

МІНІСТЕРСТВО НАУКИ І ОСВІТИ, МОЛОДІ ТА СПОРТУ УКРАЇНИ
ДНІПРОПЕТРОВЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ ІМЕНІ ОЛЕСЯ ГОНЧАРА
ФАКУЛЬТЕТ УКРАЇНСЬКОЇ Й ІНОЗЕМНОЇ ФІЛОЛОГІЇ ТА МИСТЕЦТВОЗНАВСТВА
КАФЕДРА ІНОЗЕМНИХ МОВ ДЛЯ СОЦІАЛЬНО-ЕКОНОМІЧНИХ СПЕЦІАЛЬНОСТЕЙ
КАФЕДРА ІНОЗЕМНИХ МОВ ДЛЯ ІНЖЕНЕРНО-ТЕХНІЧНИХ
ТА ПРИРОДНИЧИХ СПЕЦІАЛЬНОСТЕЙ

АКТУАЛЬНІ ДОСЛІДЖЕННЯ
В СФЕРІ СОЦІАЛЬНО-ЕКОНОМІЧНИХ,
ТЕХНІЧНИХ І ПРИРОДНИЧИХ НАУК
ТА НОВІТНІХ ТЕХНОЛОГІЙ

Матеріали Регіональної студентської
науково-практичної конференції

Дніпропетровськ • 4–5 квітня 2013 р.

У трьох томах

Том 2. Актуальні питання економіки

Дніпропетровськ
Видавець Біла К.О.
2013

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А 43 Актуальні дослідження в сфері соціально-економічних, технічних і природничих наук та новітніх технологій : матеріали Регіон. студ. наук.-практ. конф., 4–5 квіт. 2013 р. : у 3 т. – Дніпропетровськ : Біла К. О., 2013.

ISBN 978-617-645-114-3

Т. 2 : Актуальні питання економіки. – 2013. – 135 с.

ISBN 978-617-645-116-7

У збірнику надруковано матеріали регіональної студентської науково-практичної конференції «Актуальні дослідження в сфері соціально-економічних, технічних і природничих наук та новітніх технологій», яка відбулася 4–5 квітня 2013 року в Дніпропетровському національному університеті ім. О. Гончара.

Для студентів, аспірантів, викладачів ВНЗів та наукових закладів.

УДК 336
ББК 65

ISBN 978-617-645-114-3

ISBN 978-617-645-116-7 (Т. 2)

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MARKETING OF THE REAL ESTATE RESALE IN UKRAINE

The time of total reducing of budgets of real estate agencies for advertising is gradually passing. Real estate marketing has become more efficient at the expense of using branding and creative components, and public relations.

Any company, operating in the real estate sector, is actively trying to lure customers away from competitors, and increasing competition helps to stimulate the development and improvement of new creative marketing technologies. Trivial rumors and word-of-mouth marketing mean a lot for real estate advertising.

With professional approach marketing is used from the beginning of work on the creation of real estate and goes on throughout the life of the object. However, we are talking about the secondary real estate, most of which was built years ago. Marketing strategy is being developed in order to find potential tenants. The next step after studying the object's target audience is the choice of marketing communications of the optimum cost.

On the basis of the sale of the secondary real estate in Ukraine, the following basic marketing communications are the most efficient.

- Television as real estate advertising media has fairly high cost limits of effectiveness, but to perceive the message, the client should see it at least six times. And this is too expensive for advertising resale properties.

- Outdoor advertising (billboards, banners, city signs, etc.) is the most effective way to inform the target group. Outdoor advertising has a spot influence on the local community, which is a potential customer base for realtors.

- Print ad is the type of advertising that involves placing text messages or pictures in the mass media. Along with the commercial units and advertisements developers provide comments to the press, articles, news about the object and its position in the property market.

- One of the most effective and commonly used ways of real estate promotion is targeted advertising for interested audience.

- All real estate companies are actively using or trying to benefit from Internet. Realtors, who have their own websites, post information about projects there. In this case, visitors are provided with detailed information about the technical characteristics of the building, infrastructure of the facility, pictures and business conditions.

- There's just one type of advertising that can compete with the cost of Internet PR: it is advertisements on the house entrances and bus stops, which are used very often in Ukrainian real estate marketing communications, but nevertheless are considered to be one of the least effective methods.

- Escalator panels at the exits of underground are also used as an additional real estate advertising media.

- In the regions, layout presentations and videos, advertising stickers on the cars of electric trains are often used to promote real estate.

- Real estate merchandising involves organizing shows at the facility, as well as methods of visualizing its benefits, starting with the visual attractiveness of the object.

By virtue of mentality executives of Ukrainian companies generally try to independently implement all stages of the business process. Outsourcing companies have widely spread in all developed countries in the recent decades, but not in Ukraine.

Domestic companies are afraid of losing control; they avoid trusting outsiders trade secrets, many of them are reluctant to change.

Marketing services in the real estate market are a promising and popular trend, the growing demand for which shows the development of the real estate market and its civilization. Property marketing is focused not only on the profitable sale of the object, but also promotes consumer awareness, creation of civilized relations between the company and its customers, as well as the market operators themselves.

Taking into account the confidential nature of relationships in the real estate, we can predict rapid development of creative marketing techniques aimed at both direct sales and strengthening the reputation of the company, as well as public relations and branding of real estate companies.

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COMPARATIVE ANALYSIS OF FEATURES OF THE ECONOMIC POLICY OF FRANCE AND GERMANY

Germany is a political and economic leader in the European Union, stands out for its socially-oriented market economy, high organization of the German population and achievements in different areas of science and technology.

The basis of the economic policy of Germany is the principle of socially oriented economics, according to which the state serves as the general regulation of the market economy. The main objective of government regulation is providing fair competition at the market.

In the area of macro-economic indicators, the German government seeks to achieve stable prices, a reduction in unemployment, a positive trade balance.

Germany is specialized mainly in traditional industries – engineering and automotive industry.

In 2011, Germany's foreign trade figures were record, exports totaled 1.06 trillion euros (up 11.4%), import – 0.9 trillion (up 13.2%). Thus, the trade surplus of 158 billion euros has supported the labor market, and service debt.

The German government has decided to save 80 billion euros by 2014 as part of the government's program to reduce costs.

This problem will be solved by reducing public expenditures, reduction of about 10 thousand jobs in federal ministries, reducing salaries to officials. German policy of austerity threatens the existence of the European Union and could lead to the collapse of the single european currency.

The main directions of economic policy in Germany in the EU are: efforts to improve the innovative capacity of the national economy, the subsequent liberalization of the business, including the reduction of administrative regulation, ensuring the competitiveness of the economy, promotion of cross-sectoral cooperation.

Let's proceed by analyzing the economic policy of France. France is one of the examples of the stabilization of the economy through state intervention, which is fairly typical of the developed countries.

The government partially or fully privatized many large industrial and insurance companies, banks, losing shares in leading companies such as Air France, France

Telecom, Renault, and Thales. The state maintains a significant presence in some sectors, especially in the energy, public transport, and defense industries.

Problem of economic policy in France is an old French tradition of centralization of business with the support and under the control of the state. Such model that assumes, that the leadership of the country determines who will be a "national champion", reduced the competitiveness of France in Europe and increased government regulation of the economy.

Thus German economic policy is aimed at speeding up European economic integration, the subsequent transformation of the economies of the new federal states, the gradual elimination of the economic and technological gap with the United States, the maintenance of healthy competition in the market.

France, in turn, is focusing on strengthening state regulation to catch up on the German economy, increase the competitiveness of their companies and, in the end, come to a positive trade balance.

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FRANCHISING DEVELOPMENT IN UKRAINE

The current state of franchise market in Ukraine is quite dynamic. Foreign companies are interested in cooperation with Ukrainian partners.

The period of the 2008 crisis stresses has turned into the period of active search for those activities that help entrepreneurs in maintaining stability and gradual development. Total number of businesses in Ukraine, which are developed as a franchise, has declined over 2008-2011 on 40-50%; however such reduction has qualitatively affected the market itself. According to the latest statistics, about 200 foreign and Ukrainian trademarks are operating under the franchising system in Ukraine.

The most profitable and active remain companies that develop foreign franchises. "Fast food system" company (FFS) is the leader among other Ukrainian companies. Some of Ukrainian restaurant business operators are currently considering the possibility of purchasing foreign franchises to enhance their own business portfolio and increase in market capitalization.

Hotel business is the most dynamic market in terms of investments. Its development was boosted by UEFA Euro 2012 in Ukraine. This significant event helped a lot of foreigners to get acquainted with Ukraine. After that many people have not just wanted to come back again to Ukraine, but also decided to start their business here.

According to the observations of analysts, franchise market abroad has the largest share in food service: 56.3% of the total number of fast food restaurants are franchised, 14.2% of enterprises selling food, 13.1% of full-service restaurants, 18.2% of the hotel business enterprises are developing under franchising system; and in the service sector: 4.9% – businesses that offer car services, 3.3% – business services, 1.5% – services in the real estate market.

However, the franchise market also has some issues to be resolved. They include the following:

- unawareness of Ukrainian entrepreneurs about the basic principles of doing business as a franchise;

- inconsistency between law regulation of franchising and development state of commercial relations;
- moral and pecuniary unpreparedness of businesses and consumers to this type of relationship;
- lack of qualified personnel;
- difficult conditions and barriers in the organization and conduct business.

Over the past five years, a lot of local offers appeared in various sectors. According to the Federation of franchise development in Ukraine, the key trends in the franchising development for 2013 are:

Global movement. Most of the franchise owners in CIS and their prospective investors will aim their efforts and money abroad. Franchisors will understand the need to develop relations with, as they call it, "franchise developers". Potential investors will realize that buying a ready business or franchise, which will have to be developed in a foreign territory, will not be easy and it is much better to entrust it to the already tried developers. Banks will be able to lend to franchisees with a successful record and franchisors will trust such partners more.

Refranchising. This is a situation in which one company (a franchisor) sells a part of the business owned by franchisees, or sells a part of the business in other territories, which was developed independently, to its new business partners. In recent years, Burger King, Pizza Hut, KFC, and dozens of other well-known franchises have started refranchising.

There are substantial economic incentives to leave the work with own store network: collecting fees (royalties and lump-sum payments) is much easier than developing sales of goods and services in foreign territories.

Fast food goes healthy. The pace, with which the fast food market was developing the last five-ten years, is now gone. Now everyone prefers healthy food and fast food chains will do anything to keep the waist of their visitors thin.

Digital technologies. For a long time, franchising had a strange combination of intuition and research. But today franchisors see the benefits of digital data processing: the choice of partner, location, customer retention programs at the local level, etc. Several years ago McDonald's site was the only site in digital format that could determine the location of their future spot. Today it is the standard. Digital payment for goods and services, resisted by franchising for so long, is now widely used.

These trends show that franchising in Ukraine has changed dramatically and continues to evolve according to the global trends and the current situation in the country. Just look at how fast it won the major branches in the field of consumption. Despite all the problems, it has enormous potential for expansion in the CIS countries, including Ukraine.

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TAXATION AS AN ELEMENT OF ECONOMIC CULTURE OF SOCIETY

The need in tax collection appeared in the ancient times since the beginning of some sort of special non-production agency, which included protection of society interests.

In terms of one's fighting for saving their accumulated material resources and saving the authority over the others, creation of this special agency was necessary. Since

this agency didn't produce anything, i.e. it had no sources for self support, the community, which interests the agency was created in, tried to find means and sources for supporting this agency.

In different times these sources depended on the activities of the community itself, on historical processes that took place in it. During peaceful times this agency was supported by parts of material resources of people to provide effective work of this government agency. During and after war times the main source of the agency were stolen resources of defeated people.

Besides, the defeated people were turned into slaves, whose exploitation provided huge benefits to their owners. Slave-trade brought huge benefits both for the owners and for the slave-owning government.

The important part in financial and material support of the government was played by growing trade inside the community as well as between other peoples.

It's worth saying that for renewing the treasury different forms of extracting funds were used by the rulers. Those forms varied from taking high tributes to kidnapping governors of other nations just to blackmail them. But the most stable source for refilling the treasury was tribute.

Thus the arising of taxation as the main form of supporting the community life was tended by several factors:

- deepening division of labor between members of society influenced by increasing production forces;
- functional partition of members in primitive society into owners and management groups;
- partition of society into poor and rich people;
- centralization of the authority, i.e. joining up all the major owners for protection of their wealth and for keeping the power over poor part of the society;
- creation of special agency which could protect interests of the society.

These factors show us that creation of taxation is connected with the development of community and state was based on productive relations. And the domination of economic interests was the driving force of these relations.

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THE IMPORTANCE OF REINSURANCE FOR MICROINCURERS

Reinsurance is one approach for coping with financial risks, since it spreads risk among a group of insurers.

Insurers seek to reinsure for two primary reasons: to protect their financial assets from unforeseen losses from high-cost cases and to underwrite more risks than they could by relying on their own surplus.

Insurers face financial risk even after pooling individual risk because rare high – cost events could still bankrupt a scheme. In the United States in 1987, 1 percent of the population accounted for 30 percent of total health expenditure, while 50 percent of the population spent only 3 percent of total health expenditure.

Risks can be mitigated by enrolling a large enough population so that, in the aggregate, the magnitude of these expenditures can be anticipated. In small schemes, however, the ability to predict financial losses is limited.

For community-based schemes, the most common sources of unpredictable financial risks are epidemics and disease outbreaks that result in much higher than predicted utilization of health services. For instance, malaria epidemics in Uganda around the Kisiizi, Ishaka, Bushenyi, and Nyakibale Hospital Schemes have had a big financial impact.

An evaluation of these schemes recommends some form of reinsurance to cope with these losses. The treatment and care of HIV/ AIDS patients in another high – cost and somewhat unpredictable need. The growing prevalence of HIV/ AIDS in rural areas, particularly in Sub – Sahara Africa, represents a high-risk scenario for health insurance schemes, unless a mechanism such as direct subsidies or reinsurance is established to handle treatment costs.

Reinsurance is provided through one of the following mechanisms. First, some companies focus exclusively on reinsurance, operating outside the organization seeking to transfer risk.

Second, a primary insurance may have reinsurance branches or departments, as do large insurers with multiple products.

Finally, associations or cooperatives may provide reinsurance.

Usually, the establishment of a national reinsurance company in a developing country is associated with a system of compulsory cessions from the primary companies operating in the market. The quota – share system (redistribution of proportional business) is the most suitable in these countries, at least during initial market development.

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ROLE OF MANAGEMENT ACCOUNTING IN AN ENTERPRISE MANAGEMENT SYSTEM

There is a need to manage enterprise activities effectively in a changeable environment of the economic activity.

Enterprise management provides the coordination and regulation of its activities to achieve strategic goals. In a decision making process managers at various levels need target information that should be useful to perform their functions. Management begins with information (development of plans) on the basis of which performance is assessed (accounting and monitoring of key performance indicators), reserves and unused capacity are revealed (data analysis), decisions are made and effectiveness of decisions is evaluated.

Modern management accounting, using internal and external information, fulfils various business functions. It analyzes activities including both current and long-term goals, develops methods for obtaining and collecting relevant information.

Managerial accounting aims to generate information for management decisions made by internal users. It is not regulated in accordance with generally accepted principles and it is organized by an enterprise on its own. Most data on management accounting is a trade secret because they reflect the strategy and tactics of a company in a competitive environment.

In general managerial accounting is kept at an enterprise according to structural components, projects and product mix. It allows conducting analysis of economic activity, dividing costs on direct and overhead, identifying and eliminating those costs

that are not justified, and creating the most effective wage system, which stimulates employees' activity.

Managerial accounting provides preparation and analysis of accounting information to help the management guide planning and control of an enterprise activity, as it provides information about the cost formation, provides data on the deviation of actual performance from predicted values in an expeditious way.

Management accounting plays an important role in solving forward-looking tasks: the profitability of new products, the expected revenue from the planned economic measures, the effectiveness of new investment evaluation, decision making under the use of limited resources and decisions such as «buy or produce» etc.

Managerial accounting does not reflect passively business processes that occur in a company but actively affects them, controls the legality, feasibility and effectiveness of capacity utilization.

However, the active implementation of management accounting in Ukraine primarily is prevented by inappropriate top management attitude. This is largely due to the perception of management accounting as a part of the accounting information for external financial analysis.

Furthermore, managers of Ukrainian companies, as a rule are familiar with general theoretical principles of management accounting and cannot imagine how to apply them in practice. The role of management accounting to ensure a proper use of the enterprise resources and determinate the responsibility of each manager is clearly understood. But the expected revenue from a particular economic action, forecasting profitability of new products, the financial performance of a firm in the future and financial assessment of development options for an enterprise, as the main tasks of management accounting are not widely used.

Thus, management accounting can be defined as an integrated internal information system, the main task of which is providing information for managers of businesses about costs and performance of both an entire organization and its business units, which is designed to make operational, tactical and strategic management decisions. It is a part of the management process and provides important information to:

- define strategy and plan future operations of a company;
- control its current activities;
- optimize the use of resources;
- assess performance;
- reduce subjectivity in decision making process.

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STOCK MARKETS GLOBALIZATION

The process of stock markets globalization consists of two determinants – globalization itself and stock market. We will examine them sequentially, beginning from understanding the nature of stock market as economic category.

Taking into consideration different definitions of native and foreign economists, stock market is the market that uses standard market mechanism of supply and demand, but operates with one special type of goods – securities that have there own features, structures, regulations, forms and etc. Stock market is just a type of market, equal to

commodity or credit or service market, and all the differences that were mentioned earlier are brought by specialties of traded securities, but not by the nature of the market itself.

Stock trading was growing through years with high rates and from year to year investors from different countries started negotiations on cross-country capital flows to maximize their wealth and capital effectiveness. This process was expanding through the globe by innovative means of communication and developed from integration of several markets to globalization into the world's stock market.

Financial globalization is a phenomenon, characterized by the growth of international capital flows. Under the term "financial globalization" it is usually understood the growing integration of national financial markets into the single global financial market. At first steps of globalization international financial markets serviced the real sector, hedged currency risks, financed short-term operations, but nowadays international capital flows obtained an independent character. Actually it is the process of transformation into one single market of goods, services, labor force, capital and knowledge.

In our research we have created our own methods of globalization measurement in the context of stock markets. Firstly, we'll understand what broad-based index is. Broad indexes are, in general, market capitalization-weighted, including a large sample of listed domestic companies, as the all-share or composite indexes. They are generally recalculated to adjust to capital operations and to modifications in the company composition of the index. Secondly, shares of foreign companies in listing and turnover will show us direct measurement of globalization. Actually it will depict how influenced the market is on the foreign companies. And the last of our instruments will be correlation coefficient of broad indexes dynamic.

For this purpose we will choose the biggest stock exchanges from all the regions of the world. The criterion of size will be capitalization of stock market. For more comfortable calculations it will be estimated in US dollars. All chosen exchanges have capitalization more than 1 trillion dollars and represent all world regions. North America is represented by two world's leaders – NYSE and NASDAQ, South America is represented by Brazilian SE that has dominant impact in region. Asian region is represented by main "Asian tigers" – Japan, China, Korea, India and also Australian SE for Pacific region. And to represent European regions we have chosen stock exchanges of European most developed countries – Germany, Great Britain, Euronext (Belgium, France and Netherlands), Switzerland and Russian MICEX-RTS to represent post-soviet countries.

The majority of foreign companies in listings are situated at NYSE (22,3%) and London SE (21,2%). The smallest amount of foreign corporate papers are placed at Japan SE (0,4%), Australian SE (4,8%) and Hong Kong Exchange (5,5%) the others have middle share near 12%. The biggest share of foreign corporate papers in turnover belongs to London SE (10,6%), then comes NASDAQ (8,2%) and NYSE (7,3%). Another middle group consists of Hong Kong SE (3,6%), Deutsche Börse (6,1%) and Australian SE (3,6%). The others have even less than 1% of turnover.

From these figures flows that actually markets are not so globalized as it was expected and we have understood that big capitalization doesn't mean that market should have global influence. According to all previous analysis we can conclude that only two stock exchanges are flagmen of stock market globalization process – NYSE and London SE. But if we look at global market, its globalization process has just started and global market itself is only under construction.

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ANALYSIS OF ACHIEVING MILLENNIUM DEVELOPMENT GOALS IN CASE OF RUSSIA AND BELARUS

The beginning of the new millennium marked the proclamation of sustainable human development – a strategic objective for all countries. In 2000, during the World Summit Goals leaders from 189 countries, including the President of Ukraine signed the Millennium Declaration of the United Nations. On behalf of the people they have identified eight aims in development, which later became known as the Millennium Development Goals (MDGs). Countries committed to achieve the MDGs and agreed to make our world a better place for all humanity – by 2015.

The Summit decided that essential to international relations in the XXI century will have a number of fundamental values. In order to translate these shared values into actions, identified those key objectives that were given particular importance:

Goal 1. Reduce poverty

Goal 2. Ensure quality lifelong education

Goal 3. Promote gender equality

Goal 4. Reduce child mortality

Goal 5. Improve maternal health

Goal 6. Reduce and slow down the spread of HIV/AIDS and tuberculosis and initiate a trend to decrease their scales

Goal 7. Ensure environmental sustainability

Goal 8: Develop global partnership for development.

In recent years, Belarus and Russia have achieved significant results in the activation of its participation in international efforts to achieve the Millennium Development Goals, the formation of its status as an active and responsible member of the international donor community, increasing its contribution to the fight against poverty, hunger, infectious diseases and solve other global problems.

Analysis of the Millennium Development Goals aimed at reducing the mortality of children under five and maternal mortality in relation to these countries suggests that measures aimed at improving the health of people of working age should be a major priority. Looking at the dynamics of indicators of living standards and socio-economic policy through the prism of progress in achieving the Millennium Development Goals suggests poverty reduction through economic growth effects. In the field of HIV / AIDS and other diseases of public health in Russia and Belarus must learn to provide medically necessary services for the complex categories of patients, whose number in the coming years will continue to increase. Formation of sustainable development of the whole socio-economic system of Russia and Belarus provides for increased environmental priorities in public policy. They must comply with the following important areas of change that directly or indirectly lead to the transition to "green" growth, reducing the load on the environment, improve the use of natural resources. They need to continue to work on developing the national system of promoting international development, raise the expertise in this field, improvement of national legislation that defines and regulates the basic mechanisms of assistance.

Today, the question rationale for the choice of ways of socio-political and economic development of Ukraine is extremely important. In planning and implementing economic and social reforms necessary to provide and assess their impact on living standards and

consequences for future generations. Updating the MDG targets must inspire purposeful improvement of regulatory mechanisms that emerged during the transformation of Ukraine, while ensuring human rights and respect for economic, political and civil liberties.

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HOTEL BUSINESS IN UKRAINE: TRENDS AND PROSPECTS

Hotel business is one of the most promising and successful business areas in Ukraine. Orientation toward European service standards and vigorous transition to such standards make up the distinctive feature of this sector. Similarly to any other economic activities, the hotel business aims to increasing its income and seeks tools and efficient ways to achieve the desired financial results.

In accordance with the data of the State Statistics Committee, there are 1218 hotel businesses in Ukraine including sanatoriums, rest homes, vacation houses, etc. this number exceeds 3,200. As of March 2006, 930 hotels had been certified. Today accommodation services in the country are provided by 30 one-star, 43 two-star, 66 three-star, 22 four-star and only 2 five-star hotels. The highest ratings were awarded to the Premier-Palace in Kiev and the Donbass-Palace in Donetsk which are members of the Association of Great Hotels of the World. The latter appeared thanks to investments of the System Capital Management which would like to spread the hotel chain in the future.

The tourist industry as an independent sector of economy is only springing up in Ukraine. In general the investment flow-in forecasts are optimistic but a lot of decisions will depend on the policy of the State on the market. In order to realize the hotel potential of Ukraine the State must take into account the case of such developed countries as Spain, Switzerland, Austria, France, Belgium that earned a significant part of their welfare from tourism, and should:

- provide tourists with comfortable and safe conditions for visiting Ukraine;
- undertake an effective mass tourism development policy; reduce the hotel fee;
- create means to improve and restore sightseeing attractions;
- amend the land-use legislation;
- amend the rules of issuing licenses to companies from related branches in order to attract investments into developing new tourist objects.

In the process of establishment the hotel market of Ukraine has encountered a number of problems. One of them is a weak interior competition caused by the lack of free means and high tax rates which makes it difficult to ensure economic stability, maximize profits and increase competitive capability of hosting companies on the hotel services market. Another one is the absence of powerful international hotel chains. The low competitive ability index of hotel services is formed by a price level and service quality. Due to high tax rates (hotel fees) hotels have to maintain high prices. The hotel fee levels are different for different hotel categories in Ukraine. The prices are specified by conditions of competition, state and interaction of the demand and supply.

Currently, Ukrainian hotel market is dynamically developing. Real estate businessmen prefer to invest into small and medium hotels for 200-400 rooms able to provide elite class accommodations. For example, the Soyuz Contract Investment (Kiev) acting as a project owner ordered a hotel to be built in 21, Naberezhno-Khreshchatitskaya Street.

The project is expected to be rated four- or five-stars and join the international Hilton chain.

The presence of major international hotel chains on the Ukrainian market has considerably increased. Previously such major world chains as Hilton, Marriott, Sheraton, Radisson, Kempinski or Accor used to pay revollitile attention to Ukraine preferring to invest into building hotels in Turkey and Egypt. Now the situation is different. Hilton and Radisson SAS Hotels & Resorts pioneered the way to the Ukrainian market. According to experts, this might make other hotel chains become more active in Ukraine. The French hotel network Accor might also enter this country next year after 5 years of researching the market.

According to researches, investors around the world have become more active in the hotel segment of commercial real estate, and first of all this is true for the hotel market of Ukraine. A number of reasons contribute to positive changes and the following of them are believed to be the most important:

- the existing hotels are not able to meet the current demand;
- the demand for world level departments is permanently growing;
- the segments of the real estate market with the minimum repayment rates are already met;
- the capital of investment companies has increased;
- Ukrainian economy is relatively stable;
- foreign policy of the country has changed;
- the EU borders are coming closer and Ukraine is being gradually integrated into the European and world community;
- the investment and business climate inside Ukraine has improved;
- business is getting more active inside the country;
- the frequency of business visits from abroad is growing;
- the tourist attractiveness of Ukraine has increased.

The rules of compulsory certification of hotel services will be updated soon and the amendments are being prepared now. The new certification rules will definitely contribute to the development of the hotel business as well as to improvement of accommodation services. And this in turn is destined to ensure stability and prosperity of the hotel business in Ukraine.

Ukrainian hotel market has attractive prospects and is one of the most promising in Eastern Europe. The number of existing hotels in Ukraine is far from being enough to satisfy the demands of the country with high investment attractiveness, rich history and diversified tourist opportunities. The hotel business in Ukraine is a promising challenge for at least four reasons:

- First of all, business activity in the country is increasing which inevitably causes growth of 'business traveling' both inside the country and from abroad.
- Secondly, according to world practices, higher incomes (population's incomes are now increasing in Ukraine) make people travel more and subsequently stay more in hotels.
- Thirdly, having declared its intention to integrate into European structures Ukraine is becoming more attractive for Europeans (in this particular case for European tourists).
- Finally, hotel fees are expected to be reduced and unified. Thus, the compulsory payments by hotels to the budget are going to decrease.

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**ACTUAL PROBLEMS OF ECONOMIC AND LEGAL REGULATION
OF NATURAL GAS MARKET OF UKRAINE**

Effective economic and legal regulation of natural gas market in Ukraine is very important, as evidenced by the high place of gas industry in the national economy and the vital importance of the task to ensure the energy security of Ukraine in the contemporary globalized world. Among the reasons for the low efficiency of domestic gas market regulation can distinguish its high dependence on the political situation, the lack of a clear model of self regulation, an unfavorable investment climate in the country and many others.

However, in the present time Ukraine can not achieve effective functioning of market mechanisms in the oil and gas sector.

One of the main reasons for curbing the development of market relations in the fuel and energy complex of Ukraine is the lack of governance and the creation of market conditions of the fuel and energy complex state.

Need of reform in connection with European integration, electricity markets, natural gas, coal products and nuclear fuel to meet competition and pricing, which would stimulate investment and encourage energy companies to increase operational efficiency.

Energy Strategy of Ukraine till 2030, was the first step toward solving tasks, and considered insufficient to strengthen the role of competition and highly competitive market environment.

Creating a competitive energy market in Ukraine should meet the following principles of the European Union:

- expanding competition in accordance with the principles of free movement of goods, services, capital and labor;
- ensure the reliability of energy supplies;
- ensuring environmental protection and civil protection from technogenic danger.

Ukraine's transition to a market model gas sector was the result of external factors, but under all the recommendations of the EU. Taken by the Government of Ukraine commitments to liberalization of the gas sector, which was one of the key conditions for a significant investment in domestic GTS. This attitude of public authorities to national energy security is a threat to society.

First, it undermines the financial stability of the former gas monopoly – "Naftogaz of Ukraine", incomes from which are distributed between many private regional gas traders.

Second, the market mechanism is unable to effectively solve problems that arise in cases of «failure or market failure» in a lack of resources.

Summarizing the analysis of the problems in the legal regulation of the gas market, it should be noted that there is no need to copy the course for a total liberalization of the market in the EU, and skillfully combine the free market with government support in the implementation of national projects addressing Ukrainian gas transportation system, forms and controls that should be clearly fix in the law. The priorities in reforming the natural gas market of Ukraine should be great transparency of competition, pricing and submission public, corporate and private interests of a single goal – the establishment of social economic order in this market.

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IS CAPITALISM BETTER THAN SOCIALISM?

This theme has a real importance and its actuality cannot be stressed enough because capitalism is the dominant economic system of today's world, however this fact does not necessarily imply that it also is the supreme.

The 20th century has been marked by justifying the validity of capitalism. World powers have disagreed and still disagree about the benefits and drawbacks of the system.

It ostensibly seemed that the capitalist system had proven its victory over socialism when compared to the economic failures and horrors of the former Soviet countries. However, despite a dip in interest during the late 80's and 90's, the debate has not lost its relevance and was vividly revived with the 2008 financial crisis; due to the crisis' severe consequences of mass-unemployment there was a renewed urge in questioning the validity of the western capitalist economic system.

But nevertheless capitalism has its strong points. First of all the market should determine the price of products and services.

A free market gives the power to the people to choose and decide what products and services should be offered to them. If many people want the same thing the demand will be higher and it will be profitable to offer them on the market since it will sell, therefore the people are in command of what products are being offered to them through their own want. The market is decided upon what people need and therefore there will be no excess products or services offered.

Secondly, incentive in form of profit benefits society as a whole.

The strongest motivational force a human being can feel towards work is a potential reward for their effort, because of this those who work hard and contribute most to society should justly also gain the most in form of increased wealth. When work is uncoupled from reward or when an artificial safety net provides a high standard of living for those who do not work, society as a whole suffers. If those who work will benefit equally as the ones who do not there will be no reason to work and the overall productivity will be lowered, which is bad for society. Incentives are therefore necessary since it increases the overall standard for the whole society in form of material wealth, the fact that individuals are driven to succeed and earn what is rightfully theirs is in all our interest.

But, on the other way, socialism provides a more sustainable way of living.

With its imperative to constantly expand profitability, capitalism always acts on the cost of nature and its ecological balance. Capital reduces the majority of the world's people to a mere reservoir of labor power. The present capitalist system cannot regulate, much less overcome, the crises it has set going. It cannot solve the ecological crisis because to do so requires setting limits upon accumulation. But socialism requires self-determination, community, and a meaningful existence.

Apart from this socialism is a more secure system than the free market in Capitalism.

Financial crisis is inherent in the capitalist system. The economy undergoes a crisis whenever productive economic sectors begin to undergo a slowdown resulting in falls in profits. A socialist system would not produce over consumption since its aim is not profit but human needs, it would not have a reason to fabricate an investment for the sake of keeping up the profits and would not cause a capitalist crisis.

In general each system has its own benefits and drawbacks. Many countries have mixed economic system with elements of both capitalism and socialism. This fact proves that both these systems are very important nowadays.

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**THE RELATIONSHIP OF INTERNATIONAL TRADE
AND OPENNESS OF THE ECONOMY**

Statement of the problem.

International trade is a determinant form of international economic relations. Goods and services trade occupies bigger and bigger role in the world economy. World becomes more and more globalized economically and this creates a tendency for more open economy. Therefore terms "international trade" and "open economy" interweave closely with economic globalization. That is why it is important to link these concepts with each other and with the development of international economic relations.

Relevance of the subject.

International trade promotes the development of world economic globalization, displays the economic level of the country and the potential for cooperation with other states. Therefore, it is relevant to investigate the development of the international trade, to analyse the current situation and examine the level of economies openness.

The main material. International Trade develops under the influence of the leading trends in the world economy which is called globalization. It determines the trade development at the beginning of the XXI century. Modern world trade reached a global scale. During the period from 1948 to 2011 world goods export increased in 329 times that has provided an average annual growth rate by 110%. During 1990–2011 years, the average annual growth rate of export decreased slightly – 108%. Especially from 2001 to 2008 export was growing rapidly, an average annual growth rate of goods export during this period (2001–2008) increased by 115%.

Continuous changing take place in the balance of power among different countries and groups of countries in the world market since the 50-th years in XX century. Share of U.S. exports in the global scope steadily decrease.

According to the WTO, America, having in 1948 the largest goods export volume (39,4%) of the world's scope, significantly lost its share by 17% in 2011. Such changes have occurred because of the international trade development in other regions of the world. The volume of U.S. exports grows, but every year the fall of the world export share is observed.

This is due to the development of other economies and the emergence of competitors-producers. First of all it concerns Asia where there are significant changes in a positive way. The share of the world merchandise exports in Asia since 1948 – to 2011 increased from 14% – to 31.1%.

Asian countries have adopted the leading position and showed significant improvement of economies. Chinese played the greatest role in the restructuring of global priorities in the volume of export. This state showed the best positive changes in export and import and since 90s years there has been a significant increase in the share of the world exports (in 1948 it was 0.9% in 1993 – 2.5% and in 2011 – 10.7%).

Now China is the leader in the volume of international trade among all the countries and an example of rapid development and strengthening of the national economy. It

shows the influence of improving domestic economy on international activities and strengthening economic relations with other countries. China may be the best example that shows that the world economic globalization is rapidly growing and that international trade has a significant impact on this process.

The volume of world imports of goods has a trend which is similar to exports of individual countries. The difference between imports and exports is well seen in the U.S. Unlike exports, the global share of imports in the U.S. is about the same for 60 years and ranges from 16% to 22%.

It should be also singled out Europe. They play an important role in world exports and imports and occupy the largest share in the world. Europe has more or less stable situation, but in the 1970s, began to reduce its share of the world taking in international trade: exports in 1948 occupied 45.3% in 1973 – 50.9% in 2011. – 37.1%, imports in 1948 occupied 45.3% in 1973 – 53.3% in 2011 – 38 of 1%.

World trade of services also tends to increase. Especially notable were the last 10 years, due to improvement of technology, social networks and transport systems.

Globalization, participation of countries in international relations, and especially international trade make grate affect on the openness and closeness of state. The openness of the economy does not mean the absence of state control and borders, but via-verce the government must control the international activities to provide favorable conditions for the expansion of world economic relations and defend the interests of the country.

That means that state provides greater access of foreign investments to various sectors, industries and economies when the economy is open. In open economy international economic relations increase and the volume of exported and imported goods and services is not controlled.

Thus, considering that international trade at goods and services is one of international economic relations form that's why its development in the respective country will characterize the openness of the economy.

The degree of openness of the economy is determined by such indicators as export quota ($E_k = E / GDP$), import quota ($I = I / GDP$) and foreign trade quota ($F_k = F_o / GDP$).

The main indicator of economy openness is an export quota as it shows participation and involvement of the country in the global economy.

In 90's export quota in developed countries was only 27% in developing countries – 12%, and in countries with economies in transition – 5.5%. In the 50's – 70's the countries were considered to be open when the foreign trade quota was more than 20%, and in 90 years more than 90%. International world quota in the 90 years was 20%. Now the situation has changed and in 2011 it had reached 37%. At the same time there are countries where foreign quota exceeds 100% (Belarus, Belgium, Cambodia, Congo, Estonia, Iraq, Malaysia, Mongolia, Singapore) and there are very few countries with foreign trade quota lower than 40% (Japan, U.S., Afghanistan Argentina).

Conclusions.

International trade has all favorable conditions for further rapid development. The volume of foreign trade in the poorly developed countries and developing countries is increasing. They establish economic relations with other countries gradually, enter international markets and gain their share in world trade by weakening the leading position in major countries.

Therefore globalization develops, grows rapidly and it is international trade which is the indicator that shows us the best results and impact on this process. In determining

the openness of the economy we should take into account such important factors as lack of high import and export restrictions.

So we can conclude that the economies of the world have become more open over the years and this process is accompanied by the strengthening of bilateral relations and increasing flows of goods and services.

With the development of national economies international relations' develop, the volumes of international trade increases and it is accompanied by the phenomenon of increasing openness of the economy. But the feedback can also be observed here. In other words, countries with open economies weaken their borders, reduce taxes and international trade has a tendency to increase in such a case .

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**MECHANISMS OF MILK AND DAIRY PRODUCTS MARKET
STABILIZATION OF UKRAINE IN THE CONDITIONS
OF LIMITED RESOURCES**

The importance of dairy industry in the agricultural sector of Ukraine is indisputable. Labor consuming nature of dairy cattle-breeding is on the one side, the necessity of providing the population with dairy products, and processing plants – with raw materials is on the other side.

The formation and function of a dairy products market is important for providing consumers' needs in the market as increased demand for dairy products is specified by their high utility.

During the period of Ukraine independence the level of milk production in all categories of farms decreased more than two times and reached about 11.3 million tons in 2011, according to the State Statistics Committee. Indicators of milk production in 1990 amounts 24.5 million tons (Fig. 1).

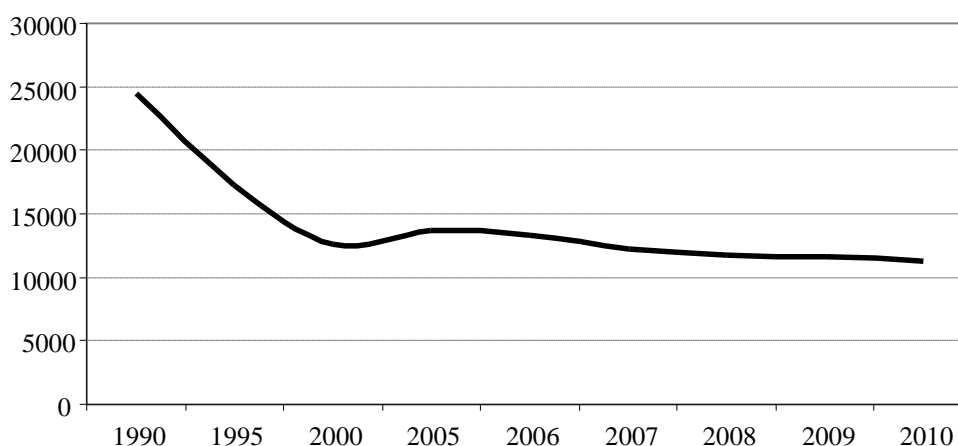


Fig. 1. Structure of milk production in Ukraine during 1990-2010 years, thousand tons

This trend is characterized by the following factors: the livestock is declining annually, its productivity remains low, the breeding is not conducted properly, the material and technical base of the industry is been destroyed and is falling into decay, namely the level of mechanization of production processes in it. Thus the reduction of raw materials as the main current formative resource that provides appropriate supply in the market takes place.

