

Varazdin Development and Entrepreneurship Agency and University North
in cooperation with:
Azerbaijan State University of Economics (UNEC)
Faculty of Management University of Warsaw
Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat
Polytechnic of Medimurje in Cakovec



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Editors:

Altay Ismayilov, Khatai Aliyev, Manuel Benazic



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ABSTRACT

Transport is one of the largest basic sectors of the economy, an important part of the production and social infrastructure. Transport communications are the material basis for state's integration into the global economic system. Transport infrastructure and transport services should meet the needs of providing countries, regions and industries with economic links, best responding to the priorities of social and economic development. The emergence of new communication routes, seaports, airports, and improved transport technologies opens up new opportunities for the development of the world economy. In the development of world transport system, it is necessary to consider the influence many different factors. The unification of the international legal framework of transport activities; the increasing concentration of the transportation and processing of cargoes in the system of international transport corridors and portals. They form a single global transport infrastructure; high

level of standardization of transport equipment and technologies; integration of various types of transport, development of intermodal transport; creation of multidisciplinary international transport integration transport holdings business. It is possible to become one of the leaders of the global economy only by switching to an intensive, innovative type of development. This path requires new strategic decisions to develop the transport sector in the long term. The transport strategy determines the state's position on creating conditions for social and economic development. An important task is to improve the quality of transport services, reduce the total costs of society that depend on transport, increase the competitiveness of the domestic transport system, and strengthen the innovative, social and environmental orientation of the transport industry. Increasing the competitiveness of the transport complex, developing the export of transport services and realizing the transit potential contribute to strengthening state's position in the global transport system. In the first part of the article, the logistics features of the formation of transport macro systems and international transport corridors are considered. The second part is devoted to the analysis of the main trends in the development of the world transport and logistics system. In the third part, the influence of transport infrastructure development on the economy of the region, as a whole, is shown on the example of a single country.

Keywords: *international transport corridors, the transport infrastructure, the transport services, the transport complex, the transport communications, the transport strategy*

HUMAN RESOURCES IN DIGITAL ECONOMY

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ABSTRACT

In modern conditions of global scientific and technological progress and the formation of the digital economy, labour relations are being transformed due to the changing nature and content of labour, as well as the requirements for professional skills of workers. Under the influence of digital technologies, business processes are being modified, leading, among other things, to change in the use of human capital. The spread of digital technology, due to the development of the internet, has led to a change in the nature and type of labour relations in different countries. Remote and flexible work environment, which allows performing many types of work outside of stationary workplaces, is becoming increasingly widespread. In the context of the digital economy from the point of view of the efficient use of human resources in many countries, requirements for flexibility in the

organization of labour are a major priority. At the same time, the level of automation of business processes varies in the global context; therefore, the degree of reduction of manual and mechanized labour has a high differentiation. The digitalization era requires employees not only to have traditional business and personal skills for the job, but also to acquire skills that allow the efficient use of digital technologies and «soft skills», allowing establishing effective communications.

Keywords: *Digital economy, Human resources, Labour automation, Labour relations*

ROBUST HOMEOSTASIS PARAMETERIZATION - THE REGULATOR OF THE ECONOMIC SYSTEM OPERATING ACTIVITY

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ABSTRACT

An approach to the construction of robust homeostasis, an information structure that closes the homeostatic space, including the operational activities of the economic system, is described. Methodological aspects of synthesis of parameters-indicators of operational activity for construction of robust homeostasis are covered. Operating activities are represented by

a set of horizontal cycles consisting of interrelated processes and financial, material and information flows that cover all the processes. Horizontal cycles determine their discreteness and are referred to as operating activity cycles that are equal in their duration to the corresponding working capital cycles. The principles of representation are formulated and the composition of indicator parameters as operational activity regulators included into robust homeostasis is presented. The formula of the information granule that makes up the robust limit is presented. It is shown that the process of forming homeostases in the context of robust management fully corresponds to the general principles of constructing information structures: mobility in time and by filling them with data carriers, the possession of each indicator parameter with a certain degree of freedom set by the robust limit.

Keywords: *Indicator parameters, Operating cycle, Parameterization, Robust homeostasis, Robust management mechanism*

DIGITAL BANK CONCEPT

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ABSTRACT

The article examines the basic trends and the content of transition period in the development of the banking services, which undergo substantial changes in the conditions of digital economy ecosystem formation. The need for the essential adjustments in the theory of banking is justified, the promising trends in the shift of lending institutions into the cyberspace are indicated, a characteristic of the new bank products, emerging within the decentralized management system, is given. The most important aspects of the design of a digital bank model and the key elements of its entrepreneurial activity strategy are revealed.

Keywords: *Artificial intelligence, Banks, Blockchain, Digital assets, Digital economy, Cryptocurrency, Electronic banking, Lending, Loans, Virtual assistants*

INFORMATION AS AN OBJECT OF CIVIL RIGHTS

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ABSTRACT

The article raises questions about the legal nature of information, its place among the objects of civil rights, including taking into account the legislation of various States; and the feasibility of returning to Art. 128 of the civil code of the mention of information as a full-fledged object, as well as offers solutions to the issues.

Keywords: *Information, Object of law*

THE IMPACT OF DIGITAL TRANSFORMATION ON THE FORMATION OF MANAGEMENT TOOLS USED BY MODERN COMPANIES

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ABSTRACT

The studying of global trends should help managers to cope with them and develop new principles of effective behavior in these conditions to ensure the competitiveness of organizations. The

need in explosive growth of digital instruments used by Russian enterprises, which is adequate to the Fourth Industrial Revolution, is argued. In the digital age managers actively change the strategies of their organizations, while accelerating not only the replacement of business models, but also significantly reducing the horizon for developing strategies and introducing new organizational forms such as Agile and holacracy. According to «Bain & Company» the analysis of the evolution of the application of managerial tools by managers in the world showed both an increase in their attention to consumers (predictive analytics, analysis of customer behavior) and a growing rejection of bureaucracy and complexity (using digital technologies, reducing complexity). The top management of modern organizations must recognize the importance of unleashing the potential of staff in its ambition to create value for customers and to realize the opportunities for becoming themselves as active entrepreneurs.

Keywords: 21st century management, digital transformation, new organizational forms, tendencies

IMPROVING THE NORMATIVE LEGAL BASE FOR THE REGULATION OF LABOR RELATIONS

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ABSTRACT

The article analyzes the aspects of the study of the employment contract, as well as reforms to improve the labor legislation, including notification of the employment contract in the

electronic information system of the employer, including the registration of notices of employment contract.

Keywords: *labor contract, notice of labor contract, electronic information system, E-signature*

THE USE OF TOURISM SLOGANS AND LOGOS IN THE CASE OF EUROPEAN CAPITALS – A POSSIBLE CLASSIFICATION

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ABSTRACT

The present study attempts to categorize and analyze the tourism logos and slogans of European capitals, thus providing a comprehensive view of the role of logos and slogans in European city branding efforts. During our research we examined a total of 52 capitals of countries related to the European continent. We analyzed their own media platforms used in tourism communication to find out how much the application of a consciously and centrally used English language tourism slogan or logo can be identified. Our examination showed that logos and

slogans (both being popular city branding elements in Europe) are used in an almost equal number of countries during their marketing processes (capitals with logos: 37; capitals with slogans: 36). The lack of both (that is, not having a logo or a slogan) could be experienced in one fifth of the capitals (10 capitals). Having examined the dominant colours in the 37 tourism logos of capitals, we found out that the most dominant colours were red (27%), followed by blue and black (both 22-22%). However, an equal number of capitals are colourful in the sense that their logos consist of at least 3 colours (22%). In the case of slogans (36 pieces), ones with an emotional effect (25%) are in the first position. It is followed by calls to action (22%). Slogans that display some positioning in geography/value or highlight the attraction of the specific capital occurred in 17-17% each. In addition, we also found other slogans (19% of the cases) that could not be listed in any of the categories mentioned above. The results may provide important guidance for capitals that have not developed their brand with a conscious choice of slogan or logo, and the novel approach to the topic may designate directions of research for academics.

Keywords: *destination branding, city branding, tourism logo, tourism slogan, European capitals*

PUBLIC AUDIT IN THE SYSTEM OF ENSURING REGION ECONOMIC SECURITY (THE ASTRAKHAN REGION EXAMPLE)

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ABSTRACT

The System of public audit and financial control is a vital tool to combat abuse in redistribution and improvement of the use efficiency of resources belonging to the state in general and a certain region in particular. Control and Auditing Department (CAD) is a Ministry's department that carries out the imposed functions to perform public financial control within its competence. From 2015 to 2018 the Ministry of Finance of the

Astrakhan Region's Department carried out control activities in organizations - beneficiaries of the Astrakhan Region budget and in municipalities. From 2015 to 2018 the Ministry of Finance of the Astrakhan Region's CAD carried out 172 audits (inspections). The Average control activity performance was nearly 93%. The share of unsuccessful audits (inspections) was extremely low - only 7% of the total number of inspections while the year 2018 marked the highest dynamics of financial irregularities detected within these four years, i.e. 100%. The numbers in question stand for the efficiency of control activity implementation for these monitored items. The overall number of financial irregularities detected encompasses violations committed during audits on the use of the Astrakhan Region budget and public budget loan funds and the Moscow Region budget funds.

Keywords: *audit, accounting, financial control, violations committed*

CYCLICAL FLUCTUATION IN MONEY LAUNDERING: CASE STUDY OF AZERBAIJAN, TAJIKISTAN, UKRAINE AND KAZAKHSTAN

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ABSTRACT

The main purpose of the study is the estimation of the cyclical fluctuation of the environment in different countries, which forms there the preconditions for the money laundering. The relevance of the decision of this scientific problem is that the identification of peaks and recessions in money laundering is the basis for the formation of effective tools for its timely prevention and further minimization. Methodological tools of the research methods were decomposition and harmonic analysis. The information base of the study is the Basel Anti-Money Laundering Index, which describes the level of perception of corruption, the state of financial and public transparency, the risks of the political environment, etc. The object of research is the chosen Azerbaijan, Tajikistan, Ukraine and Kazakhstan, years of research 2009-2019. Investigation of cyclical fluctuation in money laundering in the paper is carried out in the following logical sequence: 1) identification of the trend and cyclical components of the market

environment, which forms the preconditions for the money laundering, based on a decomposition and harmonious analysis of the Fourier series; 2) identification of market environment cycle parameters (peak, bottom, cycle duration); 3) estimation of volatility and inertia of the money laundering. The study empirically confirms and theoretically proves that cyclical fluctuation in money laundering is different for the studied countries, namely for Ukraine – 5 years, Tajikistan – 3 years, Kazakhstan – 4 years. Azerbaijan – no cycles detected. The developed methodological support allows applying the most effective instruments of counteraction to the money laundering in accordance with the stage of the cycle of the environment concerning money laundering, which will maximize their effectiveness in terms of neutralization of specific catalysts for the money laundering.

Keywords: *Cycle, Money laundering, Fluctuation, Decomposition, Harmonic analysis*

THE DIMENSION OF FINANCING OF NON-PROFIT ORGANIZATIONS IN SLOVAK REPUBLIC

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ABSTRACT

The non-profit sector is a frequently discussed topic in the current economic environment of the Slovak Republic. Nonprofit organizations do not focus on profit as a priority, but respond to the whole range of problems that occur in society. Since not all problems can be solved and covered by the state, precisely for

this purpose there are non-profit organizations whose mission is to provide services of general interest. Non-profit organizations act as legal entities on the market and are in charge of providing services of general interest in the fields of health, education, culture, research and development, sports and community development, etc. It is clear from the name that making profit is not the primary goal of their existence in this type of organization. Funding is becoming a necessity for non-profit organizations. Since they do not primarily earn profits, they are dependent on raising money from other sources. The article focuses on the issue of financing non-profit organizations. The aim of the article is to analyze available forms for financing the needs of non-profit organizations in Slovakia. I work with the hypothesis that only one source of funding for non-profit organizations is scarce and it is necessary to accumulate funds from a larger amount of sources. The financing of non-profit organizations is therefore a very interesting issue and is undoubtedly a very demanding set of activities that a non-profit organization has to address in order to convince potential donors to decide for its mission to provide funding. The article also addresses the way of financing through fundraising as a new approach and highlights the function of fundraisers in the issue of financing non-profit organizations with an emphasis on creating a fundraising plan.

Keywords: *financing of non-profit organizations, self-financing, fundraising, fundraiser*

GREEN INTELLECTUAL CAPITAL AND COMPANY PERFORMANCE

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ABSTRACT

The paper aimed to analyse the relationship between green intellectual capital and company performance. The authors generalised the approaches to define green intellectual capital. The summarising findings showed that the scientists had not accepted the universal approach to define green intellectual capital. The authors proposed to analyse the green intellectual capital as a combination of three core element as follows as: green human capital; green structural capital; green communication channels. The findings proved that ongoing tendency on considering the green features of the company during the making decisions by the stakeholders required the strengthening of the green intellectual capital as a core element of the sustainable business model. The hypothesis of the investigation was checking the relationship between core elements of the green intellectual capital and company performance. The authors estimated the company performance through three types of performance: social, economic and green. The raw data was collected from the open financial and non-

financial reports and findings of the survey of 150 managers of small and medium enterprises. The survey was conducted using the Google platform and email. The study used the second-generation multivariate statistical analysis. The findings proved the positive statistically significant relationship between green human capital, green structural capital and all components of company performance. At the same time, the third element of green intellectual capital (green communicational channels) had a negative statistically significant relationship with green performance. The findings allowed concluding that analysed companies had not adopted the implementing of the green features in the operational activities. The managers should develop and implement the best experience in developing green intellectual capital. Besides, the managers should pay attention to the improving of the green communication channels through strengthening the relationship with green investors, consumers and other stakeholders.

Keywords: *Green economy, Green intellectual capital, Human resources, Stability, Sustainable business model*

THE IMPACT OF TIME MANAGEMENT ON FINANCE OF SLOVAK NON-PROFIT ORGANIZATIONS

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ABSTRACT

Non-profit organizations are not non-profit primarily because they are not making a profit, but because they offer products and services to target groups who cannot buy them themselves. This is why an important part and specificity of non-profit organizations is their multi-source financing, consisting of

public, private and individual forms of support. The budget is an essential part of a non-profit organization. Multi-source funding of the organization's stability and sustainability provider. The main objective of budgets is to prevent the consumption, in the worst case of theft, of financial resources for unauthorized purposes. It is also important for non-profit organizations to support and monitor innovations that allow for a more rational distribution and use of finance, and thus improve service quality. Under the conditions of non-profit organizations, but also businesses, the organization is mainly about trying to analyze, plan finances and control costs. The manager is responsible for the optimal division of tasks between individual financial units and within management levels. Individual departments are responsible for efficient use of financial resources. The financial and accounting departments of the organization should be transparent to each other. The task of management is to avoid duplication of requirements, by permanent communication, either on horizontal or vertical level, it is necessary to clarify and logically justify the expressed requirements. The task of the financial analysis is to characterize how the financial objectives that are specific to the NPO have been met, to identify the causes of deviations from the planned quantified goals, to assess the adequacy of the financial goals set in the NPO and the adequacy of the instruments and measures to ensure them. and characterize the state of financial health of the organization, its expected future development as well as the overall market position.

Keywords: *Non-profit organizations, Sources of funding, Financial analysis*

TOOLS FOR STRATEGIC RESEARCH OF THE NATIONAL SECURITY SYSTEM - METHODOLOGY FOR RESEARCH USING SIMULATION BUSINESS GAME

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ABSTRACT

Modelling a business game to test the building of capabilities for enhancing institutional resilience requires a thorough knowledge of the underlying in the reviewed process base concepts (for counteracting hybrid threats, for building defence capabilities, for the functioning of the business model of the national security system and etc.) and following a specific management strategy. The business simulation games should be seen as a concrete model of abstractions from the reality. Therefore, when analysing the results of their implementation, it should be borne in mind that the tested coherence of a theory or concept can be successful in a particular model or simulation, but this isn't actually a guarantee of overall consistency with the real world, especially when testing newly developed theories and concepts with many conventions. Therefore, the selection of concepts, variables, the way the model is developed, the approaches to conducting it, and especially the management of this type of scientific research are of particular importance. Of course, the most profound impact on the results is the level of professionalism in preparing the analysis of the results of each business simulation game.

