Association 1901 "SEPIKE"



Social Educational Project of Improving Knowledge in Economics

INNOVATIONS IN THE MODERN WORLD

MONOGRAPH SEPIKE

Frankfurt, Deutschland
Poitiers, France
Los Angeles, USA

Redaktionelle Leitung / Editor-in-Chief:
Dr. Michael Schaefer (Germany)

Rezensenten / Reviewers:
Dr. Andrzej Gałkowski (Poland)
Dr. Krasimir Spirov (Bulgaria)
Dr. Ihor Halytsia (Ukraine)

Verantwortung / Responsibility:
Diese Ausgabe ist eine Sammlung von Artikeln und Werken internationaler Wissenschaftler, Professoren, Lehrkräften und Doktoranten. Die Autoren zeichnen sich für Inhalt, Übersetzung, wissenschaftliche Erkenntnisse sowie für den korrekten Nachweis von Quellen und Quellenangeben selbst verantwortlich. Der Herausgeber übernimmt keinerlei Haftung für unrichtige Angaben.

This edition is a collection of articles and works by international scientists, professors, teachers, doctoral and PhD candidates. The authors draw themselves responsible for the content, the translation, the scientific researches and results, as well as for the correct detection of sources and source specifications. The publisher assumes no liability for incorrect information.

Bibliografische Information / Bibliographic Information:
Die Deutsche Nationalbibliothek (Germany) sowie die Library of Congress (USA) verzeichnen diese Publikation in den jeweiligen Nationalbibliografien; detaillierte bibliografische Daten sind im Internet über www.sepike.com abrufbar.

The German National Library (Germany) and the Library of Congress (U.S.) run this publication in the national bibliographies; detailed bibliographic data are available in the Internet on www.sepikecloud.com.

Herstellung und Verlag / Editor:
Association 1901 "SEPIKE"

Herausgeber / Publisher:
© 2013 Association 1901 "SEPIKE"
www.sepikecloud.com

ISBN 9783 7528 3411 6

Key Title: Association 1901 "SEPIKE"
Poitiers, Frankfurt, Los Angeles, den 30.11.2019

AUTHORS & CONTRIBUTION

Michael SCHAEFER (Preface)	*Doctor in Economics, President Association 1901 SEPIKE, Poitiers, France*
Adebayo Samuel ADEDOYIN (subchapter 1.1)	*PhD Candidate, International Black Sea University, Georgia; Rugby UK Academic degree – PhD Education Management in view, London, the United Kingdom*
Shirley MCLOUGHLIN (subchapter 1.1)	*PhD in Pedagogics, Professor of Education Affiliate Faculty of women and Gender Studies, Keene State College, New Hampshire, USA*
Mariami AKOPIAN (subchapter 1.2)	*Doctoral Candidate in Education Sciences, Faculty of Humanities and Education, Department of Education Sciences, International Black Sea University, Tbilisi, Georgia*
Keti GURAMISHVILI (subchapter 1.3)	*PhD Candidate in Education Sciences, Faculty of Education and Humanities, International Black Sea University, Tbilisi, Georgia; Head of English Department, British International School of Tbilisi, British-Georgian Academy, Tbilisi, Georgia*
Svitlana AMELINA (subchapter 1.4)	*Doctor in Pedagogics, Professor, Department of Foreign Philology, Faculty of Humanities and Pedagogy, National University of Life and Environmental Sciences of Ukraine, Kyiv, Ukraine*
Alina MANELIUK (subchapter 1.4)	*PhD Candidate, Taras Shevchenko National University of Kyiv, Kyiv, Ukraine*
Olena PRYSHCHEPA (SHEGEDA) (subchapter 1.5)	*PhD in Philology, Associate Professor, Foreign Language Department, Zhytomyr National Agroecological University, Zhytomyr, Ukraine*
Olena SVYSIUK (subchapter 1.5)	*PhD in Philology, Associate Professor, Foreign Language Department, Zhytomyr National Agroecological University, Zhytomyr, Ukraine*
Ekaterine PIPIA (subchapter 1.6)	*Doctor in Pedagogy, Professor, Coordinator of Master's Programs in Education Administration and in General Education Administration; Coordinator of Languages, Faculty of Social Sciences, Humanities and Education, International Black Sea University, Tbilisi, Georgia*
Barbara CLARK (subchapter 1.6)	*Doctor in Philosophy, Professor, School of Languages, Linguistics and Film, Quinn Mary University of London, the United Kingdom*
Inga TEPHNADZE (subchapter 1.6)	*PhD Candidate in Social Sciences, Humanities and Education, Faculty of Social Sciences, Humanities and Education, International Black Sea University, Tbilisi, Georgia*
Nona INJGIA (subchapter 1.7)	*PhD Candidate, The Saint Andrew the First-Called Georgian University of the Patriarchate of Georgia*
Oleksandr OMELCHENKO (subchapter 1.8)	*PhD in Engineering, Associate Professor, Head of Department of General Engineering Disciplines and Equipment, Donetsk National University of Economics and Trade named after Mikhail Tugan-Baranovsky, Kryvyi Rih, Ukraine*
Ludmila TSVIRKUN (subchapter 1.8)	*PhD in Pedagogics, Department of General Engineering Disciplines and Equipment, Donetsk National University of Economics and Trade named after Mikhail Tugan-Baranovsky, Kryvyi Rih, Ukraine*
Serhhii TSVIRKUN (subchapter 1.8)	*PhD in Engineering, Lecturer, Department of Radio Engineering and Electromechanics, Kryvyi Rih, College of National Aviation University, Kryvyi Rih, Ukraine*

Volodymyr PEREKREST (subchapter 1.8)	*Lecturer, Department of General Engineering Disciplines and Equipment, Donetsk National University of Economics and Trade named after Mikhail Tugan-Baranovsky, Kryvyi Rih, Ukraine*
Alenka KAVKLER (subchapter 2.1)	*PhD in Mathematics, Associate Professor, Head of Institute of operations research, Faculty of Economics and Business, University of Maribor; EIPF – Economic Institute, Ljubljana, Slovenia*
Ruslan LUPAK (subchapter 2.2)	*Doctor in Economics, Associate Professor, Department of Economics, Lviv University of Trade and Economics, Lviv, Ukraine*
Tatiana SHTETS (subchapter 2.2)	*PhD Candidate, Department of Economics, Lviv University of Trade and Economics, Lviv, Ukraine*
Gunel MAMMADOVA (subchapter 2.3)	*PhD Candidate, Baku Slavic University, Baku, Azerbaijan*
Krasimir NIKOLOV (subchapter 2.4)	*PhD in Economics, CGAP EU Funded Projects Expert, Chief Internal Auditor, Ministry of Interior, Sofia, Bulgaria*
Ievgen OVCHARENKO (subchapter 2.5)	*Doctor of economics, Professor, Head of Department of Public Administration, Management and Marketing, Volodymyr Dahl East Ukrainian National University, Severodonetsk, Ukraine*
Inna SEMENENKO (subchapter 2.5)	*Doctor of economics, Professor, Head of Department of Economics and Entrepreneurship, Volodymyr Dahl East Ukrainian National University, Severodonetsk, Ukraine*
Roman BOGDANOV (subchapter 2.5)	*PhD Graduate, Department of Public Administration, Management and Marketing, Volodymyr Dahl East Ukrainian National University, Severodonetsk, Ukraine*
Miroslava PEICHEVA (subchapter 2.6)	*PhD in Economics, Associate Professor, University of National and World Economy, Sofia, Bulgaria*
Lyazzat SEMBIYEVA (subchapter 2.7)	*Doctor in Economics, Professor, Financial Department, L.N. Gumilyov Eurasian National University, Astana, Kazakhstan*
Aida ZHAGYPAROVA (subchapter 2.7)	*PhD in Economics, Associate Professor, Financial Department, L.N. Gumilyov Eurasian National University, Astana, Kazakhstan*
Aigerim ZHUSSUPOVA (subchapter 2.7)	*PhD in Economics, Associate Professor, Financial Department, L.N. Gumilyov Eurasian National University, Astana, Kazakhstan*
Zhanar TULEGENOVA (subchapter 2.7)	*PhD in Economics, Associate Professor, Financial Department, "Turan-Astana" University, Astana, Kazakhstan*
Jarmila VIDOVÁ (subchapter 2.8)	*PhD in Economics, MBA, Department of Economic Policy, Faculty of National Economy, University of Economics in Bratislava, Slovak Republic*
Oksana HETMAN (subchapter 2.9)	*PhD in Economics, Associate Professor, Deputy Editor, Association 1901 SEPIKE, Poitiers, France*

CONTENT

PREFACE		6
ABSTRACTS		8
CHAPTER 1	INNOVATIONS IN PEDAGOGICS	14
1.1	An investigation of aesthetic learning as a part of teacher professional development	14
1.2	The problem of teaching non-sexist style of English and avoidance of linguistic sexism in teaching process	22
1.3	New product development (Academic Management)	30
1.4	Features of training for bachelors in computer sciences in universities of Ukraine	42
1.5	Language consciousness state of modern Ukrainian youth	50
1.6	Inter-rater agreement of Georgian raters between two assessment cycles of Georgian controllers	55
1.7	Culturological aspect in literary translation (according to the short prose of Ludmila Ulitskaya)	63
1.8	Components of projecting and constructional competence formation in the process of general engineering training	66
CHAPTER 2	INNOVATIONS IN GLOBAL ECONOMICS	70
2.1	Evaluation of work trial programs, verification and validation of national vocational qualification in Slovenia during the great recession with propensity score matching approach	70
2.2	Strategic priorities for the development policy of the digital economy of the state	80
2.3	Destination management in tourism	86
2.4	Creation of multifunctional center in the agricultural regions by smart inclusion of the legally residing migrant population	93
2.5	Use of a person as a system-forming factor when forming a system of economic security of an enterprise	105
2.6	Analysis of innovative training methods applied to higher education institutions	108
2.7	Financial policy in the context of integration processes	116
2.8	Innovations as a necessary part of company's life	130
2.9	Economic Development versus Economic Growth: Case Study of Ukraine	137
	POSTSCRIPTUM	146

PREFACE

In the globalized world under rapidly developing conditions of the digital economy, it is almost impossible to keep pace with the multi-dimensional informational flow that appears daily on the Internet and in real life. Scientists whose papers and researches are dedicated to the innovation issues, their different types, life cycles, evaluation of effectiveness and practical applicability, all of them agreed on the appearance of so called unclassifiable digital innovations. We have to be precise with this definition. First, digital innovations have penetrated inside all spheres of life and business nowadays. It is impossible to make any operation without using modern advanced technologies (actually, they are traced from being 'advanced' not so far till 'usual'/'adapted'/'everyday'). And the main criterion making innovations 'everyday' is the time. Whether it's the simplest operation of searching for a geographical location, the operation of buying or selling, the simplest transaction, communication, or the complicated operation of managing a business based on the business modeling, the use of modern marketing digital technologies, modeling of the ecological future and building long-term forecasts, – all of abovementioned requires Internet usage, modern devices or other smart technologies. Thus, such variety of activity leads to complexity of digital innovation classification. Second, digital space is unlimited and unlimited by its nature that results just in generalization of common categorical directions. Third, each process, activity or even action take place in a concrete condition. It should be said, world economy transit to a personalized level, i.e. move from macro- via meso-, throughout of micro- to the digitally behavioral economics. That is why, in our opinion, it is difficult to classify digital innovations.

Nowadays, it is not a top secret that with rapid digitalization paces, governments miss effective tools of regulation or intervention. More and more scientific publications, personal blogs and journalistic reports expose the problem of government insolvency in its intervention policies and the unjustifiedness of their actions. Neoclassic, neo-monetarist, neo-institutional and other neo-economic theories are unable to explain today's rapidly changing situation around the globe. They have exhausted themselves: there is no panacea that can revive the mega-economies of the highly developed countries that are sluggishly falling into the recession. That is why the theories of 'sharing economy', 're-growth' theories, 'de-growth' theories or 'post-modernism' theories are coming into the scientific circulation. We are not trying to judge or justify them, since they represent an innovative way of thinking, indeed. With our monographic edition, we try to boost a way of any idea that could become an advanced technique, possibly in a certain area.

The scientific monograph "Innovations in the Modern World" (Edition, 2019) reflects the diverse views of scientists and practitioners from all over the world on the processes of knowledge formation, advanced education and innovations in all economic spheres. Our monograph consists of two chapters.

Chapter 1 "Innovations in Pedagogics" includes results of scientific research in the area of aesthetic learning as a part of teacher's professional development; an avoidance of linguistic sexism in English teaching process; description of newly

developed product - English phonetics (academic management); investigations of training features for bachelors in computer sciences; disclosing of language consciousness state of modern youth; description of inter-rater agreements between two assessment cycles of controllers; consideration of culturological aspect in literary translation; classification of components of projecting and constructional competence formation in the process of general engineering training.

Chapter 2 "Innovations in economics" includes results of scientific applied researches on the work trial programs evaluation, verification and validation of national vocational qualification during the great recession with propensity score matching approach; definition of strategic priorities for the development government policy of the digital economy; identifying a destination management in tourism; creation of multifunctional center in the agricultural regions by smart inclusion of the legally residing migrant population; effective forming a system of economic security of an enterprise based on the usage of a person as a system-forming factor; analysis of innovative training methods applied to higher education institutions; financial policy development under integrational processes; implementation of innovations as a necessary part of company's life; a case study for economic development.

Authors of the monograph will be sincerely grateful to all interested scientists, who are concerned with solving problems of the modern world in the current and innovative branches, for the critical assessment of our scientific papers and constructive scientific cooperation.

Respectfully,
Michael Schaefer,
President of Scientific Association
Association 1901 "SEPIKE"

ABSTRACTS

CHAPTER 1 INNOVATIONS IN PEDAGOGICS 14

1.1 An investigation of aesthetic learning as a part of teacher professional development (*Adebayo Samuel Adedoyin, & Shirley McLoughlin*) 14

Abstract: *Teacher's professional development arguably tends to be a formal extra or ongoing learning with the aim of improving expertise in this vocation. Aesthetics as a means of learning and teaching methods open up the room for teachers to examine their personal teaching experience in pari passu with their everyday teaching encounters. The personal experience and the reflection of a Ugandan teacher creates a beam of light on how following the principles of aesthetic learning can actively further the development of teachers professionally*

Keywords: *teacher professional development, aesthetics, teaching methods, learning*

1.2 The problem of teaching non-sexist style of English and avoidance of linguistic sexism in teaching process (*Mariami Akopian*) 22

Abstract: *The most recent problems in research of teaching non-sexist style of English language and linguistic sexism problems in teaching process are discussed. Based on the scholarly literature, the linguistic change draws links between gender-related linguistic phenomena and gender inequality or discrimination in language teaching. The specific ways of dealing with the obstacles of teaching non-sexist style of English language in English speaking class are analyzed. The research paper has attempted to provide with the insights of existing teaching problem of non-sexist style of language teaching and avoidance of linguistic sexism in educational settings for analyzing the connections between language and gender studies in the teaching process*

Keywords: *language, gender, linguistic sexism, language teaching, gender bias, non-sexist style of teaching*

1.3 New product development (Academic Management) (*Keti Guramishvili*) 30

Abstract: *The role of both Academic Managers (AMs) and New Product Development in Language Teaching Organizations (LTOs) has been analyzed. The new educational product implementation is discussed via Action Plans, Management Styles and Communication Teams. The strategic role academic management in the organizational development is encouraging successful communication, motivating staff for changes and providing innovations. Referring to the Continuing Professional Development (CPD), it helps to reach objectives, improve knowledge, skills and competence. Achievements are a powerful motivator that lead to a recognition, increased responsibility, job interest and individual performance*

Keywords: *Continuing Professional Development (CPD), Academic Managers (AMs), Academic Leadership, Language Teaching Organizations (LTOs)*

1.4 Features of training for bachelors in computer sciences in universities of Ukraine (*Svitlana Amelina, & Alina Maneliuk*) 42

Abstract: *Curricula and syllabi of specialties "Computer Engineering" and "Software Engineering" of the main Ukrainian universities have been researched and analyzed. The bachelor's competencies in computer science are compared with the requirements for IT-professionals training in Ukraine. The discrepancies in the quantitative and qualitative indicators of the curricula have been revealed. The strengths and weaknesses of the bachelor's study in computer science in Ukraine are identified*

Keywords**:** *computer science curriculum, computer engineering curriculum, Information technologies, quality of training, professional training, higher education, standards of higher education*

1.5 Language consciousness state of modern Ukrainian youth (*Olena Pryshchepa (Shegeda), & Olena Svysiuk*) 50

Abstract: *The peculiarities of modern Ukrainian youth's self-perception as native speakers have been considered by authors. Based on the results of a sociological survey, authors argue that the level of development of young people's linguistic consciousness is related to their linguistic self-esteem*

Keywords*: sociolinguistics, sociological survey, linguistic personality, consciousness, self-esteem, self-perception, authority, environment, stability, resistance, tolerance, state language, bilingualism, language prestige*

1.6 Inter-rater agreement of Georgian raters between two assessment cycles of Georgian controllers (*Ekaterine Pipia, Barbara Clark, & Inga Tephnadze*) 55

Abstract: *Controllers and pilots are users of Aviation English all around the world. English Language for live communication involves standard phraseology and plain English to ensure safe flight operations. However, it worth noting that English for aviation should be developed amongst the users, it should be assessed according to the international Language Proficiency Requirements (LPRs) developed by International Civil Aviation Organization (ICAO). The certified and active raters assess LPRs, reliability issues attract scholars' attention since raters assesse high-stakes and consistency of their evaluation is crucial. Authors have investigated inter-rater agreement of Georgian raters between two assessment cycles of Georgian controllers, conducted in 2016 and in 2019.*

Keywords: *aviation English, assessment, controllers, inter-rater reliability, Language Proficiency Requirements (LPRS)*

1.7 Culturological aspect in literary translation (according to the short prose of Ludmila Ulitskaya) (*Nona Injgia*) 63

Abstract: *a translation requires special approaches and methodology. A translator should take into account features of original text by interpreting in the native language. Discussing culturological issues is a relevant subject. In this case, the translator should set goal, i.e. thoroughly study the text, its cultural space, and conceptual words. Therefore, it is necessary to consider how to convey the culturological language aspect to create intercultural dialogue.*

Keywords: *culturological aspect, literary translation, translation strategies*

1.8 Components of projecting and constructional competence formation in the process of general engineering training (*Oleksandr Omelchenko, Ludmila Tsvirkun, Serhhii Tsvirkun, & Volodymyr Perekrest*) 66

Abstract: *The structural components of projecting and constructional competence of future engineers in the general engineering training process are highlighted. The motivational and incentive components are characterized (both motivationally targeted and emotionally volitional blocks); the content and cognitive components are described (engineering, graphical, informational and analytical blocks); the operationally-acting component is separated (both projecting and constructional block); professional and communicative components are characterized (both personally-individual and communicative block); resultative and reflective components are defined (both reflection and self-development). The obtained results indicate that the most "problem area" is observed in the process of formation of the cognitive and content components (information and analytical block) and operationally-acting component (projecting block).*

Keywords: *general engineering training, projecting and constructional competence, structural components, teaching methods, engineer*

CHAPTER 2 INNOVATIONS IN GLOBAL ECONOMICS 70

2.1 Evaluation of work trial programs, verification and validation of national vocational qualification in Slovenia during the great recession with propensity score matching approach (*Alenka Kavkler*) 70

Abstract: *The aim of this study is to evaluate some active labor market policy (ALMP) programs in Slovenia, viz. Work Trial Programs and Verification and Validation of National Vocational Qualifications. Propensity score matching is applied to examine the existence of causal effects. For each of the participated in the ALMP individuals (i.e. from the treatment group), the algorithm selects an individual from the control group of the unemployed with the same participation probability. Thus, the study avoids the problem of sample selection bias, since participated individuals are similar in key characteristics to those who did not participate. The participation probability (propensity score) is estimated by binary choice models with the help of several explanatory variables, such as gender, age, level of education and region. Pairs of matched individuals from the treatment and control group are then compared in terms of the success at obtaining a job. The data were obtained from the Employment Office of the Republic of Slovenia. The database consists of all unemployment periods completed between 2007 and 2010 and of all the ongoing periods at the end of 2010. For the treatment group, the data about active labor market program participations in the same time frame were used. The results for the programs under evaluation are interpreted in light of the current economic situation. For both Verification and Validation of National Vocational Qualifications and Work Trial programs, the study obtains a positive effect*

Keywords: *training programs, propensity score matching, active labor market policy, unemployment*

2.2 Strategic priorities for the development policy of the digital economy of the state (*Ruslan Lupak, & Tatiana Shtets***)** 80

Abstract: *It is substantiated the importance of the digital economy development and the need to formulate a systematic state policy for its support taking into account the guidelines for building a progressive national economy. The peculiarities of the national economy of Ukraine, which determine the tasks and ways of solving them in the formation and realization of the digital economy capacity are highlighted. The strategic stages of the state policy for development of Ukrainian digital economy are identified (sector capacity formation, strengthening its competitive positions, sector capacity realization in the system of national economy and development of the information society), which allowed to determine the strategic priorities of the state sector regulation (formation of valuable functioning infrastructure and resource support system for the its development, scaling up and expanding activities, improving its structural characteristics and its share in the economy, the formation of system links and sector contribution to the economic growth, effective implementation of strategic national projects in the sector).*

Keywords: *digital economy, state policy, strategic priorities, capacity*

2.3 Destination management in tourism (*Gunel Mammadova*) 86

Abstract: *The formation of the modern national tourism industry as a complex socioeconomic and environmental system is based on an interaction of its components. Tourism destination is a key element of the tourism system, because its functionally related elements (tourism resources, tourism area and general infrastructure, potential and employment control) are located in a certain area, have an information structure and to provide a strategy and tactics for the sale of tourism products. An influence of the external environmental factors on the tourist companies' activity has been discussed. Their influence at the financial state of tourist companies has been analyzed.*

Keywords: *development, external factors, marketing and management, tourism destination, infrastructure*

2.4 Creation of multifunctional center in the agricultural regions by smart inclusion of the legally residing migrant population (*Krasimir Nikolov*) 93

Abstract: *The regional policy is the backbone of the successful social and labor market integration of the legally residing migrants in the EU. The policymakers must analyze the real possibility and capacity of the proper rural region backed up by agricultural companies in order to help migrants. The European municipalities have different structures, but they have to interact with the local and central business branches. The migration pressure at the external EU borders with the Asian countries urges the EU to be smart in its regional and local agricultural development. The regional municipal models based on decentralization must be tailored to the project implementation regarding social and labor market inclusion of the legally residing migrations. The output and result indicators applicable for the upcoming Multiannual Financial Framework the Asylum and Integration Fund would be an important element for projects based on synergy with the European Social Fund and the European Agricultural Fund for Rural development. The expectations for the future inclusion should be embedded into the regional programming*

of the Member States. The multifunctional center including agro-development of the regions will be realized by the business model public-private partnership. It will be possible in the forthcoming programming period.

Keywords: *social and labor inclusion, migrants, synergy, programming*

2.5 Use of a person as a system-forming factor when forming a system of economic security of an enterprise (*Ievgen Ovcharenko, Inna Semenenko, & Roman Bogdanov*) 105

Abstract*: The research examines an issue of impossibility and inexpediency of forming an economic security system of an enterprise on a hypothetical logical math basis. The task to ensure its functional efficiency has to be shifted to a person as a social element in the system. Consciousness of a person and his abilities should be used as the system basis. The behavioural stereotype stands as a formal feature of a social element in a system. The behavioural stereotype of a person is considered as a system-forming factor that allows to choose the functional systems theory as the theoretical basis for forming an economic security system of an enterprise. This theory helps to prove the behavioural acts concept of a functional system and behavioural stereotypes in a socioeconomic system as substantially interconnected. Both of these concepts can be applied*

Keywords*: enterprise, economic security system, system-forming factors*

2.6 Analysis of innovative training methods applied to higher education institutions (*Miroslava Peicheva*) 108

Abstract: *Innovations are important in training process, because modern education needs new methods and modern forms, which must be adapted to global communication and life-style. Therefore, vocational training, education and study should base on a high level of scientific research and should be adapted to the practical demand of innovative and modern markets. Research include a detailed analyses of innovative courses provided by top universities worldwide. The analysis of 25 examples of Excellence linked to Higher Education Innovation proved that higher education institutions that have excellence in innovation use innovative teaching methods that are a prerequisite for these results. The main conclusions that can be drawn from the analysis are related to the increasing penetration of online training at universities; the benefits of online training; technical competence is gaining momentum as a requirement for teachers, but pedagogical skills remain one of the key competences, combining traditional with innovative teaching methods, including the creation of institutes, laboratories providing an environment for realizing students' innovative potential and teachers*

Keywords: *education, innovations, online courses, training methods*

2.7 Financial policy in the context of integration processes (*Lyazzat Sembiyeva, Aida Zhagyparova, Aigerim Zhussupova, & Zhanar Tulegenova*) 116

Abstract: *This research discusses the strategy and tactics of the financial policy of the Republic of Kazakhstan in the context of integration processes. In the process of creating a single financial market of the EAEU, an attention is paid to the effective financial policy, since it depends on completing the harmonization process of state legislations in the financial sector, as well as*

ensuring the effective development of national economies of the participants of this integration association. Authors have reviewed the global experience of SME support. The SME's sector contribution to GDP in most developed countries is around 50-60%. In Kazakhstan, SME castor has provided 21% of GDP in 2018. To adjust that, an analysis of the Government Finance Programs has conducted from the point of their efficiency.

Keywords: *Eurasian Economic Union (EAEU), SMEs (small and medium enterprises), financial policy, government support*

2.8 Innovations as a necessary part of company's life (*Jarmila Vidová*) 130

Abstract: *Innovation is one of the decisive factors for achieving excellence and is not only the result of scientific and technological development. Innovation is inherently more social than technical or economic, since its existence depends on the acceptance of society. Thus, innovation is not a new phenomenon and there is no doubt that we cannot exist without them. The quality of the environment is significantly deteriorating as industry and its individual sectors have an impact on all its components – air, water, soil, organisms. Industrial producers are pollutants that have local impact and widely spread in the air. Businesses should implement innovations that are consistent with sustainable growth goals.*

Keywords: *sustainable development, innovations, transfer technologies*

2.9 Economic Development versus Economic Growth: Case Study of Ukraine (*Oksana Hetman*) 137

Abstract: *this work is an integrated assessment of the factors, causes, results and consequences of economic development using of Ukraine as an example country with a transitive economy. This topic represents the intersection of the interests of social and economic science based on in-depth analysis of ongoing political changes. This work is an applied thesis based on the deep analysis of theoretical researches dedicated to the problem of economic development in Ukraine. It is based on reliable analytical reports provided by the Statistical Service of Ukraine, the Eurostat, as well as worldwide recognized ratings/indices of countries development. The analytical conclusions made in our work and practical recommendations developed on their basis can be used in writing of scientific articles, reports, theses, as well as at the level of developing a state programming for the development of Ukraine in the direction to the way of the European integration and accession to the EU as a member state*

Keywords: *economic development, integration, scenario analysis, forecast, GDP per Capita by PPP, innovations, digital economy*

CHAPTER 1
INNOVATIONS IN PEDAGOGICS

1.1 AN INVESTIGATION OF AESTHETIC LEARNING AS A PART OF TEACHER PROFESSIONAL DEVELOPMENT

Introduction: A teacher in a remote village in Kalangala, Uganda, was introduced to a new class, the fourth grade of the school. Prior to this, colleagues in the same primary school had registered the notoriety of a particular boy in that grade. On the first day, the teacher noticed and experienced a rowdy atmosphere and what came to his mind next was how to manage the class. He observed the students using swears, and angry words in the local dialect. He struggled to keep up with classroom management, behavioral challenges, and getting the pupils to speak using the standard language (English) which was also used for instruction. The teacher went home that day troubled. This continued for the next two weeks into the term. However, one day, during the class break, he peeped through the window and watched attentively the relations and interactions of his new pupils. He then developed the following underlying questions: *was he approaching the education of these pupils in a one-sided manner*? Could he have been addressing only the cognition/academic learning aspect of the pupils during his teaching, essentially ignoring the affective part? The teacher reflected on a teacher training seminar he had attended a few months ago largely based on Aesthetic education. At the time of the conference, he felt this approach was not of much use to him but the present challenges he was facing in this new classroom, got him thinking. This was the beginning of several discoveries that caused a paradigmatic shift in the teacher's approach to teaching.

Learning, as meant to be the objective of every educational institution, is far from being achieved when it is not effective without considering the multitude of components that impact the learner's humanity. Most academic institutions take up the responsibility of teaching primarily as designed by the curriculum, concentrating on learning, but seldom considering several other learner characteristics that could either enhance that learning or defeat it entirely. In addition, those who attempt to enhance learning, try to create a conducive atmosphere for learning. They also try to meet the basic needs of the learner in terms of physical essentials that matter such as comfortable accommodation, and essential scholastic materials. However, there are other variables that are key to enable learners to become more focused on their learning; that is what the aesthetic part of learning is set to achieve.

Theoretical Study: *Aesthetics* as a word originates from "*aisthetikosî*" (Greek); it means the ability to perceive through the senses (Pourhosseyni, Sajjadi & Imani, 2014). In today's world, when we think of the aesthetics, what readily comes to mind is art and beauty. Little wonder, Greene (1995) states that aesthetics is the study of the arts; it explains the relationship between art and culture, and it is the eye of the perceiver, the sixth sense and imaginative aspect of art. However, several works of

literature have tried to define aesthetics but we relate to that which is specific to education. Weitz (1972, p. 2) defines aesthetic education "as an attempt to extend the affective, imaginative, formal and cognitive possibilities of the arts in all of their individual autonomy as well as their collective diversity to at least three types of children which indeed encompasses every child: the underprivileged; the undereducated and the under-perceptive". Aesthetics are usually seen as being related to beauty as in the beauty and interpretation of art but considering Weitz's description with regards to aesthetic education, they run far deeper than that. Aesthetics are vital in the whole development of the human and having academics neglect this area in learning could result in serious consequences. Green (1995) helps us understand that there is a relationship between aesthetics and how learners learn. A learner's interrelationship of art, for example, is through the senses and the influence of culture on him or her.

There are several specific types of curricular approaches that incorporate some of Green's ideas. For example, Drama Based teaching and learning work on the aesthetic experiences of a learner that informs their intellect and "affect". This is evident in the process of creating, interpreting, and juxtaposing between symbols and meaning-making while utilizing drama as a component of the curriculum (Kathryn & Bridget, 2018). The empirical research by Anttila (2018) demonstrates a connection between musical activities and linguistic and mathematical skills balancing abilities as self-confidence, social and cognitive skills. Webster & Wolfe (2013, p. 23) note that what makes a learning experience is not just the teacher, the learner and the availability of material to be learnt, but also "involves the embodied presence of the student, her activity of meaning-making and her desires". Without these, the students' learning experiences are not complete. A teacher can create an excellent lesson, but until the learner is showing interest (desire) and is striving to understand or give meaning to what is being taught, true learning cannot take place. This process of learning is the aesthetic experience. For this experience to be realized thinking becomes essential (Dewey, 1985) and we have to understand that thinking is more of an art rather than a science. According to Webster & Wolfe (2013), thinking is the mind brooding on a subject matter trying to figure out through aesthetic and affective means. Meanwhile, Dewey (1934) further explores the role of the aesthetic experience, incorporating objects and activities into the lessons especially through the arts (e.g. drama, music, photography etc). This becomes the stimulant of that experience. Garrison (2010) noted that Dewey sees inquiry, a critical part of the learning experience, to be a creative, artistic activity.

Importance of teachers creating aesthetic experiences: It has been pointed out by Schulman & Schulman (2004, p. 2) that in the quest to establish a framework at which teachers can attain steady development, the teacher is theorized as a "member of a professional community who is ready, willing and able to teach and to learn from his or her teaching experiences". The authors suggest that the professional development of teachers is self-driven. In other words, to be a part of a professional educational community, teachers' readiness is driven by a vision which is sustained by a willingness to explore from two paradigms which include teaching and

reflection on their teaching. We will describe how aesthetic learning is used in the furtherance of teacher professional development, including Schulman's, on teaching and reflection. More than anything, it is important for every teacher to guide learners to have aesthetic experiences incorporated into their lessons. This is also true in teacher professional development experiences as well as in the everyday experiences of his/her students. Learning tends to be boring and monotonous without these experiences. Dewey (2008) suggests that teachers should open the door to more aesthetic experiences for their students, via providing more open-ended problems and learning experiences that encourage learners to engage in the process of thinking and reflection rather instead of learning set information. This as an understanding requires more than just recognition of facts (Dewey, 1989, p. 24). Incorporated into this approach is the need for learners to be open to other ways of arriving at learning outcomes. This may mean that learners will need to appreciate the essential parts of every lesson. He specifically addressed the aesthetic component of learning by noting that reasoning in the absence of imagination is devoid of truth as imagination is essential in expanding learners understanding.

Webster & Wolfe (2013, p. 24) further expand the role of imagination, noting that imagination as a cognitive function encouraged through aesthetic means should be part of teacher professional development. They explain that learning as a journey is geared towards meaning-making so teachers must guide learners to various ways of knowing and describe how some professionals give their students this aesthetic experience in the classroom. For example, a design technology teacher introduced screen printing to his Year 9 students, but during the class, he understood that some students' interests were in doing multiple prints, other students were in color printing, etc. Preferred additions to the basic assignment were also quite varied. By listening to the students, he allowed their voices to be heard in reaching the same learning outcomes.

Without aesthetics, a teacher walks into the classroom to meet pupils and then he or she is focused on the learner's intellect because that is what the curriculum that guides him or her addresses. Attention is not paid to the "affect" part of the pupil. However, through aesthetics, there is a paradigm shift that takes place in the teacher's mind. The teacher moves beyond the subject to be taught and does an investigation on how societal culture, school culture, and peer group culture affect the pupils learning in and out of the classroom. To this, Dawson & Lee (2018) explains that learners develop language and grow through dialogue with their teachers, peers and environment.

Aesthetics investigation by a teacher in Uganda: From our introduction, we are introduced to the experiences of a teacher in a rural area of southern Uganda. As noted earlier, the teacher identified one particular student as having more behavioral issues than others and serving as a ringleader, so to speak, to other students, generally diminishing the overall behavior and learning of the entire classroom. After noticing this, the teacher's curiosity made him pay a visit to the pupil's home and that alone helped to open some doors to what he needed to understand in order to gain the

attention of the pupil. It was here that he learned that his student was part of the Karamojong cultural group. There are several cultural groups in Uganda, one of which is the Karamojong. The Karamojong are a cultural group of Ugandans living mainly in northern Uganda and have relied on cattle rearing and agriculture for their livelihood (Knighton, 2005). Karamojong were essentially nomadic pastoralists (ranchers). Cattle rearing and hunting were typical of their people. However, as the impact of famine and devastating territorial militarism came to play in their lives, they had to migrate from the arid regions of Uganda to areas vibrant with vegetation and also towards the cities (The Peace for Paul Foundation, n.d).

The culture of the Karamojong has historically strongly supported heroism and nomadic values, although their nomadic existence has been turning more towards agricultural lifestyles. The oral tradition of passing on knowledge still remains strong, and the importance of literacy has not traditionally been valued (Knighton, 2006). In addition to not have a strong cultural history supporting formal education, it is difficult for many of the Karamojong to financially be able to afford the assorted costs that accompany a child's education, i.e. books, school supplies, uniforms, etc. The few females who do attend public schools are often encouraged to drop and marry young. While primary education is free in Uganda, the Karamoja region continues to have the lowest attendance rate as compared to other areas in Uganda (Lirrii, 2016). Often, children are instead encouraged to participate in activities related to maintaining their family livelihood (The Peace for Paul Foundation, n.d). Considering this historically oral, nomadic ethnic group's relationship with public education, it can be seen how important it is to consider the overall backgrounds of each student in a classroom, for backgrounds and support from family and culture, can play a role in pupil performance.

Interventions through the use of aesthetic learning: The art of teaching and learning are interpreted as aesthetic being experienced by either the teacher or the learner as it comprises of imagination, feeling, intuition, reflection, will and association (Amini, 2005). The teacher described at the beginning of this article understands that some of his pupils are from cultural groups that have not traditionally valued literacy and education. Moreover, his students may be emotionally and psychologically stressed or affected by the recent changes in their lives, i.e. moving to a different area of Uganda, not following the same path as their parents (i.e. acquiring a formal education), etc. How is the teacher going to put these factors into consideration during class time? He decides to adopt aesthetics into his teaching armed with his background research on his pupils. He recognizes that having an aesthetic understanding of the process of teaching and learning and the nature of education could pave way for societal sustainable development (Girod, Rau, & Schepige, 2003; Hobbs, 2012; Chou, Cheng & Cheng, 2016; Medina, 2012; Kokkos, 2011).

The teacher develops insights into the reasons for inappropriate behavioral challenges of his pupils and so introduces lessons in social studies and during class administration that stress such kind of values that can help to manage such behavioral tendencies. These include forgiveness, love, giving and sharing, patience and collaboration. He also understands that there are different influences that could

affect them; those of their parents and cultural group, those of their peers, and the school itself. He decides to organize a campaign with the support of the head teacher to reduce the cases of stigmatization and bullying that had occurred in part due to a lack of understanding and support to the culture and practices of some cultural groups within the school. This gradually impacted the behavior of all students in a positive manner.

Other factors that helped improve the behavior and overall school climate were also instituted. The teacher teamed up together with other teachers to keep track of the pupil's whereabouts during school hours and enforced discipline within the school premises. Although female genital mutilation has been outlawed in Uganda for nine years, it is still being practiced (Selby, 2019). Teachers in this school environment played the role of counsellors, providing emotional support to female children who were traumatized as a result of being genitally mutilated. They encouraged their educational studies, reminding them of how this could have a significant impact on their future lives. All students were being encouraged to develop a stronger ethos of responsibility. Many of these actions were infused into the curriculum via teaching done with artistic mediums, like drama, music, dances and pictorials. Students learned to reflect on their learning through group work and discussions as well as debates. Through these types of lessons, better student-teacher relationships developed. Hence, the teacher was also able to provide career guidance to those with the inclination for an area of discipline. He was able to serve as a role model, motivating other teachers in the school to do the same.

Another area in which the teacher was able to assist students, such as the Karamojong student who did not have the same level of support and performance skills as his peers, was by providing differentially adapted lessons - remedial lessons to help those struggling students in the areas most needed. He sought out more information on students with exceptionalities, such as a history of trauma and abuse, learning disabilities autism, etc. He then shared what he learned with the parents and got appropriate referrals. By so doing these parents began to feel the sense of a larger community and then responded positively in encouraging their children to learn.

Discussion of teacher aesthetic interventions: It is observed that if the teacher were to continue with the approach he was using during the first few weeks of the class, he may not have achieved many positive results in his classroom. This is the first realization. Through enquiry, the teacher discovered the reasons for the behavioral challenges and emotional imbalances of the pupils. He took time to study the background of his pupils to find out that apart from school culture, what other groups had a great influence on their learning, and how to accommodate for this impact. He made an enquiry about their parents' attitudes towards education and also their peer groups and understood what adaptations he needs to make to his pedagogy and behavioral management style to have an effective classroom that met all his students' needs.

This teacher's prior training experience had prepared him to deal with the new challenging classroom, and as a result, we see that the teacher took a personally motivated step and approach towards dealing with the behavioral challenges of his

pupils. Motivated by his drive to improve the difficult situation, the teacher teamed up with the school authorities and proffered solutions to address the problems from the perspective of the school environment. His investigations opened up the door for societal change, beginning from the school environment and then moving towards community transformation.

His approach was with the use of aesthetics. He put himself in the shoes of his students and discovered what they must be going through mentally and emotionally. He decided to tackle the matter with aesthetic learning methods which focused both on intellect and "affect" part of the learner. His lessons took a new dimension as aesthetics was incorporated. Each step with the students utilized drama based pedagogy, making learners work as an ensemble. By using storytelling or narrative modes, pupils had to reflect on each stage of the lesson all the way to the end of the lesson, making them active, engaged learners and who were developing questioning skills that supported the taking charge of their own learning. Moreover, the teacher was able to strike a balance in an area of weakness in the educational system. By teaching only in local languages from grades and then only in English from grades four and beyond, some students were truly struggling when they reached grades four and onwards. The teacher was able to collaborate with the school, and a remedial class for the English language learning was opened; this supported the pupils who were struggling with lessons in English regardless of the reasons.

Conclusion: Professional Development as described by Schulman is motivated by a teacher's willingness and readiness to teach and reflect on his or her teaching. Applying aesthetic teaching methods just takes the teacher a step further in his self-driven professional development. One step at a time a teacher's reflection on his/her teaching can bring about several discoveries and can bring true change to an educational institution, and hopefully, the surrounding societal culture.

REFERENCES

All Africa (2016). *Uganda: Protect Teenage Girls from Early Pregnancies.* Available at: https://allafrica.com/stories/201605260183.html.

Amini, M. (2005). *Designing an optimal pattern of elementary artistic training and comparing it to the status available (Unpublished Masterís thesis).* Tehran: Tarbiat Modares University.

Anttila, E. (2018). Art Education Promotes the Development of the Child and Society. In L.P. Michiel Matthes, *Improving the Quality of Childhood in Europe* (pp. 61-72). Brussels: Alliance for Childhood European Network Foundation. Available at: http://www.allianceforchildhood.eu/files/Improving_the_quality_of_Childhood_Vol_7/QOC%20V7%20CH05%20DEF%20WEB.pdf.

Chou, M.J., Cheng, J.-C., & Cheng, Y. (2016). Operating classroom aesthetics reading environment to raise children's reading motivation universal. *Journal of Education Research.* Vol. 4(1), pp. 81-97.

Dawson, K., & Lee, B.K. (2018). *Drama Based Pedagogy: Activating Learning Across the Curriculum.* Chicago: The University of Chicago Press.

Dewey, J. (1934). *Art as experience*. London: Perigee Books.

Dewey, J. (1985). The Middle Works. In J. Boydstone, & J. Boydstone (Ed.), *Democracy and Education*. Vol. 9, p. 170. Carbondale and Edwardsville: Southern Illinois University Press.

Dewey, J. (1989). Art as Experience. In J. Boydston, *John Dewey*. *The Later Works*. Vol. 10. Carbondale and Edwardsville: Southern Illinois University Press.

Dewey, J. (2008). Experience and Education. In J. Boydston, *John Dewey*. *The Later Works*. Vol. 13. Carbondale and Edwardsville: Southern Illinois University Press.

Eslamian, H., Jafari, S.E., & Neyestani, M.R. (2017). Investigating the Effect of Teaching Aesthetic Skills to Faculty Members on Development of Their Effective Teaching Performance. *Journal of Teacher Education for Sustainability*. Vol. 19(2), pp. 90-106.

Garrison, J. (2010). *Dewey and Eros: Wisdom and Desire in the Art of Teaching.* New York & London: Teachers College Press.

Girod, M., Rau, C., & Schepige, A. (2003). Appreciating the beauty of science ideas: Teaching for aesthetic understanding. *Science Education.* No. 87(1), pp. 574-587.

GoVisitKenya. (n.d). *Karamojong People and their Culture in Uganda*. Available at: https://www.govisitkenya.com/karamajong-people.html.

Greene, M. (1995). *Releasing the imagination: Essays on education, the arts, and social change.* San Francisco, CA: Jossey-Bass.

Henrich, A., & Ntenga, M. (2017, August 1). *Teenager pregnancies: Devastating Consequences*. Retrieved from Development and Corporation: Available at: https://www.dandc.eu/en/article/uganda-teenage-pregnancies-are-causing-lots-suffering.

