## Ministry of Science and Higher Education of the Russian Federation The Ural State University of Economics

# RUSSIA IN THE GLOBAL WORLD: CHALLENGES OF THE XXI CENTURY

Collection of articles of the First all-Russian Student Research Conference (with international participation)

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This is a collection of articles by Russian and foreign students and graduate students in English, German and French dealing with the modern trends of the world economy in the age of globalization, such as regionalization, digitalization, etc. It offers a forecasting development of national economies under the conditions of inequality in the modern globalized world. The authors also highlight specific issues with regard to event-management and logistics, give an insight into the effective management of the present.

The conference materials can be of interest to students, graduate and post-graduate students engaged in scientific research and are appropriate for Business foreign languages training.

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# SECTION 1 GLOBALIZED ECONOMY: CHALLENGES AND PROSPECTS

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# Avantages et inconvénients de l'aide financière aux pays en voie de développement

Résumé. L'article est consacré à l'étude des aspects de l'assistance financière aux pays en voie de développement. L'auteur a étudié en détail un concept de pays en voie de développement et un ensemble des problèmes qui doivent être résolus avec l'aide financière extérieure. L'article présente des exemples de programmes publiques de fournissement d'aide financière et analyse les nuances de leur réalisation.

**Mots clés:** pays en voie de développement; aide financière; niveau de vie; fausse aide

Le terme « pays en voie de développement » (en majorité, des pays d'Asie, d'Afrique et d'Amérique du Sud) regroupe les pays ne faisant pas partie des pays développés. Pays qui ont enclenché un processus, sur les plans économique et social, pour relever le niveau de vie de leurs habitants, en tentant de mettre fin, notamment, au faible développement de leurs industries, à l'insuffisance de leurs productions agricoles, au déséquilibre entre la rapidité de leurs croissance démographique et l'augmentation de leurs revenus national. Sur le plan économique, ces pays se caractérisent par l'instabilité de l'emploi et par des taux de chômage élevés (le niveau de croissance de la population active étant beaucoup plus élevé que celui de la croissance économique), par un faible revenu par habitant (à l'exception de certains pays producteurs du pétrole), et par un faible niveau des salaires réels. Ces pays ont souvent besoin de faire recours aux aides financières pour ajuster leur développement par rapport aux pays du nord (pays industrialisés).

L'Aide Publique au Développement (APD) est l'agence officielle des finances distribuées aux différents pays en voie de développement dans le but de promouvoir le développement économique et le système de protection sociale dans ces pays. Même s'il est vrai que les aides financières ont des retombées fructueuses dans la vie économique des pays en voie de développement, il n'en demeure pas moins vrai qu'elles brident parfois leurs évolutions. Dans notre article nous évoquerons l'impact de l'aide sur le développement réel de ces pays et à qui profite-t-elle réellement.

L'APD recouvre, selon la définition du Comité d'aide au développement (CAD) de l'OCDE, les transferts de ressources publiques à destination des pays dont le développement est la priorité, qui sont soit des dons, soit des prêts avec facilités de paiement. La qualification « APD » dépend de l'éligibilité du pays bénéficiaire, déterminée à partir du PIB/habitant, et des caractéristiques des outils d'intervention mis en place. Le Comité d'Aide au Développement (CAD) de l'OCDE définit ainsi l'APD : « On entend par aide publique au développement (APD) tous les apports de ressources qui sont fournis aux pays de la partie de la liste du CAD (pays en développement) ou aux institutions multilatérales pour être ensuite acheminés vers des pays de la partie I, et qui répondent aux critères suivants: émaner d'organismes publics, y compris les états et les collectivités locales, ou d'organismes agissant pour le compte d'organismes publics, sachant que chaque transaction doit en outre avoir pour but essentiel de favoriser le développement économique et l'amélioration du niveau de vie des pays en développement, et être assortie de conditions favorables et comporter un élément de libéralité au moins égal à 25% (sur la base d'un taux d'actualisation de 10%). En effet, selon les chiffres de la Banque Mondiale, le revenu national brut (RNB) par habitant dans ces pays (en dollars américains) ne dépasse pas 952 en Afrique, 880 en Asie du Sud, 2180 en Asie de l'Est et Pacifique, 5540 en Amérique Latine et Caraïbes, et 2794 au Moyen-Orient et Afrique du Nord, tandis qu'il atteint 39420 au Canada et 76450 au Norvège » [1]. Par ailleurs, les économies de ces pays sont marquées par l'affaiblissement des termes d'échange sur les marchés internationaux à cause de l'exportation de produits bruts et l'importation de produits et marchandises manufacturés qui coûtent beaucoup plus chers.

L'aide peut tout à fait impacter positivement la croissance via le processus d'accumulation du capital mais une croissance très faible au sein d'un pays bénéficiaire incite également les pays donateurs à lui fournir d'avantage d'aide. Ainsi L'aide pourrait certes influencer positivement la croissance. Des capitaux, des compétences, des pratiques, des technologies, des valeurs sont transférés (image 1).

Résultat stratégique 3 : Aide intern AAP 2015-2016 3.1 Sécurité internationale et développement démocratique 3.1.1 Sécurité internationale et réduction de la menace		AAP 2014-2015  1.2.5 Gouvernance du programme d'aide internationale 1.2.5.2 Programme de partenariat mondial 1.2.5.3 Programmes de renforcement des capacités 1.2.5.1 Fonds pour la paix et la sécurité mondiales				
				3.1.2 Soutien à la démocratie, aux droits de la personne, à la liberté et à la primauté du droit	i 	3.1 États fragiles et collectivités touchées par des crises 3.1.2 Afghanistan 3.1.3 Haïti 3.1.4 Soudan du Sud
				3.2 Développement international	Le Fonds pour la paix et la sécurité mondiales, ainsi que les programmes régionaux et multilatéraux, les programmes de mobilisation des Canadiens et les programmes-pays de l'AAP de 2014-2015 ont été ventilés par éléments thématiques et regroupés pour créer l'AAP thématique de 2015-2016.²	3.1.5 Cisjordanie et bande de Gaza 3.2 Pays à faible revenu 3.2.1 Bangladesh 3.2.2 Éthiopie 3.2.3 Ghana 3.2.4 Mali 3.2.5 Mozambique 3.2.6 Pakistan 3.2.7 Sénégal 3.2.8 Tanzanie
3.2.1 Croissance économique durable	3.2.9 Vietnam     3.2.10 Autres programmes d'aide aux pays à faible revenu     3.3 Pays à revenu intermédiaire     3.3.1 Bolivie     3.3.2 Région des Caraïbes     3.3.3 Colombie					
3.2.2 Enfants et jeunes, y compris la santé des mères, des nouveau-nés et des enfants	3.3.3 Colombie 3.3.4 Honduras 3.3.5 Indonésie 3.3.6 Pérou 3.3.7 Ukraine 3.3.8 Autres programmes d'aide aux pays à revenu intermédiaire					
3.2.3 Sécurité alimentaire	3.4 Engagement à l'échelle mondiale et politiques stratégiques 3.4.2 Relations multilatérales stratégiques 3.4.2.1 Institutions financières internationales 3.4.2.2 Institutions de développement international 3.4.2.3 Organisations politiques 3.4.3 Programmes multilatéraux et mondiaux					

Image 1. L'architecture d'alignement des programmes d'aide aux pays en voie de développement [2]

L'assistance double-face est fournie directement par l'État à un autre Etat. L'Organisation des Nations Unies s'est fixé l'objectif de consacrer 1% du PNB des pays développés au financement du développement d'un pays du tiers monde (sans succès).

L'efficacité de l'aide internationale : certaines aides ne sont pas efficaces, car elles ne prennent pas en compte les intérêts du pays, les soutiens

ou leurs besoins réels; cette assistance est plus bénéfique aux pays des soignants. L'assistance est utile lorsqu'elle peut créer des avantages pour les pays recevant une assistance. C'est nocif si cela interfère avec la production locale. Par ailleurs, il y a des dés, alors l'aide réelle est une fausse aide (ou un lien).

Sous le nom de fausse aide, aider le pays a aidé plus d'avantages qui ont aidé le pays. L'inefficacité de l'aide en matière de croissance et de réduction de la pauvreté. Depuis les années 1950, le développement économique traditionnel a été dominé par l'idée que des dons importants sont la solution face au fossé économique présent dans les pays en voie de développement. Toutefois, des preuves indiquent que les flux importants d'aide étrangère s'avèrent finalement faire plus de mal que de bien. En outre, des effets pervers de l'aide ont été largement reconnus: incitation à la corruption, aux relations de clientélisme, éviction de l'épargne nationale, encouragement de dépenses inutiles, mise sous dépendance des gouvernements. Les deux périodes de baisse de l'aide (l'après-colonisation et l'après-guerre froide) montrent que l'aide est à la fois un instrument de politique internationale et de politique commerciale [3]. Une analyse faite de la croissance économique des dernières décennies en Asie, qui a reçu peu d'aide étrangère en comparaison avec l'Afrique, est un premier argument convaincant. Des rapports de la Banque mondiale indiquent que sur les 700 millions de personnes étant sorties de la pauvreté entre 1981 et 2010, 627 millions provenaient de Chine, soit 89,6%, ce qui nous laisse 73 millions dans le reste du monde [4]. Le message est clair: l'aide étrangère n'est pas la bonne réponse. L'idée que l'aide étrangère était le meilleur moyen d'aller de l'avant concernant l'élimination de l'extrême pauvreté était répandue. Mais depuis les années 2000 la théorie du « big push » a fait l'objet de débats enflammés mettant en évidence les conséquences négatives que l'aide semble avoir eu sur les pays en voie de développement, empirant leur situation. Voici pourquoi et comment des changements peuvent être effectués afin d'observer de réels progrès. Prenons le cas sur l'Afrique subsaharienne. On entend parler de tous ces efforts, mais quand on jette un œil aux statistiques des budgets de l'aide étrangère au Tchad, en Angola ou au Nigeria, le niveau de progrès semble soudainement très faible en comparaison aux énormes sommes recues. Le continent tout entier recoit environ 50 milliards de dollars d'assistance internationale par an. Cependant, malgré l'amélioration des conditions de vie des 600 millions de personnes vivant en-dessous du seuil de pauvreté, cette aide enrichit les riches, appauvrit les pauvres, entrave la croissance économique dans cette région, et cela va sans dire, alimente le cercle vicieux de la corruption.

Au terme de notre analyse, nous pouvons dire que l'aide financière envers les pays en voie de développement est avantageuse dans la mesure où elle réduit les inégalités à l'échelle universelle en fournissant, de manière permanente, un indispensable filet de sécurité aux plus démunis. Mais d'autre part, cette aide financière entrave le développement réel de ces pays d'autant puis qu'elle ne cadre pas avec les besoins réels de ces pays en voie de développement. Ainsi, pour renforcer l'efficacité de l'APD la banque mondiale doit définir des priorités par rapport à l'appropriation du pays qui veut se développement et qui bénéficiera de cette aide, doit s'approprier de ses programmes de développement. Il doit y avoir l'alignement des partenaires, s'aligner sur les priorités du pays il faut privilégier une aide qui donne des résultats pertinents à long terme et il faut qu'il ait des responsabilités mutuelles au cas où le projet échouerait. Cependant, les pays en voie de développement peuvent-ils se passer des aides financières pour atteindre leur développement économique ?

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## Specifics of customs procedure in imports

Abstract. This article deals with cases when goods can be exempt from customs duties with no need to provide a pledge or bank guarantee equivalent to the amount of customs duties. Customs warehousing is a customs procedure whereby imported goods are stored under customs control in a certain place without payment of import duties and taxes until the goods are sold or re-exported, though a financial pledge that guarantees any possible customs duty should be provided.

Keywords: customs duties; temporary storage of goods; customs ware-houses

Temporary storage of goods is a common practice of customs houses. It is a procedure in which imported goods are kept under control free, i.e. without payment of any duties.

Economic measures do not apply to cargo. The goods that are subject to exportation are under the control of the customs authorities with the provision of various benefits provided for by law. Such as refund of the amount paid, exemption from taxes and others.

The customs warehouse is a reserve of goods, the content of which does not bring about any losses to the state. Its use can be especially important in the period of some significant shocks, including possible crop failures, embargoes, economic crises and various similar phenomena.

The goods that are placed in such a warehouse temporarily are considered to be off the national territory. This is one of the reasons why they are not taxed in this case. Fees are charged only on the fact of concluding the transaction.

Placement of goods in customs warehouses can in many ways facilitate foreign trade operations, since it gives business people a choice: either to sell it in the national market or to move abroad. Any cargo can fall under this treatment, except for the situation when that is prohibited by the import/export law. The latter includes weapons, sources of atomic radiation, narcotic or psychotropic drugs, nuclear materials. To place goods in the customs warehouse, one needs to produce a cargo declaration, accompanying documents and alike.

Customs warehouses can be private or public, it depends on the owner. A private customs facilities are organized by enterprises or organizations that do not have the status of a legal entity. A public repository is usually established by regional authorities.

The duration of commodities storage in warehouses cannot be shorter than a year and exceed three years. The exact dates of the storage are indicated in the contract, which is drawn up between a person who needs some storage facilities to safely keep his goods there and the relevant agent. The services of a customs warehouse mainly include the arrangement and storage of goods. A warehouse owner bears full responsibility for the loss, damage or shortage of the accepted cargo.

Temporary storage warehouses are adequately equipped rooms, open or closed areas, freezers or cold rooms, and tanks. Very often it may take some time to prepare the necessary customs documents. In this case, the goods are sometimes transferred to temporary storage warehouses, where the commodities are stored for a limited time, strictly regulated by the relevant legislation. In warehouses of this type, there should be zones of permanent customs control. A temporary storage warehouse is a kind of transshipment base for a foreign cargo to pass customs registration and other mandatory procedures. Very often in these warehouses, the cargo is serviced in full compliance with the official customs regulations. Occasionally, companies, at the request of the employer, give permission to extend the lease of the temporary storage warehouse.

By law, the owner of the goods has no right to export the cargo from the temporary storage warehouse by parts. The cargo stored in a specific warehouse, should be delivered accordingly.

The owner or the authorized person must declare the goods according to the customs regulations, then transfer them to the appropriate customs office to be registered and kept, then the cargo will be moved out of the territory or exported.

If the goods that are stored under the control of the customs authorities have been declared, but there is a refusal to extend the terms of storage, they are to be transferred to customs warehouses. The customs office sets a time limit, when the goods must be remove from the warehouse, which depends on the operating capacity of the transportation means available, as well as shipping facilities.

A single document, which allows to place goods for temporary storage, is of a unified standard, established by the central authority and is in compliance with state policy in finance. It determines the order of placement, saving and accounting of commercial cargo for temporary storage warehouses.

When a business entity decides to place cargo in a warehouse for temporary storage, a contract is signed between the seller and the warehouse keeper.

Any cargo can be placed for temporary storage. Handling an unsafe product or a product that requires special conditions for safe keeping, warehouses able to meet special requirements are needed. For example, it is prohibited to store perishable cargo in warehouses if the shelf life of the product is less than 1 month.

Before the placement of goods for temporary storage, the premises are subject to inspection by the customs authorities, who pay special attention to the arrangement of the warehouse as well as its protection from unauthorized intrusion

It is advisable to place goods in warehouses of this type when a special document/certificate is prepared, the one indicates the sending state or receiving state, the address of the consignor/consignee, information about the carrier and/or the vehicle/vessel to be used, and the requisites of the shipping documentation and cargo.

The owner of goods that are in temporary storage is entitled to carry out ordinary warehouse operations to ensure the safety of their goods. For example, the movement of goods within the warehouse for a more rational placement, airing, cleaning, maintaining the optimal temperature, corrosion protection, stocktaking record and inspection. If damaged, the package can be fixed up or replaced. When necessary, the trader can prepare the goods for transportation and due delivery.

In view of the given concept of temporary storage warehouses, it should be noted that modern storage facilities help save imported goods, provided all the necessary documents are registered at the customs authorities.

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# Customs policy of the Russian Federation and the Republic of Kazakhstan: differences in approaches to administration

**Abstract.** This paper considers approaches to customs policy in the economies of Russia and Kazakhstan. The emphasis is on the definition of "customs policy" and what distinguishes the concepts and objectives of the states in the area. The article offers an analysis of how the two different views influence the development of the Eurasian Economic Union (EAEU).

**Key words:** customs policy; customs payment; Eurasian integration; approaches to administration.

Addressing the issues of interstate legal regulation within any integrated association, it is important to note that the policy of each participant of the integration union has a huge impact on the essence of the policy pursued. In the framework of the EAEU the two leaders of the Union are traditionally singled out: those of Russia and Kazakhstan. However, within the framework of the Customs Union operating since 2010, the management of customs policy within each member-state is not unified, but, at times, ambiguous.

The very concept of "customs policy" is interpreted as an issue of the government activity in the customs area, regarding movement of goods and vehicles across the customs border [6]. Nevertheless, in view of the further progress of the Eurasian integration, many researchers have had to revise this concept and significantly expanded on it in scientific papers. So, for example, T. N. Saurenko defines the customs policy within the Customs Union not as a policy of an individual member-state, but as a customs policy of the Customs Union as a whole. Thus, in a broad sense, according to the author, the customs policy suggests "the process aimed at defining coordinated strategic approaches to establishing, developing and functioning of the Customs Union". In a narrow sense, within the Eurasian Customs Union, a customs policy involves a set of measures that facilitate the coordinated functioning of strategic approaches and customs procedures that regulate the movement

of goods across the common customs borders of the Union, in other words, it is a mechanism intended to manage the Customs Union [7].

As for Russia, most authors point out the country's increased focus on the fiscal function of the customs procedures in recent years, which is also supported by a quality management monitoring of the financial management carried out by the RF Ministry of Finance. According to which, in July 2018, the Federal Customs Service (FCS) of Russia took the first place as a chief manager of the federal budget. The budget was implemented by them for 99.7%.

Statistics concerning the import customs duties throughout 2013–2016 demonstrates that in this period the customs duties accounted for more than 35% of the national income at maximum (2013). Then the share in the aggregated income decreased considerably to 19% in 2014, and 15% two years after. Equally impressive, given the country's total revenue, is the proceeds from foreign trade activities. In 2013, it accounted for over 50% of the total revenue, or rather 55.64%. In 2014, this indicator dropped but slightly, to 53.43%. Later, the figure was 40.22% and 37.01% in 2015 and 2016, respectively [2].

Most importantly, these processes do not always have a positive effect on the economic activities of business units, and may lead to attempts to bypass customs legislation, which, in its turn, inevitably results in aggravation of the national economy on the whole: lowers the interest of small business in foreign economic activity and reduces incentives for growth and development of new business areas. The view of the author on the issue coincides largely with A. V. Bobrova and A. Y. Knobel, who identify several aspects which impede earnings for the Russian Federation budget, in terms of customs payments. One of the reasons is a considerable dependence of the economy on export customs duties on oil, oil products and natural gas, that is, on oil and gas revenues. Subsidizing domestic oil refineries and allowing them to supply the EAEU members free of customs duty, the country creates a negative added value for its own oil and gas products, regarding the world market prices [1; 5].

As for Kazakhstan, it pursues a diversified foreign trade policy in the international market. Joining the Eurasian Customs Union in 2010, together with Russia and Belarus, and being integrated into the common economic space since 2012, Kazakhstan made a great contribution in shaping a new integration platform in the post-Soviet area. At the same time, the Republic of Kazakhstan (RK) actively cooperates with such major players of the world

economy as the USA, EU, China, Japan, Korea and others, using their investment flows to advance its economic potential and to develop the national industries of oil and gas production, metallurgy, nuclear industry, electric power as well as advanced technologies.

Some Kazakh authorities have repeatedly expressed their intention to actively and successfully attract investors and develop business on the territory of their country. According to the national investment strategy of the Republic of Kazakhstan for 2018–2022, the country plans to increase the amount of foreign direct investment (FDI) by 26% by 2022 against the FDI attracted in 2016 (\$20.6 billion). However, in quarter I of 2017, about five billion dollars were raised, which is by 18.9% more than in the same period of 2016. The country's development ambitions can be seen in the new national Customs Code [4].

The document offers significantly increased opportunities for the release of goods before an investor completes customs declarations. In the framework of the investment projects implementation, agents will be able to receive goods after producing an application only, as for the declaration, it is to be completed within 10 days of the following month. This regulation also applies to customs procedures regarding free warehouse, free customs zone, customs goods processing [9].

Additionally, a number of provisions in the Republic of Kazakhstan Customs Code are intended to synchronizes the procedures with the Tax Code of the country. These are the provisions in accounting, offset (refund) of customs duties and taxes, as well as debt repayment. Also, it concerns appeals against notifications requiring to correct certain violations as well as appeals against the audit report, all these are sure to facilitate the economic activity of foreign economic agents [8].

The Customs Code of the EAEU also has become a milestone in the development of Eurasian integration, a significant step in improving the customs policies of the countries involved in the integration. It contains a large number of changes, but the key one was the unified procedure to access member-countries' goods to the common market and introduction of a single system of import duties [3].

Moreover, the circumstances of the Customs Code adoption displays preponderance of the national interests over supranational ones. In particular, Kazakhstan's refusal to abolish the principle of national residency, that creates significant obstacles to economic integration, is another evidence. With its abolition, the free movement of goods on the territory of the EAEU could become a reality and lead to full integration in the customs sphere. However, the supposed reduction of the national transit revenues, accompanied by the increased transit earnings of other EAEU members appeared decisive and forced Kazakhstan to take the decision like that [3].

Thus, it should be noted that, despite the unity of the economic and customs territory, the two largest players and founders of the Eurasian integration, Kazakhstan and Russia, demonstrate, at present, radically different approaches to customs administration in the framework of the EAEU, which contradicts the major concept of the "customs policy in the customs union" and requires to be revised by both governments.

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## **Accounting everywhere**

**Abstract.** The paper examines the role of accounting in the  $21^{\rm st}$  century ranging from household to business. It deals with the accounting tasks in the modern world such as optimization of the company's costs and management of production costs.

Keywords: assets; liabilities; accounting; housekeeping; income.

According to the American Institute of Certified Accountants (AICPA) "accounting is the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof" [1].

Do we, common people, need to keep an account? After all, family budget cannot deal without it. Sometimes one runs out of your budget limits, though he has not made any costly purchases. That may happen not only in a family life. Businesses may face similar problems on a much larger scale, because of inaccurate accounting. So it seems to be equally important, on the one hand, to correctly relate family income to regular spendings and, on the other hand, to keep accounting records and evaluate activities of the business. The purpose of this paper is to prove that accounting is an essential tool to use in both cases: to keep house and to manage a business.

The table below shows how one can keep books of a family household. Essentially, the volume of income turns out to be equal to the amount of expenses, which is not surprising because no one can spend more than he has.

Table 1

#### Income Expenses 35.000 40,000 Father's salary Food Mother's salary 26,000 Clothes 22,200 Grandmother's pension 14.000 Rent 10,000 The subsidy issued by school 700 Tuition fee 8,000 Old goods sold 4,500 80,200 Total: Total: 80,200

November family budget, 2017

Another thing to consider is your belongings. Here we can single out five groups:

- 1) real estate (an apartment, a country house), valuable household items (a car, furniture, a TV, a computer);
  - 2) income (salary, benefits, pensions, family savings);

- 3) foodstuffs, petroleum, money on the bank card and money owed to you;
- 4) funds borrowed for a period longer than a year (long-term loans provided by bank, money borrowed from friends);
  - 5) funds borrowed for a short period (less than a year).

If you analyze these groups, you will see that the first three groups are family assets and the remaining are liabilities, given the prices are in rubles and foodstuffs- in kilograms.

The table below proves you need to fill in your personal tax declaration, balance your incomes and expenses. Accounting is important for every family, it allows not to spend money on something you do not really need at the end of the year.

Table 2
November family financial status, 2017

Assets		Liabilities	
1		3	
Flat	3,500,000	Family capital	4,401,300
Car	70,000	Salaries	61,000
Furniture	300,000	Pensions 15,000	
TV	35,000	Subsidies 70	
Computer	25,500	4	
		Long-term bank credit	300,000
2		5	
Food	15,000	Money borrowed from friends	5,000
Petrol	3,500		
Non-cash money	170,000		
Cash	25,000		
Money in debt	9,000		
Total:	4,783,000	Total:	4,783,000

Similar processes go on in any business, for example, Burger King. If they want to expand, they should preplan and forecast expenses in order to maximize profit. Company management is impossible without knowing its economic status. These data are a launching pad for managerial decisions concerning company's development. Accounting provides managers and company executives with a budget and other financial information crucial for management. It helps to identify production reserves and control the usage of raw materials, labor and financial resources and, consequently, to adjust expenses and to plan revenue.

In modern economy based on market relations, stability and development of any business depend upon the success of these activities. To achieve this, the organization carries out a number of activities in accordance with its strategy aimed at solving the most probable problems: optimizing management process, increasing productivity, improving competitiveness, regulating the cost price, improving the financial and economic results of the organization. Pushed by the above-mentioned problems, the business is looking for effective management decisions, choosing and applying the best practices [2].

Cost of product-making combines the cost of production and sales; accurate calculation of the production cost appears to be highly essential, because there is a correlation between production expenses and the quantity of finished goods [3].

There are several methods to do the calculations depending on the products nature. For example, the company wants to cut its costs in order to maximize profits. To reach this goal, the organization chooses a method of proportion between ultimate price on goods and costs price. Thus, the accountant analyzes the reports available, identifies the best way to achieve this goal, and passes the information to the manager.

Accounting and its analysis are the core tools for the best management. Accounting provides the following:

- systematization of data grouping company's resources and assets;
- knowledge of expenses and balance, thus giving a manager the tool to run revenue:
  - analysis of data vertically, horizontally and in dynamics;
- taxes data aiming to optimize taxation, to find out the company's weaknesses and opportunities for a better performance;
- complex and detailed info about sources and liabilities, competitiveness in financial indexes, both on reporting date and in dynamics, allowing to analyze the company's financial standing and to identify the organization management advantages and disadvantages;
- information about the company development in dynamics, providing data about the consecutive reporting periods.

All the above indicators are sure to help the company management to anticipate and respond adequately to many challenges the business can face.

To sum up, accounting is a core instrument in many areas of life, it enables people to gain significant information for managing family budget and the company finance. Otherwise, mismanagement and underperformance can bring about dramatic, irreversible consequences.

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# Digitalization of Belarus economy: prospects of the industry

**Abstract.** Belarus becomes the first country to introduce legal foundation and law regulation for the major players in the blockchain industry, and announced plans to implement smart contracts as a new legal instrument. Benefits from the model "custom" programming supposedly was the right decision. HTP (High Technologies Park) resident-companies are now able to develop and sell products in different areas.

Keywords: digitalization; industry; blockchain industry; smart contracts.

The partner of the Belarusian law company Revera Elena Murashko and the head of corporate and investment practices of the legal department in Wargaming Andrey Ermolenko report on the main provisions of the document.

Can Belarus become the next regional centre of high technologies development? Many industry leaders and investors are positive about the issue, according to a recent study by the WSJ and Financial Times.

Introduced over a decade ago, the industry of high technology and business outsourcing software has proven its effectiveness, demonstrated benefits and led to the foundation of such companies as Epam, which is housed on the Nasdaq, Wargaming, one of the largest video games producer, Viber – a popular app for instant messaging.

In their turn, they also have contributed to the emergence of the group of small but successful startups: Maps.me, AIMatter, MSQRD sold to industry giants – Facebook, Google and Mail.ru Group.

Watching the emerging business community and an increasing number of adventurous local entrepreneurs, the Belarusian government decided to give the industry greater opportunities for development, to enhance their investment attractiveness bringing the innovative entrepreneurship to a higher level.

When on December 21, 2017 the country President Alexander Lukashenko signed the decree "On Development of Digital Economy", there happened a long-awaited breakthrough in the regulation of the industry and appeared a Christmas gift to Belarusian business.

The decree provides a foundation for the transformation of the post-Soviet economy of Belarus, which used to be driven by heavy engineering, modern digital and decentralized economy.

Initially, the "High Technologies Park" (HTP) was considered to be a local project intended to give an opportunity to Belorussian developers to be involved in the global economy, mainly as R&D centres to fulfill orders from major clients.

The effective taxation of wages and quality human resource potential made it possible to establish a development center in Minsk. More high-profile success occurred when the founders moved abroad to advance the business. International investors are slow to open subsidiaries in Belarus.

For all the difficulties, the OEM managed to increase the export profits of the resident companies to about \$1 billion by 2017. Though transferring most of software development to Minsk, the business faced considerable difficulties, underdeveloped legislative regulation, to a certain extent, hampered the capacity of the OEM.

Benefits from the model "custom" programming originally was the right decision, allowing for development, integration and maintenance of SOFTWARE, processing and database management; exemption from income tax, reduced income tax for employees.

But for companies that wanted to promote their own products, the list of permissible activities acted as a deterrent. After 12 years, the industry found itself in a sort of a deadlock.

As for the decree signed by Mr Lukashenko, the new version of the HTP regulation significantly expands the business opportunities for Belarus subjects as well as meets the needs of large international companies planning to open diverse functions offices.

The list of the new HTP regulations includes the top trends in the industry. Currently, HTP resident-companies are able to develop and sell projects in the following areas:

- automated control of vehicles;
- any practical application suggested by the blockchain technology, from mining to cryptogenic and ICO;
  - business solutions based on artificial intelligence and neural networks;
  - research and development related to medicine and biotechnology;
  - software and hardware solutions based on IoT:
  - internet sites and the marketplace;
  - industry of online gaming and virtual entertainment;
  - publishing and promotion of games and digital content;
- outsourcing business processes (BPO) and administrative work in the industry, provided they offer an element of innovation;
  - activities of the companies, focusing on investments.

Most importantly, companies – HTP residents are privileged to have tax incentives and simplified administrative requirements; any progressive development is expected to attract direct foreign investment from Western countries.

It should be mentioned that the streamlined administration implies significant progressive regulatory changes. The "corporate veil" is to minimize business risks

For many years Belarusian business has suffered from extensive practice in local courts, subjecting management and business owners to responsibility for bankruptcy or taxation evasion, an equivalent to "lifting the corporate veils" in the English legislation. Sometimes it was enough not to submit financial statements in due time or file not well-prepared corporate documents to be penalized by seized personal property. In 2017 at the national level this practice was recognized contrary to laws which significantly reduced cases of intentional bankruptcy.

However, it must be admitted that startups commonly suffer from a high "mortality". This is the essence of the industry that brings innovative ideas requiring extended testing period.

Therefore, the OEM 2.0 has improved security measures for residents: the participants and managers of HTP resident-companies do not bear vicarious liability, but for cases, when bankruptcy is caused by deliberate actions of some individuals. Presumably, this will add confidence and harmonize the activity of those engaged in innovative processes.

Previously, the founders of startups and their investors suffered from the numerous restrictions prohibiting quite common for the US and UK formality as Covenant – allowing poaching customers and employees, impeding fare competition, convertible loans, and shareholder agreements.

The new regulation allowed to apply a foreign law to shareholders of HTP resident-companies and introduced these concepts into local legislation, offering clear criteria for their performance. From now on, all parties involved in the investment or acquisition of business, will speak a common language and will do without the extra corporate "layers" in exotic jurisdictions.

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#### Impacts économiques de la mondialisation

Résumé. Depuis les années 1980 la croissance du commerce mondial était nettement plus élevée contrairement à la croissance du produit intérieur brut mondial. Au cours de ces années, le processus de libéralisation du commerce a été largement utilisé. Au milieu des années 1990 le terme « mondialisation » est de plus en plus utilisé dans la société. L'article analyse les approches de la définition du concept de mondialisation. Les caractéristiques principales du processus sont étudiée, les aspects positifs et négatifs de la mondialisation sont révélés.

**Mots-clés:** mondialisation; commerce mondial; investissement; technologies; libéralisation.

Depuis le début des années 1990, la « mondialisation » désigne une nouvelle phase dans l'intégration planétaire des phénomènes. Il faut comprendre qu'est-ce que la mondialisation? Essentiellement, les définitions dites « officielles » de la mondialisation associent ce phénomène à celui du commerce international de manière très étroite comme le fait. Par exemple, selon la Commission européenne « la mondialisation peut se définir comme le processus par lequel l'interdépendance entre les marchés et la production de différents pays s'accroît sous l'effet des échanges de biens et de services ainsi que des flux financiers et technologiques. Il ne s'agit pas là d'un phénomène nouveau mais de la poursuite d'une évolution amorcée depuis longtemps » [2].

On dit même que la création d'un espace mondial interdépendant, autrement dit la mondialisation, n'est donc pas nouvelle. Une première mondialisation s'est organisée autour de la Méditerranée, dès l'Empire romain [3]. C'est au XIX<sup>e</sup> siècle que la mondialisation centrée sur l'Atlantique culmine:

entre 1870 et 1914 naît un espace mondial des échanges comparable dans son échelle à la séquence actuelle. Au XX° siècle beaucoup de changements se passaient. Le monde a été affecté par les deux guerres mondiales. « Le processus de création » de la mondialisation a connu plusieurs étapes. Selon l'OCDE, elle recouvre trois étapes: l'internationalisation, la transnationalisation et la globalisation (voir le tableau). Donc, à chaque phase de mondialisation, on retrouve les mêmes données: « révolution des transports et des moyens de communication, rôle stratégique des innovations (les armes à feu au XV° siècle, la conteneurisation après la Seconde Guerre mondiale, Internet depuis les années 1990), rôle essentiel des Etats mais aussi des acteurs privés, depuis le capitalisme marchand de la bourgeoisie conquérante à la Renaissance jusqu'aux firmes transnationales et aux ONG aujourd'hui » [3].

#### Les étapes antérieures de la mondialisation

Nom d'étape	Description d'étape
Internationalisation	Développement des flux d'exportation
Transnationalisation	Essor des flux d'investissement et des implantations à l'étranger
Globalisation	Mise en place de réseaux mondiaux de production et d'information,
	notamment les NTIC (nouvelles technologies d'information et de
	communication)

Ainsi, le terme de mondialisation, ou en anglais globalisation, désigne le « processus d'intégration des marchés qui résulte de la libéralisation des échanges, de l'expansion de la concurrence et des retombées des technologies de l'information et de la communication à l'échelle planétaire »<sup>1</sup>.

La mondialisation est un phénomène pluriel. Le processus touche plusieurs domaines de la vie. Au cours des deux dernières décennies le commerce mondial a enregistré une croissance rapide. Ainsi, le volume du commerce mondial a augmenté de 9 fois de 1980 à 2016². Dans les années soixante-dix, « la libéralisation des échanges dans le cadre de l'Accord général sur les tarifs douaniers et le commerce (GATT) a été modeste et progressive et a surtout concerné les pays industrialisés bien plus que les pays en développement. Au début des années quatre-vingt, elle s'est accélérée, principalement dans les pays en développement » [1]. De la part des investissements directs étrangers (IDE) il existe aussi des changements notables qui concernent la mondialisation. Malgré la croissance rapide des mouvements d'IDE vers les pays en développement, les investissements restent fortement concentrés dans une dizaine de ces pays. Ces investissements ont non seulement augmenté en vo-

<sup>&</sup>lt;sup>1</sup> UNESCO. URL: http://www.unesco.org/new/fr.

<sup>&</sup>lt;sup>2</sup> Worldbank. URL: http://www.worldbank.org.

lume, mais également changé de nature. La révolution survenue dans les technologies de l'information et des communications, associée à la diminution des coûts de transport, a contribué, sur le plan à la fois technique et économique, à l'accroissement d'une production de produits et de services largement déployés et basés dans plusieurs pays. Enfin, il ne faut pas oublier de l'influence des technologies sur la mondialisation. La diffusion de ces nouvelles technologies a aussi eu des effets plus directs dans les pays en développement, en général, par le biais des activités des multinationales. Les effets des nouvelles technologies se sont également fait sentir bien au-delà de la sphère économique. Ces mêmes technologies qui ont permis une mondialisation économique rapide ont aussi été exploitées d'une manière plus générale par les gouvernements, la société civile et les individus. Ainsi, la mondialisation devient un phénomène complexe. Chaque processus économique, politique ou social qui se passe dans des pays différents influe l'ampleur de la mondialisation.

On doit examiner l'impact du processus sur le développement des pays. Il est nécessaire de poser une question : « La mondialisation favorise-t-elle ou, au contraire, est-elle défavorable au développement ? » On peut répondre à cette question en considérant du théories économiques différentes. Ainsi, « selon la théorie néolibérale, dominante depuis les années 1980, la réponse est clairement positive. Selon la théorie de la dépendance, dominante dans les milieux tiers-mondistes au cours des années 1960 et 1970, la réponse est franchement négative » [4]. Il est nécessaire d'examiner l'impact de la mondialisation sous des angles différents. La globalisation financière a donné naissance à des nouveaux risques en engendrant de nouvelles instabilités. La question de la maîtrise de cette globalisation se pose aujourd'hui avec acuité car les États et les institutions (FMI, Banque mondiale etc.) ont montré leur impuissance lors de crises importantes. Au-delà de nouveaux risques engendrés par la globalisation financière, de nouveaux acteurs apparaissent également.

Quant aux investissements directs étrangers, dans l'ensemble, les IDE ont apparemment un effet positif sur la croissance. L'impact favorable qui influence l'emploi peut être annulé par l'évincement de beaucoup d'entreprises locales, incapables de soutenir la concurrence, et par l'introduction de technologies à fort coefficient de capital par les sociétés étrangères. Les investissements transfrontières sont également un facteur potentiel d'augmentation de la croissance si le transfert de technologie et de compétences a des retombées positives sur l'économie locale<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> International labour organisation. URL: http://www.ilo.org.

L'aspect technologique joue également un rôle important. Les pays industrialisés ont été à l'origine de la révolution technologique qui a facilité la mondialisation, mais cette révolution s'est également répercutée sur le reste de l'économie mondiale. Toutefois, comme dans le cas des échanges commerciaux et des IDE, il existe de graves déséquilibres Nord-Sud sur le plan de l'accès au savoir et à la technologie. Pratiquement toutes les nouvelles technologies voient le jour dans le Nord où se concentre la majeure partie des activités de recherche et de développement. C'est une source importante de pouvoir pour les multinationales sur les marchés mondiaux et cela accroît leur poids dans leurs négociations avec les gouvernements des pays en développement. La révolution de l'information a également affecté les cultures et les valeurs sociales. Ce type de changements est cependant difficile à quantifier et à documenter. L'impact de la révolution de l'information sur les cultures et les valeurs locales à travers le monde est un sujet controversé. La domination écrasante de la culture et des valeurs des États-Unis et d'autres pays occidentaux sur l'industrie mondiale des médias et des loisirs préoccupe beaucoup de personnes qui craignent que l'exposition permanente à des représentations des modes de vie et des modèles occidentaux n'entraîne des tensions susceptibles de créer des divisions tant sur le plan culturel que sur le plan social<sup>1</sup>.

La diversité des évolutions des performances économiques, de l'emploi, des inégalités et de la pauvreté fait qu'il est extrêmement difficile de généraliser le sujet de l'impact de la mondialisation. Cela est dû en partie à la complexité du phénomène. Il convient également de noter un effet secondaire de la mondialisation, la forte augmentation des activités transfrontières illégales. On citera dans ce cas l'augmentation de l'évasion fiscale et la montée en puissance de réseaux criminels. Donc, on voit les divers effets de la mondialisation sur le développement des pays, l'impact positif et négatif. En effet, la mondialisation a des effets différents sur le développement socio-économique des pays du monde. Cependant, avec la bonne approche il y a une possibilité de surmonter les négatifs des barrières.

Il est bien évident qu'on ne peut pas échapper la mondialisation. Le processus de progressivement s'étend dans le monde entier, mais, comme on le voit, il est inégal. L'échelle de la mondialisation augmente. Le nombre de facteurs négatifs générés par le processus de la mondialisation accroît également. Pour la poursuite du développement socio-économique du monde, on doit considérer chaque problème en particulier. Dans ce cas, après un certain

<sup>&</sup>lt;sup>1</sup> International labour organisation. URL: http://www.ilo.org.

temps, la mondialisation peut influer dans une plus grande mesure positivement sur le développement socio-économique des pays du monde.

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## International corporate governance: global tendencies

**Abstract.** Global economic tendencies are likely to create new models of corporate governance. An array of legal structures and cultural settings adopted by different nations have become a particular reason for governance practices diversity. Effective corporate governance has both internal and external drivers. This article reviews the data of research on global trends in modern corporation corporate governance, with a particular focus on the key variables of ownership structure.

Keywords: corporate governance; ownership; economy; globalization.

In recent years, the scientific interest in studying the corporate culture impact on the company effectiveness has risen significantly. Nowadays the term 'corporate governance' is widely used as an indicator of how efficiently a company is run. Corporate culture is the most important non-material resource, which in many ways affects the performance of corporations.

Problems of the effective corporate governance organization have always been a subject of long-term discussions and researches. Even the countries with sufficiently developed market economy ambiguously approach to define the effectiveness of existing mechanisms of management. Distinctions in legal systems, institutional structures and traditions offer various approaches to the solution of problems available in this area where each country has obtained unique experience in achieving an economic growth.

Currently, business is beset with changing operating paradigms. Economies with efficient economic policies and stable political systems are a big draw among the investors. Countries that have opened themselves to the

world markets and that have efficient legal systems in place, ensuring protection to investors have attracted more capital in the process of globalization. As the demand for capital is growing in both the developed and the developing economies, the need to establish good governance practices has gained momentum. Governance practices, however, are not uniform across nations. While the focus on governance is generally intensifying around the world, governance standards still differ significantly by country. This diversity may be particular, because of the different legal structures and cultural settings adopted by different nations.

Since corporate governance is not directly related to the operational management, it plays a significant role in a company strategy. Corporate culture is a powerful strategic tool that unites all divisions of the enterprise and individuals for achieving general goals. In order for different company departments to interact effectively for the joint solution to the tasks set, an effective corporate governance of the organization is needed. In the modern economics, corporate governance is one of the most important factors, determining the level of economic development, social and investment climate of the country.

Shareholders are considered to be legitimate owners of a corporation and suppliers of the capital. When a company is developing, there is often a vital necessity to attract external capital. However, investors provide the capital only to those who maintain efficient corporate governance. As the collective conscience around corporate governance heightens, companies are making an effort to understand what governance principles will be beneficial for shareholders. If a change in governance is warranted, directors should establish a 'governance change roadmap'. This roadmap will align the board on the ultimate goal and the steps to be taken to get there. For example, if a board determines that it would benefit from meeting the highest standards of diversity, it may state that 40% of the board members should be women and minorities within five years [2]. Starting with a clear end in mind is the first step in the journey. Choosing a legitimate pathway (method and timing) is the second step. Keeping abreast of changing regulations and norms along the way, and making mid-course corrections, as needed, is the third and final ingredient in a process of success.

In the modern world there are several key global trends that managers must be aware of, in order to maintain efficient corporate governance.

First of all, an enhanced interest in investor stewardship by governments and investors is impacting corporate governance globally. Since the

latest financial crisis, there has been a drive for more investor accountability, i.e. how they use their influence and votes to steer the strategic direction of investee companies. In 2017, the top five global asset managers controlled over \$8.2 trillion of equity investments and that number continues to grow [3]. A consequence of the emphasis on stewardship means that many of the world's largest institutional investors are expanding the staff and resources dedicated to engaging with investee companies and proxy voting.

Second trend is a board quality and composition. Institutional investors will continue to prioritize gender diversity (no less than two women on the board), director skills and experiences (primarily direct industry experience), composition refreshment, and the appointment of directors who have enough time to dedicate to the company – all these are key indicators of board quality. Executive pay will continue to remain in the spotlight as investors are looking for additional engagement around the total compensation and its link to long-term strategic goals and business performance. Boards and compensation committees should expect more inquiries related to incentive compensation schemes and how they drive desired employee behavior. Institutional investors are also increasing their focus on human capital.