Keywords: *Simulation business game, National security system, Tools, Cyber-attacks, Business game*

ELECTRONIC SERVICES AS SUPPORTING FACTOR OF QUALITY OF LIFE IN DIGITAL ECONOMY

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ABSTRACT

The paper deals with the relationship between eHealth - healthcare practice supported by electronic and the quality of life, focusing mainly on the quality and availability of electronic health services in Slovakia. The paper contains theoretic terms in the field of electronization of health, such as eHealth and information systems, new information and communications technology-based health care solutions, factors and their impact on the quality of life of citizens and the influence of the European Union and other international organizations on the development of eHealth. There is a comparison of the level of electronization of health in Slovakia with other selected countries and also marketing research identifying problems of eHealth in Slovakia from the perspective of patients and also doctors. There are suggestions and recommendations for improving the level of electronic health care in Slovakia.

Keywords: *Electronic services, quality of life, health services*

MULTINATIONAL BANKING IN THE TIMES OF CORONAVIRUS OUTBREAK: TRENDS AND CHALLENGES

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ABSTRACT

The article provides an analysis of the changes that has recently occurred in the activities of multinational banks, taking into account the consequences of the coronavirus outbreak. Given the importance of multinational banks in many countries, understanding the scale and direction of these changes for the world economy has become essential. Over the last two decades we have been witnessing the following trends in multinational banking: the credit strategies transformation – from aggressive into conservative; the rise of South-South banking; the shift toward alternative sources of funding; the dramatic increase in banks size; the expansion of Chinese banks; the strengthening position of fast-growing markets as multinational banks' home countries and the growing importance of developing and emerging markets as multinational banks' host countries; the geographic expansion and regionalization of their activities. Our findings show that the aforementioned trends are driven by the economic downturn in developed countries and the increasing economic importance of developing countries. On the basis of this finding we forecast a low likelihood that banks from developed countries will be active lenders in the nearest future. Banks from developing countries have much better financial positions, which increase their relative importance as foreign lenders, especially

within their geographical region. It looks like the year 2020 will become a year of tipping points in the development of multinational banking. A decade after the 2008-2009 global economic crisis banking industry faces a new challenge, which seems to have influenced almost every sector of the world economy, – the coronavirus outbreak. Given the background, the consequences of the coronavirus outbreak on multinational banking should be carefully examined.

Keywords: *Coronavirus outbreak, Credits, Determinants, Multinational banks, Trends*

MARKETING OF SOCIAL TOURISM

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ABSTRACT

The article explores the issues of social tourism marketing as a driving tool for ensuring the growth of regional socio-economic development. Within the concept of social tourism, a large number of local market entities interact, so it is appropriate to pay attention to its research. Within the study, the authors give

hypothesize that the same regional entity that develops in the field of social tourism is perceived differently by subjects that interact with it. In particular, the perceived quality of services and the level of available information will be different for representatives of different regions of the same nationality. A systematic survey of respondents who used the services of the typical regional business entity providing health services for locals, employees of the city-forming industrial enterprise, and the population of Ukraine was conducted. One uses the Smart PLS program to analyze the answers of a marketing survey. It was selected the target outer and inner model variables. The authors obtained discrete results in two cases of analyzes. The same result in both cases was the coefficient of determination that determined customer loyalty. At the same time, for the respondents from other regions, the variables that determined their expectations from the future consumption of services were more important. For the local entities and employees of the enterprise, the actual perceived quality of services was crucial. In the first case, emotional and informational support for service provision prevails, and in the second case, rational motives for consumption. Such a psychological feature of service perception should be taken into account by regional businesses in the field of social tourism while forming their marketing programs of development.

Keywords: *Customer loyalty, Marketing survey, Regional development, Service perception, Social tourism marketing*

RESEARCH OF INDICATORS OF QUALITY OF RIVER CANCER, (ASTACUS LEPTODACTYLUS) FISHED FROM MINGECHAUR RESERVOIR

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ABSTRACT

*The article provides data on the organoleptic and physico-chemical assessment of the quality of crayfish caught from the Mingachevir reservoir. When assessing the organoleptic characteristics of crayfish, the appearance, taste, smell and texture were determined. The meat of crayfish is dietary, easily digestible, contains a large amount of protein (16%), calcium, vitamins E and B12 and a minimum of calories (68 kcal or 292k J), fat (0.5%), cholesterol. Crayfish is a delicacy. The main volume of nutritious crayfish meat is in the abdomen and its somewhat smaller amount in claws. In benign crayfish, the carapace is clean, without growths and strong enough. Crayfish with external injuries, a soft shell with claws down or torn off with signs of disease and other defects from the place of catch should not be shipped. To study the quality of crayfish (*Astacus leptodactylus*), in 2019, samples were taken from the Mingachevir reservoir. The fishing length of the samples taken for research was 13 cm, weight 119 g, respectively. The first duty during the study period we determined organoleptic indicators (appearance, size, smell, color, the presence of damage and disease, the condition of the shell). The samples taken have an intact and sufficiently strong chitinous cover, the body is clean, greenish-brown. The smell of crayfish corresponds to the smell of fresh cancer, without extraneous and unpleasant odors. Thus, the results of the organoleptic studies of crayfish showed that the organoleptic quality indicators of crayfish samples met the requirements of the state standard, and there were no special cases of deviation from them. From the physicochemical*

parameters in the meat of crayfish, the mass composition, the amount of nitrogen-containing substances, and fat are determined. The results of the study showed that the crayfish samples taken were fresh and suitable for human consumption.

Keywords: *Assessment, crayfish, physicochemical method, Mingachevir reservoir, organoleptic method*

THE ROLE OF BIOKIBERNETICS IN THE HUMAN IMMUNOLOGICAL SYSTEM

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ABSTRACT

This article discusses the influence of xenobiotics on the human immunological system and the relationship of the new science of bio-cybernetics. The formation of a healthy nation is the foundation for any state through safe food and healthy nutrition. Recently, there has been a tendency towards a growth in food products of a foreign producer, and the population has observed malnutrition. This fact leads to a violation of the nutrition of the population. One of the important components of proper nutrition is the use of plant products that have dietary, therapeutic and prophylactic properties. The importance of theoretical

justification and practical application lies in the fact that providing the population with BIO-, ECO food products. The actual question is considered: how does the chemical external environment “communicate” with the internal environment of the body? Great opportunities have been established for implementing the principle of immunochemical education in pharmacology, toxicology and dietetics.

Keywords: *Immunological system, xenobiotics, cytochrome P-450, environment, bio-cybernetics*

HOW TO INCREASE THE EFFICIENCY OF UTILIZATION OF CREDIT RESOURCES BY THE PRODUCTION SECTOR

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ABSTRACT

The article is devoted to the determination of the role of credit resources in improving of production efficiency in the economic space. The influence of various factors on the investment potential of the country have been substantiated by the authors, including the assessment of the devaluation mechanism of replenishing the budget and the chronicle decline in real incomes of the population over the five years. The researches have been

carried out and analyzed the development of various authors of world and domestic economic science in the theoretical part of the article. The authors analyzed the factors affecting the pace of development of the country's economy, analyzed the influence of the key rate of the central bank on the cost of borrowing credit resources in the credit market. Based on the analysis of the world countries experience, a three-factor model was developed and proposed, and a formula for the effectiveness of credit resources was formulated depending on the bank margin indicator and the key rate of the central bank. Examples of the utilization are given by leading countries of the world of the key rate as the main element of economic development. The main directions are proposed in the framework of the formation of an effective monetary policy, contributing to the improvement of the investment climate and the development of the manufacturing sector of the economy. The influence mechanisms and the possible effectiveness of the proposed areas of monetary stimulation of the production sector are determined. In particular, attention is focused on targeting, innovativeness and investment efficiency, where the banking sector plays a high role and responsibility.

Keywords: *production efficiency, key rate of the central bank, bank margin, credit resources, real income of the population, investment potential, devaluation mechanism, monetary policy*

MANAGERIAL DISRUPTIVE STRATEGIES IN THE GLOBAL MUSIC INDUSTRY: BUILDING OF THE COMPETITIVE ADVANTAGES OF SPOTIFY AND PANDORA DIGITAL STREAMING CORPORATIONS

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ABSTRACT

Spotify and Pandora are corporations competing within the global music industry as disruptive entities in the existing industrial structure. Both are streaming corporations that operate in the form of a platform economy. The aim of this paper is to point out the opposite models of development of two corporations whose key activity is related to streaming music production. The fundamental difference between business models relates to the collection of ad revenue. Corporations compete within technologically advanced industries and take advantage of economies of scale in the global music market. The key competitive advantage of corporations over "classic" music corporations is based on a user community that consumes music on mobile devices and does not purchase music to store it permanently. Streaming music platforms are a key factor in revenue recovery within the music industry. Generation Z, who are users of streaming music platform services, contributed most to this.

Keywords: *disruptive strategy, music industry, streaming, platform economy*

CLUSTERING AS A DRIVER OF REGIONAL ECONOMIC COMPLEXES INNOVATIVE DEVELOPMENT IN CONDITIONS OF KNOWLEDGE ECONOMY FORMATION

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ABSTRACT

The article substantiates that clustering is a driver of innovative development of regional economic complexes in conditions of formation of knowledge economy and network economy. In this regard, traditional approaches to innovative development and increase of competitiveness in the Republic of Belarus should be supplemented by cluster approach. Clusters are self-organizing systems where strategic competitive advantages are created through the synergistic effect of network cooperation and public-private partnership. Innovation-industrial cluster is a set of geographically localized in a certain area, complementary, competing businesses (including suppliers, producers and consumers) linked by relations of cooperation to each other and with state and local authorities, united around the research or scientific-educational centre on an informal basis, with a purpose of creating a favourable environment for the dissemination of innovation, and enhancing innovative activity and competitiveness of organizations-actors of the cluster, regional and national

economy. The growth of innovation activity in clusters is the result of positive externalities: exchange of knowledge, technologies, high innovative activity of firms due to high competition. There is no generally accepted method for identifying clusters. All methods of identifying clusters are divided into quantitative and qualitative ones. In order to identify clusters the localization coefficient, the coefficient of per capita production and the coefficient of specialization of industries were calculated. It is concluded that there is a sufficient degree of localization of the organizations of relevant economic activities for identifying potential petrochemical, leather, footwear and textile clusters in the territory of Vitebsk region. The innovative development of regional economic complexes is considered in the framework of clustering regional industrial complexes on the example of Novopolotsk petrochemical cluster. The goal, objectives and promising results of the cluster are formulated. The directions of activating the mechanisms of cooperation in the cluster are identified.

Keywords: clustering, innovative development, cluster, network cooperation, knowledge economy network platform, privet-public partnership, Novopolotsk petrochemical cluster

REMUNERATION STRUCTURE ACCORDING TO OCCUPATIONS IN POLAND IN 2018

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ABSTRACT

The gender pay gap is a phenomenon widely studied in literature, both in terms of the factors that affect it and the effects it produces. The set of factors affecting the remuneration of women and men is constantly verified, and occupation is one of the most often cited ones. Literature studies indicate that depending on the

technique used, the results of individual analyses may differ significantly. This article proposes another attempt to analyse the studied phenomenon – the use of the same technique using data on the structure of remuneration in Poland from two different sources. The purpose of this article is to show the relationship between the level of remuneration and the occupation held in Poland in 2018 using data from a public and private institution. The structure of the paper is as follows: first, the databases on the structure of remuneration will be characterized. Then, groups of professions in Poland will be characterized and the different levels of remuneration. The occupations will be unified and presented in the form of so-called large groups of occupations, according to Classification of Occupations and Specialties (COS). Then econometric analysis methods will be used and the results will be critically analysed. The study is completed with the summary and presentation of the most important conclusions. The research methods used are literature studies on the phenomenon of gender pay gap and analysis of statistical data made available by the Central Statistical Office in Poland and Sedlak & Sedlak for 2018.

Keywords: *data source, gender pay gap, occupation group*

GLOBAL ENERGY SECURITY AS A GLOBAL PUBLIC BLESS

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ABSTRACT

The article discusses energy security issues, which again came to the fore as one of the most important issues that attract the attention of decision makers, energy companies, the financial community and the general public. Uncertainty regarding safe access to reliable energy supplies at reasonable prices is growing. Global energy security is a final global public good, while international global energy security regimes, defined as sets of rules, procedures, and practices for resolving international conflicts and crises on national energy security issues, are intermediate global public goods.

Keywords: *Energy security, globalization, countries of the Caspian region, energy markets*

ABOUT SOME ASPECTS AND FEATURES OF FORMATION OF THE DOMESTIC MARKET OF MERGERS AND ABSORPTIONS

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ABSTRACT

The article briefly presents the prerequisites for the formation and development of the modern market of mergers and acquisitions, as well as features, reasons and the need for integration transactions. The relationship of the market with the processes of development of the national economy, its impact on the formation of the image of corporations and the country are considered. Attention is paid to the classification of goals toward which modern corporations are oriented in the process of implementing integration transactions. The directions of integration processes in domestic and foreign companies are compared. Based on open statistical sources, an analysis of the dynamics of the domestic market of mergers and acquisitions over the past four years is carried out, the interests of state and private investors are reflected; a sectoral breakdown of transactions carried out during the study period is presented, the largest market players are noted, conclusions are made about the

importance of the market in the development of society. Particular attention is paid to the role of the state in the development of the mergers and acquisitions market in modern conditions.

Keywords: *horizontal and vertical integration, motivation of integration processes, the market of mergers and acquisitions, the theory of mergers and acquisitions*

REGIONAL DIFFERENCES IN THE WAGES OF AGRICULTURAL WORKERS AND THEIR REGULATION

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ABSTRACT

The purpose of the article is to identify factors affecting the wages of agricultural workers, the relationship between the income of agricultural enterprises and the wages of its workers. The article discusses reforms in the agricultural sector and the necessary changes. Reforms in the country have led to fundamental changes in the economy and dynamic economic development. Appropriate measures were taken to ensure the economic development of the regions, to further improve the welfare and standard of living of the population, and to develop the country's economy, especially the agricultural sector. It analyzes the performance of agricultural enterprises, the degree of productivity, the relationship between net profit and wages. The article identifies regional differences in wages, shortcomings that arose in the process of wage management. This study describes ways to increase productivity, combining the goals of reducing costs and maximizing profits in the agricultural sector of Azerbaijan. The

main objectives of the research are to identify ways to optimize income, increase the productivity of agricultural workers, which in the end will serve the development of the agricultural sector. Considering the differences in wages at the regional level, the author identifies the causes and suggests ways to eliminate deviations. In the article, the author uses statistical data for comparison, analysis, generalization. The grouping method is used. As a result of the study, recommendations are made for raising wages in agriculture.