Hobbs, L. (2012). Examining the aesthetic dimensions of teaching: Relationships between teacher knowledge, identity and passion. *Teaching & Teacher Education*. Vol. 28, pp. 718-727.

Kaelin, E.F. (1989). *An Aesthetics for Art Educators.* New York: Teachers College Press.

Knighton, B. (2005). *The Vitality of the Karamojong religion: Dying tradition or living faith?* Routledge: London.

Knighton, B. (2006). Orality in the service of Karamojong autonomy; Polity and Performance. *Journal of African Cultural Studies*. Vol. 18 (1). pp. 137-152.

Kokkos, A. (2011). Transformative learning through aesthetic experience: Towards a comprehensive method. *Journal of Transformative Education*. Vol. 8(3), pp. 155-177.

Lirri, E. (2016). Girls struggle to complete schooling in Uganda's nomadic Karamojo region. Available at: https://www.reuters.com/article/us-uganda-education- karamoja/ girls-struggle-to-complete-schooling-in-ugandas-nomadic-karamoja-region- idUSK CN0ZO12K.

Florman, M. (2016). *The Acholi of Uganda*. Available at: http://www.markflorman.com/wp-content/uploads/2016/03/Acholi-a.pdf.

Medina, Y. (2012). *Critical aesthetic pedagogy: Toward a theory of self and social empowerment*. New York: Peter Lang.

Pourhosseyni, M., Sajjadi, M., & Imani, M. (2014). Explanation of Dewey's view indications about art and aesthetics for teaching and learning process. *Research in School and Virtual Learning*. Vol. 2(7), pp. 83-100.

Reid, E.S. (2009). Teaching writing teachers writing: Difficulty, exploration, and critical reflection. *College Composition and Communication*. Vol. 61(2), pp. 197-221.

Schulman, L.S., & Schulman, J.H. (2004). How and What Teachers Learn: A shifting perspective. *Journal of Education*. Vol. 1-9.

Selby, D. (2019). 19 people in Uganda arrested after reports of women forced to undergo FGM by gangs. *Global Citizen*. Available at: https://www.globalcitizen.org/en/content/uganda-fgm-arrests-gang.

The Peace for Paul Foundation. (n.d). *Who are the Karamajong?* The Peace for Paul Foundation, Available at: https://peaceforpaul.org/karamojong.

Webster, S.R., & Wolfe, M. (2013). Incorporating the Aesthetic Dimension into Pedagogy. *Australian Journal of Teacher Education*. Vol. 38(10), pp. 21-33. Available at: http://dx.doi.org/10.14221/ajte.2013v38n10.2.

Weitz, M. (1972). What Is Aesthetic Education? *Educational Theatre Journal*. Vol. 24(1), pp. 1-4. doi: 10.2307/3205383

1.2 THE PROBLEM OF TEACHING NON-SEXIST STYLE OF ENGLISH AND AVOIDANCE OF LINGUISTIC SEXISM IN TEACHING PROCESS

Introduction: Language is an outcome of social activities and an instrument of gender and identity formation and, further its development. Since language is a social tool, judgment is an inherent practice in its use; as judgment is an inevitable practice in any social setting. Gender is one of the most basic criteria of classifying people into groups (Bodine, 1975). Hence, language has always been an arena for gender identity construction. Discussing language and gender in the English language, one should speak about natural gender of nouns in the English language, social questions concerning gender related changes in language, and the new non-sexist terminology to replace or provide other options to sexist forms (Hayes, 2000).

Sociolinguistic studies define a number of factors that influence the way people speak and are spoken off. It depends on the points like social class, education background, a neighborhood a person grows in, occupation, upbringing and many other factors. All these factors play a major role in defining our speech acts and linguistic varieties we select to communicate (Bevik, 2013).

An overview of language and gender studies: The studies of language and gender show that the meanings are originated by language, emphasizing the fact that linguistic features are not explicitly related to individual's characteristics, such as sex (Litosseliti, 2013).

In last decades, there have been important actions taken in order to get rid of biased interpretations of sexes and language discrimination guidelines (for example, *The Linguistic Society of America Guidelines for Nonsexist Usage*). Hence, language changes should be reflected and activated in all spheres of our discourse practices like legal, educational or social practices.

Before discussing gender, sex, language, and sexuality in language, which are the concepts of sociolinguistic study, one has to define the terms properly. By sex categories we mean a biological distinction between males and females. On the other hand, gender also based on a biological distinction, does not always refer to sex categories (Cameron, 1992). Moreover, it is something more – it is how people *do* it meaning how people identify and develop themselves in society. Nevertheless, gender is something people *do* rather than some feature people *have*.

Referring to the works of famous feminists like Frank (1989) and Spender (1998) languages are sexist, and, one might claim that the world itself is represented from the masculine point of view, and, accordingly, it creates the base of the language bias and stereotypical beliefs of the opposite sex. The biased concerns of the portrayals of men and women in stereotypical positions, marking men as generics, while relegating women to the unmarked category by making them suffer a linguistic discrimination. As for Cameron (1998), sexism in language is not simply to label the world from man's perspectives, but it is rather how specific subsystems represent gender, and whether it is about masculine terms or suffixes indicating femininity. Cameron (1985) mentions that "*in the mouths of sexists, language can always be sexist*". Feminist language reform is aimed to achieve social changes in the community which in its

turn seeks for equity and equality (Cameron, 1992). English is most commonly used pluricentric language in the world with its modern grammatical gender free language system. Sexist language is the one that displays bias in favor of one sex over another, and thus, treats the other sex in a discriminatory way. In most cases, this bias is in favor of men and against women (Cook, 2003).

Gender is in fact a matter of social development that does not have to respond to the traits assigned for biological sex of a person, hence, it generally does. However, important note has to be made here: it should be agreed to what extend biological and social sex make difference, and to what extend these two agree that it is just an outcome of culture and society practices.

Avoidance of linguistic sexism and its inclusion in the teaching process: Education is a powerful tool that promotes an arousing opportunities of new roles for women and men as well as new ways of making use of language that demonstrates changes that have happened in community during the last past decades (Davies, 2007).

Linguistic sexism implies the relationship between language and gender. Language is considered to be a tool of communication and a means of knowledge of the world. Language is a dynamic and reflexive domain; as a result, it expresses all changes in society and in its turn, it leads to the changes in society. Society is built upon values, and language is a reflection of those values (Eckert, 2003).

Common examples of linguistic sexism are found in the works of Spender (1995) and Doyle (1998): address forms and titles, morphological marking (female suffixes: *actor – actress, waiter – waitress*, etc), a considerable amount of derogative terms referred to women, *he/man* and their generic meanings, job titles, and occupational inclinations and tendencies.

Sexist language is considered to be any language that is supposed to include all people, but, un/intentionally, excludes gender – either masculine or feminine. Sexist language is common in job or occupation titles, e.g. all *doctors* are men or all *secretaries* are women. Besides, sexism is viewed to be engraved in the morphology of language. There has been a gender marking in agent nouns in the English language, which has treated men and women differently (Larsen-Freeman, 2000). This fact states that naming practices for males and females are often asymmetrical. The base structures of English words seem to always have masculine meanings referring to the fact that feminine terms are created through adding derivational morphemes. Another classic example of linguistic sexism in English might be easily witnessed in the pronominal pronoun usage: when masculine pronouns *he, his, him* are referred to a person of either sex. When such terms are applied, the misinterpretation and miscommunication comes onto the stage by vividly eliminating females from consideration. Nonsexist language practice is any verbal or nonverbal communication that does not assign any female or male roles referring to their biological sex (Wardhaugh, 2006). *Man* and *he* are probably the most frequent masculine generics to be found in English, the forms that denominate masculine sense, however, are still applied to refer to both genders, hence, leading and provoking ambiguity. The ideology of male superiority supports the idea that being human equals to being male (Eckert,

2003). A lexical gender is an essential measure factor in the framework of kinship terminology, address terms, and a number of primary and commonly used personal nouns. It is worth mentioning that language becomes gendered because of various linguistic asymmetries and false generics, which portray the status of women and men in different ways. Gender asymmetry is expressed when gender is lexically marked, even though it is necessary to do it (e.g. *steward/stewardess*). Societal gender fairness is probably concerning the ability to decrease sexism in language, gender unfair treatment and stereotypes tied up to gender (Bevik, 2013). Semantic gender is most commonly recognized in genderless languages. Semantic gender in the form of referential gender (noun or pronoun's gender) refers to the actual gender use of the referent. Semantic gender may often be linked to inanimate nouns, for instance, there is a concord that *ships* in English are feminine gender, and as a result, they are addressed as *she* (Sunderland, 2000).

Educational environment plays a major role in the construction and the reproduction of a range of gendered norms and identities. Classroom activities require students to interact with each other, which leads to collaborative talks. Martyna (1980) mentions that in educational materials, e.g. the sex-specific *he* shows up five to ten times for every single generic *he*. The disagreements concerning teaching nonsexist language use breaks into two groups: (1) there are explicit social senses for proceeding to apply and teach the use of sexist language; (2) there is correspondingly solid position of teaching accuracy in language use. Language teaching needs to be aimed to provide learners with an explicit, unambiguous and concise language use, once again pointing out to the fact that there is nothing precise concerning referring females through generic *he/man* forms. Educational materials, which cross out against stereotypical elements for females and males, are among the instruments educators and scholars are questioned to produce for learners (O'Grady, 1997).

Schau and Scott (1986) have studied instructional materials to define if sex-neutral language materials contribute in developing gender balanced references without harmfully influencing the reading comprehension of learners. They discovered that rather than having a negative impact, sex-fair materials had quite positive results. Moreover, their observations showed that students' learning outcomes got better, and that sex-fair language materials did not impede with either boys or girls' learning outcomes. They concluded that instructional materials present numerous sex role models for their learners, as a result, these materials affect their learning comprehension. However, it is important to mention that gender-unspecified language does not always guide to gender fair beliefs. It is notwithstanding to mention that learners revealed to sex-fair materials progress less *traditional* sex-role outlooks. Therefore, the more sexist elements are found in educational materials, the more sexist attitudes might develop among learners.

The *aim of the article* is to research the existence of gender-related problems of teaching and learning of English pronominal usage in ELT settings.

The *main task for the research* is (1) to explore the influence of *he/man* approach in current days in English classroom; (2) to review stereotypical features of men and women in educational materials; (3) to suggest the ways of making gender-exclusive language a gender inclusive one.

Research methods and materials: For this particular piece of research, the quantitative research approach was applied with the purpose of ensuring the research paper with validity and reliability. Based on the responses gained through the application of a questionnaire, the research attempts to study, investigate and examine the problem of teaching non-sexist style of English in contemporary English language classroom, and stereotypical traits bound up around men and women's language interpretation. With the purpose of discovering the main solutions of the pointed problems, the scientific works of the question in point: (Romaine, 1982). *Women, Men and Language: A Sociolinguistic Account of Gender Differences in Language*, Margaret Piercey *"Sexism in the English Language Classroom"* (Bodine, 1975). *Androcentrism in Prescriptive Grammar: Singular 'They', Sex-Indefinite 'He', and 'He or She'. Language in Society*, and Daryen Vandeputte *"Language Variation and Gender through the 20th Century, a Historical Study"* were analyzed and explored.

The *research tool* was the questionnaire that was conducted and sent via email to 25 English language educators in Georgia. The research employed a purposeful selection method, where 25 English language teachers from Georgia interested in the field of the study in point volunteered to participate in the survey. It is important to mention that the research provided the participants with confidentiality, where all necessary permissions were obtained. There were 8 statements in the questionnaire where the English language teachers had to make a choice whether they *agree, strongly agree, disagree,* or *strongly disagree*. The responses were analyzed and presented in the charts in appendix. Research findings are considered to evidence the validity and reliability of the research hypothesis.

Data analysis and results: Referring to the responses collected from 25 English language teachers regarding the problem of teaching non-sexist style of English, the overall feedback concerning eight statements in question are presented in the bar chart below.

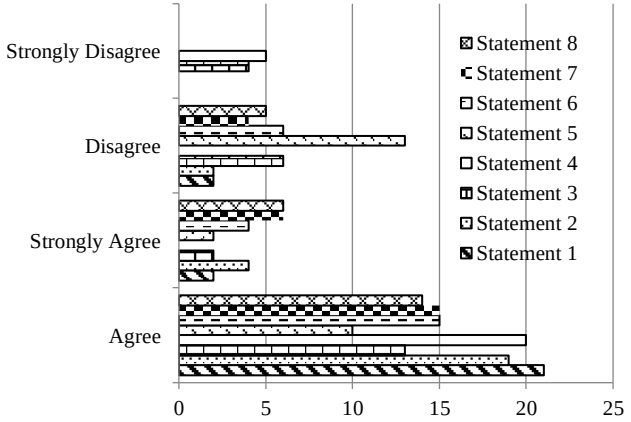


Figure 1: Overall Feedback from 25 English language teachers
Source: presented results are based on author's research

With regard to the first statement that states that sexist language practices might limit learners' thinking and understanding, almost all participants (21 out of 25) agree with it, which means that sexist language should be eliminated from educational sector. In the reference of the second statement that mentions that language is a pure outcome of social activities and is an instrument of gender and identity formation, and, further its development, 19 participants agree with this statement, while only 2 subjects do not agree, that once again indicates to the fact that language is a reflection of society it dwells in. Concerning the third statement that is about man having a power and superiority over woman that serves a base of language discrimination against females, the opinions seem to be split, which might be explained by the current campaigns of raising awareness of gender free language policy. Almost all participants (20 out of 25) agree with the statement that mentions that by sex categories we only mean a biological distinction between males and females by stating that there is only one biological distinction – either males or females.

As for the fifth statement which states that stereotypical features of men and women in educational materials have a negative impact on learners' academic outcomes, it seems that majority disagrees with this point, which might be explained by the fact that modern English language textbooks have become more gender neutral. According to the participants' replies, concerning the statement six which is about *he/man* approach – referring to both sexes interchangeably, existence of sexism in language is a current day teaching problem in English language classroom, with which the majority agrees that it is an existing obstacle in current day English classroom. With the respect to the seventh statement that alludes that the necessity of arising awareness of neutrality in language is needed not only among females who search for equality and equity with respect to language and gender, but also among many members of transgender communities, most participants either agree or strongly agree, while only 4 participants disagree with this statement, which might point to the fact that contemporary language practices need to include all people in active language use despite their sex/gender differences. And finally, the last statement which states that the more sexist elements are found in educational materials, the more sexist attitudes develop among learners, there is still major number of participants who agrees with this statement that once again highlights the fact that sexist language exists and it creates obstacles in language teaching.

Referring to responses collected from 25 participants of the research study, in general, the participants believe that gender has a great role in English language classroom. Moreover, culture is considered to be an influential factor in establishing language learning environment.

Teachers have to be aware of the fact that they need to allocate significant amount of time to sociolinguistic variation and critical awareness. Moreover, teachers need to teach all language varieties and alternatives of gender neutral language practices. A great attention should be given to teaching learners about the importance of the gender neutral forms to study and apply in language use.

Conclusion: With regard to linguistic change as an important role in social change, it obviously tries to draw relations between gender-related linguistic phenomena and

gender inequality or discrimination in language teaching. The research of language and gender presents that the meanings are created by language, emphasizing the fact that linguistic characteristics are not distinctly associated with individual peculiarities, such as sex, hence, there are diverse gender ideologies that build up day-to-day communications and practices, and present them in a sensible manner of social practices. The paper has given the insights of existing teaching problem of non-sexist style of language teaching for analyzing the connections between language and gender studies in contemporary global community.

REFERENCES

Bevik, C. (2013). *The Assessment of Gender Pronouns in Relation to Gender Stereotypes and Sexism.* Lunds University. Copenhagen.

Bodine, A. (1975, August). Androcentrism in Prescriptive Grammar: Singular 'They', Sex-Indefinite 'He', and 'He or She'. *Language in Society.* Vol. 4(2), pp. 129-146.

Cameron, D. (1992). *Feminism and Linguistic Theory* (1st ed.). Kings Cross London: Palgrave Macmillan UK.

Cook, G. (2003). *Applied Linguistics* (1st ed.). Hong Kong: Oxford University Press.

Davies, A. (2007). *An Introduction to Applied Linguistics* (2nd ed.). Northampton: Edinburgh University Press.

Eckert, P. (2003). *Language and Gender.* New York: Cambridge University Press.

Hardman, M. (1993). Derivational Thinking, or, why is Equality So Difficult? *Cincinnati, University of Florida*, pp. 250-263.

Hardman, M. (1993). Gender Through the Levels. *Women and Language.* Vol. 16(2), pp. 42-49.

Hayes, C.G. (2000). A Brief Writing Assignment for Introducing Non-Sexist Pronoun Usage. *TETYC*.

Larsen-Freeman, D. (2000). *Techniques and Principles in Language Teaching* (2nd ed). New York: Oxford University Press.

Thomas, L.S.W. (2004). *Language, Society and Power: An Introduction.* London and New York: Routledge.

Litosseliti, L. (2013). *Gender and Language: Theory and Practice*. London & New York, New York, USA: Routledge.

O'Grady, W. (1997). *Contemporary Linguistics.* (3rd ed). Boston: Omega Publishing Services.

Otlowski, M. (1997). *Voluntary Euthanasia and the Common Law* (1st ed). New York: Clarendon Press Oxford.

Prewitt-Freilino, J.C. (2012). The gendering of language: A comparison of gender equality in countries with gendered, natural gender, and genderless languages. *Sex Roles*, Vol. 66.

Romaine, S. (1982). *Women, Men and Language: A Sociolinguistic Account of Gender Differences in Language* (3rd ed.). London: Routledge Linguistics Classics.

Spencer, J. (1986). *The Rise of the Woman Novelist- from Aphra Behn to Jane Austen.* New York: Blackwell.

Sunderland, J. (2000). Issues of Language and Gender in Second and Foreign Language Education. *Language Teaching*, Vol. 33(04), pp. 203-223.

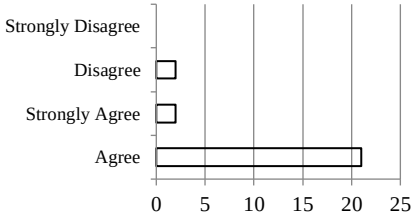
Tannen, D. (1993). *Gender and Conversational Interaction* (2nd ed). New York, Oxford: Oxford University Press.

Wardhaugh, R. (2015). *An Introduction to Sociolinguistics* (7th ed). Oxford: Wiley Blackwell.

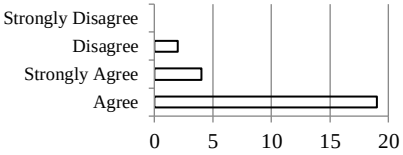
Wardhaugh, R. (2006). *An Introduction to Sociolinguistics* (5th ed). Victoria: Blackwell Publishing.

APPENDIX

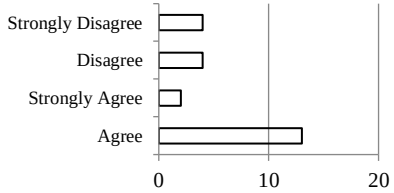
Statement 1: Sexist language practices might limit learners' thinking and understanding



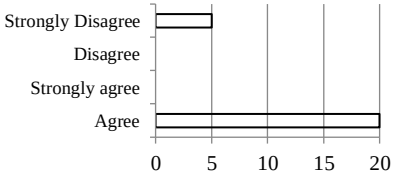
Statement 2: Language is a pure outcome of society activities and an instrument of gender and identity formation and, further its development



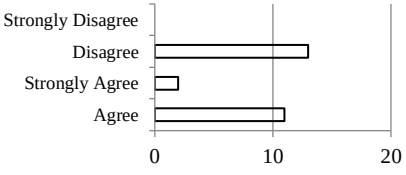
Statement 3: Man has a power and superiority over woman that serves a base of language discrimination against females



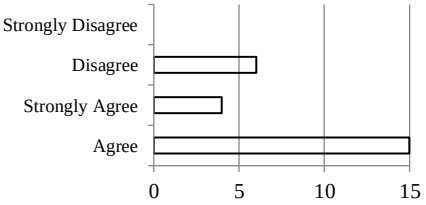
Statement 4: By sex categories we only mean a biological distinction between males and females



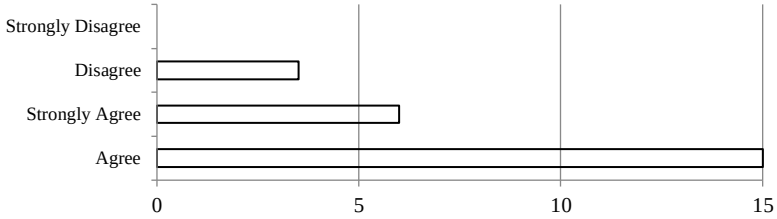
Statement 5: Stereotypical features of men and women in educational materials have a negative impact on learners' academic outcomes



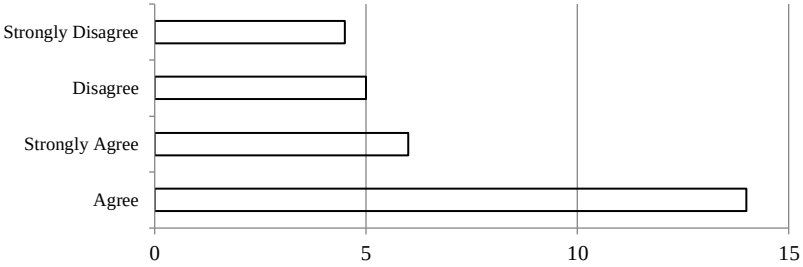
Statement 6: He/man approach – referring to both sexes interchangeably, is a current day teaching problem in the English classroom



Statement 7: The necessity of arising awareness of neutrality in language is needed not only among females who search for equality and equity with respect to language and gender, but also among many members of transgender communities



Statement 8: The necessity of arising awareness of neutrality in language is needed not only among females who search for equality and equity with respect to language and gender, but also among many members of transgender communities



1.3 NEW PRODUCT DEVELOPMENT
(Academic Management)

Introduction: As the world economy becomes increasingly knowledge-based and global, work will continue to grow more, not less, specialized and complex. So, management will play a larger role. Indisputably, *"Effective LTOs are not static; they are learning organizations*" (White et al, 2008) therefore, they need to be managed and customers have to be satisfied. Consequently, "*The DoS* (Director of Studies) *juggles a multitude of different tasks as he or she leads the college towards its strategic goals*" (Waijnryb, 2012, p. 56). Accordingly, *Managers are pressured to "solve problems", "make decisions", "run the business"* (Watson, 1994, pp. 12-13).

The role of Academic Managers (*AMs*) is tasked primarily with meeting the needs of stakeholders. This involves making a profit for them, creating valued products at a reasonable cost for customers and providing rewarding employment opportunities for employees. *AMs* coordinate the activities required to meet quality standards, ensure that the product or service an LTO provides are aimed at the mail goal, is consistent and meets both external and internal requirements. They liaise with other managers and staff throughout the organization to ensure that the quality system is functioning properly. Therefore, such communication skills as an idea formation, message encoding, message transmission, message decoding, and feedback are critical to the LTO success. Good *AMs* listen and negotiate solutions by controlling:

- *Quality Management*, which advises on changes and their implementation and provides training; tools and techniques to enable others achieve quality. By following the PDCA cycle-*plan, do, check, act*, quality management process is easily achievable;

- *Curriculum Management*, where *AMs* raise standards in the subject area through the wide range of strategies including an appropriate and effective subject curriculum promoting the use of teaching and learning processes, setting teachers/students challenging targets and then monitoring the performance of teachers and students to ensure those targets are met;

- *Course Development*, where *AMs* research LTO needs and drafting course outlines. During the research phase they review multiple variables, such as corporate structure, employee knowledge base, employee training and deadlines. After training course creation, developers test these courses to verify they are effective. Each group completes a course they often fill out surveys. Answers from these surveys allow course developers to adjust training modules needed.

All abovementioned helped in LTO and the Head of English Department at British International School of Tbilisi – British Georgian Academy (BGA) Tbilisi, Georgia to manage successfully the *New Product Development* (NPD). LTO is a place which requires a high responsibility, constant thinking and creativity.

Situation analysis*:* *School Profile*

History	In 1989 International House Tbilisi became the first IH World Organization affiliated school in Georgia
Current State	The largest English language school in Georgia

Courses offered	General English; Intensive and ESP teaching, preparation for Cambridge Examinations; IELTS/TOEFL, and Teacher Training (CELTA/DELTA, etc)
Age groups	The minimum age for adult classes is 16. Classes for children and teenagers from the age of 6 to 15 are also available
Facility	The school has 15 classrooms, a lending library, computer self-access room, bookshop and café
Capacity	393 students, 10 local and 7 foreign teachers, DoS, ADoS, and Coordinator

The chart (appendix 1.1) shows the stability of *Young Learner* (*YL*) department groups over the years. In 2009, the largest student amount are adults with twenty-five groups, whereas *YL* has only twenty groups. However, in 2010-2012, the number of adult classes has declined due to political changes and lots of competitors on the market (see STEP and SWOT-analysis, appendix 1.2-1.3), while *YLs* remained more stable ranging from about eighteen to sixteen groups. Both categories have accounted for about 17-19 groups in 2013 and 2014 is shown.

As Graddol (2006, p. 10) observes "*English learners are increasing in number and decreasing in age*". The STEP analysis in an appendix 1.3 shows the influences for changes occurring in Georgian society. It depicts that from 2011 English lessons are compulsory in Georgia and as teachers in school are Georgian, parents perceive a need for additional English lessons for their children with native English Speakers. Therefore, student's capacity in LTOs are growing. A rapid rise in studying has been seen during recent years at IH Tbilisi. Consequently, the school is faced with the issue of growing *YL* department. The SWOT matrix (appendix 1.2) indicates threats that impact on the product portfolio needed for *YLs*. Investigating an area for course provision for presecondary school *YLs*, needs are fixed. Those who want to learn English as a foreign language need to do it systematically.

Considering the results Georgian under 12s students, they struggle with spelling and decoding words (appendix 3.3). First of all, students should learn the sounds and listen to them carefully. "*To become skilled, fluent readers, children need to have a repertoire of strategies to draw on. These strategies include using a knowledge of sound-spelling relationships – in other words, an understanding of phonics*" (Blevins, 2018). The phonics play a key role in helping students comprehend text, increases reading fluency and improves spelling ability.

Implementing a new course in phonics for presecondary school, *YLs* could be beneficial for LTO in both the short run and the long run. It will be a good respond to the customers' demand (appendix 1.2).

When designing a Phonics course for *YLs*, lessons must be enjoyable and fun; topics should be interesting to the learners; activities must be challenging as shown in the survey results (see appendix 3). 83.3% of responded students find phonics fun; 79.1% of them want to have more phonics lessons; 87.5% of parents agreed that their children enjoy phonics and the majority strongly agreed that phonics classes might represent good value for money. It would also (a) enable IH to maintain its position

as a leading LTO, as phonics has not been given proper exposure among competitors (see SWOT analysis, appendix 1.2); (2) IH would be the first to introduce this new product and to gain the leadership and significant market share.

Change proposal and course plan: The situation analysis has emphasized that Georgian parents are concerned about their children's education (see STEP analysis, appendix 1.3). They want their children to learn English and thus, to be more successful. Appendix 1.3 highlights how Georgians struggle with spelling and pronunciation. People are not fully informed of the benefits to study phonics especially to children. Some teachers are also lacking the experience of understanding and teaching phonics (see SWOT matrix, appendix 1.2). Therefore, *AMs* should help English teachers gain a much better understanding of what phonics is and how it is related to all aspects of learning English, which will improve job satisfaction and increase motivation among the staff. Consequently, our Change Proposal is to provide a high-quality service for children and parents, which will give LTO a competitive edge. Proposed Course Plan (appendix 1.4) is to introduce a new product, English phonics, for presecondary YLs, three times a week 90 minutes for 6 weeks, as well as training teachers for the team and consulting for parents.

Aims and Objectives: An implementing a new course will have a number of effects for the LTO. The objectives of the change proposal are: (a) new customer acquisition and increased market share; (b) enhanced reputation and higher market profile; (c) higher progress rate to other IH courses.

Consequently, IH's primary goal is to maintain its position as a leading LTO by providing a high quality service for children and parents; being the first to introduce the new product and gain the market share. As IH Tbilisi wants to grow by 20% and become a key *YL* course provider, an opportunity for opening *YL* preschool (for children aged 6 and under) classes will be also the strategy for the long run.

Strategic Management: An implementation of a strategy, the comprehensive collection of ongoing activities and processes that LTO uses to coordinate and align resources and actions with mission leads to the successful Strategic Management. Kotter (1996) highlights that "*Leaders establish the vision for the future and set the strategy for getting there"*. To set priorities, focus energy and resources, ensure that employees and stakeholders are working toward the common goals, assess and adjust the LTO's direction in response to a changing environment Strategic Planning is needed. It is a disciplined effort that produces fundamental decisions that shape and guide what LTO is, what it does, why it does and where does it want to be in the next 3-5 years? The strategic perspective of IH is to increase customers' satisfaction of both children and their parents. Richards (2001) asserts that in order to achieve general aims, it is necessary to have more specific and concrete descriptions of goals, i.e. the course objectives. LTOs do not become market leaders by chance. It takes vision, careful planning, outstanding quality and a committed, highly trained staff. The word "strategy" has become commonplace. However, its understanding is different from organization to organization. The majority of LTOs associate the abovementioned term with the following ideas: (1) plans and planning; (2) anticipating and forecasting

the future; (3) Competing and being competitive; (4) Organizing to compete. It seems that these ideas are relevant to strategic management, but they do not provide a sufficient basis for appreciating the reality of LTO's strategies and how they are implemented. It is helpful to involve many people so everyone is on the same level and the objectives are mutually supported. At IH Tbilisi, we "do" strategy by observing actions and by carrying out systematic, empirical research (appendix 1.4). As Hebb (2019) observes a "Flow Chart is a Snap Shot of your Business Process" and shows how processes are designed. Appendix 1.4 clearly highlights curriculum strategies and planning; monitoring and evaluation surveys; CPD, leadership, problem solving, data analysis.

Project Management: It seems that disciplined project management starts its portfolio level, where strategic vision drives initial investments and where financial value measures. As Kertzner (2009) highlights "*project management can mean different things to different people. ... Project management is designed to make better use of existing resources by getting work to flow horizontally as well as vertically within the company"*. Good project management discipline stops us from spending money on projects that fail.

Change Components: Both an *introduction* to this article and *Situation Analysis* showed that we have a demand for the new product. This change is important, because businesses would likely lose their competitive edge and fail to meet the needs of loyal customers. This Change should be introduced, managed and reviewed. Any change isn't easy. That is why the components of our successful change should include: (a) a new ground-breaking course in the *YL* portfolio; (b) an establishment of a trained specialist team; (c) the promoting this course to existing and potential new customers; (d) the commitment of managers to this growth area.

It is unarguable that change can be threatening and disruptive. However, if the staff will be managed actively to change and retrain, it could succeed the change components. Different ways of how to manage change include: *Beer's Model* of Change (influencing the way we think and behave); *Shaw's Model* of Change (an on-going process) and *Lewin's Model* of Change (moving from one state to another).

Change Management: In our understanding the successful changes take five elements:

(1) Vision: a clear direction of what we want and where we need to be.

In 1995, "*Leading Change*" Kotter (1996) posits his eight-step change process that without a sensible vision, change efforts can dissolve into a list of confusing projects that take organization in the wrong direction. Our Change Proposal clearly highlights what LTO wants and where it has to be.

(2) Skill: people have or can acquire the appropriate abilities to change.

The training for teachers are required, as it will ensure there is a pool of teachers available to teach *YLs* as a course increase and ensure a high quality delivery.

(3) Will: team members are motivated to develop.

Being able to mobilize the individual change necessary for an initiative to be successful and deliver value to the organization is the key of the change management.

An initiative is only successful when team members change their daily behavior and workflow. Accordingly, we need a dedicated *YL* department.

(4) Resource: to do the work of transformation.

Having the course plan and information for different administrators, dedicated *YL* brochure, briefing notes for the marketers will help to promote our ideas. This includes contacting the publishers (*Pearson Longman* in our case) and negotiating the phonics package with them. It will ensure that our *YL* resource bank is rich and is ready to be promoted on the market.

(5) A plan: to make it happen.

As managers implementing change, we need to be aware of possible responses to change. The strategic importance of this management role in the development of the organization is in encouraging better communication and developing an internal communications' strategy. Motivation also plays a critical role in achieving goals and implementing change. It is crucial that we as managers know our staff and what motivates them. "If we know our staff, then we know when to timetable them into courses that move them out of their comfort zones" (Dunlop, 2013, p. 10).

Action plans implementation: The main stages that LTO ensues in preparing an action plan are as follows:

(1) Have a clear objective.

Both Situation analysis and Change Proposal unambiguously highlights *where we are now* and *where do we want to be?*

(2) The benefits an LTO would gain by achieving the goal.

As IH Tbilisi wants to grow by 20% and become a key provider of *YL* courses, a new product will give IH a competitive edge.

(3) Clearly defining the steps that should be taken and *how to get there?*

Our project management now is now on the stage, where we are introducing the Communication Matrix (appendix 2.1) followed by the Action Plan (appendix 2.2) for the new course, Phonics. To deliver the project on time and to the budget, the Action Plan will need to be adopted by defining all necessary actions and assigning responsibility to individuals for delivering these actions within agreed timescales. After producing the action plan, it needs to be reviewed regularly to ensure that actions are being completed. Kertzner (2009) claims that "*in order for a continuous stream of successful projects to occur, there must exist a strong corporate commitment to project management, and this commitment must be visible"*.

(4) Take action by implementing the plan.

In our case, the PDCA Cycle is very useful tool for the successful NPD. As it provides an effective approach for problem solving and managing change, ensuring that ideas are appropriately tested before committing to full implementation.

Management Styles: Change Proposal shows that any successful organizational change, whether operational or strategic, relies on clear vision, effective communication and their interdependence. It also describes what impact the Change Proposal will have on different internal and external stakeholders. An Action Plan revealed the objectives, a concrete timetable (appendix 2.2) and set of clearly defined steps.

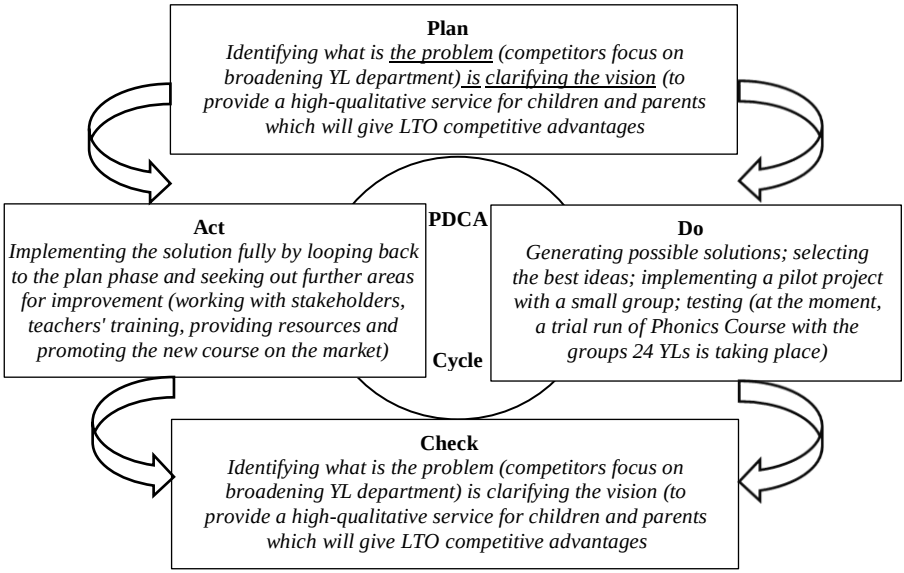


Figure 1: PDCA Cycle

Source: created by author

Currently, IH is at the stage of "*how to get there?"* To successfully implement change there, the combination of the following styles of management could be relevant, viz. *authoritative, democratic, affiliative and coaching.* Bednarz (2013) asserts that "*styles can be learned, and managers need to use a variety of them to be totally effective"*. Understanding and implementing the elements of abovementioned dimensions helps to lead an effective management. No matter what style is developed whether it is *coercive; authoritative; affiliative; democratic; pacesetting; coaching or laissez-faire* (Goleman, 2000), it will have a tremendous impact and influence on the work climate and workplace as a whole.

As the SWOT-analysis disclosed (appendix 1.2), teachers are very resistant to any kind of changes and lack the teaching Phonics experience are worsening an issue. By prioritizing the current stage in LTO, it is worth to apply *the affiliative style*, where *AMs* have ability to motivate their employees, value their emotions and understand what individually sparks each of them create wealth inside the organization, as well it leads to the better communications. The abovementioned style linked with *the democratic style* will allow teachers to get involved in the change process and adapt to the new ideas. Thus, all affected teachers are available to attend the planning meetings, as they will give the realistic idea of what they can and cannot accomplish. To maximize commitment to LTO's goals and to mobilize teachers toward a common vision, it is necessary to implement some elements of the authoritative approach. As the results of our research show, the Change Proposal Development (*CPD*) helps to reach objectives, improve skills and competence of teachers in the workplace. There is an evidence of a strong correlation between *CPD* and *the coaching style*. This style

is most effective on emphasizing long-term learning when teachers are fully aware of their weaknesses and want to improve their overall performance.

Communications and Teams: Both key implementing changes and continuous improvements are the effective tools to exchange the information between people and process, business and human dimensions towards a settled goal. Reasonably, the change management is one of the successful components to run successful projects:

(a) Effective Leadership: Leaders inspire staff to achieve a goal. Most authors agree that any changes require a good leadership. Kotter (1996) discusses the need to create a strong *'Guiding Coalition'* and the success of continuous improvement depends on managers' genuine ability to facilitate the appropriate environment;

(b) Attention to the people includes ongoing communications and teamwork. The SWOT-analysis (appendix 1.3) indicates that teachers are resistant to any kind of change. Round (2013) highlights *communication* as one of the key elements to managing change successfully. Usage the communication matrix tool (appendix 2.1) helps to involve teachers to a successful team. Kotter (1996) promotes encouraging the group of the people to work together as a team;

(c) Using systemic thinking creates opportunities to share assumptions and helps to understand how actions reflect the assumptions/beliefs about the system;

(d) Using and understanding processes by means of PDCA Cycle Model (*Figure 1*) it is easy to move from Planning to Doing via Checking to Acting.

Conclusion: It is obvious that good managers create a value for the organization; attract excellent staff; increase market share and profit by reducing cost; lead employees towards the goals; successfully plan and organize current and strategic activity; monitor and control actual changes; motivate and develop staff in order to satisfy current customers and to attract new ones.

As our situation analysis has shown, IH Tbilisi is faced with the issue for *YL* department growing, as justifiable demand is for the new product. Developing a new educational product, Phonics English course, will enable IH to maintain its position as a leading LTO and support advantages of being the leader by gaining the market. This course was requested by Georgian parents who had correctly perceived a gap in their children's English study at schools and a need for additional English lessons for their children (resulted in a STEP analysis). It is emerged that phonics, as an extra-curricular English activity, will play a key role in helping presecondary school *YLs* to comprehend text, increase reading fluency and improve spelling ability. Thus, students' learning objectives will be aimed at complementing their scholastic English experience, opportunities to improve reading and to gain autonomy from the teacher.

REFERENCES

Bednarz, F.T. (2013). *Management Styles*. Majorium Business Press.

Boddy, D. (2008). *Management: an introduction*. 4th ed. Harlow: Pearson.

Brace, I. (2004). *Questionnaire Design: How to Plan, Structure and Write Survey Material for Effective Market Research*. 3rd ed. Market Research in Practice.

Drucker, P. (1955). *The Practice of Management*. Harper Collins: New York.

Flesh, R. (1955). *Why Johnny Can't Read?* Harper & Collins: New York.

Goleman, D. (2000). *Leadership That Gets Results*. Harvard Business Review.

Graddol, D. (2006). *English Next*. British Council.

Handy, C. (1993). *Understanding Organizations*. 4th ed. Penguin Group, London.

Kertzner, H. (2009). *Project Management: A system Approach to Planning, Scheduling and Controlling*. 10th ed. Wiley & Sons Inc.

Kotter, J. (1996). *Leading Change*. Harvard Business Review Press.

Magretta, J. (2013). *What Management is how it works and why it's everyone's business*. Profile Books.

Morgan, G. (1998). *Images of Organization*: The Executive Edition. SAGE Publishing, Thousand Oaks, London, New Delhi.

Richards, J.C. (2001). *Curriculum Development in Language Teaching*. Cambridge: Cambridge University Press.

Watson, G. (1994). Business Systems Engineering: Managing Breakthrough Changes for Productivity and Profit. Wiley & Sons Inc.

White, R., Hockley, A., van der Horst Jansen, J., & Laughner, M. (2008). *From Teacher to Manager: Managing Language Teaching organizations*. Cambridge University Press.

Follet, M.P. (2003). *Creating Democracy, Transforming Management*. Yale University Press, New Haven and London.

Dunlop, F. (2013). CPD: *An Integrated Approach. Leadership and Management*. SIG Newsletter.

Round, J. (2013). *The Challenge of Change. Leadership and Management*. SIG Newsletter.

Blevins, W. (2018). *Understanding Phonics.* Available at: http://www.scholastic.com/teachers/article/understand-phonics.

Hebb, N. (2019). *What is a flow chart?* Available at: http://www.breezetree.com/articles/what-is-a-flow-chart.htm.

Menken, I. (2018). *"Choosing the Model of Change Management in your organization"* Available at: http://theartofservice.com/choosing-the-model-of-change-management-in-your-organization.html.

Communications Matrix. NHS Institute for Innovation and improvement (2008). *Action Planning.* Available at: http://www.institute.nhs.uk.

Balanced Scorecard Basics. Strategy Management Group (2018). Available at: https://balancedscorecard.org/Resources/AbouttheBalancedScorecard/tabid/55/Default.aspx.

Leadership styles. The Wall Street Journal. Available at: http://guides.wsj.com/management/developing-a-leadership-style/how-to-develop-a-leadership-style/?mod=WSJ_management_howtoguide.

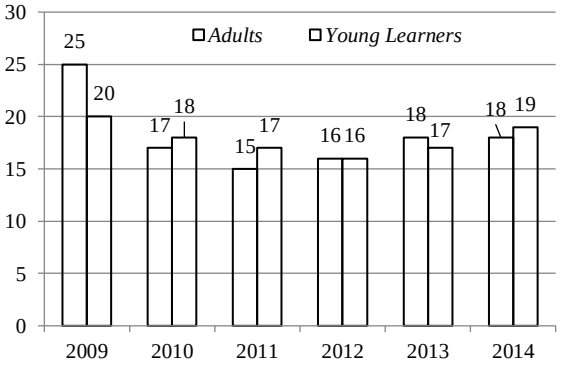
Trochim, W. (2006). *Selecting the Survey Method*. Available at: http://www.social researchmethods.net/kb/survsel.php.

Mind Tools – Essential Skills for an excellent career. Stakeholder Analysis (2018). Available at: http://www.mindtools.com/pages/article/newPPM_07.htm.