Many boards often feel trapped between what appear to be competing demands: institutional investors want to see long-term shareholder value creation, and activist investors often call for short-term value enhancement. The companies that have had the most success navigating activist campaigns have been the ones with boards that have a meaningful dialogue with activists to achieve a resolution. Boards that fight with activists will face intense scrutiny of the value-creation history of each director, both in their executive and board careers.

We can also note that while climate change risk and sustainability have been emerging areas in focus for several years, investors now consider the topics to be mainstream priorities. More and more attention is paid to corporate social responsibility, especially on the environmental issues. Though companies in extractive industries are likely to receive the greatest levels of scrutiny, other sectors will also see more engagement from institutional investors.

A new problem for modern world is a cyber security. Cyber risk continues to be a growing concern for global investors in the light of multiple security breaches (in the political, government, private sector, and consumer spheres) worldwide. Cyber threats will be an important area in focus for boards

to monitor. Many institutional investors will shape their policies on cyber risk and the role of the board, leading to further engagement on this topic.

Speaking of Russian corporate culture,we can note that, according to experts, it requires radical changes and the introduction of more intelligent, talented and motivated leaders at each level: lower, middle, and top. At present, most young Russian businessmen are becoming more stable and reliable partners. Russian leaders are improving their leadership style through taking on new techniques. Many businessmen possess relevant academic knowledge (including top MBA courses) and are able to solve business problems efficiently, speak several foreign languages (i.e. German, English, Chinese). They are more careful to details, punctual and focused on solving business problems than their predecessors, they are more realistic and use an individual approach to building a business. A new generation of entrepreneurs more readily and willingly interacts with foreign partners and takes new experience from them.

Thus, successful management will soon depend on the managers' ability to adopt different management styles, for instance, a democratic one implies participation of employees in the company management. To successfully organize a business in a market economy, the corporation management must clearly present its goals and business objectives, as well as the volume and composition of the desired corporation performance. Development of a corporate strategy provides an effective distribution and use of technologies as well as resources: natural, material, financial, labor and therefore, a stable position on the market in a competitive environment.

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## New era of economy

**Abstract.** This article considers changes brought about by the phenomenon of 'digital economy' as a new era of society, providing unlimited opportunities for both individuals and companies. Highlighting the importance of the new formation, we analyze performance of different national economics at the age of digitalization. Special attention is focused on Russia: Can the country improve its economic position, raise its population well-being and join the world 'group?

**Keywords:** digital economy; technological breakthrough; economic waves; efficiency increase.

The history of society can be described as a movement from primitiveness to enhancement, embracing all spheres of human life. However, waves of development are inseparably connected with changing resources and technologies, forming new evolution factors and establishing new institutions. Its combination provides the opportunity for an economic boom and significantly improves people well-being. Nowadays the world is expecting a new driver of economic development.

Some experts suppose we are very close to a new industrial revolution. There are lots of terms to describe the new era: "Creative Economy", "Industry 4.0" and "New Economy". The most popular one in Russia is "Digital Economy". The concept of "digital economy" appeared in the 1990s. Its essence was best identified in 1995 by the American computer scientist Nicholas Negroponte from the Massachusetts University, who expressed the digital economy metaphorically as a shift from processing atoms to processing bits. Analysts of BCG believe that digitalization is the use of the opportunities of online and innovative digital technologies by all participants of the economic system, from individuals to large companies and states. The main elements of the digital economy are e-commerce, e-business and e-business infrastructure. The totality of these technologies, according to experts, establishes a new technological structure of society. In terms of industry, it includes cyber-physical systems, the Internet of Things (IoT), cloud computing, cognitive computing (figure 1). It is built on such technological breakthroughs as robotics, artificial intelligence, nanotechnology, quantum computing, biotechnology, the IoT, 3D printing, autonomous vehicles.

The advent of computers in the 1960s is now considered to be the lauch of the digital revolution. Then came the software, which, since the 1980s has helped automate many routine business processes.

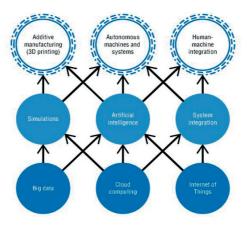


Figure 1. Nine technologies transforming industrial production [7]

The 1990s saw the rapid development of Internet technologies and electronic communication. The year 2000 brought about social networks, cellular communications and wireless data networks. The 2010s are associated with the introduction of smart phones, and recent years – with the coming to the forefront of clouds, large data, forecast analytics, the Internet of Things and Industry 4.0. What to expect next? Machine learning, virtual reality, artificial intelligence, blocking, digital platforms, robots and robotics<sup>1</sup>.

What will the digital revolution give us? As regards virtual data, they are fairly easy to copy, but integration of IT into an industry with significant fixed capital may produce enormous effects. For example, the IT-monitoring of the production lines in Technonikol allowed to reduce the time of equipment adjustment from 18 minutes to 13 seconds, made it possible to minimize unforeseen repairs and to increase the overall efficiency of equipment operation from 66 to 89% per year [4]. The change in the technological paradigm is accompanied by altering the forms of financing. So, in Western economies changes are associated with Impact Investing, which includes, among other things, both crowd funding platforms and blockchain. Also the digital era provides significantly greater world transportability and openness, accessibility to technologies, the possibility of getting any education and any consultation [2].

So, why do *not* we see changes in production quantity? One should remember that promising technologies of a new wave of development are

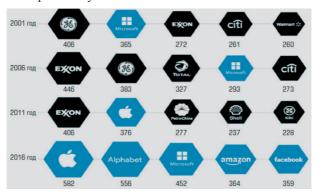
<sup>&</sup>lt;sup>1</sup> Science and Technology Facilities Council. URL: https://www.stfc.ac.uk/index.cfm.

formed over the period of 50–60 years. Then for about 35 years there lasts a stage of economic growth driven by these revolutionary technologies. Now there will be scaling of created solutions (figure 2).

Technological Innovation	Development	Adoption	Social and Economic Impact
Computers, broadband, mobile telecommunications	1950-1975	1960-2000	1990-2010
Internet platforms, cloud computing	1970-1990	1995-ongoing	2005-ongoing
Internet of Things, Robotics, Artificial intelligence, Machine Learning	1980-ongoing	2010-ongoing	2020-ongoing

Figure 2. Technological innovation, adoption and impact [8]

There is enough evidence that we have already entered the golden age of digital economy. If we look at market leaders by capitalization (figure 3), it is clear that now they are mostly technology companies, in contrast to the situation of the previous years.



**Figure 3.** Top-5 public companies by capitalization, 2001–2016 (bln dollars)

The value of the digital economy is about 3.3–3.5 billion dollars, that is approximately 5% of the global economy [4]. According to the latest research by McKinsey, currently, the leaders are the US, China and the EU. For example, in the US and China, the share of the digital economy exceeds 10%. According to some estimates, its share in Russia is 3.9% [3]. A more encouraging sign is growth rates – in the period of 2011–2015, the growth of the digital economy of Russia was 59% against the 7% GDP growth, i.e. the national digital economy accounted for 24% of the total GDP growth.

Additionally, there are some optimistic forecasts: if in 2015 it amounted to P3.2 trillion, in 2025 it is supposed to reach about P9.6 trillion, which will make 8–10% of the country's GDP [6].

Among the advantages of Russia is an impressive rate of the Internet penetration – 73%, while tariffs are lower than those in the EU by 44%, and access speed – 12 Mbit/s – is higher than that of France or Italy. Other achievements are successful companies like "Yandex", Kaspersky Lab, social networks as VKontakte and electronic commerce projects, for example, Avito. There is a recognized progress in the sphere of financial services digitalization. Thus, mobile applications of the leading Russian banks have by 1.5–2 times more transaction servicing functions than their vis-a-vis in the West. The greatest concern remains the fact that the key industries of the Russian economy are evidently lagging behind in the area of digitization. In figures, the national oil and gas industry are behind the EU by 54%, transport and storage by 56%, mining – by 66% [5].

Interestingly, how Russia is ranked by the Digital Evolution Index (DEI), suggested by the Fletcher School at Tufts University (figure 4). It is evaluated based on the four broad drivers: supply-side factors, demand-side factors, innovations, and institutions. According to the DEI, the RF is in *Break Out* group: these are countries having a potential to develop strong digital economies.

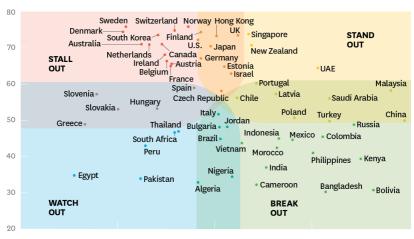


Figure 4. 60 countries' digital competitiveness, indexed [1]

To sum up, Russia has to create favorable conditions to overcome its limitations and shortcomings through clever innovations. Developing digital technologies is a strategy of special significance, on which a new economy can be based, especially if joining the efforts of business and government.

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#### Le futur des professions dans le monde

**Résumé.** Aujourd'hui nous sommes au début de la quatrième Révolution industrielle qui se caractérise par le développement énergétique, intelligence artificielle, robotique, nanotechnologie, impression 3D et biotechnologie. Alors que le changement imminent est très prometteur, les modes de consommation, de production et d'emploi créés par elle posent également des défis majeurs nécessitant une proactive adaptation par les entreprises, les gouvernements et les particuliers.

Mots clés: révolution: industrielle: emplois: robot: économie: futur.

La Révolution industrielle à laquelle nous faisons face aujourd'hui englobe des changements que nous avons jamais vus. Les systems intelligents des maisons, des usines, des fermes, des réseaux ou des villes aideront à résoudre les problèmes de la gestion de la chaîne d'approvisionnement au changement climatique. La montée de l'économie du partage permettra aux gens de tout monétiser de leur maison vide à leur voiture. Alors que le changement imminent est très prometteur, les modes de consommation, de production et d'emploi créés par la Révolution posent également des défis majeurs nécessitant une proactive adaptation par les entreprises, les gouvernements et les particuliers. Parallèlement à la révolution technologique il y a un ensemble de moteurs du changement socio-économique, géopolitique et démographique, chacun interagissant dans plusieurs directions différentes et s'intensifiant au fur et à mesure de son évolution.

Comme des industries entières s'ajustent, la plupart des professions subissent une transformation fondamentale. Alors que certains emplois sont menacés par le progrès technologique et d'autres apparaissent rapidement, les employs existants passent également par un changement dans les compétences nécessaires pour faire tel ou tel travail.

Le débat sur ces transformations est souvent polarize entre ceux qui prévoient de nouvelles opportunités illimitées et ceux qui prévoient une dislocation massive des emplois. En effet, la réalité industrielle est tres spécifique pour pouvoir gérer le changement.

La révolution technologique actuelle ne doit pas devenir une course entre les humains et les machines, mais plutôt un canal qui donne aux gens des possibilités de travailler en réalisant leur plein potentiel.

Changements technologiques et industriels:

- Variabilité géopolitique croissante;
- Internet mobile et technologie cloud;
- progrès de la puissance de calcul et du Big Data;
- crowdsourcing, l'économie du partage et les plateformes peer-to-peer;
- hausse de la classe moyenne dans les marches émergents;
- urbanization rapide;
- environnements de travail et les modalités de travail flexibles;
- changement climatique, contraintes en matière de ressources naturelles et transition vers une économie plus verte;
  - nouvelles sources d'énergie et technologies;
  - Internet des Objets;
  - fabrication avancée et impression 3D;
  - sociétés de longévité et de vieillissement;
- nouvelles préoccupations des consommateurs concernant les questions d'éthique et de confidentialité;
  - aspirations croissantes des femmes et le pouvoir économique
  - robotique avancée et transport autonome;

- intelligence artificielle et apprentissage automatique;
- matériaux avancés, biotechnologie et génomique.

Les résultats de l'enquête fournissent des informations directes sur les changements d'emploi pour les familles professionnelles au cours de la période 2015–2020. Les pays et les zones économiques couverts en profondeur par le rapport sont: l'Association des nations de l'Asie du Sud-Est (ASEAN), l'Australie, le Brésil, la Chine, la France, l'Allemagne, le Conseil de coopération du Golfe, l'Inde, l'Italie, Afrique du Sud, Turquie, Royaume-Uni et les États-Unis.

## Le nombre total d'emplois dans les pays compris dans le rapport (les secteurs les plus importants) – en mille

Agriculture, pêche et foresterie	264,365
Fabrication et production	98,723
Bureau et administration	96,928
Frais d'accueil et d'alimentation	89,613
Transport et logistique	79,619
Affaires et finances Opérations	70,282
Ventes et services	65,787

Emplois perdus	En mille	Nouvelles opportunités d'emploi	En mille
Bureau et administration	-4,759	Opérations commerciales et	+492
		financières	
Manufacture et production	-1,609	Management	+416
Construction et extraction	-497	Informatique et Mathématiques	+405
Arts, design, divertissement,	-151	Architecture et Ingénierie	+339
sports et medias		Éducation et formation	+ 66

Il est possible d'extrapoler à partir de ces valeurs le nombre estimé d'emplois créés ou perdus en termes absolus dans le monde entier. Les 15 économies couvertes par les données représentent environ 1,86 milliard de travailleurs, soit environ 65% de la main-d'œuvre mondiale totale. Selon ces calculs, les tendances actuelles pourraient avoir un impact net sur l'emploi de plus de 5,1 millions d'emplois perdus suite à des changements perturbateurs du marché du travail de la période 2015–2020, avec une perte totale de 7,1 millions d'emplois.

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## Numérisation de l'économie mondiale: défis et opportunités pour les pays de différents niveaux de développement

Résumé. Le concept d'une « économie numérique » est utilisé pour faire référence à des activités liées à la production et l'échange de biens et de services qui s'appuient sur la technologie ou des réseaux numériques: services d'information, services de médiation via les réseaux numériques, commerce électronique. Il est à noter que l'« économie numérique » joue un grand rôle lors de l'examen des pays des niveaux de développement économique différents. Le document analyse l'impact du processus sur le développement de l'économie mondiale, explore les côtés positifs et négatifs de l'économie numérique.

Mots-clés: numérisation; économie mondiale; développement économique.

Le numérique est un système mondial cohérent de technologies, d'économie, de cultures, de pouvoirs, de contenus, de services, d'usages, de comportements qui touchent tous les citoyens et à tous moments. Mais plus précisément le terme l'économie numérique est utilisé pour qualifier les activités liées à la production et aux échanges de biens et de services qui reposent sur des technologies ou réseaux numériques: biens et services de communication, services informationnels, services d'intermédiation par le biais des réseaux numériques, commerce électronique. L'examen minutieux de cethèmerévèle qu'il s'attache sur l'impact de l'économie numérique mondiale dans les pays de différents niveaux de développement c'est-à-dire pays développés et pays en développement. Alors ce thème présente un intérêt pratique considérable dans la mesure où il nous permet d'appréhender la notion de l'économie numérique, ces caractéristiques, enfin l'économie numérique mondiale en tant que facteur de défis et opportunités pour les pays de différents niveaux de développement. Les usages de cette économie sont multiples et présente parfois des défis et des avantages, ce qui pose le problème de cette économie dite numérique. Dès lors cette problématique se pose avec acuité: en quoi est-ce que l'économie des nombres au niveau mondial est un challenge et avantage pour les pays de différents niveaux de développement? La réponse à cette question constituera sans conteste l'épine dorsale de notre travail [3].

L'économie numérique est caractérisée par quatre grands types d'acteurs et d'activités: les constructeurs d'infrastructures réseaux ou équipementiers (terminaux PC, téléphones, consoles de jeux...), les opérateurs réseaux four-

nissant l'accès au service (Orange, Free, SFR, Bouygues, Numéricâble...), les producteurs et éditeurs de contenus (livres, musique, cinéma, presse, jeux et logiciels) et les prestataires de services, nouveaux intermédiaires dans la chaîne de valeur économique (moteurs de recherche et réseaux sociaux). Alors, l'économie numérique mondiale se pose comme un défis pour les pays développés et ceux en voie de développement. La formation, la recherche et l'innovation jouent un rôle central par rapport au développement, à l'utilisation et à la mise à disposition des nouvelles technologies: la numérisation modifie les qualifications recherchées sur le marché du travail ainsi que les profils de compétences correspondantes. Parallèlement, des professions et des profils de compétences totalement inédits émergent. On constate un besoin croissant de compétences numériques dans pratiquement tous les domaines ainsi que de personnel qualifié dans le domaine TIC. Dèslors, la formation se trouve d'une part face aux défis d'assurer la relève de personnel qualifié. Pour le faire, l'intérêt des enfants et des adolescents pour ces domaines doit être éveillé suffisamment tôt. D'autre part, les compétences pertinentes doivent être enseignées à tous les niveaux du système éducatif tout en tenant compte des évolutions les plus récentes et en intégrant les nouveaux médias. Tant les contenus de formation que l'enseignement et l'apprentissage changent à un rythme de plus en plus soutenu dans l'ensemble du système éducatif. Cette tendance place les offres de formation et la coordination entre ces offres et les niveaux de formation face à des défis conséquents. La science assistée par des ordinateurs gagne de plus en plus de l'importance, tant dans les sciences naturelles que dans les sciences humaines. Afin de maîtriser le changement structurel, il est impératif d'assurer les compétences de recherche pour l'ensemble des technologies de base. Par ailleurs, l'évolution accélérée des technologies numériques ainsi que leur pénétration des technologies et des branches existantes accroît l'importance de la recherche fondamentale interdisciplinaire pour l'utilisation réussie des technologies clés et de la rapidité du transfert de savoir et de technologie. La science et la recherche ne jouent cependant pas seulement un rôle crucial dans la maîtrise des défis du tournant numérique. De nombreux domaines de la science, de l'enseignement et de la recherche sont soumis en général à des transformations propres suite à la propagation des technologies numériques, notamment au vu de l'importance croissante de la disponibilité et des possibilités d'exploitation des données ou par rapport au développement et à l'utilisation de plus en plus répandue des formes d'enseignement et d'apprentissage numériques [1]. Mais au-delà des défis que présente l'économie numérique mondiale, n'est-elle pas une opportunité pour les pays de différents niveaux de développement ?

Les technologies numériques constituent sans aucun doute pour les pays émergents une opportunité de redéfinir leur modèle de croissance économique. Précisément, l'économie numérique peut jouer un rôle clé dans l'extension et la modernisation des marchés dans ces pays, en facilitant la collecte et la diffusion d'informations, en améliorant la gestion des transactions... d'autant que le sous-développement dans ces pays tient en partie à un mauvais fonctionnement des marchés. Ceci peut aussi accroître les investissements étrangers, le commerce de biens et de service et faciliter le repositionnement de ces pays dans les échanges internationaux. L'économie numérique est aujourd'hui au cœur de la croissance et de la compétitivité des nations et des entreprises à l'échelle planétaire. Elle est devenue le secteur le plus dynamique de l'économie mondiale avec un taux de croissance double de celui de l'économie classique dans la plupart des pays développés [2]. Au niveau des entreprises la nouvelle économie s'illustre par la dématérialisation de l'économie où tout bascule désormais vers le virtuel. La conséquence immédiate est la productivité, la fluidité dans les transactions, la saine concurrence, l'innovation constante, entres autres.

Au niveau des individus, la création d'emplois nouveaux, la formation permanente, la mise en exergue des compétences, l'ouverture sur le monde. La résultante de ces nouveaux procès en fin de compte est la croissance et par ricochet, l'amélioration du mode de vie des populations. La contribution totale de l'économie numérique à la croissance des pays est composée d'un effet direct via l'accumulation de capital numérique et d'un effet indirect mesuré par la diffusion du capital numérique dans le système productif. En plein essor, l'économie numérique est un secteur stratégique de l'économie, et sa contribution à la croissance des Etats est non négligeable.

Au terme de notre travail nous pouvons résumer que l'essor de l'économie numérique est associé à une nouvelle révolution industrielle touchant des sphères sociales, économiques, politiques et culturelles. En plus des impacts observés de l'économie numérique sur la croissance des pays de différents niveaux de développement, elle a également des effets sur tous les secteurs d'activité et sur l'économie en générale. Ainsi les comportements des consommateurs ont été modifiés, le fonctionnement et l'organisation des entreprises ont été transformés, notamment par l'amélioration des chaînes de valeur, des processus de production, d'organisation managériale mais leur business model ne cesse d'être remisen question. La transformation numérique apporte beaucoup d'avantages pour certains pays prêts à adopter le changement, la dématérialisation de distances, notamment, élimine les barrières à l'entrée sur certains marchés et se traduisent par un accès massif à de nouvelles opportunités pour d'autres pays. Cependant est-il possible à un pays d'atteindre le développement économique sans l'économie numérique?

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## **Development of business process theory**

**Abstract.** At the age of globalization, the theory of Business Process Reengineering has received an intent attention of business community. A lot of theories have appeared, yet none of them offered a universal principle of its implementation. The research under consideration provides a detailed analysis aimed to find out the most instrumental theory to apply.

**Keywords:** Business Process Reengineering theory; globalization; information technologies; Total Quality Management doctrine; customer's needs and demands.

The last decade gave birth to such worldwide change as globalization and expansion of information technology in all spheres of economy. In this respect the theory of Business Process Reengineering has inspired business experts and trainers.

The aim of this paper is to explore the theory of Business Process Reengineering in terms of its development. First, the idea of Business Process Reengineering was mentioned in 1990 in the publication of Hammer's manual on radical changes in the structure of business management. His key concept principle was "strong top-down leadership, information technology implication as well as developing and broadening employee's rights [4].

Later Hammer's theory was strongly challenged by Davenport [3]. He offered another business management model focused on client's satisfaction. In this respect it is in line with the methods of the Total Quality Management doctrine – as the theory of customer's needs and demands recognition.

That was further development of the theory of Business Process Reengineering completed with the idea of new techniques and tools implementation. Davenport, for example, suggested applying a management system, prioritizing "smaller projects" and "bottom-up coordination" [2].

But in spite of the fact that Business Process Reengineering theories had similar aims, none of them suggested a universal method allowing to efficiently implement them. So, the process of "top-down" or "bottom-up" interaction required a new pattern of the organizational system.

Traditionally, a business process is viewed as an organizational form of horizontal management implying employee independence, whereas the theory of Business Process Reengineering suggests the idea of transformation in the organizational subsystems coordination.

In this context, Kettinger explored the impact of competitiveness on the project process development [5], due to which the Business Process Reengineering projects involve certain changes in management structure. They were mainly based upon the following factors:

- managerial style and values;
- employee's culture and qualifications;
- information technology teams and coordination.

The aim of such projects was to enhance and modernize the service processes. The criteria used to evaluate the outcome were: cost, quality and satisfaction level of the customers [1].

To sum it up, it should be stressed that the theory of Business Process Reengineering is not a monolithic doctrine. It encompasses various techniques and methods. In spite of the similarity of Business Process Reengineering methods, all projects differ in scale of changes, inner characteristics and methodological solutions.

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## Influence of digital economy on the competitiveness of Russia businesses

**Abstract.** The article deals with certain aspects of the digital economy development and its potential prospects. There are considered factors of digitization significance allowing to ensure competitive advantages. The paper shows that the digital economy has huge potential for promoting the country's economic development.

**Keywords:** digital economy; digitalization; globalization; modern digital technologies; innovations; information platforms.

Life in the modern post-industrial economy in many ways is defined by scientific and technical revolution, introduction of new technologies, ongoing change in the needs of society and business, emergence of new forms of interaction and diffusion of knowledge. With increasing data flows, it is possible to move to a higher level of economic processes management for better efficiency and competitiveness.

The relevance of this article results from the new stage of the economic development worldwide. With the development of technology, a change of economic paradigms is taking place. That is why, in order to maintain and improve the competitiveness of the organization, there is a need for favorable conditions to ensure the innovative development. According to some experts, it is not the fact of possession of any resource that becomes crucial for an economic agent at the moment, but the availability of the relevant data and the ability to use them to efficiently plan their activities [3].

Modern economic conditions, characterized by a high level of competition for the product markets, require enterprises to respond quickly to changes in the market situation, subordinating production to the needs of the market [2].

Business in this situation needs to develop a management strategy that will be acceptable for the existing organizational, technical, technological, industrial, commercial, financial, economic and social conditions [1]. It follows that in order to ensure economic growth, it is necessary to increase the innovative level of production, create or revive knowledge-intensive industries.

The key feature of digitalization is a combination of physical and digital resources of the organization and the elimination of boundaries between processes, people, digital devices which are to be combined to perform business tasks.

Companies are increasingly approaching the value of the product to the consumer. While traditional companies benefit from the capital available, developed brand and established customer base, new companies that actively use new technologies have advantages in innovation, agility (responsiveness and organizational flexibility), readiness for experiments and risk. Thus, the empirical value of building a business model based on digital culture includes: improved quality of service, enhanced customer opportunities, individualization, and automation.

Innovative technologies is a catalyst for the development of the production process, the qualitative renewal of the product range and the reduction of production costs. Enterprises, the first to master effective innovations, definitely get competitive advantages over other market participants. Ultimately, their actions lead to higher profits, stronger competitive positions in the market and higher levels of economic security. As M. Porter put it, "Technological change is increasingly seen as having its own value, and any technological innovation that a firm applies is seen as a positive factor" [4].

Although the long-term success of any organization in today's reality is a movement towards the development of digitalization, at the initial stages, the introduction of technologies is accompanied by significant additional costs. Thus, changes at the level of companies should be supported at the macro level – in the system of public administration and legal regulation. State support for the digitalization of companies will be a huge incentive for the use of digital technologies. In turn, Russia needs to take advantage of the current scientific and technological situation in the global economy to ensure globally competitive positions in the market.

Digitalization is a key factor to ensure the country's economic security in any sphere, as it leads to the development of new technologies and, therefore, a new product, thus increasing the competitiveness of the economy as well as promoting the enhancement of the Russia's competitiveness and its innovative development in both the domestic and foreign economic sectors.

In this regard, it seems crucial to establish a special body that will focus on the development of the digital sector of the domestic economy, regulating the strategic aspects of innovative development of Russia, in order to timely anticipate and identify potential and actual, external and internal threats to the innovation component of the Russia's economic security.

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## Inequality as stimulus to economic development

**Abstract.** The article presents an alternative view on the global problem of inequality. Inequality is not considered as an unambiguously destructive phenomenon for the economy, but as a potential economic stimulus. The paper evaluates the achievements of foreign countries with a steadily high level of property stratification and a notable potential for economic growth; it also emphasizes the usefulness of this experience for shaping Russia's economic policy.

Keywords: inequality; globalization; income; economic incentives.

The problem of economic and social inequality is one of the most acute and the most debated problems of recent decades. The United Nations Organization claims this as one of its priorities, along with combating terrorism and preventing the climate change. The issue of property stratification is regularly raised at international forums and the necessity to combat inequality has "firmly settled" in the minds of intellectuals all over the world. It is widely claimed that high inequality damages economic growth and slows down social lifts [1; 4]. However, is it necessary to fight it or is inequality

only a natural and, to some extent, needful consequence of globalization? This article aims to consider inequality not as an absolute evil, but as an incentive to progress of the country's economy. Hence, exploration of the supposed inequality potential with regard to Russia's economic development is the subject matter in focus.

In the modern world, the most popular way to fight economic inequality is "to sacrifice" the upper class and businesses through the taxation system in order to re-distribute property from the rich to the poor. This taxation model is common for the countries of Western Europe, East Asia and North America whose enterprises make the greatest contributions to the world GDP. As a result, the largest and most effective world's economic agents must take into account the realities of progressive taxation, significant social benefits, as well as the commitment to provide financial and infrastructural assistance in producing public goods. However, there are few countries that put economic growth above the problem of inequality, creating a "fertile soil" for entrepreneurship which seems to be a more effective economic strategy (in raw numbers), though not a "progressive" one [3]. As the famous economist Milton Friedman put it: "The social responsibility of business is to increase its profits", and this is exactly the way these countries approach the problem of economic and social inequality [2]. Because successful businesses can improve society as a whole, even without sharing money with the poor. After all, there is no mass motorization and electrification without Rockefeller's Standard Oil and Ford's company Ford.

In view of this, let's try to substantiate the hypothesis that *inequality is* not a destructive phenomenon for the economy. Moreover, it can be a serious incentive for economic agents. Combating it by simply redistributing wealth through the taxation and budget system would reduce the potential for the national economy growth. The threats and risks for entrepreneurs who have achieved success and wealth can be useful for the society as a whole. What is more, the society can benefit from it as a whole.

To justify the theory, it is necessary to study the statistics of the two principal indicators of income inequality (Gini coefficient, Quintile coefficient); GDP per capita, GDP growth rates and the Human Development Index<sup>2</sup>. Table below is based on the data of the UN Development Program and

 $<sup>^{\</sup>rm 1}$  The World Bank. URL: http://wdi.worldbank.org/table/4.2; The World Bank Indicators. URL: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG.

<sup>&</sup>lt;sup>2</sup> *Human* Development Reports. UN Development Programme. URL: http://hdr.undp.org/en/indicators.

the Central Intelligence Agency. The focus is on the countries with a high standard of living and a low level of social inequality and those with a high standard of living and a high level of social inequality allowing to evaluate economic potential of each type. The corresponding statistics with reference to the RF is given, allowing to compare her economic situation with the rest of the world and identify which of the ways to address the issue of economic inequality is better suitable for the Russian realities.

The analysis of the statistics given let come to the conclusion that a low level of economic inequality is often observed in countries with a rather high standard of living, a significant level of human capital development and healthy economy<sup>1</sup>.

Inequality	indexes an	d main eco	nomic
and human	capital de	velopment i	ndexes

Country	Gini Index	GDP per capita (2015)	Quintile Ratio (2015)	Human Development Index (2015)	GDP Growth (2015)
Sweden	27.3	45,296	4.2	0.913	2.80
Canada	33.7	42,891	5.8	0.920	1.00
France	33.1	37,306	5.3	0.897	1.20
Russian Federation	41.6	23,895	8.2	0.804	-3.90
Singapore	42.5	80,192	_	0.925	2.20
Malaysia	46.3	25,308	11.3	0.789	4.70
China	42.2	13,400	9.2	0.738	6.90

However, a number of economically strong countries with a high level of inequality should be singled out from the general trend. They are the world economic vanguard, and represented by the rapidly developing (or highly developed) countries of Asia (China, Malaysia, Singapore). They apply a completely different principle of economic policy management than most of Western countries, while showing incomparably rapid economic growth over the past decades. Moreover, these countries are much closer – in terms of inequality and other vital economic indicators – to the Russian economy conditions. Therefore, their experience can be useful when it comes to reforming the economy of the RF.

Mostly the difference in the level of inequality in the countries concerned can be explained by the particularities of the national taxation. Unlike the countries of Western Europe or Scandinavia, which demonstrate a low level of economic stratification (the income/profit tax is at about 70%), the

<sup>&</sup>lt;sup>1</sup> *The World* Factbook. Central Intelligence Agency. URL: https://www.cia.gov/library/publications/the-world-factbook/fields/2047.html.

countries of Asia examined, keep low taxes or the taxation burden is lightened by an array of benefits. For instance, low taxes for high-tech enterprises is their common practice, as well as tax holidays for SMEs. Thus, wealth is not redistributed by the governments from the rich to the poor, deteriorating the wealth inequality in society; on the contrary, favorable conditions are created for running business and, therefore, developing the national economy.

In fact, not only favorable conditions for business make it possible to turn inequality from being a thorny problem into a powerful incentive globally. Some material inequality may be leveled off by equality in a social aspects. In the countries under consideration, indexes of equality in education opportunities and gender equality are positive. Obviously, the modern economy will work well only if competent, educated people enjoying equal rights for self-actualization are engaged in it. Moreover, it should be noted that these countries typically have efficient social institutions, such as the bodies of private property, courts, education institutions, a well-established electoral system, which positively distinguishes them from high inequalities countries

The question is: how can the time-tested experience of these countries be adopted in Russia? Taking into account the nation-specific economic context as well as the current policy pursued by the RF government, the country ought to prioritize economic growth against economic equality, as Asian countries teach us. This will not only increase the growth potential of the Russian economy, but also will make the country more investment-attractive for investors.

Thus, it drives to the conclusion that economic inequality does not always have a negative impact on the economy. Countries of high inequalities demonstrate a high economic growth potential through the development of certain institutions and provision of equal access to social lifts to all citizens, regardless of gender and ethnicity. Moreover, it can be argued that there is and should be a "certain level of inequality", similar to an acceptable level of inflation and unemployment, i.e. unable to painfully affect the economy, though helping to create "healthy" incentives for the active residents and provide a comfortable environment for businesses due to lower taxes and social burden. Definitely, when shaping the national economic strategy, it is important not to neglect inequality in education and job market. In other words, it is vital to change the attitude of society to the problem of inequality on the whole and to benefit from the current state of the economy at maximum.

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## Digital transformation of global economy: challenges and opportunities for countries with different level of economic development

**Abstract.** The article reveals the essence of digital transformation. The basic concepts of digital transformation are listed. The article lists the factors promoting digital development of countries as well as challenges of the digital revolution, namely, the cybernetic attack. Countries are classified according to the digital development level.

**Keywords:** digital transformation; digitalization; modern technologies.

Conventionally, the invention and global introduction of electronic computers is considered to be a starting point of the information and digital revolution.

Digital transformation – applying modern technologies to maximize business productivity and value – seems to be a burning issue for companies around the world. Market leaders take an advantage of the digital age achievements, the latter are strategic analysis, mobility, social media, smart devices, including those intended to improve the capabilities of traditional technologies, such as ERP, and allow to change customer relationships, to modify internal processes and to fill competitive offers. Last decade saw radical changes in the media industry due to digital technologies<sup>1</sup>.

Digitalization means analog to digital conversion [1; 2], which is widely used around the world. Digitalization implies a transmission of information from physical media to data storage media.

The development of the digital economy is observed in 60 countries.

 $<sup>^{\</sup>rm 1}$  Tops consulting. URL: <code>http://www.tops.ru/blog/9\_osnov\_digital\_transformacii</code> (in Russ.).

There are five main factors that determine the pace of digital transformation: (1) access to the Internet; (2) infrastructure development level; (3) demand for digital technologies; (4) innovative climate; (5) government policy.

In terms of the rates of digital development, four groups of countries are differentiated:

- 1) leaders such countries as Singapore, New Zealand, Hong Kong, Great Britain and Japan demonstrate high level of digital development;
- 2) countries with the growth rate slowing down this group countries have currently reduced the pace of development. They are some countries of Western Europe and Scandinavia;
- 3) promising countries those demonstrating a steady dynamics in digital technologies, which evidently attracts investors. China, Kenya, Russia, India, Chile;
- 4) problem countries the ones facing challenges caused by low level of development . South Africa, Peru, Pakistan, Egypt.

In order to be successful in the modern world, it is necessary to be well-aware of the challenges of the digital revolution. They are: (1) threat of using genetically engineered technologies to create microorganisms dangerous for humans; (2) use of cybernetic devices; (3) development of robotic devices; (4) cloning of people; (5) machines getting out of control.

Let us consider the application of some cybernetic devices which resulted from the digital revolution. One of the examples can be a global hacker cyber-attack. In 2017, the virus "Wanna Cry" hit more than 200,000 computers in over 150 countries. The damage from this virus amounted to \$1 billion.

The listed challenges are well known, relevant and widely discussed. But so far there are no effective ways to cope with them.

Cisco is one of the largest companies in the world that specializes in high technology. The company management is convinced that major Internet providers ought to, wherever possible, participate in the development of technologies to combat cybercrime. That is a very sensible approach, since it is a matter of importance for Internet providers to ensure the safety of their users, which is very likely to attract the new ones.

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## Les relations économiques internationales entre la Russie et la France

Résumé. Dans le présent article on distingue et décrit les différentes étapes (en nombre de 9) du développement des relations extérieures de la Russie et de la France. Au sein de chaque phase on a étudié : situation économique des 2 pays; cadre normatif de la coopération; formes principales de coopération économique (commerce des marchandises: des produits principaux importés et exportés; d'autres formes); le positionnement des pays dans les relations bilatérales. Nous résumons les points importants révélés par cette étude et leur intérêt pour le bienêtre économique de la France et de la Russie.

**Mots-clés:** économie; commerce international; histoire; étape; France; Russie; relations extérieures économiques.

Depuis des siècles la France reste l'un des principaux partenaires européens de la Russie. Leurs relations économiques sont basées sur une longue histoire de contacts interétatiques. Afin de démonter les principales tendances et les spécificités du développement de ces relations économiques extérieures, nous examinerons leur histoire d'une manière progressive. Chaque période historique est représentée dans le tableau.

## Le volume du commerce extérieur de l'URSS avec la France (en millions de roubles)<sup>1</sup>

An	1924	1930	1940	1950	1960	1970	1980	1990
Exportation	17,4	34,6	0,3	2,9	66,4	126,0	2242,4	1637,5
Importation	7,2	23,3	0,1	3,6	116,9	286,8	1510,3	1111,6

La Russie et la France commencent à coopérer en 1787 après avoir conclu un traité commercial, qui avait comme résultat une baisse de taux pour

<sup>&</sup>lt;sup>1</sup> *Le commerce* extérieur de l'URSS de 1918–1966 (statistiques). URL: http://istmat.info/node/17721 (in Russ.); *Le commerce* extérieur de l'URSS 1922–1981 (Jubilé statistiques). URL: http://istmat.info/node/17075 (in Russ.).

certains produits. Cependant, en 1793, la révolution en France a mis fin à des relations commerciales avec la Russie qui sont restées médiocres jusqu'au milieu du XIX siècle [4].

À la fin du XIX les deux pays entrent dans une nouvelle phase de leurs relations économiques dont la principale raison est le développement industriel de Russie. En 1891 on signe un traité franco-russe qui rapprochait la France et la Russie sur les plans politique et militaire grâce aux conditions mutuellement avantageuses.

La prochaine étape remonte à 1918. En raison du changement de pouvoir en Russie s'est produit l'annulation des prêts du gouvernement tsariste et la nationalisation de la propriété étrangère. En conséquence, les relations économiques entre la Russie et la France ont diminué de façon spectaculaire, les relations diplomatiques ont été complètement rompues. Même si cette période a été assez courte elle s'est montrée destructrice.

En 1924, la France a juridiquement reconnu l'URSS ce qui a contribué au rétablissement des relations diplomatiques et économiques entre les deux pays. Selon les données du tableau le volume d'exportations a augmenté de 17,4 millions de roubles à 34,6 millions de roubles de 1924 a 1930, soit près de 50%. Le volume d'importations a augmenté de 7,2 millions de roubles à 23,3 millions de roubles, soit environ de 31%. À partir de ces données, on peut conclure qu'à ce stade on observe un accroissement des relations extérieures de l'URSS et de la France. En 1932 la signature du pacte de non-agression a été également favorable à la coopération économique. Avec la Deuxième guerre mondiale les relations politiques et économiques des pays se sont affaiblis, après l'occupation de la France en 1940 elles ont été presque arrêtées.

Une nouvelle étape peut être décrite comme la période de stagnation de la coopération économique de la Russie et de la France. Selon les données de la table les volumes d'exportations et d'importations dans la période de 1930 à 1940 ont diminué environ de 99%. Dans la décennie suivante la situation n'a pas changé, la croissance est à peine perceptible. Cette étape s'est terminée au milieu des années 60 du XX siècle

Dans le cadre de la cinquième phase la croissance du volume du commerce extérieur de l'URSS avec la France a atteint un très haut niveau grâce à la signature des traités de coopération économiques fondamentaux. Tout d'abord, cela est dû à une conjuncture mondiale et le développement de nouveaux domaines d'interaction, tels que : l'industrie spatiale, l'énergie

atomique, la médecine, l'industrie des hydrocarbures, l'industrie chimique, de transport et de communication.

La sixième étape n'a pas duré longtemps. De 1998 à 2003 on témoigne une forte baisse du commerce bilatéral dont la cause est la crise économique en Russie et la détérioration des relations politiques de la Russie avec l'Occident [3].

La septième étape se caractérise par le renforcement des liens économiques et une croissance régulière des importations de marchandises de la France en raison de l'augmentation des revenus réels de la population russe. En 2009, il y avait une légère détérioration du commerce extérieur en raison de la crise économique.

La dernière étape prend son début en 2014. Les relations de la Russie avec les pays de l'Union Européenne sont ébranlées par des sanctions. La France a clairement marqué sa position sur la question de renforcement des sanctions contre la Russie. Les mesures de rétorsion de la Russie ont également réduit le chiffre d'affaires de coopération, ainsi que le nombre de produits importés et exportés frappés d'une interdiction de vente ou d'achat.

Actuellement on remarque des signes de stabilisation. Selon le service fédéral des douanes de la Russie en 2016, le volume total du commerce extérieur de la Russie avec la France a augmenté considérablement, du 13 au 11 rang, dépassant le Kazakhstan et l'Ukraine. Selon les statistiques du commerce de la France, la Russie se trouve au 16 rang parmi les pays partenaires l. La Russie et la France sont les plus grands partenaires à long terme et il est important de s'engager à faire le choix de la coopération plutôt que celui de la confrontation [5].

Il convient de noter que malgré les difficultés temporaires et la cessation des relations économiques au cours de quelques décennies, la France est restée pour la Russie l'un des principaux partenaires économiques et politiques. Deux fortes puissances dépendent du soutien mutuel et de la construction de l'union à des conditions mutuellement bénéfiques. Le partenariat de la Russie et de la France vise à redoubler les efforts pour développer et renforcer leur coopération économique et commerciale.

Il faut faire attention au caractère cyclique du développement des rapports commerciaux franco-russes. En dépit de ces fluctuations, les importa-

<sup>&</sup>lt;sup>1</sup> *Représentation* commerciale de la Fédération de Russie en République française. Revue annuelle de l'état de l'économie et des principaux domaines de l'activité économique extérieure de la France pour l'année 2016 Paris, avril 2017. URL: http://91.206.121.217/TpApi/Upload/043d68f0-535d-4a93-bb62-c09896fa5a48/obzor\_economy\_France\_2017.pdf.

tions et les exportations ont dans l'ensemble augmenté dès le début. L'extension de deux marchés a incontestablement contribué au bien-être économique de la France et de la Russie.

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# Problems of institutional regulation of international trade in globalized world

**Abstract.** The article focuses on the problems of international trade and the ways governments have been trying to protect national interests in recent years. It considers the mission of the WTO in the global trade, the relationships between trading partners. There is given an analysis of some factors – inequality of benefits, discrimination of interests – which effect regional trade agreements between developing countries.

**Keywords:** trade policy of the state; trade policy of protectionism; free trade policy; world trade organization; regional trade agreements.

The choice of trade policy is an important activity of any national government, as it aims to protect national interests when struggling for world markets. It affects international trade through taxes, subsidies, foreign exchange control and direct restrictions on import or export. Effective trade policy of the state ensures sustainable development of the national economy and derives maximum benefit from participation in the global division of labor.

The high importance of international trade has led to its liberalization and simplification of goods cross-border movement which is accompanied by the steady reduction of trade barriers. In order to ensure the unimpeded international exchange of goods there have been established international institutions. Their task is to develop rules and regulations for the implementation of international trade transactions.

The world trade organization (WTO) is a key global international institution dealing with the rules of country-to-country trade, where WTO agreements, negotiated and signed by most of the world's trading nations and ratified by their parliaments, are at the top of the list. The goal is to ensure that trade flows as smoothly, predictably and freely as possible<sup>1</sup>.

The WTO discharges its functions on the basis of the following principles: liberalization of international trade, trade without discrimination, usage of import restrictive measures only with the regard to the WTO regulations, predictability of trade policy, promotion of competition, transparency.

However at the initial stages of the WTO there was revealed inequality of benefits from the signed agreements in favor of developed countries. Developing countries quickly tracked down the imbalance and inconsistency in rules and obligations of the WTO package of agreements. The promised economic gains from the liberalization of market access in the framework of the Uruguay Round Agreement appeared utopian for many of them.

