



International periodic scientific journal

—*ONLINE*

www.sworldjournal.com

SWORLD Journal

ISSN 2227-6920

Economy

Volume J21517 (9)

November 2015

Published by:
Scientific world, Ltd.

With the support of:

Moscow State University of Railway Engineering (MIIT)

Odessa National Maritime University

Ukrainian National Academy of Railway Transport

State Research and Development Institute of the Merchant Marine of Ukraine (UkrNIIMF)

Institute for Entrepreneurship and morehozyaystva

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Author(s), "Title of Paper," in SWorld Journal, Vol.J21517 (9) (Scientific world, Ivanovo, 2015) –
URL: <http://www.sworldjournal.com/e-journal/j21517.pdf> (date:...) - page - Article CID Number.

Published by:

Scientific world, Ltd.

e-mail: orgcom@sworld.education

site: www.sworldjournal.com

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J21517-001

Novosad V.V.

PRICING ISSUES FOR NATURAL GAS IN EUROPE

*Scientific Society "MAE",
Kyiv, Horeb 33, of. 42, 04070*

Abstract. Energy pricing, especially natural gas pricing is very important for all organizations and households. In many cases natural gas pricing has a significant effect on the formation of tariffs for electricity and the prices for heating and hot water. The formation of natural gas prices in Europe has its destructive features. This is due to shortage of domestic production and supplies of natural gas from Russia. In this article we examined these features and tried to give recommendations how to use these features to support own economics and prevent a fall of living standards of people in these countries.

Key words: natural gas, pricing for energy, marketing.

Introduction. Because the cost of energy consumption takes a significant share of the costs of any product and the budget of each person, questions of energy pricing are important for each country. Regulation of relations between producers and consumers of energy resources is an important role for the state, which is obliged for take care of the growth of the economy, national security and growth of its society. Energy prices are a tool that can provide great opportunities for the development of the economy or cause negative trends. They may also so how to encourage the consumers to economical use of these valuable resources and cause collapse in the country because of non-payments. Improving the energy efficiency of production and consumption, new technologies of energy production, new sources of energy opened up new opportunities to reduce energy prices on world markets. So, the prices of natural gas in the United States began to decline due to increased shale gas extraction. In Europe gas prices are down due to the fall of the oil price and the diversification of supplies and increase the supply of gas from Norway. Creating energy markets in North America and in Europe gives additional conditions for the diversification and optimization of energy supplies and the conditions to optimize pricing. Gas sector this felt especially. So, in 90-years of the last century Gazprom on each 1000m³ exported to Europe gas had the profit \$250, but today this profit is only \$60.

The introduction of market relations in the sphere of trade with energy provides additional opportunities to optimize energy pricing. Monitoring of prices at the international level gradually exclude the possibility for the conclusion of political deals for subjective reasons. Consideration of energy prices of one country in comparison with other country and other indicators can give an opportunity to suggest what effect can be expected in the near future. External factors have a huge impact on the policies of each country. However, the system of regulation of relationships and pricing policies for energy resources of the each country is built according to the internal conditions of this country.

1. General principles for the use of marketing in the pricing of natural gas

Natural gas is a valued source of energy because it is versatile and burns cleanly. As result natural gas is common place in applications including cooking, residential

and commercial heating, industrial process feed stocks and electrical generations. Currently, the share of natural gas in the global structure of energy consumption is about 24%. According to the data of International Energy Agency the consumption of natural gas is expected to increase in the overall energy balance. [1]. Main factors contributing to the growth of natural gas consumption in the world are growth of number of power stations that used the natural gas and decrease in attractiveness of nuclear energy and environmental problems.

This huge natural gas industry requires special attention in every country. The introduction of the market in this important industry creates competition among the companies that are part of a system for providing of consumers with natural gas. With introduction of the natural gas market, a huge amount of new relationships between producers, processing plants, pipeline companies, storage operations, distribution companies and their consumers was created. Also a lot of the different natural gas prices appeared with the development of the natural gas market.

Existing business relationships in the natural gas industry have some stages of the natural gas sales. At each stage there is a large amount of transactions, relationships, and, accordingly, a large amount of prices. The system of these prices is based on mutual agreements between suppliers and consumers.

So, we have two sides that play different roles in the process of natural gas pricing. One side is the companies that are involved in the process of ensuring with natural gas of end users. Their price level is based on the desire to cover the costs, to ensure the development of production and to receive a profit. Other side is the consumers which want to have a price that corresponds to their abilities to pay accounts. The introduction of the natural gas market will adjust relationships between these two sides. Such markets of natural gas were established in North America and Europe.

The main principles on which is based their work:

- 1). Ensuring a high level of protection of the rights and interests of consumers, and security of supply through diversification of sources of natural gas supply.
- 2). Free trade of natural gas and equality of the market subjects regardless of the state.
- 3). Free choice of natural gas supplier.
- 4). Equality of rights to import and export of natural gas to other areas.
- 5). Non-interference of the state in the functioning of the natural gas market, except when it is necessary to ensure the common interests.
- 6). Ensuring equal rights to access to the gas transmission and gas distribution systems, and gas storages, and local distribution companies (LDC).
- 7) The inadmissibility of restriction on competition.
- 8). Compliance with the established norms and safety standards.
- 9). Protection of the environment and rational using of energy resources..
- 10). The responsibility of the market participants for violation of rules of the natural gas market and the terms of contracts.[2,3,4,5]

Active gas market naturally leads to lower prices for natural gas. However there are several economic drivers that provide an incentive for producers to continue producing even in conditions of declining prices:

- if production from a natural gas well is halted; it may not be possible to restore the well's production due to reservoir and wellbore characteristics.

- if net present value of production in the future may be negative relative to productions on the gas today, it may be better to produce gas today than to wait until the future to produce gas. If producer chooses not to operate a well, production can't be recovered the next month. In this time there are no guarantees that the prices for gas in the future are going to be higher than prices today.

- some natural gas is produced in association with oil, and in order to stop the flow of natural gas, the oil production must be stopped as well, which may be economic.

- a producer may be financially or contractually bound to produce specific volumes of natural gas.

On the other hand an increase in prices for natural gas does not always correspond with financial opportunities of consumers'. However they are forced to accept the current price. Producers and consumers react rationally to changes in prices. Fluctuations in the price of the natural gas market provide the signals to both supplies and consumers to ensure a constant move towards supply and demand equally.

Considering that many factors can have a negative impact on the price fluctuations and on the financial conditions of the both producers and consumers, it is important to have knowledge about these factors. Because consumers are those for whom this process of production and transportation of natural gas is organized, it is necessary to research these consumers in terms of the basic principles of marketing.

Determination of the target consumers has been a major step in the marketing research. The large industrial enterprises are these target consumers. They prefer direct contracts with producers for a long period of delivery and more stable prices than on the market. Providing such opportunities for this category of consumers gives them to more stable operation, and the ability to plan over the long time their activity.

The next large category of consumers includes power plants used natural gas as a fuel. Taking into account that the markets of electrical energy are in many countries and that prices for natural gas have significant effect on the price of electricity from these power plants, activity of both the natural gas and electricity markets should be organized in such way that their prices are accurate.

So, two major categories of consumers (the target consumers and power plants used natural gas as fuel) constitute a basic level of total consumption of natural gas.

Another important category of consumers consists of those consumers whose needs must be satisfied, regardless of fluctuations in natural gas production. They're called «protected consumers". This category of consumers includes:

- Domestic consumers.
- Enterprises and organizations that produce goods or provide services which are important for the whole society.
- Consumers which due to technical reasons can't change of suppliers.

Within this category of consumers there are a lot of consumers groups with different abilities to pay bills. The state may have regulate pricing of some groups of such consumers through the reducing of the payments of producers to the budget for

the amount of natural gas supplied for these groups of consumers.

All other categories of consumers should work according with the general rules of the natural gas market.

Despite the fact that the price of natural gas for consumers is formed on the market, terms of delivery, quality of natural gas are different in different consumers. Therefore, the price of the natural gas market can be only as a base price for all consumer groups.

Given today's possibilities of computer calculations we can create a system of pricing for natural gas that will be able to take into account all conditions of the supply of natural gas for each consumer. It would be desirable that the provider could offer several forms of tariffs, conditions of supply and payments to stimulate the consumers to the rational use of natural gas.

The individual price for natural gas consumers can be formed on the base market price, taking into account such factors:

1. The quality of natural gas, which is supplied, its physical and -chemical properties and other specifications.

2. Terms of the ensuring the safe supply of natural gas: for category C-minimum safety standards, for category B-average safety standards, for category A -maximum safety standards.

3. Use technical means of measuring of the amount of consumed natural gas.

4. Conditions of the physical and commercial balancing.

5. Rules of distribution and regulation capacities in the critical moments of overloads.

6. Terms of the exchange of information.

7. The form and terms of payment for the consumed natural gas.

8. The type of tariff stimulating to the rational use of natural gas.

The use of such a large number of additions and amendments to the base natural gas price requires a detailed consideration of the conditions of supply of all consumers and the formation of small groups with the same conditions of natural gas supply.

Marketing research of natural gas consumers will allow to correctly determine the value of rebates and allowances to the price so, that their using will have a stimulating role for the consumers and will bring benefit for suppliers. It is important that the provider will be able to give for consumers opportunity to select the conditions that will be correspond with their needs and financial resources. In such circumstances, the consumer receives an additional opportunity to influence on the level of natural gas price, which is supplied for him personally.

The current pricing system for natural gas gives a good effect where there are the natural gas markets. At the same time, even in conditions of activity of the natural gas market there are conflicts of interests between suppliers and consumers. Such conflicts arise as a result of the equal prices for the supply of natural gas under different conditions. Such different conditions can be:

1. The quality of natural gas, which is supplied, its physical and -chemical properties and other specifications.

2. Terms of the ensuring of security supply of natural gas.

3. Using technical means of measuring of the amount of consumed natural gas.
4. Conditions of the physical and commercial balancing.
5. Rules of distribution and regulation capacities in the critical moments of overloads.
6. Terms of the exchange of information.
7. The form and terms of payment for the consumed natural gas.
8. The type of tariff stimulating to rational use of natural gas.

Marketing research of consumers once every 3 years and establishment of the variety discount and bonuses for the market price will be to able taking into account all possible terms of delivery and settlement. The consumer receives an additional opportunity to influence on the level of the natural gas price, which is supplied for him personally. So, giving for consumers the choice from many different conditions of natural gas supplies and corresponding amendments to the basic price, you can solve many problems in the pricing of the natural gas.

2.Features of pricing for natural gas in the countries in Europe

In Europe natural gas prices are heavily dependent on external supplies of natural gas, particularly from Russia. Gazprom supplied Europe with 161, 5 billion cubic meters of natural gas in 2013. Today Gazprom remains the key gas supplier to the Europe. [11].In connection with this fact, the natural gas prices in European countries are very high. In recent years the prices of natural gas have substantially decreased, but in comparison with the United States [tab.1] and Russian prices, [tab.2]European natural gas prices are still high[tab.3].

Table 1.

Export-import prices of natural gas in US* .

	Nov.2014		Apr.2015	
	\$/ft3	\$/m3	\$/ft3	\$/m3
Import price	3,97	140	2,59	92
Export price	4,44	157	2,88	102

*A source of information [1]

Table 2.

Wholesale price in Russia* .

	Rub/1000m3	\$/1000m3
Moscow Region with tax,2015	3761	68

*A source of information [17]

The dollar exchange rate as of June2015

Table 3.

Prices for natural gas to Europe (average)* .

Years	\$/MMbtu	\$/1000m3
2011	10,3	390
2012	11,69	443
2013	12,29	465
2014	10,2	387
2015	7,27	276

* A source of information [10]

High natural gas prices have a negative impact on the competitiveness of goods and welfare of European countries. If European countries with developed economy can withstand this high level of the imported natural gas prices, in Eastern European Countries such prices may destroy their economy.

If we consider the prices of natural gas of the each country for end users, all European countries can be divided into 4-four groups.

1. Natural gas prices in the developed European countries.
2. Natural gas prices in the Eastern European Countries which are part of the European Union (EU).
3. Natural gas prices in the Eastern European Countries, which are not part EU.
4. Natural gas prices in the Russia.

Table 4.

Natural gas prices in well developed European countries *

Countries	Industry		Household		% Household to Industry
	Euro/kWh	\$/1000m3	Euro/kWh	\$/1000m3	
EU28	0,0373	392	0,0544	572	146
UK	0,0344	362	0,0560	589	162
Germany	0,438	460	0,519	546	119
France	0,0376	395	0,0606	657	162
Italy	0.0352	370	0,0621	658	178
Spain	0,0371	390	0,0714	751	193

* A source of information [6,7]

The dollar exchange rate as of June2015

Table 5.

Natural gas prices in the Eastern European Countries, which are part of the European Union (EU) *

Countries	Industry		Household		% Household to Industry
	Euro/kWh	\$/1000m3	Euro/kWh	\$/1000m3	
Czech Republic	0,0320	307	0,0475	500	148
Estonia	0,0335	352	0,0374	393	112
Poland	0,0363	382	0,0414	436	114
Romania	0,0207	218	0,0161	169	78
Greece	0,0438	461	0,0728	766	165

* A source of information [6,7]

The dollar exchange rate as of June2015

Table 6.

Natural gas prices in the Eastern European Countries, which are not part EU*.

Countries	Industry		Household		% Household to Industry
	NV/	\$/	NV/	\$/	

	1000m3	1000m3	1000m3	1000m3	
Belarus, NV=BYR	-	276	2588000	168	61
Ukraine, NV=UAN	8975	427	7188	342	80
Moldova, NV=MDL	6301	333	6718	355	108

*A source of information [16, 19, 20, 21, 23]

The dollar exchange rate as of June2015

Table 7.

Natural gas prices in the Russia *

Country	Industry		Household		% Household to Industry
	RUB/ 1000m3	\$/ 1000m3	RUB/ 1000m3	\$/ 1000m3	
Russia	4043	73	4334	78	107

*A source of information [17]

The dollar exchange rate as of June2015

The tables of natural gas prices for end users in Europe reflect the policy of different countries in the pricing and effects of this policy.

Simple copying by Greece of high European prices and high correlation between prices for industry and households has not led to the best result. More reasonable prices and the ratio between the prices for industry and households in other European countries allow to gradually raise the country's economy and to improve the society welfare.

Countries that don't hurry to set high energy prices, especially for natural gas, taking into account own participation in the Eastern markets, including Russian, make its industry as competitive and provide opportunities for the people to develop their households and to quickly reach the European standards of living.

The main characteristics of Eastern European Countries are Geographical location, historical development through the stage of socialism and the social consequences of this in the form of lower living standards for the population.

On the one hand they have a European markets with high prices and high quality products. On the other hand they have markets of Russia and other countries, which could have demand to their goods, but with a lower price than goods of highly developed countries.

Thus, economy of these countries depends not only on prices of imported energy resources, but also on the cost of energy resources in Russia and other countries. At the same time, these countries should have lower prices for imported natural gas from Russia considering lower transport costs.

These features can be either an advantage for the development of their economy or an obstacles for it. Blind adherence to the rules and prices of developed European countries can lead to a drop in the economy and impoverishment of their people faster than the approximation to the level of economy and life of the developed countries.

Before establishment of prices for the widely used in all spheres of countries life natural gas, its necessary to conduct the marketing research of all consumers to encourage them to economical use it, but don't harm them.

The use of the principles of marketing in these cases is most effective means of helping to regulate the relationships between supplies and consumers.

In all countries there are two main categories of natural gas consumers. This is industry and households. We will consider these indicative categories of natural gas consumers in Eastern European countries.

1.1. Industry. Many years have passed since "era" of socialism, therefore industry of these countries has a very diverse structure. Some companies received investment and using the cheap labor, produce high-quality products and sell it with a good profit in Western countries. They are able to pay the cost of energy at a price corresponding to the European level of price.

Companies that sell their products to Russia and other countries with lower energy prices could lose its share on these commodity markets, if the prices of energy resources will be much higher than for products of other countries. When setting prices for natural gas for industrial enterprises, it is necessary to take into account these features in order to avoid the collapse of some businesses and increase unemployment in this regard. Therefore it is necessary to more carefully consider of all consumers in each category and to divide them into smaller groups.

2.2. Householders. Householders are another very important category of natural gas consumers. Setting for this category of prices for natural gas, its necessary to consider the possibility of the population to pay bills from salaries. Value for 1000m³ of natural gas to average monthly salary demonstrates the capabilities of households to pay for gas.

Table 8.

Value for 1000m³ of natural gas to average monthly salary in countries of European Union and Ukraine

Country	Average salary, \$/month	Natural gas price for households, \$/1000m ³	% price to salary
UK	3246	589	18
France	2660	657	25
Italy	2404	658	27
Spain	2019	751	37
Estonia	1052	393	37
Czech Republic	877	500	57
Poland	848	436	51
Romania	498	169	34
Greece	1023	766	74
Ukraine (average salary in June 2015 1\$=23,5)	182	306	168

*A source of information[6,7,24,16,25]

However this category of consumers has also within a variety of structure. Some consumer groups in this category are too sensitive to an increase in natural gas prices. High average European prices for natural gas and the cost of municipal services to the consumers don't stimulate to the savings of energy resources because households in any case will not be able to pay the bills. At the same time in all Eastern European Countries there are consumers who not only can afford to pay for the consumed natural gas, but also can increase their consumption even at the highest price. As well as with an increase of natural gas prices, the interests of those consumers, who use this energy resource just for cooking, will be affected less than the interests of consumers who use natural gas also for heating and for the preparing of hot water. At the same time the owners of the private houses where natural gas is used for heating and hot water are also very different in terms of consumption and in their capacity to pay bills.

There may be:

- Retirees, who consume a small amount of natural gas, but this amount exceeds their ability to pay;
- Large families in houses with area 300-500m² with one breadwinner;
- Businessmen of the average level, who can regulate their consumption using the methods of energy conservation;
- Owners of huge property who are more concerned of better security of supply and technical services for gas supply system of their huge households than in lower prices.

All these supply conditions, technical requirements and the ability to pay bills, you can find using the methods of marketing research. Currently in Eastern European countries subsidies are only provided to the poorest members of society as well as in some countries there are different prices for different amounts of natural gas consumed by one household.

2.3. Regulation of relationships. Marketing research of all consumers enables to have them countries not only debate whether to raise or not raise" the prices of energy resources, but to regulate all relationships of customers and suppliers so that the interests of all participants of the process of the supply and consumption of natural gas are taken into account This means the authorities which engaged in the regulating the natural gas prices should be very attentive to the process of pricing natural gas and balance the formula of equality interests (Ta) (1):

$$T_a = \frac{C_w}{G_c} = \frac{T_1 * G_1 + \dots + T_i * C_i}{G_c} \tag{1}$$

Where,

C_w- all money due to the suppliers;

G_c-all consumed natural gas ;

T_i-a tariff for i-consumer;

G_i- consumed natural gas by i-consumer.

In this formula the optimal tariff of the supplier is equal to the weighted average

tariff of all consumers. At the same time the tariff for a particular group of consumers would correspond to an opportunity to pay bills these groups of consumers.

Work of marketing specialists together with the specialists of the industry is necessary to regulate the relationships between suppliers and natural gas consumers so that the country's economics is successfully developed, the population is not impoverished and gas industry is reliable and secure.

Conclusions. High dependence on expensive imported natural gas of European countries has a negative impact on the competitiveness of goods and welfare of the people of these countries. At the same time Eastern European countries have some features that can help them if these features are used wisely.

One feature of Eastern European countries is their geographical location. These countries are located closer to the main supplier of natural gas in Europe -to Russia. Such location gives them lower prices for imported natural gas given lower transport costs.

However Eastern European countries have the second feature. It is a lower people's salary and as result a lower life level than in developed Western European countries.

Therefore the high levels of natural gas prices have very negative impact on welfare of Eastern European countries population.

At the same time the opportunities to pay the bills of industrial enterprises and home holders are very different.

Because Eastern European countries have such features the regulation of relationships between the natural gas suppliers and natural gas consumers should be especially attentive. Using of the marketing research in the process of natural gas pricing in these countries will allow identifying small groups of the natural gas consumers with the same conditions of supplies and opportunities to pay the bills. This also is the good way to find "gold points» of the pricing system and means to regulate in the best way all relationships in the sphere the natural gas supply and consumption.

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J21517-002

Nezhnikova E.V.

FEATURES OF ENVIRONMENTALLY SAFE HOUSING PROJECTS*Moscow state university of civil engineering*

Abstract: The paper proves the need for assessment of ecological safety of housing construction. In addition, the paper describes the criteria upon which the ecological safety of housing projects is assessed.

Keywords: ecological safety of housing construction, evaluation criteria of ecological safety of housing construction.

Environmental problems of the economies of developed countries and their solution are coming to the forefront of international concerns. It is difficult to say that ecology is more important than profit and profitability in Russia. However, we can note consciousness shift of ordinary citizens and progress in the activities and policy documents of authorities. Currently, we have domestic organic food and residential quarters of apartment buildings or cottage villages with "eco" prefix [1]. This fact proves that demand creates supply, i.e. people are concerned not only about the standard of living, but also about environmental safety. However, it is not always possible to check whether the environmental friendliness, which is stated in the brochures, meets regulations. This fact fully applies to housing construction.

Thus, according to the World Health Organization, construction refers to the dirtiest industries, 30% of buildings in the world are polluted, and air quality in residential buildings does not meet hygiene requirements for air quality of factory premises [8]. From our point of view, it is particularly important to introduce mandatory ecological standards of housing construction [4], which will ensure the safety of living conditions and guarantees of compliance with accepted standards of ecological purity of the apartment.

In this regard, we need to develop and implement the criteria, upon which the ecological safety of housing projects will be assessed [7], namely:

- 1) level of ecological safety of housing construction (l_1);
- 2) level of ecological safety of construction materials (l_2);
- 3) level of ecological safety of construction technology (l_3);
- 4) level of ecological safety of construction site (l_4);
- 5) level of ecological safety of built-up and adjacent areas (l_5).

These indicators should be summarized in an integrated level indicator of ecological safety of housing construction (L), based on the overall expert assessment (ΣE). The higher total expert assessment, the higher ecological safety of housing construction. Moreover, additional criteria, which define a particular estimation value, may be defined for each indicator.

The integrated level indicator of ecological safety of housing construction can be calculated using expert assessments due to the lack of data on ecological safety of housing construction according to free official sources. Scientists specializing in the research of economic and technical characteristics of housing construction and environmentally friendly housing construction, in particular, as well as representatives of the business community, civil servants engaged in the management

of housing construction could be invited as experts. We emphasize that the experience in this area must be at least 5 years.

One issue requiring attention is the structure of economic damage from environmental pollution as a result of housing construction, proposed by Malyshev J.V. It includes potential damage to human health and life, material damage, damage to the natural resource system and housing construction industry. [6, p. 28].

However, despite the logic of representation, we believe that it is not possible to calculate such damage in practice both because of the lack of data and incompleteness of data.

Given the above, in order to prevent problems arising during construction of housing and ensure their ecological safety, it is necessary to introduce a mandatory element such as the ecological certification [2; 5]. Ecological certification of housing projects should be presented in the form of confirmation on compliance with standards, whereby the organization, which is independent from the builder and developer, certifies in writing, that housing projects and local area meet the requirements. [3].