APPENDIXES

Appendix 1: Situation Analysis Results

Appendix 1.1
YL Stability (2009-2014)



Appendix 1.2
SWOT-Analysis

Internal	*External*
Strengths	*Opportunities*
School image (reputation, recognition of certificate, brand awareness); Location (centrally located, easy to reach); Organizational structure (defining clear framework, effectively choosing leaders and making effective decisions, all employees, from part-time to the top-management know what they are responsible for); Management (listeners, team builders, win-win negotiators, promoters of new ideas); Staff (experience, knowledge, quality of teaching); Current students (performance, motivation, learning evidence); Sales staff with good relationship with customers; Loyal clients; Excellent record keeping (level tests, placement tests, work records, student records); Competitive rate	Similar products on the market are not as reliable or are more expensive; New educational product *English Phonics* could be on the market for the summer course or September (no other schools have); Customers demand, have asked sales staff for opening classes for preschool learners (age 6 and below)
Weaknesses	*Threats*
Teachers are very resistant to any kind of change; Limited resources for *YL*; Sales staff not enough knowledge of existing products; Lack of internal communication; Poor marketing; Teachers (lack of experience related to YL and Phonics)	Competitors (British Council, Education and Training International, small LTOs) have launched a new advertising campaign and focused on broadening *YL* department; Teachers (might be headhunted by the competitors)

Appendix 1.3
STEP Analysis

Political	*Economical*
In 2010 inspired by the President of Georgia's call for a year of education, the Ministry of Education and Science of Georgia designed TLG Teach and Learn with Georgia. The primary goal of TLG is to improve the English language skills of Georgian students. TLG brings Native English speakers to volunteer in Georgian schools and live in Georgian communities, serving as language teachers, communication partners and cultural ambassadors. From September 2011 former Education Minister Dimitri Shashkini decided to make English lessons compulsory	After "Rose Revolution" (2003) development of cooperation with foreign partners and international institutions grew. Transformation of educational system following requirements of labor market (improving in education level, investment in education). Growing public budget revenues and public investment. Growing wages and income. Growing numbers of university students. Large proportion of people with university education in the city's population. Modernization of Georgian schools has started five years ago. However, by 2008, according to UNESCO, Georgia was still spending less of its state budget on education than any other former Soviet countries. Although the cost of education in Georgia is negligible by Western standards, Tbilisi weighs in as the most expensive educational system in the country
Social	*Technological*
For majority of Georgian families, the cost for education is up to 60% of their annual household income. The annual expense of a college student is as high as a farmer's total gross income over several years. Growing unemployment of young people. The social pressure on Georgian children to perform well in school; not only their futures but also the futures of their parents entirely depend on it. TLG participants are generally allocated within villages and in Tbilisi one or two volunteers per school. Georgian parents perceive a need for additional English lessons for their children with native English Speakers and therefore student capacities in LTOs are growing	Improving technical infrastructure. The chance given to foreign businesses to invest in various segments of the economy, especially in the advanced technology area. Lack of products that are competitive on international markets. Weak cooperation and networking between firms and private and public institutions

Appendix 1.4
Course Plan

Course offered	*September, 2014*
Lessons per week	*Shift 1, Monday, Wednesday and Friday*
	Shift 2, Tuesday, Thursday and Saturday
Class times	*5 pm (Saturdays are negotiable between the Student and the Teacher)*
Lesson duration	*90 minutes*
Phonics instruction	*Explicit rather than implicit (As explicit is the most effective especially for children at risk of reading difficulties)*
Lesson structure	*Should begin with an explicit explanation of the sound spelling being taught along with opportunities that students could blend, decode and sound out words. These should be followed by guided reading practice in text with the new sound-spelling words*
Parents involvement	*Open doors, Workshops, Parent Teacher Meetings*
Students	*More autonomous, motivated and engaged*
Teachers	*More confident, more CPD, increased teamwork*

Appendix 1.5
The process of using Phonics Course in LTO

Start of the Process	ACTIONS	DECISIONS
Flow lines		
Level expectations	What do we want students to learn?	
Diagnostics	What do students know now?	
Curriculum Strategies, Planning	What strategies will get us to the outcomes?	
Need for more learning or Different resources	Do we need professional learning or resources?	
Observations, Feedback	What is being implemented?	Piloting Phonics A1/A2 levels Ss start General English
Monitoring and Evaluation Surveys	Is what is being implemented working? How are students doing?	Ss have phonics 3 times per week
CPD, Leadership, Problem Solving, Data Analysis	How will teachers collaborate and incorporate new course	Survey
Monitoring and Evaluation	How effective is Phonics?	Completed questionnaires

Appendix 2: Implementation Plan

Appendix 2.1
Communication Matrix
(A = Approval required; R = Review and comment; I = For information only)

Project	**Client** (Ss/ parents)	**Manana** (DoS)	**Irakli** (CD)	**Keti** (Coor-dinator)	**Tika** (Client consultant)	**Temo** (Technical Manager)	**Rene** (ADoS/T)	**Mat** (T)
Project scope	A	R	A	R	R	R	R	R
Changes	A	R	A	R	I	A	A	A
Meeting notes	I	A	I	A	I	A	I	I
Schedule updates	R	R	I	A	I	A	I	I
Technical reviews	I	A	I	R	R	A	R	R

Appendix 2.2
Action Plan

Objectives	*Actions*	*By whom*	*Schedule*	*Possible issues*
Implementation of new educational English course, English Phonics	1. Market research (surveys, analysis, interviews, etc)	Coordinator manages the project, makes sure to run trial classes; follows the PDCA plan (questionnaire, survey, collect and analyze results, act on results)	July, 2014 June, 2015	Prove "good feeling" by identifying market need, product feature, price, decision makers, staff motivation and clients demand
	2. Timing	Coordinator plans 20-hours Phonics training course for teachers	September, 2015 (launch new product)	Will the product be ready to offer after the announcement?
	3. Capacity	CD (Coordinator makes sure CD is satisfied, agreed and supports the product)	July, 2014	Extended lead times for new product can be just as deadly as bad timing
	4. Testing	Coordinator and support teachers contact publishers Pearson Longman, negotiate Phonics package and order books exemplars based on summer course enrollment. Once a trial has been done, Coordinator is in charge of feedbacks from teachers, students, parents etc)	Summer course 2015	Will clients pay the price? Is sales team feels sure to sell it?
	5. Distributing	Sales team learns product and prepares the brochures	September, 2015	Is there a sufficient sale potential in the new product to convince the client?
	6. Training	Both Coordinator and Leading Teacher support team teachers with ongoing trainings	A.S.A.P.	Timing, response of participants. Number of sessions
	7. Promotion	Sales team	September, 2015 (PDCA Plan: marke-ting material, Do: get proofs made, Check: they are clear, Act: promote the course, information to parents, etc)	New product will be unsuccessful without good support materials

1.4 FEATURES OF TRAINING FOR BACHELORS IN COMPUTER SCIENCES IN UNIVERSITIES OF UKRAINE

Introduction: It is difficult to imagine a world without information technologies nowadays. ITs are in a public life, in every branch of economy and production. The Law of Ukraine "On the Basic Principles of the Information Society Development in Ukraine for 2007-2015" emphasizes "Information technologies are an instrument of country's social development" (2007). IT development is based on the training of highly qualified specialists. "Training of highly qualified specialists capable to develop new IT and effectively use them in practice, becomes strategically important" (Kovaliuk, 2011, p. 293). Economic development depends on how effective the IT specialists are. Thus, requirements for the quality of their training are increasing each year. The dynamics of IT development in real world is extremely rapid that requires a permanent updating and actualization the content of the computer education (especially in academic training). It explains the training complexity for "Computer Science" specialists at all levels of higher education in Ukraine, and especially in the first (bachelor) level.

Numerous scientific papers highlight an educational content, problems which lead to the imperfections in the organization of the educational process, as well as they emphasize the need to diversify the forms of study. That is why, it is important to find the most effective model of professional training of a specialist adopted to its constant self-development and self-improvement, as it will ensure a high demand for such specialist in the labor market.

To improve the quality of the professional bachelors training in the field of computer sciences, it is necessary to determine (a) needs to be changed; (b) problems to be solved and (c) situation with demand for IT specialists to be predicted in the labor market. Therefore, our *aim* is to analyze the process of professional training of bachelors in computer sciences in higher education institutions of Ukraine and to identify its features. The *main tasks of our research* are (1) to analyze and to compare curricula and syllabuses of "Computer Engineering" and "Software Engineering" specialties in the main Ukrainian universities; (2) to find out features of above-mentioned syllabuses; (3) to reveal quantitative and qualitative indicators of these discrepancies in the curricula.

Results: The modernization of higher education in Ukraine has started with the development of new State Higher Education Standards (hereinafter *SHES*) for all educational levels after the adoption of the Law "On Higher Education" (2014). To date, the State Standards for Higher Education for specialties 123 "Computer Engineering" and 121" Software Engineering" (knowledge sector 12 "Information Technologies") for the first (bachelor) level are accepted (Ministry of Education and Science of Ukraine, 2014). Currently, *SHES* for specialty 122 "Computer Science" is under development. Thus, the professional bachelors training of this specialty takes place based on standards, which were developed and approved during 2009-2011 for IT bachelors training. In spite of the need for the updating, these standards "correspond to international recommendations and programs of academic mobility of students in IT field and curricula of leading European universities" (Kovaliuk,

2011, p. 294). Bachelor's degree is obtained by students on the basis of educational programs developed by the higher educational institutions, approved by norms of the Law of Ukraine "On Higher Education" and recommendations of the Ministry of Education and Science of Ukraine. However, it should be noted that *SHES* is not a dogma. It defines the key competencies to be developed, but the higher educational institutions decide by their own on the development of relevant educational programs.

It should be emphasized that both bachelors and masters training in computer science in Ukraine takes place in areas that correspond to the directions defined in the Computing Curricula (CC 2001, CC 2005), the Computer Science Curriculum 2013 (CS 2013), Computer Engineering Curriculum 2016 (CE 2016), Information Technology Curriculum 2017 (IT 2017). One of the five areas identified by the mentioned documents is Computer Science, which is offered in the Ukrainian education system under the cipher 122 (ciphered 6.050101).

Our analysis of the features of the bachelors professional training in the field of computer science is based on the adopted *SHES* in the field 12 "Information Technologies", as well as current educational programs of National University of Kyiv-Mohyla Academy (hereinafter NUKMA) (Educational program "Computer Science", 2017) and profiles of educational programs 122 "Computer science" of leading Ukrainian universities offering training in this specialty, their curricula, as well as the information from Official websites of these universities.

The bachelors training in the field of computer science takes place in the higher educational institutions of Ukraine, mainly at universities (colleges train junior specialists; college graduates can continue their study at universities, they are enrolled on a general basis through competitive selection) based on educational programs compiled by the educational institutions. Therefore, curricula, educational programs and an offer of specialties (and its specializations) differ in different universities in Ukraine. To analyze the issue, the educational programs of the leading Ukrainian universities have been chosen due to the high quality of their IT graduates (moreover, these universities have a great popularity among applicants), viz. National University "Lviv Polytechnic", National Technical University "Kharkiv Polytechnic Institute" and National University "Kyiv-Mohyla Academy".

The National University "Lviv Polytechnic" in the profile of the program 6.050101 "Computer Science" emphasizes that this area combines the methodology and achievements of physical, mathematical and applied sciences and defines the object of the future bachelor's activity as a "projecting information systems, networks and computer programs; IT tools for them; computer simulation of control systems; computer systems projecting; computer intelligence decision-making systems". This program for bachelor's training includes a wide range of both fundamental and applied disciplines (physics, mathematics, computer science, natural and humanitarian disciplines).

The total volume of the bachelor's educational program is 240 credits ECTS, regardless of the specialty in Ukraine. Traditionally, 24 credits of study are dedicated to the social and humanitarian disciplines; the rest are dedicated to the fundamental, natural sciences and general economic training, as well as professional and practical

training. This ratio is maintained at the National University "Lviv Polytechnic" (i.e. 60 vs 156 credits respectively). Key learning outcomes are presented in three blocks: (1) general knowledge, skills and abilities; (2) domain knowledge and cognitive skills and (3) subject-specific skills. The general scientific competences of the first block include basic ideas about the foundations of philosophy, psychology and pedagogy; they are aimed at the development of a common culture and individuals' socialization under changing socioeconomic and sociopolitical conditions, and at an aesthetic formation; here is knowledge of history, economics and law, understanding of the causal relationships of the social development and the ability to use it in their professional activities.

The professional competence of the general scientific unit involves the use of existing knowledge in the subject in professional activity. It includes (a) fundamental knowledge of math, computer science and IT, as well as their application into the chosen profession; (b) basic knowledge of methods and techniques in system analysis; (c) ability to solve mathematical, physical, technical and economic problems, as well as the capabilities of technical and software decision making for scientific, technical and other applied tasks. The abovementioned competencies do not limit the scope of professional activity, on contrary, they expand a range of possible knowledge applicability.

Knowledge in the subject field correlates with the basic disciplines for bachelor's degree programs in computer science. They include (a) methodology for the development and application of informational computer systems, analytical and managerial techniques and tools for creating and maintaining these systems; (b) generalized and specialized programming languages; (c) basic principles and algorithms of information processing, modern IT, algorithms theory and math logic; (d) modern math modeling; (e) basics of the optimal control theory; (f) understanding of the modern computing systems' architecture, information and computer networks; (g) application management of databases and information systems; (h) methods and tools for data operations, methods of mathematical, logical and semantic, object and simulation modeling, technologies of system, cluster and factor analysis (National University "Lviv Polytechnic", 2017). Based on the acquired knowledge, graduates can develop the ability to conduct computational experiments using modern IT; to apply the optimization methods for mathematical programming solutions, decision making for organizational systems; to project, to implement, to test, to maintain software in computer systems and networks.

This block is aimed at acquiring the basic professional knowledge that will lead to an effective professional work in the future. These competencies outline the range of professional functions that bachelors in computer sciences can gain according to their qualification. The block of cognitive, subject and specific skills includes a variety of competencies. But its main goal is to provide further straightening of professional knowledge and skills based on the key abilities to self-development and self-improvement. They are (a) ability to learn new techniques, advanced technologies and innovations; (b) ability to use specialized knowledge and skills in basic disciplines in the analysis and creation of computer, communication, information

and other technical systems; (c) ability to apply knowledge and to solve qualitative and quantitative tasks; (d) ability to develop and apply methods of mathematics, informatics and IT system for problems solution in the theoretical and applied scientific researches, as well as in industry, engineering, economics, management, infrastructure organization etc; (e) ability to create computer systems with integrated information, to develop informational and system analysis techniques in accordance with the modern engineering concepts, information modeling to ensure the effective organizational structures' functioning; (f) computer information support skills for all kinds of work with integrated information (viz. information analysis, accumulation, image and application of knowledge, search for regularities and trends, modeling of information systems and processes); (g) ability to use methods and techniques for projecting, applying and supporting software analysis and decision making, their lifecycle, including expert and multi-agent systems, database and knowledge management systems, data and knowledge processing languages, ontology systems, computer and networks information.

Obviously, this block encompasses the broad professional context and open up new perspectives. This is important concerning with the IT development dynamics and the speed at which acquired knowledge loses its relevance in scientific and technological progress. It is essential that future graduates in computer science receive intensive language training. Such wide educational content is reasonable, since graduates have the opportunity to use their skills in different organizations, e.g. scientific organizations, IT companies, educational institutions etc.

NUKMA offers education by specialty 122 "Computer Science". Its educational program consists of 156 credits of the normative part, 144 of which are dedicated to the academic disciplines, 6 to workshops, 6 to the certification. The part of selective disciplines of the professional and practical training cycle is 59 credits; the students' choice for subjects is 25 credits. The total curriculum is 240 ECTS credits. The profile of the NUKMA educational program states that "specialists in computer sciences and computer technology can work in entities of all forms of ownership, of different profile and level, e.g. project organizations, consulting centers, scientific and educational institutions. They can solve issues, such as a development and implement complex computer systems, management of information systems and processes; organization of information systems; organization the search and information processing" (NUKMA, 2017).

Key learning outcomes consist of the following areas: (a) domain knowledge, (b) cognitive skills and subject-specific skills, (c) practical skills in the subject area, (d) general skills and abilities.

The first block covers a wide range of disciplines, viz. math analysis, functional analysis, computer algebra, data analysis, numerical methods, optimization methods, management theory, system analysis and decision making theory, programming, computer software, system programming, computer networks, information systems and databases, probability theory and math statistics, information coding theory, computational geometry, cryptology. Knowledge in the subject area is the basis for the formation and development of cognitive skills of future bachelors in computer

sciences that provide acquisition of (a) ability to use professional knowledge and practical skills in basic disciplines in the information processes; (b) ability to apply knowledge and skills to solve practical issues; (c) ability to use computer software products in the scientific work.

The educational program is aimed at practical skills gaining in the subject area within undergraduate program, i.e. (a) developing software products; (b) modern methods of effective access to information, its collection, systematization and usage; (c) methods of information identification and classification; (d) methods of modeling and forecasting, performing an output data evaluation; (e) developing mathematical models in the form of systems of differential equations, to use methods for solving differential equations; (f) building an effective computational algorithms to determine the program effectiveness; (g) rational algorithmization for solving optimization problems, as well as optimal control ones; (h) solutions of specific application tasks; (i) developing integrated information solutions for different entities; (j) applying modern methods of software complexes projecting; (k) collecting, processing, analyzing and systematizing the scientific and technical information by using advanced foreign and domestic experience in the computer software systems development [ibid].

The bachelors training involves the development of general skills and abilities that is a prerequisite for the further graduates' professional development. They consist of skills that provide general scientific development and those that are relevant to professional development. The general scientific development includes (a) ability to apply knowledge in practice; (b) ability to self-study and to continue professional development; (c) communication skills, including oral and written communication in Ukrainian, English and at least one of the most common European languages; (d) interaction skills, ability to work in team, learning conflict and stress management; (e) ability to self-organization and an efficient time management.

The professional skills development includes (a) ability to react to the external environmental factors by organizing of direct and indirect actions on the professional activity performance; (b) widening practical skills in computer data collection and processing; (c) ability to work with modern IT.

The *objects of the bachelor's degree* in the field of "Computer Science" are the development of algorithms, projecting, development and operation of computer software. The curriculum in this well-known educational institution includes a wide range of general scientific and humanitarian disciplines, e.g. history of Ukraine, history of Ukrainian culture, fundamentals of psychology and pedagogy, introduction to philosophy, fundamentals of law, fundamentals of economic theory, basics of entrepreneurship and business planning, political science. These subjects provide formation of outlook, legal, psychological, pedagogical and economic training.

Language training is implemented by studying the Ukrainian language in the field of professional orientation, English language, including professional English, and second foreign language, which is a distinguishing feature of bachelors' curriculum of this specialty at NUKMA. In addition, a military training course is mandatory. A distinctive feature is also the inclusion of the course of the Methodology of teaching mathematics and informatics in the curriculum of this university, which indicates a

fairly wide range of possible professional trajectories for graduates of the university. The professional component of the curriculum includes a wide range of subjects that cover both basic and traditional subjects and specialized disciplines. Attention is paid to the fact that unlike most universities, subjects of the general scientific and humanitarian block are not concentrated in the first year of the study, but 1-2 subjects are gradually included per semester throughout the entire period of study.

National Technical University "Kharkiv Polytechnic Institute" offers a specialty 122 "Computer Science" for bachelor level with different specializations. One of them is "Information and Analytical systems and technologies". The curriculum of the specialty (2017) contains general training courses, professional training, students' free choice disciplines, practice, final papers and certification, which amounts to 240 credits. The general training cycle is 71 credits and includes both disciplines of the general natural and scientific, general economic preparation of future bachelors, as well as special professional disciplines. 23 credits are devoted to general scientific disciplines, which are a traditional component of the content of higher education in Ukraine. They are history of Ukraine (3 credits), Ukrainian language (3 credits), foreign language (8 credits), philosophy (3 credits), history of Ukrainian culture (2 credits), fundamentals of economic theory (2 credits), ecology (2 credits). In addition, 12 credits are dedicated to the physical training, which is included in the curriculum in 1-6 semesters. The cycle of general training also includes a number of disciplines that are the basis for bachelors training, as well as many other specialties of technical direction. They are: physics (4), linear algebra (4), math analysis (9), discrete math (8), probability theory (4) and math statistics (4). General training subjects are distributed through semesters of the first and second years, except for two: ecology takes place in 6^{th} semester, and economics and software products organization in 8^{th}.

Professional bachelor's training takes place throughout the study and consists of disciplines of specialty and specialization; the cycle of professional training equals to 145 credits, of which 33 credits for professional training in specialty and 112 credits in specialization. Among the traditional subjects in computer science, the following are offered: history of science and technology (2) and fundamentals of occupational safety and health (3); within the framework of professional training – financial and managerial accounting (4) and fundamentals of logistics (4). The bachelors' curriculum also includes military training (19); practice (6), final papers (3) are mandatory. The course is completed by defending a final project.

A curricula analysis of the three leading higher educational institutions in Ukraine, where the bachelors training in computer science is carried out, showed significant differences (by the number of disciplines, their content and semesters of their study). Certain mismatch can be explained by specializations that can have a significant effect on the formation of the training content. In addition, it is obvious that both a status of the higher educational institution and its profile (academic or technical) determines the subjects proposed for studying and their scope. Only 10 disciplines of vocational training coincide with those selected for analysis in higher education institutions, the rest vary or even have a tangible relation to disciplines in the list of other universities. It is clear that despite different disciplines, most of them have

intersection and essential focus on various aspects of the specialty. However, such diversity in the training content is evidence of the lack of a coherent vision of the content of the basic bachelors training in computer science.

The largest range of subjects for both general and professional training is offered by NUKMA. In the general training block, the attention is paid to the expanded language training, which includes Ukrainian language for professional orientation, practical English, professional English and correction course, which seems sufficient to reach B2 level, as well as the course of the second foreign language. Above-mentioned creates additional preferences for NUKMA's graduates including chances for students to participate in various educational projects, mobility programs, etc.

The subjects 'history of Ukraine' and 'history of Ukrainian culture' are traditional in the state system of higher education in Ukraine. These disciplines are presented in the content of general training in all institutions in Ukraine. However, it should be noted that 'history of Ukraine' is one of the school curriculum subject, which is included in the list of obligatory subjects of the state scholars' certification. The certificate on 'history of Ukraine' is one of three, which is submitted to the admission committee. Therefore, inclusion of this subject in a higher institution curriculum is a kind of "review section", which is unreasonable, in our opinion.

Other training courses included in the general training cycle in the curricula, are 'foundations of economic theory and economics', 'enterprise organization' and 'philosophy'. These subjects do not fit the curricula; however, they are part of educational content in all of three universities. There are significant differences; e.g. 'ecology' and 'jurisprudence' (aka 'fundamentals of law' in NUKMA), 'political science' and 'psychology' (aka 'fundamentals of psychology and pedagogy' in NUKMA) are proposed by "Lviv Polytechnic" and NUKMA, while National Technical University "Kharkiv Polytechnic Institute" does not offer such subjects. In addition, the curriculum of "Lviv Polytechnic" includes sociology, management and life safety, and the list of disciplines for bachelors in computer science in NUKMA includes 'foundations of Internet business'. "Lviv Polytechnic" supports the law making component of the bachelor's degree in computer science with another discipline offering the course 'legal support of professional activities', which is a justified step taking into account features of IT sphere.

It is obvious that the subjects' proposal of the general training cycle is formed taking into account students' needs and requests, but on the other hand, the presence of qualified scientific and pedagogical staff who can provide teaching on the offered educational disciplines is essential. The trend of bachelors' training to the practice, as in the case of National Technical University "Kharkiv Polytechnic Institute" has a key priority. By the way, the focus on the practical needs of graduates is inherent in most technical universities, therefore, general training is usually limited to 4-5 disciplines including 'history of Ukraine', 'history of Ukrainian culture', 'philosophy', 'foreign language' and 'Ukrainian language for professional activity'. Professional training reveals even more discrepancies. Common disciplines in the cycle of all universities are discrete math; 'fundamentals of discrete math', 'algorithms and data structures', 'computer architecture' / 'computing systems', 'probability theory' and

'math statistics', 'math methods of operations research', 'computer / information / intelligent networks / intelligent information systems'. The rest of the curriculum are different, but mostly because of the fact that last two years the consolidation tendency for disciplines has significantly increased.

Conclusions: Within the framework of the "Computer Science" training, universities offer a variety of specializations (especially technical universities and institutes), which significantly affects the choice of priority disciplines of professional training. In general, the content of the bachelors professional training in computer science corresponds to the general educational tendencies in European and world practice, since SHES and educational programs development rely on the Computing Curricula (2001-2005) and aimed at acquiring higher education students of the first (bachelor) level of those professional skills that are integral for IT specialists and ensure the ability to perform professional tasks. However, the training content although it has a common core, is still not identical in different institutions of higher education. The universal component in educational content reveals discrepancies, both in terms of the proposed disciplines and in terms of the number of credits for their study.

The discrepancies in the quantitative and qualitative indicators of the curricula can be explained by the status of a higher education institution, its orientation to the professional training to a wide range of specialist training or a thorough preparation within the subject area of 122, as well as specializations that significantly affect the formation of education content. Sometimes the list of curriculum disciplines depends on the availability of scientific and pedagogical staff capable to provide training.

REFERENCES

Computer Science Curricula (2013). Available at: https://www.acm.org/binaries/content/assets/education/cs2013_web_final.pdf.

Basic Principles for the development of an Information-Oriented Society in Ukraine for 2007-2015 (2017). Available at: https://zakon.rada.gov.ua/laws/show/537-16.

Kovaliuk, T., & Efimenko, O. (2011). On the development of IT education in Ukraine. Available at: http://ena.lp.edu.ua/bitstream/ntb/12575/1/049_Kovaljuk_293_297_719.pdf.

Official website of the Ministry of Education and Science of Ukraine (2019). Available at: https://mon.gov.ua/ua.

Educational program "Computer Science" (2018): National University "Kyiv-Mohyla Academy". Available at: https://www.ukma.edu.ua/ects/index.php/2011-04-18-08-31-28/181-bakalavr/bpi/275-2018-11-16-11-00-22.

Official site of the National University "Lviv Polytechnic" (2017). Available at: http://edu.lp.edu.ua/napryamy/6050101-kompyuterni-nauky.

ECTS Information Package: National University of Kyiv-Mohyla Academy (2017). Available at: http://www.ukma.edu.ua/ects/index.php/2011-04-18-08-31-28/181-bpi.

Educational programs of NTU "Kiev Polytechnic Institute" (2017). Available at: http://vstup.kpi.kharkov.ua/osvitni-prohramy.

1.5 LANGUAGE CONSCIOUSNESS STATE OF MODERN UKRAINIAN YOUTH

Introduction: The Ukrainian language has long been influenced by Russian language (from the beginning of the XVIIth to the present day). As a result, the appearance of such linguistic phenomena as a mixed Russian-Ukrainian dialect and bilingualism could be observed in the early XXth century. It distorted the Ukrainians' linguistic consciousness, making it a hybrid (such phenomenon as a Russian-speaking Ukrainian testifies to this fact). The level of language proficiency is known to be a determining factor in the intellectual and cultural development of a society. Isn't that why governments of the developed European countries (Germany, France, Poland, and Latvia) are so meticulous and attentive to the language policy? The way young Ukrainian citizens perceive Ukrainian language and themselves as native speakers of this language, the degree of its popularity among boys and girls, the development of its literary version, its minimal cluttering up with common language, slang expressions and a mixed Russian-Ukrainian dialect at the level of national functioning are a guarantee of the further language development as well as healthy functioning of the society itself.

Materials and methods: The investigation into the connection of language with culture and history of native speakers, the balance between a standard language and dialects in Ukraine began in the 1960s. Such scientists as Brytsyn (2004), Demchenko, Zhluktenko, Zagnitko, Zagoruiko (2013), Koznarskyi, Kuznetsova, Matsuk, Melnychuk, Ruda, Rusanivskyi, Shumarova, Serbenska, Stavytska, Trub, Vyhovanets, Masenko (2003), Karavanskyi, Radchuk (2002), Nepokupnyi, Nimchuk, Pavliuk, Ponomariv, Selihei (2012) et al chose a linguistic situation in Ukraine to be the subject of their research. The *task of Ukrainian sociolinguistics* is to analyze deformations experienced by the linguistic environment of Ukraine in recent years. We consider a method of sociological survey to be the best one to examine this issue.

Results: We examined a language situation at the level of one educational institution, conducting a survey among 200 first year students of Zhytomyr National Agro-ecological University.

The following questions ranked first:

Is Ukrainian language prestigious for you?

Do you consider Ukrainian to be an attribute of statehood?

Do you speak Ukrainian in everyday life?

Is the language of educational courses fundamentally important for you?

What is your understanding of the concept "a mother tongue"?

Do you consider the possibility of Russian language to obtain the status of regional?

Do you switch to Russian in the presence of Russian speakers?

What language do you speak during the breaks?

Questions concerning the young people's place of residence and the language of the locality were also included to the survey. According to the data obtained, 98% of the students consider the Ukrainian language to be their mother tongue, the rest

2% indicate the Russian language. Among 98% of respondents who consider the Ukrainian language to be a mother tongue we can observe the following situation:

(a) 44% represent Ukrainian-speaking students;

(b) 12% are Russian-speaking (i.e. those who speak Russian but consider Ukrainian as their native language, pointing to the hybrid language consciousness); 22% are bilinguals (young people who can communicate equally well in both languages in their everyday life);

(c) 22% of the respondents speak a mixed Russian-Ukrainian dialect. The language of young people is neither Ukrainian nor Russian in their lexical and grammatical features, but is represented as a mixture of words and illiterate translation from one language into another.

The data obtained also indicate that neither a family nor parental authority, in particular, affect the choice of the language for communication outside home. We have observed an interesting phenomenon: there exist a direct dependency on the language spoken in the family and the way young people perceive their linguistic environment. 35% of students whose families equally use and easily speak both languages Russian and Ukrainian believe that the most residents in their city also speak Russian and Ukrainian equally. In accordance with statistics, it does not correspond to reality.

It is worthwhile mentioning that 9% of those respondents who use Russian as the working language and view themselves as Russian-speaking are in fact bilingual, as evidenced by their responses in the questionnaires. Those people who use a mixed Russian-Ukrainian dialect in their speech perceive themselves as a linguistic personality inadequately. 16% of them present themselves as Ukrainian-speaking. Nevertheless, we can only assume that they only consider themselves to be such, because, as they indicated in the questionnaires, they talk using a mixed dialect in everyday life. Those who consider themselves bilingual do not speak two languages in daily living. The survey results show that 15% of them speak Ukrainian language. At the same time, 12% of those who speak mostly Russian are actually bilingual (judging by the responses to other questions in the survey form).

As one can observe, there is no clear boundary between the perception of Ukrainian and Russian languages in the consciousness of young people who are bilingual and use a mixed Russian-Ukrainian dialect. This can be explained by their self-perception. That is, they speak using a dialect but consider themselves to be Ukrainian-speaking or bilingual. They speak two languages and consider themselves to be Russian-speaking. 5% of bilinguals speak use a mixed Russian-Ukrainian dialect. This proves the thesis about the emergence of a mixed dialect as a linguistic phenomenon in a bilingual environment.

It is obvious that the linguistic self-esteem of 64% of all respondents contradicts the reality and does not correspond to their true linguistic identity. Together, this number makes up a third of the respondents. Is it dangerous? We think so, since it jeopardizes the development of Ukrainians' national language. This assumption is supported by the results of examining a level of students' linguistic stability. 7% of Ukrainian-speaking students, 43% of bilinguals and 30% of those using a mixed

dialect prefer to choose Russian language as a means of communication in the environment of Russian speakers. This percentage ratio clearly illustrates a threat for the Ukrainian language. It is a phenomenon of bilingualism, a situation of coexistence of two languages, not even a mixed Russian-Ukrainian dialect, as it was thought before obtaining the results of the study. 35% of Ukrainian-speaking students, 5% of Russian-speaking, 15% of bilinguals and 45% of those speaking a mixed dialect communicate in the Ukrainian language in the Ukrainian-speaking environment. It is the bilingual, rather than the dialect-speaking students are more reluctant to switch to Ukrainian. The desire to speak a state language is less in case of mastering and practicing another language when compared to the case when a national language has been strongly influenced by the coexistence within one state.

The confusion of linguistic consciousness, inadequate self-perception as a speaker, a representative of one or another nationality, a low level of linguistic and therefore civic awareness and linguistic resistance as a manifestation of linguistic stability are viewed as consequences of a thoughtless linguistic policy in regard to the state language of Ukraine in previous years.

Instead, during university classes representatives of all these linguistic categories (Ukrainian, Russian, and dialect-speaking as well as bilinguals) speak mostly Ukrainian. Thus, the level of Ukrainian-speaking activity during classes is much higher than in everyday life or among population in general. Studying at a state educational institution, where lectures as well as practical classes are conducted in a state language, induces to use Ukrainian language. Neither a family nor a linguistic environment gives such encouragement to use Ukrainian language. In addition, a language sample of pure, literary Ukrainian language may not be presented in students' families or environment. Except for a language sample offered (during classes) and promoted (e.g. during breaks and educative involvements) by teachers may provide learning or improvement of the language.

One can observe the cases when students for whom Ukrainian language is a mother tongue switch to a mixed dialect (11%) in their family lives. This situation does not occur during their studying. The language environment at the educational institution is therefore cleaner than outside. This testifies to an undisputed authority of the institution itself, its academic staff and, of course, the Constitution that defines the Ukrainian language as a state language. The educational institution is the place where a mixed Russian-Ukrainian dialect is almost absent from the classes, and besides the state Ukrainian language occurs more confidently as compared to the family and street life. Statistics shows that during breaks where the teachers' assessing and controlling the quality of language is absent, young people still speak mostly Ukrainian, regardless of what language they consider their mother tongue, irrespective of what language is used in everyday life or in a circle of peers. Both bilingual and dialect-speaking students are becoming more proficient in Ukrainian.

A person's linguistic consciousness is a part of his or her consciousness, which is examined in connection with a man's personality, national mentality (national outlook, the complex of all national cultural heritage) as well as the strategy and tactics of speech behavior (when a language is regarded as an element of general

human culture). Thus, the level of a person's language development equals to the level of a person's linguistic personality and related realities: general and linguistic culture in particular, linguistic consciousness and connected with it mentality as well as linguistic self-esteem.

It is a curious fact that Russian-speaking students perceive Ukrainian as their mother tongue and their native language as a language of their own country, illustrating a direct dependency: *a mother tongue is the language of my country*. In our view, such a relationship between a mother tongue and a language of the country is conditioned by the state status of the Ukrainian language. Thus, law and language policy are currently a significant factor in creating a positive image of the Ukrainian language among youth. The young people's recognition of the Ukrainian language as one of the attributes of the Ukrainian state confirms the fact that the state in particular is currently creating an image of the Ukrainian language, promoting it and supporting it at all levels. The point of view that is not shared by dialect-speaking students induces to ponder an issue of a mixed Russian-Ukrainian dialect and its negative influence on the civic position and linguistic personality. However, it is one thing to perceive the Ukrainian language as an attribute of statehood, to recognize it as a prestigious one and to be proficient in it, and another is to communicate in everyday life. The manifestation of an imaginary, false, and therefore unsteady patriotism, inferior civic position as well as imitation of a holistic linguistic personality can still be observed among a great number of young people (It is worthwhile mentioning that 52% of students are speaking a mixed dialect).

The attempt of dialect-speaking students to use the literary language during classes is regarded to be a positive thing. This demonstrates an indisputable authority of the Ukrainian language (as a state language) and teachers who act as its native speakers. Such concepts as "Higher education" and "Mixed Russian-Ukrainian dialect" are obviously contradictious in their minds. Therefore, the present-day higher education is a powerful factor in the development of a state language and strengthening its status and authority among young people.

Ukrainian-speaking students (girls and boys) believe that the Ukrainian language is prestigious in Ukraine nowadays. Russian and mixed dialect-speaking students as well as bilinguals, whose number makes up 13% of all respondents, entertain doubts about the prestige of the Ukrainian language. 1% of the respondents believe that the Ukrainian language is not prestigious.

When calculating the results of the survey, we were impressed by the number of girls (42%) using a mixed dialect in everyday life. This is 26% of the total number of all respondents. Considering that girls are future mothers who will take care of children in kindergarten or at school, and that the child's vocabulary is normally formed before a child reaches 5 years, it is possible to predict that the number of mixed dialect-speaking citizens will considerably grow in a decade if the government doesn't influence the language situation. Thus, in the absence of decisive actions on the part of the state, Ukraine will receive more than one generation of mixed Russian-Ukrainian dialect-speaking Ukrainians with a low level of linguistic awareness, with inadequate linguistic self-esteem and a covert civic position, which

is part of a poorly formed linguistic world-image. Will such citizens be able to build a Ukrainian state if their mentality related to the linguistic personality is not fully expressed at the language and linguistic consciousness levels?

Conclusions: Our research has proved that language proficiency is a key to adequate perception not only of oneself as the speaker, but also of one's linguistic environment. Adequate linguistic self-esteem and an adequate linguistic world-image are based on knowledge but not on ignorance of the language, i.e. a complete linguistic personality is formed. A person using a literary version of a language is able to distinguish pure language from a mixed dialect. This person also has adequate linguistic self-esteem and assesses his linguistic environment in a proper way.

REFERENCES

Brytsyn, V.M. (2004). *Sotsiolinhvistyka* [Sociolinguistics], 2nd edition, "Ukrainska entsyklopediia" im. M.P. Bazhana, p. 631.

Zahoruiko, K.S. (2013). *Ukrainska mova v sotsiolinhvistychnomu aspekti* [Ukrainian language in the sociolinguistic aspect], "Upravlinnia rozvytkom", Ed. 15(155), pp. 42-43.

Masenko, L.T. (2003). *Linhvokulturolohiia i stratehiia movnoi polityky* [Cultural linguistics and strategy of the language policy], Dyvoslovo, Ed. 2, pp. 12-15.

Masenko, L.T. (2004). *Ukrainska mova v sotsiolinhvistychnomu aspekti* [Ukrainian language in the sociolinguistic aspect], Workshops in Ukrainian Language Institute of Philology of Kyiv National University named after Taras Shevchenko, Ed. 6, pp. 130-147.

Masenko, L.T. (2002). *Surzhyk yak sotsiolinhvistychnyi fenomen* [A mixed Russian-Ukrainian dialect as a sociolinguistic phenomenon], Dyvoslovo, Ed. 3, pp. 11-13.

Radchuk, V. (2002). *Mova v Ukraini: stan, funktsii, perspektyvy* [Language in Ukraine: its state, functions, perspectives], Dyvoslovo. Ed. 4, pp. 5-9.

Selihei, S.P. (2012). *Movna svidomist: struktura, typolohiia, vykhovannia* [Linguistic consciousness: structure, typology, upbringing], "Kyievo-Mohylianska akademiia", p. 118.

1.6 INTER-RATER AGREEMENT OF GEORGIAN RATERS BETWEEN TWO ASSESSMENT CYCLES OF GEORGIAN CONTROLLERS

Introduction: Aviation is considered to be the safest industry all around the world. However, some incidents and accidents provoked establishing language proficiency requirements (LPRs) for pilots and controllers due to lack of English language knowledge in September 1998 by International Civil Aviation Organization (ICAO) (ICAO, 2009). Later on in 2000 ICAO developed and published both Language proficiency requirements (LPRs) and Language Proficiency Rating Scale for evaluation (ICAO, 2010). Moreover, it was the first time when all active pilots and controllers were obliged to pass exams and obtain certification by 5th of March 2008 (Alderson J. C., The Politics of aviation English testing, 2011). It worth mentioning that LPRs testing system is not controlled (ICAO, 2009), each country uses a test format that is developed within the country or which is designed by another country. Thus, a test of speaking and listening should be for both population (ICAO, 2010).

Nevertheless, LPRs unify and reveals the following: English language must be used both in the air and on the ground during communication; controllers and flight crew have to demonstrate their language knowledge at minimum level provided by ICAO rating scale on the one hand and they have to use clarified, general and standard phraseology on the other hand. To sum up linguistic awareness is very important in order to avoid ambiguities during Radiotelephony (RT) communication. For that purposes, firstly, ICAO requirements must be equal for native and non-native speakers and secondly, use of general English and phraseology should be very close to ICAO standards (ICAO, 2010).

ICAO language proficiency rating scale: ICAO developed Language Proficiency Rating scale for evaluation language proficiency of controllers and pilots.

The Rating Scale comprises six dimensions across the use of language: structure, pronunciation, vocabulary, fluency comprehension and interaction and six levels starting with Non-operational Levels 1-3, Operational level-4, extended Level-5 and Level 6, referred as an expert level (ICAO, 2011).

The minimum requirement for licensing is operational level 4 for both controllers and pilots. What is more, if a test user perform better in one feature rather than in other skills the overall score is assigned according to the lowest one (Knoch, 2009).

Thus, if test taker is not able to obtain level 6, license for life, have to retake the test to validate his/ her proficiency once every three years when operational level 4 is obtained and every six years in case of achieving level 5 (Prinzo & Thompson, 2009). However, six criteria through which the candidates are assessed underline main aspects with respect to six skills proficiency requirements. In terms of pronunciation, focus is made on pronunciation, stress, rhythm and intonation. As for the structure – grammar, sentence patterns, either global errors or local errors that may interfere with easy of understanding are underlined as a matter of evaluation. Vocabulary is discussed by means of style, tone lexical choice that corresponds to context. Fluency covers naturalness of speech production, elimination of inappropriate hesitations, fillers and distracting pauses. In terms of interaction, it can be said that it is

vulnerable to verbal and non-verbal cues and appropriateness of responses. The crown of the criteria comprehension is complex and points out that to deal with it is needed to get the point of the various contexts, details and cope with unexpected and routine situations accurately (ICAO, 2010); (ICAO, 2011); (ICAO, 2009). To sum up Proficiency Rating Scale reveals six levels and descriptors across the six dimensions of language reflecting details what should be considered and how candidates should be assessed.

General characteristic features of reliability:

Assessment plays vital role in aviation, however, it should represent how content domain and tasks are linked, and underline factors that may affect reliability and validity of the tests (Wigglesworth, 2008). In terms of tests reliability and validity are considered crucial components of assessment and both of them are revealed as "essential measurement qualities" (Bachman & Palmer, 1996, p. 19).

Nevertheless, reliability would be the main focus of this paper. It refers to "consistency or stability of assessment results" (p. 91) pertained to the results rather than the tests through the measurement context (Reynolds, Livingston, & Willson, 2009). Reliability enables educators to identify "the same results on successive trials and refers to the degree to which test scores are free from errors of measurement" (Li & Wainer, 1998, p. 2).

Reynolds argues that "Measurement error limits the extent to which test results can be generalized and reduces the confidence we have in test results" (Reynolds, Livingston, & Willson, 2009, p. 92). The obvious evidence or measurement error inherent reveals that we do not know what might be the true score (Li & Wainer, 1998). There is no overlap between true scores and error scores, which are unsystematic and this assumption enables us to differentiate true scores from error scores (Bachman, 1990).

Sources of measurement errors:

The major sources of errors represent content sampling (the same as domain sampling error) and time sampling errors (Bachman & Palmer, 1996). Regarding to domain sampling Reynolds states "if the items on a test are a good sample of the domain, the amount of measurement error due to content sampling will be relatively small" (p. 94) and vice versa (Reynolds, Livingston, & Willson, 2009). As for time sampling error, it comprises various external and internal factors noise, light, time or even a facility providing an exam, physical and mental condition of a person respectively (Bachman, 1990). Nonetheless, reliability combines four broad set of reliability coefficient: (1) Test-retest reliability; (2) Alternate-form reliability (3) Internal-consistency coefficient and 4. Inter-rater reliability (ibid).

Test-retest reliability- one form of the test is developed for the same group but for different occasions, reliability coefficient is derived from the results' correlation (Matell & Jacoby, 1971) (Reynolds, Livingston, & Willson, 2009).