The lack of trust in the international system of non-reciprocal preferences pushed the developing countries to concluding regional trade agreements.

At the moment, RTAs (regional trade agreements) account for more than half of the international trade and operate in parallel with global multilateral agreements under the WTO. The vast majority (about 90%) of RTAs are free trade agreements (FTAs). The latter imply elimination of customs tariffs between FTAs member-countries. At the same time they are entitled to regulate relations and tariffs rates with the third party. At present there is a growing tendency to conclude mega-regional trade agreements to establish FTAs encompassing several continents. Moreover, the content of these agreements has changed. RTAs now regulate labour and environmental standards, international investment, intellectual property, etc. It goes beyond the WTO rules.

The multipolar world is being formed, in which individual states can no longer claim to be the only center of global authorities. In addition, inter-

 $<sup>^{1}\ \</sup>textit{World}\ \text{Trade Organization. URL: https://www.wto.org/english/thewto\_e/thewto\_e.htm.}$ 

national alliances of states, while preserving sovereignty, are becoming the key subjects of global governance. New centers of world influence around international alliances or regional trade blocs are being formed [1].

A growing number of regional trade blocs is an evidence of consolidation on a regional scale, despite some regional imbalances and contradictions. The rapid increase in the number of RTAs, which are gradually "washing down" the rules and regulations of the WTO multilateral trading system, should be a subject of lively academic discussions.

The uprise of numerous bilateral preferential agreements has brought about a host of overlapping and conflicting RTAs, with their own tariff liberalization schedules and different standards to determine the country of origin. In the early 1990s, this situation was described by the American economist Jagdish Bhagwati as "a spaghetti bowl" effect. In his book "The World Trading System at Risk" he raised the question, whether regional trade agreements represent a real threat to the multilateral international trading system. "Bowls of spaghetti generate chaos," warned Jagdish Bhagwati [3].

The WTO Director-General Pascal Lamy, speaking at the University of International Business and Economics in Beijing on September 20, 2012, stated that "the rise of regional trade agreements could lead to "policy fragmentation", and noted that "as an international community, we must continue to fight protectionism, but in the WTO in particular, we must also fight policy fragmentation" [2].

On September 24, 2012, the WTO Public Forum receiving representatives of governments, non-governmental organizations, the scientific community, businesses circles and students considered an issue of the crisis in multilateralization. The forum participants drove to the conclusion that the crisis is really in place. The causes of the crisis in the multilateral trading system are not only the stalled Doha round, but also the proliferation of regional trade agreements, which in recent years has become a true symbol of regional economic integration.

One of the possible solutions to this problem is development of principles of regional trade agreements preparation. The countries participating in RTAs can, for example, make commitments, applicable in the entire multilateral system. That will stimulate competition. Besides, there would be no need to establish preferential rules to determine the country of origin. The parties involved in regional trade agreements are to adhere to the principle of tariff information transparency, regulatory measures and rules to identify the country

of origin included in regional trade agreements. Moreover, the WTO should be notified of RTAs completed. It is also necessary to reach an agreement on the control of regional trade agreements by the WTO, as well as on the timely introduction of alterations in accordance with the new rules.

It should be noted that the integration of economies is currently one of the main directions of foreign trade policy pursued by the countries in recent decades. Almost all the economies participate in international trade alliances and regional trade agreements.

All the above mentioned factors determine the relevance of research in the sphere of institutional regulation of international trade at the present stage.

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# Key technologies making global digital economy come of age

**Abstract.** The article focuses on four key technologies – mobility, cloud computing, business intelligence and social media – that are irreversibly transforming business making the global digital economy come of age.

**Keywords:** global digital economy; mobility; cloud computing; business intelligence; social media.

Throughout history, economies have been reshaped by revolutionary inventions. The breakthroughs like telegraph, railroads and automobile started a virtuous circle of economic advancement to benefit from each. Nowadays tectonic shifts in the world economy, completed with leaps in technology, are bound to irreversibly transform the global marketplace.

One of the dramatic changes businesses need to be prepared for is the global digitalization of economy. In fact, the digital economy has been successfully operating for several decades, few companies at present can do without an e-commerce platform. There is more to come as more digital technologies continue to transform the economy: mobility, cloud computing, business intelligence and social media.

The Oxford Economics global survey of 363 business executives from the US, the UK, India, Japan, China, Brazil, Mexico and Australia representing a variety of industries (financial services, manufacturing, technology, information, communication and entertainment; retailing and consumer products; life sciences and healthcare) estimates that the greatest positive impact on economic development has been from *mobile technologies*<sup>1</sup>.

Mobile phones offer a potential enabling to considerably reduce the communication expenses by lowering search costs and make information more accessible to ordinary people in both developed countries and emerging economies. This, in its turn, is set to ensure more efficient market operations, facilitating producer – seller – customer interactions. Additionally, mobile telecommunications can increase welfare of both consumers and producers. Larger demand for mobile-based services increases employment and, as a result, will stimulate the economic growth on the whole. Lots of people can benefit from mobile phone-based services and products, for instance, m-banking or mobile banking. Statistics suggests that global mobile payment transaction volume is expected to increase from \$450 billion in 2015 to \$1 trillion in 2019.

According to eMarketer's latest report *Worldwide Internet and Mobile Users: eMarketer's Updated Estimates and Forecast for 2017–2021*, the increased interest of internet users continues to be driven by the adaptation of mobile phones to the Internet, which is quite common in emerging markets across Asia-Pacific, Central and Eastern Europe, Latin America and the Middle East and Africa. In 2017, the number of mobile phone internet users worldwide reached 2.73 billion, 87.4% of those use a smart phone for mobile internet access.

Apart from mobility, *business intelligence* is expected to earn extra business benefits. Approximately 61% of executives emphasize the importance of this technology, as it allows a better understanding of their customers and their businesses. The same proportion of the respondents mention, it helps them

<sup>&</sup>lt;sup>1</sup> World Trade Organization. URL: https://www.wto.org/english/thewto\_e/thewto\_e.htm.

take strategic decisions and react to market events in real time. This applies to all the essentials in business – necessity to reach new customers, reduce costs and improve supply chain management<sup>1</sup>.

Business intelligence now underpins nearly every aspect of business operations, from supply chain and risk management to marketing and product development. In the market run by the digital economy, successful firms may acquire significant market power.

The way this market is organized enables companies to benefit from the speed of market operations. Besides, possibility to immediately process and analyze information allows for efficient decision-making and strengthens the position of powerful players. Emerging developments such as in-memory analytics, where summary data are stored in RAM rather than databases, may help essentially.

Cloud computing (or cloud-based software) has made it easier to do business and offered companies of any profile a competitive advantage: more flexibility to respond to market opportunities, improved accessibility of their brand and some serious cost-saving potential. Before the cloud became a viable alternative, companies were required to purchase, construct and maintain costly information management technology and infrastructure. Now, instead of investing millions in huge server centers and intricate – global IT departments that require constant upgrading – a firm can use "lite" versions of workstations with lightning fast internet connections, and the employees can interact with the cloud online to create presentations, spreadsheets and interact with company software. The global cloud computing market is expected to reach \$1 trillion by 2024.

Cloud computing as defined by the U.S. Department of Commerce's National Institute of Standards and Technology, is "a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction". Essentially, the cloud allows users to easily tap into applications, virtual environments, or more basic computing tools that may be supplied from technical and software infrastructures other than their own. As a result, users are able to transfer their files and settings to other devices seamlessly.

<sup>&</sup>lt;sup>1</sup> The New Digital Economy. How It Will Transform Business: A research paper produced in collaboration with AT&T, Cisco, Citi, PwC & SAP. Oxford Economics, 2011.

However, cloud computing is far more than just accessing files on multiple device. Owing to cloud-computing services, users can check their email on any computer, store files using the services of Dropbox and Google Drive. Cloud-computing services also allow users to back up their music, files and photos, and make the files immediately available in the event of a hard drive crash. Individuals recognize that when uploading photos, documents, and videos to the cloud and then retrieving them at their convenience saves storage space on their desk tops or laptops. Additionally, the cloud-like structure allows users to upgrade software more quickly – software companies offer their products via the web rather than through more traditional, tangible methods involving discs or flash drives.

Social media has notably changed the way people communicate and interact with one another. There is a diverse of social media sites which are used worldwide, such as YouTube, Facebook and Twitter. This communication method is being widely used by business in marketing their products. The fact that many people eagerly use social media to share their feelings and views online has prompted business to alter their communication and marketing strategies and to offer some new means of messaging.

Currently, social media are broadly used in place of the "old-fashioned" marketing tools, such as TV, billboards, radio, etc. This new way to convey messages and promote ideas/products digitally has streamlined communication with customers. A business can now gain instant feedback from its customers and post any updates about the business online. Many companies admit that using the social media tools offers several merits: another way to get in touch; added value to customers; product/brand awareness and customer loyalty; ability to keep up with trends and competitors; product display; a more cost-effective and productive marketing.

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## Features and prospects of digitalization in global and Russian economy

**Abstract.** The article examines how IT technologies influence economic sectors, shows the progress of the world leaders in the global digitalization process. The analysis of the Russian position in ICT (Information and Computer Technology) helps to identify barriers that prevent the country from being successful in this field. The paper reports on the role of Russian government in the development of the ICT sector and gives the overview of the government digitalization programs and strategies.

**Keywords:** digitalization; digital technologies; ICT sector; government ICT strategies.

Digital technologies are intensively changing standard systems and economic approaches around the world. There are changes in the way individual companies operate as well as industries, regions and the entire countries. The digitalization goes beyond the transformations in technologies and businesses. It has become a powerful macroeconomic and political factor.

What is digitalization? To answer this question it is necessary to consider some definitions. According to UNCTAD's experts, digitalization is defined as the social transformation triggered by the massive adoption of digital technologies intended to generate, process, share and transmit information [3]. Kirill Varlamov, a director of the Internet Initiatives Development Fund, narrows down the definition: "The digital economy is a pattern, where there is a systematic and consistent transfer from traditional forms of business and industrial relations to digital ones" [1]. We define this phenomenon in the following way: the digital economy is a modern type of economic management characterized by using digital technologies in production, distribution, exchange and consumption.

The digital economy has an impact on many economic sectors such as banking, retail trade, transport, energy, education, health care, etc. It has both advantages and disadvantages. As for advantages, it generates new opportunities for creating added value. In addition, it provides competitive advantages to countries, introducing IT technologies, allowing to achieve a leading position in the market. Furthermore, it applies digital technologies, without dwindling natural resources. As for disadvantages, digital technologies might bring about certain risks:

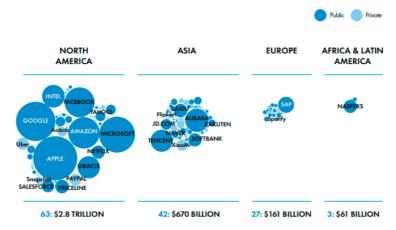
• growth of digital crime;

- threat to individuals, business, government;
- lack of scientific research effectiveness.

Many developed countries have already created government programs and development strategies for digitalization. There are more than 30 national and regional digitalization programs in the European Union. For example, Germany (Industrie 4.0), Denmark (Manufacturing Academy of Denmark), the Netherlands (Smart Industry) have already made a progress in the area [1].

Not only individual countries, but the entire alliances develop their digitalization strategies. Last decade the leading industrial countries were cooperating in the sphere of effective solutions and digitalization regulatory mechanisms. The Organization for Economic Cooperation and Development (OECD) has adopted a Digital Single Market strategy. The intergovernmental agreements in developing e-commerce have been reached by the Trans-Pacific Partnership (TPP). In 2015 the Association of Southeast Asian Nations adopted an ICT plan.

As regards regional economy, it should be noted that the level of digitalization differs from region to region (see figure below).



Regional concentration of large digital companies and their market capitalization, 2016<sup>1</sup>

Figure 1 shows that the most digitized regions are the North America and Asia. According to James O. McKinsey, Russia is among the followers, in

 $<sup>^{\</sup>rm 1}$  UNCTAD 2017 Information economy report. URL: http://unctad.org/en/publicationslibrary/ier2017 en.pdf.

terms of investments into ICT infrastructure and technologies in state-owned companies. Yet, Russia lags behind the world leaders – Singapore, the USA, Israel, and West Europe (the UK, Germany, Spain and Italy). It is not surprising. As regards the USA and Russia, the former spends more money on digitalization of economy (around 5% of GDP), for Russia it is only 2% of GDP (table 1).

Table 1

Role of digitalization in Russia's GDP in comparison with other countries in 2016. % GDP<sup>1</sup>

Indicator	USA	China	5 countries of West Europe <sup>2</sup>	India	Brazil	Czech Republic	Russia
Household expenditure on digital							
technologies	5.3	4.8	3.7	3.2	2.7	2.2	2.6
Companies' investment in digitaliza-							
tion	5.0	1.8	3.9	2.7	3.6	2.0	2.2
State expenditure on digitalization	1.3	0.4	1.0	0.6	0.8	0.5	0.6
Export IT	1.4	5.8	2.5	5.9	0.1	2.9	0.5
Total	10.9	10.0	8.2	6.3	6.2	5.5	3.9

Russia tries to catch up with its competitors. As a result, in 2017 the government approved some programs and strategies. Specifically, a strategy of the information society development, the program of "Digital Economy in the Russian Federation" identified public policy measures to create the necessary conditions for developing digital economy in Russia.

The main prerequisites for the development of digital economy in Russia are:

- extended access to the Internet;
- increased number of Internet users (71% users);
- development of e-commerce;
- development of ICT sector.

There are internal and external barriers to successful development of digital technologies in Russia (table 2).

The fact is, the implementation of ICT in Russian companies is blocked by certain internal barriers. There is no "key" link to ensure more intensive implementation of digital technologies in Russia. As enterprises choose to shift to more advanced ICTs, the negative effect of the barriers fades away, but not as rapidly as one would expect.

<sup>&</sup>lt;sup>1</sup> By 2025 digital economy will increase Russia's GDP by 8, 9 trillion rubles. 2018. URL: https://www.rbc.ru/technology and media/05/07/2017/595cbefa9a7947374ff375d4.

<sup>&</sup>lt;sup>2</sup> The UK, Germany, Italy, France, Sweden.

Table 2

Internal and external barriers to ICT implementation [1]

Internal	External
<ol> <li>High cost of digital systems exploita-</li> </ol>	Volatility of ruble.
tion. Some companies do not want to spend	Foreign technologies are less affordable.
much on introducing new systems	The software previously bought for 1,000
	rubles (\$15), now costs 2,000 rubles (\$15)
2. Company management are unaware of	2. Poor data protection.
digital technologies advantages.	Cases digital crime / database hacking
Some directors prefer traditional methods	attacks
based on the so called "old school", so reluc-	
tant to adopt new technologies	
3. Negative experience of using technolo-	Underdeveloped IT sector.
gies. Quite often companies apply wrong digi-	Limited access to mobile Internet, insuf-
tal technologies with negative consequences	ficient number of data centers
for business (financial losses, fewer clients)	

How does the Russian government try to develop the ICT sector? Mostly by the improved legislative regulation. In 2016 President of the Russian Federation gave a direction to the RF Federal Assembly to develop a program for the national economy digitalization. This program adopted in 2017 prioritizes a full integration of the Russian virtual economy into the Eurasian Economic Union. By 2025 the Government is expected to provide all technical and economic conditions for the development of this new economic sector. Special attention must be paid to the development of computer and telecommunications equipment in Russia. By 2025 it is planned to achieve the following indicators [2]:

- there must be at least 10 companies (ecosystem operators) competitive in the global market;
- 500 small and medium-sized enterprises specializing in developing digital technologies (platforms) and providing digital services;
  - 120,000 graduates from ICT faculties annually;
  - 40% of the population must have digital skills;
  - 30 digital economy projects (worth ₱100 mln);
- all cities with a million-plus population must provide a sustainable 5G service

The Ministry of Telecom and Mass Communications of the Russian Federation anticipates promising tendency for advancement and implementation of new technologies in all spheres of life. The integrated digital platforms will be used to manage resources (fuel, water, energy). They will allow to consolidate all market participants in the information environment, to reduce

digitized transactions costs, to change the labor division system. Also the Ministry intends to establish 50 "smart cities", with the population of 50 million totally, where each resident will be able to contribute to the city management on specially designed information platforms. Due to a range of technical and organizational measures, the "smart cities" will create comfortable conditions for life and business activities. The Government expressed readiness to provide every support for the IT sector.

To summarize, digitalization is the key economic driver that accelerates economic growth and facilitates job creation. There is no doubt that digital technologies provide competitive advantages. They cut costs, save time and money. Developed countries are the most efficient digital economies. Russia lags behind many of them in the ICT sector due to a lot of barriers in this sphere. Yet, the RF government tries to improve the situation by financing special programs and developing new strategies. Definitely, digitization provides a positive impact on the economic development of the country, and Russia ought to keep up with the global ICT revolution.

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## Die digitale Wirtschaft in Russland

**Abstract.** In dem Artikel werden die Hauptrichtungen und das Niveau der Digitalisierung in Russland beschrieben. Dabei sind die Probleme der Entwicklung und der Rückstand von anderen Ländern enthüllt. Die möglichen Varianten der Lösung der vorhandenen Probleme werden angeboten.

**Schlüsselwörter:** die Digitalisierung; die digitale Wirtschaft; Russland; die Hauptrichtungen.

Der Anteil der digitalen Wirtschaft im inneren Bruttoprodukt Russlands bildet 2,8% oder 75 Milliarden US-Dollar<sup>1</sup>. Der größte Teil (63 Milliarden

<sup>&</sup>lt;sup>1</sup> The Boston Consulting Group. URL: https://www.bcg.com/ru-ru/default.aspx.

US-Dollar) fällt auf die Sphäre des Konsums. Das sind Internet-Handel, Dienstleistungen, Käufe offline.

Heute wird die digitale Wirtschaft als eine der Prioritätsrichtungen der Strategie der wissenschaftlichen und technologischen Entwicklung Russlands genannt. Die vollwertige konsequente Digitalisierung der russischen Wirtschaft wird Bahnsteig für die qualitative Veränderung ihrer Struktur und der langfristigen Möglichkeiten.

Wir möchten fünf Hauptrichtungen der Entwicklung der digitalen Wirtschaft Russlands betrachten.

Die erste ist elektronische Regierung. Nach den Ergebnissen 2016 mehr als 50% der Empfänger der staatlichen Dienstleistungen wählten ihr elektronisches Format<sup>1</sup>. Bis zum Ende 2018 soll diese Kennziffer 70% erreichen. Das neue Systemprojekt der Entwicklung der elektronischen Regierung sieht die Realisierung des Prinzips vor: ein beliebiger Bürger und ein beliebiges Amt sollen die Möglichkeit haben, an einer beliebigen Stelle und in einem beliebigen Zeit zusammenzuwirken<sup>2</sup>. Für die Bequemlichkeit der Bürger wurde die mobile Anlage für Smartphones "die Staatlichen Dienstleistungen" geschaffen.

Der zweite Projekt ist elektronisches Gesundheitswesen. Für die informative Unterstützung und die Erhöhung der Effektivität der Erweisung der ärztlichen Betreuung entsteht das einheitliche staatliche informative System in der Sphäre des Gesundheitswesens. Bis 2025 ist vom Projekt der Anschluss zum System von mindestens 99% staatlicher medizinischen Organisationen vorgesehen, die Ausstattung von den Workstations von mindestens 99% medizinscher Mitarbeiter, die im System der Erweisung der primären medizinischen und sanitären Hilfe beschäftigt sind, sowie die breite Einführung der elektronischen Services für die Bürger und die ärztliche Hilfe unter Ausnutzung von telemedizinischen Technologien. 2018 können alle russischen Staatsbürger die elektronische medizinische Karte bekommen. Zur Zeit werden etwa 46 Millionen von elektronischen medizinischen Karten schon bekommen. Auf dem Einheitlichen Internet-Portal der staatlichen und Kommunaldienstleistungen wurde der persönliche Kabinett "Meine Gesundheit" gestartet.

Die dritte Richtung ist Digitalisierung der Kontroll-Aufsichtstätigkeit des Staates. Bis zum Jahr 2025 soll die Staatskontrolle "klug" (analytisch, die

<sup>&</sup>lt;sup>1</sup> Federal State Statistics Service. URL: http://www.gks.ru.

<sup>&</sup>lt;sup>2</sup> RF Government. URL: http://government.ru.

Risiken vorhersagend, EDV-ausgerüstet), "durchsichtig" (das Vertrauen der Unternehmerschaft und Gesellschaft genießen), "präventiv" (mit der Verwaltungsaufsicht zusammenwirkend) und "ressourcenschonend" (kompakt, nicht aufwendig für den Staat und testbar) werden¹.

Die vierte Richtung ist die digitale Reform im System der Ausbildung. 2016 wurde das System "Kontingent" eingeführt, die mit Servicen für die Bevölkerung und staatliche Institutionen ausgestatte einheitliche Datenbank über die Schüler, Ausbildungsorganisationen und Ausbildungsdienstleistungen. Sie ermöglicht den Eltern, die Aufnahmeanträge für die Kindergärten und Schulen in elektronischer Form einzureichen. Das System gewährleistet die Durchsichtigkeit der persönlichen Ausbildungsbahnen und der Errungenschaften der Schüler der allgemeinbildenden Schulen, Hochschulen und des Systems der zusätzlichen Ausbildung.

Der fünfte Projekt ist die Entwicklung der EDV-Dienstleistungen. Als Hauptrichtungen der Nutzung der modernen Informations- und Kommunikationsinstrumente von den Konsumenten heben sich der kommerzielle und staatliche Sektor heraus:

- die Verwaltung von den Wechselwirkungen mit den Einzelkunden: die Analyse der Daten über das Verhalten der Kunden auf dem personenbezogenen Niveau, die Förderung der Waren/Dienstleistungen durch das Internet und die mobilen Anlagen, die Gewährleistung von Informationen und zusätzlichen Bequemlichkeiten;
- die Regelung und die Optimierung der inneren Prozesse und der Wechselwirkungen im Unternehmen: die Operationsgeschäftsprozesse, den Dokumentendurchlauf, die Berücksichtigung und die Planung, die Analyse der Daten für die Beschlußfassung, die Prognostizierung, die entfernten Kommunikationen, die Verwaltung von Projekten und Aufgaben;
- Die Verwaltung von den Wechselwirkungen mit den Kontrahenten (Lieferanten, Großhandelskunden) durch die Bildung des einheitlichen koordinierenden Informationssystems über ihre eigenen Informationssysteme.

In 2016 war der Umfang des Sektors der EDV-Dienstleistungen der Russischen Föderation 4,52 Mrd. US-Dollar<sup>2</sup>. Dabei bleibt Russland hinter den Führern der Digitalisierung 5–8 Jahre zurück. Wenn die laufenden Wachstumsraten der digitalen Wirtschaft Russlands auf dem vorigen Niveau bleiben, so wird im Jahre 2020, infolge der hohen Geschwindigkeit der glo-

<sup>&</sup>lt;sup>1</sup> TASS. URL: http://tass.ru/ekonomika/4862377.

<sup>&</sup>lt;sup>2</sup> International Data Corporation. URL: https://idcrussia.com/ru.

balen Veränderungen und der Innovationen, dieser Bruch schon 15–20 Jahre bilden.

Für die Lösung dieses Problems und die Beschleunigung der Digitalisierung in Russland ist es notwendig folgendes zu realisieren:

- Forschungen und Entwicklungen auf dem Gebiet der Informationstechnologien;
- die Entwicklung des Systems der Vorbereitung und Erhöhung der Qualifikation von Experten auf dem Gebiet der Informationstechnologien;
- die Vervollkommnung der institutionellen Bedingungen der Geschäftsführung auf dem Gebiet der Informationstechnologien;
- die Bildung der informationellen und analytischen Basis für die Entwicklung des Zweiges;
- die Beseitigung "der digitalen Ungleichheit" mittels der Entwicklung des Breitbandzuganges zum Netz Internet;
  - Start der digitalen Funksendung auf dem ganzen Staatsgebiet;
  - die Gewährleistung von der breiten Zugänglichkeit des Fernsehens.

Diese Veranstaltungen werden Russland helfen, das Tempo der Digitalisierung zu beschleunigen und sie auf das neue Niveau herauszuführen.

Wissenschaftliche Betreuerin: I. A. Stichina

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## La protection des droits intellectuels de la Fédération Internationale de Football Associations (FIFA) lors du contrôle douanier

Résumé. Ces dernières années dans le chiffre d'affaires de l'économie extérieure se manifeste une tendance constante comme une augmentation du taux de croissance du commerce des nouvelles technologies ce qui conduit à la nécessité de trouver un équilibre durable entre les droits des producteurs et des distributeurs, d'une part, et les propriétaires des droits de propriété intellectuelle, d'autre part.

**Mots clefs:** propriété intellectuelle; FIFA; marqu; la Coupe du Monde de football; la réglementation douanière.

Aujourd'hui la garantie et la protection des droits de propriété intellectuelle dans les limites de sa compétence est une tâche importante des organismes douaniers. La protection transfrontalière des marques de la Fédération Internationale de Football Association (ci-après – FIFA) est devenue une

nouvelle spire de la direction examinée de l'activité des organismes douaniers comme des organismes du pouvoir exécutif.

Les relations qui apparaissent à cause de la préparation et de la tenue en Fédération de Russie de la Coupe du Monde de football de la FIFA 2018 et de la Coupe des confédérations de la FIFA 2017 qui a déjà eulieu, la Loi Fédérale spéciale du 7 juin 2013 № 108-LF « Sur la préparation et la tenue en Fédération de Russie de la Coupe du Monde de football FIFA 2018, de la Coupe des confédérations FIFA 2017 et de la modification de certains actes législatifs de la Fédération de Russie » (ci-après − la Loi) [1]. Les lois analogues ont été adoptées dans d'autres États à la veille de la tenue des manifestations de football du niveau mondial.

Selon le paragraphe 19 de l'article 2 de la Loi « les symboles de la Coupe du Monde de football de la FIFA 2018, de la Coupe des confédérations de la FIFA 2017 » comprennent le drapeau de la FIFA, le logo, l'hymne et la devise de la FIFA, les noms officiels « FIFA », « FIFA 2017 », « FIFA 2018 », « Russie 2017 », « Russie 2018 », ainsi que « Coupe du Monde », « Championnat du monde », « Mundial », « Coupe des Confédérations », les logos et les emblèmes des manifestations enregistrés en tant que marques de commerce avec utilisation des expressions « Football pour l'espoir » et « Goal vert », les porte-bonheur des compétitions sportives, les emblèmes, les affiches, la symbolique distinctive, les noms des manifestations, les objets du design et les devises des manifestations, les coupes et les médailles des participants des compétitions sportives [1]. La liste des marques de commerce dont les droits exclusifs appartiennent à la FIFA, comprend près d'une centaine de marques graphiques, verbales et combinées [2].

Les droits de propriété de la FIFA liés à la réalisation des manifestations sportives pareilles, comprennent les droits d'utilisation de la symbolique des compétitions sportives, les droits d'exercer le contrôle de l'accès aux lieux de la réalisation des manifestations, les droits pour la vente des billets d'entrée aux manifestations ou des documents donnant le droit d'obtenir des billets d'entrée aux manifestations, des droits de définir les partenaires commerciaux et les contractants de la FIFA, des droits à la publicité, la vente et tout autre type de distribution des marchandises, d'exécution des travaux, de fourniture de services dans les lieux de la réalisation des manifestations, des droits de déterminer des fabricants de l'équipement de sport, de l'équipement et du matériel sportifs utilisés lors la réalisation des manifestations, et des autres.

La FIFA a le droit d'utiliser les droits de propriété donnés sous n'importe quelle forme et par n'importe quel moyen. L'utilisation de ces droits de propriété par des tiers est autorisée à condition de la conclusion d'un contrat pertinent avec la FIFA ou avec les organisations autorisées par la FIFA.

L'utilisation par des tiers de la symbolique des compétitions sportives est effectuée conformément à l'article 19 dela Loi et n'est admise qu'à la condition de la conclusion d'un contrat pertinent avec la FIFA ou les organisations autorisées par la FIFA. Ce contrat doit être enregistré par l'Etat dans les cas soumis à la loi [1]. L'utilisation de la symbolique de la Coupe du Monde de football de la FIFA 2018, de la Coupe des confédérations de la FIFA2017, qui est l'objet de la propriété intellectuelle et au sujet de laquelle la FIFA possède des droits exclusifs, est effectuée à la base de la législation civile.

Depuis l'entrée en vigueur de la Loi l'action des droits exclusifs aux instruments de l'individualisation des personnes civiles (à l'exception de la FIFA), les marchandises, les travaux, les services, bénéficiant de la protection juridique en Fédération de Russie à la date d'entrée en vigueur de la Loi et contenant la symbolique des manifestations sportives, les droits exclusifs qui appartiennent à la FIFA au moment de l'enregistrement des instruments indiqués de l'individualisation, s'arrête jusqu'au 31 décembre 2018.

La personne civile dont la raison sociale est identique à la symbolique de la Coupe du Monde de football de la FIFA 2018, de la Coupe des confédérations de la FIFA 2017 ou en est similaire au point de confusion, à la demande de la FIFA est obligée de cesser de l'utiliser.

On n'admet pas la production, la vente, la distribution, l'importation à la Fédération de Russie, l'exportation de la Fédération de Russie de produits contenant la symbolique de la Coupe du Monde de football de la FIFA 2018, de la Coupe des confédérations de la FIFA 2017, l'utilisation de ces produits d'une autre manière dans des buts lucratifs ou d'autres biens matériels sans conclusion de contrat approprié avec la FIFA ou les organisations autorisées par la FIFA.

L'utilisation de la symbolique de la Coupe du Monde de football de la FIFA 2018, de la Coupe des confédérations de la FIFA2017 en violation des exigences de la Loi est considérée comme illégale et engage la responsabilité juridique conformément à la législation de la Fédération de Russie.

Selon le paragraphe 1 de l'article 20 de Loi « la vente, l'échange ou une autre mise en circulation des marchandises ou l'exécution des travaux, la prestation de services, si de plus on utilisait illégalement la symbolique des com-

pétitions sportives et les désignations identiques ou très similaires jusqu'au degré de la confusion avec la symbolique des compétitions sportives, ou la symbolique modifiée des compétitions sportives; la mise en oeuvre de tout type de marketing, appelé à former chez le consommateur la représentation de la FIFA et (ou) des manifestations à l'aide de l'utilisation de la symbolique des compétitions sportives et d'une autre manière, sans autorisation de la FIFA, ainsi que d'autres actions sont considérés comme la concurrence déloyale et engagent les conséquences prévues par la législation antimonopole de la Fédération de Russie ».

Le Registre douanier des objets de la propriété intellectuelle (RDOPI) du Service fédéral douanier (SFD) de la Russie est un instrument principal traditionnel de la protection administrative et juridique par les organismes douaniers des droits aux objets de la propriété intellectuelle. Le 6 juin 2017 il contenait 4409 objets dont la grande majorité sont des marques du commerce étant le moyen le plus répandu de l'individualisation sur le marché intérieur, ainsi qu'au déplacement transfrontalier des marchandises [3].

Actuellement, selon les données officielles des organismes douaniers de la Fédération de Russie, le Registre douanier des objets de la propriété intellectuelle du Service fédéral douanier de la Russie compte 17 marques de commerce appartenant à la FIFA [3].

Le mécanisme administratif de la protection des droits aux objets de la propriété intellectuelle dont les droits exclusifs appartiennent à la FIFA, comprend plusieurs étapes.

La première étape consiste en introduction de la symbolique des compétitions sportives dans RDOPI de SFD de la Russie. Il faut noter que cette étape n'est pas terminée, comme en témoigne la pratique continue de l'introduction des marques de commerce de la FIFA dans RDOPI de SFD de la Russie [3].

La deuxième étape est l'application du mécanisme de registre pour identifier et supprimer les violations des droits exclusifs du titulaire du droit.

Les autorités douanières de la Russie exercent systématiquement un contrôle douanier des marchandises marquées par la symbolique des manifestations sportives.

La troisième étape de la mise en oeuvre d'un mécanisme administratif de la protection des droits aux objets de la propriété intellectuelle par les organismes douaniers est la pratique juridique de la soumise à l'examen des procédures administratives initiées par les organismes douaniers pendant le

déplacement transfrontalier des produits désignés par la symbolique ses compétitions sportives.

En 2016 les organismes douaniers de la Fédération de Russie ont révélé plus de 55 mille unités de la production contrefaite liée à l'utilisation illégale de la symbolique de la FIFA. Il est à noter que dans les listes des marchandises de contrefaçon il y a non seulement une production sportive, mais aussi des marchandises de consommation courante [4].

La clef du succès des mesures administratives des organismes douaniers de la Fédération de Russie sur la protection des droits de propriété intellectuelle de la FIFA est l'approvisionnement administratif et procédural de cette protection.

En outre, le Gouvernement de la Fédération de Russie a approuvé aussi les procédures d'application d'un régime spécial douanier pour les équipements et les équipements sportifs importés en Russie, d'autres marchandises destinées uniquement à l'organisation et la tenue des manifestations sportives internationales officielles ou à des activités d'entraînement pour la préparation à celles-ci [2]. Ainsi, un tel régime douanier est appliqué aux marchandises destinées à l'organisation et à la tenue de la Coupe du Monde de football de la FIFA 2018 et (ou) la Coupe des confédérations de la FIFA 2017 ou pendant des manifestations d'entraînement pour la préparation à la Coupe et importées par les personnes compétentes [2].

En conclusion on peut noter que l'activité administrative des autorités douanières permet d'assurer totalement un niveau nécessaire de la tenue des manifestations internationales sportives sur le territoire de notre État.

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# Innovation strategy as means of stimulating economic growth

**Abstract.** On-going changes of economic tendencies, unequal levels of economic development, uncertainty about the future make analyzing and understanding the factors contributing to the economic growth of any country a matter of crucial importance. Investments in innovation can be considered one of such factors. The article provides an insight into the innovation sphere of Russia as well as an assessment of the general economic situation of the country.

**Keywords:** Russian economy; R&D; innovation; innovation technology; modernization; investment.

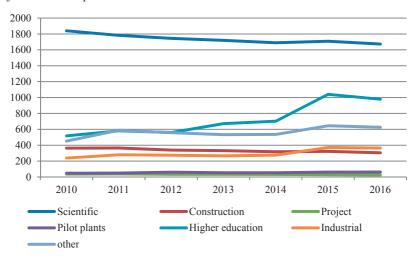
To ensure a sustainable economic growth in future each country needs to start thinking well in advance about the factors that would guarantee its competitive advantage. Nowadays, innovation technologies play an important part in the economy of all developed countries. In fact, innovation strategies is a force driving the economic growth of Russia, enhancing competitiveness of Russian enterprises. This becomes possible through investments into innovation sphere which produces a multiplier effect, the latter arises from an adequate financial investment into innovation and modernization of production: innovation enables to cut down costs and improve the quality of products, thus increasing profits. This stimulates competition requiring to meet consumer demands. Besides, innovation can contribute to professionalism, increase the quality of life and even help solve global problems. Thereby, investments in the innovation sphere can help Russia gain ground on the global market.

Let us take a look into the state of innovation sphere in Russia. The first aspect in focus is the number of companies engaged in scientific research within a certain fiscal year, with regard to the type of the organization<sup>1</sup>.

The total number of companies involved in scientific research increased by 540 units (15%) over the period from 2010 to 2016 and reached the level of 4,032 in 2016. The graph shows that most of them are scientific institutions. However, their number decreased by 167 units (9.1%) and dropped to 1,673. Higher education institutions make another a large group. The figure increased by 89.4% and reached 979 in 2016, followed by construction and industrial companies. At the bottom of the list there are project organizations and pilot plants. These data prove a theoretical, rather than practical, character of the researches, i.e. not every research done can have a practical

<sup>&</sup>lt;sup>1</sup> Federal State Statistics Service. URL: http://www.gks.ru (in Russ.).

outcome, since the number of institutions involved in an intellectual activity significantly outnumbers those that can transform blue prints and draft projects into real products.



Number of companies engaged in scientific research (2010–2016)

According to the data given in table 1, the number of institutions involved in innovation technology research had been increasing since 2010, reaching the peak in 2012, with a 1% decrease in 2016. Whereas, the proportion of innovation goods, work and services against the total volume of the goods sold, increased by 3.7% in 2016. As concerns the amount of expenses on innovation technology, it increased by P884 bln which makes 220.5% (3,5 times), that shows an increase of the R&D budget.

Table 1

Innovative activity of organizations (2010–2016)<sup>1</sup>

	2010	2011	2012	2013	2014	2015	2016
Number of institutions implementing in-							
novation technology, %	7.9	8.9	9.1	8.9	8.8	8.3	7.3
Proportion of innovation goods, work,							
services, %	4.8	6.3	8.0	9.2	8.7	8.4	8.5
Expenses on innovation technology, ₽ bln	401	734	905	1,112	1,212	1,204	1,285
In relation to all the sold goods, provided by							
work and services, %	1.6	2.2	2.5	2.9	2.9	2.6	2.5

<sup>&</sup>lt;sup>1</sup> Federal State Statistics Service. URL: http://www.gks.ru (in Russ.).

Financial resources, e.g. to spend on investments, are necessary for the development of the innovation sphere. They help overcome the crisis and provide an opportunity to reach a higher level of production, which, in its turn, guarantees a competitive advantage under the initially unequal conditions of the economic development mismatch in different countries. It is worth mentioning that such investments are high-risk, yet, they can yield greater returns later. The table 2 gives some data on the volume and dynamics of investment in basic capital in general and in scientific research in particular in Russia.

Table 2 RF investments in basic capital (2010–2016)<sup>1</sup>

Indicator	2010	2011	2012	2013	2014	2015	2016
Investments in basic capital in Russia,							
₽bln	9,152	11,036	12,586	13,450	13,903	13,897	14,749
Scientific research, ₽ bln	68.9	84.4	94.0	133.8	137.3	184.5	174.7
Percentage, %	0.8	0.8	0.7	1.0	1.0	1.3	1.2

Obviously, the investments in basic capital in Russia were steadily increasing throughout the given period. By 2016 they had grown by \$\P\$5,596.8 bln or by 61.1%. The investments in scientific research rose by \$\P\$105.8 bln or by 153.6% (over 2.5 times). It should be noted, that they increased not only in figures, but also in proportion. It means that R&D received more priority, in terms of investment.

Another aspect to consider is: in what way the economic position of Russia changed on the global market<sup>2</sup>.

Table 3

# **GDP (PPP) of Russia 2010–2017**

Indicator	2010	2011	2012	2013	2014	2015	2016	2017
GDP (PPP) of Russia, ₽ bln	3,234	3,441	3,628	3,734	3,824	3,717	3,684	3,765
GDP (PPP) of Russia, % from GWP	3.6	3.6	3.7	3.6	3.5	3.3	3.1	3.0

GDP at PPP (Public Private Partnership) of Russia increased by P531 bln (16.4%), although the overall contribution of Russia to the global economy decreased by 0.6%. It means that GWP increased more than the GDP of Russia throughout the given time period.

The idea that innovations can advance production is a well-known fact. The question remains: do Russian enterprises have opportunities to perform

<sup>&</sup>lt;sup>1</sup> Federal State Statistics Service. URL: http://www.gks.ru (in Russ.).

<sup>&</sup>lt;sup>2</sup> International Monetary Fund. URL: http://www.imf.org.

the innovative activities in production effectively? According to rating of "Doing Business" by the World Bank Group, Russia went up from its 123<sup>rd</sup> place (2010) to the 25<sup>th</sup> in 2017<sup>1</sup>. This can be an undeniable evidence that running business in Russia has become more accessible. So, it is likely for Russia to reach the well-awaited level of 40%, as far as small and medium-sized enterprises (SMEs) are concerned. On the other hand, in order to be practicable for SMEs, innovation technologies need to be well-developed and targeted at in economic activities. At present, however, this is largely a practice of sizeable enterprises, since scientific research requires significant capital expenditures and does not pay off right away. A complex range of measures must be carried out to ensure both development and implementation of innovation policy in the Russian production.

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# Strengths and weaknesses of globalization and regionalization. Challenges and possible solutions

**Abstract.** At the present stage of human development, such phenomena as globalization and regionalization are gaining momentum. The article examines the opportunities and challenges of these phenomena and suggests ways to solve some of the burning problems concerned. Withdrawal of money into the shadow sector of the economy is one of them.

Keywords: globalization; regionalization; economics; IER.

At present, globalization is viewed as an integral part of the human civilization. Similarly, many experts tend to classify regionalization as a developmental phenomenon of the global world.

First, it is necessary to consider these two processes specifically, in detail

Globalization of the economy is characterized by strengthening of interrelations, interactions and interdependence of economies and economic systems of different countries in the world. Another feature of globalization is internationalization of production and capital resulting in the establishment of identical standards and conditions for economic activity in countries with different level of economic development, type of socio-political and socio-

<sup>&</sup>lt;sup>1</sup> The World Bank. URL: http://www.vsemirnyjbank.org (in Russ.).

economic system. It causes rejection and opposition of persons defending the national identity and economic uniqueness of a particular country [1].

Regionalization can be defined as development and strengthening of economic, political and other ties between the regions or states geographically belonging to the same region as well the emergence of regional associations of states [1].

In fact, this means that gradually the borders between states will be erased, there will be no separate countries, and, in the long run, a single economic space will be formed. But this process has both strengths and weaknesses.

On the one hand, it promises intensive scientific and technological progress, accompanied by reduction of product prices, which might be possible due to absence of duties and tariffs and other charges. Trade relations will be largely simplified, because there will be no borders, no differences in national legislations. Everything will be unified and standardized, which is bound to significantly reduce the flow of documents. The population will enjoy free movement around the continents, thus economic mobility will increase.

On the other hand, with the transition to a common economic space, the economic security of individual countries might be under threat [2; 3], therefore, the principles of conscientious cooperation will be attached vital importance to, because any country's economy can be at the risk of being devastated.

In fact, under these conditions, TNCs enjoy more benefits than other market players, as they will be able to freely transport cargo and produce goods wherever it would be economically viable, which is sure to undermine the position of medium and small businesses – they may disappear. Another challenge comes from the growing shadow economy. Experts predict: at the initial stages of globalization and regionalization there will be an "explosion" of speculative transactions.

Even now, many economies suffer from thorny problems associated with a massive money turnover in the shadow economy. So, if, for example, a single currency is introduced, some barriers to the movement of money will be eliminated (in order to buy a large amount of currency in a bank, one has to produce a passport, as such transactions are recorded).

A solution to the problem in question might be, for instance, an adoption of electronic currency, i.e. money as a material object (banknotes, coins) will disappear from the circulation. Therefore, it will enable to track any

movement of funds and their volume, which will minimize unlawful manipulations and criminal fraud. In this case, only a natural exchange (goods for goods) will be possible, which is incomparable with the current scope of the money turnover in the informal sector of economy.

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# Perspektiven der digitalen Wirtschaft in Russland

**Abstract.** Im Artikel werden die Perspektiven der digitalen Wirtschaft in den modernen Bedingungen der sozialökonomischen Entwicklung Russlands untersucht.

Schlüsselwörter: digitale Wirtschaft; Industrie 4.0; Strategie der Entwicklung der Informationsgesellschaft in der Russischen Föderation; Digitalisierung.

Die Entwicklung der digitalen Wirtschaft wirkt sich im 21. Jahrhundert auf alle Länder der Welt. In Russland sind damit zusammenhängende Fragen im Fokus der ständigen Aufmerksamkeit der staatlichen Behörden, Businessgemeinschaft, Wissenschaftler und Experten.

Im Rahmen des Business-Programms des Russischen Investitionsforums am 16. Februar 2018 fand die Sitzung mit der Tagesordnung "Digitale Wirtschaft: Probleme und Perspektiven der Regulierung" statt.