The main objectives of ecological certification should include the following items:

- Safety control of housing projects for the environment, life, health;
- Assistance to consumers in a competent choice of housing projects;
- Consumer protection from unscrupulous developers and builders;
- Confirmation of quality indicators of housing projects stated by developers and builders.

In our opinion, this certification should be mandatory. The introduction of the system of certification according to the ecological requirements of housing projects should ensure the following items:

- Implementation of mandatory ecological requirements of environmental legislation in the construction of residential buildings;
- Use of environmentally friendly building materials, technological processes and equipment;
- Compliance with environmental safety and prevention of environmental pollution when placing, processing, transporting, burying production and consumption wastes which relate to the economic activity "Construction".

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J21517-003

Berdina M. Yu., Torosyan E.K.

THE FRANCHISE NETWORK AS AN EXAMPLE OF ACHIEVING A COMPETITIVE ADVANTAGE

*Saint-Petersburg state University of aerospace instrumentation
Saint-Petersburg national research University of information technologies,
mechanics and optics*

INTRODUCTION. In previous publications [5, 7], the authors have already noted that franchising can be interpreted as a form of marketing and distribution in which the franchisor provides to the individual or small business (the franchisee) the right conduct business according to the rules within a certain period of time for a specified area, i.e. in franchising networks, one of the leading roles is played by the factor of relations between members of the network. International network of sales and service (primarily the group's fast food) franchise for the entire length of the distribution channel are examples of business networks to promote a companies competitive advantage and its further use in international business. The transfer of trademarks, brand tie, copyrights, patents, trade secrets and know-how, in different combinations included in the franchise package, proves the assertion that the franchise can be represented (in most cases) as focused on the marketing distribution network.

An important task in this paper is to show that with the help of franchise channels can not only be profitable to sell goods abroad and thus increase sales volume (side view of the franchisor), but also to transfer the business knowledge, concerning how to profitably sell these goods, i.e., to transfer technology, or culture of sales (the concept of modern retailing). During transfer of any type of knowledge it is necessary to consider such important factors as the transfer of the business culture, or corporate culture, and networks in the sphere of consumer services in the transfer of knowledge from the "advanced" culturally, countries and Nations the main focus is on the General culture of the population [7].

1. The concept of business networks

Change in real business practices contribute to the development of the theory of relationship marketing, especially in its higher forms – network approaches in marketing. In a General sense, the network is a plexus of relationships, interactions with our partners. In the scientific literature, business networks are seen not as something static, fixed once and for all. In our opinion, rightly and correctly apply the various approaches to the understanding of business networks. So, city of Easton offers the following approaches to understanding business networks: networks as relationships, networks as structures, networks as location, network as the process [12, p.102-128]. In turn, J. Johanson and L.-G. Mattson offer their point of view: they consider the markets as network structure [13, p.194-213].

The company's cooperation with its partners is a management process in close relationships, the specifics of these relationships and capabilities of the company, at the same time flooring skillfully and confidently using the inconsistency in the relationship of the company with other persons. Through interaction used and

developed the capabilities of the company, and due to which the company will receive certain rewards. Responsible decisions for the company relating to the limits of liability, which she will assume in the process of interaction with a particular partner and the desire to invest in process development and improvement opportunities with the prospect of obtaining long-term winnings and awards.

There are two main approaches to the representation and understanding of the business network. First, the network can be viewed as relations within corporations (TNCs). Secondly, the business network can be imagined as a process of constructing directly the network structures of companies. It should be noted that with the development of outsourcing and offshoring, large corporations in their assets include not only your property, but also those assets on which they depend (entirely or partially) in the exercise of its business operations, which is an example of a so-called administered networks [14].

Intrachannel cooperation in the framework of distribution networks allows at some other angle to consider franchising, in particular it can be interpreted as a form of marketing and distribution in which the franchisor provides to the individual or small business (the franchisee), the right to conduct business according to the rules within a certain time period in certain specified areas, i.e. in franchising networks, one of the leading roles is played by the factor of relations between members of the network [9]

2. The architectural features of the international franchise networks

As we have noted, companies to create and retain competitive advantages actively use the strategy of relationship marketing. Competitive advantage, in relation to the specifics of building a franchise networks, should be considered in two main ways: 1) competitive advantage, 2) competitive advantage of each individual member (link). The network members with whom the parent company (in our case the franchisor) has developed a stable, long-standing relationships, are extremely interested in their maintenance. This is due to the popularity of the brand of the parent company and by those promises and winnings that a new network participant may receive under the condition of successful operation and interaction of all network members. The degree of interest of participants of the network depends primarily on strategic objectives aimed at achieving and maintaining a sustainable competitive position in the market and maintain long-term relationships that are dependent on a number of factors and form the basis for competitive advantage of the entire franchise network. We use the approach proposed by S. P. Kusch et al [2], which determined the necessary conditions for the formation and retention of competitive advantage:

- Good reputation and the fame of the Central company, which serves as a great recommendation to other members of the network when establishing relationships with third companies. The more the network is represented in various countries, and the more positive will be the relationship to its brand name from buyers and the less necessary effort to the franchisor upon further expansion of the network in other countries, as well as when you enable a third-party independent companies (the franchising business format) and (in the case of the master franchise and regional franchise) dependent structures of the franchising network [5];

- Stability of market positions of the network participants. Competitive advantages contribute to the expansion of the number of markets in which to sell the goods of the parent company (*Body Shop, Spar, VG, Oviessa, Rexall*); consolidation of the company's business generally – the more links in the franchise network, the greater its market power and financial power, because of the franchising network to attract investment from all levels, or links (from lowest – unit franchisee, to the highest – master franchisor);

- Mutual commitments, constant exchange of information between partners, following a unified marketing strategy between all network participants and their full support of the Central company. Intracorporation leverage the network contributes to the fact that know-how management is distributed across the network and reinforces the position of its members and the entire network that are also achieved by enlisting the expertise of franchisees themselves – their creativity and new ideas which can later be extended to all members of the franchise network. The very concept of franchising involves the following common conditions, to meet the requirements of both the mutual fulfillment of the obligations prescribed in the agreement, but also adherence to a single marketing strategy and the concept of doing business. In addition, the implementation of a permanent exchange of information between the franchisor and the franchisee from numerous different points of the world contributes to timely and adequately respond to possible changes in the surrounding business environment;

- Strict regulation of contracts and a high degree of formalization of relations. One of the factors of sustainability and deposits long-term cooperation of all participants franchise network is the careful elaboration of the agreement. No wonder the franchisee, not one decade successfully working in the market, are model agreements for 15-20 years, down to the smallest detail, setting out all the conditions of work within the franchise system. And only when negotiating in potential franchisees possible adjustment due to specific economic, social and cultural environment of the market by the franchisee. In addition, help serve as model contracts chamber of Commerce and the recommendations of professional business associations franchise.

In addition, as the largest purchaser of goods from the manufacturer (in this case we can speak about fast food franchising, since the purchase of ingredients and products for cooking hamburgers (*McDonald's*) or ice cream (*Baskin Robbins*) goes on the individual contracts of sale, and thus is part of the trade), the network can impose their conditions on the range of goods and the price at which they will be implemented.

If the competitive advantage of the network as a whole is considered at the global scale, competitive advantage of its individual members (franchisees) is considered in the context of the national economy. The competitive advantage for the franchisee is expressed primarily in the fact that they have the opportunity almost without much effort and cost to do business under well-known brand, to gain advanced know-how in management and marketing. And what is also important, franchisees are able to obtain goods for resale with discounting, provided by a company the franchisor lower prices.

Before to analyze the peculiarities of the architecture of a franchise network, we'll determine the network, from the standpoint of marketing, management and institutional theory, as one of the currently popular management concepts. So, marketing network can be viewed from different perspectives: 1) Quantitative and qualitative description of the interaction of three interrelated components: participants (firms), resources and activities; 2) Model of communicative relations of subjects of the marketing system on the exchange of resources in the process of interaction based on resource heterogeneity and randomness of existence of strong and weak ties of each of the participants of this exchange; 3) the Sphere of existence of the dependency and interaction between the authorities of each of the subjects of the marketing system when you change their resource potential. For example, one of the hallmarks of the development of business networks in Russia is the separation of the two polar types of networks [7]:

- networks of "survival" - consist of companies who see no prospect of its existence in the competitive market
- entrepreneurial networks - consist of companies seeking to compete successfully in the new market conditions, developing the most profitable activities.

Unfortunately, at the present time in Russia network of "survival" are dominated. Although in some areas of business have increasingly begun to manifest entrepreneurial network, and their market position gradually become stronger and become more sustainable [2]. In our opinion, the choice of companies way of doing business through the development of franchise networks, the obvious advantages and low risks which over other types of business networks [3, 9], allows to provide the impetus for the development of entrepreneurial networks, as well as for the development of another new phenomenon for modern Russia – the middle class (business and consumers). In our opinion, the representatives of the new institutional school rightly consider organization as "the web of contracts" [9, p.223] that can be represented as a "portfolio of relationships". Therefore, the natural appears the need to study the specifics of the organization and functioning of franchising networks, including, from the standpoint of institutional theory and from a legal point of view, the franchisee is an independent company that conducts business with another company – the franchiser. But on the other hand, the economic benefits from the development of the concept of franchising, as the network of a large number of companies working on a single concept, under a single brand, is that the franchisee is much closer to the situation when it should be considered an employee of the franchisor, rather than an independent entrepreneur.

Relationship marketing helps to describe the principles of operation of the network. In the case of retail trade, as well as in commercial franchising, network by reselling the goods lost border relations between "buyer–seller". Although nominally these relationships and continue, but antagonism between the participants. So, if traditionally it is assumed that the amount available to the buyer, he wants to buy more goods for resale, the goal of the seller is to sell more and more expensive. In franchisee – both parties are interested in moving in space and time brand network, and therefore "pull the blanket" on your side there. It is obvious that the formation of networks, including franchise networks, there is a "blurring" of the boundaries

between a company (the franchisor) and others (franchisees and the buyer/consumer).

3. The principles of building a franchise network

In each of the franchise network there are their own unique principles of interaction between participants. Nevertheless, there are General principles of network construction, on the basis of which formed the specific principles [4], i.e. General rules that should guide the partners in achieving the set goals:

1. The principle of autonomy and independence. Each partner builds its business, focusing on personal ideas and preferences, but must subordinate themselves to the common goal, common rules and agreements, franchising, i.e. have their interests align with the interests of the partners.

2. The principle of quality. Product quality is the main criterion for cooperation in a franchise form of business organization. Therefore, when the formation of the system of relations between the partners should be guided by two interrelated requirements:

1) the interests and needs of manufacturers, which should provide the necessary level of quality and competitiveness of their products at optimal cost;

2) the requirements and needs of the consumer products objectively confident in the ability of the manufacturer to supply the products necessary technical and economic level. The effectiveness of the franchising form of business organization depends on the following factors:

a) the formation of a system of relations between the partners and the priorities that are placed so that product quality is given a high priority. This is especially true for the field of public catering;

b) development of a rational system of collecting, recording, processing, analysis and storage in the necessary period of information data. The system should be sensitive to the feedback;

c) find the necessary suppliers and implementing them close interaction with the integrated approach to system management.

3. The principle of gradual cooperation. Any cooperation, even on a large scale, is formed on the basis of small-scale projects. This gives you the opportunity to explore potential partners and assess whether it is profitable cooperation for both sides. Analysis and evaluation are the first steps to be taken in the process of creating a franchise form of business organization. This stage is crucial as it constitutes the Foundation on which is based the success of a franchising program.

4. The principle of parallel development and accelerate the establishment of sales network. It is necessary to strictly observe the rules of marketing activities, namely the enterprises producing the same products under a single brand, must balance the quantity of product produced at each of them to this products are not in competition with each other.

5. The principle of free will. Each independent businessman has the right to plan the strategic development of their companies in accordance with those principles, which it most favorable. This gives the opportunity to simultaneously pursue strategic partnerships, and thereby enhance their competitiveness, without limiting opportunities for growth.

6. The principle of openness. This principle allows you to create a legal

business, which develops the highest degree of integrity in relation to the partner that enables the company to make plans for their future development. The high degree of openness in a franchise form of business organization will enable small businesses to quickly adapt to changing market circumstances.

In practice some of the principles of franchising are not absolute, but are flexible. Depending on the specific conditions of functioning of the company the principles of gaining relevance and work closely.

Let's briefly highlight and characterize the main criteria to build a model of multi-level marketing system of relations for a network of business organization [1], which will serve us for the development of self-concept franchising channels as a set of franchise networks [5]. In addition, each level of the model consider from the perspective of the development of marketing strategy and correcting in case of franchising, where, in our opinion, the best way is to manifest the tendency of formation of business networks in modern business.

1. *The industry as a network* – carrying out marketing analysis, development and structuring of the network. In this case the main problem is the formation of an integrated marketing strategy, not a separate company, and the network as a whole. In the case of franchising: the main objective of the franchisor to create something unique for a given franchise network concept of business, form of franchise package (as the core of the franchise agreement), and develop a marketing strategy – standardized or with minimal modifications for a specific market of the country franchisee.

2. *The company is an independent center for a particular activity*, which is based on a very specific set of actions, constantly repeated and forms the basis of the business cycle. This set does not change significantly over time, and even significant fluctuations of the market or consumer preferences do not affect him. The company is considered as a node network in which there is a constant struggle between stability and change under the influence of the external environment. The success or failure of a company depends to a significant extent on the totality of interactions, in which she takes in the exercise of their functions. Since trading franchise network focused on the mass consumer, there is no serious fear that, by entering into a franchise agreement, to fail or "not on time" to enter the new market. The tastes and preferences of consumers are changing not as rapidly as it has in the business market.

3. *The company should be viewed as a center of concentration of resources*, which are activated only in interaction with the resources of other network members, and acquire a real value only if they are requested. It is therefore very important to find such partners, in interaction with which the pooling of resources would give a synergistic effect. By its nature, franchising is a partnership, a long-term relationship, and one of the tasks of the franchise agreement is an extension of the market and the scope of the company, i.e. the extension of the franchise network, which allows to achieve a synergistic effect.

4. *Any company is considered from the point of view of situation which it occupies in the network*, as this position assesses the company itself, and as do partners in interactions. At the international chamber of franchising, there is a clear separation of powers. By definition, it shall be headed by the franchisor, which has

everything that is the catalyst for expansion of the network (goods, services), and franchisee is a sort of "conduit" through which is carried on the transfer/sale to the ultimate buyer, and their mutual combination leads to a synergistic effect. Nevertheless, despite some limitations of the territory of action of the franchisee-specific agreement, in General, vending franchise has no boundaries and by combining geographically, spatially restricted networks, on a global scale produces a "web". As a result, anywhere in the world can be found signs of *McDonald's*, *KFC*, *Subway*, *Baskin Robbins*, etc., so we can talk about the appearance of the franchised channel of international business.

5. *Relationship management* – development of joint programmes of relationships between companies: information exchange, training, developing and bringing to market new products, etc. For the case of the concept of franchising is expressed in developing a franchisee model franchise agreement, a complete/comprehensive franchise package where one of the primary responsibilities of the franchisor – not only to provide use of the franchisee's principal intangible assets, but also make necessary, at the initial stage of conducting business, training franchisees, provide Guidance, etc.

6. *Management of individual exchange relationship* – creation, support and development of long-term individual relationships with consumers and suppliers. Applied to franchising, here we are talking about the links, establishing a partnership with a long-term relationship with regular suppliers of raw materials, semi-finished products, ingredients, and also due to the developments within a certain (often long) period of time a positive image, goodwill, build famous brand thereby achieve loyalty and commitment to his customers.

4. Membership in networks as a way of "survival" in international business

Competitive advantage of the network members is determined by fact of their membership in the franchise network. Integrated Association of individual members/links in a General network, because regardless of the specifics of the business, they form a single group business operations – international franchising, eventually form the integrated franchise channel of international business [9]. International trade, franchising, on the basis of its specificity, but also thanks to its sphere of application (retail trade, chain fast food restaurants), is network system (*Benetton*, *Yves Rocher*, *Penguin*, *Econika*, etc.). To better understand the implementation of the competitive advantages of international trading networks franchising, briefly characterize the main features of creation and functioning of franchise networks [6].

First, any franchise network allows at its cost a limited field the principles of "natural" selection: franchisees who purchased franchises, but are unable to work effectively, eliminated from the game. In all of franchising networks is provided by the rules of such disposal. Thus, here there is a drawing Parallels with the consideration of the organization as "live", the biologically active body, and franchising processes similar processes that occur in biological systems. This is fully consistent with other popular and relevant at the present time the problem of "survival" of the company in the competitive business environment [11]. In some networks, for example in the rapid Subway service, there is a procedure, whereby

when poor economic performance of the franchisee, its point may be repurchased by the franchisor, it is assigned a special Manager from among the employees of the franchisor or agents for territorial development, and then, when the point is established profitable work, it was put up for auction for sale to franchisees.

Second, the interaction in the franchise network, unlike pyramidal hierarchical structures arise and are maintained primarily between all participants and serve their interests and not the center. This organization is more cost-effective than a centralized structure, and more resilient to external influences.

Third, almost all of the franchise network is built around a rigid principle of equality between all franchisees. They are dominated by the ideology of full support to the franchisee as the main core of the network. The success of the franchisee creates preconditions for the development of the network, failure of one of them reflects negatively on all franchisees of the network as a whole. At the same time the Union of equal partners is possible only on the basis of common interests. Loss of interest leads to the disintegration of the network.

Fourth, the main incentive for members of the franchise network is the strengthening of the network, since this benefits all franchisees. Therefore, in such networks, there is much more opportunity for experience sharing and collective action, i.e. there is a mechanism for selecting and fixing in the memory the most viable solutions, and then their reproduction on the new stage of development. So, *Subway* provides that part of the menu may be formed by the franchisee, in accordance with local and national traditions. If any dish becomes popular, it is introduced into the main formula menu. It did the concept of the *Subway* more flexible, allowing it to compete with *McDonald's* for the number of working points in the U.S. and Canada. The franchise network, thus, is self-motivated. Moreover, the network is more adaptable than the traditional pyramidal structure.

Fifth, the franchise network more secure. The loss of the network, and subsequently from the channel, one or more franchisee does not influence considerably on the network as a whole.

Sixth, one of the most important network effects for franchisees – is the opportunity to receive support from all of the other participants. Joining the network gives you the opportunity not only to use the experience of others, but also generalized the resources of the whole system to solve the problems that are most acute in the face of new franchisees in the initial stages of the development of their business. This feature of franchise networks can dramatically reduce the failure rate at the beginning of the existence of small firms included in the network, compared to independent companies.

Franchise network has such features that make it attractive for the average consumer. First of all, the repeatability of the proposed services throughout the network, which is one of the criteria for evidence of transformation in franchising networks channels. Acquainted with goods and services at one point, a potential customer will be in the future, in any of the other points in the network, both in our country and abroad, he will receive the same set of goods and services and with the same quality. Franchise network it possible to extend the culture of doing business and management in the most remote corners where it is impossible to convey

managerial influence from the center. However, it should be noted that this feature of the network is essentially twofold. If all franchisees profess as the basis of their business focus on customer satisfaction, monitor the quality of its services, the network has all the chances to grab the consumer's attention, then make it a regular customer. But if at least one franchisee begins to reduce the quality of services, it is automatically reflected on the reputation of the entire system, and customers leave.

The franchise network, especially in the field of catering, have been known to use its "collective buying power" in the interests of its franchisees. They offer their franchisees a special relationship with equipment manufacturers, property owners, financial and leasing companies, insurance companies.

Another important criterion that distinguishes franchising networks from other organizational forms and methods of business expansion, as well as being one of the necessary conditions for a successful franchising system, is a combination of professional management with accurate recommendations, accounting and control. Franchising networks perform an important public function for training employed them as citizens in methods of doing business, instilling in them a culture of service. A striking example of this is *McDonald's*. Joining the system, the potential participant will have to completely change the profile of their employment (if it existed before) and, as a consequence, to undergo retraining. For this the company has created a powerful system of retraining of personnel, the center of which is "Hamburger" University, which is the most massive on the scale of business and coverage (primarily young people). According to the license division of *McDonald's*, the company annually receives more than 20 thousand applications to study in this University. The program is conducted on-the-job work 15-20 hours a week and takes two years.

It should be noted that, although homogeneous network, which include franchise and adaptable easier than hierarchical structures, there are limitations to these changes. They are related to the internal parameters of the network and the individual elements that affect the so-called "time constant", i.e. the parameter that shows the ability of the system to respond to a single external influence. The network runs slower external influence, so in real biological systems coexist simultaneously both mechanisms of control and management - centralized and network. In franchising networks the role of such a center, catalyst organization, plays a franchisor.

Franchising system is administered in the management of a new culture of cooperative, partnership business. All franchisees share their experiences with each other to strengthen the whole system. On the General background of increasing competition, it forms a kind of the islets of socially-oriented organization. Network translates competition into a new quality. In the field of franchising is the most noticeable. Is the emergence of "populations", which occupy a definite place in the economy.

Competition in developed franchise relationship is not between "individuals" and between "networks-populations". *Burger King* competes with *McDonald's*, but at the same time it is mutually beneficial can coexist on the same territory with *Pizza Hut*, which is a "population" of another type. And how does it exist in strong formations, it is a franchise network is the key factor of stable and prolonged

existence of individual franchisees.

The main function of the competitive struggle becomes, thus, to a network that coordinates the processes of the emergence (or elimination) of new franchisee and expansion into new territories. Overall, even considering franchising networks by analogy with biological systems, it is possible to notice that, as in the past, the life cycle of the ecological community occurs on a particular circuit, or channel, from lower organisms to higher beings. Also in franchising: concluding the first phase of the agreement with a franchisee, the franchisor is gradually building and expanding its network, and when at a certain stage of quantitative education goes into quality, and the size of the network acquires a global dimension, then we can talk about the formation of a certain franchise channel in one form or another business.

Conclusions. An integrated, interdisciplinary approach and different theoretical directions in the understanding of the creation and operation of network structures, especially within the concept of relationship marketing, can serve, in a sense, the theoretical Foundation and provide the tools necessary for further research. The specificity of the concept of franchising, the transparency and simplicity of relations between members of the network allows, in our opinion, to speak about the emergence and development of franchising channel in international business, part of an integrated global integrated marketing channel [10].

Complexity, multi-franchising system suggests that franchising is a "hybrid" combination of the company and of the market because "cloning" of franchised outlets outside the home country of the franchisor makes it easier to adapt in the conditions of globalization to the requirements of local markets and faster to gain a certain niche in these markets by expanding the already proven and well-known business systems. However, on the other hand, franchising is not only a form or method of doing business, a way of selling products and services, but also on what we throughout the article focus – the form of business organization and creating and replicating the network, and therefore this type of organization, any company can choose to start or reorganize its business, where the management of the whole network (by virtue of its "planet" organizational and management structure) is carried out transparently and effectively. In addition, in networks there is a constant interaction between the participants, i.e. observed in actual practice the main business category marketing - sharing – by sharing in the first place, information, skills, resources. For networks it is the process of interaction, and which forms the network. Perhaps that is why at "proven" and "proven–and–tested" formula business and laid the benefits of technology transfer/intangible assets or quasi-property, in applying this formula business by creating, multiplying and globalization franchise networks.