Keywords: *Agricultural Sector, Factors, Reforms, Wages, Incomes*

SUSTAINABLE GROWTH AND COUNTRY GREEN BRAND: VISUALIZATION AND ANALYSIS OF MAPPING KNOWLEDGE

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ABSTRACT

The current paper deals with the bibliometric analysis of the scientific studies indexed by the Web of Science database on linking sustainable growth and green brand. In the conditions of

high competition and increasing issues on sustainable development, the countries should formulate and promote their green brands on the international market. However, a review of online requests indicated the absence of unique definitions to express an environmentally-friendly policy of brands. Internet users could indicate different adjectives as follow as green, eco, environmental, ecological, or sustainable. The primary purpose of this research is to analyze the dynamic of the leading scientific background and visualize the clusters on the investigations of sustainable growth and green brand. In the frame of this paper, the authors analyzed 108 studies selected on the base of the limitations as follows as: published from 2000 to 2019, the keywords of documents – sustainable or sustainability with green, eco, environmental, ecological, or sustainable brand. To achieve the goals of this study, the authors used the Google Trends, Web of Science, and VOSviewer tools. Google Trend tool allowed indicating the most popular definition to promote environmentally-friendly brands. Given that, the finding proved that the definition of «green brand» is the most popular used to promote environmentally-friendly countries' brands. The Web of Science scientific tool enabled analyzing the articles on the base of the quantity, authors, research areas, number of citations, journals, etc. Furthermore, the authors found the increasing interest in investigations on linking between sustainable growth and green brand. In turn, VOSviewer allowed visualizing five main scientific clusters. The first cluster focused on studies in sustainability, the second – green performance, the third – consumption and consumer satisfaction, the fourth – products and green branding, the fifth – corporate social responsibility and sustainable brands. The current bibliometric analysis indicated that the investigation of green brands tightly linked with sustainable growth. The obtained results provided the background for future researchers on promoting green brand of country.

Keywords: *bibliometric analysis, green branding, green promotion, sustainability, environmentally-friendly*

DIGITAL EDUCATIONAL SERVICES IN THE CONDITIONS OF GLOBAL CHALLENGES: ANTI-CRISIS INSTRUMENT OR NEW REALITY

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ABSTRACT

Universal digitalization is the mainstream of most changes in modern society, has recently taken over universities. Currently, we are dealing with the complexity and uncertainty in higher

education and its low ability to respond to economic growth, as well as be a source of talent and innovation in society. Online learning, in addition to the advantages that are already described in the scientific literature (economic efficiency, versatility, accessibility, variability), also has anti-crisis potential. Distance learning remains the only possible one against the backdrop of global challenges facing mankind (military conflicts, technological disasters, pandemics). In the article, the authors study the issues of transferring higher education to the online environment associated with quarantine measures in connection with the coronavirus pandemic (COVID-19). The epidemic has become a kind of test designed to verify the readiness of classical universities to switch to digital education. In this regard, there is a need to determine how higher education fits into new conditions? The article analyzes the current state of ed-tech, the risks and prospects of the total transfer of educational services to an online form, provides examples from international practice.

Keywords: *educational technology, distance education, educational services, pandemic*

MORTGAGE LENDING MARKET: CHALLENGES AND PROSPECTS

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ABSTRACT

The article is devoted to the topical issues of the mortgage lending development. Mortgage lending remains an important tool for solving the housing problem and is becoming increasingly important at the present stage of economic development of any country. Mortgage loan is one of the effective mechanisms that can accumulate temporarily available financial resources in the financial market and direct them to segments of the economy forming the potential demand for an investment resource. The world experience in state regulation of mortgage lending is characterized by comprehensive government support for system's participants. The article discusses the statistical data provided by the Central Bank of Russia and the information of the Federal State Statistics Service of the Russian Federation, where the analysis of changes in interest rates on mortgages is carried out. The dynamics of the amount of issued mortgages, mortgages with state support, which consists of a number of programs, the federal program of mortgage housing loans, operating under the national project "Housing", and rural mortgage, are considered.

The problems, conditions and factors affecting the development of mortgages, as well as the main directions of development in modern conditions are identified. The role of the state in the system of mortgage lending is determined. Based on the analysis of the current situation in the mortgage market, conclusions are drawn on the prospects for the development of the mortgage market in Russia. For the mortgage lending development, it is necessary to ensure further improvement of the regulatory environment and the creation of favorable conditions in the relevant socio-economic subsystems (banking sector, financial market infrastructure, monetary and social policy, economic stability) which will allow us to come closer to a solution of housing problems of the country's population.

Keywords: *Agricultural mortgage, Housing loan, Mortgage, Mortgage lending, Mortgage rate*

EDUCATION FOR SUSTAINABLE DEVELOPMENT AS A TOOL TO REACH HIGH QUALITY IN TEACHING

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ABSTRACT

The paper is devoted to the analysis of education for sustainable development concept and its role in teaching social sciences. Using Scopus database and VOSviewer software, the investigation of the popularity of education for sustainable development concept among countries as well as in different sciences was made in the article. The paper outlines research of education for sustainable development phenomena in social sciences. The authors have proposed a methodology to implement education for sustainable development in higher education in social sciences. The authors found out that the core of the methodology is active learning techniques. Therefore, the

conclusion was made that education for sustainable development could nudge the quality of teaching social sciences, as education for sustainable development applies the new, nowadays learning methods, which leads to a high quality of education. Even more, through the prism of education for sustainable development, students study global issues and ways to reach global aims through local actions. Authors state that education for sustainable development should not be considered as having one of the educational components in the curriculum. All the educational components or most of them should be constructed on the principles of education for sustainable development as well as the whole concept of sustainable development to achieve a high quality of teaching in social sciences. The research allowed to conclude that education for sustainable development concept is popular in social sciences and makes it possible to increase the quality of teaching social sciences and equip students with global competencies and XXI century skills.

Keywords: *Active teaching techniques, Education for sustainable development, Quality of education, Educational process, Technology*

NEW AGE OF MARKETING - NEUROMARKETING

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ABSTRACT

This paper discusses about neuromarketing, a relatively young science and market research method that will be increasingly used due to the saturation with traditional advertising. The compound of psychology, neuroscience and economics represents the opportunity for better understanding consumer needs and ways to satisfy those needs. Using devices for scanning the brain, such as functional magnetic resonance imaging, electroencephalography or eye tracking method, allows to retrieve unconscious, but also the most reliable consumer reaction because neuromarketing skips the response given by the consumer. It is interested in the brain response. If the sense of sight, hearing, smell, taste, or touch is affected in the right way, it is possible to reach the reptilian brain that makes purchasing decisions. An online survey was conducted to examine respondents' views about this new science.

Keywords: *Neuromarketing, Reptilian brain, Subliminal advertising, Substitute logo*

EARNINGS MANAGEMENT: THEORETICAL BACKGROUND AND BIBLIOMETRICS ANALYSIS OF THE ISSUE

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ABSTRACT

The world economy has changed. In the present day, earnings management has a crucial impact on the financial world. Earnings management plays an important role in the reliability of financial statements, affects stock markets, investors, creditors, banks and many other financial institutions. In the last few decades, interest in the earnings management field has grown considerably. Literature review, as well as bibliometric analysis, are suitable tools for obtaining an overview of the development, changes and current state of the issue. A literature review is an integral part of scientific research. Bibliometric methods are used in all scientific areas. Results of bibliometric analysis provide tools accepted in the evaluation of researchers, teams, institutions, as well as indicators of the quality evaluation of scientific journals. Citation database data is a significant source of information. The aim of author's contribution is the literature review and bibliometric analysis of earnings management issue. The first part of our contribution is focused on the development of earnings management theories and the most significant works and authors in the field. The second part consists of bibliometrics analysis using by science map. VOSviewer - a software tool for constructing and visualizing bibliometric networks - was used. Science maps were used to show co-authors in the field of earnings management, country's and university's cooperation in the research dealing with earnings and its management, as well as keyword science map for publications with the term "earnings

management". In conclusion, the author also focused on the use of the science map results for future research.

Keywords: *Accruals, Bibliometrics Analysis, Earnings, Earnings Management, VOSviewer*

RATIONALITY OF PUBLIC INFLATION EXPECTATIONS

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ABSTRACT

Ensuring price and financial stability under conditions of inflation targeting involves management of the public inflation expectations. Inflation expectations are not only an indicator of future price dynamics but also an indicator of uncertainty and confidence in the financial sector – in particular in the central bank and its monetary policy. An analysis of inflation sentiments, including gaps between inflation expectations and real inflation, makes it possible to distinguish between periods of “price optimism” – when inflation expectations are low and “price pessimism” – when inflation expectations are overstated

compared to real inflation. Understanding the mechanism of the inflation expectations formation requires testing them for rationality to apply sound monetary decisions and instruments by the regulator, and to prevent a crisis of confidence in the central bank. Testing the rationality of expectations is based on the theory (concept) of rational expectations, according to which agents formulate their expectations based on the using of all available market information. If there is a systematic error (dispersion of individual expectations around mathematical expectations) – there is a revaluation or underestimation of price dynamics in the future, that is, the irrationality of the formation of inflation expectations. The use of vector autoregression (VAR) allows to investigate the impact of the dynamics of underlying shocks on the inflation expectations of economic agents, using lag values of endogenous variables. The Bayesian approach is used to estimate the model parameters by applying the likelihood function to estimate the a priori parameter distribution. Identification of the inflation of previous periods expectations impact on price expectations indicates a mechanism for irrational decision-making – “adaptive learning”.

Keywords: *Inflation, Price stability, Public expectations, Trust crisis, Central bank, Vector autoregression*

CENTRAL BANK INDEPENDENCE MEASURING

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ABSTRACT

Nowadays independence of central banks creates a background not only for the price stability but also for the banking system stability. The negative experience of political and economic crises attests to the priority of ensuring central bank independence as the main prerequisite for its effective activity in regulating the banking system. Existing researches define different types of central banks' efficiency. It is determined that the most general of them is the operational, functional, financial, political, personal, legal, institutional independence of the central bank. Each type of independence determines the specific indicators that should be used to measure it. The most important task in building an integrated central bank independence indicator is to choose the right approach to combine a number of these specific indicators. To solve this problem it is necessary to correctly choose the number of indicators describing each direction of independence and their weights in the general structure. Despite the existence of a number of integrated indices of central banks' independence, their structure often depends on the subjective

approach of authors' and does not take into account all existing aspects. The aim of the paper is to develop the complex approach for central bank independence measuring that include its different dimensions evaluated both quantitative and qualitative indicators. This was done by summarizing the different types of central bank independence and justifying the criteria to be used to characterize them. The conducted study forms a basis for measuring the role of central bank independence in ensuring its performance and achieving its strategic and tactical goals.

Keywords: Central bank, Independence, Indicators, Index

CHANGE FROM PERSONNEL MANAGEMENT TO HUMAN RESOURCE MANAGEMENT IS AN EPISTEMOLOGICAL NECESSITY OR RHETORIC CHANGE?

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ABSTRACT

When the field of management practices is analyzed recently, a "New Management Approaches" is generally encountered. However, when it is subjected to a deep analysis, it is understood that the approaches that are conceptualized as new management approaches today actually do not have "new" aspects other than renaming the conceptual framework. Therefore, it should be said that it is more realistic to talk about the different names of the

same approaches rather than mentioning “innovation” in the management approaches including the personnel management area. The main aim of this study is to determine whether the conceptual change in the subject of “human management” evolving from personnel management to human resources management to strategic human resources management and “talent management” is rhetorical change or epistemological necessity. For this purpose, despite this rhetorical change in human management, which we assume that it was produced in line with neo liberal theses by using secondary data, the rhetorical change experienced from personnel management to talent management in this research, which is based on the assumption that it continues to be seen as a “cost element” despite the misleading statement produced in favor of the employee who is the producer of labor. The question of whether it is a requirement will be tried to be answered. The research is a research based on secondary data sources. In order to make a detailed analysis of the research subject and to analyze the problems in depth, it will be handled with an interpretive approach.

Keywords: *Personnel management, Human resource management, Strategic human resource management rhetorical change*

POVERTY ALL OVER THE ROMANIAN RURAL AREA - SHORT MONOGRAPH OF SOME RURAL LOCALITIES IN ROMANIA WITH THE LOWEST POVERTY LEVEL

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ABSTRACT

Poverty is present and also it has been present in all societies and throughout all times. Whether we are talking about countries or regions, counties, villages or cities, poverty has made its presence felt everywhere in these places. This phenomenon still affects a large part of the population, especially the rural people, so that the distribution of poverty between rural and urban areas highlights important socio-economic inequalities. Also in Romania, rural poverty is high, the gaps between rural and urban areas are significant in poverty rates and, thus, rural poverty alleviation is still a major challenge of national and local strategies and of its action plans, as well as for the national and local actors. Although studies on poverty, as well as on its distribution by areas of residence, are present in the specialized literature, and highlight the high incidence of poverty in rural areas, this paper focuses on identifying the rural localities in Romania that have managed to reach and maintain the lowest level of poverty rates, much lower than the level of other rural, but also urban localities, and also much lower than the national average. Thus, even though poverty at the national level is currently high (among the highest compared to EU28 countries), and even though cities or towns and suburbs face high rates of poverty, however, there are some rural localities that are found in the list of the least poor areas at national level. These rural localities, through their low poverty incidence, are real counter-examples of rural poverty in Romania. These good examples need to be identified and studied, and they should be constituted in real

models to be followed by other rural and urban communities, which are also facing high incidences of poverty rates in the present time.

Keywords: *Poverty, Rural poverty, Rural poverty distribution, Rural poverty inequalities*

THE APPLICATION OF REMOTE SENSING DATA FOR WHEAT YIELD PREDICTION

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ABSTRACT

At present, multi-zone space images and digital images obtained by unmanned aerial vehicles for the important task of predicting crop yields are becoming increasingly practical. The work uses space images of Landsat-8, Sentinel-2 and results of multispectration survey from unmanned aerial vehicle of aircraft type. Space images are Sentinel-2 characterized by good spatial and spectrozonal resolution, territorial coverage, widely used for monitoring, rational management, forecasting. At the same time, in order to estimate land in more detail and predict yield taking into account the properties of the relief, it is necessary to involve modern unmanned technologies of multispectration survey. In order to develop a prognostic mathematical model of yield, a multi-spectral survey was carried out on the territory of key sections of ZAO "Peaceful" of the Kochenevsky district of the Novosibirsk region, as well as the field hospital of the Siberian Federal Scientific Center of Agrobiotechnologies.

The most significant agroclimatic indices, productive moisture reserves in the soil, as well as vegetation indices were used to predict wheat yield.

Keywords: *remote sensing data of The Earth, unnamed technologies, crop yield prediction, wheat, climate, soils, farm lands, vegetation Indices (VIs)*

INTERNATIONAL BANKING BUSINESS' EXPANSION IN DEVELOPING MARKETS: PRE AND POST-CRISIS FRAMEWORKS

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ABSTRACT

The paper is devoted to the substantiation of foreign banks' role in the financial systems' development of emerging markets. It is proved that an expansion of the international banking business can bring negative consequences, but in general it provides the decisive influence on credit systems' strengthening. Banking services markets of developing countries usually are small. This is due to the low level of growth, high inflation, financial restrictions, and administrative or corruption interference in banks' credit policies. As a result, in mentioned countries occurs the vicious circle of financial insolvency: undeveloped financial systems generate high margins, which slows down economic growth – and thus prevents financial systems' development. The

possible way out of this disaster is in financial globalization and integration processes. Forenamed manifested in banking through the foreign credit institutions' diffusion into local markets. It is shown that the detrimental effect of aggressive credit policies of foreign banks caused the dramatic implementation of the crisis in Ukraine. The consequences could be lesser if the central bank pursued a more prudent policy for currency restrictions and risks supervision. Withal, the influence of foreign banks in Azerbaijani financial system was more restrained because of the export-oriented economics, which ensures stable currency inflow.

