations is exerted by their policy in the area of improving their image in the eyes of buyers. A large quantity of factors determining the image of a trade organization is considered in modern literature — these include the quality of service and a business climate of a trade organization, a range of products being sold, existing goodwill, pricing policy and a number of other factors [5]. Given the development of telecommunication networks, the Internet network also has a great influence on the image of trade organizations.

Integration of an electronic form and traditional form of trading results in a number of advantages for buyers — they can buy a product in a real store, having read all information on it in the Internet, having analyzed opinions of other buyers and having made an advance reservation of goods if it is necessary. Also, buyers can buy goods in the Web shop, having attended a traditional store before and having examined the desired goods there.

Internet trading is characterized by a high level of competition, the barriers of entering into the Internet trade market are lower than in traditional trading. On the other hand, simplicity and low costs for creation of a Web shop, as well as the virtual nature of communication between a seller and a buyer, has led to the fact that there are a lot of sellers in the Internet selling goods of questionable quality. In this situation, the buyers do not trust Internet trading, and the number of buyers agreeing to buy goods on condition of advance payment is little. Such a situation increases significance of trade organizations image, which is shaped in the Internet by the very fact of existence of traditional trade stores. Existing goodwill of a traditional store is transferred by buyers onto Internet trading, product quality is expected to be similar, buyers agree to pay for goods in advance, if certain bonuses are provided to them for this. In this situation, creation of a Web shop, either as an independent department or on terms and conditions of franchising, is very promising.

A store's website in the Internet is its business card. The first impression of a buyer about the store, about its strive for high-quality customer service, is created on the basis of quality of a website functioning. This accounts for the large role of a store's website in formation of its image. Analysis of a buyer's behavior on a website is a very promising tool — by analyzing a buyers' search queries, pages viewed by them, it is possible to determine the assortment that interests buyers, to understand what to include in the assortment and what goods need to be carefully revised in respect of their sales promotion policy. Use of forums, guestbooks is also an important tool of collecting information about consumer preferences.

The pre-order system with use of the Internet network allows making optimization of a trading assortment, improve goods supply to regions. In case of a pre-order, a trade organization can procure goods, reducing the risk of absence of demand.

In turn, when a buyer visits a traditional store, it is important to collect information about the buyer's preferences and the reasons of his or her choice during counselling. Depersonalized form of communication in the Internet trading does not allow asking a buyer necessary questions.

The trade organizations should particularly focus on the measures to keep the customer. Customers often familiarize themselves with goods in one store and buy them in another. Price competition in the Internet network is rather high, and the buyer can choose the best price bid right at the moment of buying goods. Given this, trade organizations have to take addi-

tional measures on attracting customers, which includes, in the first place, issuing different certificates for a discount that form a competitive price for a product among different Web shops.

Thus, in conclusion, we must note that the combination of traditional trading with the Internet trading allows increasing efficiency of the economical activity of trade organizations. The Internet trading does not replace traditional trading; moreover, even when buyers buy goods via the Internet using customer pickup, they can also buy some goods in a traditional way when receiving an Internet order. However, the Internet is an important factor in modern conditions.

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Interrelation of macroeconomic indicators, their influence on tax income formation and preconditions of economy modernization in Georgia

Abstract: The paper deals with the interrelation of separate macroeconomic indicators and their influence on economy and tax income growth. It outlines expediency of economy structure modernization and the role of government to define structural policy and heighten market motivation for economic individuals.

Keywords: employment rate, gross domestic product (GDP), tax incomes, direct foreign investments, current account of balance of payments, foreign trade balance.

On the modern stage of world economy development, it is possible to provide sustainable development of Georgian economy by diversifying its conditions that will change the sources of economic growth and factors affecting them.

In new geopolitical situation, Georgia is characterized by low rate of growth, which is conditioned by the fact that structural state of national economy has become an obstacle for growth and is not able to meet modern challenges. The country is not ready enough to deepen free trade relations with other countries. That's why it is very important to implement changes in order to effectively use resources and take innovational course of economy development. In this process it is necessary to promote human capital and make technical, technological, structural and institutional changes in national economy.

The analysis of such significant macroeconomic indicators as employment level, whole amount of gross domestic product (GDP), tax income rate, direct foreign investment capacity, current account of balance of payments and foreign trade (see table № 1), gives possibility to analyze current state of Georgian economy development and outline preconditions of the necessity of modernizing the economy.

For the period of analysis, which covers 2008–2014 years, the highest indicators of economic growth 6.2%, 7.2% and 6.4% were recorded in 2010, 2011 and 2012 (see table № 2). In the same period, the rate of employed population in structures was 38.0%, 38.1% and 38.6%, [1] it is natural that the growth of economy in 2013 compared to the previous year, reduced almost two times, but the rate of employed people increased from 38,6% to 38.7%, the rest 61,3% was self-

employed population, people who were employed in unpaid family business. It is worth to note that, employment as a factor cannot influence the growth of economy, namely, in 2010 compared to the previous year, the number of employed people reduced by 1,7% (see table № 2), but the nominal growth of economy made up 15,3%. In 2011, compared to the previous year, the indicator of employment increased by 2,2%, and the nominal growth of economy equalized 17,3%. In 2012, compared to the previous year, employment increased by 3,6%, and in this case the nominal growth of

economy equalized 7,4%. By 2013, employment indicator reduced, but the economy increased.

Employment as a factor has not got a significant influence on tax income as well. By 2008, compared to the previous years, the indicator reduced by 6%, whereas tax income increased by 50,8% (see table № 2), by 2009, compared to the previous years, the indicator of employment increased by 3,3%, whereas tax incomes reduced by 8,4%, by 2010 employment indicator reduces, though tax incomes significantly increase.

Table 1. – Main Macroeconomic indicators of the country [2]

Indicators \ Years	2008	2009	2010	2011	2012	2013	2014
Employed people (Thousand people)	1601,9	1656,1	1628,1	1664,2	1724,0	1712,1	1745,2
Among them:							
Hired	572,4	596,0	618,6	632,0	662,6	658,2	692,3
Self-employed	1028,5	1059,0	1007,1	1025,4	1054,0	1043,8	1046,1
Gross Domestic product In current prices (million GEL)	19074,9	17986,0	20743,4	24344,0	26167,3	26847,4	29150,5
Gross Domestic product prices in 2003 prices million GEL)	12555,3	12085,5	12835,0	13757,2	14637,7	15123,7	25585,6*
Tax incomes (thousand GEL)	4541553,2	4161738,6	4592367,6	5801989,3	6311078,1	6287685	6846964,2
Direct foreign investments (million USD)	1564,0	658,4	814,5	1117,2	911,6	941,9	1758,4
Registered import of goods (million USD)	6302	4500	5257	7038	8037	8012	8593
Foreign trade balance (million USD)	-4806	-3367	-3580	-4852	-5661	-5102	-5733
Current account of balance of payments (million USD)	-	-1,134.3	-1,192.8	-1,840.6	-1,854.3	-929.8	-1,745.0

* Note: only 2014 year gross domestic product is represented in permanent 2010 year prices, whereas the product of the previous years in permanent 2013 year prices.

As for the quality of influence of direct foreign investments on separate macroeconomic indicators, it has not got regular character. In 2008, direct foreign investments, compared to the previous year reduced by 22,3%, though tax incomes increased by 50,8%, but the real growth of economy equalized to 2,6%. In 2009, compared to the previous year, di-

rect foreign investments reduced from 1564 [3] million USD to 658,4 USD — by 57,9%, whereas employment increased by 3,3%. By 2012, direct foreign investments, compared to the previous year, reduced by 18,4%, and the employment that time increased by 3,6%, the growth of economy equalized 6,4%, and the growth of tax incomes — 8,8%.

Table 2. – Growth rate of separate macroeconomic indicators

Indicators \ Years	2008	2009	2010	2011	2012	2013	2014
Growth of employment, among them:	-6%	3,3%	-1,7%	2,2%	3,6%	-0,7%	1,9%
Employees	-8,5%	4,1%	3,7%	2,1%	4,8%	-0,6%	5,1%
Self-employees	-4,7%	3%	-4,9%	1,8%	2,8%	-0,9%	0,2%
Growth of Economy	2,6%	-3,7%	6,2%	7,2%	6,4%	3,3%	4,6%
Tax income growth	50,8%	-8,4%	10,3%	26,3%	8,8%	-0,4%	8,9%
Direct foreign investment growth	-22,3%	-57,9%	23,7%	37,1%	-18,4%	3,3%	86,6%
Growth of registered import of goods	20,9%	-28%	16,8%	34,3%	13,9%	-0,3%	7,2%

By 2013 in 3, 3% growth rate conditions of economy, tax incomes reduced by 0.4%, employment by 0, 7% (11 900 people reduced [3]).

In 2008–2014 rates of economic growth significantly differ from the rates of employment as well as tax income growth rates, the abovementioned processes were not influenced even by the number of registered manufacturing, which annually grows on average by 35 thousand units. For example, in 2013, compared to 2012, the number of registered manufacturing increased by 41516 units [3], though in the same period decreased employment, economic growth rate and tax incomes.

While defining economic growth strategy of the country, it is very important to have functional interrelation between economic potential and tax potential. In 2009 tax income growth rate was behind the nominal growth rate of GDP. In 2009 tax income growth rate outpaced the nominal growth rate of GDP, which points to the tax administration quality improvement. By 2013 the rate of tax income growth again got behind the rate of economic growth, namely nominal growth of economy made up 3.3% [3], whereas tax income growth reduced by 0.4% (see table № 2). In stabilized economic conditions, the correlation of tax income and GDP growth rates should be equal to one, i. e. tax income growth rate should neither outpace nor be behind the rate of economic growth.

As the analysis of gross domestic product and the dynamics of tax income growth clarify, the evaluation of state tax management is not enough only according to the indicators of tax-collection.

In order to evaluate tax incomes, which is caused by defined economic factors (gross domestic product, price level, population incomes), macro economy uses elasticity coefficient of taxes, which is calculated by the following formula [5–51]:

$$E = \frac{X^0}{X} \times \frac{Y}{Y^0}$$

Where:

E — is the coefficient of elasticity;

X — is the starting level of tax incomes (according whole taxes or separate tax);

X^0 — is tax incomes increase (according to whole taxes or separate tax);

Y — is the starting level of defining factor (e. g. of the whole domestic product);

Y^0 — is the increase of defining factor of analyzing period (e. g. gross domestic product)

The coefficient of elasticity shows the percentage of tax income change while changing defining factor by 1%. If coefficient equals one, the share of tax incomes in whole gross product is stable, if it is more than one, tax incomes grow faster than the gross domestic product, and if it is less than one, the share of tax incomes decreases in the gross domestic product.

According to 2011–2012 years, the coefficient of tax elasticity equals $E=1,161$, and according to 2012–2013 years $E=-0,142$, which is characterized to ineffective tax management.

It is worth noting that according to abovementioned macroeconomic indicators, registered import of goods had com-

paratively more influence on tax income growth, and namely, during the period of analysis, the growth of registered import is similar to the tax income growth and vice versa. For example, in 2009 and 2013, registered import of goods decreased compared to the previous year [3], and tax incomes reduced as well (see table № 2).

Economic growth rate is also flexible to the registered import of goods.

In order to evaluate financial sustainability of the country, it is important to characterize such macroeconomic parameters as balance of payments and international investing position.

According to 2008–2014, during the whole period the balance of current account of balance of payments and foreign trade was negative, which in its way was conditioned registered export of goods was significantly behind the registered import of goods, for example, by 2014 in external trade circulation the share of registered export goods was 24,9%, whereas the share of registered import goods was 75,1%.

In 2014, the share of consumer goods in the import was 46,6% [4], whereas goods of intermediate consumption — 40,1%. High negative balance of payments was recorded by 2012–1854,3 [4] million USD, whereas by 2014–1745 million USD. Such misbalance between export and import makes causes significant damage to the economic security of the country.

In the period of analysis, the interrelation analysis of separate macroeconomic indicators and the quality of influence on and tax income growth as well, clarifies that the economy of Georgia is fragile, unsustainable and cannot meet modern challenges, that's why its long term prediction becomes impossible. According to the abovementioned, it is necessary to modernize its structure, possible only in the conditions of mass investment.

As alternative means to finance economy, we can discuss the market of securities, though, in Georgia it is badly developed.

By January 1, 2016, the capacity of nonbank deposits, placed in banking sector, exceeded 14,3 GEL [4]. In developed countries, the share of individuals, who participate in the market of securities, reaches 50–60% [6–71]. There is no mechanism involving depositors to place their money or part of the money in the market of securities, this would be their investment of savings in economics, which in its way would significantly influence the rate of loans of commercial banks and reduce them. In this processes the government has got the most significant role in defining structural policy and improving market motivation to economic individuals, which on the first stage, from the government side, demands realizing the following activities:

- To work out policy suitable for internal and external investors;
- To select and subsidize strategic fields of the country;
- To protect national producers from foreign competition;
- To invest and co-invest separate projects directly.

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How can Europe achieve economic stability? Are the “United States of Europe” the solution?

Abstract: This article explores the fundamental problems that lie within the structure of eurozone, and the difficulties it faces on the monetary and fiscal level. The solution to eurozones hardship is offered through the establishment of a fiscal union with standardised system of tax collection as well as the creation of unified budget.

Keywords: financial crisis, economic and political factors, balance of payments.

The experts might say that the 2008 financial crisis is long gone, however the sad truth is that eurozone is still suffering from its devastating legacy. The GDP growth patterns are worryingly low and have stayed low since 2013. The EU economy is stagnating and so far the ECB has failed to somewhat kickstart it and set it back onto its original track. A real threat of deflation is hanging over Europe, with current level of inflation of 0.31% [1] is far from ECB target of “near to, but below 2%” can potentially offset the households from further purchasing and in turn anticipate further price falls. Finally the most frustrating is the uncertainty about the future, the sovereign debt crisis made Europe wonder whether it is possible to carry on like this, the structural changes are inevitable unless eurozone wants to end up in a total mess. However in order to analyse where has Europe gone wrong, and whether the economy can still be fixed, it is important to look into the original causes of such fiasco in the first place.

After the Maastricht Treaty in 1992, Europe started a “full-on” integration scheme. The historical trade barriers and the ERM were abolished, leading to the establishment of one of the greatest economic unions at the time — the EU. With all the tariffs and quotas removed the final step was the creation of the European Monetary Union (EMU). The introduction of the common currency in 1999 and the formation of an in-

dependent monetary institution (European Central Bank or ECB) that would decide the binding interest rate for the EU was the culmination to the process of European trade liberalisation.

After the union was established, new members, notably, the periphery countries in the South were able to borrow money at a significantly lower interest rate. Before the integration took place, banks, financial institutions and rating agencies lacked confidence in countries like Greece and Italy, therefore imposing much higher interest (almost 19%) [2] as opposed to Germany for instance. After the EMU was set up, banks were more confident as Germany was there for Greece in case something goes wrong. So countries in the South were able to borrow at the rate identical to Germany, which at the time was 3% [2]. This in turn has led to excessive borrowing to finance soaring government expenditures in the Southern countries. Greek politicians made various promises throughout their campaign involving higher wages, more jobs and greater pensions. However the reason they were able to offer huge sums of government spending was of course down to running an enormous budget deficit. Greece borrowed more and more in order to finance its own debt, but in 2008 the financial crisis hit.

The crisis originated in the U.S. housing market, with the burst in the assets speculative bubble due to failure in the

market for sub-prime mortgages. As the price went spiraling upwards at an uncontrollable rate, the demand for mortgages soared. Banks seeking profits got “sucked” into providing a greater number of high risk sub-prime mortgages. To keep up with the rising appetite for credits, banks such as Lehman Brothers had to borrow money elsewhere to maintain liquidity and hence were running into debt. With the collapse of the housing prices, banks started to deleverage by cutting down on loans which consumers and other banks (e.g. Lehman Brothers) were so dependent on (a large number of banks were on the verge to bankruptcy). The resultant liquidity crisis forced the Lehman Brothers to shut down, breaking the American rule of thumb, about the U.S. banks being «too big to fail». As John Maynard Keynes once said: «If you owe your bank a hundred pounds, you have a problem. But if you owe a million, it has.» [3]. Lehman Bros. failure meant that this was a way forward for other banks burdened by debt, however the U.S. government couldn't afford it. The spending went enormously high. The national government poured millions of dollars in order to keep the banks afloat, but by that time it was too late: U.S. economy was in free-fall, and banks across the world entered a severe “Credit Crunch”.

As banks massively cut down on credits Greece was left with an unsustainably large debt to be repaid. There was no more borrowing, only the severe reality of paying back. But it wasn't only Greece, Spain suffered a burst in a housing bubble resulting in mass unemployment, Italy and Portugal were run-

ning large deficits and Ireland experienced trouble in its banking sector. So by the time the crisis fully unfolded, not only the economies were greatly interlinked (German banks lent to French companies, French banks lent to Greek companies and so on), but also those in the South (+ Ireland) obtained a very undesirable macroeconomic position putting pressure on the stability of the Union.

The causes of the tragedy. Where has Europe gone wrong?

Although Germany did offer funds to effectively bail Greece and others out, the conditions were adopting strict economic austerity in order to repay the debt and stabilise the economic recovery after the crisis. Tightening up the fiscal policy across Europe increased the average pace of consolidation. Although the austerity package was meant to persuade the rating agencies in eurozone's stability it had a significant downside. Contractionary fiscal policy (Figure 1) meant cutting public sector spending, which fed through to worker's wages. Jobs and wages had to be cut leaving the Greek society in a frenzy. Soaring levels of unemployment and subsequent wage cuts reflected in falling tax revenues, so actually government didn't experience an expected rise in funds, vital for the debt repayment. Moreover a rise in social instability resulted in an increase of exhaustive expenditure (i.e. government transfers). The downside of such an increase in spending was the fact that it doesn't contribute towards GDP and simply involves greater money outflows.

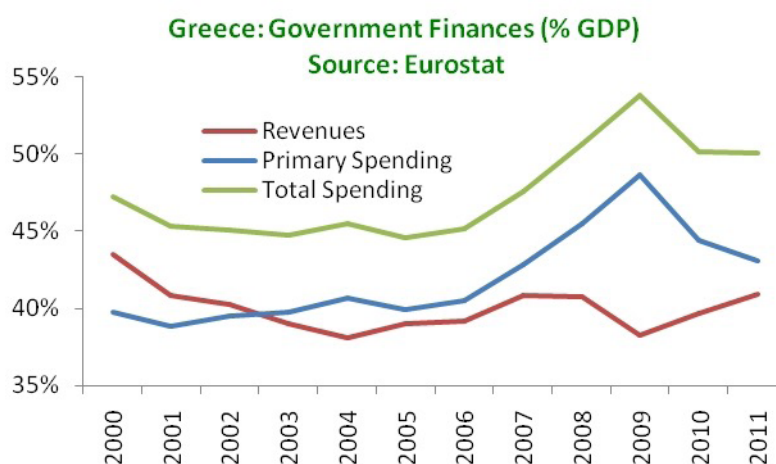


Figure 1.