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J21517-004**Kruglov V. N.****FEATURES OF REALIZATION OF THE INVESTMENT PROCESSES WITHIN INDIVIDUAL TERRITORIES***NOU VPO "Institute of management, business and technology"*

Economic development of the Russian Federation as a whole, as a single economic entity, depends on many factors. However, it should be recognized that in modern conditions the forefront of innovative development paradigm [12, p. 342]. This direction implies an economy based on scientific knowledge that are embodied in the latest technologies, techniques and equipment that allows you to reach new, more qualitative stage of economic development.

For innovation to enterprise needs a variety of resources: investment staff, with appropriate training, the conditions for conducting innovative research. However, with the development of new technology and equipment or their improvement, there are many risks associated with the uncertainty of exploration results, the timing of development, as well as risks associated with the production and sale of innovative products [10, p. 389]. All this together is a serious impediment to innovative changes.

All available resources in terms of innovation and transformation of the economy in the first place it is necessary to say about resource management. Implemented in Russia's radical economic transformation, dynamic innovation processes in all spheres of economic and industrial activities have a great potential in this direction.

Management resource plays a crucial role in the crisis and during the recession. Quite naturally use it as a tool to enhance the efficiency of management of socio-economic processes at all levels of social organization, as in these conditions it undergoes substantial changes [11, p. 352].

One of the tools to achieve economic goals of regional development, is an innovative development strategy. Innovation strategy development should be guided by an overall strategy, it sets the objectives of innovation activities, the choice of means to achieve them, and sources of raising these funds.

Innovative development strategies that create a very challenging environment for project management, which include [15, p. 13]:

- increase the level of uncertainty of the results;
- increase the risk of an investment project;
- increasing the flow changes due to innovative restructuring.

Overcoming problems of development of economic systems in the regions, developing practical solutions, changing organizational forms and methods of management of the regional economic and industrial system, based on the experience of crisis management should be based on the design approach, as in this case, the proposals take the form of creating new structures [38. p. 337].

Therefore, these new organizations, whose functions are performed in the regions other existing structures, must be designed. This means a certain logic of justification for the creation of similar structures. What do you need?

First and foremost is to identify state and main trends in the development of the

regional system, including changes in the economic structure, to establish the factors for such dynamics, we have to be able to diagnose the status of the regional system, including existing functions, organizational forms, current tasks that have already been implemented.

Next, you need to find out what functions are performed effectively, what is lost and not executed, and that operates inefficiently [18, p. 377]. When this becomes especially interesting: will changing development objectives need to change the functions and importance of new organizational forms?

It is desirable to clarify the goals and objectives of the development of a regional system, to choose the main direction of development, to formulate the basic theses of the program of development of the regional economy [14, p. 23].

Regional authorities, as a rule, have limited tools to influence the economy of the region, therefore, an important Federal component, including the relevant legislation. In addition, the regions are heterogeneous in structure, quality of labor and natural resources, their composition, production and technological capabilities. It actually determines the specialization of the regional economy.

At this stage it is important to assess the potential of the region [19, p. 332]. Resources, personnel, export, and all other directions.

Expenditure on technological innovation will ultimately lead to the increase of the production of innovative products. Comparison of the volume of innovative products and cost of technological innovation will show the effectiveness of such costs. But, when comparing the ratio of the volume of innovative products to the cost of technological innovation for a certain period, it must be borne in mind that the expenses in a particular period may affect the increase in the volume of innovative products that were released not only in this but also in subsequent periods. Also the volume of innovative products, produced in a certain period may depend on the costs incurred previously.

If the ratio of the amount released an innovative product and the cost of technological innovation for a certain period exceeds unity, then such investments effective, even given the fact that this effect is based on previous costs and partly may occur in subsequent periods.

Innovative activity of enterprises must be ongoing, aimed at further economic growth, improvement of the applicable enterprise technologies and equipment for production of higher quality product.

But not every region can fully implement this feature. There are other reasons hampering innovative activity of enterprises in the regions. These include the geographical location of the region, climatic conditions, mineral and other resources, historical conditions, the specialization of the region, and others have Also an important role for the state support of innovative activity of enterprises [20, p. 361]. All these factors have a direct impact on the innovative activity of economic entities.

With this in mind we can conclude that innovation activities at the regional level, planned this way, will not only affect the economic development of the region, but also on the economic development of the country as a whole.

In modern conditions of increasing difficulty geopolitical and economic nature to the management of any state in the priority task is to support the sustainable

development of the national economy. This task is extremely relevant for modernizing the Russian economy, is quite susceptible to crises of internal and external markets. The confirmation of the slowdown in the first half of 2014., according to Rosstat data, the GDP growth rate to 0.8%. Among the main causes of sagging national economy, according to expert estimates, called the suspension and stabilization of world prices for hydrocarbons. Still unstable situation in the global financial markets, large scale reaches the outflow of capital (in the amount of 63 billion. for the first quarter of this year, [31]), reduced the business interest of domestic enterprises, due to their deficit of own investment resources.

The positive dynamics of the national economic complex is able to give the regions. Most of them in order to accelerate socio-economic development should carry out institutional reforms. Consequently, the regions are closer interaction between the state and the business community, will be provided by the implementation of targeted programs to attract investment, cluster and innovation development.

In accordance with the purpose of the present work will move further to the consideration of approaches by which it becomes possible now to achieve a sustainable pace of economic development of Kaluga region. It should first be noted that the starting conditions were not ideal for economic growth: a depression in the region, the lack of essential minerals, poor representation of small and medium businesses, low investment attractiveness, significant differences in the level of socio-economic development of the Northern and southern areas. In the few advantages of our region could be called the convenient geographical location, availability of advanced material and technical base of scientific and personnel potential (concentrated mainly in two cities - Kaluga and Obninsk).

The formation of an active economic environment at the regional scale starts over ten years ago with the adoption of regulatory acts aimed at attracting investment. [29] In accordance with these documents a wide range of support to foreign and domestic investors from the regional budget: concessions on regional taxes and levies, subsidies, grants, low cost loans. The region to invest their own funds in infrastructure investment sites - industrial parks (regional brand). So, in order to implement the largest investment project with automobile concern "Volkswagen Group Rus", in 2006. the regional administration has specifically adopted the law "On the Governor's investment program for the development of the industrial Park "Grabtsevo", according to which she bought from individuals 800 hectares of land for the construction of the production plant and groups of companies-suppliers. In addition, from the local budget funded the construction of the necessary engineering communications, as specified on the investment site and all of the subsequent: "Kaluga-Yug", "Rosva" (, Kaluga), Vorsino (Borovsky district), "Malaki" (Duminichi district), "sosensky" (Kozelsky district), Kollontay (Maloyaroslavets district), techno Park "Obninsk" (, Obninsk), private industrial Park I-Park lemminkäinen" (Babyninskiy district, industrial zone "Gatchina" (Maloyaroslavets district), The SEZ "Development" (Lyudinovo district). Effective assistance in overcoming bureaucratic barriers in the design and launch of investment projects have a "Corporation of development of the Kaluga region" and "regional

development Agency".

Listed institutional measures to support investment activity, as well as deep market sales of goods and services (within a radius of 400 km is home to 22 million people), a wide network of highways, skilled and inexpensive labor force result improving the regional investment climate. According to the National Rating Agency, Kaluga region marked by the index IC3 (high investment attractiveness - the third level, as at 10.12. 2013. [26]) In the region currently 140 investment projects, among which a significant share of foreign. The largest amount of direct investment (annual input to the regional economy is about \$ 1 billion. [8]) of the leading European and Asian countries is the production of vehicles and equipment, metallurgical and chemical production, wholesale and retail trade, agriculture, construction. Tax revenues since 2006. amounted to 46 billion rubles, of which about 20 billion rubles entered in the budget of the Kaluga region. Only in 2013. started 17 new plants, which gave the economy of the region 20 thousand new highly paid jobs. [25]

Without a doubt the inflow of investments can give a positive dynamics of the regional economy, providing quantitative growth. Logical in this regard, the solution looks Vnesheconombank to buy from our region 25-interest share in industrial parks, as regards this project has high potential. However, foreign investment does not provide a technological breakthrough at the regional scale and in the long term, highlighting them as a priority without innovation bears the risk of preserving and even increasing the lag in technological terms. To keep the leading position in the rating of Russian subjects of the Kaluga region will be able to increase the orientation of its economy to innovative development of scientific, industrial, educational and social spheres. This new development will give her the stability and competitiveness.

Describing the process of forming the regional innovation infrastructure, it is necessary to emphasize the role of Technopark, Obninsk, residents of which are engaged in research in nuclear physics, nuclear energy, radioecology, aerospace science, biology, medicine. According to its organizational-economic essence of this zone of technical innovation type system of relations, optimizing innovative business activities integral with a technological focus. Creating an extensive network of domestic and foreign innovative companies with a small flexible and knowledge-intensive production, the organizers of the Park are committed to carrying out and completion of the survey, bringing them to technologies and prototype implementation of developments on the market of high-tech products. In accordance with the target program [27] for the construction of Obninsk Technopark only from the Federal budget goes to 1.4 billion rubles (complete project scheduled for this year). Among the 26 innovation Park resident-companies specializing in biotechnology and pharmaceuticals, clearly distinguish domestic enterprises of Rosatom and the Russian Academy of medical Sciences. Social impact this project is the creation 4600 jobs, which will reduce the outflow of labor in the Moscow agglomeration.

Note that the Technopark in the sphere of high technologies is one of the links of the innovation infrastructure. For a comprehensive state support of innovative enterprises in Obninsk established the Centre for science and technology business

incubator. Along with Obninsk business incubators are created in Kaluga, Lyudinovo, Kirov, Maloyaroslavets, Vorotynsk. An important place in the organization of investing in small, fast-growing innovative companies registered in the Kaluga region, given a Closed mutual investment Fund of venture investments, organized on the basis of state-private partnership. Its volume is currently 280 million rubles One of the first, supported by the Foundation of enterprises, is the Obninsk plant protection materials", which received 42 million rubles for the project (implementation period : 2013) to create an innovative energy-saving materials using ultra-light inorganic filler micron sizes. Continuing the series of institutional formations of innovation infrastructure, also highlight the Foundation for assistance to small innovative enterprises in science and technology (Bortnik Fund). The task of the regional office of the Fund is to attract young scientists to innovate. Many of them take part in competitions under the program SMART. For the period 2007-2013, more than 70 young innovators became winners of the competition by awarding them grants projects Fund in the amount of 400 thousand rubles for two years. [1]

Among the factors contributing to the achievement of sustainable economic development of Kaluga region, should engage in constructive cooperation with the countries of near and far abroad. Priority directions of development of regional foreign economic activity is the improvement of the commodity structure of export-import operations (increase in the export share of production of high-tech industries, machine building, instrument making, wood processing, agro-industrial complex); institutional support innovative business entities, opening to foreign markets. Among the partners of the region currently 109 countries of the world. The most closely Kaluga contact with the business circles of Germany, France, Czech Republic, China, Republic of Korea, Belarus, Kazakhstan. A relatively high proportion, in the commodity group of regional exports of machine building products, timber, raw materials. The product range of imported products from CIS countries includes food products, products of chemical industry and from abroad machinery, metals and products from them. In the first half of 2014. foreign trade turnover of the Kaluga region was 4705,6 million, including export - 236,1 million, import - 4469,5 million. [7] Given the digital value indicates the presence of a negative trade balance. In order to overcome such trends requires diversification of regional economies. Along with this, the regional leadership is passed on the implementation of the import substitution strategy in relation to consumer goods and food (in response to the introduction of sectoral Western countries ' sanctions against Russia).

Accession to the WTO not only tightened competition, but also highlighted the many unresolved problems within the sphere of activity. For more than two thirds of the price reduction was due to a weak development or complete absence of infrastructure for processing and implementation, development of which is not provided either in government support programs, nor in any concessional lending.

Building horizontal ties diversified management will improve the competitiveness of domestic producers on the domestic market. But in the foreign market without state support is necessary. So, in the US, gas and petroleum products by 10-15%, and electricity by 20% cheaper than in Russia. Meanwhile climate risks

and the costs much lower.

Predicting further development of the sphere of activity can be noted that if the profitability of production will not increase and will remain within the current 10%, the payback period of investment projects will increase from 5-8 (at 20% profit margin) for up to 10 years. And that can lead to bankruptcy of domestic producers and increase in the share of imports to 40-50% in the next few years.

Therefore, in order to adequately respond to new threats and challenges against the background of cooperation with the WTO in the field of agriculture should take the following measures:

1) to develop and implement target-oriented software not only production, but also vertically related clusters - refining and marketing - as a necessary condition of creating a diversified infrastructure;

2) to restrict the lower limit of the tariffs of natural monopolies for agricultural producers;

3) to revise the existing system of quotas and customs duties in the best interests of not only the efficiency of domestic producers, but also to ensure national food security;

4) to lobby for the interests of Russian business entities in the WTO system, positioning their strengths.

Only in this case, Russia will be able not only to stand on the path of innovative development, ensuring its product national security, but also to take full advantage of all the lessons and benefits from WTO accession.

Best practices of innovative renewal of the Kaluga region is widely marketed in Russia and abroad. So, in July 2013 was held in Moscow international forum "INNOPROM-2013", which was attended by the Deputy Governor of the Kaluga region Ruslan Zalivatskiy [21].

He focused on the personal commitment of the regional team in creating a favorable business environment. After all, you first need to be a reliable partner and to respond promptly to queries and problems of investors. Culture relations, competence, experience - all this creates the impression of the region in the global business community.

In the continuation of the dialogue RSPP President Alexander Shokhin noted the importance of perceptions of the investment climate in the Russian regions, both domestic and foreign investors. As Chairman and managing partner of KPMG in Russia and the CIS Oleg told about the results of a study on the assessment of investment climate in Russia. "From the point of view of methodology, we tried to abstract away from the prevailing stereotypes and based on the empirical experiences of investors", - said during the dialogue Oleg. It was noted that investors see improved regional investment climates.

The business community has put in priority the desire and ability of the region to be successful. The so-called hard factors - geography and natural resources today are not essential. The focus has changed towards "soft factors" - the relationship with the investor, open dialogue with the regional authorities, the participation of the region in the business process.

Based on this approach to the gun, and line up high investment ratings of the

Kaluga region today.

For example, in 2013, Kaluga region was included in the TOP 10 ranking of regional preparedness for public-private partnership, finishing in 9th place [40].

Rating of regions of the Russian Federation on the development of public-private partnership (PPP) was prepared by experts of PPP development Center at the initiative of the chamber of Commerce of the Russian Federation and represents the dynamics of the development of the PPP market in the Russian Federation.

Rating prepared jointly with the chamber of Commerce, as well as with the expert community: bankers, consultants, government officials.

This rating is clearly independent and evidence-based tool for assessing the investment attractiveness of projects in the field of public infrastructure in the regions.

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J21517-005

Tokarchuk D.M.

THE ROLE OF GOVERNMENT IN SUPPORTING OF BIOFUEL PRODUCTION

Vinnitca national agrarian university

Токарчук Д.Н.

РОЛЬ ПРАВИТЕЛЬСТВА В ПОДДЕРЖКЕ ПРОИЗВОДСТВА
БИОТОПЛИВА*Винницкий национальный аграрный университет*

Introduction. Ukraine imports up to 80% of the fuels to cover its primary energy needs while its own generating assets are ageing and highly polluting. For Ukraine, the need to improve energy security and reduce the environmental impact of its energy sector is acute. Renewable energy can play a key role in addressing both these issues.

Basic content. Although it has great potential for renewable energies, Ukraine has as yet hardly exploited this. The main reason for this low level of activity is that, until now, the legislative and regulatory frameworks have not been adequate to allow implementation of the numerous potentially feasible projects in this area.

In different countries the use of biofuel gives a right on:

- state subsidies (Belgium, France, Sweden, Italy), discounts for VAT (Austria, Netherlands)
- discounts on other taxes (Austria, Belgium, France, Netherlands, Sweden, Greece, Italy)
- advantages are at priming, motion and park (Austria, Belgium, Denmark, Finland, France, Sweden, Greece, Italy) [1].

In some countries (France and Austria) the obligatory norms of additives of biofuel to the ordinary fuel are set.

Basic principles of public policy in the field of production and consumption of biofuel in Ukraine is:

- assistance development and rational use of renewable energy sources;
- economic stimulation of producers and users of biofuel with the purpose of wide introduction of these fuels in Ukraine;
- a stage-by-stage increase of normatively certain obligatory particle of application of biofuel in composition the general production of motor fuels in Ukraine;
- development of normatively legal base in relation to adjusting of biofuel market in Ukraine;
- diminishing of negative influence on the environment;
- determination of perspective policy of the state in relation to production and consumption of biofuel with the purpose of economy of traditional types of fuel, providing of raw material for chemical industry and diminishing of dependence of Ukraine from their import;
- informing of users and producers of biofuel about their economic, ecological, social and other advantages;
- support of investment activity in production and consumption of biofuel by the

legislative providing of relations in this sphere of economic activity, establishment of tax, custom and other deductions and state guarantees;

- development of international scientific and technical cooperation, use of international co-operation in production and consumption of biofuel;

- an assistance development of scientific and technical base of production of biofuel, propaganda of scientific and technical achievements in this sphere;

- harmonization of Ukrainian legislation in the field of production and application of biofuel with the legislation of the European Union [2].

With the purpose of development of production and consumption of biofuel in Ukraine the state stimulates the consumption of biofuel producers and users by the grant of privileges, grants, state credits and other advantages.

To January, 1, 2020 the entered is certain preferences for the producers of biofuel. Exempt from taxation:

- income of producers of biofuel, got from his sale;

- income of enterprises, got by them from activity from the simultaneous production of electric and thermal energy with the use of biological types of fuel and/or production of thermal energy with the use of biological types of fuel;

- income of producers of technique and equipment, certain in the 7 item of the Law of Ukraine «About alternative types of fuel» for making and reconstruction of technical and transport facilities, including self-propelled agricultural machines and power plants which consume the biological types of fuel, got from the sale of the noted technique and equipments which was made on the territory of Ukraine.

Exempt of payment of tax value-added of operation from:

- supply of technique and equipment, certain in the 7 item of Law of Ukraine «About the alternative types of fuel» on the territory of Ukraine;

- the import according the kodas of UCC FT, technique and equipments which is used for the reconstruction of existing and building of new enterprises for the production of biofuel and for making and reconstruction of technical and transport facilities with the purpose of consumption of biofuel, if such commodities are not made and does not have analogues in Ukraine, and also technical and transport facilities, including self-propelled agricultural machines which work on biofuel, if such commodities are not made in Ukraine.

The high cost of bioproduction projects requires from enterprises the search of sources of their financing. They can include the longterm crediting and collaboration within the framework of the international programs:

1. Ukraine Sustainable Energy Lending Facility (USELF) [3].

In order to encourage businesses to pursue sustainable energy projects, the European Bank for Reconstruction and Development (EBRD) has launched the Ukraine Sustainable Energy Lending Facility (USELF). To promote projects that are often challenging to finance and implement, the Facility not only provides tailor-made financing, but also assistance by technical consultants for businesses and local authorities. From 2006 to 2013, the EBRD invested €13 billion in 756 sustainable energy projects in 35 countries.

2. Ukraine Energy Efficiency Programme (UKEEP) [4].

Ukraine Energy Efficiency Programme (UKEEP) is a credit facility developed

by the European Bank for Reconstruction and Development (EBRD), targeting Ukrainian private companies in all sectors looking to invest in energy efficiency or renewable energy projects.

Loans are distributed via partner banks for the projects on:

- rehabilitation and expansion of production facilities using energy efficient equipment;

- usage of renewable energy sources for own needs;

- energy saving measures in commercial buildings.

The benefit of the UKEEP Programme is the independent technical consulting support provided by international and local experts for the enterprises, partner banks and vendors, and funded by the Austrian Federal Ministry of Finance

3. Nordic Environment Finance Corporation (NEFCO) [5].

NEFCO is an international financial institution established by the five Nordic countries. NEFCO finances green growth investments and projects primarily in Russia, Ukraine and Belarus as well as climate projects across the world. NEFCO's main focus is to generate positive environmental effects of interest to the Nordic region.

4. IFS Investment programs of the World Bank Group [6].

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. IFC is also a leading mobilizer of third-party resources for its projects. Their willingness to engage in difficult environments and their leadership in crowding-in private finance enable them to extend their footprint and have a development impact well beyond their direct resources.

5. Investment funds programs managed by the Company Conning Assets Management Limited [7].

Investment fund operates on commercial terms, thus stimulating the formation of the market and showing that projects in energy efficiency may become commonplace for the financial sector.

6. Financing Energy Efficiency Investments for Climate Change Mitigation Project in the framework of the Energy Efficiency 21 Project (EE 21) [8].

The Project is to assist participating countries to enhance their energy efficiency and reduce air pollution and greenhouse gas emissions in order to meet international obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and UNECE environmental conventions.

7. Long-term targeted funding of energy efficiency projects, consulting support by Ukreximbank [9].

Ukreksimbank continues realization of general with the European Bank of Reconstruction and Development the Program of energy efficiency in Ukraine for medium- and long-term crediting of segment of small and middle business with the purpose of realization of investment projects of permanent energy. In its scopes, financing for realization of projects of industrial energy efficiency and use of renewable energy sources up to 3 million \$ up to 5 years is given.

Conclusions. Ukraine should use European experience of stimulation of the biofuel use, taking advantage of the already produced and approved charts. Without substantial state support of introduction of new types of biofuel will not take a place.

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Article sent: 21.10.2015

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J21517-006

Yarmolenko V. O.*, Burennikova N. V.**

**COMPARATIVE CHARACTERISTIC OF THE FORCE
OF THE MATERIAL EXPENSES AS COMPONENTS OF THE
EXPENSES OF THE GROSS INCOMES FORMATION PROCESSES
OF THE AGRICULTURAL ENTERPRISES**

** Vinnitsa Trade and Economic Institute of Kiev National Trade and
Economic University, Soborna, 87, 21100*

***Vinnitsa National Agrarian University, Vinnitsa, Soniachna 3, 21008*

Annotation. In the article on the basis of corresponding modeling methodology of the use of authorial indexes of the scale, of the effectiveness, of the efficiency in the role of indicators of the force of process of forming of net product of process of any type and hierarchical level (as possibilities of process to give a positive result) is examined for comparative description of the force of material charges as component parts of charges of processes of forming of gross receipts of agricultural enterprises (in particular, F- impulses are used as elements of authorial SEE-analysis of processes of functioning of the compound systems). For research statistical data of economic activity of these enterprises, and also authorial models of efficiency and corresponding indexes of component parts of efficiency of any process, which were examined in published by authors before works, are used. It is proved, that the offered methodology can be used for comparative characteristic of the force of constituent parts of product as costs of processes of forming of net products of any kindred subjects of functioning (as of subprocesses of process of functioning of the compound systems of any types and hierarchical levels) with the purpose of eception of scientifically substantiated administrative decisions.

Key words: process; processes of functioning of systems; total, net and scaled products of process; scale, effectiveness and efficiency of process; F-impulse of process; SEE-analysis of complicated systems; comparative characteristic.