Alternate-form reliability is the second type of a tool to estimate reliability. It can be either vulnerable to content sampling or sensitive toward time and domain sampling, generally is administered for two occasions (Pipia, 2014).

Another source of estimating reliability is also strongly linked to the content domain viz. internal-consistency reliability, concerned with test user's performance whether it is consistent or not during completion of the different parts of the test (Matell & Jacoby, 1971).

As for the Inter-rater reliability major concern is regarding subjective judgment rather than time or domain sampling error. One test format is administered and is rated by two raters. The correlation of scores provided by the raters enables estimation of reliability (Pipia, 2014). From the view of assessment purposes, it is crucial to evaluate what is the degree of agreement between the raters and It is calculated as follows:

Inter – Rater Agreement = (Number of cases assigned the same scores / Total number of cases) × 100% (Reynolds, Livingston, & Willson, 2009).

To sum up, reliability represents a tool comprising a number of factors that enables researchers to identify sources of measurement errors, different approaches for error's estimation. However, educators have to take into consideration that true score of an individual can't be pointed out one hundred percent. The only way is left to estimate it though (Bachman, 1990).

Methodology: For this particular research, both quantitative and qualitative methods were applied. (Schreiber & Asner-Self, 2011). This type of data analysis will investigate inter rater agreement of Georgian raters while assessing Georgian controllers' language proficiency requirements (LPRs) and will support through replicating, descriptive and quantifying procedure as well as summarizing numeric data elicited from the assessment of the 33 controllers, in order to explore process and activities and make conclusion.

Table 1

Research Design

Study	Research Questions	Data Collection Tool
Analyzing Georgian controllers' assessment results conducted by the rater 1 and rater 2 in 2016 to measure inter- rater agreement	*1. What is the inter-rater agreement of Georgian raters in 2016 and 2019?*	Georgian controllers' first performance completed in 2016
Quantitative and Qualitative Method	*2. Are there similarities or discrepancies between inter-rater agreement of Georgian raters in 2016 and 2019, if any?*	Georgian controllers' first performance completed in 2019
Analyzing Georgian controllers' assessment results conducted by the rater 1 and rater 2 in 2019 to measure inter- rater agreement	*3. Are there factors that may have any effect on inter-rater agreement of Georgian raters?*	Assessments conducted by the same raters in 2016 and 2019; LPRs assessments fulfilled by the same controllers in 2016 and 2019

Source: completed by author

Data collection method: Proficiency tests' results were elicited from 33 videotaped Georgian controllers' recordings. Assessment took place at Georgian Aviation University International Aviation Training Center in 2016 and again in 2019. Nonetheless, it worth mentioning that 3 test users out of 33 were not tested in

2019 since they obtained extended level 5 in 2016. The data collected through 33 exam results is used to measure inter- rater agreement of Georgian raters by using Reynolds, Livingston and Willson (2009) method. What is more the terms inter-rater agreement and inter-rater reliability are used interchangeably (Reynolds, Livingston, & Willson, 2009), the same application of these terms would be used in this study.

Results: As it was already mentioned, the data comes from thirty-three Georgian controllers' LPRs test. The candidates applied for the test between January and December in 2016 and between January and October in 2019. All recordings were videotaped. Two Georgian active and certified raters conducted assessments in 2016 as well as in 2019. They would be indicated in this research as rater 1 and rater 2. LPRs test were held through direct and semi-direct method. The length of speaking and listening test differs from 25-30 minutes. The test consists of three parts introduction, listening comprehension and description of either aviation related silent video footage or a picture. Test takers are allowed to retake the test if they fail exam. Thus, only initial results of LPRs' test would be analyzed for this study with respect 2016 and 2019. All candidates are male. The age of controllers, vary from 27 to 61. All of them were assessed through ICAO language proficiency rating scale. The data provides ratings conducted by rater 1 and rater 2 in 2016, and in 2019.

The rater 1 and rater 2 assessed thirty-three candidates. Twenty-four candidates achieve final operational level 4 according to the ICAO proficiency rating scale. Nevertheless, amongst them the candidate 11 performed at level 5 in pronunciation rated by rater 1 and interaction rated by rater 2; Candidate 12 was assessed at level 5 and level 4 in pronunciation, structure, vocabulary, fluency and comprehension respectively by both raters. As for the last skill of interaction the rater 1 in contrast to the rater 2 evaluated performance ate at level 5. Candidate 15 also has obtained level 5 in the first two skills and operational level 4 in vocabulary and comprehension, with respect to fluency and interaction rater 2 rated the candidate at level 4 and the rater 1 assessed those skills of examinee at extended level 5. The rest 21 candidates were rated at flat level 4 by both raters.

Only three candidates out of thirty-three received level 5. As for the rest candidates namely 7, 8, 9, 31 and 33 were evaluated at non-operational level 3. Test takers 7 and 31 were evaluated in all skills at level 3 while candidate 8 also was rated at level 3 in all language skills except pronunciation, comprehension and interaction. Nevertheless, the rater 1 assessed skills of pronunciation and comprehension at level 4 and rater 2 evaluated the candidate at operational level 4 in terms of interaction. As for the candidates 9 and 33, their results revealed the following differences: in term of candidate 9 raters' agreement equals and they evaluate the candidate at level 3 in all components apart from pronunciation, where rater 2 rated the candidate at operational level 4. As for the candidate 33 his pronunciation, comprehension and structure were assessed by both raters 1 and 2 at ICAO level 4 and 3 respectively. As for the vocabulary fluency and interaction, the candidate was assessed at level 4 by rater 2. Candidate 6 was rated at non-operational level 2. Rater 1 assessed candidate 6 in structure, vocabulary and fluency at ICAO level 2 and all other

components were assessed by both raters at level 3. In 2019, raters 1 and 2 assessed thirty candidates, controllers. As it was already mentioned candidates 3, 10 and 19 who achieved ICAO level 5 in 2016 did not retake the test in 2019. The rest of the examinees are assigned with the same candidate numbers in the table of 2019 as it was given in the table 2 of 2016.

In contrast to 2016, twenty-three candidates certified that they are at operational level 4, however, amongst these candidates, candidate 9, 31 and 33 were at non-operational level 3 in 2016. As for the 19 test takers who were at flat level 4 in 2016, all of them validated the same results in 2019. Thus, the candidate 27 was assessed at level 5 with regard pronunciation, comprehension and interaction only by the rater 1. Controllers 11, 12 and 15 improved their results and all of them performed at extended level 5 in 2019. Moreover, Candidate 20 also achieved ICAO level 5 in 2019. Nevertheless, the same three candidates, namely 6, 7, and 8 where rated at non-operational levels. Though the candidate 6 was rated at level 2 again in 2019, in contrast to 2016 both raters assessed him at level 3 for pronunciation and comprehension, therefore structure, vocabulary, fluency and interaction were at level 2. As for the candidates, 7 and 8 contrary to 2016 both of them were evaluated at flat level 3 in 2019. To sum up, overall performance of the candidates in 2019 is better than it was in 2016. What is more the ratings of the raters 1 and 2 do not fluctuates.

Analyzing the results within the frame of inter-rater agreement: This date collected and analyzed through the exam results provided into two tables enable to measure inter- rater agreement of Georgian raters between two cycles of controllers' initially rated samples across the six skills provided by ICAO rating scale. The results would be addressed to the formula provided by Reynolds, Livingston, and Willson (2009) for measuring inter-rater agreement. It is worth noting, that the final ICAO band is based on the lowest score amongst the six components given by raters, so to measure the consistency of agreement amongst the raters across the six language skills, each skill's result will be calculated separately and applied to the following formula and overall average would be pointed out as well.

Results show that in pronunciation and vocabulary of all 30 cases out of 33 were rated similarly by the rater 1 and rater 2, each case will reflect the same results due to the equal number of similarly rated cases.

Inter – Rater Agreement = (30 ÷33) ×100% = 90.91%.

The agreement of the raters 1 and 2 in structure and comprehension is the same. Except one case all 32 cases were rated equally and correspond to 96.97%

Inter – Rater Agreement = (32 ÷33) ×100% = 96.97%.

As for the fluency the data shows that only four cases were evaluated differently and inter-rater reliability represents 87.88%.

Inter – Rater Agreement = (29 ÷33) ×100% = 87.88%.

Last skill assessed by the raters 1 and 2 is an interaction, were six cases were rated differently, and the result of agreement is lower rather than in the previous skills 81.82%.

Inter – Rater Agreement = (27 ÷33) ×100% = 81.82%.

As for the inter-rater agreement of the rater 1 and rater 2 in 2019 is a little bit different, contributed by the performance and the number of the examinees. The data reflects the follows: both raters assessed pronunciation, comprehension and interaction differently. Result addressed to the formula revealed that the inter-rater agreement with respect to each component mentioned above equals to 96.66%, sine the number of similarly rated cases of pronunciation, comprehension and interaction are 29 out of 30.

Inter – Rater Agreement = (29 ÷30) ×100% = 96.66%.

The skill according to the ICAO rating scale, namely Structure, Vocabulary and fluency reflects 100% of agreement of Georgian raters in 2019. The number of test takers and the fact that Georgian controllers performed better in 2019 provoked the presented results of inter-rater agreement and the result in terms of inter-rater reliability is 100%.

Inter – Rater Agreement = (30 ÷30) ×100% = 100.00%.

Conclusion: In response to the first research question it was found that inter-rater agreement of Georgian raters in 2016 and 2019 was consistent and high. Inter-rater agreement between the rater 1 and 2 in 2016 across the six dimensions of the language viz. for pronunciation was 90.91%, for Structure 96.97%, for vocabulary 90.91%, for fluency 87.88%, for comprehension 96.97% and for interaction 81.82%. Average score of inter-rater agreement was 90.91%. As for the results of the ratings of the same raters in 2019 inter-rater reliability for pronunciation, comprehension and interaction was similar 96.66%, for structure, vocabulary and fluency was 100%. The average of inter-rater reliability was reflected in 98.33%.

Regarding the second research question there are similarities and discrepancies between inter-rater agreement of Georgian raters in 2016 and 2019. The response of the first research question leads to the second one and reveals that rater 1 and rater 2 keep consistency while assessing air traffic controllers in 2016 and 2019 and the scores of inter-rater reliability is high as it is given above. As for the differences in contrast to 2016, the average of inter-rater agreement was risen from 90.91% to 98.33%, which is almost 8%.

All three-research questions strongly overlap each other. Concerning the third research question, the number of factors that may have any interactive effect on inter-rater agreement of Georgian raters are as follow: the number of test takers and the quality of the performance of the controllers. As a result, both factors contributed high consistency between the raters, nonetheless not only better performance but the performance of three candidates who failed the test in 2016 and again in 2019 underlined the equal inter-rater agreement of the raters.

All above mentioned issues reveal that there is no a big difference between the two cycle of assessment of Georgian controllers conducted by the Georgian raters in 2016 and 2019. Nonetheless, test users also represent contributors of the high inter-rater agreement, since they improved language skills validated though the results of two assessment cycles.

REFERENCES

Alderson, C.J. (2009). *Air Safety, Language Assessment Policy, and policy Implementation: The Case of Aviation English*. Annual Review of applied Linguistics, pp. 168-187.

Alderson, J.C. (2011). *The politics of aviation English testing*. Language Assessment Quarterly, pp. 386-403.

Bachman, L.F. (1990). *Fundamental Considerations in Language Testing.* Walton Street, Oxford OX2 6DP: Oxford University Press.

Bachman, L., & Palmer, A. (1996). *Language Testing in Practice: Designing and Developing Useful Language Tests.* Walton Street, Oxford OX2 6PD: Oxford University Press.

Cronbach, L.J. (1951, September). *Coefficient Alpha and the Internal Structure of Tests*. Psychometrika, 16, pp. 297-334.

ICAO. (2007). *Manual of Radiotelephony; DOC 9432* (4th ed.). 999 University Street, Montréal, Quebec, Canada H3C 5H7: International Civil Aviation Organization.

ICAO. (2009). *Guidelines for Aviation English Training Programs; Cir 323.* 999 University Street, Montréal, Quebec, Canada H3C 5H7: International Civil Aviation Organization.

ICAO. (2009). *Language Testing Criteria for Global Harmonization; Cir 318.* 999 University Street, Montréal, Quebec, Canada H3C 5H7: International Civil Aviation Organization.

ICAO. (2010). *Manual on the Implementation of ICAO Language Proficiency Requirements; DOC 9835* (2nd ed.). 999 University Street, Montréal, Quebec, Canada H3C 5H7: International Civil Aviation Organization.

ICAO. (2011). *Personnel Licensing; Annex 1 to the Convention on International Civil Aviation* (11th ed.). 999 University Street, Montréal, Quebec, Canada H3C 5H7: International Civil Aviation Organization.

Knoch, U. (2009). *Collaborating with ESP stakeholders in rating scale validation: The case of the ICAO rating scale.* Spaan Fellow Working Papers in Second or Foreign Language Assessment, 7, pp. 21-46.

Li, H., & Wainer, H. (1998). *Toward a Coherent View of reliability in Test Theory.* Princeton, New Jersey: Educational Testing Service.

Matell, M.S., & Jacoby, J. (1971). Is There an Optimal Number of Alternatives for Likert Scale Items? Study I: Reliability and Validity. *Educational and Psychological Measurement*, pp. 657-674.

Pipia, E. (2014). Practical Strategies for teaching to Enhance the Degree of Reliability and Validity in Assessment. *Journal of Education, III*, pp. 47-52.

Prinzo, O.V., & Thompson, A.C. (2009). *The ICAO English Language Proficiency Rating Scale Applied to Enroute Voice Communications of U.S. and Foreign Pilots.* Washington, DC 20591: Federal Aviation Administration; Civil Aerospace Medical Institute.

Reynolds, C.R., Livingston, R.B., & Wilson, V. (2009). *Measurement and Assessment in Education* (2nd ed.). Texas: Pearson.

Schreiber, J.B., & Asner-Self, K. (2011). *Educational Research.* The United States of America: John Wiley & Sons, Inc.

Wigglesworth, G. (2008). Task and Performance Based Assessment. In S. May, N.H. Hornberger, N.H. Hornberger, & E. Shohamy (Eds.), *Encyclopedia of Language and Education* (2nd ed., Vol. VII: Language Testing, pp. 111-122). Spring Street, New York, NY 10013, USA: Springer Science + Business Media, LLC.

1.7 CULTUROLOGICAL ASPECT IN LITERARY TRANSLATION (According to the short prose of Ludmila Ulitskaya)

Introduction: The term cultural space is often used in modern philosophy and cultural literature. Active research interest in this problem obliging us to consider it in translation aspect. Like all spatial education, the cultural space has all the space character. Thus, it is characterized by duration, structure, interaction of elements and existence. Discussing small prose of Ludmila Ulitskaya, we face some problems, that includes an understanding of cultural space and the elements such a mentality and etc, which is accomplished by various linguistic means. Because of this, the translators face some resistance and difficulties, but after studying the issues and identify issues of translation of foreign language culture possible to do translation. Such an approach would establish intercultural communication and adequate translation.

The specifics and approach of interpreting cultural space in literary translation: Literary prose translation shows that language has not only a communicative goal, but also societal and cultural, that distinguish the Source Text. The translator has to take the sociolinguistic aspects of language such a cultural space, national character, ethnicity, peculiarities related to mentality and mentality, conceptual words meaning and etc. In this case the language is the bridge between two cultures. The main problem for the translator is how to comply with culturological issues, i.e. to decide which issues take priority: the cultural aspects of the source language community, the cultural aspects of the target language community, or perhaps a combination of the two, a compromise between two or more cultures? The choice of cultural strategy may result in source-culture bound translation (the translation stays within the source language culture, so called foreignization), target-culture bound translation (the translation stays within the target language culture, so called domestication) or in a 'hybrid', where the translation is a product of a compromise between two or more cultures (Ginter, 2002, p. 28).

Lotman's theory states that "no language can exist unless it is steeped in the context of culture; and no culture can exist which does not have at its center, the structure of natural language" (Lotman, 1978, pp. 211-232). Bassnett (1980, pp. 13-14) underlines the importance of this double consideration when translating by stating that language is "the heart within the body of culture", the survival of both aspects being interdependent. Linguistic notions of transferring meaning are seen as being only part of the translation process; "a whole set of extra-linguistic criteria" must also be considered. As Bassnett further points out, "the translator must tackle the SL text in such a way that the TL version will correspond to the SL version... To attempt to impose the value system of the SL culture onto the TL culture is dangerous ground" (Bassnett, 1980, p. 23). Thus, when translating, it is important to consider not only the lexical impact on the TL reader, but also the manner in which cultural aspects may be perceived and make translating decisions accordingly.

Language and culture may thus be seen as being closely related and both aspects must be considered for translation. When considering the translation of cultural words and notions, Newmark proposes two opposing methods: transference and

componential analysis (Newmark, 1988, p. 96). As Newmark mentions, transference gives "local color," keeping cultural names and concepts. Although placing the emphasis on culture, meaningful to initiated readers, he claims this method may cause problems for the general readership and limit the comprehension of certain aspects. The importance of the translation process in communication leads Newmark to propose componential analysis which he describes as being "the most accurate translation procedure, which excludes the culture and highlights the message" (ibid).

Discussing this issue we want to, based on short prose one of Russia's most popular and celebrated writer Ludmila Ulitskaya. She is known for creating vivid characters. Her view on many kind of problems, that hurts humanity is different, writing manner, which involves accessing the human soul and revealing them in many ways. Ludmila Ulitskaya is the author of many novels and novellas including 'Sonechka', 'Medea and Her Children', 'Kukotsky Case', 'Sincerely Yours', 'Shurik', 'Daniel Stein, Interpreter'.

The translator should develop his own strategy and approach how to translate such a text. First of all, study the text well and then author's manner and style of writing. In the second row, cultural space requires observation. Let's focus step by step on these issues:

(1) Genre attribution of the work: Ludmila Ulitskaya is a postmodernism author. Accordingly, the translator should take into account postmodernism characteristics. It includes intertextuality and intertextual elements;

(2) Study of cultural space: It helps us get better to know the character's ethnicity and mentality. By knowing other people's existence, we are getting closer to their consciousness and ethical aspects of communication;

(3) Translating conceptual words: discover its semantic meaning, understand essence, look for similar matching in translation language. It provides an adaptive translation.

Translation is a new interpretation of the text, therefore when translator moves it to a new cultural space, the text perception one of the form of culture existence. Readers should be interested in exploring other cultural spaces, because the specificity of other cultures develops a deep impression.

Considering the fact that the literary text reflects the cultural aspect, the features of a given culture can be said to be a source of objective information about the world. Fiction belongs to the verbal aspect of culture, forcing us to identify within it a triad of "author-text-recipient". Text, which reflects the national specificity of the verbal and non-verbal aspects of a particular culture, is a means of intercultural communication. Exactly different living conditions, ethical and aesthetic norms, cultural traditions, the difficulty is understanding and knowing of transcultural text (Adzieva, 2011).

The translator performs two tasks: he should maintain the author's cultural mark to help the recipient discover and perceive other cultures. Also he/she transmits communicative intent and looks at all this from a different cultural perspective. Thus, text is a tool in the process of intercultural relations, but also it is an element that belongs to two systems – the *origin culture* and the *perception culture*. The text affects not only the recipient, but also other cultures. Finding out this mechanism and its nature is important for optimizing intercultural communication (Adzieva, 2011).

The cultural turn in translation studies reflects the cultural turn in other disciplines that is an inevitable result of the need for greater intercultural awareness in the world today. It is great to be welcomed, because it offers the best chance we have to understand more about the complexities of textual transfer, about what happens to texts as they move into new contexts and the rapidly changing patterns of cultural interaction in the world we inhabit (Bassnett, 1990, p. 23).

Conclusions: In conclusion we can say that the translator intermediate link, who should not lose the main value of the literary work. The translator has to consider several requirements, which includes good knowledge of the language, correct perception and transmission of text, be able to do different periphrasis of the text, handing over syntactically correct sentences, knowledge ethno-cultural aspects of communication, a thoroughgoing investigation report of cultural space. As a result, we get correct and the adequate translation.

REFERENCES

Adzieva Z.X., & Yrova Y.R. (2011). The cultural aspect of a literary translation. Dagestan Gentile Pedagogical University. Available at: https://cyberleninka.ru/article/n/kulturologicheskiy-aspekt-hudozhestvennogo-perevoda/viewer [In Russian].

Bassnett, S. (1990). Culture and Translation, A companion to Translation studies. Available at: https://www.academia.edu/37858519/Culture_and_Translation_Why_did_Translation_Studies_take_a_Cultural_Turn.

Bassnett, S. (1991). Translation Studies. London: Routledge.

Ginter, A. (2002). Cultural Issues in translation. *Studies about languages*, No. 3, p. 28.

James, K. (2002). Cultural Implications for Translation. *Translation Journal*. Vol. 6, No. 4. Available at: https://translationjournal.net/journal/22delight.htm.

Lotman, J., & Uspensky, B. (1978). On the Semiotic Mechanism of Culture. *New Literary History*. Vol. 9(2), pp. 211-232.

Newmark, P. (1988). A Textbook of Translation. New York: Prentice Hall.

1.8 COMPONENTS OF PROJECTING AND CONSTRUCTIONAL COMPETENCE FORMATION IN THE PROCESS OF GENERAL ENGINEERING TRAINING

Introduction: Social changes and processes taking place in modern society are linked with Ukraine's accession to the European Educational and Scientific space, the key strategy of which is the establishment of a competence paradigm. Thus, Bakum (2014) emphasizes that the need for specialists is actualized, who are able to solve both professional tasks and practically oriented task in the informational and production environments.

The competence of such specialist is determined by means of deep and strong general engineering training that promotes the scientific outlook development, systemic projecting vision, constructional skills, and developed personal and professional qualities. This requires the identification of structural components that will provide a more comprehensive assessment of the development levels of projecting and constructional competence in the learning process.

Materials and methods: Scientists who study various aspects of the projecting and constructional competence of future engineers (viz. Nasirova, Osaul'chyk, Puzanka, Sikora, Ternopil'ska, Torubara et al) emphasize that properly selected diagnostic tools will give possibility to see students' achievements, to estimate and to correct them objectively, and to work independently on mistakes. At the same time, a teacher will be able to identify possible problems in time by using such diagnostic tools and to find effective ways to overcome them in order to promote successfully learning of studied components.

Analysis of temporary State Standards of Higher Education of Ukraine (hereinafter SSHE), educational and professional programs of bachelor's training, and working programs made it possible to separate the structural components of projecting and constructional competence of future engineers in the process of general engineering training, viz. (1) motivational and incentive components (both motivationally targeted and emotionally volitional blocks);(2) cognitive and content components (engineering, graphical, informational and analytical blocks); (3) operationally-acting component (both projecting and constructional block); (4) professional and communicative components (both personally-individual and communicative block); (5) resultative and reflective components (both reflection and self-development). All abovementioned blocks are presented in *Table 1*.

Results: In order to identify the level of the projecting and constructional competence formation in the of diagnostic process, students got several tasks, the results of which were evaluated by appropriate scores. In turn, the score of the general exam mock was evaluated by the sum of score for each task. Therefore, the evaluation for the diagnostic exam mock is written by *formula (1)*, where X_i is the score for the completion concrete task i, and n is the common number of tasks in the diagnostic exam mock.

$$X = \sum_{i=1}^{n} X_i \quad (1)$$

It should be noted that X_i are random variables, therefore, we use mathematical statistics to analyze the obtained results (*Table 2*).

Table 1

Projecting and constructional competence of the future engineer in the general engineering training process

The structure of projecting and constructional competence of the future engineer in the general engineering training process		
Components	Blocks	Characteristics
motivational and incentive components	motivationally targeted	Interest in mastering practical problem-solving skills by means of using traditional and innovative technologies
	emotionally volitional	Current development of strong-willed qualities (purposefulness, initiative), emotional expressiveness (verbal and non-verbal means)
cognitive and content components	engineering, graphical	Ability to read and make drawings correctly according to the standards
	informational and analytical	Ability to solve problems, viz. to explain, to check, to analyze, and to predict the results
operationally-acting component	constructional	Professional skills in performing constructional works with the help of graphic programs
	projecting	Special skills that ensure effective project activity
professional and communicative components	personally-individual	The set of professional and personal qualities (intellectual mobility, activity, and creativity) that are necessary for the engineer in the professional activity
	communicative	Ability to work in a team, to use communication skills and independent experience
resultative and reflective components	reflection	Thinking about actions to evaluate and justify one's own beliefs (motives, aspirations, achievements)
	self-development	Consciously managed process that results in the enrichment of the acquired skills

Source: created by authors based on Bakum (2014) and Gorodys'ka (2015)

Table 2

Statistical analysis of projecting and constructional competence level as components formation in the process of general engineering training

Competence Level	Sample	Proportion of the students, %	Mean	Standard deviation	Critic Value (Student's Criteria *a = 0.05*)	Confidence interval
Low	27	8,4	64,07	2,85	2,05	(62,95;65,20
Average	187	58,6	73,50	2,17	1,96	(73,18;73,82)
Sufficient	95	29,8	82,72	2,20	1,96	(82,27;83,16)
High	10	3,2	92,00	1,25	2,228	(91,12;92,88)
Total	319	100,0	76,07	6,53	1,96	(75,34;76,79)

Source: calculated by authors

The calculations of sample means and standard deviations was performed according to the *formulas (2-4)*:

$$\bar{x} = \frac{1}{n} \sum_{i=1}^{m} n_i x_i \quad (2)$$

$$s = \sqrt{\overline{x^2} - (\overline{x})^2} \quad (3)$$

where $\overline{x^2} = \frac{1}{n}\sum_{i=1}^{m} n_i x_i^2$, n is the number of students who create the sample

x_i are scores received by the *i-th* student during the process of tasks fulfillment in this sample; m is the number of students' groups that are in this sample.

$$\left(\overline{X} - t_{n,\alpha} \frac{s}{\sqrt{n}}; \overline{X} + t_{n,\alpha} \frac{s}{\sqrt{n}} \right) \quad (4)$$

where $\dot{X}$ is the sample mean; s is standard deviation; n is a sample volume; $t_{n,a}$ is a random variable that has a Student's distribution, and a is a significance level. The $t_{n,a}$ magnitude that corresponds to the sample size n and a significance level a, or confidence level $p = 1 - a$, is found in the Student's Distribution Table.

In our research, when selecting a significance level, $a = 0.05$ for a two-tailed critical region from the Student's Distribution Table for the different samples, we find the critical values that are presented in *Table 2*.

The summarized results are shown in *Figure 1*.

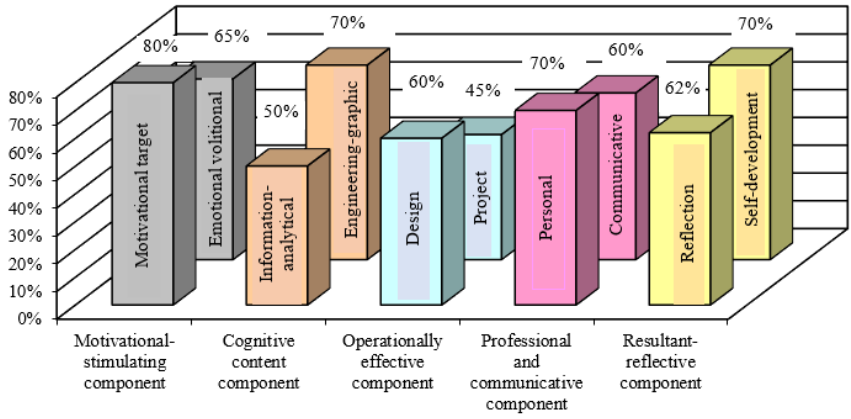


Figure 1: Compositional formation of students' projecting and constructional competences

Source: calculated by authors

The obtained results indicate that the most "problem area" is observed in the process of formation of the cognitive and content component (informational and analytical blocks) and operationally-acting component (projecting block). It is hard for students to carry out active cognitive search while solving problems, and to express their own thoughts in teamwork. It leads to their passivity in practical classes. This requires the use of interactive teaching methods in the process of general engineering training, which will ensure the qualitative formation of cognitive and content, as well as the operationally-acting components of study.

Conclusion: Based on abovementioned results of our research, we can conclude that the use of the partial search method helped to find rational ways to solve engineering learners' problems; the use of problematic method of teaching provided incentives to study general engineering disciplines; the discussion method enabled the activation of professionally-oriented students' communications during the teamwork decision making and the study project completion. Outlined methods helped to solve problematic situations, knowledge exchange, organization of students' brainstorm activity, which ensured the personal qualities development and ability to work in a team, using communication skills and gained experience.

REFERENCES

Bakum, Z. & Tsvirkun, L. (2014). Activation of cognitive activity of future engineers during graphical training. Metallurgical and Mining Industry. *Engineer Pedagogics*. Vol. 5, pp. 36-39.

Gorodys'ka, O.M. (2015). Formation of teacher's pedagogical reflection. The *Bulletin of the National Technical University of Ukraine "Kyiv Polytechnic Institute"*. Section "Philosophy. Psychology. Pedagogy". Vol. 6, pp. 28-33.

CHAPTER 2
INNOVATIONS IN GLOBAL ECONOMICS

2.1 EVALUATION OF WORK TRIAL PROGRAMS, VERIFICATION AND VALIDATION OF NATIONAL VOCATIONAL QUALIFICATION IN SLOVENIA DURING THE GREAT RECESSION WITH PROPENSITY SCORE MATCHING APPROACH[1]

Introduction: The aim of this study is to evaluate some active labor market policy (ALMP) programs in Slovenia, namely two training programs: Verification and Validation of National Vocational Qualifications and Work Trials. The main question that should be answered by analyzing the efficiency of active labor market policy is whether ALMP measures reduce unemployment. Unemployment is the result of imbalances in the labor market, namely the differences between the supply of labor, which is determined by demographic and social trends, and demand for labor that stems from economic activity. The unemployment rate is, at least in the short term, determined by fluctuations in economic activity, since the labor supply is rather stable. ALMP measures that would effectively reduce unemployment should affect labor supply and/or demand.

In Slovenia as well as in other countries, ALMP programs have versatile designs and target groups, as revealed by many studies. Card, Kluve and Weber (2010) carried out a meta-analysis of individual empirical studies on the effectiveness of ALMP programs for the European Commission. The authors concluded that training programs are the most commonly used ALMP measure in the labor markets in Europe. Evaluation of their effectiveness gives mixed results. Estimates of treatment effects are in some cases negative and often insignificant or moderately positive. Still, there are several indications that training programs increase the probability of employment of the participants after completion, especially for participants with better prospects in the labor market, and for women. However, this pattern does not hold for all studies, because of the so-called "locking-in" effect when the job-seekers reduce their efforts to find work due to taking part in the ALMP measure.

The rest of this study is structured as follows. Section 2 describes the data and variables used in the study. Section 3 summarizes the methodological approach of propensity score matching. In Section 4, the results of evaluating each of the two training programs are explained in detail. The implications of the empirical analysis are examined in the Section 5 conclusions.

Data: The data for the empirical investigation were obtained from the Employment Service of Slovenia (ESS). The first database (called US) consists of all

[1] This study describes some of the results of project No. V5-1045 entitled "Evaluation of the largest programs of active labor market policy, including measures against economic and financial crisis". The project was funded by the Slovenian Research Agency, Ministry of Labor, Family and Social Affairs and Ministry of Economic Development and Technology

unemployment periods that ended between 1 January 2007 and 31 December 2010, as well as all of the ongoing periods on 31 December 2010. For each of the unemployment periods, the start and end date and the variables gender, age, level of education, occupation and statistical region were made available. Because ESS is not allowed to disclose personal data about the unemployed, only a personal ID number was added to enable identification of repeated periods. 411,338 unemployment periods with positive durations are included in this database.

The second database stores data about ALMP program participants in Slovenia in the period from 2007 to 2010. This database is called AL. In addition to the variables from the US database, AL also contains information about the type of ALMP program attended by the individual, source of financing and success of the individual at completing the program. From the initial 189,924 periods, the ALMP program ended in 166,166 cases. Since the ALMP program classification changed in 2007, the study only considers the 158,546 periods according to this classification. ALMP programs were successfully completed in 122,492 cases.

When estimating the logit models, the study used the following variables:

- *Status* is a dummy variable that, at any given point in time, takes the value 0 if the observed individual is unemployed, and 1 otherwise;
- *Age* is measured in years at the beginning of unemployment;
- *Male* is a dummy variable that identifies the male unemployed;
- *The geographical dimension* of individuals was captured with 4 dummy variables identifying groups of regions, namely RegionNE (north-eastern regions Pomurska, Podravska, Koroška and Savinjska); RegionSE (south-eastern regions Zasavska, Spodnjeposavska in Jugovzhodna Slovenija); RegionCentral (regions Osrednjeslovenska and Gorenjska); and RegionSW (southwestern regions Notranjsko-kraška, Goriška and Obalno-kraška). This regional division makes sense regarding unemployment rates as well as geographically;

Following other authors, the study defined 4 dummy variables that represent different levels of education, namely PrimarySchool (unfinished or finished primary school); VocationalOrSecondary (self-explanatory); University (professional college degree or bachelor's degree); and Postgraduate (master's degree or and doctorate).

- The Standard Classification of Occupations divides occupations in Slovenia into 10 groups. The analysis used dummy variables for 4 aggregated groups of occupations, namely ManagersAndExperts (Armed forces, legislators, senior officials and managers, experts); TechniciansAndOfficials (technicians and associate professionals, officials); ServiceAndCraft (service workers, vendors, skilled agricultural and fishery workers, craft and related trades workers); and IndustrialAndElementary (plant and machine operators, assemblers, elementary occupations);

The study also used a dummy variable FirstJob with a value of 1 for first-time job seekers and those returning to the labor market after at least two years of inactivity, and 0 otherwise. It is important to mention other variables that are often statistically significant in similar studies of other authors, for example health status, income, marital status and number of children. Unfortunately, the study was not able to obtain the data on these variables for Slovenia.

Methodological approach: A statistical method of matching is used to measure effectiveness of a treatment in a population. A subset of non-treated individuals is called the control group, whereas the set of treated individuals is called the experimental group (or treatment group). For applications of matching to the labor market, population is made up of all the unemployed in a given period of time, while the treatment group consists of all individuals participating in a specific ALMP program.

Performance of ALMP programs is typically measured with the average treatment effect on the treated (ATT) that is defined in detail below. ATT simply put represents the difference between the expected probability of employment for the experimental group and the probability in the case that given individuals from experimental group would not have participated in ALMP. The second probability can only be approximately estimated. The first step involves logit or probit models with relevant explanatory variables to calculate the propensity for participation in the observed ALMP measure. In the second step, for each individual in the experimental group, one finds one or more persons in the control group with the same or at least a similar enough propensity for participation. With this subgroup of the control group the study estimated the probability needed for ATT. A more detailed description with equations is given below.

Formally, one can describe the matching approach in the following way (Stuart, 2010; Murn et al, 2008). In population P, the study observed two binary variables, T and Y. Variable T is assigned a value of 1 for the individual i (i.e. $T_i = 1$), if the individual receives treatment, and 0 otherwise. With $Y_i(T_i)$, the study can monitor the outcome for the treatment and control group. For example, $Y_i(1)$ is equal to 1 if individual i received treatment (i.e. participated in ALMP under observation) and became employed as a result. The outcome for each individual i can be written as a linear combination:

$$Y_i(T_i) = T_i Y_i(1) + (1 - T_i) Y_i(0). \quad (1)$$

Given covariates X, the average treatment effect on the treated (ATT) is defined as

$$ATT = E(Y(1)|T=1, X) - E(Y(0)|T=1, X). \quad (2)$$

Propensity score for individual i is defined as the probability of receiving treatment (i.e. attending ALMP program) given the observed covariates (Stuart, 2010):

$$e_i(X_i) = P(T_i=1|X_i). \quad (3)$$

As described by Stuart (2010), the most important property of propensity scores is that they are balancing scores. Namely at each value of the propensity score, the distribution of the covariates X is the same in the treatment and control groups. The most common model for propensity score estimation is logistic regression that was also used in the empirical analysis. With the help of propensity score, one can compute the propensity score distance between individuals i and j as

$$D_{ij} = |e_i - e_j|, \quad (4)$$

where e_j is the propensity score for individual j.

Next, for each individual in the treatment group, the most similar individuals

(regarding the probability of receiving treatment as calculated by propensity score) from control group are selected with the help of nearest-neighbor matching methods. *1:1* nearest neighbor selects the nearest individual in the control group for each individual in the treatment group. The study also applied *k:1* matching (with *k* best matches for each individual). To avoid poor matches, the study followed the suggestion of Stuart (2010) and imposed a caliper. In this case, matches are only selected if they lie within the caliper.

The study also controlled for the ties (i.e. matches with the same distance). If several control observations match a treated observation, then the matched dataset includes all matches and the matches are weighted accordingly (Sekhon, 2011). Matching "with replacement" (where controls can be used for matches for several treated individuals) confers benefits when compared to matching "without replacement". Namely, matching "with replacement" may decrease bias since controls that are close to many treated individuals can be selected more than once (Stuart, 2010).

Results: This section describes the empirical results for the two training programs in Slovenia, viz. Verification and Validation of National Vocational Qualification and Work Trial.

The most important results of the calculations are the ATT values at the end of appropriate years and information on their statistical significance. ATT values are computed by matching methods, using a nearest neighbor algorithm, with replacement and ties. The procedure therefore takes into account all individuals from the control group that possess the same probability of inclusion into the program under observation. For most calculations the study used a caliper of 0.01 as suggested by many authors. The main text reports only basic indicators (ATT, standard error, t-statistic and p-value). Results of the logit models are given in the Appendix. All models and variables passed the balancing assumption, according to the bootstrapped p-values of the Kolmogorov Smirnov test. Detailed results can be obtained from the authors upon request. All calculations were performed with the R open source code software package Matching by Sekhon (2011).

When performing the calculations, the study examined inflow into unemployment in one chosen basis year, as proposed by several authors (Fitzenberger and Speckesser, 2007; Lechner, Miquel and Wunsch, 2007; Leetmaa and Vork, 2004; Ramos, Surinach and Artis, 2009). Namely, individuals that became unemployed, e.g. in 2007, cannot be directly compared to those that started unemployment in 2009 or 2010, since the situation in the labor market changed significantly in this period. Base year of inflow was chosen according to the number of participants of the observed ALMP program and the expected short-term or long-term effects. The base year can be changed, if only the desirable year had enough new ALMP program participants. Following Frederiksson and Johansson (2003), Fitzenberger and Speckesser (2007) and Leetmaa and Vork (2004), the study included a squared age variable and interaction between age and gender into the logit model. The variables are statistically significant in most cases. The study compared the results to models without these variables and found that the inclusion had only a minimal impact on ATT.

Verification and Validation of National Vocational Qualifications

A short description of the Verification and Validation of National Vocational Qualifications program is given in *Table 1*.

Table 1

Description of the program (taken from the Catalogue of Active Labor Market Policy Measures, ESS, 2010)

OBJECTIVE AND PURPOSE:
Activity enables participants to obtain a public document of national vocational qualification (NVQ) or certificate of basic vocational qualification (BVQ) that demonstrates acquired expertise and skills that are required to practice within the profession. Aim of the activity is to increase the employability of the unemployed, raise qualification levels and reduce structural imbalances in the labor market
IMPLEMENTATION:
Certification of NVQ or BVQ by verifying expertise, skills and experience gained outside formal education, provide the participants state-approved documents (certificates) for NVQ or TLC, with whom the participants demonstrate competence to practice the profession. The activity is carried out on the basis of an employment plan
TARGET GROUP: unemployed
DURATION: usually up to one month

Source: created by author

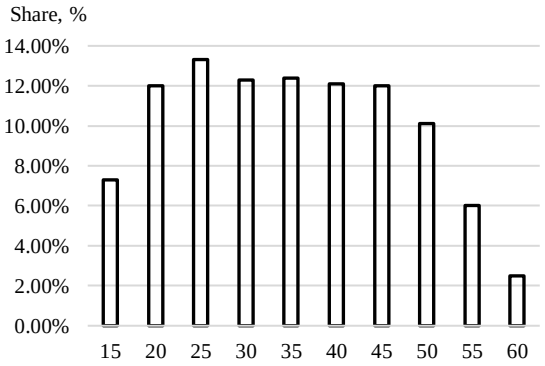


Figure 1: distribution of the observed age of the program participants

Source: created by author

Figure 1 shows the distribution of the observed age of the program participants, it is clear that 25 to 50-years-olds are approximately equally represented and that there is a relatively large number of participants over 50. In the ALMP database, on the other hand, the age group from 27 to 32 is the most numerous, representing 26% of all enrollments. The majority of participants (1,230 persons) are enrolled in verification and certification of NVQ in 2010. Due to the shortness of the program, which lasts up to one month, the study examined only inflow to unemployment in 2010 in the first stage. The experimental group consists of participants that enrolled and also completed the program in 2010, and that became unemployed in 2010 (386 persons). The control group comprises inflow into unemployment in 2010 (i.e. those who started registered unemployment in 2010) that did not take part in ALMP (64,467 persons).

ATT at the end of 2010 is 0.0438 and is marginally statistically significant (i.e. significant at the 10% level and insignificant at the 5% level). The results are presented in *Table 2*. By the end of 2010, 41.97% of the experimental group ended registered unemployment, whereas in the control group only 30.54% were not unemployed any more. After matching the share of selected from the control group that ended unemployment is equal to 37.59%, which is 4.38 percentage points lower than for the experimental group.

Table 2

ATT values (for unemployment inflow and enrollment in ALMP in 2010)

Indicators	At the end of 2010
ATT	0.0438
AI SE	0.0253
t-stat	1.7314
p-value	0.0834

Source: calculated by author

Note: AI SE denotes standard errors proposed by Abadie and Imbens (2006)

In the second stage, the study examined the effect for a further experimental group of participants that enrolled and completed the program in 2010, but became unemployed in 2009 (729 persons). The control group consists of those who started unemployment in 2009 and were unemployed for at least a year (so that they were definitely unemployed in 2010 when the experimental group started the verification and validation of NVQ) and that did not take part in any ALPM program (18.659 persons). With these assumptions, ATT is higher (0.1938) and statistically significantly different from 0 even at the 1% significance level (*Table 3*). By the end of 2010, 44.44% of the experimental group, 26.34% of the control group and 25.06% of the control group after matching ended unemployment. This program is more efficient for the participants that became unemployed in 2009 and were thus unemployed for a longer period of time.

Table 3

ATT values (for unemployment inflow in 2009 and enrollment in ALMP in 2010)

Indicators	At the end of 2010
ATT	0.1938
AI SE	0.01949
t-stat	9.9441
p-value	0.0000

Source: calculated by author

Work Trial: Work trial programs are described in *Table 4*.

Most of the work tests in the database last from half a month to a maximum of one month. Due to the shortness of the program and according to the number of new enrollments in given years, the study examined work tests in the year 2010, when the majority of participants enrolled. Out of 6,261 work test participants in 2010, 3,431 became unemployed in 2010. From these the study selected 3,091 individuals that completed the program by the end of 2010. The control group comprises 64,467 unemployed persons that started registered unemployment in 2010 and did not participate in any ALMP program.