Another problem with the South was its natural lack of prudence. It is enough to look at the cultural differences, where in Germany, citizens on average are responsible in paying taxes, whereas in Greece they tend to try and avoid tax payments. According to the source «Ekathimerini» [4]: «Greece lost some 40 billion euros in uncollected Value-Added Tax in the period from 2008–2011». Not only it is a common practice of tax evasion amongst the citizens, but the Greek Government shows no less reluctance. In report made by reuters.com [5] Greece has scored the lowest out of the 27 EU members in global league table of perceived official corruption. The same problem is present in other Southern

European countries. This divergence in responsibility makes it extremely difficult for EU to adopt and efficiently implement the requirements of the «six-pack» legislation, or in other words — the «austerity package».

At the time when the interest rates started falling, the countries in the North took advantage of it and were able to cut on the public sector debt. On contrast the countries in the South, reversed their fiscal policy, actually increasing the public sector debt. This is best illustrated when looking at the contrast between Belgium and Italy in the time period between 1990 and 2008 (Figure 2). Before the Maastricht treaty was signed the levels of public debt were similar in both

countries (121% of GDP in Belgium and 128% in Italy) [6]. By 2008 they had been reduced to 91% in Belgium, but to

only 113% in Italy which shows the divergence in behavior between the austere North and the more reluctant South.

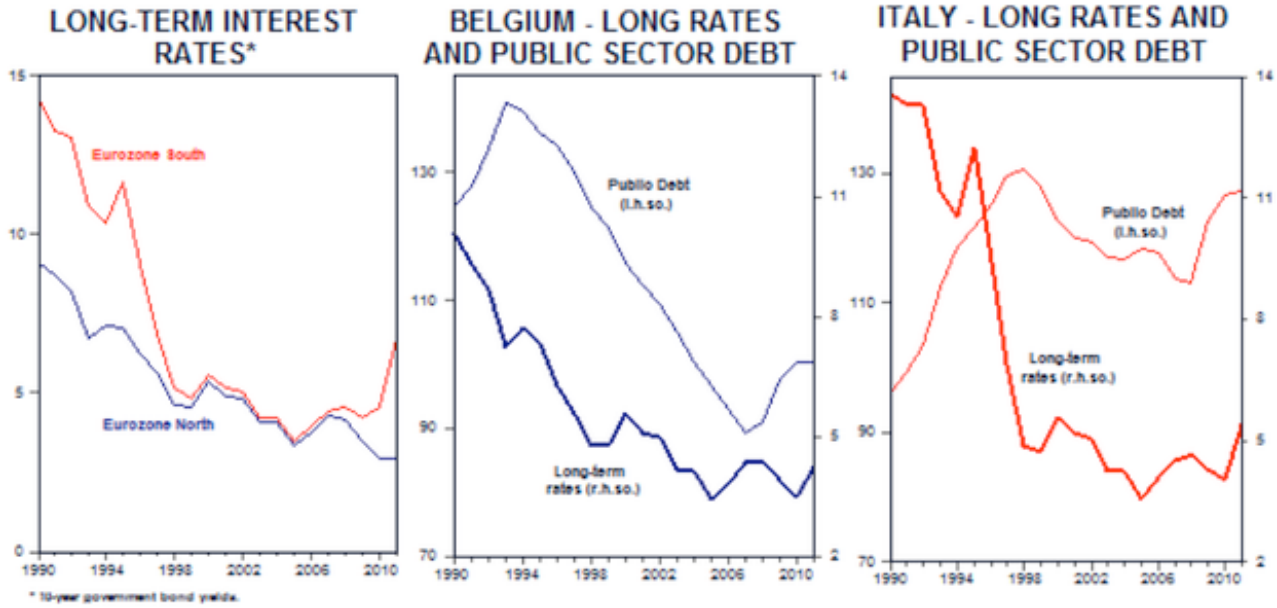
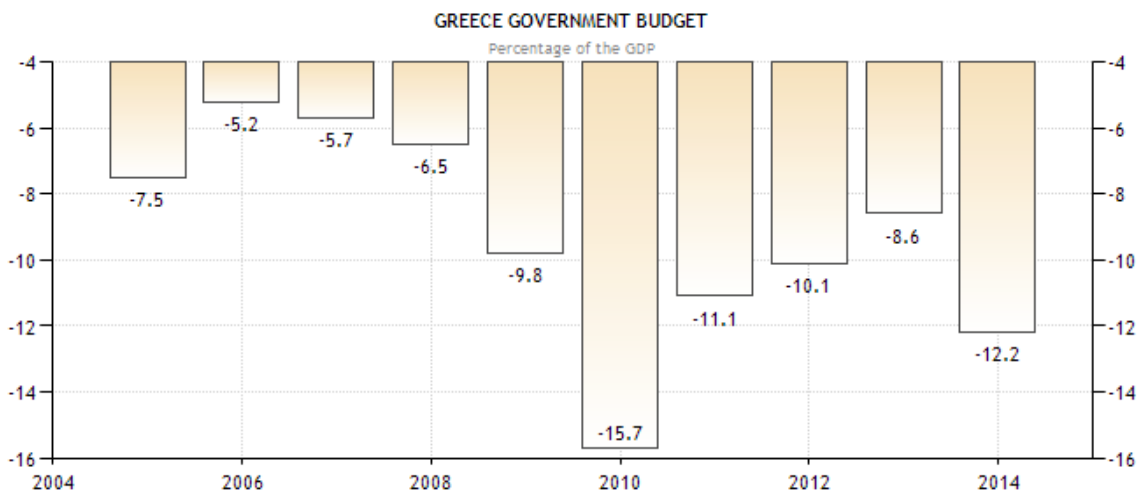


Figure 2.

Another problem was a great internal differences between the different economies that made up the Euro Area, which was clearly seen in the North-South divide. The problem of asymmetric shocks came up at early stages of establishment of the ECB. As there is a common monetary policy decided by the ECB, the interest rates are also fixed across the members. The ECB sets monetary policy according to the aggregate economic performance. However countries in Europe do not contribute equally towards eurozones GDP. Germany accounts, in economic terms, for 28% of the euro area. Pisani-Ferry argued that very low inflation in Germany therefore has a significant impact on the unions average inflation, meaning that interest rates can become too expansionary for the booming countries [7, 51]. It therefore means that although the aggregate figures may seem acceptable, it dilutes the internal problems of the eurozone. The external shocks also affected the members differently. For instance a jump in oil prices wouldn't

be a significant problem for France due to masses of nuclear energy plants, however would damage Germany's manufacturing sector which accounts for 22% [8] of German GDP.

Another problem was the divergence of relative demand [9, 50]. Due to the North's export orientated growth and staggering consumption, demand was kept low, as opposed to the South, where with expansionary fiscal policy, consumption grew massively. This in turn has led to external deficits in high-consumption countries and external surpluses in high-savings countries. The problem is worsened by the fact that the EMU is designed to help the flow of savings in Europe. With enhanced trade and investment flows, the members became tightly interlinked with each other. Due to such mutual dependence, deficit countries were actually financed by the surplus countries as was observed by Christine Lagarde in 2010. Effectively, staggering demand in Germany, fueled the burst of the speculative bubble in Spain.



SOURCE: WWW.TRADINGECONOMICS.COM | EUROSTAT

Figure 3.

Finally onto the debt crisis. The newly emerged access to cheap borrowing led to politicians becoming very short-sighted with their promises. Soaring expenditure (Figure 3) led to mass job creation, rising wages in the public sector and expensive social schemes. The deficit has been accumulating since 2006. Increasing support for social reforms from the electorate and inevitable short term economic growth were key driving factors for increasing deficit figures. However John Maynard Keynes advocated increased spending and low taxation only when the economy is in recession. One of his famous quotes states: «The boom, not the slump, is the right time for austerity at the Treasury» [10]. However the politicians in the South paid more attention to becoming re-elected as opposed to looking at unsustainable expenditure. Eurozone rejected Keynesian theory, and started spending when the economy was producing at a positive output gap. Due to insufficient tax revenues to maintain the social projects, the expansionary fiscal policy became dangerous and by the time of recession the government was simply short of money.

What to do next? Is there a way towards stability?

Although the European Parliament has advocated the idea of an official banking union, the action didn't become sound until 2012. The original proposal consisted of three stages: a single bank supervisor, a common bank crisis management and resolution system and a mechanism for protecting depositors savings. The common resolution mechanism, alongside with the creation of a «common rulebook» would provide fixed instructions about the bail-out operations. Depositors savings will be effectively protected with the establishment of a common bank crisis management, as there would be an independent body, able to check on whether banks possess sufficient capital and control the leverage. However the underlying question remains: why hasn't it been fully implemented? At the moment there is a talk about set regulations coming into power in case of another crisis occurring, however it is a «watered down version» of the official proposal. In the UK it has been done very efficiently with Bank of England setting up the Prudential Regulation Authority (PRA) which provides for safety and soundness of the firms under regulation. The eurozone would benefit from following the UK example, however the scale of the project should be larger, accounting for the multinational make up of the union.

«United States of Europe» [11] was a famous slogan of the Russian, social-democrat movement, initially proposed by Vladimir Lenin. Almost a century later, the idea is still here and is becoming more and more sound. The sovereign debt crisis was the problem of budgetary control and since the United States have been mentioned it would be helpful to compare the American and European fiscal regulations. Unlike the U. S., eurozone doesn't have a set federal budget, as fiscal policy decisions were left on the membership countries' behalf. There is however the EU budget amounting for less than a fortieth of total spending in the EU, which as a stabilizing factor can be simply ignored. In the U. S. however it works to cushion the economic shocks if one was to

occur. If one state suffers a shock resulting in the fall of tax revenue, federal spending on defence, healthcare and etc. doesn't diminish, as the missing revenue would be provided by the remaining 49 states. The establishment of a common budget in the EU would mean that there would be a way of rescuing countries in times when they are in most need, hence providing a better degree of stabilisation. Although the Maastricht treaty did involve an agreement about keeping the individual budgets «balanced or in surplus», it was not respected by the periphery countries. Moreover there were greater deficits during booms that were fueled by rising expenditures and unnecessary tax cuts. This of course led to a greater multiplier effect providing for higher levels of GDP growth, however did mean the lack of reserves to get the country out of recession. A fiscal union is necessary for a number of reasons. Firstly as a common supervisor to prevent excessive borrowing and running into unsustainable debt burden. The independent committee set up to regulate the budget would be able to reject budgetary proposal from the members if they are viewed to be threatening the economic prosperity of the union. Secondly, after the 2008 financial crisis, the markets and banks would be much more concerned about solvency and therefore governments would be willing to avoid running a deficit [12, 155]. Fiscal union will provide for that, ensuring that the requirements stated in the Maastricht Treaty are obeyed across the union. Another argument for the establishment of the fiscal union is that countries individually will find it immensely hard to return to the balanced budgetary positions. 7 members of the eurozone were running a national debt close or exceeding 100% of their GDP in 2013 [13], however an acceptable «benchmark» is set to be 60% debt-to-GDP ratio. Although the fiscal union would mean that countries will have to sacrifice their political independence by pooling sovereignty with an institution, members of which may not necessarily undergo a democratic process of election.

However speaking in macroeconomic terms monetary and fiscal reforms are useful in controlling aggregate demand as well as adapting to the demand-side shocks faced by the economy. On the other hand Europe faces a number of structural problems that limit its productive potential and labour force flexibility (Figure 4). Due to variations in education, language barriers and difference in powers trade unions have from country to country, eurozone faces serious limitations in labour mobility. There is a trend amongst workers to stay at the country they spend the most of their life in (39% of Europeans are discouraged from working abroad because it would mean leaving home) [14]. These barriers lead to countries with good education getting better specialists as opposed to the less fortunate countries that accumulate a load of less skilled workforce. Not only it is reflected in the levels of unemployment as qualified workers generally find it easier to obtain a job, but also means that productivity levels in the countries with less qualified workers (notably the Southern Europe) tend to be lower.

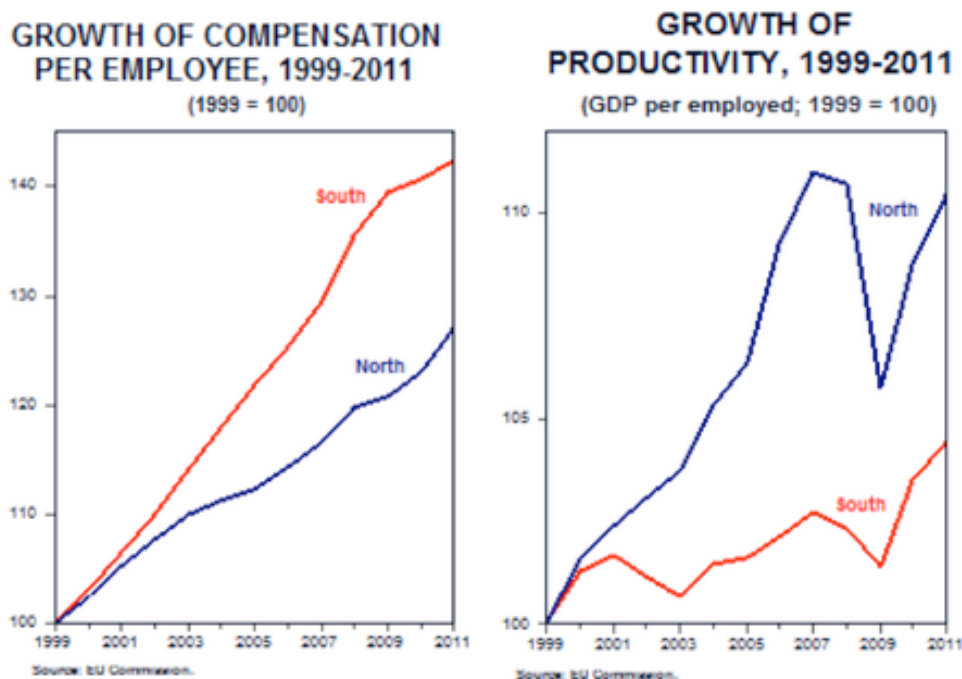


Figure 4.

Conclusion

At the moment it is just about time for Europe to re-structure the union, if it is still to perceive its original aims of economic harmonisation. Banking union on its own is not enough for long term economic stabilisation that Europe is desperately trying to achieve. Fiscal union is needed in order to further cushion the impacts of the crisis, if one is to occur. As Jean Pisani-Ferry argues in his «Eurocrisis and its Aftermath» is that should a fiscal crisis occur, the banking union will not be able to cope effectively. Although banks would be protected from problems involving the liability side, however there is no protection from valuation of government bonds. Banking union can be viewed as a remedy towards restoring the stability in credit markets as it would effectively

limit the capital flow reverses, however a fiscal union will allow for restoration of government stability. Efficient implementation of labour reforms is also vital, in order to protect Europe from mass bursts in unemployment and ensure free flow of work force in between the countries along side with existing conditions for free flow of savings and investment. At the moment the establishment of European fiscal union seems unlikely. Countries of the Northern block simply lack confidence in the «club Med» to pool sovereignty with them. However Germany and others should realize the level of stability such a reform is likely to bring to the eurozone. Fiscal union is a long-term project, with the legacy that I believe would lead to inevitable economic recovery and prolonged and healthy economic growth of the eurozone in the future.

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16. <http://www.tradingeconomics.com/greece/government-budget> (Figure 1 and Figure 3).

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The strategy of catch up development as a prerequisite for the transition of China to the innovative development model

Abstract: In the article we consider the transformation of China from a closed country with the planned economy to a trading state, mainly based on market principles, has affected the entire global economy. Economic strategy of modern China — is strategy of catch up development. Its usage allows to accelerate greatly the rate of economic growth. In the article we analyze the use of this model which has not only certain benefits, but also several shortcomings.

Keywords: PRC, USA, EU, catch up development, science and technology

Background research. According to specialists by 2017 China will overtake the USA in economic power and take the first place in the world by GDP (with the size of 20 billion American dollars).

The success of today's China is especially impressive when considering that it was built in an underdeveloped, semi-colonial country, weakened by a long-term civil war. In the early 50s its industry generated a little more than 1/4 of the national economy products, and about 3/4 accounted for the agriculture. Over the past 67 years, especially during the last decades, China has become a country with a high and stable economic growth rates which are among the highest in the world.

Also, the deployment of modern organizational forms of attracting foreign expertise and investment are notable in the market economy transformation of China, including free economic, industrial and export zones, areas and cities; promotion of attracting 'huaqiaos' (Chinese immigrants) investments also called "qiaozi"; establishment of joint ventures. But due to the fact that China, like many other countries in South-east Asia, has chosen economic strategy of "catch up development," the country now faces some problems of economic and social nature which make the PRC review its economic policy and development strategy.

China has a powerful scientific and technical potential. The government efforts are aimed to maximize its usage and development, with the transformation of the economic model of "catch up development" into the economic model of innovative development. The mechanism of this transformation is rather complicated, time consuming and costly. The experience of its usage, the same as the experience of successful economic catch up development strategy implementation that was used by China to revive its productive forces represents, from our point of view, a great interest to countries that are "at the start" with their economic development. One can also include today's Ukraine into the number of such countries. This makes the research important in scientific and practical terms.

Main part. Nowadays, one can observe the transformation of the world economic system. National economies around the world use their different development strategies based on models as catch up development and a more progressive model — a model of innovative development.

Certainly, the innovative development model is more attractive, as numerous scientists and researchers say. However, as S. Galuza marks, "... it is impossible to agree with the statement of some authors that only innovative scenarios enable to achieve decisive progress in socio-economic development of countries and regions. Despite the paramount importance of consistent economy transfer onto the innovation way of development, innovation will not become a mass phenomenon, at any time in the next 10 years and will not solve the whole range of problems improving industrial and technological base of the economy, including the threat of massive technological disasters through the achievement of fixed assets a critical level of condition in many cases. So, it is impossible to count upon success of regional economic development in the short and longer terms without the realization of traditional spheres of scientific and technological progress on the most part of enterprises" [3, 17].