Raising of problem. One of tasks of modern science and practice there is development of methodology of research of certain aspects of effectiveness of process of functioning of the compound dynamic guided various typing systems and levels (as possibilities of the systems, including economic, to give a positive result) with the aim of management by them. This development is taken to methodology of research of effectiveness of certain processes, as a process of functioning of the system is examined as totality of his subprocesses. In particular, actual is development of methodology of research of effectiveness of material charges as component part of charges of process of forming of gross receipts of agricultural enterprise as case of part of effectiveness of component parts of product as charges of process of forming of net product of subject

Analysis of the last achievements and publications. On the classic outline of research of of the force of process it is based on effectiveness as on a concept identical to efficiency [1, 2 and others], though and other approaches exist in relation to it [3, 4, 5 and others]. Our researches showed that there is sense to examine the category of the efficiency of any process as such at research of the force of process,

which is simultaneously characterized by end results from a quantitative side, as description of its scale product, and from qualitative side, taking into account the effectiveness. Such understanding deepens cognition of process by of its consequences [6-9 and others]. **Unsolved part of problem** are clarification and perfection of methodology of research of the force of component parts of product as charges of process of forming of net product of subject of functioning with the aim of finding of optimal variants of actions in relation to this process for control on the basis of constituents of efficiency.

Basic results of research. A research aim is development of methodology of estimation of the force of component parts of product as charges of process of forming of net product of subject of functioning for finding of optimal variants of actions in relation to this process by control on the basis of constituents of efficiency. **A research objects** are subprocesses of process of functioning of the compound dynamic guided economic systems. The subjects of research are theoretical and practical aspects of providing of optimal the force of subprocesses of process of functioning of the compound dynamic systems of any types and hierarchical levels.

For research will use the authorial models of component parts of efficiency of any economic process and corresponding indexes as indicators of force of process. We will proceed from the assumption, that the consequences of any process are its foods: food as a benefit, food as expenses, general product as a product as benefit and product as expenses. Every process is answered by a scale product as a product as benefit and that part of product as expenses, that proportional to part of product as benefit in a general product. The indexes of constituents of effectiveness of process can be expressed by means of indexes of corresponding foods [6-9 and others].

Indexes of constituents of efficiency of economic process, offered in works [6-9] and others, is component part of mechanism of regulation of this process. For research of process will use such equalizations of change of its efficiency:

$$J_R = J_K \cdot J_E = J_K \cdot J_{V/Z} = J_G \cdot J_{1+V/Z}; \quad (1)$$

$$J_R = J_G \cdot J_{1+Z/V} \cdot J_{G/Z} \cdot J_{V/G} = J_G \cdot J_{1+Z/V} \cdot J_{G/Z} \cdot J_{1+Z/G}, \quad (2)$$

where indexes J_R , J_K , J_E and others are the indexes of change of certain indexes as attitudes of corresponding indexes toward a base ndexes. In last formulas: V is an index of general product of process; Z is an index of its product as of costs; $G = (V - Z)$ is an index of its product as of benefit of process; $K = G + Z \cdot G/V$ is an index of scale product of process; $E = V/Z$ is an index of effectiveness of process as of ratio of indexes general product of process V and of product as of costs Z ; $R = K \cdot E = K \cdot V/Z = G(1 + V/Z)$ is an index of of efficiency of process (more detailed – in works [6, 9]).

For an example in relation to the object of research we choose the process forming of the gross return of agricultural enterprise as subprocess of its productive activity. It is the process of labour and forms part of gross added value (of GAV) of region, country (herein its important role consists). This process is characterized by material and depreciation expenses. Thus will examine the marked process of two next agricultural enterprises of the Vinnytsya region: 1) LLC “Joint-stock company the “Green valley” (enterprise of A); 2) the Private joint-stock company the “Food

company "Podillia" (enterprise of B).

As an index of effectiveness of process of forming of the gross return of enterprise, where V is a net profit (profit yield) from realization of products (commodities, works, services) as an index of general product of process; Z is material charges and depreciation as an index of its costs, then:

$$E_{\hat{A}} = V_{\hat{A}} / Z_{\hat{A}} = V_{\hat{A}} / (Z_{1\hat{A}} + Z_{2\hat{A}}); E_{\hat{B}} = V_{\hat{B}} / Z_{\hat{B}} = V_{\hat{B}} / (Z_{1\hat{B}} + Z_{2\hat{B}});$$

$$V_A = Z_{1A} \cdot E_A + Z_{2A} \cdot E_A = V_{1A} + V_{2A}; V_B = Z_{1B} \cdot E_B + Z_{2B} \cdot E_B = V_{1B} + V_{2B};$$

$$V_{1A} = Z_{1A} \cdot E_A; V_{1B} = Z_{1B} \cdot E_B,$$

where V_A, V_B are net profits from realization of products (commodities, works, services) of enterprises A, B accordingly; V_{1A}, V_{1B} are parts of net profit from realization of products (commodities, works, services) of enterprises, which answer material charges; Z_{1A}, Z_{1B} are material charges of enterprises; E_A, E_B – effectiveness of processes of forming of the gross return of enterprises.

In a table 1 some an indexes of productive activities of the marked enterprises are driven to 2010-2013.

Table 1
An indexes of productive activities of the enterprises to 2010-2013*

Enterprise of A				
An index	2010	2011	2012	2013
Net profits from realization of products (commodities, works, services) – thousands of hryvnia	198799	224243	269907	276761
Material charges and depreciation (thousands of hryvnia)	127308	181123	189144	150362
Material charges (thousands of hryvnia)	115339	167099	171243	131658
Depreciation (thousands of hryvnia)	11969	14024	17901	18704
Number of staff (of persons)	1439	1412	1045	856
Enterprise of B**				
An index	2010	2011	2012	2013
Net profits from realization of products (commodities, works, services) – thousands of hryvnia	609852	930609	570448	7 25120
Material charges and depreciation (thousands of hryvnia)	301881	477733	444392	396898

Continuation of table 1

Enterprise of B**				
Material charges (thousands of hryvnia)	294217	455747	409146	352501
Depreciation (thousands of hryvnia)	7664	21986	35246	44397
Number of staff (of persons)	3442	3350	2691	2266

* By data of enterprise.

** By data of financial accountability of enterprise [10].

In a table 2 indexes of productive activities of enterprises are marked in 2010-2013, connected with material expenses. They are got from a table 1 after the corresponding formulas marked higher.

Table 2
Indexes of productive activities of enterprises are marked in 2010-2013,
connected with material expenses

Enterprise of A				
An index	2010	2011	2012	2013
Effectiveness of forming of the gross return of enterprise *	1.561559	1.23807	1.426992	1.840631
Part of net profit from realization of products (commodities, works, services), which answer by material charges (thousands of hryvnia)*	180108.7	206880.3	244362.4	242333.8
Material charges (thousands of hryvnia)**	115339	167099	171243	131658
Number of staff (of persons)**	1439	1412	1045	856
Enterprise of B**				
An index	2010	2011	2012	2013
Effectiveness of forming of the gross return of enterprise *	2.020174	1.947969	1.283659	1.826968
Part of net profit from realization of products (commodities, works, services), which answer by material charges (thousands of hryvnia)*	594369.5	887781.0	525203.9	644008.0
Material charges (thousands of hryvnia)***	294217	455747	409146	352501
Number of staff (of persons)***	3442	3350	2691	2266

* It is calculated by authors.

** By data of enterprise.

*** By data of financial accountability of enterprise [10].

In a table 3 descriptions of constituents of efficiency of material charges as a constituents of charges of process of formation of gross receipt of enterprise B in comparing to the enterprise A in 2010–2013 are indicated.

Table 3
Descriptions of constituents of efficiency of material charges as a
constituents of charges of process of formation of gross receipt of enterprise B in
comparing to the enterprise A in 2010–2013 *

2010						
Enterprise	Description of total product of process		Description of product of process as costs		Description of net product of process	
	V	J_V	Z	J_Z	G	J_G
A	125162.4	1	80152.19	1	45010.22	1
B	172681.4	1.379659	85478.5	1.066453	87202.94	1.937403
Enterprise	Description of qualitative component of scale product of process		Description of scale product of process		Description of effectiveness of process	
	$1 + Z/V$	$J_{1+Z/V}$	K	J_K	E	J_E
A	1,6403855	1	73834.11	1	1.561559	1
B	1.4950069	0.9113753	130369	1.765701	2.020174	1.29369
Enterprise	Description of quantitative component of effectiveness		Description of qualitative component of effectiveness of		Description of efficiency of process	
	$J_{G/Z}$		$J_{V/G}$		R	J_R
A	1		1		115296.4	1
B	1.81668		0.7121177		263368.1	2.284271
2011						
Enterprise	Description of total product of process		Description of product of process as costs		Description of net product of process	

	V	J_V	Z	J_Z	G	J_G
A	146515.8	1	118342.1	1	28173.73	1
B	265009.3	1.808742	136043.9	1.149582	128965.4	4.577505
Enterprise	Description of qualitative component of scale product of process		Description of scale product of process		Description of effectiveness of process	
	$1 + Z/V$	$J_{1+Z/V}$	K	J_K	E	J_E
A	1.8077086	1	50929.89	1	1.23807	1
B	1.5133553	0.8371677	195170.4	3.832139	1.947969	1.573391
Enterprise	Description of qualitative component of scale product of		Description of scale product of process		Description of effectiveness of process	
	$J_{G/Z}$		$J_{V/G}$		R	J_R
A	1		1		63054.78	1
B	3.981887		0.3951371		380185.8	6.029453
2012						
Enterprise o	Description of total product of process		Description of product of process as costs		Description of net product of process	
	V	J_V	Z	J_Z	G	J_G
A	233839.6	1	163868.9	1	69970.72	1
B	195170.5	0.8346341	152042.4	0.9278292	43128.16	0.6163744
Enterprise	Description of qualitative component of scale product of process		Description of scale product of process		Description of effectiveness of process	
	$1 + Z/V$	$J_{1+Z/V}$	K	J_K	E	J_E
A	1.7007747	1	119004.4	1	1.426992	1
B	1.7790232	1.046008	76725.99	0.6447322	1.283659	0.8995557

2012						
Enterprise	Description of quantitative component of effectiveness		Description of qualitative component of effectiveness of		Description of efficiency of process	
	$J_{G/Z}$		$J_{V/G}$		R	J_R
A	1		1		169818.4	1
B	0.6643187		1.354103		98490	0.5799726
2013						
Enterprise	Description of total product of process		Description of product of process as costs		Description of net product of process	
	V	J_V	Z	J_Z	G	J_G
A	283100.2	1	153806.1	1	129294.1	1
B	284204.8	1.003902	155560.9	1.011409	128643.9	0.9949705
Enterprise	Description of qualitative component of scale product of process		Description of scale product of process		Description of effectiveness of process	
	$1 + Z/V$	$J_{1+Z/V}$	K	J_K	E	J_E
A	1.543292	1	199538.6	1	1.840631	1
B	1.547355	1.002633	199057.7	0.99759	1.826968	0.992577
Enterprise	Description of quantitative component of effectiveness		Description of qualitative component of effectiveness of		Description of efficiency of process	
	$J_{G/Z}$		$J_{V/G}$		R	J_R
A	1		1		367276.9	1
B	0.9837468		1.008976		363672.1	0.9901848

*Cost indexes are given in among for a year on one of staff in hryvnyas in actual prices; V is part of net profit from realization of products (commodities, works, services), which answers by material charges; Z is material charges; G = (V - Z) is part of gross receipt, which answers by material charges. Indexes – in coefficients as a relation of cost indexes of enterprise B to the corresponding indexes of enterprise A ($J_K = J_G J_{1+Z/V}$, $J_E = J_{G/Z} J_{V/G}$, $J_R = J_K J_E$). Source: it is expected by authors.

From data of table 3 paces of increase of indexes of constituents of efficiency of material charges as of constituents of charges of process of formation of gross receipt of enterprise B in comparing to the enterprise A in 2010–2013 are found (it is presented in table 4).

Data of table 4 allow to judge about that, on how many percents the corresponding indexes of dynamics of constituents of efficiency of material charges as a constituent of charges of their investigated process of enterprise B in comparing to the enterprise A changed (increased or diminished), notably give an opportunity to draw conclusion in relation to that, as well as what constituents the indexes of foods of process (parts general, clean, product as charges) and constituents of efficiency of process change.

By F-impulses we named factors, which on forming of foods of this process ($F = Z, G, V, 1 + Z/V, K, E, R, G/Z, V/G$) are influencing [10]. Foods of process are parts of charges on his functioning, parts of clean and general foods; scale, efficiency and effectiveness of process and others like that. These impulses can be both positive and negative.

Table 4

Matrix of paces of increase of indexes of constituents of efficiency of material charges as of constituents of charges of process of formation of gross receipt of enterprise B in comparing to the enterprise of A in 2010–2013*

		$J_R = J_G J_{1+Z/V} J_{V/Z} = J_G J_{1+Z/V} J_{G/Z} J_{1+Z/G}; J_{G/Z} = J_G / J_Z; J_{V/G} = J_V / J_G$									
		$J_R = J_K J_E$			$J_K = J_G J_{1+Z}$			$J_E = J_{G/Z} J_V$			
	P	ΔJ	ΔJ	ΔJ	ΔJ	Δ	ΔJ	Δ	Δ	Δ	Δ
	2	+1	+	+	+	-	+8	-	+	+	
	2	+502.95	+2	+	+3	-	+2	-	+80.87	+14.96	
	2	-42.00	-	-	-	+	-	+35.41	-16.54	-7.22	
	2	-0.98	-	-	-	+	-	+0.1	+0.39	+1.14	

* Paces of increase – in percents.
Source: it is expected by authors.

Values of indexes $\Delta J_Z, \Delta J_G, \Delta J_V, \Delta J_{1+Z/V}, \Delta J_K, \Delta J_E, \Delta J_R, \Delta J_{G/Z}, \Delta J_{V/G}$ from a table 4 characterize the degree of influence of corresponding factors on forming of foods of process that is investigated. By these factors of process, which are studied, it are accordingly: material charges (with the index of Z); parts of gross receipt (with the index of G) and of net profit (profit yields) from realization of products (commodities, works, services) – with the index of V), that answer material charges; past labour (with an index $1-Z/V$); scale of process (with the index of K); effectiveness of process (with the index of E); efficiency of process (with the index of R); quantitative constituent of effectiveness of process (with the index of G/Z); a quality constituent of effectiveness of process (with the index V/G).

The results of measuring of degree of influence of corresponding factors on forming of foods of the investigated processes are represented in a table 4 (in conditional units). These results we named power of corresponding impulses [10]. R-impulse is resultant K- and E- impulses, K-impulse – resultant G-and $(1 - Z/V)$ -

impulses, E-impulse – resultant (G/Z)- and (V/G)- impulses.

For example, from data of row 2 of table 4 it is possible to do a next conclusion: on an enterprise B in 2012 in comparing to the enterprise A there was positive R-impulse by power +502.95 conditional units, it is resultant of positive K- and E- of impulses by power +283.21 and +57.34 conditional units accordingly. In turn, K-impulse is of resultant G – and $(1-Z/V)$ of impulses by power +357.75 and -16.28 impulses mind accordingly; E-impulse – resultant of (G/Z)- and (V/G)- impulses by power according of 298.19 and of 60.49 conditional units.

On the whole, in relation to the process of the gross return of enterprise B in comparing to the enterprise A, then in 2010, 2011 negative were $(1 - Z/V)$ -, (V/G)-, Z- impulses, and positive – all others; in 2012 positive – $(1 - Z/V)$ -, (V/G)- impulses, and negative – all others; in 2013 positive -- $(1 - Z/V)$ -, (V/G)- impulses, and negative – all others.

Thus, actions in relation to the use of material charges as constituent of charges of the gross return of enterprise B in comparing to the enterprise A were more rational in 2010-2011 and in 2012-2013 actions of enterprise A were more rational in comparing to the enterprise of B.

In the article the process of generating the gross return of agricultural enterprises as subprocess of its productive activity was examined. Researchs of other component processes (subprocesses) of process of functioning of agricultural enterprises with the aim of evaluation of its economic development and acceptance of scientifically-reasonable administrative decisions on the basis of the use of F-impulses in relation to the orientation of consequences of processes are conducting by analogy.

Our researches showed that on the basis of authorial indexes of constituents of efficiency it is possible to investigate the processes of different types and hierarchical levels [9]. Therefore the offered methodology can be used for comparative description of the force of component parts of product as charges of processes of forming of clean foods of any kindred subjects of functioning (as subprocesses of process of functioning of the systems of any types and hierarchical levels). Under certain circumstances the compound system needs corresponding directions of the rational functioning: for example, “orientation on a product”, orientation, notably optimization of its volumes; “orientation on procedures”, notably decline of losses by stable volume and others like that. Therefore there is a necessity of finding out of connection between the constituents of efficiency of subprocesses of process of functioning of the system and their foods. Such finding out, in particular, the use of F-impulses assists as of indicators of orientation of consequences of process functioning of the system, which are the elements of authorial SEE-analys of the force of processes on the basis of constituents of efficiency. As external and internal factors in relation to the processes of functioning of the systems any types and hierarchical levels influence on foods of their subprocesses, then expressing efficiency of these subprocesses through the used higher authorial indexes, it is possible enough accurately to describe a level, state and consequences of the marked processes and operatively to direct them in corresponding directions with the aim of acceptance of scientifically reasonable administrative decisions.

Conclusions. 1. It is found out on the example of processes of forming of gross

receipts of two agricultural enterprises that for comparative description of the force of material charges as component parts of charges of processes the indexes of paces of increase of constituents of efficiency of these processes can to serve. 2. It is set that this methodology can be used in practice with the aim of evaluation and prognostication of economic development and acceptance of scientifically-reasonable administrative decisions of enterprises. 3. It is accent, that research of others subprocesses of processes of functioning of agricultural enterprises with the same purpose on base of application *F*-impulses in reference to orientation of consequences of processes it is conducted by analogy. 4. It is proved, that the offered methodology can be used for comparative characteristic of the force of constituent parts of products as costs of processes of forming of net products of any kindred subjects of functioning (as of subprocesses of process of functioning of the compound systems of any types and hierarchical levels) with the purpose of eception of scientifically substantiated administrative decisions.

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The article had been sent 19.05.2015
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J21517-007**S.Yakovenko****BANKING INNOVATIVE ACTIVITY AS A FACTOR OF INCREASING COMPETITIVENESS***Kuban State University*

Abstract. The paper deals with the main approaches to organizing innovation in the bank, and provides a number of authoring for the stages of innovation, their subjects and indicators to assess their quality. The purpose of the article is the development of theoretical positions, allowing the bank to consider the process of innovation activity of one of the main factors of sustainable and balanced development of the bank in the long term, largely determines the innovation potential of the credit institution and its competitiveness. Developed by the author Indicators of innovative activity of the bank will allow any interested users to conduct regular monitoring of credit organizations at various levels

Keywords: banking innovation, innovation process, innovation activity, the bank's competitiveness, scorecard

In modern economy, a key factor for stability and sustainable and balanced development in the long term and high competitiveness is the policy of continuous innovation.

Banking innovation activity - is the implementation of the innovation process in the bank, and the degree of diffusion of innovations in banking practice of functioning of real businesses.

Essential elements of banking innovation process in our view are the following:

- Financing innovation;
- The creation of new banking products, services and technologies;
- Determining the value of new products and services;
- Modernization of existing bank products;
- Improving the competitiveness of banking services;
- Change in bank management technologies;
- Preparation of socio-economic effects;
- Increased capitalization and growth in the value of the banking business.

The banking financial sector in the first place in the interpretation of the essence of innovation as an economic category comes the understanding of innovation as a result of actions that resulted in qualitative changes in the processes of commercial banks. In accordance with the author's approach the subject of analysis of the innovation process are the changes that are made in the development of new or upgraded banking products, services and processes. Changes are also taking place in the field of bank management and related organizational, often considered in conjunction with the changes in the technique of banking business.

A defining feature of the innovation process, according to A.V. Muravyova, are the following [2]:

- First study the nature of the innovation process as a process of creation, distribution and use of innovation and moving it to the center of qualitative and sectors structural changes the quantity;

- Second, the process of innovation is constantly existence factor;
- Thirdly: unprecedentedly high speed of innovation changes.

I believe that the following main features inherent in innovation processes in the banking industry (Figure 1).

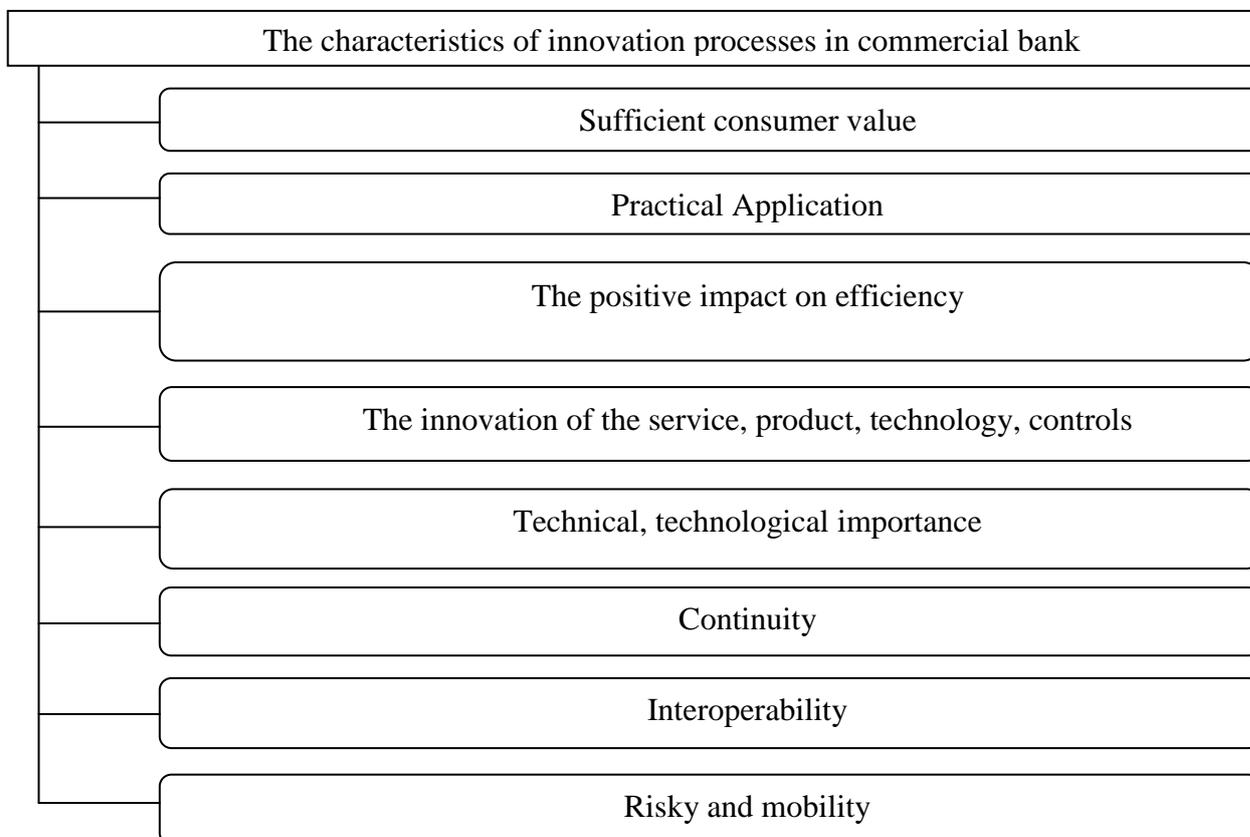


Figure 1 - The main features of innovative processes

All existing innovation processes in the bank, S.D. Ilyenkov divided into three groups [3]:

1. Simple innovation process - it is an internal process that involves the generation of innovations within the same bank. But innovation takes the form of a banking new product, but simply improve the quality of existing products, or any service technology.
2. Simple mezhbankovskiy organizational processes when you create a new bank product for promotion to the market.
3. Modern banking innovation processes connects with complex bank`s multifunctional product. During the plug Bank collaborates with business partners for innovative movement processes between some banks. For example we can show distance banking system (DBO) or the introduction of mobile banking. [4].