Because of imbalance between income of population and milk prices effective demand of vast majority of households remains critical, while consumption of milk and dairy products is below the minimum standards. Only under the conditions of raising living standards the consumption of dairy products can be close to recommended rates by quality parameters.

Raw milk refers to the resource the reproduction of which takes certain time, proper climatic conditions, additional costs etc. Thus, the production of milk and its processing is characterized by scarcity. The following features can be the basis for such a claim:

- growth rates of dairy cattle herd and its productivity are determined by the duration of the process of reproduction and genetic progress;
- forage, which affects the productivity of the herd depends on climatic conditions and financial means of agricultural farms;
- most of produced milk is consumed by households or sold in-kind in commodity markets.

Except for limited amounts of raw materials, there are the following factors which affect the formation of a dairy market (Fig. 2).

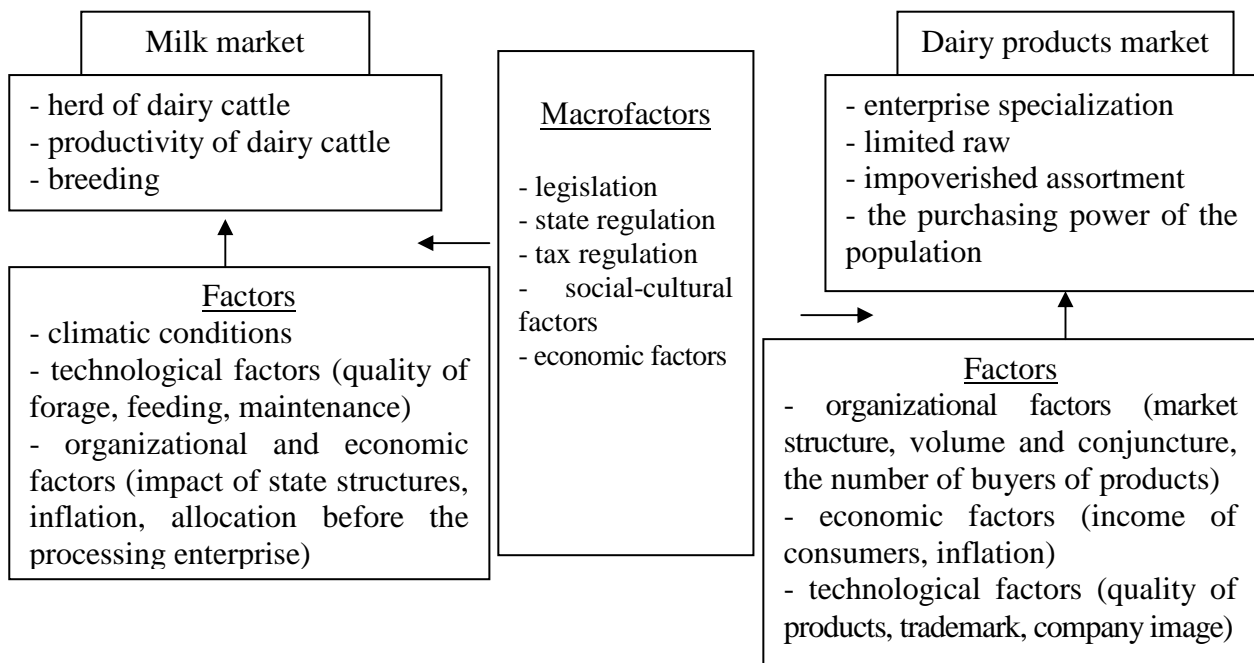


Fig. 2. Indicators and limiting factors of milk and dairy products market in Ukraine

The commodity milk and dairy products market has specific characteristics associated with their peculiar feature – limited time sale and respectively decreasing radius of raw materials delivery and uselessness for long-term storage. A stable market and supply of raw milk to milk processing factories should be created throughout the year to ensure a non-stop operation for manufacturers and, accordingly, to provide the population with the products of essential needs.

Thus, for development of milk and dairy products market in Ukraine we need to develop a corporate strategy, which takes into account the peculiarities of Ukrainian economy in WTO and further trade liberalization at the present stage, which is connected with possible accession of Ukraine to the EU.

For the development of dairy industry it's, firstly, necessary to solve a strategic issue, which is associated with resource deficit, as the dairy market is limited by herds of

dairy cattle and their productivity. Specialization of production, limited raw milk, impoverished assortment, the purchasing power of the population, the number of customers have an influence on a dairy market and its filling. The functioning of both markets is influenced by such factors as climatic, technical and technological, organizational and economical.

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IMPROVEMENT OF CURRENCY CONTROL POLICY AS AN INSTRUMENT OF REALIZATION OF FINANCIAL POLICY OF THE STATE

The potential for state economic development is largely determined by viability of foreign relations system. With the expansion of the activities of Ukrainian entities beyond the borders, especially after Ukraine's accession into WTO, trends in international cooperation of production, the expansion of international trade and expanding international operations in Ukraine, the extremely important question about the growing role of national law in regulation of currency control and licensing foreign economic operations as well as conditions for their further development arises.

Ukrainian banking system, compared with Russia, where it is supposed to set the quota for the participation of banks – nonresidents in banking sector at the level of 20%, is now fully open to the entry of foreign capital, as the share of foreign capital in the Ukrainian banking system is 39,5% at the beginning of 2013 [6]. Therefore, in order to level the negative effects, such as the threat of capital outflow abroad into better economies and losing Ukrainian banking system of its independence there is a need to set the size limit of foreign capital in the banking sector to 25%, to strengthen the selection criteria of foreign institutions in order to prevent market from unreliable and vulnerable intermediaries and prohibit foreign investors to acquire majority stakes or control shares of Ukrainian banks to reduce the risk of capital outflows from the sector [5].

Possible measures of improving monetary policy, based on the experience of modernization monetary systems of European countries are:

–Availability of a flexible (capable for updating) information system for collecting, processing and organizing incoming data on currency transactions, monitoring the received information and preparing analyzes on this basis [6];

–Termination of registration of new currency exchange points and prevention of large separation between supply and demand for services in foreign exchange;

–Implementation of FATF recommendations, including the introduction of «Due Diligence» principle into Ukrainian banking system when dealing with clients, that conduct financial transactions.

One of the primary tasks of modern Ukrainian monetary policy is to prevent the outflow of foreign exchange. Unproductive capital outflows only by parameters that can be evaluated by NBU (fictitious transactions with financial credit documents, fictitious payments for imports, exceeding total payments for imports compared to the value of its volume) within 10 years is more than 30.5 billion U.S. dollars [2]. These objectives can be realized on the basis of spreading the practice of factoring as a guarantee of returning foreign exchange earnings and setting up exacting criteria for enterprises in order to prevent participation in foreign operations «one – day firms» [3].

–Simplification of existing restrictions is a mandatory step as the European Commission demands the potential member countries to open their capital markets by the

time of joining the EU. Besides liberalization of capital will help to increase the volume of inflows. Nowadays it can not be said about the possibility of Ukraine to conduct rapid policy of capital movement liberalization, as free international capital flows can lead to high volatility of inflow and outflow without prudent macroeconomic policies [4]. So, it is necessary to conduct the policy of gradual liberalization of foreign exchange market, which will consist of three successive stages: Moderating the rules of capital flow [extending the borders of hryvna application in international payments, increasing in hryvna usage in noncommercial operations];

–More decisive liberalization of currency regulation and control (moderation of implementation conditions of capital transactions by residents, including – direct investments abroad by encouraging investment of the Ukrainian capital into enterprises, which will be involved in promoting goods of Ukrainian enterprises to Western markets);

–The process of strengthening European integration of Ukraine (including gradual increase of norms on import (export), transfer and reconignment across the customs border by private customers – residents and nonresidents of both national and foreign currencies) [1].

The main step in reforming existing monetary policy is to create clear and systematic regulatory framework in order to regulate all matters in the area of currency control, with the main regulatory document – the law of Ukraine «About Currency Regulation and Currency Control», which has been only in a draft form but not accepted since 2007.

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PROBLEMS OF SMALL BUSINESS IN UKRAINE

Nowadays the problem of small business establishment and development in Ukraine is topical. Private entrepreneurs face many barriers that exist in the legislation, the tax system and other aspects of business. According to the rating “Doing business” Ukraine has moved down to 152 place, having lost three positions. It is between Liberia and Venezuela in the rating. To compare with the other post-Soviet countries, Russia takes

the 120th place, Moldova – 81, Belarus – 69, Poland – 62. About 35% of the working age population is engaged in small business. The contribution of small business to GDP hasn't exceeded 10% in recent years, whereas in most countries it accounts for 50-60%.

The first problem is the impact of the control authorities on the Ukrainian business. The tax system, the customs, and other control authorities are making business more and more complicated. Domestic and foreign entrepreneurs often run into problems such as queues at the customs, bureaucracy that lead to large losses. Tax Code of Ukraine, which came into force on 1st January 2011, has put more pressure upon small businesses, in addition to a series of innovations that have reduced the possibility of cooperation between small and large enterprises.

Next problem is corruption. Ukraine is a leader on this indicator in international ratings. An amount of bribes can exceed initial capital, causing the collapse of the business or doesn't even allow it to be established. As a result, in Ukraine small and medium businesses have been minimized: according to the State Tax Administration, in 2011, 245.8 thousand entrepreneurs dissolved their companies. At the same time only 176.7 thousand private companies were registered. As a result, 70 thousand people is the net annual outflow from the country's business. In the 20-year history of Ukraine it is the first case of a negative balance of entrepreneurial activity.

Another problem for the Ukrainian business is active government regulation of the entrepreneurial activity. The success of the business depends on the relationship with the government, which is illegal in the European countries. "Ukraine's policy aims to reduce the number of jobs, reduce employment, and, in fact, it brakes the Ukrainian economy" – said the head of the Association of Ukrainian Banks Oleksandr Sugoniatko.

In Ukraine, there is a high level of raid. Attacks on businesses are growing, and the lack of an effective protection mechanism slows down business development. In the domestic legislation neither the struggle against this phenomenon nor the phenomenon itself is mentioned. The Ukrainian government is not willing to eliminate gaps in the legislation and the fight against corruption is not effective enough and all these factors are excellent conditions for raid but not populism or the fact that owners of companies and top management disregard business security of their enterprises.

Small business entrepreneurs rarely borrow an initial capital from banks as interest rates are too high. Bankers, in turn, find it difficult to assess the customers' solvency, especially when they provide loans to start-ups. Banks demand sustainable solvency, good sales and high profitability from business owners, and on top of that they need a competent business plan and records of all current accounts. Hryvnia loans are often not profitable, and currency loans are prohibited.

Summing up we can say that all of these facts are not new to our country. Ukraine is the lowest in the ratings of business development in the world. The main problem is the Ukrainian government, the legislation, the taxation system. Thus, the development of both small and large businesses is slowed down by a high level of corruption.

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THE «GREEN» BUSINESS IN UKRAINE

Today, when humanity has almost exhausted natural resources and finally begun to think about the environment, the so-called «green» business has become more important than ever. Introduction of such business was contributed by polluted environment of Ukraine and its degradation, as well as our country joining the Kyoto Protocol. Indeed, the burden on the environment is by 4-5 times higher than in other countries. The degree of pollution in Ukraine is one of the highest in the post-Soviet society.

According to the State Statistics Service of Ukraine in 2011, emissions of pollutants into the atmosphere reached 6,877.3 thousand tons, carbon dioxide emissions – 236 million tons, of water pollution – 1612 million cubic meters. Currently, the Ukrainian industrial enterprises are interested in the concept of «green economy» and implement measures to reduce emissions of harmful substances into the environment.

The main purpose of the «green» business is making a profit from the sale of environmental goods and services, production and delivery of which involves the use of techniques and technologies that minimize the integral environmentally destructive impact on the environment and their use promotes environmentally friendly living conditions for consumers and environmental consciousness of society.

The main problems of green business is the lack of adequate funding, absence legal framework and standards, inappropriate modern requirements for energy systems, lack of automated systems, inefficient state intervention in the market, contradicting instruments of state environmental and economic policies.

To solve these problems, developed some programs have been developed, such as: in March 2010, the State Target Economic Program Energy Efficiency for 2010–2015 was approved, which envisages objectives and measures to reduce energy intensity by 20% compared to 2008, reducing Ukraine's dependence on imported energy, the decrease of 20% of natural gas consumption by 15–20% of the natural resources (water, minerals, air) by reducing the consumption of fuel and energy resources, reducing energy production costs by 10% and non – 25% reduction to 20% energy transportation, storage and distribution facilities etc. Also, on the 27th of April of 2011, the Government approved changes to the above mentioned program to promote energy production from renewable energy sources and alternative fuels. In particular, it is planned that in 2015 the share of «clean» energy in the energy balance of Ukraine will be not less than 10%.

Among the state targeted programs aimed at developing the «green economy», it is worth mentioning the following national programs: «Drinking Water of Ukraine» for 2006–2020, Program Reform and Development of Housing in 2009 -2014, Program of National Ecological Network in Ukraine for 2000–2015, Radioactive Waste Management Program, Program of Cessation of Production and Use of Ozone-Depleting Substances for 2004–2030 and others. Not all programs are carried out in fully, due to lack of funding and bureaucracy, significant loss of large industrial enterprises whose owners are not paying attention and saving resources to implement environmental innovations.

An example of «green» business is project INTERPIPE STEEL, which involves replacing energy – intensive, outdated, environmentally «dirty» hearth production for progressive electric melting method of producing steel. Thus, it provides an annual increase in payments to budgetary and extra-budgetary funds of 150 million, reducing consumption of natural gas in Dnipropetrovsk region of 87 million cubic meters per year,

reducing total emissions of harmful substances into the atmosphere by more than 2.5 times, creating over 600 new jobs.

That is, institutional reforms and development of conceptual and strategic basis, coordination and cooperation with the business sector, the possibility of a breakthrough innovation of the economy, transformation laws stimulating the development of a model «green economy», creating a public mentality toward active «green» growth, international cooperation and coordination, development and approval at the state level, the doctrine of «green economy» as a policy document are necessary for the development of «green» business.

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**UKRAINE'S INTEGRATION: THE EUROPEAN UNION OR
THE COMMON ECONOMIC SPACE**

At present the question of Ukraine's inability to stay out of the international integration processes and the choice of the way of development, i.e. integration into the EU or the CES, arose. The prospect of becoming a full member of the international community appeared for Ukraine, basing on its principles and preserving national characteristics. This is especially relevant for our country at this stage of the transformation of its economy.

The problem of integration of Ukraine lies in the fact that European Union (EU), that is one of the fastest developing integration unions, is becoming our closest neighbor and involving close cooperation with Ukraine in the near future. At the same time the emergence of a new integration association with Ukraine (Common Economic Space) says about the origin of the two-vectored foreign policy of Ukraine.

Entrance of Ukraine into the EU will permit the following things:

- to create more attractive conditions for foreign investors, this could have a positive impact on economic development;
- to conduct intra-regional trade effectively, there will be new opportunities for optimal location of enterprises in the integration group;
- to provide opportunities for foreign banks to open branches in Ukraine, to attract foreign banks to the financial market of Ukraine; reduce terms of transactions, to expand spheres of services, increase lending volume by these institutions;
- to improve the living standards of the Ukrainian people.

Obligatory condition for entering into the EU is the membership of the World Trade Organization (WTO). Negative aspect of coming into the WTO is the demand to give up any tax benefits.

The ability of foreign banks to offer loans on better terms will create pressure on the weak banking system of Ukraine.

Ukraine currently has an alternative to the EU integration, that is the creation of alliance with other states.

CES forming will promote the development of foreign economic relations, increasing competitiveness and strengthening the export potential of Ukraine, as well as obtaining additional investment in the industry.

It should not be expected the termination of "trade wars" within the CES. The draft agreement states that the anti-dumping and special investigations will be replaced by special rules, it will turn out that trade restrictions within the union will be preserved.

To sum everything up, it should be noted that an unequivocal choice in either direction of Ukraine's integration would bring the heaviest losses. If the CES is chosen, it would mean the recognition of the inability to solve own problems and look like a return to the policy of Russia in the eyes of the world. The choice of unequivocally European way can bring the huge financial losses, plant closures, rising unemployment at the beginning.

So, having joined to the CES, Ukraine can become a raw materials appendage of Russia. However, having entered the EU, Ukraine will receive well-established legal and legislative European system. This is a powerful argument for the Ukraine's integration into the European Union.

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**ANALYSIS AND DEVELOPMENT PROSPECTS
OF UKRAINIAN HRYVNIA**

Currently, the Ukrainian currency is stable enough, but it was going through a lot of ups and downs. Major factors of failure of the hryvnia are errors in the exchange rate policy of the National Bank, according to experts. The prospects of the Ukrainian hryvnia analysts agree that in 2013 it will be devalued. Thus, according to the World Bank, this year the hryvnia exchange rate will fall to 8.7 UAH. / \$ 1, but in 2014 it will begin a gradual strengthening of the national currency – to 8.6 UAH. / \$ 1, and in 2015 the rate of exchange will be 8.4 UAH. / \$ 1.

Minister of Economic Development and Trade Igor Prasolov, responding to a question about the exchange rate of hryvnia in the current year, said that the situation on the currency market today is stable and predictable. In the case of serious fluctuations in the national bank it will always be able to smooth out their own interventions.

Experts estimate that over the past year and a half NBU spent \$ 11.4 billion foreign reserves to artificially hold the hryvnia for political reasons. Public debt increased by almost 10% over last year.

According to the research of company GFK in Ukraine, index of devaluation expectations of population in February fell to its lowest level since August last year.

Also, the government promises to strengthen the hryvnia after introduction of special duties on imported cars. Interdepartmental Commission on International Trade Law (ICIT) published its decision to impose special duties on new imported cars. It will be 6.46% for cars with engines of 1 to 1.5 liters, and 12.95% for cars with engines from 1.5 to 2.2 liters.

The Ministry of Economic Development and Trade notes, that the use of sanctions will have a positive impact on the financial and economic situation of domestic producers, enabling it to facilitate the process of economic adaptation to the conditions of competition and would eliminate the influence of trade disproportions that have arisen due to the conditions of import to Ukraine of automotive products.

In early February, the Director General of the Department of the monetary policy of the NBU Elena Shcherbakova promised that in future the regulator will do everything possible to prevent large fluctuations of the hryvnia against foreign currencies. She noted that the main purpose of the National Bank in 2013 is to continue to maintain price stability.

Recently, the dollar / hryvnia changes in the interbank foreign exchange market sluggish and dull. For February 2013 the highest average rate was 8.1321 UAH on February 22, and the lowest on February 8 – 8.0885 UAH. In general, it can be called a flexible exchange rate, which had been waiting for, and that is so much discussed. Changes are in dynamics, but how big for a month, this is a topic for specialists. Volume of hryvnia supply in the economy is growing. Interest rates on interbank loans are at a level of 2-3%, which in turn reduces the value of money in bank sector.

After analyzing a number of articles, it can be concluded that the present course of the Ukrainian currency is quite stable and will not change substantially in the nearest future.

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THE PROBLEM OF UNEMPLOYMENT IN EUROPE

Unemployment is a socio-economic phenomenon, when part of the working population cannot use their knowledge and experience in social production. Unemployment increases in times of economic crisis and subsequent social depression resulting from the reduction in demand for a number of professions and professional work force.

Unemployment is continuing to set records in the European Union. D.Fridman American political scientist, said: "The global financial crisis of 2008 has turned into a global crisis of unemployment and changes in the political crisis in Europe, China and the United States. The problem of unemployment is becoming the key to the financial system. Today the middle class loses their income, and no matter what level of training you have, the probability of becoming unemployed is very high."

The main causes of unemployment are:

- changes in consumer demand for goods and services
- production decline
- the introduction of new technologies in enterprises
- the closure of uncompetitive, unprofitable business failures and victims;

The only solution for the unemployed is a welfare payment. Economic publication Challenges decided to find out the conditions, when EU citizens receiving unemployment benefits.

In France, the payout is 57.4% of salary for the period of dismissal. The maximum payout is \$ 6161 per month. The benefit is paid for 2-4 months. In Germany, the payment is 60% or even 67% for people with children. 2215 euros are maximum paid in West Germany or the Euro 1940 in East Germany. The unemployed can wait for the support during 6-24 months. Affairs in Spain are worse of all: the highest unemployment rate in the euro area – 26.2% as of January. The most favorable situation in Austria – only 4.9% of the economically active citizens were unemployed in January.

There is depressing huge number of the unemployed among those who are about twenty years old. Youth unemployment reached 24.2% for the euro area, and in Greece and Spain, it has grown to 55.5%. This gives reason to say that the crisis in Europe shows a so called "lost generation", some experts believe. Failure in most cases due to lack of jobs and lack of experience, which get-it turns out, nowhere. And any education cannot guarantee that you can break out of this vicious circle.

Speaking about Ukraine, the growth rate is also noticeable. According to the State Statistics Service, there are 589,100 unemployed Ukrainians as of 1st March year 2013,

and the real number of unemployed people – 2 million. The average size of financial assistance is 1069 hryvnia.

One thing is clear: the affairs of Europe are not as good as we think. High welfare payments have a negative impact on the state budget, social tensions is growing rapidly.

Measures to reduce unemployment may be as follows:

- employment in the enterprise directly by creating new jobs;
- encouraging private enterprise and encourage self-employment, small business development;
- retraining and training in scarce trades and professions.

From the above, it is clear that the problem of unemployment is a key question in the market economy and without solving it is impossible to establish effective operation of the economy.

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THE ROLE OF THE OAU IN MODERN ECONOMIC RELATIONS

In recent years, the UAE (United Arab Emirates) have been gaining strength as a center of business and commerce. At international exhibitions, which are held here, conferences and seminars in the country attract businessmen from all over the world. As a free trade zone, the country is also very attractive to employers. Besides, the UAE is a great place for children, family and health-improving rest.

UAE economic growth is one of the highest in the world. In the last five years the economy has come up average by 9.3%, thanks to high oil prices. In 2007, the rapid growth in construction, tourism and banking sectors played the key role in raising the nominal GDP(Gross Domestic Product) of the UAE by 16.5%. Real GDP grew by 7.4%. Proceeds from the sale of oil and gas have given 35% of the country's GDP. According to the UAE Central Bank estimates , economic growth in 2008 was 6.6%. CCI Abu Dhabi (Chamber of Commerce) gave a more optimistic rate – 8.2% in 2009 and 13% in 2010. Based on these growth rates Dubai has a strategic plan for the development of the economy by 2015, Abu Dhabi – 2030.

The United States of America is one of the leading countries in the world. The level of the annual income per capita allegedly amounts to 41.930 million. According to the investment bank, "Merrill Lynch," the UAE houses to 78,000 millioners, the total state of whom exceeds \$ 160 billion. UAE budget for 2010 was a record 43.6 billion derhamiv (12.1 billion dollars. U.S.), the revenue is about 8, 5 thousand million dollars. The U.S. budget deficit under is 3%. The increase in expenditure side of the budget compared to the previous year is due to an increase in defense spending (\$ 1.6 billion, or 26% of the budget), as well as social needs, especially for the construction of free housing for indigenous inhabitants (\$ 1.22 billion) [3].

Compared to 2009, the volume of the UAE's oil exports in 2010 increased by 23% and re-exports by 13%. It should be noted that in 2009, the overall export and re-export of the country amounted to 209.6 billion dollars. As for the export of UAE, it involves the sale of products and materials, such as gold, diamonds, oil, aluminum and steel.

UAE imports on average grow up by 7-10%. In 2009, imports amounted to 193.5% billion of USA. The list includes such imported goods as machinery, industrial equipment, agricultural products and automobiles.

The economy of UAE is interesting, because there is well-built political system, the stability of the economy and the pace of economic growth. This country has a free economic zone. In 2010, economic growth in the UAE reached record levels – 284,5 billion derham (77, 5 billion), which is in excess of 43 times of a gross proceeds since the country creation 33 years ago [2].

The increase in oil production in the United Arab Emirates in 2008 led to the profit in this sector which amounted to 37.6 billion dollars, while retaining the positive balance of foreign payments and control of inflationary tendency.

The largest economy after Saudi Arabia, the economy of Arab region will be the more successful, better the government can organize the distribution of incoming capital investments between various objects. Diversification is the foundation of economic doctrine and strategy development. The Member country in terms of oil production in the world's top ten, managed to build an advanced infrastructure on the basis of its existing vast hydrocarbon reserves. It is this infrastructure that will provide the development of other manufacturing and service industries, which, in turn, is determined to diversify their sources of income. The country took the top as for tourist destinations and now attracts millions of tourists from around the world [4].

A large-scale campaign of economic diversification (formerly the main and almost the only was the oil sector), and a massive investment "attack" with the new strategy of multisectoral allocation of resources, given the results in the last four decades of the UAE's tourism industry have made almost tenfold somersault [5].

40 years ago, the tourist industry was 1%, today this figure reaches 10.4%. Nowadays, the tourism is on the same level as the key sectors, that are not in the oil block in terms of their participation in the formation of the UAE's GDP. Emirates Hotels Chain is unparalleled in the region, both in the quality of tourism services, and, at its leading facilities.

Family holiday and adventure tourism do not lag behind: their equipment is also on the level of the highest world standards.

The increase the flow of tourists contributed to the development of such industry as civil aviation. Active (10–12% per year) growth rate of tourists promoted the fact that only in 2009 the number of passengers recorded in the airport of Dubai was close to 50 million. The role of national airlines (including, «Emirates», «Etihad Airways» and «Air Arabia») is appreciated highly. Thanks to carriers the country not only received the status of the world's largest transport interchange, but also got into a list of preferences of tourists, who estimated it as available to any citizen of the world, irrespective of his or her residence, which also contributes to the structure of the national economy.

The UAE is a major player in the global capital markets through investment agencies such as the Board of Investment of Abu Dhabi, "Dubai World Ports", "Dubai Holding" and the International Petroleum Investment Company of Abu Dhabi (IPIC) [1].

The country has a number of opportunities in the future to reach a higher level of development. While many current suppliers of oil reserves are rapidly being depleted, the UAE are provided with the proven reserves for at least a hundred years (at current production volumes of liquid fuels). In addition, due to the development of SEZ (Special Economic Zone), diversified exports, greater involvement of foreign tourists, the country can develop alternative oil sectors of the economy, to some extent, to eliminate possible negative economic effects of fluctuations in the world market prices of crude oil. Finally, the banking system, including Islamic banks, provides income for the fact continues to rise, the state and society. Thus, we can say that the UAE national economy as a whole has a real prospect to achieve even higher levels of economic and social development.

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INNOVATIONS IN THE SECTOR OF BANKING SERVICES

Scientific and technical development, acknowledged in the whole world as a major factor of economic progress is connected with the concept of innovative process in western and domestic literature. As the American economist James Brayt marked: «It is a unique process, which combines science, technique, economy, enterprise and management». It consists of getting innovation and stretches from the origin of the idea to its commercial realization, thus, all complex of intercommunications: production, exchange, consumption.

Practically as well as any other policy, it is different in different countries, though it is depended on the same purpose – to stimulate innovative activity and to develop scientific and technical potential. In accordance with international standards an innovation is determined as final point of innovative activity.

Presently the most actual problem is effective management of innovative activity, regardless of size and pattern of enterprise ownership.

Interesting for consideration are innovations in a bank services sector, the main direction of which today is development and perfection of calculation-cashdesk software, which gives possibility for clients to arrange their payments, staying in a house or an office. On the one hand these processes are very effective, but on another hand – extra attention is paid to them, when the other bank tools are not almost inculcated.

In this sphere there are mostly developed innovative services:

1. The internet – ekvayring (a constituent of electronic commerce, which takes into account calculations with organizations of electronic commerce on operations which are carried out with the use of bank maps in the Internet. Unfortunately today in Ukraine only a few commercial banks can offer services of this type. In the Ukrainian banks there is not a deficit of IT- specialists, which are able to develop the proper software, however there is no great demand on such a service as having a special purpose audience, which is not ready to use the Internet – technologies in carrying out their calculation operations and the system of enterprises accounting is unable to reform according to new requirements yet. unfortunately it is necessary to mark that even the best standards of the Ukrainian systems of the internet – banking can not compete with the same systems in the developed countries. If in ES and USA systems of on-line payments are automated, in domestic banks, as a rule, these payments are served by bank operators handwritten. For example, in the USA the internet-banking is used by 4 from 10 Americans, and in Ukraine this number is in 20 times as few as the state on 2012 year. In the USA and Europe a client of the internet-banking can not only check up the state of the account and to transfer money but also order pay maps, open deposits, buy or sell currency.

2. New deposit decisions. Interesting for introduction today are deposits with the program of insurance, by which a bank transfers percents to an insurance company on an account as a life-insurance or as a payment, for example, to the tourist insurance or to the policy of KASKO. As a model of partnership in this case is collaboration of one of the greatest banks in Ukraine «Prominvestbank» with an insurance company «Veksel», which is subsidiaries of «Prominvestbank».

3. Multicurrency holding accounts (a time deposit in few currencies – mostly uah, dollar, euro. Majority of banks use policy of deposits, which are in different currencies (evro/dolr)).

4. Private banking (it is a system of relations between a client and a bank, which is characterized by the personal approach to a client, complexity of services which are given, high quality service). Such principles are fixed in a basis of private banking:

- avouching for a client the maximal confidentiality of all services;
- possibility of accessing to the top management of a bank;
- accordance of service character to the specific requirements of a client, an individual approach;
- presence of the personal manager which works by the personal contact with a client and in the comfortable for a client sentinel mode;
- the highest quality and the level of service;
- orientation to the long term business collaboration.

Some of the Ukrainian banks («Privatbank», «BG Bank», «OTP BANK, «Ukrsocbank») are already implementing into the system with elements of private banking. Interesting is that fact, that all of these banks have different approach for the determination of it: one of the banks paid special attention to the consultancy, where as the others – to additional services for vip-clients. Ukrainian banks, unfortunately, do not have such effective and well-function service of private banking system, as the system the Internet – ekvayring.

5. Emission of the «privileged» plastic cards. A considerable potential of development includes in emission of the «privileged» plastic cards. Such cards as of World Signia an (international plastic system MasterCard International) and Visa Infinite (an international pay system Visa International) occupy a higher step in the hierarchy of bank cards all over the world.

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WORLD FOOD CRISIS: IS THERE A THREAT OR NEW POSSIBILITIES FOR UKRAINE?

Feed is a base necessity for all humanity. Consequently, the demand on food will always be high. By virtue of that the population of our planet is increased, and the amount of land, suitable for agriculture, diminishes from the offensives of the deserts, change of climate, depletion of soil, there is a threat of world food crisis. In addition agriculture which carries the main load in production of food products is a risky activity because the amount of technogenic misfortunes and natural catastrophes is annually increased in the world. The situation formed in the world opens possibilities for countries that have resources of agricultural land. Therefore, this problem is very important nowadays.

As for Ukraine, we must say that any tendency is risk, but on the other hand it is a challenge. Ukraine is an agrarian country which is actively present in the world food

market. So in case of providing effective domestic policy, we can get benefits from rising prices in the world. For Ukraine it is a chance to increase exports and improve the position of the Ukrainian agricultural sector. This is facilitated by:

1) The geographical position of Ukraine. Ukraine has a very favorable geographical position: the Black Sea and the closeness in location with the countries of Europe, which enables without difficulty to export food products to different parts of the world.

2) The climatic conditions. Ukraine is located in a temperate climatic zone. Softness of climate allows you to grow the most various types of agricultural plants and home animals.

3) Cheap labor resources.

4) Ukrainian traditions of growing of agricultural products.

5) Resource potential. Ukrainian land is rich on fertile soils. These soils occupy more than 75% of agricultural lands. The presence of such potential allows us to develop the agricultural sector in Ukraine.

6) Large areas of land intended for agriculture. In agricultural cultivation are 42,844.8 hectares or 71% of territories of the country, on plough land are 32,473.4 ha (53.8% of the total area, or 78% of agricultural land) (French plough land is 63, 4%, Germany – 69.6% UK – 37%, in the EU in average – 60.7%). The potential capacity of native lands to food providing, according to various experts, is in the range of 150 to 500 million people. Taking into account high potential of agricultural land, an agrarian production in Ukraine is among the leading sectors of the economy and is about 8.2% of GDP, which exceeds the average European level almost twice.

Ukraine opens new opportunities and horizons in case of the implementation and effective use of all these advantages. There are some of them:

1) We will have a lower prime price of goods in case of canceling of some state duties.

2) To prove the Ukrainian goods as qualitative and ecologically clean (except the area of Chernobyl and industrial centers). It will attract the new foreign buyers of Ukrainian food and win their trust, which will bring the agrarian sector of Ukraine to the new markets of sale.

3) It will give a chance to increase the export of Ukrainian products significantly.

4) It will provide an possibility to develop the Ukrainian agrarian sector to the world competitive level.

5) The prospect of intensive agricultural development is the transition from extensive (expansion of areas) to the intensive (quality improvement) production.

On the other hand, food crisis also provides a certain threat for all countries like any other crisis. And Ukraine is not an exception. For our country risks can be:

1) Droughts in Ukraine. They can destroy the greater part of the cultural planting of agricultural industry. It will deprive possibilities not only to export food products abroad, but also to provide with them the population of our country.

2) The rising of internal prices (prices on foreign markets affect internal prices). The purchasing power of the Ukrainian population is very low. Therefore sale of food abroad may cause the denial of the population from the certain food products.

3) Imperfection of normatively legal bases in an agrarian sector (such as the moratoriums on land sales, excessive interference of government in the action of food traders (export restrictions)).

4) Treatment of land is often made by obsolete equipment without the use of the latest technologies, which abandons Ukrainian agrarian industry in the last century. Ukraine may suffer from food crisis without providing innovations and modernization.

5) Inadvisable use of resource potential. Very valuable land is used inefficiently (untreated and neglected with shrubs) or destroyed (reservoirs, quarries, etc).

6) Polluted environment by industrial wastes and tailings of radiation, world awareness about Ukraine, as the focus of the Chernobyl disaster can frighten off the potential customers of Ukrainian products.

7) Enchanceable urbanization of the Ukrainian population causes the extinction of the village gradually. Consequently, there is a threat of deprivation of certain parts of labor in agriculture.

8) Excessive "indrawing" of the national economy in the agrarian development model due to extensive expansion of production and export of agrarian products. Therefore, the agrarian vector of development of the national economy must be accompanied by appropriate investment and innovative policy.

9) Growth of speculative demand on agricultural assets by both domestic and foreign investors. A violation of the existent system of crop rotations, soil depletion due to extensive increase of sowing areas for growing of highly profitable export crops (eg, sunflower, canola, etc.) can become credible investigation.

Consequently, the world situation opens possibilities for countries that have the resources of agricultural land. At is found out as a result of detailed research that Ukraine is one of them, because it has not only large areas of land suitable for agriculture activities, but also rich fertile soil. So I consider that the main threats for Ukraine can be overcome through reforms, investment and innovative policy. Then Ukraine will not suffer from the world food crisis, and will be able to use their advantages and potential for development of the agrarian sector, conquer the new markets, change the attitude of Europe both toward the products, and to the people which can be competitive in the modern world.

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DETERMINING THE DISTRIBUTION NETWORK STRUCTURE TAKING INTO ACCOUNT THE REAL POSSIBILITIES OF WAREHOUSE PLACEMENT

Topicality of the problem. The task of determining the locations of storage capacities on the criterion of transport costs is one of the fundamental problems of logistics. The founders of this research were A. Weber and J. Peak in the "Theory of the Location of Industries", (1909). But nowadays the problem of determining the structure of the warehouse network remains urgent.

Goal of Research – the algorithm design of determining the effect of the number of warehouses for logistics transportation costs based on real transport communications and possible locations of distribution centers.

The presentation of the basic material of the research. Suppose that there are M suppliers $(x_0^1, x_0^2, \dots, x_0^M)$ and J consumers $(x_n^1, x_n^2, \dots, x_n^J)$. Within the precincts of a city there are K options for placement of storage capacities $(x_s^1, x_s^2, \dots, x_s^K)$. Crossroads of the city are marked x_1, x_2, \dots, x_N . Graph G, corresponding to the transport network, is defined by the table, in which a path length from the vertex x_i to x_j is situated at the intersection of i-th row and j-th column, if these vertices are adjacent.

At the preliminary stage it is necessary to find all shortest paths between all vertices. This problem can be solved, for example, using the Dantzig's algorithm [4, p.58]. Received distances between each pair of vertices are entered into the data set and hereafter a chunk of received array is used at each stage.

In addition the database is formed:

Q_m – the amount of products supplied by m-th enterprise ($m = 1, 2, \dots, M$);

Q_j – the volume of production required by j-th customer ($j = 1, 2, \dots, J$);

C_0 – the transport tariff, cu. / km;

$q_{m,j}$ – the rated capacity of rolling stock used for the transport from the m-th supplier to the j-th customer, T;

the coefficient of capacity of the rolling stock used for transportation from the m-th supplier to the j-th customer.

To account the additional factors that influence on the plan of optimal consolidation of customers around suppliers (the impossibility of direct deliveries, consumer preferences in the selection of suppliers, etc.), weight fractions m-th supplier W_m and j-th consumer W_j are entered.

The first stage. Traditionally, the task of fixing the transport suppliers for consumers in the presence of two or more warehouses is solved twice – from M suppliers to K warehouses and from K warehouses to J consumers. If the warehouse is only one then for minimization of transportation costs it is enough to select warehouse corresponding to the vertex, for which:

$$\sum_{m=1}^M L_{m,i^*} + \sum_{j=1}^J L_{i^*,j} \rightarrow \min,$$

where L_{m,i^*} , $L_{i^*,j}$ – the shortest paths from suppliers $x_0^1, x_0^2, \dots, x_0^M$ to warehouse $x_s^{i^*}$ and from warehouse $x_s^{i^*}$ to consumers $x_n^1, x_n^2, \dots, x_n^J$. In this case, the total cost for transportation S can be calculated by the formula:

$$S = \left(\sum_{m=1}^M L_{m,i^*} \cdot Z_{m,i^*} + \sum_{j=1}^J L_{i^*,j} \cdot Z_{i^*,j} \right) \cdot C_0,$$

where $Z_{i,j}$ – the number of loaded trips between places and that is calculated by the next formula:

$$Z_{i,j} = \frac{Q_{i,j}}{q_{i,j}} \cdot \gamma_{i,j}. \quad (1)$$

The second stage. Warehouse positioning. The vertex, selected in the first stage, is determined as “basic”.

Then the next magnitude $\Delta = \min_{\substack{m=1, \dots, M \\ j=1, \dots, J}} \{L_{m,i^*}, L_{i^*,j}\}$ is determined. Next vertices from the vertex $x_s^{i^*}$ are taken into consideration no more than distance $R_1 = 0,1\Delta$. First, two peaks in opposite directions are taken, then two, etc. If in circle of the radius R_1 there is only one vertex that is different from $x_s^{i^*}$ then it is viewed as the second, solving the problem of fixing suppliers for consumers and determining the logistics transportation costs.