Academician V. Seminozhenko also draws attention to the fact that there can be other ways of development in the world in addition to an innovative model, e. g. Japan and South Korea, where the transition to an innovative model of growth, along with the "compression" of money was supplemented by government regulation and control of inter-branch flow of capital for the benefit of the most promising industries [7, 67].

The core of the economy modernization with the usage of "catch up development" models are new technologies, efficient sources of energy, deepening of the territorial division of labor, the development of commodity and money markets. The mechanism of implementing this model includes active attraction of foreign investments, promoting maximum savings, consumption control, import and export oriented economic activity (Figure 1).

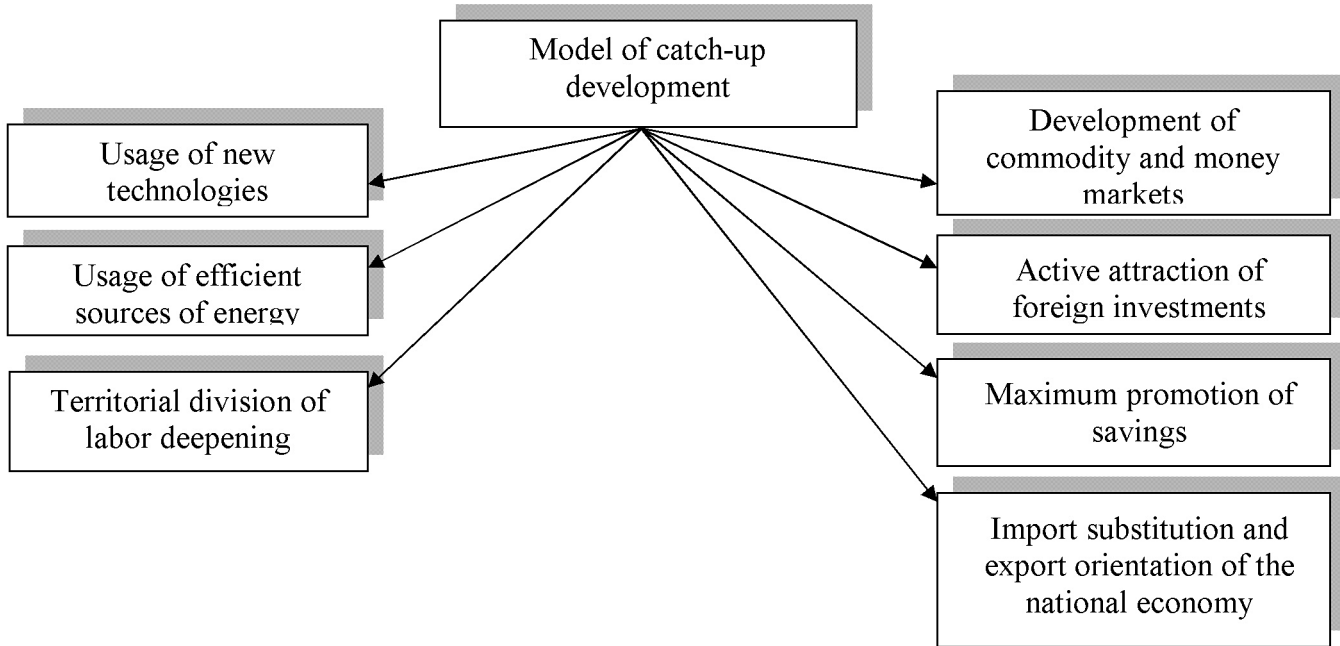


Fig. 1. Elements of the economic model of “catch up development”

The catch up strategy of catching up, which was previously considered to be the Asian model, has become the dominant form of the Third World countries. In particular, it has been successfully used by almost all “newly industrialized countries” of Asia and South America. Each of the countries at the same time has brought its own characteristics, its experience into the economic model of this strategy.

The economic model of catch up development has been used also by China. However, it has its own differences. The main ones are: the wide use of scientific and technological

capabilities and technologies of developed countries, a high proportion of manufacturing industry, significant development of the national education system and science [20]. This, according to V. Kandalintseva, allowed China to implement successfully this strategy and achieve significant progress in social and economic development [2].

The most important features of China’s use of catch up development strategy should also include the implementation scale of the economic model and some other factors (Fig. 2).

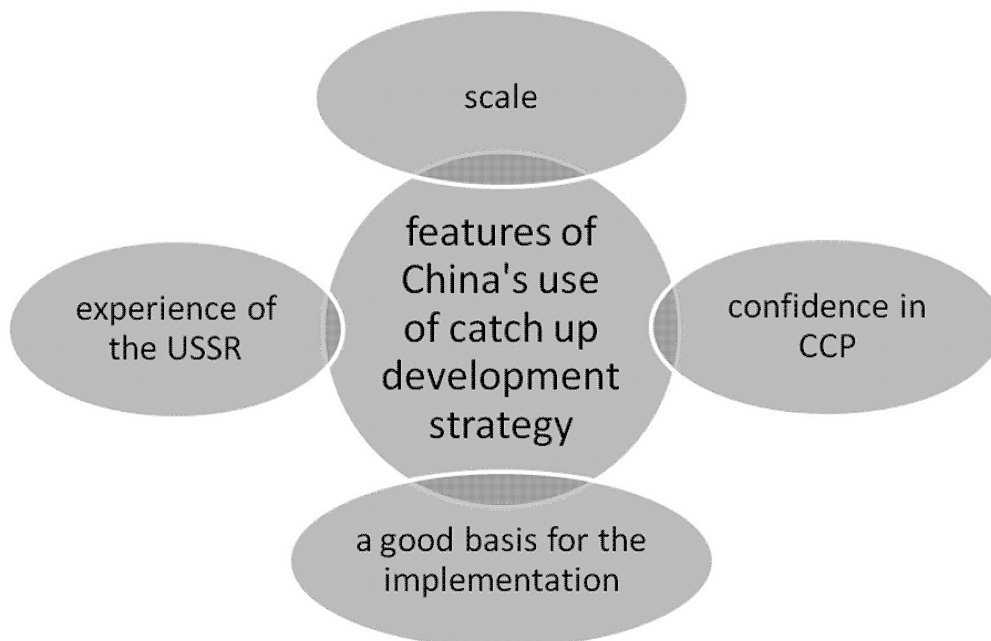


Fig. 2. Features of China’s use of catch up development strategy

Other features of China’s catch up development model include that in the 60-s the country received a very important technical and scientific assistance from the Soviet Union. It made it

possible to lay quickly the foundation of Chinese heavy industries, organize R&D institutions. Along with the equipment, knowledge and technologies China also received Soviet meth-

ods and principles of organization and management that still remain with some changes, forming along with market transformations a specific “planned market economy” in the country.

A big vote of confidence to the Chinese Communist Party (CCP) is still observed in the country. After Mao Zedong the struggle between clans in the party provided a high level of competition of ideas, methods, personalities, and generally led to the effective governance formation. Therefore, according to E. Maksimov, none of the models can be applied to China’s intact, as well as the Chinese model cannot be used for other countries [4].

We should also note the success of China’s basis for implementing the strategy according to the opportunities of the country. Based on the presence of the country’s competitive advantages in the factors of production — labor resources, natural resources, the scale of the country, entrepreneurial abilities of the population, there have been laid emphasis on them in the development of the productive forces, which fully complies with the theory of international competitiveness regarding the development of competitiveness on the first stage of its development by M. Porter [16]. A particularly important role in the economy played an almost inexhaustible potential of cheap labor force.

China has also made everything necessary to implement the second phase of development and competitiveness by creating the most favorable conditions for attracting foreign investment. Economic reforms in the agricultural and industrial sectors, the financial system, the creation of special economic zones and open cities, paved the way for the inflow of foreign investments, primarily due to the Chinese capital from abroad (“huaqiaos”). The successful use of huaqiaos’ capital, the presence of almost unlimited reserve of cheap labor and the size of the Chinese market contributed to the increase of investment attractiveness of China and inflow of investments in it from the USA, Japan, Australia, Germany and other countries [1, 56, 275–279].

The chosen strategy is fully consistent with the competition theory, according to which the national economies, which are at an early stage of development of competitiveness should focus first on the maximum use of their existing competitive advantages and continue to attract investment flows [13].

In general we can say that the strategy of the productive forces recovery in China was carried out on a serious scientific basis, as evidenced by the comparative analysis of its mechanism with the “national diamond” of M. Porter (Fig. 2).

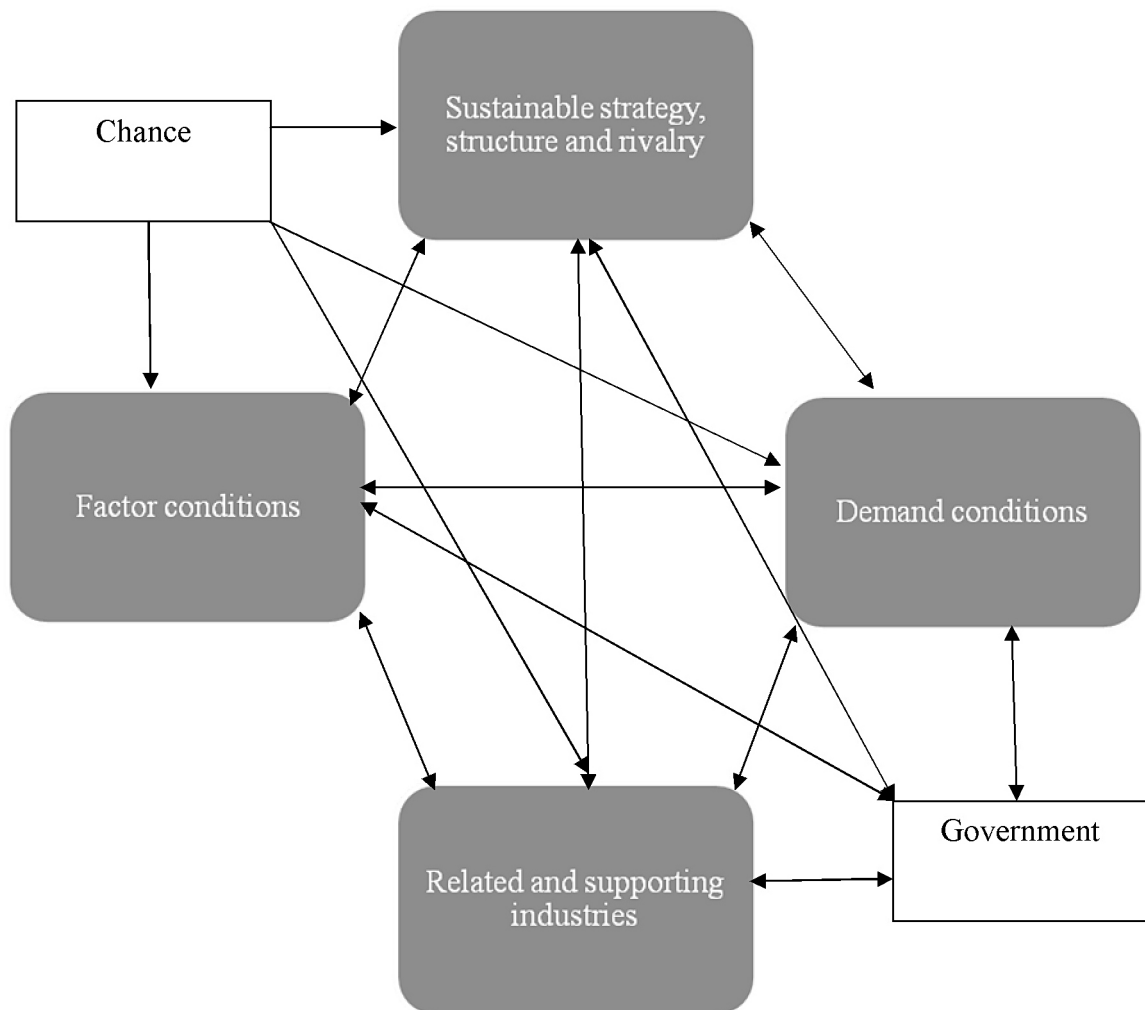


Fig. 3. National diamond of competitiveness by M. Porter [14]

The first element called “Sustainable strategy, structure and rivalry” is important due to the fact that direct competition encourages the national economy to increase productivity and stimulate innovation. Despite dynamic conditions in the world economy, China has a clear strategy, which is an essential advantage.

The second element is called “Demand conditions”. The global economic crisis has resulted in a drawdown demand for Chinese products on world markets. However, the development of domestic demand, including through welfare increasing and a public consumption reorientation from abroad products to domestic are important elements of China’s strategy.

Factor conditions according to M. Porter are created, not inherited, and include skilled labor, capital and infrastructure. Specialized factors suggest significant, stable investments. They are hard to duplicate. This creates a competitive advantage. Because of these factors in China today received considerable attention.

Supporting and related industries include the provision of spatial proximity or primary downstream industries by facilitating the exchange of information and facilitate continuous exchange of ideas and innovation. To maximize this factor in China are two approaches:

- create industrial-production zones;
- develop infrastructure (Table. 1).

Table 1. – Infrastructure development in China

Name	Investment size in the last 5 years	General size
Railways	12 blrd US doll.	112 000 km
High-speed rail	550 blrd US doll.	12 000 km
Roads	200 blrd US doll.	4,46 mln km
Highways	150 blrd US doll.	100 000 km
Underground	40 blrd US doll.	3155 km
Project of inter basin water transfer «South-North»	82 blrd US doll.	1300 km
Gas project “East-West”	20 blrd US doll.	7000 km/25 blrd m ³ per year
Hong Kong-Zhuhai-Macau bridge	16 blrd US doll.	55 km

Made by the authors according to [9, 10, 11, 17, 18].

An important element of international competitiveness and successful development strategy of the national economy is the government. It has to encourage the companies to make their intentions to raise the level of competitive performance. The system of promotion should be directed in such a way that on the one hand to encourage the development of domestic enterprises, and on the other –to receive investments from abroad. This requires appropriate legislative acts

aimed at regulating the economy and optimization of taxation [6, c. 134–135].

A significant role in the success of implementing the strategy of catch up development in China has played the political stability in the country and the planned economic policy. These are the results of the 12th five-year plan implementation in 2015, which according to data agency Bloomberg, testify that many indicators of economic growth have exceeded the targets (Table 2).

Table 2. – The most important economic indicators for the 12th Five-Year Plan of China (2011–2015)

Name	Indicators	Planned/reached
GDP size	trln US doll.	55,8/64,1
GDP growth	%	7,0/8,1
Services	% of GDP	47,0/48,1
External trade	trln US doll.	4,8/4,3
Financial sector	% of GDP	5,0/7,3
Direct financing	% TSF*	15,0/17,0
R&D	% of GDP	2,2/2,1
Patenting	patents per 10 000 people	3,3/4,9
Unemployment	%	5,0/4,09
New jobs in the cities	mln.	45,0/46,2
Urban population incme	1 000 yuan per capita	26,8/28,84
Rural population income	1 000 yuan per capita	8,3/10,49
Urbanization level	%	5,0/7,3
Social housing	mln units	36,0/20,9
Energy efficiency	reduction per unit of GDP (%)	16,0/26,7
Not fossil energy	% of the total	11,4/12,0
Reducing emissions CO ₂	%	8,0/9,6

* TSF is an economic barometer, which summarizes the costs of Chinese non-state actors, including individuals and non-financial corporations. TSF measures the money offered by domestic borrowers, mostly financial institutions, as well as Chinese families and

non-financial organizations. This excludes income from government bonds, which are used to cover government spending and deficits, as well as all foreign-related items such as foreign direct investment (FDI) and foreign debt.

Made by the authors according to [8]

As one can see from the table. 2, the figures for GDP growth were planned quite moderate compared to previous years, indicating that the pace of economic development of China is gradually slowing down. A large share of services in GDP indicates labor-consuming, and not a capital-intensive growth. The method of calculating the number of Chinese patents shows their quantitative growth while reducing the expenditure on R&D in general. This may indicate a decline in their quality.

Large employment and rapid growth of household income help to rebalance the economy toward greater do-

mestic consumption. Significant plan overfulfilment in the level of urbanization will lead to a significant complication of its implementation in the next five years. Also it shows that the process of China's economic development goes out of the government control.

As the world's largest exporter China has limited capacities to increase turnover due to limited number of foreign consumers, as evidenced by smaller foreign trade volume compared with the expected. The structure of foreign trade of China (tab. 3) and quantitative (Fig.4). also has deteriorated.

Table 3. – The structure of exports of finished goods China (2014)

Name	%
Power-generating equipment	+10,2%
Special industrial equipment	+13,4%
Metal-working equipment	0,0%
Communication equipment	+7,3%
Electronic computing equipment	-4,3%
Hardware electronic communications equipment	+3,5%
Electrical equipment	-24,3%

Made by the authors according to [5]

It is important to note that the export of finished industrial products made in 2104 was almost 95% of total exports, but

compared to the previous year, its expression decreased in value by 6.3%.

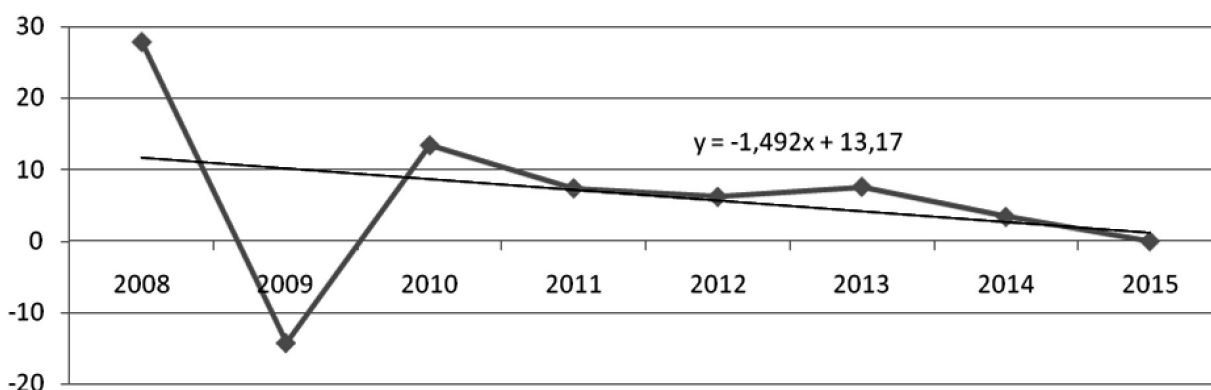


Fig. 4. The dynamics of growth of foreign trade of China. Made by the authors according to [12]

The 12-th five-year plan in foreign trade was underfulfilled. Its volume in absolute terms in 2015 was 4.3 trillion US doll. Instead of 4.8 trillion as it was planned [8].