Im einleitenden Wort hat der Moderator der Sitzung Sergey Plugotarenko, bemerkt, dass digitale Technologien mehr und mehr in alle Bereiche des Lebens der Gesellschaft eindringen. Der Staat und die Gesellschaft haben die Möglichkeit, aktiv mit diesen Technologien zu kommunizieren. Digitale Technologien und digitale Wirtschaft sind leistungsfähige Treiber aller Pro-

zesse der Entwicklung der Wirtschaft Russlands [1]. Es sollte bemerkt werden, dass, um die Strategie der Entwicklung der Informationsgesellschaft in der Russischen Föderation für 2017–2030 zu implementieren, das Programm "Digitale Wirtschaft der Russischen Föderation" genehmigt wurde. Dieses Programm wurde durch die Verordnung des Präsidenten der Russischen Föderation vom 9. Mai 2017 Nr. 203, die Ordnung der Regierung der Russischen Föderation vom 28. Juli 2017 Nr. 1632-r bestätigt.

Die Regierung hat in dem Land die Industrie 4.0 (Ihre Folge ist die digitale Wirtschaft), die Verwendung in der Branche der unglaublichen Flexibilität bei der Bildung von Geschäftsmodellen und der globalen Reichweite, die von den Möglichkeiten des Internet (IoT – Internet of Things) und die Integration von "cyberphysical Systems" (cps – Cyber-Physical System) in die Produktionsprozesse geprägt.

Die Revolution 4.0 muss vor allem in den Köpfen der Menschen auftreten. Wie es im Programm zu Recht bemerkt wird, "die Zahl der Ausbildungsmöglichkeiten und Ubereinstimmungen von Bildungsprogrammen für Bedürfnisse der digitalen Wirtschaft ist ungenügend". Es gibt einen ernsten Mangel an Personal im Bildungsprozess aller Bildungsniveaus". Um dies zu tun, muss man die Menschen nicht nur lehren, sondern sie richtig lehren und dabei auch selbst lernen, um sich zu entwickeln, weil alles sich schnell ändert – Technologie, Management, Geschäftsprozesse, wettbewerbsfähige Umgebung, Werkzeuge und die Aufgaben der Mitarbeiter. Es ist wichtig zu verstehen, wen Sie für Ihr Unternehmen auswählen, was Ihre Erfahrung sein sollte, um Ihre Kompetenz zu erhöhen. Aber zuerst muss man auch verstehen, wie Sie sich selbst im Moment vorstellen (zusammen mit Ihrem gesamten Management), und vor allem, warum genau Ihr Unternehmen zu der Industrie 4.0 gehört (oder wird gehören) [2].

In solchen sozialökonomischen Bedingungen ist es notwendig, die Entwicklung von allen Bereichen mit der Anwendung der Informations- und Telekommunikationstechnologien auf der qualitativen neuen Ebene durchzuführen, die das Potenzial der Daten in der digitalen Form als Schlüsselfaktor der Produktion erlauben. Die Industrie der Informationstechnologien muss dabei für diesen Zweck notwendige Plattformen und Dienstleistungen schaffen.

Natürlich sind die im Projekt gekennzeichneten Entwicklungsrichtungen treu. In der Tat gibt es in der russischen Industrie solche Probleme, wie Personalhunger, "Hirnleckage", das Fehlen einer einheitlichen Umgebung, in der technologische Führer die Anstrengungen vereinigen könnten, neue

Plattformen und so weiter. All diese wichtigen Aufgaben stehen im Maßstab des Staates.

Digitale Technologien verändern das tägliche Leben des Menschen, die Produktionsbeziehungen, die Struktur der Wirtschaft und Bildung, zeigen neue Anforderungen an Kommunikation, Rechenleistung, Informationssysteme und Dienstleistungen vor. Die Gesellschaft befindet sich auf einer solchen intellektuellen und technischen Ebene, wenn die technische Modellierung selbst eine durchaus machbare Computer-Engineering-Aufgabe ist.

Die Notwendigkeit der Ausbildung für die digitale Wirtschaft ist kein Zweifel. Technologisch und informativ ist der gesicherte Kurs der Informatik und der Informationstechnologien in den Programmen der Allgemeinen Bildung das Minimum, das für die weitere Ausbildung von fähigen Fachleuten erforderlich ist.

Auch in Russland gibt es heute kein entwickeltes System der Infrastruktur der Wissenschaft und Innovation, das von den Instituten der Entwicklung, Technoparks, Business-Inkubatoren vertreten ist, die und für die Entwicklung der digitalen Wirtschaft verwendet werden sollten.

Es sollte daran erinnert werden, dass die digitale Wirtschaft Schutz erfordert. Die Genehmigung "der Doktrin der Informationssicherheit der Russischen Föderation" ist die Grundlage für die Bildung der staatlichen Politik und die Entwicklung der öffentlichen Beziehungen im Bereich der Informationssicherheit, sowie für die Entwicklung von Maßnahmen zur Verbesserung des Systems der Informationssicherheit.

Auch in Russland ist es notwendig, erhebliche Fortschritte bei der Entwicklung der digitalen Plattform für die Bereitstellung von öffentlichen und kommunalen Dienstleistungen zu erreichen. Dabei ist es eine Voraussetzung der Bildung einer digitalen Organisation, unter der die Organisation verstanden wird, die mit Hilfe der Informations- und Kommunikationstechnologien interne Prozesse und die Interaktion mit dem Kunden aufgebaut hat, um den Kunden eine neue, bequeme Erfahrung zu geben.

Die digitale Wirtschaft sieht die Digitalisierung und die Integration aller Geschäftsprozesse vor, die vertikal und horizontal aller Wirtschaftssysteme stattfinden. Alle Daten über Management, Produktion, analytische und andere Prozesse sind in Echtzeit verfügbar. Dabei werden auch Augmented-Reality-Technologien verwendet, und die Daten sind für verschiedene Plattformen optimiert [3].

Durch die Einführung neuer Methoden der Datenerfassung und Analyse können Unternehmen Daten über die Verwendung von Produkten erhalten und diese Produkte nach den neuen Anforderungen der Endbenutzer anpassen.

Auf diese Weise können wir schließen, dass es trotz der Aktualität des Themas der Digitalisierung der Wirtschaft in Russland heute keine kompetente und ausgewogene Politik für Ihre Umsetzung und Verbreitung gibt, keine Infrastruktur, keine Spezialisten, keine Bildungsprogramme, die den digitalen Anforderungen entsprechen. Deshalb sollte das Hauptziel die Förderung und Unterstützung von Projekten sein, die auf die Bildung im Bereich der digitalen Technologie und die Schaffung der notwendigen Infrastruktur abzielen.

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# Die Globalisierung. Die Integrationsprozesse in der Weltwirtschaft

Abstract. Im Artikel handelt es sich um die Prozesse der Globalisierung in der modernen Weltwirtschaft. Das ist ein wichtiger Prozess, der alle Branchen der Wirtschaftstätigkeit der Menschen beeinflusst. Die Globalisierung hat verschiedene Vorteile und Nachteile. Es gibt bestimmte Gründe für die Entwicklung der Globalisierung, das sind: Informationsrevolution, Entwicklung der weltweiten Telekommunikation und der digitalen elektronischen Netze.

**Schlüsselwörter:** Globalisierung; Weltwirtschaft; Liberalisierung; Geopolitik; Internationalisierung.

Im Laufe der Wirtschaftsglobalisierung und der Entwicklung von Weltmärkten werden die Unterschiede zwischen den nationalen Managementsystemen undeutlich. Das neue System des globalen Managements wird auf der

internationalen Grundlage der Hyperkonkurrenz und der Telekommunikation, die die politischen, nationalen und kulturellen Grenzen überqueren, gebaut. Dieses System ist auf die Anfragen des Konsumenten ausgerichtet, der gleichzeitig die hohe Qualität, die niedrigen Preise, die schnelle Zustellung und die maximale Zuverlässigkeit bekommen will [3].

Die Globalisierung begleitet die zunehmende Liberalisierung und die Wechselbeziehung der nationalen Märkte der Kapitalien, der Waren und der Dienstleistungen. Die Mobilität des weltweiten Kapitals wächst. Im Aktienhandel auf den Finanzmärkten wächst der Anteil der ausländischen Partner.

Die Internationalisierung der Produktion ist eine der modernen Tendenzen in der Weltwirtschaft. Sie lässt den multinationalen Unternehmen die neuen Märkte ergreifen und die Zollbarrieren umgehen [2].

Multinationale Unternehmen (MNU) sind zentrale Akteure der Globalisierung. Die – nach Vermögenswerten im Ausland – 100 größten MNU hatten im Jahr 2015 ein Gesamtvermögen von 12,9 Billionen US-Dollar, davon entfielen 62,0 Prozent auf das Ausland. Der Umsatz der Top 100 lag bei 7,7 Billionen US-Dollar, wovon 64,2 Prozent im Ausland erzielt wurden.

Die globalen Handelskommunikationen fördern den Standortwechsel der Produktion in die Entwicklungsländer, wo Arbeitskräfte billiger sind, was zur Liquidation der Arbeitsplätze in den entwickelten Ländern führt und sich negativ auf den lokalen Arbeitsmarkt auswirkt. Die Expansion der ausländischen Waren zerstört die traditionelle Produktion in den sich entwickelnden Ländern und verschärft das Problem der Arbeitslosigkeit massenhaft.

In der internationalen Konkurrenz spielen die entscheidende Rolle die multinationalen Gesellschaften mit dem jährlichen Kapitalumsatz in der Höhe von Hundert Milliarden Dollar. Sie verfügen über die Freiheit, denn sie sind der staatlichen Regulierung nicht unterstellt. Im Osten entwickelt sich bei der Produktionsorganisation in den multinationalen Gesellschaften die neue Ideologie, wenn das Management nicht nur durch die Qualität der Ware, sondern auch die Qualität des Lebens der Mitarbeiter gewährleistet. Wegen des Anwachsens der Mobilität des Kapitals in den hochentwickelten Ländern wird die Industrie, ebenso wie die Landwirtschaft, unvorteilhaft. Der Umfang der Investitionen wird durch die Bedürfnisse der Diversifikation bedingt und durch das Streben, die Besteuerung zu vermeiden. Es gibt den scharfen Konkurrenzkampf für die Kürzung der Arbeitsaufwände [4].

Nach der Eröffnung Chinas für die Welt und den Zerfall des sozialistischen Systems hat sich der riesenhafte Markt der billigen Arbeitskraft gebil-

det. In den Ländern mit der hohen Arbeitsentlohnung haben sich die Vorteile von der Arbeitsproduktivität verringert. Daraufhin hat sich die internationale Konkurrenz gestiegen. Es wird die Krise des Modells der sozial ausgerichteten Wirtschaft, zum Beispiel, in Deutschland, bemerkt. Die Vorteile bekommen die Länder mit dem niedrigen Gehalt, wo die günstigen Bedingungen für die Unterbringung der Produktion und des Vertriebes geschaffen sind. Es trägt zum Nebenfluss der ausländischen Investitionen bei. Die Asiatische-Pazifikregion wird ein weltweiter Pol der Massenproduktion.

Einige Gründe der Globalisierung sind die Informationsrevolution, die Entwicklung der weltweiten Telekommunikation und der digitalen elektronischen Netze. Die Privatpersonen erhielten den Zugang auf Verbindungskanäle, Märkte und Informationsquellen, die früher vom Staat oder den internationalen Gesellschaften kontrolliert wurden. Die Internationalisierung des innovativen Prozesses wächst auch, die Konkurrenz der Technologien verschärft sich. Die Nutzung des innovativen Wissens ist zur wichtigen Bedingung des geschäftlichen Erfolges geworden, der von der Konzentration der Produktion und anderen klassischer Faktoren immer weniger abhängt [3].

Die Globalisierung führt zum Zerfall der ausgeprägten internationalen Arbeitsteilung. Viele Industriezweige entwickeln sich nach dem Prinzip des Clusters, zum Beispiel, das Silicon Valley. Die Rolle der internationalen Transportkorridore in Produktionsabläufen wächst. Verschiedene Länder haben ähnliche Probleme der Erhöhung der Kapazität von vorhandenen Transportsystemen, Fragen der Besteuerung, der Zollgebühren, ökologischer und anderer Beschränkungen.

Die Mobilität der Bürger erhöht sich. Das demonstrieren das Entwicklungstempo des internationalen Tourismus und die Migrationsprozesse besonders anschaulich. Erscheinungsformen der Globalisierung sind auch der Schmuggelhandel und die illegale Migration.

Die Globalisierung ist also ein objektiver Prozess in den modernen internationalen Beziehungen. Das ist das höchste Stadium der Internationalisierung und der Wechselwirkung der nationalen Wirtschaften auf dem Weltmarkt. Die Interzivilisationsbeziehungen werden intensiviert: die Informationsrevolution spielt sich ab; die Metropolen entwickeln sich [1].

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# Comparative analysis of two manufacturing companies

**Abstract.** The article reports on the two companies: 3M (Minnesota Mining and Manufacturing Company) and UMMC (Ural Mining Metallurgical Company). The comparison is based on several parameters: business activity, sector, business profile, competitive advantages, type of business, turnover and number of employees. The comparative analysis aims to identify in what way the companies are similar and different.

**Key words:** business activity; type of business; products; competitive advantages; net income; operation income.

The company 3M (Minnesota Mining and Manufacturing Company) and UMMC (Ural Mining Metallurgical Company) have been selected for the comparative analysis, as they both are engaged in metal production and are big players in their industrial sector, though the former is an American multinational corporation based in Maplewood, the state of Minnesota, a sub-urb of St. Paul, and the latter is a Russian metallurgical company based in Verkhnyaya Pyshma (a town in the Sverdlovsk Oblast, 10 km north of Ekaterinburg). It is the second largest copper producer in Russia.

The first-glance similarity is in their names – mining company. There is an attempt to identify other things in common. The comparison starts with business activity, that is, to understand what exactly the companies do. Both companies operate in a secondary sector – are engaged in manufacturing. The product range of 3M is very diverse. The company is involved in mining, manufacturing, automobile industry, gas industry, health care, electronics, energy, communications, commercial solutions. It produces more than 55,000 products, including: adhesives, abrasives, laminates, fire protection, personal protective equipment, dental products, electronic materials, medical products, car-care products, etc. Whereas the business activity of UMMC is less diversified. It is engaged in coal-mining, nonferrous metallurgy, metal

working, cable industry, that is, the manufacturing process of UMMC is mostly metal-related. The company produces non-ferrous metal, coal, metal consumer goods, cable production (cables, wires, metal gauze), jacks, car radiators, nonferrous metallurgy chemicals.

The next parameter is type of business, where 3M and UMMC differ. 3M establishes B2B or B2C relations on the market, that is, its products are marketed either to other business (B2B) or a consumer is encouraged to buy the product immediately from the company (B2C), that determines 3M's type of business. UMMC represents just B2B type, i.e. the final customer of this company is a business, so it cooperates with other companies/enterprises.

Another point to consider is a competitive advantage. The competitive advantage of 3M is innovation. 3M makes innovative products, they are unique and unparallel. The competitive advantage of UMMC is that at present, it is a Russian market leader in producing copper, zinc, coal and precious metals in Russia.

Also there is difference in type of organization. 3M is a Public Limited Company (plc), that means that everyone can buy or sell the company shares on the stock market. Here are some figures about 3M stock trade in 2017: earning per share – 2.44%, cost of share – Min \$188.62, Max \$259.77. UMMC is a Private Limited Company (ltd), it means that the stock/shares of the largest metallurgical company in the Urals belong to a limited number of people, namely, Iskander Makhmudov (40%), Andrey Kozitsyn (35%), Andrey Bokarev (10%) and some minor shareholder.

The net income of 3M is \$31,657 billion, of UMMC is 568 billion RUB. The operational income of 3M is \$7,820 billion, that of UMMC is 354 billion RUB. Given the current exchange rate between the dollar and the ruble, the profit of 3M is much bigger. Interestingly, the number of employees in 3M and UMMC is almost the same: 90,000 and 84,430 employees, respectively. The most significant difference is that 3M is an international company and has operations in more than 65 countries worldwide, whereas the production facilities of UMMC (about 50 companies) are located throughout Russia.

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# Globalization: pros and cons in various spheres of modern life

**Abstract.** This article is devoted to the subject of globalization in different spheres, for example, in economics, culture, politics, social life, etc. Obviously, globalization is playing an exceptional but contradictory role in the modern world development. The paper presents relevant facts and examples of the globalization negative and positive effects, pros and cons for specific economies.

**Keywords:** globalization; pros and cons of globalization; economy; international relations; Russia; UK.

Globalization is defined as a process which is based on international strategies and aimed to expand business operations on a worldwide level in different areas of life – politics, economics, social sphere, culture, art, etc. [3]. To put it easier, globalization is a development linking different parts of the world. It results in the expansion of international cultural, economic, and political activities. Like people, ideas, culture, knowledge, innovations and goods cross borders, move easily around the world, the experiences and practices of all people are becoming assimilated.

As for globalization in the economic sphere, it is common knowledge that trade partners engaged in commercial relations, both benefit from the exchange. Globalization compels all businesses to adapt different international strategies, even though based on new ideological trends, in order to balance rights and interests of both the individual and the global community as a whole. These changes enable businesses to compete worldwide.

The famous cheerleader of globalization and business author Thomas Friedman argues that globalization is proceeding briskly because of the "flattening of the world". What he means is that with the advent of information technology and seamless communications, any country in the world that has a pool of educated workers can aspire to jump on to the globalization bandwagon and benefit from the erasing of entry barriers. The point is that countries like India have successfully leveraged the power of IT and communications to leapfrog the intermediate stage of manufacturing power, which is required for many economies to become fully fledged powerhouses.

What is the impact of globalization on the world? There are some pros and cons of various spheres of life.

## Pros and cons of globalization

Sphere of life	Pros and cons
Economy	Globalization represents free trade which promotes global economic
	growth, creates new jobs, makes companies more competitive and lowers
	consumer prices.
	Nowadays there is a worldwide market for companies and customers,
	who have access to products of different countries.
	Globalization implies free trade where many barriers are eliminated.
	Large multi-nationals have opportunities to exploit tax havens in other
	countries and avoid paying taxes.
	Transnational companies investing in production of other countries cre-
	ate new jobs, often getting them out of poverty. Labor can move across the
	borders to market their skills
Social sphere	• There is greater influx of information between countries even those hav-
	ing nothing in common.
	Globalization has made the rich richer, the non-rich poorer.
	• Many jobs are lost, being transferred to lower cost countries – the prob-
	lem of developed countries.
	Workers in developed countries suffer from pay-cut demands from
	employers who threaten them to export jobs. This has created a culture of
0.1	fear for middle class employees, causing migration
Culture	Socially, people of different nationalities with specific behavior and
	traditions are becoming more open and tolerant towards each other. There
	is cultural intermingling when each country is learning more about other
	cultures.
	• Owing to globalization, national costumes are rare, mostly used to show
Political sphere	hospitality  • Gradually there is being formed the world power to replace compart-
1 officear spriere	mentalized power sectors. Political decisions taken are for the good of people
	of each nation in the world.
	Multinational corporations are increasingly influencing political deci-
	sions. Many people are convinced that TNCs act purely in their own inter-
	ests, and at the age of globalization they may strive to rule the world
Tourism	Some experts argue that the globalization process can lead to communi-
	cable diseases.
	Travelling and tourism have made people well-aware of other countries
	cultural features and values, as travelers are exposed to new ideas which
	may, to some degree, change their purchasing patterns and life style

Is it possible to balance and harmonize the pros and cons of globalization? The answer is, yes. The good will of powerful politicians can help effectively combat fraud and corruption. Additionally, the RF needs Balanced Trade, the trade deficit is a mighty job killer in Russia, particularly the jobs in production.

The evident advantage of globalization is all about the efficiencies and opportunities which open markets create. Businesses can communicate effectively with their partners, suppliers and customers, they can wisely man-

age their supplies, inventories and distribution network. Local producers can trade their products in distant markets as easily as in their home market. For example, one of the largest Japanese corporations Sony does sell its TV and game consoles in New York as readily as in Tokyo, so do Intel and Apple. Another benefit to mention is easy credits and high leverage – money flows easily across local and national boundaries.

Naturally, there are some shortcomings of globalization, they are all about new risks and uncertainties brought about by the high degree of domestic and local markets integration, tough competition, high degree of imitation, price and profit swings. Corporations previously enjoying many benefits from the globalization process, now face the non-steady and unpredictable demand fluctuations, changeable business opportunities. Another negative phenomenon generated by globalization is the tight credit and money policy, banks toughen crediting to clients with both good and bad credit history, which involves the world economy into a vicious cycle of income and employment declines.

Opponents of globalization criticize free trade for unfair working conditions. They also say that outsourcing has caused massive job losses in many wealthy countries. Supporters of globalization say that shop floor workers in poor countries are able to earn more than they could at the jobs available in home markets. They also argue that free trade has lowered prices in wealthier countries and improved the economy of poorer countries.

There are some experts who state that the rise of multinational or global firms and other international organizations can threaten national sovereignty; in the long run, leading to nationalistic or xenophobic national leaders.

To have a better understanding of how globalization affects economies, we analyzed two countries with different level of economic development: the economy of the United Kingdom and Russia. Globalization

- 1) leads to increased trade, i.e. Great Britain and Russia can commercially benefit from goods and services where they enjoy a comparative advantage: for the UK, financial services, video games, nuclear power components; for Russia, oil production and oil export;
- 2) offers more international competition, allowing for lower consumer price; especially in clothing and food industries, electronics in both countries;
- 3) makes it easier for migrants to get access to the UK or Russian job market, allowing to fill job vacancies, provided the problem of migrants accommodation is solved.

Most economists agree that globalization provides a net benefit to individual economies around the world, by making markets more efficient, increasing competition, limiting military conflicts, and spreading wealth more equally around the world.

The Milken Institute's research [2] highlights many of the benefits associated with globalization, though outlining certain associated risks that governments and investors should take into account. However, many economists are unanimous that globalization provides a net benefit to nations worldwide, both governments and individuals should embrace the idea of globalization.

The process of globalization is very controversial, but it does help people communicate. At present advanced medicines are more easily and widely available to people who may not have been able to afford them before. Besides, globalization has increased the number of students studying abroad.

In fact, like any other economic phenomenon, globalization needs a push-and-shove attitude of the governments, the process can benefit more if the governments of the world decide to extend a helping hand to the less privileged economies.

In view of some negative consequences of globalization, some people worry that Western culture might destroy national cultural values. Others point out that people should readily adopt the best aspects of other cultures, carefully preserving their own ones.

Evidently, globalization has a dramatic impact on nearly every aspect of modern life and continues to be a growing force in the global economy. While there are a few drawbacks to be concerned about, most economists agree that the process is unstoppable and beneficial to the world economy at large.

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# Bitcoin transforming global economy

**Abstract.** The article focuses on Bitcoin as an alternative to conventional currencies in the world's troubled markets, its advantages and disadvantages and the possible effects it may have on the global economy in future.

Key words: bitcoin; cryptocurrency; digital economy.

As technological change continues to accelerate, the digital economy is rapidly permeating the world economy as a whole, from retail (e-commerce) to transportation (automated vehicles), health (electronic records and personalised medicine), social interactions and personal relationships (social networks), banking. In comfort of our home, now we able to easily and readily do shopping and banking activities that previously would have required us to wander up and down the high street. It seems quite logical then that, since goods and services are available in the Internet universe by several clicks, the currency we use for purchases should no longer be limited by notes, cheques and plastic cards, the latter must have a virtual equivalent. It seems inevitable that money, already virtual, will only become more so as we shift into a digital economy. Today, practically every international transaction involves this or that form of virtual currency or credit. An innovative payment method leading to convergence between ICT (information and communications technologies) and the global economy has proved to be Bitcoin.

Since it was introduced in 2008 by the pseudonymous Satoshi Nakamoto (the Japanese equivalent to a bland, everyman name such as British 'John Smith'), Bitcoin has steadily worked its way towards dominating every aspect of the online community. From buying phone credits to shopping for clothes online, there is no financial transaction that the cryptocurrency is not good for. This alone has contributed to the popularity of bitcoin as a monetary system and continues to transform the world economy.

The Bitcoin is often generically described as a cryptocurrency, or decentralized digital currency, or a form of electronic money which has been created specifically for the Internet use. Bitcoin has the characteristics of money (durability, portability, fungibility, scarcity, divisibility, and recognizability) based on the properties of mathematics rather than relying on physical properties (like gold and silver) or trust in central authorities (like fiat currencies).

However, the Bitcoin doesn't operate like conventional currencies, as it is not regulated by a central bank, and relies entirely on web-based networks.

Bitcoins are 'minted' by a network of computers, sometimes referred to as Bitcoin miners, which run specialized software designed to release new coins at a fixed and steady pace. To purchase them, users go to an online exchange service where they can convert their local currency into virtual money. This electronic cash is then stored in a user account, often described as a digital wallet, which can then be used to make online purchases everywhere Bitcoins are accepted. In practice, Bitcoins can also be converted back into conventional currency at dedicated trading sites. Like many traditional currencies, Bitcoins even have their own symbol \$ (cf. £, \$,  $\in$ , etc.) and also a currency code, BTC (cf. GBP, USD, EUR, etc).

Experts believe that Bitcoin has proven to have certain advantages.

Payment freedom. It is possible to send and receive Bitcoins anywhere in the world at any time. No bank holidays. No borders. No bureaucracy. Bitcoin allows its users to be in full control of their money.

Choose your own fees. As transactions are conducted directly from person to person without the need for a financial intermediary, they avoid the hefty exchange and processing fees regularly imposed by banks. There is no fee to receive Bitcoins, and many wallets let you control how large a fee to pay when spending. Higher fees can encourage faster confirmation of your transactions. Fees are unrelated to the amount transferred, so it is possible to send \$100,000 for the fee equal to sending just \$1. Additionally, there are merchant processors to assist merchants in processing transactions, converting Bitcoins to fiat currency and depositing funds directly into merchants' bank accounts daily. As these services are based on Bitcoin, they can be offered for much lower fees than with PayPal or credit card networks.

Fewer risks for merchants. Bitcoin transactions are secure, irreversible, and do not contain customers' sensitive or personal information. This protects merchants from losses caused by fraud or fraudulent chargebacks, and there is no need for PCI compliance. Merchants can easily expand to new markets where either credit cards are not available or fraud rates are unacceptably high. The net results are lower fees, larger markets, and fewer administrative costs.

Security and control. Bitcoin users are in full control of their transactions; it is impossible for merchants to force unwanted or unnoticed charges as can happen with other payment methods. Bitcoin payments can be made without personal information to accompany the transaction. This offers strong protection against identity theft. Bitcoin users can also protect their money with backup and encryption.

Transparent and neutral. All information concerning the Bitcoin money supply itself is readily available on the block chain for anybody to verify and use in real-time. No individual or organization can control or manipulate the Bitcoin protocol because it is cryptographically secure. This allows the core of Bitcoin to be trusted as completely neutral, transparent and predictable.

Immune to manipulation by politicians. Bitcoin is backed by no government, and it is not valued in precious metals. Instead, it is distributed across the entire network of users, its roots in complex digital mathematics. Bitcoin supporters say that this makes the currency immune to manipulation by politicians or oligarchs seeking to move its value up or down for political reasons or profit.

The **disadvantages** of Bitcoin are as follows:

Degree of acceptance. Many people are still unaware of Bitcoin. Every day, more businesses accept Bitcoins because they want enjoy the advantages of doing so, but the list remains short and should grow to ensure the benefit from network effects.

Volatility. The total value of Bitcoins in circulation and the number of businesses using Bitcoin are still very small compared to what they could be. Therefore, relatively small events, trades, or business activities can significantly affect the price. In theory, this volatility will decrease as Bitcoin markets and the technology mature. Never before has the world seen a start-up currency, so it is truly difficult (and exciting) to imagine how it will play out.

Ongoing development. New tools, features, and services are being developed to make Bitcoin more secure and accessible to the masses. Some of these are still not suiable for everyone. Most Bitcoin businesses are new and still offer no insurance. In general, Bitcoin is still in the process of maturing.

*Security concerns*. It seems possible to steal from digital wallets by writing malicious software, and high-profile thefts have crashed the currency's value on a number of occasions.

Shady reputation for illegal transactions. Bitcoins are totally user-regulated, being out of any government control and, therefore, in theory, anonymous. It is this untraceable, anonymous nature that has also given Bitcoins a rather shady reputation, making them the currency of choice for money launderers or illegal drug transactions.

Still Bitcoin may seem a very attractive financial instrument to invest in. Despite certain disadvantages and the fact that Bitcoin remains a relatively new phenomenon, it is growing fast. Given it was worth around \$16.5 billion

at the beginning of 2017, Bitcoin's total value has increased six-fold and currently has a market value worth \$94.2 billion, with millions of dollars worth of Bitcoins exchanged daily. In the future we are likely to see Bitcoin transforming the whole economies and markets.

Reduced reliance on fiat money. Ever since the mankind invented currency, money in its metallic and paper forms have become the main medium of exchange. With the digital revolution we are experiencing right now, the economic landscape will transform drastically. But it remains to see how bitcoin, which functions as data, can replace our present monetary system. Yet, consumers have become more reliant on online transactions as a more convenient means to pay for products and services. What is more, a lot of people that are already managing their own Bitcoin wallets have full confidence that their virtual cash enjoys the same level of security as real money.

Access to a credit system. Being an unregulated currency that is based solely on data, Bitcoin enables unbridled access to a secure credit system. Given that it is stable (for now, at least), it will continue to bridge people who stay at a distance with global merchants. This will certainly open up new markets and opportunities that will further influence the economic growth. Additionally, bitcoin does not have to require exorbitant transaction fees and withholding taxes, which is what makes it so attractive in the first place.

Regulation of cryptocurrencies. Seeing how bitcoin and digital transactions have become prevalent in recent years, central banks have begun flexing their muscles to put this ad hoc financial system under control. This will eventually lead to legislation addressing the rise of cryptocurrencies and speculations on the financial bubbles that they will potentially cause. Certain measures such as regulating the currency supply and implementing a tax system are being considered to stymie Bitcoin's growth. To oversee the implementation of these measures, certain institutions will have to be put up. Eventually, these will not operate short of politics.

Impact on overseas remittances. For economies that depend heavily on its overseas workforce, remittances are what drives growth. At present, money transfers are facilitated by banks that charge extra in processing and transaction fees. Aside from that, transaction time is relatively slow and it would take seven days at the least before receiving party can access the funds. With Bitcoin, on the other hand, people can get around these caveats and get more from their money than what traditional wire transfers entail. Bitcoin conversions are much simpler and do not entail any such costs whatsoever. From this,

we can only expect overseas workers to depend heavily on Bitcoin as a more convenient and less costly means to send money to their loved ones.

Environmentalism and the economy. Bitcoin is mined through a complex software and hardware infrastructure system. And just any other traditional method of mining, manufacturing Bitcoin also affects the environment in not a subtle way. The servers used for mining consume a great deal of energy. We can only imagine how much is being spent on running countless servers around the world. In response, environmental legislation will have to be introduced to address energy consumption related to Bitcoin mining.

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# Die Perspektiven und Probleme der Entwicklung der Eurasischen Wirtschaftsunion

Abstract. Im Artikel werden sowohl die Tätigkeiten der Eurasischen Wirtschaftsunion als auch Probleme und Perspektiven für die Entwicklung der Vereinigung untersucht. Das Schwergewicht liegt auf der Einführung des neuen Kodex der EAWU sowie auf den verschiedenen Konfliktsituationen, die sich aus der gegenseitigen Zusammenarbeit der EAWU-Mitgliedstaaten ergeben.

**Schlüsselwörter:** EAWU; das neue Zollgesetzbuch der EAWU; die Zusammenarbeit; Perspektiven und Probleme.

Eine der wichtigsten wirtschaftlichen Folgen des Zerfalls der UdSSR war die Zerstörung der traditionellen Beziehungen zwischen den Wirtschaftssubjekten in den ehemaligen Sowjetrepubliken und der starke Rückgang der Produktion in vielen Ländern des postsowjetischen Raums.

Um die betriebliche und wissenschaftliche Kooperation zu erhalten, begann ein Teil der ehemaligen Sowjetrepubliken über regionale Integration nachzudenken. So entstand später Eurasische Wirtschaftsunion.

EAWU ist eine junge internationale Integrationsvereinigung der wirtschaftlichen und politischen Zusammenarbeit mehrerer Staaten der euroasiatischen Region – Russland, Kasachstan, Kirgisistan, Belarus und Armenien. Es wurde im Jahre 2015 gegründet. Es handelt sich um eine einzigartige Vereinigung dieser Art, weil es ein Land umfasst, das keine Grenzen zu anderen Mitgliedern der EAWU hat.

2018 wird durch das Zustandekommen von neuem Zollgesetzbuch der EAWU gekennzeichnet. Es ist wichtig zu bestimmen, welche Innovationen dieses Dokument verursacht. Regelt es die Widersprüche, die sich aus der Beteiligung der Mitgliedstaaten in anderen internationalen Organisationen ergeben?

Also betrachten wir die Innovationen. Der Hauptzweck der Innovation ist die Kodifizierung der internationalen Abkommen im Zollbereich, Verbesserung der Zollverwaltung. Diese Änderungen sollen die außenwirtschaftliche Tätigkeit der Teilnehmer erleichtern:

- 1. Die Automatisierung der Prozesse der Zollregulierung die Einreichung der Zollanmeldung in elektronischer Form.
- 2. Man nimmt den Begriff "künstliche Inseln" in Gebrauch. Nach Ansicht von Experten wurde dieses Konzept im Zusammenhang mit den von Russland durchzuführenden Arbeiten am arktischen Schelf introduziert.
- 3. Der Zollvertreter hat das Recht, als der Garant für die vertretene Person zu handeln.
- 4. Die Dokumente für die Inspektion, auf deren Grundlage die Zollanmeldung ausgefüllt wird, sind nicht mehr notwendig.
- 5. Obligatorische Einreichung der Erklärung in elektronischer Form, nicht in Papierform. Die Teilnehmer der außenwirtschaflichen Tätigkeit haben jedoch die Möglichkeit die Vorteile in Bezug auf Zollgebühr zu nutzen, solange die Gesetzgebung es erlaubt. Der Kodex sieht immer noch vor, dass im Fall der elektronischen Einreichung von Dokumenten die Händler nur 75% der Zollgebühren zahlen. Aber die Papierdokumentation verschwindet nicht völlig.
- 6. Die Förderung der Freigabe von Waren durch vorläufige Deklarationen das Herstellungsdatum ist vier Stunden nach der Registrierung der Zollerklärung. So wird es 6-mal schneller als jetzt.
- 7. Es besteht die Möglichkeit, die formalen Fehler in der Deklaration zu ändern, bevor es über die zusätzliche Kontrolle entschieden wird.
- 8. Die eurasische Wirtschaftskommission wird den oberen Preis und das physische Volumen des zollfreien Handels mit ausländischen Waren, die von Postdiensten geliefert werden, bestimmen.

Gehen wir auf die zweite Frage ein: welche Probleme ergeben sich aus der Beteiligung der Mitgliedstaaten an anderen internationalen Organisationen? Bekanntlich sind Kasachstan und Russland die Mitglieder der WTO. Die Teilnahme an dieser Organisation setzt bestimmte Rechte und Pflichten

voraus. Der Hauptgrundsatz der WTO ist der Abbau von Handelshemmnissen und die Liberalisierung des Handels. Es besteht kein genereller Vertrag zwischen den WTO-Ländern, jedes Land unterzeichnet eine individuelle Vereinbarung mit der WTO, in deren bestimmt ist, welche Zollsätze das Land festlegen wird.

Im Allgemeinen sind die Zollsätze, die im Einheitstarif festgestellt sind, die Verpflichtungen Russlands in der WTO. Daraus ergibt sich ein Paradox: was ist wichtiger – die Gesetzgebung der EAWU oder das Abkommen mit der WTO? Und es stellt sich heraus, dass de jure Belarus, Kirgisistan und Armenien in der WTO nicht bestehen, aber de facto leisten sie die WTO-Regeln ab. So wird der Hauptgrundsatz der Arbeit der EAWU verletzt – gemeinsame Zollverordnung.

Im Gegenzug, wenn Kasachstan im Jahr 2015 der WTO beigetreten hat, trat ein anderes Problem auf: der Widerspruch zwischen den Verpflichtungen Kasachstans in der WTO und gegenüber Russland. Zum Beispiel, solches Produkt als Palmöl kann man in Kasachstan zollfrei importieren, aber in Russland gibt es den Zoll. Trotz die Einfuhr von Waren aus Kasachstan verboten ist, wenn die Waren zu niedrigeren Zollsätzen hergestellt wurden, als es im Einheitstarif angegeben wird, können sich dadurch Konfliktsituationen ergeben.

Nehmen wir folgenden Fall: die kasachische Schokoladenfabrik hat Palmöl für Herstellung der Schokoladen mit dem Nulltarif importiert. Die russische Fabrik hat auch Palmöl importiert, aber mit dem 3% Zoll. Wenn das kasachische Unternehmen seine Schokolade auf dem russischen Markt verkauft, wird es wettbewerbsfähiger als die russische Schokolode sein. In der Zukunft könnte sich diese Situation noch dadurch verschärfen, dass auch die Republik Belarus der WTO beitreten wird.

Der nächste wichtige Aspekt kann die Anwendung von Sanktionen gegen Russland sein. Diese Beschränkungen gelten nicht für andere EAWU-Mitglieder und sie nützen diese Situation aus.

Russland hat das Einfuhrverbot für türkische Tomaten eingeführt, aber es bedeutet nicht, dass sie nicht auf dem russischen Verkaufstisch auftreten. Um das Herkunftsland der Tomaten zu bestimmen, prüfen die Zollbeamten ihren Pollen.

Aber hier gibt es ein Schlupfloch für den Import der Tomaten nach Russland. Der Pollen von Tomaten, die in Armenien und in der Türkei herausgezüchtet wurden, fällt zusammen, weil das eigentlich dieselbe Region ist. So wurden im Jahr 2016 42 Mal mehr Tomaten aus Armenien importiert als ein Jahr zuvor. Es ist unwahrscheinlich, dass das Land die Ernte von Tomaten in solch großem Umfang steigern konnte.

Eine ähnliche Situation gibt es mit Belarus für Äpfel. Aber im Februar 2018 führte Russland die Maßnahmen ein, um dieses Problem anzugehen. Russische Pflanzenschutzdienste kontrollierten mehr als 80 belarussische Unternehmen: 31 von ihnen konnten die Herkunft von Früchten nicht nachweisen, 22 Organisationen exportierten Äpfel, obwohl sie keine Lagerbestände hatten. Infolgedessen wurde seit dem 14. Februar ein Verbot der Einfuhr von Äpfeln für 31 belarussischen Unternehmen eingeführt.

Abschließend kann man erwähnen, dass der neue Kodex im Allgemeinen sowohl positive, als auch negative Änderungen hervorgebracht hat. Positiv ist, dass die Aktivitäten der Teilnehmer im Außenhandel erleichtert werden können. Negative Seiten bestehen in der Komplikation des Zollkodex selbst, die Unannehmlichkeit seines Durchlesens, dem Vorhandensein von Querverweisen. Die Außenhandelsteilnehmer brauchen Zeit, um den neuen Kodex zu verstehen. Darüber hinaus fehlen im Rahmen des Kodex noch Hinweise zur Regelung internationaler Organisationen.

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# "Resource curse". How to avoid it? Lessons Russia ought to learn

**Abstract.** The article is devoted to the economic phenomena of "resource curse" and "Dutch Disease". The experience of several countries exporting resources, primarily oil and gas, is given, as well as ways to solve the problem. The features indicative of these phenomena in the Russian Federation are explored.

**Key words:** resource curse; oil; Dutch Disease; economic growth; Venezuela; Japan; Russia; government institutions.

The term "resource curse" first appeared in the early 90s (typically, used with respect to oil countries), is associated with the negative influence of the economy structure on the pace of economic growth. Resource curse refers to a nation that is rich in natural resources but slow to develop other areas of the economy. A nation with large reserves of minerals or oil may focus totally

on exporting these resources rather than developing processing capabilities, financial services, etc.<sup>1</sup>

This is usually followed by a decline in the living standard of countries with excess stock of natural resources. Evidently, it is a very paradoxical phenomenon – the higher the fiscal revenues are, the more opportunities it provides for the growth and development. How comes it? More often than not, if something is available abundantly, it is bound to worsen the national economy on the whole. It seems that if a country is rich in natural resources, it is very likely to benefit from this privilege, but in practice, quite the opposite – no increase, no development is usually observed. What happens is: the whole country lives light-heartedly at the expense of the resources easily available in excess, without worrying about the future. People don't care about inventing new technologies or modernizing. This is what many scholars classify as the "resource curse" or "the paradox of abundance".

Evidently, countries that are rich in oil and gas are developing more slowly than they could have, or notably slower than countries with very limited resources, if any. The "resource curse" displays not the negative impact derived from the abundance of natural resources, but their predominant power in the country's economy.

In the period of 1965–1998 there were several countries with a negative GDP growth rate per capita, among them Venezuela with competitive elections, Libya where there was neither dictatorship, nor democracy, Iraq, Qatar [4]. All these economies are radically different. While the world economy was growing, the key economic indicators of these countries were getting down. Why did this happen, regardless of their enormous oil reserves?

Amazingly, the economies with the lack of raw materials and natural minerals were flourishing. Why? The answer is the following: the latter were steadily involved in investing in and developing high-tech production (they were forced to). An illustrative example is Japan, which nowadays is a large world manufacturer of cars, computers and other electronic devices. The Japanese economy grew through proper investment in physical and human capital, through increased efficiency, as well as adoption of more advanced technologies. The development of the industrial and financial sectors brought about a rise in personal incomes, individual savings, which, in its turn, allowed to increase a proportion of investments. The trend of long-term invest-

<sup>&</sup>lt;sup>1</sup> Resource Curse // Forex Dictionary. URL: http://www.forexdictionary.com/definition/745/resource-curse.

ment in Japan is indicated in the figures of gross domestic fixed capital of the country. This information refers to government infrastructure investment, business investment, and dwelling construction investment.

Below there are given the data of the GDP per capita growth in the two contrasting economies: Venezuela with its resource abundance and Japan with its scarce natural riches.

GDP per capita growth in Venezuela and Japan (1969–1989), annual % [4]

Country	1969	1979	1989
Venezuela	-2.46	-1.97	-10.81
Japan	10.18	4.59	4,94

In fact, Venezuela was much dependent on oil. The fall of oil prices in the 1980s, coupled with the oil industry nationalization in 1976, led to a significant oil revenues reduction. Moreover, the oil wealth rent of Venezuela has contributed to moving the country into a renter and unproductive society [3]. The economic recession was caused by the following factors:

- 1. Venezuela has overvalued the national currency and weakened the competitive edge in the production of other staple goods that used to be self-produced and now are imported.
- 2. Since oil-related activities are much more gainful, this has made many entrepreneurs abandon their traditional areas in the rural sectors in favour of flocking to the urban cities in search of a piece of the "oil pie".
- 3. There happened massive internal migrations and foreign immigrations to the cities, creating the infamous poverty belts with the rampant crime (Venezuela's population tripled since the first oil boom in 1973).
- 4. Lavish spendings, unwisely used on costly (ill-planned and badly-managed) industrial projects, induced waste of valuable resources to cover international debt and to provide massive subsidies. Corruption of government officials, state 'technocrats' and private contractors occurred regularly. In 1949 the Venezuela's GDP per capita income was higher than that in Japan, the former ranked 62 in the world in 2015<sup>1</sup>.