Thereafter, vertices, situated from "basic" at a distance over R_1 and no more than $R_2 = 0,2\Delta$, then at a distance $R_2 < R \leq 0,3\Delta$, etc., are taken into consideration.

The third stage. Calculation of minimum total costs of transportation at different locations of warehouses.

In the presence of two or more warehouses it is necessary to determine the volume of transportations from suppliers to warehouses and from warehouses to customers, minimizing transportation work P ($m \cdot km$). Thus, the objective function will be:

$$P = \sum_{m=1}^M \sum_{k=1}^{K^*} L_{m,k} Q_{m,k} W_{m,k} + \sum_{k=1}^{K^*} \sum_{j=1}^J L_{k,j} Q_{k,j} W_{k,j} \rightarrow \min,$$

where $m=1, 2, \dots, M$ – suppliers; $k=1, 2, \dots, K^*$ ($K^* \geq 2$) – warehouses, selected in the second stage; $j=1, 2, \dots, J$ – consumers;

$L_{m,k}$ and $L_{k,j}$ – the distances from the m -th supplier to the k -th warehouse and from the k -th warehouse to the j -th consumer;

$Q_{m,k}$ and $Q_{k,j}$ – unknown volumes of cargo transportation from the m -th supplier to the k -th warehouse and from the k -th warehouse to the j -th consumer, respectively;

$W_{m,k}$ and $W_{k,j}$ – weight fractions from the m -th supplier to the k -th warehouse and from the k -th warehouse to the j -th consumer, respectively.

After determining the volume of traffic from suppliers to warehouses and from warehouses to consumers the logistics transportation costs are calculated as follows:

$$P = \sum_{m=1}^M \sum_{k=1}^{K^*} L_{m,k} Z_{m,k} C_0 + \sum_{k=1}^{K^*} \sum_{j=1}^J L_{k,j} Z_{k,j} C_0,$$

where the number of loaded trips $Z_{i,j}$ is defined by (1).

The resulting database of the traced analysis of the amount of transportation costs and the location of the warehouse can be used to make a decision on the formation of the optimal warehouse network with the available options for the location of distribution centers. As well, the represented algorithm can be used to select the locations for additional warehouses in the expansion of the distribution system.

The solution to the above problem is quite time-consuming, requires the use of computer systems and assistance of an operator during the choosing of opposite located vertices.

Conclusion. The represented algorithm can be applied when the objects are set not by Cartesian coordinates, but the actual distance between them, and when you need to consider really possible location of the storage capacity.

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STÜTZPUNKTKOMPONENTEN DER ENERGETISCHEN SICHERHEIT DES STAATES IM RAHMEN DER EUROINTEGRATION

Die Fragen der Gewährleistung der energetischen Sicherheit (ES) waren immer die Prioritätsfragen der sozial-ökonomischen Entwicklung eines jedes Landes der Welt. Eine besondere Aufmerksamkeit erregen sie unter den gegenwärtigen Bedingungen. Die Knappheit an Vorräten an traditionellen Energieressourcen, in erster Linie an Erdöl und Erdgas, sowie die wachsende Nachfrage an Energieträgern haben die Situation auf den internationalen und regionalen Energiemärkten verschärft. Dies zeigt sich in bedeutenden Preissteigerungen auf BER, in der wachsenden Konkurrenz und Monopolisierung ihrer Erträge. Die höchste Aufmerksamkeit kommt dabei der Frage der globalen Klimaveränderungen zu. Unter den Bedingungen der modernen internationalen finanz-ökonomischen Instabilität ist die Aktualität der Fragen der ES etwas gesunken. Zum ersten Mal im letzten Jahrzehnt hat sich der allgemeine internationale Konsum von Energieressourcen verringert, was zur Preissenkungen auf Hauptenergieträger, zur Senkung der Anspannung auf den globalen internationalen Energiemärkten und zur Verminderung der ökologischen Belastung auf die Umwelt geführt hat.

Die energetische Sicherheit ist ein Zustand der Zuversicht an die lebenswichtigen energetischen Interessen des Menschen, der Gesellschaft und des Staates angesichts der inneren und äußerlichen Bedrohungen, die mit der ununterbrochenen Befriedigung der Kunden mit ökonomisch zugänglichen BER gewährleistet wird.

In dieser Arbeit wurden Ziele und Aufgaben der ES bestimmt und die eigene Auffassung von der energetischen Sicherheit, als einer der Hauptkomponenten der ökonomischen Sicherheit vorgeschlagen.

Dazu wurden die quantitative (die Struktur und die Dynamik der Entwicklung der EB) und die qualitative Analysemethoden (z.B. die Analyse nach dem Energieversorgungsniveau, nach dem Niveau der sozialen Annehmbarkeit und andere) herangezogen.

In der gegenwärtigen ökonomischen Theorie existiert kein universelles Herangehen an die Einschätzung des Zustandes der ES. Das bestmögliche Herangehen ist es je nach der Situation, dem Informationsgrad und dem gestellten Ziel und bezüglich der zu erwartenden Ergebnisse, z.B. die korrelations-regressive, die multifaktorielle Analyse der energieeffizienten nationalen Wirtschaft.

Es wurde eine Reihe der perspektiven Richtungen der zwischenstaatlichen Zusammenarbeit der Ukraine in der energetischen Sphäre analysiert. Die weitere Entwicklung des BSKs der Ukraine scheint perspektiv nur mit Erhaltung der engen Zusammenarbeit mit den Ländern verschiedener Integrationsgruppierungen. Für die Überwindung des Energiequellendefizites waren die aktuellen Richtungen der Zusammenarbeit und die Quellen der Lieferungen (die Diversifikationen) der BER auf den Binnenmarkt der Ukraine bestimmt. Die Zusammenarbeit mit Deutschland in der energetischen Sphäre ist bedeutsam. Im Moment ist das die strategische Priorität in der Außenwirtschaft der Ukraine.

Die weiteren Reformen in der Wirtschaft und in der Energetik sollen zum Triebkraft für die Erneuerung und Erweiterung des Finanzierens der ukrainischen Energieprojekte (insbesondere alternative Energiequellen) seitens Deutschlands, des Internationalen Währungsfonds, der Weltbank, der EBRD und der anderen Organisationen der Entwicklung werden. Der Ausbau der vielseitigen und zweiseitigen Zusammenarbeit in der energetischen Sphäre mit den EU-Ländern und das Schaffen der Vorbedingungen in der energetischen

und ökologischen Sphäre spielt für den Erwerb für die Ukraine der vollen Mitgliedschaft in der EU ist eine wichtige Rolle.

Die große Zahl der energetischen Projekte in der Ukraine wird zur Zeit mit der Unterstützung der EU nach den Programmen «INOGATE», «TPACEKA» und «TACIS» ausgeführt. Zum Beispiel, wurden mehr als 110 Mio. Euro f mit Hilfe der Programme "TACIS" für die Erhöhung der Sicherheit der ukrainischen Atomkraftwerke bereitgestellt. Die Integration der Ukraine in die Weltwirtschaft einschl. der Energieeffizienz, des Energieeinsatzes, und der allmählichen Ausführung der Forderungen der EU zu den Ländern-Bewerbern in der Sphäre des Brennstoffkomplexes und den angrenzenden ökologischen Fragen muss verstärkt werden. Die Anpassung der Gesetzgebung der Ukraine im Bereich der Energetik an die Normen der EU sieht die Verminderung des Einflusses des Staates in diesem Wirtschaftssektor, die Liberalisierung der Energieträgermärkte, die Heranziehung des ausländischen Kapitals in den Brennstoffkomplex mittels der Schaffung eines günstigen Investitionsklimas, der Privatisierung der Mehrzahl der Unternehmen des Brennstoffkomplexes, der strategischen Energiebevorratung (Erdölprodukte) u.a. vor.

Die Zusammenarbeit der Ukraine im Bereich der Energetik sollte sich auf die großangelegte Heranziehung der kohlenhydrathaltigen Ressourcen von Kasachstan, Turkmenistan, Aserbaidshjan und Usbekistan zum Brennstoffgleichgewicht, sowie auf die Prioritätsrichtung im Rahmen der internationalen Zusammenarbeit orientieren. Deshalb wird die aktive Teilnahme an der Bildung der Transportkorridore für das euroasiatische Erdöl und Erdgas in den Regionen des Schwarzen und Kaspischen Meeres für die Diversifikation der Lieferungsquellen der Energieträger in der Ukraine zu einer lebenswichtigen und notwendigen Bedingung der Gewährleistung ihrer energetischen Sicherheit.

Heute gibt es in der Ukraine viele Dutzende von Anlageprojekten innerhalb des Brennstoffkomplexes, die die äußerlichen Finanzmittel und Investitionen erwarten.

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INTERNAL LABOR MIGRATION REGULATION IN CHINA

The most populous nation of the world, China experiences the most extensive internal migration today, which is characterized by two important features: first, most migrants leave their farmlands for urban areas and/or for non-agricultural activities; second, such labour flows are basically directed from the interior to coastal areas, and/or from central and western regions to eastern areas. These two features overlap, and are closely interrelated with the macro socio-economic structure. The volume of this kind of migration is estimated of more than 230 millions of people in 2010. The number is expected to be approximately 300 million people by 2025 [1].

Migration in China is highly regulated, and it has been an important part of the national industrialization strategy. People seeking to change residence permanently or

formally are required to obtain approval for *hukou* (system of household registration) change from the local authorities. For urban residents, changing *hukou* residence *within* the same city or town (i.e. "moving" the *hukou* to a new address in the same town) is generally permitted. So are rural residents moving *within* rural areas along with their *hukou* because of marriage or other family reasons. However, formal (or "permanent") moves – meaning those involving a *hukou* change – crossing city, town and township boundaries are strictly regulated and require approval by the public security authorities. The approval is granted scarcely and only when there are good reasons for the proposed move, and if the move serves (or at least is not at odds with) the central or local state interests and policies. Generally speaking, it is very difficult for an ordinary person to change *hukou* from rural to urban areas, or from smaller to larger cities.

The *hukou* system in the pre-reform era functioned as a *de facto* internal passport system to prevent rural exodus and an "entitlement" mechanism to limit most state-provided social goods to the urban residents. Today, the system has worked chiefly as an entitlement distribution mechanism rather than to stop migration. Rural migrants are allowed to move to and work in cities (under the "temporary residents" category), but they cannot have a *hukou* in the destination where they stay. Therefore, these migrants are ineligible for many local benefits and rights, which ordinary local urban residents qualify for automatically.

More generally, two categories of migrants can thus be identified:

a. Migration with "local" residency rights (*bendi hukou*). This is usually open only to a very select group (currently, the rich or the highly educated), and immediate family members of residents with local *hukou*;

b. Migration without *hukou* residency rights (non-*hukou* migration) [2].

Migrant workers are young, poorly educated, generally healthy, and highly mobile and are therefore heavily represented in manufacturing, construction, and social services industries – short-term employment sectors which account for over 60 percent of rural migrants. But there are some other significant problems that can have influence on migration throughout the country. First of all it is *hukou*, as we have already mentioned. Another problems faced by rural migrants are: unpaid wages and social security, unfair working conditions and absence of working contracts, gender discrimination, education, public health. As for the education, rural migrant workers must pay a "donation" for their children learning and sometimes these fees are the equivalent of the parent's salary, so in this case many children can not attend school.

Migrant workers are paid less than their urban countrymen because of the lack of social protection without *hukou* [3].

Although internal migration is the main part of development in China it can show that country has many social-economic issues and the main problem is disproportionate development of different regions that stimulate changing places of living. Internal migration in China is highly regulated but, on the other hand, there are many problems which need to be immediately solved.

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**CHARACTERISTICS OF THE INVESTMENT ATTRACTIVENESS
OF UKRAINE**

Today in Ukraine there are a number of unfavorable conditions for making investment, resulting from the financial crisis of the country. This affects the process of creating and shaping the investment climate, so we need to create a comprehensive approach to the problem of formation of the investment climate. The problem of this study is relevant to the conditions of the modern world. Investment climate is the system of legal, economic and social conditions of the country, which significantly affect the profitability of investment and the level of investment risk.

As for the evaluation of investment attractiveness of the region, it includes two main points:

1. Investment attractiveness of the region. At this stage we analyze the existing regulatory and legal framework, legal aspects and the political situation, the degree of protection to investors, the taxes etc.

2. Investment attractiveness of specific targets. At this stage, we analyze the economic situation of industries, enterprises and other economic entities.

In Ukraine there are the following groups of regions:

- The most attractive regions: Donetsk, Kharkiv, Dnipropetrovsk, Lviv, Odessa.
- Regions of high investment attractiveness: Zaporizhia, Crimea, Kiev, Vinnitsa.
- Regions of medium level of investment attractiveness: Zhytomyr, Chernihiv and Volyn, Zakarpatye, Nikolaev, Cherkassy, Ternopil, Kherson, Khmelnytsky.
- Regions of low investment attractiveness: Chernivtsi, Sumy, Kirovohrad, Ivano-Frankivsk, Luhansk.[2]

It would be more appropriate to give an analysis of the dynamics of foreign investment in 2007-2009 years. In general, the increase in total foreign capital in the economy, with its revaluation, losses, exchange rate differences for 2008 amounted to 6 billion 180.7 million dollars., which is 77.9% of the previous year. Total foreign direct investment to Ukraine, on January 1, 2009 amounted to 35 billion 723.4 million dollars., Which is 20.9% more than the volume of investments at the beginning of 2008 the rate per capita FDI of \$ 775,3. Investments came from 124 countries. The top investing countries, which account for over 81% of total direct investments include: Cyprus – 7 billion 682.9 million., Germany – 6 billion 393.8 million., Netherlands – 3 billion 180.8 million dollars., Austria – 2 billion 445.6 million., United Kingdom – 2 billion 273.5 million., Russia – 1 billion 851.6 million, United States – 1 billion 471,5 million \$, Virgin Islands and the British – 1 billion 316.1 million, Sweden – 1 billion 263 million dollars and France – 1 billion 226.1 million. Total loans received by enterprises of Ukraine from direct investors on January 1, 2009 amounted to 5 billion 234 million dollars [1; 3].

Accordingly, in order to attract foreign investment, Ukrainian government should:

- carry out the restructuring of the industrial sector;
- contribute to the modern technological level of industries based on new technologies;
- increase export capacity by investing real economy of Ukraine;
- overcome dependence on imports;
- establish production using local natural resources;
- promote the development of small and medium business.[3]

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TRANSNATIONAL CORPORATIONS IN UKRAINE

At the present stage of development of the world economic system, transnational corporations (TNCs) have become one of the key driving forces of globalization.

The arriving of multinational corporations in a particular country and entering the national companies foreign trade and financial markets is called "trans-nationalization" of the economy. It is important that foreign direct investments (FDI) is the main way of expanding the influence of TNCs on the national economy, and the way to build national corporations themselves. According to UNCTAD, in 2011 in Ukraine there were more than 360 foreign branches of TNCs, whereas this figure is much higher than in the EU (there are more than 208 thousand foreign branches)

In the first quarter of 2012 the volume of capital investment increased by 23.2%, almost twice as much as in the first quarter of 2011 – 13.2%, informs "Kommersant-Ukraine." Totally it has been invested 48.1 billion UAH. Most of the growth was provided by the field of trade (53.3%), hotel and restaurant business (52.6%), transport and communications (51.9%), construction (40.3%). Lower rates showed the investments in the financial sector (+23.7%) and real estate (23.2%). The difficult situation was observed in the manufacturing industry (-3.2%) and public sector (education -9.2%). Investments came from 128 countries. Ten main countries, accounting for more than 83% of the total foreign direct investments are the following: Cyprus – \$ 12.7 billion, Germany – \$ 7.4 billion, the Netherlands – \$ 4.8 billion Russia – \$ 3.6 billion, Austria – \$ 3.4 billion, UK. – \$ 2.5 billion, France – \$ 2.2 billion, Sweden – \$ 1.74 billion, Virgin Islands (British) – \$ 1.6 billion, and the U.S. – \$ 1.0 billion.

However, the national economy is still very attractive to foreign investors. Ukraine (for example, in terms of GDP), is the second after Russia (in the former Soviet Union territory) in absolute indicators. Ukraine is characterized by a highly developed metallurgy, chemical and heavy industry, and all these characteristics are the basis of its competitiveness in the world markets. Ukraine is characterized by the development of agriculture, which provides a significant share of national exports.

Most of the multinationals which are presented in the Ukrainian market are specialized in the food industry and trade. These branches provide rapid circulation of capital and low commercial risks. Large industrial concerns, such as, Westinghouse, Exxon Mobil, are absent in Ukraine, with the exception of Mittal Steel.

The influence of TNCs on Ukrainian enterprises must also be assessed from the positive and negative side. A positive feature of their activity is the revival of competition and the quality of domestic products improvement. TNCs play an important role in

promoting international standards in production of goods and services and the training qualified staff. All of this leads to the productivity growth. Their work makes domestic firms invest in developing new technologies to reduce costs and to compete for the consumer. The negative feature is the reducing of output or closing of domestic enterprises which can not compete with powerful multinationals in volume of capital.

As for Ukrainian consumers, the influence of TNCs on welfare is also measured ambiguously. On the one hand – saturation of the market with various goods and services. On the other hand – TNCs in the Ukrainian economy are mainly oriented to the creation of distribution networks, promoting their products at the Ukrainian market..

The creation of the Russian-Ukrainian "Transnational aluminum company" and "International aircraft engines", corporations for the production of titanium and titanium mill products and trucks is being discussed now. Russian "Gazprom" and Khartsyzsk Tubes have created "Steel-pipe-gas" concern.

However, the establishment of the Ukrainian TNCs, despite the suitable legal basis, is at an early phase, while the process of creating such a structure in Russia becomes significant.

Thus, the creation of Ukrainian TNC will helps to:

- Protect national economic interests;
- promote the further development of Ukrainian economic structures, the internationalization of production and the capital of Ukraine integration into the world economy, and its participation in global and transformational processes.
- facilitate the introduction of new technologies and allow the production modernization;
- provide employment for the local population, with the increasing of wages and improving social welfare of workers, raising the skills of workers and the general level of education in the country;
- facilitate the connection of domestic producers to the international division of labour.

Creating of Ukrainian TNC will protect the national economic interest and will promote further development of Ukrainian economic structures and internationalization of production and capital, integration of Ukraine into the world economy.

It is advisable for Ukrainian state policy to take advantages of ransnationalization of the economy , with protection of domestic producers in certain sectors, and the creation of conditions for the entering Ukrainian companies the foreign market .

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NORMATIVE LEGAL REGULATION OF REMUNERATION OF LABOUR

Nowadays the Ukrainian legislation pays considerable attention to the regulation of remuneration of labour.

First, we should note that payment for labour in Ukraine is made in accordance with the Labor Code, with the Law of Ukraine “On Remuneration of Labor”, the Law of Ukraine “On the Collective Agreements and Contracts”. The normative legal base for salary regulation generally corresponds with the International Labor Organization Conventions ratified by Ukraine: № 87 – the convention on the Freedom of Association

and Protection of the Right to Organization; № 95 – on the Protection of Wages; № 98 – on the Right to Organize and Conduct collective negotiations; № 131 – on the Minimum Wage, with particular reference to developing countries [1, p. 5].

The regulation of labour remuneration is carried out both at the state and the enterprise level. The legislation of Ukraine provides numerous laws, orders, regulations, instructions, normative legal documents to regulate this issue. Enterprises give local orders that don't contradict the law and regulate certain issues of payment for labour taking into consideration specific character of their activities.

It should be noted that the labour remuneration regulation is provided in two ways. There are state regulation and contractual regulation of payment for labour.

In Ukraine the condition of contractual regulation of labour remuneration cannot be considered satisfactory because of inadequate legislation, lack of accuracy of agreements and contracts, incompleteness of the process of formation of the Institute of contractual relations. The mechanism for contractual regulation of payment for labour hasn't affected the socio-economic status of employees to a sufficient degree yet.

The State regulates the salaries of employees of enterprises of all forms of ownership. A minimum wage is the state social guarantee.

Minimum wage is the amount of wages set by law for simple, unskilled labor and no payment can be made lower than this for the work performed by the employee on the monthly and hourly basis.

In our state the current legislation specifies the establishment of minimum wages, both monthly and hourly, in an amount that is not lower than the subsistence minimum, taking into the account general level of the average wage, labor productivity, employment level and other economic conditions. These guidelines were chosen in 1995, but they were not implemented in practice. Throughout all the period of independence the minimum wage in Ukraine hasn't been meeting the minimum basic needs of employees as it has been considerably lower than the specified minimum living wage. In particular, in 2001-2002 the share of the minimum wage in the minimum subsistence level made up about 40%. Only in 2010 the minimum wage amounted to minimum subsistence level for employable people, and the hourly payment for labour was set, which has allowed to assess the labour inputs of employees more fairly [2, p. 24].

Despite the fact that the minimum wage has been increasing in Ukraine we can't talk about improvement of lives of employees. The comparison with foreign countries show that the national government demonstrates its careless attitude to employees, because the guaranteed minimum income (in 2012 it amounted to 0.84 dollars per hour) does not meet the minimum nutritional requirements. According to the international organizations (UN, ILO), a salary below \$ 3 per hour gives a person a hand-to-mouth existence.

The comparison of the minimum wage in Ukraine in 2012 with the minimal wage in other countries shows that it is almost 3 times lower than in Poland, Slovakia and the Czech Republic, 9 times lower than the minimum wage in the U.S., 13 times different with the salary in France, and differs from the minimum wage in Luxembourg 16 times [3].

The tax system plays an important role in shaping the employees' income. Undoubtedly, it is an essential attribute of successful life of any state and maintaining the welfare of taxpayers depends on the state tax system. The tax on personal income has been the main tax paid by individuals from different types of income received and it has been one of the most influential factors for the economic situation in the country.

Low wages and high rates of its taxation provoke "shadowing" to a large degree. This, in turn, leads to a reduction in the budgetary income of all levels and social funds

which results in the complications to the execution by the state of its financial obligations to society and strengthening of uneven tax burden. Therefore, to solve this issue it is necessary to create conditions for the effective reform of the tax system in terms of the decline in real tax burden. Then, Ukraine will have a chance to become a serious subject of the economic competition in the global space.

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HYDROSPHERE

Hydrosphere is the unique cover of Earth. The total hydrosphere's volume makes a bit less than 1.5 billions kilometers. Ocean takes 94%, 4% goes on internal waters and 1.6% of water resources contains in glaciers. So, hydrosphere is introduced by:

- the world's ocean,
- surface freshwaters,
- groundwater.

Water is the basis of everything that surrounds us, water creates life. Humanity can survive without food for a really long time, but, it will hardly survive without water. In addition, a man itself consist of water by 80%.

Water in our organism is contained in all the systems and organs. It is contained lymph (96%) and spreads nutrients all over the organism and in blood (79%) and transfers thousands of dissolved substances needed by our organism all over the circulatory system. Water participates in all the **oxidation-reduction** reactions and clearing processes of our organism. It regulates the body temperature, wets the air for breathing, provides the delivery of nutrients and oxygen to all the body cells. [1.]

The specific hydrosphere's property is its poverty and continuity, it penetrates overall and connects all the rest spheres with itself. For example it can be contained in atmosphere like the water steam. Water has the unique chemical and physical features that helps it to react with the most of substances, for example between organisms and environment , between land and ocean.

One of the most important chemical feature is that the water is a universal solvent. It can dissolve any solid substance, even the most solid. It not only takes the form of vessel it contains, but it contains dissolved materials of this vessel. That's why nobody could get absolutely clean (chemically clean) water without adds.

Hydrosphere has the special move that makes the basis of water cycle in nature. This is the process of cycling water in geographical cover that connects all the natural

processes, provides plants, animals and humans with freshwaters. The primary planet organization is connected with water cycle. Also, we need to put attention on the fact that the water was exactly the first substance on the Earth, it became the basis of all the life, because the first organisms started developing in its unknown bowels.

Today the most global problems of humanity are connected with hydrosphere in one way or another.

This problem together with all the water resources (rivers, lakes, groundwater, seas, oceans) pollution brings the huge problem of freshwater reduction that is the important fact for the earth's inhabitants. The next problem is for the world's ocean, it's connected with saving and rational use of its space and resources. The result of active usage of ocean's resources is the many times intensified "demographical pressure" on the ocean's environment. And the waste of ocean's ecology bring the horrible backwashes for people and ocean's inhabitants.

It total, the human activity is rather ruinous for hydrosphere. The fabric wastes, garbage dumping, ship crashes that not always carry safe products. Also, we don't have to forget about ware cycle as it absorbs everything in atmosphere including smog and exhaust. And far the unknown reasons a man never think that first of all he harms himself, exactly you will drink that water, your kids will swim in chemically polluted seas, eat unhealthy fish and so on. It's time to think about that humans!

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SELECTION OF THE OPTIMAL METHODS OF INTERNATIONAL SETTLEMENTS

The modern world economy is characterized by a significant increase of internationalization, which appears in the growth of export-import operations. The process of market transformation in Ukraine, the activity of foreign domestic entities, their access to international markets for goods and services cause a comprehensive study of problems in relations between the participants of international. Therefore the most urgent issues of increasing the operations efficiency in the international markets are due to the reasonable and rational use of international payments. The choice of one of forms of settlement is up-to-date due to the fact that members of international settlements have faced with economic, political, tax and other risks.

International settlements cover trade in goods and services, non-commercial transactions, loans and capital movements between countries, including relationships associated with construction projects abroad and providing economic assistance to countries. One of the most important prerequisites for the success of international trade is the correct choice of international settlements form because it enables the participants to reduce transaction costs and extenuate the risks of counterparty default of its obligations under the contract.

To determine the effectiveness of international settlements using by domestic enterprises financial and external-economic activities were analyzed on the basis of

Public Research and Production Enterprise “Komunar”. Having analyzed the enterprise settlements with the foreign partners we saw that the company uses absolute prepayment to reduce the risks in conducting foreign operations. Financial situation of PRPE “Komunar” is unstable in spite of the efforts to keep the risk at low level. It mainly happens due to the fact that the value of resource exceeds the value of working capital and the value of long-term sources of funding. The level of receivables was significantly increased in 2011, which still has affected the company financial condition.

On the basis of the data analysis we can speculate about the ineffectiveness of monetary policy of the enterprise. Therefore practical recommendations for profitable settlements running with foreign partners were developed, which undoubtedly will enhance the enterprise competitiveness.

The basic steps to make international settlements business with contractors are the following: firstly, the policies for international settlements should be developed, aimed at effective use of the conditions, facilities and forms of settlements; secondly, the system of evaluation of the counterparty financial stability and solvency situation has to be carried out; thirdly, the system of estimation of the enterprise creditworthiness based on the data of the international credit and rating agencies also must be made up; fourthly, the main issue is to rank the customers depending on the results concerning their solvency and creditworthiness; fifthly, according to the enterprise ranks one should use the conditions and the settlement forms with the foreign partners.

If the solvency and creditworthiness level is high enough the company can use a bank transfer operations as a form of settlement. On terms of the advanced payments in the determined amount and bank transfer PRPE “Komunar” reduces the risk of non-receipt payment after sending the goods. The company is able to combine these terms and forms because Ukrainian banks have established a network of correspondent banks in many countries and exporting company is not liable for commission payment in conducting operations. The usage of the collection of payment is the most disadvantageous for PRPE “Komunar”, as far as there is no assurance that the importer actually will make the payment. Letter of credit is quite expensive and requires strict observance of all formalities of registration and submission to the bank but also the most reliable tool for payment obtaining.

Therefore to improve the financial situation and settlements in foreign trade contracts PRPE “Komunar” should abandon the current practice extortion of the absolute prepayment. The combination of different conditions and forms of settlement can significantly improve the efficiency of foreign trade transactions of the enterprise.

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VOLATILITY OF THE INTERNATIONAL RAW MATERIALS MARKETS

Over the past few years, highly unstable prices in commodities markets have put financial pressure on many producers. Between 2003 and 2008, prices for many of the raw materials used for making industrial products (such as crude oil, steel and aluminum) and consumer packaged goods (such as paper, wheat and milk) rose at double-digit rates only to fall dramatically in the following year. Some sectors have recovered while others remain depressed, but the consensus is that more volatility and uncertainty can be expected going forward [1].

Since hitting rock bottom in the autumn of 2008 and early 2009, raw material prices have regained their strength. During 2010, the three largest iron ore mining companies, Vale, Rio Tinto and BHP Billiton, forced steel suppliers away from their historic one and two year contracts into quarterly or even monthly contracts. With new pricing rules and significant consolidation of the raw material supply base, steel manufacturers will now be looking for ways to reduce their exposure to short term price volatility [2].

One of the key levers to manage price volatility is to review supply agreements with an eye toward minimizing vulnerability in the contract and the spot markets, and toward sharing price risk with the suppliers. In general, when the market for specific raw materials is expected to be "long" – that is, supply outpaces demand by more than 5-7% – it is wise to increase spot exposure to as much as 40% in annual volume needs [3].

By contrast, when the market is likely to be short, an astute buyer would significantly decrease annual spot exposure to 5-10% of yearly requirements. The smartest chemicals firms have implemented sophisticated market intelligence tools that provide an accurate and insightful assessment of supply-demand dynamics that incorporate import-export inter-flows – and they use this data to adjust their spot market exposure more rapidly than competitors [4].

In our view, the greater the volatility, the greater the potential for companies to differentiate themselves from competitors. Deloitte Consulting LLP ("Deloitte Consulting") believes that companies can turn price volatility in raw materials and finished products into a key differentiator, giving them more opportunity to reduce costs, achieve higher average profitability and expand market share. Based on their experience, an effective commodity management strategy has two fundamental characteristics: It is holistic, with a focus on managing the net exposure between the buying side and the selling side. It is based on informed insight and strong analytics. Developing and executing this type of strategy is no small undertaking, but the path is usually clear and the results can help companies in their efforts to achieve business goals and objectives [5].

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**DIE ENTWICKLUNGSSTRATEGIE DES UNTERNEHMENS ANGESICHTS
HEUTIGEN GLOBALISIERUNGSTRENDS (THYSSENKRUPP)**

Die Weltwirtschaft hat sich in den letzten zehn Jahren grundlegend verändert. Dieser Wandel setzt sich ungehindert fort. Länder rücken näher zusammen und gehen im Zuge des grenzüberschreitenden Waren-, Kapital- und Personenverkehrs immer engere Beziehungen ein.

Globale Trends wie die demografische Entwicklung, die zunehmende Urbanisierung und die Globalisierung der Waren- und Handelsströme führen zu kontinuierlicher Steigerung der weltweiten Nachfrage. Die Wirtschaftskraft vieler Schwellenländer entwickelt sich rasant. Die Welt braucht immer "mehr" an Konsum- und Investitionsgütern, Infrastruktur, Rohstoffen und Energie. Zugleich stehen der wachsenden Nachfrage Restriktionen gegenüber: die natürlichen Ressourcen sind begrenzt, und der Klimawandel ist längst Realität. Deswegen müssen Rohstoffe und Energie effizienter genutzt werden. Angesichts dieser weltwirtschaftlichen Situation müssen auch Unternehmen die der globalen Tendenzen entsprechende Entwicklungsstrategie einrichten.

Die Welt benötigt also nicht nur "mehr", sondern vor allem "bessere" Lösungen: besseren Einsatz von Ressourcen, effizientere Infrastruktur, umweltschonendere Produktionsprozesse und nachhaltigere Konsum- und Industriegüter. An dieser Meinung hält sich ThyssenKrupp AG – ein der größten deutschen Industrieunternehmen, das weltweit bekannt ist. ThyssenKrupp AG wurde 1999 in der Folge der Fusion der Friedrich Krupp AG Hoesch-Krupp mit der Thyssen AG.

Heute beschäftigt ThyssenKrupp über 150.000 Mitarbeiter in rund 80 Ländern mit Leidenschaft und hoher Kompetenz an Produktlösungen für nachhaltigen Fortschritt. Ihre Qualifikation und ihr Engagement sind die Basis für ihren Erfolg. Im Geschäftsjahr 2011/2012 erzielte ThyssenKrupp einen Umsatz von 40 Mrd €.

Innovationen und technischer Fortschritt sind für ThyssenKrupp Schlüsselfaktoren, um das globale Wachstum und den Einsatz begrenzter Ressourcen nachhaltig zu gestalten. Mit ihrer Ingenieurkompetenz in den Anwendungsfeldern "Material", "Mechanical" und "Plant" ermöglichen sie ihren Kunden, sich Vorteile im weltweiten Wettbewerb zu erarbeiten sowie innovative Produkte wirtschaftlich und ressourcenschonend herzustellen.

Um den Konzern konsequent auf diese globalen Trends auszurichten, hat ThyssenKrupp im Mai 2011 ein umfangreiches Programm zur strategischen Weiterentwicklung umgesetzt. Strategische Weiterentwicklung begründet sich auf solche 6 Säulen, wie Konzernpositionierung, Portfolio-Optimierung, Change Management, Performance – Orientierung, Stabilisierung Finanzen und Strategische Offensive.

Die Konzernpositionierung zeichnet sich als „mehr und besser“. Hier in heutiger Situation der Weltglobalisierung eröffnet ThyssenKrupp für sich enorme Zukunftschancen, denn sie können mit ihrer führenden Ingenieurkompetenz auf vielen Gebieten die Anforderungen nach "mehr" und "besser" erfüllen – in den Industrieländern wie auch in den aufstrebenden Märkten. So schaffen sie für ihre Kunden und damit auch für sich klare Wettbewerbsvorteile.

Die Portfolio-Optimierung erhielt sowie die Zusammenschlüsse mit anderen Betrieben oder Konzernen, um Vermögen zu vergrößern und festere Position zu behalten als auch die Veräußerungen der manchen Konzernen, um sich auf Kernprodukten zu spezialisieren oder negative ausländische Veränderungen in der Wirtschafts- oder Politikfeld zu vermeiden.

Neben der kontinuierlichen Portfolio – Optimierung ist das Change Management eine wesentliche Säule der strategischen Weiterentwicklung. Durch die Einführung einer Matrix – Organisation unterstützt stärkere Vernetzung der weltweiten Aktivitäten. Die Matrix – Organisation verzahnt enger Geschäfte, Funktionen und Regionen. Es gibt auch direkte und kooperative Wege der Kommunikation und Zusammenarbeit zwischen Mitarbeitern, Führungskräften und Vorstand. Da die Führungskräfte müssen in der Lage sein, Verbesserungspotenziale zu erkennen und zu nutzen.

Eine weitere Säule ist eine stärkere Performance – Optimierung. Darunter versteht man die strukturelle deutliche Verbesserung der operativen Leistungsfähigkeit.

Unter Strategische Offensive liegt bessere Koordination und Steuerung der Forschungs- und Entwicklungsmaßnahmen, damit Innovationen schneller am Markt bringen.

Daneben hat ThyssenKrupp auch die Strategische Neuordnung in der Geschäftsverwaltung durchgeführt, um sich an das veränderte wirtschaftliche Umfeld anzupassen und sich stärker als integrierter Werkstoff- und Technologiekonzern positionieren. Dafür wurde die Organisationstruktur auf zwei Divisions neu ausgerichtet.

ThyssenKrupp wird die fünf Segmente Steel, Stainless, Technologies, Elevator und Services in zwei Divisions bündeln. Die Segmente Steel, Stainless und Services wurden in einer neuen Division Materials verbunden. Die Segmente Technologies und Elevator wurden zur neuen Division Technologies zusammengeführt.

Daraus ergibt sich stärkere Konzentration auf die Geschäftstätigkeit und eine schlankere, effizientere Struktur auch in den Verwaltungen. Diese vorgenommene Veränderung kann zusätzliche nachhaltige Kosteneinsparungen von bis zu 500 Mio. € pro Jahr eintragen.

So durch die strategische Weiterentwicklung stärkt Thyssenkrupp ihre finanzielle Basis und gewinnt die nötige Flexibilität, um den heutigen Globalisierungstrends anzupassen und ihre Geschäftsaktivitäten gezielt auf die Märkte der Zukunft auszurichten.

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EU PTA – CHANGES, PROBLEMS AND NEW DIRECTION

Since 1990 the number of preferential trade agreements (PTAs) has increased very rapidly. Now there are more than 404 agreements signed between 1945 and 2009. Only twenty new agreements were notified to the WTO in 2009 and thirteen in 2010. Almost every member of the WTO is now a member of a PTA. Many countries are under more than one agreement, for example Canada is currently negotiating 12 PTAs.

In the past few years there has been an important change in the way of providing commercial policy with developing countries. The main aspect is that non-reciprocal preferences will not be applied anymore in a discriminatory way against the third countries. There are two reasons behind these changes.

First, the EU has been under constant pressure at the World Trade Organization (WTO) for its regional, preferential agreements. Article XXIV of the WTO allows

regional, discriminatory agreements – meaning Free Trade Area but only under certain conditions. This offence of the Most Favored Nation (MFN) principle is allowed only if the compromises are mutual between the parties of the agreement, which tolerates preferential agreements only if they are offered to all developing countries in equal way and with the same level of development. The second reason is the fact that other non-reciprocal agreements (Mediterranean Agreements) have failed to promote the exports of developing countries to the EU, which explains the presence of the political will for change.

The preferential market gives access to liberalization. Now it is very important to encourage the pursuit of non-discriminatory liberalization and focus on the key constraints that prevent developing countries from benefiting more from trade opportunities.

Current approaches toward PTAs with developing countries that are being pursued by the European Union (EU) are assessed in the light of these proposals. Looking at the potential sources of growth in the world during the next decades EU needs a profound change of mind and approach in its international relations because its economic weight will change and probably decline dramatically and rapidly. Its current share in the world GDP (25 percent) will have been cut by half by 2030 and by three by 2050. The cliché “the EU is the biggest global player in international trade and investment” will lose its credibility.

So EU and its PTAs can satisfy the urgent search for growth only if the EU partner fulfills these three conditions:

- it has to be big enough to have an impact on the EU economy;
- it has to be big enough in the immediate future, not in two or three decades from now, because the EU quest for growth is urgent;
- it has to have a regulatory framework good enough to induce the EU Member States to improve their own regulations, another powerful way to buttress and boost their domestic pro-reform agendas.

But reality is that the PTAs that the EU is currently negotiating do not meet these conditions. Almost all of them involve partners that might be an useful source of growth but only in a very distant future. This situation is due to an intrinsic flaw in the current EU approach: it focuses on negotiations with countries highly protected in the hope to get large preferences. The current EU PTA plan does not contribute to EU growth. EU needs to launch and conclude as quickly as possible PTA negotiations with Japan and Taiwan which are today the best EU partners for boosting EU domestic reforms and growth.

The main target for EU is to find the biggest markets partner, to have opportunity to change the EU relative prices of goods and services, that is, to deliver cheaper and more diverse products and services to the impoverished EU consumers.

And find the best regulated partner, because of that EU will be induced to improve its own regulations in order to offer to EU firms the same regulatory quality than the one supplied by its partner to its own firms. Better regulations are powerful instruments to change the relative prices of goods and services. This dimension is so important that PTAs can be seen as convenient “excuses” to make domestic reforms.

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MODERN TRENDS IN LABOR MARKET OF UKRAINE

The labor market in Ukraine is a complex system that is constantly evolving and improving. The situation on the national labor market has been formed under the influence of positive dynamics of macroeconomic indicators, which is the result of the consistent implementation measures of state regulation of employment.