Specific of mechanism innovative banking business process can be differentiated by these steps (Table 1). [5].

One thing is certain - the innovative process of the bank as a business structure - is a process of dynamic competition, which involves banks follow to innovation. [6].

So, the author's conclusion is that the innovation process of the bank - this is not some kind of banking activity, and the change of the system, a stable and purposeful set of interrelated actions of banking institutions, linked in time and space, and to achieve the goals of sustainable development dynamic. At the third stage of the review process

there is proper use and innovation in the practice of the functioning of economic entities of any other region that is actually innovative activity of the bank.

Table 1

Steps in the process of innovation activity in commercial banks

Step	Participant	The content of step	Key Success Factors
I	Divisions / department specific bank, individual employees	Collection and processing of information on the state of the banking innovation, analysis of market capacity in the field of new banking products, services and technologies	Proper identification of needs and readiness of the banking market to innovate. Formation of the system of key indicators (raw data matrix consisting of the number of institutions of the banking system, located in the region, the number of ATMs, payment terminals and imprinters in the region, the number of accounts serviced by banks in the region through the Internet, the number of online banking services via mobile phones, the volume and number of transactions the use of innovative devices, etc.)
II	Top management / all structural units of the bank	Development of the strategy of innovative development of bank in the medium and long term, the concept of new products and services and the mechanism of their implementation on the market	Balanced strategy implies a documented business process to implement the strategy. Perform regular analysis of the effectiveness of innovative business processes, the actual implementation of the targets laid down in the Innovation Strategy
III	The Bank and its counterparties	The process of direct practical innovation	The correct choice of methods and pricing policies, determination of the optimal distribution channels of innovative products; Successful diffusion of financial innovations in banking activities of business entities in the region. Proposed indicators: the number of bank accounts per 1 inhabitant of the region; the number of innovative banking devices per 1 inhabitant; share accounts serviced through the Internet and through mobile phones in all accounts of the region; share accounts with remote access to all bank accounts of the region; etc.)
IV	The banking system of the country	Evaluating the impact of the introduction of innovative products (services) in the banking market	Determination of the banking innovation activities at the micro, meso and macro levels (at the level of individual credit institution / separate economic entity of the country / countries of the banking system as a whole)

We believe that the primary role of the expansion of innovative activity of a commercial bank - is to ensure the dominance of the market for its range of services in an increasingly competitive environment, which is especially important at the present time in the Russian banking sector.

The article discussed the main directions of scientific thought on the implementation of innovative activity in a commercial bank.

It was suggested to the author's definition of the banking innovation activity, under which it is proposed to understand the degree of diffusion of innovative banking products, services and technologies in the daily activities of business entities in the region, while we believe that the higher the rate of diffusion of innovations in the banking sector in the region, that is, the sooner introduced, assimilated and spread innovation in the banking market, the more sustainable in the long term and is a competitive banking system in the region. There were highlights the main features inherent in banking innovation.

It was formed authoring system of indicators, which are key factors for success in banking innovation.

Summing up, it should be noted that the innovation of commercial banks can be described as the result of the work of human activity, which appeared in a continuous process of investment component factors of production in the scientific and practical idea to implement the results obtained in the course of banking operations.

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J21517-008

Emakova S.V., Marcheva L.M.

REFERENDUM AS A WAY OF GAINING ECONOMICAL INDEPENDENCE

*Northern (Arctic) Federal University named after M.V. Lomonosov,
Severnaya Dvina Emb. 17, Arkhangelsk, Russia, 163002*

Abstract. *The article is devoted to a very popular tendency in the modern world - holding official and informal referenda. The desire to separate is stated by many parts of the countries, being based on economic, political, cultural, religious and other reasons. The reaction of authorities to holding a referendum fluctuates from a simple ignoring to a sharp condemnation. In this article we examine the economic reasons of holding a referendum. It should be noted that such a great interest to a referendum partially arose because of the economic crisis which struck worldwide. The parts of the countries which have a high level of GDP and put a lot of money in the budget, don't want to sponsor less rich parts. They don't want to be "cash cows". Independence of such regions can lead to an economic failure of the mother country. In case of the economic crisis such steps can lead to the complication of an economic situation in the world.*

Key words: *referendum, official and informal independence referendum, the economic reasons of a referendum, advisory survey, Venice, Catalonia, Scotland, Crimea, Russia, the Charter of the UN.*

Nowadays the word “referendum” is very popular because people hear it every day in news, in programs on TV, read it in newspapers. It is connected with the fact that many parts of the countries want to become independent that will change not only the territorial world map but also the economic world map. Therefore the problem of holding referenda is very popular in the modern world.

The term “referendum” (in some countries synonymous with plebiscite or a vote on a ballot question) means a direct vote in which an entire electorate is asked to vote on a particular proposal [1]. This may result in the adoption of a new constitution, a constitutional amendment, or some laws. But most of people know a referendum as a way of gaining political, religious, ideological, cultural and economic independence of the country or its separate part. In the article we consider the economic independence.

The first ever known referendum was held in 1439 in the Swiss canton of Bern. There the problem of a financial position of this canton was considered, namely: the adoption of dues at a rate of one angeter in a week for repayment of war debts of the canton. Afterwards this positive experience was borrowed by the majority of other Swiss cantons. In Switzerland in 1848 the referendum was recorded in the constitution as a national will. Switzerland is the leader among other countries by number of referenda which were held. Since 1843 there were held 240 referenda and this country is sometimes called “the referendum homeland” [2].

Today it is possible to review some examples of referenda to analyze a situation. In the modern world one of the most known examples of an independence referendum is the Venetian Independence Referendum of March 2014. It was an

unofficial, non-binding, online and privately organized poll held among residents of Veneto, one of the 20 regions of Italy, which took place from March 16 to 21, 2014. The vote was promoted by Plebiscito.eu (formerly named as Plebiscito2013.eu), a Venetian nationalist organization led by Gianluca Busato. 3,8 million inhabitants living in such cities as Venice, Verona, Treviso, Padua, Belluno, Vicenza were to answer a question: “Do you want Veneto to be a federal, independent and sovereign state?” According to Plebiscito.eu's staff, 2.36 million Venetians (63.2% of all eligible voters) participated in the online referendum and 89.1% of them (that is to say 56.6% of all eligible voters) voted “Yes” to independence. Plebiscito.eu proclaimed Veneto's independence from Italy in Treviso on the night of 21 March.

Before telling about the reasons of holding a referendum, it is necessary to give some facts about this region. Firstly, Veneto is the fifth place on population in the country (about 5 million people). Also its capital – Venice wins the first place among the most popular tourist directions. Every year it is visited by about 14 million tourists. Besides, it is one of the richest regions of Italy: 10% of GDP of the country fall to its share.

The main economic cause of separation of Veneto from Italy is a heavy tax burden which falls on shoulders of the industrial area which doesn't want “to sponsor” the poor Italian South of the country any more. Veneto's inhabitants annually pay 70 billion euros of tax from which only 50 billion are invested in the region, and the others 20 leave Veneto to Rome. Each inhabitant of almost four-million area annually doesn't receive 4 thousand euros. If we take a family from five people, the sum will reach up to 20 thousand a year [3].

One more country from Southern Europe where a referendum was passed is Spain. The Catalan Independence Referendum on “the political future” of Catalonia was planned for November 9, 2014. On 29 September 2014, the Spanish Constitutional Court provisionally suspended the vote on the reason of its discrepancy of the constitution of the country. The Catalan Government subsequently announced the “temporary suspension” of the referendum campaign. On November 9, 2014 instead of a full-fledged referendum the advisory survey about the political future of Catalonia which doesn't have direct validity and forbidden by the authorities of Spain was conducted.

Considering the economy of the region it is possible to tell that the autonomous Region of Catalonia with the capital in Barcelona is one of the most developed industrially and in the market of tourism. The fifth part of GDP of Spain falls to the share of this region. Catalonia gives to treasury of Spain most than other regions of Spain, providing 20% of GDP of the country, but back receives less than 16 billion euros a year. This money, equivalent to 8% of regional GDP, would dig Catalonia out of a debt and deficit hole and provide greater investment and a better welfare state. Among local voters the discontent with distribution of the taxes collected in Catalonia which considerable share goes to Madrid for financing of less safe regions of the country grow [4].

If we take Western Europe, here Great Britain can be a notable example. The Scottish independence referendum was a referendum on Scottish independence that took place in Scotland on 18 September 2014. The independence referendum question, which

voters answered with "Yes" or "No", was "Should Scotland be an independent country?". The "No" side won, with 55.3% voting against independence and 44.7% voting in favour. The turnout of 84.6% was the highest recorded for an election or referendum in the United Kingdom since the introduction of universal suffrage.

The Scottish Independence Referendum Bill, setting out the arrangements for this referendum, was passed by the Scottish Parliament in November 2013, following an agreement between the Scottish and the United Kingdom governments, and was enacted as the Scottish Independence Referendum Act 2013. To pass, the independence proposal required a simple majority. With some exceptions, all European Union (EU) or Commonwealth citizens resident in Scotland aged 16 or over could vote, a total of almost 4.3 million people [5].

If to compare Scotland and UK we can see some economic reasons of separate:

- Scotland is the 3rd largest global producer of salmon. (In 2012 178 820 tons of salmon were extracted here).
- Scotland is the world's largest global producer malt whisky. (In 2013 1,3 billion bottles whisky were exported).
- Mean house price in Scotland is lower than in the UK (£181 against £251).
- An independent Scotland would take with it 14 of the 28 UK golf courses listed in Golf Digest's top 100 in the world [6].

Moreover, the detection of an oil field Brent at coast of Scotland in the early seventies had decisive impact on supporters of independence. If Scotland separates from Great Britain, Scotland will be able to gain more than 80% of income of Britain of oil and gas production in the North Sea. According to calculations, in the next 6 years the British treasury can be replenished with 54 billion pounds sterling in a type of tax from the oil and gas enterprises. Also, in the northwest the naval base of nuclear submarines is located. Scotland wants to remove the nuclear weapon from its territory.

Considering the subject connected with a referendum it is necessary to tell about the referendum in the Crimea held on March 16, 2014. The referendum asked the people of Crimea whether they wanted to join Russia as a federal subject, or if they wanted to restore Crimea's status as a part of Ukraine.

Crimean status referendum 2014 was a referendum on the status of Crimea held on March 16, 2014, by the legislature of Autonomous Republic of Crimea as well as by the local government of Sevastopol, both subdivisions of Ukraine at the time. The referendum asked the people of Crimea whether they wanted to join Russia as a federal subject, or if they wanted to restore Crimea's status as a part of Ukraine. The official result from the Autonomous Republic of Crimea was a 96.77 % vote for integration of the region into the Russian Federation with an 83.1 % voter turnout [7].

The benefits which Russia received from the association with the Crimeare the following:

1. Russia paid for basing of the Black Sea fleet in the Crimea about 100 million dollars a year, and with extension of the contract till 2049 Ukraine receives a discount for gas in 30%, (so-called Kharkov agreements). It is natural that after transition of the Crimea Ukraine loses these benefits. Russia can save from 4 to 6 million dollars a year. Also Russia will save 5 billion dollars on South Stream, the part of gas pipeline

will pass on an overland site of the Crimea, and a problem of gasification of the Crimea will be solved.

2. The Crimea is a rich region on fish production, and in the long term gas production and oil. The general reserves of gas in the Crimea are estimated at 1,5–3,2 trillion cubic meters, that is at production even in 10 billion cubic meters a year they will be enough with a minimum on one and a half hundred years of operation [8].

3. Development of tourism means development of business (construction, trade, service, agriculture).

It is necessary to tell that the Crimean referendum was regarded as illegitimate by most countries including all European Union members, the United States and Canada. Russia officially recognized the results of the Crimean referendum referring to the inalienable right of the people to self-determination affirmed in the Charter of the UN [9].

Summing up the referendum is the fastest way to get to know what people want. It can help to make a decision which concerns all inhabitants of the country. The referendum is the simplest form to gain independence in the democratic country, despite resistance of the official authorities. At last, in the Charter of the United Nations the inalienable right of the people to self-determination is affirmed. So, if people want to be independent, the society have to accept and respect their desire.

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J21517-009**Marcheva L.V., Orlova E.S.****TYPES OF CHARITY. CHARITY WORK IN ARCHANGELSK REGION***Northern (Arctic) Federal University named after M.V. Lomonosov, Severnaya Dvina Emb. 17, Arkhangelsk, Russia, 163002*

Annotation: The article reflects positive sides of charity as a simple transferring of goods and money, critics of this event, also it reveals this concept for business. The article shows the differences between types of charity such as sponsoring, philanthropy and patronage. The system of economy today has one weak side - economic inequality. Charitable activity is a way to solve this problem with the positive effect to those who give and those who take money. The second part of the article is the research of Archangelsk region charity organizations. The present research shows that Archangelsk region has many charity organizations, devoted to different problems of the modern world. The initiative, which show residents can be a reason to consider our citizens socially responsible.

Key words: charity, charitable organizations and foundations, sponsorship, philanthropy, patronage, corporate social responsibility, economic inequality.

The system of economy today has one weak side: economic inequality. Economic inequality refers to how economic metrics are distributed among individuals in a group, among groups in a population, or among countries [1]. There are different ways to solve this problem on different levels. Elimination of income inequality is one of the main tasks of social policy. But it is hard to cover the entire amount of the population in need, that is why such concept as charity exists.

The word "charity" entered the English language through the Old French word "charité" which was derived from the Latin "caritas". Charity means the voluntary giving of help to those in need, as a humanitarian act [2]. Charitable giving is the act of giving money, goods or time to the unfortunate, either directly or by means of a charitable trust or other worthy cause. Charity can have different sizes: it can be organized by single person, one small or big organization or by government. Charity usually finds support in society, including in the form of church charity as the study of philanthropy in the corresponding dogmas of religion and as the duty of every true believer. Government charity can take place in charity structure of every country too as a support of charitable organizations.

There are some differences between charitable organization and charitable funds. A charitable organization is a non-governmental and non-profit organization established for charitable purposes by charitable activities for the benefit of society as whole or certain categories of persons. Charitable organizations are created in the form of public associations, foundations, institutions, and in other forms provided for by federal laws for charitable organizations. A charitable organization may be established as an institution if its founder is a charitable organization. The foundation that leads charitable activity is different socially oriented programs or engaged in the distribution of grants. The fund is determined in its statutes. Funds may seek funding for their activities in several ways. For example, receive charitable donations from organizations and individuals, receive grants and targeted funding from other

charities, conduct business; invest its own funds in securities, kept in a deposit, conduct another is not contrary to the laws of financial activities.

Critics of charitable giving contend that simply transferring gifts or money to disadvantaged people has negative long-term effects. The online microlending organization "Zidisha" published a blog post which contended that providing handouts can actually cause harm by incentivizing lack of progress out of poverty, and by creating a dependence mentality among recipients. According to "Zidisha", microfinance lending is a better alternative than donations, because it incentivizes successful investment of the funds and creates a can-do mentality on the part of recipients [3]. The pluses are obvious: destitute and sick people get help that facilitate the obligation of government to support socially disadvantaged population. Those who give money get pleasure, clean their "karma" or try to get profit from it. So there is a contradiction between the non-profit act and a wish to make a profit. The world practice shows, that in the most charity is like a downside of successful (and sometimes quirky) business. Firstly, some companies make charitable contributions or even establish charitable foundation to fulfill the obligation of corporate social responsibility. CSR is a form of corporate self-regulation, that includes actions of improving social, ecological and ethical spheres of human life that also have to meet interests of company. Existence of charity acts in company makes business more attractive to clients. What is more, it is a legal way to cope with attacks eco communities. Some governments give the companies with charity organizations in them a tax benefits. Being an organization that gives money for charity means to have a good reputation. Good reputation is the best advertisement.

The charity can be divided into 3 types according to an aim of giving and a person or company. They are sponsoring, philanthropy and patronage.

Sponsorship - quite young phenomenon, so there is no single unified determination of this phenomenon. Sponsorship - is any commercial agreement, in which a sponsor get profit from providing financing or other support in order to establish an association between the sponsor's image, brands or products and programs or activities [4]. That determination shows that the main purpose of sponsoring is to get profit from it as from advertisement. In problems of sponsorship is not so much aim to help anyone, but rather to keep up this help name and reputation. Any company or person can be a sponsor.

Philanthropy (from Greek *φιλανθρωπία*) etymologically means "love of humanity" in the sense of caring, nourishing, developing and enhancing "what it is to be human" on both the benefactors' (by identifying and exercising their values in giving and volunteering) and beneficiaries' (by benefiting) parts [2]. The most conventional modern definition is "private initiatives, for public good, focusing on quality of life". This combines the social scientific aspect developed in the 20th century with the original humanistic tradition, and serves to contrast philanthropy with business (private initiatives for private good, focusing on material prosperity) and government (public initiatives for public good, focusing on law and order) [5]. The difference commonly cited is that charity relieves the pains of social problems, philanthropy attempts to solve those problems they want to solve. A person who practices philanthropy is called a philanthropist.

Patronage is the support, encouragement, privilege, or financial aid that an individual gives to another to support a talent of a person, to preserve the history and works of art, to create some new masterpieces [6]. Patron is usually a rich man, because it costs great money to support somebody in the world of art.

Let's watch the differences on simple example: a patron, philanthropist and supporter want to help a poor artist. Philanthropist gives the artist money because the artist is poor, and can't make a masterpiece without help, philanthropist gives the artist the means for living because he wants to get the picture of himself, and as a result the sponsor wants to see their logo on the paintings of the artist.

Not every type of charity can be found in different regions of Russia. It depends on income and mentality. Charitable activities in Archangelsk are made by 10 funds in the main. Most of them work with the help of kind people, who bring money and things to help poor families, children, ill people or those who are in trouble. For example, "Severyanochka", "Soldati Otechestva" or "Dari radost' detiam!" help children not only by a material support. Their aim is to make life better from earlier years.

"Ot chistogo serdsa!" is a charity organization found by 3 Archangelsk citizens. About 40-50 people a day bring the center of help everything they find useful to poor people. Everyone can come in this organization for help, whatever has happened.

The funds devoted to the treatment of serious diseases deserve a special attention. They collect money for development of drugs and conditions to facilitate disease, develop prevention programs. In Archangelsk take place fund "Legkoe dihanie" and "Podari zhizn". One devotes their work to fight lung disease, other engaged in hematological and other serious diseases.

Saving people is a very noble phenomenon, but it is important to keep up other spheres of human life. For example, there is a fund of social, cultural and educational initiatives called "Russkii sever". "Ioloia" is an organization which calls itself the fund of moral rehabilitation of the person and propagandizes a morally right way of life. Because of its strange activity this fund is constantly exposed to criticism. "Garant" is a large organization that provides services for charitable events, helps businesses become socially responsible.

The problem of the charitable organizations in Archangelsk is that it is difficult to find information about them. Even if people want to help anyone they will meet difficulties with the search people in need. The most common way the organizations use to share the information is the Internet. But this way is not suitable for the elderly, who more often try to help.

The government of our region or funds themselves can create an advertisement on television and in newspapers. Mass media agents can publish the information about funds for free as their own contribution to charity. Here we see a way to solve the problem of lack of information. What is more, in Archangelsk charity is run not only by specialized organizations. Children from the early classes are taught to help those who are in need. Students show the initiative and go to orphanages, work as volunteers and raise money.

As we can see in Archangelsk and Archangelsk region there are many charity organizations, devoted to different problems of the modern world. The initiative,

which show residents is laudable and can be a reason to consider our citizens socially responsible.

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J21517-010

Ovchinnikova K.R.

INFORMATION TECHNOLOGY AND VISUALIZATION OF THINKING OF THE STUDENTS

Moscow city teacher training university

Introduction. In UNESCO reported in "Towards knowledge societies" that the main task of our time is the transformation of qualitative information into knowledge. The emerging "knowledge economy now puts the knowledge and cognitive resources at the center of human activity and social development" [1, p.240]. The "main focus is not only on those who have the knowledge, but rather on those who seek to acquire them, not only within the formal education system, but also in professional activities" [1, p.59]. Informatization of education, assumed as "the area of scientific and practical activity aimed at the application of methods and tools for collecting, storing, processing and dissemination of information for systematization of the existing and creation of new knowledge in the pursuit of psycho-pedagogical objectives of training and education", [2, p.224] creates conditions for the formation of a knowledge society. Modern scientists are paying special attention to the various possibilities of educational presentation information, which would provide not only an intensification of the educational process, but also the development of cognitive abilities of students. On the basis of using the potential of modern information and communication technologies (ICT) it is possible to diversify the creation and presentation of educational material one can provide on its basis not only support stages of an instructional cycle, but the complexity, enrichment and accumulation of individual mental experience of the student.

Let us delimit the meanings of the terms "educational information", "objective information", "meta information" and "didactic materials" in the context of the didactics of the higher school. We understand by the objective information - information of specific subject area, which is represented by considering the methodology of relevant scientific field. The metainformation is information about the information, i.e. data that represent characteristics of the presented information for its identification and retrieval. The didactic material high school is a special kind of information, regardless of its form of presentation (print, electronic, audio, video), and the subject area that is used in the learning process at the university to enhance the cognitive activity of the student, which allows the student to acquire knowledge independently and efficiently and use them in solving learning tasks. Applying a multiple approach to the formation of the information will be understood by the educational information as systematic collection of objective information, meta information and didactic materials.

It is known that are several forms of human readable, information, which are used as in secondary and in higher education to provide information, namely: visual, acoustic and symbolic. Visual forms of information can be stored and played back using drawings, photographs, video, and animation. Usually visual information also include a graphical form that uses graphic images based on graphic objects - points, lines, geometric shapes, such as charts, tables, graphs, etc. Acoustic form information

(sound, speech) is commonly used for the expression of human feelings and thoughts. Symbolic form of information is often referred as the linguistic and textual, as it is associated with the concept of alphabet as ordered set characters by which the text is formed.

It is known that the capacity of the human visual analyzer is about 100 times more than the hearing analyzer. A configuration of the spatial stimuli plays an important role in representation of information about the spatial distribution, shape and color of stimuli in visual short-term memory [3]. And that means that the use of visual information to provide educational information in higher education is just as in secondary school. But one aspect of this representation is particularly interesting: what are the role of visualization in higher education, and the role of modern ICT in this?

As known, the principle of visual learning indicates that information that enters the brain through the optical channel, does not require significant recoding; it is imprinted in the memory of a person easily, quickly and securely. And so it is the principle of visual learning in modern didactics - to focus on using of variety of different visual representations, corresponding to educational information. Under the conditions of informatization of education the principle of visual learning allows to provide polytouch perception of educational material; significantly improve the quality of the visual information; make possible the creation of "visual abstraction" [4]. Moreover, visibility in training performs not only illustrative, but also cognitive function, so through the use of cognitive educational graphic elements process of mastering become connected "figurative" the right hemisphere. The "support" (drawings, diagrams, models) that illustrates the content compactly promotes consistency of knowledge, and is the basis not only for a deeper understanding of the essence of new information, but also for its transfer in long-term memory. A striking example of the practical of using of cognitive function visibility in teaching in general education schools are the famous basic schemes of V.F. Shatalov.