Keywords: *International banking, Banking convergence, Credit expansion, Foreign bank, Foreign exchange regulation*

IMPACT OF INNOVATIONS ON THE STANDARD OF LIVING IN THE CONTEXT OF THE CRISIS AND FALLING EXPORT PRICES FOR ENERGY RESOURCES

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ABSTRACT

The article analyzes the impact of innovative technologies on the living standard of the population, which contribute to the best satisfaction of people's desires and needs. This connection can also be explained by the choices that innovations provide to people when increasing the product range. In addition, innovation involves improving processes and technologies that lead to easier movement, better health care, better communication, and so on. The standard of living, in turn, serves as an important indicator in the socio-economic life of society. In the context of a coronavirus pandemic and falling prices for main exported goods, it is necessary to increase production volumes or reduce fixed costs in order to maintain the previous economic situation. This situation leads to a significant deterioration in the quality of life of people, as the labor load increases significantly, and companies reducing the number of employees and reviewing social policies reduce production costs. Thus, innovative

solutions could be an excellent way out not only at the micro, but also at the macro level, and increase the country's competitiveness. New technologies would allow for an increase in production volumes at the same cost, which could compensate for the global drop in energy prices. The research conducted in the article shows that for the majority of States today, the most preferable way of development is the “innovative economy”. A regression model is constructed, which confirms the existence of an innovative impact with its high quality, and the significance of the positive impact of each of the created indices is revealed.

Keywords: *Competitiveness, Innovative economy, Innovative impact, New technologies, Socio-economic life, Standard of living*

APPLICATION OF SQDCME OPERATIONAL MANAGEMENT SYSTEM IN EDUCATIONAL ORGANIZATIONS

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ABSTRACT

The article is devoted to the improvement of educational system management processes and design of the educational process through the use of Lean technologies. Lean technologies as a phenomenon in management are effective in different areas, while their application in educational institutions has features. The SQDCME operational management system is considered as a standard Lean technologies method that allows managers of different levels to show the relationship of their operational activities with production indicators. It is determined that the purpose of the SQDCME operational management system is to constantly ensure the effectiveness of the main processes, reduce losses in processes by improving operations, achieve high quality

products and services, and visualize success. The criteria for the effectiveness of different departments of an educational organization with regard to ensuring competitiveness are identified. The system of strategic, tactical and operational indicators of educational organizations is generalized. monitoring of these indicators allows evaluating the degree of achievement of goals. The process of coordinating goals within the organization between management and employees has been studied. We propose a management scheme based on a balanced system of strategic, tactical and operational indicators based on several key areas of activity of an educational organization. The content of the SQDCME operational management system, which includes basic parameters that determine the types of responsibility of organizations, is studied. Responsibility to owners for product quality (Q), order execution (D), costs (C). The company is responsible to the public for safety (S) and ecology (E). To exercise responsibility, the company forms a target corporate culture (M). The article offers the author's set of indicators for the SQDCME operational management system, which allows improving the efficiency of management of an educational organization and achieving its development goals.

Keywords: *SQDCME, educational organization, goal management, lean management, lean technologies*

LABOR MARKET MANAGEMENT MECHANISMS IN GEORGIA ACCORDING TO CURRENT TRENDS

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ABSTRACT

The paper studies the current situation in terms of unemployment problems in Georgia, its impact on the country's economy and possibilities of management and regulation. The unemployment rate represents one of the indicators used for assessing the economic situation of the country and the standard of living of the population, in particular. Despite urbanization processes in recent years, about half of Georgian population still lives in rural

areas and most of them are employed or self-employed in this sector. In the article the above-mentioned issues are discussed based on the statistical analysis which describes the problem in almost every direction. There are revealed the difference between rural and urban unemployment situation, also, you can find the comparison of activeness and passiveness rates among the population in Georgia. It is very interesting the picture of the structure of employed population and the aggregated indicators. What is more, the problem is discussed in gender and age context too which is very tough for such country as Georgia is (Abesadze, N; Paresashvili, N;, 2018). In the end of the article conclusions are made and the recommendations are developed to deliver the effective policies to boost the effectiveness of labor market regulations mechanisms.

Keywords: *unemployment rate, employment rate, self-employed, economic growth rate, state policy*

NETWORK HUMAN CAPITAL AS A FACTOR OF INTER-REGIONAL INTERACTION IN THE CONTEXT OF DIGITAL TRANSFORMATION: RUSSIAN AND FOREIGN EXPERIENCE

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ABSTRACT

Today, the process of digitalization is trying to affect all areas of human activity: people's consciousness is being transformed, as well as the ways of consuming information. In accordance with this, there is a need to transform the system of establishment and development of network human capital in the aspect of "smart" specialization, particularly for the needs of the digital economy. Activation of network human capital can be one of the factors of effective digital transformation of interregional cooperation. The main purpose of this study is to provide theoretical and

methodological justification of approaches to the category "network human capital in the digital economy" as a factor of interregional cooperation. The first part describes approaches to the study of network human capital in Russian and foreign literature; the second part describes the main directions and methods of regulating investment in network human capital in Russia and other developed countries. In the final part, new scientific approaches to the study of network human capital as a factor of inter-regional interaction in the conditions of digital transformation and the mechanism of formation of network human capital taking into account the requirements of "smart" specialization are proposed. As the results of the study, we justify the theoretical and methodological approaches to the study of network human capital as an element of regional spatial development and as a "driver" of interregional cooperation considering the requirements of "smart" specialization. We also propose the project for the regional "smart" training center for the digital economy with the aim of improving the region's competitiveness on national and global labor market and of human capital transformation.

Keywords: *investment, network human capital, human resources, personnel development, digital transformation, digital skills, digital technologies, "smart" center, digital economy, interregional cooperation*

PROSPECTS FOR THE DEVELOPMENT OF INTERNATIONAL TRANSPORT CORRIDORS IN MODERN GEO-ECONOMIC CONDITIONS

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ABSTRACT

The article considers the prospects for the development of international transport corridors, taking into account positive and negative factors. The international transport corridor (ITC) is the backbone of the national or international transport system, which in turn provides significant international freight and passenger traffic between individual geographical areas, taking into account modern geo-economic conditions. The main goal of the international transport corridor development perspective is to ensure international transport and promote the development and strengthening of global economic relations. The shortest and most economically profitable land, water and air links between the countries of Europe, the Mediterranean, the Middle East and the regions of Russia, as well as with the States of Transcaucasia, Central Asia, and the Persian Gulf are carried out through the region of Southern Russia. Therefore, the transport complex of the South of Russia is an important component of the transport system of the Russian Federation. Analysis of the state of the transport sector of the economy of the South and North Caucasus

of Russia in 2016-2017 shows that among the most difficult problems of its development are:

- *Significant lag in the material and technical base of transport infrastructure from world standards;*
- *Uneven development of individual sectors and territorial complexes of the macroregional transport system;*
- *Disproportionality of placement of infrastructure objects in the industry;*
- *Financing volumes that are not adequate for the needs of modernization and development of the industry;*
- *Imperfect mechanisms of its regulation at the Federal and regional levels as a result of the development of the industry on the "residual principle".*

Keywords: *Transport system, Transport infrastructure, Regional competitiveness, Logistics, special economic zones, Transport corridors*

ASSESSMENT OF VALUE ADDED TAX GAPS: CROSS-COUNTRY ANALYSIS

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ABSTRACT

Increasing globalization processes, the openness of economic and financial systems, expanding of export and import operations and other factors create prerequisites for increasing the volume of illegal operations and shadowing economy. One of the most common ways of the shadow economy is tax evasion leading to a significant economic loss and deteriorating the macroeconomic stability of the country. The research deals with the assessing the level of VAT gaps, compare the magnitudes of its impact on the level of economic development in transition and emerging countries. Based on the analysis of the literature, the main risks of the existence of the tax gaps are identified. The model is based on final consumption - for private households, intermediate consumption and investment - for state and local governments, public or non-profit institutions, financial intermediaries. The research has shown that the volume of VAT gaps in Ukraine is one of the highest among the analyzed countries and ranges between 39-42%, while in most European Union countries it does not exceed 25%. The scientific contribution of the research

consists in the fact that the current studies regarding the assessment of the level of VAT tax gap are fragmentary. This study allowed the authors to conclude on the need to improve the electronic administration of value-added tax, review the list of tax benefits for VAT, improve the functioning of the automated control system for business operations and risk analysis. This will make it impossible to generate excessive tax credit and improper budget reimbursement.

Keywords: *Tax gap, VAT, Cross-country analysis, Shadow economy, Risk, Economic development*

BLOCKCHAIN TECHNOLOGY BASED SYSTEM-DYNAMIC SIMULATION MODELING OF ENTERPRISE'S CYBER SECURITY SYSTEM

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ABSTRACT

This research is devoted to solving the issue of increasing the level of cybersecurity in large companies through the introduction of modern blockchain technology. The urgency of

this problem has been determined for enterprises that have faced with cases of cyber fraud, initiated not only by hackers but also by company employees. The authors have proposed a system-dynamic model of the company's cybersecurity system built using blockchain technology. The choice of this modeling tool gives an ability to create a computer model of a complex cybersecurity system for further effective design of the proposed modification. The authors have made the main emphasis on reducing the threat associated with the human factor since, according to statistics, 34% of cases are accounted for by the system vulnerability due to user activities. The researchers have developed a diagram of causal relationships, which imitates the process of personnel behavior in the environment of an enterprise automated information system, provided that a person intentionally or unintentionally carries out fraud. The model takes into account the primary condition when any transaction initiated by a person registered in the system has fixed in its blockchain. Thus it reflects the system reaction in case of illegal actions, which further creates the basis for the development of a set of preventive measures. The authors have proposed a system-dynamic diagram based on an analysis of the causal relationship diagram. The article describes the components of the model in the form of differential equations and conducted experimental modeling for various values of some parameters at the initial level of others to identify the sensitivity of the system. The results have made it possible to conclude about the increasing system response in cases of employee fraud in the environment of the company's automated information system if it bases on blockchain technology.

Keywords: *blockchain, cybersecurity, enterprise information system, fraud, system-dynamic simulation modeling*

SUSTAINABILITY ACCOUNTING & REPORTING ASSESSMENT SYSTEM: ROLE IN INDEPENDENT VERIFICATION FOR STAKEHOLDERS INTERESTS

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ABSTRACT

Sustainability accounting and reporting assessment system of companies, banks, and other reporting organizations plays a crucial role in verifying such systems by auditors to provide stakeholders with transparent information to make not only economic but also social and environmental decisions. In connection with this, research into the current practice of compiling, presentation, assessment, and verification of management reports as a form of social and environmental reporting in Ukraine has been conducted. The basis for the evaluation of these reports is a set of substantive, formal, and verification criteria. The peculiarity of the assessment is to establish the compliance of conceptual bases for the preparation of the management report in Ukraine (Law of Ukraine “On securities and stock market”, Law of Ukraine “On accounting and financial reporting”, Methodological recommendations for preparing management report by the Ministry of Finance of

Ukraine, Instructions on preparation of the financial statements by banks of Ukraine of the National Bank of Ukraine) with European and world practice. The EU benchmarks have selected from the substantive criteria for the management report set out in Directive 2013/34 / EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, Directive 2014/95 / EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34 / EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups and EU Guidelines 2017 / C215 / 01. Practice Statement Management Commentary: A framework for presentation and methodology of the International Council for Integrated Reporting has been selected as internationally recognized sources for assessment of the management report.

Keywords: *Assessment, Stakeholders, Sustainability reporting, Verification*

THE IMPACT OF FINANCIAL CRISIS ON THE PERFORMANCE OF LARGE CROATIAN BANK

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ABSTRACT

Great significance for each company and its management is to analyze its business. In order to succeed and survive on the market, companies must adapt to the market conditions. The analysis of financial statements precedes the planning process, which is an integral part of the enterprise management process. In order to carry out a successful analysis of the financial statements, it is necessary to know the business of the company and policies this undertaking applies. The financial plan must reflect on its weaknesses and its strengths, and the task of analyzing the financial statements is to recognize them. The analytical means and procedures used in the analysis of financial statements are comparative financial statements, structural financial statements, analysis using indicators, and specialized analyses. The information used by the company in the analysis must be timely and precise; otherwise, the company will not be able to use the information well. The information obtained by the analysis is most important to creditors, investors, managers, and auditors. The subject of this paper is the analysis of the financial

statements of the Privredna Banka Zagreb using the balance sheet and income statements from 2008 to 2018. The analyzed data are secondary and are available on the official website of the PBZ Bank and Zagreb Stock Exchange. The methods used in this paper are the method of synthesis, analysis, desk research, and the historical method. The goal is to determine the security and performance of the bank in the past 11 years when the bank faced the financial crisis that has ruled the market. The balance sheet and income statement accounts of the banks differ from other entities, therefore they need to be analyzed accordingly.

Keywords: *financial analysis, PBZ, security, performance, financial crisis*

ECONOMETRIC ESTIMATION OF THE IMPACT OF INTEGRATION OF EDUCATION AND SCIENCE ON SUSTAINABLE DEVELOPMENT (ON THE EXAMPLE OF CIS COUNTRIES, UKRAINE AND GEORGIA)

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ABSTRACT

The paper discusses the impact of the integration of education and science on the sustainable development of the country on the example of CIS countries, Ukraine and Georgia. The human development index (HDI) was taken as an aggregate indicator of sustainable development, and the number of enrolled PhD-students and Doctor of Science (DSc) students in the country for the current year was taken as indicators of the integration of education and science. The impact of the explanatory factors enrolled PhD and DSc students on HDI is estimated using

econometric models. Due to the lack or insufficient statistics for doctoral studies, trend models were built for some countries. The average growth rates of the HDI of the all mentioned countries are compared. The obtained results were analyzed and interpreted economically. The information base of the study was formed on the basis of data from official statistical sources of the respective countries and international organizations from 1996 to 2018.

Keywords: *Human development, PhD student*

THE CORONAVIRUS EPIDEMIC AS A WAY TO INFLUENCE TOTAL WORLD ECONOMY'S TRANSFORMATION: ANALYSIS AND FORECAST

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ABSTRACT

The article is devoted to the analysis the impact of the epidemic, which will lead to a major economic and geopolitical crisis. With the development of the situation in the world, the traditional part

of the economy will go into stagnation. The coronavirus will cause the collapse of the modern world order. A long economic “ice age” will follow, national conflicts will escalate, borders will close, protectionism will prevail, and military conflicts are possible. The atomization of society will continue: more and more events will be held online, major festivals, performances, lectures will be canceled, shopping centers will be closed, and purchases will be made mainly via the Internet. However, the relationship between the digital and the physical in our picture of the world will change dramatically. Previously, the “figure” was a part of the whole, a rapidly growing and increasingly visible, but strictly limited area. Now the world will become digital by default, the physical will become a part of it, a very big, very important part, but a part. Work at home and online services, including medical consultations, will prevail. This transformation will have much broader implications than just developing online sales channels for end consumers and industrial customers. There is a huge uncertainty facing humanity. No one knows how the behavior of ordinary citizens, investors, and governments will change because of the crisis. For the world, economy coronavirus is another powerful promise for structural adjustment of the market. The article will show the consequences of the coronacrisis: the fall in stock prices on world exchanges, the rise in the price of gold, the break in international economic ties, including in the global auto industry. Global cataclysms will determine long-established trends, turning them into irreversible shifts. The result of the total spread of COVID-19 is likely to be the ultimate triumph of the digital economy.

Keywords: *Epidemic, Digital economy, Digital transformation, New reality, Smart technologies*

FORECASTIC CONTOURS OF THE DIGITAL ECONOMY IN THE FUTURE

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ABSTRACT

The article is devoted to the analysis of the unprecedented influence of the digital world on the life of every person, every home and organization, business and society as a whole. Along with these changes comes the digital economy, which is estimated at 23 trillion US dollars. In the coming years, a quarter of the world's economy will already be involved in the process of digital transformation. From a futuristic forecast, digital transformation turns into a familiar reality, and in parallel with the creation of broad opportunities, serious risks are generated. One of the main trends of the present time has been the penetration of digital in the industry, which has traditionally been offline. This fact allows us to talk about a universal digital transformation and the formation of a digital economy. Today, the digitalization of the global economy has entered an active phase. The new reality is formed on the basis of an advanced information and telecommunication environment, designed to manage both individual units (via the "Internet of things") and groups of people, machines, technical, including information, as well as

systems and natural objects (through “Internet of things”). The article shows that data will become a productive force in the intellectual environment and will create intelligent interaction algorithms for people in all scenarios, as the integration of the digital and real world deepens. Data will become an inexhaustible resource. Smart technologies will decide how the value of data will be transformed and transmitted. Network connections will carry large amounts of data, facilitate data exchange, and make the value creation process more intelligent. There will come a time of great acquisitions: online services that have only strengthened their positions during the quarantines will absorb those offline ones that still have value.