However, the current state of the labor market is characterized by a number of issues that are a barrier to normal socio-economic development of the country and its individual regions. This is primarily the lack of jobs and a high proportion of jobs where working conditions are dangerous, the unequal distribution of labor resources in the state and deformation in the industrial structure and professional qualification stock.

However, despite all the problems in recent years, there are some positive changes and one of them is the increase of wages: in January-September 2012 average nominal wage per full-time employee was 2544.16 UAN, which compared with January-September 2011 increased by 15.6% [1].

One of the trends in 2012 was the increase in demand for skilled workers. Companies invested in creation of their HR- Brands, they implemented new methods of non-material motivation, contributed into the training and development of personnel, as well as focused on retention of experts, which was confirmed by the significant number of counteroffers from employers to their employees who were going to change jobs. In 2012, the companies invested in their staff, and we expect this trend to continue in 2013.

2012 didn't bring neither mass layoffs nor reduction of the number of vacancies. We didn't witness substantial increase in salaries: the average salary increased at about 5-10%, and we expect that in 2013, salaries will grow up with approximately the same speed [2].

Due to rapid development of information and communication technologies, IT specialists remain traditionally in demand. There are offers for support service workers, software developers (2/3 of vacancies) and technical directors. Salaries remain at the level of 2012: UAH 5000 for support service workers, UAH 16-18 thousand for Java-programmers, up to UAH 24 thousand for senior programmers and starting from UAH 20 thousand for technical directors.

Bankers also remain in demand, both in Kyiv and in regions. Credit managers are offered a salary starting from UAH 3000, department chief – up to UAH 6000 and banking service managers – starting from UAH 2000. There is also demand for young workers without experience – apprentice, copywriters, and secretaries [4].

The highest wages in 2012 was registered in air transport employees and financial institutions. Their salary was 2-3 times higher than the average level in economy [3]. During 2012 the amount of wage areas began to decrease. The total debt decreased in 2012 to 252.3 million. The problem of unemployment remains also very serious. In January 2013 the unemployment rate rose to 1.8%. 01.01.2013, the State Employment Service registered 564.5 thousand unemployed, while in January 2012 – 520.9 thousand [1].

Taking everything into account, we can say that the problems in the labor market do exist, but there are positive signs. Therefore, the first priority for the government of Ukraine is to develop a national employment policy that would contribute to the quality of the national workforce, overcoming regional disparities in the labor market would be significantly enhanced the demand for labor.

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PROBLEMS OF FIXED ASSETS

The organization of any business starts with the formation of logistics, lack of which makes it impossible to conduct business enterprises. Relevance of the chosen topic is conditioned by the fact that accounting of fixed assets must ensure control over the efficient use of industrial sites, equipment, machinery, vehicles and other instruments of labor. Note that the awareness of availability of labor and constant monitoring of their effective use are important in the management of production activities of each enterprise. Their well-built audit has to contribute to it.

When comparing the P (S) BU 7 "Fixed Assets" and the Tax Code of Ukraine some contradictions were revealed, namely the fact that the depreciation in accounting happens every month and the tax quarterly. According to PBU 7, p.29 depreciation should be counted monthly, beginning with the month following that in which the fixed asset was put into operation. Depreciation stops, beginning with the month following the month of assets retirement.

The cases when there are depreciation on items that can not be amortized objects on conservation; objects that need to be written off (stolen, etc.), the requirements of paragraphs 23, 29 PBU 7 are violated. As a result expenses of the period are overstated and it leads to data corruption in financial reporting. According to paragraph 23 PBU 7 fixed assets that are under construction, modernization, completion, retrofit and conservation, are not suspended depreciation.

Depreciation stops, beginning with the month following the month of disposal facility. Thus, the amount of over-accumulated depreciation should be deducted from appropriate spending.

An important issue is also the fact that fixed asset must not be completely depreciated but each of its component must be depreciated separately, as it is more correctly and efficiently.

Studying international and national experience some confusion regarding the interpretation of certain terms were revealed, for instance as economic benefit. In international standards, this term is more advanced and perfect, it is noted that there is potential for obtaining funds and its equivalents from the assets, usage. Whereas in national standards indicated that the company can benefit only in cash.

In addition, IAS 16 "Property, plant and equipment" does not indicate that objects can not be revalued, while in P (S) 7 "Fixed" indicates that low-value non-current assets and holdings if their depreciation value calculated in the first month of use of the facility at 50% its value, which is amortized and the remaining 50% of the cost, which is amortized in the month of assets withdrawal (the cancellation of the balance) due to non-recognition criteria for an asset or in the first months of use on 100% of the facility.

Analysis of typical business transactions on accounting for assets held for sale. Under the plan accounts for this purpose through 286 "Non-current assets and disposal groups held for sale", but it is a part of the account 28 "Goods", which is used to account for current assets. So we display data assets using account 109 "Other fixed assets".

False statement is the fact that during markdowns or revaluation should reassess the whole group of similar items of property. It may not be rational, so cost of reassessment may not be significant in the background of the whole group. Moreover, reappraisal inappropriate display as income or expense in the period in which there was overestimation. So the fact of the revaluation is necessary to determine the real value of the object, rather than to determine the income / expenditure.

Furthermore, a contradiction was found in the principles of calculation and compliance of income and expenditure. Canceled fixed assets identified during the inventory can not be recognized as income on previously written-off assets and other income of normal activities. Therefore, in our opinion, canceled facilities and equipment in inventory that had previously not been taken into account should be transferred to the balance at fair value with increasing capital investment and equity.

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THE SITUATION ON THE MEDICAL SERVICES' MARKET IN UKRAINE

Health – is the most important component of the social sphere, one of the main factors of national security, which determines the life of society. Therefore, the reform of the health care industry today has received considerable attention. At the same time, due to the deterioration of the environmental situation, the crisis in the economy and the low-life health status deteriorates. Deterioration contributes to reducing the number of doctors and the wear out of the material and technical base of medical institutions.

According to official data of the Ministry of Health public health of Ukraine for the past ten years, has deteriorated significantly. Today the population is suffering from the combined action of the economic, environmental and demographic crisis. Over the past ten years, the population of Ukraine has decreased by 7.7%, while at the same time greatly increased incidence of disease in most categories'. Life expectancy in Ukraine is 11 years less than in the EU.

It is due to the health crisis. The number of medical personnel has significantly decreased over the last decade. According to Ministry of Health staff deficit reached 14.2 thousand nurses and 16.8 thousand doctors. Medical doctors at the end of 2011 were 27.1 per 10 thousand population, which is lower than the average level of 33 per 10 thousand people. According to representatives of the Health Ministry, the shortage of personnel in Ukraine is due to low wages. So in 2010, the average wages of doctors according to official data were about \$ 350 a month. Determining the exact capacity of the medical services in Ukraine is impossible because of the large share of the shadow economy in the market. According to the former Minister of Health Nikolai Polishchuk , the profit of unofficial health agencies providing services exceeds 20 billion USD.

Although, according to independent research, capacity of the market according to Goskomstat is significantly undervalued. So according to the research company, GFK-USM and Comcon Ukraine (annual research style of living), the market of medical services are estimated at \$ 5 billion. According to the Ministry of Health, each year about 15 million

people are in need of emergency medical care services. Every year the number of persons assisted by teams SMP is about 13.8 million, representing approximately 97.6% of the need. This situation is due to the low level of technical support of ambulances. Equipment worn-out is 80 – 90% for today. In Ukraine, the rules of SMP machines were no norms are accepted and used in the USSR, according to which one machine should fall by 20 thousand people. On average, each year there are 300 calls to emergency services per 1000 people.

The large capacity of the market led to the development of competition in it. During 2010, the number of granted licenses for medical services increased by 2.2 million units. For the provision of outpatient services in total in Ukraine were issued 1,500 licenses. According to market operators, most private health care generalists concentrated in Kiev variously estimated the number of private clinics in Kiev from 500 to 1000 institutions in various fields (many specialized clinics, specialist clinics, diagnostic centers, companies that do not have their own offices', and provide some medical services). The largest share of the market is the clinic "Medic", "Dobrobut", "Biofarmtekhn", Eurolab and "American Medical Center".

According to the State Statistics Committee of "self-population health status and level of access to health care in 2010," 45.5% of the population assessed their health as satisfactory, 11.8% rated their health as poor. During 2010, 96% of households in Ukraine, any member of the household needed medical care. More than 32.2 million people in 2010 had the disease and had to go to the doctor. Among the respondents who had hospital treatment, only 6.0% had no problems, 89.8% of respondents had to pay for drugs, 61.4% – linen, 77.3% – food. 35.4 million people had to take medical care in 2010 (in 2009 – 35.3 million).

Thus, most of the population of Ukraine isn't satisfied with the quality of service in public health facilities and is ready to provide a preference to private institutions. And almost all of the citizens do not believe in free medicine and, according to various studies, the average citizen of Ukraine spends 100 to \$ 400 per a year on health care.

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**UKRAINE'S PRIORITIES IN DEVELOPING INNOVATION
IN THE CONTEXT OF EURO INTEGRATIVE PROCESSES**

Relevance of innovation model of economic development of countries determined skyrocketing influence information security innovation, technological progress and development of innovative market environment. Thanks to radical innovations that have a high potential market penetration, entrepreneurs receive additional income, which is directed not only to develop their own business and meet increasingly high demands, as well as the introduction and use of innovations in different sectors of activity. Therefore, the desire and the real action entities are key to economic development – sustainable balanced quantitative and qualitative changes that lead to improvement of socio-economic and political situation in the country. But such a transformation is ambiguously assessed by general public as they created a number of problems (environmental degradation, worsening demographic situation and food, increased differentiation of the population by the level and quality of life), without the solution to which, it is not only impossible to further economic growth, but also significantly increases the likelihood of a

global crisis. Given such economic problems and financial risks in the state innovation policy chief importance is the implementation of an effective model of innovation development of Ukraine.

To achieve a desired purpose, as a system of priorities of the country's innovation development should be set, namely to:

- restructure Ukraine's economy on the basis of technological renovation in accordance with its internal requirements and the requirements of development of partner countries, primarily in the EU, to enhance the competitiveness of the domestic economy and find its own technological niche in the system of international economic relations;
- speed up international lending and investing in both joint innovation projects and those executed by national project developers for account of foreign financial institutions and also for account of combined sources of financing.

The integration of Ukraine's technological priorities into the world scientific-technological space and the harmonization of institutional regulators, their structure, substance and instruments of technological cooperation – legal, IT, organizational, managerial – and the evolution of Ukraine's state technological and innovation policy will facilitate the choice of international cooperation on a bilateral and multilateral basis.

As a general conclusion, it should be pointed out that the growth of Ukraine's innovation potential is an imperative condition for the implementation of a consistent policy of Eurointegration. The objective stimulus of deepening the integration processes between the countries of Central Europe and Ukraine requires adequate institutional reforms. There is an urgent need to assimilate the model of innovation development, introduce on its basis industrial systems of manufacturing, overcome the deep differentiation in the population's incomes, and ensure advancing economic growth rates.

To the institutional conditions of bringing into accord the national interests of the participants in the Eurointegration process concerning innovation, the following should be referred: alignment of Ukraine's legislation with EU legislation; precise determination of functions, powers and obligations of government agencies; all-round support of elements of an effectual innovation system and elaboration of actions to promote its entry into the EU markets.

Synchronization of the pace and quality of economic growth should be the priority condition of speeding up the Eurointegration process in the area of scientific, technological and innovation activity.

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THE PROBLEM OF POVERTY AMONG THE CHILDREN IN THE EUROPEAN COUNTRIES

It is believed that the EU does not have any problems in the area of social security. But every year we see the fall of the standard of living and growth of poverty in European countries. The relevance of this paper is to demonstrate the position of children in society and their social status, and the problems that arise on this basis. Children were the age group at the highest risk of poverty or social exclusion in 2011. Children growing up in poverty and social exclusion are less likely to do well in school, enjoy good health and realize their full potential later in life.

In 2011, 27.0 % of children (aged 0-17) in the EU-27 were at risk of poverty or social exclusion (AROE), compared to 24.3 % of adults (18-64) and 20.5 % of the

elderly. As far as types of households with dependent children are concerned, single parents and large households (two adults with three or more dependent children and three adults or more with dependent children) were at the highest risk of poverty or social exclusion with rates of 49.8 %, 30.8 % and 28.4 % respectively. With regard to children living in vulnerable situations, children with at least one migrant parent were at a greater risk of poverty than children whose parents were native born. As regards living conditions, 18.4% of single parent households were severely materially deprived compared to, on average, 9.6% of households with dependent children.

The AROPE indicator is defined as the share of the population in at least one of the following three conditions: 1) at risk of poverty, meaning below the poverty threshold, 2) in a situation of severe material deprivation, 3) living in a household with a very low work intensity [1].

Table 1. Population at risk of poverty or social exclusion by age group (%), 2011[2]

	18	18-64	64	Total
EU-27	27.0	24.3	20.5	24.2
BE	23.3	20.0	21.6	21.0
BG	51.8	45.2	61.1	49.1
CZ	20.0	15.1	10.7	15.3
DK	16.0	20.5	16.6	18.9
DE	19.9	21.3	15.3	19.9
EE	24.8	24.2	17.0	23.1
IE	37.6	29.7	12.9	29.9
El	30.4	31.6	22.3	27.0
ES	30.6	27.2	11.5	19.3
FR	23.0	20.1	24.2	28.2
IT	32.3	28.4	40.4	23.5
CY	21.8	20.8	33.2	40.1
LV	43.6	40.9	33.5	33.4
LT	33.4	33.6	4.8	16.8
LU	21.7	17.6	18.0	31.0
HU	39.6	31.7	21.5	21.4
MT	25.8	20.1	6.9	15.7
NL	18.0	17.0	17.1	16.9
AT	19.2	16.2	24.7	27.2
PL	29.8	27.0	24.5	24.4
PT	28.6	23.2	35.3	40.3
RO	49.1	39.0	24.3	19.3
SI	17.3	18.7	14.5	20.6
SK	26.0	20.6	19.8	17.9
FL	16.1	18.0	18.6	16.1
SE	15.9	15.4	22.7	22.7
UK	26.9	21.4	4..5	13.7
IS	16.6	14.3	11.4	14.6
NO	13.0	15.9	28.3	17.2
CH	18.9	13.9	34.0	32.7
HR	32.2	32.5	23.5	22.6

Regarding the overall situation in 2011 (Table 1), the share of children living in a household at risk of poverty or social exclusion ranged from 16-18% in the Nordic countries, Slovenia and the Netherlands from 40-52% in Hungary, Latvia, Romania and Bulgaria.

The AROPE rates differ for different age groups. Table 1 shows the rates for some population age groups. In 2011, 27.0% of children (aged 0-17) in the EU-27 were at risk of poverty or social exclusion compared to 24.3% of adults (18-64) and 20.5% of the elderly (65 or over). Thus, children were the population age group at the highest risk of poverty or social exclusion. This was the situation in most Member States. There were some exceptions such as Bulgaria, Cyprus, Slovenia, Finland and Sweden where the elderly were most at risk. In Denmark, Germany, Greece and Lithuania, adults were the population age group with the highest risk. However, despite the fact that the elderly and adults respectively had the highest AROPE rates of these two groups of countries, child poverty still ranked second highest in nearly all of them.

The main factors affecting child poverty, after taking account of the effect of social transfers in reducing child poverty, are the composition of the household in which the children live and the labour market situation of their parents, linked also to their level of education. There are also more vulnerable groups of children, such as those with migrant parents, that deserve particular attention. Family structure has a significant effect on the total household disposable income. In fact, different types of households have different at-risk-of-poverty profiles. Dependent children in single parent families have a much higher risk of living in poverty than dependent children in two adult families. Indeed, around half (49.8%) of single parent households with dependent children were at risk of poverty or social exclusion, compared to only about two in every ten (19.3%) of households with two adults and two dependent children. However, as a household increases in size the AROPE rate also tends to rise. This is particularly significant for large households with dependent children. Labour is the most important source of income for most households and thus has an impact on the at-risk-of-poverty rate, i.e. the share of people below the poverty threshold. However, not only jobless households are at risk of poverty. Therefore, to assess the relationship between employment and risk of poverty at household level, the concept of work intensity is used. Work intensity reflects how many working age adults in a household were employed in relation to their total work potential in a year. Education affects the type of job an individual can access. Indeed, the risk of poverty rises as the level of education diminishes. In the EU-27 in 2011, nearly 50% of children (aged 0-17) living in households in which the highest level of education attained by the parents living in the same household was lower secondary level (0-2 ISCED) were at risk of poverty. This effect remains even after controlling for family structure and the work intensity of the household. The risk of poverty increased by over 41.0 pp for households with low levels of education compared to households with a high level of education (5-6 ISCED). Migrant background also matters. In fact, children with a migrant background tend to be more exposed to poverty than the total child population. Overall, in 2011, children (aged 0-17) with at least one foreign born parent were at a greater risk of poverty (+13.0 % higher) than children with native- born parents. Indicators of material deprivation provide a complementary view of children's well-being and living conditions.

The severe material deprivation rate represents the share of children who live in households with the lack of certain items at household level. In 2011, children (aged 0-17) in the EU-27 also had the highest rate (10.0 %) of severe material deprivation, higher than adults (8.9 %) and the elderly (7.2 %). Regarding food items, 34.5 % of children in

Bulgaria did not eat fresh fruit and vegetables once a day as these items could not be afforded. The situation was similar in Romania (23.8 %), Hungary (17.2 %) and Latvia (15.4 %). Similarly, in Bulgaria and Romania, around 30 % of children did not eat one meal with meat, chicken or fish or vegetarian equivalent (proteins) per day because the household could not afford it. For both items, in the EU-27, the average share was about 4.0-5.0 %. Regarding clothes and shoes items, Bulgaria, had the highest share of deprivation: 35 % of children in Bulgaria did not have new clothes because the household could not afford them. Overall, in the EU-27, 5.9 % of children were deprived in this dimension. This is the item that was lacking the most out of the four items presented across countries. More than 20 % of children in Romania (25.2 %), Latvia (24.5 %) and Hungary (21.8 %), and 13 % or more of children in Portugal, Slovakia and Lithuania did not have new clothes because the household could not afford them. Finally, 44.3 % of children in Bulgaria suffered from an enforced lack of two pair of properly fitting shoes (including a pair of all weather shoes). However, in 18 of the Member States, the share was below 4.0 %.[3]

Children are our future and it is our purpose to give them the most comfortable conditions for their development and to block them off from any social exclusions. Reliable measurement of different aspects of the children poverty and inequality give the opportunity of the analysis of data and the chance to understand, why children's poverty still exists. Reliable data on children's poverty and inequality can display a vivid picture of these children's deprivations, and also can explain their reasons and depth. It will allow to draw public attention and influential politicians, to consider it in national plans of development and strategies of poverty reduction so that they provided the rights of children and made progress concerning achievement of the objectives of development of the UN Millennium Declaration, especially in those areas where the progress is necessary most of all.

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LA LOGISTIQUE DE L'UKRAINE: UN REGARD CONTEMPORAIN ET UNE ÉVOLUTION PRÉVUE

Le concept de la logistique qui vient de la terminologie militaire de l'Empire byzantin a été mentionné dans le IX siècle. Il a été utilisé dans l'économie et l'organisation de la production dans les années 50 aux États-Unis. Depuis l'objet de logistique subit des changements permanents qui peuvent être divisés en trois phases du développement.

Première phase du développement est caractérisée par une compréhension fonctionnelle de la logistique. En ce sens, la logistique est la concentration sur le stockage et le transport des marchandises qui permet d'obtenir les avantages grâce à la spécialisation.

La deuxième phase du développement de la logistique en tant que la discipline scientifique peut être considérée comme une réponse à la spécialisation fonctionnelle et la nécessité de surmonter les barrières entre les processus particuliers. A ce stade la logistique est interprétée (et souvent interprétée aujourd'hui) comme la fonction de coordination, conçue pour atteindre une efficacité et une économie du flux de marchandises et de matériaux.

La troisième phase dont la survenance est au milieu des années 90 était le résultat des nouvelles exigences du marché mondial, et se représente une nouvelle approche de la logistique proposée par certaines grandes écoles en Allemagne et aux États-Unis.

Aujourd'hui avec une certitude raisonnable on peut prédire les grandes tendances du développement de la logistique en Ukraine. Cela est à cause de ce que nous ne faisons que répéter la voie qui a passé cette science et la sphère de l'activité professionnelle à l'étranger et les prévisions de leur développement futur.

- une augmentation significative du volume du commerce mondial conduira aux courants de circulation mondiaux et régionaux, c'est à savoir la croissance des services de logistique;

- réduction des cycles de produit nécessite de réduire le temps pour créer un nouveau produit et de le lancer sur le marché. Ce qui accélère la circulation des marchandises et l'intensification des nombreuses opérations logistiques .

Ces prévisions détermineront l'orientation à long terme du développement de la logistique en Ukraine.

Sous réserve du développement de logistique on peut choisir les directions les plus perspectives:

- le développement de logistique de contact, de projets c'est-à-dire la formation de la stratégie et de la tactique des services de logistique pour les clients corporatifs;

- la prestation des ensembles spécialisés de services logistiques tels que le développement de la flash-logistique, de la logistique "froide", de la logistique automobile, de la logistique agricoles, pharmaceutique etc.;

- la formation du soutien intégré logistique du cycle de produits, ce qui est particulièrement important pour les produits de haute technologie et des produits à un cycle court comme le matériel informatique, les téléphones portables etc.;

- IT-soutenir des processus logistiques notamment la possibilité d'obtenir la totalité de l'information à temps sur l'emplacement des marchandises dans la chaîne d'approvisionnement;

- dans la production c'est le développement de la «logistique économe», c'est-à-dire l'introduction des méthodes de la «production économe» et «six sigmas» afin d'identifier les sources de gaspillage des ressources au processus des opérations logistiques et les conserver.

En dépit de la crise pour l'économie de l'Ukraine l'activité dans le domaine de la logistique continue. Beaucoup de spécialistes dans le domaine de la logistique évaluent une situation en rendant compte que la crise n'a pas court-circuité tout le monde, ses conséquences se feront sentir pendant une longue période. D'autre part la crise économique est devenue une impulsion puissante dans le développement de la logistique en Ukraine. Beaucoup sont intéressés par les perspectives et les tendances de son développement. Les professionnels comprennent bien qu'il ne suffit pas d'utiliser des outils prêts de la logistique. Il est nécessaire d'aborder le développement des outils prédictifs car la technologie logistique comme toute la technologie vieillisse et devient de plus en plus cher.

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MAIN TRENDS IN THE RETAIL SECTOR

Supranational factors have the powerful influence on the development of the retail trade in the CIS countries, particularly in Ukraine. They determine the nature of future changes in the structure of retail network and therefore require careful study. This is due to the lack of correspondence of the retail trade development stages in the countries with developed market economies and the CIS countries, as well as very dynamic changes that accompany the formation of business environment and distribution of competitive forces in favor of trading networks of various types. Other factors also have the significant impact on retail trade, namely the consequences of the global financial crisis that fundamentally alter the nature of the competitive behavior of large companies, making decision-making about the future development more deliberate and careful. The world's largest retailers prefer such types of stores as supermarkets (98%), specialty stores (88%) and hypermarkets (73%).

Some countries gave a rise to certain types of shops. The "historic homeland" of hypermarkets is France, the country where discounters originated is Germany, and the USA is the birthplace of supermarkets.

The development of different types of stores in a particular country or region is affected by the following main factors: 1) investment climate in the country or the region; 2) standard of living; 3) climatic conditions; 4) level of local infrastructure; 5) mentality and special attitudes to the process of acquiring goods, traditions of goods consumption. All these factors effect differently, as the influence may vary in its strength. However, there are some patterns in retail development. The main ones are as follows:

– The higher the income level of the population is, the more preference is given to the traditional (for this market) types of stores. This is proven by the consumer behavior in Germany where people prefer a traditional for this market type of store, i.e. discounters;

– The more differences there are in mental characteristics of the population, the smaller market share well-known international corporate retail chains have in the country. These are the cultural barriers that are the biggest obstacle they have to opening the traditional types and formats of their stores without making major changes in the organization of their trade process and production methods. Japan is a good example here: the penetration of this market requires flexibility in the trade network behavior that is reflected in investment volumes.

– The more differences there are in the climatic conditions of the country, the more complex the logistic schemes of delivery are, the lower place international corporate retail chains have in the country.

Among the current key trends, which manifest themselves on the global retail market, are the following: 1) increase in investment activities of companies from developing countries; 2) weakening of the U.S. influence on the global consumer market; 3) increased focus on Asian markets; 4) increasing interest in the combination of the store and nonstore forms of trading; 5) finding new niches in the market; 6).increase in the investment of leading companies in the service sector.

The competition of major commercial networks in recent years has mainly been of the price nature. The companies that are able to differentiate their offer not only by the price of goods, but also by finding new niches in the market, by introducing non-standard

formats of the well-known types of stores, by product range expanding will be successful in the future.

In saturated developed markets of retail trade, the slow growth and the rise in spending on services are characteristic features and carry both opportunities and threats. Retail companies that can successfully sell the related services or use the popularity of their own brands can increase their growth rate by increasing their share in consumer spending. Some retailers are already using this advantage.

It is very interesting to note that in some markets online shops were able to win some market share against the fixed retail trade enterprises. In the future, retailers will concentrate their efforts on expanding their activity, focusing on different channels of sale of goods and use Web sites not only for sales but also to create brand awareness, keep the customers informed about a variety of special programs, invite buyers to a dialogue and establish feedback. The convergence of these two channels will be the main task of retailers over the coming years.

The changes in consumer behavior have had the crucial influence on the development of the global retail trade of foodstuffs. In particular, there is a growing consumer demand for healthy products and services, increasing requirements for the quality of service in stores. It should be noted that the nature of retail trade development in developed market economies differs slightly from that in emerging economies.

The key trends for the retail trade markets that sell foodstuffs in the developed countries in recent years are as follows: 1) increase in the supply of nonfoods in supermarkets and improvement of service; 2) combining characteristics of different types of stores and new store formats; 3) increased attention to discounters due to the aggravation of price competition in the market.

The nature of the key trends in the retail food trade markets in developing countries is different. The increasing urbanization of consumers there is increasing the demand for supermarkets, hypermarkets and discounters; liberalization of market regulation leads to an increase in foreign investment. Thus, in the coming years the retail trade market will remain one of the most promising areas for investment.

Among the forecast trends in the global retail food trade by 2015 the following main points can be singled out: 1) continued dominance of leading companies of the rating of the largest retail chains in the global retail market; 2) increased attention to service and differentiation of their offers by trading networks; 3) increased attention to and widespread use of Internet commerce; 4) further convergence of characteristics of different types of shops in the markets of developed countries; 5) development of major types of shops in the markets of developing countries.

The forecast trends in general mean the continuing trend of the dominance of leading companies in the world, the search and use by them of various tools and means to maintain their position in the highly competitive retail market.

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**STRATEGIC PLANNING AND MANAGEMENT
OF ENTERPRISE PROFITS**

Under rapid development of market economy, the role and place of profit in the economic process is continuously growing. It is the main stimulus of conduct of economic activity and it covers interests of all the entities involved in this activity,

namely: businessmen, personnel of enterprise and state. Providing dynamics of steady development of an enterprise is determined by its possibility to carry out financing of reproductive process on the extended basis. For this purpose, it is necessary first of all, to get the profit of certain size and quality that provides extended recreation of an enterprise.

The matters of strategic management of a profit are actively discussed in home and foreign scientific literature. Its separate aspects in details are highlight in scientific works of I. T. Balabanova, A. M. Bandura, G. G. Kireytsev, I. Blanka, S. Baranceva, L. Ligonenko, A. Mazaraki, A. Podderohina, N. Ushakov, N. Chumachenko, A. Sheremet.

Strategic management of enterprise profits means the process of the strategic changes directed to reorientation of operating strategy of management of enterprise profits taking into account conformity of its internal possibilities with environmental conditions.

The primary purpose of enterprise functioning is the guarantee of cost-effective work and making a profit. A profit is the reward; an enterprise gets for the risk that takes place in case of its offer for product sale. It is the money left after total costs are deducted from the total enterprise revenue.

One of the most difficult tasks in the enterprise is the optimal profit management. This policy is called to represent the requirements of general strategy of enterprise development, provide increase of its value at the market, form the necessary volume of financial resources and satisfy material interests of owners and staff.

To increase effectiveness of enterprise activity it is necessary to form effective profit control system that is seen as essence of interrelated elements, each of which performs a specific operation. Their joint activity provides a mechanism to make a profit of a given value. This system must be divided into six main blocks: purpose, principles and objectives of management, management mechanism, organizational support, informational support, methods of analyzing profit, monitoring the implementation of planning profit.

The structure of mechanism of enterprise profit management involves the market mechanism for regulating the formation and disposition the profits, state laws and regulation of the formation issues and allocation of profits, internal mechanism of the regulation of certain formation, distribution and disposition of profit, the system of specific methods and techniques of profit management implementation.

Strategy of enterprise profit management is the sum total of interconnected functionally organized unit related to specific tasks, as well as a set of financial and mathematical methods that form methodological base of coordination of model's blocks. In its turn, the method of enterprise profit management can be defined as the following: method of management of an economic entity, totality of specific techniques, technologies, methods and ways of grounding managerial financial solution on formation of costs and profit, and also forms of their implementation to ensure an acceptable level of profitability of financial and economic activity of such economic entity.

The development of strategy of enterprise profit management is based on one of the basic strategies taking into account the period of its life cycle. For the period of the basic strategy rise is the strategy of growth. As a strategy of profit management is recommended achievement activities, providing minimum level of profitability and achieving target profit. During the period of stabilizing it is suggested to apply the strategy of rate's maintenance of profit increase taking into account inflation. Development of this strategy includes sustainable profitability. The recession period requires stable positions in the

market. Under such conditions, at presence of base strategy of enterprises survival it is recommended to apply one of the strategies of profit management: the strategy of insurance once of a minimum profitability level or strategy of break-even of activity.

So, the most important indicator of the resulting economic enterprise is profit, which reflects the performance. Find replenishment, material encouragements of workers, tax payment depend on an earned profit. Availability of profit indicates that the company's costs are covered by its revenues primarily from the sale of goods and services. The aim of every enterprise's activity is to make profits and income, which in the conditions of market economy present basis of economic development. Nowadays there are changes that influence on approaches to enterprise a management. These changes play a new role of profit for enterprise activity. For effective management of an enterprise on the whole and such important index, as profit, in particular, it's necessary to improve of existent tools.

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IMPACT OF THE CRISIS ON MONETARY POLICY

In the aftermath of the financial crisis of 2008 and 2009 there has been a lively debate about what caused the crisis and how the risks of future crises can be reduced. There is also a lively debate about the future of monetary policy, whether it needs to be modified in the light of the crisis, and what its relation to financial stability should be.

The simplest way to address the exchange rate dominance problem would be to allow for greater exchange rate flexibility. Of course, this does not, and should not, rule out interventions to limit excessive exchange rate volatility [1].

After the beginning of the financial and economic crisis, the question of what central banks could contribute to financial stability became more important. In the previous years, the view had become established that monetary policy served financial stability best by focusing on price stability. This was linked to the widespread opinion that monetary policy should not "lean" against a growing bubble on the equity or real estate markets. It should wait until the bubble had burst before intervening and cleaning up. The "lean or clean" question was reassessed as a result of the financial crisis. The damage caused when a bubble bursts can be so enormous that it is not easily remedied using monetary policy instruments.

To simplify things somewhat, two ways in which central banks can attempt to make a more substantial contribution to financial stability can be distinguished. The first is to steer monetary policy decisions more strongly in the direction of financial stability. The argument against this is the danger of overburdening monetary policy. One lesson from the years of the Great Inflation was that the overall result is not improved when monetary policy tries to achieve too many goals simultaneously. The credibility and success of monetary policy will inevitably suffer as a result. For this reason, the second option has much in its favour. This is to supplement the central banks' instruments in such a way that – alongside the maintenance of price stability – central banks can also make a greater contribution to financial stability than they have done in the past [2].

Given that bubbles are relevant to the extent that they may weaken the financial system, it is better to use regulatory and supervisory tools to target the source of problems. Moreover, the scope of a new central bank paradigm should be viewed with

caution, especially if it implies the underestimation of the contribution of price stability to financial stability. Also, the risks associated with the unprecedented monetary measures undertaken by the central banks of developed nations to offset the consequences of the crisis include the threat of protectionism, something that should by all means be avoided [3].

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IMPLEMENTATION OF BUSINESS REFORMS IS THE WAY TO DO BUSINESS IN UKRAINE EASILY

Ukraine is a country of great opportunities and immense potential but now it is in a difficult economic situation due to the high level of country-risk, unstable political situation, the state of economy and the imperfection of the legal field. To remedy this situation, the state must adopt a set of measures of regulatory type urgently and implement appropriate reforms at a pace that could allow it to go up against other countries. The information base for this research was chosen from the report «Doing Business» (DB) which is published annually by the World Bank.

The main purpose of this work is to identify recently accepted reforms in business that marked a positive outcome for the business environment in Ukraine and to provide a number of countries, which experience should be taken into account in the relevant areas of business for the future of our country.

Exploring the report «Doing Business 2013», in which the conditions for entrepreneurship on ten different indicators for the period from June 2011 to June 2012 were analyzed, we should note that Ukraine has taken 137 position among 185 countries [2, p. 3] (in 2008 – 144 [1, p. 6]). This suggests that the reforms that have been conducting in the country since 2009 finally began to work for the country but not in spite of its foreign policy and economic commitment. However, we need to figure out exactly what reforms contributed to facilitate doing business in Ukraine.

According to the report «Doing Business 2013» they are: *registration of business*: the simplification business registration process took place by eliminating the minimum

requirements to the capital size of the company, as well as the requirement to the notarized statutory documents; *payment of taxes*: the process of paying taxes became easier through the implementation of electronic filing and payment for the medium and large enterprises; *registration property*: the process of transferring property became faster due to the introduction of the effective term of the transfer of processing applications to the land registry in Kiev [6].

However, taking into account the data of three reports «Doing Business» (DB2011, DB2012 and DB2013), we can analyze some dynamic of influence of accepted business reforms on Ukraine's position in the list of countries for each indicator of business conditions (Table 1) [2, p. 3; 3, p. 2; 4, p. 8; 5, p. 8].

Table 1. Ukraine's position considering the indicators of doing business' conditions

Indicator	Place in the ranking			Best representative (DB2013)
	among 183 countries of the world		among 185 countries	
	DB2011	DB2012	DB2013	
Business Registration	118	112	50	New Zealand
Obtaining building permits	179	180	183	Hong Kong, China
Electricity	...	169	166	Iceland
Registering Property	164	166	149	Georgia
Getting Credit	32	24	23	UK
Protecting Investors	109	111	117	New Zealand
Paying taxes	181	181	165	United Arab Emirates
Terms of international trade	139	140	145	Singapore
Enforcing contracts	43	44	42	Luxembourg
Liquidation of companies	150	156	157	Japan

Table 1 represents the list of the countries that occupy the first positions on the relevant indicator of business conditions and Ukraine should refer to them in order to achieve positive results in business due to the fact that these countries in the rating «Doing business» occupy the following positions: New Zealand (3), Hong Kong, China (2), Iceland (14), Georgia (9), United Kingdom (7), United Arab Emirates (26), Singapore (1), Luxembourg (56) and Japan (24) [2, p. 3]. Although some of these countries are not even in TOP-10, nevertheless they are as a model for Ukraine, and their experiences should be adopted and implemented in our country.

Conclusions. Finally, the accepted business reforms in Ukraine began to work and bring good results for business. As we can see our country takes 137 place in the report «Doing Business 2013» and this result isn't the worst position among 185 countries. Concerning the rating of the countries for each component of the business environmental conditions we can see Ukraine has shown good results thanks to these reforms including

such indicators as: business registration, registering property, getting credit, paying taxes and enforcing contracts. But our government should move on. At present reforms in coordination of construction, energy, protection investors, export-import operations and liquidation are important for Ukraine. The main task is also not to lose positions that our country has, implementing certain business reforms year by year to obtain relevant results. To reach a goal it is important for Ukraine to consider the experience of the leading countries in the rating «Doing business» and the best representatives of each indicator in entrepreneurship in order to not to waste its achievements and not to do those mistakes in conducting business reforms that were made by other countries in the world.

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GLOBAL YOUTH UNEMPLOYMENT

Almost 75 million young people are out of work nowadays. High youth unemployment is one of the biggest problems confronting societies around the world – but do we really know how bad the situation is?

The statistics are terrifying – the United Nations' International Labour Organization (ILO) estimates that close to 75 million 15 to 24-year-olds around the world are out of work. But how accurate is this number?

All unemployment rates – including youth unemployment – are calculated as percentages not of the total population, but of something called the "economically active population". 75 million or 12.6% of young people are unemployed worldwide. 7.5 million are not in education or training. Youth unemployment is the highest in North Africa – 27.9% and the lowest in East Asia – 9%. It is defined as the employed plus the unemployed – but that leaves a huge number of other people out of the calculation.

This is because most countries calculate their unemployment rates by carrying out regular labour force surveys which ask people a series of questions which help place them into one of three categories: employed, unemployed, economically inactive.

The unemployment rate is calculated by dividing the number of unemployed people by the number of economically active people, which includes both employed and unemployed people.

The more young people who choose to stay in education, the bigger the pool of economically **inactive** young people grows – while the pool of young people who are economically **active** shrinks.

Any increase in the proportion of young people who decide to delay entering the labour market and keep studying – and remain economically inactive – has the effect of increasing unemployment figures because the number by which the unemployed population gets divided by shrinks. But importantly, the overall number of young people stays the same.

So, as more and more young adults choose to stay in education, the economically active population – the denominator used to calculate the unemployment rate – reduces, and appears to drive up unemployment.

As a result youth unemployment rates can distort the picture of how bad the job prospects are for a country's young people.

In the developing world, where it is not so easy to stay in full-time education and there is not the same level of unemployment benefits to fall back on, young people are often forced to take any work that is available, which can be poorly paid and sporadic.

Unemployment is undoubtedly a huge obstacle confronting millions of young people across the globe. But there is huge difficulty in comparing national data, which is often inconsistent, incomplete or simply unavailable. This problem is compounded by the distorting effect of large numbers of young people remaining in education and so a degree of caution should be exercised when quoting unemployment rates.

The level of youth unemployment increases in Ukraine. Before the crisis, it was 7.7 percent, in 2011 it rose to almost 20%. Problem is the system of training. It does not meet the requirements of the market and employers. In Ukraine there are plenty of economists and lawyers. But there are very few manual workers. In addition, we annually produce more than twice as many specialists with higher education than workers.

In Ukraine, in February the unemployment rate rose by 0.1 % – to 2.1%. Youth unemployment in January 2013 was 19%. By 2017 this figure is expected to decrease to 13%. More than 40% of the unemployed are young people under 35.

In my opinion the government should pay more attention to the problem of unemployment in our country and take effective measures to tackle it.

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FINANCIAL MARKET PROSPECTS IN UKRAINE

The development and establishment of Ukraine's financial market is a prerequisite for the development of other sectors of the state economy. Developed non-bank credit institutions, a well-functioning insurance market, pension funds and other financial institutions to promote stable and predictable development of all economic processes in a society. Accumulating large amounts of cash, financial institutions are a powerful source of investment in the economy that is developing dynamically.