Cognitive functions of visual information researchers connect not only with the creation of the visual image of the educational information, but also with questions of visual thinking. Before presenting a educational material to students, these materials must be prepared for the presentation so that they are compact, easy to use and relay all the semantic essence of the information. Technology of information visualization is capable of solving this problem. At the basis of this technology are varieties of effective ways of processing and packaging information, allowing information to be compressed, to be represented in a compact and easy-to-use form. Examples of visualization of information are maps, periodic table, statistical charts stock markets and other. We note that "ability to transform speech and written information in visual form is a professional quality of many specialists. Consequently, in the learning process must be shaped elements of professional thinking: systematization; concentration; finding emphasis» [5, p.35]. Use the technology of visualization information in didactics is based on the fact that «firstly, creators of intellectual systems rely on human knowledge processing and applying mechanisms, using neural network and brain analogue. Secondly, human is the user of intellectual system, so encoding and decoding should be human-friendly, and human learning mechanisms

should be taken into account in creation and application of such systems » [5, p.11].

Nowadays, the concept of information visualization is associated with tool able to enhance mental processes of humans. This concept is based on the provisions of the significance of human visual perception in the process of learning of world and human place in it, on provisions of the leading role of the image in the processes of perception and understanding, on the need to prepare human consciousness to work in an increasingly "is visualized" the world and increasing information overload. Namely, various options of models of representation of knowledge in a compact form correspond to properties of a person to think in images. Studying, learning, pondering the text - this is exactly the drawing up of schemes mentally, encoding of the material. If necessary, man can restore, "expand" all the text, but its quality and durability will depend on the quality and durability of these schemes in the memory. And from that, students create their own scheme intuitively as well as teacher – professionally. The greatest effect in the assimilation of information will be achieved if the recording techniques correspond to the way brain stores and reproduces information, and this is a field of research psychologists and neurophysiologists.

Visual thinking is seen by psychologists as a way of creative problem solving tasks in terms of figurative modeling. The basis of visual thinking is visual-effectual and visual-spatial thinking. In other words, we can say that visual thinking is thinking by visual operations. Visual images are not illustrations of ideas, but rather the thoughts are the result of visual images and visual operations, ie the final manifestation of thinking. Study of the processes of perception of information is necessary for developing of imaging systems. However, the procedure for conversion of results of such research to ready to use visualization algorithms, which could be put into practice, still remains an open question. Although that, studies of the visual thinking in specific subject areas are being maintained. For example, in mathematical disciplines a drawing, formula and conventional signs are studied as a means of the visual presentation of information. And it is noted that the drawing is the simplest way for the geometric method of presentation information, formula faintly associated with a visual representation of information, and conventional sign allow visual perception of the meaning information through their tracings [6].

Information technology helps to provide visualizations on the basis of their technical and teaching abilities. Didactic opportunities of ICT described as those computer functions of storing, processing, transmission and presentation of educational information, which are used as a means of learning and allow us to solve the didactic problem and achieve the realization of didactic purposes. Note that the spectrum of these functions can be varied and supplemented in connection with the fact that the computer means themselves evolve over time. At the same time the ICT themselves are modernizing, which are implemented on the basis of these computers. With the advent of new technological opportunities of ICT there are new ways to use them to solve didactic problems.

And one of the didactic characteristics of electronic information presentation, which are implemented on the basis of modern ICT, is the ability to visualize of information, for example, in flat and volumetric representation in static and dynamic version. Computer visualization of information now have virtually unlimited

technical possibilities. In particular, by using computer programs one can do the so-called rendering - the process of obtaining an image of a given mathematical model, based on the available information on the structure and properties of a certain object. Example is the interactive 3D atlas of human anatomy of David W. Stoller, which is used not only by students, but doctors (http://medvuz.info/load/3d_atlas_anatomii_cheloveka/interaktivnyj_3d_atlas_anatomii_cheloveka/56-1-0-147). In addition, for the educational purposes of secondary school offer a animated versions of the visual presentation of objects and phenomena of nature: computer animation of the DNA double helix, of internal geodynamics, of structure and functioning of the matter, of algorithm of work of measuring instruments, of electronics, and more (<http://www.edumedia-sciences.com/ru/list>). These examples show that, one can successfully solve the didactic problem of visual thinking of students with use of visualization, and one will enrich and increase the individual student's mental experience. After all, visual thinking is needed today and in the future for every professional.

Conclusion. So, one of the main aspect of information technology usage for the presentation and construction of educational materials in higher education is a reliance on visualization of objective information not in an illustrative but as in the cognitive context. Such visualization of information is needed today for the development of student with visual thinking.

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J21517-011

Yarmolenko V. O.*, Burennikova N. V.**

**COMPARATIVE CHARACTERISTIC OF FORCE OF
COMPENSATION OF THE EMPLOYEES BY TYPE OF ECONOMIC
ACTIVITY: INTERGOVERNMENTAL ASPECT**** Vinnitsa Trade and Economic Institute of Kiev National Trade and
Economic University, Soborna, 87, 21100****Vinnitsa National Agrarian University, Vinnitsa, Soniachna 3, 21008*

Abstract. In the article on the basis of appropriate modeling approaches to comparative characteristic of force of compensation of the employees by types of economic activity at intergovernmental aspect (on the example of types of economic activity “agriculture, forestry and fishing”, and “mining and quarrying” of Poland and Ukraine) are examined with a glance of the parity of purchasing power (PPP). For this characteristic statistical data of World Bank by a gross domestic product (GDP) with a glance of PPP and national accounts of these countries, and also authorial models of efficiency and corresponding cost indexes of component parts of efficiency of any economic process are used (in particular, F-impulses are used as elements of authorial SEE-analysis of processes of functioning of the compound systems). It is set, that methodology of application of these indexes for comparative characteristic of efficiency of compensation of the employees by type of economic activity at intergovernmental level (approved on the example of Poland and Ukraine) it is possible to use in practice with the aim of increase of knowledge about its force.

Key words: process; types of economic activity; total, net and scale products of process; effectiveness and efficiency of process; process of formation of GDP; international confrontation by purchasing power parity of currencies of countries.

Statement of problem. Development of methods of determination of quantitative parameters from the point of view of the force of remuneration of labor on different hierarchical levels with the aim of management corresponding processes on the basis of remuneration of labor is one of problems that stand before an economy. Results of comparative description of the force of remuneration of labor correlative with certain processes on the basis of corresponding quantitative parameters as indicators can serve as basis for comparison of socio-economic development of structural subdivisions of economic activity of any country with other countries with the aim finding of optimal variants of actions in relation to a management these processes. The marked aim is by the best character arrived at by the use of parity of purchasing power of currencies of countries, that allows to make a more exact comparison of socio-economic development these subdivisions.

Analysis of the last achievements and publications. In the article of “Transaction of financial analyst. GDP and purchasing power parity” approaches of statistical services to the calculation of index of GDP by the parity of purchasing power (PPP) are considered; it is marked that a wide popularity in the world financial market was got exactly by this rate, which allows making a more exact comparison of economies of the world countries [4].

In the article [12] we investigated efficiency of process of labour, suggested

fundamentally the new models of regularities of component parts of efficiency of process of labour, gave an examples of them practical application. In next works on the basis of generalization and distribution on any economic process of models and approaches to efficiency, applied to the process of labour, we considered others processes, which are related to functioning of the economic systems of different hierarchical levels ([15, 8, 16] and others publications).

In the article [13] the comparative analysis of production of gross added value of countries by the types of economic activity with a glance of PPP at intergovernmental level (on the example of Belarus, Kazakhstan, Russia and Ukraine) on the basis of the use of rates of component efficiency of process as indicators of its force is conducted; it is shown that corresponding methodology can be applied in practice. Approaches to comparative characteristic of the force of remuneration of labour on different hierarchical levels (including intergovernmental) with the aim of management corresponding processes on the basis of remuneration of labour remained unsolved part of general problem.

Statement of task. The offered work in the certain understanding is continuation of the article [13] from the point of view of the use of statistical data and authorial approaches in relation to the types of economic activity with a glance of PPP at intergovernmental level. *Its aim* is development of approaches to comparative description of the force of compensation of the employees by type of economic activity at intergovernmental level with the aim of management corresponding processes. *A research object* is forming of compensation of the employees by type of economic activity at intergovernmental level with a glance of PPP. *Subject of research* is theoretical and practical aspects of description of level of efficiency of compensation of the employees by type of economic activity at intergovernmental level with a glance of PPP. Actuality of the marked description is related to the necessity of finding of optimal force of remuneration of labour with the aim of adjusting of remuneration on final result of corresponding processes.

Exposition of basic material of research. By the base criterion of the force of process, operation and so on (as possibilities to give a positive result) is thought effectiveness. In Ukrainian and in foreign literature, in particular economic, it is the most wide spread classic approach to the category “effectiveness” (to the process, operations and so forth), when the concepts of effectiveness and efficiency are equated ([3, 5, 7] and others publications), although there are others approaches ([6, 10] and also others publications). Our researches showed, what for description of the force of processes, there is sense to examine the category of efficiency of any process in the innovative understanding: simultaneously to characterize this category as from a quantitative side (as a scale product) and from qualitative (with a glance of effectiveness of process). Such understanding of efficiency bring to deeper cognition of the force of process on final results ([12, 15, 8, 16] and others publications). Rates of constituents of efficiency of economic process, offered in indicated works, are component part of mechanism of regulation of this process.

At research of process will use such equalizations of change of its efficiency:

$$J_R = J_K \cdot J_E = J_K \cdot J_{V/Z} = J_G \cdot J_{1+V/Z}; \quad (1)$$

$$J_R = J_G \cdot J_{1+Z/V} \cdot J_{G/Z} \cdot J_{V/G} = J_G \cdot J_{1+Z/V} \cdot J_{G/Z} \cdot J_{1+Z/G}, \tag{2}$$

where indexes J_R, J_K, J_E and others are the indexes of change of certain rates as attitudes of corresponding rates toward a basic rates. In last formulas: V is the rate of total product of process; Z is the rate of product of process as expenses; $G = (V - Z)$ is the rate of product of process as benefit; $K = G + Z \cdot G/V$ is the rate of scale product of process; $E = V/Z$ – the rate of effectiveness of process as ratio of the rate V of total product and of the rate Z of product as expenses; $R = K \cdot E = K \cdot V/Z = G(1 + V/Z)$ is the rate of efficiency of process (more detailed it is examined in works [8, 16]).

For an examples in relation to the objects of research it is chosen types of economic activity “agriculture, forestry and fishing” (type of activity 1) and “mining and quarrying” (type of activity 2).

In a table 1 the macroeconomic rates, related to the process of production of gross domestic product of Poland and Ukraine in 2012 (in actual prices, milliards of national currencies, and also milliards of dollars by PPP), and also value of PPP are marked.

In a table 2 the macroeconomic rates, related to the types of activity “agriculture, forestry and fishing” (type of activity 1), and “mining and quarrying” (type of activity 2) of Poland and Ukraine in 2012 are marked.

Table 1

Macroeconomic rates, related to the process of production of gross domestic product of Poland and Ukraine in 2012

Rates	Country	
	Poland	Ukraine
1. Gross domestic product:		
a) (milliards of national currencies)*	1615.894	1459.1
b) (milliards of dollars)**	872	387
2. PPP: (date of line 1a)/(date of line 1b)***; national currency/dollar	1.853089	3.770284

* Source: It is made on the basis of date of statistical collections [2, 11].

** Source: It is made on the basis of roll of World Bank [9]. *** Source: *Researches of authors.*

Table 2

Macroeconomic rates, related to the types of economic activity 1 and 2 of Poland and Ukraine in 2012

“Agriculture, forestry and fishing” (type of activity 1)							
Output V_0				Compensation of the employees Z_1			
Poland		Ukraine		Poland		Ukraine	
millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**
132602	71557.275	269983	71608.133	8362	4512.465	26739	7092.039
Gross profit, mixed income G_0				Number of employees			
Poland		Ukraine		Poland		Ukraine	
millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**	millions of persons*	millions of persons*	millions of persons*	millions of persons*

46806	25258.366	86330	22897.479	0.1429	0.7418		
Mining and quarrying” (type of activity 2)							
Output V_0			Compensation of the employees Z_1				
Poland		Ukraine		Poland		Ukraine	
millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**
62430	33689.693	153036	40590.046	16162	8721.653	44739	11866.215
Gross profit, mixed income G_0				Number of employees			
Poland		Ukraine		Poland		Ukraine	
millions of national currencies*	millions of dollars**	millions of national currencies*	millions of dollars**	millions of persons*	millions of persons*	millions of persons*	millions of persons*
15260	8234.899	54462	14445.066	0.1735	0.4380		

* Source: It is made on the basis of date of statistical collections [1, 2, 11].

** Source: *Researches of authors* (date in national currency/value of PPP of table 1).

On the basis of a date of tables 2 we found the rates of these types of activity of Poland and Ukraine in 2012, related to compensation of the employees (these rates are marked in a table of 3). On the basis of date of table 3 we are calculated the rates of constituents of efficiency, related to the process of formation of gross profit, mixed income indicated of types of activity of Ukraine in 2012 in comparing with the corresponding rates of this process of Poland with a glance of PPP (it is marked in a table 4).

Table 3

Rates the types of economic activity 1 and 2 of Poland and Ukraine in 2012, related to compensation of the employees

Rates	Poland		Ukraine	
	Type 1	Type 2	Type 1	Type 2
Effectiveness of process of formation of gross profit, mixed income $E = V_0 / (V_0 - G_0)$ **	1.5455499	1.3235107	1.4700713	1.5524986
Part of output, which corresponds to compensation of the employees $V_1 = E \cdot Z_1$ (millions of dollars)**	6974.240	11543.201	10425.803	18422.282
Number of employees (millions of persons)*	0.1429	0.1735	0.7418	0.4380
Compensation of the employees Z_1 (millions of dollars)*	4512.465	8721.653	7092.039	11866.215

* Source: *Date of table 2.*

** Source: *Researches of authors.*

Table 4

Description of rates of types of economic activity 1 and 2, related to the of compensation of the employees of Ukraine in 2012 in comparing with the corresponding indexes ($J_K = J_G J_{1+D_Z}$, $J_E = J_{G/Z} J_{V/G}$, $J_R = J_K J_E$)*

Type1						
Country	Description of total product of process		Description of product of process as costs		Description of net product of process	
	V	J_V	Z	J_Z	G	J_G
Poland	48805.04	1	31577.78	1	17227.26	1
Ukraine	14054.74	0.2879771	9560.581	0.3027629	4494.154	0.2608746
Country	Description of qualitative component of scale product of		Description of scale product of process		Description of effectiveness of process	
	$1 + D_Z$	J_{1+D_Z}	K	J_K	E	J_E

Poland	1.6470188	1	28373.62	1	1.54555	1
Ukraine	1.6802391	1.02017	7551.254	0.2661364	1.470071	0.9511637
Country	Description of efficiency of process		Description of quantitative component of effectiveness		Description of qualitative component of effectiveness	
	R	J_R	$J_{G/Z}$		$J_{V/G}$	
Poland	43852.85	1	1		1	
Ukraine	11100.88	0.2531393	0.8616464		1.103891	

Type 2

Country	Description of total product of process		Description of product of process as costs		Description of net product of process	
	V	J_V	Z	J_Z	G	J_G
Poland	66531.42	1	50268.89	1	16262.53	1
Ukraine	42060	0.6321825	27091.81	0.5389379	14968.19	0.9204098
Country	Description of qualitative component of scale product		Description of scale product of process		Description of effectiveness of process	
	$1 + D_Z$	J_{1+D_Z}	K	J_K	E	J_E
Poland	1.7555662	1	28549.94	1	1.323511	1
Ukraine	1.644123	0.93652	24609.54	0.8619823	1.552499	1.173015

Country	Description of efficiency of process		Description of quantitative component of effectiveness		Description of qualitative component of effectiveness	
	R	J_R	$J_{G/Z}$		$J_{V/G}$	
Poland	37786.16	1	1		1	
Ukraine	38206.29	1.011119	1.707821		0.6868491	

* Money rates are presented on the average for a year in dollars on one of the employee; indexes – in the coefficients of rates of types of activity 1 and 2 of Ukraine to the corresponding rates of Poland; V is part of producing, that answers of compensation of the employees; Z is compensation of the employees; $G = (V - Z)$ is part of gross profit, that answers of compensation of the employees (rates are expected with a glance PPP). Source: it is expected by authors.

From data table 4 we found increase of indexes of components of efficiency of compensation of the employees as a constituent of costs of process of formation of gross profit, mixed income of types of activity 1 and 2 Ukraine in 2012 in comparing with the corresponding rates of this process of Poland (it is marked in a table 5).

Table 5

Matrix of tempos of increase of indexes of components of efficiency of compensation of the employees as a constituent of costs of process of formation of gross profit, mixed income of types of activity 1 and 2 Ukraine in 2012 in comparing with the corresponding rates of this process of Poland*

		$J_R = J_G J_{1+Z/V} J_{V/Z} = J_G J_{1+Z/V} J_{G/Z} J_{1+Z/G}; J_{G/Z} = J_G / J_Z; J_{V/G} = J_V / J_G$									
		$J_R = J_K J_E$			$J_K = J_G J_{1+Z}$			$J_E = J_{G/Z} J_V$			
	Δ	Δ	ΔJ_E	ΔJ	ΔJ_{1+Z}	ΔJ	ΔJ_V	ΔJ	ΔJ	Δ	
1	-	-	-	-	+2.	-	+1	-	-	-	
2	+	-	+1	-	-	+7	-	-	-	-	

* Tempos of increase – in percents (constituents of efficiency of compensation of the employees as a constituent of costs of process of formation of gross profit, mixed income of types of activity 1 and 2 Ukraine in 2012 in comparing with the corresponding rates of this process of Poland. Source: research of authors.

Data table 5 allow to judge on how many percents the corresponding indexes of constituents of efficiency of compensation of the employees changed (increased or diminished) as a constituent of charges of process of formation of gross profit, mixed income of types of activity 1 and 2 Ukraine in 2012 in comparing with Poland.

F-impulses of the process we named factors that serve to forming of foods of this process ($F = Z, G, V, 1+Z/V, K, E, R, G/Z, V/G$) [10]. Foods of process are parts of charges on functioning, parts of net and total foods; scale, efficiency and effectiveness of process and others like that. These impulses can be either positive or negative.

Value of rates $\Delta J_Z, \Delta J_G, \Delta J_V, \Delta J_{1+Z/V}, \Delta J_K, \Delta J_E, \Delta J_R, \Delta J_{G/Z}, \Delta J_{V/G}$ from a table 5 characterize the degree of influence of corresponding factors on forming of foods of process that is investigated. By these factors of process, that is studied, is accordingly: compensation of the employees (with the rate of Z); shares of gross profit, mixed income (with the rate of G) and producing – with the rate of V), that answer by the compensation of the employees; scale of process (with the rate of K); description of qualitative component scale (with the rate of $(1+Z/V)$); effectiveness of process (with the rate of E); efficiency of process (with the rate of R); quantitative constituent of effectiveness of process (with the rate of G/Z); qualitative constituent of efficiency of process (with the rate of V/G).

The results of measuring of degree of influence of corresponding factors on forming of foods of the investigated processes are represented in a table 5 (in conditional units). These results we named power of corresponding impulses [10]. R -impulse is resultant of K - and E - impulses, K -impulse – resultant of G - and $(1+Z/V)$ -impulses, E -impulse – resultant of (G/Z) - and (V/G) - impulses.

For example, from date of line 1 of table 5 it is possible to make next conclusion: in the Ukraine in comparing with the Poland in 2012 it was supervised negative R -impulse by power -74.69 of conditional units, it is by resultant of negative K - and E - impulses by power -73.39 and -4.88 of conditional units accordingly. By-turn, K -impulse is resultant of G - and $(1+Z/V)$ - impulses accordingly by power -73.91 and +2.02 of conditional units, E - impulse – resultant of (G/Z) - and (V/G) - impulses by power -13.84 and +10.39 of conditional units accordingly.

On the whole, in relation to influence of compensation of the employees of types of activity 1 and 2 on the process of formation of gross profit, mixed income of the Ukraine in 2012 in comparing with the Poland it is possible to make next conclusion: for a kind 1 positive were $(1 + Z/V)$ -, (V/G) - impulses and negative – all others; for a kind 2 positive were R -, E -, (G/Z) - impulses and negative – all others. Influence in comparing with Poland was less force for a kind 1 and more force for a kind 2.

In the article influence of the compensation of the employees of types of activity “agriculture, forestry and fishing” (type of activity 1) and “mining and quarrying” (type of activity 2) on the process of formation of gross profit, mixed income of the Ukraine in 2012 in comparing with the Poland was considered. Research of other types of economic activity with the aim of acceptance of scientifically-reasonable administrative decisions on the basis of the use of F-impulses in relation to the orientation of consequences of corresponding processes is conducted by analogy.

Conclusions. 1. It is found out on the example of processes of formation of gross

revenue, mixed profit of the types of activity “agriculture, forestry and fishing” and “mining and quarrying” of Poland and Ukraine in 2012, that for comparative description of the force of influence of compensation of the employees on process of formation of gross revenue, mixed profit the authorial rates of constituents of efficiency of processes (in particular, *F*-impulses as elements of authorial *SEE*-analysis of processes of functioning of the compound systems) can be served. 2. It is set that this methodology can be used in practice with the aim of evaluation and acceptance of corresponding administrative decisions. 3. It is accented, that research of other types of activity in relation to force of influence of compensation of the employees on process of formation of gross revenue, mixed profit with the same aim on the basis of the use of authorial rates of constituents of efficiency is being conducted by analogy.

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Day of sending: 28.07.2015

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J21517-012

Bashlay S. V., Shumkova O. V.

INNOVATION MARKETING OF BANKING PRODUCTS

Sumy National Agrarian University

Introduction. Today despite loud statements about extraordinary client-orienting, for majority of banks it is real only in serving VIP-clients. Further personalization of customer support and expanding range of customers for VIP-serving can't solve the problem of retaining clients and increasing profitability of their serving. Particularly, it is as a result of high cost price of such serving. Besides, such personalization and further customer support often ends after selling him bank product. There is a tendency of increasing the similarity of bank products.

Nowadays banks propose their customers almost identical products, their amounts in product portfolios of banks are growing continually. And for unprepared customers it is difficult to orientate in considerable quantity of bank products. Innovative bank products are quickly copied by competitors and often treated with distrust by clients.

Consequently, it is very difficult to sell the majority of bank products. Traditional advertising with substantial costs is ineffective to solve this problem as it is usually aimed at promotion of brand or hot offers of some products. As a result, a lot of bank products are unprofitable or low-profit. But despite that, market competition forces banks to keep these products in their business portfolios.

The complexity of products grows continually. In addition, most of bank customers in Ukraine have little interest in bank innovations and consume traditional package of bank products. So, in consideration of mentioned thesis above, under modern circumstances the use of traditional approaches and methods of work with clients is not enough for bank to achieve the market success.

Results. Consumption is an integral part of any product or service life cycle. Effective consumption under modern circumstances should be a primary task of service provider, but not their consumer. And the phase of consumption is very important in the life cycle of every product.