Keywords: *Artificial intelligence, Digital economy, Digital transformation, Internet of things, Hypernet, New reality, Smart technologies*

SIGNIFICANT ISSUES OF ORGANIZATIONAL CONFLICT MANAGEMENT

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ABSTRACT

Considering the situation that conflict arises in the process of human relationships and is an integral part of human life, the process of managing conflict situations in organizations becomes even more relevant, which we must admit is never a simple process. Nowadays, different types of conflicts are identified in organizations, the reasons of which are based on the relationships within the organization. Society may become witness of changes at any moment. These changes penetrate

organizations with different scale. However, we must admit that the conflict management process undertaken by different managers can have both positive and negative consequences. There is a great variety of scientific literature from foreign and Georgian researchers. However, if we consider that society is constantly facing new challenges and changes in today's multicultural environment, this issue is continuously in need of control and the search for new solutions. That is why research on this issue is always actual. The main purpose is to show how important conflict management is for achieving organizational effectiveness, how it affects employees' attitudes and working processes, how conflict is perceived. And most importantly, we discuss the causes of organizational conflict and its constituents. All of this is aimed at finding and developing modern organizational conflict management mechanisms.

Keywords: *Effectiveness, Emotional intelligence, Communication process, Organizational behavior, Organizational conflict management*

STRATEGY OF DISORGANIZATION OF LABOR AND HUMAN RESOURCE MANAGEMENT POLICIES

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ABSTRACT

In recent years, the intensive use of smart systems and artificial intelligence in business life has caused structural changes and even transformations in the employment policies of companies. This has led to the disorganization of labor, and consequently, of the unions representing organized labor. Managerial and structural changes in the economy, especially in the service sector, such as artificial intelligence and intelligent and dark business, which result from the use of expert systems, require the traditional employee concept to be reconsidered. In addition to the fact that smart systems substitute middle-level employees and make them dysfunctional according to their location, the fact that automation-based production replaces the production technique based on labor (mechanization) causes the need for organized labor to decrease and unfortunately, this process is not functional and insignificant. It makes. On the other hand, the reflection of neo-liberal theses on the organizational field causes the emergence of empty rhetoric approaches such as the transition from personnel management to human resources management and from there to strategic human resources management. In addition, with the neological expressions such as organizational commitment, psychological contract, organizational citizenship, and organizational commitment, the interest of the employees in

the workplace towards union movements and their actions is tried to be reduced. This caused unionized (organized) labor, which was 75-80% in the 1970s, to decline to 15% today. The process continues to decrease the importance of the traditional workforce. The main purpose of this research is to present the adventure of the disorganization of labor through human resources approaches. In this way, it will be tried to question whether the conceptual and so-called theoretical approaches in the field of human resources management have a scientific basis and whether the change in question is related to the strategy of disorganizing labor. In the research, the historical background of human management, which has evolved from personnel management to human resources management, from human resources management to strategic human resources management, will be questioned. With the secondary data to be collected, the subject will be analyzed and the research question will be answered.

Keywords: Personnel management, human resources management, disorganization of labor, union

OPPORTUNITIES AND LIMITATIONS OF THE INDICATOR SYSTEM FOR FINANCIAL DIAGNOSTICS AND BANKRUPTCY FORECASTING

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ABSTRACT

The article proves the importance of financial diagnostics of companies' activities under turbulent and unpredictable external environment. It was found that the applied systems of financial diagnostics indicators do not always diagnose the real state of the company, timely identify factors that lead to an extreme form of crisis – bankruptcy. The study provides examples of diagnosing

the insolvency of companies in various countries, since the bankruptcy of companies is a phenomenon that does not have territorial borders. An assessment of the possibility of reducing the quality of financial management information support as a trigger of financial instability of companies is given. It is noted that the study of the financial state both at the stage of bankruptcy forecasting and during the period of insolvency is in the focus of attention of both scientists and practitioners in various countries, but despite the variety of indicators used to identify the probability of insolvency, organizations go bankrupt, which causes damage to a wide range of stakeholders. Based on the study of company financial statements, the article evaluates the capabilities of indicator systems for financial diagnostics, and identifies limitations in their use for various groups of users.

Keywords: *Bankruptcy, Insolvency, Financial diagnostics, Scorecard, Stakeholders*

THE CONCEPT OF A PROACTIVE APPROACH TO ANALYZING THE EFFECTIVENESS OF INVESTMENTS IN NATURAL RESOURCES

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ABSTRACT

In the context of analyzing the effectiveness of investments in natural resources, the most important point of the proactive approach is, first of all, to assess the level of adaptation of the investment project to the future conditions of its implementation. It is not possible to adequately implement this by traditional forecasting methods based on the "movement" from the past to the present and further to the future. We need a fundamentally new approach that implements the "movement" from the future to the present. This proactive approach is based on simulation and expertise. To simulate both negative and positive actions of the external environment of investment projects, a homogeneous Markov chain with discrete time is used. In contrast to the scenario approach, in which the state of the economy is assumed to be unchanged throughout the operational period, it assumes a change in the state of the economy at each step of the calculation period, which will allow the inclusion of the factor of economic

turbulence in the system of making investment decisions. Implemented the principle of accounting for all consequences of implementation of investment projects both economic and non-economic (externalities, public goods), despite the fact that they allow quantification or some effects can only be assessed qualitatively with the involvement of experts. To do this, all the consequences are abstracted into four categories: "Benefits", "Costs", "Opportunities", and "Risks". The first and second categories include consequences considered as random variables, and the third and fourth categories are random events. Functional-morphological analysis and synthesis are used to build a variety of alternative investment projects, this allows building unusual and unique options in addition to the usual natural alternatives. A hierarchical model for assessing the level of adaptation of investment projects to the future conditions of their implementation is proposed.

Keywords: *proactive adaptation, pro-activity, proactive approach, investment project, methodological principles, homogeneous Markov chain with discrete time, complete consequences system, control hierarchy, value functions*

THE CURRENT STATE OF RUSSIA'S FISCAL POLICY FUTURE

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ABSTRACT

Prolonged economic stagnation and a lack of new and effective ways of the monetary policy influence on the economy triggered off an interest in the available instruments of the fiscal and organisational policy in the developed countries. In Russia, the monetary policy instruments are far from being exhausted. This paper presents an overview of the current state of Russia's fiscal policy, evaluates its performance and outlines its future challenges. Historically, Russia's economic policy has always been strongly influenced by taxes and government expenditures, which can be explained, among other things, by a substantial share of the public sector. The projected depletion of mineral resources in the next 20 years will bring about the necessity of tax

burden redistribution. With this in mind, it is critical to define the structure of the federal investment expenditures, major spheres of production and individual projects where Russia could generate competitive advantage in doing business.

Keywords: *Analysis, Anti-crisis/bailout plan, Deficit, Fiscal policy, Federal/government budget, Expenditures, Revenues, Characteristics, Tax manoeuvre*

SPATIAL DEVELOPMENT OF TERRITORIES BASED ON A SYSTEM OF KEY PERFORMANCE INDICATORS

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ABSTRACT

Global competition, competition for markets, and globalization have led to the postulation of meaningful characteristics of national economies based on their macro-efficiency. The relevance of the work is due to the fact that the study of key

performance indicators at various levels of industry, regional and national markets contributes to the further development of the country at the international level. Multi-criteria of features, functions and principles of key performance indicators that provide relatively stable competitive advantages and the development of which is a strategic priority, and the resulting synergistic effect may exceed the losses from some lag in other areas of activity. A retrospective and informative content review highlighted the comparative advantages and risks of such a system and its future prospects for the successful development of regions. Also, the theoretical and methodological basis of the study was the fundamental provisions of a number of scientific areas – the theory of world, national and regional competitiveness, the concept of regional archetypes, spatial development, and the General theory of system indicators. The paper uses analytical information from public reports, financial and economic indicators, and foreign statistical data, as well as methods for analyzing the dynamics of socio-economic indicators, comparisons, groupings, and tabular and graphical data visualization techniques. The results of the study can be used by state and local authorities to determine the effective spatial development of territories.

Keywords: *key performance indicators, effects, priorities, strategy, spatial effects, development*

HOW TO COMMUNICATE A PRICE TO THE CUSTOMERS

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ABSTRACT

Right and effective price communication is very powerful tool for persuading customers to buy products and services. Companies are able to set the human minds of their customers through suitable strategy in price communication in a such way that customers will consider the price as fair and advantageous. Subsequently they will decide to buy product or service from that company and they can become regular and loyal customers. In this paper we focus on some rules how company should communicate new prices to the market. Then we provide a guidance for improving company's price communication the prices to customers and describe some tools for effective price communication. In this article are also many arguments gaining from various researches, which provide us information about customer's knowledge about prices. We found out that many customers do not know the real price of products and services, and therefore they are willing pay more. So it is important what price strategy and psychology a company choose to persuade its customers buy products or services and that prices are set up right. Company should not forget to communicate in fairly way and set the prices according to economic value of products and services. Economic value can be described as a measure of the benefit from a good or service to an economic agent. The economic value should not be confused with market value, which

is the minimum amount a consumer will pay for a good or service. Thus, economic value is often greater than the market value.

Keywords: *communicating fairness, marketing, price, price communication, price strategy*

FINANCIAL INNOVATION IN THE CONDITIONS OF DIGITALIZATION OF THE ECONOMY

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ABSTRACT

The study has confirmed that traditional approaches to the provision of banking services and banking business do not satisfy the growing demand and expectations of customers, do not meet the high requirements of efficiency and profitability. In this article the FinTech-companies and FinTech-services as the newest instrument of the market the Fintech of services are defined financial that conforms to relevant requirements of the modern world. In the article investigated modern tendencies are and characteristic features of financial innovations in such classes as radical and socially oriented, banking products and

services, channels of service, internal processes. The FinTech companies are systematized and classified by areas of activity and their specialization, a number of their features and potential opportunities in the field of financial services are considered. The role of FinTech-companies and FinTech-technologies in the modernization of the financial services market is disclosed, the current world trends in the development of the FinTech sphere, as well as the prospects for their use, are investigated. There are identified the challenges and threats of the banking business, which are caused by the spread of digitalization of the economy and affect the emergence of financial innovations. It is concluded that the current stage of digitalization of the economy has determined the trends and directions of development of the banking sector. Banks should concentrate all their potential on the implementation of such tasks as:

- *Identification of priority digital initiatives and the establishment of their clear coordination with the corporate strategy for the development of banks;*
- *Digital initiatives should be reflected in key performance indicators before and after the introduction of financial innovation;*
- *Definition of the dichotomy of traditional and digital corporate culture;*
- *Formation of an external partnership with FinTech companies capable of generating innovative solutions.*

Keywords: *Innovation, Financial innovation, Digitalization of the economy, Financial services sector, Banks, FinTech companies*

ON THE POSSIBILITY OF INCREASING THE ROLE OF EDB AND CENTRAL BANKS OF EAEU COUNTRIES IN THE STIMULATION OF INTEGRATION PROCESSES IN THE UNION TERRITORY

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ABSTRACT

The creation of the clearing system of the Eurasian Development Bank (EDB) should be used as a means of deepening integration in the Eurasian Economic Union (EAEU). The system of mutual settlements in the currencies of the Member States will ensure increased cooperation in the monetary and financial sphere. In the future, a supranational currency should be introduced into the payment and clearing system as a means of cashless payments. The issuer of supranational currency should be the EDB, and emissions will be limited to trade between the EAEU countries. The exchange of national currencies for supranational should be carried out within the framework of the clearing system. Over time, balances will accumulate in the accounts of net exporters, while net importers will have arrears in supranational currency. When forming surpluses of trade balances in supranational currency, the central banks of member countries must provide interest-free lending to the EDB in national currencies (for exchange). One of the strategic objectives of the EDB is the financing of integration projects. Therefore, from the funds accumulated in the accounts of countries with a positive trade

balance, it is rational to issue loans for business projects that stimulate integration processes in the EAEU while ensuring equalization of trade balances, that is, that increase exports or reduce imports in countries with a chronic trade deficit. Priority for obtaining loans should be given to companies of countries of net exporters, however, the possibility of lending to companies of other union states should also be provided (if funds remain unclaimed residents of countries of net exporters for a specified period). Interest rates on such loans should be significantly lower than market rates. The proposed credit system will expand the regulatory capabilities of the EDB in the field of promoting integration and reducing trade imbalances in the EAEU.

Keywords: *Integration into the EAEU, Investment projects, Lending, Settlement and clearing system*

HUMAN RESOURCES AS AN AREA FOR ENTERPRISE INNOVATION

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ABSTRACT

Human resources in the company are a very important resource on which virtually all activities carried out in the company depend, whether it is decision-making, setting goals, choosing

strategies, managing the transformation process, producing goods and services, or evaluating the results achieved. As a person is present at every stage of the business, great emphasis is placed on the personality requirements, qualifications, abilities and skills of people. However, it is important to keep in mind the constantly changing market environment, which businesses must constantly monitor and adapt to, in particular in order to maintain a stable market position and to maintain a competitive position. We work with the hypothesis that a changing business environment encourages businesses to innovate not only technologically, but also has to make changes to the workforce, that is, employees, because the business results depend to a large extent from them. In terms of the current market situation, the skills and abilities of people are not always sufficient from a business perspective. In that case, the company must approach the training of employees. The training of employees can take place in different ways, depending first and foremost on the nature of the work being carried out, and the choice of the appropriate form of training for specific workers also depends on this. The article deals with the analysis of forms that companies can apply in training their employees. Each form has its own specifics, advantages and disadvantages, so businesses have to consider which form will be applied to employees and on this basis draw up a training plan for employees. The aim of the article is to analyze possible forms of employee training and to evaluate the reasons why companies need to undertake additional training for them. We have also analyzed the situation on the European market in terms of interest in completing studies in people aged 18-24.

Keywords: *innovation of human resources, staff training, sharing knowledge*

THE INNOVATIONS ROLE IN FACILITATING REGIONAL DEVELOPMENT

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ABSTRACT

The paper analyses the impact of innovations on facilitating regional development in Ukraine. The main goal is estimation of the innovations' role in regional economy. Applying Schumpeter approach to dynamic economic growth, we consider the special policy for regional equalizations based on decreasing asymmetric innovative development in regions. Substantiated the development and implementation policy taking into account the innovative component for each individual regions. The adoption and application of innovation policy measures proposed for inequalities smoothing and competitiveness increase in Ukraine's regions. The improvement and overcoming regional disproportions through equalization gross regional product per

capita in regions proposed. The strategy of coordination activities, financing and attracting investment in regions analyzed. The hierarchial cluster analysis proposed for assessment regional innovative inequalities. The special regional policy based on the hierarchial cluster estimation's results suggested for decreasing imbalances, and stimulating innovations' inflow in regions.