Table 4

Description of the program (taken from the Catalogue of Active Labor Market Policy Measures, ESS, 2010)

OBJECTIVE AND PURPOSE:
The aim of this program is to obtain work experience at specific work tasks. The purpose of participation in these activities is to enable the unemployed to test their knowledge, skills, and work habits prior to employment
IMPLEMENTATION:
Work test is carried out on the basis of employment plan at the selected program providers at a specific workplace, directly at the employer or institution for vocational training.\
OPERATIONAL CONTRACTORS
External contractors, which can be legal or physical persons registered to do business in the Republic of Slovenia, who provide an adequate training program, and during the training provide adequate professional guidance
TARGET GROUP: unemployed
DURATION: usually up to one month

Table 5

ATT values

	At the end of 2010
ATT	0.2353
AI SE	0.0092
t-stat	25.56
p-value	0.0000

Source: calculated by author

Note: AI SE denotes standard errors proposed by Abadie and Imbens (2006)

As can be seen from *Table 5*, ATT is positive and significantly different from zero. By the end of 2010, 63.08% of the experimental group ended registered unemployment. From those that were selected from the control group in the matching process, on the other hand, only 39.55% exited from unemployment. The difference is equal to ATT (23.53%).

Conclusions: The analysis reveals mixed results for different training programs, from insignificant to positive. Other authors obtained similar results, but it has to be emphasized that for eastern and transition countries, the effects seem to be more encouraging. In a study on Serbian data, Bonin and Rinne (2006) noted that training reduces unemployment by 7%. Similar results were obtained by Walsh et al. (2001) for Bulgaria and by O'Leary (1998) for Hungary. Training programs are effective in areas with high unemployment, as shown by Dmitrijeva and Hazans (2007) for Latvia in the period between 1998 and 2003 and by Kupets (2000) for Ukraine.

In this study, Verification and Validation of National Vocational Qualifications and Work Trials exhibit positive ATT already in the short run. For the Workplace Training Programs, on the other hand, short-term results are often insignificant or negative, as in studies by Lechner, Miquel and Ruth (2005; 2007) that revealed negative short term impact for training programs in Germany with positive effects occurring after 3 to 4 years from completion, depending on the length of training. It would therefore be advisable to evaluate the effectiveness of workplace training for Slovenia also in a longer horizon to test for long-term effects.

REFERENCES

Abadie, A., & Imbens, G. (2006). Large Sample Properties of Matching Estimators for Average Treatment Effects. *Econometrica* Vol. 47: pp. 235-267.

Bonin, H., & Rinne, U. (2006). Beautiful Serbia. IZA. *Discussion Paper* No. 2533.

Caliendo, M., & Kopeinig, S. (2008). Some Practical Guidance for the Implementation of Propensity Score Matching. *Journal of Economic Surveys*. Vol. 22(1), pp. 31-72.

Card, D. Kluve, J., & Weber, A. (2010). Active Labor Market Policy Evaluations: A Meta-Analysis. *Economic Journal, Royal Economic Society*. Vol. 120(548), pp. 452-477.

Dmitrijeva, J., & M. Hazans (2009). A stock-flow matching approach to evaluation of public training program in a high unemployment environment. CEIS, Fondazione Giacomo Brodolini and Blackwell Publishing. Vol. 21(3), pp. 503-540.

Employment Service of Slovenia (ESS) (2010). Catalogue of Active Labor Market Policy Measures.

Fitzenberger, B., & Speckesser, S. (2007). Employment Effects of the Provision of Specific. Professional Skills and Techniques in Germany. *Empirical Economics*. Vol. 32(2/3), pp. 529-573.

Frederiksson, P., & Johansson, P. (2003). Employment, Mobility, and Active Labor Market Programs. *Working Paper Series*. 2003:5, Uppsala University, Department of Economics.

Južnik Rotar, L. (2011). *Ocenjevanje učinkov aktivne politike zaposlovanja* [Evaluating Effects of Active Labor Market Policy]. *Management*. Vol. 6(2), pp. 165-176.

Kupets, O. (2000). The impact of active labor market policies on the outflows from unemployment to regular jobs in Ukraine. M.A. thesis, Kiev: National University "Kiev-Mohyla Academy".

Lechner, M., Miquel, R., & Wunsch, C. (2005). Long run Effects of Public Sector Sponsored Training in West Germany. *CEPR Discussion Papers*. No. 4851.

Lechner, M., Miquel, R., & Wunsch, C. (2007). The Curse and Blessing of Training the Unemployed in a Changing Economy: The Case of East Germany After Unification. *German Economic Review*. Vol. 8, pp. 468-509.

Leetma, R., Võrk, A. (2004). Evaluation of Active Labor Market Programs in Estonia, Bank of Estonia.

Mikhed, V. (2007). Evaluation of active labor market policies in Ukraine using micro level data from unemployment registries. World Bank and CERGEE-EI.

Murn, A., Burger, A., & Rojec, M. (2008). Učinkovitost državnih pomoči za usposabljanje [Effectiveness of State Aid for Training]. IB revija 2/2008.

O'Leary, C.J. (1998). Evaluating the Effectiveness of Active Labor Market Programs in Hungary. *Upjohn Institute Technical Report*. No. 98-013.

Ramos, R., Surinach, J., & Artis, M. (2009). The Effectiveness of Regional Active Labor Market Policies to Fight against Unemployment: An Analysis for Catalonia. IZA. *Discussion Paper*. No. 4649.

Sekhon, J.S. (2011). Multivariate and Propensity Score Matching Software with Automated Balance Optimization: The Matching package for R. *Journal of Statistical Software*. Vol. 42(7).

Stuart, E.A. (2010). Matching Methods for Causal Inference: A Review and a Look Forward. *Statistical Science*. Vol. 25(1), pp. 1-21.

Walsh, K., Kotzeva, M., Dölle, E. & Dorenbos, R. (2001). Evaluation of the net impact of active labor market programs in Bulgaria. Ministry of Labor and Social Policy, Bulgaria.

APPENDIX

Appendix A1: Logit model for verification and validation of national vocational qualifications (for unemployment inflow and enrollment in ALMP in 2010)

```
Coefficients:
                          Estimate Std. Error z value Pr(>|z|)
Intercept                -1.239e+01  1.156e+00 -10.722  < 2e-16 ***
Age                       3.280e-01  4.295e-02   7.637 2.22e-14 ***
Age^2                    -4.255e-03  5.238e-04  -8.124 4.52e-16 ***
Age * Male               -4.120e-02  1.295e-02  -3.181  0.00147 **
Male                      2.613e+00  4.972e-01   5.256 1.48e-07 ***
RegionSE                  5.668e-03  1.699e-01   0.033  0.97339
RegionCentral             3.263e-02  1.170e-01   0.279  0.78040
RegionSW                 -2.793e-01  1.842e-01  -1.516  0.12956
PrimarySchool            -1.347e-01  7.244e-01  -0.186  0.85248
VocationalOrSecondary     5.532e-01  7.165e-01   0.772  0.44003
University                3.731e-01  7.330e-01   0.509  0.61077
FirsJob                  -3.943e-01  2.890e-01  -1.365  0.17236
TechniciansAndOfficial    3.897e-01  2.417e-01   1.612  0.10687
ServiceAndCraft           3.028e-01  2.353e-01   1.287  0.19820
IndustrialAndElementary   1.008e+00  2.339e-01   4.310 1.63e-05 ***
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
    Null deviance: 4725.5 on 64852  degrees of freedom
Residual deviance: 4390.2 on 64838  degrees of freedom
AIC: 4420.2
Number of Fisher Scoring iterations: 9
```

Appendix A2: Logit model for verification and validation of national vocational qualifications (for unemployment inflow in 2009 and enrollment in ALMP in 2010)

```
Coefficients:
                          Estimate Std. Error z value Pr(>|z|)
Intercept                -8.3953222  1.2046362  -6.969 3.19e-12 ***
Age                       0.2801598  0.0320865   8.731  < 2e-16 ***
Age^2                    -0.0042228  0.0004005 -10.543  < 2e-16 ***
Age * Male               -0.0223394  0.0084861  -2.632 0.008477 **
Male                      1.4470861  0.3260899   4.438 9.09e-06 ***
RegionSE                 -0.0214894  0.1208755  -0.178 0.858895
RegionCentral            -0.0080681  0.0894519  -0.090 0.928132
RegionSW                 -0.5851189  0.1498022  -3.906 9.39e-05 ***
PrimarySchool            -0.2361964  1.0190446  -0.232 0.816707
VocationalOrSecondary     0.6876572  1.0160668   0.677 0.498543
University                1.0010371  1.0217602   0.980 0.327225
FirsJob                  -0.4542181  0.2114935  -2.148 0.031740 *
TechniciansAndOfficials   0.5936779  0.1775625   3.343 0.000827 ***
ServiceAndCraft           0.6549090  0.1715636   3.817 0.000135 ***
IndustrialAndElementary   0.7648175  0.1737583   4.402 1.07e-05 ***
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
    Null deviance: 6213.6 on 19387 degrees of freedom
Residual deviance: 5491.7 on 19373 degrees of freedom
AIC: 5521.7
Number of Fisher Scoring iterations: 7
```

Appendix A3: Logit model for work test

```
Coefficients:
                            Estimate Std. Error z value Pr(>|z|)
Intercept                -5.3601740  0.4715820 -11.366  < 2e-16 ***
Age                       0.1287272  0.0143945   8.943  < 2e-16 ***
Age^2                    -0.0022771  0.0001887 -12.067  < 2e-16 ***
Age * Male               -0.0184884  0.0038693  -4.778 1.77e-06 ***
Male                      0.4480249  0.1313307   3.411 0.000646 ***
RegionSE                 -0.4022967  0.0605874  -6.640 3.14e-11 ***
RegionCentral            -1.1723420  0.0535775 -21.881  < 2e-16 ***
RegionSW                 -0.7135256  0.0660572 -10.802  < 2e-16 ***
PrimarySchool             1.0354343  0.3855629   2.686 0.007242 **
VocationalOrSecondary     1.2676992  0.3839421   3.302 0.000961 ***
University                0.8207993  0.3879869   2.116 0.034384 *
FirsJob                  -0.2860048  0.0934507  -3.060 0.002210 **
TechniciansAndOfficials   0.1003768  0.0920478   1.090 0.275499
ServiceAndCraft           0.4519703  0.0854280   5.291 1.22e-07 ***
IndustrialAndElementary   0.5130131  0.0888212   5.776 7.66e-09 ***
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
    Null deviance: 25107 on 67557 degrees of freedom
Residual deviance: 23030 on 67543 degrees of freedom
AIC: 23060
Number of Fisher Scoring iterations: 7
```

2.2 STRATEGIC PRIORITIES FOR THE DEVELOPMENT POLICY OF THE DIGITAL ECONOMY OF THE STATE

Introduction: One of the key megatrends in the world is naturally considered to be the most comprehensive transition to the digital economy. A number of recognized economists claim that the world is already living in an information economy that extends beyond all spheres of public life such as economy, entrepreneurship, social activity, state administration, housing and communal services, public sector, information and technological spheres, etc.

The information society is a modern reality, while innovations in the field of digital technologies accelerate the growth and improvement of the life quality, the development of information technologies creates new types of business activities and opens new markets and products. The links between the development of the digital economy and business activity, international competitiveness, inclusiveness and economic security of national economies are becoming closer (Vlasiuk, 2016).

Therefore, data that is displayed in digital form, as well as their combination and use in the form of information technologies should naturally be considered as the factors of production along with capital, land, labor, innovations, entrepreneurial abilities in all spheres of socioeconomic activities. This leads to an understanding of the need for new approaches in staff training, involvement of the population in the digital economy, development of an appropriate and accessible infrastructure of information and communication technologies, development of innovative culture and high-tech entrepreneurship, increased activities in the context of relations such as business and research organizations – high-tech enterprises.

As a result, the importance of formulating and implementing effective public policy in the field of ensuring the development of the digital economy sector in Ukraine, which has high potential, is actualized. Such a priori policy should be well thought out, clearly planned and implemented in accordance with a predetermined sequence, where the compliance with the chosen trajectory is the achievement of strategic guidelines of state regulation. In addition, the strategic priorities of public policy serve as the guidelines by which all other elements, mechanisms, tools and measures of state regulation at the lower levels of the administrative hierarchy are defined and laid down.

Materials and methods: The methodological and theoretical basis of the research is a set of methods and techniques of scientific knowledge. Their combined use allowed to form theoretical, methodological and applied approaches to the strategic priorities determining of the state policy of the digital economy sector development, which ensured the obtained results and conclusions. In particular, the following methods were used, namely induction and deduction for summarizing the digital processes importance of and its state regulation in the context of national economy development; systematization for identifying aspects of formation of the digital economy potential; strategic management during the substantiation of strategic guidelines of the state policy for the digital economy sector development; system design for developing proposals to implement the relevant direction of state policy.

Results: The starting point in the formation and further implementation of the state policy in the field of the digital economy development in Ukraine is the identification and foundation of strategic priorities of state regulation. It should be acknowledged that in Ukraine the issues of regulating the digital economy sector development has been raised in recent years, as well as at various levels (central, local government, public sector, business, individual politicians, etc).

For example, in 2018 the Cabinet of Ministers of Ukraine resolved the adoption of the Concept of the digital economy and society development of Ukraine for 2018-2020, which defines the concepts, as well as the purpose of the state policy of the economy digitization. The Concept involves the main goals (respectively, priorities of state policy) of digitization of the Ukrainian economy. They are the following ones: (1) accelerating economic growth and attracting investment, (2) competitiveness and efficiency of economy industries, (3) technological and digital modernization of industry and production; (4) accessibility of the digital world; 5) digital business development.

Obviously, such goals can hardly be considered true and correct strategic priorities for the development of the state digital economy sector. These are rather the consequences of its qualitative and effective progress, which are not immediate, but secondary, incidental. This gives reason to say that the specific targets for state regulation in the Concept are not defined.

In fact, some of the measures of state regulation in the sphere of development of the Ukrainian economy digitization, which are envisaged by the Concept, correspond more to the strategic priorities of state regulation. These include, for example, the development of digital technology exports, the digital development of priority areas of life, the implementation of digital competences and skills of citizens, as well as the development of digital infrastructures.

In 2016, individual companies that are world leaders in the digital market, Ukrainian consultants and experts, supported by the Ministry for Development of Economy, Trade and Agriculture of Ukraine, developed and presented the Digital Agenda for Ukraine 2020. The document sufficiently and comprehensively defines and describes the priority areas, initiatives, projects of the economy digitization, which are reduced to the achievement of the following strategic guidelines: 1) stimulating the economy development and attracting investments, 2) forming the basis (digital economy, business digitization) to transform the sectors of the economy into competitive and efficient ones, 3) increasing the accessibility level of digital technologies, 4) improving the opportunities for realization of human capital, development of innovative, creative and digital industries and businesses, 5) global leadership on the export of digital products.

As it can be seen, some of the priorities are to some extent insufficiently substantiated and partly overstated, others have a character similar to the priorities defined in the State Concept. Only a few priorities, such as enhancing accessibility to digital technologies and realizing the human capital and business potential of digital technology, meet the requirements for defining public policy goals. Although, they also need clarification and concretization.

In Ukraine, the task of forming more specific and functionally oriented strategic priorities of state regulation of the digital economy development is becoming more and more urgent, on the basis of which a more systematic, comprehensive and effective state policy of potential development and realization of this sector of the national economy would be built. The identified priorities should not only consolidate the main directions of public policy, but also ensure the stage, the sequence of its formation and implementation.

It is important for the digital economy sector of Ukraine to form its full potential at stage № 1. In fact, today it is presented. This includes the large number of ICT business entities, the professionals working in this field, the availability of competitive IT products recognized in the domestic and foreign markets, high performance in the information and telecommunication area, as well as advanced education and training system. But there are reasons to confirm that much greater and systemic success can be achieved as a result of a more complete methodological approach to building the potential of this sector of the national economy.

Creation of the potential of the information economy sector is also necessary for further enhancement and effective use of its competitiveness, which is rightly considered as an important fundamental and binding factor of competitive position of the country economy as a whole. The strategic priorities of Stage № 2 of the state policy for the development of the digital economy sector in Ukraine should be guided by the formation and strengthening of competitive positions of this link of the national economy.

The focus on outsourcing of IT services, which is clearly expressed in Ukraine, is contrary to the principles of competitiveness of the basic type of economic activity, which produces a high added value final product and a wide range of key segments in the domestic and foreign sales markets, where not entrepreneurs, but powerful corporations that are closely integrated into all sectors of the economy, have high official volumes of business, make tax deductions and provide employment and the demand for education and other services (Melnyk, Korcelli-Olejniczak, Chorna & Popadynets, 2018).

In fact, after strengthening the competitive position of the digital economy, there are opportunities to move to the next stage (№ 3) of its evolution, where the sector potential in the national economy and development of the information society of the country is realized. At this stage, it will be possible to talk about the creation and implementation of digital products and services, both within the newly created product, and in the management and business processes in all types of economic activity, complete informatization of all relations in the system of administrative, public and other relations (Ilyash, Dzhadan & Ostasz, 2018; Vasyltsiv & Lupak, 2016).

Identification of strategic stages of the state policy of the digital economy development in Ukraine allowed to determine the structure of strategic priorities of state regulation, the achievement of which is subordinated both to the general goal and to the general strategic logic of event progress (*Figure 1*).

Thus, regarding the formation of the potential of the digital economy in Ukraine, it is necessary to form a valuable infrastructure for its functioning and development.

This is a basic level of infrastructure for economy digitization (which has not been established in Ukraine yet), while realizing the potential of the digital economy requires the use of modern technological support and advanced high technologies, systems and platforms for their service.

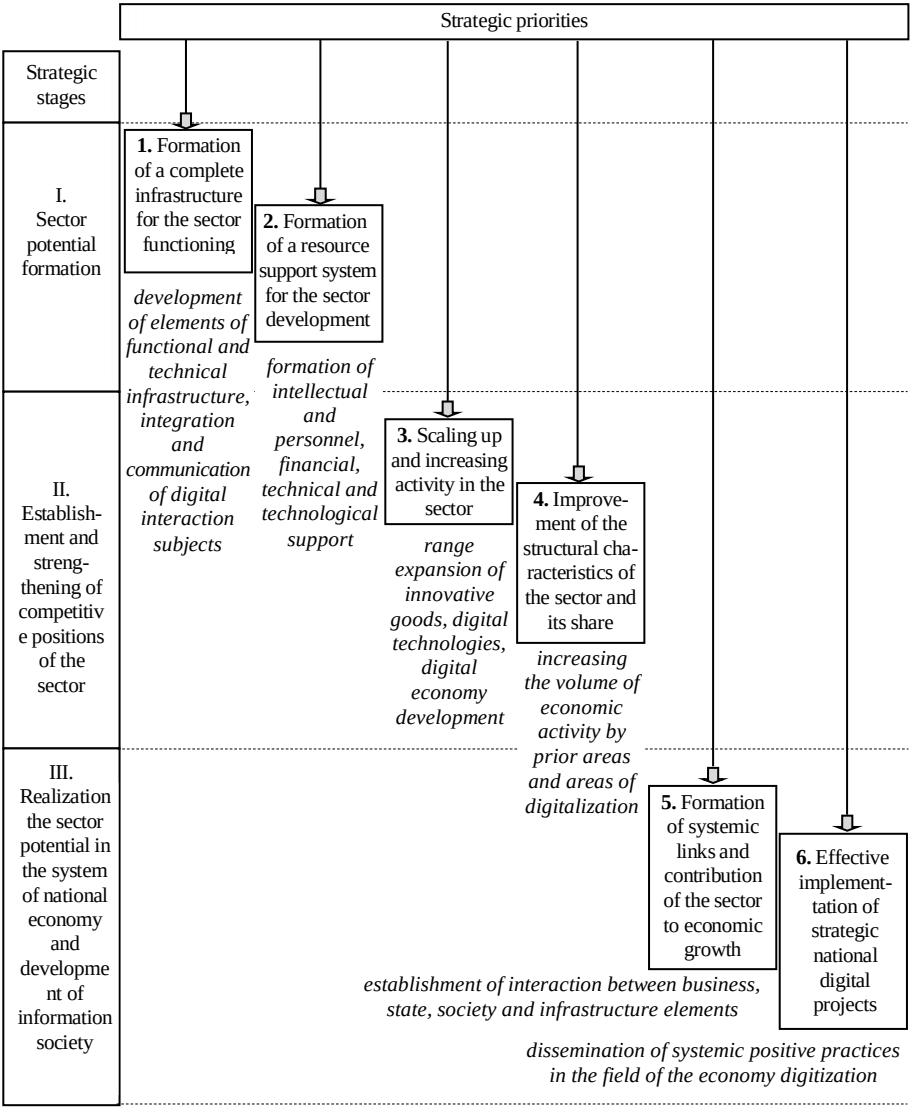


Figure 1: System of strategic priorities of the state policy for development of the digital economy in Ukraine

Source: created by authors

Infrastructure development provides the basis for further progress and increased activity in the digital economy. The increase of the national information product, the growth of the share of information technologies in the added value, the spread of digital technologies to business processes in all types of economic activities and spheres of public life will not happen without sufficient financial resource and intellectual and human resource support.

At the next strategic stage of state regulation of the development of the digital economy, it is necessary to move to the strategic priority realization for expanding the sector scope and increasing the volume of economic activity. This will be facilitated not only by the increase in the nomenclature of goods with information technology content in most types of economic activity, but also by the expansion of the range of modern technologies used in the economy. The important strategic tasks for state authorities are to increase the share of the digitization sector in basic economic activities, society and administrative services, to increase the number of practices and spheres of use of artificial intelligence, to enhance the development of the Internet of Things, to create digital platforms for the virtual environment of user interaction, the state support of the digital transformation processes, virtualization of physical infrastructure IT systems and transition to service models.

It should be noted that under the terms of the fulfillment of certain tasks and inclusion of the main actors in the unified system of functioning and developing the digital economy sector, the full conditions for the implementation of large-scale national projects in the field of social and economic development of the country will be created. The specialization of such projects should relate to building a solid and soft national infrastructure for digital economy sector development; digitization of social infrastructure objects; development of e-governance; creation of smart cities; customs modernization on the basis of electronic customs formation; transition to Industry-4.0; full-scale digitization; creation of high-tech clusters; promotion of inter-corporate electronic interaction and creation of industry digital platforms.

Conclusion: The effectiveness of the national policy of the economy digitization increases, provided its direction not only to the activity of economic agents, but also to the society and public administration, which simultaneously complicates the process of strategic planning, significantly increases the resource, institutional, organizational, time and other cost components.

Going through the state regulation stages in the analyzed sphere (formation of the potential of the national sector of the economy digitization, formation and strengthening of its competitiveness, realization of the potential of the digital economy sector in the system of development of the national economy and information society) enables consistent implementation of such strategic priorities as the formation of digital economy infrastructure, the development of a resource support system for the functioning of the digital economy sector, scaling up and expanding economic activity in the digital economy sector, improving the structural characteristics of the sector digitization and increasing its share in the economy, the formation of systemic links and the contribution of the digital economy to the economic growth of the country, effective implementation of strategic national digitization projects.

REFERENCES

Vlasiuk, O. (2016). System transformations of the national economy: challenges and expectations. Monograph. *University of Economy Publishing, House*, Bydgoszcz, Poland. Vol. 1, 242 p.

Melnyk, M., Korcelli-Olejniczak, E., Chorna, N. & Popadynets, N. (2018). Development of Regional IT clusters in Ukraine: institutional and investment dimensions. *Economic Annals-XXI*. Vol. 173(9-10), pp. 19-25.

Ilyash, O., Dzhadan, I. & Ostasz, G. (2018). The influence of the industry's innovation activities indices on the industrial products' revenue of Ukraine. *Economics and Sociology*. Vol. 11(4), pp. 317-331.

Vasyltsiv, T. & Lupak, R. (2016). Strategic priorities of state structural policy of import substitution in Ukraine. *Actual Problems of Economics*. Vol. 1(175), pp. 52-60.

2.3 DESTINATION MANAGEMENT IN TOURISM

Introduction: Currently, a common approach to determining the essence of the *Tourist Destination Concept* does not exist. On the one hand, this is due to the lack of a single international terminological apparatus on this subject given the many interpretations of the tourist destinations, differing in approaches to substantiate their functions, components and signs in the economic system. On the other hand, the concept of tourist destination is not fixed in the national regulatory framework, while this term is actively used in legislative practice. The legislation on national science and in the development of tourism management defines *Tourist Destination Concept* by means of "tourist center", "tourist product", "tourism industry", "tourist region", considering its nature and purpose. It should be noted that tourist destination is a complex and multidimensional concept, which requires concretization and research by both sides of science and management. This makes necessary to consider the basic scientific approaches for understanding nature of tourist destinations and its main characteristics.

Materials and methods: The *object of research* is the tourist destination; the *subject* is the theoretical aspects of the competitiveness of tourist destinations.

Various research methods were used in our study, viz. comparison, observation, description, theoretical analysis and synthesis, classification, analogy, as well as induction and deduction.

The destination concept comes from Latin ("destino") and translates as location (Gorelov, 2012). Modern tourism dictionaries and encyclopedias contain the following interpretations of the concept of "tourist destination". Countries, regions, cities and other territories that attract tourists are the main places of tourist activity, tourist flows and their costs; places of maximum tourists' concentration, accommodations, monuments, food, entertainments, other socioeconomic services impacting tourism (Gurieva, 2012). Other definition of tourist destination, viz. it is a physical space, where a visitor spends at least one night. It includes tourism products, such as ancillary services and attractions, as well as tourism resources. It has physical and administrative boundaries that predetermine the foundations of its management, images and perceptions that determine its competitiveness in the market. Local tourist destinations include various stakeholders, often the host community (local population) and can be integrated into networks to form larger destinations (Gorelov, 2012).

Law "On Tourism Activities" is aimed at harmonizing administrative procedures existing in the CIS member states and is related to the regulation, organization, sale of tourism services in the territory of the CIS member states. Thus, a destination is considered as a tourist destination (tourist trip, excursion), place of visit (territory, area, city, tourist destination, etc) by people who do not live permanently in this area and who is not included in the local population (Gurieva, 2012). In our opinion, this definition is general and does not characterize *tourist destinations as an economic category*, because on the one hand, geographical destination boundaries and conditions are not defined; on the other hand, differences between seasonal tourists who are not

local residents and permanent population in this territory, but regularly stay in this territory upon arrival. As an element of the tourism system, tourist destinations were considered in 1979 by Neil Lipper. In his work, the tourism system is considered as a set of five functionally connected elements: tourists; tourist generating regions; transit zones (roads); tourist destinations; tourism industry. As it is mentioned in the work of Efimova (2009), Lipper defines a tourist destination as a place that attracts tourists for a temporary stay, and features that contribute to this attraction.

Summing up the tourist destination definitions, we can conclude the following: *Tourist Destination Concept* is a certain physical space (i.e. a system with certain properties), that are able to attract tourists and encourage them to travel there. The main characteristics of a tourist destination are different.

Based on the results of previous theoretical and empirical studies, we believe that the existing approaches to the definition of "tourist destination" are a combination of three areas: territorial and geographical, industrial (functional) and sociocultural.

What factors are attributed to the external environment? Conditionally, they are divided into two groups: direct and indirect factors. Direct factors include suppliers, customers, intermediaries, labor forces, shareholders, etc. Indirect factors are divided into groups, and in different sources the composition of these groups varies. *Economic factors* include inflation; unemployment; international balance of payments; interest and tax rates; GDP magnitude and dynamics; labor productivity, budget deficit, etc. *Political factors* include government policy and methods of its implementation; changes in the legislation and regulations; international agreements concluded by the government in the field of tariffs and trade, credit, antitrust policy, etc. *Social factors* cover social values, attitudes, quality of life; living standards; traditions; educational level; relations between national minority representatives living in the same territory. *Technological factors* cover the level of scientific and technological development, innovative progress, productive technologies and rates of their implementation in the practice, etc. *International factors* consider relations with other countries, access to international markets, customs, protectionism policies, anti-dumping measures, the level of foreign competition, data on foreign markets, detailed analysis, etc. All the above-mentioned factors of the external environment affect the financial well-being, of different entities, their financial and economic activities.

The external environment is very divers. Thus, business entities cannot avoid to interact with, they cannot affect the above analyzed factors. But they can predict, think through possible scenarios.

The best method for analyzing the external environment of an enterprise is PEST analysis. It helps to determine political, economic, social and technological factors that affect the work of a particular firm and develop prospective options for using each factor with a profit or, at least, with the least losses (Gerchikova, 2004).

As for a tourism industry, the external factor such as political situation in the country, is of great importance. Generally speaking, this factor is very important for any enterprise, but in the sphere of tourism it is possible to survive only in case of economic sustainability, political stability and tranquility. Otherwise, consumers refuse to visit the country. So, the enterprises of the tourism industry lose their profits.

The intercountry relations, visa and customs control when visiting the country, have a great influence. People do not like to go through complicated procedures, for various reasons; they choose the simplest ways.

The influence of economic factors is manifested in the following way: the growth of disposable incomes of the population allows to spend more money on travel, and consequently, to bring profit to the tourist enterprises. Social factors in this area are most likely relations between different nationalities in the country, attitudes towards newcomers, respecting traditions. High-tech development and communications, as well as technological factors play a huge role brining tourists up to the date. Stable Internet, roaming, newest achievements of telecommunications should be present in order to support and make accommodative visits of tourist from different regions.

Now the topic of changing the situation on the market is very interesting due to the accession to the World Trade Organization. It is also an environmental factor that can bring inconvenience. Since it is considered that the quality of all goods and services produced abroad is higher, or the price is much lower. In this regard, enterprises should calculate the risk of losing customers, and, consequently, profit.

An external environment is a large area for research. There are also unpredictable manifestations of cause-effect relationships, hidden at first glance. Ordinary people rarely think about, do not trace the patterns. Everyone is engaged in own business. It is necessary to study the legislation in details, to understand current economic processes, to learn social values, foundations and preferences of the local population (especially before the visits with a touristic purpose). Technical and technological factors are important, viz. telecommunications, nanotechnology, medical and health care industries. Thus, it is very important to have highly qualified personnel to serve tourists sufficiently. Environmental factors can be (a) reasons and conditions of the restriction/expansion of activities; (b) prerequisites, necessitating the implementation of changes. They can be clarified before the touristic visits as well.

Marketing tourism strategies are based on the strategic goals of tourism. Typical purposes of tourism are:

(a) economic – to ensure the maximum contribution of tourism to the economic prosperity, employment and economic development of the region;

(b) consumer – to use opportunities and advantages of tourism conditions and recreation as much as possible for local residents and tourists;

(c) ecological – to protect the historical and cultural foundations of the region as a part of the community's life and development to find satisfaction in the fact that future generations will have the opportunity to enjoy the rich heritage of the region;

(d) governmental – to harmonize all possible activities in order to support tourism and recreation related to the government, to meet the needs of the general public and private sectors related to the tourism, recreation, and the cultural heritage.

Thus, strategic goals of tourist marketing are: (1) increasing the reliability and profitability of the tourist network functioning; (2) improving the equipment of tourist bases; (3) increasing the profitability of the tourist industry functioning in the "dead" seasons; (4) increasing the percentage of occupied places in tourist facilities; (5) increasing the prices flexibility for tourist services in different seasons; (6) more

efficient use of the tourist infrastructure; (7) harmonizing the tourism development with the natural conditions peculiarities of rest places and tourism; (8) ensuring an optimal balance between prices and the results of the tourist products consumption; (9) attracting customers with a variety of supply of tourist goods and services; (10) constant adaptation of the offer to the changing tastes of tourists; (11) encouraging employees of organizations engaged in tourism; (12) development of promotional tourism products (Seyidov & Adomaitiene, 2016).

Three types of marketing communications are possible in the tourist marketing:

(1) direct information (oral, written, visual) distributed by specialized centers for the dissemination of tourist information, including permanent centers (offices or tourist information offices) and temporary information points;

(2) public relations, including relations with the media, media-conferences, YouTube video, journalists' information trips, photos, social networking, etc;

(3) advertising, which is carried out in all available ways.

To promote a tourist product and services to the market, the following forms of implementation can be used (a) exclusive, applied for a certain geographical segment of the market; (b) intensive, designed for the general public; (c) selective, which uses the choice of certain groups of customers, and individual destinations. Within the framework of these forms, it is possible to use such ways of a tourist product promotion (1) development and implementation of targeted marketing that takes into account the needs of target audiences; (2) development of sales forecasts taking into account demand fluctuations in places, seasons, customer groups, etc; (3) assessment of existing marketing goals, if their achievement has become impossible; (4) forming the tourist product promotion strategy on the market, e.g. its organizational and planned maintenance; (5) implementation of marketing plans and periodic marketing control. In a tourism, as in any other field of business, the most diverse marketing tools that are able to provide an effective and efficient business are quite acceptable (Edgell & Swanson, 2018).

Destination is a hierarchical concept, in connection with which the following types are distinguished: the continent, the international region, the country, the tourist region, the tourist center (locality), the attraction point. It is necessary to understand that the destination as a travel destination looms in the minds of each tourist in its own way. But the similarities of these subjective representations in numerous travelers allow to distinguish these types. For example, in the North American market, subjective notions about the destinations "Poland", "Slovakia", "Czech Republic", "Hungary" are so blurred that objectively for this market there is a certain destination "Eastern Europe" with the cities of Warsaw, Bratislava, Prague, Budapest. In the nearest markets of the countries of Northern Europe or Germany, the tourist product consumer, for the most part, has a fairly clear idea of each of these Eastern European countries, which makes possible to allocate them as destinations. Thus, the further the center of tourist demand is removed, the larger is the destination. And the reason for this lies in the mental representation of people about remote cultures. Thus, we can clearly distinguish between Ukrainian, Russian and Belarusian cultures. At the same time, we strongly generalize the culture of, e.g. Southeast Asia,

not paying much attention to the colossal cultural differences that exist between Indonesia, Myanmar and Vietnam. Similarly, an Indonesian or a Thai person clearly differentiates the culture of his neighbors and generalizes the Slavic culture.

The features of identification in the minds of consumers of close and remote cultures have a huge effect on the marketing effectiveness of destinations. Realizing this, as an example, we note that Poland, the Czech Republic, Slovakia and Hungary have developed individual marketing strategies to promote their tourist products to the markets of Europe and a common strategy for securing to the remote markets of North America, East Asia, the Middle East, which are implemented under a single brand "European Quartet of One Melody".

Thus, we move on to the branding of destinations, which, in the context of the philosophical theory of dialogue of cultures, is nothing more than the process of creating a complete product addressed to a tourist. From this point of view, the *goal of branding* is to ensure a dialogue of cultures. Destinations branding solves two problems (1) creates a holistic interesting image of the destination as "works of art" and (2) reveals the gap between the destination culture and other cultures. The solution of the first task is creating an image of a destination as an artwork, i.e. most important for establishing a dialogue with remote cultures or for promoting a destination to remote tourist markets. The second task is a paramount in establishing a dialogue with close cultures and implementing destination marketing in neighboring tourist markets. On the one hand, *tourist destinations branding* is based on regional image, and on the other hand, it influences the formation of this image. The formation of its own attractive tourist image is important for the marketing of tourist destinations. The destination image is important in attracting investors and consumers of tourist products. At the level of countries' tourism marketing, the creation of its favorable image becomes a government task, which decision largely determines the success of the tourist complex development. The *destinations image formation* is the process of establishing associative links of the basic idea of destiny with other representations by repeatedly copying the corresponding representations in the frames of a single situation. When forming the destination image, a certain target setting is determined, i.e. possibility of recognizing the regions with the accompanying actualization of the attitude towards this region.

The country's tourism image is formed, first of all, by the mass media, which often impose a negative tourist image of the country. An actual example is Egypt, whose tourism product lost its consumer as a result of replicating in the media first attacks of sharks on tourists in the Red Sea, and then unstable political situation (2011). Although in practice, both factors did not significantly affect the tourist's safety in this country and the decline in the tourist services quality. As a result of the activity of the media, the tourist image of the country can be replaced by a politics, which adversely affect the national tourist product promotion. Today, this problem is very relevant for Belarus and Ukraine. Therefore, special efforts are required that allow in the consumers' imagination to separate the tourist image from political, economic, social and so on. There are examples of countries characterized by different socioeconomic structures, political systems and corresponding images, but having a

positive tourist image. For example, the United Arab Emirates, adhering to the policy of Islamization and supporting the monarchical system of emirs; they have formed a positive image of the country, attractive for tourists. Another example of Italy, which constantly finds itself in the problematic chronicle of the world crime (Neapolitan and Sicilian mafia), the unfavorable ecological state (overpopulation with garbage dumps), illegal migration and migrants segregation, immoral behavior of politicians (the processes against Silvio Berlusconi), and recently a country with a troubled economy and social protests. At the same time, Italy retains the image of a country that is favorable for tourist visits. The third example is Cuba, which being in political and economic isolation on the part of developed countries, is nevertheless the desired destination for tourists from the same countries (the US, Canada, the UK, Spain, Germany). Thus, the goal of *branding destinations* is the purposeful formation of a positive tourist image of the country or region. Branding includes the creation of both formalized and non-formalized images. From the marketing point of the view, the tourist destination brand is the set of the consumer's representations about the tourist product destination, imprinted in their mind. The central place is occupied by a symbol or logo. From the point of view of the cultures dialogue, brand destination is a product that creates a holistic impression of the tourist about the destination in a very interesting form. The brand connects the material object with the non-material images and sensations (emotions) that people have after perception.

The principles of the creation scenarios and commercial directions in countries that are periodically shown on international TV channels (Euronews, BBC, National Geographic, etc) have a purpose to form a positive tourist image. These marketing communications are intercultural and work within the overall branding strategy for destinations. Thus, competent branding of tourist destinations is based on the deep principles of the dialogue of cultures, regardless of whether it is purposefully done or not. Neglect of these principles leads to a fiasco of the branding at the initial stage.

The second element of marketing tourist destinations based on the dialogue of cultures, is relationship marketing, which represents today the most relevant and effective marketing direction in general. Relationships marketing developed as an alternative to the traditional marketing. It is based on knowledge of the needs of individual clients, guests, consumers. Its key performance indicator of marketing is customer's satisfaction, rather than sales volumes or market share, since it is the satisfied customer who is the guarantee of product advancement in the future, while sales volumes indicate the success of the business in the past.

Results: In the tourism market, relationships marketing becomes more and more widespread. This is facilitated by the following factors (Honey & Gilpin, 2009):

(1) Exacerbation of competition caused by globalization, economic crises, glut of the market with tourist products, a reduction in the life cycle of the tourist product;

(2) Changes in consumers' behavior associated with the consumers' market development, large consumers experience and very individualized demand;

(3) IT development leading to an increase in the consumers' awareness and the expansion of opportunities for transactions related to travels without intermediaries.

Conclusion: For tourism enterprises, Tourism Destination Concept means building relationships with guests and involving them in a trustful dialogue by demonstrating care for them, studying individual needs and anticipating them. A modern tourist is an experienced consumer, and therefore fastidious. In this regard, the idea of quality service for tourists and the business community is changing. Quality service today is not a service that meets the needs of a guests, but which exceeds their expectations. The modern tourist is looking for new impressions, it is not enough for him only to consume or contemplate, it is important for him to participate in all events (to be an actor). In the scale of the destination, the manifestation of relationships marketing is the organization of cultural events (festivals, carnivals, interactive exhibitions), in which guests can take direct part and thus, become coauthors of these events.

In large destinations of the European market, there is a network of attraction points that offer visitors to take active actions, e.g. museums with special equipment, theme parks, craftsmen workshops, etc. Today, this is a common practice of tourist service organizing based on the involvement of the guest in a real-life activity. This is nothing else than building a dialogue of cultures in its deep understanding on the one hand, and marketing relationships with the goal of long-term success of the development of a particular business, on the other hand.

REFERENCES

Gorelov, I.N. (2012). Prospects for the implementation of cluster initiatives in the regions. *Regional Economics: Theory and Practice*. No. 12, pp. 54-57.

Gurieva, L.K. (2012). Tourist cluster of the region: problems and prospects of creation. *Regional economy: Theory and Practice*. No. 22, pp. 72-80.

Efimova, K.V. (2009). Theoretical aspects of using clusters in the formation of a competitive economy. *Bulletin of the Ural Institute of Economics, Management and Law*. No. 2.

Edgell, D.L.Sr., & Swanson, J.R. (2018). Tourism Policy and Planning. Yesterday, today, and tomorrow. Third edition, Routledge, Taylor & Francis, N.Y.

Seyidov, J., & Adomaitiene, R. (2016). Factors influencing local tourists' decision-making on choosing a destination: A case of Azerbaijan. *Economics*. Vol. 95. Issue 3, pp. 112-127. Available at: https://content.sciendo.com/configurable/contentpage/journals$002fekon$002f95$002f3$002farticle-p112.xml.

Honey, M., & Gilpin, R. (2009). Tourism in the Developing World: Promoting Peace and Reducing Poverty. *Report*. Available at: https://www.usip.org/sites/default/files/tourism_developing_world_sr233_0.pdf.

Gerchikova, I.N. (2004). Management. *Delo: Moscow*, Russian Federation.

2.4 CREATION OF MULTIFUNCTIONAL CENTER IN THE AGRICULTURAL REGIONS BY SMART INCLUSION OF THE LEGALLY RESIDING MIGRANT POPULATION

Introduction: The programming in the field of social and labor market inclusion is not based on a unilateral policy model. The social inclusion has its peculiarities in every one region of the EU States. The migration policy possesses a positive notion in the labor market and the human dignity improvement. The solidarity is our mission as Europeans. In a world of inequalities, poverty and marginalized human beings, we have to answer with the best programming ever implemented. The programming cannot be designed at a first glance. It encompasses the expectations of the territories regarding improvement of the future generations in the Union and the countries of origin of the migration population. The advanced programming strategy in the coming programming period will be oriented to the blending procedures with expression of the financial instruments by means of the private sector social and business inclusion. The MS will have a possibility to make use of their spatial thinking regarding designing on a qualitative way the national programs (NP). The baseline of the national programs must include the respective possibilities regarding the mutual programming between different managing authorities of the Asylum and Migration Fund and the European Structural and Investment Funds. There are many different possibilities for synergy and complementarity between projects ensuring greater magnitude of the expected policy intervention. Hence, the design of the national program operations and actions is a central place for improvement of the quality of the target groups in their way of integration. The political product ensuing from the European solidarity is intrinsically liaised with the coming strategic documents that will be born in the next programming period. The stakeholders regarding financial instruments involvement into the social inclusion project products rise the question about the readiness of the business to be answerable for the local business development and social development. The connection between the output and result indicators between the different national programs must be studied in the NP qualitative perspectives. The novelty regarding the connection between output and result indicators applicable for the NP A is enshrined in to the positive change in NP B. The proliferation of the agile programming will be complex element in the upcoming multiannual financial framework. The managing authorities will be using smart network consisting of logical links between output and result indicators. The leading managing authority will accumulate the date regarding the common indicators reflecting the output and the result indicators.

Research methodology: The current scientific material is based primarily on the author innovative viewpoint regarding documents issued by the European Commission consenting local authorities, migration population and possibilities on social and labor market inclusion, financial instruments and blending operations. The author of the chapter has analyzed the possibility for agricultural development in Spain, Italy and France by the business model public-private partnership. The results produced by the author are completely applicable for the upcoming Multiannual Financial Framework 2021-2027.

Output and result indicators: The European policy in the upcoming programming period will be more efficient and effective only by employing the output and result indicators in their smart realization. Many managing authorities will have to analyze its capacity in the process of synergy, financial instruments and simplification of the financial management of the national programs and projects as well. The indicators will have to be embedded into provision of better results with less funding. The European policy is stable because the solidarity is the core element amongst the Europeans and the third-country nationals in the EU and out of it. The instruments the Union is running in its political and financial management have different directions but unilateral positive effect, the well-being the Europeans. The output and result indicators express the European policy in implementation of the national programs.