Consumption of bank products by clients is connected with some emotions, efforts, required time and resources, which can be the causes both of stress and increasing of their satisfaction.

Consequently, these processes of bank product consumption have a great impact on consumer loyalty. Depending on the control ratio of consumption processes, this phase of life cycle both becomes the source of extra income and substantial losses for bank institution. Under these circumstances uncontrolled processes of product and service consumption for majority of small Ukrainian banks today is a dead duck.

Management concept of consumption is a complex look at the work with client for the purpose of achieving bank goals in this direction with minimal efforts.

Today this work in bank, as a rule, is deconcentrated between such spheres and business-functions: marketing, selling, strategic management, customer relationship management et al. Various subordination and not always agreed goals of these kinds of activity are becoming considerable causes of decreasing the effectiveness of work

with clients.

The management system of bank products consumption is presented with complex of methods and processes of influence on groups of customers of bank institution. That is made for the purpose of receiving from customers some actions and forming the necessary consumer behavior. With the view to the practical realization, the management system of bank products consumption is a package of tools of influence on the customer behavior, business processes of work with customers, processes and technologies of interaction between customer and bank institution.

Solving the mentioned aspects has to ensure an increasing of bank institution competitiveness and promote an accelerated achieving of long-term goals of its development.

Practically, consumption management is an activity which is aimed at achieving desired for bank consumer behavior of clients. It is an activity that is the fundamental basis of consumption management.

Management of consumer behavior is quite real with the use of right motives and adequate business-technologies.

Management centralization, providing necessary resources and personal responsibility for realization of these functions are the keys to significant improvement of effectiveness of current activities.

Practical building of such system starts with the accurate formulation of objectives in the sphere of work with clients. On the basis of diagnostics of current situation and objectives, based on the main principles of building the management system of consumption, the directions of solving problems in this sphere are determined.

In our opinion, the management system of bank products consumption should be built with adherence to next basic rules:

- the principle of customer behavior management;
- the principle of embedding in business strategy;
- the principle of mutual advantage;
- the principle of voluntariness;
- the principle of monetization;
- the principle of client`s resource saving;
- the principle of individual responsibility;
- the principle of embedding product in business processes of customer;
- the principle of using process approach;
- the principle of processes integration;
- the principle of using instrumental approach;
- the principle of developing the management system of consumption together with product development;
- the principle of continuing improvement [1].

Strategic direction determines areas of making efforts and allows selecting the necessary methods and instruments to solve the problems of management system of consumption. During the development of the management system of bank products consumption and determination its strategic direction, the choice should be made

from the standard list.

In our opinion, there are next possible variants of strategic direction of management system of consumption for banks:

- on the market or its specific segment;
- on specific customer or group of customers;
- on product characteristics;
- on product support;
- on product addition;
- on product availability for new categories of customers;
- on expansion of spheres of product use;
- on new possibilities of clients;
- on internal business processes of clients;
- on client`s values;
- on solving client`s problems;
- on product sellers-intermediaries;
- on partners.

An individual subsystem is developed for every of determined strategic directions. We consider that all subsystems of management system of consumption should have the same structure.

Universal structure substantially simplifies development and especially practical implementation of the management system of bank products consumption. It should have the next elements:

- basic values and principles of work with clients;
- sets, methods and instruments of influence on clients;
- sets of business-processes;
- best practices of effective solving problems within the bounds of this strategic direction [2].

Practical development of subsystem can be carried out both by means of choosing these elements between standard lists and starting from scratch.

At the final stage of building the management system of consumption there must be a practical control of every element of the system and any element can be substituted for more effective if needed.

Conclusion. Summing up it should be noted that uncontrolled processes of product consumption under the circumstances of severe competition can be the reasons of loss of customers, substantial financial losses, receiving less important information for the development of marketing information business than it must be et al. With small expenses on creating the management system of product consumption, bank, which will be the first in adopting the technology of consumption management, can receive significant competitive advantages and extra opportunities for substantial increase in customer base.

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J21517-013**Sytnik O. E.****Kamenetskaya M. O.****CONSOLIDATED AND CONSOLIDATED FINANCIAL REPORTING***Federal State Budgetary Educational Institution of Higher Professional Education «Stavropol State Agrarian University», Stavropol, Zootekhnichesky 12, 355017*

Abstract: The article discusses the concept and procedure of the consolidated and consolidated financial statements.

Keywords: accounting, financial statements, International Financial Reporting Standards, Russian Accounting Standards

In agriculture, they tend to operate small businesses separate. If at agricultural enterprises have subsidiaries and affiliates, in addition to its own accounting report, they make up the consolidated financial statements, performance reports including such societies in the territory of the Russian Federation and abroad.

The consolidated financial statements of reporting is an association of two or more enterprises in certain legal, financial and economic relations. These consolidated financial statements show the financial position at the balance sheet date and financial results for the period under review, the group of interconnected organizations.

Under the consolidated financial statements refers to systematic information, the financial position, financial performance and changes in financial position of the organization considered in order to draw up these reports as a single business entity in accordance with IFRS of other organizations, foreign organizations.

The need for consolidation is determined by economic expediency. Entrepreneurs often prefer instead of one large company (holding company) to create several smaller businesses legally fully independent. Through this can be achieved some savings on tax payments due to fragmentation and limited legal liability for the obligations. In addition, significantly reduced the risk of doing business, achieved greater mobility in the development of new spheres of capital investment. The process of consolidation is that a group of legally independent but economically related companies of the consolidated financial statements. One of them plays the leading role, is therefore called a parent, other enterprises performing a subordinate role and name of the child. Details of the consolidated financial statements provide an overview of financial condition and results of operations of the group.

However, each company maintains its accounting records and prepares its own operations in the form of their own financial statements. Thus, the consolidated financial statements are inherent two features:

1) it is not legally independent reporting of business. The purpose of the consolidated financial statements - no identification of taxable profit, but only to obtain an overview of the activities of the group companies;

2) Consolidation is not a simple summation of similar items in the financial statements of the Group. Transactions between members of a corporate family (ie companies - members of the group) are not included in the consolidated financial statements, and show only the assets and liabilities, income and expenses from

transactions with third parties.

The financial statements of subsidiaries are combined in the consolidated financial statements in the following cases:

if the parent company holds more than 50% of voting shares or 50% of the charter capital of a limited liability company;

if the parent company is able to determine decisions taken by the subsidiary, in accordance with the agreement concluded between them; in the presence of the parent company in other ways to determine the decisions made by the subsidiary.

Data on the affiliated companies included in the consolidated financial statements if the parent organization has more than 20% of voting shares or 20% of the charter capital of LLC.

Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Preparation of the consolidated financial statements of the consolidated group balance sheet includes the line-by-line organizations addition of all of the consolidated balance sheets and the main subsidiaries included in the consolidation of this area.

In the consolidated balance sheet of the agricultural enterprises are not included: financial investments of the parent organization in the authorized capital of subsidiaries and, accordingly, the authorized capital of the subsidiaries owned by the parent company;

performance of receivables and payables between the parent company and subsidiaries, and between subsidiaries;

gains and losses on transactions between the parent company and subsidiaries, and between subsidiaries;

dividends paid by subsidiaries of the parent company or other subsidiaries and the parent company to its subsidiaries;

of the assets and liabilities of subsidiaries not related to activities of the group when a parent company is 50% or less of the voting shares or authorized capital in the company. The share of the assets and liabilities of the subsidiary in this case for inclusion in the consolidated accounts is determined based on the share of the voting shares of the subsidiary owned by the parent company, in their total amount of interest or parent organization in the authorized capital of the subsidiary.

The order of the consolidated income statement for the consolidated group of companies includes the addition of line-by-statement of financial results of the organization included in the consolidated group.

In the consolidated profit and loss account does not include: Revenues from sales of goods (works, services) between the parent company and subsidiaries, and between subsidiaries of the same organization and the costs attributable to the implementation;

dividends paid by subsidiaries of the parent company or other subsidiaries and the parent company to subsidiaries;

any other income and expenses arising from transactions between the parent company and subsidiaries, and between subsidiaries;

the financial results of the subsidiaries in the income and expenses not related to the activities of the group when a parent company is 50% or less of the voting shares in the joint-stock company or 50% or less of the authorized capital in the company. In this case, the financial results of the subsidiary in terms of revenue and expenditure for inclusion in the consolidated statement of profit and loss is determined based on the share of the voting shares of the subsidiary owned by the parent company, in their total amount of interest or parent organization in the authorized capital of the subsidiary.

Annual consolidated financial statements represent the organization participants, including shareholders. It also appears:

- organizations, with the exception of credit institutions, - the authorized federal executive body;
- credit institutions - the Bank of Russia.

Interim consolidated financial statements are participating organizations, including shareholders, if such a representation provided by its constituent documents.

The annual consolidated financial statements subject to annual statutory audit. The auditor's report is submit and publish together with the above statements.

The organization should publish annual consolidated financial statements. Such statements are published, if it is placed in the public information systems, and (or) published in the media available to interested parties in it. Publication of the consolidated financial statements by the organization no later than 30 days after the submission of such reports to users (founders, participants).

It should be distinguish from the consolidated financial statements consolidated statements. The main difference between them is that the formation of these species reporting it is fundamentally different procedures. For example, in the preparation of the consolidated financial statements, as already mentioned, there is no simple line-by-line summation (which occurs during the formation of the consolidated statements) data included in the forms of annual reporting institutions group. In addition, summary reports are prepared in the same set of forms as the organization's financial statements and consolidated financial statements consists of balance sheet and income statement.

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Статья отправлена: 25.08.2015 г.

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J21517-014

Pisareva D.A.

ALGORITHM OF IDENTIFICATION OF BASIS CYCLES OF DEVELOPMENT SOCIAL AND ECONOMIC SYSTEM

*Dubna International University for Nature, Society and Man,
Moscow Region, Dubna, 19 Universitetskaya St., 141980*

Abstract. Work is devoted to creation of the general algorithm of allocation of essential harmonious components which can be applied to studying of recurrence of development socially – economic system.

Keywords: social and economic system, business cycles, algorithm, spectral analysis.

Research of processes of social and economic system assumes use of methods of scientific knowledge: analysis and synthesis. To data of the numerical nature, in particular, to temporary ranks, methods of the harmonious analysis and methods of identification periodic components can be applied [2]. We will describe possible algorithm of application of these methods. The mathematical model of any economic row can be presented in the form [5]:

$$\tilde{Y} = a + b * t + \frac{A_0}{2} + \sum_{m=1}^{N-1} A_m * \cos\left(\frac{2\pi t m}{N} - \varphi_m\right) + \varepsilon(t). \quad (1)$$

The formula (1) represents the sum of some tendency and casual component, and the tendency represents the trend sum (in this case – linear) and harmonicas.

Existence of a tendency in a temporary row can be checked by means of criterion of series, and existence of a monotonous trend – by means of criterion of inversions. If confirmation of existence in a temporary number of a monotonous (linear) trend is result of criterion of inversions, by means of a method of the smallest squares it is possible to calculate coefficients of a and b .

Harmonicas in (1) are inadequate as part from them can be result of action of casual components and represent so-called "white noise".

The task of allocation of essential harmonicas can be defined as separation of a high-frequency signal from low-frequency (noise) by spectral estimation. The choice of a significant harmonica consists in creation of an assessment of spectral density of power of process (further in the text – SDP):

$$S_y(e^{i\omega}) = \sigma^2 \left| \frac{1}{1 + \sum_{n=1}^P a(n)e^{-in\omega}} \right|^2 = \left| \frac{\sigma}{1 + \sum_{n=1}^P a(n)e^{-in\omega}} \right|^2. \quad (2)$$

SDP this time-digital transformation of Fourier of autocorrelated sequence, i.e. for definition of communication between signals it is necessary to estimate the SDP parameters.

The parameters $a(1), a(2), \dots, a(P), \sigma$ are parameters of model of autoregression process and are calculated by a solution of $P + 1$ of the equations of Yul – Walker [3], who in a matrix look register as

$$\begin{pmatrix} r_{xxx}(0) & r_{xxx}(-1) & \dots & r_{xxx}(-P) \\ r_{xxx}(1) & r_{xxx}(0) & \dots & r_{xxx}(-P+1) \\ \vdots & \vdots & \ddots & \vdots \\ r_{xxx}(P) & r_{xxx}(P-1) & \dots & r_{xxx}(0) \end{pmatrix} \begin{pmatrix} 1 \\ a(1) \\ \vdots \\ a(P) \end{pmatrix} = \begin{pmatrix} \sigma^2 \\ 0 \\ \vdots \\ 0 \end{pmatrix}, \tag{3}$$

where

$$r_{xxx}(k_1 - k_2) = \frac{1}{N} \sum_{k=0}^{N-1-|k_1-k_2|} x(k)x(k + |k_1 - k_2|). \tag{4}$$

Levinson's algorithm is applied to the decision (3), being the built-in function in software packages MatLab, [Wolfram Mathematica 10](#).

For definition of an order of model P there is a number of criteria: final error of a prediction, information criterion of Akaike, length of the minimum description [3, 7]. In case of short records (the entering sequences) any of these criteria doesn't yield satisfactory results [7]. In the analysis of short records it is recommended to choose a model order in the range from $\frac{N}{2}$ to $\frac{N}{3}$ since in this case it is possible to receive the

acceptable SDP estimates as from the point of view of spectral permission, and small number of false peaks..

Thus, it is possible to construct algorithm of research of a temporary row for the purpose of allocation of essential harmonicas (fig. 1).

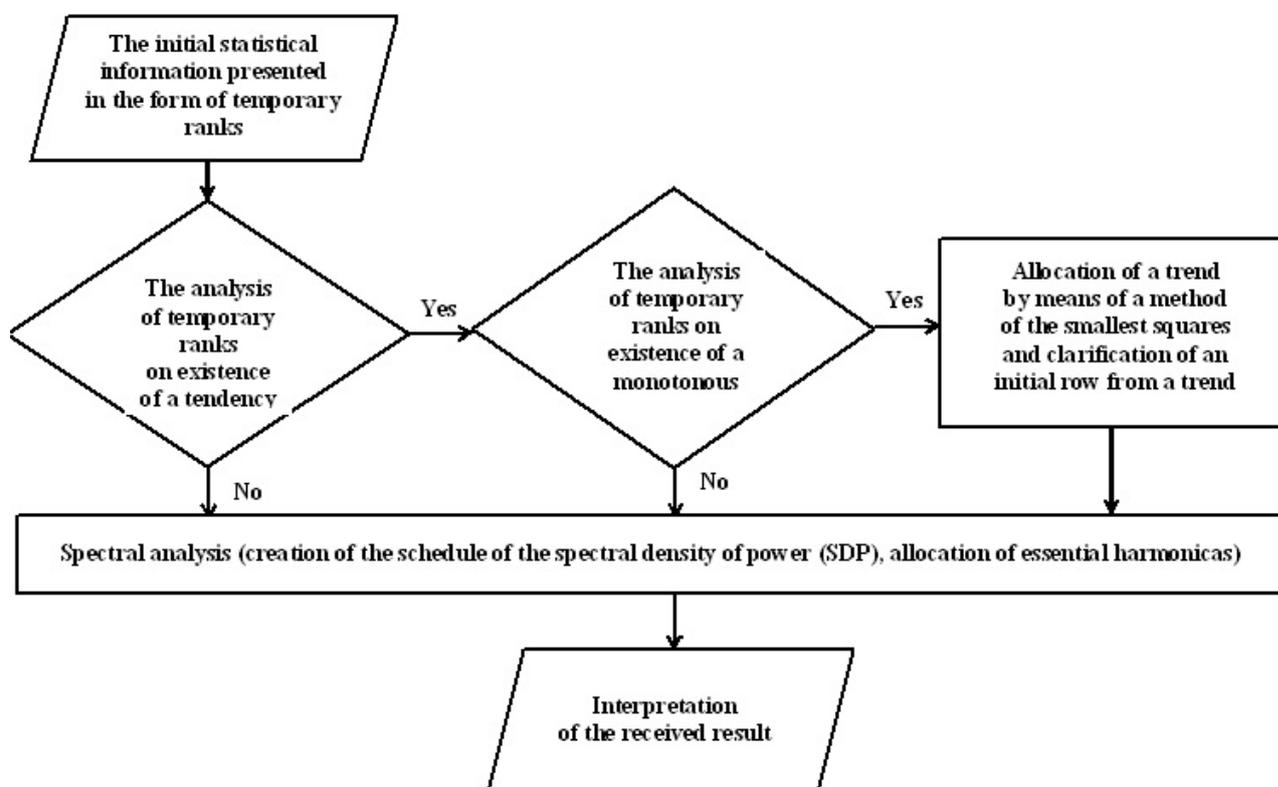


Fig. 1 Algorithm of research of a temporary row for the purpose of allocation of essential harmonicas

By result of the executed algorithm it is possible to make the assumption of the reasons of recurrence of this or that social and economic process.

Recurrence and trend – the processes influencing dynamics of a condition of system. Studying of dynamics of location of system can be carried out, combining the

considered methods, for example with method of coordinate diagnosing [6].

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Research supervisor: Dr.Econ.Sci. Pakhomova E.A.

Article is sent: 31.10.2015 year

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J21517-015

Mykhailiuk N.S.

THE REFUGEE PROBLEM*Chernigiv National Technological University*

Introduction. Europe is experiencing one of the most significant influxes of migrants and refugees in its history. Pushed by civil war and terror and pulled by the promise of a better life, hundreds of thousands of people have fled the Middle East and Africa, risking their lives along the way.

The scale of the crisis has put huge pressures on some destination countries, particularly Greece, Austria, and Hungary. At least 350,000 migrants crossed the EU's borders in January-August 2015, compared with just 280,000 during the whole of 2014. And that 350,000 figure - an estimate from the International Organization for Migration (IOM) - does not include the many who crossed a border undetected.

Among the forces driving people to take such risks are the conflicts raging in Syria and Afghanistan, and human rights abuses in Eritrea. The majority - 62% - of those who have reached Europe by boat so far this year are from those three countries. There are also people setting out from Libya, Sudan, Pakistan, Nigeria, Kosovo, Iraq, Iran Darfur, Somalia and other countries in the hope of a new life somewhere like Germany, France or the UK.

The most direct routes are fraught with danger. More than 2,600 people have drowned in the Mediterranean this year trying to reach Greece or Italy in flimsy dinghies or unsafe fishing boats. Most of those heading for Greece take the relatively short voyage from Turkey to the islands of Kos, Chios, Lesbos and Samos - often in flimsy rubber dinghies or small wooden boats. There is virtually no infrastructure on these small Greek islands to cope with the thousands of people arriving, leaving local volunteers providing vital assistance.

Many people travel by boat from Libya to Italy, a longer and more hazardous journey. Survivors often report violence and abuse by people traffickers, who charge thousands of dollars per person for their services. The chaos in Libya has given traffickers freedom to exploit migrants and refugees desperate to reach Europe.

Many attempting to reach Germany and other northern EU countries go via the perilous Western Balkans route, running the gauntlet of brutal people traffickers and robbers.

Faced with a huge influx of people, Hungary has built a controversial 175km (110-mile) razor-wire fence along its border with Serbia. It has also urged EU partners not to send back migrants who have travelled on from Hungary.

Some of the worse tragedies in 2015 include:

- Two boats carrying about 500 migrants sank after leaving Zuwara in Libya on 27 August;
- The bodies of 71 people, believed to be Syrian migrants, were discovered in an abandoned lorry in Austria on 27 August;
- A shipwreck off Italy's Lampedusa island killed about 800 people on 19 April;
- At least 300 migrants are feared to have drowned after attempting to cross the Mediterranean in rough seas in early February

Under an EU rule known as the Dublin regulation, refugees are required to claim asylum in the member state in which they first arrive. But some EU countries, such as Greece, Italy, and Croatia, have been allowing migrants and refugees to pass through to countries where they have families and better prospects.

Germany receives by far the most asylum applications in the EU and says it is expecting 800,000 refugees to arrive this year. In order to match Germany's 2015 projection per population, France would need to accept more than 650,000 people and the UK nearly the same amount. But France has pledged to accept just 24,000 and the UK 20,000 over five years. Between 2,000 and 5,000 migrants are camped around Calais, which is just 1% - 2.5% of the more than 200,000 who have landed in Italy and Greece. Hundreds of thousands of people are somewhere along the route to Germany, in Hungary, Croatia, Austria, Serbia, and elsewhere.

Germany has been critical of France and the UK over the countries' relatively meager commitments to take people in and called on all EU members to do more. Earlier this month, European Commission set out proposals for 120,000 additional asylum seekers to be distributed among EU nations, with binding quotas.

For years the EU has been struggling to harmonise asylum policy. That is difficult with 28 member states, each with their own police force and judiciary. Championing the rights of poor migrants is difficult as the economic climate is still gloomy, many Europeans are unemployed and wary of foreign workers, and EU countries are divided over how to share the refugee burden. More detailed joint rules have been brought in with the Common European Asylum System - but rules are one thing, putting them into practice EU-wide is another challenge. They have to satisfy the authorities that they are fleeing persecution and would face harm or even death if sent back to their country of origin.

Under EU rules, an asylum seeker has the right to food, first aid and shelter in a reception centre. They should get an individual assessment of their needs. They may be granted asylum by the authorities at "first instance". If unsuccessful, they can appeal against the decision in court, and may win. Asylum seekers are supposed to be granted the right to work within nine months of arrival. Nearly 104,000 got refugee status in the EU last year, nearly 60,000 subsidiary protection status and just over 20,000 authorization to stay for humanitarian reasons. The 28 EU interior ministers will hold an emergency meeting on the crisis on 14 September. July was a record month, with more than 100,000 reaching the EU's borders. But it is proving difficult to get agreement on joint action, as migration pressure varies from country to country. What are the biggest obstacles to a solution?

The EU core principle of free movement - embodied in the passport-free Schengen area - is in dispute. UK Home Secretary called the EU migration system "broken", saying the Schengen system had "exacerbated" the problem of large-scale irregular migration. The UK and Ireland are not in Schengen, but nearly all of their EU partners are, as well as some non-EU countries.

Nationalists across Europe, such as the National Front (FN) in France and Italy's Northern League, also blame Schengen for the ease with which many migrants have travelled from southern to northern Europe. But the governments in France and Germany are among those who value Schengen for its contribution to the European

economy. Schengen makes it easier for firms to hire workers from other EU countries, or to post workers abroad.

The principle of free movement also has huge symbolic value for the EU. East Europeans embraced it eagerly after decades of communism, when travel to the West was impossible for most ordinary citizens. But Schengen members can re-impose border controls temporarily for national security reasons, for example if they face an extraordinary surge of migrants. There is pressure in the EU now to give authorities more discretion to do that.

Hungary, which is in the Schengen zone, has built a 175km (110-mile) razor-wire fence 4m (13ft) high along its border with Serbia, which is outside the area. The barrier will be strengthened in the coming weeks, but it is highly controversial. French Foreign Minister Laurent Fabius criticised it, in remarks rejected by the Hungarian government as "shocking and groundless". In the first quarter of 2015 Hungary became a new migration hotspot, as thousands of asylum seekers saw it as an easier gateway to northern Europe. Of the 32,810 asylum applicants in Hungary in that period 70% were from Kosovo. Most Kosovans are fleeing dire poverty, rather than political or religious persecution, so in most cases their asylum claims are rejected. But now, many of those reaching the fence have fled the war in Syria and have legitimate asylum claims. Trainloads of migrants are heading for Austria and Germany from Budapest - and Hungary's neighbours worry that it has merely shifted the problem on to them.