However, it may happen that the abundance of fossil fuels, as well as timber, fish might allow the country to be financially more confident, to "keep the lights on" due to the extensive exports of this resource. High revenues from the export of minerals can lead to the government decision to cut incentives aimed to improve operation of important institutions, causing certain informal restrictions and limitations: sanctions, bans on trade, customs tariffs;

<sup>&</sup>lt;sup>1</sup> The World Bank Database. URL: http://data.worldbank.org.

and changes of formal rules: constitution, legislation, property rights. But one day the national raw materials deposits would cease to bring easy money, super profits, and the economy is sure to face macroeconomic imbalances and severe institutional problems.

The "resource curse" is not a deadly diagnosis, and, based on some other countries example, this phenomenon can and must be struggled with. Natural resources have sometimes been associated with the "Dutch Disease".

The term "Dutch Disease" has been around since the 1970s, after natural gas was discovered off the coast of the Netherlands. It refers to a progressive de-industrialization and transformation of a developed economy, resulted from an intensive export of a natural resource. It is a controversial situation when a discovery of large oil deposits around 1960 brought about a negative impact on the country's broader economy, followed by a cascade of imbalances: inflation and depreciation of the real exchange rate<sup>1</sup>. The Dutch government preferred purchasing foreign equipment and technologies.

However, Norway chose some other way, followed by other countries of the Persian Gulf. Norway first discovered petroleum in the North sea in 1969 but managed to successfully steer away from the resource-curse, by minimizing rent-seeking and corruption [4]. Each time there is a major oil discovery in Norway, this is not the government/elites to benefit, but all Norwegians, which is largely due to a successful implementation of a transparent system allowing to redistribute the national wealth.

Norway has avoided the "oil curse" wisely investing its oil and gas money in a giant sovereign wealth fund. Norwegian government realize that, apart from oil and gas, it is vital to find other sources of income. As a result, the country manages to invest, which is crucial.

Theoretically, each country is able to get rid of the "resource curse", focusing on the diversification of the economy: advancement of the non-primary sector, investments in new technologies, the development of new products (production diversification). According to the American political scientist Michael Ross, the non-primary sector of the national economy - including the service sector – should get developed at an accelerating pace, whereas the primary sector must be exposed to competition [2].

Experts claim, in order to avoid the problem caused by resource abundance, the following factors are essential: private ownership, competition,

 $<sup>^{\</sup>rm 1}$   $\it Dutch$  Disease // Investopedia URL: https://www.investopedia.com/terms/d/dutchdisease.asp.

human capital and a developed financial system. However, they are equally crucial for economic development and growth of any economy globally.

It is obvious that the economy of Russia is highly dependent on its oil and gas complex – oil revenues constitute a large proportion of the GDP. In order to be a powerful player in the global economy, our country ought to focus on a highly efficient use of export revenues. The Russian government is required to wisely allocate the earnings, to invest in development of other economy industries, to create favorable conditions and environment for "non-resource" sector development and attract investments in both the industrial and service sectors. And Russian officials of relevant ministries are proposing to increase investment in the key sectors of the economy [1].

In fact, the "resource curse" is indicative of a maturity of political and economic institutions. It affects, first and foremost, the countries in which these institutions are underdeveloped. Therefore, Russia faces a challenge of the enhancement of state institutions in terms of antimonopoly regulation, strong protection of property rights, low level of corruption, government accountability.

To summarize, it should be noted that the presence of rich and diverse natural resources frequently affects economic growth negatively, mostly in countries with imperfect government institutions (corruption, monopoly), causing the problem of "resource curse", the latter leads to even more painful destruction of the institutions. Judging by the global experience, this can most probably lead to highly negative consequences in the long term.

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## Foreign investments in energy sector of Republic of Karelia

Abstract. This article reports on the most attractive sectors of the economy of Karelia for foreign investors. It justifies the importance of investments into the energy sector of the Republic. The paper presents analytically two large-scale projects with Chinese companies. It focuses on the dynamics of investments in the energy sector of Karelia as well as the perspectives of the Karelian economic development with regard to the Russian economy advancement.

**Keywords:** foreign investments; energy sector; hydroelectric power station; wind-power engineering; "Sinomec" corporation.

Researches in the sphere of investments and investment policy have gained special significance in Russia. The RF government increasingly focuses on the development of the investment climate and legal framework contributing to the attraction of foreign investors. In the conditions of the economic crisis and under the sanctions against Russia, the problem of investments attraction is becoming much more significant.

The Republic of Karelia officials are also engaged in developing the policy of investors' attraction. The most significant for foreign investors sectors in Karelia are energy, woodworking industry, paper industry, mining industry, tourism and fishing.

The energy sector plays an important role in the efficient operation of all the other industries. More than that, it is one of the criteria for the population well-being. That is why investments to both the Karelian energy sector and neighboring regions are of particular importance.

The Republic of Karelia has a great potential of development in this sector. Nowadays pollution-free ways of energy production are in priority. So, such renewable sources as water and wind should be and can be widely used. The construction of new engineering complexes of renewable energy is a the top of the list in Karelia allowing to decrease the energy shortage and save the eco-system.

According to the investment portal of the Karelian Republic, the installed capacity of the small HPSs in 2016 was 6.3 megawatt (MW), whereas the supposed installed capacity is to reach 100 MW by 2019 [1].

One of the main investment projects for several years ahead is building of Beloporozhsky HPSs: Beloporozhsky HPS-1 and Beloporozhsky HPS-2. On the October 11, 2016 the government of Karelia signed a construction contract with the joint-stock company "Nord Hydro" [1]. The total capacity

of hydrogenation is expected to rise up to 49.8 MW. The construction must be completed in 2019.

Most importantly, the investment project is the first one on the Russian Federation territory which is financed by the New Development Bank of BRICS countries. This decision was made in 2016. The Eurasian Development Bank and International Investment Bank also expressed readiness to finance this project. Besides, the Russian Fund of Direct Investments and the Chinese partner – China State Energy Engineering Corp. Ltd. (Sinomec) – have become investors in the share capital of this project. The total amount of investments is P11.8 bln, including P9.2 bln as capital costs [2].

The contract assumes the construction of 8 kilometer-electric power line and some other objects. As a result, HPSs would become a part of the infrastructure of the joint-stock company "Federal Grid company of the Unified Energy System". Totally the investment in the construction of the electric power line is estimated as P1 billion 100 million [1].

Apart from building Beloporozhsky HPSs, the wind generators park is reported to be constructed. The project of building a sea wind farm, including 25 wind turbines, will be completed in Kem region in 2020. The installed capacity is expected to be 60 MW [1]. The wind farm will complete the cascade of Kem's hydroelectric stations allowing both to distribute generated energy equally and reduce the flood zones near Beloporozsky HPSs. The project will be implemented through the attraction of investors, including the limited company "Hydro energy Engineering Corporation Sinomec", Energy Corporation of Chinese Fujian province "Zhongmim Energy Co, Ltd." and Russian Fund of Direct Investments. The total amount of investments is supposed to be about P9 bln [1].

It should be noted, that the implementation of the projects, supposedly, will utilize 65% of the Russian-made equipment. These three projects will create more than 500 jobs for the construction and hire over 60 highly-qualified employees for the operation. Thus, the projects concerned will ensure new workplaces in the Republic, significantly improving the situation at the local labor market

In order to assess the scale of the projects, it is important to consider the amount of the investments in the Karelia energy sector before 2016, when the projects agreements were signed.

Table 1 shows that the investments in the energy sector make a considerable share of the total investments of Karelia. In 2016, the proportion of

investments in the Karelia energy sector accounted for 19.4%, by 5.6% less than in 2015, though higher than in the period of 2012–2014. Evidently, this sector is readily invested, which is caused by the strategic importance of the sector. It does influence the advancement of all the energy-related industries.

Table 1

Dynamics of investments to energy sector of Karelia<sup>1</sup>

Year	Total investments into fixed capital, mln rubles	Total energy sector investments, mln rubles	Absolute changes of the energy sector investments, mln rubles	Investment in energy sector growth, %	Proportion of energy sector investments in total investments into fixed capital, %
2012	28,837.5	4,152.6	_	_	14.4
2013	27,847.1	3,118.9	-1,033.7	-24.9	11.2
2014	26,903.9	4,089.4	970.5	31.1	15.2
2015	26,346.2	6,586.6	2,497.2	61.1	25.0
2016	28,500.3	5,529.1	-1,057.5	-16.1	19.4

The investments in the HPSs construction projects – the electric power line and the wind farm – amount to P21.9 bln, by P16.4 bln more than the investments in the Karelia energy sector in 2016 totally.

In fact, a significant index which characterizes the economic activity of the region is Gross Region Product (GRP). Table 2 compares the proportion of investments in the regional energy sector with the GRP enabling a more detailed analysis.

Table 2

Share of investments in GRP of Karelia<sup>2</sup>

					Proportion
		CDD mma duan d	Total energy	Proportion of	of energy sector
37	GRP,	GRP produced	sector	energy sector	investments in
Year	mln rubles	in energy sector,	investments,	investments	GRP produced
		mln rubles	mln rubles	in GRP, %	in energy
					sector, %
2012	160,841.5	6,843.4	4,152.6	2.6	60.7
2013	178,636.2	8,934.6	3,118.9	1.8	34.9
2014	191,192.1	9,446.3	4,089.4	2.1	43.3
2015	212,049.5	11,559.4	6,586.6	3.1	57.0
2016	233,449.8	12,226.2	5,529.1	2.4	45.2

Based on the data in table 2, the following conclusion can be drawn: the proportion of investments in the energy sector, in terms of GRP, changes annually. In 2016, the share fell by 0.7%. However, the investments in the

<sup>&</sup>lt;sup>1</sup> Regional account of Federal State Statistics Service in Republic of Karelia. URL: http://krl.gks.ru (in Russ.).

<sup>&</sup>lt;sup>2</sup> Ibid.

regional energy sector in GRP (produced in this sector) fell from 60.7% in 2012 to 45.2% in 2016, which resulted from the accelerated growth of GRP produced by the energy sector, as compared with the asset growth of investments in this sector. Consequently, about half of the GRP produced by the energy sector can be attributed to the investments only. According to some estimates, successful implementation of the projects is likely to increase this figure. It proves a considerable importance of investments in this sector.

Thus, energy remains one of the most attractive economic sectors in Karelia. Due to the richness of natural resources and favourable geographical location, the Republic draws attention of many investors.

It is important to mention, that the key Chinese investments in Karelia and all Russian North are targeted at the implementation of the joint China-Russia project of new "Silk road", which is to go across some territories of Karelia. The projects in Karelia are aimed at the infrastructure development, therefore, at optimizing the transport expenses. Moreover, China is planning to develop the Polar "Silk road", which will let deliver goods from China to Europe faster. These projects are going to be supported by BRICS countries. Russia is also interested in the implementation of these projects. They will help to improve a commodity circulation to and fro Asian countries which is sure to enhance the international relations.

The projects implementation will have a very positive effect on Russia and Karelia, in particular. Additionally, Karelia can become an agent of many international trade routes, which will lead to the development of the regional infrastructure. Thanks to the construction of roads and other objects of infrastructure, new workplaces will appear, the living standard of the Karelia population will improve and the GRP of the region will increase. Gradually, Karelia may turn from a subsidized region into an economically independent territorial entity of the Russian Federation.

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## Role of Karelia in development of Russian Arctic

Abstract. The development of the Russian Arctic zone driven by Russia's strategic economic and geopolitical interests largely depends on establishing functional core development zones in the northern regions of the country. In 2014, the Republic of Karelia, represented by its three administrative units – Belomorsk, Loukhi and Kem districts – completed the list of such zones. The implementation of significant state projects in these Karelian districts is likely both to improve the socio-economic conditions and to increase the population living standards there. This paper focuses on building a deep-water port in Belomorsk, as one of the major growth areas. The author explores the history of the project, its benefits and risks, and comes to the conclusion that the construction of a deep-water port in Belomorsk will play a significant role in the development of Karelia as a part of the Russian Arctic zone.

**Keywords:** Russian Arctic zone; core development zone; Belomorsk deepwater port.

Development of the Russian Arctic zone is one of the priorities of the Russian Federation government, whose top interests range from economic to ecological ones. Currently, all the processes and activities in this sphere are regulated by the new version of the state program "Socio-economic Development of the Russian Arctic Zone" [1], approved on August 31, 2017. A draft Federal Act on Core Development Zones in the Russian Arctic is under development. According to this document, the Arctic zone development mechanism will be based on the so-called "core development zones" which will support a complex and sequential development of the territory through the cross-sector harmonization of all the operations at the stages of planning, goal-setting, budget allocation and implementation [4]. This paper will evaluate the significance of Karelia in the socio-economic development of the Arctic, and will analyze how this process affects Karelia as one of the core development zones, with regard to building a deep-water port in Belomorsk.

Karelia has long claimed its ambition to become a part of Russia's Arctic Zone, in order to participate in the state program of the Arctic territories development. Eventually, three municipal districts of the Republic of Karelia – Belomorsk, Loukhi and Kem – were assigned the status of the Russian Arctic territories by President Vladimir Putin's Executive Order no. 296, dated May 2, 2014 [3]. As a result, Karelia is privileged to establish its own core development zone and, therefore, to mobilize additional financing and to develop its territories through the implementation of large-scale projects significant for the Republic.

"The incorporation of the three municipal districts of Karelia into Russia's Arctic zone will help to improve the socio-economic conditions and to increase the population living standards, while the adoption of the state program of the Russian Arctic development will give a new impetus to revitalizing their growth," said Evgeny Anoshin, a spokesperson of the Russian Security Council. In fact, the northern coastal areas are among the most vulnerable territories in Karelia. According to the official statistics, municipal districts of Belomorsk and Loukhi suffer from the highest unemployment rate in the Republic – 4.52% and 4.44%, respectively¹. The problems of the three districts are common: the dilapidated infrastructure, poor roads and challenges caused by unsafe shabby housing. The situation is aggravated by the fact that there are few large taxpayers able to contribute to the local budget. This is why participation in the state Arctic development program is seen as a long-awaited opportunity to improve the situation.

However, joining the Arctic development program does not automatically mean that some of the federal budget will be readily allocated to Karelia. First, Karelia was to produce and present its own development program. The head of Karelia, Artur Parfenchikov, did it at the VIII International Forum "Arctic: Today and Tomorrow" held in Saint-Petersburg. In his speech, A. Parfenchikov described the Republic as the "gates" to the Arctic, stressing the fact that Karelia is a major transportation hub at the intersection of the Arctic zone and the EU [2]. He also named the five "pillars" to establish and maintain the key development zone in Karelia:

- resuming the construction project of a deep-water port in Belomorsk;
- establishing an international steel hub using the manufacturing facilities of the mechanical engineering company Petrozavodskmash;
  - deriving renewable energy from the environmentally friendly sources;
- establishing a competence center for aquaculture production and wild plants processing;
  - developing the Arctic tourism.

A deep-water port in Belomorsk can become an important trans-shipment point for transporting cargo from the Arctic to the Baltic Sea and the Volga River basins. Establishing an international steel hub in Petrozavodsk is essential for the Arctic Zone, as it will be a unique platform for manufacturing complex large-tonnage structural elements. Renewable energy will be provided by the network of hydropower plants, like those being built in the

<sup>&</sup>lt;sup>1</sup> Data portal of the Federal State Statistics Service. URL: http://krl.gks.ru.

Kem district now, invested by Chinese partners. Establishing an aquaculture center will provide Russia with domestic genetic material allowing for breeding valuable species of fish, mainly trout. Finally, Karelia's tourist potential may contribute to the Arctic development.

Currently, the project to construct a deep-water port is one of the key initiatives in the Belomorsk district, the implementation of which can significantly affect the development of this area and the northern part of Karelia. However, the future of this project is uncertain. In 2008, a similar project was enlisted in one of the state transport infrastructure development programs. It was aimed at constructing a deep-water trade port, with the focus on a specialized coal terminal. The main construction work was expected to be completed in 2015, but the project came to a halt halfway at the preliminary stage. Now the project is going to be resumed as part of the Karelian core zone development program. Some prerequisites for its feasible implementation were outlined by A. Parfenchikov: "The Karelian Arctic territory locates the major transport hubs: Oktyabrskaya railway, Kola federal highway, and the White Sea. Thus, we suggest building a deep-water port in Belomorsk, that will gradually increase the annual cargo throughput to 15 million tons."

Apparently, having a deep-water port in Belomorsk is one of the keys to unlock the Karelia's transit potential. Despite the harsh northern climate, Belomorsk is considered to be more promising than the seven other Russian White Sea ports (Mezen, Arkhangelsk, Onega, Kem, Vitino and Kandalaksha), owing to a six-month navigation period from May to October and its characteristics (with the pier length of 150 meters it can now accommodate vessels of up to 3.5 m draught). Besides, Belomorsk has a favourable geographical location at the junction of existing and would-be transport corridors: the North Sea Route, Kola federal highway (from Saint-Petersburg to Murmansk), the White Sea canal, Oktyabrskaya railway (as part of the International North-South Transport Corridor) and the railway lining Belomorsk and Obozersky settlement in the Arkhangelsk Region (providing access to the International East-West Transport Corridor). Moreover, the construction of a secondary railway line between the Karelian settlements of Ledmozero and Kochkoma ensures transport connection with Finland and a direct access to Europe from Belomorsk. Among other things, a Belomorsk port would provide the shortest cut from several regions of Ural, Kazakhstan, Siberia and

<sup>&</sup>lt;sup>1</sup> Shipbuilding. Energy. Transport. URL: http://www.setcorp.ru/exb/index.phtml?language=russian&ID=1770.

China to the Northern Europe and combine all these regions into a single system, since the waterways connect Belomorsk with the five seas – the Barents, White, Caspian, Azov and the Black.

However, in order to accommodate large modern ships, including arctic vessels, the port needs to be modernized. It was built before WWII, and now, despite all its potential, it operates just as a terminal for public boats servicing the two-way route from Belomorsk to Solovki. But the main concerns about this project are associated with a deep-water port that is currently under construction in Arkhangelsk. The problem is that Belomorsk and Arkhangelsk are equally remote from Moscow and Saint-Petersburg and have similar geographic advantages, but the Arkhangelsk port exceeds the Belomorsk port in terms of its capacity. However, if the North Sea navigation is intensified, Belomorsk will be able to provide the northwest Russia with additional seaport capacities, which, in turn, will promote Arctic shipping along the North Sea Route and will give a significant impetus to the Arctic zone development, ensuring a short and convenient access to Europe.

All in all, the analysis of advantages and problems regarding the construction of the deep-water port in Belomorsk suggests that it will become a considerable step to establishing a large federal transportation hub on the territory of Karelia. It will ensure the integration of various means of transportation and provide a direct access to international markets. By servicing international traffic flows, the port will contribute to the economic diversification of the Russia's North-West. It will result in creating new jobs and attract more economically active population to the region, therefore, contributing to the further Arctic zone development. Overall, establishing and maintaining the core development zone in Karelia will improve the living standards in the Republic and reduce the pressure on the federal budget.

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# Peculiarities of world market electric car promotion: challenges and prospects of Russia

**Abstract.** Nowadays electric cars are becoming increasingly popular all over the world: they are environmentally-friendly, economical, and convenient to maintain. In Russia, however, electric vehicles are not so popular for several reasons: high production costs, poor infrastructure and inadequate government support for promotion. The article determines some key factors concerning the electric car promotion on the Russian market.

Key words: electric cars; ecology; environment; prospects and benefits for Russia

Electric cars appeared earlier than an internal combustion engine (ICE) did, but they became popular only in the XXI century. The first electric car was invented in 1841 and it looked like a trolley with an electric motor. The Russian engineer I. Romanov invented the first electric car powered by a lead battery as a successor of English vehicles in 1899. His electric car could drive 65 km per hour using only one battery. But, since there was a permanent problem with an electric car charging, a car with ICE has won the competition and the world paid a precise attention to it [3].

Recently the global economy has seen an oil price increase and environment deterioration, thus, car manufacturers were compelled to focus on electric car production. At present, the global electric car market comprises offers over 2 million of them (the first million of vehicles was produced in 2015). According to the last survey, Norway is considered as a market leader with its 30% of car sales, whereas the Netherlands occupies the position of a market challenger with the second largest market share (6.4%) and Sweden ranks the third place (3.4%). Upon the whole, Norway and the Netherlands possess 300,000 electric vehicles in total. As far as China is concerned, it was the best-selling market leader worldwide with its 32% of electric cars sold in 2016<sup>1</sup>.

The global automobile producers, such as Tesla or General Motors, are planning to reach the full production capacity of electric cars in 2019, while large-scale production of average-priced units is expected to flood the Russian market only by 2023. According to the "Autostat" information agency, the Russian electric car market accounted for only 700 units in 2016 [1].

<sup>&</sup>lt;sup>1</sup> Basic information on electric cars. URL: http://electroformula.ru/populyarno-ob-ele-ktromobilyax.

What are the key factors influencing the electric car promotion in Russia?

First of all, it is necessary to emphasize the difference between electric cars and the ones with the ICE. Electric vehicles have other engines, charge methods, services, auto components availability, emissions to the environment, etc. The efficiency level of an ICE car is 25%. It means that only a quarter of petrol is used for driving. In contrast, the efficiency level of electric car is 80–95%. Thus, they are more cost-effective<sup>1</sup>.

Additionally, the main disadvantages of large-scale promotion of electric cars in Russia are the following: lack of decent infrastructure (namely, the shortage of e-vehicle charging stations), shortage of government support, a high price on electric cars, absence of market-oriented consumers, etc.

Since reasonable solution to the problems require fundamental break-throughs, the Russian government can hardly contribute to implementing expensive demonstration electric vehicles projects. Incidentally, all trains, trams and the underground in the Netherlands are completely electrical, operating alongside with the concentrated solar power plants. In fact, in Europe there are a lot of benefits for electric car owners: free parking, access to bus roads, free charging on public charging stations, etc. In comparison with Europe, Russian electric car owners have fewer privileges. It is worth mentioning that only since 2017 electric car owners have got an access to free charge parking zones in Moscow and Saint Petersburg, additionally, at present, import duties on electric vehicles in the Moscow region are reduced [2]. Thus, all the benefits are focused on providing comfortable electric car operation, rather than on lowering the prices on electric cars.

According to the "Strategy of automobile industry development in the Russian Federation until 2025" project, there are some recommendations on demand, supply and infrastructure maintenance, specifically: insurance discounts, tax allowances, free charging, access to public transport lanes, export incentives, comfortable environment for foreign producers, energy tax reduction, etc. Undoubtedly, all the above mentioned measures are far reaching, enabling the Russian electric vehicle producers to remain buoyant [5].

The second main challenge is connected with the electric car pricing. To great extent, the majority of electric vehicles are not adapted to the Russian roads, long distances and weather conditions. Moreover, the new models

<sup>&</sup>lt;sup>1</sup> *IEA Global* EV Outlook 2017. URL: www.iea.org/publications/freepublications/publication/GlobalEVOutlook2017.pdf.

are still very expensive. For instance, in 2017 the cheapest electric car Smart Electric Drive cost \$23,800 and the charging time of 3 hours [4]. Mediumpriced vehicles vary from 1.5 to 2 million rubles, which is too expensive for an average Russian family. It means that the Russians are not ready to pay over the odds.

Why are they so expensive? The most expensive component in any electric car is its accumulator, but every year the car producers mange to cut the prices in order to win public acceptance. As a rule, most of modern accumulators are lithium-ion and they can work properly for 8 years, later the accumulator capacity begins to decrease [3]. One of the essential conditions of a long-term car operation with lithium-ion accumulators is a stable temperature from  $-5^{\circ}$  to  $+45^{\circ}$ C. To great extent, the temperature limit prevents an electric vehicle owner from using it during Russian winters. According to the expert forecasts from Bloomberg New Energy Finance department, the electric car price will be reduced from \$43,000 to \$27,000 by the end of 2030 [5].

In terms of infrastructure, it is a matter of urgency to place sufficient number of charging stations not only in cities, but also on intercity highways. This necessity is determined by long distances between Russian cities, ranging averagely from 70 to 200 kilometers. In accordance with statistics, in 2016 there were only 170 charging stations largely located in Moscow [2]. Consequently, the limited number of charging stations impedes the development of infrastructure for producing electric cars in Russia.

In spite of the above mentioned disadvantages of producing electric vehicles, they are considered to be fully environmentally-friendly, because their emissions are zero. A threat to human life and health in Russia is caused by industrial plants, factories and cars with ICE. On average, the total amount of pollutants emitted by cars with ICE was about 14.2 million tons in 2015. To be more precise, 27,000 tons of automobile pollutants include carbon monoxide components, 17,500 tons of formaldehyde and 5,000 tons of nitrogen oxides [1]. The trouble is that automobile pollutants form a photochemical smog, which is constantly inhaled by urban residents.

It is worth pointing out that today Russia is on the verge of shifting towards electric vehicle production. Though commercial gains and ecological balance are incompatibles, the Russian business culture changes, consequently, the environment is being given a higher priority. Moreover, environmental awareness is greater now than it used to be. But without government support, the business community can do little to protect it.

In summary, the Russian electric vehicle market has a high growth potential and in the next few years is expected to show signs of improvement, driven by stronger macroeconomic performance.

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### Digitalization of world economy: challenges and opportunities for developed and emerging economies

**Abstract.** The article explores the issue of digitalization of the world economy and its visible consequences. It evaluates in detail the impact of digital technologies implementation on economies and people's lives. Much attention is given to the analysis of countries which differ in economic development level.

Key words: digitalization; digital technologies; development of economy.

Today digital technologies have become part of our lives, covering various areas. The digital revolution and generated consequences for the global economy are actively discussed in the literature of recent years. In 2017, the digital revolution entered a crucial phase – every second inhabitant of the Earth is connected to the Internet. According to the McKinsey Global Institute (MGI), half of the world's operations can be automated in the next 20 years, which can be compared with the industrial revolution of the 18–19<sup>th</sup> centuries. At that time, the share of English workers that were involved in the primary sector of the economy fell more than twice, although this took eight

times more time, from 1710 to 1871 [1]. Figure 1 presents the impressive rates of economic growth in a number of countries.

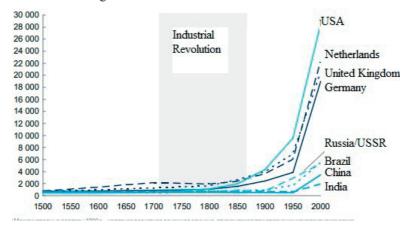
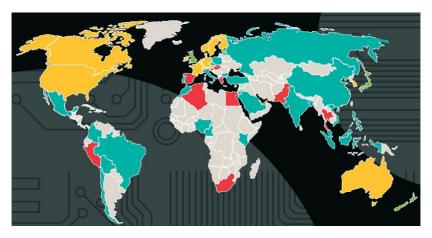


Figure 1. GDP per capita, international dollars [1]

Many experts refer to the ambiguity of the very concept of "digital economy". Let us clarify what one means speaking about the process of "digitization" of the economy and society. In the broadest sense, the process of "digitalization" usually refers to the socio-economic transformation, initiated by the massive introduction and mastery of digital technologies, i.e. technologies for creating, processing, sharing and transfer of information [2]. The situation seems more complicated with a clear definition of what technologies can be classified or can be not classified as "digital".

Among other things, experts cannot find a consensus about what stage the mankind is currently at in the process of technical and economic development, and what technologies in the near future will have a decisive impact on the economic growth. Obviously, the modern expert community are not unanimous about the fact that the world economy is at the beginning of a new stage of development, accelerated by the inclusion of digital technologies in the economic circulation.

The fact of importance is, MasterCard and the Fletcher School of Law and Diplomacy at Tufts University developed a Digital Development Index 2017. It reflects the progress in the development of digital business in different countries, as well as the level of integration of global networks into the lives of billions of people (figure 2).



**Figure 2.** Level of digital development in the world [3]

Here the green color shows world leaders who demonstrate high rates of digital development, preserve it and continue to lead the spread of innovation (Singapore, United Kingdom, New Zealand, United Arab Emirates, Estonia, Hong Kong, Japan and Israel). Yellow color presents the group of countries with slowing growth rates. South Korea, Australia, as well as countries in Western Europe and Scandinavia had for a long time been demonstrating a steady growth, but now have significantly slowed down the pace of development. Without innovation, these states risk falling behind digitalization leaders. Turquoise color shows the so-called promising countries. Despite the relatively low overall level of digitization, these states are at the peak of digital development and demonstrate a steady growth rate that attracts investors. China, Kenya, Russia, India, Malaysia, the Philippines, Indonesia, Brazil, Colombia, Chile, Mexico have the potential enabling them to take the leading positions. Marked in red are problematic nations. The countries of South Africa as well as Peru, Egypt, Greece, Pakistan face serious challenges that are associated with low levels of digital development and slow growth.

Anticipated benefits of digitalization cause undoubted interest. The digital economy breaks the habitual models of the industrial markets (manufacturers market, intermediaries market, etc.). That increases the competitiveness of their participants. An expert opinion is the following: digitalization determines the growth prospects of companies, industries and national economies in general. In view of this, leading players are readily applying digital

tools in various sectors of the economy. In practical terms, in the oil and gas industry, for instance, this makes it possible to model deposits, improve the efficiency of repair and drilling operations, reduce energy costs, monitor remote deposits with the help of drones, analyze product yields, and establish dynamic and local pricing. As a result, digital technologies allow optimizing costs, increase the profitability of existing assets and increase profitability from new investments. In other industries, companies also actively invest in establishing data centers and the introduction of specialized systems for collecting, storing and processing information about business transactions and customers, which increases the efficiency of business processes and helps to better understand customer needs [1]. Thus, on the one hand, digitalization of the world economies gives an impetus for rapid growth in profits and increase market share, but, on the other hand, it can increase the existing gap between developed and developing countries.

As for consumers, they evidently enjoy a lot of advantages from the development of the digital economy, although this effect can hardly be reflected in GDP. Now any person who has access to the Internet can make an appointment with a doctor and monitor his health. You can listen to first-class training courses staying thousands of kilometers away from the instructor; you can produce the documents you need without leaving your home place, receive financial services online and buy goods that are not available in stores nearby. Moreover, digital technologies allow creating comfortable and safe cities for the residents. Due to them, it is possible to markedly optimize energy consumption, avoid or minimize traffic jams and accidents, use convenient and reliable city transport, navigation with augmented reality, make purchases at more favorable prices and participate more fully in public life.

In addition to the above-mentioned advantages, it is worth noting the increased efficiency of the labor market, since employers can find a highly qualified specialist quickly or entrust the task remotely. Equally, digitalization plays a role in improving the productivity of equipment and increasing the development and application of scientific researches (figure 3).

One of the most valuable assets of the modern economy is digital platforms. It is a system of algorithmic relationships between market participants, united by a single information environment. At present, platforms are actively developed by Facebook, iTunes, Uber, etc. They are beginning to be used as the main channels of interaction and transactions with customers, as well as a means of creating innovative business models, including traditional industries.

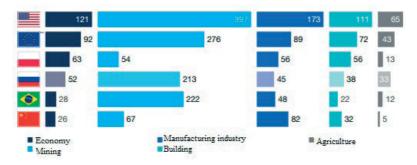


Figure 3. GDP in terms of purchasing power parity per employee, thousand \$ US [1]

For example, car buyers prefer to use digital platforms to compare cars on offer online before buying. In the consumer markets, the introduction of digital technologies makes it possible to considerably reduce the cost of searching for and ordering a product, it contributes to the optimal selection of products better meeting the requirements of the consumer, and greater enhances commercial transparency. Users can easily compare prices, product features, services and product experts' reviews, just by clicking a mouse.

Today digitalization is dramatically changing the look and structure of the economies of countries worldwide. Intra-industry competition is growing, markets are expanding, and the competitiveness of individual industries in world markets is increasing. Those who are actively mastering digital opportunities are sure to achieve a lot and receive numerous economic benefits. But it is worthwhile to soberly assess the potential of new technologies and not to forget that success of social and economic development depends not only on technological innovations, but also on the corresponding changes in the institutional environment

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### Problems and prospects of logistics in Russia

**Abstract.** Today there is observed a trend of globalization, accompanied by elimination of trade barriers, international cooperation, development of new logistics schemes and transportation corridors on the global market. Hence, search for new technologies, methods and forms of customer service under the growing competition, integration of transport and logistics services that can increase the efficiency of material and information flows, has become a challenge for Russian entrepreneurs.

**Key words:** logistics; international trade; transport technology; multimodal transport; development; globalization; distribution.

In recent years, merchandising of certain countries has undergone significant changes. New methods and technologies of goods delivery have been developed and successfully tried in economic practice. They have become an essential part of the new modern science of logistics.

Logistics is an art of planning, organizing, controlling and regulating the movement of supply of raw materials and products to the customer [1]. Today, a logistician is one of the most popular jobs and logistics companies occupy strong position on the transport market.

As concerns the most common logistics problems, it is evident that they result from different threats. Logistics facilities can be analysed from different aspects, for example, in view of the state of economy, management or science, the latter explains the variety of definitions of logistics. The definitions available can be divided into two groups. The first group treats logistics as a line of business, which controls the material and information flows in the areas of production and circulation. The second group of definitions considers logistics as an interdisciplinary research area that is aimed at the search for new opportunities to increase the efficiency of the material and information flows.

The aim of logistics is to ensure delivery of goods to the consumer in the right time and at the right place with the lowest labor cost as well as material and financial resources. The objects in the focus of the logistics analysis are appropriate material, financial and information flows, which accompany industrial and commercial activity.

The logistics market of Russia is still developing, and the global trends in logistics have become a driving force for the domestic market entrepreneurs searching for new technologies, methods and forms of customer servicing. It is common knowledge, that Russia, in many ways, demonstrates its

uniqueness due to a number of factors – vast market, lack of quality infrastructure, severe climate and specific mentality.

Logistics is one of the strategic ways to improve the competitiveness of local businesses and the effectiveness of the Russian economy as a whole. However, for long gaining strategic benefits in the Russian logistics had been restrained by the following negative factors:

- irrational development of goods/ services distribution systems;
- insufficient development of modern electronic communications;
- backward transport infrastructure, mostly in the proximity of highways, shortage of freight terminals, terminals with low technical fit-out;
  - lack of modern vehicles meeting international standards;
- low productivity, out-dated storage facilities, low level of mechanization and automation of warehouse operations.

In other words, the distribution system of Russia suffers from slow and inefficient movement of goods from producers to consumers, a significant unsatisfied demand, low reliability and quality of customer service.

The negative factors pointed out above greatly retard the implementation of the logistics concept in the Russian economy; and, what is worse, they cannot be overcome in a short term. Taking the advantage of the national experience, scientific and practical potential, it seems very necessary to immediately adopt modern logistics approaches, introduce the market-oriented systems for the national business. Namely, to improve the structure of the total inventory, to develop effective logistic schemes for warehouse management, freight movement, integrated flow of goods, etc.

Despite all the difficulties, the Russian logistics market has already got such strong international logistics players as P&O Trans European, FM Logistic, Kuhne& Nagel, Welz, Schenker Russia, PanAlpina, etc.

There is a great interest in the storage infrastructure of Russia from the large international logistics companies, driven by the requirements of their international clientele. Additionally, it is important to note, that Russia's accession to the World Trade Organization in 2012 has accelerated this process.

There is expected a significant increase of logistics services offered in the Russian market, especially with regard to large retail chains.

Specific features of the Russian logistics industry are the following:

- the logistics market is in the stage of active growth and development;
- the logistics market in Russia is not open enough, i.e. options of the national logistics companies are unavailable to international agents;

- there is a large number of newly-established companies;
- the logistics market in Russia is expanding unevenly, from the center to the periphery of the country;
- simple logistics operations transportation and forwarding of goods demonstrate the most dynamic development, whereas most providers fail to offer complex integrated services.

The current demand for integrated transport and logistics services is determined by the dynamics of the global economy and international trade, globalization of cargo flows, complicated logistics schemes, the need to optimize the transportation costs, goods storage and distribution.

Therefore, multimodal transportation is the top form of logistics technology that allows cargo operators to integrate the advantages of each mode of transport and to ensure acceptable charges. Features of multimodal transportation are: (1) availability of a delivery operator at every point of the logistics chain; (2) unified tariff system; (3) unified transport documentation; (4) unified responsibility for cargo and contract execution.

Multimodal transportation requires from operators to provide quality control over each link of the delivery chain. This means not only the efficient use of transport and other capacities, but also a launch of a regulated transportation management system allowing operators to have a free hand in planning and managing the entire transportation process, as well as to facilitate interaction between the carriers involved.

Over the last fifteen years, there has been observed the global trade tendency of the trade barriers reduction, which is, on the one hand, liberalizing the trade regimes, and, on the other hand, developing export-oriented sectors of the economy in Asia-Pacific region.

The intensive process of transferring production from Western Europe and the U.S. into Asian countries and, consequently, the reverse flow of finished products has become an important incentive for the development of the global market of transportation and logistics services. Except China, numerous countries of South-East Asia and India are actively involved in this process.

Taking into account that the current economic situation lacks stability, aggravated by risks of destabilization of the global financial and distribution systems, it is important to remember that the future of the global logistics market rests largely on international cooperation, development of new channels of logistics and transportation corridors.

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# Modernization – main approach to ensure economic crisis recovery of Russian

**Abstract.** The article reports on the problem of the Russian economy crisis, it explores the ways out of the crisis through modernization of the Russian economy, in view of the hardships of the Russian economy in recent years. The RF economic statistics covers the period of 2014–2016. The article emphasizes the key role of the Russian youth in this matter, aimed to raise their national and civil consciousness.

**Keywords:** crisis economy; modernization; improvement; priorities; investment climate; youth policy.

The age of information technology requires modernization of economic processes, though there are different views of scientists on this issue. The term modernization implies improvement, updating of manufacturing process, bringing it in line with the requirements of the XXI century, modern specifications and quality indicators [3]. Modernization of the Russian economy implies economic activity, targeted at the development of the Russian economy in such a way as to catch up with the Western production and living standards. In fact, modernization means efforts to overcome the backlog by improving all areas of the national economy<sup>1</sup>.

Let's consider the main distinctive features of the term "modernization of the economy". Firstly, it is the process of formation of a modern economic model; secondly, this process is very closely connected with innovative developments – both in the field of economy and production; thirdly, the essence of the economic modernization is mainly qualitative changes in the society, i.e. the formation of a new paradigm of values, views and interests.

The main goal of economic modernization is the formation of a modern economy. Economic modernization helps to overcome the aging of some production factors, promotes the development and further improvement of prosperous sectors of the economy. The development and support of certain sectors of the economy contributes to the overall development of the country's welfare, which leads to stabilization of the variable economic situation, strengthening and developing the capacity of the well-established economy.

In fact, Russia is experiencing a dramatic period aggravated by the global crisis. Recently, however, there have been some positive shifts in the Russian economy. This is due not only to the gradual strengthening of the na-

 $<sup>^{1}\ \</sup>textit{Financial}\ dictionary\ trader.\ URL:\ www.utmagazine.ru/finansoviy-slovar-treidera.\ 2016.$ 

tional currency; it is especially noticeable in the increased production volume, which allows to set and achieve specific development goals [1]. In this regard, Prime Minister Dmitry Medvedev declared the idea of the "national economy modernization", i.e. the areas in focus for the further dynamic progress of Russia in the situation of the crisis. What was the outcome? Time will show.

The main priorities in the RF economic policy, in view of the current conditions, are modernization of the national financial system, improvement of the intellectual potential of the Russians, as well as effective application of national achievements. Progress in these areas will lead to improvement of the investment climate, advancement of competition, innovations and development of the high-tech sectors of the economy.

Russian experts are not unanimous about the methods of the Russian economy modernization to be applied. But, despite the diversity of views, one can see the evidence of implementation of the modernization. The figures below allow to study the dynamics of the Russian economy over the period of 2014–2016 (see figure below).



Russia's GDP (2014-2016)1

The data given prove that, regardless of the crisis, the Russian economy not only keeps the level, but even demonstrates a certain upward tendency, which can be attributed to the right and well-balanced measures of the Russian government, and the timely modernization of the economy. Even now it is obvious that the economy modernization not only lets Russia out of crisis, but also allows to overcome the crisis with minimal losses.

<sup>&</sup>lt;sup>1</sup> Federal state statistics service. URL: www.gks.ru.

As a result, it should be noted, that any further development of the Russian economy, its effective modernization requires intensive innovative activities. Much has to be done to benefit from the potential of Russia and to drive the modernization of the national economy, its economic and financial system. These objectives are achievable, provided the industrial sectors of the RF get impetus to technological progress, allowing to optimize the manufacturing process and bring domestic goods to the world market.

Obviously, in this matter the state youth policy is supposed to play the leading role. It is a time-consuming process to reshape and update the youth policy and to raise national and civil consciousness of Russian young people [1].

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### Die Bedeutung der EWR für die Erhaltung und Stärkung des wirtschaftlichen Potentials im postsowjetischen Raum

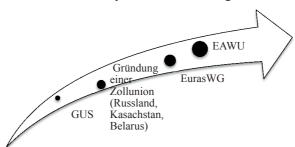
Abstract. Für die Entwicklung des postsowjetischen Raumes ist die Eurasische Wirtschaftsunion von großen Interesse. Die Daten über den Außenhandel, das BIP und die Bevölkerungszahl spiegeln die aktuelle makroökonomische Situation in den Ländern der Union wider. Im Artikel sind die Hauptprojekte der EAWU zur Stärkung des postsowjetischen Raumes systematisiert und Empfehlungen für die weitere Entwicklung der EAWU vorgeschlagen.

**Schlüsselwörter:** Eurasische Wirtschaftsunion; der postsowjetischen Raum: das wirtschaftliche Potential der EAWU.

Beim Aufstieg der weltwirtschaftlichen Beziehungen ist es unmöglich, sich die Entwicklung der nationalen Wirtschaft jedes Landes in der Isolierung von der Außenwelt vorzustellen. Das moderne Wirtschaftssystem des

Staates ist ohne seine Aufnahme in den Integrationsprozess nicht möglich. Die fortschrittlichste Integrationsvereinigung im postsowjetischen Raum ist Eurasische Wirtschaftsunion (EAWU). Ob die EAWU eine stabile Integrationsgruppe und ein Anziehungszentrum der postsowjetischen Länder wird, hängt davon ab, inwieweit die eurasischen Integrationsprozesse die Lösung der inneren wirtschaftlichen Probleme von Mitgliedsländern beeinflussen und die wirtschaftlichen Beziehungen innerhalb der EAWU stärken.

Die erste Phase in der Geschichte der Integrationsvereinigungen auf der postsowjetischen Raum ist die Bildung der GUS und der Schluss des ersten Integrationsabkommens zwischen den Mitgliedstaaten. Am 8. Dezember 1991 wurde ein Vertrag zwischen den Republiken der Sowjetunion geschlossen, der die Gründung der Gemeinschaft Unabhängiger Staaten (GUS) sowie die Auflösung der UdSSR beinhaltete [3]. Mitte der 1990er Jahre bildete sich der "Integrationskern" aus drei Staaten, die am meisten an der Vertiefung der Integration unter der Schirmherrschaft Russlands interessiert waren. Diese Staaten wurden Weißrussland, Kasachstan und Russland. Das Abkommen über die Zollunion war die erste Etappe auf dem Weg zur Integration und engeren Zusammenarbeit. Es wurde im Januar 1995 von den Staatsoberhäuptern unterzeichnet. Am 10. Oktober 2000 gab es eine Unterzeichnung des Vertrages über die Gründung der eurasischen Wirtschaftsgemeinschaft (EurasWG): Russland, Belarus, Kasachstan, Tadschikistan und Kirgisistan [3]. Die EAWU ging 2015 aus der Zollunion von Russland, Kasachstan und Belarus hervor. Später traten auch Kirgistan und Armenien bei.