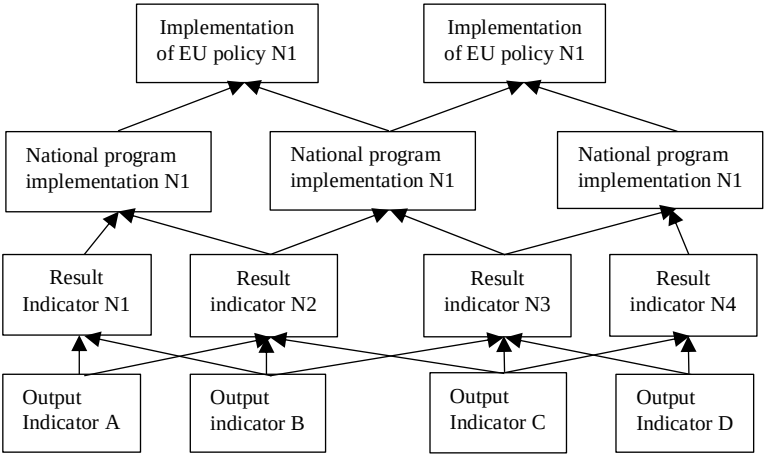


Figure 1: Smart network of Indicators

Source: created by author

The output indicators (*Figure 1*) express acquiring of assets needed for the project implementation regarding the national programs objectives and the Specific objectives and or Thematic objectives ensuing from the EU policy. The results are variables that must be measured in the process of programming as an expectation, in the project selection procedures and later in the moment of monitoring. The managing authority must provide its expertise regarding strict and high quality of the projects implementation in relation to the national program and the specific regulations ensuing from the EU policy. The connection between projects provides synergy in addressing of common problems. The synergy provides better quality, better results and better EU intervention. The synergy strategy liaises the common projects or actions into common implementation by providing grater result than separate implementation of the projects themselves. The synergy has a possibility to turn the social output indicators into labor market inclusion result indicators. The optimization of the EU Funds would be possible at a central ministerial level or at a municipal as well as combination is available by the both levels.

The relation between smart programming of different EU instruments must be anchored in a regional development plan. Every one region has its specificities be it agricultural, industrial or touristic oriented.

Regarding the local possibilities for synergy projects is possible social inclusion based on collaboration at local level outlined in quotas relocation based on smart contracts based on local social possibilities and business ones.

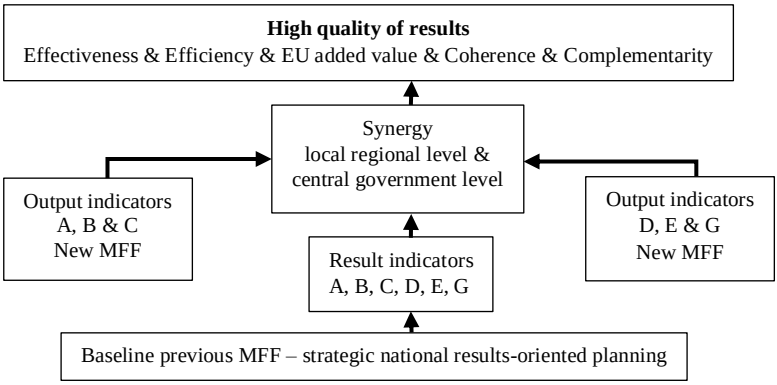


Figure 2: Programming based on synergy

Source: created by author

The acceptance of the foreign nationals into the EU family is possible by temporary housing or by long-term integration. The output system of indicators ensuing from the needs and the political intervention regarding the migration needs have a direct influence in social and labor market inclusion. As a betterment of the EU logical intervention, the result indicators connectivity between AMF and ESF will be based on long perspective. Bear in mind the logical connection of the output indicators, the both funds is possible to produce results based on the principle step-by-step success. It means, the connection between both NPs must be analyzed and designed. Consequently, the two different inclusions, seasonal and long-term will be treated smartly. The possibilities in front of the local and regional business branches resulting from the smart programming of migration in business long-term inclusion has baseline of the NP regarding implementation of Asylum and Migration Fund. It is a clear-cut vision having inherited strategic and planning documents regarding the current case of the problems and the needs of the EU intervention, it must tackle the multiannual financial planning. The collaboration between the strategic documents regarding improvement of the migration policy, migration procedures concerning seasonal and long-term labor market inclusion are not unilateral document. The European Social Fund has its thematic masterpieces regarding easiness of the migration management at many levels.

According to the centralized level of management of projects immersed into the synergy, the managing authorities have to be acquainted that the monitoring committees have to implement a little bit different role ensuing from the rights regarding intrinsically connection between synergized programs and projects.

The NPs are possible to be primarily aimed at the municipal development and as consequences. The local authorities would be the most important beneficiary. In that case, only a little piece of information would be provided to the local authorities, they are able to build synergy, blending operations and financial instruments perspectives in relation to the private investors.

Regional development plan: Development of the Local Plans for Social Inclusion[2] are targeted to cohesion and complementarity between the local authorities and the legally residing migrant population. The social inclusion across the rural areas must be mainstreamed in creation of "welfare society" between the indigenous society and the legal migration one. The social inclusion on rural areas is possible to be carried out by implementation of projects regarding physical, social, economic and cultural initiatives. For instance, Leipzig Charter on Sustainable European Cities emphasizes the integrated operations regarding development of the compact cities with complex functions and social cohesive. In the current scientific material are included the regions in Spain, Italy and France, because the social and labor market inclusion is at utmost importance regarding the future prosperous of the agricultural business in the EU. The regions in the less developed and the regions in transition are as follow: (1) Applicable regions in Spain, the less developed region is Extramadura and regions in transition are Andalucia, Canaris, Castilla-La Mancha, Melilla and Murcia[3]. (2) Applicable regions in Italy, the less developed regions are Campania, Puglia, Basilicata, Calabria and Sicilia and regions in transition are Sardegna, Abruzzo and Molise[4]. (3) Applicable regions in France, the less developed regions: Outermost Regions Guadeloupe, Martinique, Guyane, Réunion and Mayotte, regions in transition are Nord-Pasde-Calais, Picardie, Basse-Normandie, Lorraine, Franche-Comté, Poitou-Charentes, Limousin, Auvergne, Languedoc-Roussillon and Corsica[5].

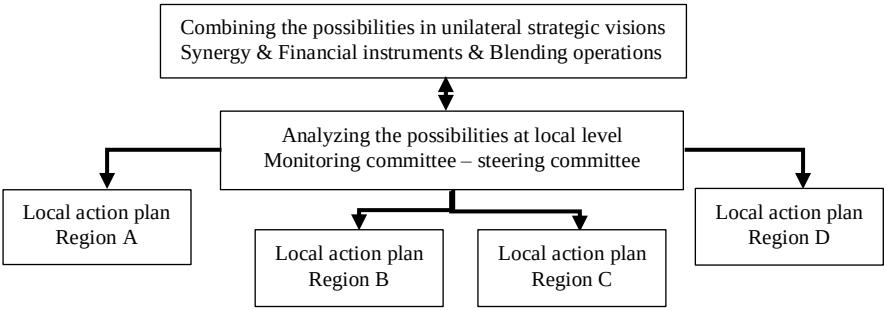


Figure 3: Smart network of local action plans

Source: created by author

[2] The Program for developing Local Plans for Social Inclusion in Catalonia, Barcelona, 7-8.10.2010, European Commission, Employment, Social Affairs and Inclusion

[3] Cohesion Policy, Spain, programming period 2014-2020, European Commission.

[4] Cohesion Policy, Italy, programming period 2014-2020, European Commission.

[5] Cohesion Policy and France, European Commission, Available at: https://ec.europa.eu/regional_policy/en/information/publications/factsheets/2014/cohesion-policy-and-france

The less developed regions are qualified at level lower than 75% of the EU average level of development. However, the regions in transition has GDP per capita ranging from 75% to 90% of the EU average.

Every one local action plan must include migration possibilities for development of the business branches. The local action plans regarding the rural development plans are possible to be entrenched into one storage or warehouse directly closed and linked to the proposed by the author in the current monograph ***multifunctional center.*** The rural areas are possible to be specialized for example in farming of peaches, cucumbers, tomatoes, and is possible to rotate the areas of plants for better quality of the agricultural production. Hence, the different rural areas will have the possibility for economy of scale by increasing their business potential. ***The multifunctional center*** has to be linked by train network to the city center. It will decrease the city pressure and will give to the habitants of the city possibility for rural tourism and business possibilities. The railway infrastructure project is possible to be implemented by the European Regional Development Fund (*Figure 3*).

Perspective of the of economic agricultural development

The main aim of the LEADER[6] approach is to address the problems faced by many rural areas across Europe. The acronym *LEADER* derives from the French phrase "Liaison Entre Actions de Développement de l'Économie Rurale" which means, "Links between activities for the development of rural economy". In the less developed rural areas must be engaged the energy and resources of the local people and the legally residing migrants' population by the local organizations as leading and driving actors. It is proposed by forming an area based on the Local Action Group (LAG) establishment of partnerships between the public, private sectors and the civil society.

The Local Action Groups are the main tool for the application of the LEADER approach by directly involving local representatives in the development and delivery of local strategies, decision-making and resource allocation. The added value of the approach possesses positive notion regarding creation of the business model public-private partnership in the rural areas. The approach is also associated with local empowerment through local strategy development, delivery and resource allocation. In its history, the LEADER approach was aimed at designated disadvantaged rural regions. Later, the approach covered all types of rural areas. In the programming period 2007-2013 the approach was predominantly anchored into the rural development policy across the all MS. Moreover, for the current programming period 2014-2020, the applicability of the LEADER approach is further extended as Community-Led Local Development (CLLD) in rural, fisheries and urban areas. Regarding the possibility of inclusion, the legally residing migration population, the CLLD may be applied under the EAFRD (as LEADER), the European Maritime and Fisheries Fund (EMFF), the European Social Fund (ESF) and the European Regional Development Fund (ERDF) and, where Member State programming permits. The LAGs are able to prepare and deliver integrated strategies using multiple funds. The

[6] European network for rural development, Available at: https://enrd.ec.europa.eu/leader-clld_en

LEADER is a mechanism providing approach in formal networking structures through National Rural Networks. The European Network for Rural Development provide technical support and other networking services for LAGs.

Applicability of the seven features of LEADER in migration social and labor market inclusion: The LEADER approach consists of seven specific features and is dependent on all of these being present and employed together. In our study the legally residing migration population is analyzed regarding applicability of the seven features defining the LEADER as a methodology.

The principles of LEADER

1. Bottom-up approach

The bottom-up approach is at a core importance of LEADER. The local people are the best experts to drive the development of their territory, consequently, the local community and local players can help define a development pathway for their area consistent with their needs, expectations and plans. By the rural market development, the social and labor market inclusion of the legally residing migrant population will be well-developed. It will be contemporary EU added value including the smart vision of the local authorities to the newcomers – legal migrants.

They make decisions about the local strategy and the selection of the priorities to be pursued. An active participation is encouraged at every stage throughout the process amongst the LAGs. The smart strategy development, implementation, monitoring and evaluation are an administrative part of the successful integration. The involvement of local actors should be fair and transparent including the population at large, economic, civic and social interest groups (migrants) and representative public and private institutions.

2. Area-based approach

The area-based approach creates the basis for the development of the local partnership and strategy, and encompasses a positive vision for what could be underpinned by an active rural business partners in respect of the social and labor market inclusion of legally residing migrants into the EU. The are-based approach is possible to be linked to ***the multifunctional center*** proposed by the author. The different agricultural territories are characterized by common traditions, local identity, sense of belonging or common needs and expectations. By inclusion of the legally residing migrants, the local partnership will address local strengths, challenges and opportunities, mobilizing the area's indigenous potential and better resources management. The real inclusion of the migrants has its possibility for development of the financial instruments as an option for business prosperity. The migration target group must be well vocationally trained because the local development strategy must be viably implemented. The possibility of synergy between AMF and the Rural Development Programs is an opportunity for long standing success.

3. The local partnership

The multilateral agricultural areas based on the quest for better profit generation by means of the partnerships is one of the prime characteristics of the Community-Led Local Development. It means that if in agricultural area A are available three or

four not well-developed agricultural companies, they might be profitable by the proper and consecutive social and labor market inclusion of the legally residing migrant population. The business expansion will render the striving for commitment to build the necessary trust and working relationships. Regarding the partnership, the limit for the partners is possessing of not more than 49 % of the membership[7] in the agricultural area belonging to ***the multifunctional rural center***.

4. An integrated and multi-sectoral strategy

The possibility for inclusion of the business model public-private partnership will increase the effectiveness between the rural economy and development actions liaised with the multifunctional rural center. The Local Development Strategies will have a unilateral purpose targeted to development of the business perspective of the multifunctional center. The integrated approach linking the separate local rural strategies will be the key answer for the stable and long-term integration. The possibility for synergy between the rural areas should be expressed in development of the common goals in the ***multifunctional rural center***.

5. Networking

The networking embraces the high quality of relations between the rural partners, it answers to the main driving power of the LEADER. The crucial importance of the LAGs creates network of local partners which through its strategy and activities promotes links between local actors and others in the development chain of project pipeline. The rural business networks involve the potential partner together in disseminating and sharing knowledge, experience, innovations, ideas and information, developing peer support, overcoming isolation and building capacity.

The established National Rural Networks (NRNs) in all the Member States through the Rural Development Programs have different needs, for example, Italy, Spain and France are the three MS striving for better rural area development. The development of the rural areas includes support for LAGs and subgroups, as well. The NRNs are completely underpinned by the European Network for Rural Development (ENRD), it means that the realization of the ***multifunctional center*** would improve the economy of scale by inclusion the agricultural production in its shopping center.

6. Innovation

The quest for innovative solutions to local problems or to take advantage of opportunities is at a critical importance for LEADER. The ***multifunctional center*** based on the business model public-private partnership has its contemporary and long-term sustainable integration of the legally residing migrants into the Union. The thriving territorial development in Spain, Italy and France will be having substantial and sustained positive changes.

7. Cooperation

Inter-territorial and international cooperation between the least developed regions in Italy, France and Spain would be embraced in innovative farming models and good practices regarding social and labor market inclusion of the legally residing migrants into the EU.

The cooperation by involving local people and Local Action Groups in working

[7] Common Provisions Regulation EU No 1303/2013

with others to undertake a joint project would be fascinating project design. It is possible by project connection between the LEADER groups with similarly formed groups in another less developed and/or regions in transition in Spain, Italy and France. The synergy is also an element of the successful implementation of the EU policy across the Member State. The cooperation provokes an exchange of innovative services, activities, practices and knowledge transfer for local people and the legally residing migrants. It must be tested by ex-ante evaluation, and to be answered to the question: Is it workable?

The applicability of the LAGs is liaised with using of a specific eligibility criteria aimed at encouraging of small scale, complex, innovative or integrated projects. In respect of the social and business inclusion of the legally residing migrant population, quotas and criteria is possible to be used to ensure the involvement of specific vulnerable groups, women, unaccompanied minors, and the private sector as an opportunity for labor market inclusion. The consultation process in Local Development Strategy preparation and review provides LAGs with an ideal opportunity to reach and engage new people and organizations. It allows the exploration not only of what the development needs and opportunities are, but also how people can contribute, how they can participate. An open-door approach is not enough, exist many barriers, distance, transport, timing, childcare, school hours, and even language can discourage people from long term integration and well-being.

The success of the LEADER approach in the rural areas led other ESI Funds to open up the possibility of applying this approach in other types of areas. As for 2014, it also became available in the European Regional Development Fund (ERDF) and the European Social Fund (ESF). However, the application of this approach is mandatory only in the EAFRD. The possibility for the next multiannual financial framework regarding inclusion of AMF is completely real, because the AMF will be part of the Common Provisional Regulation.

Public-private partnership strategic inclusion of migrants

The less developed regions and the regions in transition in Italy, Spain and France are the main driving element of the social and the labor market inclusion of the legally residing migration population. The public-private partnership (PPP) business model will create sustainable development of the rural regions. In the current chapter of the monograph, the author has chosen to develop the social and labor market development possibilities for the legally residing migrants by means of the PPP business model. The PPP business model is applicable only in case the principals for project management are strictly adhered. It is an important part of the understanding, what exactly the EU funding would achieve by partnership between the public and the private sector. The author of the chapter has analyzed the principals and has tailored them to the future application of social and inclusion policies in the labor agricultural market ensuing from the Asylum and Migration Funds and the ESIF. The developed principals are as follows:[8]

[8] Recommendation of the Council on Principles for Public-Governance of Public-Private Partnerships (2012, May). Available at: https://www.oecd.org/governance/budgeting/PPP-Recommendation.pdf

1. Policy leadership by Proliferation of the PPP ideas, community benefits, expenditures, and profits.

The information is aimed at private sector, local authorities and the host community in less developed rural regions and in transition ones. Political consultations regarding social and labor market integration between public and private stakeholders are a positive engagement into a good quality project implementation and monitoring of rural business service.

2. Key institutional roles and responsibilities should be maintained.

This requires the Managing Authorities, Public-Private Partnerships Units, the Supreme Audit Institution and the specific regulations regarding asylum and migration, social inclusion and the rural market development to be embraced with clear mandates and sufficient resources to ensure a prudent procurement process and clear lines of accountability.

3. Ensure that all significant regulations affecting the operation of Public-Private Partnerships is clear, transparent and enforced.

The administrative burden should be minimized by new cost management policies like simplified cost options, rules of eligibility, and the strategy of the multiannual programming. The possible market failure regarding social and labor market integration must be well analyzed and tailored to its real applicability by overcoming the administrative and regulatory bottlenecks.

4. All investment projects should be prioritized at senior political level.

Since there are many competing investment priorities, it is the responsibility of government to define and pursue strategic migration goals. The decision to invest should be entrenched on a government and local authority's perspective in a partnership with the local agricultural companies regarding the knowledge and skills of the migration population. It also must be separate from how to procure and finance the project. The investment projects should be based on common strategic priorities between the public and the private sector.

5. Carefully investigate which investment method is likely to yield most value for money.

The evaluation of the key risk factors and characteristics of specific projects should be implemented simultaneously by conducting a procurement option pre-test. The evaluation encompasses the possibilities for financial instruments using. A procurement option pre-test should enable the government and the local authorities to decide on whether it is prudent to investigate a Public-Private Partnerships option further in relation to the FIs perspectives.

6. Transfer the risks to those that manage them best.

The risk should be defined, identified, measured and carried by the party for whom it costs the least to prevent it from realizing or for whom realized risk costs the least. It means that the managing authority in charge of migration and integration must be able to provide information regarding the risks to the municipalities and private sector regarding inclusion of the migration population into the agricultural company in the labor inclusion perspective. The local business agricultural companies have the best practices in providing of stimulus for stable and long-term integration.

The inclusion of the synergy as business element will improve the European Social Fund added value in the process of inclusion.

7. The procuring authorities should be prepared for the operational phase of the Public-Private Partnerships.

Securing value for money in the rural areas requires smart project thinking. The operational phase urges for the same intensity and analyses of the value for money like the pre-operational phase. Particular care should be taken in switching to the operational phase of the Public-Private Partnerships, as the actors on the public side are liable to change the expectations for rural market development, public sector project management and the target group quality for the social and labor market inclusion.

8. Value for money should be maintained when renegotiating.

In case the project conditions are changed due to discretionary public policy actions, the government should consider compensating mechanism for the private rural company. It must answer the expected quality of the migration population needed for the rural market development. In case of fail, the vocational training must be a prime factor supporting the business sector. The negotiations between the stakeholders must be implemented transparently and to be subject to the ordinary procedures of the PPP approval. For applying the financial instruments in combination to the PPP in the current project design, it must be ensured clear, predictable and transparent rules for dispute resolution.

9. Government should ensure there is sufficient competition in the market.

The applicability of a competitive tender process for implementation of a project regarding ***the multifunctional center*** results in the structuring of the PPP program. It must be ready to provide functional agricultural market. If the market operators are few, governments should ensure a level playing field in the tendering process so that non-incumbent operators can enter the rural market.

10. In line with the government's fiscal policy.

The National Promotional Bank, the Central Budget Authority and the Managing Authorities should ensure that the project is affordable and the overall investment envelope is viable and sustainable.

11. The project should be treated transparently in the budget process.

The budget documentation should disclose all costs and contingent liabilities. Special care should be taken to ensure that budget transparency of Public-Private Partnerships covers the whole public sector, the possibilities for ex-ante assessment of the financial instruments applicability, and the project proposals quality regarding the ESF, AMF and EAFRD.

12. Government should guard against waste and corruption by ensuring the integrity of the procurement process.

The necessary procurement skills and competencies should be made available to the relevant authorities. It must be used e-procurement possibilities of the Member States regarding the negotiations in realization of the project.

Financial instruments applicability and the synergy possibilities in high quality projects: The PPP project must be related to the quality of the 4th types of

the projects, proposed by the author, regarding the social inclusion and labor market integration of the legally residing migration population in the EU. The projects are aimed at the less developed and regions in transition in Italy, Spain and France. The possible project structures are as follow: (1) Synergy project (ESF, ERDF & AMF); (2) Synergy project (ESF & AMF); (3) FIs project with synergy (ESF, ERDF & AMF); (4) FIs project with synergy (ESF & AMF).

The project types will realize ***the multifunctional center*** by means of the business mode PPP. The project is applicable in Italy, Spain and France primarily for the less developed and the regions in transition (*Figure 4*).

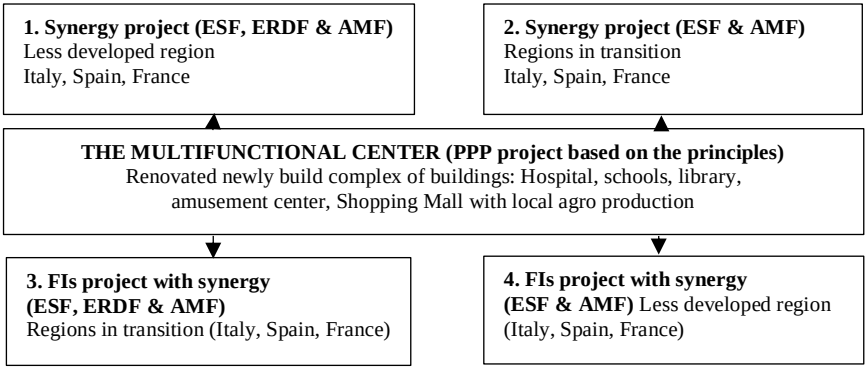


Figure 4: Creation of the multifunctional center by the regional perspectives in less developed and regions in transition

Source: created by author

Financial instruments possibilities

The result indicators of ESF should be achieved by the AMF mature deliverables by the projects implementation in the rural market development. The financial instruments implementation is enshrined into the impact of the Cohesion Policy in providing of the citizens of the EU with high quality of well-being. By the FIs will be leveraged the expected result of the rural development of the less and in the transition regions. The baseline of the result indicators regarding the ESF must be tailored in the beginning of the programming by inclusion the ex-ante assessment on the FIs applicability. The final product of the AMF must be taken as a result for the baseline of ESF projects implementation. The evaluation observes the changes in the result indicators regarding public interventions. Hence the synergy possibilities will be evaluated. The business model PPP is able to provide the blending strategy with accelerating the rate of the expected results.

The NPs implementation is possible to be designed by *baseline grid* regarding inclusion of the both funds in synergy strategy in preparation of the mature projects for blending ensuing from InvestEU[9] by means of an EU Program for Employment and Social Innovation (*Figure 5*)[10].

[9] The InvestEU, https://europa.eu/investeu/home_en

[10] EU Program for Employment and Social Innovation, https://ec.europa.eu/social/main.jsp?catId=1081

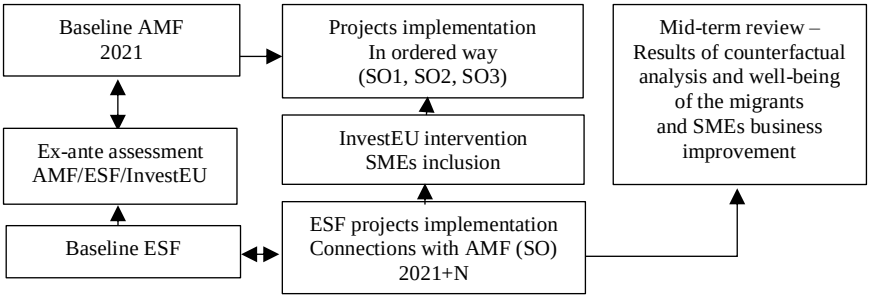


Figure 5: Blending implementation

Source: created by author

Conclusion: The urban sprawl and the urbanization itself provoke congestions, it increases travel time from the neighbors to the working places, the food quality and consequently the well-being of the people are worsening every day. In the near future, the EU policy-makers must create from the scratch the positive migration social and labor integration smart strategy applicable for the rural less and in transition regions. The only way the EU policy would be smart is creation of rural aerials based on city principle. What does it mean? The EU rural policy will be the future decision to the migration flows, quality of food and the climate change. The solidarity ensuing from the Treaty on the Functioning of the European Union will provide two-fold effect. Firstly, for the short-term migration integration the Asylum and Migration Fund will provide EU funding regarding social skills gaining, language courses, and orientation courses as well. Secondly, the European Social Fund is mainly intended to the long-term migration success. Regarding the author viewpoint, the success of the migration and rural development policies must derive from the project regarding creation of *multifunctional center based on public-private partnership.*

REFERENCES

The Program for developing Local Plans for Social Inclusion in Catalonia, Barcelona (2010). European Commission, Employment, Social Affairs and Inclusion.

Common Provisions Regulation EU No 1303/2013.

Cohesion Policy and Italy (2014). The European Commission.

Cohesion Policy and Spain (2014). The European Commission.

Recommendation of the Council on Principles for Public-Governance of Public-Private Partnerships (2018). Available at: https://www.oecd.org/governance/budgeting/PPP-Recommendation.pdf.

Cohesion Policy and France, European Commission (2018). Available at: https://ec.europa.eu/regional_policy/en/information/publications/factsheets/2014/cohesion-policy-and-france.

European network for rural development (2018). Available at: https://enrd.ec.europa.eu/leader-clld_en.

The InvestEU (2018). Available at: https://europa.eu/investeu/home_en.

EU Program for Employment and Social Innovation (2019). Available at: https://ec.europa.eu/social/main.jsp?catId=1081.

2.5 USE OF A PERSON AS A SYSTEM-FORMING FACTOR WHEN FORMING A SYSTEM OF ECONOMIC SECURITY OF AN ENTERPRISE

Introduction: The system of economic security of an enterprise (further SESE) is a layer of the socioeconomic system (an enterprise), which provides balance of such all-system functions as system development and security of system's existence. The specified functions are in constant antagonism, which predetermines the unique duality of parameterization and definition of criteria of SESE functioning. The balance of "interests" of two functions is the equilibrium state of an enterprise and the main goal of SESE.

In the process of deepening socialization and complication of socioeconomic systems, such as an enterprise, there are attempts to assign certain *reasonable creativity* to the management regulator, leaving human consciousness as an auxiliary element (Anokhin, 1998). The consequence of this is an attempt of absolute mathematization of processes of systems functioning and transformation of management processes to mega complex, which is not necessary for a socio-economic system. The responsibility for system operation has to be shifted to a human, his consciousness and ability to solve the problems.

The aim of the research is to show that the vision of economic security in general states the unconditional primacy of a human in SESE, the functioning of which is based on consciousnesses of a particular person and his ability to perceive the nature and the level of danger. SESE can be constructed only on the ability of the person to subjectively perceive threats and correspondingly react to them. We assumed that as the main concretized goal, SESE has reproduction of "adapted effect" that allows the maternal socioeconomic system (an enterprise) to support the condition of dynamic balance between the system functions of development and security. That is functioning of SESE is focused mainly on a process than a result.

Materials and methods: To examine the SESE we should consider the research papers of system theory, system analysis (Anokhin, 1973; Uiemov, 1978; Surmin, 2003), cybernetics, as well as analysis of bionics, thinking processes, sociology of organizations and a human brain construction (Anokhin, 1998; Pospelov, 1989; Prigozhyn, 1995; Parsons, 2002; Ashby, 1962). Requirements of the real world of existence of enterprises and systems of economic security in them act as that pragmatic filter which has to define the directions of theoretical researches. The theory and practice of system-forming in the area of economic security of enterprises today are in condition of certain gnoseological antagonism, which results in separateness of theory and practice from each other.

Researches on forming and functioning of SESE on the principles of bionics give the chance to consider a human as the main component of this system, as he is a personality with a certain behavioral stereotype. Thus, psychological interpretation of a person's model should be assigned into the basis of SESE.

Results: Contrary to mechanistic approaches in systematology, Anokhin (1973) created the theory of functional systems which considered an organic component, as a being capable to reflection, as the main component of a system. He considered the

adaptive (useful) result for existence of a being as the main result of a functional system. In different difficult conditions of a system, the necessary adaptive result can vary, and therefore a set of the attracted components of a system for achievement of this result can be different. According to Anokhin (1998), "the component at the entry into a system has to switch off immediately all those degrees of the freedom which disturb or don't help receiving the result of this system. On the contrary, it uses those freedom degrees as much as possible, which to some extent promote receiving the final useful result of this system". That is a human can make a decision on inclusion of a component of a system for obtaining the result. Considering a huge number of interactions between components of a functional system it is impossible to mathematize such decision as it is impossible to mathematize the work of a human brain. To achieve the adaptive results, the system can initiate certain indignations and an exit from an equilibrium state, that can be related to deliberate violation of components interaction.

SESE as a layer in a system does not add any new components into structure of the socioeconomic system, but adds some "meta-features". The system of economic security of an enterprise is a difficult system where there is no unambiguous compliance between its structure, morphology, topology of components of system and algorithm of functioning of this system. We suggest to use the following definition: the system of economic security of an enterprise is a set of security subjects and objects, involved in the security processes, which interact and are connected in time and space by specific socioeconomic interaction methods, caused by the socioeconomic status, the goals and functions of enterprise security subjects.

It is possible to claim that adaptability of a socioeconomic system is defined and explained by adaptive effect created by SESE. This effect allows to have the socio-economic system in the condition of dynamic balance. In turn, SESE generates the required adaptive effect by using consciousness (knowledge, abilities, skills, intuition, intentions etc.) of people who are parts of SESE. In order to achieve the dynamic balance condition, it is necessary that the SESE homeostat consists of people as social elements, which conform to functional requirements of SESE by the set of their own characteristics. Considering, on the one hand, recognition of search, acceptance and implementation of the administrative decision by set of behavioral acts of a person who makes the decision, and, on the other hand, the opportunities of architectonics of functional system to describe any kind of the activity focused on the result, it is possible to connect architectonics of a control system of an object and architectonics of a functional system. Any control system of an object that incorporates people, can be displayed as a set of administrative decisions or, in other words, behavioral acts. Such interpretation gives the chance to consider the subject of economic security of an enterprise as the personality with a certain set of dispositional qualities, which enable him to recognize dangers, understand threats to enterprise economic activity, and take measures to prevent or neutralize threats and their consequences. The psychological qualities of a person in the system of economic security of an enterprise should include orientation to goals and values, control locus, strong-willed qualities, resistance to stress, individual style of activity, cognitive and self-regulation style.

Communications play a system-forming role in a system, as they act as the basis of system's architectonics, provide interaction and interference of the elements. In SESE the knowledge of personality types allows to predict expedient behavior of economic security actors, define adequate forms of behavior correction and differentially manage the processes. The personality is characterized not only with a set of various characteristics, but also with a number of mental qualities and properties which reflect readiness for action in various situations, express personal orientation, define stability of activity, provide its identity.

Conclusions: A human is the base of SESE, as he predetermines its nonlinearity, non-equilibrium, and in certain cases asymmetry. Considering this gnoseological approach is more reasonable than establishing mathematical interrelation between the components. In the functional system the adaptive result is fundamental, and only the human is the carrier of understanding such result. The concept of "interactions" is insufficient for explanation of the essence of the relations of system's components among themselves, as the concrete understanding of the adaptive result serves as a selection criterion of necessary components of the system and focuses their efforts on itself. If a certain stage of functioning of the system comes to the end with any acceptable result, interaction of system's components will be recorded as a steady sample, which will be used as an acceptable type of inter-support of components for the sake of obtaining the result. Inter-support of components of the system is possible only on condition of application of episodic synthesis and analysis that allow to unite some components in the system to obtain the certain result. Only a human can apply this. The motivation as the system-forming factor of functional system is transformed to a behavioral stereotype as a system-forming factor of a socioeconomic system. Each behavioral act, which brings a certain result, is inevitably formed behind the principles of the functional system that allows to consider the concept of behavioral acts of the functional system and behavioral stereotypes in a socioeconomic system connected behind the essence that both of these concepts can be used while forming SESE. The ability of goal-setting is interpreted as individual psychological features of a person, i.e. dispositional qualities. Therefore, the behavioral stereotype can act as a system-forming factor within a complex socioeconomic system.

REFERENCES

Pospelov, D. (1989). Modelling of sketches. Experience of the analysis of cogitative acts. Moscow: Radio and communication.

Parsons, T. (2002). The Structure of Social Action. Moscow: Academic project.

Ashby, W. (1962). Design for a Brain, Moscow: Publishing house of foreign literature.

Anokhin, P. (1998). Cybernetics of functional systems. Moscow: Medicine.

Anokhin, P. (1973). Fundamental questions of the general theory of functional systems. Moscow: Science.

Prigozhyn, A. (1995). Modern sociology of the organizations. Moscow: Science.

Surmin, Y. (2003). Theory of systems and system analysis. Kiev: MAUP.

Uiemov, A. (1978). System approach and general theory of systems. Moscow: Mysl.

2.6 ANALYSIS OF INNOVATIVE TRAINING METHODS APPLIED TO HIGHER EDUCATION INSTITUTIONS

Introduction: Innovation is stepping up in all spheres of economic and social life. Particularly active is their development and application in the field of education. And this is no accident. Generation Z is already here. The generation of Z-Ters are "digital natives" who demand better and easier-to-use technology, more flexibility in training and work and freedom of choice. It is no coincidence that innovations in the learning process are the subject of national and international research. A number of colleges and universities have quickly adapted to the change and are preparing students for tomorrow's jobs. With the advancement of technology, there have also been changes in teaching methods that increasingly include the use of interactive and electronic textbooks, "inverted classrooms", artificial intelligence, multi-media presentations, audio and video lectures. As Dr. Jerry Volcy (PhD, Director of the Spellman Innovation Laboratory) said "Being able to use technology is becoming less of an option and more of a requirement" (Spelman college, New Releases, 2016).

And furthermore, innovation has an important place in training because, as it claims Michael Schaefer "Modern education needs new methods and modern forms, which must be adapted to global communication and life-style. Finding new ways of innovation gets more and more difficult. However, vocational training, education and study should base on a high level of scientific research and should be adapted to the practical demand of innovative and modern markets" (Schaefer, 2014).

That is why and the purpose of this study is to analyse the theory and practice of innovative teaching methods applied in higher education institutions and to draw concrete conclusions from the results.

Materials and methods: Some of the results obtained from the implementation of Phase One of a three-year research project on the topic: "Research, development and implementation of innovative methods in the learning process" are presented in this article (Peicheva, Dineva, & Andonov, 2019).

The first part of the project involves three main stages (*Figure 1*). First, an analysis of the theory related to the application of innovative teaching methods in higher education was carried out. Secondly, an analysis of the practice was conducted, examining innovative teaching methods in higher education institutions (study limitation: the top 5 higher education institutions in the USA were analysed) (QS, 2019). The results from the analysis of 25 examples of excellence in innovation realized by higher education institutions are also used for the research of the practices (Higher Education Innovation). Third, the findings of the analysis are presented. The first hypothesis of the study is that the leading higher education institutions in the world rating systems actively apply innovative forms of training. The second hypothesis of the study is that higher education institutions that have excellence in innovation use innovative teaching methods that are a prerequisite for these results.

Review of the scientific literature: The analysis of theory related to innovative teaching methods at higher education institutions includes: definition of innovation

in learning, instruction for teaching Routledge (Routledge, Taylor & Francis Group)[11], information from Reimagine Education (a prestigious competition rewarding innovative initiatives aimed at enhancing student learning and employability) (QS), 9 eLearning trends that will become stronger as we step into 2018 (Suresh DN, 2017).

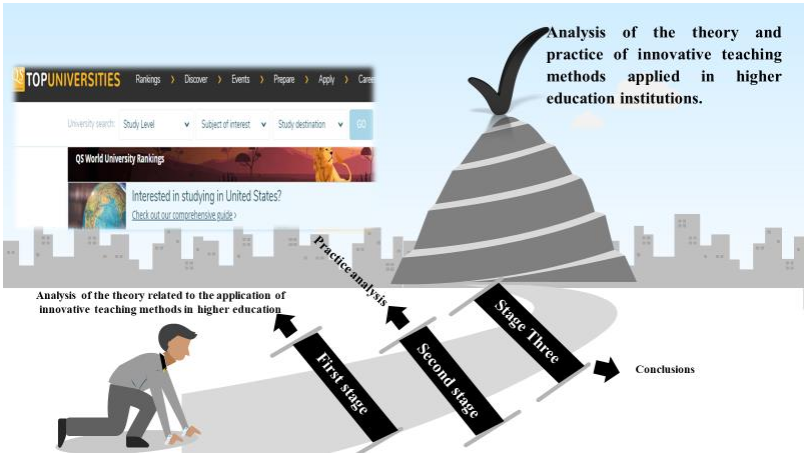


Figure 1: Stages of the study process

Source: created by author

In order to define the innovation in training, the scientific research of Yanica Dimitrova, which examines the importance of the culture of innovation, were analysed. Essential for the purposes of this study is Yanitsa Dimitrova's claim that the culture of innovation "It is an interaction, amongst all the stakeholder groups, the conditions of maximum transparency, ensuring distribution, sharing, generating knowledge, like trust, as a construct that brings together the members of the organization in the realization of its future" (Dimitrova, 2018). Without culture of innovation the usefulness of innovations can be called into question.

Another relevant opinion that is related to innovation is the right environment. In this relation, Valeria Dineva's words are important that "Creating a good work environment that stimulates innovativeness and creativity is a multifaceted and lengthy process requiring the use of a comprehensive, integrated and holistic approach, and this process must be sustainable over time. Creativity and innovativeness are personal qualities, but in order to become evident, they need an environment that motivates them or, more precisely, an innovative environment. The main purpose of the innovative environment is to favour the innovations by stimulating the innovative activity" (Dineva, 2019).

Also relevant to the objectives of the study is the definition of Rosita Chobanova, who defines innovation as a "process, activity and result of change: a process of change though turning new knowledge into economically significant results; activities accompanying these process; and results of these activities" (Chobanova, 2012).

[11] Routledge, Explore new ways of teaching in the digital age, ROUTLEDGE.COM

In connection with the present research, and in particular innovative methods in training related to the use of the Internet, it is important to present Lubomir Stefanov's opinion that "using the incredible opportunities of the Global World Wide Web (Internet) is an extremely challenging task that requires focused work with optimum organization because the Internet hiding a risk as for individuals as well as organizations" (Stefanov, 2015).

With regard to modern and innovative teaching methods, Margarita Atanasova performs a detailed analysis of the innovative methods for training such as "multimedia interactive learning; intranet based training resources; professional networks from which we can receive specialized information and knowledge (LinkedIn); online platforms and trainings; study of practical situations; behaviour modelling; webinars and more" (Atanasova, 2015).

From the analysis of different author's opinions related to innovation, it can be concluded that innovation in education in higher education institutions is an idea and/or invention, which aims to meet the needs and expectations of students and at the same time build in them the competencies with which successfully adapt to a dynamic changing environment. Training innovation requires: interaction between all stakeholders in the process, creation of an innovation-friendly environment protected from the risks associated with the use of the Internet.

In scientific theory, innovative methods in the learning process have been described such as: posting lectures online, Virtual reality (VR) (Using VR devices such as HTC Vive, Oculus Rift or Google Cardboard, users can be transported into a number of real-world and imagined environments such as the middle of a squawking penguin colony or even the back of a dragon) (The Franklin Institute); Augmented reality (AR) adds digital elements to a live view often by using the camera on a smartphone. Examples of augmented reality experiences include Snapchat lenses and the game Pokemon Go (The Franklin Institute); Chatbots; Gamification And Game-Based Learning; Interactive Video-Based Learning; done most often in you tube; training in various professional networks, some of which are created on the websites of universities; Hybrid Learning, which is a combination of online training and training face to face; flipped classrooms (The flipped classroom is commonly associated with short video films and tutorials prepared by the teacher, in which he or she presents important issues for students to learn and understand before the next class meeting) (Wrona, 2018); online conference with students; online exercises and tests and others innovative methods for education, posting lectures online.

Practice analysis. Exploring innovative teaching methods in higher education institutions Analysing innovative teaching methods in the top 5 USA institutions of higher education institutions (*Figure 2*), the following results were obtained.

Massachusetts Institute of Technology (MIT) offers many open online trainings (MITOPENCOURSEWARE Massachusetts Institute of Technology, MITx) in the field of: Business, Energy, Engineering, Fine Arts, Health and Medical, Humanities, Mathematics, Science, Sociology, Society, Teaching and Education. Massachusetts Institute of Technology offers online certificate courses (MIT, Certificate & Online Programs). According to Reuters, it is the second most innovative college in the world

after Stanford. They offer over 2400 free online courses. Many courses have full video lectures, free online textbooks, free reading articles, case studies, and shared teachers' knowledge.

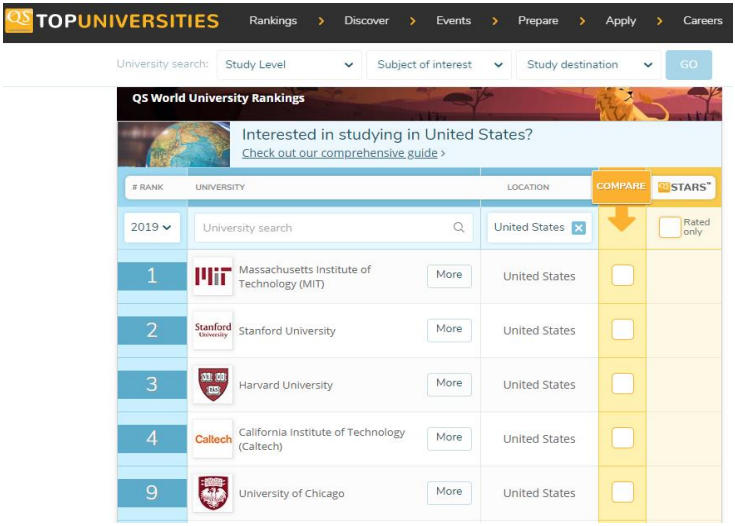


Figure 2: Top 5 Universities in USA

Source: QS World University Ranking
https://www.topuniversities.com/university-rankings/world-university-rankings/2020

In **Stanford University**, there is a specially created platform called Stanford online. It presents various courses and programs. Stanford University also has a dedicated online training platform for continuing education. The lectures of some of the Stanford University's teachers can be found free of charge in YouTube.

Harvard University also offers on-line training and has a specially developed platform for it, Harvard Online Courses. The lectures of some teachers from Harvard University can also be found free of charge in you tube.

Caltech California Institute of Technology offers its courses in educational technology platforms that offer online university-level courses in a wide range of disciplines to a worldwide audience at no charge. Such platforms are Coursera, edX. University lectures are available at YouTube, iTunes U (Caltech Online Education).

University of Chicago. The University of Chicago Graham school offers online discussion courses are offered each quarter on a variety of topics. Each course runs for either 1.5 hours or 3 hours once a week for 10 weeks. Since it is a live discussion, each class meets in the virtual classroom at a set time (The University of Chicago Graham School). Along with this **The University of Chicago Graham school** offers Online Classes. The university has created a site for intellectual research – AlumniU. The site is paid, but for University of Chicago graduates it's free.