Bulgaria - not in Schengen - has also put up a razor-wire fence on its border with Turkey, to keep migrants out. Spain's small territories of Ceuta and Melilla in North Africa are similarly fenced off. The UK's investment in extra border security at Calais, in northern France, is less controversial, as the UK is not in Schengen and migrants have been risking their lives jumping on to lorries and trains. But it suggests a growing "fortress Europe" attitude in the EU, contradicting the liberal values on which the EU was founded. Many Europeans cherish their hard-won democratic freedoms, and oppose the creation of new border fences.

Many also argue that, instead of erecting barriers, the EU should do more to tackle the people-traffickers who make huge profits from migrants' misery. EU ministers have rejected binding quotas for the distribution of refugees, despite the difficulties faced by Greece, Italy and Hungary. They are the main entry points for migrants crossing the Mediterranean and the Balkans. The European Commission urged EU governments to accept a mandatory "distribution key" to resettle 40,000 Syrian and Eritrean refugees. Instead, they agreed to accept 32,500 on a voluntary basis.

The UK has opted out of any quota system, amid a widespread hardening of attitudes towards immigration. There are tensions in the EU over the whole European asylum policy, because of the disproportionate burden faced by some countries. The EU is trying to adapt the rules to deal with the crisis, but politicians want to see rapid progress, not just long-term plans. The controversial Dublin Regulation is under review, and Germany has stopped abiding by it. Under Dublin, the EU country where an asylum seeker first arrives has a duty to process their claim. So if that migrant moves elsewhere in the EU he/she can be sent back to where they first arrived.

Extra EU help has been promised for the countries most in need. Of the €2.4bn (£1.7bn; \$2.7bn) approved for the next six years, Italy is to get nearly €60m and Greece €473m. The UK, France and Germany have called for migrants to be fingerprinted and registered when they arrive in Italy and Greece. But the migration hotspots need more EU help, as their reception centres are overcrowded.

Burden-sharing is a divisive topic. Germany accepted by far the largest number of asylum claims last year and expects to see as many as 800,000 this year. Sweden had the second-highest number, yet it has a far smaller population than the UK, which accepted fewer asylum seekers. There are calls for eastern European countries to take in more asylum seekers. Slovakia argues that most migrants will still move to richer countries, where wages and welfare are better.

Many Europeans are calling for much greater EU efforts to end the conflicts in Syria, Libya, the Horn of Africa and Afghanistan that are fuelling the exodus of refugees. The UK government is among those arguing that the EU aid budget can help stem the flow of poor and desperate migrants seeking a better life in Europe. The UK says it is contributing generously to refugee welfare in countries bordering on Syria, which are housing far more Syrian refugees than the EU. Most refugees, it is argued, want to go home as soon as peace and stability are restored. And projects to ease poverty in sub-Saharan Africa can help to stem the considerable exodus from there. But critics of the UK stance say those are longer-term goals, whereas the crisis demands urgent action and co-operation among all 28 member states.

Improving the economic prospects of young people in the Western Balkans - still recovering from war - could help stem the migrant surge from there. Albania, Bosnia-Herzegovina and Kosovo are all experiencing an outflow of frustrated citizens seeking a better life in the EU. But EU countries cannot agree on the amount of aid those countries should get. There are fears that corruption could undermine aid projects - something that has bedeviled Kosovo.

Nationalist parties and movements have played a big role in hardening attitudes towards immigration. But even in the powerful, long-standing EU member states many mainstream politicians have taken a tough stance towards migrants.

The UK Conservatives are urging new EU rules to limit migrants' access to welfare benefits. The UK Independence Party, demanding strict border controls and exit from the EU, also has a strong following. France's National Front has wooed many voters away from right and left. Meanwhile, ruling coalitions have done deals with the far-right Freedom Party (PVV) in the Netherlands and the Danish People's Party (DPP) in Denmark. In Finland, the nationalist Finns have entered government. In neighboring Sweden, which has an open-door policy towards Syrian refugees, support for the anti-immigration Sweden Democrats has soared to almost 20%. Even in Germany - seen as profoundly loyal to EU values - nationalists and Eurosceptics have staged anti-immigrant marches, under the banner of Pegida, and have been elected to regional assemblies.

Conclusions. Insecurity about migrants is widespread in a Europe blighted by unemployment and welfare cuts. So politicians are anxious not to appear "soft" on immigration. It means less hospitality towards migrants, even genuine refugees.

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J21517-016**Medvedeva E.V.****THEORETICAL ASPECTS OF PROVIDING THE SUSTAINABLE DEVELOPMENT OF THE ENTERPRISE***Volga region state university of service, Tolyatti, Gagarin St., 4*

Annotation. The paper deals with the role and importance of sustainable development of the enterprise as a mechanism to enable enterprises to not only adapt to the impact on them of various factors, but also to function effectively and to develop.

Keywords: sustainable development, enterprise sustainability

The modern period of world production and economic development is characterized by considerable ferocity of competition. This adversely affects the competitiveness and sustainability of the domestic enterprises. In this regard, the crucial gain not only the issues of development of a modern market-oriented methods of planning, management, organization and control of production and business and economic activities and the development of new concepts, approaches, methodologies for strategic analysis and management of the economic stability of the enterprise in the conditions risk and uncertainty. This is due to the fact that modern businesses their main aim is to make a profit and the increase in market capitalization as a major factor in ensuring competitiveness. Therefore, for enterprises need to talk about sustainable development. The essence of sustainable development of the enterprise is that in the long period of time provides a high indicators of social, economic and environmental development. [2]

In our view, sustainable development of the company - it is such a dynamics of production and sales of products (works, services), in which is stored a consistently high output operation of the business, an increase in material and real, and the cost structure of production and sale of goods (works, services), provided by its capitalization and good governance.

Sustainability has different parameters that characterize the company from different angles. Together, they all show the real state of the company.

Sustainable development of the enterprise can be regarded as a kind of compensatory mechanism to the enterprise not only to adapt to the destabilizing influence of internal and external environment, but also to grow steadily. The higher the sustainable development of enterprises, the lower the risk of possible deviations from the expected results, and vice versa.

As the results of research activities of the subjects of the material sphere in contemporary economy, to a large extent, determined by the changes occurring in the environment. This approach has recently started to be used for the characteristics of those factors, the direct and indirect effects that influence the function of the enterprise. These include the emergence and dramatic increase in the number of fundamentally new problems, the unpredictability of the conditions and the growth rate of the instability, the likelihood of strategic surprises [1].

Reliable basis enterprise survival in difficult ambient conditions is the development strategy focused not on existing conditions, and those who have yet to

emerge. It is a characteristic of economic stability as the mode of development. In this case, a strategic approach to the management of development activities is to provide a competitive advantage through the development of a sustainable development of the enterprise. Only such an approach gives the company a guarantee of the stability of the situation in the market.

The theoretical basis of the mechanism for sustainable development of the enterprise is a dynamic theory of the development of enterprises, from which it follows that, to be crisis-free development of enterprises should act in order to bring it into a state of dynamic equilibrium. However, the mechanism for the sustainable development of the company put into the ground only dynamic theory would be insufficient. [3] Under market conditions, it is necessary to bear in mind the mechanism of control, but specify the conditions for the sustainable development of the enterprise.

From a position of the theory of management the problem of a sustainable development looks as follows: there is a system (world, state or production) who realized need for change of own behavior and intends to carry out this change. And, change it concerns fundamental process – development. The system has to pass from the existing development to the steady, self-supporting development keeping environment.

Depending on influence of environment, internal factors, strategic tasks, the current specific features of the enterprise the mechanism of a sustainable development can include a set of various elements: organizational and administrative, technological, marketing, financial, investment, etc., considered in various aspects. But this mechanism has to give opportunity of free action to objective economic laws of development of economic system as complete, uniform organism.

Results of work of the enterprises, their structural divisions and economic organizations depend, first of all, on such factors as:

- productive and economic or conditions necessary for implementation of economic activity: generally it is factors of resources (means of labor, objects of the labor and work);
- technical and economic (mechanization and automation of production, trade and other technological processes, introduction of achievements of science, equipment, advanced technology and organization of work);
- the social and economic, reflecting creative initiative and activity of workers, plant management level.

The complex analysis of factors forms methodological and information base for formation of the mechanism of a sustainable development of the enterprise. Interaction of factors reflects the relationships of cause and effect defining this process.

Research of the factors defining a sustainable development of the enterprise represents big complexity as the set of various conditions the majority from which doesn't give in to a direct quantitative assessment by means of a certain indicator has impact on them. A problem of these indicators – to characterize current state, dynamics and tendencies of development in the future.

Ensuring stability of the enterprise requires application of the strategy of

development allowing to resist to negative impact of environment for the purpose of ensuring steady competitive advantage and prevention of bankruptcy. Continuous search of new economic communications, expansion of sales markets is necessary. Only being in the mode of continuous updating – technical, technological, personnel, the enterprise can survive in the conditions of the competition, strengthen the positions in the market.

Thus, management of a sustainable development of the enterprise represents a set of the interconnected actions directed on achievement of the maximum social and economic effect and possibility of transition to qualitatively new state by formation and regulation of the relations with internal and environment.

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J21517-017

UDK 330.161

Lobun'ko S.I., Mihaylyuk O.V.

ECONOMIC INTERESTS IN INSURANCE RELATIONS*Pyatigorsk State Linguistic University***Introduction**

Any economic relations arise and are implemented in practice under the influence of participating subjects' economic interests. Insurance relationship associated with the onset of certain insurance claims and, in this connection, formation of special funds of moneys are determined, first of all, with the interests of insurers and policyholders, as well as the state and other subjects. The formation of a civilized insurance market in the Russian Federation, as well as in other countries, requires taking into account the interests of all its participants. Therewith, frequently the insurance subjects' interests are contradictory and differently directed.

The economic interests are discussed as theoretical and economic category in the works of L.I. Abalkin, D.D. Vishnevsky, B.Y. Gershkovich [1], O.Yu. Mamedov. Research of economic interests in the insurance relations system is engaged in the labours of G.V. Gaydukevich, L.G. Kolomiets [2], V.Y. Myagkova [3]. The interest category in insurance law is considered, for example, by V.Y. Abramov, N.I. Kosarenko and others. However, the works devoted to the manifestation of the economic interests in insurance, especially in some of its forms (particularly in the social insurance) are in deficiency, that increases the relevance of our research.

This article will examine the insurance relations in the aspect of economic interests. We will make more exact the economic interests of the insurers, insured, insurance intermediaries and the state as subjects of insurance relations. Also we'll carry out analysis of the dynamics of the insurance market in Russia in 2005-2013 years with a glance in the economic interests of its members.

1. The economic interests of subjects of insurance relations

Insurance relations correspond to economic and legal relations connected with the realization of various subjects' interests (physical person and juridical person, municipalities, the state as a whole) upon the occurrence of certain insurance claims. The decisive condition of insurance relations is the formation of fund of money funds at the expense of the insurer's paying of insurance premiums (contributions). These funds, as well as other means of insurance companies (insurers) are a source of covering losses resulting from the insurance incidents.

Any economic relationship, and in particular, insurance relations appear as interests. Economic interests and their implementation are the moving cause of economic development, an internal source of development of the society's productive forces.

Gershkovich B.Y. defines economic interest as "socially conditioned and historically specific objective necessity to satisfy existing and developing requirements" [1]. It is known that the material basis of economic interests is the needs, and their social base are economic relations founded in property relations.

The functioning of the economic interests occurs through social practices of its holders that are economic entities. Their recognition of the necessity to satisfy existing and developing requirements means a step towards the realization of interests. One of the areas of realization of economic interests in the modern market economy is the insurance relationship.

The main participants of insurance relations are the insurer and the insured. Besides these, the participants of the insurance market are the state, insurance intermediaries and organizations that make up the insurance infrastructure (for example, consulting firms).

Let's examine major participants' economic interests of insurance relations.

The insurers are legal entities created for the insurance, reinsurance, mutual insurance and licensed in accordance with established procedure [4]. The insurance is only an entrepreneurial activity for the insurer (insurance company). His interest lies not only in receiving and accumulation of insurance premiums, but also in the generation of income.

The economic interests of the insurer are based on material needs, but exactly on attraction a greater number of clients (insured persons and (or) the insured) and, accordingly, on maximization of profits from the provision (sale) of their insurance services.

The insurer is interested in the profitable investment of insurance capital, receiving higher income from the investment of temporarily free funds.

The insurance company takes an interest in extension of insurance services as a specific product to ensure the stable operation. Also these companies grow interested in reduction of the probability of occurrence insured.

The insurers are considered to be legal entities and capable individuals who make insurance contracts with insurers or become insurers by virtue of law [4].

In general, the interests of juristic persons (business entities that operate on the basis of private property) consist in necessity to satisfy requirements for a stable and relatively high income, for growth their capital's cost [5].

It should be emphasized that the policyholder is the main subject of insurance relations, because just his needs, and consequently his economic interests, are the basis for the formation of insurance relations. Speaking about the economic interests of the insured, we mean the whole system of interconnected interests, including property and insurance interests.

Depending on situation at issue, the insured is the owner of a certain facility. They are property, profit, health, life, responsibility. The presence of the object in the insured's property forms need to preserve it. In connection with this, the insured starts to possess *property interests*. The insurance is intended exactly to implement property interests. These ones are connected:

- in personal insurance (including Social Insurance) with the insured's (or insured person) life, health, working capacity and pension benefit;
- property insurance with the ownership, disposal and usage of property;
- liability insurance with the obligation of the insured to compensate for damage caused by his actions to the property interests of third parties.

The origin and functioning of insurance relations requires not only the property interests of the insured, but also *insurance interests*. The presence of these ones contributes to the economic interests of the insurer. The insurance interest is an interest in the insurance, which is based on the property interests. The insurance interest is a prerequisite for the contract of sale of insurance services, concluded between the insurer and the insured. The insurer may affect the formation of the insurance interests of the insurer (for example, through advertising of insurance services).

The link between the insured and the insurer may become insurance intermediaries (insurance brokers and agents). The implementation of their main economic interest (profit) will depend on the number of successful transactions. Illegal activities of insurance intermediaries may lead to conflicting interests and to disfunction of the whole insurance system [6].

Being part of the economic relations' system, the insurance relationship cover areas of health, employment, pensions and social services. They contribute to realization of not only economic but also social interests. On this basis, the organization of insurance acts becomes important task of the state. The solution of this problem is connected with the protection of the installation process of the economic interests [3].

So, an important role in the insurance system belongs to the next subject which is the state. The economic interests of the state in the insurance relations' system is determined by the roles of the insurer, the insured, the beneficiary and the regulatory authority. The different roles of the state are manifested by the most demonstrable way in the relationship of social security (for details, see [7]).

The state's role as the regulator of the insurance relations system is to harmonize the economic interests of policyholders, insurers (or their associations), intermediaries and other subjects of the insurance market. The realization of these interests is carried out by the formation and implementation of a unified policy in the field of insurance; the creation of mechanisms for economic and social security of citizens and businesses.

1. Analysis of the dynamics of Russia's insurance market in 2005-2013 years in terms of economic interests

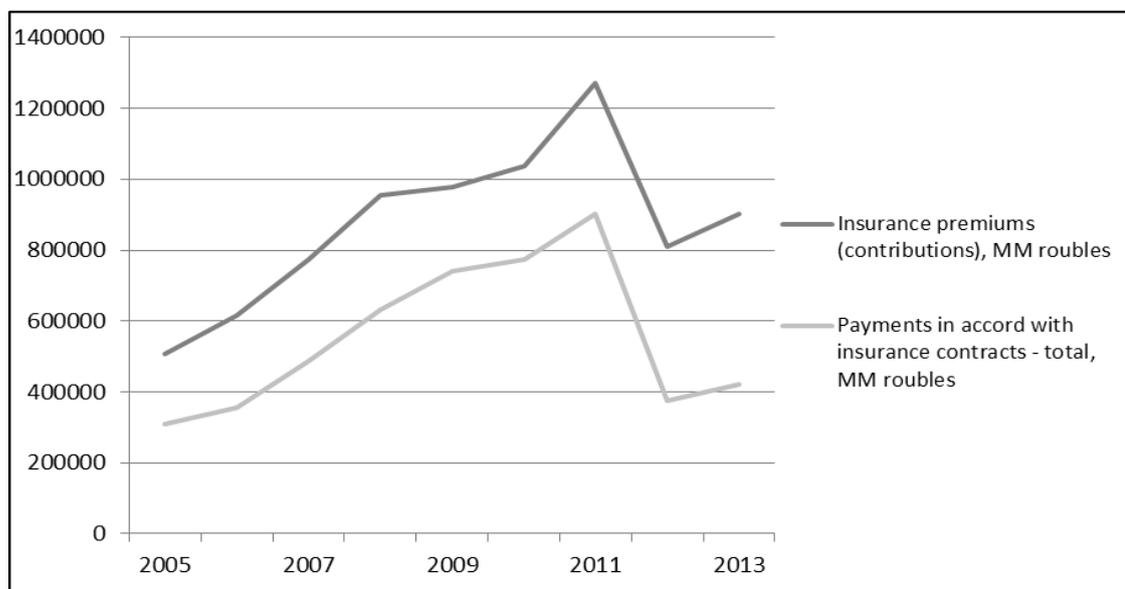
Let's examine the current trends in the insurance relations of the Russian Federation (Table 1).

The Growth of the insurance market in 2010-2011 is due, on the one hand, the recovery after the financial crisis of 2007-2009. On the other hand, it was caused, as experts note, by the increase in lending and changes of ratios in motor vehicle liability insurance as well as the introduction of a new type of insurance -insure the owners of hazardous facilities. [9] All this led to the growth of the insurance market by 2012 about 20%. Especially clearly this growth is noticeable in dynamics of insurance premiums and payments for insurance contracts (Pic. 1).

Table 1

The insurance market of the Russian Federation in 2005-2013 years
(compiled from [8])

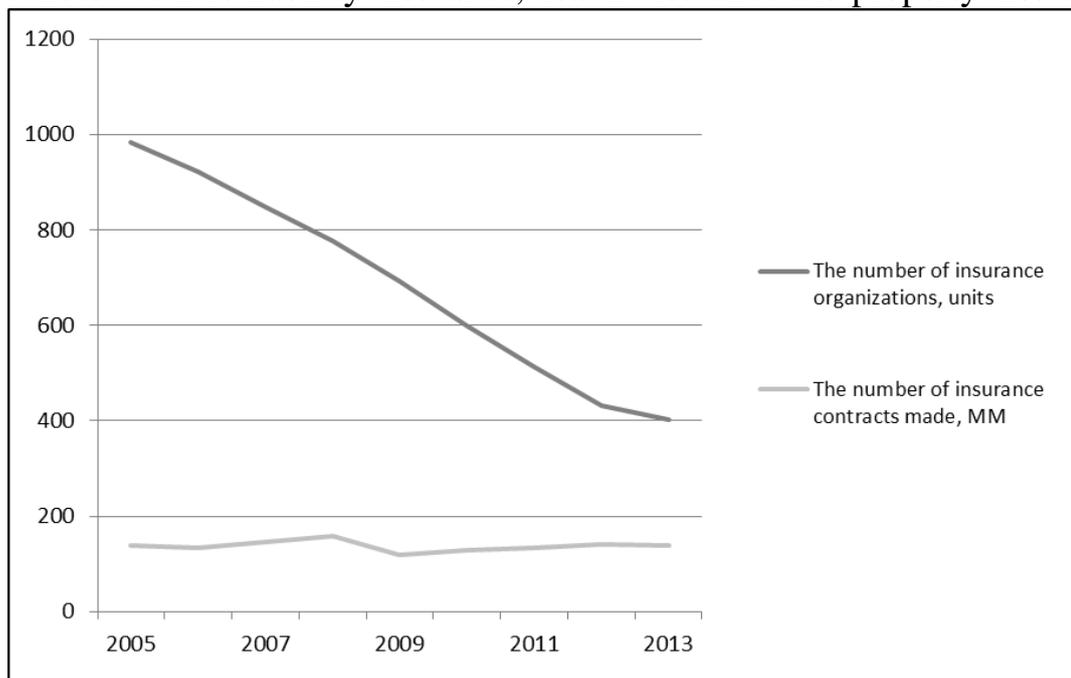
Index	2005	2006	2007	2008	2009	2010	2011	2012	2013
The number of insurance organizations, units	983	921	849	777	693	600	514	431	402
The number of branches of insurance companies, units	5038	5171	5341	5443	5213	4567	4332	5081	5180
The number of insurance contracts made, MM	138,1	133,4	147,2	157,8	120	128,1	133,2	140,7	139,1
Insurance premiums (contributions), MM roubles	506151	614002	775083	954754	979099	1036677	1269763	811026	901026
Payments in accord with insurance contracts - total, MM roubles	308484	356934	486597	633234	739908	774831	902206	376538	419843



Pic. 1. Dynamics of premiums and payments for insurance contracts in Russia, 2005-2013 years

The following picture (Pic. 2) shows that there was a leap marked by a decline in the total number of insurers (from 983 in 2005 to 402 in 2013) and increase of the

concentration of the insurance business, that is evidence of the relative stability in the number of concluded insurance contracts. The most popular insurance products in Russia are motor vehicle liability insurance, health insurance and property insurance.



Pic. 2. Changes in the number of insurance companies and concluded insurance contracts in Russia, 2005-2013 years

Assessing the trends identified in terms of economic interests, we can make the following conclusions:

- 1) increasing concentration of the insurance market is in keeping with the interests of only large insurers and does not correspond to the economic interests of the insured, as the market becomes more monopolized;
- 2) reduction in the number of insurance companies - in state's interest because it allows better control of the remaining participants in the insurance market;
- 3) increasing volume of insurance premiums (contributions) conforms to insurance companies's interests, as it is the primary source of their revenue base and the main condition for the functioning of the insurance business;
- 4) growth of payments on insurance contracts, which was observed in 2010-2011, on the contrary, does not correspond to the interests of the insurance companies, because it means an increase in their expenditure associated with the insured accident.

The researchers point out that the system of insurance relations that prevailed in Russia, take a little into consideration the economic interests of the subjects involved in them, and also does not permit to fully coordinate these interests. This explains the low level of implementation of the incentive function as a modern insurance market mechanism connected with smoothing of risks [2].

Conclusion

Having studied the economic interests of participants of insurance relations, having analyzed the dynamics of the insurance market in the Russian Federation from 2005 to the present time, we can draw the following conclusions:

1) the insurance relations are the sphere of functioning of economic interests. The specifics of these relations is determined by the characteristics of their subjects, the participants and their interests;

2) the main participants of insurance relations are the insurer and the insured. Apart from these, the participants of the insurance market are the state, insurance mediators and organizations of insurance infrastructure. Each of these entities has its own economic interests, determined by their needs;

3) the dynamics of the insurance market of the Russian Federation in 2005-2013 years reflects the impact of the global financial crisis of 2007-2009 and the subsequent period of recovery. The main tendencies of the insurance market are: reduction in the number of insurance companies; increase the concentration of the market; growth of the volume of premiums and payments according to insurance contracts;

4) the insurance relations established in the Russia contribute little to the implementation of multidirectional interests of the subjects involved in them. Improvement of the coherence of interests in the insurance market requires optimization of regulatory functions of the state in this area.

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