Die EAWU vereint fünf Staaten mit einer Gesamtbevölkerung von 183,4 Millionen Menschen. Das Bruttoinlandsprodukt beträgt etwa 1,5 Billionen US-Dollar [4]. Die geographische Lage der EAWU macht Sie zu einem wichtigen Verkehrsknotenpunkt, der Europa und Asien verbindet. Aber einer

der wichtigsten Vorteile, die EAWU hat und die keine andere Integrationsgruppe der Welt besitzt, ist die gemeinsame Geschichte und die Erfahrung der gemeinschaftlichen wirtschaftlichen Aktivitäten. Die einheitlichen Industrie-, Transport- und Energiekomplexe wurden schon Anfang der 1990er Jahre die treibenden Kräfte der Erneuerung des konstruktiven Dialogs zwischen den neuen unabhängigen Ländern. Die Abwesenheit der Sprachbarriere, die gemeinsame Geschichte und das Verständnis der nationalen Kulturen – das alles ist jetzt ein wichtiger Faktor und zugleich die treibende Kraft der eurasischen Integrationsprozesse.

Die Beibehaltung der niedrigen Handelsvolumen innerhalb der EAWU hemmt die Stärkung der Integration in dem postsowjetischen Raum erheblich. Der Handel mit Russland ist für die Mitgliedsstaaten der EAWU vorrangig, aber der Handel untereinander ist äußerst klein. In einem etwas kleineren Ausmaß gilt dies für Kirgisistan, wo der Faktor Kasachstan spielt (Tabelle 1).

Tabelle 1

Die Umfänge der gegenseitigen Handel von Staaten – Mitgliedern des EAWU,

\$ Million1

Staat	2014	2015	2016
Armenien	324.0	256.2	392.1
Belarus	16179.0	11007.8	11255.1
Kasachstan	7155.0	5120.3	3917.6
Kirgisien	637.6	399.8	417.5
Russland	36887.7	28821.2	26554.1
EAWU	61183.3	45605.3	42536.4

Um den postsowjetischen Raum im Jahr 2017 zu stärken wurden die folgenden Projekte für die Schaffung eines einheitlichen Marktes entwickelt (Tabelle 2).

Zur weiteren Stärkung des postsowjetischen Raumes, unserer Meinung nach, müssen folgende Aspekte berücksichtigt werden:

1. Die Erweiterung der EAWU durch den Beitritt neuer Mitglieder aus den postsowjetischen Ländern

Der wahrscheinlichste Kandidat für den nächsten Beitritt zur EAWU ist die Republik Tadschikistan, aber die Nützlichkeit von seinem Beitritt zur EAWU ist auf eine Reihe von Faktoren beschränkt.

 $<sup>^1\</sup> URL:\ http://www.eurasian.commission.org/ru/act/integr\_i\_makroec/dep\_stat/tradestat/analytics/Pages/default.aspx.$ 

### Die Hauptprojekte für die Festigung des einheitlichen postsowjetischen Raumes <sup>1</sup>

Projekt	Grundstellung	Die Bedeutung für die Stärkung des postsowjetischen Raumes
Die Entstehung eines	Die Harmonisierung des	1. Die Umsatzsteigerung
gemeinsamen eurasi-	Arzneimittelrechts der Mitglied-	2. Die Schaffung der ver-
schen Binnenmarktes für	staaten der EAWU	einbarten Bedingungen für die
Arzneimittel und Medi-	2. Die Anpassung der	Behandlung von Produkten auf
zinprodukte (6.05.2017)	pharmazeutischen Fachsprache	dem gemeinsamen Markt
	3. Allgemeingültige Voraus-	3. Die Verbesserung der Leb-
	setzungen für Sicherheit und	ensqualität der Bevölkerung
	Wirksamkeit von Arzneimitteln	4. Die Beseitigung der Un-
	und medizinischen Produkten	terschiede in den Registrierungs-
		verfahren jedes Mitgliedstaats
		der EAWU
Annahme des neuen	Die elektronische Zollan-	Beschleunigung und Ver-
Zollkodex der Eurasi-	meldung als Priorität	einfachung der Zollabfertigung
schen Wirtschaftsunion	<ol><li>Optimierung der Inhalte</li></ol>	von Waren
	der Zollanmeldungen	<ol><li>Entwicklung des Handels</li></ol>
	3. Kürzere Freigabefristen bei	
	den Zollverfahren	
Die Bildung "des weißen	Ein Dokument, in dem die	BIP-Wachstum
Buches" (31.03.2017)	Informationen über alle in den	<ol><li>Die Beschleunigung der</li></ol>
	Staaten der Union existierenden	Implementierung von Freizügig-
	Handelsbarrieren angegeben sind	keit der Dienstleistungen, Güter,
		Kapital und Arbeitskräfte

Ein wichtiger Faktor des tadschikischen Beitritts zur EAWU ist die Möglichkeit, die handelsindustriellen Kooperationen mit den ehemaligen Sowjetstaaten wiederherzustellen, indem eine neue Phase der Industrialisierung des Landes vor allem im Bereich der Landwirtschaft, Nahrungsmittelindustrie, Leicht- und Bergbauindustrie sowie Energie stattfinden soll.

2. Die Gründung eines Netzwerks von Freihandelsabkommen mit Drittstaaten

Solche Abkommen fördern den Zufluss von Investitionen in die Union und ermöglichen den Einbau von EAWU-Unternehmen in die globalen Produktionsketten. Seit dem Jahr 2016 gilt eine solche Vereinbarung mit Vietnam, und bereits führte sie zu einem deutlichen Anstieg des Handels. Die deutliche Annäherung der Positionen nach dem Abschluß von Handelsabkommen war mit Iran, Indien, Serbien u.a. bemerkt [2]. Als vielversprechende Richtung

<sup>&</sup>lt;sup>1</sup> URL: https://www.wko.at/service/aussenwirtschaft/zollkodex-eurasische-wirtschaft-sunion-seit-2018-in-kraft.html; https://www.bnt.eu/de/aktuell/aktuelle-rechtsthemen/2058-common-market-for-medicines-and-medical-devices-in-the-eurasian-economic-union-2.

für die Entwicklung der Freihandelszone in einem multilateralen Format wird auch die Linie EWG-ASEAN hervorgehoben.

3. Die Realisierung der Idee von der "Fertigstellung" der gemeinsamen Märkte der EAWU

Der notwendige und wichtige Prozess für die Realisierung des wirtschaftlichen Potentials der Wirtschaften von EAWU-Ländern ist die Abschaffung der Barrieren, die den einheitlichen Markt beeinflussen. Der gemeinsame Markt von Arzneimitteln wird gebildet, es gibt Vorbereitungen für die schrittweise Entwicklung des gemeinsamen elektrotechnischen Marktes auf der Grundlage von parallelen arbeitenden elektrischen Systemen. Bis zum Jahr 2025 soll ein gemeinsamer Markt für Erdöl und Gas geschaffen werden [2]. So soll die Integrationsentwicklung der EAWU auf die Realisierung der Projekte im großen Eurasien und die Bildung der großen gemeinsamen Märkte in den wichtigsten Wirtschaftszweigen gerichtet sein. Die Umsetzung dieser Projekte wird dazu beitragen, den wirtschaftlichen Potenzial der EAWU-Mitgliedsstaaten zu stärken und die EAWU in der Zukunft zum Weltmarktführer zu entwickeln

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## Mutual influence of economy and languages in globalized world

Abstract. The article is dedicated to the mutual influence of economy and languages at the age of globalization. Globalization promotes the integration of different scientific areas. This process has influenced the convergence of the economics and linguistics and led to the emergence of LingvoEconomics. Also, the article deals with processes occurring in the language under the influence of economic factors. It is noted that the lexicon including economical lexis is influenced by external lexical expansion, caused by globalization and the development of international relationships.

**Key words:** globalization; integration; unification; LingvoEconomics; non-linguistic factors; economic discourse; loan words.

Globalization is a process of worldwide economic, political, cultural and religious integration and unification [2]. Globalization creates conditions under which quite often the solution to a particular problem goes beyond one branch. This situation leads to a process of integration of different branches. It occurs in the scientific sphere as well. The integration of sciences is as specific feature of our time, uniting formerly distant disciplines. It has long been observed that the most interesting and entirely new results are obtained precisely at the intersection of sciences. In this regard, there is a need for acquiring knowledge in several areas. Thereby knowledge of the economy may be necessary for a linguist, and an economist may need to know one or several foreign languages.

At the age of globalization, the growing extent of international interaction is bound to affect the economic, cultural and linguistic situation in the countries involved. Development of any language is influenced by both linguistic and non-linguistic factors, which can be attributed to the fact that language is a social phenomenon by nature. In the modern globalized world, the economic factors are becoming more significant as compared with the non-linguistic ones. As the forms of social life are changing, means and types of communication are getting more complex, the interlink between the language and economic processes, taking place in the society, is developing. Also, one cannot deny that this is a two-way process resulting in the development of LingvoEconomics, the latter operates at the junction of linguistics – economics and studies processes occurring in the two directions: the impact

of the economic situation on the development of language and the impact of language on the economic situation.

Language is a relatively stable system but not static [3]. The close interaction of languages and cultures in the modern community inevitably leads to changes at every level of the linguistic system, the lexicon is more likely to be affected.

Since recent times the Russian language has been massively influenced by the external lexical expansion. The amount of linguistic borrowing is gaining pace. Most of loan words are borrowed from the English language. This is largely due to the fact that English has taken a dominant position in the sphere of international communication, including business communication. In the process of globalization, there is a steady increase in the number of loan words in such areas as microeconomics and macroeconomics, management, financial transactions, stock and investment markets, marketing, and international trade. This process is getting even more aggressive as the paradigm of economic thinking being observed over the past three decades is shifting. Loan words are penetrating all the styles of the so-called economic discourse - the language of business communication. The official style promotes communication between enterprises (B2B). he scientific style is used in scientific literature on economics. The publicist style is efficient to transfer relevant information, without which a successful economic activity is very problematic. The colloquial style is appropriate for non-formal communication of business people, as well as for the business-customer communication, for example, through advertising. The use of economical lexis in all the functional styles can be attributed to the fact that the diverse economic communication permeates our everyday life.

At the age of globalization the accelerated rate of the global economy development, its information sphere in particularly, required the appropriate terminology. And the fact that most of this terminology is borrowed from the English language is explained by non-linguistic factors, namely, economic and political factors. The dynamic development of the economic sphere in English-speaking countries is accompanied by the emerging new concepts, therefore, the appearance of new vocabulary to name them. This linguistic borrowing is typically driven by linguistic factors: lexical lacunae and semantic gaps that appear because of the lack of the corresponding realia in the recipient language. Sometimes the recipient language possesses lexical equivalent to the borrowed words. They are generally used due to the non-

linguistic reasons, such as globalization of the economy and the attempt to unify the terminology system, popularity of loan words, especially anglicisms. Sometimes loan words are used despite the presence of corresponding synonyms in the recipient language, in order to differentiate some concept, to specify certain semantic features.

The number of loan words in the economic vocabulary of the Russian language continues to increase, as the national economy develops and integrates into the world economic system. It should be noted, that in many ways the use of loan words in the Russian economic discourse is forced. It aims to solve the problem of the Russian economic discourse lacunarity by filling semantic voids and because of the need to distinguish conceptions. At the same time, the development of the Russian Federation economy will definitely have a positive effect on the economic language discourse in particular and the Russian language in general. It is bound to expand the scope of the economics-related vocabulary of the Russian origin; to create new lexical items connected with the achievements of the Russian economy, to improve the status of Russian as a language of international communication.

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# Section 2 Successful Management in the XXI Century

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### Event-management and its development in Russia

**Abstract.** The paper describes the essence of event-management as a strategic, marketing and communication tool. The paper comments on the main trends of Russian event-management, giving a detailed SWOT-analysis and describing in brief the main problems in the area as well as the development prospects.

**Keywords:** event; event-industry; event-management; event-service market.

A modern person lives in the exciting time – the era of rapid changes caused by the information revolution and globalization processes in the economy. Globalization gives companies the biggest challenges in the history of business, demanding from them flexibility, ability to respond immediately to the slightest changes in public life and, most importantly – non-standard solutions that can attract attention of potential consumers. In the conditions of a super-dense market heightened by intra-industry competition, it has become increasingly difficult for companies to arouse consumers' interest and desire to buy, as they are getting more sophisticated in selecting goods and services. As the old marketing tools have lost their effectiveness (or are about) and ceased to function in the course of time, business participants have to develop innovative promotion strategies that fully meet the requirements of the modern target audience. One of such concepts is event-management, the most fashionable and dynamically developing direction of communication policy in any business sphere.

Event-management is a complex of measures taken to arrange a mass or a corporate event. Nowadays countries are developing a new event-service industry, offering businesses a variety of events of different levels and profiles: conferences, conventions, refresher courses, congresses, summits, ceremonies, sports festivals, exhibitions, inaugurations.

While Europe and North America have a well-established industry producing diverse business events, in Russia event-management as an independent industry has emerged relatively recently. This is just an emerging, but quite promising market: the technique of arranging and conducting mass events is permanently and substantially changing. Firstly, different events are becoming increasingly a form of self-organization and self-expression of various social institutions such as local authorities, business, public organizations and movements. Secondly, mass events prove to be a way of expressing certain community interests, a form of social partnership and self-organization of civil society.

All segments of the event-sphere are actively expanding. Researchers record the progress of business events in the event-marketing as a tool of intangible motivation of personnel, promotion of goods, services and brands, creation and enhancement of the company image. It helps increase sales volumes, raise customers' loyalty and attract new business partners.

As far as the targets of event-management are concerned, PR-professionals distinguish the following: organizing internal corporate events, business/promotion events, large-scale activities.

Corporate events within the company are one of the most effective means of motivating employees. Trainings, corporate celebrations, conferences are an integral part of building a powerful team. Business events are held to present a product or a service, to establish contacts with customers, to find new strategic partners and to share experience. Business events of national and international levels, such as conferences, assemblies, presentations, meetings, congresses, summits, exhibitions and fairs are held to at-tract attention of partners and potential clients from other regions and from abroad.

The Russian market witnesses the following developments:

- independent universal event-agencies or networks;
- western operators that are interested in entering the Russian market;
- event-agencies using price dumping in their activities;
- improved quality of the offered services;
- an expanding range of services provided by event-agencies;
- educational programs for event-business (master classes, business schools, etc.).

Event marketing in Russia has some features illustrated in the table below.

### **SWOT Analysis of Event Marketing in Russia**

Strengths:	Weaknesses:
a long-term effect;	<ul> <li>ignorance in this area, few professionals;</li> </ul>
an element of entertainment;	<ul> <li>large-scale national advertising cam-</li> </ul>
<ul> <li>minimized company's costs through</li> </ul>	paigns bring less results than local events;
cooperation with other companies;	<ul> <li>high labor costs (physical, organizational,</li> </ul>
• saving up to 30% of the budget;	creative)
<ul> <li>increased audience's sensitivity;</li> </ul>	
• products associated with an event getting	
a competitive advantage	
Opportunities:	Threats:
<ul> <li>effective building of an emotional rela-</li> </ul>	<ul> <li>lack of professionalism in preparing</li> </ul>
tion between a brand and a consumer;	events, the risk of annoying the target audi-
<ul> <li>ensuring maximum involvement of</li> </ul>	ence;
participants in the event;	<ul> <li>inappropriate target audience;</li> </ul>
using other elements of mass communi-	<ul> <li>lack of marketing strategy;</li> </ul>
cation, such as advertising, PR and BTL;	a decrease in the number of events
the opportunity to organize direct sales	involving an audience
by linking them to ongoing activities	

Most of the event-service companies in Russia provide a diverse list of "all inclusive" services. They are able to arrange large colourful events, especially, in respect to such clients as large corporations or a state with unlimited budget and administrative resources, and to meet top international standards. With specific Russian flavor, event-marketing activities are gradually acquiring a European-like style.

Event management in Russia is facing many complex problems: insufficient trust of customers caused by some negative previous experience; lack of progressive competition resulted from a limited number of reliable and bona fide event-managers; absence of an organized event-market; indecent behavior of customers; lack of proper services available; chaos in pricing; lack of educational institutions giving quality education in this sphere.

In spite of the above problems, the Russian event-service market has already won its global consumer. Large-scale innovative exhibitions such as BATIMAT Russia, Russia Arms Expo, MAKS are recognized reputable events in Russia.

It should be mentioned that INNOPROM has become a traditional event of international significance for the Urals. It is an exhibition of industrial equipment and innovations. Started in 2010, it annually hosts more than

600 companies from more than 100 countries. The Russian government has assigned a federal status to this industrial export trading platform. It is funded by the RF Ministry of Industry and Trade, Sverdlovsk Oblast Government, the Russian Export Centre being a principal partner. Among other official partners are the Russian Copper Company, Sberbank, Gazprombank.

Officially "Innoprom-2018" will be devoted to "Digital production", including automation and robotics of industry; transport engineering; urban technologies. Visitors can participate in International Logistics Forum, Components Forum.

The partner-country of the exhibition this year will be the Republic of Korea. The business program includes more than 150 events: round tables, discussions, master classes. The traditional exhibitors are the world industrial leaders Siemens, FANUC Robotics, KUKA, Toyota, Volvo Trucks, Schwabe, Almaz-Anetey, Rostech State Corporation, Laser Center, etc. as well as industrialists from Germany, Japan, India, Italy, Switzerland. Traditionally participants demonstrate innovations in machine building, mechanical engineering, automotive industry, robotics, and production automation.

The significance of this exhibition is difficult to overestimate. On the one hand, it gives a chance to the expert community and industrialists to develop common approaches and methodologies. On the other hand, it is a grand platform to exchange experience. A global forum like this is intended to promote new economic projects and ultimately improve the quality of life in the Russian regions.

The benefits from participation in INNOPROM are as follows: direct contacts with the leading global and Russian producers, effective business communications, favourable conditions for launching products and technologies, extensive industrial potential, exchange of experience; massive promotion in mass media [3].

Given the current situation in the sphere of event-management in Russia, it is highly important to identify the growth areas allowing for the development of the domestic event-market in the coming years. They are:

- to develop the area of events-marketing as an efficient channel of communication between the company and its potential customers/partners;
  - to standardize and segment the event-services market;
  - to increase the market volume;
  - to raise the number of players;
  - to create the culture of event-management;

- to improve the quality standards and client upbringing;
- to develop a Business to Business segment.

Cost-efficient, specialized, with a limited number of participants events are set to be the most optimal option for establishing and promoting new contacts.

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# Principles of sustainable and successful music festivals management

**Abstract.** The paper reports on the subject of event management which has become very popular recently. It considers "event greening", giving a list of components crucial for sustainable events. Much attention is paid to success factors important for festival management. The exploration is based around one of the most popular Russian music festivals and proves that the latter meets all the listed success factors

**Key words:** music festivals; music festivals management; event management; event greening.

The growth and diversity of music festivals have led to a highly competitive external environment and a number of internal challenges for event managers. The development of the industry has added another level of management complexity and increased pressure on festival and event organizations.

Music festivals can be very powerful forces to inspire and motivate participants and spectators, contributing to a better world. They have long been venues for human gathering, connection and having fun. They also have an important ability to transcend individual and generational differences, to bring people together through their common passions. However, in order to become real agents targeted at sustainability, music festivals must be appropriately designed, envisioned and managed.

When writing on event management, most journalists and scholars use the term "event greening", addressing the environmental impact of events and festivals. For example, having analyzed the main activities of various festivals, J. Laing and W. Frost singled out the following: operational issues of waste disposal, recycling, traffic, power, carbon offset schemes, water and resource procurement, and food acquisition. Additionally, C. T. Katzel outlined fifteen components of sustainable events. These include: (1) policies and management plans, (2) sustainable procurement of materials, (3) life cycle assessment of materials, (4) integrated waste management, (5) awareness raising and education, (6) water conservation, (7) energy conservation, (8) greenhouse gas compensation initiatives, (9) stakeholder and community involvement, (10) design and sustainable construction, (11) responsible sponsorship, (12) efficient transportation, (13) biodiversity preservation and protection, (14) urban renewal, and (15) leaving a positive legacy.

In one of the latest researches on festival management, it was found out that success factors important for festival management are:

- 1. Challenging and suitable projects for managers. Assigning challenging and suitable projects to managers can positively influence performance and motivation.
- 2. *Stakeholder satisfaction*. Stakeholders should be involved in the process for a festival to be successful, their needs and wishes need to be fulfilled. This can be achieved through promotion during the event.
- 3. *Team-building*. The more team-building is involved, the higher is the performance of the team.
- 4. *Appreciation and rewards*. One can hardly imagine a festival without volunteers. As they work for free, rewards and appreciation are important to keep them motivated and willing to come back.
- 5. *Planning*. Any event, including a festival, has to be carefully and thoroughly planned from the beginning till the end.
- 6. Ability to change and adapt. Because of the unforeseen changes and difficulties, it is not always possible to follow a certain planning, so managers have to be creative to meet deadlines and adapt to changes.
- 7. *Trends and developments*. It is crucial to react to different trends and developments within the industry. This ensures that the events are of the same standard level as those of their competitors and can even be better and unique.
- 8. *Unforeseen difficulties*. Festivals might experience many unforeseen difficulties and problems such as bad weather. It is impossible to prevent all

of them beforehand, therefore different scenarios should be preplanned to cope with the situation.

- 9. *Internal communication*. All of the successful festival managers should focus on open communication with their employees. They should always be reachable at the office, by phone and by email. Frequent and regular face-to-face meetings are also an important communication tool.
- 10. *Budget*. Project management in general and music festivals and events, in particular, have to be limited in a certain way. Cost, time and quality objectives are set and have to be achieved.
- 11. Artists and facilities. Men of art and facilities are important for events to be more attractive. However, nowadays, along with these, the whole event experience contributes to success of the festival.
- 12. *Qualities of employees*. It is of great importance for employees and volunteers to be enthusiastic about the event. Their holiday mood con-tributes to the success of the festival.
- 13. *Experiences*. The experience which visitors get during a festival is central, as this is the reason for them to come back to and this is what they remember for long.
- 14. *Promotion*. In general promotion is important, with all the usual paraphernalia, such as flyers, posters and social media. Effective promotion will attract loads of people to make sure that enough potential visitors get to know about the coming festival in due time.

One of the best examples of a successfully managed Russian music festival is the Usadba Jazz Festival. The festival has become one of the most favorite musical events of the year for those who live in Moscow, Saint Petersburg, Voronezh and Yekaterinburg. It is also the best known Russian jazz festival abroad. Among its participants of the past years are the recognized jazz classics Yusef Lateef and Branford Marsalis, as well as relatively young stars such as Robert Glasper and Snarky Puppy, as well as Russian musicians loved by the ordinary people: Aquarium, Igor Butman, Leonid Agutin and many other. In total, more than 1,000 musicians from all over the world have performed at the festival. The festival constantly opens new names, arranges contests among students of music schools and higher educational institutions and invites the most talented of them.

The festival team manage to create a fascinating environment in which anyone thinks positively, enjoys a good company, and just loves life. Every year various creative people participate in the event. The role of artists, designers, restaurateurs, poets and spectators can't be overestimated. In such cities as Voronezh and Yekaterinburg, the Usadba Jazz Festival has become the center of the cultural life, and set a new benchmark for mass events.

Usadba Jazz is promoted as "a festival of a happy life" which can be attributed to its specific atmosphere created by a number of components combined: music, nature, bright and positive public. Throughout its history, the festival has sought to be a space of creativity, positive emotions and friendly human relationships, a place where a person can relax, leave away the information buzz, get rid of stress and bad mood. Following the principle of trends and developments, this year the Usadba Jazz Festival will be held under the sign of ECO: an emphasis will be on green issues, on the environmentally friendly attitude to the world around and its own consciousness. At the festival fashion market one will be able to find clothes made from environmentally friendly materials, at the food sector organic food will be available.

Sustainably managed music festivals are of significant value, they can promise a lot of benefits to a healthy society, if their negative impacts are mitigated, and positive impacts cultivated. To arrange a successful music festival, it is essential to be aware of both the obstacles and success factors event organizers may face, delivering their music events towards sustainability. All the above listed principles should be adopted and expanded in practice.

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### Status of event-management in Russia

**Abstract.** This article describes the concept of event-management. It considers the targets of event management, highlights its advantages. The emphasis is on the importance of event-management for the economic advancement of Russia.

**Keywords:** event-management; marketing communication; strategic position; organization; management.

"Event" in marketing is a specific action or a marketing tool that allows to handle, manipulate views and behavior of the selected group [1].

The objectives of the event are to [4]:

- 1) arouse the audience interest in the area of marketing;
- 2) keep a positive attitude;
- 3) provide certain experience in handling a particular brand, product or first-time contact with the company;
- 4) demonstrate the corporate PR from inside, i.e., to show the way the communication/dialogue between the top management and subordinates is carried out:
- 5) develop the group's positive attitude to the event-management object.

The event itself is a very effective instrument – friendliness, interest in the new, enjoyable communication help to remember the product or commercial message much better than any other advertising. Also, if the event is well organized, it will not only pay for itself, but also leave a positive image of the brand or product.

Maintaining the interest of regular customers in the object is one of the oldest but most reliable ways to run a steady profit business. As a result, the attempts to multiply the effect have given rise to event-management.

For Russia, the event management is a relatively new activity but in demand. It's a maxim: demand creates supply, therefore, you need someone to serve customers. Since this is new, it is uneasy to find the right specialists; they are not trained at universities like advertising managers. In Russia, specialized courses are scarce, the available ones handle the subject superficially, fail to give adequate knowledge [3].

As a result, the job vacancies are readily filled with specialists having a diploma in marketing or advertising. The candidates are supposed to be stress-resistant, since the work involves many-hour talks both on the phone and in person. The work like this consumes loads of time, leaving a minimum for a private life.

Additionally, the specialist must have a certain appearance, depending on who he will personally deal with.

At the moment, the Russian market lacks such experts, though much is being done to solve this problem. Sadly, many ill-qualified company managers are not aware of the duties and responsibilities of an event-manager, and assign him extra work, which inevitably produces a disastrous effect on the development of this business area [1].

In fact, specialists in event-management face a host of other problems and difficulties, the latter have been identified in a survey carried out recently. Namely [3]:

- distrust of customers due to some negative experience from unqualified staff;
- the lack of professional competition because of the limited number of event managers;
- underdeveloped profile market, unavailability of recommendations and clever instructions;
  - inappropriate behavior of some customers.

The problems mentioned above are self-explanatory, as Russian is just at the beginning of the way to the efficient event-management market. Event-management seems to be a very promising business area, and, if used wisely, is sure to bring it golden dividends.

After all, event-management in Russia is new, so these problems justify themselves. This is just the beginning. This specialty fully pays for itself, and when companies use it competently, the development will go further.

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# Event management in Russia and abroad. Prospects of development

**Abstract.** Event management is one of the most effective methods of promotion for companies developing innovative products and services and working in areas of management consulting and system integration. It is a good way to entertain and motivate the employees of the company. In Russia the process of formation of event managers as professional group is very dynamic. One can observe the process of consecutive development of institutional attributes of an event-manager, that is attempts to define rules and norms regulating behavior of individuals engaged in event-marketing.

Key words: event management; event marketing; advertising; PR.

Today there is no universal, conventional definition of the term event management. The analysis of the available sources suggests more than ten various definitions of this concept. In fact, different authors demonstrate different approaches to the definition of event management.

For example, according to the Cambridge Dictionary, event management is the job of planning and managing large events such as conferences, trade shows, and parties. The most concise definition was offered by Robert F. Jani, one of the Walt Disney founders: it's something different from the ordinary life. Ulrich Holzbaur, the author of the book "Event management" defines "event" as not just an occasion, but as an exceptional activity. An event means a turn from a meeting into something quite exceptional from the view point of participants [2].

We will use the following definition as a basic one. Event management involves all activities used for planning, organizing, controlling and managing a special event aimed at the target audience involvement in order to attract their attention to the company's goods and services in the market. Some scholars offer different concepts to "event-management" and call it, for example, event marketing.

Event management includes a full set of actions aimed to work out mass and corporate events. Event technologies can be actively used as part of the population spare time-spending.

Nowadays the event-industry as a business area is rapidly developing. The courses preparing professional event-managers are available in several European universities, while in Russia specialists in this sphere are not trained so far. Certain aspects of the event-industry training complete the cur-

ricula of some Russian universities when teaching specialists in "Advertising and Public Relations", "Management", "Project Management".

In general, the main goal of event management is turning an ordinary action into an effective well-structured event which is supposed to be remembered long after the event finishes. To achieve this goal event managers must make much effort and think over the following issues: (1) definition and development of the even concept; (2) choice of the platform/venue for the event; (3) event-logistics; (4) technical solutions; (5) production of goods with corporate or festive symbols; (6) selection of actors; (7) selection and a training of personnel for the event; (8) administration; (9) photo/video reporting.

One can distinguish many approaches to the classification of events in event-management. Each scientist is guided by different factors and principles, shaping his own view of the problem.

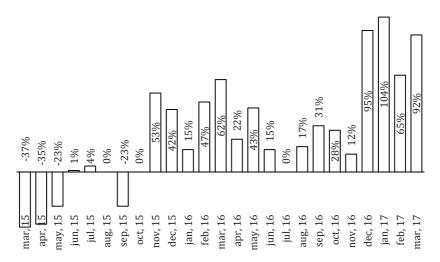
The interview with Joe Goldbaltt, an event guru, a top professional, whose works are most frequently quoted by experts in the sphere of event-management, points out that in the USA at present the most demanded event services are planning of actions and their coordination, idea development, marketing and promotion, research and assessment.

Statistically the main feature in this industry, the last decade saw, is progress in effectiveness, modern technologies facilitating events development in each aspect of the event industry: monitoring, planning, design,co-ordinating, assessment of events. He calls this period "event without borders".

The following trends can be observed in Russia:

- Specialization. Segmentation of the companies, based on the range of services provided, shows that only 20% of them are certified specialized event-agencies. The process of specialization and market division has not finished yet.
- Entropy of the market. Well-established companies with steady clientele pursue a standard price policy and accurately calculate costs for every service provided. However, the event-agencies which aggressively advertise themselves and receive major orders have a set of standard event scenarios which lack creativity, so can hardly meet the needs of a demanding client. The cost of may be rather high and depends largely on the client's solvency and on the company funds.

In fact, the demand for the event industry services have grown lately (see figure below).



Increase in vacancies on Russia event market against the same period last year (%)1

We can witness the instability in the event industry. One of the reasons for the event services market instability is the unwillingness of the federal authorities to realize that business expenditures on holding corporate events should be optimized. There are neither regulations, nor intentions to include this article into the taxable base. Business cover to pay the expenses from their net profit. Therefore, the services which the event agency provides to the customer can't be indicated in the contracts signed.

There is no clear and transparent mechanism for this activity, companies involved do not participate in open tenders for holding events. This makes the Russian event-market less attractive with inefficient self-regulation processes. At the same time, the experience of the western companies proves that corporate events can become an appealing and powerful method of employees' motivation. They are able to encourage the staff, give everyone a feeling of community, pride for the company they work for. The more the corporate event takes into account specific features of the company, the nature of the business, the more grateful employees will be, the more motivated and loyal they will become.

Attempts to standardize the national event market is likely to bring fruit. The low-profit and non-creative agencies will be squeezed out or taken over by larger and more successful players. Companies will increasingly

<sup>&</sup>lt;sup>1</sup> HeadHunter. URL: https://hh.ru.

realize the need for cooperation with event-agencies, since the latter can prepare an event professionally and creatively. Sooner or later scenarios will be legally protected by copyright laws and the activity of each agency will be safe enough.

Similar to the PR industry on the whole, the event management in our country seems very promising. However, to say that the formation of the Russian event management market has finished is too soon. The existence of small companies charging lower prices at the expense of quality proves that the national culture of event management has not been established yet. Many companies do remember a New Year party or the company anniversary for a long time but they should understand that the expenses on such events are to be planned in advance. When the attitude to event industry changes, it will be possible to note that it reached the European level.

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# Event-Management in Deutschland (am Beispiel der Event-Agentur "Full-Service-Agentur")

**Abstract.** Die Durchführung der großen korporativen Veranstaltungen fordert die große Vorbereitung. Solche Veranstaltungen werden von speziellen Event-Agenturen organisiert. Sie führen Event-Management und Event-Marketing durch, die für die Durchführung von Massenveranstaltungen notwendig sind.

**Schlüsselwörter:** das Event-Management; das Event-Marketing; die Veranstaltung; der Plan; die Durchführung; die Event-Agentur.

Derzeit finden immer mehr verschiedene öffentliche Veranstaltungen statt, die sich durch Maßstäbe voneinander unterscheiden. Das können Feiertage, wichtige Daten, Sport- und Kulturveranstaltungen, Betriebsjubiläen, Flashmobs, grandiose Konzerte, Reality-Shows u.a.m. sein. Die Organisation und Durchführung der Veranstaltungen fordert riesige Anstrengungen, Fertigkeiten und kompetentes Fachwissen. Das alles schließt in sich das Event-Management ein (von der englischen Sprache: event – die Veranstaltung). Also,

das Event-Management ist ein Komplex von Maßnahmen, die für die Organisation und Durchführung der korporativen Veranstaltungen realisiert werden<sup>1</sup>.

Gegenwärtig nimmt das Interesse an Unternehmungskultur zu. Und es zeugt von hoher Nachfrage nach dem Event-Management, das sich von den speziellen Agenturen realisiert wird. Sowohl in Russland als auch im Ausland entstehen viele neue Event-Agenturen, die die Konjunktur auf dem Markt bilden. Aber heute gibt es in Russland wenige Bildungseinrichtungen, die die Experten für diese Industrie vorbereiten, deshalb beschäftigen sich die Event-Agenturen mit der Vorbereitung der Mitarbeiterselbständig.

Was Deutschland und andere deutschsprachige Länder angeht, gibt es da bereits rund 60 Bildungseinrichtungen, die die Event-Management-Schulungen und -Kurse anbieten [1]. Die online-Kurse sind in diesem Bereich auch sehr populär. Die Kenntnisse im Bereich des Event-Managements geben gute berufliche Perspektiven.

Ein Event-Manager soll nicht nur über professionelle Fertigkeiten, sondern auch über Persönlichkeitsqualitäten verfügen, wie, zum Beispiel, die Kontaktfreudigkeit, das kreative, analytische Denken, die hohe Arbeitsfähigkeit, Stressresistenz. Er soll ein kreativer Mensch sein. Er muss ein Ziel setzen können, die Arbeit organisieren und ein gutes Resultat erreichen. Das Studium des Event-Managements eignet sich für den Menschen an, der die einzigartigen und unvergesslichen Ereignisse schaffen will.

Die Arbeit von Event-Agenturen kann man am Beispiel der deutschen Event-Agentur mit vollem Komplex von Dienstleistungen – **Full-Service-Agentur** – betrachten [3].

Die Werbung spielt in der Arbeit der Agentur eine wichtige Rolle. Sie schafft den ersten Eindruck und zeigt, dass die Agentur bereit ist, ein Partner bei der Durchführung der Maßnahme zu werden. Die Full-Service-Agentur übernimmt die Lösung aller Fragen, die sich auf den Stufen der Planung und der Realisierung der Veranstaltung ergeben. Ihre Aktivitäten umfassen eine Vielzahl von Aufgaben und Operationen. Das Hauptziel ist, ein neues, unvergessliches, begeisterndes und inspirierendes Event zu organisieren und durchzuführen.

Die Arbeit des Eventteams ist sehr vielfältig und facettenreich. Zu seinen Hauptaufgaben gehören die Ausarbeitung der Konzeption der Veranstaltung, die Findung des Mottos, die Suche nach der Stelle, die Einladung der

<sup>&</sup>lt;sup>1</sup> URL: http://fb.ru/article/162710/ivent-menedjment.

Gäste und der Teilnehmer, das Ticketing, der Empfang der Gäste usw. Der Besteller verlässt sich in allen Fragen auf die Event-Agentur.

Die **Event-Agentur** ist also ein Partner eines beliebigen Unternehmens bei der Realisierung des professionellen Ereignisses. Eine wichtige Bedeutung hat dabei die Strategie, deshalb schließt das Event-Management in sich folgende wichtige Strategien ein: Planung, Organisation, Realisierung, Projektleitung, volles Service, Maßnahmenarten.

Die Zusammenarbeit der Veranstaltungsagentur mit dem Unternehmen beginnt mit der gemeinsamen Planung. Man muss die Ziele, Aufgaben, Bedürfnisse, Ressourcen, vorübergehende Grenzen bestimmen. Die Grundlage für ein erfolgreiches Projektmanagement ist die Diskussion. Die Organisation beinhaltet die Beschreibung der Tätigkeit, die Bestimmung des Teams, den Stundenplan, die Ausführung der Dokumentation.

Eine richtige Leitung ist das Hauptinstrument bei der Realisierung des Projektes. Dabei werden die Details beschrieben: der Projektplan, die schrittweise Planung von Hauptmeilensteinen der Tätigkeit, die Aufwände von Ressourcen, die Budgetplanung. Der Plan des Projektes ist die Gesamtheit aller Etappen der Tätigkeit. Er enthält die Ziele des Ereignisses, das Team, das Budget und die einzelnen Phasen des Projektes. Die Planung der Hauptmeilensteine hilft, die Tätigkeit zeitlich für die effektive Arbeit arrangieren. Die Planung der Ressourcenaufwände erlaubt, ihren Bedarf genau bestimmen. Die Budgetplanung ist das wichtigste Instrument bei der Erreichung der finanziellen Ziele der Veranstaltung.

Die Event-Agentur "Full-Service-Agentur" verbindet langjährige Erfahrung mit einem breiten Kundenstamm. Als ein vorbildliches Beispiel dient die Organisation und die Durchführung der Jugendausstellung **IdeenExpo-2017**. Die Ausstellung ist die attraktivste Jugendveranstaltung in Deutschland auf dem Gebiet der Technologie und Naturwissenschaften [2]. Im Laufe von 9 Tagen präsentierten Schulen, Universitäten, Verbände, Betriebe und andere Institutionen auf jugendlicher Ebene eine informativ reiche Berufswelt. 2017 wurde die IdeenExpo das sechste Mal unternommen, aber erst diesmal wurde das Projekt unter organisatorischer Leitung von event it für den Auftraggeber die IdeenExpo realisiert.

Die IdeenExpo ist das größte Jugend-Event für Technik und Natur-Wissenschaften in Deutschland. Über 360000 Besucher machten sich auf einer Gelände von rund ein Hundert Quadrat Kilometern mit den möglichen Berufen bekannt.

Das Ziel der Maßnahme ist die Aufmerksamkeit der Schüler auf technische und naturwissenschaftliche Berufe in den so genannten MINT Bereichen (MINT bedeutet Mathematik, Informatik, Naturwissenschaften und Technik) zu lenken.

Die IdeenExpo findet in der Stadt Hannover alle 2 Jahre statt. Diesjährige Ausstellung ist die größte aller bisherigen IdeenExpo-Events. In zehn Themenbereichen demonstrierten die Betriebe, Hochschulen, Verbände und die Berufsschulen den jungen Besuchern die attraktiven Perspektiven in den MINT-Berufen auf. Neun Tage Maßnahmen, drei Konzerte, 250 Aussteller, 650 Exponate und insgesamt über 700 Workshops, sowie 17 Tage Aufbau, insgesamt mehr als ein Vorbereitungsjahr, über 120 Trailer mit Material und Equipment und 50 zu koordinierende Gewerke sind nur wenige Kennziffern dieses markanten Ereignisses.

Was den Messebau, die Logistik, die Infrastruktur betrifft, sei es gesagt, dass die Event-Agentur die Durchführung der Messe von der Planung und Vorbereitung der Tender bis zur Realisierung der Ideen auch vollständig organisiert hat. Für Komfort und für eine gleichmäßige Verteilung auf dem Gelände wurde für den Verkehrslenk jugendgemäßes Leitsystem entwickelt, es wurden die Hostessen zur Verfügung gestellt, die Exkursionen durchgeführt.

Eine wichtige Aufgabe in der Arbeit der Agentur war das Mitwirken von eventit beim Sicherheitsmanagement. Die engagierten Sicherheitskräfte sorgten für den Schutz der Maßnahmen bei der Einrichtung von Einlastkontrollen, einschließlich Gepäckhandling.

Nebst der Hauptveranstaltung wurden andere Sonderveranstaltungen von eventit durchgeführt. Das waren der Sponsoren-Kick-Off und der Parlamentarische Abend, sowie die Eröffnungs- und Abschlussveranstaltung und auch das Bergfest mit rund 1400 Gästen.

Im Großen und Ganzen war die IdeenExpo ein tolles Projekt des gesamten event it-Teams. Jeder Mitarbeiter wollte bei diesem grandiosen und herausfordernden Programm mit dabei sein und sich an der Aneignung der Zukunftsperspektiven von Jugendlichen beiteiligen [2].

Es ist also nicht so einfach, ein würdiges Event zu organisieren, wie es auf den ersten Blick scheint. Wichtig sind für das gute Resultat sowohl die kreativen Lösungen der kreativen Fachleute in der Zielgruppe, als auch ihre qualitative organisatorische Arbeit. Jede Veranstaltung erfordert die Professionalität, die Fähigkeit zu prognostizieren, schnell in neue Bedingungen zu

navigieren. Kompetente Leitung hilft, die Veranstaltung auf höchstem Niveau halten.

Das alles zeugt von der Komplexität und der Wichtigkeit der Arbeit der Event-Agenturen. Deshalb muss man solches bedeutsame Gebiet, wie das Event-Management entwickeln und erweitern.

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# Event marketing as efficient communication tool

**Abstract.** The article describes the role of event marketing in the marketing communication system, explains the recognized effect of event management, proves the relevance of event marketing at present. The paper highlights the effectiveness of events in promoting a brand/ product, exemplifies the most successful events held in Russia.

**Key words:** event marketing; marketing tools; BTL; target audience; communication channels; brand promotion.

Traditionally, marketing tools are components of a marketing mix, the latter consists of four components: product, price, place, promotion. Promotion implies any kind of marketing communication: PR, direct marketing or advertising. Currently, the relevance of BTL (below-the-line) activities – promotional activities that do not include direct advertising – is considerably increasing. One of the most efficient type of BTL is considered to be event management [2; 4].

Event marketing is a set of activities including some mass and corporate events. Many industries, non-profit organizations and interest groups hold events with the purpose of self-marketing, building business relationships, raising money or celebrating achievements. The size of the company does not matter – event management may serve as a tool of strategic marketing and communication for companies of any scale.

Events are becoming increasingly important as an instrument to influence target audiences [5]. The role of company event managers is growing which results from the development of advertising and new challenges to the business world, and requires turning standard events and festivals into exceptional and unique marketing activities, the basis for event management. Event managers should take into account their uniqueness, risky nature and high level of responsibility.

Since markets are changing day by day, the companies are constantly searching for new efficient communication technologies for the promotion of goods and services. Event marketing today is exactly the technology in need. By using special events, the company can deliver its values to the target audience, form the necessary attitude to the business as a whole and promote its products or services [2]. The main objectives of event marketing are as follows: creating and maintaining a positive company image, increasing customer loyalty and expanding a specific brand and product awareness. Therefore, event management is, first and foremost, aimed at achieving marketing goals [3].

The uniqueness of the event allows to keep its "print" in a customer's memory as a beneficial effect; in view of the participants it might become a bright, highly-emotional and unforgettable experience. Among the advantages of event marketing there are: an instant transmission of the right message, fast feedback, as well as the opportunity for consumers to try a product in a pleasant atmosphere, i.e. to encourage the guests to form their own opinion about the product. It can be reinforced by the effect of an independent purchase decision. Moreover, such events are widely reported in mass media and on the Internet [1].