The leading domestic and foreign experts in this field are: TV Galenko, V. Hembala, AP Kovalev, A. Mertens, BB Scar, etc.

The relevance of this trend study is due to several reasons. Firstly, the need for effective, in practical terms, recommendations for the further development and establishment of the Ukrainian financial market. Second, insufficient attention in the science at our country is paid to the theoretical development of a legal nature relating to the regulation of financial markets.

It should be noted that the financial market is a vital foundation for growth, development and stability of the national economy. Formation and development of the financial market have to become key elements of a strong economic environment that will support corporate initiatives, provide the real economy financing by means of investment, payment and capital redistribution. As a catalyst for the economic growth, financial markets will significantly affect the sovereignty of the state and the implementation of its national interests in globalization processes.

Under the global integration of financial service markets an extremely important task for each country is to ensure the functioning of a competitive financial service market. The lack of consistent legislation, effective management principles and control of the activities of non-bank financial institutions is one of the serious problems of the financial sector in general. Gaps in current non-bank financial institution laws and inadequate regulation and supervision of non-bank financial institution also hinder effective implementation of government policies aimed at improving the social security system, including the effective implementation of health and pension reforms.

Ukraine has already taken important steps towards strategic analysis and prediction of development of certain financial institutions. But we should apply a holistic long-term strategy to develop a financial sector.

The main aim of this strategy should be:

- creation of an effective system of regulation and supervision of non-bank financial institutions, including those types which don't have clear and full legislation and regulatory authority and supervision bodies;

- creation of consistent legislation and a stable political and economic environment;

- design and coordination of the concept of the financial sector legislation development. This concept should include strategy development and adoption of a number of laws that will regulate the activity of certain types of non-bank financial institutions and complement the existing stock market and banking sector laws.

- development and approximation of a common strategy of Ukraine's financial sector and identify within it a long-term program aimed at creating favorable conditions for the development of a non-bank financial sector in general and certain types of non-bank financial institutions in particular [1].

Therefore, one of the major objectives in the current stage of the development of the economy is to implement reasonable and systematic reforms in the financial sector to provide additional funding for the economic growth. This, in turn, requires the development and implementation of a consistent long-term comprehensive strategy of Ukraine's financial sector, taken into account the current economic realities and strategic priorities of Ukraine in the context of globalization of world financial markets.

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MOBILE MARKETING AT THE INTERACTION OF COMPANIES AND CUSTOMERS

Extensive application of wireless technologies, active work on their improvement and availability a great number of clients create favorable conditions for the development of mobile marketing and effective promotion of its products and services. The presence of feedback increases the effectiveness of sales promotion.

Information technology can significantly improve the efficiency of marketing, as it allows organizations to establish closer relationships with customers, to learn their needs better and meet their expectations faster.

Means of communication is short message service (SMS), multimedia messaging service (MMS), the ability to combine text with simple graphics and sounds, mobile internet via wireless access (WAP), WAP Push services and full multimedia services in the third generation networks (3G).

Mobile marketing has a lot of advantages which distinguish it from other forms of marketing. It is able to be easily integrated into the traditional, developed earlier and ongoing advertising campaign. This allows modeling the most effective and widespread marketing mix, making advertising campaign most effective and targeted, active use of the information obtained due to the contacts with end-users have a real or potential interest in the brand.

Technical features of mobile devices are also advantages of mobile marketing. They are used by organizations as a means of communication with their customers. Phones, PDAs, smartphones and other similar devices have such features as widespread availability, readiness for operation at any time and any place, they are owned by the majority of potential customers, they are relatively cheap and easy to use. In addition, such devices most of the time are easy to reach for their owners.

In addition to the obvious advantages mobile marketing also has some disadvantages. One of them is the targeting predominantly young audience, the audience with the average income and above average, inflexibility of mobile operators. Mobile marketing has become the new technology platform for interaction of companies and their customers. Only the SMS-mailing or actions in short numbers for its relatively short history have proved to be effective and economical communication channel for promotion or increase of brand loyalty.

It should be noted that at the SMS-marketing a consumer acts as the initiator and first sends a request to receive promotional SMS-mailing. Consumer interest in obtaining information turns him into a true advertiser's partner. This allows a company to advertise exactly what a potential client wants. Not pre-approved by the recipient of SMS-sending is spam and not related to mobile marketing.

Mobile marketing has a huge development potential. It concerns both improvement of wireless networks and mobile devices themselves. It is expected to be an increase and a significant improvement of the quality of the screens shortly. Sensor technology is being introduced. Some work is being performed to increase the operational time supplied with rechargeable batteries, and memory volume of mobile phones. All these innovations will allow better use of the multimedia content to mobile marketing. The

active development of information technology will make the Internet more accessible, affordable and fast. All this will lead to the fact that a number of effective tools for mobile marketing will be supplemented with promotional video and existing mobile TV. Market growth is also assisted by the fact that both consumers and sellers of goods and services are showing interest in mobile marketing.

Currently, mobile market has already begun to develop its potential, and it has become a tool of efficient and demanded means of sales promotion. More and more advertising and marketing companies are using to a variety of modern technologies, working to attract potential customers with the tools for mobile marketing, creating and optimizing mobile or WAP-version of their information.

Mobile marketing offers new opportunities for business, it is able to introduce the into element of interactivity marketing organization to transfer marketing strategy of the to make marketing strategy completely new.

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INFLATION

Inflation is one of the most urgent problems of the modern economic development in many countries, and Ukraine – is no exception, in fact we can say that it is one of the serious tasks in the agenda of the government regulation. It devalues labor results, destroys businesses' and individuals' savings, prevents long-term investment and economic growth. High inflation destroys the monetary system, provokes national capital flight abroad, undermines a possibility to finance the state budget, slackens national currency and Inflation is the most effective means of redistribution of national wealth – from the poorest to the richest population.

In countries with advanced economy inflation can be seen as an integral part of the economic mechanism. However, it does not represent a serious threat because methods of restriction and regulation of inflation processes are efficient and widely used. In addition, the presence of a small rate of inflation is seen by economists as a motivational factor of economic development, but it applies only to low rate of inflation. Price instability debilitates most people not only only in economic but also psychological sense, creates enormous social tension in a society, thereby strengthening its social differentiation.

In addition, the stability of a monetary unit serves as an important prerequisite for economic development of any country. Creating these conditions is especially important for Ukraine as the consumer price index (CPI) as the main indicator of inflation in Ukraine varies considerably and tends to accelerate growth. Thus, from 2003 to 2011 its value changed in the range from 108.2% to 122.3%, while in the European Union, where Ukraine is going to enter, the inflation rate is usually less than 103%. Such high and volatile inflation rates are difficult to predict in a qualitative way, as evidenced by constant rejection of the state predictions of actual inflation. All these factors significantly complicate the planning and implementation of any economic activity, undermine public confidence in government and raise high inflation expectations. Therefore there is an objective need to improve planning effectiveness and control of inflation process in Ukraine.

Inflation is an extremely difficult socio-economic phenomenon that manifests itself in long and rapid depreciation of money due to excessive growth of supply in circulation. The main form of inflation is sustained and rapid growth in prices, additional forms are a tedious shortage of goods and services and the devaluation of the national currency.

Inflation – a long process that has several stages, which vary not only in the level of rise in prices, but also its impact on the economy. In the first stage of money supply growth outpaces price increases, which is small (up to 5% per year) or completely absent. It has a positive effect on economic development. In the next stage the rate of growth of rise in prices accelerates and approaches the rate of money supply growth and may even exceed it. Such inflation is called open or moderate and ranges from 5 to 20% per year. It can have both positive and negative impact on economic development. After that the stages of galloping inflation (20-50% per year) and hyperinflation (over 100% per year) start. Each of these types of inflation brings devastation to the economy and social sphere.

According to the official statistics in Ukraine moderate inflation is constantly observed, with the exception in 2008 when it moved to level of galloping, the causes of it first of all were global financial crisis and political instability in the country. So we have to introduce the strategic objectives, not only I relation to the anti-crisis policy, but also to anti-inflationary measures, a plan developed by representatives of various political forces and economic trends that would stand as a power of legislative act all the political forces in power would obey it.

Provided that inflation process is controlled in Ukraine, it is advisable to support production. After all, manufacturing creates conditions for the commodity money provision and an opportunity to actually eliminate inflationary factors. Government actions are necessary to improve industry and create favorable conditions for capitalization.

In addition we should understand that the implementation of only some anti-inflation measures will lead to the same effect as "face-lift".

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**RESEARCH OF SOLUTIONS OF DIFFERENTIAL-FUNCTIONAL SYSTEMS
WITH EVEN AND ODD AMOUNT OF EQUATIONS**

In this paper we are making a research of differential equations systems with deviation of argument. Let us consider the system:

$$\begin{cases} y'_i(t) = a_i(t)y_{i+1}(t), i = \overline{1, n-1} \\ y'_n(t) = a_n(t)y_1^\alpha(\tau(t)) \end{cases} \quad (1)$$

where $0 \leq a_i(t) \in C[t_0, \infty)$, $\tau(t) \leq t$, $\tau(t) \in C[t_0, \infty]$ $\lim_{t \rightarrow \infty} \tau(t) = \infty$, α – odd numbers ratio, $n=4,5$.

The system was examined when $0 < \alpha < 1$ in [1]. In this paper the system is examined when $\alpha > 1$. Let's give one of got results.

Theorem. Let the conditions be executed:

1) $\alpha > 1$, $a_1'(t) \geq 0$,

$$2) \tau(t) \in C[t_0, t], \lim_{t \rightarrow \infty} \tau(t) = \infty$$

$$3) \int_{t_0}^{\infty} a_1(t) dt = \int_{t_0}^{\infty} a_2(t) dt = \int_{t_0}^{\infty} a_3(t) dt = \infty,$$

$$4) \int_{t_1}^{\infty} a_1(t) \left(\int_x^{2x} a_2(z) \left(\int_z^{2z} a_3(p) \left(\int_p^{2p} a_4(s) ds \right) dp \right) dz \right) dx = \infty.$$

$$5) \int_{t_1}^{\infty} a_4(t) \left(\int_{t_1}^{\tau(t)} a_1(z) \left(\int_{t_1}^z a_2(s) \left(\int_{t_1}^s a_3(x) dx \right) ds \right) dz \right) dt = \infty$$

$$6) \int_{t_6}^{\infty} a_4(p) \left(\int_{t_6}^{g(t)/2} a_1(q) \left(\int_{t_6}^q a_2(s) \left(\int_s^{2s} a_3(x) dx \right) ds \right) dq \right) dp = \infty \quad g(t) = \min\{\tau(t), t\}$$

Then every solution of the system (1) either oscillates strongly, or each of its components tends to zero or to infinity when $t \rightarrow \infty$.

We also got the result for the system with odd amount of equations.

A similar result can be received in case, when argument deviation has a mixed nature.

The formulated result relates to the researches on the infinite interval.

The research of the differential systems was also made on finite interval.

Philips model of economic cycle is described as it's shown below:

$$\begin{aligned} \frac{dK(t)}{dt} &= \alpha [vY(t) - K(t)]; \\ \frac{dY(t)}{dt} &= \beta [C(t) + \frac{dK(t)}{dt} - Y(t)], \end{aligned}$$

where $C(t) = cY(t) + c_0$;

Y – profit, c – marginal propensity to the consumption, c_0 – its component, which is independent from profit, K- stock; $\alpha, \beta, v > 0$ – parameters.

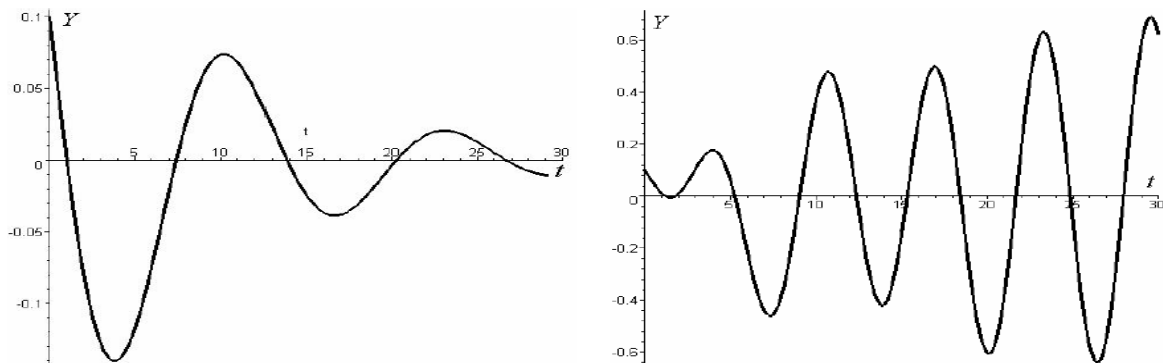


Fig. 1. Changing of revenue position temporally

These figures show deterioration and growth of economy. The considered model of economic cycles is linear. The explicit solution was received and analysed due to this fact.

The described method allows us to find the differential equation solutions of the Philips economic cycle model depending on the final values of the certain input parameter.

The economic model that takes into account the aftereffect is built and explored on the base of this economic model.

$$\frac{dK(t)}{dt} = \alpha [vY(t) - K(t)];$$

$$\frac{dY(t)}{dt} = \beta [C(t) + \frac{dK(t-1)}{dt} Y(t)],$$

where: $C(t) = cY(t) + c_0$;

The model of capital and demand flow under the influence of profit standards in the developed market economy is explored with the odd number of equations.

$$\frac{d\tilde{K}(t, c)}{dt} = (\gamma - \mu)K + uC_T + L - R ; \frac{dD(t, c)}{dt} = C_L + C_K + G - R$$

$$\frac{du(t, c)}{dt} = a(D + M - Y - H); \tilde{K} = C_T + Y + M ; C_T = K + H ; R = C_K + G + L$$

$\tilde{K}(t, c)$ is a distributing density of capital in the moment of t in space of technologies, that is capital value.

$D(t, c)$ – entrepreneurs, workers and government solvent demand on product which was produced according to the technology;

$u(t, c)$ – is the profit standard distribution in the moment t in space of technologies.

On the basis of this model the new one is built. It takes into consideration solvent demand of entrepreneurs, workers and state, on produced product not only for today, but also for the past.

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DEVELOPMENT OF THE MONETARY SYSTEM IN UKRAINE

International monetary system – a form of international currency (cash) relations, historically fixed intergovernmental agreement. This combination of methods, tools and intergovernmental bodies which mutual billing and payment turnover within the world economy.

International monetary system emerged based monetary system that existed in some countries. First international monetary system began to emerge in the XIX century, and legally was released at the International Conference 1867, held in Paris. The Conference recognized the gold only form of world money and for the first time outlined the direction of unification of national financial systems. This system is known in history as a system of "gold standard".

International Relations – a set of economic relations in the international sphere arising from the mutual exchange of the results of the national economies of different countries, that is a combination of monetary and financial payment and credit relations between national economies.

Currency values in Ukraine: Ukraine currency, monetary instruments and other securities, foreign currency, payment instruments and other securities in foreign currency.

Important elements of the mechanism under-developed market system is the tax, credit, deposit, pricing, customs and tariff policy, including exchange rate. In Ukraine, these processes are still imperfect and require a general improvement.

One of the key elements of external mechanism of monetary policy is a set of measures of the state and the central bank in the relations of exchange (currency

restrictions, currency regulations, import deposits) that affect the balance of payments, exchange rate and competitiveness of national production.

In addition to these general objectives, the Ukrainian government should decide in international relations, a number of specific issues that arise in connection with a particular historical situation today:

- ensuring stability of the grivna against major world currencies;
- attracting foreign currency into the country and use it as a means of stabilizing the national economy;
- creating public Monetary Fund and the currency market.

Unfortunately, in Ukraine currency problems are solved very slowly, and face great difficulties. Weak export potential does not provide sufficient foreign exchange earnings to the country and the lack of a normal economic situation forcing exporters to conceal currency abroad because they have no guarantees of free disposal of their foreign exchange funds and the necessary incentives for their investments in the national economy. Made only the first steps toward organizing the purchase of foreign currency by the National Bank and commercial banks, currency trading by the state and its structures, functioning of the Ukrainian currency exchange. Thus, the current ineffective monetary and credit covered policy is a factor that destabilizes the economy, and is one of the powerful sources of inflation.

Now for foreign currency transactions using foreign exchange rates denominated in the currency of Ukraine. They are the National Bank in trading on the interbank currency market of Ukraine.

So, today in Ukraine there are a number of problematic tasks related to the operation of the monetary system, which require fast and efficient solution prospects for its future development. Proper ordering monetary system is critical for normal functioning of the foreign exchange market as well as domestic and international.

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ANALYSIS OF DYNAMICS OF FOREIGN DIRECT INVESTMENT IN UKRAINE

Today, the number of investment resources available to Ukraine cannot fully meet the needs of all sectors of activity, both economic and social, which significantly impedes economic growth. That's why Ukraine has to attract new investment resources as it is vital for further development.

Over the last 5 years the number of foreign investments in Ukraine increased 2 times and at the end of 2012 amounts to 54.5 billion dollars [1, p. 10]. Even during the global crisis of 2008–2010, the flow of foreign capital continued growing, though the annual growth rate declined from 36.6% to 12.6% [2, p. 16]. It should be noted that 10 major investing countries invest almost 83% of total direct investment in Ukraine, but the largest share of invested resources belongs to Cyprus (31.7% of total) – 17.3 billion, Germany (11.6%) – 6.3 billion and the Netherlands (9.5%) – 5.2 billion [1, c. 10]. Unfortunately, this diversification of foreign direct investment to the investor country is somewhat risky because it can lead to Ukraine's economy dependence on the policies of several countries – major investors.

You should pay attention to the fact that foreign funds are used in developed areas of economic activity. Based on data from the State Statistics Committee of Ukraine, the main directions of foreign investment is an industry where 17.2 billion dollars (31.5% of total direct investment in Ukraine) are concentrated, including manufacturing (14.1 billion dollars) and mining (1.5 billion dollars). 16.1 billion dollars (29.6%) of direct investment are accumulated in financial institutions, which is 3.5% less than in the same period of the previous year [1, c. 20]. As we see there is irrational distribution of foreign investment across sectors in Ukraine. Much attention is focused on investing in the manufacturing industry. Despite the fact that Ukraine is rich in natural resources mining industry seeks a small share of foreign investment.

Recently, Ukrainian government has significantly increased its investment activity, but it is still in the list of countries with the lowest investment attractiveness. The share of Ukraine in the global flow of direct investment account 1% [3]. The reason is the unfavorable investment climate and conditions for foreign investors. Index of investment attractiveness ratings which was published by the European Business Association (EBA) showed deterioration in business investment climate in Ukraine. Following 2012, this figure dropped to 2.12 points on a 5-point scale compared to the 2nd quarter of 2011, when it reached its maximum value (3.39). The biggest problems the members of the association see are the fiscal policy of Ukraine – 25% of respondents think so, the government policy – 26% and constant pressure from the government – 18% [4]. During 2009–2010, Ukraine demonstrates regression in most of the world rankings. This is mainly due to unresolved institutional issues (low transparency and inefficiency of public policy, the lack of an independent judiciary and the protection of property rights, waste of public funds). Almost all ratings showed that Ukraine's position worsened due to increased corruption rate, which is among the highest in Europe.

Thus, the main factors that create an unfavorable investment climate in Ukraine are economic and political instability, poor logistics, underdeveloped infrastructure base and negative factors of a social nature.

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MODERN PROSPECTS OF ALTERNATIVE ENERGY

Recently World Energy faced a serious problem: energy consumption is growing steadily, and the supplies of fossil fuels, which is the basis of the traditional power are limited. For example, the supplies of oil will be over in 50–70 years, gas in 50–60 years, and coal in 600 years.

One of the problems in modern economy is search for new resources. The problem is not only in the fact that natural resources are limited, but also the fact that the available fields are being rapidly depleted, and therefore there is a need to equip the new, resulting in a huge spendings. Moreover, people in the world have come to the conclusion that the use of fossil fuels causes damage to nature.

Also the issue of insecurity of traditional sources of energy is very important. Everybody is aware of the Chernobyl disaster, the accident at the plant Fukusima in March of 2011, and accident on an oil rig in the Gulf of Mexico in May 2010. Therefore, many countries have begun protests against nuclear power plants, and in Germany and Switzerland nuclear power plants should be completely stopped no later than 2022.

Many scientists see the way out of this situation in development of alternative energy and promoting renewable energy sources (RES).

Today, the international community pays much attention to the development of renewable energy, making it an important area of public policy. Well-funded state programs to develop alternative energy began to appear all over the world. Regulatory and legislative acts which increase the use of renewable energy have been accepted.

According to European Directive, released in 2009, in 2020 EU countries are going to increase renewable energy in the total share up to 20%.

In Denmark, there are grants and concessional loans for manufacturers of wind turbines. Similar programs exist in other EU countries. For example, in Germany grants will exceed 13bn euros this year, as the state is obliged to buy out the wind energy for more market price and sell cheaper for market users.

The main advantage over other traditional energy sources – are their renewability, safety, prevalence and availability. Other advantages for alternative energy sources are security of supply and rising prices for traditional fuels.

Unfortunately, non-conventional energy sources have their weaknesses, the main one – is the high cost of the received energy.

Subsidies for alternative energy are unprofitable for Russian government, because half of produced oil and gas is sold on the domestic market and provides one-sixth of the federal budget. President Vladimir Putin stated at an international summit on the environment in 2012, "Solar, wood or dried manure can't replace hydrocarbons in the next 15–20 years".

Ecological security is closely linked with the political security. We depend on the energy resources of the Russian Federation, which has a monopoly in the supply of gas to Ukraine. It leads to economical and political instability and makes Ukraine vulnerable in the international arena. That's why there is an urgent need to implement energy saving technologies. And Ukraine is making progress in this sector. Here are some examples:

- investment in energy savings is \$2.5bn in 2012 in Ukraine;
- according to the Pew Charitable Trusts' research Ukraine ranked 25th out of 116 countries on the development of energy-saving technologies.

But these figures are far from the European indicators. For example, in Germany 22 GW of energy are annually produced on "green power stations", which is comparable to the work of 20 nuclear power plants.

In conclusion, we can see that renewable energy is a very progressive thing and it is our future. It is making a visible progress presently and is worth our attention because it can save our world which is searching for cheaper and safer energy resources.

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**SOCIAL NETWORK AS A VEHICLE
OF MARKETING COMMUNICATIONS**

Today the speed of delivering information to the target audience is one of the most important indicators of the effectiveness of promotion strategies, in particular media support for any communication project. To cover the target audience of 50 million people for such media as radio it took 38 years, for television – much 13 years. But for the coverage of such a great number of audience of the Internet it took only four years.

The Internet has become an indispensable medium for conducting business activities and the platform for marketing communications. Today there is a special feature of consumer behavior. They are more interested in the views of members of social environment about a product than the evaluation of search engines. About 80% of consumers trust the recommendations of users of social networks and only 14% – traditional advertising.

Complex system of marketing communications means the totality of methods and forms of information transmission (advertising, personal selling, sales promotion, direct marketing, etc.) aimed at that audience to achieve goals of an enterprise. A vehicle of marketing communication is an important factor for a successful product promotion, rapid achievement of target audience, correct decoding links. Using such tool as advertising, the advertiser has to understand that a vehicle is an important factor for efficient advertising campaign, because the width of audience coverage of the audience, accuracy of reports depend on it.

Social networks as advertising vehicles have a number of advantages. They are: specific composition of the audience, high efficiency of campaign management and feedback, ability to measure performance, lower cost of contact in comparison with other media. For several years of its existence social networks, have become the most popular sites on the Internet. For example, the largest social network is Facebook founded in 2004 by Mark Zuckerberg. The number of users for September 2011 totaled more than 800 million people. The main audience of the network are people of 18-35 years old. That is, the promotion of a brand or product on Facebook is appropriate for the company in which the target audience corresponds the mentioned age range. Thus, we can come to the following conclusion. The site is actual for promotion of fashion food aimed at young people – drinks, snacks, catering establishments and others. Interest in the use of social media as a vehicle for product and brand promotion in Ukraine is constantly growing, and this is not a chance as there is a number of reasons for it:

- domestic marketers are observing the examples of Western companies, annually increasing the budget allocated for promotion in social networks;
- social networks are growing rapidly and soon they will cover a larger part of the solvent population of the countries;
- the possibility of exact hit in a target audience;

Users draw less attention to traditional resources and effectiveness of promotion through them is lower.

Product or brand promotion in social media should be deliberate and gradual, as well as any other communication tool. So these are examples of the stages of promotion in social networks:

- development of a promotion plan;
- creating a visual image of a company in the network;
- attraction of new users;
- support of an object and additional resources.

Thus, the biggest advantage of social media as a lever of product or brand promotion is the size of the audience, and the fact that most of it have joined network recently, penetrate the Internet through social media and is still loyal to network advertising.

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PROBLEMS AND PROSPECTS OF DEVELOPMENT OF CONSTRUCTION MARKET IN UKRAINE

The construction sector is one of the most important systems of national economy, the efficiency of the entire system of management of the country depends on it. The reason for this is the fact that the building complex creates a great number of jobs and consumes products of many sectors of economy, such as metallurgy, chemical industry, machine building, timber industry, transport, etc. The construction industry is most closely connected with the industry of building materials. Currently, the construction market of Ukraine isn't developing as it should, it is in the phase of formation.

The transition from the centrally-controlled to the market economy has had a significant influence on the development of the construction industry in our country. It has contributed to the following problems that hamper the development of the construction market:

- lack of a reliable, high-quality integrated information system in the construction market (it is characterized by the low culture of construction and installation works, inadequate quality of building materials);
- imperfect regulatory and legal framework (especially as concerns housing and mortgage lending);
- under-devised legal, technical, ethical approaches to the regulation of relations between the members of the construction market;
- poor quality of construction (annually, large sums of money are spent on the elimination of defects (about 3-5% of the cost of construction and repairs));
- lack of funding (a significant reduction in state centralized capital investments, a decrease in investment opportunities of the majority of market participants, impoverishment of a considerable number of people);
- liquidation of large construction branches;
- lack of skilled workers (this is connected with the fact that construction professions are not prestigious among young people because of insufficient payment compared with the large labour inputs. At the same time, thousands of skilled construction workers leave our country to work abroad, and low-skilled self-taught people take their place).

Thus, we can conclude that the construction market of Ukraine requires changes, namely, there is the need to create specialized information centers that ensure collection, systematization and presentation of reliable information to all interested structures of the construction market; to modernize the technical facilities of the building material industry, with further mechanization and automation of technological processes, rational use of raw materials, reduction in the anthropogenic impact on the environment and pollution rate of its components; to awake the interest of foreign companies in marketing their industrial equipment in Ukraine; to introduce quality control systems, that work in accordance with international standards, to building organizations, this measure will allow solving several issues at the same time: it will reduce the manufacture of poor-quality building products, increase the competitiveness of construction products, repair and construction works, services, allow our construction companies to enter international markets; to devise new methods for calculating building structures, for research and testing structures and materials needed to design and create modern safe and reliable

construction projects; to improve the financial mechanism of the construction sector, which is characterized by the use of new sources and forms of funding.

This classification will help to fully assess all the causes and problems that hamper the development of the construction market of our country. If we solve all the problems, the industry will reach a new level, the higher one, and most sectors of the economy will improve, as well.

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**USAGE OF FINANCIAL INSTRUMENTS
FOR NATIONAL ECONOMY REGULATION: WORLD EXPERIENCE**

Financial infrastructure determines the financial and economic development of regions and the state as a whole, the efficiency of their operation, the possibility of entering entities to global economic markets.

In order for an economy to function with constant growth and ensure each its sector to mobilize the necessary funds temporarily available financial resources and redistribute them according to the needs and demands of the economic system. Formation of financial resources is due to: their own and similar funds, which generally includes income from operations, partial investment, equity, trust receipts, etc.; resources that come through redistributive mechanisms, which include budgetary subsidies, grants, insurance compensation; resources that are mobilized in the financial market as a result of securities transactions.

A financial instrument is the just element through which the operations and sales in the financial market are performed. In form it can be short or long-term investment vehicles. These include cash, stocks, bonds, notes, forward and futures contracts, swaps and other derivatives.

By controlling financial infrastructure the government of a country can provide sustainable development, which is based on economic and political stability. I have chosen 3 countries to analyze financial instruments. This analysis will show what positions should Ukraine concentrate attention on based on world experience. Ukraine has economic and political relations which we can divide into three directions: the first is the European Union with the most developed country Germany, USA which has huge influence on globalized world and of course our historical neighbor Russia. Let's start with Germany. The financial sector in Germany is the system based on banks. They satisfy most of the needs of enterprises in the long-term capital, as the population has only a small number of securities and, in turn, prefer to keep their money in bank accounts and insurance savings. Thus, banks accumulate temporarily free financial resources to meet the needs of people and businesses.

The main indicator that characterizes the state of the stock market in the country is an DAX index, which is calculated on the Frankfurt Stock Exchange. It reflects the shares of the 30 largest companies in Germany, which constitute its basis. Calculated as a weighted average capitalization values on stock prices of companies, as well as taking into account dividends received as income from shares, anticipating that they're reinvested in shares. Therefore, the index reflects the total return on capital. The higher DAX index, the better developed stock market, and hence it has a positive effect on the economy as a whole.

German bond yield is generally the same as in the bond rating of other euro zone countries. This is one of the achievements and benefits of the creation of the euro area which is the formation of a single capital market. Board mainly produces two kinds of bonds: long Bundesanleihen (Bunds) and short Bundesobligationen (Bobl). The other tools – up to two years (Schatze) (Treasury notes), six-month federal no coupon bonds (Bubills), financial bill (uverzinsliche Schatzanweisungen). German government bonds with the biggest issue maturing in '30 at a record-low of 2.36% at the end of 2011, according to TD Securities. Bonds are rising in price and yield of bonds with a maturity of 2 years was negative during the last half of 2011, due to the fact that bonds of Germany in Europe belong to the safe deposit facilities.

Next, let's consider features of financial instruments, which are used for national economy regulation, in the United States. Regulator of national economy through financial instruments serves the Federal Reserve System (hereinafter – the Fed), which also is the Central Bank, the Bank for bankers and bank for the government. The Fed is an independent private banking system and it only formally controlled by the government because of its policy to regulate the national economy often do not coincide with the government's policy. Its main task is to control the money supply and credit in the country. If business activity is falling, the Fed is doing its best to extend credit and money supply, but if there is inflation in the country then its actions aimed at preventing such effects. Another important organ that uses financial instruments to influence the national economy is the Committee on the open market operations (FOMC). It shows how much money is necessary for the functioning of the economy and that interest rates should be set.

Consider what way the control over the money supply and interest rates is accomplished. If the Fed plans to reduce the money supply in circulation, for that it reduces bank reserves, with each unit of reduced bank reserves leads to a reduction of five times total bank money. This in turn leads to a reduction in credit, that credit becomes more expensive and less accessible. This, in turn, leads to a private and public investment shrinking. Along with the planned effect of reducing expenditure it also reduces income of the banking sector. Achieved these results by changing the Fed's assets, i.e., government securities and accounting bills. Also, due to changes in the discount rate, the Fed controls the reserves of commercial banks. So is regulates money demand and supply in the country.

The main index, which is calculated in the U.S. to monitor the stock market index is the Dow Jones. For its calculation is used the stock prices of 30 largest companies in the U.S. The higher the index, the better the condition of the national economy. In January 2009 the index decline caused by the financial and economic crisis that began in 2008. Then during 2009–2011 observed its gradual growth. In May 2011 there were maximum since 2009. It was only back in the IV quarter of 2011, the Dow Jones was subjected to reduction, but remains at a higher level than that observed in 2009, and it reflects the gradual exit from the economic crisis and restoring the U.S. national economy.

Analyzing the dynamics of the operations of the Bank of Russia on the open market it can be concluded that in 2008 it was the observed peak of operations on purchase and sale of government securities: the purchases amounted to almost 120 billion rubles, and the sales, in turn, to about 70 billion rubles, which is much higher than the previous year. And in 2009, the global economic crisis affected the Central Bank of Russia. Plummeted volume of sales and purchases of government securities (almost 6 times) and increased

sales volumes of corporate securities, which may be done only under direct REPO transactions. Buying government securities in 2010 was generally absent, sales of corporate securities under repurchase agreements increased compared with the previous period slightly.

Thus, analyzing the experience of using financial instruments to regulate the national economy on the example of countries above we see that each country has a lot of financial instruments. Their use is sequential in nature. A separate instrument uses State at that stage where it will be urgent and cause maximum economic benefit.

World experience of usage of financial instruments show that it is a good way to create financial stability in the country. Indicators on the stock market show the real situation in the country and government should pay attention on it developing the economic strategy.

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**MARKET AND STATE MANAGEMENT COMBINATION
IN SWEDEN ECONOMY**

One of the most crucial economy tasks is how to combine market and state mechanisms. Among the variety of state models one of the most interesting is Sweden. Sweden model means management of social and economic development through the state active intervention in the process of income distribution and redistribution, creating a strong social security system, the dominance of equality and solidarity idea. This model focuses on providing employment for the entire workforce by creating jobs with average working conditions and salary. There are more money to be spent on training and retraining employees, creation new jobs in public sector in Sweden, than in any other country [1]. It helps provide low inflation rate (0,4%) and rather low unemployment rate (7,1%) in the country [2].

Swedish model, which is built on theoretical basis of Swedish School of Economics, provided a high level of economical, social and political democracy. It represents «mixed economy» which is based on the «functional socialism» of Swedish social democrats concept: combination of market and state mechanisms, production private capitalist principles with high level of socialization of income redistribution through the state budget to promote social welfare and social protection. The main feature of this model is active government intervention in the economy with Keynesian recommendations, strong social policy, which is aimed at ensuring a high level of employment and reduction of income inequality through the redistribution of national income for the less wealthy segments of the population, who receive transfer payments. The model is based on high level of productive forces and it promotes innovation, science development, education and health protection, high level of employment, labour force reproduction and poverty reduction. Mixed economy model is based on achieving «macro consensus» (between government and civil society – unions, association of entrepreneurs, associations of farmers, consumers and so on): it provides most important needs satisfaction. They are education, health protection, social security of pensioners [3].

Despite the lacks of the Swedish economic model, like excessive taxes and government spending, disruption of economic efficiency, spreading of dependent mentality, it provides successfully social protection.

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EU LABOR MARKET MOBILITY PROBLEMS

Nowadays, one of the most important elements of EU's economical system is labor market, and its main purpose is maintaining balance between demand and proposition of labor force. An instrument to reach this kind of economical balance is optimal labor mobility.

Labor mobility parameter affects efficiency of functioning both the state and separate companies, reflects labor market's readiness for structural reforms. So studying labor mobility is very important for creating an effective EU's employment policy, which could improve labor market and its ability to adapt. This defines the topicality of the given article for EU countries. In general meaning, it can be said that labor mobility is the ability of workers to adapt to changing production conditions, changing job functions, readiness to raise qualification and also an aggregate of real migration processes in economical and territorial space.

There are two types of mobility: professional and territorial mobility. Professional mobility is a principal readiness to change occupation, job, workplace, residence and overall lifestyle. Territorial mobility is an actual migration of workforce caused by changes in production development, working conditions.

The main problem of EU with labor mobility is that it has fairly low level. Although every EU-resident can freely move between countries and change his workplace, only 3% of total working population actually works and lives in other countries. A lot more people just leave EU. Annual mobility within EU countries between regions stands at an average annual rate of 1%, but cross-border mobility is only 0,35%. Both within and between countries mobility rates are far below the rates within Australia (1,5%) and the United States (2,4%), although the rate is similar to those between Canadian provinces.

According to a Eurobarometer survey on geographical and labor market mobility, most Europeans – almost 60% – think that moving countries or regions is good for EU integration. Half think it's good for the economy.

It is also necessary to say about “brain drain”, because EU is suffering from this process right now. Brain drain (or human capital flight), is the large-scale emigration of a large group of individuals with technical skills or knowledge. Organization for Economic cooperation and development made a research which shows that nowadays UK is experiencing the biggest brain drain in last 50 years. There are 3 million people that were born in UK, but ended up living in another country. More than 1,1 million of them are high-qualified workers, doctors, teachers, engineers.

Situation with territorial mobility is not so critical. It's characterized by immigration and emigration. EU is a region where migration process gets really intense. Germany, France, UK, Netherlands are countries that take most of immigrants. There are almost 13 million legal immigrants in EU now. Most of them are young people under 25 years old.

During 2011, about 3.1 million people immigrated into one of the EU Member States, while at least 2.0 million emigrants were reported to have left an EU Member State. During this time immigration flows had increased a little.

It also needs to be said about optimal currency area. In economics, an optimal currency area (OCA), also known as an optimal currency region (OCR), is a geographical region in which it would maximize economic efficiency to have the entire region share a single currency. EU is considered an OCA, but it needs to match some criteria to actually be one. Criteria include labor mobility across the region. This includes physical ability to travel (visas, workers' rights, etc.), lack of cultural barriers to free movement (such as different languages) and institutional arrangements (such as the ability to have superannuation transferred throughout the region). But, as it was said earlier, mobility in EU is low.

Of course, high labor mobility has some negative impacts on economics and labor markets, but its positive impacts are much more significant. So, increasing labor mobility is very important question for EU countries as it can help reducing unemployment level, create new workplaces, improve overall condition of labor market.

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**ACQUISITION OF THE WEST BY THE EAST IN TERMS
OF "BEYOUND PETROLEUM" AND "ROSNEFT"**

During the last 20 years, the influence of the East on the West has been greatly intensified. More and more corporations, holdings and companies from Eastern Europe (mainly Russia and Belarus) are seeking ways to work with the Western European countries or Western European companies. This cooperation is divided into different causes and types. These causes and types at the same time have different consequences. Causes can have both positive and negative implications for both sides of takeover. Let's focus on cooperation in the sense of acquisition. In this article we will discuss the acquisition of western companies and eastern ones, that is the purchase of the British oil company "Beyond Petroleum" (TNK-BP) by Russian state company "Rosneft".

In October 22, 2012, the management of "Rosneft" and Shareholder "TNK-BP" signed the first contract on the way to purchase. Possible acquisition consists of two stages. Initially BP will sell its 50% shares for \$ 17.1 billion cash and 12.84% of shares „Rosneft“. The consortium “AAR” sold to “Rosneft” the remaining 45% of shares.

London-based BP will use \$ 4.8 billion cash from the sale of its shares to buy 5.66% shares in the "new Rosneft". Then it increased its shares in Russia's largest oil company by 19.75%, whereas 1,25% they have already had. BP has received 12.84% of “Rosneft”, at \$ 8 per share, from the state holding "Rosneftgaz" owning 95% of shares of "Rosneft".

The acquisition has the following advantages and disadvantages for customers, interested countries and companies. In this situation, there are a number of advantages:

- Through the acquisition, Russia can strengthen its competitive position. “Rosneft” satisfies the need for oil and gas of about half of the energy sector in Russia and some European countries. This acquisition will make “Rosneft” the largest oil company in the world.

- The acquisition accelerates the entering of the company into new markets and significantly reduces the number of market barriers and their relevance to the new company.

- Increase of the market shares is one of the potential advantages of the acquisition. It concerns to the markets at which the company is already active.

- Strengthen the independence and the brand at the global market is a clear advantage for the company.

- “Rosneft” could monopolize the purchase of national markets. However, this is only a one-sided advantage for the company.