As we can see from fig.3, foreign trade is characterized by a decline rates trend for almost all of the last five years. This points to the possibility of recession for the economic development of China.

Despite the achievements of China in the post-reform period, it is still an export-oriented country. The main revenue in the national budget comes from sales abroad and not in the domestic market. In fact, China's economy in the 12th Five-Year Plan remained dependent on exports of cheap unskilled labor. Though the country still receives large loans there are still some disadvantages of China's economic catch up development model (tab. 4).

Table 4. – Disadvantages of catch up development model

Disadvantage	The causes and manifestations of its existence
1	2
Autocrat government	Makes a prerequisite for the further government participation in the economy. The need for concentration of resources leads to the selection of resources from the population.

1	2
sidedness of industrial development	The emphasis is made on rapid development of engineering and electronics. Acquisition of American and European patents leads to increase of relatively inexpensive consumer goods production. Production exceeds domestic demand.
underconsumption of the population	Industrial type of catch up development obstructs the establishment of a broad domestic market because one of its assumptions is a relatively low well-being level of the most of the population. Low income levels is essential for rapid industrialization, and for its growth support it has to be very moderate.
predominance of extensive methods of development	The increase the industry share in gross national product was accompanied by almost the same increase in the share of employment in the industrial sector, including the total number of working women, and the length of the working week increase. Thus, the development is stimulated by increased of labor and capital, rather than increasing production efficiency.
large-scale imports of capital	Foreign investment is not a bad thing. But in countries that implement the policy of catch up development, the expansion of foreign investment often causes one-sided strengthening of the economy
dependence on the export of its products	The concept of orientation to foreign markets has been one of the ideological foundations of the model of industrialization. It results in protectionism and dumping the country's goods on the world markets.
Technological and intellectual dependency of developing countries from the developed world	China, like other developing countries, which uses the catch up development model, has a deficit in the balance of trade technologies with the West. Poor middle class makes it impossible to form a layer of people who have embraced education as a significant. Thus, this model does not make it profitable to investment in education.

Made by the authors according to [15, 19].

The destruction of the environment, shortage of a number of natural resources, especially arable land, fresh water, oil and gas, forced to look for new sources of growth. But the huge reserves of labor, a high proportion of illiterate population, cheap labor are major obstacles to the country's transition to intensive development path. China has turned into a global processing factory where industries connected with the production of massive, labor-consuming, simple products dominate. Foreign capital has used these features and the efforts of China for the development of export production.

With the training of employees, attention to quality rather than quantity of products, improving technology and production technology there will be a transition to intensive type of development. More and more experts think that the phase of high economic growth through extensive and sometimes unwarranted introduction into circulation of new financial, material and human resources is over. Now the state of the economy determines not only by the dynamic economic growth, but by the set of factors that combine general concept of quality. To ensure an acceptable quality of growth it is advisable to move from the restructuring of individual elements and spheres of the economy to its radical and comprehensive reform.

The results of recent years are crucial for the future development of the Chinese economy. It is necessary to complete the transformation of the public sector, eliminate poverty in economically backward western regions.

Chinese leader Xi Jinping said in 2015 about the need to give attention not only growth, but quality growth. This is an indicator that the country will use a new strategy — a strategy that is based on the innovative development model.

Conclusions. Success in social and economic development of China in the late XIX — early XXI century became an important event in the world. Over three decades of economic reforms China has become a power country, that is developing dynamically. The transformation of China from a country closed on itself with the planned economy to a trading state, largely based on market principles, has affected the entire global economy. Economic strategy of modern China — is strategy of catch up development. Its usage allowed to accelerate greatly the rate of economic growth. But the use of this model in addition to certain benefits has several shortcomings, including the following:

- sidedness of industrial development;
- underconsumption of the most of the population;
- prevalence of extensive methods development;
- scale imports of capital;
- dependence on exports of its products;
- technological and intellectual dependence on the developed world;
- technological deterioration of the environment (China is the biggest polluter of air and oceans).

According to the results of the last five-year growth, the economy of China is gradually slowing down. A large share of services in GDP indicates labor-consuming, and not on capital-intensive growth. The overfulfillment of the last five-year plan in some indicators, shows a significant complication of its implementation in the next five years, and that the process of economic development of China goes out of the government control. As you can see, the model of catch up development is no longer effective in China. Therefore, China needs to shift from extensive, non-environmental model of economic growth to intensive, innovation model.

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Investment regulation of non-oil sector in Azerbaijan

Abstract: The overall investment climate in Azerbaijan maintains a long-term positive trend, thus retaining a number of significant problems specific to the economic transition period. In recent years, the Government of Azerbaijan managed to achieve a greater integration of the country into the world economic system, attract foreign investment, diversify the structure of the national economy and to maintain its sustainable growth. This has largely contributed to the rapid development of non-oil sector, which is noted in Azerbaijan in the last decade.

Keywords: foreign investment, non-oil sector, innovation, diversification of the economy, economic growth, Azerbaijan.

A key influence on the positive dynamics of macroeconomic indicators of Azerbaijan in the last decade was mainly due to the positive dynamics of the oil sector of the economy. However, the present arrangement of the driving forces of the country's economy has shifted toward non-oil sector that has been actively stimulated by the Government of Azerbaijan. As the result, the non-oil sector of the economy has demonstrated an increase by more than 2.2 times, and the overall economy has achieved growth of 2.8% of GDP in 2014. Preliminary 2015 statistics indicate that the share of non-oil sector in Azerbaijan's GDP reached 69.4%.

The model of long-term economic development of Azerbaijan since the transition to a market economy was based mainly on revenues from the commodity sector exports with a view to the accumulation of capital, but now it shows a gradual transition to the implementation of effective investments in the development of non-oil sector to ensure growth in the construction, transportation, agricultural, information, communication and tourism sectors.

In accordance with the decrees and programs of strategic development of non-oil sector and in order to diversify the economy, Azerbaijan has recently provided significant support to small and medium-sized businesses involved in this sector, including the provision of credit resources to relevant businesses at preferential rates, agricultural subsidies, transport and communications infrastructure upgrades. Public expenditure incurred in this connection led to a marked recovery in the non-oil sector of Azerbaijan's economy, effectively providing a rapid payback on the initial investment in development. Currently the development of the industry can be observed, providing the output of machinery and equipment, chemical products and textile industry that are fully competitive in the global market.

According to preliminary 2015 statistics, the domestic investment in the Azerbaijan amounted to 862.9 million manat, which represents 58% of total investment in the economy. A significant increase has been demonstrated by the construction sector, which has showed the dynamics of 6% growth, equivalent to 760.2 million manat. Of these, 60.9% were in-

vested in the construction of production facilities, 32.3% — for the services sector development, 6.8% — for the construction of housing and communal services, which provided the total area of residential buildings increase for the amount of about 1,33 million sq. m.

It should be stressed that foreign countries, in addition to the demand for Azerbaijani industrial products, are also showing interest in placing investments in the development of non-oil sectors of the country, among which the most interesting for foreign investors are information and communication technologies, the production of building materials, road infrastructure and space industry. The total volume of foreign investments into the capital assets in Azerbaijan reached AZN 5.6 billion for the period from January to November 2015, equivalent to an increase of 41% compared with the data of the same period last year. The main investors were such countries as Great Britain, Iran, Malaysia, Norway, Russia, USA, Turkey and Japan, with the most important role traditionally played by investments from Russia and Turkey. It is expected a further increase in foreign investment in such industries as logistics, pharmaceuticals, and information technology.

Partly such a dynamic increase in the volume of foreign investments is due to the decline of the national currency in relation to the world currencies. However, the great increase in the volume of foreign investment is associated with favorable investment climate in Azerbaijan, providing conditions for the development of innovation. Azerbaijan's economy is on the path of development, and over the past decade, the Government of the Republic has managed to achieve considerable success in promoting the development of many non-oil industries.

As confirmed by general practice, the investments in the primary sector are ineffective for the countries that are predominantly export-oriented on raw materials. At the same time, there is still a substantial amount of investment by foreign countries (among which — the UK and Germany) made in the fuel and energy complex of Azerbaijan. Thus, mostly national companies are investing in the non-oil sector of the economy, while attracting experts or high-tech equipment involved in the

production processes from abroad. Thus, the apparent aim of the policy of Azerbaijan is the creation of a favorable climate for attracting foreign investments into the economy of the country, along with the promotion and stimulation of increasing the volume of non-oil exports by national companies.

At the same time, the current stage of market economy in Azerbaijan is not devoid of structural problems. So, in spite of the established public policy priorities for the diversification of the economic structure, the continuing focus on the country's income from oil sector contributes to the implementation of foreign investment mainly in this particular sector. Against this background, there are limited opportunities for investment in other sectors, further aggravated by the relatively low efficiency of the activities of the official governmental and legal institutions, which protect the investors' rights. Despite the changes in the legal regulation, which took place in recent years and brought very positive results of its implementation, the lack of transparency of the state institutions continues to be one of the most important factors limiting the interest of foreign companies for the placement of investments in Azerbaijan.

Despite the gradual reduction of dependence of the economy of the country from oil, the Azerbaijan's budget revenue is largely influenced by the volatility of world prices on energy resources, which currently make up 95% of total export earnings, resulting in reduction in the forecast of the GDP growth pace to the level of 1.5% in 2015 due to lower oil prices in the international markets.

The latter has caused remarkable changes in the national economy, which lead to the 35% devaluation of the national currency and the imposition of temporary restrictions on foreign currency transactions. However, it is expected that the recent developments of non-oil sector of Azerbaijan's economy will allow for neutralizing of the negative impact of this phenomenon in the short term. In particular, there is a belief that eventually the devaluation will have a positive impact on restoring macroeconomic balance in Azerbaijan, promotion of local production, and increase of Azerbaijan's non-oil sector products competitiveness with imported goods in the country. So, even now there is a support for this thesis, confirmed by statistics: according to the 2015 results, despite the relative slowdown in economic growth, Azerbaijan's non-oil industry showed an increase of 8.4%.

There is a need to further promote the development of non-oil sector of Azerbaijan's economy, which implies, in particular, the creation of favorable conditions for doing business and providing businesses greater freedom. Current situation of the global economy stipulates the need to reduce the role of the primary sector of Azerbaijan. Thus, the main task of the country's economy is preventing the country from lagging behind the leading foreign countries. The start solving

this problem is seen, first of all, in eliminating the currently observed high dependence of the economy on hydrocarbon exports, which will eliminate the possibility of formation of Azerbaijan as just an energy supplier to the developed countries, with its subsequent technological lag from the leading countries of the world in the medium and long term. The next step should be the intensification of industrial development, ensuring accelerated development of non-oil sector in Azerbaijan, the effective functioning of the national economy, and implementation of its innovative potential.

Given the scale of the problems solved by the Azerbaijani government for building a new economic strategy of the country, the current agenda includes the development of the concept "Azerbaijan-2020", which includes a list of measures of political and economic nature in order to achieve the objective set by the President of Azerbaijan as a doubling of GDP within 10 years through the provision of non-oil sector of the economy.

So, for example, the "Azerbaijan-2020" concept provides for the development of recreational infrastructure with the development of related spheres of world-class tourist services, as well as improving the competitiveness of the tourism sector and increases its contribution to GDP. It includes the improvement of the legal and regulatory activity of the enterprises of the tourism industry, investments for reaching the potential of recreational areas in the Caspian Sea, as well as the creation of tourist routes, taking into account national, historical, cultural and natural features of the country.

At present, the economy of Azerbaijan is on the threshold of a new stage of its development. A number of prerequisites make it impossible to ensure further sustainable economic growth of the country through the support only from its energy sector. The future development of the economy are largely predetermined by external factors that can not be ignored while implementing consistent action to integrate the national economy into the global. So, now there is a steady growing competition in the world markets, leading to a downward trend in prices for different groups of products, that, as a consequence, leads to a reduction in price of imported goods. The latter, in turn, compete with domestically produced goods. Solving this kind of pressure from imports, and maintaining sustainable economic growth requires the activation of new growth factors, which can transform a basic socio-economic development model that meets modern requirements emerging in the world economy.

As a result of last years most of the GDP has been generated by the non-oil sector of the economy, and this phenomenon is obviously a long-term trend. For example, if the current share of non-oil sector is almost as high as 70%, in the future it is expected that the formation of the GDP due to the oil sector will be reduced to a minimum.

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Efficiency of tools of economic diplomacy in international entrepreneurial business

Abstract: The article is dedicated to analysis of efficiency of tools of economic diplomacy in international entrepreneurial business. Different interpretations of “economic diplomacy” notion are given. The definition of tools of economic diplomacy is

also given. The model of influence of economic diplomacy on business and state is developed. The structure of tools of economic diplomacy management in international entrepreneurial business is ascertained and system of methods of economic diplomacy is depicted. The use of tools of economic diplomacy in practice of some EU countries and agricultural holding “Avangard” is also analyzed.

Keywords: globalization, economic diplomacy, diplomatic service, forms, methods, means, diplomacy tools, economic diplomacy management.

1. Introduction

Under present-day conditions of management a need for use of economic diplomacy tools arises before enterprises more than ever. Some ten years ago it was not easy to find high-quality goods on the market which would meet international quality standards and have acceptable price; today the competition in this context is rather high. This situation stimulates enterprises’ managers to resort to modern means of product promotion among which economic diplomacy takes significant place. Positioning and success of enterprises on foreign markets depend on efficiency of use tools of economic diplomacy. For this very reason ascertaining of efficiency of tools of economic diplomacy in international entrepreneurial business was taken as a basis in this research.

2. Sources and research methods

Tools of economic diplomacy in international entrepreneurial business are underexplored for today. The most of scientific works are dedicated to general research of tools of official diplomacy, that is, to diplomacy which is realized by

government authorities. The works of leading world scientists among whom are Peter A. G. van Bergeijk, C. Jonsson, R. Langhorne, T.L. Mostanska, S. Moons, Ya. P. Pukhalska, K.A. Flissak, etc. were the source base for this research.

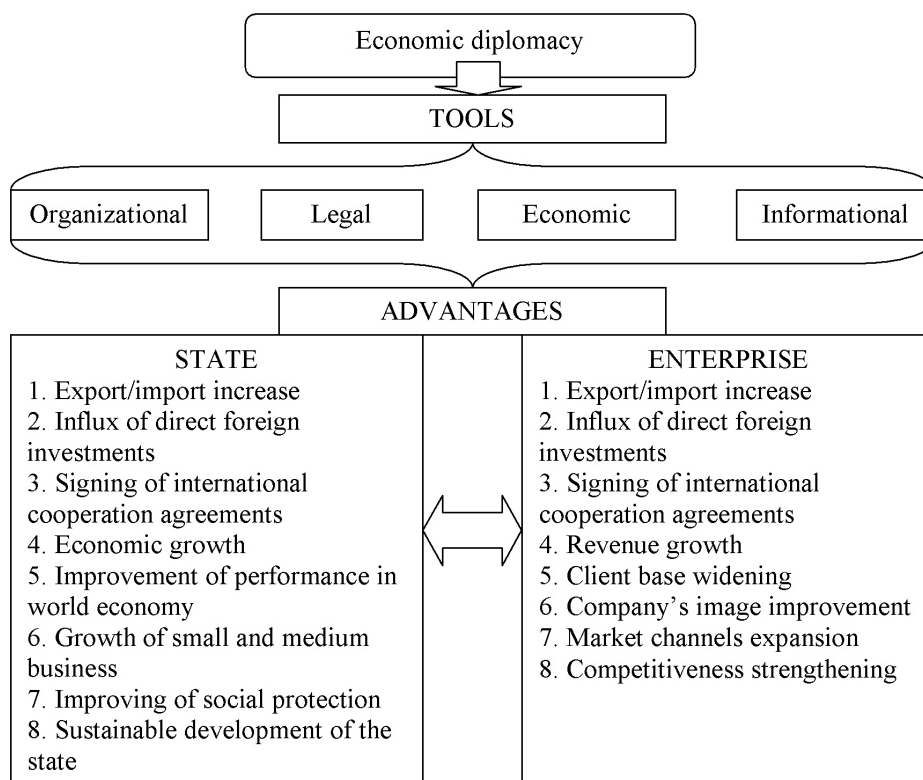
The research methods are scientific principles, means of scientific knowledge the use of which secures trustworthiness of received results and achievement of the stated objectives and tasks.

3. Results of the research

3.1. Place of economic diplomacy in international entrepreneurial business

During the whole period of existence of economic contacts both at the level of states and enterprises economic diplomacy has played one of key roles in relations between economic partners. Commercial contacts could not be consolidated without consolidation of rights and duties of parties of this process.

Let us try to develop a model of influence of economic diplomacy on business and state as a whole (Picture 1).



Picture 1. Model of influence of economic diplomacy on business and state

Thus, economic diplomacy has significant positive influence on business and state as a whole. So, while successful and efficient using of organizational, legal, economic and informational tools subjects of economic diplomacy will be able to achieve the following advantages:

Enterprise will increase export/import of goods and services, direct foreign investments, sign international cooperation agreements which will give an opportunity to grow revenue, to widen the client base, to improve company’s image, to expand market channels and to strengthen competitiveness;

State will increase export/import, influx of direct foreign investments, sign international cooperation agreements which will facilitate economic growth, improve performance in world economy, contribute to growth of small and medium business, to improving of social protection and sustainable development of the state.

Peter A. G. van Bergeijk and Selwyn Moons (2009) group up economic diplomacy’s functions into three categories in order to determine its place in international entrepreneurial business:

1. Usage of political influence and economic levers with the view of stimulation of international trade and investments, for improvement of markets’ functioning, prevention of market decline and also for reduction of risks and possible losses from international agreements. This category includes both state trade-economic policy and actions of non-state organizations.

2. Usage of economic resources and international economic relations for increasing of relations’ value (financial, property etc. interdependence of national states), strengthening of mutual benefit of cooperation and stable political relations, and therefore, for increasing of economic security level. This category includes both trade and investment agreements directed to achievement of specific geographic trade structure and possible political deformation of trade relations and investment activity in case of trade wars, boycott, embargo etc.

3. Strengthening of favourable political climate and international political and economic environment in order to facilitate performing of stated tasks. This category includes multilateral negotiates which are the base of work of international organizations and institutions, such as World Trade Organization (WTO), Organisation for Economic Cooperation and Development (OECD), economic structures of European Union (EU) etc. [1].