International companies wisely exploit this effect. As far as Russia is concerned, one of the most popular mass events of event marketing is Red Bull Flugtag, held annually. Red Bull is a producer of non-alcoholic energy drink. Its target audience is young people who are striving for freedom, new impressions and bright emotions. This is exactly what the participants and fans of sports competitions seek. Another example is a competition of self-made aircrafts. The interest in the show is driven by the fact that each team of participants tries to create the queerest, funniest and the most grotesque flying machine. Thus, the brand – each model bears – earns the loyalty of customers, develops a steady association of the product with fun, ease and energy of freedom.

Another famous example of using event marketing is the Coca-Cola Company. In the 1990s, it launched an advertisement where brightly decorated Christmas trucks carry the drink around cities and towns. The slogan of the video "Holidays are coming!" has become an integral part of the New Year celebration for of many nations. In 2016, caravans of branded trucks lined with bright bulbs travelled through many cities of Russia for the first time. Thousands of people came to see the well-established symbol of the holiday. This event involved many potential buyers into the atmosphere of holiday and fairy-tale. As a result, now the New Year Eve in many countries, Russia in particularly, is very often associated with Coca-Cola products.

Sports events are a special type of event marketing. Companies, targeting at active young people striving for new impressions, choose sports marketing. At such events, the public is welcome to take part in sport or entertainment competitions and support their favorite athletes and performers. Mars Company successfully uses this event marketing tool in Russia. The festival called "Snickers Urbania" has been held for several years and organized lots of special competitions in extreme sports, graffiti, break dance, beatbox, freestyle. The purpose of the festival is to give a chance for modern youth to express themselves and their talent, as well as to try running professional extreme sports equipment.

Event marketing in Russia is gaining popularity. Such well-tailored events are far from obsessive, aggressive advertising or direct marketing. The last decade data suggest, event marketing has every potential to become one of the most efficient communication tools to promote companies and products on the market. In fact, this "soft" marketing of great fun helps to form an emotional "print" and positive attitude of buyers, which can win a customer loyalty for years. The top goal of such events is not only selling something to target audience, but also promoting the philosophy of a product.

In conclusion, it is worth noting that event marketing in the modern market is a commercial product in itself as well as a powerful innovative tool for promotion. Supported by efficient forward-looking management and wise goal-setting, event marketing is likely to generate extra revenue.

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# Market of organic cosmetics in Europe and Russia

**Abstract.** In the last few years more and more people have started to become aware of the impact that components of beauty products have on environment. For this reason, along with organic food, the use of natural and organic cosmetics has become really popular. This paper explores the reasons behind this choice, the consumer's behavior, regulation of this phenomenon and the market of such products in Europe and Russia.

Key words: organic; natural; cosmetic market; Europe; Russia.

Climate changes and environment issues are a question that is a matter of concern for a growing number of individuals around the world. A lot of customers are changing their habits towards more ethic, healthy and sustainable ones, in order to contribute to the environmental issues. The consumption of organic food and beverages is constantly growing (in 2015 the market volume reached 91 billion USD and is expected to reach 320.5 billion USD by 2025). Another positive tendency is recycling has increased in the recent years. These trends are gaining globally, but they are noticeably popular and well established in European and northern American countries.

Along with organic food and recycling there is another sector that is becoming really popular: natural and organic cosmetic. A growing number of people, especially millennials<sup>1</sup>, are switching from traditional cosmetics to natural and organic ones.

What is organic cosmetics? According to the European regulation 1223/2009 cosmetic product means "any substance or mixture intended to be placed in contact with the external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance, protecting them, keeping them in good condition or correcting body odours".

<sup>&</sup>lt;sup>1</sup> Younger generation, people born after 1980.

The cosmetic sector is well regulated in Europe but there is an under regulation concerning organic cosmetics, as organic cosmetic product are not well defined.

To fill this legislative gap and give consumers more guarantees, private certification standards and organizations were established allowing to provide common guidelines for the products of the kind. There is a great number of certification organizations around the world, but internationally, the most important and prestigious are COSMOS-standard AISBL and Natrue.

The Cosmos standard was developed by five European organizations (the German BDIH, the French Cosmebio and ECOCERT, the Italian ICEA and the English Soil Association) and was approved in 2010. The guiding principles are to:

- promote the use of products from organic agriculture, and respect biodiversity;
  - use natural resources responsibly, and respect the environment;
- use processing and manufacturing that are clean and respectful of human health and the environment;
  - integrate and develop the concept of "Green Chemistry".

The standard provides two different levels of certification: Cosmos Organic and Cosmos Natural. A cosmetic product can be labeled as Cosmos Organic when at least 20% of the total product and at least 95% of the physically processed agro-ingredients must be organic. Cosmetics that have natural ingredients but do not reach the required percentage of organic level in the formulation are labeled as Cosmos Natural.

Another international certification organization is Natrue. It was founded in 2007 as the outcome of collaboration between companies such as CCPB (Italy), Bio.Inspecta (Switzerland) and EcoControl (Germany). The aim of this organization is to provide a guarantee to the customers in the sector of the organic and natural cosmetic, that lacks an official regulation.

NaTrue provides three levels of certification:

- *natural cosmetics:* this level is the foundation of the Natrue label. It defines which ingredients are permitted and how they may be processed. Per product type, there is a guaranteed threshold for natural ingredients and a cut-off level for derived natural substances;
- natural cosmetics with organic portion: all the above mentioned conditions apply but at least 70% of natural ingredients<sup>1</sup> must stem from con-

<sup>&</sup>lt;sup>1</sup> And/or derived natural, where applicable.

trolled organic production and/or controlled wild collection. This level requires higher levels of natural ingredients and lower levels of derived natural ingredients;

• organic cosmetics: both of the above mentioned conditions must apply to at least 95% of natural ingredients stemming from controlled organic production and/or controlled wild collection. This level requires even higher levels of natural ingredients and even lower levels of derived natural ingredients

# European organic cosmetics markets

The European Union is the second largest market for organic and natural cosmetic products (€2.8 billion in 2013, with 33% of global demand), Germany, France, UK and Italy being the main markets. The German natural cosmetic market turnover in 2017 was €1.2 billion. Germany alone owns 83% market share of the European organic and natural cosmetic market. In the UK this segment grew by 24% and sales reached £75.8 million. In Italy the share of these products accounts for about 8% in the cosmetic market and the sales reached £460 million in 2016

The growth of the natural and organic cosmetic market is driven by the two essential reasons: health awareness and environmental awareness. In France and Italy people give preference to organic cosmetics being well informed about the ecological impact of non-organic products on the environment. In the UK awareness of the ingredients routine beauty products contain, as well as a better concern about personal health is driving the up-ward trend of selling organic beauty products.

# Russian organic cosmetics market

Organic and natural cosmetics are becoming a steady trend for Russian consumers as well. According to various estimates the share of organic cosmetics in 2016 accounts for about 1% in the Russian cosmetic market. The growth of this segment is explained by the consumers' more responsible concern about their health, by a growing sensitivity to environmental issues and by the latest developments in the Russian market. The growing number of Russian-branded organic cosmetics (e.g. Natura Siberica and Organic Shop) and new retail distribution channels (online retailers and dedicated chain stores) promoted the development of this segment.

The main reasons why Russians buy organic products are:

- absence of allergenic reactions;
- they are good for their health;

# good value for money.

Environmental issues are strong among a large number of individuals and for this reason natural and organic cosmetics consumption will constantly grow in the future. Even though markets and customers around the world are different this segment seems to be homogeneous, as the main reasons that drive people to purchase this kind of products (health and environmental awareness) are the globally.

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# Advertising in XXI century: types and target audience

**Abstract.** The paper considers advertising under market economy conditions when marketing attempts to attract customers, arouse interest, increase awareness and create desire for products and services. The importance of "target marketing" strategy and the description of the main sectors of the target market are featured in the article. There is a focus on marketing challenges in the context of advertising fatigue as well as the benefits of online advertising.

**Key words:** advertising; marketing; target audience; adoption pro-cess; types of advertising.

Decades ago advertising was something unique; at times it was quite primitive and awkward because sellers didn't know how to advertise. Nowadays advertisements are everywhere. Being one of the most powerful tool for business and economy in general, it brings lots of money monthly, daily, even hourly. Actually, companies advertise because they have a message that will help them to reach new customers, build brand image and increase market share. Advertising is highly expensive, so companies prefer to run a campaign only when they attempt to enter a new market or launch a new product. When it comes to advertising some business, one must know what the "target audience" is, and how to reach them. Therefore, before producing your message and deciding how to deliver it, it is quite essential to learn as much as possible about the target audience.

Target audience is a specific group of consumers within the predetermined target market, identified as the targets or recipients of a particular advertisement or commercials. In other words, a target audience is a group of people most likely interested in getting your product or service. So, first and

foremost, marketers are engaged in market segmentation to identify the needs and wants of consumers. There are several criteria of doing this: by age, social group, family size, family lifestyle or values, etc.

Experts in marketing identify four main groups of consumers. Group I is full-nesters. These are the couples with children. As growing children is expensive, they need to be careful with their money and tend to have a low disposable income. They cannot afford certain categories of products or services, for instance, the latest model of iPhone or an expensive holiday abroad.

Group II is DINKS (double income no kids). As these couples have no children, they work only for themselves. They have a double income, which is a high disposable income. They prefer a lot of entertaining – expensive restaurants, holidays in SPA – and tend to mix with other couples in the same situation. Moreover, the status symbols are very important for them.

Group III is bachelors – young people with no family commitments. They are also childless, and as they don't have a "soul mate", they have a relatively high disposable income to be spent solely and exclusively on themselves. They are avidly trying out new, innovative products.

And the last group is empty-nesters. These are people over fifty or even sixty. Their children have left home ("nest") making them free to spend their money. That is why this group also benefit from a very high disposable income. They have worked hard all their lives and want to pamper and enjoy themselves by expensive holidays and high-quality products.

Thus, when a company is going to launch a new product or service, they have to be well aware of the buying behavior of the supposed/target customers. They should be able to answer the question "How and Why consumers prefer and buy new products?". This period is called an adoption process.

There is another classification which identifies five main groups of consumers:

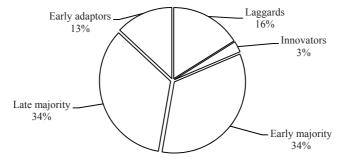
Group I consists of laggards – consumers who are not interested in the latest technology or complex, multifunctional products. Laggards are also known as "traditionalists". They take a long time to try out and accept new products, and, perhaps, never buy them. Nowadays, laggards are usually people who are over forty-fifty. This group makes about 16% of consumers.

However, there are innovators – individuals who really love everything new and complex. Innovators are sometimes called "enthusiasts", because they want to be the first to own the product. As a rule, this group of

people have a high disposable income to afford rather costly latest models. They account for only 3% of all the consumers, so are not very crucial for companies.

The biggest two groups are the early majority and late majority. They always wait to see if the product works, if it's worth the money and if they really want it. For this reason, they are also called "pragmatists". These two groups make up 34% each and are very important for mass sales.

The late majority are usually influenced by early adaptors or opinion leaders. The latter usually rush to buy new products and services and they make approximately 13%. These people can influence a great many people by their opinion, hence, they are very valuable buyers for companies.



However, it should be noted that nowadays people are experiencing advertising fatigue. So, it is quite a challenge for marketing staff to answer the question: How to attract attention to the product or service?

In fact, advertising has become a complex form of communication, with thousands of different ways for a business to get a message to the consumer. The Internet today is a very powerful marketing tool, not to mention the most conventional types of advertising, such as newspapers, magazines, radio and television. Online advertising, obviously, beats them all and here is why. Online advertising is better than

- newspaper advertising, because it provides a lot of different sources of information, and you get it instantly as soon as information is released you do not have to spend time on walking to the newsstand. Just turn on your computer, telephone or something else you have to go online;
- magazine advertising, because a well-designed website could not only be completed with texts and pictures, but also accompanied by different videos, animations and sound effects easily catching customer's attention. One

should not underestimate the fact that, at present, a person is able to buy a product online just staying at home, which provides better sales;

- the one by radio, because now people use headphones to listen to something on their phone being online. Frequently, radio listeners fail to remember what they have heard, whereas online listeners can almost immediately get back and listen again;
- TV, because Internet users can select information they want to see and hear which makes the internet more enjoyable to use instead of TV with annoying ads that you can't skip when you are watching a film or something.

In terms of the above, the main advertising challenge at present is to combine all marketing opportunities to invent some innovative ways to arouse people's interest.

Identifying a target audience of consumers is among the most crucial elements for a new business operator to consider. Without knowing the target market, or whether an audience even exists, you cannot hardly expect your business to survive. According to Small Business Encyclopedia (Entrepreneur journal), the contemporary market is becoming increasingly differentiated. Businesses have to consider age, gender, lifestyle and technological sophistication. It is for marketing people to decide whether to market to socioeconomic status, to gender, to region, to lifestyle or to technological sophistication [2].

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# Experiential marketing as effective strategy of promotion

**Abstract.** The paper considers experiential marketing strategy. It gives a definition of experiential marketing, showing its differences from traditional marketing and describing its main advantages and disadvantages. The author provides an example of an effective experiential marketing campaign and presents the basic principles of a successful experiential project.

**Keywords:** experiential marketing; event; promotion; brand.

Today the market of goods and services is filled with a great number of various offers. In the context of big competition, it becomes more and more difficult to attract the consumer using simple advertising messages. As a result, there is a need to create new approaches to promotion. Companies that use a standard set of promotion techniques such as advertising in the media, exhibitions, sponsorship, etc. do not manage to meet current market trends with rapidly changing consumer preferences, so today traditional marketing gives way to new methods of promotion and one of them is experiential marketing.

Experiential marketing, also called "engagement marketing", "participation marketing", "experimental marketing", or "live marketing", is a marketing strategy that directly engages customers, lets them experience the brand, product or service, inviting and encouraging their direct participation. This method addresses the consumer's emotions, providing a personal connection and making the buyer remember the product or service.

The main task of a marketing manager is to build a strong relationship with prospective consumers, win their favor and gain their trust. For that it is necessary to attract attention and cause positive emotions. Experiential marketing managers act differently from those who deal with traditional marketing. Common forms of advertising and marketing include presenting the product, its features and benefits, so that the consumer can make a decision based on the presentation. The task of a traditional marketer is to persuade the consumer to buy goods or services. As for experiential marketing, it lets the customer not only watch and listen. Buyers are allowed to try the service or test the product, and, consequently, their decision whether to purchase or not is based on their own experience.

According to the description, this strategy is similar to event marketing, and it is not a coincidence: experiential campaigns are often held within an event. But even in this case, the emphasis is not on the format of the event, but on how people will interact with the brand. Such events are advantageous for both the client and the brand. The benefit of the client is personal experience and impressions of the brand, and the brand benefits when the content is shared. Researchers have shown that 49% of branded events visitors shoot videos there, and many of them publish these videos in social networks. People talk about unusual experiences and new brands.

Of course, experiential marketing has both advantages and disadvantages. The main challenges for managers who use this strategy are:

- it has a narrower coverage compared to traditional marketing. Traditional advertising can be presented to a larger number of target consumers at the same time, e.g. when you post an advertisement in a newspaper, all readers see it. But when one uses experiential marketing methods, it is his personal interaction with the customer. That means you can target your message only at the limited audience;
- experimental marketing requires a lot of workforce. If you want your event to attract as many consumers as possible, you should involve a lot of employees. More staff means higher labor costs;
- experimental marketing can be quite expensive. Along with additional labor costs, the company will have some additional expenses the cost of samples, the service hours to raise the customer awareness of the company and its brands and other related overheads.

It cannot be said that experiential marketing is a fully new idea. A lot of conferences and training programs have already been devoted to this strategy, and most marketers who use the experiential approach in their business claim it brings impressive results. Everyone may have heard about successful examples of live marketing, but many specialists are still una-ware of how to apply this approach in practice.

At present Russian brand-managers successfully launch experiential marketing campaigns, the latter are very popular among consumers. One of them is Mobile Library, a sociocultural project implemented by MTS in 2013–2016. Virtual book stands were installed in the streets for citizens to download popular electronic books for free. On the shelves of the Mobile Library they could find about 150 works of modern and classic literature in Russian and English for both adults and children. The books were provided by MTS partners – Samolit, an electronic resource, and Litres, an e-book store. The people who wanted to download some books had to point phone camera at the QR-code located on the "spine". Next to each stand, MTS promoters were explaining to citizens how to use the library. According to the MTS Marketing Director, the purpose of this campaign was to enhance an interest in reading among modern young people, who cannot imagine their lives without gadgets and digital technologies.

This experiential project appeared to be of great success in different regions of Russia. In 2014 for several months residents of Central Russia downloaded over 10,000 books. In Surgut, for instance, for the first two months more than 6,000 books were downloaded.

The above MTS campaign reveals the main principles of an effective experiential marketing project:

- an experiential strategy does not always have to involve the company's product. Though the outcome is a powerful positive brand association, the strategy is always worth it;
- attention should be focused on your customers, not on your product. A customer-oriented company always wins;
- partnership can be very effective if it is strategic. If you associate with other companies, you will get an opportunity to launch a more successful marketing campaign;
- experiential marketing becomes more effective when it offers something relevant and exciting to the consumer, whether it is a free product or newly-discovered knowledge;
- don't be afraid of solving global problems through the campaign. In this way you can not only increase brand recognition, but also declare the values of your company, which is also essential;
- be aware of popular trends and think how to include them into your experiential marketing strategy, targeting at the interest of your potential customers.

Experiential marketing is a new format of goods and services promotion, popularity of this trend can be explained by its effectiveness. The main task of this strategy is to arouse positive emotions of a potential buyer by plunging it into the brand world. The result depends on many factors, such as choice of event type, originality of the idea, advertising support and technical aspects. Well-organized experimental marketing campaign will definitely increase the company's sales and attract new consumers.

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# Section 3 Innovatory Marketing Techniques

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# International manager profile: expectations of national labour markets

**Abstract.** This scientific article aims to analyze personality traits, manners of behavior and skills of the managers from four different countries (the USA, Russia, Germany and Japan), compare employers' expectations and create the image of the ideal manager of the XXI century.

**Key words:** management; labour market; employers' expectations; personality traits.

In the past the management style focused on the technical production processes. In the modern world, management has a humanistic orientation. This fact means that different companies have a great demand for highly-qualified and socially skilled staff. So, the modern management has the following trends:

- advanced information and communication technologies;
- need for continuous learning;
- delegation of authority to lower levels of the organization;
- abandonment of the authoritarian style of leadership [1].

There are many definitions of the term "manager". Leonid Gitelman argues that a manager is a leader with a clear vision, who can use know-how in challenging situations, and create new organizational systems. The author also identifies the manager with a professionally trained leader who organizes the staff activities, ensures result – orientation and bears overall responsibility for the organization [2].

L. A. Holopova in the article "A modern manager is a competitive manager" gives another definition of the term "manager". In her opinion,

a manager is a person, who implements the management process and makes decisions related to the organization activities [4].

The authors note that all the definitions have some common characteristics. Therefore, there is a view on a successful manager in the modern theory of management, which includes the following personality traits. They are:

- responsibility;
- determination;
- · leadership;
- · sociability;
- organization abilities;
- initiative;
- purposefulness;
- foresight;
- creative thinking.

Despite the fact that there is a set of common characteristics, national managers in each country have some distinctive features. In this article authors are going to consider four countries: the USA, Russia, Japan and Germany. Based on the analysis the authors will create the portrait of the international manager.

America is said to be the most experienced country in terms of management. A special feature of the American management style is individualism. A humanistic, democratic management style has enjoyed great popularity in this country, that is to say that managers make sure their employees work in the most comfortable environment. For instance, Google has many free cafes with a variety of delicious food, bright design and lots of plants. In the You-Tube staff office is equipped with hammocks, slides and a large number of soft sofas. American managers are encouraged to constantly develop, move forward due to the peculiarities of the local market, so they are often quick-tempered, irritable and can be rude. This fact does not mean that American leaders are deprived of positive qualities. In fact, managers in the USA are highly communicative, logical, skilled, goal-oriented, oratorical professionals with well-developed organizational skills.

In Russia, management in the modern sense began to develop only at the very end of the XX – the beginning of the XXI century. In this regard, there is a large gap between the existing management parameters in Russia and those in the West. The Russian management style cannot be attributed to

individualism and group running; rather it is inherent to one-man management. Almost all large companies are managed by one person – the owner of the business. The exceptions include companies that actively cooperate with foreign countries and are forced to comply with their standards, principles and trends. However, Russian managers of the younger generation are distinguished by their special resourcefulness, liberal views, creativity, variety of approaches to problem solving and the ability to do all work to strict deadline. In modern Russia, conservatism is no longer so relevant. Moreover, it is a hindrance to development. Therefore, charismatic, able to think outside the box managers are more popular with investors.

To compile a more complete and realistic portrait of a successful manager of the XXI century, authors have analyzed some vacancies from the countries in question. In each country, there was chosen one vacancy for the management position.

To start with, we will consider a vacancy from the US-based company Lean Manufacturing. The vacancy is for the position of the General manager who will be responsible for the product manufacturing (metal) in a high volume-manufacturing environment. Required skills:

- 6+ years' Managerial Experience in a high-volume, fast-paced manufacturing environment;
  - excellent oral and written communication skills;
  - strong time management skills;
  - ability to adapt and embrace change in a fast-paced environment;
  - ability to develop strong cross-functional relationships;
- results driven, able to focus on organizational growth and financial performance;
  - ability to solve problem;
  - experience in a "lean" manufacturing environment;
  - experience with strategic planning;
  - leadership skills;
  - strong organizational skills;
  - high ambitions;
  - detailed and able to work in a fast-paced setting;
  - ability to create and work in a team environment;
  - responsible for the safety of all employees in the plant<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> Vacancy: general manager. URL: https://www.careerbuilder.com/job.

As can be seen from the list above, a modern manager in America must possess a variety of skills in order to be hired and successfully manage the production process.

The next vacancy is from the Russian company World of Packaging, one of the leading packaging producers in Russia. The employee is expected to control all processes on the production site and calculate the production costs. Required skills:

- personal sales experience;
- experience of similar work in the Sales Department of a manufacturing company;
  - proficient English for business correspondence and negotiations;
  - knowledge of ISO 16949;
  - experienced PC user;
  - socially skilled;
  - teamwork skilled;
  - self-reliance:
  - resistance to stress;
  - higher education<sup>1</sup>.

In Russia, employers prefer to hire not so emotional intelligent people, but with standard academic knowledge and it is confirmed by the list.

Japan is the leader in the quality of products. The secret of economic success lies in the peculiarities of Japanese management. Firstly, the main feature is their collectivism. The Japanese tend to make decisions based on cooperative participation. Moreover, they have an exaggerated sense of duty and responsibility for all their decisions. Secondly, the Japanese managers are very disciplined and decent. Thirdly, the principle of continuous learning is highly valued by all company employees: from the manager to the foreman. In addition, highly-qualified staff in Japan invents new original ways to solve problems. According to their unwritten rules, the leader must organize his activity on the basis of respect for himself and his subordinates. And he must create such conditions in which employees will enjoy performing their work [3].

To complete the full image of the Japanese managers the authors analyzed job requirements of the international company JAC International located in Tokyo. The employer advertises the list of skills required for the job that includes:

<sup>&</sup>lt;sup>1</sup> Vacancy: project development manager. URL: https://ekaterinburg.hh.ru/vacancy.

- good understanding of basic mechanical engineering, PC knowledge, such as Excel, Word and Power Point. These skills show high level of education and broad outlook in different spheres of life;
  - interpersonal and communication skills;
- Japanese native with medium or higher level of communication skills in English<sup>1</sup>.

The main feature of the German management is a unique combination of the manager's professional training and engineering education. The manager's professional training plays an important role for adaptation to constantly changing technologies. High level of technical education enables German managers to control production processes. Moreover, it is not unusual to meet a manager on the production floor. Such management helps to build strong relationships with workers and effective communication on all levels of the company. Also professional units are developed very well what strengthens working relationships. A successful German manager is defined not by their place in the company hierarchy but by their professionalism and competence. In addition, German managers are extremely loyal. It is not popular to change your job. So, the average work experience in one company is 8 years while in the USA it is 3 years.

Now it is necessary to consider employers' requirements to form a complete image of a successful manager in Germany. For this research the authors have chosen the job description for the position of Retail Marketing Manager in the company called Unite Human Resources that is based in Dusseldorf. The company website advertises the following job requirements:

- at least 3 years' experience in retail;
- proactive, accountable, "digital" minded, self-driven, flexible, creative, and positive;
  - excellent communication and interpersonal skills;
  - fluent German and English<sup>2</sup>.

Comparing the theoretical concepts and practical requirements, the authors can draw a table with the personality traits typical of the managers in the countries under consideration (see table below).

<sup>&</sup>lt;sup>1</sup> Vacancy: OEM Sales. URL: https://www.careercross.com/en/job/detail-659155.

<sup>&</sup>lt;sup>2</sup> Vacancy: Retail Marketing Manager Germany. URL: https://m.experteer.de.

Personality traits typical of the managers in different countries

Personality traits	The USA	Russia	Japan	Germany
Communicative	+	+	+	+
Professional educated	+	+	+	+
Creative	+	+	+	+
Disciplined and decent	+	+	+	+
Teamwork skilled		+	+	
Leadership skilled	+	+		
Loyal				+
Goal-oriented	+			
Eloquent	+			
Resourcefulness	+	+	+	+
Liberal-minded	+	+		
Dutiful and responsible for all their decisions	+	+	+	+
Able to do all work to strict deadlines	+	+		
Organization skilled	+	+	+	+
Able to build strong relationships with employees	+	+	+	+

After analyzing the managers from the United States, Russia, Japan and Germany, the authors can make a full-fledged portrait of a successful international manager of the XXI century. It combines the best qualities of managers from each country. The ideal manager must be professionally educated, communicative, creative and resourceful. In addition, this manager must be able to make fast decisions, build relationship with the staff, and meet strict deadlines.

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# Portrait of a modern manager (survey results)

**Abstract.** Having studied many disciplines, students sometimes miss the point and cannot concentrate on the main issues. The variety of academic subjects brings managers-to-be, on the one hand, to the versatility of their professional skills and, on the other hand, to the difficulties in understanding, what professional qualities and personal features are essential for their successful future career. This article presents the results of a comparative analysis of experts' and students' (majoring in international management) views on: what the main qualities and professional skills of a successful XXI century manager are.

Keywords: manager; professional skills; personal qualities; survey.

There are different approaches to defining the most important characteristics of a modern successful manager. The review of foreign literature proves that manager's respectability [2], knowledge of etiquette, professionalism (a prerequisite of independent behavior, that allows making efficient decisions), knowledge of rhetoric and ability to communicate with the audience, self-criticism, and patience are in the list of the most essential ones [4]. Many authors and experts emphasize the correlation between professional qualities of a manager and his personal traits. The famous guru of business and management theory Ichak Adizes believes that a modern manager should have the ability of resolving conflicts, guided by knowledge of his own strengths and weaknesses. A successful manager creates working environment where people can learn from each other and different opinions are perceived, makes decisions of any complexity, even if they are beyond his professional knowledge. He can appreciate the excellence of work done by others. Finally, a modern manager should be able to perform all the managerial roles equally well.

The similar point of view is expressed in the works of one of the most successful Canadian entrepreneurs, motivational speaker Brian Tracy, who says that personal qualities do affect the improvement of professional skills. He also mentions that a successful manager does not only set a goal, but also paves the way to achievements; he concentrates on the result, thinking of it most of the time. B. Tracey singles out such qualities as persistence, positive attitude to the result, desire for changes, useful habits, and the ability to make serious decisions, and finds them very essential.

In fact, the overview of Russian management writers publications proves similar approach to defining significant characteristics of a modern

manager. The well-known Russian manager, award-winner of "Commercial Director of the Year" and "Manager of the Year" Maxim Batyrev expresses the following view point. He is sure that a manager has to master the art of time management, to be ready to change and to be criticized. In his opinion, the investment of time on studying professional literature will necessarily pay you off in the future. A manager should also be creative, and understand, that the same goal can be achieved in different ways [3].

In order to find out if Russian students who are trained to be managers understand right what professional and personal characteristics and skills are essential for their future successful career, we conducted a survey. We also focused on the ways to improve these skills and names of really successful managers of today. The subjects participating in the survey were students of the Ural State University of Economics. In the frames of the survey, the authors interviewed 156 students (first and second year students from the Institute of Management and IT). The interviewees were asked three questions:

- 1. Choose 3 characteristics of a successful manager (options were selected from the works mentioned above).
- 2. Which methods help to improve the chosen manager's skills most effectively (multiple-choice).
- 3. Who do you think can be named a successful manager? (an open question).

The results given in figure 1 show that the most important quality of a modern manager (according to the students' survey) are the following: power of influence, ability to resolve conflict, creativity.

# Constant self-education Creativity Strategic thinking Helpful habits Competent assessment of the work of others Ability to solve conflicts Concentration Public speech, rhetoric Erudition Power of influence 0 10 20 30 40 50 60 70 80 90 100

Choose 3 characteristics of a successful modern manager

Figure 1. Student views on the most significant managerial skills and qualities

So the students' views appeared similar to those of the Russian experts. The least popular characteristics mentioned are helpful habits, concentration, constant self-education and erudition. Though these qualities are mostly indicated in works of European experts.

According to the survey, the most effective method to improve the given skills (power of influence, ability to solve conflicts and creativity) is an ongoing working practice.



**Figure 2.** Student views on the most effective ways to improve managerial skills

Finally, we asked the question, who the students consider to be an ideal manager, definitely demonstrating the characteristics mentioned in the survey. The most popular names, most frequently mentioned by the junior students, were the following: Steve Jobs, Bill Gates, Maxim Batyrev and Elon Musk.

The results of the survey allowed to outline the students' understanding of the most important professional qualities and features of a modern manager. The students demonstrated their interest in working practice, self-education and discipline. Their understanding of vital professional managerial skills is close to the expert opinion of the reputable Russian professionals. The students disagree with the foreign experts' point of view that erudition and helpful habits are not essential. In our opinion, this research has a perspective. In-depth study of the problem can be used to optimize the process of future managers' training.

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# Image of successful manager in XXI century

**Abstract.** The paper considers the roles modern managers play at each level of a company hierarchy, with focus on both personal traits and professional skills of managers. The study presents the results of an opinion survey carried out in the Institute of Management and IT of the Ural State University of Economics.

**Key words:** management; survey; manager's personal traits; manager's professional skills; modern manager.

A manager is a key person in every organization: his/her contribution to the company's success cannot be overestimated. This also means that each manager has a great many responsibilities, and any mistake might cause dramatic effect. These mistakes can be attributed to various factors. Namely, we cannot but mention lack of necessary personal traits or professional skills. Employers should have in mind a clear image of a manager to choose the right one for this or that position.

The study aims to summarize what managers-to-be think of this problem. What traits of character should they have and what professional skills should they acquire to become successful managers of the XXI century? Through self-analysis they might understand if they have the traits and skills necessary for this job now?

To answer the above questions, 40 second-year students of the Ural State University of Economics, who major in management were surveyed in the third decade of March 2018.

The goals of this survey are as follows: (1) to investigate the students' opinion on what the most important traits and professional skills of a suc-

cessful manager are; (2) to find out which of these traits and professional skills they have; (3) to study what professional skills students are planning to obtain.

There were 36% of the male- respondents and the remaining 64% were females. Half of them are state-subsidized undergraduates and the rest are commercial students.

Most of the interviewed students say that they are planning to work as managers when they graduate from university, but they are not sure that they will be able to find the right employment (50%). Only 13% of them are definitely sure that they will work as managers in future. 13% of students respond negatively, explaining that they would prefer to be involved in other spheres. The remaining 24% were hesitant.

The tables below summarize the students' answers to the questions given. The first question concerns the qualities necessary for a good manager. Good managers should know what they want to achieve and have a good sense of organization. They should be able to listen and get their ideas through. They must be confident in problem-solving and when handling difficult situations, taking initiative and responsibility if necessary. They work long hours, so the ability to avoid or minimize stress is also required.

Figure 1 shows that the most and the least important traits are purposefulness and competitiveness, respectively. However, only 60% of respondents admit that they are purposeful.

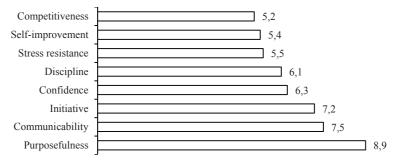
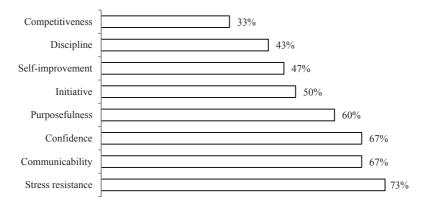


Figure 1. Most important managerial traits

When asked to evaluate themselves, about two thirds of the students declare that they are stress resistant (73%). Purposefulness is in the fourth place, whereas competitiveness is again at the bottom.



**Figure 2.** Traits that you suppose to have

As far as professional skills are concerned, it is essential to analyze mostly interpersonal, conceptual, diagnostic and analytical ones. Obviously, leadership skills are vital for managers, because they have to take a lead in a variety of situations, encouraging employees to follow them in order to achieve the established targets.

As for decision-making skills, they include a large variety of techniques to deal with problems companies encounter. Any company problem requires a manager's attention to be adequately solved. Besides, managers have to know how to deal with information related to the problem. Strategic skills allow to develop a vision of the company as a whole, and to progress through small, achievable goals.

Although managers do not have to be highly competent in all the technical matters of the company he/she works in, it is important to be well-informed about the basics, in order to do the managerial work properly. Any organization runs its own documentation, which can provide managers with fact and figures useful and required in solving problems.

Language skills are definitely important for anyone, not only for a manager who is employed by a foreign or international company. Unfortunately, this necessity is too often neglected in Russia, and the survey proves it.

The analysis of the survey (figures 3 and 4) shows that most students suppose the ability to lead the subordinates and skilful decision-making should be prioritized in modern management. The remaining skills are considered to be less important. Amazingly, foreign languages command is at the bottom.

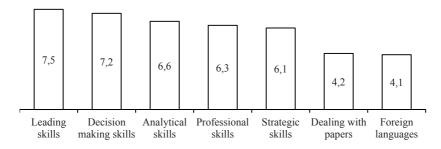


Figure 3. Most important professional skills of a modern manager

The results given in figure 3 correlate with the results in figure 4, showing that most of respondents do not intend to develop the skills they find the most important.

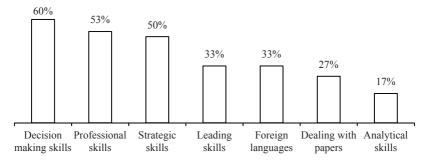


Figure 4. Managerial skills for you to develop

The majority of the respondents are sure they speak foreign languages well enough (70%) and only 20% can deal with paperwork properly.

There is no doubt that all the qualities and skills mentioned above are essential for a successful manager. In fact, a great many specialists make emphasis on communication skills and purposefulness as the key personal traits for a manager. They also suppose that being a leader is a crucial quality. In many ways, the respondents' opinion is relatable to the professionals' opinion, though not in every aspect.

Most experts assume that a modern manager should be permanently engaged in self-improvement. The interviewed students are prone to consider self-improvement as one of the least important traits for a manager.

According to the research, most of the respondents think they do possess the necessary traits to be efficient in management, but lack professional skills. Luckily, they express readiness to develop the skills they have not got yet. This indicates that even though self-improvement was not chosen by students as the most important trait, they realize that it is self-important.

To sum up, most of the Ural State University of Economics secondyear students surveyed believe that a successful manager of the XXI century should be purposeful, communicable and confident. They stress the necessity to develop leadership skills, decision making and analytical skills.

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# Managing high-performance sport: introduction to past, present and future considerations

**Abstract.** The paper features main aspects of effective managing high-performance sport in the globalised world.

**Keywords:** high-performance (HP) sport; ARTN processes; funding; Winter Olympic Games; competition; dynamic environment; anti-doping strategies.

High-performance (HP) sport has emerged as an umbrella term that captures the enormity and pervasive nature of elite sports on the global scene. HP sport is the top end of sport development and it encapsulates any athlete or team competing at an international or national level. The field includes Olympic and non-Olympic sports, professional sport and team sports (e.g. basketball, football) and emerging sports (e.g. lifestyle sports or mainstream sports, like surfing).

The HP process starts with attracting athletes, followed by retaining/ transition and nurturing them – the abbreviated ARTN processes in the sport system. Within these processes, first, a great number of institutions and stakeholders offer opportunities for holding competitions, training at specialized facilities, coaching and skills developing. Second, HP sport operates in a highly dynamic environment. It means that, on the one hand, HP sport is influenced by social, cultural and economic conditions of the community it operates in, but, on the other hand, sport events and elite athletes produce a significant effect on society, economy and even government decisions.

The evolution of HP sport administration and management dates back to the 1950s and the onset of the Cold War [2]. Political tensions prompted the involvement of some governments in the process of systematic development of national athletes to achieve diplomatic objectives. Up to the 1970s, the elite sport system was driven by fashion, individual preferences, where talented or elite athletes would train with a coach under the supervision or direction of the sports federations [1]. Since the mid-1980s, HP sport turned from the 'athlete – coach – federation' relationship into an increasingly complex team including numerous support staff (physiotherapists, doctors, soft tissue therapists, strength and conditioning coaches, psychologists, physiologists, biomechanists, performance analysts and career lifestyle coaches) [3]. Elite athlete/team success is a key concern to policymakers. Nowadays the political and socioeconomic power of elite athlete success is a sign of a strong performing nation, that explains why the elite sport is in focus of many countries national policy agenda.

The variety of theoretical and practical aspects every sport encompasses is indicative of how complicated a national HP sport hierarchy is, ranging from coaching and leagues to athlete development, competitions and athlete performances, and at the top of the list – a multidivisional sport management system. However, management of HP sport is much broader and goes beyond these so-called meso-level factors of sport policies. National sport top officials deal with a variety of problems daily.

Issue number one is funding. As regards winter sports, some scholars (Weber, De Bosscher and Kempf) examined how eight nations position themselves in the Winter Olympic Games by comparing their budget allocation priorities in seven winter sports. Each nation financial strategy in sports differs depending on the type of sport prioritised [4]. These priorities included (a) targeting skiing or skating (i.e. the sports where 75% of the medals can be won), (b) sports of the natural landscape (i.e. mountains and snow), (c) sports with long-standing successful traditions (e.g. skating in the Netherlands),

(d) searching for a unique position in high technical sports to have an advantage over rival athletes (e.g. bobsleigh in Great Britain).

Another important aspect to consider is the HP sport competition. In some of their papers Zimmermann and Klein (2018) explore the emergence of a league system to individual sports. Many people expressed some concern that the creation of a league would detract from HP systems. However, the study showed quite the opposite. Individual sport leagues supplement existing competition systems and enable athletes to improve their performance, as well offer a platform for clubs to promote their sport to the public.

The next issue of importance illustrates the dynamic environment in which HP sport operates in the globalised world. It's essential to identify the factors that affect emigration, immigration and job migration of HP coaches in the context of sports. It turns out that offers of higher income have become a significant pull factor for emigration, while having school-age children and being a former HP athlete were retention factors (Wicker, Orlowski and Breuer (2018).

Lastly, there is one more aspect – the environment that influences HP sport, drug-taking behaviours of elite athletes, in particular. It turns out that many athletes are not deterred by the current punitive anti-doping strategies and there is a strong need for the development of primary anti-doping strategies to complement existing secondary strategies.

Speaking about the possible vectors of the HP sport evolution, we should consider three areas of increasing interest. One area rests on the various approaches for developing athletes from different contexts around the globe (for example, looking at the Australian approach in comparison with Chinese or British or American). Studying different approaches, gives every evidence that various competition systems, cultural differences, training centers, performance analysis and lifestyle management have really come to the fore in terms of investigation and could be given more popularity in the future.

Secondly, it's important to emphasize the fact, that coaches, managers, parents and athletes are equally unclear on where sport development ends and HP starts. This confusion gives a rise to the illusion of young participants and their families dreaming of representing their country at a national and international level when they are merely at the very early stages of skill development [5]. Therefore, building on the definition of HP sport offered in this paper as well as trying to clarify the difference between elite sport and elite sport development is crucial for any further progress.

Finally, in order for HP athletes to thrive, managers, coaches and exercise scientists work together creating synergies between applied and social sciences. Multidisciplinary work in HP sport is essential and needed if we want to reach solutions based on a new understanding of complex situations [4].

In conclusion, it should be pointed out that HP sport management requires a high level of knowledge, competence and responsibility. The strategic management of HP sport can become more effective if supported by sport management journals. HP sport is a global business and that's why it is essential to understand the HP sport landscape in the broader terms.

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# Successful manager of XXI century: expectations of modern labor market

Abstract. The modern world is a dynamic system where you cannot predict anything especially the guaranteed employment. It is the result of the non-stop technological development that endangers the existence of some professions characterized by a huge number of standardized actions and algorithms. Therefore, management faces some challenges: it needs to react to them and to introduce innovations fast; to redirect the production activity effectively. A modern manager has to deal with problems efficiently to be in great demand in the labor market.

**Keywords:** management; innovative management; labor market; changes; employees.

The modern world is very changeable. Every human activity is constantly inspected for information relevance, rationality of methods to achieve goals, speed of data searching and processing, etc. All these system performance factors can be used to evaluate the quality of management. Management is considered to assume continuous analysis of the processed data. That

is why the management system renewal, restructuring and updating in due time are necessary for every company aspiring success.

Thus, a modern manager has to be flexible, ready for redirection in a short time, because flexibility and constancy are relative notions nowadays, the time limits of the latter can be restricted only by specific business activities.

Labor market is increasingly changing year by year – one occupation becomes out-of-date and is substituted by some other. For example, the futurologist Thomas Frey states, the profession of a teacher is likely to lose its position in the labor market by 2030 [1] and might be substituted by others, like a developer of an educational path, web-psychologist, Internet-surfing coach [4], etc. This can be explained by the fact, that the on-going development of technologies (communication, industry) is followed by the increasing demand for specialized personnel.

Certainly, these changes will affect not only education process – management positions will be influenced in the same way. However, the common trends in labor market seem not to work well in this situation – the process is very likely to be quite the opposite. The employers will expect a manager to demonstrate high adaptability to changes, adequate competence to work in various fields equally efficiently. Therefore, if one wishes to be a successful manager, he will have to anticipate expectations of the particular market and to work accordingly. So, the strategic management is forced to reconsider its principles and values with more attention to IT development. It is the way for a company to respond immediately to the challenge of market transformations. Changes in the strategic management lead to changes in the innovative management, which gives priority to the creative thinking.

In fact, the innovative management suggests an absolutely different approach to administration than the strategic management. The main idea of the innovative management can be defined as achieving adaptability to quickly varying market conditions through involving all staff in administrating processes [2]. Thus, Gary Hamel, the leading business expert of present, reveals this conception through matching business models called "Management 1.0" and "Management 2.0". The first model takes profit as the most important aim of a company. In this case personnel are one of the producing factors to share the revenue with. The second model gives priority to employees of a potential with appropriate personal qualities and professional skills. This conception says, the staff is a driving force of a company and leads it to success [3].

In terms of the above, an innovative manager should focus on the following:

- 1. Introducing in the system limited self-administrating working groups. This will enable employees: a) to choose the leader of their group themselves (principle of democracy will let the personnel feel self-importance); b) to realize their creativity and innovative abilities the groups and their leaders are not constant they can be changed if a new task requires. Each member of the group is responsible for carrying out the task the control over the whole process becomes much easier.
- 2. Establishing a relationship between an extent of remuneration and the task completed. Employees earn a salary according to their input to the work
- 3. Providing staff with the updated information base. It will let group members respond the changes fast.
- 4. *Encouraging dissent*. A variety of views bring about a detailed consideration of every alternative the more options, the more risks anticipated [2].

This list is not complete, but it embraces the most important requirements to a manager of the XXI century.