- Companies can save the expense of "economies of scale" and "economies of scope". Subsequent effect may be the price reduction. It is mutually beneficial for the customer and the business.

Due to the above mentioned points, Russia represented by “Rosneft”, may increase its influence on the EU. After the acquisition, Russia will have more opportunities to continue its strong influence on the West.

Analyzed situation has its drawbacks:

- Government or public of the country, however, may be against the acquisition.
- Negative impact on the economy, on the government and on the public is one of the weaknesses in our example (the example of the acquisitions).

- Innovations or changes in management.

These deficiencies are significant for both sides, both the east (Russia) and the west (GB and «BP»). For the future of the new company decisions taken by the new leadership are of great importance.

As result, we came to the following conclusions. Acquisition "Beyond Petroleum" has both positive and negative consequences for all participants. Advantages and disadvantages are fully represented and analyzed. Lower prices and higher quality of the product determined to be an important elements for customers. Reduction of costs through "economies of scale" and "economies of scope" and more market share are important issues for the owners, due to absorption of improvements in the new company and its position at the market of the largest oil companies in the world.

According to our data, we can say that in recent years, the influence of the East on the West is intensified in the economic sense. Corporations, holdings and companies from Eastern Europe (Russia and Belarus) absorb Western corporations. In the next 10 years, this trend will be even stronger, more Eastern companies will seek for cooperation with the Western ones or acquisition because the economic situation in Russia will improve.

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**E-MAIL MARKETING IN THE COMPLEX
OF COMPANY MARKET COMMUNICATIONS**

One of the most effective means of organizing marketing communications on the Internet is e-mail. A letter sent out via the Internet within several minutes reaches an addressee destination on the other side of the world, which is one of the main advantages of conventional mail. In addition, the cost of such a transfer is minimal. Therefore, in e-mail, many companies are becoming an indispensable tool of a business conduct.

Currently, millions of people use e-mail as the main method of communication. In particular, it is widely used in business and marketing. E-mail can be used for various purposes – to correspond with business partners, information support, promotion of goods and services.

Let's consider the basic ways of e-mail application as a marketing tool. E-mail is actively used for promotional purposes. The means of advertising via e-mail are:

- mailing of promotional offers, without a confirmation of addressee ("spam");
- mailing of promotional offers under the direct confirmation of an addressee («opt-in marketing»);
- Commercials in electronic magazines sent by e-mail.

At present, many advertisers as a result of their inexperience or purposefully abuse sending promotional e-mail messages. They send promotional material without a direct confirmation of Internet users. As a result, the latter has to spend time cleaning their mailboxes from unwanted advertising. This method of advertising is called spam.

Despite this, even if being informed about enormous harm done to this image, many firms are actively using spam, as they are guided by the principle of commercial efficiency: at relatively low cost companies mail from several hundred thousand to several million of promotional emails. Mass mailing can dramatically increase the likelihood of getting advertising to those addressees who need this product at the moment and have not developed the habit to delete advertising messages.

The alternative to spam is "opt-in marketing": Internet users subscribe and give confirmation to receive promotional information about certain products and services. This method of advertising is effective enough, because here there is a clear interest of consumers to receive promotional information. In the developed economies, there are agencies that organize direct mail advertising to consumers who wish to receive promotional information about a specific product range. In Ukraine, many companies own promotional mailing, inviting Internet users to subscribe to them.

Commercials in case of electronic mailings. Another way of advertisement via e-mail – is commercials (banners, text, text and graphic blocks) inside the electronic journals sent by e-mail. There are mailings covering certain topics of interest for Internet users. Users subscribe to them in order to receive useful informational materials by e-mail. Such mailing is sometimes called electronic journals. Usually there is some space for advertising inside the magazines.

Thus, e-mail will require additional research in the organization of marketing activities. Today, many companies are using a small part of the channel capacity to influence consumers, often limited by only advertising mailing without confirmation of an addressee (spam), which causes damage to the company image and creates a negative

attitude of Internet users to advertising by e-mail. At the same time, a careful application of the tool of marketing communications can form a circle of loyal customers and boost business efficiency.

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**UKRAINE ADOPTS INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

On 12 May, 2011 the Supreme Soviet of Ukraine amended the Law of Ukraine «Accounting and Financial Reporting in Ukraine», which raised the issue of Ukrainian companies transition to the international financial reporting standards (IFRS).

Since 2012, public joint stock companies, banking institutions, insurance companies, and companies that are engaged in activities approved by the Cabinet of Ministers of Ukraine, have been required to prepare and publish financial statements and consolidated financial statements according to the international standards. Companies that are not included in the above list, make independent decisions about using the IFRS for reporting.

The main stages of transition to the IFRS are:

1. Introductory stage: drawing up a working team, the objective of which is to examine the existing international financial reporting standards.

2. Methodological stage: development of the corporate accounting policy which will correspond to all requirements of the IFRS.

3. Technical stage: preparation of financial reporting or consolidated financial statements in compliance with the IFRS. Today, there are three options of the financial statements in accordance with the IFRS:

– transformation of the Ukrainian financial reporting – a way based on the reduction of the financial statements, prepared in accordance with the national standards, to the IFRS with adjustments;

– parallel accounting – involves conducting two simultaneous counts: the national accounting standards and the IFRS accounting;

– a complete transition to the IFRS – the most crucial way, which is based on a complete transition to the IFRS accounting.

4. Partner search stage (accounting firms, appraisers, consulting companies, IT-partners).

5. Stage of active implementation: the process of creation procedures for each section of the reporting, the development of internal control procedures, the automation of financial reporting or accounting under the IFRS, an active personnel training.

6. Testing stage: identification of mistakes and inaccuracies in the accounting system while constructing financial reporting under the IFRS. Carrying out all necessary procedures to construct financial reporting in accordance with the IFRS (including audit reports) will be effective for a company.

Adoption of international standards, first of all, is a change in the accounting system and like any innovation is a complex stage in operations of any company with its «pros» and «cons».

Like a medal that has two sides, adoption of the IFRS is fraught with difficulties. Companies often underestimate the complexity of the IFRS implementation and forget to

use new and revised standards and interpretations in the management of daily accounting operations. Also, not all of them positively evaluate prospects for increased business transparency with the transition to the IFRS.

Many companies that previously had not dealt with the IFRS, cautiously met changes in the legislation of Ukraine. Although, if you compare it with usual national standards, accounting requirements are quite similar and many are the same. Companies that do not comply with the requirements of the Regulations (Standards) of accounting, and prefer to conduct the tax accounting, may face difficulties. Such difficulties can be easily eliminated in the following way:

- personnel training;
- creation of full accounting policies that will improve employees` discipline in the process of accounting introduction;
- the differentiation between tax accounting and bookkeeping.

The positive economic effect from the transition to the IFRS is unequivocal, because reporting under the IFRS provides truthful information about business and its condition. If the company needs external funding, the availability of the IFRS will determine the best conditions for investment.

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CURRENCY CRISIS: COSTS AND SEQUENCES

What is a currency crisis? A currency crisis occurs if investors lose confidence in economy and its currency and sell their investments denominated in that very currency. If we look at Thailand and Malaysia during the 90s, we can realize the impact of the sales done on a large scale in a short period of time. In other words, a speculative attack succeeds and the value of the currency falls rapidly. This is actually the archetypical currency crisis.

Private (portfolio) investors and the monetary authorities (the central bank) are two key players when crisis arises. It is assumed that the authorities want to maintain a fixed exchange rate and economic decisions are made under the belief that this fixed exchange rate will be maintained in the future. Under these circumstances, a currency crisis can be the most damaging and may ignite a full-blown financial crisis. Capital mobility is crucial for a currency crisis to occur. If investors were not able to switch from one currency to another, a currency crisis would virtually be impossible. This is one of the reasons why some economists policymakers, and anti-globalization protesters have called for the re-introduction of restrictions on international capital mobility. For instance, Malaysia decided to re-install exchange rate controls to stabilize the exchange rate in the aftermath of the currency crisis. However, such controls only make sense when blame for the currency crisis is put on speculative investors rather than economic fundamentals.

A capital account crisis is the mirror image of a currency crisis, focusing on the sudden reversal of capital flows that accompanies the currency market disruption.

Domestic equivalent for a financial crisis is a banking crisis, in which the increased fragility of a country's banking sector, potentially leading to bank runs, forces the government to intervene or banks to scale down their business. This is a potential internal channel for a financial crisis.

Most currency crises and banking crises occur in emerging markets and lead to an output loss. The costs of restructuring the financial sector for the government are substantial, ranging from funds and credit injected into the banking system to the fiscal costs of closing down banks. Although these costs are already substantial for financial currency crises, they are substantially higher for financial banking crises, and even higher for financial twin crises.

After all, the intrinsic weaknesses in the domestic financial sector might be reinforced by changes in capital flows and by a currency crisis leading to a depreciation of the domestic currency. Most recent financial crises have occurred in emerging markets, where the banking sector plays a role as intermediary in the process of channeling funds to investment opportunities. Financial crises are then mainly banking crises. Some economists argue that a banking crisis precedes a currency crisis, leading to the sequencing of a typical modern financial crisis.

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**THE ECOLOGICAL PRINCIPLES
OF SOCIAL RESPONSIBILITY OF BUSINESS**

The problem. Modern stage of national economy`s development is characterized by a greater tendency of domestic business structures to the own economic activity on their responsible basis, taking into account the qualitative changes in the environmental, social and political components of society`s development. Nowadays, the ecological range of problems has come to the list of the most important issues, which have appeared with all inevitability before mankind in the era of scientific and technical progress. Urgent problems of modernity are organically linked with it, the future of our civilization depends on the solution of these problems – the problem of the world and the issues of social progress, problems of demography, economy and energy, technology and health care, education, law, and many others.

The formulation of the problem. The aim of the article is to explore general aspects of the social responsibility of business and identify ways of establishing the ecological balance due to the increasing of social responsibility of enterprises.

The presentation of the basic material of the research. Social responsibility of a business in our country is at the stage of formation and is still a problem of secondary significance in the economic policy of enterprises now. But all economically developed countries of the world pay more attention to social problems both inside and outside of organizations, and the understanding of the importance of a «moral» factor in the business is becoming a guarantee of business success.

With the acceleration of economic development the economic familiarization of the

nature is being made, the usage of natural materials and of all resources is being intensified. With the exponential growth of production all production resources are growing, increasing the usage of capital, the flow of raw materials and energy, solid substances and wastes, which are increasingly polluting the environment.

The formation of ecological consciousness in the modern era, on the opinion of many scientists, is in four main areas: scientific, expressed in an effort to implement existing theoretical and practical knowledge about the existing communications in the natural world, about how you can avoid their violation in the course of production activity; economic – is expressed in the realisation of economic unprofitableness of manufacturing activity, which destroys the human environment; the cultural – manifests itself in an effort to preserve the natural environment as an element of cultural environment; political finds manifestation in people's desire to create conditions for the existence of appropriate human dignity.

It is worth noting, that at the present stage of the development of mankind it's necessary to have experienced specialists in the branches of economy and ecology, which would create preconditions for formation of the population of elements of a modern vision and understand the importance and the need for careful handling yourself in the natural environment. Today there is a need for implementation of environmental education with the aim to enhance the sense of responsibility of each person for the conservation and rational using of the environment, bearing in mind not only the interests of the present, but also future generations. The obligatory condition for the functioning of the environmental management system is constant improvement of the processes of environmentally-oriented development of an enterprise.

Conclusions. Summing up, we should note, that the social responsibility is an important part of effective enterprise management. The efforts of the managers and marketing specialists need to send to a departure from the unwanted, the conscious or unconscious negative effect on the ecosystem for the benefit of strategies socially responsible environmental marketing. Only by applying the principles of environmental and socio-responsible attitude of enterprises to their products, consumers, employees, partners, active social position, which is in harmonious co-existence, cooperation and constant dialogue with the society, participation in solving the most acute social problems can be achieved success in business.

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METHODS OF A BANKING CRISIS STATE REGULATION

Banking crisis is a rapid and massive deterioration in asset quality of a large number of commercial banks influenced by unfavorable factors which prevent the banking system from its performing.

Scholars define various measures to resolve systemic banking crises. Having analyzed some of them, we can single out the following basic approaches at the stage of crisis arising: debt relief and refusal to use coercive measures; nationalization of banks, their closing or merger; sale of bank assets; deposits insurance; asset management companies; using of monetary policy measures; recapitalization of banks, etc.

Each of these techniques helps to achieve a desirable result, namely the banking system recovery and the economic situation stabilization. It depends on what methods

and how a country uses. Typically, countries use a combination of strategies to overcome a crisis, including government programs and market mechanisms. Success depends on a skillful and effective use of legal, regulatory, administrative and political institutions. It is also worth noting that politicians in countries with weak economic institutions should not expect to achieve the same level of results in financial restructuring as in more developed countries and it is necessary to develop mechanisms respectively, and understand that it may take much longer than expected to come out of recession.

The state's role should be balanced and not hinder market forces. Banking crises are divided into systemic, local or partial. Local banking crises are crises in the interbank lending market, mortgage market, car loan market, liquidity market, consumer loan market, etc.

Actions for taken to avert a banking crisis can be divided into two groups: there are the policy of crisis suppression and the policy of crisis (prevention). As for the first group it can also be called a group of short-term actions, namely it is limited by such types of policies which do not foresee the creation of new institutions or new complex mechanisms. Economists include the following actions to this group: bank holidays, deposit freezing, government guarantees to depositors (blanket guarantee), support bank liquidity.

Each of these actions is motivated by adverse changes in bank conditions and choosing the correct anti-crisis policy will depend on the factors that have led to the crisis, or loss of depositors' confidence because of the bank insolvency, or a chain reaction on the general economic crisis. Most commonly used among these listed activities are: to support bank liquidity and government guarantees to depositors, and such measures as deposit freezing and bank holidays are used less frequently.

Deposit freezing is a temporary government veto to banks to give depositors ahead of time their money from accounts or increase lending. In Ukraine, in 2008, deposit freezing was introduced for a period of 6 months. In general, this measure of banking crisis suppression has been used in about 12% of critical cases, but it is highly risky and destructive and depositors can suffer and therefore it should be used only on emergency.

Bank Holiday is a period then banks are closed for some time. Usually it doesn't last long, about 5 days and measure is taken "buy time" until a clear strategy is developed. They have been used only in 10% of crisis cases of crisis, usually in combination with deposit freezing.

The main purpose of government guarantees is to restore resume depositors' confidence and they can prevent the rapid capital outflow, but they are only effective when there is a high level of confidence in the government. The government guarantees are an act which is expensive, so they should only be used in very critical situations.

Liquidity support is obviously one of the most widely used primary measures of reaction to systemic crises. Usually it happens when the Central Bank refinancing loans, and all other refinancing options are exhausted. As a rule liquidity support is used together with government guarantees.

After reviewing all possible situations, we can conclude that most effective way is to find the source of the crisis and only then take some actions. So if problems emerge due to general economic collapse, the bank can provide grants and support it. If the bank's insolvency is caused by incompetent management, or banks are used for political interests, such control does not seem to be socially significant and therefore disconnection of the bank's current owners' assets and transferring them to the new bank is clearly one of the best decisions.

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**LENDMARKS OF SOCIAL POLICY IN UKRAINE:
EXPERIENCE OF THE EUROPEAN UNION**

Social policy is a purposeful activity of subjects in order to ensure social security and create conditions for a safe social environment. In modern conditions, adverse trends and challenges in the social sector, due to the use of forms and methods of the policy management, seem to be attempts to fill new forms of social policy of the old content. According to the latest statistics, as of 2011 more than 160 million people still live on less than 50 U.S. cents a day and are considered extremely poor. Thus, for example, the poverty rate for the United States recently reached a top speed of over 17 years and reached 15.1%. In Asia, this proportion of the population ranges from 30 to 60%. All of these update necessity of the development and improvement of appropriate theoretical framework and the implementation of specific measures to overcome existing problems at the national and supranational levels.

The scientific interest is the experience of the European Union, for which social transfers are an important tool in the arsenal to reduce poverty and maintain food security.[1]

In 2010, 23% of the EU population exposed to poverty and social exclusion (AROE: at risk of poverty exclusion). AROPE is a part of the population under severe material deprivation and poverty. In 21 of the 27 EU Member States children are the most exposed to this risk. The only exceptions are Denmark, Slovenia, Finland and Sweden.

8% of the inhabitants of the EU in 2010 can be considered as indigent. The main areas on which EU social policy oriented include old age, retirement, death benefit, disability, illness, pregnancy, child care, unemployment, the need to support the sick and elderly. On average, EU countries spend on financing of this sector 27.5% of GDP, 2/3 of which are spending on pensions and health care.

In 2010, total spending on social transfers on the EU government level was 50.6% of GDP and it tends to growing.[3]

Also worth noting that one of the important tools of the EU to combat poverty is the European Employment Strategy 2005 (the Lisbon Strategy). It is based on four pillars: 1) the combined recommendations for growth and employment (in conjunction with these recommendations now appear as guidance for macroeconomic and microeconomic policies in the EU for a period of three years); 2) national reform programs for each country; 3) the annual report of the European Commission on economic growth and employment, which analyzes 27 new national reform programs submitted by the Member States; 4) any recommendations made by the Board.

Another important reference point for Ukraine should be the Europe 2020 Strategy. Within it its framework was designed "European anti-poverty policies," Its purpose is to reduce the level of poverty in the EU by increasing cooperation across the European Union.

This policy provides that 75% of the population aged 20 years to 64 years old must be employed and the number of people at risk of falling into poverty should be reduced by 20 million[2]

Moving of Ukraine to European integration should be accompanied by progress in human development, the Millennium Development Goals, and consequently achieving them set significantly higher targets in living standards of the general population.

The key objectives of the reform of the social security system are: reforming the current system of benefits, including minimizing occupational benefits and monetization of social benefits; improving the quality and efficiency of social services, the introduction of social passports of families and individuals which are turning to social services, developing of the individual programs for them; training of qualified personnel for social services; expansion of institutions providing social services, including the provision of key positions in non-governmental organizations, the implementation mechanism of support of community initiatives at the local level.

During the period of economic growth Ukraine has made significant progress in reducing absolute poverty. However, due to lack of effective policy measures, income inequality, which deepened during the transition period, is not reduced. As a result, the level of relative poverty remained unchanged for the past nine years.

Ukrainian society does not solve the problems of certain groups who often faced with social exclusion. This is a traditionally vulnerable groups (disabled, ethnic minorities, such as Roma, Crimean Tatars, etc.). The main objectives of the new poverty reduction strategy should be the elimination of the negative impact of financial crisis on the welfare of the population, defining groups that have the highest risk of social exclusion and to develop measures for their integration into society.[1]

In the conclusion to the main ways for the Ukraine social policy can be attributed:

- 1) reform of the state social policy, the effective income redistribution;
- 2) active struggle with corruption and social injustice through strengthened state control and reforms in the legal framework;
- 3) measures to anti-discrimination attitudes among the public;
- 4) measures to reduce unemployment. promoting labor mobility, modernization of labor markets;
- 5) the pursuit of economic development, which will lead to higher employment and reduce poverty in the whole territory of the country.

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THE ROLE OF TRANSNATIONAL CORPORATIONS IN THE WORLD ECONOMY

Development of the modern system of economic relations is influenced by accelerated globalization. The main strength of this process is the transnational corporations (TNCs). They are a powerful part of the corporate business, operating in an international scale and play a leading role in the global economy.

Actively influencing international economic relations, transnational corporations are forming new relationships, alter their shape. Under the influence of globalization and

integration of world economy TNCs conquer new markets and seek to further expand economic power.

The development of international production and distribution of foreign direct investment are the basis for intensive development of TNCs in the world economy. Entering any country to the TNCs makes it possible to create complex new opportunities to attract resources and entering foreign markets.

Transnational corporations play an important role in the system of global governance, which includes their economic activities, cooperation with domestic and foreign governments, the growing importance of international organizations, environmental and social conditions in the areas where they operate.

TNCs are important economic agents that affect the course of our lives, as well as the way of solving social problems. They depend on the conditions created by governments and international organizations, which form the legal framework for their operation, protect property and investments, establish rules for the regulation of environmental protection, labor relations, social security, and to establish conditions of global trade [1].

The influence of transnational corporations in the global economy, regardless of their level of development increases. Foreign direct investment is an important mechanism through which savings are transferred from advanced industrialized countries to developing countries. Typically, because developing countries have low savings rate.

Foreign direct investment is now considered to be a panacea for poverty reduction and accelerated development, but the reality is more complex. While a few countries have benefited significantly in terms of economic growth, employment generation and poverty reduction because of foreign investment, for the great majority it has made little or no difference at all. Foreign investment has been concentrated in a handful of countries with more advanced economies, large markets and mining resources. Smaller countries, even if they get all the policies right, have failed to attract significant amounts of investment.

The most attractive countries for investment: United States, Germany, Canada, China, Russia, Brazil. The first is the availability of high-quality workforce occupy the US, Germany, UK, France, India. Cheapest labor force have countries such as China, India, Vietnam, Indonesia, Thailand [2].

TNCs – is an important tool for the transfer of technology and management experience to industrial countries. Most countries that host affiliate TNCs in its territory, in favor of their activities and even compete for foreign direct investment. Extensive experience managing large firms enables staff TNCs organize production and coordination more effectively than leaders of the host country.

Thus, last decade transnational corporations get a lot of attention. Today there is no significant process in the global economy that has occurred without the participation of corporations. TNCs turned into power, creating the present and the future of the world. Therefore, they are actively involved in the global political process in different countries.

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IS UKRAINE READY FOR ALTERNATIVES?

Our days of dizzying technological progress, we usually consider to be the most innovative in the history of mankind. We have smartphones and supercomputers, massive amounts of data and nanotechnology, gene therapy and stem cell transplantation. Governments, universities and companies together spend about \$ 1.4 trillion a year on the scientific researches and development work, more than ever before.

But lately no one has been able to make an invention, which will produce clean energy for the entire production of such goods and technologies.

This work aims to emphasize that this hard work of making these sophisticated devices requires a lot of efforts and energy. Step by step we approached one of the most pressing, disturbing and urgent issues in the economic sphere for the last few years – energy issues.

Energy security of Ukraine largely depends on the effective management of fuel and energy complex. So that, one of the most important policy's issues of our country today is the revival of the F&E complex of the country and take into account the general trends of developing energy systems in the countries of the world to minimize the use of non-renewable and environmentally damaging energy. Activation processes of providing own eco-energy not only promotes energy security and efficiency of the country, but also energy-saving and environmental harmonization of manufacture, which causes the urgency of studying these issues, problems and prospects of this industry.

Currently, the actual structure of total consumption of primary energy in Ukraine is the following: natural gas – 42%, oil – 18%, coal – 24% uranium – 12%, hydro and other renewable sources – 4%.

In EU countries, these figures are significantly different from our own and annually change in favor of renewable energy sources.

Thus, in the near and the far future the main purpose for our state in the energy sector will continue to be the implementation of energy that is an alternative to fossil fuels. And the main sponsor and supporter of this is the EU.

The clearest example of this is a program called '*Promoting the use of renewable resources in the Ukraine and the Russian Federation with a focus on biomass for energy*'.

The project started in 2009 and ends in December 2013.

The main goals of the project are:

- Promote the use of biomass for energy and material production in Russia and Ukraine through information, consulting and networking services.
- Improve energy through the use of renewable raw materials and waste for energy purposes with a positive impact on rural areas, reducing the impact of agriculture and forestry on the environment in Ukraine.
- Identify specific projects in the bioenergy sector, which may be indicative and will make a strong effect on people's consciousness. Cooperation with national and international projects and institutions for the development and realization of chosen projects.

The project is supported by the GFA and the BMELV (the German Federal Ministry of Food, Agriculture and Consumer Protection).

In order to reach the targets of the German federal government and the EU in the field of renewable energy by 2020, international cooperation and cooperation in sustainable production and use of biofuels need to be strengthened. Especially Eastern Europe and Central Asia are marked by growing favourable conditions and so far untapped bioenergy potentials. By implementing the cultivation and use of renewable resources for both materials and energy – e.g. in the Russian Federation and Ukraine, and with the use of German know-how and a targeted technology transfer an important contribution can be made towards the mobilisation of these potentials and resulting positive effects for the global environment.

To sum up, we guess each of us should also make allowances the fact that the efficiency of such kind of programs not only depends on state regional policy or state support but on mentality of nation and their willingness to save and change the lifestyles in order to exist in a cleaner world, to breathe fresh air, to be sure that your child will be born healthy and grow up in a safe environment. At present we can claim definitely that the developments in the field of clean energy are rapidly growing in number but unfortunately, nobody knows how long it will take to force out usual thermal and nuclear power stations. Even in these times of economic difficulties if all of us join to solve this problems, the impact is going to be huge and as in most aspects of the fate of humanity, that is no doubt that the consequences depend mostly on ourselves. It mustn't be forgotten.

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**THE ROLE OF THE STATE ENTERPRISE CD «YUZHNYI»
IN THE DEVELOPMENT OF SPACE INDUSTRY OF UKRAINE**

Aerospace industry plays an important political and economic role in the development of Ukraine. It largely determines industrial potential and the prestige of the state: its companies supply the domestic and foreign markets with their products, place orders in other sectors of the economy and create work places. Today, the aerospace industry is ahead of other industries and occupies an important place in modern civilization [1].

The success of companies in the market of aerospace equipment is achieved by the realization of certain conditions: 1) technical competence and consistency of personnel; 2) sufficient experience in «in-house» production development; 3) skillful organization of finished commodities' marketing; 4) production diversification; 5) cost effectiveness; 6) stability of the financial situation. Airliners and space technology represent a long-term perspective for the development of this industry.

Ukraine has inherited one third of the former Soviet Union's industrial capabilities. For further development of this industry, the National Space Agency was established with the aim to control and monitor more than 30 institutions directly related to space activities, including industrial companies, engineering departments, military facilities, research institutes and others [2].

It should be noted that over the past two decades, Ukraine has made significant progress in the space industry and has been recognized by the international community, having entered the top five countries that are the leaders in the number of annual launches [3].

Ukrainian rocket and space industry includes 40 companies. Among them the leading centers are the world-famous State Enterprise CD «Yuzhnyy» and Production Association «Yuzhnyy Machinery Plant» in Dnipropetrovsk. Here vehicles, spacecrafts, systems of management, navigation and trajectory measurement are produced serially [4].

State Enterprise CD «Yuzhnyy» is the leader among rocket and space construction departments in the Commonwealth of Independent States as the user of military strategic rockets for the production of space vehicles.

Ecologically clean booster «Zenith» is one of the best in modern rocket manufacturing by its design and technological perfection. Its distinct features are fully automated process of take-offs and high precision of spacecraft's launch into a desired orbit. Because of these qualities, «Zenith» is the achievement of the world class.

One of the most important activities of State Enterprise CD «Yuzhnyy» is the creation of spacecraft for scientific, defensive and economic purposes. The enterprise is the leading one in the field of elimination and disposal of strategic guided-missile systems, which are carried out within the framework of international agreements.

At present, State Enterprise CD «Yuzhnyy» includes project and engineering divisions that create spacecrafts, rocket engines, devices, sensors; experimental base for the ground processing of units and missile systems, engines and spacecrafts; complex of new technologies and materials; the station for neutralization and dismantling of intercontinental ballistic missiles. Nowadays, State Enterprise CD «Yuzhnyy» is the main engineering design organization in Ukraine that serves major projects included in the national space program. The portfolio of enterprise's orders includes the development of a number of spacecraft: «Sich-2», «Sich-3», «Lybid'», funding of which is partially provided by the National Space Agency of Ukraine.

Recently, due to the successfully developing international cooperation with the leading firms and companies of the CIS countries and the world, State Enterprise CD «Yuzhnyy» has become a member of several international space programs, including Sea Launch. In addition, it has taken part in the creation of space rockets «Dnepr», «Zenith-2M» and spacecraft of «Microsatellite» class for the operational Earth observation system.

Today, with the expansion of international cooperation and the work performed in the interests of national and intergovernmental space programs, new opportunities of creating modern rocket and space technologies are opened for State Enterprise CD «Yuzhnyy» [5].

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TRENDS IN THE DEVELOPMENT OF PAYMENT SYSTEMS

The rapid development and transformation of payment systems (the PS) are being witnessed in various countries of the world during the last two decades. Different scales of the payment structures and the nature of service operations of various segments of the payment turnover divided substation into the retail and payment systems for the large amounts. Massive daily cash transactions for small amounts, which are characterized by speed requirements of settlement and risks protection, are referred to retail payments. Large in sum, termal to execute transactions, mediating inter-bank settlement transactions and clearing operations in money and capital markets are included in LVPS (wholesale charges).

Two types of LVPS: gross settlement system in real time (RTGS) and systems based on the deferred net settlement (DNS), are differentiated depending on payment orders processing, its cost and risk characteristics [4].

A distinctive feature of the settlement mechanism DNS is that the financial requirements of settlement participants are collected and recorded in the system within a specified billing period. At the end of the day the clearing of received claims is done and the net position of the participant is determined. Further in accordance with the final result the deposits of net debtors are transferred to the accounts of net creditors. Such a procedure greatly increases the liquidity characteristics of the systems, i.e. it increases the ability of settlement participants to freely conduct operations during the working day. Cash requirements for calculation is reduced, because the money is required for the final payments, left not credited at the end of the day (depreciation calculations). Transfer of the final payment at the end of the billing period increases the risk of default on their obligations due to the lack of liquidity at the time of final settlement.

In RTGS systems processing and final settlement of accounts are performed for each operation separately. Operations follow one after another in a continuous mode during the day. Credit of funds to the beneficiary occurs immediately after the delivery of the payment instructions to the computer center of the system. A prerequisite of the payment transaction is the presence of enough sum on the payer's account in order to make the payment or to have the possibility of obtaining a loan from the system operator.

Calculation scheme in the system allows to minimize settlement risks, as the final payment occurs at the time of each specific operation. Deterioration in the liquidity characteristics of the settlement processes and their appreciation is found with the need of having large sums.

The desire to minimize the risks for fear of serious losses and increase in cash flow in domestic and international economic turnover led to the development of "hybrid" systems that combine the transfer of funds in real-time with mechanism for offsetting savings in liquidity.

In 2007, Ukraine started the country's first gross settlement system in real time (EBUP) – the system of electronic banking urgent payments [4]. The system combines the principles of BESP gross settlement systems in real-time with the mechanism of netting. It provides the possibility of using austerity liquidity, and the chance of recharging the intraday liquidity through payment of bank loans [4].

Retail PS satisfy the needs of both private individuals and companies in the implementation of simple economic transactions. At the initiative of the ECB the classification of retail PC according to their importance was introduced. PS are attributed to systemically important, which have one of the following criteria:

- the proportion of PS in the retail payments exceeds 75%,
- PS handle payments in the amount of more than 10% of the total sum,
- the risk of a "domino effect" is present in case of bankruptcy of one of the participants in the calculations.

Innovations in retail payments are related to the expansion of the list of payment services offered by using principle, "from card to card"; payments in ATMs, social projects, the production of "virtual cards". Increasingly popular is the use of bank cards[2]. The attractiveness of this payment instrument is in usability, automatic generation of bank credit and deferred loan, receipt of full regular information about the transactions, availability of wide sales network and service organizations that accept the card in payment, ATMs that facilitate payments, deposit and withdraw money from a bank account. The Ukrainian payment transactions dominate in debit cards, accounting for over 90% of the total number of cards issued in the country. This is because of the fact that the market for credit cards in Ukraine has been formed due to "salary" projects, within the framework of which most of debit cards have already been issued [1].

Some of the electronic payment systems in the field of retail sales that reduce the use of cash and checks are automated clearing houses (ACH). It is the system of clearing payment orders electronically exchanged between the financial institutions. ACH function as normal clearing houses, but the paper-based payment information is replaced by electronic storage and transmission of information. They are especially in demand for the implementation of mass recurring payments.

In clearing payment of individuals the role of electronic money is growing. Ukrainian market of electronic money is growing rapidly. The market volume of electronic money in 2011 was about 2.5 billion USD. By 2014, the volume of e-money on the market could grow up to 15 billion grn. [3].

Obviously, creation of solid foundation in order to build modern and efficient national payment system will give Ukraine the opportunity to realize the positive potential of the banking sector and to improve the national economy.

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THE WORLD MARKET OF WHEAT:

MAJOR EXPORTING COUNTRIES AND UKRAINE'S POSITION

One of the major global challenges is the food problem. The world economic system is evident in the lack of food in some regions of the world, especially in developing countries. Grain farming has very important role in the food fund of countries. State of grain market is characterized as global and national security. Wheat is the most important food crop. It is unique in its composition, including the production of crops wheat occupies leading position in world production [1].

Topicality of analysis of the world wheat market due to the fact that this is the main food crop for the majority of the population and wheat is popular in more than 80 countries. Global trend of recent years, with the continued growth and sharp fluctuation in prices of goods, prevent stable export-import activities between countries, jeopardizing the development of their economies.

The aim of the article is to analyze the export of wheat on the world market and make recommendations to improve the position of Ukraine.

The world market of wheat is controlled by five exporting countries (USA, Canada, European Union, Australia, and Russia), which are presented by several major multinational grain corporations. Ukraine takes eighth place among countries which are exporting wheat. Structure of exports of wheat on the world market in 2012 is shown in Fig. 1 [2].

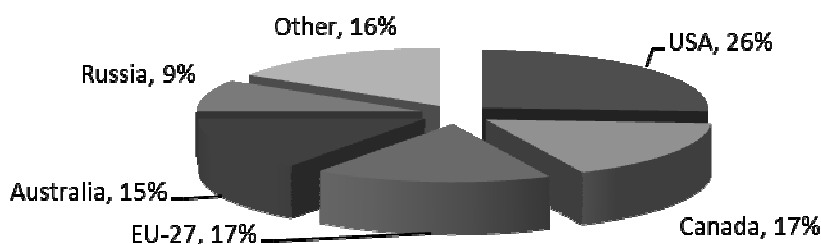


Fig. 1. Structure of exports of wheat on the world market in 2012 [compiled from 2]

Total export grain supply from the main "five" exporters constitute over 84% of total world trade. Analyzing the dynamics of exports of wheat on the world market should be noted that the export is in direct proportion to production. One of the most important factors influencing the production of food grains is climatic conditions. Adverse weather conditions cause major losses of production and exports of wheat in countries causing lower quality, scarcity and higher prices in the world for cereals [3].

Natural and climatic conditions of Ukraine contribute to the cultivation of all cereal crops and gaining in quantities sufficient for domestic needs and export potential formation. Increased level of agricultural technology lately, more balanced approach to growing crops help to reduce the influence of climatic factors on the yield. Ukraine has formed a steady trend towards increasing farms that use intensive methods of management, in which the crop is on the newest technologies that can increase their production in recent years. This suggests that Ukrainian agriculture though slowly but surely moving to a civilized agricultural production, allowing our country to claim the leading position among the major exporting countries [4]. Ukraine is taking 8th place among exporters of wheat on the world market now. The result is not bad, but it should be noted that exports could be more significant and stable, if public policy in matters of export wheat market regulation would be more elaborate [2].

Government policy in foreign trade should provide effective support for export crops:

- to provide political and economic assistance to domestic producers in international markets (exhibitions, talks about cancelling restrictions on supply, preferential loans to overseas importers, etc.);
- in case of a fall in world prices for grains below the level of the internal market must involve export subsidies;
- to serve the growing volume of grain exports to ensure the development of transport and logistics infrastructure: elevators, car park capacity, shipments at the ports of shipment, etc.

It is important to encourage farmers to increase production and reduce costs through:

- the creation of an economically favorable terms for the purchase of modern equipment, the implementation of long-term investment projects;
- public supply surplus products arising during periods of overproduction in the developing countries, on favorable terms and to the poor in the form of the final product;
- increased funding of research programs and the development of applied educational programs for farmers. [5]

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STRATEGIC PLANNING PROBLEM IN UKRAINIAN COMPANIES

One of the main goals for enterprise development is to reach the long-termed competitive advantages. It provides high profit rate and stable economic growth. High level of competitiveness could be ensured by keeping existent positions and searching new facilities. Thus, the corporate strategy is very important part of its successful activity. Properly selected strategy helps to choose right tendency of its development, adapt its activity to permanent environment conditions, and obtain certain advantages.

The choice of this subject to study is caused by growing importance of strategic planning for different companies. Hard work and reaching goals are useful but it is strategy that makes or breaks a company. But what does the notion ‘strategy’ mean? The term ‘strategy’ has been defined in a variety of ways, but almost always with a common theme that of a deliberate conscious set of guidelines that determines decisions into the future.

Corporate strategy is concerned with its peculiarity, values, goals, objectives and financial conditions. According to these and some other specific factors corporate strategy could be suggested.

Most of our domestic companies ignore strategic planning. They don’t consider it as a necessary tool for their effective activity. As a result they are more exposed to impact of external factors. On the contrary companies that use strategy as the main tool of long-termed planning are less liable to influence of such factors.

According to annual researches of Advanter Group only about 25% of Ukrainian companies introduce strategic planning. Other companies consider strategy to be the theoretical conception only.

There are several approaches to strategic planning in Ukrainian companies (Fig. 1).

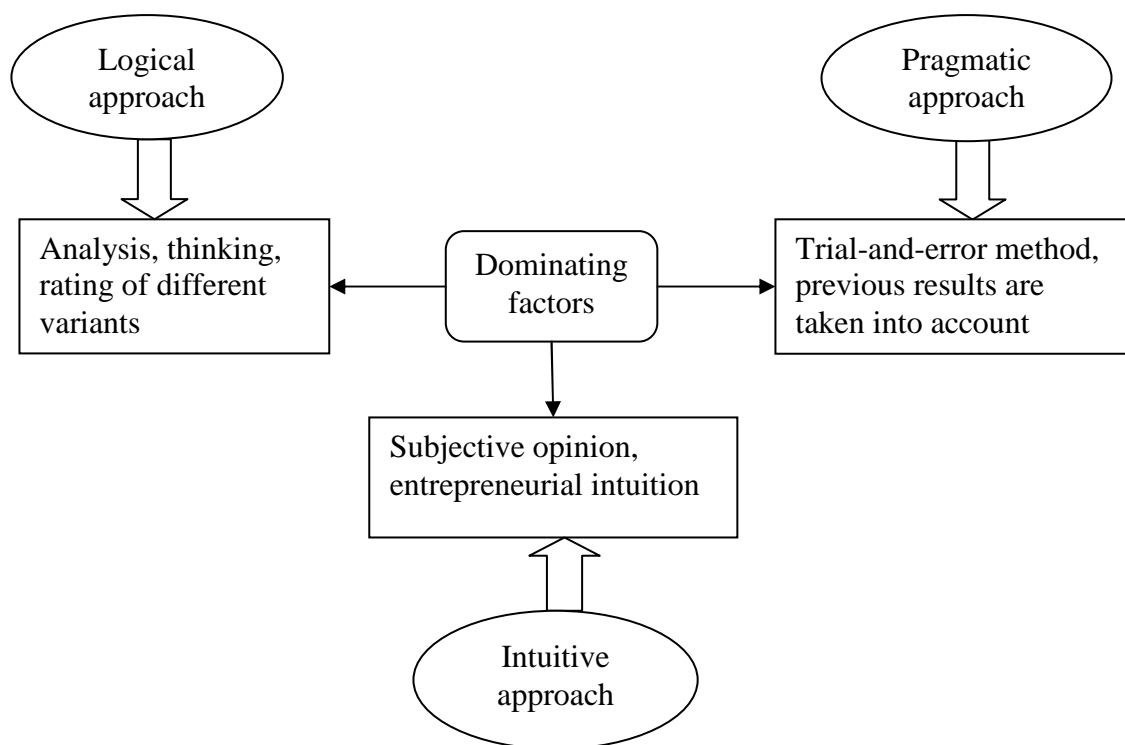


Fig. 1. Strategic planning approaches

According to these approaches it's possible to mark out some strategic methods, which are used by national companies in the network of strategic planning:

- company's activity is based on efficient and clear strategy;
- the main ideas and goals are formulated by top leader (commonly the owner of business); his inadequate experience could be destroying for the company;
- strategy is considered as an interests compromise of different authoritative internal forces;
- companies don't have clear strategy and usually operate with short strides;
- these companies are flexible enough and they can easily adapt to variable environment conditions.