Keywords: *Development, Innovations, Innovative component, Innovation policy*

INNOVATIVE MANAGEMENT PERSPECTIVE: ABM - ACTIVITY BASED MANAGEMENT

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ABSTRACT

One of the most important tools of controlling and managerial accounting is activity based costing (ABC). Its basic principle consists in assigning consumed resources to activities, grouping activities into activities and then assigning activities to cost objects. This method of costing has profiled due to the shortcomings of traditional calculation methods, which became more apparent in the 1980s. Therefore, active global market players had to start thinking about developing more accurate and, in particular, more objective calculation procedures, updating performance standards and competing strategies. Globalization has brought many changes in terms of production conditions and business management itself. The most important determinants of these changes are increasing globalization and increasing competitive pressure, substitution of work by automation of production and activities, continuous innovation of

performance and technology, great attention to quality and individuality of performance, shortening performance life cycle, increasing service activity, indirect costs as well as customer orientation preference. The interplay of the facts giving rise to changes in the method of calculation has made it necessary to seek coherence between the incurrence of costs and the existence of the business. The closest link is between performance, the implementation of which induces certain activities and consumption of costs. This relationship is ultimately the core idea of ABC. The costs are caused by activities and not by individual performances. Practical use of the ABC method therefore requires detailed knowledge of the factual course of specific activities, procedures and processes within the company. The use of the ABC calculation method requires so-called. activity-based management (ABM). The essence of activity-based management is best illustrated by the application of horizontal management, the creation of process teams and the modernization of the way of motivation. These are the building blocks that are based on the positive historical experience of management with applied are an emphasis on the priorities of activity-based management. Referring to the importance and benefits of ABC and ABM with respect to identifying the rate of use of progressive management in particular in the conditions of the Slovak Republic - Zilina region is the main subject of the paper.

Keywords: ABC, ABM, Calculation, Management, Methods

RISK FACTORS FOR MALIGNANCY: SOCIAL AND PSYCHOLOGICAL ASPECTS

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ABSTRACT

Cancer is a disease that poses a threat to human life and health. Regarding the nature of this disease, it can be assumed that biopsychosocial factors and certain personal characteristics can act as a trigger for the disease, as well as contribute to its progression or the occurrence of a relapse of the disease. There is no clear opinion on the impact of social and psychological factors on the development of cancer. This paper attempts to generalize and systematize the available data on the nature of malignant neoplasms. The main methods of this research are theoretical review and analysis of literary sources, methods of systematization and generalization of the material. In the result of the analysis revealed that the most important psychosocial risk factors in cancer development is the difficulty in expressing negative emotions, feelings of frustration and feeling of powerlessness in the face of hardship, a manifestation of hopelessness as a specific reaction to stressful events, presence of depression, high level of anxiety, the prevalence of external locus of control and low importance of health. It is also important to note the role of stressful life events, low levels of social support, and experiencing the stresses of family relationships in the development of cancer. Understanding the mechanisms of stress

events ' impact on the individual's psyche, studying the factors that influence the incidence and survival of patients with cancer diagnosis, will allow us to identify the psychosomatic nature of the disease and show the existence of additional important predictors of survival in patients with malignant neoplasms.

Keywords: *Malignant neoplasm, Psychological factor, Social factor, Survivability*

THE IMPACT OF COVID-19 CORONAVIRUS ON FINANCIAL MARKETS: A QUALITATIVE APPROACH

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ABSTRACT

Just after the agreed Phase One trade deal between the US and China, the world is now experiencing a major epidemic of coronavirus infection. The Coronavirus has affected almost all sectors of life, including all sides of the economy and financial markets. It caused sharp decrease in demand and lessened the

economic activity. The virus outbreak has become one of the biggest threats to the global economy and financial markets. Modern companies are very connected through economic integration and supply chain. Due to the lockdowns global companies have disruptions in supply, transportation and mainly at selling outputs. These result in decreases in net incomes and even losses at the firms. Stock prices react these procedures rapidly. But not all company stocks react the same way. Thus we separate the impact into two groups. This paper studies impact of Coronavirus on developed and emerging financial markets. Developed financial markets as US, and European markets practice turbulences in stock and bond markets. The central banks of these economies responded cutting interest rates, yet this action didn't stimulate the market continuously. Emerging markets as China, India, Brazil, Mexico, Russia, Indonesia and Turkey suffered harder from the virus as economic inactivity through devaluation in the currencies and increasing unemployment. This paper lists the impacts of the virus on these group country financial markets in a qualitative way. Findings present probable steps to be taken as regulatory authorities and investors to keep financial markets operate efficiently.

Keywords: *Coronavirus, Financial markets, Emerging markets, Developed markets*

EASTERN MEDITERRANEAN GAS RESERVES: A RISING CRISIS FOR TURKEY AND REGION

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ABSTRACT

The diplomatic conflict over the Eastern Mediterranean issue began in the 2000s when it was mostly about legal and political issues. However, in the 2010s the Republic of Cyprus, Israel and Egypt explored vast natural gas resources, hence it became a geopolitical and geoeconomic issue. Estimates show that there is 125 trillion cubic feet of natural gas in the region. This amount makes up about 5% of the world's gas resources and is a great asset for countries in the region. The issue escalated when international companies entered the field to explore gas resources, leading to an international geopolitical issue with an economic background. The issue that has complicated this problem is the long-running Cyprus conflict. The geopolitical importance of this issue is that it has very serious implications for the region. The first major issue is the strong opposition bloc including Greece, Egypt, Israel, the EU, the US, and even Russia against Turkey's rights from these sources. The second issue is the European Union's efforts to escape from dependence on Russia's energy resources, relying on Eastern Mediterranean resources. The third issue is the fierce competition between the United States and Russia over the region. From the Turkish perspective, all parties to the conflict are trying to isolate Turkey and deprive it of its economic resources. However, Turkey has tried to get rid of this isolation in any possible way.

Turkey's latest move is to sign a maritime border agreement with Libya in November 2019 that appears to be affecting geopolitical equations. The question that arises is what is the main source of this competition? Is it geopolitical or geo-economic? In this study, the authors seek to answer these questions using theories of international economics and geopolitics.

Keywords: *Eastern Mediterranean, Gas reserves, Economic and political crisis*

EMISSIONS AND WASTE IN THE CONDITIONS OF SUSTAINABLE DEVELOPMENT: SEARCH FOR THE ECOLOGICAL BALANCE

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ABSTRACT

Urbanization has affected the environment and climate around the world, causing global warming. The growth of industrial production and uncontrolled consumption of natural resources upsets the ecological balance. The above does not contribute to the sustainable and harmonious development of society. The authors of the article are based on the axiomatic thesis that the continuous increase in the amount of waste and emissions causes serious global concern about the environmental situation, including in Russia. It is necessary to take serious measures in this area and change the approach to waste management in order

to achieve ecological balance. The article used deterministic environmental, social and economic indicators. The assessment was carried out according to the period from 2007 to 2016. Open landfill is a common waste management practice in most Russian cities. This practice poses significant risks to the environment and human health as a result of emissions of toxic and greenhouse gases generated after direct burning and / or decomposition of waste. The article discusses various scenarios of waste management in Russia. It is concluded that an integrated approach to waste management minimizes the negative consequences of waste disposal.

Keywords: *Sustainable development, Anthropogenic emissions, Greenhouse gases, Changing of the climate, Industrial and municipal waste, Greenhouse gas emissions in the waste sector*

FACTORS OF ATTRACTION AND HUMAN CAPITAL ACCUMULATION IN THE FRAMEWORK OF A MACRO-REGION

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ABSTRACT

One of the strategic priorities of spatial development is the formation and accumulation of human capital. It is the Foundation of the modern economy. The accumulation and successful functioning of human capital ensures the successful development of a macroregion. Therefore, creating comfortable conditions for the formation and accumulation of human capital is the most important task in developing a strategy for the spatial development of a macroregion. In terms of achieving a high quality of life, human capital is a key asset and ensures the competitiveness of the macroregion. The study identified the main factors of formation and accumulation of human capital. Among them: high fertility and sustained migration; improving the system of education, ensuring the formation of human capital corresponding to the needs of society and the economy; health and longevity; the quality and diversity of cultural life; social support for innovators; flexible labour market; efficient system of

assistance to employment and social protection of the population. As a result of the research, an economic and mathematical model was constructed that takes into account interregional differences in the conditions for the formation and accumulation of human capital. Creating comfortable conditions for the accumulation of human capital in the future will help to retain highly qualified specialists and attract young specialists from other regions. This, in turn, will increase the region's investment attractiveness and strengthen its position in global interregional competition.

Keywords: *region, human capital, modeling, cluster analysis*

NEW APPROACHES OF HUMAN CAPITAL MANAGEMENT IN CONTEXT OF EMOTIONAL INTELLIGENCE

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ABSTRACT

Emotional intelligence can be learned and developed. This paper deals with the characterization of the emotional intelligence, its theoretical aspects and applications in business practice. Presented here is a description of the basic components of emotional intelligence and the importance of the emotional intelligence for the success on the market and gaining of competitive advantage here too. Emotional intelligence is, amongst others, the ability to understand and manage own

emotions. Managers with a high degree of emotional intelligence know what they're feeling, what their emotions mean, and how these emotions can affect other people. Feelings are expressed in different ways, for example verbally, by gestures, by behaviour etc. In next section realization and evaluation of the research of emotional intelligence in a particular company was performed and methods and possibilities of active efforts to improve the emotional intelligence of employees and managers were proposed. This survey was conducted on the basis of anonymous questionnaires intended for employees of the company. The conclusion consists of proposals to increase the level of emotional intelligence at the workplace. Based on the implementation of these proposals, the company should record positive changes in the assessment of its situation and market position.

Keywords: *Competitive advance, Emotional Intelligence, Human Capital Management, Manager*

ECONOMIC, SOCIAL, AND INSTITUTIONAL DETERMINANTS OF DOMESTIC CONFLICT IN FRAGILE STATES

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ABSTRACT

In this article, we use Fixed Effect Poisson Regression (FEPR) with robust standard errors to study the economic, social, and institutional determinants of domestic conflict in 58 fragile states

over the period 2004 to 2017. We show that effective institutions (measured by judicial effectiveness) and higher incomes would help reduce conflict in these countries. By contrast, democracy would not mitigate violence, democratic experiences generally showing an increase in conflicts in fragile countries. It would also seem that the development of human capacity does not contribute to the reduction of conflict. This would imply that fragile states first improve the social, economic and institutional conditions of their populations before they benefit from political reforms and of education. The same would be true for economic reforms in the context of globalization, which would not help reduce violence in fragile countries either.

Keywords: *Conflict, Fragile Countries, Economic Reforms, Education, Institutions, Democracy*

ECONOMIC GROWTH AND PUBLIC GOVERNANCE: FORESIGHT SCENARIOS

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ABSTRACT

The stable social and economic development of the national economy could be achieved by developing the mechanism to solve the contradictions in the triangle: society-government-economics. In this case, the most crucial goal was synchronising and harmonisation of economics and political reforms on the target and goals. In the paper, the authors highlighted that reforming was closely connected to the foresight of political institutions impact on economic development, which emphasised the features and efficiency of the national economy. The paper goal was to the foresight of economic growth, considering the tendency on political institutions efficiency. The generalisation of the approaches to estimate of the political institutions' role, confirmed the significant impact on the social development. Thus, political institutions structured the institutional environment and developed the stimulus on offers of production's factors, specialisation and realisation of innovations. The political competitiveness had an impact on the different parts of the neoclassical model of economic growth: the accumulation of

labour and capital, the accumulation of human capital, and productivity. However, the scientists had not investigated the features of political institutions' impact on the quality and quantity parameters of economic growth mentioned above. The study used the developed autoregressive integrated moving average model (ARIMA) for the foresight of economic growth of the selected countries considering the tendency on political institutions efficiency. The null hypothesis of the investigation was the checking of a unit root was present in a time series sample using the augmented Dickey-Fuller test. The core criteria of political institutions' efficiency were indicators developed by the World Bank – «The Worldwide Government Indicators». The time of analysis was 2000-2019 with a forecast horizon of 10 years. The findings confirmed the dependency of economic growth from the level of corruption and political stability at the most significant level. It means that declining corruption leads to direct and indirect positive effects: increasing the efficiency of political institutions.

Keywords: ARIMA, Unit root, Foresight, Government indicators

IMPORT SUBSTITUTION AS FACTOR OF ECONOMIC SECURITY

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ABSTRACT

The article analyses how import substitution could become a driver to the economic development of the country and provide its further economic security. Under the terms of the trade sanction, many countries have resorted to a policy of import substitution. From the point of view of economic science, this policy is a variation of protectionism, which creates advantages for domestic producers through import restrictions. But it has peculiarities. The author of the article highlights advantages and disadvantages of import substitution. So import substitution in any country could be viewed on the one hand as a chance for the domestic economy to expand its own production of goods and services, create a basis for long run development, and on the other hand, it inflicts a range of domestic products to the resident consumers, creates disincentive for local firms through lack of competition. And so, it could become a problem for the Russian economy or under certain conditions although offer opportunities.

Keywords: *economic development, economic security, import substitution, protectionism*

TO THE QUESTION OF THE CONCEPT OF "CAREER GUIDANCE" IN THE CONCEPT OF COMPETITIVENESS

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ABSTRACT

The article discusses the genesis, essence and content of vocational guidance in the light of the growing competition for qualified personnel in the conditions of formation of an effective national innovation system. In these circumstances, it is increasingly necessary to find new approaches to overcome the imbalance between the professional aspirations of the able-bodied individuals and the actual market opportunities for their realization. The purpose of the article - is to identify the genesis of the concept of professional orientation in domestic science, in particular at the present stage within the framework of the concept of competitiveness, to highlight the departure from the perception of career guidance as a cost of production to consideration of professional orientation as a resource for increasing the efficiency of labor, a means of development of the organization, and then a tool for increasing the competitiveness of able-bodied individuals. In this context, it is increasingly important to understand the general nature and root causes, the sources that drive the youth vocational guidance processes in modern higher education. The methodology of the study is based on the theoretical analysis of the results of scientific works, which presents the basic provisions on professional orientation. The paper analyzes empirical data that characterize the persistent

and regular socio-economic relationships that are found in the vocational guidance processes of students at the economic universities. Educational institutions of higher education are the object of observation, implementing educational programs of the bachelor's degree in the major group of directions "38.00.00 Economy and Management" in Novosibirsk in 2012-2019.

Keywords: *Professional orientation, Career guidance, Career, Employee competitiveness, Professional career*

E-COMMERCE FROM THE PERSPECTIVE OF VISEGRAD COUNTRIES

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ABSTRACT

E-commerce has increased significantly in recent decades, gaining popularity and in a way replacing traditional stores. E-commerce allows you to buy and sell products on a global scale, twenty-four hours a day, without incurring the same overhead costs as running a physical store. The Visegrad countries (further

V4) represents the regional cluster in the central Europe and includes The Czech Republic, Hungary, Poland and The Slovak Republic. All four countries are in 2018 classified as the high income countries and are the member states of EU. The analysis of the development of the share of e-commerce in the total turnover in 2012-2018 in the V4 countries shows a clear upward trend also in relation to the EU28 and the EU19 shows convergence. The share of e-commerce turnover of all enterprises with more than 10 employees was above the average level of both EU28 and EU19 in the Czech Republic and Hungary in the whole period, in Slovakia the share exceeded both EU28 and EU19 in 2013-2018; this turnover is 2-5 percentage points lower than the average in Poland. The assessment of the levels and trends of e-commerce is based on the statistical data published in the OECD and Eurostat studies. E-commerce evokes also the requirements on the cross-border physical flows. The indicator of average trade facilitation performance is in the in the range of 1.44 to 1.66 in all V4 countries but more differences are among the sub-indices of indicator.

Keywords: *E-commerce, Sales, Trade facilitation Indicator, Turnover, Visegrad countries*

MARKETING MIX AS PART OF MARKETING STRATEGY USED IN THE SERVICE INDUSTRIES

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ABSTRACT

For a business success, it is important to correctly identify the specific marketing goals to achieve, define target customers and customize each tools of marketing mix. The individual activities related to the purchase and sale of the product to the final consumer are part of marketing. Since the present time is characterized by an increase in the provision of services, the paper focuses on the enhanced marketing mix that is marketing mix for services. The aim of the article is to clarify the theoretical basis of individual marketing mix tools. The article deals with various tools of marketing mix, which includes product, price, marketing communication and distribution. This traditional marketing mix is called 4Ps . For service businesses, 4Ps is insufficient and with regard to the specific features of services (immateriality, non-storage, inseparability, heterogeneity) it is necessary to extend the classic marketing mix to 7Ps, specifically a marketing mix of services that include environment, people and processes except traditional 4Ps marketing mix tools . The aim of the practical part is based on the results of the online

questionnaire to clarify the views and criteria of consumers on the option and choice of business services. Emphasis is placed on selected decisive tools in the field of pricing and communication policy of company. Based on an analysis of theoretical results, we can say that the individual tools of marketing mix are strongly interconnected, and one tool cannot work without the other. To ensure a successful business marketing strategy, a company must work on activities for each tool of marketing mix.