3.2. Definition of general concepts

As Ya. P. Pukhalska notes (2014) today economic diplomacy is the most important lever of strengthening of international competitiveness of a state, obtaining of benefits and competitive advantages on global market. Therefore, during recent years active forms of economic diplomacy have gained widespread. They include political and diplomatic support

and lobbying of domestic export, numerous interconnected measures for improvement of access conditions of domestic companies to foreign markets (first of all trade-political measures), the use of multilateral and regional organizations for promotion of own interests, purposeful influence on partners using financial, resource and other means of pressure tactic [2, 24–32].

According to K. A. Flissak (2013) economic diplomacy is interconnected and joint activity of public authorities and entrepreneurial structures and financial and economic institutions of different levels which is directed to advocating of national economic interests, providing of competitive advantages and creating of favorable conditions of foreign economic activity for domestic economy with use of diplomatic mechanisms and tools [3].

As to C. Jonsson and R. Langhorne (2004) economic diplomacy is defined as specific field of modern diplomatic activity connected with use of economic problems as object and means of struggle and cooperation in international relations. Economic diplomacy as diplomacy in general is a component of foreign policy, state international activity. Just foreign policy defines aim and tasks of economic diplomacy which represents a complex of means, forms and methods used for realization of foreign policy [4].

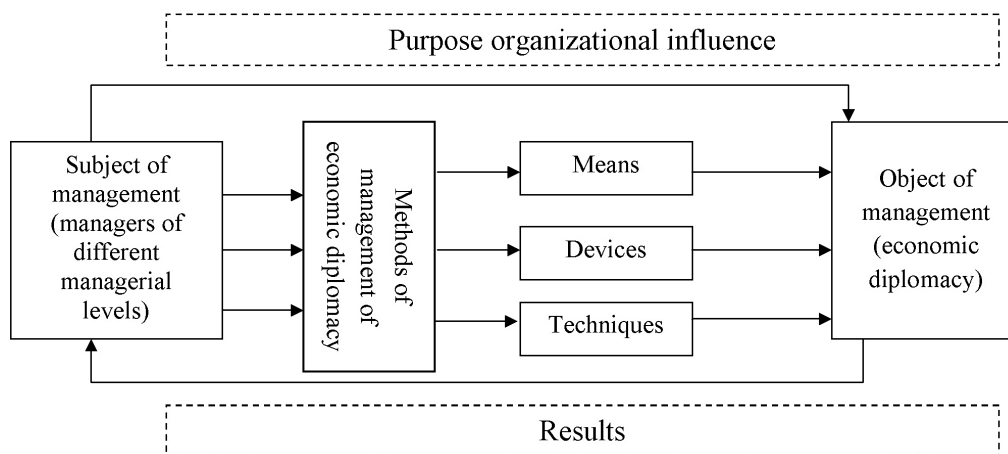
Diplomatic tools are a complex of means and methods used for achievement of stated aims.

It was known about diplomatic tools from works of Nicolas Macchiavello (1513) who always tried and proved theoretically that his diplomatic tools should be flexible and pragmatic. Ideas and rules of Nicolas Macchiavello’s diplomatic tools became habitual element of the present time and the ones who use them often don’t suspect who was their real author [5].

So, let us pass directly to tools of economic diplomacy in international entrepreneurial business.

3.3. Tools of economic diplomacy in international entrepreneurial business

The tools of economic diplomacy in international entrepreneurial business are methods that contain in their structure means, devices and techniques (Picture 2).

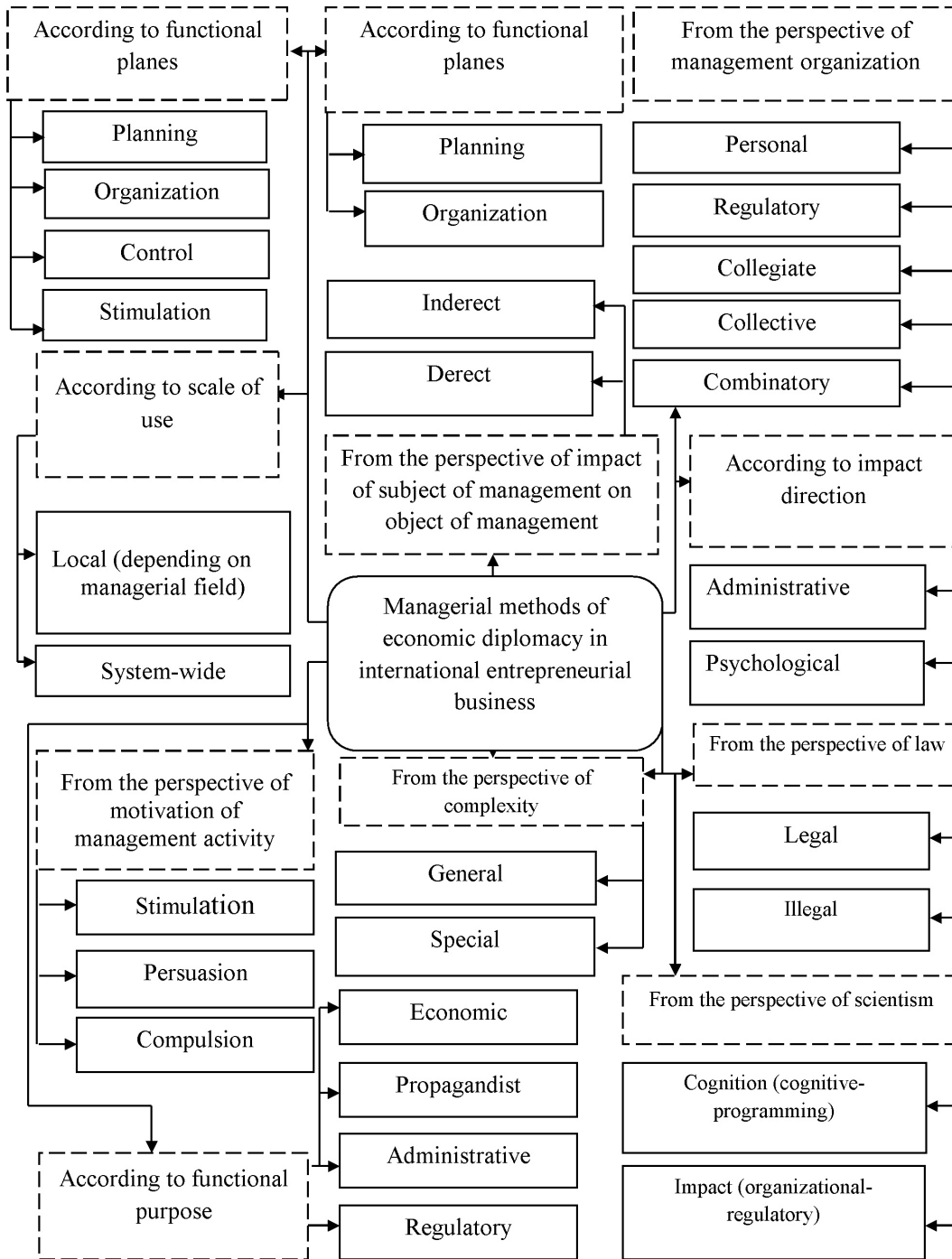


Picture 2. Structure of managerial tools of economic diplomacy in international entrepreneurial business

Methods (tools) of management are ways of realization of management functions that ensure achievement of stated aims. Control system influences controlled system (structural subdivisions of management, performers) by use of management methods. The importance of management methods defines their direction to aim achievement in a very short time in case of rational use of resources [6, 400].

Management devices of economic diplomacy in international entrepreneurial business are the actions that give an opportunity to achieve particular results in reaching of effi-

cient management of economic diplomacy in international entrepreneurial business. Management means of economic diplomacy in international entrepreneurial business are tools used for influence in order to achieve efficient management of economic diplomacy in international entrepreneurial business. Management techniques of economic diplomacy in international entrepreneurial business are constituents of forms of realization of management methods of economic diplomacy in international entrepreneurial business used in specific situation.



Picture 3. Managerial methods of economic diplomacy in international entrepreneurial business

Regulatory impact on objects of management in organizations' activity is exercised by the help of special means and techniques, namely [6, 399]:

- Planned task proof;
- Economic and moral stimulation;
- Financial responsibility;

- Conduct of a meetings;
- Orders and decrees announcement;
- Organizational regulation and standardization.

In process of selecting a structure of managerial method of economic diplomacy in international entrepreneurial business they can be classified by the following features:

- From the perspective of law: legal and illegal;
- According to impact direction: administrative and psychological;
- From the perspective of impact of subject of management on object of management: direct and indirect impact;
- According to scale of use: system-wide and local;
- From the perspective of management organization: personal, collegiate, collective, combinatory and regulatory methods;
- From the perspective of scientism: cognition (cognitive-programming) and impact (organizational-regulatory);
- From the perspective of motivation of management activity: stimulation, persuasion and compulsion;
- From the perspective of complexity: general (regulatory, administrative, social-psychological (propagandist) and economic) and special (strategic planning);
- According to functional purpose: regulatory, administrative (organizational-administrative), economic and social-psychological;
- According to functional planes: planning, organization and control;

— According to form of impact: quantitative and qualitative (Picture 3).

— The use of determined system of managerial methods of economic diplomacy in international entrepreneurial business is realized by help of specific means, devices and techniques of impact.

The forms of management of economic diplomacy in international entrepreneurial business should be also referred to.

Interpreting the form of management of economic diplomacy in international entrepreneurial business we define it as action or activity of public authority or enterprise on realization of economic diplomacy within its administrative competence which is expressed by actions of concrete officials invested with authority. The form is outer meaning of managerial activity and is expressed in juridical and non-juridical (material and technical, organizational) meaning and serves for achievement of aim of managerial activity, namely, providing of national interests of a state and enterprise in foreign-economic field.

4. The use of tools of economic diplomacy in practice

In context of given research it is reasonable to analyze the use of tools of economic diplomacy in practice. With a view of more detailed analysis the EU countries and agricultural holding "Avangard" will be taken as an example.

There is use intensity of tools of economic diplomacy of some EU countries in table 1.

Table 1. – Use intensity of tools of economic diplomacy of some EU countries

Country	Tools			
	Organizational	Legal	Economic	Informational
Austria	+++	+++	+++	+++
Bulgaria	++	++	++	+++
Great Britain	+++	+++	+++	+++
Spain	++	++	+++	++
Italy	+++	+++	+++	+++
Germany	+++	+++	+++	+++
Poland	++	++	+++	++
Portugal	++	++	++	++
Romania	+	++	+	+
Slovakia	++	++	++	++
Hungary	+	++	++	+
France	+++	+++	+++	+++
Czech Republic	++	++	+	++

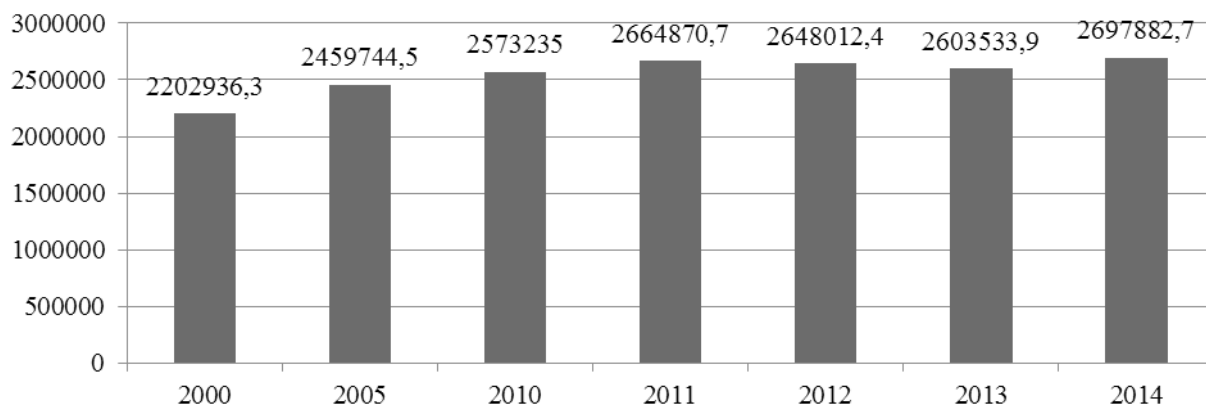
Notes: + — low intensity of tools use; ++ — middle intensity of tools use; +++ — high intensity of tools use.

Therefore, as we can see Austria, Great Britain, Italy, Germany and France use tools of economic diplomacy with the most intensity among abovementioned countries.

Let us examine dynamics of direct foreign EU investments and their structure from a perspective of countries (drawing 3 and 4). It's worth mentioning that direct foreign investments are result of economic diplomacy which in-

fluence on state economy as a whole and on enterprise which receives them.

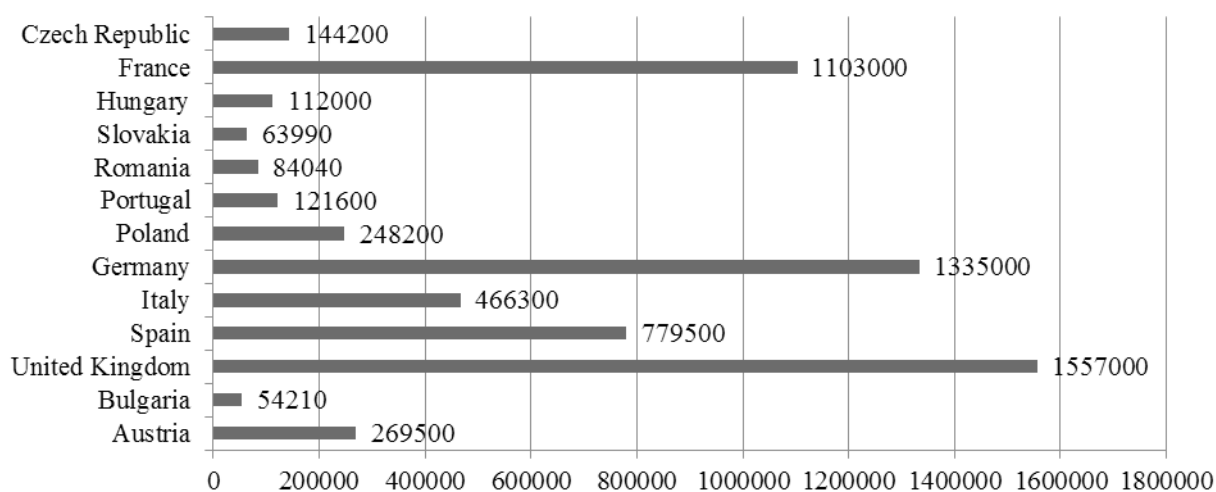
Amounts of direct foreign investments of EU countries in 2000–2014 demonstrate increase of direct foreign investments of EU countries. Thus, in 2000 this index was 2202936.3 million Euros and in 2014 it increased to 2697882.7 million Euros (Picture 4).



Picture 4. Direct foreign investments of EU countries in 2000–2014, million Euros [7]

France (1103000 million Euros), Germany (1335000 million Euros) and Great Britain (1557000 million Euros) are the leaders in amounts of direct foreign investments in 2014.

It is reasonable to analyze direct foreign investments from a perspective of some EU countries in 2014 (Picture 5).



Picture 5. Direct foreign investments from a perspective of some EU countries in 2014, million Euros [7]

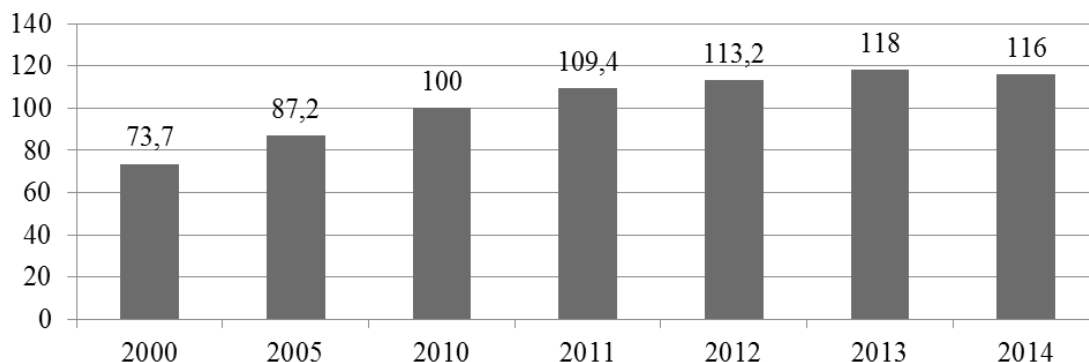
During 2000–2014 the index of physical trade volume increased in almost all countries, except Great Britain where it

remained the same and France where it reduced from 103.4% in 2000 to 102% in 2014 (table 2).

Table 2. – Index of physical trade volume of EU countries during 2000–2014, % [8]

Country	Years							Deviation, +/-
	2000	2005	2010	2011	2012	2013	2014	
Austria	85,5	95,9	100,0	105,8	105,8	107,5	109,2	23,7
Bulgaria	61,3	75,5	100,0	120,2	119,6	133,9	135,3	74
Great Britain	108,0	113,8	100,0	108,2	102,5	114,9	108,0	0
Spain	86,9	91,4	100,0	108,5	109,2	118,5	122,9	36
Italy	97,6	103,8	100,0	104,5	104,5	103,7	104,4	6,8
Germany	77,9	90,8	100,0	106,3	106,3	105,7	108,0	30,1
Poland	49,1	67,8	100,0	105,8	105,8	107,5	109,2	60,1
Portugal	85,6	92,3	100,0	107,9	110,8	116,0	118,1	32,5
Romania	53,0	67,0	100,0	110,4	107,4	120,5	127,3	74,3
Slovakia	45,5	53,1	100,0	112,0	122,5	127,9	128,8	83,3
Hungary	56,5	75,0	100,0	107,1	105,2	105,3	108,1	51,6
France	103,4	106,6	100,0	102,7	102,3	101,4	102,0	-1,4
Czech Republic	51,6	70,6	100,0	109,6	111,3	112,2	119,0	67,4

In general in EU the index of physical trade volume increased from 73.7% in 2002 to 116.0% in 2014 (Picture 6).



Picture 6. Dynamics of index of physical trade volume in EU countries during 2000–2014,%

Thus, EU countries received such a complex dynamics of index of physical trade volume due to considerable growth of this index during researched period in Poland (60.1%), Bulgaria (74%), Romania (74.3%), Slovakia (83.3%) and Czech Republic (67.4%).