In 2018, the mission.org website in collaboration with Vemo Education (Educational Technology Company) presents 25 examples of excellence in innovation from higher

education institutions. Among these are: Arizona State University, Syracuse University, Cal State East Bay, Purdue University, California Polytechnic State University, University of Southern California, Oberlin College, Full Sail University, Babson College, Olin College, University of California – Berkeley, Ivy Tech Community College (Indiana), Iowa State University, Greenville Technical College, Ohio State University, University of Maryland University College, The University of Chicago, Michigan State University, Spelman College, Stanford University, Howard University, Johns Hopkins University, Rice University, Allen University; Massachusetts Institute of Technology.

The information provided on the mission.com – Higher Education Innovation: 25 Examples of Excellence shows that the universities listed in the list hold multiple, licenses, patents. For example: Arizona State University has been a technology pioneer and innovator for decades. Since 2003, ASU has filed 2,700 invention disclosures, issued 800 tech licenses, and helped launch more than 100 start-ups; University of California – Berkeley; which is responsible for filing 2,382 patents from 2010 to 2015, 33% of which were granted; Stanford University which from 2010 to 2015 alone, Stanford filed for a whopping 636 patents, 40% of which were granted and others (Mission.org).

Obtaining this significant number of patents and licenses is no accident, given the innovative methods they use to train them, such as: programs that have interdisciplinary research; programs for global innovators, programs that explore human-computer interaction, established centres, institutes of innovation at universities, and others that go beyond a narrow understanding of innovation in learning, mainly related to online learning.

Results: The results of the analysis can be grouped into two groups related to theory and practice. The results related to the theory relate to the definition that innovation in learning is an idea and / or invention that aims to meet the needs and expectations of students. Innovation in learning should help students to absorb the learning material more easily, to develop in them competences with which they can successfully adapt in a dynamic changing environment.

Innovations in the learning process are not a one-sided process in which the teachers are pioneers and the contractors. All stakeholders in the process are involved (directly or indirectly) in creating innovation. With regard to the practice of innovative methods applied in the learning process, the results show that innovation is actively present in the educational process of higher education institutions.

The results of the study confirmed the working hypotheses set at the beginning of the study. The world's leading higher education institutions in the USA (according to the study's limitations these are Massachusetts Institute of Technology, Stanford University, Harvard University, Caltech, University of Chicago) Massachusetts Institute of Technology, Stanford University, Harvard University, Caltech, University of Chicago) actively apply innovative forms of training.

The analysis of the 25 Examples of Excellence linked to Higher Education Innovation proved the second hypothesis of the study that higher education institutions that have excellence in innovation use innovative teaching methods that

are a prerequisite for these results. The definitions for scientific innovation cited in scientific theory have been confirmed. And in particular that part of them which is related to the right environment. The 25 examples analysed showed that in innovative universities are like that because they have created an appropriate environment in which students have the opportunity to use their imagination in different university projects, to use science fiction stories, to work with teachers.

It also proved that innovations in the learning are not exhausted with online courses, online lectures, and inverted classrooms. Teaching innovations include and the various laboratories and institutes at universities, where students and teachers work together. Innovation in teaching methods is also and to use different methods for motivating students for creative thinking and to involve students with creative thinking in various projects that support the sustainable development not only of the university but also of the community.

Conclusions and discussions: The main conclusions that can be drawn from the analysis are related to: the increasing penetration of online training at universities; the benefits of online training; technical competence is gaining momentum as a requirement for teachers, but pedagogical skills remain one of the key competences, combining traditional with innovative teaching methods, including the creation of institutes, laboratories providing an environment for realizing students' innovative potential and teachers.

Universities will increasingly develop their online training. As a practice, it will be related to the development of their own online learning platform and/or online platforms where online training courses are offered by different universities. Moreover, likely to be in the future one of the criteria by which students will choose universities to be if the university offers online training without the necessity for visiting lectures face to face.

The opportunity provided by online courses for students to study at their desired time is an advantage that attracts students engaged in work, caring for a family member and / or disadvantaged students. Online courses will be preferred by students because of the fact that some of them are free of charge.

Emil Asenov concludes that "Crucial to the success of economic and social structures is their ability to attract, retain and train digital generation professionals" (Asenov, 2018). I believe that the same conclusion can be drawn for universities.

Regardless of the fact that the part of training courses has been transmitted to the internet and implemented through technical means, the pedagogical skills of teachers will continue to be a competency, even in the modern way of teaching.

In the future, the prosperity of higher education institutions will depend on their ability to combine different teaching methods (traditional and modern) with the possibility of project development opportunities in which students' imagination and creative potential can be realized.

The main problems that universities face in implementing innovations in the educational process can be reduced to the next points.

One of the major problems associated with the introduction of innovation in training is that some teachers are reluctant to acquire competences related to innovation in

training. This fact is not related to the age of the teachers, but rather to the view that training should be continued in the traditional way by lecturing in classrooms.

Another major problem with the introduction of innovation in training is that some universities lack funding and cannot afford teacher training so that they can use innovative approaches in their lecture courses. This, in turn, leads to a situation where some teachers seek ways to fund their own education to develop themselves.

Another part of the teachers, even if they want to, cannot afford it financially. This leads to a lack of a unified approach to teaching, which has a negative impact on students, because those who have been fortunate enough to be taught by teachers who apply innovative approaches to their learning will be more competitive in the labour market than those students who were not so lucky. This is a detriment to the client because both students pay the same amount for their education.

The serious problems hindering the application of innovative methods in the process of education in higher education institutions is the lack of adequate facilities. For the purposes of HR training, for example, specially equipped training rooms, with computers, with demos of various software products for attracting and recruitment through social and professional networks on the Internet.

Software products are also required to evaluate the CVs and candidates' cover letters. There are other software products related to performance appraisal, employee career planning. This is a well-known practice in human resources activities, but it is not studied in some universities because they do not have the necessary technical facilities. Therefore, it is advisable to work on building a new training base that allows innovative approaches to be implemented. Agreements are needed between companies and universities that offer similar software products to enable students to study.

REFERENCES

Asenov, E. (2018). Investigation of the features of digital ecosystems; The Economy of Bulgaria and the European Union in the Global World. Collective monograph. Sofia, pp. 122-137.

Atanasova, M. (2015). Training and development of human resources in organizations, Avangard Prima, Sofia, p. 37.

Caltech Online Education (2019). Available at: http://online.caltech.edu/courses.

Chobanova, R. (2012). Innovation of the national economy. Academic Publishing House "Prof. Marin Drinov", Sofia, p. 23.

Dineva, V. (2019). Examination of the importance and influence of control environment on the innovative environment, International Scientific Conferences, Research and innovation. Yunona Publishing. New York, USA, p. 148.

Dimitrova, Y. (2018). The Culture of Innovation Model. *Ikonomicheski izsledvania*. Institut za ikonomicheski isledvania pri BAN, Issue 1, pp. 39-68.

Harvard Online Courses (2019). Available at: https://online-learning.harvard.edu.

Mission.org, Higher Education Innovation: 25 Examples of Excellence (2018). Available at: https://medium.com/the-mission/higher-education-innovation-25-examples-of-excellence-faa66af4105e.

MITOPENCOURSEWARE Massachusetts Institute of Technology. Available at: https://ocw.mit.edu/courses/find-by-topic/#cat=business&subcat=industrialrelationsandhumanresourcemanagement.

MITx (2019). Available at: https://www.edx.org/school/mitx?utm_source=OCW&utm_medium=MegaMenu&utm_campaign=OCW.

MIT, Certificate & Online Programs (2019). Available at: https://gradadmissions.mit.edu/programs/degrees/certificate-online.

Peicheva, M., Dineva, V., & Andonov, V. (2019). Research, development and implementation of innovative methods in the learning process. NID NI-13/2019, UNWE, Project manager Miroslava Peicheva https://www.unwe.bg/bg/pages/182/%d1%83%d0%bd%d0%b8%d0%b2%d0%b5%d1%80%d1%81%d0%b8%d1%82%d0%b5%d1%82%d1%81%d0%ba%d0%b8.html.

QS Top universities (2019). Available at: https://www.topuniversities.com/university-rankings.

Education: What to Expect in QS Innovation in Higher 2018 (2018). Available at: https://www.qs.com/innovation-in-higher-education-what-to-expect-2018.

Routledge (2019). Taylor & Francis Group. Available at: https://www.routledge.com/products/search?keywords=innovations+in+teaching.

Schaefer, M. (2014). Higher Education in the 21. Century – New Innovative Ways, https://www.linkedin.com/pulse/20140708090741-282901031-higher-education-in-the-21-century-new-innovative-ways.

Spelman college, New Releases (2016). Innovation Roundup Highlights Technology, Learning Strategies and Interdisciplinary Collaboration. Available at: https://www.spelman.edu/about-us/news-and-events/news-releases/2016/02/12/innovation-roundup-highlights-technology-learning-strategies-and-interdisciplinary-collaboration.

Stanford online (2019). Available at: https://online.stanford.edu.

Stefanov, L. (2015). HR Management Information Systems, Trakia M. Sofia, p. 123.

Suresh, D.N. (2017). 9 eLearning Trends for 2018. Available at: https://elearningindustry.com/elearning-trends-for-2018-9.

The Franklin Institute (2019). What's the difference between AR, VR, and MR? Available at: https://www.fi.edu/difference-between-ar-vr-and-mr.

The University of Chicago Graham School (2019). Online Courses. Available at: https://grahamschool.uchicago.edu/academic-programs/liberal-arts/basic-program/online-courses.

The University of Chicago Graham School, Online Classes (2019). Available at: https://grahamschool.uchicago.edu/academic-programs/online.

Wrona, A. (2018). Flipped Classrooms: Why and How to Flip Education? Available at: https://elearningindustry.com/flip-education-why-how-flipped-classrooms.

2.7 FINANCIAL POLICY IN THE CONTEXT OF INTEGRATION PROCESSES

Introduction: The financial sector is an important point of integration, which opens up new opportunities for capital utilization to the Eurasian Economic Union (hereinafter EAEU) participants. All EAEU countries have similar economic model and financial system, which simplifies the process of consolidation of their stock markets. The similarity lies in the fact that the state plays a large role as an economic agent and regulator of the country's economic policy. It also manifests itself in a high concentration of assets owned by a narrow circle of people. One of the most important goals of creating the EAEU is to conduct a unified economic policy, which is aimed at creating optimal conditions for the growth of national economies of the EAEU member countries, harmonizing legislation and strengthening integration in the field of economics. Comprehensive implementation of financial policies in the framework of the EAEU is carried out by the Eurasian Economic Commission in the person of the Financial Policy Department.

The governmental policy in the Republic of Kazakhstan in relation to private entrepreneurship is aimed at forming a middle class through the development of small businesses focused on the creation of new high-tech industries with the highest added value (Eskaraev, 2017). To achieve this goal, as one of the stages of the implementation of the strategy of industrial-innovative development of the Republic of Kazakhstan, a solution to the infrastructural development of entrepreneurship is provided.

Research results: The most important result of the transformation was the formation of a market economy, open to the movement of labor, goods and capital. Nevertheless, the structure of the economies and the level of development of the EAEU countries are significantly different. Kyrgyzstan, whose population exceeds the population of Armenia by more than two times, produces GDP at PPP (purchasing power parity), comparable to the corresponding figure for Armenia (23.2 billion international dollars and 28.3 billion international dollars, respectively, in 2017 (*Table 1*).

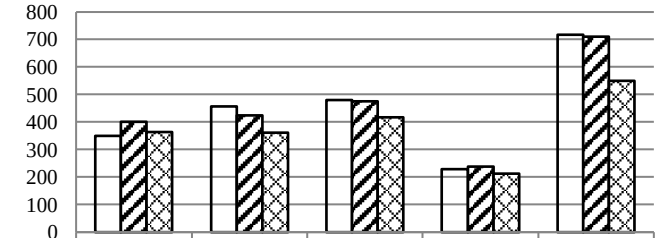
Table 1

Main macroeconomic indicators of countries - members of the EAEU, 2017

Indicators	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
GDP at PPP, billion USD	28,3	179,4	478,6	23,2	4016,3
GDP nominal, trln USD	11,5	54,4	159,4	7,6	1577,5
GDP per capita by PPP, thousand USD	9,5	18,9	26,3	3,7	27,9
Savings rate,% of GDP	20,7	26,2	27,1	31,3	24,3
Unemployment rate, %	18,9	1.0	5,0	7,1	5,2
Population, million people	3,0	9,5	18,2	6,3	144,0
State budget balance, % of GDP	-2,6	1.6	-6,4	-3,3	-1,0
National debt, % of GDP	53,5	53,4	20,8	56,0	15,5
Current account, % of GDP	-2,8	-1,7	-3,4	-4,0	2,2

Source: compiled by authors based on data Government finance statistics of the EAEU

At the same time, Belarus is slightly more than three times larger than the population of Armenia, but its GDP in PPP is 6.3 times higher than in Armenia. In 2017, the dispersion of GDP per PPP per capita at current prices within the EAEU was 7.5 times. The values of the per capita indicator for Russia and Kazakhstan reached 27.9 and 26.3 thousand USD in 2017 (Eskaraev, 2017).



	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
2018	349	458	481	229	718
2017	401	425	476	238	711
2016	363	361	418	212	549

Figure 1: Dynamics of the level of average monthly wages in the EAEU member countries for 2016-2018, in USD

Source: created by authors

As we can see, in the EAEU member countries there is an increase in wages in dollar terms. Since 2016, there has been a steady growth in the level of the average monthly wage, but it is still far from the values of the pre-devaluation period. Amid falling oil prices in 2014-2015, a sharp decline in revenues began. In Kazakhstan, we observe a positive dynamics of wage growth, the growth rate by 2018 is 115%. The dynamics of inflation in the member countries of the EAEU is shown in *Figure 2*.

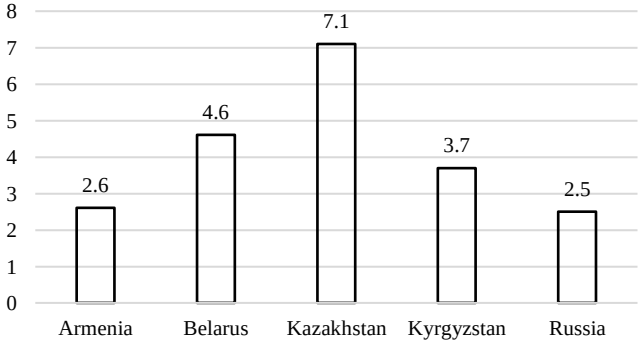


Figure 2: Dynamics of inflation rate in the EAEU member countries, 2017

Source: created by authors

The lowest rates of inflation (consumer price index) in 2017 were recorded in the Russian Federation and the Republic of Armenia - 2.5% and 2.6%, respectively.

In the three countries of the EAEU, the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation, consumer price growth rates declined. Thus, one of the main macroeconomic indicators, inflation rate is quite stable.

In the Republic of Armenia and the Kyrgyz Republic, deflation was replaced by a moderate increase in prices as a result of a recovery in economic activity and domestic demand (Kulakova, 2017).

All member states ensured that the country levels comply with the limit value of the inflation rate set by the Treaty on the EAEU 107.5%. In the Republic of Belarus, a similar result was achieved for the first time since the beginning of the operation of the Union. The implementation of economic policy measures, including taking into account the recommendations developed by the Eurasian Economic Commission, contributed to the reduction of inflation and the convergence of its values in the EAEU countries. Data on the execution of the republican budget of the countries participating in the EAEU are given in *Table 2.*

Table 2

Execution of the republican budget of the countries participating in the EAEU for 2016-2018, million USD

Countries	half year 2016	2016	half year 2017	2017	2018	2018/ 2017, %
Income						
Armenia	1 131,5	2 439,4	1 200,6	2 564,7	1 257,9	104,8
Belarus	4 082,5	8 981,5	4 710,0	10 220,8	5 762,1	122,3
Kazakhstan	9 764,6	22 774,3	12 946,2	29 992,9	13 156,9	101,6
Kyrgyzstan	761,6	1 657,6	916,8	1 956,6	918,6	100,2
Russia	83 924,5	202 987,8	122 838,7	258 581,3	145 334,5	118,3
Costs						
Armenia	1 307,2	3 019,4	1 279,7	3 118,2	1 266,1	98,9
Belarus	3 761,3	8 474,3	4 030,3	8 779,4	4 407,1	109,3
Kazakhstan	11 592,0	24 889,9	13 843,2	34 104,9	13 718,7	99,1
Kyrgyzstan	961,5	1 965,4	998,1	2 208,6	945,6	94,7
Russia	104 486,7	247 734,5	129 880,9	281 467,1	129 427,3	99,7
Deficiency (surplus)						
Armenia	-175,8	-579,9	-79,1	-553,5	-7,9	-
Belarus	321,2	507,2	679,7	1 441,5	1 355,0	-
Kazakhstan	-1827,4	-2 115,6	-896,9	-4 112,1	-561,9	-
Kyrgyzstan	-199,9	-307,8	-81,3	-252,0	-27,0	-
Russia	-20 562,2	-44 746,8	-7 042,2	-22 885,9	15 907,2	-

Source: compiled by authors based on data EAEU: Socio-Economic Development of Regions

In 2018, the reduction of the budget deficit of the EAEU countries continued, and the states noted an increase in fiscal reserves. The achievements of recent years in the field of reducing inflation and strengthening economic growth, along with improving the situation in global commodity markets, have created prerequisites for increasing fiscal sustainability in most countries of the region. From 2017, there has been a rapid growth in income over expenditure in the EDB countries, which has led to a reduction in budget deficits. The growth of the state budget deficit in the last year was noted only in Kazakhstan, mainly due to the growth of targeted expenditures for the improvement of the financial system of the country (Kovalevich, 2018).

Let us analyze the benefits of Kazakhstan from participation in the Eurasian Economic Union. Most clearly this can be traced by the indicators of investment activity of Kazakhstan in the framework of the EAEU. It should be noted here that in 2017, the EAEU countries increased the volume of investments in Kazakhstan by 43%. Gross inflow of investments from the countries of the Union amounted to 1.3 billion dollars; 1.2 billion (92%) of them came from Russia (*Table 3*).

Table 3

Gross inflow of foreign direct investment in the Republic of Kazakhstan from foreign direct investors by country (million US dollars)

Country	2010	2011	2012	2013	2014	2015	2016	2017
Total	22 245,6	26 467,3	28 884,9	24 098,3	23 725,5	15 169,5	20 949,3	20 765,4
EAEU	973,1	1090,6	1187,7	1404,7	1 756,2	590,1	928,0	1 311,9
Armenia	0,0	0,0	-0,2	0,0	0,4	0,6	0,2	0,0
Belarus	41,7	85,8	122,5	165,0	202,0	79,5	63,5	81,4
Kyrgyzstan	-20,3	4,7	-4,1	-59,5	-26,2	-17,6	-3,1	-0,3
Russia	951,6	1000,1	1 069,5	1299,2	1580,1	527,7	867,4	1 230,8

Source: compiled by authors based on data of the EAEU statistics

Russia has been increasing the volume of injections in the Kazakhstani economy for two years. In terms of the scale of investment in 2017, the Russian Federation ranked fourth among the investing countries in Kazakhstan. Belarus is the second largest gross inflow of investments into Kazakhstan from the countries of the Union in 2017 ($ 81.4 million, which is 28% more than in 2016). Last year, Kazakhstan did not receive anything from Armenian investors, while Kyrgyzstan went to minus, a bit less than in previous years. The share of the EAEU countries from the gross inflow of foreign direct investment increased from 4.4% to 6.3%.

Data on the gross outflow of direct investment abroad from Kazakhstan direct investors by country are shown in *Table 4.*

In turn, Kazakhstan invested $ 435 million in the EEU countries in 2017. This is 23% of the total gross investment outflow from Kazakhstan.

Among the countries of the Union, the greatest interest of Kazakhstani investors is concentrated on the Russian Federation $ 374 million (86%). Kyrgyzstan is in the second place in Kazakhstani investments in the EEU countries $ 50 million (11.5%).

Table 4

Gross outflow of direct investment abroad from Kazakhstan direct investors by countries (million US dollars)

Country	2010	2011	2012	2013	2014	2015	2016	2017
Total	10 489,9	8 034,4	3 021,5	8 690,8	3 354,9	6 929,7	4 279,2	1890,9
EAEU	184,1	232,4	80,5	216,1	139,9	419,7	606,8	434,6
Armenia	1,6	-	4,3	4,8	5,2	7,2	7,9	10,4
Belarus	0,0	0,0	0,0	0,9	0,9	0,4	9,1	0.3
Kyrgyzstan	17.9	46,5	26,7	21.7	15,7	10,8	31,7	50,0
Russia	164,6	182,8	49,6	188,7	118,2	401,2	558,2	373,9

Source: compiled by authors on the basis of data of the EAEU statistics

Last year, Kazakhstani investors invested only 300 thousand dollars in the economy of Belarus, despite the fact that from 2010 to 2012 they did not invest at all.

Last August, Kazakhstan launched a large-scale national investment strategy. New investment vision aimed at increasing and diversifying investments. Thus, Kazakhstan, actively participating in integration processes, was able to significantly increase its investment attractiveness. The volume of foreign investment in fixed assets for the four months of 2018 exceeded 2.5 billion US dollars. A year earlier, 1.6 billion US dollars was raised in the same period.

During the period of the Union's existence, member states significantly improved the quality of their institutions. Institutional reforms have brought individual countries (in particular, Russia and Armenia) to a relatively high level of institutional quality, which, however, still lags noticeably behind developed countries. The most vulnerable places of institutional transformations are related to private property, which is explained by the incomplete privatization processes in the region. In addition, according to a study of the Eurasian Development Bank, significant problems of the development of institutions are present, for example, in the energy sector of Belarus.

Improving the quality of the institutional environment is largely due to the integration processes, which are reflected in a number of performance indicators. The overall indicator of the business environment in the economies of the EAEU began to noticeably outpace the neighboring countries. Thus, in particular, over the past decade, the EAEU countries have shown significant progress in the Doing Business Index, rising in the ranking. Russia (from 96 in 2007 to 35 in 2018) and Belarus (from 129 in 2007 to 38 in 2018), Kyrgyzstan (from 102 in 2015 to 77 in 2018) and Kazakhstan (from 77 in 2007 to 36 in 2018) realized a breakthrough during the period of participation in the EAEU (*Table 5*).

Table 5

EAEU countries in the Doing Business-2018 rating and its sub-ratings (place out of 190), 2007, 2015, 2018

Year	Indicator	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
2007	Doing business	34	129	63	90	96
	Business creation	46	148	40	41	33
	Property registration	2	96	76	31	44
	Contracts enforcement	18	36	27	38	25
	Trade across borders	119	113	172	173	143
2015	Doing business	45	57	77	102	62
	Business creation	4	40	55	9	34
	Property registration	7	3	14	6	12
	Contracts enforcement	119	7	30	56	14
	Trade across borders	110	145	185	183	155
2018	Doing business	47	38	36	77	35
	Business creation	15	30	41	29	28
	Property registration	13	5	17	8	12
	Contracts enforcement	47	24	6	139	18
	Trade across borders	52	30	123	84	100

Source: compiled by authors on the basis of data (Kovalevich, 2018)

The EAEU countries demonstrate high values for such important indicators as the creation of enterprises and the registration of property, as well as the key (including in institutional theory) point – ensuring the implementation of contracts,

with the only exception – in Kyrgyzstan. In terms of integration, the fulfillment of contracts ensures an increase in the level of trust in the business environment in the Union. Thus, it can be concluded that in the process of creating a single financial market of the EAEU, subject to strengthening the integration of the interaction of the Union countries, great attention is paid to effective financial policy, since its effectiveness depends on the completion of the harmonization process of state legislations in the financial sector, as well as ensuring the effective development of national economies of the participants of this integration association. Kazakhstan is an active participant in various integration associations. One of such associations is the Eurasian Economic Union (hereinafter EEU). This supranational association, created in 2014, with a population of more than 180 million people and a market with a foreign trade turnover of 750 billion dollars, has every chance to strengthen its position in the international arena. Kazakhstan's interest in its participation in the EAEU comes primarily from an assessment of global trends (President's message, 2012).

The goal of cooperation among countries in the framework of the EAEU is to form a single market for goods, services, capital and labor resources. At this stage, mainly "common" markets are formed: within the framework of common markets, the same for all rules work, and within common markets, the activities of market participants from different countries are mostly only coordinated while maintaining references to national legislation.

On January, 01, 2018, the Customs Code of the EAEU entered into force. As a result of this work, the following areas of customs policy were implemented: (1) the priority of electronic customs declaration and the application of a written declaration only in certain cases; (2) expansion of special simplifications for authorized economic operators, in particular, three types of certificates are provided depending on the simplification package; (3) expansion of the list of goods produced in the "after the fact" customs clearance mode; (4) synchronization of processes with the Tax Code of the Republic of Kazakhstan; (5) optimization of customs operations in order to develop transit potential, reducing transit completion times, carrying out inspections, the possibility of processing one transit declaration when goods are transported by two or more types of transport (multimodal transportation).

The agreements in the framework of the EAEU significantly improve the integration capabilities of Kazakhstan as compared to the package of basic agreements within the framework of the Customs Union and the Common Economic Space, and provide significant opportunities for the development of the Kazakhstan economy, full-scale realization of the existing potential in the fields of energy, transport, industry and agriculture. In order to develop and strengthen trade relations, as well as create favorable conditions for the promotion of domestic goods on the world market, work is underway to create free trade zones and conclude preferential agreements with third countries that provide for more liberal trade rules.

Within the framework of the multilateral trade and economic system, the main priorities are to ensure the participation of Kazakhstan in this system, taking into account the norms and rules of the WTO, the use of preferential tools to ensure the sales market for Kazakhstani products and competitive conditions for producers in

foreign markets. Working conditions under the WTO provide for the liberalization of trade regimes of the participating countries, the reduction of various barriers to trade, the expansion of the geography of exports of Kazakhstan products by opening up access to the markets of most countries of the world, and also allow our producers to compete in equal conditions.

One of the key factors affecting the degree of access to competitive production areas, resources and markets is the elimination of restrictions and the creation of a favorable business environment. In order to facilitate trade, existing customs and tariff, non-tariff measures are systematically reviewed by analyzing the applicable rates of import customs duties, identifying and eliminating illegitimate barriers from the point of view of world practice (National Bank of the Kazakhstan, 2017).

The Republic of Kazakhstan conducts a multi-vector international policy. A significant role in shaping and implementing trade and economic policies is played by the outcomes of meetings of intergovernmental commissions, the outcome of which can be a whole range of agreements.

The volume of foreign trade turnover of the Republic of Kazakhstan in 2017 amounted to 77.6 billion US dollars, which is higher compared to 2016 by 25.2% or 15.6 billion US dollars. Compared to 2015, Kazakhstan's foreign trade turnover increased by 1.3%, or 1 billion US dollars. At the same time, the trade turnover with the countries of Eurasian Economic Community in 2017 amounted to 17.4 billion US dollars, which is higher by 25.9% or 3.6 billion US dollars compared to 2016. Compared to 2015, the foreign trade turnover of Kazakhstan with the countries of Eurasian Economic Community increased by 1.3% or by 1 billion US dollars. In 2018, foreign trade of Kazakhstan with the countries of the EEU amounted to $ 19.1 billion, which is 10.1% more than in 2017 (17.1 billion US dollars).

The import component in the structure of commodity turnover is 69.2%, or 13.2 billion dollars. The export of domestic goods and services to the countries of the community, in turn, is 30.8% (5.9 billion dollars).

Russia remains the main trading partner of Kazakhstan. The trade turnover between the countries in 2018 amounted to 17.55 billion US dollars, which exceeds the volume of the previous year by $ 1.2 billion.

The growing rates of mutual trade between Kazakhstan and the EAEU member countries are supported by investment activity from regional partners. Only in the first 9 months of 2018, the inflow of foreign investments into the national economy from the EAEU amounted to 1.2 billion US dollars (30.9%) more than the same period a year earlier. At the same growth rate, the result of 2018 could be FDI in the amount of 1.5 billion US dollars (*Table 6*).

The share of investments from the EEAC is 7.1% of the total volume of gross foreign investment: 17.3 billion US dollars. In addition to the growth in the volume of investments themselves from the countries of the Union, their share also increases. In January-September, the share of FDI from the EAEU was 7.1%, whereas a year earlier it was only 5.9%. The increase in the presence of assets of regional partners in the economy of Kazakhstan indicates a growing investor interest in potential industries (Customs Statistics, 2018).

Table 6

Goods turnover of Kazakhstan with participants of the EAEU in 2018, billion US dollars

The name of indicators	Total	Name of the EAEU country			
		Armenia	Belarus	Kyrgyzstan	Russia
Turnover					
Total: including:	19114437,4	14 200,50	680 756,20	865 257,00	17554223,7
share of the country in the total trade volume, %	100	0,1	3,6	4,5	91,8
% to the corresponding period of previous year	107,5	133,9	107,6	113,1	107,2
Export					
Total: including:	5891946,2	7 449,80	87 543,10	634 866,50	5162086,8
share of the country in the total trade volume, %	100	0,1	1,5	10,8	87,6
% to the corresponding period of previous year	112	133,8	86,5	122,9	111,3
Import					
Total: including:	13222491,2	6 750,70	593 213,10	230 390,50	12392136, 9
share of the country in the total trade volume, %	100	0,1	4,5	1,7	93,7
% to the corresponding period of previous year	105,6	134,1	111,6	92,7	105,6

Source: compiled by authors on the basis of data of the Customs of the Republic of Kazakhstan

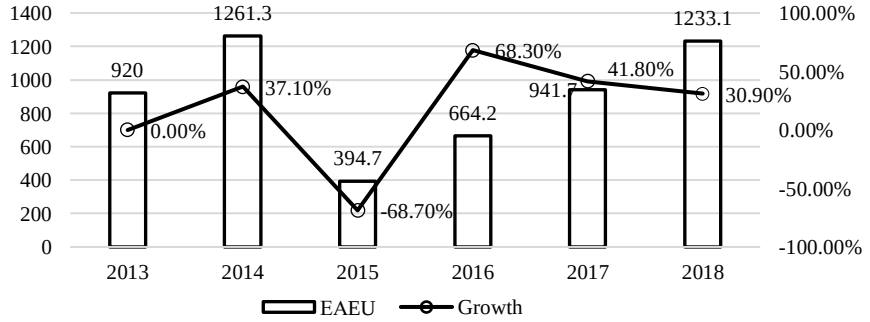


Figure 4: Dynamics of foreign direct investment from EAEU countries to Kazakhstan (US $ million)

Source: created by authors based on the State Statistics Service of the Republic of Kazakhstan

Maintaining the growth rate of foreign investment in the country will allow to increase production volumes and export potential.

In accordance with Articles 71 and 72 of the Treaty on the EAEU of May, 29, 2014, which entered into force on January 1, 2015, the collection of indirect taxes (VAT and excise taxes) in the mutual trade of the Customs Union member states destination countries providing for the application of a zero rate of value-added tax

and (or) exemption from excise taxes on the export of goods, as well as their taxation with indirect taxes on imports. The standards for the distribution of import customs duties for each Member State are set in the following amounts: Republic of Armenia (1.22%); The Republic of Belarus (4.56%); Republic of Kazakhstan (7.055%); Kyrgyz Republic (1.9%); Russian Federation (85.265%).

Small business in Kazakhstan generates 25.6% of GDP, and the share of people employed in SMEs is 36% of the national labor market.

In the scale of the national economy, the popularity of entrepreneurship in Kazakhstan is increasing, but the pace of activity is quite small - the levels of entrepreneurial activity in the Republic of Kazakhstan are two times lower than the world average (63% in GDP and 47% of the number of employees).

Among the regions, the greatest influence of SMEs in the formation of the gross regional product is observed in Astana (46% of GDP), West-Kazakhstan region (40%) and Almaty (29%).

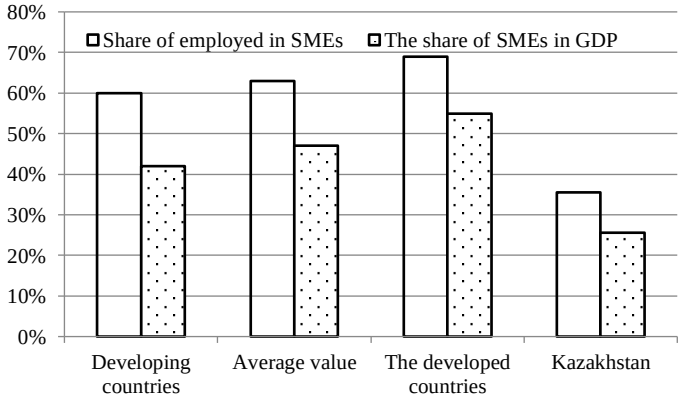


Figure 5: The share of SMEs in GDP

Source: created by authors based on the State Statistics Service

In the structure of SMEs, there is a traditional dominance of individual entrepreneurship entities engaged in trading activities and areas that do not require high qualifications. At the same time, the world trend is considered the transition to the production of products with high added value, the introduction of innovative, efficient production mechanisms ("Kazakhstan 2050").

The number of small and medium-sized businesses was 1.3 million. It is an 11% increase compared with 2018 (reported by Finprom.kz). The volume of production by small and medium-sized businesses (SMEs) in January-December 2018 reached 26.5 trillion tenge, with an annual growth of 25.3% at once. This is the maximum rate in recent years. SMEs include legal entities of small business, legal entities of medium business, individual entrepreneurs, peasant or farm enterprises (Rubtsova, 2017). The largest production volumes fall on small enterprises: 18.2 trillion tenge (68.7%). Medium-sized enterprises produced products at 5.2 trillion tenge, individual entrepreneurs by 1.8 trillion tenge, peasant or farm enterprises by 1.3 trillion tenge.

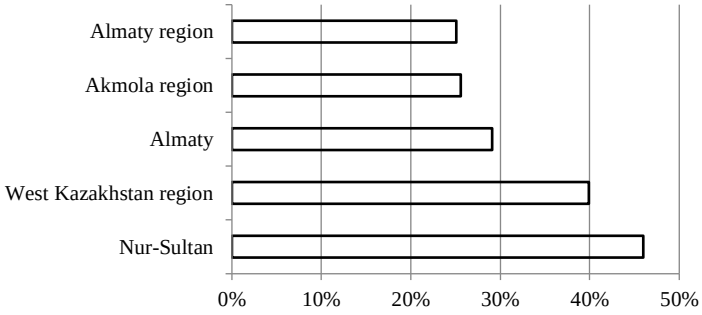


Figure 6: Employment in SMEs

Source: created by authors based on the State Statistics Service

At the same time, the number of leaders is IP. Thus, by the end of April, the share of individual entrepreneurs was 65.5% of SMEs, or 856.8 thousand. The number of small enterprises was only 243.3 thousand (18.6%). Another 205 thousand SMEs accounted for peasants and farms (15.7%). Individual entrepreneurs are mainly located in Almaty: 117.1 thousand individual entrepreneurs 7.9% more than a year earlier. 83.3 thousand individual entrepreneurs are operating in Nur-Sultan, another 66.4 thousand in the East Kazakhstan region. The three regions listed above account for 31.1% of the total number of IP in the country (*Figure 6*).

Since 2015, there has been an active growth in lending to SMEs. The number of loans issued by banks has increased 2.3 times since 2014. Compared with January of last year, the volume of loans increased by 29% and amounted to 3 trillion tenge (*Figure 7*). However, according to ADB, only 19% of SMEs receive loans, while the rest refinance income or take loans from other sources. This is due to the fact that most enterprises have a bad credit history or do not have the necessary documents.

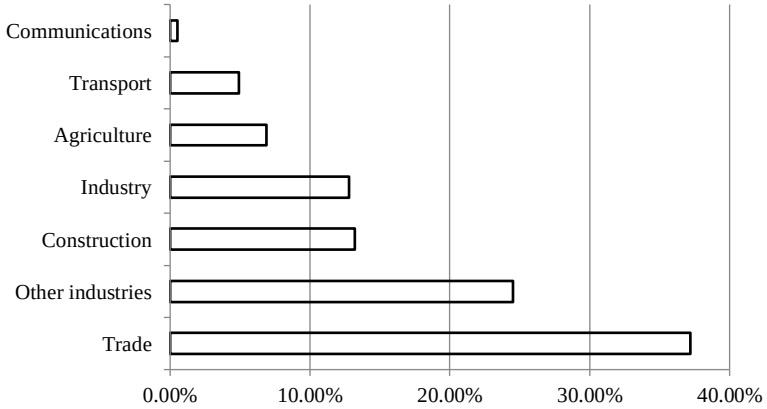


Figure 7: Lending structure by sector for 2018

Source: created by authors based on the State Statistics Service

The direction of loans reflects the main activities of enterprises: trade (37%), construction (13%), industry (13%) and other sectors not related to the main sectors of the economy (24%). In addition, to the well-known state programs, loans to MFIs for the period up to 2020 were also actively involved in the development of SMEs from 2015 to 2017. This year, the third tranche of 200 million US dollars under the ADB project has been launched. The project aims to increase the availability of SME financing, to increase the number of borrowers and the number of loans issued by more than 20%. It also includes a gender policy in such a way that at least 50 million US dollars will go to lending to female entrepreneurship. Also, at least 120 million US dollars will be allocated for lending to enterprises outside of Almaty and Astana.

The World Bank (IBRD) this year will allocate another 9.24 million US dollars for the SME competitiveness project. The goal of the project is to strengthen government programs and increase the competence of SMEs.

The economy of Kazakhstan will develop at the level of growth rates of the world economy, which, according to a revised estimate of the International Monetary Fund, in 2018-2019 will amount to 3.9% per year. The growth will be sustained by a gradual recovery in demand, as well as the maintenance of commodity prices. At the same time, a steady and progressive economic dynamics is expected due to a higher increase in gross capital formation (at the level of 5.0-8.4%), moderate and steady growth in population consumption (at the level of 2.0- 2.5%) and net exports (at the level of 2.2-2.6%) (Dusembayeva et al, 2019).

Monetary policy in 2018-2022 will help create the necessary conditions for the development of the investment market and stimulate lending activity in the banking sector. The average annual growth rate of second-tier banks in the upcoming period is expected to be at the level of 3.7%, deposits of residents over this period will increase at the level of 8.0%. The level of money supply will be adequate to the development of the economy, in general, the planned value of monetization will be on average within 42.1%.

The recovery of the country's economic growth and increased government attention are creating new development prospects for SMEs. To expand the production of SMEs and ensure employment of the population through its involvement in private business, government support programs will be continued. The "Enbek" program will contribute to the development of entrepreneurship among the unemployed and unproductively employed by expanding microfinance in cities, developing preferential microcredit in villages and basic entrepreneurial skills. The budget of this program in 2018 will be increased by 20 billion tenge on behalf of the Head of State in the framework of five social initiatives. At the regional level, a set of measures will be taken to develop mass entrepreneurship, reduce all types of business costs. A rating of cities and regions for the ease of doing business with the establishment of a special award will be introduced.

Within the framework of the Unified Program of Business Support and Business Road Map 2020, government support measures will be continued to reduce the cost of loans through subsidy tools, partial guaranteeing of bank loans, construction of the missing infrastructure, provision of government grants, training, and consulting

services to entrepreneurs. As additional measures to support entrepreneurship, work will continue within the framework of funds allocated from the National Fund under the joint action plans of the Government and the National Bank. To maintain additional liquidity in the lending market, work will be continued to attract credit lines from international financial organizations.

Findings: Thus, over the years of the existence of the EAEU, its participants were able to appreciate the benefits of membership in the union. The total growth of indicators of foreign trade activities within the framework of the EAEU allowed the state budget of the Republic of Kazakhstan to provide additional amounts of customs duties. In order to improve the efficiency of budget investments, it is necessary to improve the monitoring system and evaluate their implementation.

In our opinion, monitoring is one of the tools for improving the decision-making process and the timeliness of their adoption, moreover, monitoring is a tool to provide feedback and answers the questions "how effective is the investment project" or "what measures will ensure the planned results". To introduce common approaches to monitoring and evaluating the implementation of investment projects, it is proposed to develop uniform rules and procedures for monitoring and evaluating implementation for all investment projects involving the state, regardless of the method of financing.

In this connection, we determine the key factors that should be considered when monitoring and evaluating the implementation of projects (*Table 7*).

Table 7

Key factors of various types of budget investments for monitoring and evaluating implementation

Criteria	Kinds	Key factors
on investment objectives	Investments A*	achievement of goals based on the implemented tasks within the strategic directions of the BPA (budget program administrators) documents, i.e. compliance with the results achieved goals
	Investments B**	- increase production efficiency; - increase in production and expansion of activities; - financial results;
on investment objects	Investments A	- a comparative analysis of the planned technical and economic parameters with actual ones;
	Investments B	- assessment of the value and liquidity of the invested funds, including financial assets;
according to the method of implementation	Investments A	- the appropriateness of the choice and method of project implementation, socioeconomic efficiency of the project;
	Investments B	- analysis of financial indicators confirming the increase in income and / or value of the state assets

Note:

** Investments A: budget investments to create state assets - this is financing from the republican or local budget, aimed at solving social and economic problems by creating state assets;*

*** Investments B: budget investments to increase the value of state assets; financing from the republican or local budget, aimed at developing and expanding the activities of state bodies and subjects of the quasi-state sector to increase the value of assets*

Thus, in order to increase the efficiency of the state bodies regulating the financial system, it has been proposed to change the approach to managing budget investments based on project management. The study proposed an integrated approach to the

budget process: from planning budget investments to their evaluation after implementation, and using the information received, as well as lessons learned, in the process of planning the next investment. As a result of the implementation of this approach, it is expected: (a) reduction of the general terms and procedures for planning investment projects; (b) improving the efficiency of budget expenditures by eliminating duplication of projects, optimization of financing schemes; (c) taking into account the results of previously implemented projects when planning follow-up (lessons learned, work on errors).

We can say that the state of small and medium-sized businesses in the Republic of Kazakhstan is at the stage of development and occupies an average position in the performance evaluation. Thus, we can conclude that small and medium enterprises are developing at a slow pace in our country. In the scale of the national economy, the popularity of entrepreneurship in the Republic of Kazakhstan is increasing. The greatest development of SMEs is observed in Astana, WKO and Almaty. In the structure of SMEs, the largest number of constituent entities are self-employed, mainly engaged in trading activities.

The study showed that the state support of small and medium-sized businesses has a number of problems, among which the following can be highlighted:

(1) excessive tax and fiscal burden for the non-resource sector of the economy and citizens with low and medium income levels impede economic development;

(2) the system of tax benefits is not effective enough;

(3) low share of tax revenues in the structure of regional and local budgets and their high dependence on transfers, as well as low motivation of regional and local authorities to create conditions for the development of entrepreneurial activity;

(4) a high proportion of the "shadow" economy and public sector enterprises create additional pressure on law-abiding commercial enterprises;

(5) fiscal policy is unstable, which increases the financial risks of enterprise taxation. Tax policy has mainly fiscal goals and does not contribute to solving the problem of growth of future budget revenues due to tax incentives for business.

REFERENCES

Eskaraev, O. (2017). State regulation of the market in the Republic of Kazakhstan. *International Economic Forum*. Vol 12, pp. 23-30.

Kulakova, E.V. (2017). Opportunities and prospects for the integration of the EAEU in the financial sector. World Economy. Vol. 2, pp. 38-45.

Kovalevich, D.V. (2018). Development of the financial policy of the EAEU countries in the context of deepening their integration interaction. Global Scientific Potential. Vol. 8(89), pp. 82-85.