Keywords: Marketing mix, Marketing strategy, Product, Services

CHANGES IN WORK OF TRUCK DRIVERS FROM THE ASPECT OF SAFETY AND PSYCHOSOCIAL RISKS

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ABSTRACT

Working environments are continually changing as a result of the introduction of new technologies, changes in the way work is organized and shifts in economic, social and demographic conditions. We can see rapidly advancing technologies, digitalization, robotics, and the use of nanotechnology, among others, have revolutionized the workplace and have an important influence on the safety at work. The occupational and operational risks arising from driver-vehicle interaction in the field of road transport are considered to be one of the most important health and safety challenges not only for workers but also for their surroundings. Current problems of traffic and carriers, lack and aging of drivers create the need to use new technologies. Countless goods are shipped around the world every day, hundreds of goods trucks continue to flow daily between countries

but the biggest contributor to this is the industry, which has been suffering from a shortage of labour for many years. Alternative vehicles with new operating parameters are coming to the market, which respond to congestion, environmental demand and facilitate driver work. Technological developments over the last 20 years have set new standards in the area of driver-vehicle interaction. This development, socio-economic on the one hand, technological on the other, makes automotive ergonomics: Driver-vehicle interaction an important topic to explore in this area. Also coronavirus crisis is changing the world, is affecting freight – transportation business and is bringing new risks at work; some truck drivers are putting in overtime without enough protection. The article is focused on the analysis of psycho-social risks and safety problems in the work of truck drivers and modern trends of solutions, actual problems of labour market in this area such as lack of drivers and their aging.

Keywords: *Driver, Management, Psychosocial aspects, Risk, Work*

INTERNATIONAL SANCTIONS AS AN ECONOMIC SECURITY THREAT

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ABSTRACT

The article reveals topical issues of influence of international economic sanctions on economic security of the state. In conditions of sanctions many countries resort to import substitution policy, and as a consequence, the economy faces sharp increases in trade barriers and find itself at the edge of the outbreak of trade wars. Risks associated with the escalation of trade barriers, however, seem to be not fully realized. In fact, they are likely to be much more serious than most experts tend to believe. And this has to do with the diversity of reasons inviting

economic agents and political decision makers to support protectionist policies. Anti-Russian sanctions make it difficult for Russian banks to access foreign financial markets, which in turn restricts access of domestic firms to credit capital and provokes a decrease in investment, as well as increases the cost of servicing the foreign debt of domestic campaigns, resulting in a threat to the economic security of the state and slows down economic development. However, the regime of international sanctions opens up opportunities for import substitution policy, which may become a driver of the Russian economy development.

Keywords: *economic development, economic security, economic threats, import substitution, international sanctions.*

FINANCIAL SECTOR DEVELOPMENT: EFFICIENCY OF THE REGULATION AND PUBLIC TRUST

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ABSTRACT

Financial sector development, ensured by trust in the banking system, is an essential prerequisite for sustainable economic and social growth. The foregoing contributions to building a solid and reliable foundation for economic growth depend to a large extent on the efficiency of the state regulation in terms of monetary policy strategy, which has been adopted. Measuring its efficiency is one of the challenging research and practice questions of central banks. The purpose of the paper is to contribute to the methodology of indicators that allow for the measurement of the benefactions of efficient monetary policy to observed changes in public trust in the financial sector. A fundamental standpoint adopted is to view the maximization of public trust as a necessary (but not sufficient) step towards the goals that the Central banks have been tasked with within their mandates. An output-oriented data envelopment analysis method, which is widely used to measure efficiency within the banking industry, was developed and applied in order to measure the efficiency of the regulation

in a central banking context. In order to get a reliable, relevant, and interpretable result, input and output variables were selected according to the Central banks' majority core strategy and objectives. Input factors are represented by Central banks' balance sheets that record assets and liabilities resulting from monetary policy instruments. While the Heritage Foundation index on monetary freedom and coefficient of economy monetization was used as outputs in a quantitative dimension. The proposed measure of monetary policy efficiency could be used as an aid to detect so-called reserves of unused capacities, and hence to provide for recommendations as to the regulations and incentives, or managerial practices, that will contribute to promoting greater trust in the financial sector and price stability that each central bank seeks to maximize given its limited amount of inputs.

Keywords: *Financial sector, Monetary policy, Central bank, Regulation, Efficiency, trust*

FISCAL EFFECTIVENESS OF ENVIRONMENTAL TAXES: CASE OF EUROPEAN COUNTRIES

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ABSTRACT

This research is devoted to solving the issue of clarification of approaches to assessment fiscal effectiveness of environmental taxes and identification the most influential from the volatility of this indicator macroeconomic and environmental security parameters. The urgency of this problem has been determined by the vector at synchronization of Ukraine's and Azerbaijan's tax systems with the European tax practice and key global principles in this area. The main changes are focused on simplification of the mechanisms of accrual and charging of taxes, as well as elimination of inefficient fiscal instruments in favor of more efficient. Moreover, Global Development Goals by 2030 focused on the importance of the environmental issues in ensuring country sustainable economic development. The authors realized comprehensive research aimed at finding out approaches to the assessment of fiscal effectiveness of environmental taxes both from the business and government authorities perspective. It is also analyzed the main trends of changes of key proxies of fiscal

effectiveness of environmental taxes for the sample of European countries. It is also realized panel data regression analysis aimed at clarification of influence of environmental tax fiscal effectiveness proxies on basic macroeconomic indicators (budget revenue, gross domestic product growth rate, valued added in economy, foreign direct investment inflow, gross capital formation, shadow economy, R&D expenditures, renewable electricity output, greenhouse gas emission etc.). Based on the empirical research results it was developed set of recommendation on transformation of environmental taxation in order to ensure its fiscal effectiveness. The authors also developed a map of the most sensitive to the environmental tax fiscal effectiveness volatility macroeconomic and environmental security parameters that might be considered under development of state economic and fiscal policies.

Keywords: *Environmental tax, Environmental security, Economic security, Fiscal effectiveness, Panel data regression analysis*

CURRENT TRENDS IN THE STATE AND DEVELOPMENT OF THE INSURANCE SECTOR

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ABSTRACT

Insurance is one of the ancient categories of relations between the insured and the insurer, which is recognized as an element in the relations of production, and is related to the protection of the property interests of individuals and legal entities (policyholders) when certain events (insured events) occur at the expense of cash funds. This article is devoted to the issue of trends, the impact of problems and barriers on the development of the insurance sector. Since the insurance services market has several shortcomings, although it is one of the main areas of the economy in the Russian Federation, there is a need to form effective insurance protection, which is the main task of insurance companies and the state as a whole. To identify problematic issues in the functioning of the insurance sector and develop directions for their solution, it is necessary to monitor its condition. The paper studies the dynamics of changes in the structure of insurance companies by the concentration of the insurance market. The figures are also presented that positively

characterize the interest of insurers for entrepreneurial activity and the development of insurance products. The article analyzes the current state and development trends of the insurance sector. The authors study the development strategy of the insurance industry of the Russian Federation, identify the factors affecting the development of the insurance industry. A forecast is made of the dynamics of the insurance market and its individual segments. As a result of the study, factors were identified that affect the state and development of the Russian insurance sector, and in conclusion, conclusions are drawn.

Keywords: *Insurance industry, Insurance sector, Insurance, CTP, CASCO, Life insurance, Introduction of innovations to the insurance market*

EVALUATION OF THE FINANCIAL HEALTH OF NON-PROFIT ORGANIZATIONS: A CASE STUDY IN THE SLOVAK REPUBLIC

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ABSTRACT

Paper deals with description of five bankrupt prediction models in Slovak Republic. The issue of enterprise bankruptcy is still actual topic in Slovakia but also in abroad. Works dealing with the enterprise bankruptcy have already appeared in the 30s of the 20th century. Many enterprises deal with the question of their probability of default or bankruptcy and financial health as a whole. Fear from possibility of bankrupt forces enterprises to obtain necessary information which could warn them of their negative development. Financial analysts are looking ways for prediction of enterprise bankrupt. One of the useful tools for

measure probability of bankrupt are predictive models belong to the ex ante financial analysis. This paper is focused on the elementary analysis of bankrupt prediction models which were created in specific Slovak conditions. The main aim of the paper is evaluation of financial health of organizations from non-profit sector. Data consists of financial statements of 1,320 Slovak non-profit organizations in 2018. According to the results of these models in the database, will be created analysis of their usefulness.

Keywords: *Financial health, Prediction models, Non-profit sector*

FROM CULTURAL HERITAGE TO CULTURAL TOURISM IN OSIJEK-CROATIA: CURRENT SITUATION AND DEVELOPMENT PERSPECTIVES

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ABSTRACT

The main objective of this paper is to study cultural tourism in Osijek (Croatia) and policies and programmes aimed at national and international promotion, as well as at the development and improvement of the quality of cultural tourism offer. The intention

is to analyse and investigate the contribution of cultural heritage to the attractiveness of a tourist destination, as one of the prerequisites for tourists' choice. Based on the study, the paper proposes guidelines that could be useful in image development and improvement of the potential for cultural tourism offering in Osijek. There is still no clear definition of cultural tourism, as one of the selective forms of tourism. Tourism refers to the movement of people outside of their domicile environments in pursuit of cultural experiences, getting to know other peoples' customs and cultures, and expanding their own horizons. Cultural tourism consumers are referred to as cultural tourists. Their motivation stems from desire to participate in cultural activities. Like tourism in general, cultural tourism is not developing at the same pace in all countries. To change this, we need a good development strategy and the best use of all the heritage potentials in a destination. The in-depth study provides insights about the development of cultural tourism, the trends and the changes it brings, and cultural events and revitalisation of heritage spaces without which there would be no cultural tourism in Osijek. Study methodology is based on the use of the data analysis and synthesis method, inductive and deductive method, and abstraction and description method.

Keywords: *Cultural heritage, Cultural tourism, Development perspectives, Heritage tourism, Osijek*

FINTECH IN ECONOMIC GROWTH: CROSS-COUNTRY ANALYSIS

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ABSTRACT

The development of the financial sector has always been regarded as one of the components of countries' economic development and GDP growth. However, the current state of the financial system is in a transformational phase in most countries. It is characterized by the processes of digitization and technologization of financial services. The purpose of the article is to investigate the role of the FinTech sector in ensuring the economic development in different countries' groups by means of regression and correlation analysis. The article substantiates that the most significant transformational impact of the FinTech segment on the financial services market concerns banking services, namely payments and transfers. Therefore, the indicators selected as the leading indexes of the development of the FinTech sector are the indicators of the digitalization of banking services. They are the share of the population using a mobile phone or the Internet to access a financial institution account, the share of the people using the Internet to pay bills, or to buy something online, the percentage of the individuals who

made or received digital payments. Economic growth rates are estimated by the GDP growth rate and GDP per capita. The results of the correlation analysis made it possible to confirm the existence of a direct correlation between GDP per capita and selected banking sector digitization indicators. FinTech development contributes to economic growth by increasing GDP generated in the financial sector, and indirectly by increasing e-commerce turnover and real sector financing, in particular by creating more favorable lending conditions for small and medium-sized businesses.

Keywords: Digital banking, Economic growth, FinTech, GDP, Digitization indicators

THE IMPACT OF FINANCIAL CRISIS ON THE BANKING DEVELOPMENT (WORLD EXPERIENCE AND UKRAINE)

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ABSTRACT

Banking is influenced by globalization processes, which often have negative consequences. Economic and financial insecurity,

systemic risks and ineffective actions of government regulators make national banking systems vulnerable to external shocks. The global financial crises create significant barriers to bank activity. In recent decades, the negative aspects of the banking development of the in Ukraine have been noticed due to the impact of the global financial crisis of 2008-2009, the internal systemic crisis of 2013-2015. Trust in banking institutions has been lost, and increasing panic among the population has forced the regulator to impose tight restrictions. The cluster analysis of indicators in the pre-crisis and post-crisis periods demonstrates the level of regulatory effectiveness and allows examine the relationship between macroeconomic and financial indicators in different countries. Today's realities show that we are on the verge of a new global financial crisis. The introduction of quarantine and a state of emergency in many countries around the world in the early 2020s will negative affect the banking systems, the foreign exchange market and the ability to consume banking products. At the same time, opportunities for the development of Internet banking and the new financial technologies will increase significantly. The analysis of the anti-crisis measures taken by the countries of the world in the past and adaptation them to the national realities make possible to minimize the risks and develop effective ways of overcome the crises in Ukraine in the future.

Keywords: *Banking, Cluster analysis, Financial crisis, Globalization processes, Trust in banking institutions*

THE IMPACT OF CURRENCY RESTRICTION ON THE FOREIGN EXCHANGE MARKET (EXPERIENCE OF UKRAINE)

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ABSTRACT

In Ukraine, the central bank (National Bank of Ukraine) is the regulator of the currency market. Based on the legislation and the regulatory acts the NBU establishes the exchange rate regime of the national currency (hryvnia), determines the subjects of the domestic currency market and sets the rules for the functioning of the foreign exchange market. Since 2005, the Fundamental Principles of Monetary Policy have consistently declared a gradual transition to a floating exchange rate. However, the NBU tried to keep the hryvnia's official exchange rate at stable level. This stability was achieved through the introduction of various restrictive measures on the foreign exchange market, increasing foreign debt and eventually even reduces international reserves. Only after January 2014, when 12.8% of international reserves were spent on foreign exchange interventions, the NBU formally refused to maintain the external stability of the national currency, and a floating exchange rate regime was established in Ukraine.

Having signed the Association Agreement with the EU, Ukraine has committed to liberalize capital movements. In this case, the priority is to ensure the internal stability of the hryvnia. The political, military and economic crises and the threat of rapid devaluation of the hryvnia forced the NBU to make the tough rules of functioning of the non-cash and cash segments on the foreign exchange market. In February 2019, as a result of the adoption of the Law of Ukraine On Currency and Currency Transactions, a significant number of restrictions was canceled. The NBU has refused to set targets for maintaining the hryvnia exchange rate at a certain level. At the same time, the NBU has kept the rights to conduct foreign exchange interventions to smooth out the sharp exchange rate fluctuations, accumulate international reserves and perform other strategic tasks.

Keywords: *Exchange rate, Foreign exchange transactions, Foreign exchange market, Hryvnia, National Bank of Ukraine*

IMPACT INVESTMENT: A SMART STRATEGY FOR SUSTAINABLE DEVELOPMENT GOALS ACHIEVEMENT

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ABSTRACT

The relevance of the study is due to the fact that impact investment and the creation of blended value provides a holistic approach that allows to create and develop more effective solutions to social and environmental problems than with uncoordinated actions of civil society institutions, the state and the commercial sector. The growth in the scale, breadth and public recognition of the emerging transformative investment market is changing and making traditional systems of entrepreneurial, investment and charitable activities adapt and creates more and more new opportunities not only for profit but also for achieving sustainable development goals. The research uses analytical materials and annual reports of the Global Impact Investing Network (GIIN), empirical data from the Association of Impact Investors of Russia and the Russian Fund for Regional Social Programs "Our Future". Based on retrospective, comparative and content analysis of theoretical sources, we characterize the genesis and evolution, international experience of use, types of impact investments in relation to sustainable development goals, the concept and approaches to determining blended value.