To sum up, there are different approaches to strategic planning in Ukrainian companies, which don't consider strategic planning as so important part of their activity. As a result sometimes it's hard for them to adapt so quickly to sudden changes of external conditions, which can be destructive for their further existence. Consequently Ukrainian companies have to review strategic planning as one of the main components of effectiveness, growth and stable development.

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SOCIAL ENTERPRISES AS A TOOL TO SOLVE THE PROBLEM OF EMPLOYMENT OF PEOPLE WITH DISABILITIES

People with disabilities are among all segments of the population of any society. Law of Ukraine "On the basis of social protection of disabled people in Ukraine", says a "disabled person is a person with persistent disorder of body functions that with the interaction with the environment can lead to restriction of their life, so that the state is obliged to create conditions for the realization of its rights as other citizens and ensure

social protection". Now we can talk about the global nature of disability problem – around the world options are limited for about every tenth man (650 million people), of which nearly 470 million people of working age. For Ukraine, the problem of social protection of the disabled is particularly important: if in the early 90-ies of the last century, the total number of disabled people in Ukraine was about 3% of the total population, or 1.5 million people, in 2008 their number was equal to 2.65 million people that is 5.3% of the total population, according to their number increased by about 1.6 times. The Constitution of Ukraine, says that actions of the state concerning disabilities are not only in money equivalent but also special housing planning, construction of public transport porches, provision of technical and other means of rehabilitation, assistance in getting education, professional skills, employment, health and cultural services.

As you know, many of the disabled are poorly financially provided. The small size of social assistance from the state and the special needs of such people cannot maintain the standard of living. Ukrainian society has little changed stereotypes in relation to disabled people – the idea of equal rights and equal opportunity for the disabled is not yet universal.

One should talk about the problem of employment of the disabled. Practice shows that the involvement of people with disabilities in to the work is important for them and for the country as it is rising living standards of disabled people, increasing their ability to pay and the ability to self-realization. Many countries have created an environment that disabled workers are on average half the people of the total number of people with disabilities. So in the USA there are 29% of the people who have health problems in the UK – 40% Italy – 55%, Sweden – 60%, China – 80%. In Ukraine, disabled workers are about 20%, despite the fact that the number of disabled people of working age is 1.5 million people, among them works almost 443 thousand work.

In Ukraine, as in most European countries, there is a concept of quotas by the state a percentage of jobs at the workplace. According to Article 19 of the Law of Ukraine "On the basis of social protection of disabled people in Ukraine," all enterprises, institutions and organizations with a workforce of 8 or more persons established standards to create a 4% jobs for the disabled. Comparing with in Italy and Spain – 2%, in Germany – 5%, France – 6%. Such a quota of Ukraine shall be performed by all entities regardless of ownership, but only 55% of companies follow the established indicator as it is more beneficial for them to pay a fine than to provide jobs for the disabled. However, only a small portion of funds from penalties goes to creating jobs for the disabled.

According to the Tax Code of Ukraine, Article 154.1. "Exempt from taxation profits of enterprises and organizations established by public organizations of disabled people is their total property ... where during the previous reporting (tax) period, the number of disabled people who have main place of work there is at least 50 percent of the average number of staff provided that the wage fund for such disabled workers is not less than 25 per cent of total cost of labor during the reporting period". So, entrepreneurs quite benefit to their company hiring disabled employers, but should take the high costs into account as well. This is connected with the need of creating special working conditions for employees, offering them a flexible and lightweight schedule. So the establishment of social enterprises is important. Social enterprises are created and developed for creating the workplace, for people for whom work in the open labor market is impossible because of their specific limitations at the moment. Social enterprises are also used in preparing people with disabilities to further employment in the open labor market. Can be mentioned the following organizations:

Community Options Inc.(the USA) has a social enterprise in eight states (printing, flower shops, etc.). Employees of the company are more than 2 thousand employees, of which about 1.5 million people with disabilities. Usually, these are people with very severe disabilities – with different intellectual capacity constraints plan: autism, traumatic brain injuries and other serious neurological disorders. Created social enterprises through proper administration are very successful in terms of business. However the company also gets strong support from the state governments.

«Beacon Group» (the USA), despite being a non-profit organization, the extent of office and production areas resembles a large business corporation. It specializes in employment of people with mental disabilities and mental illnesses. To do this, employees with similar disabilities receive practical experience in belonging to «Beacon Group» manufacturing simple parts for "Airbus" and recycling waste and are further employed in other organizations in the open labor market. «Beacon Group» has stable financing through its commercial activities, and Arizona authorities' support.

There are two possible ways of creating social enterprises:

- 1) Initiative of people with disabilities or their public association;
- 2) Initiative businesses (such can be both the as individual managers, and already formed and successful businesses).

Both models are actively used abroad, even with some bias towards the latter. Despite the fact that social enterprises do business, they are actively using government subsidies and attract private funds for their activities. The state in different countries has different support for social enterprises: from government grants to tax benefits and compensation of wage employees. It is important that the existence of such social enterprises is impossible without additional state and public support. The reason for this is that to achieve full economic efficiency and independence, using the work of such employees is almost impossible. The state should be aware that social enterprises it needs it and what social challenges they will face.

In my opinion, when using potential of social enterprises properly, they can be an important and effective tool for solving problems of employment of people with disabilities in Ukraine. This requires taking the following steps:

- 1) Determine the part of disabled people who can work.
- 2) The state must recognize what social enterprises it need and which tasks they will perform.
- 3) Review the legal base on the rights of persons with disabilities, conduct fiscal reforms that will apply not only to income tax, but also to VAT and special taxes related to the enterprise.
- 4) Make decisions about financing social enterprises.
- 5) Conduct programs that provide training and holding professional development of people with disabilities in specially created jobs – this will allow them to get competitive skills.

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**THE ROLE OF INTERNATIONAL SCIENTIFIC
AND TECHNOLOGICAL EXCHANGE IN THE WORLD ECONOMY**

Today, all economies are judged by the investment they make in education, science and technology, culture and innovation. Knowledge, particularly scientifically validated knowledge, is critical for turning the increasingly complex challenges society faces into opportunities for more sustainable development, achieving the Millennium Development Goals and implementing other joint commitments.

The absence of a consensus among the different characteristics of the science and technology relationships could lead us to despair. Perhaps their relationships are so complex that it is impossible to achieve consensus. But as you can see, some technological advances would not have been possible without some previous scientific discoveries. Thus, the technological infrastructure is a defining feature of modern science, so there is an interdependent relationship.

Scientific and technological exchange is becoming a more important and effective form of modern economic relations. Given the acceleration of scientific and technical progress (STP), no country, no matter how significant the potential in science and technology is, can fully meet its needs in advanced science and technology to produce the entire wide range of scientific production that is constantly being improved and expanded. It is the exchange of these products that is the most important sector of modern international economic relations, the fastest and the most intensively developing.

International scientific and technical cooperation is the form of international economic relations. The latter is a system of economic links in the intersection of science, technology, manufacturing, different activities and trade and is based on a common, pre-produced and agreed intentions which are enshrined in international economic agreements.

The main centers, where global technology resources are concentrated, are Western Europe (including the EU), the U.S. and Asia. Recently, however, the number of scientific and technical personnel is rapidly increasing and the position in the high-tech countries, previously considered "Third World", ones, are strengthened.

A scientific and technological gap between countries that are at different stages of economic development, defines minimum two-tier market structure of technologies: high technology, circulating mainly among industrialized countries; medium and low technologies, that are developing, may be new to the market and the countries which transform and are the subject to technological exchange between them. High concentration of technological resources are in a small number of states.

It is assumed that the development of science and technology will lead to social and economic change (or economic growth, allowing countries to become more competitive in the global economy, or direct impacts on poverty reduction) – yet there is a hotly contested question around who really benefits, when and where.

Thus, at the present stage, scientific and technical cooperation is high. In the future, it will grow even more, which will allow to better and more quickly develop the economy and welfare of people in the whole world. It is through STC that sustained economic growth and the level of economic development in all sectors of the economy are possible.

Priority areas in the future development of international scientific and technical ties will be the following: establishing cooperation and collaboration between universities, research institutes, small and medium-sized companies as well as large firms, increasing

productivity and competitiveness of the economy, creating and maintaining conditions for effective international cooperation.

Obviously, only developed countries with a competitive economy can really benefit from globalization in these trends or, at least, countries with the economy that has steadily grown, and therefore is more attractive to investors. And conversely, chronically lagging countries will face with threat of "pushing" to "curb" of the global civilization and fixing after them an inferior position in the system of world economic relations.

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INVESTMENT ATTRACTIVENESS OF UKRAINE

The funds of foreign investors enable a state to develop in all spheres of socio-economic activities and solve many current problems. While Ukraine witnesses the growth of foreign capital, according to many domestic economists the investment attractiveness of Ukraine in the world is quite low.

According to the State Statistics Committee, a direct investment is an investment that means long-term relationships that reflect the long-term interest of foreign investors in the economy of another country. The direct investment means considerable influence of non-resident investors on the management of a resident enterprise in order to make a profit or achieve a social effect.

Therefore, to achieve long-term interest of foreign investors, the country should have an attractive investment climate in the long run.

The current economic situation in Ukraine complicates investment activities to a large degree. The volume of investment at present does not provide for the economic growth and the representation of the current situation. Any investor always considers the correlation between the size of a possible profit and the risk. Unlike the participants of the direct sale and purchase of goods, the investor intends to invest their capital expecting future results and should be certain about the reliability of transactions that they plan to conduct.

The number of countries that invest in the economy of Ukraine, as of January 1, 1996 amounted to 94 states, at the beginning of 2011 there were 125 of them. Direct foreign investment in Ukraine as of October 1, 2011 made up 48.47 billion U.S. dollars, it increased in comparison with the volume as of October 1, 2005 by 4.6 times and amounted to more than \$ 1000 per person. Such countries as Cyprus, Germany, Netherlands, Russia, Austria, France, Great Britain, Sweden, the United States, Virgin Islands, Italy, Switzerland and Poland are the main investors in Ukraine. As of 01.10.2011 they give more than 88.6% of total direct investment in the economy of Ukraine.

As you can see from the table 1, there has recently been an increase in foreign direct investment in Ukraine. The negative factor is that the U.S. direct investment decreased in 2011 in comparison with 2005 by 13.2%, or 142.6 million dollars. This is quite negative for Ukraine's economy, because the U.S. is an economically developed state that owns substantial capital.

The rates of investment growth from such economically developed countries as the United Kingdom, Germany and France have been very low. This results from the significant risks of the loss of capital due to the economic and political instability in Ukraine in the long run.

The investment attractiveness of Ukraine in the world is quite low. The magazine "Newsweek" has conducted a research assessing the investment attractiveness of 100 countries. To make the rating there has been used the specific assessment methodology, estimating 5 categories: education, medical system, quality of life, economic dynamism and political environment. Ukraine has taken the 66th place, being inferior to such countries as Kazakhstan, Belarus, Azerbaijan, etc.

Table 1. FDI in Ukraine for the period of January-October 2005–2011, million dollars

Country	Year						
	2005	2006	2007	2008	2009	2010	2011
Cyprus	1456,5	2186,2	4957,6	8534	8201,7	9579,1	12089,1
Germany	628,2	5700,7	5759,3	6826,9	6580,8	7005,7	7287,5
Netherlands	589	1364,3	2173,7	3253,7	3814,2	4085,7	4914,4
Austria	350,5	1659,4	2010,5	2564,9	2564,8	2667,3	3447,8
Russia	555,6	925	1343,2	2097,4	2061,5	2956,3	3439,5
Great Britain	1046,8	1520,2	1820	2329,2	2348,5	2284,7	2504,4
France	-	763,2	1025,6	1266,1	1589,6	1751,6	2222
Sweden	-	-	876,7	1260,3	1256,4	1732,2	1755,6
Virgin Islands	708,8	786,9	943,2	1248,7	1340,5	1425,5	1561,4
USA	1224,6	1399,5	1421,1	1522,5	1381,5	1218,4	1082
Other countries	2972,2	3606,4	4525,7	6717,8	7452,1	7808,4	5190,3

Another reason why investors are afraid to invest in Ukraine is the high tax burden on the economy, mainly on the capital. During 1998 – 2007 the tax burden on the capital in Ukraine decreased from 51.99% in 1998 to 25.48% in 2007, particularly by reducing the profit tax rate from 30% to 25% in 2004. The tax burden on the income from capital reached its highest in 1998, when it amounted to 51.99%. No EU state has had such tax burden.

The profit tax gives about 70% of earnings from the taxes on capital. European countries have been reducing this tax to create stable conditions for attracting foreign direct investment and for the accelerated economic growth.

To attract investors economically developed nations are trying to reduce the state control of economic processes, simplify the tax system, stabilize the political environment in the country, they adopt the laws which attract more foreign investors, i.e., these countries assure the investors that they will make the right choice investing their capital in the economy of this state.

The unstable political situation in the country has quite a strong influence on investors. When a non-resident investor can see that there is an anti-democratic struggle for power, the persecution from the authorities and the constant change of laws and the government in the country, they consider all these factors to be an additional risk that may affect the profitability of their investments. In this case, the investor tries not to jeopardize their capital and looks for other countries with more stable political environment.

Ukraine has certain advantages which enable it to have the foreign direct investment and attract certain investors. Firstly, it is its resource potential, secondly, its high level of higher education, thirdly, the fact that the value of labor in Ukraine is significantly lower than in other industrialized countries. Ukraine is located in the center of Europe and many trade routes pass through it.

The study has identified the main reasons that prevent foreign investors from investing their capital in Ukraine, suggested the ways to improve investment attractiveness by eliminating the major factors that hinder investments. Improvement of the investment attractiveness of Ukraine using these methods will make it possible to attract a greater number of foreign investors in the future.

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THE STRUCTURE OF THE PUBLIC DEBT IN POLAND

In today's global economy public debt emerges as an important factor of influence on the national economy. The acceleration of globalization and integration of world financial markets has led to increase access to credit resources and scale of international lending. Therefore, the studying of the structure of public debt has great relevance. Public debt determines the economic relations of the state as the borrower with its creditors (residents and nonresidents) concerning the redistribution of part of the GDP's value in terms of urgency, serviceability and return.

Domestic public debt is the set of the state's liabilities before residents (state debt to all citizens who hold domestic government bonds). It is formed as a result of release of government securities, receipt of the credits and emergence of other debt liabilities. Foreign public debt is the set of the state's debt liabilities arising as a result of borrowing in the foreign markets.

According to the Statistical Yearbook 2012, in 2011 the foreign debt of Poland was 87163,39 mln USD [1] and it was 32% of the total public debt [2, p.632]. The acceptable amount of the public debt is 60% of GDP. It is limited by the Constitution of Poland [3, p. 355]. According to the conducted research this parameter matched the required standard. In the period 2007-2011 it fluctuated at level 44,8–53,5% of GDP.

To combat the financial crisis in May 2009, certain rules of the plan of the Polish government to ensure the stability and development of the Polish economy entered into force. According to this plan one of the main reason for positive development of the Polish economy is the use of EU financial resources on the amount of 95 bln USD, which should be used until 2015 [4].

It should be noted that Polish legislation uses such terms as «public finances» and «state treasure debt». So, according to article 5 of the Polish law «About Public Finances», public finances cover the processes connected with the accumulation and redistribution of funds, and public finances sector consists of three parts: the government sub-sector (according to data for 2011 its debt was 92% of total public debt), the local government sub-sector (7,5%), the social security sub-sector (0,5%) [2, p. 632; 3, p. 354].

In conclusion, management and servicing of public debt is one of the priority tasks of the financial policy in Poland, it is an important condition for the stability of its financial system. Effective debt management will avoid crisis situations and large state spending for servicing of public debt; will promote stabilization of the socio-economic situation and development of economy of Poland.

So, the basic directions in the area of debt management in Poland include the following: adaptation in debt policy objectives (macroeconomic adaptation); adaptation in the operational management of public debt; change of the organizational form of

Treasury debt management, including the creation of agency debt management; changes in debt management, legal and organizational tools.

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THE ISSUE OF CORRUPTION

Corruption is the main issue of the global economy. After the disintegration of the USSR, the Ukrainian authorities had to decide either to continue following a conservative way of developing the economy and not to change into the administrative-command one or completely transfer the model of the planned economy into the market economy. On 24th August, 1991 Ukraine gained independency and stepped into a long, harsh way in order to get benefits in the future. The government of Ukraine decided to denationalize the following domains: industry, constructing and agriculture by passing public property to private individuals. Private property is a key to success and also to the successful development of the economy. The main issue of businesses in the former USSR was to complete scheduled requirements. However, the main target of an entrepreneur is a profit maximisation. In order to achieve a desirable result, private companies should use modern technologies and the most qualified workforce. Moreover, it is necessary to raise the rates of productivity, which will lead to the growth in GDP. Consequently, an increase in GDP leads to a rise in pensions, scholarships, salaries, etc. In this case the government will be able to allocate some money for road reconstructions, bridge reparations, etc. The expansion of production is likely to boost a demand for labour force and as a result the problem of unemployment will be solved.

The procedure of the state ownership privatization is almost finished in Ukraine. However, the result is not obvious for the public. The parliament of Ukraine has to consider why the real GDP in Ukraine is significantly lower than GDP in some Western European countries? The formation of a local budget directly depends on the regional and country budgets. People are seeking loopholes in the legislation in order to get some money not only from a regional budget but also from the government one. Why are we talking about budgets? Let's recall an ordinary visit to the doctor, most cases in the court are made out with money and don't forget about our corruptible road inspectors. The faster corruption will disappear, the more advanced progress there will be.

Corruption is the main problem of the Ukrainian economy. Let's find out how this problem evaluated. Ukraine was one of the countries of the former USSR until 1991. In

Soviet times, a lack of products took place. It was extremely difficult to buy candies, fruit, dairy products, meat, etc. In order to get such products you had to stand in long queue and we don't mention overseas goods, which were not available to ordinary people. People used connections and money to solve their problems. Since that time, they have got used to getting desirable commodities by paying incredible fees. Entering the university, getting accommodation ahead of shedule, a car purchase were received with a help of a bribe. Planned economy itself hides actual incomes of enterprises and citizens. People had no idea how taxes were charged. The model of the market economy is "clear", open for the economic community. People know precisely how much work they do. Futhermore, we are informed of the amount of taxes we have to pay in a current month. If taxes are a little bit higher, an individual can complain to the law court, as indirect taxes are fixed.

What ways of corruption cleanup can be used in our country? There are two ways to get rid of corruption. Western Europe brings up people who are not interested in giving bribes. This means that a Western European resident spends approximately 30% of his income on essential commodities . The rest money is spent on purchasing of electrical appliances, cars, luxury items, etc while the majority of the Ukrainians spend all their money on food, accommodation medicine and also protection. For the officials bribes are such incomes which they are able to spend on expensive domestic electrical appliances, modern car, etc. An ordinary Ukrainian official breaks law for easy money. In Europe this issue has been solved by raising average wages for managers and officials. But, a rise in salaries for officials means higher taxes for citizens. There is an opinion that by following such rules, Ukraine won't able to cope with corruption. Another way of preventing corruption which is applied in socialist countries is to control all domains. For instance, the government controls incomes of households and create a database where information about the income of a particular family, including money received from a deposit, amount of money spent on goods per month is kept. Therefore, when a person unexpectedly buys cars, houses, travels around the world representatives of special organizations come and clarify how this individual has managed to earn so much money. This method is quite harsh but at the same time it strengthens the middle-class, helps to tackle poverty and reduce excessive wealth. Powerful middle-class is a graphic evidence of a developed country.

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**THE PROBLEM OF UNEMPLOYMENT IN UKRAINE
AND THE WAYS TO SOLVE IT**

Unemployment is an economic and social phenomenon, when on the labour market the supply of labour is bigger than the demand for it; thus, there are more applicants for a job than vacancies. The problem of unemployment in Ukraine is urgent at the current stage of the development of the country and its transition to the market economy, because the higher the unemployment rate is, the lower the level of economic and social development is. The problem of unemployment directly affects every working citizen who pays a certain amount of money from their salary to the compulsory state social insurance against unemployment. In order to study the problem of unemployment, first of all, it is necessary to know the reasons for it. One of the main reasons for unemployment

in Ukraine is the decline in domestic production and, as a result, the reduction in the number of jobs. Another problem is the fact that the economy suffers from cyclical downturn. The abrupt transition to the automation of technological processes of production may cause the growth of unemployment.

The Table 1 shows the analysis of unemployment in Ukraine in January 2012 and January 2013.

Table 1

Index	January 2012	January 2013	Deviation (%)
Number of the registered unemployed (thousand people)	520,9	564,5	8,37
The unemployed who receive the unemployment benefit (thousand people)	398,4	435,8	9,38
% of the working age population	1,9	2,0	5,3
The average amount of the unemployment benefit per month, UAH	917	1089	18,76

According to the State Statistics Service of Ukraine, the unemployment rate in January 2013 increased by 8.37% compared to 2012. As of January 1, 2013, 564.5 thousand unemployed people were registered in the State Employment Service, while in January 2012 this number amounted to 520.9 thousand, the number of people receiving the financial aid increased by 9.38%. The average unemployment benefit per year increased by 18.76%.

The unemployment rate differs according to the region of Ukraine. The largest number of unemployed can be observed in western regions of the country, i.e. in Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Ternopil and Zhytomyr regions. The lowest rate was recorded in Kherson region, as well as in the cities of Sevastopol and Kyiv.

Despite the fact that unemployment is an incentive for the working population, in general it is a negative phenomenon in the economic and social environment of the country. The main adverse effects are of social and economic character.

Social effects are as follows: increased social tension, decline in the labor activity, increase in the number of crimes, increase in the number of mental diseases, deepening of social differentiation.

Economic effects are the following ones: reduction in tax revenues, decline in living standards, reduction in GNP and GDP, cutback in production, increased spending on unemployment allowance.

Thus, unemployment leads to severe economic and social consequences.

The problem of employment must be dealt with at the national level by creating and implementing the employment programs. Unemployment may also be eliminated by providing additional jobs, establishing new businesses. The labor market must be analyzed and the conditions for retraining of professionals to meet the needs of today must be created. The development of small and medium-scale business, where owners create additional jobs, must be secured. Such companies must be given the benefits for the payroll fund allocation, thus, providing the business with attractive conditions for entrepreneurial activity.

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**COOPERATION OF UKRAINE AND TURKMENISTAN IN THE ENERGY
AND INNOVATIVE AND INVESTMENT AREA
IN THE CONTEXT OF GLOBALIZATION**

Fraternal friendship between the Ukrainian and Turkmen peoples has deep historical roots. We are united by common aspirations and hopes of our peoples. Thoughts and ideas that are expressed in the immortal works of Taras Shevchenko, are in tune with the world-famous poetry of Makhtumkuli. These two poets are heralds of freedom, which our people were dreaming about for a long time. It is symbolic that in the center of Kyiv, there is a monument to the great poet, thinker and philosopher Makhtumkuli Fragi, and in Ashgabat there is a monument to the great Ukrainian poet Taras Shevchenko. On the basis of national interests, Turkmenistan and Ukraine have constantly improved equal partnership and built relations based on mutual understanding, respect, development of political dialogue at all levels, friendship enhancing and cooperation between two peoples.

Turkmenistan recognized Ukraine as an independent state on December 20, 1991. Diplomatic relations between Ukraine and Turkmenistan were established on October 10, 1992. Since this moment the political contacts between two countries have been active and fruitful at the highest level and have assisted the development of Ukrainian-Turkmen cooperation. The need of their further advance is connected, first of all, with the necessity to enhance Ukraine's economic presence in the Central Asian region and to ensure the provision of hydrocarbons to the country. More than 20 years have passed since the establishment of diplomatic relations between Ukraine and Turkmenistan (October 10, 1992).

All reached agreements were embodied in the legal framework. It consists of 100 documents on interstate, intergovernmental, inter ministerial and interregional basis. Treaty of Friendship and Cooperation between Ukraine and Turkmenistan, the Protocol of cooperation and coordination between the foreign ministries of two countries, as well as several other important bilateral documents have laid a solid foundation for further development of bilateral cooperation in all fields. Based on the results of the initial negotiations (October 10, 1992) five bilateral agreements were signed, among them are:

- 1) Joint Statement of the Presidents of Ukraine and Turkmenistan;
- 2) Agreement between Ukraine and Turkmenistan to transfer people sentenced in imprisons for further punishment;
- 3) Agreement between Ukraine and Turkmenistan on regulation of the resettlement process and the protection of the rights of immigrants;
- 4) The program of cooperation between the Ministry of Defense of Ukraine and the Ministry of Defense of Turkmenistan;
- 5) The agreement between the Donetsk Region State Administration of Ukraine and Khyakimliks Balkan province of Turkmenistan on trade and economic, scientific and technical and cultural cooperation.

Both countries have agreed to promote the development of new forms of relations through industrial cooperation, creation of joint ventures, joint stock companies. In return for gas supply, Ukraine has agreed to provide the services of equivalent value; in particular, it conducts transport and research work and geologic exploration in Turkmenistan, training Turkmen military personnel in Ukraine.

Ukraine has proclaimed its European integration course, but at the same time pays attention to the development of mutually beneficial cooperation with Turkmenistan. For Ukraine, independent neutral Turkmenistan is one of the most important trading partner, bilateral relations between states have a special status. Ukraine is interested in cooperation with Turkmenistan, which also possesses significant resources of cotton, raw materials for the food and pharmaceutical industries. For Ukraine, Turkmenistan is a traditional sales outlet for domestic equipment, especially for the oil and gas complex of Turkmenistan.

Turkmenistan is well endowed with energy resources. It takes fourth place in the world ranking in terms of gas (after Russia, Iran and Qatar). Gas reserves are estimated at 15.5 trillion 3 million cubic meters, and oil – about 6.3 billion tons. Priority direction of economic relations between the two countries is the delivery of Turkmen natural gas to Ukraine, which is the basis of foreign trade. Since 1995, 16 billion 3 million cubic meters of gas have been sent to Ukraine. For several years the trade turnover between Ukraine and Turkmenistan has exceeded \$ 2 billion. Ukraine ranked first among the states that are trade partners of Turkmenistan. Foreign trade turnover of goods and services, according to the National Institute of Statistics and Information of Turkmenistan (NIGS and IT) for 10 months in 2010 was the following: Turkmenistan's exports to Ukraine – 2,372,53 billion, imports – 311.66 million , balance – 1060.87 billion.

Also such industries as construction materials, mechanical engineering and metal working, chemical, light, flour and cereals have the positive impacts on the economic growth. The rate of growth of physical volumes in these industries is in the range of 130–180%. The structure of exports from Ukraine to Turkmenistan (according to the State Customs Service of Ukraine) can be characterized by these numbers: metallurgical products – 59.5%, engineering – 14.4% food – 10.7%, chemical products – 4.1% of the product stone, plaster and cement – 0.6% -0.5 energy, wood, paper and pulp – 0.4%, products of light industry – 0.3%, other products – 1%. The structure of imports from Turkmenistan to Ukraine is the following: petroleum gases and other gaseous hydrocarbons – 99.7%, petroleum oils, and polymers of propylene and linseed oil – 0.1%, light industry products – 0.1%, other products – 0 1%.

Among the traditional areas of fruitful cooperation, the construction industry should be mentioned particularly, which the Ukrainian companies involved in. During 2007–2010, the total investment from Turkmenistan to Ukraine amounted to 52.4 million U.S. dollars. The Ukrainian investment in the Turkmenistan's economy is 11.9 million. Today mutually profitable and successfully developed Ukrainian-Turkmen cooperation based on trust and understanding, has great potential for further growth for the benefit of our peoples and nations. Creation of an atmosphere of partnership and reliability within the Ukrainian-Turkmen relations promotes proximity of our states on many issues of domestic and foreign policy, mutual support in international organizations and at representative forums. We are convinced that the continued implementation of the reached agreements by both sides, the positive experience of mutually beneficial cooperation and implementation of the existing potential of our countries will create a solid foundation for the launch of the Ukrainian-Turkmen relations to a qualitatively higher level.

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**NATO EXPANSION TO EAST AND ITS INFLUENCE
ON THE RUSSIAN AND AMERICAN RELATIONS**

Radical changes in Europe due to the destruction of the bipolar system in the late 1980s and early 1990s have led to the emergence of a qualitatively new situation in the field of security, its key issue has caused a dramatic imbalance of forces and strategic parity between the leading military and political blocs during the "Cold War" as a result of geopolitical changes in the early 1990's. NATO was under the threat of a systemic crisis, as there was the question of the rationality of existence of a massive military-political bloc, whose main task was collective defense.

One way to achieve the objective for strengthening the position of NATO was to announce about the expansion of NATO to the east, it was the defining moment of building a new system of international relations. It was that factor which led to misunderstanding and a conflict between the Russian Federation and the United States. With no real influence on the former allies in Central and Eastern Europe, Russia was unable to prevent the transfer of NATO enlargement to the East. Signing of "Founding Act on Mutual Relations, Cooperation and Security between NATO and Russia" in 1997 could be seen as a compromise that summed up a period of intense negotiations and was the result of understanding of the fact by both parties that the future of the European security was impossible without the active participation of both Russia and NATO. In the late 1990's – early 2000's the attitude of Russia to the expanding of the alliance changed. Having lost a shade of the acute intransigence, the Russian attitude became quiet negative, emphasizing that there were many political and military objections. The main reasons of this approach were the realization that, firstly, the expansion of NATO was caused primarily by the internal European and transatlantic factors and did not intend to resist Russia, and secondly, Soviet countries membership of NATO except Baltic countries remained hardly probable in the nearest future.

Now the main task of the Russian foreign policy of the European integration area is to minimize the negative consequences of NATO enlargement, and to establish relations of equal partnership with the compulsory respect of the interests of Russia. Completion of a period of the global confrontation was characterized by the appearance of the growing trend of "Europeanization" of security in Europe, its main features were striving to reduce the crucial U.S. role, strengthening of the political component in the structure and activity of the European Union to enhance the role of the European allies in the framework of the North Atlantic Alliance as well as to create a European defense structure. At the end of the 1990s Europe did not have an adequate alternative to the American military presence, and thus NATO. On the other hand, the process of NATO enlargement by CEE enforced the European part of the structure, reducing the Atlantic constituent of the bloc. Simultaneously a transfer of the United States attention to the new threats, the fight against terrorism and the regimes that support it, objectively will contribute to weakening of the U.S. involvement in the European security system, allowing the development of European defense and security initiatives.

In 2008 D. Medvedev proposed the idea of TES, it was met ambiguously both in Europe and in the USA. Thus, over the last decade the Russia's approach to the building of the European security architecture has changed significantly. Russia not only has left the idea of creating a completely new comprehensive security system in Europe and the

idea of establishing a hierarchy among the institutions of the European security, but also has concluded that it is necessary to use all existing multilateral institutions as the elements of the European architecture, to transform and adapt them to the new European security order. Alongside the reforms of the European collective security within the framework of OSCE, the activation of the processes within NATO begins. In 2010 Lisbon Summit was held whereby developed a new strategy of cooperation in the triangle of the U.S., Russia and NATO was developed. Also to implement these ideas into practice NATO-Russia Council was established, it was undoubtedly a significant step toward the closer cooperation between the West and Russia.

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**THE VALUE OF INTERMEDIARY ACTIVITY
IN THE MARKET CONDITIONS**

Ukrainian industry is characterized by the presence of numerous intersectoral, regional and interregional relations in the modern business environment. Modern economic system effective functioning depends on the creation of a developed market infrastructure that brings together various forms of commodity circulation channels. The central subject of any distribution channel of goods and services is an intermediary company, and for the industrial sector it is a wholesale intermediary. The presence and the need of intermediary organizations is determined by the necessity to solve the fundamental economic conflict between the efficiency of mass production and efficiency of individual consumption.

Important role in solving these tasks belongs to the wholesale trade. On the one hand, the wholesale trade has to organize the active promotion of domestic and foreign products, and on the other hand, has to provide retail trade with the necessary volume and range of commodity supply, by accumulating scattered commodity resources. Wholesale plays the role of market organizer, balancing the interests of its members. Efficiency of the wholesale is a compulsory condition of sustained functioning of market economy.

Wholesale turnover increased by 2.2 times from 2005 to 2011 and amounted to 1,107,289 million UAH in 2011 in Ukraine. It should be noted that 65% of total wholesale turnover of Ukraine is created by Kyiv (35%), Donetsk region (21%) and Dnepropetrovsk region (9%) in 2011.

Several factors determine the growth of wholesale trade, such as: the growth of mass production in large enterprises, which are remote from the main consumers of finished products; increasing amounts of uninterrupted production instead of meeting specific orders; escalation of the necessity to adapt the goods to the requirements of intermediate and end-users in terms of quantity, packaging and range.

Any mediation activity is carried out in order to get the profit. But a reasonable necessity for the existence of intermediary organizations can be traced through a number of advantages that are achieved through their involvement in activities:

- intermediaries can orient the manufacturers in advance in which direction they should develop the production of goods and services, so in fact the intermediaries perform continuous market monitoring;
- intermediaries put into circulation sphere own capital, so they finance the producers of goods and services, creating for them conditions to increase profits by saving turnover of productive capital;

- intermediaries accept the financial guarantees of execution of payment obligations and other obligations of the parties, increasing the reliability of commodity exchanges. Also intermediaries can arrange transportation of the goods, their customs and insurance;
- intermediaries increase the competitiveness of goods on technical level and quality, by making presale preparation of goods and their maintenance during the warranty and post-warranty periods;
- intermediaries enhance the effectiveness of goods advertising by accounting regional and other features of the market;
- capital of the intermediaries is used to finance deals based on both short-term and medium-term loans;
- the manufacturer is exempted from the big number of functions associated with the sale of goods (delivery, sorting, packing, selection of range, adapting to the local market) and thus saves its money.

In summary, we can make a conclusion that the wholesale intermediary is the reliance of the manufacturer; a mediator professional activity leads to making goods cheaper and raising its quality, because the manufacturer is not involved in providing functions that are not typical for him. Intermediary activity makes the market more competitive and adapts it to the consumer requirements.

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ENTWICKLUNG VON INNOVATIONEN IN DEUTSCHLAND UND NUTZUNG DER ERFAHRUNGEN IN DEUTSCHLAND IN DER UKRAINE

Forschung und Innovation sind in Deutschland auf Expansionskurs. Dies geht aus dem Bundesbericht Forschung und Innovation 2012 hervor. Ob die Entwicklung von klimaschonender Energie oder Mobilität, künstlicher Intelligenz oder virtueller Realität: Deutschland ist überaus erfolgreich darin, mit innovativen Technologien, Produkten und Dienstleistungen, Lösungen zum Wohle des Menschen zu finden, sowie mit einer starken industriellen Basis im weltweiten Wettbewerb zu bestehen und zukunftssichere Arbeitsplätze zu schaffen.

Dank der Innovationskraft von Unternehmen, Hochschulen und Forschungseinrichtungen ist Deutschland ein wichtiger Stabilitätsanker in Europa. Innovative Unternehmen, insbesondere kleinere und mittlere Firmen sind entscheidende Wachstums- und Beschäftigungsmotoren. Die Grundlage hierfür legen mehr als eine halbe Million Menschen, die in Deutschland inzwischen in Forschung und Entwicklung arbeiten, so viele wie noch nie.

Die Bundesregierung hat in der laufenden Legislaturperiode mehr Geld in Bildung, Forschung und Entwicklung investiert als jemals zuvor. Die jährlichen Ausgaben dafür stiegen von 9 Mrd. Euro im Jahr 2005 auf zuletzt 13,7 Milliarden Euro. Die deutsche Wirtschaft hat auf die Impulse der Politik und den Druck der Märkte reagiert und ihre Investitionen seit 2005 ebenfalls deutlich gesteigert. Allein 2010 investierten die deutschen Unternehmen rund 47 Milliarden Euro in Forschung und Entwicklung [1].

Die Hightech-Strategie 2020 der Bundesregierung ist ein nationales Gesamtkonzept, das die wichtigsten Akteure des Innovationsgeschehens hinter einer gemeinsamen Idee versammelt. Sie setzt Ziele und Prioritäten für unterschiedliche Innovationsfelder und soll zukunftsfähige Lösungen für die globalen Herausforderungen liefern[2].

Ziel der Hightech-Strategie (HTS) ist es, Leitmärkte zu schaffen, die Zusammenarbeit zwischen Wissenschaft und Wirtschaft zu vertiefen und die Rahmenbedingungen für Innovationen weiter zu verbessern.

Die HTS 2020 konzentriert sich auf fünf Schwerpunkte, so genannte Bedarfsfelder bzw. globale Herausforderungen. Dies ist eine deutliche Fokussierung im Vergleich zu den ehemals 17 Zukunftsfeldern der „alten“ Hightech-Strategie: Klima und Energie; Gesundheit und Ernährung; Mobilität; Sicherheit und Kommunikation.

Die Möglichkeiten der Nutzung der Erfahrungen in Deutschland in der Ukraine:

- Verbesserung der Rahmenbedingungen zur Innovation,
- Aufbau von Potenzialen zur Verbreitung und Anwendung von Innovation,
- Förderung der Wissensbildung,
- Verbesserung der Anbindung Mitteleuropas,
- Entwicklung von Zusammenarbeit im Bereich multimodaler (verkehrsträgerübergreifender) Logistik,
- Förderung einer nachhaltigen und sicheren Mobilität,
- Informations- und Kommunikationstechnologien und alternative Lösungen für einen besseren Zugang,
- Entwicklung einer hochqualitativen Umwelt durch das Management und den Schutz natürlicher Ressourcen und des Naturerbes,
- Verringerung natürlicher und vom Menschen verursachter Gefahren und von deren Auswirkungen.

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APPLYING THE EXPERIENCE OF THE UNITED KINGDOM IN THE DEVELOPMENT OF INNOVATION ACTIVITY FOR UKRAINE

Ukraine's innovation activity now faces a range of problems due to lack of financing and unstable political and business environment. Modern business world is developing at tremendous speed and in order to keep up with such progress Ukraine should improve the state innovative activity, all the developed countries have taken up the strategy of innovative development. So, the issue is now very important and relevant. Ukraine should use the experience of developed countries in the development of innovation activity.

Business school INSEAD and the World Intellectual Property Organization (WIPO, a specialized agency of the United Nations) co-publish The Global Innovation Index (GII) since 2012. The GII recognizes the key role of innovation as a driver of economic growth and prosperity and acknowledges the need for a broad horizontal vision of innovation that is applicable to both developed and emerging economies, with the inclusion of indicators (84 indicators) that go beyond the traditional measures of

innovation. According to the GII rankings The United Kingdom occupied the 5th rank in 2012.