Thus, the main difference between a successful manager of the XX century and a manager of the XXI century is that a CEO of the last century had to do within a relatively steady environment, to maintain the system at a constant level, in contrast with the XXI century. Modern management is associated with ever-changing targets, tasks and methods of management. That is, a contemporary manager has to be able to get easily adapted to different changes.

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## Effective management: five ways for entrepreneurs and small business owners to build better teams

**Abstract.** The article focuses on fundamentals of effective modern day management in team building: feedback loop; expectation analysis; team roles; workplace management; company vision/social mission.

**Key words:** team management; team building; entrepreneur; small business.

Whether you are an entrepreneur building your first startup company or a solo-founder attempting to run a small business, the people you surround yourself with can make or break your company. Failure to execute when hiring and building a company culture can send your business to a premature, and often emotionally painful, early death. If you want to build a thriving business, the following are five fundamentals of team building you absolutely need to nail.

**Feedback Loop.** For your team to thrive on an ongoing basis, there needs to be a feedback loop in place. Team members need to know they can contribute their thoughts and skills to the company development and advancement without fear of reprisal. Make sure you incorporate a feedback loop into your talent acquisition/ retention strategy and you will be impressed by how strong your team becomes.

**Expectation Analysis.** Team members must be clear on what is expected of them and how they are performing to date. Part of your job as a business owner or startup founder is to discuss expectations with your team for everyone to understand the job performance standards they are being judged on.

**Team Roles.** Not only you need to understand your team job expectations, they must also be aware of their specific role within the company as well as that of others. Fully understanding that each employee is an integral component of an overall business growth plan is crucial if you want your team to work towards a common goal. Help your employees and management team to see the importance of other people's work as well as that of their own and you will build up a team that stands firmly in the face of business challenges.

**Workplace Management.** No workplace stays the same long term. Team members come and go. Business priorities change. How you manage

upheaval at your workplace is directly related to the tenure of your team. Try to become a master at managing stress within your work environment and you can significantly reduce your employee/management turnover rate.

Company Vision/Social Mission. Employees and senior management personnel are increasingly looking for employers with a socially responsible company vision. Your ability to explain your business mission to your team and align them with company values will have a significant impact on the growth rate of your company. Leading by example is critical if you want team members optimistic about the business future.

These are just five of many essential components of building a strong team. Integrate these five fundamentals into your team-building efforts and you will be amazed at how strong and resilient your business becomes. Building a vibrant team and powerful company culture may require much work and personal energy, but the results are worth the efforts leading to a significant impact on your business bottom line.

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## How to become a good manager: global perspective

**Abstract.** Professional characteristics of a manager depend on many things, including his or her nationality. Comparative analysis of Russian, British and American management styles allows to understand advantages and disadvantages of certain managerial type. Additionally the paper reports on how managers in different countries are trained with the focus on de/merits of each training.

**Keywords:** modern manager; managers' qualities; manager skills; training of managers; comparative analysis.

Who is a manager? A manager is a person, who can manage others and can always find resources to achieve the organization goals and objectives. A good manager must be able to ensure all functions of management, which are planning, directing, coordinating and leadership<sup>1</sup>.

Most successful companies have ambitions and self-motivated managers. Lukoil is an example of such company; it could not have become so successful without highly-qualified managers. ExxonMobil is a company operat-

 $<sup>{}^1\ \</sup>textit{Cambridge}\ Advanced\ Learner's\ Dictionary\ URL:\ https://dictionary.cambridge.org/dictionary/english/manager.}$ 

ing in the same sphere and is also run by intelligent managers. It is the third largest company in the world.

Despite national differences, all managers, supposedly, have similar major characteristics:

- 1. Result-orientated approach. All managers should be result-oriented and highly motivated to reach the objectives established. A competitive nature and a pride of achievements do drive a manager towards new heights. However, managers should not forget that they are a part of the team, so they should not demonstrate superiority.
- 2. Assertiveness. A good manager needs a certain level of assertiveness in order to get the work done. He should not be afraid of confrontations and collisions allowing the staff to express their opinion. They should be fast in making decisions. Assertive individuals also make good managers because of their ability to negotiate, clinch a deal and reach results.
- 3. *Delegation*. The ability to delegate is one of the most important qualities of a good manager. Being able to delegate does not only mean to be an efficient and effective manager, it also means to be creative and have an opportunity to build up a productive team. A good manager should delegate the team members additional responsibilities to make them feel more motivated and empowered.
- 4. Leadership. The ability to direct and motivate is imperative to a team's success and quality performance. Many traits and characteristics suggest this quality and include driving and orientation, authenticity and effective communication [2].

Now everybody questions what qualities a good manager should have. If one possesses these traits, he may think about a career of a manager. A matter of importance is how to become a manager? What kind of diploma should you have?

The first managers in the USA, who got MBA diplomas, were graduates from Durtluate College in New Hampshire in 1901. This kind of diploma did win fast popularity in the USA, because the knowledge, skills and competence gained met the needs of the job-market fully.

Would-be managers in the US go through three steps of training. The first step is going to school (twelve grades), then they go to a university to do a bachelor's degree (four years). However, that does not suffice to become a good manager, so the third step is an ambition of a master's degree (two years). It can be a MBA or MIM (Master of International Management).

A manager with a Harvard School of Business diploma is highly valued by American employers.

The Russian market felt a demand for managers relatively not long ago – in the late 1990-s. That explains why plenty of schools for managers were set up in Russia in this period. The duration of the training course for Russian managers is similar to the one in the USA. Firstly, a person has to get a secondary education, then s/he goes to a university for a bachelor's diploma. In fact, managers with a master's degree are better-employable in Russian. The most famous universities, which train managers in Russia are Graduate School of Financial Management and Academy of National Economy under the Government of the Russian Federation.

As regards the European experience, the first schools for managers were opened in Great Britain in 1967. However, a master's degree is not so popular in this country as in the US. Interestingly, professional experience is more valued in Great Britain than in other countries. Managers, who get a degree in Great Britain, are the most prestigious in the world job market [3].

Ole Rollang is a CEO of Murano Connect. Ole started his career in Chicago but wanted to gain international experience. Having received an MBA in Paris, he went to London where he set up multiple entrepreneurial ventures. "The MBA has been quite transformational for me. Before I joined the program, I was in Chicago, trading derivatives both on the floor and the institutional desk, and after that I became an entrepreneur in London, managing a business of around 20 people."

Studying for the MBA he made a decision to do something different from finance, trading and, luckily, he found out that he really loved managing people. The reason why he wanted to get an MBA was partly money-driven: in order to get the qualifications he needed a high salary. "When you're looking for an MBA, you're looking for brand, network, and hopefully that will entitle you to a larger salary" [4].

When he completed the MBA program, his attitude to both life and work changed. "You learn that HEC Paris or Harvard degree does not necessarily make you entitled to get a high salary, or to become very successful. Education gave me the tools to survive" [4].

"In my opinion, when people do not know who you are, you have to present some kind of value to people, and you've got to know how to sell yourself, understand and empathize with the market, and empathize with the people and the problems they're facing – we're all people. MBA program

was instrumental in teaching that these skills of understanding, of how a deal is done or how a process failures, without admitting your failures, and actually celebrating your failures".

Ole Rollang thinks if he had tried to start a business without an MBA diploma, it would have been a lot more difficult, as he was unaware of the drivers behind the business. There is one thing that he would say to people attempting the task of doing an MBA: you need to go to that "survival school". That is all what he personally got out of it [4].

A manager is an international job, so people should be well-aware of what features are prioritized in different countries, since their behavior is in many ways determined by the national mindset. For example, the Russian and the British have lots in common, which explains similar requirements to mangers in these countries (see table below).

### Requirements to management in Great Britain, Russia, US [1]

Criteria	Great Britain	Russia	USA
Organizational struc-	Hierarchical, tough	Tough	Flexible, democratic
ture of management			
Management style	Personal, individual-	Authoritarian, group-	Individualistic in ap-
	centered	centered	proach
Planning	Result-oriented, short-	Current targets in	Detailed planning
	term plans	focus	ahead

According to the above facts, Russian and British managers seemingly have many features in common, unlike American managers. The Americans are more relaxed and more employee-oriented. Views on planning in the countries concerned differ as well. Obviously, to make a good manager one should preferably combine all of these qualities – he should be tough like British and Russian managers, but flexible like American ones. A good manager should be result-oriented, which is at the top of the list of British executives.

To summarize, the job of a manager is becoming more and more international. Managers from different countries increasingly demonstrate both common and specific features. It seems essential for managers, regardless of national and cultural gaps, to exchange their experience, share views on practical aspects of modern management.

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# HR-manager in Russia and abroad: differences in labour market requirements

Abstract. Nowadays the requirements of employers for qualified employees are rather high, especially those engaged in recruiting and motivating staff. HR-managers take a responsible position in a company, as they are a "bridge" between the needs of company and employee's interests. What can help a modern specialist in human resources management remain in demand on the labor market? The answer is simple: it is imperative to constantly improve competence and readily apply the best well-tested foreign practices in daily work.

**Keywords:** HR-management; HRM; personnel management; Russian HR-management system.

Innovations in management traditionally come to Russia after being tested overseas for long. HR-manager's functions make no exclusion.

HR-manager or personnel manager is a person, who is responsible for managing and developing the company staff. The main duties of HR-manager are to hire, train, improve and motivate highly qualified employees [1].

In the West, personnel management has already occupied a special place in the organizational management. Managers engaged in recruiting are treated by company top managers as partners, rather than ordinary employees. However, in Russia, the importance of HR management and its role in the implementation of personnel policy has been underestimated, though national experts in the sphere admit certain positive trends. The table below illustrates the differences in HR management approaches of Russian and foreign institutions.

Based on the above, one can come to the conclusion, that human resources management in Western countries is oriented long-term and is carried out according to the company's strategy [4]. In Russia, an employer expects quick returns at minimum costs. But this situation is changing now, because Russian businessmen start to accept the fact that human capital is becoming one of the most essential factors of success, especially if it comes to an intel-

lectual and highly qualified labour. In theory, it seems possible for HR-managers in Russia to reach the level of Western specialists in a few years, but, first and foremost, one should be ready to study and adopt the best time-tested foreign practices and to radically change attitude to personnel [2].

Differences in HR-management approaches in Russia and abroad [6]

Russia	Foreign countries (Western Europe and America)	
Short-term system of incentives	Systematic approach to HRM.	
	Alignment of functions with strategy, long-	
	term incentive system	
Development of HR-management takes place	Developed HR management is a consequence	
in parallel with the development of national	of developed capitalism	
policy and economy		
Personnel is perceived as an expense item –	Personnel is perceived as human capital,	
employers prefer not to fund long-term staff	companies invest in long-term development	
development, willing to take on ready-made	of staff	
professionals, or simply draw them over from		
other companies		
Approach to personnel management is deter-	The employer's brand is important, the focus	
mined by the wish for quick result	is on values, attitude to ethics, loyalty of the	
	company's personnel	

What are the requirements for new generation of HR-managers in Russia? There are four key factors which allow HR-managers to be always in demand on the labor market:

- 1. To receive a specialized education. In foreign companies people with no subject education, are unlikely to be hired as HR-managers. But in Russia HRM specialist, who is well-aware of modern tendencies and who has workable knowledge in this field, is very rare. The reason is, in Russia it is quite a common practice, when a person receives a higher school diploma, but is employed in a completely different sphere. However, even in the Russian job market it is a great benefit for HR-managers to be knowledgeable in human psychology and management [3].
- 2. To be ambitious. Many people are afraid of working for large companies, as this is a big personal challenge. But, on the other hand, this is the best opportunity for career growth and self-development. Western employees readily prefer to gain work experience in large companies and are eagerly involved in complex problem solving, trouble-shooting activities and bear responsibility for mistakes unlike Russian candidates who are evidently less ambitious and not always display readiness to take initiative.
- 3. *To update knowledge*. It appears especially essential when doing paperwork or dealing with legal issues. The HR-manager's policy should be in

full compliance with the provisions of the Russian Federation Labor Code as well as other legal documents. Otherwise, it would inevitably provoke conflict situations or even cause administrative penalties. Therefore, a candidate should permanently try to keep up with any changes in the national legislation and demonstrate his professionalism in day-to-day work.

4. To be self-improving. For foreign managers it is an on-going process, they constantly attempt to improve their skills in personnel management, as a result accumulate vast theoretical experience to be applied in practice. So it is time for Russian applicants to realize that the university provides only primary, background knowledge, and later it must be constantly improved and perfected by joining training programs or by taking courses online [5].

Summarizing the above mentioned, one important conclusion can be drawn: the main problem of Russian specialists in the field of personnel management is the lack of up-to-date knowledge. Mostly specialists have to go abroad to obtain the contemporary expertise, but not everyone can afford it. This problem can be solved in the RF through setting up business schools, which must be comparable to European ones in education level, scope of knowledge provided, for Russian managers to be able to update their subject competence and successfully apply that in practice.

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# Deontological aspects of medical activity regulation in European countries

**Abstract.** The article analyzes the main tendencies in the science of deontology influencing the medical care regulation in the European countries. It considers participation of international organizations in drawing up the Medical Ethics Code aimed to establish moral norms in a doctor-patient communication.

**Keywords:** deontology; moral and ethic norms; the International Code of Medical Ethics; iatrogeny; empathy; justice.

Modern society is characterized by contradictions and diversity, "rapid development of highly automatic machinery and introduction of technocratic principles of government" [1], social transformations and mass culture pressure. Yet, whatever changes the society and its structure have experienced, man's health remains the most important social value.

The precept *Primum non nocere* — "do no harm"/ treat a man like the highest value — originated in ancient times and remains vital up today. This precept has gained importance specifically in medical activity and in the modern community in general. It sets a thin facet between a medical person's activity and manipulations, which can damage patient's health in the course of his/her treatment. This facet is indicated in the professional ethics of a medical man, whose main principles are: respect to a person's individuality, confidentiality, empathy as an ability of a medical person to sympathize with the patient's mental and physical state. It means that "if a patient's mental or physical condition makes impossible any confident relations, they should be established with his legal representative: a relative or some other close to him person, whose attitudes, from the doctor's point of view, meet the patient's interests to the utmost" [3].

Special attention should be paid to the principle of justice in the professional ethics, which all medical people ought to demonstrate to each and every patient. Thus, N. V. Dryannych points out that "being a part of moral and law culture of society and the notion of "social justice" has been and remains a moderator of public relations, a prerequisite of adequate coexistence of citizens" in different spheres, including medicine [2].

Therefore, deontology (*deontos* means "necessary") encompasses capabilities of a medical person to perform his human duties based on his/her professional principles concerned. Moreover, people engaged in medicine

consider deontology as an array of moral rules and obligations towards both their colleagues and patients, since the slightest doctor's mistake might make the patient suffer physically and morally.

At present, there exist several models of deontology worldwide, including European countries, the first one was developed by Hippocrates' as early as 300 years ago. It initially declared basic principles of the doctor's activity and his relation to a patient. It was Hippocrates, who believed that the major purpose of medicine was to cure the sick. Due to his study there was established the main principle – an individual approach. It focused on the individual approach to each patient, it required a doctor to examine every case entirely and thoroughly.

The second model emerged in the Renaissance era and reflected the ethical principles of Paracelsus, where special importance is attached to paternalism (*paternus* – fatherly, paternal), according to which a patient fully relies on the doctor's professional experience and capabilities. The nature of this model allows to take into account each individual, his peculiarities as well as a psychological interconnection between a patient and a doctor.

The contemporary model includes both the ideas of Hippocrates and Paracelsus, as well as those of modern scholars; it studies all moral and ethical peculiarities of the doctor's behaviour and performance of the doctor's duties. Besides, the main principle – "do no harm" – is proclaimed. Specifically it deals with the phenomenon of iatrogeny (ancient Greek *iatros* – "doctor" and *genes* – "generating"), i.e. the diseases, unhealthy condition caused by doctors.

All these models laid the foundation of the International Code of Medical Ethics, adopted by the third General Assembly of the World Medical Association in October 4, 1949, and later by the Helsinki Declaration "Ethical principles for medical research involving human beings as the subject" adopted in June, 1964 at the 18 General Assembly of WMA." The International Code of Medical Ethics encompasses the main components of medical deontology, namely, the way the doctor should behave when communicating with the patient, with the patient's close relatives, and his colleagues [3].

The cornerstone of the international acts in question is the idea that the doctor should be guided by the principles of ethics with regard to the patient – "every doctor is morally responsible to the medical community for his/her professional activity, and the medical community is responsible for its members to the society on the whole" [3].

Apart from the International Code of Medical Ethics, many countries such as France, Germany, Italy, Switzerland, and the USA have their own national codes of medical ethics. In June 1997, the All-Russian Pirogov Congress of Doctors approved and adopted "The Code of Doctoral Ethics of the Russian Federation".

To sum it up, deontology as a science is a list of moral standards to be followed by medical staff socially. A special area of this science is doctor's deontology, determining the professional ethics of medical people. Medical staff, observing the requirements of the professional ethics, can prevent deterioration of the patient's health, the development of iatrogeny.

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# Successful manager of 21st century: expectations of modern labor market

**Abstract.** Nowadays the job of a manager is becoming increasingly popular not only in Russia but all around the world. People who are involved in management are responsible for the development of the company they work for. Success in this area depends on both the experience and education as well as on professional skills and personal qualities of people involved. This article aims to determine these features and reveal characteristics that make a manager effective, successful, competent and sought-after.

**Keywords:** manager; management activity; features; HR specialists; professional skills; personal qualities; labour market; research.

The profession of a manager is very common these days. No company can do without one. A manager should be well-educated, have some industry knowledge to perform the work more effectively, understand basic financial concepts to know how to manage money, know when to delegate some tasks and identify workers who will do it well, keep track of projects, make sure employees and assignments meet the needs of the business, be aware of proper hiring and dismissing practices and a lot more [1]. But all the knowledge can hardly bring a manager much success if a person doesn't have certain personal qualities and skills to help him. That is why it is important to find out what these features are.

What makes a manager successful? To answer this question we conducted research to find out what qualities modern managers need. We found several websites on this topic and analyzed opinions of managers and HR specialists from some well-known job agencies involved in recruitment of top managers [2; 4]. After summarizing the information available, we made a list of skills and personal features which an effective manager must possess.

- 1. Leadership makings. This quality is considered absolutely necessary for all managers. One HR specialist described the change in search process for the head of the information department like this: "Previously, professional knowledge would have been in the first place but now more attention is paid to leadership skills than to technical ones" [2]. However, experts opinions split on the question "What kind of leadership is required?". Some answered "inspirational leadership", others said "democratic leadership" or "leadership as a combination of sincerity, respect for others and the ability to build trust in the team" [2]. Several experts noted that the type of leadership is determined by the needs of a specific company: "If a company is growing quickly, covering fresh ground, it needs a strategic leadership" [2].
- 2. The ability to build relationships and create a team. Many consultants look for candidates who can organize an ideal team: the ability not only to get people together but also to lead them, so that the team works in harmony. "No one wins alone", one HR specialist warned, and another added that a modern manager should "focus not on his own interests but on the development of the team" [2]. Managers should be "command-oriented, constantly work in a multitasking mode, withstand tension and all this with a broad smile on their face".
- 3. The ability to listen. The work of managers is closely linked with communication. A leader should find a common ground with employees and more importantly be able to notice their own professional and personal needs. John Levitt, a general manager of Parse.ly, believes that listening is "the most simple and obvious quality... By recognizing the needs of others you can build

an effective dialogue" [4]. When you know the situation in the group, you can turn, motivate people in the right way and prevent conflicts. The ability to listen to people is very significant as using this you will find a good decision faster and will be able to keep peaceful and friendly atmosphere in your team.

- 4. The ability to present oneself and communicate. All the specialists agreed that the ideal manager should have the talent of convincing diverse audiences and the ability to present himself and his ideas. "The ability to present oneself turned into a key to success", one of the experts argues, "and in the future its importance will only increase, as the media, government, employees and shareholders are interested in big business life" [2]. Finally, managers must be receptive to new information and able to analyze it.
- 5. Flexibility and resourcefulness. Time moves on and, as the world rapidly changes, opportunities can be both created and missed. A manager must be able to adapt to an array of situations and be ready to figure out a way out of every. Present day requires a person with a quick and inventive mind who can in a moment apply all his knowledge and skills to generate a considered decision. At the same time John Levitt notes: "A sluggish and apathetic person will never succeed. But you have to bear in mind that any rush should be reasonable but not reckless" [4]. Slowness or excessive hastiness can play a bad joke. When a company's success is at stake it is important to strike a balance.
- 6. Honesty and sincerity. The reputation of a person who always respects ethical standards is very much appreciated, according to the interviewed experts. One of them said that "earlier this wasn't emphasized but now the issue of reputation came to the fore" [2]. "Personal honesty, observance of moral norms became much more important because the information is now spread much faster" [2]. John Levitt, a general manager of Parse.ly, also stated that "sincerity is very important, people always feel falsity, they don't trust such specialists and don't make deals with them" [4].
- 7. Stress resistance. Managers always deal with a wealth of information and they have to control and lead their team. This work has never been simple and quiet. People who want to be managers should be warned that their dream is a tense, hard work that requires attentiveness and full value from a person all the time. Resilience is composed of patience, calmness, the ability to control yourself and, of course, the ability to accept a denial.
- 8. Being ready to discover new things. Managers in their work often deal with a lot of different companies and products, for example, heads of Sales. That means they should study the information about the fields of their

activity to know how to work with them and also to be open to new ideas, knowledge and offers.

Being a manager might seem simple and boring like any administrative work at all. Managers usually head up different divisions of a company, for example, Human Resources or Sales department. However, their responsibilities do not only consist of leading, planning, analyzing but also communicating, decision-making, motivating their workers and building connection between bosses and employees. The main goal of manager's work is to develop their company and help it achieve success in a certain area of its activity.

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# Psychologisches und pädagogisches Porträt eines erfolgreichen Managers des XXI Jahrhunderts

Abstract. In diesem Artikel wird das psychologische und pädagogische Porträt eines erfolgreichen Managers des 21. Jahrhunderts analysiert, entsprechend den Erwartungen des modernen Arbeitsmarktes. Organisatorisch-pädagogische Bedingungen der professionellen Vorbereitung zukünftiger Managers werden auch betrachtet. Besonderes werden die Fähigkeiten, Kenntnisse und Fertigkeiten unterstrichen, die für moderne Spezialisten im Bereich Management in ihrer beruflichen Tätigkeit notwendig sind. Die Bedeutung der Konfliktkompetenz in der Berufsausbildung von Managern, die ihnen hilft, berufliche Tätigkeit auf hohem Niveau zu halten und eine hohe Effizienz bei der Interaktion und Kommunikation zu erreichen, und dabei die Ergebnisse der Verwaltungsarbeit erhöht, wird hervorgehoben.

**Schlüsselwörter:** psychologisch-pädagogisches Porträt; Manager von heute; berufliche Ausbildung; Fähigkeiten; Kenntnisse; Fertigkeiten; Konfliktkompetenz.

In letzter Zeit bekommen im Bereich Management immer mehr Bedeutung die Fragen darüber, was ein moderner Manager sein sollte, welche

Qualitäten er in der beruflichen Tätigkeit braucht und was für ein Manager den Erwartungen des Arbeitsmarktes im 21. Jahrhundert entspricht. Ein Versuch, diese Frage zu beantworten, wird von vielen Wissenschaften unternommen, darunter Hochschulpädagogik, Psychologie, Managementtheorie, Konfliktforschung. Wir analysieren ihr Wissen und versuchen ein psychologisches Porträt des modernen erfolgreichen Managers zu bilden und zu beschreiben.

Der moderne Manager muss eine aktive, mobile Persönlichkeit sein und fähig sein, in einer sich blitzschnell verändernden Umwelt, unter der Wirkung wirtschaftlicher und politischer Herausforderungen unserer Zeit Entscheidungen zu treffen, weil es im Prozess der beruflichen Vorbereitung der zukünftiger Managers "besonders aktuelles Problem ist, eine neue Qualität der Berufsausbildung, die auf die Vorbereitung von hochqualifizierten, mobilen, wettbewerbsfähigen Spezialisten zur bevorstehenden beruflichen Tätigkeit unter den Bedingungen des modernen Arbeitsmarktes auf verschiedenen Ebenen und Profilen konzentriert ist, zu erreichen" [3]. Gleichzeitig ist die Fähigkeit, kreative Lösungen verschiedener Forschungsprobleme zu suchen und wissenschaftlich zu denken, eine unabdingbare Voraussetzung für die Bereitschaft des Managers, beruflich aktiv zu sein.

Da der Manager indirekt durch die Arbeit seiner Untergebenen an der Schaffung materieller Güter beteiligt ist, hängt die Entwicklung aller Bereiche des sozialen Lebens und des wissenschaftlichen und technologischen Fortschritts vom Niveau der Ausbildung des Personals im Bereich Management ab. Ein moderner Manager soll die besten Qualitäten besitzen, die verschiedenen Fachgebieten gehören, "Entscheidungen treffen, die die Person und die Gesellschaft widerspiegeln und ihre Entwicklung bestimmen" [4]. Ein richtiger Manager des XXI Jahrhunderts muss eine Reihe von allgemein kultureller Kompetenzen besitzen, unter denen ein wichtiger Platz das Wissen der Berufsethik und Befolgung seiner Regeln besetzen, und auch die Fähigkeit und das Engagement für persönliche und berufliche Selbstentwicklung und Selbstverbesserung.

Im Bereich der Kommunikation im Zusammenhang mit public relations braucht moderner Manager rhetorische Fähigkeiten und auch die Fertigkeit, Business-Kommunikationen zu bauen und zu führen, weil "die Fähigkeit, seine strategische Kommunikationslinie zu bauen, und sie in der Taktik des Verhalten im Gegensatz zu anderen Strategien umzusetzen; die Fähigkeit, neue Sprachpartner zu berücksichtigen und die Rollen zu wechseln; die Fähigkeit zur probabilistischen Vorhersage des Verhaltens und der Aussagen

von Partnern" eine große Rolle spielt [5]. Ein Mensch, der imstande ist, seine Gedanken klar, deutlich und richtig zu formulieren, kann unter der Bedingung, dass seine Rede verständlich und ausdrucksstark, emotional gefärbt ist, auf den Erfolg der Kommunikation zählen. Das alles braucht ein moderner Manager, weil die Kommunikation einen wesentlichen Teil der beruflichen Tätigkeit ausmacht und die Ergebnisse der Arbeit des Managers vom Erfolg der Kommunikation abhängen.

Was die Projektaktivität betrifft, ist seine Umsetzung von modernem Manager ohne Kenntnis der Methoden, Techniken der Selbstorganisation und der Erarbeitung von Projektdokumentation, ohne Offenheit des Managers für organisatorische Veränderungen, ohne die Fähigkeit, mit anderen Vollzieher effektiv zu interagieren, ohne die Bereitschaft in einem Team zu arbeiten unmöglich, weil das Konfliktlosmanagement "durch die Existenz und Einhaltung einer Reihe von Regeln, Verboten, Traditionen, korporativen Bräuchen, Wahrnehmungen, Werten, die von allen akzeptiert und geteilt sind", erreicht werden kann [6]. Um es zu implementieren, muss ein moderner Manager die Fähigkeiten zur Prognose, Planung und zu den fundierten Entscheidungen haben. Wir glauben, dass die Dozenten im Prozess der beruflichen Ausbildung zukünftiger Spezialisten im bereich Management viel Aufmerksamkeit der motivierender Funktion des Lernprozesses, der Erziehung professioneller Identität und beruflicher Selbstbestimmung der Studenten zahlen sollten, weil "moralische Stimulation fördert noch mehr Engagement, Wahrnehmung der Arbeit als Lieblingsding, was Zufriedenheit im psychologischen und finanziellen Sinn bringt" [8].

Heute ist eine besondere Rolle bei der Vorbereitung des zukünftigen Managers der Konfliktkompetenz zugeschrieben, deren Formung das konfliktfreien Verhalten von Managern und ihre Vertrautheit mit den Methoden der Konfliktprävention, den Besitz von Wissen über Konfliktlösung, sowie die notwendigen Werkzeuge zur Konfliktverhütung und Konfliktlösung bedeutet, denn "Wissen über die objektiven Gründen und Mechanismen der Entstehung und Entwicklung von Konflikten ermöglicht es, sie zu prognostizieren, zu verhindern oder zu lösen, am besten geeignete Verhaltensformen in einer Konfliktsituation zu bestimmen und rationale Einstellung zu Konflikten bilden" [1]. Moderner Manager muss verstehen, dass nur die Suche nach einem Kompromissweg, das Treffen der Entscheidungen, die beide miteinander agierenden Seiten zufrieden stellen, weil "die Realisierung von gegenseitig vorteilhaftem Ansatz zur Konfliktmanagement ermöglicht es, das Niveau des

Konfliktmanagements in der Organisation zu erreichen" [7]. Es sei darauf hingewiesen, dass die Kenntnisse, Fähigkeiten und Fertigkeiten des zukünftigen Managers in der aktiven Beziehung zwischen Theorie und Praxis geformt werden, unter Berücksichtigung von Aktivität- und Kompetenzansätzen, weil viel Aufmerksamkeit heutzutage "maximaler Offenlegung des Potentials des Individuums, seiner Selbstverwirklichung, der Fähigkeit und Bereitschaft zur Selbstfindung, Wissen und zur Analyse neuer Informationen, die der Aktivität des Individuums unterliegen sind", gewidmet ist [2].

Somit ist das psychologisch-pädagogisches Porträt des modernen Managers eine ganze Palette von Fähigkeiten, Fachkenntnissen und Fertigkeiten, ohne die das Entsprechen des modernen Managers den Forderungen des modernen Arbeitsmarktes sowie die Steigerung und Erhöhung der Effizienz von Verwaltungsarbeit unmöglich ist.

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### Negotiations. Key skill of today's manager

Abstract. The paper provides the author's view on why negotiations skills are important for modern managers and how they can make a successful negotiator. Keywords: management; negotiations; management fighting; successful negotiator; soft-skills.

There are many papers devoted to important managerial skills of the present time. In many ways, the skill of negotiation is recognized as the most essential one.

The 2018 World Economic Forum in Davos identified 10 professional competences as most frequently sought by business leaders in 2020. Among them: critical thinking, creativity, emotional intelligence, people management, cognitive flexibility, negotiations, coordinating with others, complex problem solving, service orientation, judgement and decision-making.

Negotiation skills are in the list. It means that world business leaders perceive this skill as a really important one.

Negotiating on a daily basis is a thing that everybody deals with. Each day we are involved in routine negotiations. We negotiate with our friends, our parents, our tutors, etc. We need to negotiate when we buy something or when we apply for a job. People demonstrate themselves as negotiators every day of their lives.

People who work in business are involved in negotiations more often. Negotiations are definitely a key to business success, as no business can survive without profitable contacts.

People who want to make successful career advancement also need to be skilled and experienced negotiators. Because the higher the position, the better negotiations skills a manager should master.

It's important to remember that negotiations involve several key aspects. Among them are analytic abilities, which means the ability to analyze the situation sensibly and prepare facts and arguments in view of strengths and weaknesses of the counterpart; empathy – the ability to understand interests, intentions and emotional state of the other party, ability to plan or to create the strategy of negotiations, communication skill, etc.

How can one improve to be a successful negotiator? The most obvious way is to develop each of these skills separately, which might take

a long time. However, the well-known Russian manager and business trainer Vladimir Tarasov worked out the way to develop all these skills simultaneously, to be better-prepared for negotiations of any degree of complexity.

Vladimir Tarasov is a well-known social technologist and a founder of the first school of business in the USSR. Additionally, he is an author of the new trend in management – the Art of Management Fighting. Now this technology is widely applicable in the Russian Federation, Germany, Belarus, USA and other countries as an effective way to improve negotiations skill.

Management fighting (according to the Art of Management Fighting) is a game technology that teaches to save relationships, to respect and understand the attitudes of the other party. It develops professional and management skills as well as the ability to negotiate issues fruitfully. Like any game, management fighting has certain rules, which are easy enough.

Two players take part in negotiations trying to resolve a problem situation. They are offered 3 or 5 conflict issues. They sit at the desk. Every player has only 5 minutes to solve the conflict and find a profitable solution. The first player chooses the role for himself and for the opponent. According to the given role, every player attempts to achieve certain goals in view of the interests of the business he represents. During the simulated negotiations participants play from 2 to 5 rounds changing roles and making moves with the chess clock. Every player has an assistant who helps to prepare for negotiations. This 'cornerman' can take time-out once a game to consult the player, help him cope with the situation. There is also an arbitrator who has necessary knowledge of gaming Management Fighting.

When the time is up, 9 judges from 3 judging panels summarize the result of the game. Judges from the first panel act as would-be employees wishing to apply for a job. They are to choose a player they would prefer to work for. The role of the judges from the second panel is to select the best candidate to be sent to some challenging negotiations which they can't attend. The third judging panel members are to decide: "Whom to trust their property?".

A the final stage the judges vote to support one of the participants and the arbitrator announces a winner. After the game is over, every judge gives a feedback to players, explaining his choice. This feedback is a unique feature and instrument of the management fighting, because in real life, when a person finishes negotiations, the other party never sits down to share his

<sup>&</sup>lt;sup>1</sup> Tarasov V. The Art of Management Fighting. Moscow: Dobraya Kniga, 2002.

feelings and perceptions, which could have been of real value for business people to learn from.

To conclude, participating in negotiation is to be considered as a key skill of every modern manager. Both personal life and career advancement depend a lot on mastering this skill. A business person can avoid some expensive and destructive mistakes learning from errors made at simulation activities. Just play the game.

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## Jack Ma's leadership style as a key to Alibaba commercial success

**Abstract.** This article aims to analyze leadership qualities that result in a commercial success of a company. The authors focus on leadership qualities and style of Jack Ma, who is a textbook example of a modern Chinese leader. The main goal is to find out how business leaders determine the company success and what can be learned from Jack Ma's experience.

**Keywords:** modern leader; leadership skills; leadership qualities; trait theory.

Publications in economics offer different definitions of leaders and leadership. Professor Warren G. Bennis argues that leaders are people who do the right thing; managers are people who do things right. Mr. Tang Yuan defines a leader as someone who conducts leadership activities and leads a group of people to achieving the goal. Business Dictionary defines a leader as a person that holds a dominant or superior position within its field as soon as he is able to exercise a high degree of control over or influence on others. Besides, an effective leader is a person who does the following: (a) creates an inspiring vision of the future; (b) motivates and encourages people to get engaged with the vision – manages a delivery of the vision; (c) coaches and builds a team, so that to make it most effective at achieving the vision.

Successful leaders always manifest a set of unique personality traits that make them powerful and effective. The first and foremost, it is self-management. They clearly know what has to be done, what does not, and they can fulfill their plans well. The second important trait is to be an effective

<sup>&</sup>lt;sup>1</sup> *What* is a leader? Definition and meaning // Business Dictionary.com. URL: http://www.businessdictionary.com/definition/leader.html.

communicator. When they communicate with teamworkers, they can clearly express their ideas and persuade people to achieve goals. Another significant trait is to be accountable and responsible. They do not evade responsibility if difficulties arise; they do their best to resolve them. The forth trait is a capability of setting clear goals and being persistent in achieving them. They can pursue goals and never give up. Then comes an idiosyncrasy trait is to have a vision of the future. They know what they want to be and what they want to get in the future. Number six is team building and promoting teamwork. They are good at teamwork and know how to encourage their employees to work in teams. The last is being skillful in establishing lasting relationships. Leaders must be efficient in getting along with others, and must be able to create long-term relationships¹. In view of the above, a leader must have a variety of personality traits which normally manifest themselves in different leadership styles.

Over the last decades there have been put forward a number of leadership theories that determine a manager's leadership style<sup>2</sup>. Most popular theories are: managerial (transactional) theory, relationship (transformational) theory, behavioral theory, situational theory, contingency theory. etc. The Great Man theory, for instance, argues that "great leaders are born, not made".

This article focuses on the trait theory and supports this theory by the example of Jack Ma, the world famous Chinese entrepreneur. The "Trait theory" was put forward by Gordon Allport in 1936. The author argues that "cardinal" traits are those that dominate and shape a person's behavior. If someone has these traits, or demonstrates this behavior, it will be easy for such a person to become a successful leader. These traits include intelligence and action-oriented judgment, eagerness to accept responsibility, task competence, understanding of followers and their needs, skill in dealing with people, capacity to motivate people, courage and resolution, trustworthiness, decisiveness, and self-confidence.

A convincing example to demonstrate how the "Trait theory" works in real life is Jack Ma, a typical successful leader in China. He was born on October, 10 in 1964 in Hangzhou, Zhejiang. Now he is a cofounder and chairman of the Alibaba Group. Currently, his business net worth is about \$42.1

<sup>&</sup>lt;sup>1</sup> Patel D. A paperboy's fable: The principles of success. URL: https://en.wikipedia.org/wiki/Jack\_Ma.

<sup>&</sup>lt;sup>2</sup> What is Leadership. URL: http://dmcodyssey.org/wp-content/up-loads/2013/09/What-is-Leadership .pdf.

billion. But for Alibaba, Ma's investments include China's entertainment industry, the companies Huayi Brothers and Beijing Enlight Media.

We tend to think that Jack Ma is a good example of the efficient leadership style described in the "Trait theory" and here are the reasons to explain that. There is no doubt that he has adequate skills in dealing with people. Jack Ma assumes that no matter how hard you try, you are unable to convince everyone, especially business partners, major investors and your customers. To make them trust you, accepting and changing your approach is a key to the success. He also has courage and resolution.

In his article for the 2015 World Economic Forum, Harvard Business School professor Bill George also described Ma as someone who "embodies the global intelligence that is needed for today's global leaders". He is ready to bear responsibility. One of his greatest life goals is to help more people to earn sustainable money which is of special benefit not only for themselves, but also the society on the whole. Jack Ma's aim was to build the largest ecommerce platform not only to earn profit, he created one million jobs for the national labor market allowing to improve the social and economic environment in his country, China<sup>1</sup>.

As people know, he is self-confident. He is not afraid to make mistakes. He said: "By 2002, we had cash enough to survive for 18 months only. We just had a lot of free members using our site, and we did not know how we would make money. But we developed a product for China exporters to meet U.S. buyers online. This model saved us. By the end of 2002, we had made \$1 mln in profits. Each year we improved."

To conclude, a successful leader, first of all, can control and standardize his own behavior well, he leads those who follow him to achieve the set goals. Eventually, a true leader makes the company successful by carrying out the process of controlling and guiding the others to how to achieve the set targets. Jack Ma, as a successful leader, knows how to encourage followers and reveal their potential. After studying and researching the experience of Jack Ma, we can see that he tries his best to work, to motivate people, to learn English. To be honest, you cannot call him a handsome man, but he is ready to resolute actions, to accept responsibility, to become confident and is not

<sup>&</sup>lt;sup>1</sup> *Jack* Ma on Alibaba. Entrepreneurs and the Role of Handstands. URL: http://dealbook.nytimes.com/2014/09/22.

afraid to make mistakes. If an ordinary person can do as he does, this ordinary man will become an extraordinary personality.

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## Problems of modern management in Russia

**Abstract.** The article reports on the main problems of management in Russia. There is an analysis of main problems of management and where they mostly result from. The paper suggests some areas for management development in Russia

**Keywords:** management; efficiency; quality management system (QMS); problems of management.

The term "management" has a rather capacious meaning and is typically used in broad terms. It implies management, guidance, administration. First of all, this term refers to people, personnel management, society. The concept of "management" also includes management of resources through using methods of planning, organizing, coordinating, motivating, as well as controlling and analyzing available resources, in order to achieve the established goals [2].

Currently, management problems at enterprises of Russia are rather challenging, therefore, any attempts to identify them require better understanding of what the main tasks of management are:

- never to surrender the objectives to retain the market share, at the right level of competitiveness;
- to set the goals enabling to fully meet requirements and interests of businesses; equally, the goals should be in line with the Russian market needs.
  - to earn the maximum profit at the minimum costs;
- to raise business efficiency through the use of modern methods and principles of personnel management;
- to achieve maximum performance efficiency of each company employee;
- to resolve inter-personal conflicts, create friendly atmosphere, to encourage reliable staff performance;
  - to develop advanced activities and to put them into practice;

• to wisely introduce progressive methodology of foreign countries, taking into account the geography of Russia, its history, the mentality of Russian people [4].

In fact, the fulfilment of all the above tasks simultaneously is hardly possible, due to the problems and difficulties the national management faces to date.

For instance, the issue of managerial quality remains one of the chief problems of the Russian modern management. For over a decade, this specialization has been in the list of most Russian universities. Yet, this does not ensure an adequate level of training managers. Far from it. Actually, there are very few professional managers with a proper job experience, well-tested under the practical conditions of the market economy. It can be explained by the fact, that graduates of the 00s badly lack practical skills. In practice, it appears too difficult to turn various new and effective management principles into reality. It requires radical changes of the business philosophy and a different staff psychology (especially managers), including an on-going personal potential development.

The corrupted economy is another thorny problem of management in Russia. All the managers of the country can be divided into two large groups: managers running state institutions and private sector managers. In fact, in the West, public sector managers and material benefits/values are completely separated, in Russia, quite the opposite – large state orders are invariably won by public servants, enormous profits settling in their pockets, turning them into top officials. At the same time, development of the national private sector and the commercialization of Russian private companies in the global market still are not in the focus of the Russian economy [3].

So far, there is no productive interaction between a top manager and abusiness owner, which is another negative feature of the Russian management paradigm. The point is, a top manager pursues certain strategic objectives aimed at maximizing profits, and not always his decisions effect positively the budget of the firm, mainly at some intermediate stages. More often than not, an owner of the company does not care about the strategy, he is obsessed with making the highest possible profit and requires it at every other stage. However, the company is bound to success, provided both the top manager and the owner are equally interested in the strategic development of the company. In practice, most frequently the manager is fired, but the unsolved problem of the management efficiency and effectiveness remains.

Besides, in the system of the Russia management one can observe another specific tendency: job shifts, when a subordinate/worker takes a managerial position. Yet by problem-solving, by a line of thinking he remains an expert in his area. So, paradoxically, this manager more willing deals with technical problems rather than management issues.

There is another negative factor to mention – the absence of a single (generally recognized) methodological basis in quality management, which leads to the fact that Certificates of Conformity issued by various certification bodies are completely inadequate. Or rather, the problem boils down to the fact that there is no universal methodology to assess every enterprise's conformity to the QMS (quality management system).

Thus, you can observe numerous problems in the organization of management in Russia, since both theoretical and methodological foundation of management are underdeveloped. Decidedly, it is necessary to study foreign experience, other countries' principles, management methods, though taking into account the mentality and culture of Russian people. It is very probable that the reasons why Russian businesses lag behind their foreign competitors in management efficiency are not only backward technologies, but also the lack of business transparency, negligence of importance to continuously develop and improve the quality of every management subsystem.

Only a professional approach and individual responsibly can help find solutions to all the above problems, that is, improve the efficiency of management as a whole.

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Россия в глобальном мире: вызовы XXI века [Текст]: материалы I Всерос. студенч. науч.-практ. конф. (с междунар. участием) (Екатеринбург, 13 апреля 2018 г.) / [отв. за вып. И. И. Шурова]; М-во науки и высшего образования Рос. Федерации, Урал. гос. экон. ун-т. — Екатеринбург: [Изд-во Урал. гос. экон. ун-та], 2018. — 205 с.

В материалах конференции представлены статьи российских и зарубежных студентов и магистрантов на английском, немецком и французском языках, посвященные современным тенденциям мировой экономики в условиях глобализации, таким как регионализация, цифровизация и др. Дается прогноз развития национальных экономик в условиях неравенства в современном мире. Авторы рассматривают и более узкие актуальные вопросы, связанные с проведением массовых мероприятий и логистикой, а также дают свое видение роли успешного менеджера будущего.

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