Germany (import 18.7%, export 28.0%), Great Britain (import 14.5%, export 11.6%) and France (import 9.6%, export 10.2%) have the largest part in trade structure of EU countries. In 2013 EU-28 conducted re-calculation of surpluses of goods sold in member countries in the amount of 54.6 million Euros. It was the first surplus of EU-28 from 2002 (table 3).

Table 3. – Trade structure of EU countries in 2014, million Euros,% [9]

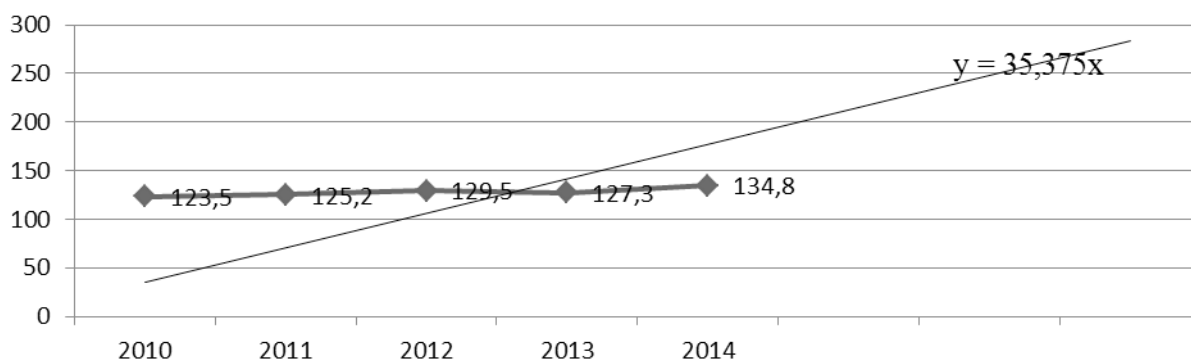
Country	Import		Export	
	Million Euros	%	Million Euros	%
EU-27	1,684,938	100,0	1,702,973	100,0
Austria	31755	1,9	40398	2,4
Bulgaria	10,061	0,6	8273	0,5
Great Britain	244335	14,5	198223	11,6
Spain	115398	6,8	88503	5,2
Italy	152219	9,0	180275	10,6
Germany	315051	18,7	477497	28,0
Poland	51215	3,0	37406	2,2
Portugal	14875	0,9	14017	0,8
Romania	14431	0,9	15185	0,9
Slovakia	14,820	0,9	10173	0,4
Hungary	19602	1,2	16655	1,0
France	161741	9,6	174287	10,2
Czech Republic	26263	1,6	23422	1,4

It worth mentioning that during 2000–2014 export and import increased in almost all EU member countries; it is the result of efficient use of economic diplomacy tools.

Let us pass directly to the use of tools of economic diplomacy in enterprise practice. Agricultural holding “Avangard” is chosen for the analysis; it is subject of foreign-economic activity and has strong economic links with

37 countries of the world to which it exports its production.

During 2010–2014 export of agricultural holding increased from 123.5 million US dollars in 2010 to 134.8 million US dollars in 2014. With help of trend equation we will prognosticate the increase of this index in case of growth of efficient use of economic diplomacy tools (Picture 7).



Picture 7. Export prognosis of agricultural holding “Avangard” till 2017, million US dollars

Thus, having prognosticated, we obtained the trend equation ($y = 35.37x$), where x is counting number of the year in general dynamics. In 2015 agricultural holding's export will make 212,22 million US dollars, in 2016–247,59 million US dollars, in 2017–282,96 million US dollars.

5. Discussion and conclusions

As the research has shown economic diplomacy takes significant place in foreign-economic relations of state and enterprise. It facilitates more precise conclusion of treaties,

explanation of requirements and terms of every diplomatic party. There are organizational, legal, economical and informational tools of economic diplomacy. Efficient use of these tools by enterprise will increase export/import of goods, works and services, increase direct foreign investments, help to sign international cooperation agreements which provide the opportunity to increase revenues, widen client base, prove company's image, expand market channels and to strengthen its competitiveness.

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Customer-centric business management system (CRM — system)

Abstract: Nowadays, CRM — system is one of the most effective models of business development. This article discusses the function's of CRM-system, the economic effect of the introduction of a CRM system, the typical business risks of CRM-systems.

Keywords: CRM — system, management, marketing, Web, Call center.

In modern business need for automation of various processes have become commonplace. It becomes difficult to imagine a warehouse or accounting without the use of specialized software, sales reps use special applications for registration and sending the order to the office right from your tablet or mobile phone, a sufficiently large part of the orders coming from the site in the form of ready to process documents. But it is the relationship with customers, at least in the middle and small businesses, for some reason, very often carried out without the introduction of automation and enough attention to the account. Most developing countries in recent years, the direction of a modern market partnership is the use of management systems, customer relationship. It is noted that customer relationship management is a system of building relationships with clients for these relationship management tools, increasing the customer base, as well as a new approach to doing business with an absolute focus on the customer.

In recent years the principles of personalization and caring about the user are embodied in the concept of CRM—Customer Relationship Management (Customer relationship management), CRM-system (or CRM strategy).

CRM strategies involve identifying the most promising groups of clients and developing business processes and programmes aimed at enhancing their loyalty. In fact, this is a more detailed segmentation, but focused not so much on product development, as is the custom in classical marketing, how to build more efficient processes of interactions with target customers [1].

E-CRM (Customer Relationship Management) is an electronic customer relationship management (CRM) system, which is often interpreted as a set of electronic applications that allow you to collect information on a regular basis on each individual and corporate client, handle it, to analyze and make decisions or simply present the data in a convenient form. Electronic applications are what CRM system just won't work [2].

Currently, CRM is the most relevant, customer-centric approach to business. This business model is effective for most companies that set themselves strategic objectives such as reducing the outflow of existing customers, acquire new, increased profits through diversification and offers innovative products that meet consumer expectations. The main task is the continuous improvement of its work so as to not just meet and anticipate the wishes of clients, thus continuously increasing the value of corporate brand.

The introduction of CRM-system will help:

1. Get the total for the company standardized database of contacts (customers, partners).
2. Effectively monitor the quality of the work of the sales department at any time.
3. Get the stats and analytics efficiency leads (incoming calls, queries).
4. Plan for improving the quality of work and develop business development strategy.

Functions of CRM systems. Although CRM systems have existed for quite a long time, the question of functional components of these systems is still open. Even more so, the very definition of CRM evolves and changes over time. But many experts agree that over the next years CRM will consist of 11 components described in the article below. This means that at the initial stage of average CRM system usually consists of one or more components, and over time will add components from this list or emerging.

Coverage of the sales process -in functionality of this module: managing contacts (contact management)-all kinds of contacts and contact history working with clients (account management), including all activities associated with the client; enter orders from customers; create commercial offerings.

Sales Management Functionality — the functionality of this module: analysis of “pipe sales” (pipeline analysis)-forecasting, sales cycle analysis, regional analysis, scheduled and random statements. Manage consistent processes across all channels.

For sales call (telemarketing/telesales) — detail: the creation and distribution of a list of potential customers, automatic phone dialing, logging calls, receiving orders.

Time management (time management) — including: calendar/planning as an individual and for groups (in most cases today it is Microsoft Outlook) email.

Functional support and customer service (support and service requests) -detail: the registration of the addresses, forwarding addresses, traffic from the client applications internally, reporting, problem solving, information on orders, warranty/maintenance contract management.

Functionality marketing (marketing) -detail: management of marketing campaigns, manage potential transactions (opportunities management), marketing encyclopedia (full information about products and services company) is integrated with the Internet, product configurator, segmentation of the customer base, create and manage a list of potential customers.

Functionality for top management — including advanced and easy-to-use reporting. Functional integration with ERP systems (financial systems) — including: integration with back-office, external data. This functionality is necessary to ensure the possibility of transferring or syncing data between multiple systems used in the company. Data synchronization functionality — including: synchronizing with mobile users and multiple portable devices, synchronization internally with other databases and application servers. E-commerce Functionality — Managing transactions via the Internet, including B2B and B2C applications. Functionality for mobile sales — including: generating and working with orders, communication sales representatives outside the Office in real-time via mobile devices.

Customer contact tools. Customer contact tools include website, Call and contact centers [3]:

1. Call Center-call center or requests (requests) from clients telephone channels.

2. Contact center — client requests processing Center received by telephone and via the Internet (unlike Call-Center), allowing you to interact with your customers not only by telephone, but also on e-mail and via the Web (sometimes Call Center and contact center used as synonyms).

3. The core of the electronic system client service is an online knowledge base used for client self-service. Sa11-and contact center companies can operate in both remote office and outsourcing, and as a separate unit within the company.

Virtual Office allows you to get unique information to generate customer service strategies, such as:

- customer service criteria (time, the nature of the nuisance experienced by the client upon receipt of services, etc.);
- indicators satisfaction of customer base (interviews, questionnaires);
- loyalty and commitment to the client base;
- the percentage of businesses by “new” customers, etc.

Technological support of corporate space are currently implemented through the use of Web and client-server technologies.

Economic effects of implementing CRM

The increase in sales of goods and services. The expected economic effect of the introduction of CRM-system will be between 5–15% of the cash turnover.

The growth of customer loyalty. Since the quality of care and the percentage of retention of old customers are connected directly, the highest quality customer service makes it possible to increase the income of the company. Increase in percentage of customer retention by 5 percent due to the introduction of CRM-system increases the company’s profit by 20–50%. Increase customer loyalty due to the increase in quality of service — is primarily a long-term value, improves the image of the company and that allows to raise the prices for its products and services, *ceteris paribus*. And this factor is the main reason for the increase in sales.

Lack of receivables. In many cases, to blame only the managers of the company, forget the time an invoice or remind the client about the approaching maturity. Therefore, the introduction of CRM-system with a functional accounting settlements with the control of bill payment deadlines can dramatically reduce the number of such cases by 50–90%.

Increase productivity and staff efficiency. The introduction of CRM-system allows for 15–30% release staff from routine work. It’s time can be spent on the solution of direct responsibility for sales and customer service. If these activities are to be effective for at least 40% –50%, the winning company will be 8–12 hours working time management — it is a direct increase in sales and a direct increase service efficiency.

Reduction of terms of placement of new employees. Due to CRM-system, automation of typical scenarios of communication with customers and establish a standard document routes, the introduction of new employees into the work takes place on 30–50% faster.

Reducing turnover impact on production figures. The main value of the sales manager of the customer base,

which he conducts himself. With this list, he often goes to a competitor. But, if all the contacts are in the database reliably protected against unauthorized removal of the information, the likelihood of such care is much less. Customer information remains in the database and it can take advantage of a new employee.

Improving the efficiency of marketing campaigns.

Built-in CRM-system evaluation of the effectiveness of marketing campaigns feature allows you to choose the best option further impact on the market:

- inability to make/customer information changes,
- unavailability of (parts of) the data about the client,
- loss of (part of) the data about the client,
- malicious or unauthorized use of customer data,
- contradictory data about the customer,
- Specific business risks of CRM-systems definition wrong client or client-class,
- inability to contact the client side,
- invalid contact quality (eg. Anticipation)
- issuing misleading information to the client,
- inability to perform customer self-service functions.

Thus, the overall economic effects of implementing CRM can be divided into three categories:

- the direct economic effects — effects of direct actions that affect the profitability of the company;
- indirect economic effects — effects that are difficult for other corporate straight calculation and important first and foremost to the shareholders of the company;
- risk reduction effects — effects prevent the impact of negative factors on the development of the company.

In Kazakhstan, an example of a company providing services for programmatically for customer relationship management (CRM), is TOO «Asia-soft”

Using the most advanced technology and modern software, as well as flexible project management methodology, based on best international practices and experience Asia-soft offers its customers the following services in the field of information technologies [4]:

- business consulting;
- technical consulting;
- introduction of ready-made solutions;
- development and introduction of information systems «turnkey»;
- accompaniment;
- technical support;
- training;
- supply of software and equipment.

CRM systems are developed in accordance with the needs of the business. Modern systems is no longer just a client-server application for keeping contacts and customer orders. Gradually among the functions of CRM systems started to appear, “related”, such as project management, there is a tight integration with ERP, e-commerce systems. Added interactive features: chats, instant messages, integration with popular services (GoogleMap, Wikipedia), social

networking, blog, Web 2.0. CRM systems work to mobile devices from anywhere in the world. All these changes are dictated primarily by the fact that business does not stand still: growing competition, globalization continues. In some cases, the technology push functionality in CRM, CRM

encourages technology. But the biggest change in CRM is linked to a large variety of methods and approaches in technology-both in price and functionality. There are CRM systems to suit all tastes, and it says the maturity of CRM in the current moment.

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Foreign experience of human resource management and possibility of its application in the social and economic conditions of Kazakhstan

Abstract: This article presents a detailed view of the foreign experience of human resource management. There is an international review, including such countries as the USA, Japan, Sweden, Finland, Germany, England, France etc. Types and peculiarities of human resource management as well as a applicability in the social and economic conditions of Kazakhstan are identified and analyzed.

Keywords: staff, staff management, human resources, motivation, productivity.

A remarkable experience of human resource management is accumulated abroad. The USA corporations, advanced firms in Japan, Sweden, Germany, England, France and some other countries have achieved the most notable success in this sphere. The theory of motivation there started being materialized through the establishment of a certain combination of organizational and economic methods of staff management, wherein the economic methods were prioritized and used step-by-step.

Modern form of incentive is the following: participation in the profit, participation in the entrepreneurship (management) and participation in the ownership. Participation in the profit is a way of distribution of its additional growth between the employees and the company gained at the expense of the employees' efforts. Herewith, the staff may get up to 75% of the respective amount in the form of bonuses and other payments. In Japanese commercial firms, every employee receives up to 50% of the size of a basic salary as a bonus. The distribution of additional profit can be performed as follows: one-time payment of its part in cash at the end of the year (up to 5–6 monthly salaries); transformation bonus («golden handcuffs») paid after 2–5 years from the commencement of production considering its commercial success and pres-

ervation of earlier cost efficiency. The size of such bonus can be from 5 to 100% of annual salary; bonus for economizing; bonuses — one-time payments (1–2 times a year) related to the length of service in the organization and level of income, which make people interested in applying all efforts to obtain profit. Sometimes, bonuses are paid in bonds. [1, 83–88].

The Finnish and Swedish system of stimulation of labor is based on the formation of a high (compared with other countries) life standard, ensuring of employment of the population and a big number of social benefits (formation of the society of total well-being, the idea of which lies in the provision of state services of good quality to the citizens in the most important spheres (organization of labor relations, education, healthcare, social benefits etc.)). Apart from material stimulation, many western firms practice the system of a bank of leave presupposing that leaves can be taken in advance, changed into additional benefits, «bought out» in the account of future leaves [2, 58–59].

The model «labor market» is typical for American firms with aggressive strategy, which is characterized by: minimal training and enhancement of qualification of the employees; ignoring their social needs and domination of purely economic orientation (the main incentive — a money reward

for individual results); short-term employment at the external market; selection of the staff according to professional criteria; relation of the salary to general economic conditions; devotion of the employees to the profession, but not organization.

The Japanese system of staff management was formed in the conditions of insufficient human resources and solved the task of keeping employees and enhancement of the efficiency of their use. There, employees and technologies were considered as opposites and new technologies were a guarantee of employment. The model «human capital» is typical for Japan; it offers: alternate employment, when the staff is divided into temporary and permanent (nucleus) employees, for whom a long-term (life-long) employment is practiced; active investment in education, solution to social problems; continuous education and qualification advancement at work place; involvement of the employees into «small production groups for labor activity improvement» («quality control team», «team for reduction of production cost», «self-control movement», «defect-free product movement» etc.); participation of the employees in management; constant turnover of the staff; group principles of promotion, rewards; level of salary determined by age and experience [3, 47–49].

The western European or «partner» model is based on: social partnership and collective agreement; offering of managerial positions primarily to «own» employees; reduction and liquidation of status gap between the management and the subordinates; creation of favorable labor conditions; encouragement of open business communication; help in search for employment in case of dismissal; participation in the profits; constant advancement of qualification.

The post-soviet model is characterized by: paternalism, orientation to solution to most problems of the organization by the management rather than employees; insecurity of qualified employees of any rank when it comes to the abuse of power by the beneficiaries and management; non-professionalism of human resource management employees (human resource management is often performed by authorized representatives of the beneficiary and not specialists); lack of interest in the advancement of qualification and enhancement of labor productivity in most employers and employees [4, 78–83].

Such model was formed in Kazakhstan against the background of extremely negative processes that had taken place in the socio-labor sphere: growth of labor force deficit against the background of the growth of the role of knowledge; drastic deterioration of demographic situation in the country; incomppliance of human resource policy of most enterprises to the requirements of the market economy; deepening of motivational crisis caused by the growth of dissatisfaction with the labor; strictness of professional-qualification structure and its little sensibility to changes; economic and legal unpreparedness of the staff to operate in the market conditions. For a long time it has been thought in Kazakhstan that staff management requires special professional training and a managerial position in this sphere can only be taken by an experienced manager possessing life experience, discipline and reason.

According to V.N. Stepanov, world-wide experience of staff management cannot be patterned upon without consideration of the national specifics. Patterning can lead to unfavorable consequences; thus, it is necessary to develop a program envisaging a gradual transition to world practice [5, 23].

The typical features of the national model of management lie in the use of forms, methods and means of management typical for both the American and Japanese companies. For instance, the character of decision making for the Kazakh and American companies is identical — individual, the decision is made by the manager individually. In the Japanese companies, there is collective decision-making, which is also typical for the management of the Kazakh companies. Having said about the similarities between the Kazakh and American and Japanese management, there are also differences. Thus, for instance, there is a clear division of duties and authorities, whereas, in Japan, it is collective. In Kazakhstan, the division of duties and authorities of the employees and the management is indistinct and not defined clearly. The staff management and human resource management in Kazakhstan absorbed positive features of the Japanese and American ones; herein, it reflects the peculiarities of the people of Kazakhstan [6, 98–103].

In the sphere of the staff management, the goal of a manager in the Kazakh companies is the skills, experience and abilities of an employee for the sake of the firm, which is typical for both the Japanese and American management. In the Japanese system, attention is paid to the human factor, where the employee is perceived not only as a means of achieving the goals of the enterprise, but also as a personality whose needs and wishes are taken into account and whose initiative is rewarded. At the same time, we also encourage individualism and healthy competition between the employees, which is especially developed in the American system of human resource management.