EAEU: Socio-Economic Development of Regions (2018). *Bulletin on Current Trends in the World Economy*. Available at: http://ac.gov.ru/files/publication/a/19016.pdf.

Government finance statistics of the Eurasian Economic Union (2018). Available at: http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/fin_stat/statistical_publications/Documents/finstat_1/finstat_1_2Q2018.pdf.

Strategy Kazakhstan-2050: A new political course of the established state (2012). Message of the President of the Republic of Kazakhstan, Leader of the Nation, Nazarbayev to the people of Kazakhstan.

National Bank of the Republic of Kazakhstan (2018). Available at: http://www.nationalbank.kz.

Customs portal of the Republic of Kazakhstan (2018). Available at: www.keden.kz/ru/bussines_kz.

Zamanbekov, S., & Zamanbekov, D. (2017). Development of small and medium-sized businesses in the Republic of Kazakhstan. E-scientific journal "Regional Economics and Management". Vol. 1(49). Available at: https://eee-region.ru.

Rubtsova, O.L. (2015). Problems of state support of the small business in Russia. *Russian Entrepreneurship*. Vol. 16-17. Available at: https://cyberleninka.ru/article/n/problemy-gosudarstvennoy-podderzhki-rossiyskogo-malogo-biznesa/viewer.

Budget Planning Report of the Republic of Kazakhstan for 2019-2020 (2019). Available at: http://www.adilet.gov.kz/en/kyzmeti/byudzhetti-zhosparlau-kalyptastyru-bekitu-naktylau-satysynda.

Dusembaeva, L.K., Bulabai, Zh.M., Babazhanova, Zh.A., Nurbaeva, G.E. (2019). Improving the strategy of interaction between the state and small business in Kazakhstan. *Report of the Academy of Sciences of the Republic of Kazakhstan*, Vol. 1. pp. 104-109.

2.8 INNOVATIONS AS A NECESSARY PART OF COMPANY'S LIFE

Innovations – theoretical background: The term innovation is associated with the name of the Czech native J.A. Schumpeter. According to him, innovation is the basis of cyclical development of the economy. The reason for this is that innovation does not take place uniformly but periodically in cycles. The introduction of a certain innovation requires overcoming the so-called social resistance that stands in the way of all new, unverified and unconventional. In connection with innovation, he used the term "creative destruction", a state in which a company practices new combinations to develop new twists, while creating new and old ones disappear. In the 1930s, he focused on analyzing business conditions and defined innovation as a combination of developmental changes that went beyond renewal at the level of simple reproduction. It was based on developmental changes in production and on the market and classified five typical changes, which show development and introduction of new products, respectively. Original products with new properties, the use of new production techniques, production processes or new commercial security of production, opening of new markets, changes in the organization of production and its security and use of new raw materials or semi-finished products.

Economists' views on innovation vary. In general, we could define them as introducing a change that already combines facts, facts to create new products or services, and then to put them into practice, where innovation is associated with new ideas, ideas that are offered to customers and they perceive them as new, original (Freeman, 1982). The term innovation encompasses technical, design, manufacturing, management and business activities related to the launch of a new (or improved) product or the first commercial use of a new or improved process or management.

Porter (1990) perceives innovation as a process using new knowledge, processes and technologies to create new products as well as new and improved current products. According to Drucker, we can define seven such areas – traditional and proven sources of innovation opportunities. The opportunity to innovate can be identified both within the organization and in its external environment.

Other definitions refine the interpretation of the term innovation and indicate the increasing penetration of innovation into management and production theories and practices. Changes in industry, particularly in technological development, and their application in products, production processes and services are referred to as a common concept of innovation (Crawford, 1996). Basic elements of industrial innovation are basic knowledge and know-how, ideas that transform basic knowledge into new products, processes and services, high speed of implementation of ideas to market conditions. According to Bobrow (1987), innovation expresses a change in the original structure of a production organism, e.g. a transition to a new state of internal structure, a change in products, technology, means of production, organization and market structure. Changes can be quantitative and qualitative (ibid).

Innovation involves the use of knowledge to generate and apply a new idea that is beneficial (Cooper, 1998). Research on the definition of innovation has shown that in the context of innovation, the authors consider it as an application of a new idea,

improvement, new idea or inventiveness. The current notion of innovation shows that innovation is a key term for an entrepreneur, a manager. It emphasizes the global concept of innovation as a way of life of a company, which affects all components of the reproduction process (marketing, product and technology development, planning, production, sales, personnel training, management, etc).

Innovation, innovation process and economic growth: Some groups argue that innovation causes business cycles, others believe that innovation is a consequence rather than a cause of the business cycle. Schumpeter's research shows that innovation also affects the business cycle. Although not considered to be the inventor of business cycles, Schumpeter distinguished three basic types of business cycles, each with a group of innovations. These are short Kitchin cycles (lasting approximately 3 years or 40 months respectively), medium Junglar cycles (lasting 9-10 years), long Kondratiev cycles (lasting 50-60 years).

Each wave of the same order is composed of the sum of several waves of the lower order and together with a certain number of waves of the same order creates a wave of the higher order. Schumpeter, therefore, argued that the Kondratiev's waves were triggered by radical innovations that triggered entirely new industries. Since the Industrial Revolution, the world economy has gone through four Kondratiev's waves. The first K-wave, referred to as the period of industrialization, began in 1780 and ended in 1842. During this period, a radical innovation was the invention of a stationary steam engine. There was an expansion in the production and use of machines that were able to work with the power of steam engines. Production ceased to be dependent on watercourses as energy sources and industrial enterprises moved to cities. Stationary steam engine was used to propel ships and vehicles. Steam engines and working machines powered by them have gradually improved, their types, variants and generations have diversified.

The second K-wave, referred to by Schumpeter as the "steam and steel age", lasted from 1842 to 1898. The construction of public railways, the development of the steel industry and machinery for metallurgical production were considered radical innovations. The third K-wave started according to Schumpeter in 1898 and lasted until about 1950. He called this wave a period of electricity, chemistry and engines. The radical innovation was the expansion of power engineering, electrical engineering, cars and aircraft. The production was relieved of the dependence of the drive of the machines by steam engines, because the machines were equipped with their own electric motor. Since the 1950s, the fourth K-wave has begun. During this period, the expansion of semiconductor electronics, computers, and information and control electronic systems occurred. The end of the 20th century is considered the end of this wave.

In the mid-1990s, several American professors, especially Paul Romer and Brian Arthur, came up with a new theory of economic growth, which, unlike classical theory of economic growth, defines innovation not as a residual factor but as a decisive factor in economic growth. The national economy, which was based on the development of knowledge and the application of new knowledge in innovation, was called "information, respectively knowledge economy".

Businesses saw a rise in revenue, coupled with a recent technology revolution called the "digital revolution". The term "digital revolution" is not accurate for current technology innovations. Only the first computers of the pre-transistor period were based on the digital principle. This period was considered the beginning of the fifth K-wave, which is related to the development of private investment in the USA. It is characterized by significant technological changes, the advent of information and communication technologies, the use of various micro and nanotechnologies, the Internet, the development of telecommunications and multimedia. Experts predict that this long-term cycle in which we are currently living will last until approximately 2030 until the innovative potential of the fifth-wave trade unions is exhausted.

Despite the obvious importance of innovation, they were not given enough attention in some European Union countries, as reflected in the low number of patents compared to Japan, China or the USA. This is now changing and innovative business actors are being supported. In the long term, the goal is to increase R&D spending or investment in human capital, which is the basis of the innovation process. Investment in human capital through education and training has a direct impact on economic profit. The availability of quality human capital and the development of its potential play a key role in any economy. Regarding innovative enterprises, Germany was the largest in 2014 and 2012, of which 70% of their innovative companies were small enterprises, 22% were medium-sized companies and 8% were large companies. According to the number of innovating companies per capita, there were in Germany (0.11%), Sweden (0.10%) and Finland in the Czech Republic (0.9%), Bulgaria (0.05%) and in the Slovak Republic (0.04%). According to the number of employees in innovative companies per country population, Germany (12.5%), Czech Republic (10.8%), Finland (8.9%), Sweden (8.7%), Slovakia (6,8%) and Bulgaria (5.9%).

According to the Community Innovation Survey 2012 on Investing Public Sources in Innovative Private Company Solutions, the most innovative were supported by EU resources in Germany (3,897). Around 71% of these companies received funding under the 7th EU Framework Program to support R&D, which preceded the HORIZONT 2020 Framework Program. In the Czech Republic, 1,354 enterprises were supported, only 19% of the 7th Framework Program. Each country also supports innovative companies from the state budget. In the Slovak Republic, the Office of the Deputy Prime Minister of the Slovak Republic for Investment and Information Technology continues to support young Slovak innovative firms using its hybrid financing model, which combines investments from public and private sources.

Technology transfer: It is an important tool for realizing innovative business. A technical discovery has the character of innovation only if it is evaluated by the entrepreneur and leads to an increase in the company's business revenues. The emergence of technology transfers dates back to r. 1980, when the Bayh-Dole Act was adopted in the US. This has enabled universities to exercise rights to the results of publicly funded research.

The basic conditions were that the university staff had a reporting obligation, the university had to file a patent application and shared the use income with the originator, while the research sponsor was entitled to a free license. The law has gradually inspired other states (Germany, Austria, Denmark, Norway, Japan, and Korea) to reform the rules for funding public research and the rights and practices related to the treatment of research results there are several meanings for the term technology transfer (TT) or the context in which it is used.

It is an effort to develop underdeveloped countries by providing technology (transfer) from more developed countries, transfer of technology in the commercial sphere between individual companies or within the company between its components, or transfer of technology from academia to the commercial environment. Patents also play an important role through which we can assess the effectiveness of spending on science and research. R&D is a major driver of innovation and R&D spending and intensity are two key indicators used to monitor resources devoted to science and technology worldwide.

All countries that are members of the European Union together reached a level of R&D spending of just over 2% in 2016. Overall, they spent more than 300 billion euros in this area. Research and development expenditure can be converted to a percentage of Gross Domestic Product (GDP) to achieve R&D intensity. The EU achieved an intensity of 2.04% in 2016. The research and development intensity of the European Union is low compared to South Korea, Japan, the USA or China.

In 2017, the Member States of the European Union spent almost 320 billion euros in total for R&D. Research and development intensity, e.g. R&D expenditure as a percentage of GDP reached 2.07% in 2017 compared to 2.04% in 2016. In 2007, R&D intensity was 1.77%. For the other large economies, R&D intensity in the EU was much lower than in South Korea (4.23% in 2015) in Japan (3.29% in 2015) and the United States (2.79% in 2015), while being about the same as China (2.07% in 2015) and much higher than in Russia (1.1% in 2015) and Turkey (0.96%).

R&D intensity above 3% is in Sweden, Austria, Denmark and Germany. In 2017, R&D intensity was highest in Sweden (3.33%) and Austria (3.16%), followed by Denmark (3.06%) and Germany (3.02%), with all R&D spending above 3% of GDP, while Finland (2.76%), Belgium (2.58%) and France (2.25% in 2016) R&D spending between 2.0% and 3.0% of GDP. At the other end of the scale, eight Member States recorded R&D intensity below 1%: Romania (0.5%), Latvia (0.51%), Malta (0.55%), Cyprus (0.56%), Bulgaria (0.75%), Croatia (0.86%), Lithuania and Slovakia (0.88%). In the last decade, R&D intensity has increased in the twenty member states with the highest growth in Austria (from 2.42% in 2007 to 3.16% in 2017 and Belgium (from 1.84% in 2007 to 2.58) In contrast, R&D intensity decreased in six Member States and the strongest in Finland (-0.59 pp) and Luxembourg (-0.33 pp), while in Malta R&D intensity remained at 0.55%.

Technology transfer is also a sign of the efficiency of spending on science and research. These are mainly patents and patent applications. E.g. Germany filed 15% of patent applications, the US 25%, Japan 11%, China 5% and the Republic of Korea 4%. At the global level, the Republic of Korea has seen a 13% increase in patent applications, 3.9% increase in Japan, and a +2.7% increase in US company registrations.

Diffusion of innovation: For an innovation to be successful, it is important to promote it, which is not easy. In addition to the unique idea and involvement of the product, price, location and sales promotion, the consumer itself, consumer behavior, consumer preferences and income levels play a very important role. The demand can be influenced to some extent, but the information about the goods must be directed to the right consumers. This problem was already addressed in 1962 by Everett M. Roggers, who formulated the theory of diffusion of innovation based on the results of 405 exploratory studies and published it in the book Diffusion of Innovations.

Diffusion of innovation is understood as a process in which innovation (a new idea) is communicated at a certain time through reliable channels between members of the social system. It is important to realize that something can be considered an innovation somewhere, and within another company this innovation can already be accepted. Base on this statement, Rogers defined five basic groups of intensity of adaptation to new technology. Innovators (2.5%) are a group that receives innovation in less time than other categories. Innovators are educated and courageous to take risks, but always count on a certain margin in their supplementary financial resources to cover the potential loss of non-profit innovation. They have the ability to understand and apply complex technical knowledge as well as the ability to cope with a higher degree of uncertainty about innovation. Fast recipients (13.5%) are usually young, successful people with higher education who have respect among their peers. They are an integral part of the local social system. They are characterized by the highest degree of opinion leadership. They are a model case for other members and society. The vast majority (34%) are more conservative, yet open to new ideas. They are active in society and have an impact on their surroundings. However, they are rarely in the position of opinion leader. Their decision-making before taking innovation is very careful. The late majority (34%) are older and less educated people, largely conservative and less socially active. They are under pressure among their peers, trying to catch up with their surroundings in innovation, but they consider innovation to be an economic necessity. They are skeptical, cautious, and cautious. Delays (16%) are very conservative, older and less educated people. They are usually isolated and without opinion leadership. They often compare with the past. They are suspicious of innovation, making their innovation decision-making process very lengthy. They usually have limited resources. These categories of innovation beneficiaries have evolved over years of research and observation of the diffusion process of innovation in various fields as well as social strata. Of course, there may be an exception in each group, but usually the distribution reflects the real state of adaptation of new products or technologies. Each person reacts differently in the way they hear information about innovation, how they try to understand innovation and ultimately accept or reject innovation. The diffusion process is the process of disseminating a new idea from the source of innovation or creation to the end consumers, respectively recipients. It occurs within the company as a group process.

Conversely, the adaptation process applies to individuals. It is a thought process in which an individual move from the first mention of innovation to the ultimate adaptation of innovation.

Consumers are an important player in the innovation process. In addition to consumers, governmental institutions, such as innovation policy makers and firms, need to innovate in order to be competitive. They are motivated by consumer interest, government policy. The motivation of the company to innovate is the higher the potential profits. These are, in turn, the higher the degree of competition in the sector. This influence of the degree of competition on innovation activity has already been described by Schumpeter (1911) and is therefore commonly called the Schumpeter effect (Aghion et al, 2005). Innovation policy is intended to create the preconditions for all actors in the state, with an emphasis on feedback between different parts of the system - both positive and negative – as well as links between technological and institutional changes. A well-functioning system significantly improves the chances of developing and disseminating technology (Hekkert, et al, 2006).

Conclusions: The whole innovation process is currently influenced by global development and the state of the environment. The development of industry started a process of significant changes in the sectors of agriculture, production, mining, transport and other industrial sectors. In the production process there was a shift from manual production in manufactories to large-scale factory production with the help of new energy sources (mainly coal at that time), thus increasing the division of labor and specialization. New scientific and technological discoveries have played an important role in this process. There has also been major social, cultural and political changes in most of the world.

The industrial revolution has brought economic growth, job creation and a rise in the standard of living of the population. However, the impact of a rapidly developing industry on the quality of the environment is gradually becoming apparent. Cyclic closed metabolism that occurs in natural ecosystems, partially disrupted and open in agro-systems, is later converted to a one-way metabolism with a one-way input of raw materials. Industrial production is characterized by energy-intensive technologies (Bartusek, 2013). At the same time, the quality of the environment is significantly deteriorating as industry and its individual sectors have an impact on all its components – air, water, soil, organisms. Industrial production is a source of pollutants, which have not only local impact, but they spread widely in the air and cause complex problems. Businesses should implement innovations that are consistent with sustainable growth goals but do not always bring enormous profits.

REFERENCES

Aghion, Ph., Bloom, N., Blundell, R., Griffith, R. & Howitt, P. (2005). Competition and Innovation: An Inverted-U Relationship. *Quarterly Journal of Economics*. Vol. 120, pp. 701-728.

Bobrow, E.B. & Strafe, D.W. (1987). Pioneering New Products and Market Survival Guide. IRWIN, Homewood.

Cooper, R.D. (1998). Winning at new products. Adison: New York.

Crawford, C.M. (1996). New Product Management. Irwin, Boston.

Drucker, P.F. (1993). Innovation and entrepreneurship – practice and principles. Praha: Management Press. p. 266.

Fagerberg, J. (2013). Innovation – A New Guide. Available at: https://www.research gate.net/publication/270394506_Innovation_-_a_New_Guide.

Hekkert, M.P., Suurs, R.A.A., Negro, S.O., Kuhlmann, S. & Smits, R. (2006). Functions of innovation systems: A new approach for analyzing technological change. *Technological Forecasting and Social Change*. Vol. 74(4), pp. 413-432.

Kiernan, M.J. (1998). *Upgrade or you will not survive*. Praha: Management Press, p. 256.

Khor, Z. & Marsh, P. (2006). A study by the Social Issues Research Centre on behalf of Rackspace Managed Hosting. Available at: http://www.sirc.org/publik/web 2020.pdf.

Fagerberg, J., Mowery, D.C. & Nelson, R.R. (2005). *Oxford Handbook of Innovation.* Oxford New York: Oxford University Press, p. 656.

Hall, P. (1994). Innovation, Economics and Evolution. N.Y.: Harvester Wheatsheaf, p. 414.

Negro, S.O. & Hekkert, M.P. (2008). Dynamics of Technological Innovation Systems: Empirical Evidence for Functional Patterns.

Rogers, E.M. (1995). Diffusion of Innovations. New York: The Free Press, p. 519.

Romer, P. (1990). Endogenous Technological Change. *Journal of Political Economy*. Vol. 98, pp. 71-102.

Schumpeter, J.A. (1987). Theory of Economic Development: Analysis of Business Profit, Capital, Credit, Interest and Capitalist Cycle. Bratislava: Nakladatel'stvo Pravda.

Schumpeter, J.A. (1994). Capitalism, socialism and democracy. p. 83. British Library Cataloguing-in-Publication Data. p. 81.

Carbon Trust (2002). Submission to Energy White Paper Consultation Process.

2.9 ECONOMIC DEVELOPMENT VERSUS ECONOMIC GROWTH: CASE STUDY OF UKRAINE

Introduction: Modern world is globalized. All processes are accompanied by instant socioeconomic changes in each sphere. The labor mobility, the absence of restrictions on the capital movement, the active economy's digitalization, the development of cross-country cooperation, the informational openness – such features determine all the processes taking place in the economic development of any country. The economic development is a prerequisite for economic growth, but not necessarily its condition. Therefore, an important aspect of studying the phenomenon of economic growth is a multi-vector analysis of the factors mentioned above, the reactions of economies to the internal and external shocks, as well as the population's confidence in the future. Unfortunately, the economic growth models existing in the classic economic theory are no longer applicable to the current realities, they describe only the general dynamics and patterns of economic processes' changes from the point of view of the state regulation (government intervention). However, digital economy factors require the description and consideration of different aspects of the rapid development of an innovations, human capital, digital monetization, artificial intelligence systems and so on, which are behind the existing graphical concepts or economical and mathematical models, because they can be realized in high level economical modelling and simulations models. Therefore, this work is an integrated assessment of the factors, causes, results and consequences of economic development using of Ukraine as an example country with a transitive economy. This topic represents the intersection of the interests of social and economic science based on in-depth analysis of ongoing political changes.

Politic Preconditions of Economic Development in Ukraine: Relations between Ukraine and the European Union originate in 1991, when the EU recognized its independence. In 1992, Ukraine became a zone of clash of geopolitical interests of Russian Federation and the EU. The EU policy towards Ukraine in the early 1990s is characterized by uncertainty. The EU's mistrust of Ukraine was due to a number of reasons (1) Ukraine's reluctance to compromise on nuclear weapons on its territory; (2) uncertainty in the closure of the Chernobyl nuclear power plant; (3) high economic instability. in 1994, when Ukraine declared a nuclear-free status, the EU took the first official step towards developing relations with Ukraine, viz. on June 14, 1994, Ukraine and the EU signed a Partnership and Cooperation Agreement (Kondratyuk, 2011).

On November 28, 1994, the EU Council adopted a Common Position on Ukraine, according to which the European Union identified several priority directions in the emergence of cooperation: (1) the development of close political relations; (2) *maintaining democracy* by advising on the development of new legislation and support in establishing democratic institutions; (3) supporting market reforms and helping stabilize the economic system (ibid). However, further practical initiatives did not happen. Under such conditions, Ukraine was forced to balance between the

EU, NATO and Russian Federation seeking for economic preferences. Such policy is known as a multi-vector policy. Unfortunately, such a policy gave a temporary effect, which certainly affected the temporary growth of economic indicators. But in the political arena, it looked like "friendship with everyone a little bit" depending on the current circumstances. However, the progressive domestic political struggle between pro-Russian and pro-Western forces led to the Orange Revolution and a new test of the Ukrainian economy (Batsa, 2017).

In 2005, President Yushchenko emphasized foreign policy towards deepening cooperation with the EU, the US and NATO. Foreign policy has become clearly pro-Western. Nevertheless, despite the victory of democracy in the "Orange Revolution" and due to election of a pro-European President in 2005-2007, the EU was very cautious towards Ukraine. Yushchenko's foreign policy being rigid and one-vectored (anti-Russian), did not bring tangible results to Ukraine. The strategic partnership with Russia was destroyed, moreover, Ukraine and Russia became geopolitical opponents, and the strategic partnership with the West Europe was not created (ibid).

In 2010, Yanukovych became the President of Ukraine. Despite the decline in EU's interest to Ukraine, some legal framework has happened, viz. the Association Agreement with the EU passed the initiation process, and an agreement was signed on an in-depth and comprehensive free trade zone. Ukraine has also ratified the CIS Free Trade Area Agreement (Havrylyshyn, 2017).

As soon as Yanukovych became to the post of President of Ukraine, the country returns to the 'Kuchma's Era", i.e. again a multi-vector policy is adopted as a base (friendship with the EU, the US and Russian Federation). Immediately, the economic growth becomes visible, and relative political stability is restored. Ukrainians begin to rebel amid constant corruption scandals and personal enrichment of the Yanukovych family. With his reign, xenophobia, provocations on ethnic grounds, willingness to violence, intolerance of the opinions of others entered the political life of Ukraine, which played a decisive role during the events on the Maidan. The killing of people protesting against the current government led Yanukovych to run to the Russian Federation and to leave political power. Under such situation, new President Petro Poroshenko has been elected. A quick association and an obvious policy path towards the European Union mobilized the Russian Federation to take prompt action. As a result, the Autonomous Republic of Crimea was annexed within two weeks and the situation was militarized with the support of local authorities of Donetsk and Lugansk regions (ibid).

In such extremely unstable situation, the first step was a meeting with Putin, Merkel and Hollande in Normandy (the "Norman Four"). In Minsk, an agreement was signed on a ceasefire, as well as on a peaceful settlement of the situation in the Donbass, which did not hold until now (Tataryn, 2019).

Leading by Poroshenko, Ukraine received financial loan from the IMF, which was critical at that time for a country where the hryvnia exceeded 30 (vs 11 before the military conflict). But from the first days of 'new way of living' (politic slogan), the Ukrainian authorities sabotage the implementation of the political changes. First of all, because they did not see any sense. Poroshenko was quite steady in maintaining

the status-quo. Around the demarcation line (according to the Minsk agreement) has developed corruption infrastructure. Throughout 2015-2016, consultations between the Russian, Ukrainian and Western parties continued, during which a preliminary scheme was developed, which does not work up to now (Tataryn, 2019).

Based on the results of the 100-days work (October, 2019) the newly elected President Zelenskyi, the following results were published on its official statistics website (1) creation of a new efficient parliament; (2) bringing new politicians with promising views towards European cooperation on the key positions; (3) reforms in current legislation (especially, regarding the judiciary); (3) abolishment of decrees of previous presidents regarding the parliamentarians inviolability; adoption of a law on the judiciary, reform of the National Security Service of Ukraine, signed a decree on simplification granting Ukrainian citizenship to foreigners who support interests of Ukraine; (4) Returning to the 'Minsk format' of agreements and negotiations according to the finishing of military conflict in the East of Ukraine; (5) Infrastructure restoration in the temporarily occupied territories, i.e. Donetsk and Lugansk regions; (6) Negotiations on the settlement of the military conflict consists in the invitation to the "Norman format" with the participation of US President; (7) Being officially recognized as a President of Ukraine globally, by world leaders, and setting a new democratic regime in Ukraine; (8) Start of the local government reforming.

Referring to the socioeconomic indicators for all independence period, Official Sate Statistic Service of Ukraine informs the following (November, 2019).

(1) Real GDP growth in the third quarter 2019 reached 4.2%. It is the second best quarterly result for the 2017-2019. Thus, the growth for the 9 months of 2019 amounted to 3.9%. This is the fastest growth rate of the Ukrainian economy in the last 8 years.

(2) Inflation rate have slowed to 6.5% (October, 2019), the Consumer Price Index (CPI) increased by 0.7%. This was much less than in October, 2018, causing CPI growth year-on-year to slow down by 1 percentage point: from 7.5% in September to 6.5% in October. Thus, the inflation dynamics came close to the targeted by National Bank of Ukraine corridor (4-6%).

(3) The inflow of clients' funds is accelerating. In October, 2019, deposits in the national currency of banks increased by UAH 4.8 billion (1.7%), in foreign currency by USD 217 million. Corporate clients also increased their account balances by UAH 1.3 billion (0.5%) and USD 88 million (1.4%). In October, 2019, the total weighted growth rate of banks' deposit base reached a new post-crisis maximum of 14%.

(4) International reserves have been stable. The National Bank of Ukraine's reserves remained unchanged at USD 21.4 billion (October, 2019).

(5) IMF's mission returned to Kyiv to negotiate a new financial support program for Ukraine. Ukrainian Parliament (Verkhovna Rada) has approved a number of reform laws, including the so-called "gas-banding" in the field of natural gas transportation, and the creation of the Debt Agency of Ukraine. The first reading adopted bills on agricultural land turnover, abolition of the state monopoly on production and export of ethyl, reformation of the amber production. The State Budget of Ukraine for 2020 was approved on time, with a moderate deficit of 2.1% of GDP.

It should be noted, that 25-years independence experience of Ukraine, the most meaningful changes and policy towards of European integration were adopted during the presidency of the second President of Ukraine Kuchma. At the same time, there has been an economic upturn as a stage of the economic business cycle. The East-West relationship was established (Havrylyshyn, 2017). However, the theory of economic cycles is based on the Lead-Lag analysis, which suggests that the economic results are manifested at least 3-5 years after the implementation of these processes (Zahir, & Masih, 2018). In our case, it means that each of the subsequent presidents in their activities, economic and political reforms, part of the success and the failures were inherited from the predecessor. Thus, analyzing the current stage and the abovementioned performance indicators, we can say that some policies have been inherited from the predecessor Poroshenko. At the moment, Ukraine is at the stage of another economic recovery, which gives us reason to put this trend forward for a 5-year period until 2023.

There are many indicators are used to describe a state of economic development. Well-known are HDI and Real GDP Growth Rate. But we see it necessary to follow more trustful and adjusted on inflation and living standards indicator, which is GDP per Capita based on purchasing-power-parity (PPP). Dynamics on this indicator in form of Times Series Analysis is presented in *Figure 1*.

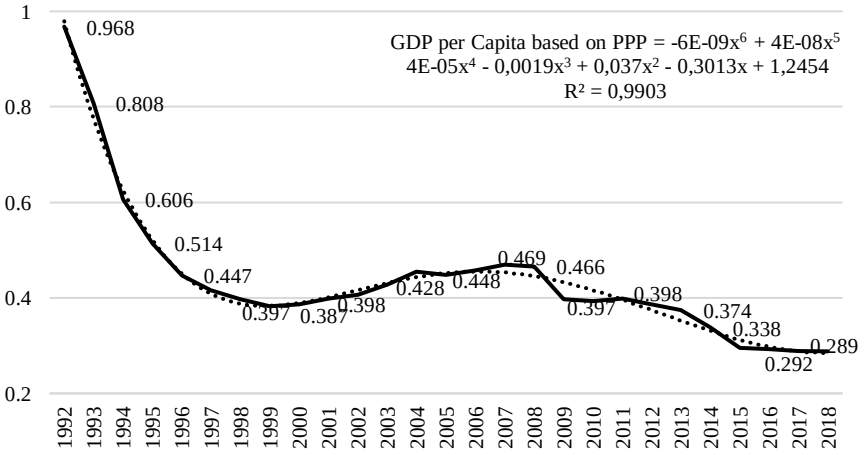


Figure 1: GDP based on purchasing power parity (PPP)

Source: created by author according to IMF Economic Report (2019)

The dynamics of GDP per capita based on PPP reflects constantly falling living standards in Ukraine since 1991. Ukrainian currency UAH have been depreciating with a huge pace, economy is constantly experiences supply and demand shocks. On the background of depopulation, which is stated to be visible from 2008 and one of the highest migration rates worldwide (especially among the youth), nowadays it is resulting in a sticky recessionary gap. Despite of actively announced information about positive trend, our conclusion is still look pessimistic, showing slowdown.

Numerical characteristics of Ukraine's economy are (Official State Statistics Service of Ukraine, November, 2019):

(1) "Free fall" of economy: in 1991 Ukraine's economy has been ranked as 60th worldwide overcoming Poland and Belarus. In 2018, Ukraine is far from mentioned countries.

(2) GDP per capita 2013-2015 decreased in 2.5 times; during this period Ukraine became poorer nearly twice with comparison to 1991.

(3) At the beginning 1994, public debt of Ukraine was 4.8 billion USD including 75% external debt; in 2018 governmental debt rose up 15 times and became 76.3 billion USD. Currently, debt of Ukraine 2.6 times more than golden reserves. It means, to cover governmental debt of Ukraine, each Ukrainian has to pay 1800 USD currently.

(4) Depopulation and geopolitical insolvency:

(a) territory of Ukraine in 1991 includes 603.7 thousand square meters. In 2018, it decreased up to 557.5 thousand square meters without occupied regions of Donetsk and Luhansk and Crimean Autonomous Republic; (b) due to environmental catastrophe (Chernobyl and violent relation towards the nature from the side of industrial enterprises 42.6 thousand square kilometers are lost); (c) depopulation in Ukraine is indicated in declining in population from 51.5 million citizens in 1991 up to 42.2 million at the end of 2018, but according to the expert estimation, real population includes only 36 million (7-8 million unofficial living and working abroad). In front of mentioned tendentious level of mortality is overcoming birth rate (for 100 death people was born only 64 newborns in 2018). According to the official forecast of United Nations, population of Ukraine will decrease in 2050 for 6.5 million people. In comparison, life expectancy has increased from 69 years up to 71 in 2018; (d) criminality level rose significantly: in 1991, Ministry of Inner Affairs has registered 405516 crimes vs 496000 registered crimes in 2018, but according to estimation of International Security Service, real crimes in Ukraine are amounted in 523902 not including unofficial, unreported and closed cases; (e) decline in science: in 1991, 313097 scientists have been registered in Ukraine, in 2018 only 94274 scientists are registered. Currently, National Academy of Science of Ukraine has a huge problem: average age of academicians 74 years. Young people have no willingness and possibilities as well to join scientific/research activity, because of low level wages and absence of working places (according to the current Law on retirement, retired people are able to work, earning double income – retirement help plus salaries on occupied positions); (f) absence of centralized public healthcare system: Ukrainian medicine is deeply ineffective, in 1991, 227 thousand accredited doctors have been registered; in 2018, their amount reached 187 thousand and accreditation control is almost ruined that makes a very low quality of provided medical care. Medical service staff (nurses, ambulatory assistants, etc) has amounted by 607 thousand in 1991, but 367 thousand in 2018. In 2018 significantly decreased number of hospitals 1700 (vs 4500 in 1991). According to the United Nations Report, quality of medical service decreased 18.8 times with comparison to 1991; (g) education system is working pretty well (imaginary): one of pluses of educational sphere in Ukraine is

availability and governmental provisions. If in 1991, public education has covered 82% in 2018 only 48%. In 1991, 50% of secondary schools were Russian language schools in 2018 only 7%. For comparison, the literacy level in 1991 amounted 86%; in 2018 it decreased up to 52%.

Modelling Scenario for economic development in Ukraine: Scenario analysis is a process of examining and evaluating possible events that could take place in the future by considering various feasible results or outcomes. That is why we will start from the point of 2014 (time of economic and politic destabilization and start of military conflict in the East part of Ukraine). A very large impact on Ukraine's economy has been done in result of Crimea annexation by Russian Federation and the partial occupation of Donetsk and Luhansk regions. Ukraine lost a part of its territories and part of GDP creation. Moreover, since Ukrainian economy was highly dependent on Russian products and mutual beneficial trading attitudes, relatively high percentage of exports went down. The price of Crimea cost Russia 31.4% of its GDP and its global ranking felt down from 8^{th} to 12^{th} position. Now, Ukraine needs to increase its exports mainly to the EU and the US. Moreover, it seems a good opportunity, to increase the production of alternative energy which accounts 2% of all energy produced. Furthermore, this could be also a good alternative to reduce the import of natural gas from Russia.

Ukraine has some various free trade agreements that are very important drivers in attracting new investors, since business have very good chances for trading with foreign partners, and can have a plenty of benefits. Currently, Ukraine has signed Free Trade Agreements with the EU, Canada, Montenegro, Macedonia, Azerbaijan, Georgia, Uzbekistan, Turkmenistan and Tajikistan. On the progress, negotiations are regarding Free Trade Agreement with Turkey and Israel.

In the beginning of 2000s, economic growth of Ukraine depended on the raw material prices. During last decade, Ukraine was leading in supplying metallurgical production on external markets. Agricultural production was occupying second position in the Ukraine's export. Taking into the consideration the fact that the interest for raw materials is decreasing on background of Chinese breakthrough in world markets, and recognition of climate control by society, Ukraine looks quite vulnerable. Such conditions put Ukraine under the choice of changing strategy of integration into world economy. In our opinion, in the path of creating new strategy, it is required to analyze following question:

(1) Complete finalization of the raw material cycle. It should be stated that China currently produces over 50% of Lithium and Steel demand (including the fact that Ukraine is one of the buyer of this product from China), what makes Ukrainian metallurgic sector completely uncompetitive.

(2) Influence of developing consumers' markets. In progressive developing markets (agro industry, energy business, light industry) Ukraine has a perspective, since it processes a good land, favorable preconditions for development small and medium enterprises for light industry and effective building of supply chains.

(3) Possibility of reestablishing new trade cooperation links. The new growth centers located outside the EU and Russia, i.e. traditional trade partners of Ukraine, which

account for up to 50% of the country's exports, can be described as a first markets approximation that provide easy access and further expansion of activities. In this plan, economic growth is possible with the diversification of markets in direction of Asia, Africa and Middle East. Such cooperation looks beneficial, since Ukraine exceed them in production development in agribusiness, technology of growing cattle and food culture, forage crops and with modern financial instruments required for foreign trade and export financing.

(4) New prospects in the sale of engineering products. Ukraine has huge depositary of patented engineering developments in all branches of industrial complex. It could be justified perspective to join new market of engineering service support, as in neighboring European countries (Hungary, Romania and Bulgaria) and engineering support in the vector Germany-Central Europe. This will be a way for technical and technological growth and possibility to improve Ukrainian engineering branch. This step is possible, since Europe supports all initiatives of Ukraine under new wave of democracy and new policymakers from 2018.

(5) New challenges on international labor market. In the current period, European Union has a high deficit workers having vocational training education (medical sisters, nurses, housemaids) and for men (mechanics, building engineers, projecting engineers, IT specialist all levels, agricultural engineers and chemical engineers). This creates favorable conditions to capture new opening segment in Europe. In turn, this will contribute the merging and deep integration Ukrainian labor market with European, easy exchange of labor forces, rising wages and as a result, promoting economic growth.

(6) Creating strong institutional system. Ukraine has traditional bureaucratic structure in public governance. From one side, it hinders the necessary managing decisions, in other side, provides direct access to the public funds. Since all technical project decisions supported by governmental guaranties and levels the risk down for investors, this looks as a good perspective for the fast-public reengineering and strengthen infrastructure connections. Should be noted, as new president Zelenskyi was elected, new deep transformation in public governance took place. As well Juridical Reform was made, which increased Ukraine in rating of Rule of Law Index provided by The World Justice Project. In fact, the level of trust from the side of foreign political elite grew.

(7) Easier access to the innovation and investments. At the end of 2018, new trend on joining the innovative technologies market has been outlined. Ukraine has significant developments and human capital in the IT field. This increases credit trust for foreign investors in IT sphere. Ukraine should use this advantage for scale development of own IT market. For this, it requires appropriate public regulation and subsidization.

(8) Key approach for modernization of Ukrainian economy is renovation of energy sector which is based on high quality of energy suppliers. In 1991-1997, Ukraine was a leader in energy delivery by relatively lower prices. The only problem left is an inefficient government institutions based on deep bureaucracy.

(9) Improvement of governmental institutions. The core of efficient and mobile

decisions making is flexible public governance and regulation. Traditionally Ukraine is the country which is adopted system of public management based on bureaucracy (inherited from USSR), but since last elected president in 2019 public government became to the system adaptive governance (e-governance) significantly reducing quantity of officials and clerks and replacing them by implemented innovative document-flow-technologies.

(10) Involvement of unrealized potential. Despite the fact that the main factor hindering Ukrainian economic growth is continuing military conflict against Russian Federation, there are several reserved to integrate Ukrainian economy into European Community. (a) Diversification energy supplying; (b) Strengthening Gas market on the background of shale deposits discovered in Ukraine (in occupied Donetsk and Luhansk regions); the return of temporarily occupied territories will lead to the opening a new market in Ukraine and possibility to be equal partner in the EU area; (c) In the shelf of Black Sea before military conflict the project of opening a terminal for the storage of liquefied natural gas was approved, which was aimed of stabilizing gas supplies from the Persian Gulf and Azerbaijan; (d) Creating structures of energetic security with the aim to provide control of energy supply and demand. Recently, Ukraine possesses with significant potential to develop renewable energy sources: wind energy, solar energy, burning biomass energy. All abovementioned reserves comply to EU integration policies are at the forefront of green energy.

Conclusions: As our comprehensive analyzes of the economic situation in Ukraine show, economy is developed under supply and demand-shock at macro level and is pushed by international shocks. This was manifested in the operational (rather than strategic) approach to the public management in a temporary reactive form. Such fragmentary state policy and the lack of clear priorities in foreign economic policy made Ukraine dependent on inefficient multi-vector uncertainty. We can state the following:

1) Ukraine is characterized by depressive economic development and diminishing dynamics of GDP per capita by PPP.

2) Ukraine is a transitive country, which leads to the conclusion that the economy should be transitive as well.

3) It is necessary to switch to the model of strategic management in public governance and form a cluster government for narrowly focused work in strong sectors of the economy.

Given the prevailing prerequisites and the current economic situation, we see the possible 3 scenarios of economic development of Ukraine.

Considering economic development in economic coordinates "favorable/ unfavorable" these economic development scenarios are possible.

(1) Optimistic forecast. Way to the European Union. Development of public-private partnerships. Digitalization of the economy. The development of small and medium-sized businesses. Attracting foreign investment in connection with land reform.

(2) Neutral forecast. Bet on a neutral government. Continuation of the policy of external loans. Bet on a big oligarchic business. Directing money only to the primary

sector. Fragmented support for the giving industries.

(3) Pessimistic forecast. Inability to implement political reform. The insolvency of Ukraine, and the recognition of default, the collapse of small and medium-sized businesses. The growing dissatisfaction of the population and a new wave of destabilization.

REFERENCES

Kondratiuk, E.A. (2011). Conceptual Basics of the EC Policy towards Ukraine. World History. Available at: https://cyberleninka.ru/article/v/kontseptualnye-osnovy-politiki-es-v-otnoshenii-ukrainy-v-1990-e-gg.

Batsa D.O. (2017). Russian-Ukrainian relations: stages and issues. *Post-Soviet Issues*. Vol. 4(1), pp. 65-72. Available at: https://doi.org/10.24975/2313-8920-2017-4-1-65-72

Tataryn, A. (2019). From Social Uprising to Legal Form. Law Critique. Vol. 30(1), pp. 41-65. Available at: https://doi.org/10.1007/s10978-018-9235-x.

Official website of the President of Ukraine (2019). Available at: https://www.president.gov.ua/ru/news/administration.

Official website of State Statistics Service of Ukraine (2019). Available at: https://ukrstat.gov.ua/en.

Zahir, F., & Masih, M. (2018). Is the lead-lag relationship between financial development and economic growth symmetric? new evidence from Bangladesh based on ARDL and NARDL. Available at: https://mpra.ub.uni-muenchen.de/87577/1/MPRA_paper_87577.pdf.

Havrylyshyn, O. (2017). The Political Economy of Independent Ukraine: Slow Starts, False Starts, and a Last Chance? Palgrave Macmillan. Available at: https://www.palgrave.com/gp/book/9781137576897.

Ivanya, M., Mourmouras, A., & Rangazas, P. (2018). The Macroeconomics of Corruption. Governance and Growth. Springer. Available at: https://www.springer.com/gp/book/9783319686653

NACHTRAG

Die Autoren der Publikationen übernehmen persönliche Verantwortung für das Ergebnis der eigenen wissenschaftlichen Forschung.

Unsere Hauptaufgabe ist es, die wissenschaftliche Gesellschaft mit modernen innovativen Sichtweisen, Meinungen sowie originellen wissenschaftlichen Entscheidungen der genannten Autoren bekannt zu machen.

Unternehmen sind herzlich willkommen, in unserer Ausgabe zu werben, aber auch sich an den Inhalten zu engagieren und praktische Erfahrungen zu teilen.

Liebe Kolleginnen und Kollegen! In unserem Journal können Sie die Ergebnisse Ihrer theoretischen und praktischen Forschungen veröffentlichen, um sie mit der wissenschaftlichen Elite in Ost-und Westeuropa zu diskutieren.

Die Ausgabe der Assoziation 1901 "SEPIKE" hat einen hohen internationalen Status und bietet Ihnen die Möglichkeit, Ihre Artikel als internationale Publikation für Ihre wissenschaftliche Dissertationen im Bereich Wirtschaftswissenschaften oder Pädagogik zu verwenden.

Organisatorische und technische Anforderungen für die Einreichung Ihrer wissenschaftlichen Arbeit finden Sie auf unserer offiziellen Website www.sepikecloud.com.

POSTSCRIPTUM

Authors of publications take personal responsibility for the result of their own scientific research.

Our main task is to acquaint scientific society with modern innovative points of views, opinions as well as original scientific decisions from mentioned authors.

Companies are welcome here to advertise in our journal, but also to participate in the content and to share practical experience.

Dear Colleagues! There is possibility to publish results of your theoretical and practical researches in our Edition in order to discuss it with Scientific Elite in Eastern and Western Europe.

Edition of Association 1901 "SEPIKE" has scientific rank that gives an opportunity to consider your article as an international publication in the process of scientific degree obtaining in Economics, Pedagogy and Social Communications.

Organizational and technical requirements to submit your scientific paper you can see in our official website www.sepikecloud.com.