The UK excels in research, development and innovation, and innovative companies are an important contributor to economic growth.

Actions of the UK government:

1) protecting the £4.6 billion per annum funding for science and research programmes in cash terms during the spending review period

2) trying to be smarter and more strategic in how we procure goods, works and services to encourage innovation

3) helping researchers, developers, innovators and businesses bring together specific knowledge, skills, technical resources and financial capital

4) getting business to work more closely with universities and research institutions to create more opportunities to commercialize their research

5) making taxpayer-funded research accessible and free of charge to use

6) helping England's 26,000 most promising mid-sized businesses achieve growth – a 70% increase in turnover or employment, and funding business through the UK Innovation Fund

The actions of the UK government that can be applied for Ukraine.

1. Choosing the priority branches of industry that should be protected by the government. Thus prioritizing the investments into those emerging technologies which offer the greatest potential return. Key criteria of evaluating technologies:

- the potential size of the global market, and its rate of growth (greater than £10 billion per annum);

- the range of applications for the technology across a number of economic sectors (over four);

- the capability of the research base to develop these technologies (number of published papers, active research projects);

- number and strength of UK companies and their supply chains relative to international competitors, and their ability to adopt and exploit the technologies;

- ability to capture and protect the created value (patenting, embedding and exploiting intellectual property (IP)).

2. Improving the interface between Higher Education Institutions (HEIs) and Business.

3. Delivering a better environment for commercializing research.

4. Research and Development (R&D) Tax Credits

In conclusion we would like to say, that innovations are extremely important and therefore they should be supported by the government. Ukrainian government should try to encourage applying the results of R&D in the production of goods and services. There is a great potential for the development of Ukraine's innovative activity. But the lack of financing, little foreign investment and uncertainty of business environment prevent Ukrainian innovation activity from developing and improving.

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**PROBLEMATISCHE ASPEKTE DER ENTWICKLUNG VON
FAMILIENUNTERNEHMEN IN DER UKRAINE**

Aktueller Stand der wirtschaftlichen Entwicklung der Ukraine setzt auf die Tagesordnung das Problem der Suche nach neuen Formen der Wirtschaftsführung, die Interessen der Produzenten und Konsumenten weitgehend berücksichtigen könnten. Die Erfahrung der hochentwickelten Länder überzeugt von der Notwendigkeit die kleinen Familienunternehmen zu entwickeln. So die Staaten, die ihre Entwicklung zurückhalten lassen, verbleiben in Stagnation. In unserem Land hat Das Familienunternehmen keinen gewünschten Ausmaß der Entwicklung erzielt, denn ihre Tätigkeiten wurden durch bestimmte Faktoren zurückgehalten, und zwar: durch Wirtschaftskrise, durch Instabilität des Steuersystems, durch niedriges Niveau sozialer Sicherheiten der Bevölkerung usw. Für Ukrainische Wirtschaft erwirbt die Entwicklung des Familienunternehmens einen außergewöhnlichen Wert. Das effizient auf dem Privateigentum gegründetes Unternehmen ist nämlich eine wichtige Quelle für wirtschaftliches Wachstum. Dazu soll das verfassungsrechtliche Sicherstellen der Unternehmen beitragen. „Jeder hat das Recht auf die Geschäftstätigkeit, die nicht durch das Gesetz verboten ist“, lautet Artikel 42 der Verfassung der Ukraine.

Familienbetriebe funktionieren in verschiedenen wirtschaftlichen Systemen. Mit der Veränderung der Art des Wirtschaftssystems veränderte sich die Hauptfunktion des Familienbetriebs. Unter der Kommandoverwaltungsbedingungen des Systems maximierten die Familienbetriebe den Gewinn unter den Ressourcenmangelbedingungen. Der Übergang von Kommando- zu Marktwirtschaftssystem verursachte eine Reihe von Problemen im wirtschaftlichen Leben der Gesellschaft, darum ist die Auflösung des Überlebensproblems für Familienbetrieb der Übergangszeit die wichtigste Aufgabe. Nur für den Familienbetrieb, der in der Marktwirtschaft funktioniert, wird die Maximierung des Gewinns unter den Bedingungen der Begrenzung der zahlungsfähigen Nachfrage die wichtigste Aufgabe.

In der Übergangszeit haben die Familienbetriebe eine positive Bedeutung für die Entwicklung der Wirtschaft der Ukraine. Vor allem ist das der Notwendigkeitsausfall der Bereitstellung von Arbeitsstellen der Bevölkerung, die Absorption der überschüssigen Arbeitskräfte auf dem Arbeitsmarkt, Sicherung der Menschen auf dem Dorf, die Schaffung von Bedingungen für die Entwicklung der wirtschaftlichen Aktivität und der Möglichkeit, selbst ihren Lebensunterhalt zu verdienen. Das wichtigste Merkmal der Familienbetriebe ist ihre hohe Wirtschaftlichkeit, Flexibilität, Dynamik, kleiner Kapitalaufwand usw. Angesichts der Finanzierung der Familienbetriebe sind die in dem eigenen Betrieb erhaltenen Gewinne unter der Bedingungen der Übergangszeit höher als das angebotene Lohn an den staatlichen Betrieben, das indem noch nicht rechtzeitig ausgezahlt wird. Unter den Bedingungen der Übergangszeit werden solche Probleme wie Verkehrsproblem (die Verringerung der Anzahl der Menschen, die mit öffentlichen Verkehrsmitteln die Arbeitsstelle erreichen), Verringerung der sozialen Spannungen und Haushaltskosten (z.B. Energiesparen) usw. durch den Einsatz in den Familienbetrieben, in den eigenen Unternehmen kompensiert.

Also, für die Verbesserung der Effektivität des Funktionierens der Familienbetriebe ist es nötig:

- die Verantwortung sämtlichen Staatsorgane für die Erfüllung getroffener Gesetze, Dekrete des Präsidenten, der Beschlüsse der Regierung angesichts der Entwicklung der Familienbetriebe zu stärken;

- den Familienbetrieben für den Technik-, Düngerewerb und für den Straßenbau staatliche Unterstützung zu leisten;
- die Größen der landwirtschaftlichen Nutzflächen durch die Landpacht zu vergrößern;
- das Besteuerungssystem von Familienbetrieben zu verbessern;
- die Beratungs- und Informationendienste von Familienbetrieben zu entwickeln;
- die entsprechenden Bedingungen für wirksame Integration von kleinen und großen Familienbetrieben zu schaffen sowie Betriebskooperation bei der Lagerung, Lieferung, Verarbeitung und beim Verkauf von Produkten usw. zu fördern;

Für Aufrechterhaltung des Lebensstandards muss der Staat auch die Transferzahlungen vergrößern. Doch dies kann das Problem des niedrigen Lebensniveaus nicht beseitigen. Die Familienbetriebe suchen nach den zusätzlichen Quellen, die nicht selten die Geldeinnahmen aus der Schattenwirtschaft sein können. Als Schatteneinnahmen können auch die Schatteneinkommen der Bevölkerung betrachtet werden, die mit den nicht angemeldeten Tätigkeiten in privaten Haushalt, privaten Hausbau, Privat- und Familienunternehmen, Geschäften, Dienstleistungen sowie mit der Beteiligung der Erwerbsbevölkerung an den Einkommensquellen der illegalen Untergrundwirtschaft in fast allen Wirtschaftsbereichen vor allem beim Umsatz verbunden sind.

Eine Voraussetzung für die erfolgreiche Entwicklung der Familienbetriebe ist die Investitionsbeschaffung. In diesem Zusammenhang ist die Auswahl der effektivsten Investitionsrichtungen für die Verbesserung der äußeren und inneren Bedingungen der Tätigkeiten der Familienbetriebe immer das Ziel seiner inneren Investitionstätigkeiten. Für die Entwicklung der Familienbetriebe in der Ukraine soll der Staat einen wirksamen Mechanismus der Finanz-, Kredit- und Juraabsicherung des Familienunternehmens gewährleisten.

Ermäßigte Besteuerung der Familienbetriebe wird zu ihrer Legalisierung und daher fristgerechter Steuerzahlung beitragen, was wiederum einen positiven Einfluss auf die Wirtschaft der Ukraine voll und ganz ausübt. Es ist wichtig die Entwicklung der Familienbetriebe in jenen Bereichen zu unterstützen, wo die erheblichen materiellen Ressourcen (Reparatur-, Beratungsdienstleistungen usw.) nicht erfordert werden. Das schnelle Entwicklung solches Dienstleistungsnetzes wird vielen Familien behilflich ihre Finanzlage zu verbessern.

Eine Untersuchung der ausländischen Erfahrung hat gezeigt, dass kein Land auf seiner bestimmten Entwicklungsstufe die Probleme, die mit der Entwicklung der Familienbetriebe und – unternehmen verbunden waren, vermeiden konnte. Heute ist es ratsam jede Erfahrung, die der Unterstützung der unternehmerischen Initiative betrifft, zu erlernen und auszunutzen. Für viele Unternehmen in hochentwickelten Ländern ist Familienbetrieb oder Familienfirma nicht nur die Gesellschaftsstütze, sondern auch sehr angesehenes Geschäft. In den Familienbetrieben, in denen Unternehmensbesitzer und Produzent der bestimmten Produkten und Dienstleistungen vereinigt sind, existiert eine Auswahlmöglichkeit bezüglich der Ausnutzung von Einkommen, der Erledigung von privaten Problemen. Es wird im Ausland die Möglichkeit die Vorteile des städtischen Lebens mit der auf dem Lande zu verbinden geschätzt. Sowie sind die Familienbetriebe Träger der nationalen Kultur und Traditionen, des Familiengeistes.

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**DIE TRANSFORMATION DES DIENSTLEISTUNGSMARKTES UNTER DEN
BEDINGUNGEN DER GLOBALISIERUNG UND DIE TEILNAHME DER
UKRAINISCHEN PRODUZENTEN DARAN**

Die Erhöhung des Lebensstandards, die Veränderung der Struktur der Gesellschaft haben zur unerwarteten Entwicklung der Dienstleistungsbranche innerhalb der Weltwirtschaft geführt. In den entwickelten Ländern der Welt bildet die Branche der Dienstleistungen 70 % der Struktur vom BSP, und es ist in diesem Bereich 60 % der Arbeitskraft beschäftigt.

Trotzdem ist der Wachstum des Ausmaßes der Dienstleistungsbranche innerhalb des internationalen Marktes nicht das einzige Phänomen der modernen weltweiten Wirtschaft. Mehr Aufmerksamkeit zieht die Transformation des Begriffes des internationalen Marktes der Dienstleistungsbranche unter den Bedingungen der Globalisierung heran. Von wichtiger Bedeutung für den Dienstleistungsbereich ist, dass der wichtigste Faktor der Produktion nicht die Arbeitskraft ist: Es sind hingegen die Informationen, welche zur Bildung der neuen Wirtschaft beitragen basierend auf der Technik, Wissenschaft und Bildung. In der heutigen Entwicklungsphase wird auf dem internationalen Markt der Dienstleistungen häufig der „Trickfilmeffekt“ der Entwicklung beobachtet (die Evolution einer Art der Dienstleistungen führt zur Entwicklung einer anderen). Eine wichtige Rolle in diesem Prozess spielen die informativen Dienstleistungen, deren Bewegung die Dynamik der Informationen im wirtschaftlichen Raum beschleunigte. Dies führte dazu, dass das Spektrum der finanziellen und touristischen Dienstleistungen sich ausdehnte und die Qualität sich verbesserte. So ist einerseits, die Branche der Dienstleistungen von wichtigen Konsumenten der neuen Technologien abhängig und andererseits, ist sie dank des Internationalisierungsprozesses zu einer Quelle der Innovation geworden. Der Teil der Länder mit einer weit entwickelten Wirtschaft haben schon begonnen, sich auf dem Export der Dienstleistungen zu spezialisieren. So ist Indien ein großer Lieferant der audiovisuellen Dienstleistungen, dank ihrer weit entwickelten Filmindustrie. In der ersten Fünf der weltweiten Exporteure der Hafendienstleistungen befinden sich u. a. Singapur, Korea und China. Als wichtige Teilnehmer auf dem Markt der medizinischen Dienstleistungen werden Costa Rica, Südafrika und Chile gesehen. Für die Ukraine gewinnt die Optimierung der Innovationen im Dienstleistungsbereich die Prioritätsbedeutung und zwar im Zusammenhang mit der Finanzkrise, der Verschlechterung der Situation auf den Absatzmärkten für die ukrainischen Produzenten, den langfristigen Veränderung der

Produktionstechnologien und auch der Instabilität in den politischen und sozialen Bereichen. Die Branche der Dienstleistungen in der Wirtschaft der Ukraine hat die Neigung zu steigen, was mit Hilfe der Entwicklung menschlicher Ressourcen und mit der Aneignung des benötigten wissenschaftlichen Wissens verfolgt wird. Man kann den folgenden gut gelungenen Entwicklungsschritt hervorheben: – die Entwicklung forschungsintensiver Zweige des Services ist lebendiger geworden, dabei fingen viele an, sich auf den technologisch komplizierten und innovativen Produktionsapparat zu stützen. Die Tendenz der Wiederherstellung hat auch traditionelle Bereiche wie Handel, Transport, die Haushaltsdienstleistungen, die Erholungsbranche und weitere ergriffen. Es wird steigende Nachfrage in folgenden Bereichen der Dienstleistungen erwartet: in der Medizin, die der stabile Mittelstand konsumiert, im Tourismus – sowohl von den ukrainischen Kurorten, als auch von Seiten der Reiseveranstalter, die die Touren von Ukrainern ins Ausland organisieren.

So erwirbt, unter den Bedingungen der Globalisierung der Weltwirtschaft, der Bereich der Dienstleistungen eine dynamische Entwicklung und wird einer der einflussreichsten Faktoren, von denen der Wachstum der Wirtschaft, die Erhöhung der Konkurrenzfähigkeit des Landes auf den Weltmärkten und die Erhöhung des Wohlstands der Bevölkerung abhängt. Der weitere Einfluss der Globalisierung wird zur Bildung der globalen Servicewirtschaft mit der aktiven Beteiligung der sich entwickelnden Länder und der Länder mit der Transformationswirtschaft bringen.

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**PERSPEKTIVEN DER WIRTSCHAFTSENTWICKLUNG
IN DER UKRAINE UNTER AUSNUTZUNG DER DEUTSCHEN ERFAHRUNG
IN DER INVESTITIONSPOLITIK**

Das Investitionsvolumen in Deutschland wächst permanent, die Gewinnaussichten für die Anleger bleiben stabil und die Risiken überschaubar. Das Ganze ist einerseits die vieljährige Tradition einer erfolgreichen und wirksamen Wirtschaftspolitik und andererseits eine riesige Erfahrung bei der effektiven und effizienten Realisierung der Investitionsprojekten in verschiedenen Branchen – von der Industrie bis zu den IT-Technologien – zu verdanken. In unserem Beitrag sollen einige Faktoren deren Übertragung und Verwendung in der Ukraine analysiert werden.

Das Bankwesen spielt bei den Investitionen in Deutschland eine besondere Rolle. So zum Beispiel sind sämtliche Anlageinstitute, die an der Börse tätig sind und die Wertpapiere emittieren oder mit denen handeln, und damit den Großteil der Investitionen stemmen, werden per Gesetz von der Bankaufsichtsbehörde beaufsichtigt. Deren Verkaufsprospekte, Geschäftsmodelle, allgemeine Geschäftsbedingungen, etc. unterliegen strengen gesetzlichen Vorgaben.

Die aktuellen Investitionsschwerpunkte in Deutschland bilden folgende Branchen: Automobilindustrie, Maschinenbau, Chemische Industrie, Ernährungsgewerbe, Herstellung von Metallerzeugnissen, Metallerzeugung und –bearbeitung; Umwelt-/Klimaschutz, Erneuerbare Energie; Gesundheitswesen; Immobilien, Wohnungsbau; IT, Telekommunikation, Media.

Alle Investitionen in Deutschland können aus den Perspektiven von folgenden drei Dimensionen betrachtet werden: Wer investiert: Privater Haushalt/Unternehmen/Staat;

Investitionsbereich: Produzierende Gewerbe/Dienstleistungen/Finanzprodukte; Art der Investition: F&E/Ersatz/Erweiterung/Rationalisierung.

Eine weitere Facette der deutschen Wirtschaftspolitik ist die Unterstützung von Neugründungen. In Deutschland sind die staatlichen Programme stark verbreitet und beinhalten sowohl die direkten finanziellen Hilfen wie auch die Bereitstellung von unterschiedlichsten Beratungsleistungen. Ein Beispiel solcher Programme ist das Investitionszulagengesetz 2010. Ziel des Investitionszulagengesetzes 2010 ist die Förderung von Erstinvestitionsvorhaben in den neuen Ländern und im Berlin.

Der Fördersatz beträgt bei Beginn des Vorhabens im Jahr 2009 grundsätzlich 12,5%, bei Ausrüstungsinvestitionen von KMU 25% und im Jahr 2013 grundsätzlich 2,5%, bei Ausrüstungsinvestitionen von KMU 5% der Anschaffungs- oder Herstellungskosten.

Für die Attraktivitätssteigerung der Investitionsstandort Ukraine ist es entscheidend das Investitionsklima zu verbessern. Hierfür können aus der deutschen Erfahrung folgende Maßnahmen abgeleitet werden:

1. Verbesserung von gesetzlichen Rahmenbedingungen für die Investitionen und deren Anpassung an die internationalen Standards, dabei können einzelne Aspekte von Bankenaufsichtssystem auch in der Ukraine eine Rolle spielen;
2. Festlegung und besondere Behandlung von Investitionsschwerpunkten für die Ukraine;
3. Besondere Förderung von Neugründungen, Produktionsansiedlungen und weiteren Fest-/Initialinvestitionen.

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**QUALITY MANAGEMENT AS INSTRUMENT
OF ENTERPRISE COMPETIVENESS**

The basis for achieving a strategic competitive advantage for an enterprise in today's environment of economic globalization and the fast growing competition is the complete focus on the end consumer. One of the main requirements of the complex development strategies for such enterprise is the strategy of quality management. According to international standard ISO 9000 version 2000 quality management is coordinated management activities and control activities of the organization with regard to quality.

The process of quality management, based on the guidelines of the modern concept of quality management, is considered as an independent, complex function of business process management which has the following objectives:

- 1) achievement of competitiveness and profitability by improving product quality and all major support and management processes;
- 2) reduction of all costs and strengthening of the economic stability of the company;
- 3) compliance with environmental requirements;
- 4) providing targeted and systemic effects on quality parameters in the direction of continuous improvement.

Modern approaches to the implementation of quality management is the concept of TQM (Total Quality Management).

Total Quality Management (hereinafter TQM) is a concept that provides universal, targeted and well coordinated application of systems and methods for quality control in all areas, from research to after sales service, with the participation of management and employees at all levels and rational use of technical opportunities.

The aim of TQM is to achieve long-term success by maximizing satisfaction of all groups interested in the company. By the concept of "interested parties" are meant people or groups interested in the success of the organization. These include customers, owners, employees, suppliers and society, but some cases may belong to other parties. The objectives of TQM are continuous quality improvement through regular analysis of the results and correction activities, the desire to complete absence of defects and reduce non-productive expenditure, competitiveness and gain the trust of all stakeholders through the use of advanced technology, flexibility, just-in-time deliveries, energy group.

Cycle management in an organization that works on the principles of TQM, is a cycle of continuous improvement of performance which includes three key aspects:

- 1) improvement planning (analysis of consumer needs, society, employees and organizations that are constantly changing, analysis of internal capabilities of the organization to improve the quality of the calculation of quality costs);

- 2) improvements implementation (prioritizing processes, which are corrective actions, creating a team to improve the process, clarify objectives, collecting data, causal analysis, planning and implementation of solutions, documentation, evaluation, standardization);

- 3) self assessment (national and international awards for quality, intra scoring system).

The structure of modern methods of quality management are:

- 1) The concept of continuous improvement Kaizen (KAIZEN) is a systematic approach to quality improvement focused on making regular small steps to improve quality, which are implemented by each employee of the company.

- 2) Method of structuring functions as QFD (Quality Function Deployment) is a systematic way of studying the needs and wishes of consumers through deployment of functions and operations of the company to ensure quality at every stage of the life cycle of the product, which would guarantee a final result that meets expectations of end consumers.

- 3) The concept of Quality House is a method of product value that consumers expect, at the minimum of its value.

- 4) Methodology "six sigma" ($6 - \delta$) is a strategic approach to improve the business, which includes the steps in finding and eliminating the causes of errors or defects in business processes by focusing on the output parameters that are critical to consumer.

Besides the above, there are the following TQM techniques and tools: benchmarking, methods of "just-in time" (Just-in-Time), a system of complex equipment maintenance (TPM – Total Productive Maintenance), methodology of process-oriented management (BPMS – Business Process management System), methodology ABC / ABM (Activity Based Costing / Activity Based Management), knowledge of management methods (Knowledge Management), Balanced Scorecard BSC (Balanced Business Scorecard).

Under these conditions, for the Ukrainian companies it is appropriate to use the above methods in order to implement the quality management, but it is necessary to adjust it by taking into account the government policy and standards of quality.

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**PROBLEMS OF DEVELOPMENT UKRAINIAN COMMON
ECONOMIC SPACE**

In XXI century the world economic space is defined as an engagement area complicated economically developed countries. It is formed on four levels: global, macroregional, national and regional-intrastate.

Each 10 years at the summit level, strategies are adopted, which consist of economic cooperation vectors of the country. Thus, «Ukraine economic and social development strategy» (2004-2015) was adopted. Today, the issue about signing association with EU arrangement remains pending. Ukraine, as EU main partner, has close multifeature communications with the European community. Its program of neighborhood copartnership, which was adopted on the 1 of January in 2007, became a main source of finance for 27 EU countries-partners, including Ukraine. In December 2008 the European Union adopted East partnership, which will help to enhance Ukraine economy.

The scope of the European Union direct investment into Ukraine`s economy at 31 December, 2012 is \$42,979 billion, runup for a year – \$2,648 billion. The greatest investment arrived from Cyprus \$17,275 billion (+\$3,920 billion). But for Cyprus, the main countries-investors are Germany – \$6,317 billion (-\$1,075 billion), Netherlands – \$5,169 billion (+\$270,6 million), Austria – \$3,401 billion (-\$1,4 million), Great Britain – \$2,557 billion (-\$36,9 million) i France – \$1,765 billion (-\$495,1 million). The scope of investment into the island state has decreased by \$531,6 million a year. The second and the third place are taken up by Latvia and Poland, in which economy Ukraine has forwarded \$95,5 million (+\$15,1 million) and \$54,2 million (+\$6 million). The main investment sectors are metallurgical and power-generating ones of Ukraine`s economy.

Providing development of multilateral relations with member countries of CIS is still of an immediate interest. Extending cooperation with Russian Federation is the main direction in international economic links. It is energy resources – oil and gas, that makes a heavy commodities and technologic dependence on Russia.

Ukraine expands cooperation geography with other member countries of CIS, such as: Turkmenistan, Kazakhstan, Belarus, Caucasus countries (Azerbaijan, Georgia, Armenia).

Russia, Belarus, Ukraine and Kazakhstan provide almost 94% of common countries GDP and 88% of their goods turnover. The highest rate of goods turnover is between Ukraine and Russia: 12 billion dollars in 2010, 17.6 billion dollars in 2012.

Advanced topics of socio-economic development of Ukrainian common economic space, territorial foundation of its productive forces are largely determined by ineffective regulating of market transformation processes region economic and social systems. Research of transformation processes evolution specific features and its local dynamics can be the base for founding conception of economic space market transformation, this space productive forces, will provide improving of manufacture territorial organization, founding a new innovation and investment model of national economic development and integration not only into European, but also into the world`s economic space.

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PRODUCTIVITY GAP IN UKRAINE

Productivity growth in Ukrainian industry was remarkably strong during 1999–2004 but slowed in 2005–2006.

Performance in manufacturing has been particularly impressive: output rose by roughly 10% per year during 2001–2006, while employment fell by approximately 15% over the period. Intensive labor-shedding contributed significantly to the rise in productivity, at least until 2003. This was undoubtedly a direct consequence of more active firms' restructuring, at a time when Ukraine was "catching up" on reforms. During 2000–2005 the gross job turnover ratio, defined as the sum of total hiring and firing over total employment, rose steadily, from 45% in 2000 to 58% in 2005. Since 2004, industrial employment has stabilized and productivity growth has slowed, which suggests that this phase of relatively "easy" restructuring is over. While there has recently been some progress in making entry easier, impediments to entry, exit and restructuring remain substantial. Empirical analysis confirms that Ukraine has particular problems with exit. Firm-level data for Ukraine show overall firm turnover rates in manufacturing to be rather low by OECD standards – about 10% in 2002–2005, as against 15–20% typically found in mature market economies. Given such low levels of entry and exit, it is no surprise that product markets in Ukraine are highly concentrated and heavily regulated. Competition-enhancing product-market regulation (PMR) reform can help raise productivity growth through a number of channels, including the direct impact of competition on both market efficiency and technical efficiency, as well as its indirect impact via the role of competition in spurring innovation. Reforms that liberalize entry are also likely to spur fixed investment in some sectors. The PMR review of Ukraine, undertaken in 2007 by the OECD Secretariat, has come to the following conclusions:

- the level of overall product-market regulation was higher than that of any OECD country in 2003;
- the burden of product-market regulation is well above the OECD average with respect to all three major components of the aggregate indicator: state control, barriers to entrepreneurship and barriers to trade and investment;
- overall, barriers to business growth appear to be more constraining than barriers to entry;
- regulatory process is in some respects as much of a problem as the substance of regulation.

However, it should be borne in mind that the PMR review assesses formal regulatory policy settings, which have improved substantially in Ukraine, while the implementation of these policies remains incomplete and inconsistent.

Analysis of the specific PMR indicators finds that:

- recent efforts to improve conditions for entry have had a marked positive effect; yet start-up procedures remain costlier and more time-consuming in Ukraine than in most of the region;
- the regulatory impediments to growing businesses of any size remain extremely onerous, especially those associated with licensing and permits;
- the size of the public sector remains too large, with about 48% of the country's capital stock in the hands of the state or municipal authorities, and a further 10–11% in public-private ownership.

Yet although the problems associated with such a large population of SOEs are widely recognized, privatization has effectively been stalled for the last few years.

- Pressure to restructure or wind up many inefficient firms is limited by the widespread availability of explicit or implicit subsidies to favored enterprises.

Closing the productivity gap between Ukraine and more advanced economies will require increasing efficiency of resource allocation and efficiency of production. Strengthening competition can contribute a great deal to the achievement of both these ends. Our econometric analysis of the relationship between competition and enterprise performance in Ukraine finds that:

- concentration has a negative impact on labor productivity growth;
- import competition has a positive impact on domestic firms' productivity, with the stronger effect in sectors with lower foreign penetration.

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**DEVELOPMENT OF AIR NAVIGATION SERVICES
AS A WAY OF UKRAINIAN ECONOMIC INTEGRATION**

The European integration process plays a huge role in the priorities of our country. For Ukraine, european integration is the possibility of realization of economic potential and the whole development by joining the global economic and political system. An important way of ukrainian economic integration into the world system is air traffic control, which is one of the most leading components of the ukrainian aviation industry.

The aim of this work is to analyze the integration process in the sphere of air navigation services and determine the necessity of entering Ukraine in the EU concept «Single European Sky» (SES).

On the way of integration in air traffic control, important role plays ukrainian participation in international aviation organizations (IAO), which increase global processes in aviation every year. Ukraine is a member of such organizations as ICAO (International Civil Aviation Organization), ECAC (European Civil Aviation Conference), EUROCONTROL (European Organization for the Safety of Air Navigation), IFATCA (International Federation of Air Traffic Controllers' Associations), IFATSEA (International Federation of Air Traffic Safety Electronics Associations), ATCA (Air Traffic Control Association), CANSO (Civil Air Navigation Services Organization) and IKSANO (International Organization Information Coordination Council on Air Navigation Charges).

Among these organizations the most important for Ukraine is participation in EUROCONTROL which gives our country the possibility to realize national interests and be a member of Single European Sky.

Analyzing the history of ukrainian cooperation with IAO, we have identified three characteristic stages: soviet, ukrainian independence and european integration. The important events for ukrainian integration into powerful system are the Partnership and Cooperation agreement between Ukraine and the European Communities, participation in EUROCONTROL and newly adopted Air Code.

In perspective Ukraine is planning to become a member of European Aviation Safety Agency (EASA), which enables undergo certification and obtain a license – guarantee of safety. Analyzing ukrainian cooperation with IAO and future deals, we

should note that participation in IAO will raise the Ukrainian aviation at the European level, the country will join the SES, attract foreign investments and stimulate the development of the aviation industry as a whole.

For effective functioning of international aviation in the European space, it's necessary to provide a high level of manageability and controllability of air traffic, considering global trends.

The European air traffic management (ATM) system currently handles around 26,000 flights daily. Forecasts indicate air traffic levels are likely to double by 2020. Moreover, European ATM costs an additional €2-3 billion every year, compared to other similar systems in the world. How will the European airspace accommodate the increasing air traffic flows, whilst cutting costs and improving its performance?

The answer came with the initiative of organizing airspace into functional blocks, according to traffic flows rather than to national borders. Such a project was not possible without common rules and procedures at the European level. The SES was born to meet this need.

Implementation of SES initiative will be provided through the establishment of nine functional airspace blocks of EU countries, such as: NEFAB, Denmark-Sweden, Baltic FAB, FABEC, FABCE, DANUBE, BLUE MED, UK-IRELAND and SW FAB. Units will be created with the operational requirements of subjects and without national borders of participating countries.

Nowadays, besides EU countries, the third countries (neighbors of EU) can also take part in the concept «Single European Sky».

Ukraine is one of those states which are attractive for the EU in the sphere of air transport services. There are many intensive routes of the EU countries through ukrainian air space. Every year the amount of transit flows increases. According to EUROCONTROL annual report there will be 600 000 flights in Ukrainian air space by 2016. That's why European Union considers our country to be an important object for Single European Sky.

Apart from positive influence, there are many containment factors of taking part in Single European Sky (SES) for our country. Full participation in SES will limit the sovereign rights of Ukraine. Also the concept SES is orientated mostly to the EU countries. In our opinion, Ukraine should partly participate in this concept. It will give the possibility to develop infrastructure in this sphere, become more competitive and save the rights of our country.

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**JOINING OF UKRAINE TO THE ENERGY COMMUNITY:
CONSEQUENCES AND FACILITIES**

The Energy Community was established in 2006 in order to structure the European electroenergetics and create a common European energy market.

The Energy Community is about investments, economic development, security of energy supply and social stability; but – more than this – the Energy Community is also about solidarity, mutual trust and peace. The very existence of the Energy Community, only ten years after the end of the Balkan conflict, is a success in itself, as it stands as the first common institutional project undertaken by the non-European Union countries of South East Europe [1].

Ukraine's membership in the Energy Community became an important and, at the same time, the most challenging element of the organization development, due to the lack of significant reforms in the country's energy sector in the years since it gained independence from the former Soviet Union. As a result of rent-seeking exploitation, it became one of the main sources of oligarchic fortunes, but at the same time remained seriously lacking in investment. Ukrainian economy is highly energy-intensive. Ukrainian gas and electricity sectors, both of which are the main subjects of the Energy Community Treaty are based on an outdated Soviet-era infrastructure. Due to lack of significant reforms on the eve of Ukraine joining the Energy Community, there were very few free market mechanisms. Thus it is hard to imagine Ukrainian economic and political modernization without the prior introduction of transparency and free market principles of its energy sector.

At the same time for the EU perspectives, the Ukrainian natural gas sector is an especially important factor for its own energy security. The country is one of the biggest consumers of natural gas in Europe and an important gas transit player – most of Russia's natural gas exports to the EU are transported through the Ukrainian gas transportation system (GTS).

Ukraine is also one of the biggest producers of electricity in Europe. Ukraine's electricity system is partially integrated with the European Network of Transmission System Operators for Electricity (ENTSO-E) through the so-called Burshtyn Island, an isolated network of power station and substations in Burshtyn, western Ukraine.

Nevertheless Ukraine accession of the Energy Community in 2011 created the potential for the country's complex market reforms in the energy sector towards its integration into European energy space. Unfortunately, Ukraine does not use these features properly and taken measures often meet European market principles only in form, not in substance.

Becoming a full member of the Energy Community, Ukraine pledged to implement a number of European directives and regulations in the field of gas and electricity, environment, renewable energy source issues.

Ukraine has taken some steps towards establishing an independent regulator of the energy sector. Until November 2011, the gas and electricity sectors were both regulated by the National Electricity Regulatory Commission of Ukraine. In November 2011, the President of Ukraine signed a decree creating the National Commission on Energy Regulation of Ukraine (NERC). However, there is still no any relevant law regulating the functioning of this institution [2].

On the one hand the European Energy Community should take into account the way, which Ukraine implements European energy legislation. Therefore Ukraine is not a country with a developed and well functioning energy industry. It should also be noted that the energy policy of Ukraine has a great impact from Gazprom (Russia).

On the other hand these factors do not exempt Ukraine from the fulfillment of the conditions, requirements posed by Energy Community.

As it harms not only the image of Ukraine, but also slows the development and restructuring of the energy sector as well as the economy as a whole.

Structural reforms that ensure economic and financial viability of the Ukrainian energy sector will allow Ukraine to attract necessary investment in the energy sector and develop their powerful internal energy. The example of new foreign investors can be Shell company, with which Ukraine signed an agreement in January 2013. The company intends to work to develop renewable sources of energy, namely shale gas.

Implementation of new technologies to the extraction of shale gas should reduce its dependence on gas imports, primarily from Russia. All this makes it possible to avoid effectively disruptions in the supply of energy resources in the Ukrainian market.

Reforming the gas sector, in accordance with the rules of the Energy Community will provide Ukraine access to a large EU gas market, and hence the ability to export to the EU's own gas production.

Dixi Group has made a survey on participation of Ukraine in Energy Community entitled "One Year in the Energy Community: Are We Doing Well?"

According to Dixi Group analysts in order to change this situation for the better, the following reforms should be made:

- Free access to information relating to the implementation of the commitments undertaken by Ukraine to the Energy Community.
- Define their position in relation to the Third Energy Package.
- Designate a single coordinator responsible for the implementation of obligations in the energy sector.
- Adopt new documents necessary for further reforms and update existing ones the next few months.

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**THE IMPORTANCE OF TIME MANAGEMENT SKILLS
IN LEARNING PROCESS**

In the present fast-moving world time has become of a real value. If a person wants to achieve a success it is not sufficient to be smart and professional. Time management is a key factor in business life. It allows a manager to plan his activity effectively as well as to minimize the loss of time and avoid procrastination. Time management comprises a wide scope of activities, and these include planning, allocating, setting goals, delegating, analyzing the time spent, monitoring, organizing and prioritizing.

It is very necessary to obtain time management skills not only for managers or state employees but also for everybody. The process of studying at university will be more efficient and rapid if students learn how to manage the time. Thus the main goal of this article is to analyze students' key losses of time and to develop recommendations how they can spend time effectively.

A lot of foreign and national scientists have been working at the problem of time management. They are Klaus Moeller, David Allen, Brian Tracy, Stephen Covey, Natalia Alyushyna, etc.

Time management is defined as the act or process of planning and exercising conscious control over the amount of time spent on specific activities, especially to increase effectiveness, efficiency or productivity. At the very beginning it was an attribute of business but recently time management has broadened to include personal activities as well. To obtain the information about the real level of time management skill among students a survey was conducted. Being informed how well students manage their time will help to elicit the main problems and obstacles on the way of self-improvement.

According to the survey only 28% of respondents are mainly satisfied with their self-organization and time spending, whereas the rest of the students are not satisfied (45%) or even can't manage their time (27%) that leads to depression and stress. The problem of self-organizing is very serious among students. There are no courses dedicated to time management at universities or schools so that many of them can't organize their life in the way they want. Thus students often face problems in studying such as low productivity, lack of time to finish work, poor quality of the work done. It is not a secret that a vast majority of students prepare their projects, reports and so on mostly at the eleventh hour. It is simply because they don't know how to plan their learning activity effectively. According to the Pareto's Principle [3] roughly 80% of the effects come from 20% of the causes. It means that only 20% of a person's activity brings him 80% of the result. In our case 75% of respondents pointed out that they can't separate important activities from non-related. Actually they simply don't really follow the Pareto's Principle and waste time on the remaining 80% of the causes that bring only 20% of the effects.

Among the factors that regularly draw students' attention away from learning activity the survey showed the following main distractors: social networks (42%), the Internet surfing (27%) and useless phone talks (12%). It is not a surprising statistics because social network and the Internet surfing have become popular among young people in recent years and it is considered as social disease. That's why many a students prefer communicating via the Internet or playing a game rather than do something useful.

Having analyzed the results it is possible to draw the recommendations that allow to improve learning process and to educate qualified professionals graduating from

universities and schools. In our opinion some particular steps should be done to develop studying activity. They are as follows:

1. According to the research only 31% of respondents schedule their time regularly so the first thing that should be implemented into learning process is to educate young people how to schedule their activity regularly including daily, weekly, monthly, yearly planning. The number of students who may improve their progress will grow steadily.

2. Many students (74%) know little or even nothing about time management tools and methods. Thus it will be a significant improvement if universities and schools provide a special course dedicated to time management that allows students to get acquainted with key principles as well as methods of time management art. Especially the survey shows that 69% percent of respondents believe that time management skills will help them to raise their productivity in times.

3. As for motivation there are plenty of various methods to increase the desire of students to be more sufficient. For example, it could be a special calendar where one should paint each day in green color if this day is efficient or cross if it is not.

In the end it needs to be said that time management is widely used among professionals and managers. Unfortunately, it is not popular with those who are studying at schools and universities although high productivity and self-efficiency are crucial factors to achieve significant results.

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Наукове видання

Мови видання: англійська, французька, німецька

АКТУАЛЬНІ ДОСЛІДЖЕННЯ
В СФЕРІ СОЦІАЛЬНО-ЕКОНОМІЧНИХ, ТЕХНІЧНИХ
І ПРИРОДНИЧИХ НАУК ТА НОВІТНІХ ТЕХНОЛОГІЙ

Матеріали Регіональної студентської науково-практичної конференції
(4–5 квітня 2013 р.)

У трьох томах

Том 2. Актуальні питання економіки

Окремі доповіді друкуються в авторській редакції

Організаційний комітет не завжди поділяє позицію авторів

За точність викладеного матеріалу відповідальність покладається на авторів

Відповідальний редактор Біла К. О.
Дизайн обкладинки Єпішко Д. В.
Технічний редактор Капуш О. Є.

Здано до друку 29.03.13. Підписано до друку 01.04.13.
Формат 60x84¹/₁₆. Спосіб друку – різнограф.
Ум.др.арк. 10,65. Тираж 100 пр. Зам. № 0313-09.

Видавець та виготовлювач СПД Біла К. О.
Свідоцтво про внесення до Державного реєстру ДК № 3618 від 6.11.09р.

Надруковано на поліграфічній базі видавця Білої К. О.
Україна, 49087, м. Дніпропетровськ, п/в 87, а/с 4402

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