The peculiarities of solution to the human resource problems are an important aspect of the problem of national peculiarities of the staff management; they include the personnel hired from among the relatives, friends and acquaintances, which does not allow to set strict requirements to the fulfillment of their work duties by them, which is reflected on the efficiency of the company's activity. The peculiarity of the staff management is the practice of hiring employees that is of a short-term character. This is explained by the specifics of the age structure of the population, the relative share of which belongs to the young people. The Japanese practice of life-long employment does scarcely fit in our republic, because young people are in constant search of a better job and do not stay long at one place. Vertical character of staff turnover is more acceptable for the Kazakh companies: the employees move inside the enterprises and firms «from bottom to top», being promoted that corresponds to their abilities, professional training and qualification. In this respect, the companies pay attention to the education of their employees, particularly, specialists and managers, because they have to

meet the requirements of the international standards. One of the tendencies of development of human resource management in the republic is that strategic objects gain value in the performance of its functions, which include: planning in the sphere of staff management, attraction of the labor force and qualification advancement. With the enhancement of the role of the strategic function of staff management, the role and place of the human resource department of the company change — it can become one of the main managers of the company, which will allow improving the efficiency of the general management system. Another aspect of implementation of the modern forms of staff management in the practice of the Kazakh companies includes the development of the philosophy of a firm consisting of the following sections: goals and tasks, declaration of employee rights, business and moral qualities, labor conditions, working place, payment and labor quality assessment, social benefits and social guarantees [7, 67–79].

The formation of staff potential in any system happens in two directions: selection and renewal of the staff and professional development of own staff. The latter direction is the priority in the leading successful European firms. In such countries like Denmark, Finland, France, Great Britain, Sweden and Turkey, the volume of resources allocated for the solution of this task is 25–30% of all costs. In Germany, 34% of

resources go for staff development and 11% go for attraction of personnel [6, 108]. One of the leading world consultants on efficiency W. Christopher says: «What difference does it make how much to invest in people and staff programs, if it is guaranteed you will get much more at the end?». There is a tradition of corporate training in the western business culture. Studies conducted in 3200 American companies showed that the increase of expense on staff training by 10% gives the growth of labor productivity by 8,5%, whereas same increase of capital investment gives the growth of only 3,8% [9, 110].

Thus, the analysis of foreign approaches as well as more successful examples of adaptation of the human resource management shows that the orientation to the external market inevitably makes people reconsider the criteria of staff selection and management quality. Quality of the staff is at the foreground; such requirements as professionalism, education, experience in financial-credit system, ability to perform related operation and knowledge of several foreign languages have become compulsory. Two main directions of labor stimulation can be distinguished in the foreign practice: labor productivity stimulation and enhancement of labor force quality. Selecting either of human resource management models, one should take into account national peculiarities of the country, because adoption without considering these factors can lead to unfavorable consequences.

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Poverty and the economic development factors in Georgia

Abstract: In the article discussed are the actual for Georgia issues of poverty elimination and the economic development in the epoch of modern globalization. Special attention is paid to the mass unemployment overcoming, effective employment of the population, formation of professional training system oriented at the labor market demands and the analyses and research of the labor migration problems.

Keywords: poverty, unemployment, employment, labor market, migration, economic development.

Poverty as a social phenomenon is the modern world complex problem for the economic, social, cultural, political standpoint and it has a rather high destabilizing potential. As a social phenomenon it directly affects the economic, policy, social-working relationship, public culture, as well

as the whole society and any person's living conditions. Proceeding from the above-mentioned, we reckon it very important to study the poverty as a problem concerning the social-economic phenomenon. Its actuality is conditioned by the fact that in the epoch of modern globalization in

Georgia there is still the deep problem of poverty elimination and increasing the living conditions level for the population. Despite that during the last years from the economic development standpoint there were certain positive moves implemented in the country, we still could not overcome poverty, decrease its level, depth and acuteness. The mentioned is proven also by the fact, that the significant part of the country population lives still beyond the official confine. In 2000–2014 the mentioned index towards the 60% median consumption was on average 22,34%. In 2005 54,9% of the country's population lived beyond the officially established limit (The mentioned index till 2005 was calculated concerning the minimum living wage average level, reported by the National Statistics Service of Georgia www.geostat.ge). According to the data of social services agency of the ministry of labor, healthcare and social protection of Georgia, share of the population (437 238 persons) living beyond the poverty limit (registered poor) in ratio towards the average annual number (4 490 500 persons) in 2013 was 9.7%, and in towards the adults (15 years old and above) — 14.5%. According to preliminary population census of Georgia held on November 05, 2014 the number of population now is 3 729 635 persons [5], and the level of registered poor per-

sons number was increased to 11.6% (see table 1). The increase is conditioned by the decrease of the population number. In particular, according to the population census of 2002 (4 371 535 persons) — the total number of population decreased by 641 900 persons, or 14.7%.

Such a level and scale of poverty in Georgia is favored by several reasons, out of them especially noticeable are the following ones:

- high level of large-scale unemployment, chronic unemployment;
- in-effective employment and the low level of labor productivity in several branches of the national economy;
- problems of salaries and wages payment organization, low salaries level and its key functions weakness;
- high level of revenue differentiation;
- in-development of social protection and provision system in the country;
- in-existence of scientifically documented management practice in the field of employment and social-working relationship regulation and no legislation basis;
- low level of staff training and re-qualification organization, which in its turn was expressed in the labor market conjuncture and other.

Table 1. – The level of Poverty in Georgia in 2000–2014 [6]

years	ratio to average living wage in the country (%%)	share of population beyond the 60%–median consumption (%%)	share of population beyond the 40%–median consumption (%%)	population beyond the poverty level	
				population receiving the living allowance (persons)	share compared to the average annual population number (%%)
2000	51.8	23.0	10.9	–	–
2005	54.9	24.1	10.1	–	–
2006	–	23.3	9.4	–	–
2007	–	21.3	9.2	279 474	6.4
2008	–	22.1	9.5	368 431	8.4
2009	–	21.0	8.8	436 309	9.9
2010	–	22.7	10.0	430 603	9.7
2011	–	23.0	10.4	411 091	9.2
2012	–	22.4	9.3	435 961	9.7
2013	–	21.4	8.4	437 238	9.7
2014	–	21.4	8.0	432 487	11.6

As we have assessed the key reason causing poverty is high level and scale of unemployment, chronic unemployment, affecting significantly the economic development of the country. As the experts assessed, the level of unemployment in Georgia is within 32.0–36.0% limits, but according to the National Statistics Service of Georgia its level in the country in 2000–2014 varies from 10.3% (in 2000) to 12.4% (in 2014), and its maximal level of 16.9% was registered in 2009 (see table 2). As we can see in the table, in 2013 the unemployment level was decreased by 0,4%, the employment level — by 0.7%, and the economic activity of population in the country — by 0.2%. This shows us that the decrease of the

unemployment level was not caused by the population employment increase, but as a result of its status change and the majority of the unemployed persons were transferred to the category of economically passive persons. The conclusion is made on the assumption that the number of population out of the working power (economically passive persons) increased by 17 100 persons or 1.7%, when the unemployed persons number is decreased only by 13 300 persons. The picture looked different in 2014. In particular, compared to the previous year's unemployment level decrease (by 2.2%), the level of the population's employment and the economic activities were increased by 1.7% and 0.3% accordingly.

Table 2. – Distribution of the 15 y/o and above aged population according to the economic activity in Georgia in 2000–2014 [6]

attributes	2000	2005	2009	2010	2012	2013	2014
total number of active population	2049,2	2023,9	1991,8	1944,9	2029,1	2003,9	1991,1
employed	1837,2	1744,6	1656,1	1628,1	1724,0	1712,1	1745,2
hired	683,9	600,5	596,0	618,6	662,6	658,2	692,3
self-employed	1041,2	1143,3	1059,0	1007,1	1054,0	1043,8	1046,1
not defined	112,1	0,8	1,2	2,4	7,4	10,0	6,8
unemployed	212,0	279,3	335,6	316,9	305,1	291,8	246,0
population beyond the labor force	1092,3	1136,1	1139,3	1083,3	1005,2	1022,3	1004,4
unemployment level (in percents)	10,3	13,8	16,9	16,3	15,0	14,6	12,4
activities level (in percents)	65,2	64,0	63,6	64,2	66,9	66,2	66,5
employment level (in percents)	58,5	55,2	52,9	53,8	56,8	56,6	58,3

In assessing the real level of unemployment, very interesting are conclusions of separate specialists and experts: for example, professor I. Archvadze notices: “In other words, the possibility of employment for the real labor resources in Georgia (potential, resource, level) is only 60.3%, and the unemployment level is 39.7%”... “The number of unemployed persons in Georgia is not 0.3 mln, but 0.8 mln. (as we have calculated—766.0 persons). This is 39.1% of economically active population”. [1, 111–115]. Thus, in his opinion, the unemployment level is within 39.0%=40.0% framework.

The problems existing in the field of unemployment find the adequate reflection in the level analyses of the labor market elements and especially the Georgian population employment we have found out the field situation and the following tendencies:

- artificial increase on the employed persons number by increasing the specific weight of the self-employed, especially in the agricultural field;
- part-time employment of the significant part of the economically active population;
- large-scale latent unemployment and non-formal employment;
- low level of employment in the terms of high economic activity of the population;

- professional staff leakage to other fields, their occupation with non-professional work which is caused by low level of salaries and working places deficit;

- deterioration of professional and qualification structure of the employees;

- large scale of the secondary employment.

Noticeable is that the decrease of the labor productivity and ineffective employment are especially clearly seen in the traditional Georgian branch — the agriculture, to say nothing about the manufacturing. Up to the year 1990 in the agricultural field the employed were 695.0 thousand persons (total number of the employees-25.2%). The industry produces 29.8% of GDP, in rubles it was 4454.0 mln. [2–184]. In the year 2014 in the economic there were 1745.2 thousand persons, out of them in the agriculture worked only 1100.8 thousand persons, or 63.1%, producing the GDP of only 11.6% (3378.1/29187.0) [6]. Therefore, if in 2014 compared to the year 1990 in the agriculture the number of employees specific weight increased from 25.2% to 63.1%, the specific weight of the total agricultural production to GDP was 29.8% and decreased to 11.6%. Proceeding from this, it is interesting to find out the status of the employees persons (see table 3).

Table 3. – The population’s employment structure according to status in 2014 (thous. persons) [6]

The employee status	total in economic		including the agriculture	
	abs.	%	abs.	%
total number of employees, including	1745.2	100.0	1100.8	100.0
employed	692.3	39.67	230.4	20.93
self-employed	1052.9	60.33	870.4	79.07

In 2014 in the economic out of total number of the employed population only 60.33% were self-employed, and the agricultural field employees — 79.07%. in 2000–2014 in cities the specific weight of the self-employed people was on average 31.1%, when the same index in the agriculture was on average 82.6%. Of course, the fact that there are more self-employed persons than the employed ones, and this should not be assessed negatively, because the self-employed persons are owners and the aim of their activities are profit and family incomes. Moreover, the increase of self-employment with increase of their specific weight is one of the main directions for solving

the problem of employment. However, if we will analyze the staff and the structure of the self-employed persons, we will see that 41.6% work in family business/fields for free, and 0.2% — help the relatives for free. It is clear, that this part of the population are not really employed and for them the artificial status of employed decreases the unemployment level, in particular, in the agricultural field the non-effective employment significantly impedes the social-economic development, the market relationship and naturally, formation of the civilized market formation. Seasonal employment of the villages’ population, small and non-stable incomes, uncontrollable la-

bor migration and other decrease the labor potential usage effectiveness. Clearly, in such conditions, we must consider the development of the agricultural filed the significant factor for the stable economic growth, development and poverty overcome. That's why the problem of the agricultural population employment became now actual not only for specialists, but also for the society, government and even the church. The effective trial to regulate the social-economic problem for the agricultural population is the brand new strategy, confirmed lately by the Georgian government [10], aimed at increasing the agricultural goods production, the country's economic growth and from the social stability standpoint — decrease the poverty level.

In the epoch of modern integration and globalization, the significant effect on the country's economic development and labor potential dynamic have **the migration processes, especially the mass labor migration.**

In the period after 1989, the political and social-economic changers begun in the country, have been significantly reflected in the internal as well as the foreign migration processes. As the Georgian specialists assess, the mass migration process comes right to the period mentioned. "Because of the well-known reasons, in the beginning of 1990-es, together with transition to the market economy, the Georgian Gross Domestic Product (GDP) sharply decreased, and the number of workers, creating it, decreased also. Because of difficult economic life and lack of working places during the last two decades more than a million persons left Georgia. 70% of

reasons why they left the country were because of hard economic situation" [1, 104–105]. According to separate experts, today abroad emigrants the number of Georgians working there is more than a million and the process is not controlled or regulated, and this deteriorates a lot the country's labor potential, because the majority of emigrants are able to work, medium-aged, highly qualified specialists. According to the report of the World Bank experts, the level of migration in Georgia compared to the population number is rather high. Thus, for example, in 2002 from Georgia abroad went 1.1 mln. citizens, this for the mentioned period (4 371 500 persons) 25.2%. According to the data of the international migration organization, the major part comes to Russia, 40% Of the total labor emigrants are women. Specific weight of labor-migrant women left for Greece and Germany consists 70%. 44% of the labor migrants have higher education. Despite the mentioned, the labor migration cannot be assessed unilaterally as negative, because it also has its positive sides. In particular, for the healthy economy very important are the money transfers of emigrants, this favors the increase of buying capability among the population, growth of gross domestic product and money mass increase, savings, consumption size increase, stimulates the investments and positively affects the total economic development process. We can say freely, that the money transfers are one of the most stable sources of the foreign financing. The highest index of 1 476.2 mln US dollars are registered in 2013, and this excess the total investment volume by 56.73% (see table 4).

Table 4. – Some significant macroeconomic indexes and money transfer dynamics in Georgia in 2010–2014 [6]

Indexes	2010	2012	2013	2014
GDP in current prices (mln. GEL)	20743.4	26167.3	26824.9	29187.0
GDP. (mln. US dollars)	11636.5	15846.8	16126.4	16528.5
GDP real growth in% compared to previous years	106.3	106.2	103.3	104.8
GDP per capital (US dollars)	2623.0	3523.4	3599.6	3680.8
state budget (mln. GEL)	5865.8	7560.0	7434.3	8118.9
emigrants money transfers (mln. US dollars) [7]	1052.28	1334.17	1476.2	1440.0
direct foreign investments (mln. US dollars)	814.5	911.6	941.9	1272.5
emigrants money transfers in% ratio to GDP	9.04%	8.42%	7.43%	8.71%
direct foreign investments in% ratio to GDP	7.0%	5.75%	5.84%	7.7%

In 2014 total volume of money transfers was decreased to 1 440.0 mln. US dollars, compared to the previous year — by 2.45%, this was mainly caused by decrease in money transfers from Russian Federation. In particular, in the whole mass of money transfers the main part is 49,25% (709.23 mln. US dollars) comes to Russia and compared to the previous year it is decreased by 11.5%. The significant money transfers are also coming from Greece, Italy, USA, Turkey, Ukraine, Spain, Germany, Israel, Azerbaijan [8]. Noticeable is that during the last years the volume of the emigrant money transfers is characterized with growth tendency and significantly exceeds the foreign investments volume. During the last four years the share of compared to the GDP varied on average within the 8.4% limits, when the direct foreign investments share compared to GDP for the mentioned period was on average 6.57%.

Attempts to regulate the migration problems in the modern world were reflected in the migration strategy, confirmed by the Georgian government [11], where the key aim is "taking into account the national interests and based on the best international experience, define the state policy in the migration sphere. The mentioned will favor fight against illegal migration, trafficking, the human rights and freedoms protection migration processes management, stipulating the society's interests and deepening the international cooperation in the sphere of migration". According to the strategy, migration is recognized the global phenomenon, affecting a lot the social-economic development of the country, its safety and stability, accordingly, management of the migration processes are reckoned one of the priorities for the country.

In order to achieve the set target, and with purpose to prevent the non-regular migration, and to provide the whole migration processes management effectiveness and favor the population's employment, as we reckon it, the tasks of such an issues as: favoring the country's regional development; development of agriculture, catering and processing industry; development of tourist infrastructure; investments attraction, conditions for business development, development of the labor market infrastructure and creation of effective and capable institutes for infrastructure development and migration, able to regulate and manage the migration processes effectively — must be raised to the state policy range. The successful realization of the mentioned measures in the first place will favor the use of positive effects of migration for the purposes of the country's economic development.

Naturally, on the economic development of the country the important influence **has the economic growth temps and several macroeconomic factors and indexes**. The positive results of economic policy implemented in Georgia can be seen, but because of many difficulties and unsolved problems concerning the economic growth and development, the population's living level is not achieved yet. In 2000–2014 despite the nominal gross domestic product (GDP) growth, the real economic growth temps in separate years were not stable. The economic growth temps has exceeded the level of 1997 (10.5%) only in 2003 and 2007, with figures of 11.1% and 12.3% accordingly. The economic growth was also high and stable in 2005 and 2006, when the

real growth of GDP was 9.6% and 9.4% accordingly [6]. In the next years the tendency declined. In 2008 it was 2.3%, in 2009 — the recession was, however, in 2011 its level reached 7.2%, in 2012 the level was 6.25. In 2013 the real economic growth was 3.3%, in 2014–4.8%. The GDP per capita in 2013 and 2014 was 3599.6 and 3680.8 US dollars (see table 4), when in 1996 and 2000 the mentioned indexes were 655.6 and 689.7 US dollars.

With purpose of increasing the living conditions level, the research of poverty causing reasons and problems concerning its overcoming were always in the focus of scientists-researchers attention. Many methods and approaches were worked out with this purpose, including the common standard recipe for poverty overcoming, which, proceeding from the economic policy goals, stipulates solving of the following main tasks towards Georgia: provision of the stable economic growth, development; overcoming the unemployment and introduction of active policy for effective employment on the labor market; widening of the investments in order to increase the human capital in the field of education and other; provision of stability for the national currency; foreign-economic relations and links development.

In Georgia, under the conditions of modern globalization and foreign-economic relations development in order to eliminate chronic unemployment and poverty, it is necessary to conduct urgent measures in the social-labor relationship sphere, first of all regulate the labor market and cardinal changes of the state employment policy.

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Section 8. Science of law

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Damage as a basis for recognition as a victim in criminal proceeding

Abstract: The article deals with the issue of damage which is the basis for recognition of victim in criminal proceeding. The author describes every type of damage — moral, physical, property. In the paper is also argued the need to amend the legislation to provide the basis for recognition of the legal entity victims — causing damage to its reputation.

Keywords: victim, damage, property damage, physical damage, moral damage, business reputation, legal entity.

Ukrainian criminal procedural legislation recently undergone radical changes, which aimed at expanding the procedural status of victim to create effective mechanism to protect crime violated the rights and interests of victims in criminal proceedings.

Participation persons in criminal proceedings as a victim associated with the implementation granted him rights and performance of its duties. The purpose of a victim in criminal proceedings — to restore violated rights or to compensate the damage caused by crime.

According to paragraph 1 of Article 55 of the Criminal Procedure Code of Ukraine, the victim in criminal proceedings could be an individual, a criminal offense which caused moral, physical or property damage, as well as a legal entity, a criminal offense which caused property damage.

So, for the recognition of individual victims rather causing it to at least one of the three types of damage — physical, property or moral, or some of both, for example, physical and moral, physical and property, moral property and so on. Instead, to recognize victims of a legal entity, it is necessary criminal offense of causing only material damage. Other damage legislator does not provide a basis for recognition of the legal entity victims in criminal proceedings. Clearly, based on the nature of the legal entity, it can be caused by physical damage, however, committed a crime is likely to cause damage to its reputation. At its core, this damage is actually equivalent to moral harm an individual.

To recognize a victim is also necessary causal link between the unlawful conduct and the damage the person.

Damage — is an objective category, based on law and morality and represent the changes which have occurred in property, physical, mental, moral state of a person as a result of the crime. Damage caused offense and harm that is grounds to declare the person a victim has objective. It appears that the damage being caused to a person exists regardless of one's views, including the views of the victim [1, 175].

Among the most common kinds of damage negative consequence of the crime is property damage. Property damage differ from other types of damage (physical and moral) the possibility of its precise and expressed in monetary terms. However, property damage arises not only because of attacks on property relations, but also for encroachment on the individual. In particular, when it committed criminal assault on the health claims subject supports the victim who lost income due to illness, provides treatment costs, additional food, prosthetics, care outside [2, 135].

The concept of property damage caused by a criminal offense affected include: 1) a criminal offense caused to the person direct, immediate damage to its property and monetary terms; 2) not produced a result of committing a criminal offense income; 3) estimated in money as the cost of restoring the health of the victim, and in his death — funeral payments and keeping material well-being and education of disabled family members of the victim and his minor children; 4) funds expended health care institution for hospital treatment of persons injured by the crime.

Physical damage — damage is immaterial. It can only be done to a person as a legal entity does not have the physical characteristics (life and health). Physical damage — a set of changes which objectively occurred in state (body) of man as a physical being (bodily injury, health disorder, pain). The effects of physical harm may be different. Specifically, the victim can lose performance, but because he can not subsequently earn their living. In order to restore or maintain a satisfactory state of health can be spent some money. That is the result of physical damage, along with damage to health may also be causing damage to property. In the event of physical damage, the person also suffers pecuniary damage. Moral suffering in this case are in adverse human experiences psychological aspects associated with job loss, inability to pursue an active social life, with the restriction or deprivation of any rights of citizens and others.

That physical damage can be directly compensated to the victim. Her compensation is either in the form of compensation for property damage, provided that the victim suffered certain costs to restore his health, which deteriorated by causing him physical harm; or in the form of non-pecuniary, as a result of mental suffering and experiences suffered by the victim as a result of causing him physical suffering [3, 68].

Moral damage — a specific category, as relates to man's inner world, the scope of its experiences and mental suffering. Because moral harm is not only the victims reassessment of their social status, but also to change public attitudes to it. So moral hazard is not only to defeat the mental sphere. It can adversely affect the physical health, her social status. Moral damage is that its impact on the psyche and social behavior negativity is not a momentary action. This process can stretch over time, sometimes for life man. The moral damage is also the medical aspect. Mental suffering can cause human depression, which is a type of mental disorders [4, 271–272].

There is no single definition of pecuniary damage in scientific literature. Generalizing the views of scientists, we can say that moral damage should be considered in the broad and narrow sense. Broadly (criminal victimological) understanding moral damage caused to any offense that violates (directly or indirectly) the legitimate rights and lawful interests of individuals; in a narrow (Criminal Procedure) understanding moral hazard — it is a criminal legally significant result, which forms one of the essential elements of the offense that under criminal law [5, 40–41].

In the law, including criminal procedure, is no contains definition of moral damage. Article 23 of the Civil Code of Ukraine listed types moral damage. According to this norm, moral damages may include, in particular:

- Physical pain and suffering, which the individual has suffered due to injury or other impairment of health;
- The distress which the individual has suffered due to the wrongful conduct about herself, her family members or close relatives;

— The distress which the individual has suffered due to damage or destruction of property;

— The humiliation of honor and dignity of the individual.

The Institute is a moral damage and effective way to protect the violated rights of crime, guarantee their strict observance.

Despite of the fact that the Ukrainian legislator grounds to declare a legal entity victim in criminal proceedings it allows only causing property damage, legal entity still able to experience some non-property losses. Such non-property losses that occurred due to the humiliation of goodwill, can be expressed in the form of undermining the credibility of the public authorities, individuals, society as a whole. Despite attempts by some scientists to reputation monetary terms, this non-proprietary benefit still has non-economic nature, as to accurately determine the equivalent derogation evaluation society competencies of a legal entity impossible. Good example of this is the business of social organization, political party, which can not be property rights, their activities will be aimed at achieving a particular social outcome. So do not be deprived of legal personality, goodwill has suffered any damage as a result of committing a crime has the right to participate in criminal proceedings as a victim. Since this will inevitably lead to violations of the rights and legitimate interests of legal persons [6, 97]. Therefore, legislation should provide a basis for recognition of the legal entity victim not only causing damage to her property, but also a violation of moral rights and legitimate interests, in particular, and business reputation.

In sum, that the actual basis for the recognition of a person is a victim causing her harm. Depending on the crime committed on the natural or legal person, the types of damage as a basis for the recognition of the victim, is different. Despite of the positive changes in the criminal procedure legislation concerning the regulation of actual reason for the recognition of individual victims in criminal proceedings, some of its provisions still need slight revision.

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Public confidence in the state as a basis for progress towards a just government

Abstract: The article considers some of public confidence in the state (authority). On the basis of studying of public confidence (faith) in the state offers the author's definition of "justice (fair) state".

Keywords: justice (fair) in constitutional regulation, public confidence in the state, justice (fair) state.

Justice as a universal concept concerns all aspects of public life, including the state and the right. Despite it the issue of the fair state remains understudied so far. We will consider some questions referred to the concept of fair state.

1. The modern theory postulates: "No form of public life has the right for existence if it is unfair" [1, 27]. The constitution, economic and political system, freedom, market, private property, monogamous family refer to the main institutes of justice [2, 23].

In modern Russian science the idea of justice is coordinated to the characteristic of the state as democratic, federal, social and legal [3, 7]. Also the instrumental use of historical heritage in concern of justice is widespread. So, the concept of justice by Aristotle is used for the assessment of level of justice of the modern Russian state.

In a preamble of the Constitution of the Russian Federation "justice" is presented as part of the national, cultural and historical code of Russian society and state. In decisions of the Constitutional Court of the Russian Federation justice is proved as one of general legal principles [4, 15–16].

2. There exist two approaches concerning the opportunities of statement of the fair state. Some authors proceed from universality of such opportunities, and others believe in their selective action. So, some authors see difficulties of Russia in foundation of the fair state in absence of the settled middle mode between the leviathan and anarchy in the country [5, 242].

The first of the named approaches is more acceptable as it is based on recognition of objectivity of opportunities of the countries. Actually any modern state is capable to be reconstructed, receiving, for example, the features of network formation. The constitutional democracy that has developed in many countries objectively assumes increase of the role of dialogue between society and the state authority. Of course, the state form of life of people is multifaceted that assumes distinctions in use of idea of the fair state. So, realization of idea can be combined with patrimonial culture and peculiar traditions in the field of perception of the authority and forms of its organization by the population.

3. Formation of the concept of fair state hasn't been completed yet. This, in particular, explains the absence of unity among the researchers in understanding of foundation of the fair state. Authors of different times associated the bases of

justice with advantage, minimization of the state intervention, freedom, honesty, morals, order and safety, stability, reason and so forth. It is impossible to deny their values in formation of the concept of fair state. However all of them matter not only in the field of formation of the fair state. And some of them, for example, minimization of the state can't promote reform of the state.

As a factor (basis) of the fair state the concept of trust can be used. Why? First, the concept "trust" is involved in sociology, political science and partially in the field of law. In numerous researches questions of maintenance and types of trust are considered, means and methods of its establishment are defined [6, 121]. Secondly, the trust as a concept has objective contents and is connected with subjective perception of the events. By nature it is a collective, total concept connected with an assessment of both real, and future position of institutes. Therefore the trust possesses category signs. Thirdly, the trust as category is capable to get into the relations between the individuals, an individual and society, society and state, states and an individual. Fourthly, the trust is one of the states, close and clear to the person. In fact, it is the character of personality. At personal level the trust is a criterion of provision of the environment and the relations.

In the dictionary of Russian the trust is defined as a condition of conviction and honesty, conscientiousness, sincerity and correctness. The concept of trust assumes that the attitude of "a person" towards an object is correct, based on the universal basis. The object and the subject interact, their relations remain naturally caused [7, 595]. The concept of trust is connected with moral legal, historical and legal, procedural and institutional, substantive and processual legal relations. Through these relations the trust is involved in the sphere of constitutional jurisprudence. So, the moral relation of the population to the state fixed as support or misunderstanding is connected with the reaction, obligatory for the power. The traditions which are based deeply on the relationship between the population and the state influence the practice of substantive opportunities of the citizens consisting in use of the authorities, its control, participation in the implementation of power, and also in realization of belonging of the power to the people (people's sovereignty). The trust of the population to the state fixes balance between the society and the state. It is part of the mechanism of re-

alization of public consent on which the constitution, including the Constitutional Law of the Russian Federation, is based [8, 15, 59, 65]. The trust coheres with the relations of acceptance, respect, satisfaction and legitimation [9, 312]. The trust is a complex of moral legal requirements to the political organization and the justice embodiment in relationship of the individual and the state. As such the trust is aimed to cause responsibility of the population for the condition of the state. The measure of trust of the population to the state is a guarantee of the ascending development of the state basis of society. It is a way of detection of problems of management, bureaucracy, separate parts of government machine, specific officials and search of non-standard decisions. The real trust of the population provides the democracy, the rule of law, the human right and the regime of social security. The trust of the population is integrally connected to patriotism. It is important because patriotism together with trust plays a constructive role, generating such relations as indulgence, care and discontent.

In Russian practice the constitutional value of trust is reflected in article 3 of the Constitution of the Russian Federation where in part 2 it is specified that the people carry out the power “also through the public authorities and local governments”. According to Art. 32 of the Constitution of the Russian Federation, the trust of citizens of Russia to their representatives in the sphere of administration of the state is constitutionally significant value. Respectively the authorities and members of the authorities are urged to serve public welfare. The president of the Russian Federation representing the unity of government in the country at inauguration swears “... to serve the people”. It is a guarantee of the importance of trust of the population to the government as the Russian President, in fact, acts as its head (Art. 10). The term “trust” in various variations is repeatedly encountered in the Russian legislation [10].

The trust of the population to the state has the general reasons, including universal and international legal. Under certain conditions exaggeration of their role can mean a turn towards “militant democracy” [11, 120–134]. Meanwhile practice of application of trust to the state according to requirements of the constitutional democracy shouldn't ignore a level of development of a particular country, its historical, cultural, national, social and economic peculiarities. The trust to the state is constructive if it is based on balance between the general and concrete historical requirements. Such class

of trust of the population to the state not necessarily coincides with the inertial (historically caused) trust. Such trust carries on traditions of population survey according to the scheme of division of the authorities, but without exaggerating its value. It is known that the low rating of branches of the authorities not necessarily means existence of problems concerning trust of the population to the state, and their high rating, though speaks about the provision of the government, doesn't mean unconditional trust of the population to the state. The practice of trust, achieved as realization of a certain procedure, will be and further connected with the legislation on elections and referenda, and also with legal establishments about constitutional and legal responsibility. It is clear, that such way of “control” of trust has the positive sides. But in the modern conditions it can appear not quite enough. The process will change with growth of the role of types of faith, earlier not existing, for example, to administrative process. The assessment by citizens of efficiency of the state and political parties on specific questions is gaining essential value. Value of trust of the population to the leader of society is comprehensive. But the main thing is that the trust of the population to the state has been issued legislatively. The trust should pass the stage of institutionalization.

4. The trust of the population to the state remains property of civil society in many aspects. However in the conditions of the constitutional democracy trust of the population to the state as certain definiteness gets characteristics of an institute of constitutional right, becoming a subject of legal regulation. It can be followed by a new regulation of relations of the population and the state on the basis of responsibility of the population for the condition of the state, and the state — for development and wellbeing of the individuals and the society. Owing to the known originality of political culture, centralization, special provision of government machinery, weakness of legitimation of large private property, redundancy of problems of social justice, and also prevalence of practice of “manual control” the trust of the population to the state as the institute in Russia can be very useful.

Taking into account the abovementioned concerning justice and trust of the population to the state it is possible to offer the following definition of the concept “fair state”. The fair state is the state in which institutes and officials are invested by the trust of the population revealed according to the current legislation, and activity of public authorities is steadily perceived as service to public welfare by most of citizens.

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The right to the treatment and its evolution

Abstract: In this article the right of treatment and its historically and functional evolution is considered.

Keywords: physical and legal entities, state bodies, law, legislation, the Republic of Uzbekistan, treatments, complaints, application.

The most important place in the system of protection of fundamental rights, freedoms and legitimate interests of physical and legal entities belongs to the right to treatment to bodies of state power and bodies of citizens' self-government enshrined in the Constitution of the Republic of Uzbekistan. This is because this right serves, on the one hand, by way of bringing before the government the interests and needs of the people, and the way the citizen participates in the affairs of states and protection of the rights and freedoms of the person.

In our society has always given great importance to the treatment of the population to the authorities. Al-Farabi in his book "The treatise on views of habitants of the virtuous town" wrote that only justice government is the main fundamental essence of the strong society [1]. The granting of the right to treatment to the emperor was enshrined in the Code of Amir Timur, the most important act of a centralized state on the territory of Uzbekistan. Amir Timur paid special attention to the study of attitudes, consideration of addresses of citizens to the officials.

In tsarist Russia in the 19th century as part of the State Council set up a special Commission of petitions, which considered the three types of treatments: complaints, petitions of awards and favors, projects. In addition to defining the order of their proceedings, the Manifesto identified a list of treatments that are not subject to review: re-treatment, which given the refusal, appeals against the decisions null and void, and anonymous treatments [2]. Based on this Commission in 1890 formed the office of His Imperial Majesty, and treatments to the monarch and approved by the order of its work. When changes to the installed list of applications that are considered and not considered to review. The applicants were exempted from stamp duty. There was introduced the mandatory procedure for notifying applicants of treatments about the situation, on the final consideration of the complaint or on transfer it to another court. In 1905 by the Decree of Nicholas II was cancelled a class mark of the filing of the treatments [3].

After 1917 the current system of filing and examination of treatments was abolished, so that in the first Soviet constitutions or the Constitution of the USSR of 1936 and in the 1937 Constitution of Uzbekistan the right to appeal to the state authorities was not fixed and governed by different regulations. Until the end of the 60-ies of the twentieth century, these issues were regulated by decisions of the Central Executive Committee of the USSR in 1933 and 1935, and then by the resolutions of the Central Committee of the CPSU. Only 12 April 1968 the Decree of the Presidium of the Supreme Soviet of the USSR "On the procedure for considering proposals, applications and complaints of citizens" was issued. As the name suggests, this is the first legal act, which was directed at regulation of relations connected with treatments. This document lasted until the collapse of the USSR, naturally changing and adding innovations with the changes taking place in state and society.

At the constitutional level the institution of the right to treatment was first enshrined in the Soviet Constitution of 1977 (article 49) and in the Constitution of Uzbek SSR of 1978. However, based on the constitutional norms of a special law on treatments was no adopted. In fairness, it should be noted that attempts to take it had been made. So, in 1989 the office of Prosecutor General of the USSR in the Union Supreme Council had submitted for consideration the project of the Law "On the procedure of consideration of complaints of citizens in bodies of state administration, enterprises, institutions and organizations", which, however, was not adopted.

Already before the collapse of the USSR the Committee of the Supreme Soviet of the USSR on the issues of transparency and the rights of citizens the project of the Law "On appeals of citizens" was developed. This bill was published, it was much discussion, but was never adopted. In this project the ability of citizens to use their right to treatment more fully, greater use of the specified form of participation in the management of the affairs of the society was laid. It was supposed to give citizens the right of legislative initiative.

After the independence and the adoption in 1992 of the Constitution of the Republic of Uzbekistan based on its provisions began to form the complex Institute of the right to treatment of citizens aimed to express and protect the interests of individual citizens and their associations. The Institute of the citizens' right to treatment was an adequate content of constitutional-legal fastening in the Art. 35 of the Constitution of the Republic of Uzbekistan: "Everyone will have the right, both individually and collectively, to submit applications, proposals and complaints to the competent state bodies, institutions or public representatives. Statements, suggestions and complaints should be dealt with in the manner and within the terms established by law".

In 1994 was adopted (in 2002 approved in the new edition) a special Law "On treatments of citizens" [4]. In addition to the above-mentioned Law the Law "On appealing in court actions and decisions violating the rights and freedoms of citizens" was adopted. However, if the realization of the right to

treatment for protection to the court in accordance with industry regulated by the procedural legislation, the question of the so-called administrative complaint, treatment and statements of citizens has not been resolved.

The Institute of treatments to the state authorities is the most traditional for Uzbekistan and is characterized by a predominance of treatments to authorities in the form of complaints and applications. Thanks to these features of the informational function of citizens as a form of social control in law enforcement practice is realized much better.

Thus, there historically developed features of mechanism of realization of the right to treatment to the state authorities for protection of their interests in Uzbekistan are determined by the nature of state power that contributed to the formation of system of partnership dialogue between the authorities and society, based on the principles of universality of the right to treatment, freedom of appeals, state responsibility, fairness, lawfulness of processing applications.

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