Using statistical methods of data processing we obtain numerical characteristics of the development dynamics and the structure of the impact investment market in regional, national, and industrial contexts. We identify the leading countries and the most promising sectors for impact investments for sustainable development. Also, we identify the main problems and obstacles to the spread and application of impact investment practices. The results of the study can be used by government bodies of various levels and business entities of various sizes to determine potential areas of development and investment in achieving sustainable development goals.

Keywords: *impact investment, blended value, sustainable development goals, strategy*

TRENDS OF THE ATTRACTIVENESS OF AZERBAIJAN TOURISTS IN GEORGIA

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ABSTRACT

It is the fact that the geographical structure of tourism in Georgia is such that neighboring countries occupy the leading positions

in the top ten. It is noteworthy that there is a growing trend of tourist flows from Azerbaijan, which can make a significant contribution to the further development of economic relations between Georgia and Azerbaijan. Consequently, quantitative analysis of tourist flows from these countries is urgent and necessary. Since at the modern stage of economic development, tourism is an important source of development and economic growth for Georgia. Methods of statistical observation, grouping and analysis were used in the research process. The computer program SPSS was used to process and analyze the results of the study. Conclusion: There is a tendency to increase tourist flows from Azerbaijan to Georgia; Most visitors come to Georgia for leisure; The main places to visit are Tbilisi Batumi, Signaghi, Borjomi, Bakuriani, etc.

Keywords: Visitor, Analysis, Trend, Attractive, Statistics

OIL PRICES AND MACROECONOMIC INDICATORS OF OIL EXPORTING AND OIL IMPORTING COUNTRIES

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ABSTRACT

This article describes the research of interconnection based on macro-economic indices and sharp fluctuations in oil prices. The main goal of the author is a research of empirical influence of oil prices fluctuations on countries economies countries export oil (Azerbaijan, Russia, Kazakhstan) and countries import oil (Estonia, Latvia, Lithuania). Oil plays a key role in countries economies who export oil and oil products. This article analyzes

the data of Azerbaijan, Russia, Kazakhstan, Estonia, Latvia and Lithuania in the period from 2000 to 2018 with a help of ARDL models.

Keywords: *World oil prices, GDP, GNI, Revenues from oil sales, ARDL*

TRANSPORT COSTS AND THEIR POSITION IN THE LOGISTICS CHAIN

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ABSTRACT

The article is focused on logistic costs in transport. Logistics costs are an important type of business costs. The author calculates a model example of optimization of logsitic costs in transportation. Currently available on all major markets competitive, the companies are high requirements. Enterprise to survive in this environment, they must gain a competitive advantage over others. One of the competitive advantages may become a well designed logistics system. Logistics, as a scientific discipline and management tool, has recently attaches increasing importance. It deals with the optimal coordination, harmonization, linking and optimizing the flow of raw materials, semi-finished products and services, but the flow of information and finance. In all these areas is bound by a large number of funds, their planning and management is therefore very important for businesses.

Keywords: *Logistics, Logistics costs, Logistics optimization, Transportation costs*

TRANSNATIONALIZATION AND DIGITALIZATION OF BANKS AS MEANS OF EVOLVING EFFICIENCY NOT ACCOUNTABILITY

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ABSTRACT

The article discusses the modern state of international banking industry and its development directions, among which transnationalization, digitalization as well as lack of ethics and social responsibility have been stood out as key. A review of post-crisis literature on this issue is presented. The authors track changes taking place here due to global challenges and financial turbulence. Under the current conditions, the transnationalization of the banking business has been one of the main manifestations of the process of financial globalization. The motives, signs and benefits of the transnationalization of bank capital are shown, the modern trends of its development are revealed. The growing role of digitalization of financial markets, in particular, the banking sector has become another important trend. This form of activity significantly increases the efficiency of international banking operations, it accelerates the growth of global financial capital flows. The features of digitalization of various instruments used in international banking (trade finance, LCs, guarantees etc.) and their specific manifestations are characterized. Meanwhile, the significant visible transformation of banking performance wasn't accompanied by any changes of internal nature of banking and bankers. They even became more ingenious and implicit.

Under tougher regulations and long-lasting period of low interest rates in most countries banks have implemented more aggressive credit practice and have directly or indirectly conducted much more risky operations on the securities and derivatives markets pushing up stock indices and manipulating key financial indicators (well-known LIBOR scandals).

Keywords: *International banking business, Financial globalization, Transnationalization, Digitalization, Accountability, Coronacrisis, Social responsibility, LIBOR*

CREATIVE ACCOUNTING AND ITS POSSIBLE NEGATIVE IMPACTS IN SELECTED COUNTRIES OF THE CENTRAL EUROPE REGION

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ABSTRACT

The article is focused on creative accounting, whose application depreciates the main function of financial accounting. It explains the concept itself and classifies creative accounting practices as a process of manipulating accounting data and as a process economic transactions usage. It deals with a specific area of earnings management and within that, it is the practice of income smoothing and big bath. It also lists the motives, highlights the possible prevention that can be applied and assesses the consequences associated with the use of creative accounting. It also focuses on the practices of creative accounting in the Slovak and Czech republic. The enumeration is not of course complete, because the creativity of the actors in this game of numbers is boundless. It turned hence, attention to the areas of accounting

that are most often misused to misrepresent data financial position of the company. The part named classification of creative accounting is divided into two groups, which should, reflect the economic nature of these manipulation, which is important in the process of their recognition.

Keywords: *Creative accounting, Economic impact, Comparison, Prevention, Earnings management*

APPLICATION OF THE KOTHARI MODEL TO ASSESS THE EXISTENCE OF EARNINGS MANAGEMENT IN ENTERPRISES IN THE CZECH REPUBLIC

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ABSTRACT

Accounting is one of the main areas of business focused on providing a true and truthful picture of the financial situation of enterprises not only in the Czech Republic but also in enterprises operating worldwide. Accounting provides important financial information through which it can influence the understanding of earnings management. Using earnings management techniques,

managers can influence the amount of reported earnings and thereby manipulate it. Since earnings are an important indicator of the financial performance of a business, managers are trying to impose their amount so that, in the awareness of external entities, such as investors, the business shows a positive financial situation. One of the main reasons why many enterprises use earnings management to manipulate their earnings is to achieve a predetermined and positive value of earnings and, based on it, to present a positive financial position of the enterprises. This paper focuses on the assessment of the existence of earnings management in the Czech Republic in the period of 2015-2017 by applying the model of the author Kothari. The model is applied to a set of Czech enterprises using estimation of discretionary accrual, assessment of the existence of earnings management and determining the direction, degree, and scope of earnings management. The main aim of this paper is to find out whether earnings management occurs in companies in the Czech republic and whether Czech enterprises manipulate their earnings downwards or upwards. In our research, we realize statistical analysis in which we use the modeling method and comparison method.

Keywords: *Accrual, Discretionary accrual, Earnings management, Non-discretionary accrual*

THE PARADIGM OF HUMAN CAPITAL IN THE CONTEXT OF DIGITALIZATION ACROSS COUNTRIES

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ABSTRACT

Digital transformations of the modern world economy pose new requirements for the resource potential of states. Improving the country's competitiveness in the context of digitalization is associated not only with the development of serious potential. Main market directions are innovative digital information technologies and developments. The dominant role in the organization of activities is the ownership of information resources and methods for their effective use. Scientific and technological progress in the field of digitalization increases the importance of human capital as a means of achieving results, promotes the importance of physical activity in comparison with cognitive activity within the framework of production - the requirements for the level of education, digital literacy, creativity and intelligence of staff are being re-established. The development of human capital is of great socio-economic importance not only for organizing efficient production activities,

but also for the country as a whole. Investments in human capital (in health, education, and the development of digital literacy of personnel) contribute to raising the level of labor productivity, GDP per capita, as well as living standards. The level of human capital within the country depends on the level of its innovative development, standard of living, strategic orientation and policy of the authorities in the field of formation of human resources. The purpose of this article is to analyze the characteristics of the formation and development of human capital across countries. In the first part of the paper, we characterize the ontology of human capital and coherent and integration investment factors that influence the formation of anisotropy within human capital. In the second part of the work, we will analyze the level of human capital across countries; compare the countries of the world in terms of education quality, health status, development of digital literacy of the population and implementation of investment measures in the field of human potential development. In the third part of the work, it is extrapolated as the differentiation of factors that form the level of human capital contributes to an increase in the level of capital and an increase in the quality of life within the country.

Keywords: *Human capital, Digitalization, Digital literacy*

BENCHMARKING AS A TOOL FOR IDENTIFYING THE DIRECTIONS OF SMART SPECIALIZATION IN THE REGION

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ABSTRACT

One of the current approaches to spatial development is the concept of "smart" specialization developed in the early 2000s in the European Union. It implies the development of those industries that will provide the regions with the greatest competitiveness (at various levels). The selection of such industries should take into account endogenous advantages of the region. At the same time, when it comes to the spatial development strategies of the supra-regional level, it is important to select different industries for different regions in order to avoid 'duplication' of advantages. However, in practice, the implementation of the "smart" specialization concept encounters significant difficulties, the main of which is to define the industry in which a region could specialize. The selection process should take into account both the above-mentioned endogenous advantages of the region and the demand for products of the prospective industry on the national and global markets. The

purpose of this article is to provide a rationale for using the benchmarking as a potential tool for identifying the directions of "smart" specialization in the region. In the first part of the article we look upon the theoretical basis of benchmarking. In the second part we select (with the help of the data from Eurostat and Rosstat) European regions with the gross regional product structure corresponding most that of the Belgorod region, i.e. we select the benchmarks. In the third part we offer perspective directions of "smart" specialization in the Belgorod region. As a result, we provide recommendations for the design of a regional spatial development strategy based on benchmarking – the search for structurally similar regions of the world for the transfer of knowledge and successful practices in the choice of a market niche for the region, taking into account its uniqueness in the context of the world's technological trends.

Keywords: *Benchmarking, endogenous development, Eurostat, Interregional cooperation, "Smart" specialization, Spatial development*

THE METHODS OF MANAGING FOR RISK OF COMBATING MONEY LAUNDERING (LEGALIZATION) OF PROCEEDS FROM CRIME AND THE FINANCING OF TERRORISM

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ABSTRACT

The article presents a comparative description of the current situation in the banking market of Ukraine, Azerbaijan Republic and Republic of Latvia, considers the main problems of modern risk management and its effectiveness in the field of combating the laundering (legalization) of proceeds from crime and the financing of terrorism (AML/CFT) under banking operations and transactions are at high risk of involvement in dubious

operations. The article considers the risk of legalization (laundering) of proceeds from crime, and analyzes the methods of managing it that exist in banking practice using the example of one of the largest banks in Eastern Europe - CB JSC "Privatbank" in Ukraine and a subsidiary bank - JS "Privatbank" Latvia. The paper formulates the main characteristics of reputational banking risk. Here is revealed of the risk of AML/CFT. The article presents characteristic of the banking market in Ukraine, Azerbaijan Republic and Republic of Latvia. Analysis the dynamics of the main indicators of banking activity over the past 5 years, as well as the activities of CB JSC "Privatbank" in Ukraine and JS "Privatbank" Latvia were provided. Considered the legislative framework that regulates banking and the management of combating the laundering (legalization) of proceeds from crime and terror financing ISM in particular, the experience of developed countries in this direction is mentioned. Based on the study, it is proposed to identify the basic principles of risk-based approaches in the process of banking management in general, as well as specifically, taking into account the specifics of the management system for AML / CFT in the implementation of banking operations in Ukraine and the Republic of Latvia; presented the recommendations to reduce reputational risks in the field of Banking.

Keywords: *Risks, Banking risks, Risk management in bank, Money laundering risk, Banking market, AML / CFT*

HOUSEHOLD FINANCIAL BEHAVIOR IN COUNTRIES WITH TRANSITION ECONOMIES: EFFECTS AND CONTRADICTIONS

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ABSTRACT

The article analyzes the problematics of financial behavior of households in countries with transitive economies. The influence of objective and subjective factors on financial behavior is characterized. The connection between the concepts “financial behavior”, “economic behavior”, “financial literacy” is disclosed. The role of historical factors in the formation of financial behavior and financial literacy on the example of former USSR countries is determined. The relationship between financial behavior of households and development level of financial sector is evaluated. Recommendations aimed at activization of household investments in the financial market with the help of their financial behavior transformation are justified.

Keywords: *Financial market, Financial sector, Financial institutions, Households, Financial behavior*

BRANDING OF CROATIAN ISLANDS ON SELECTED EXAMPLES

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ABSTRACT

Today's evolving macro environment conditions are characterized by hyper-production and hyper-competition. Remaining competitive requires differentiation through utility and emotional values, which is made possible by branding. Destination branding brings multiple benefits. Primarily helps achieve desired market placement and consequently builds an emotional connection with tourists that leads up to creating a sustainable competitive advantage. In order for the branding process to be successfully implemented, it is necessary to develop a strategic framework for communicating the values present in the foundations of the brand. Effective implementation of destination branding strategies presupposes the interactive involvement of the public and private sectors. The aim of this paper is to point out the importance and potential of branding of Croatian islands. To this end, a secondary and primary survey was conducted, i.e. an analysis of selected statistical indicators and a survey of managers of tourist boards on the islands of Cres, Mljet and Rab.

The contribution of the research stems from the conclusion that the strategically driven branding process is a prerequisite for year-round tourist attendance.

Keywords: *Branding, Destination, Strategy, Emotional connection, Sustainable competitive advantage*

BLOCKCHAIN TECHNOLOGY IN BANK'S ANTI-MONEY LAUNDERING

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ABSTRACT

An extremely important and relevant issue today is the study of the implementation of innovative blockchain technology in the field of finance, e-commerce, the banking sector as the most effective tool of providing securing, saving confidential information as well as anonymity of participants in transactions. The paper describes the use of blockchain technology by financial institutions. The main features of the use of blockchain technology are identified. In this study, the advantages and disadvantages of blockchain are described. The article

investigates the nature of the threats that arise during the transfer, storage and use of digital currencies for anti-money laundering. The use of blockchain technology in the bank as an integrated system for anti-money laundering is justified to minimize the negative impact of this phenomenon. For effective counteraction of the illegal income legalization in the bank, it is recommended by authors to use a three-step approach to build the anti-money laundering system. It consists of client identification based on the blockchain consensus algorithm, blocking transactions with the risk of anti-money laundering, which are determined by international and national regulators in anti-money laundering sphere as well as monitoring transactions using intellectual transaction risk assessment algorithms with the use of transaction metadata and maintaining complete information about users. The block diagram of the algorithm for conducting transactions in a bank through the system based on blockchain technology with a possible connection to the network of the external regulator in the sphere of anti-money laundering has been proposed.

Keywords: *anti-money laundering, blockchain technology, cryptocurrency, user identification, intelligent data analysis*

MARKETING AND MANAGEMENT STRATEGIES FOR ENHANCING GREEN COMPETITIVENESS

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ABSTRACT

The article deals with green competitiveness advantages for companies. The green competitive development is considered to be an essential condition to provide a high level of sustainable social and economic development. The authors systematized scientific investigation of the key determinants of the green competitiveness according to the marketing, technological, innovative, communicative, stakeholders, qualitative, level, fiscal and ethic approaches. The primary purpose of the study is to analyse the preconditions for promotion the green competitiveness of enterprises and analyse the influence of the using marketing tools (ensuring the proper quality (environmental) of green goods and services, differentiation of pricing policy, creation of green commercial networks and platforms, promotion of eco-goods and green activity, interaction with the consumers) on a company's descriptive variables (market segment (sales volumes), green image, efficiency of companies activity, products competitiveness). The object of

study is the companies from the food industry, agriculture, machinery-producing industry and production of building materials. The quantitative study employed a sample of 110 companies, for testing each competitive advantage dimension against the established green marketing tools and company descriptive variables using the method of logistic regressions. The obtained results showed the level of integration mix marketing tools for supporting the green competitive advantages. The highest level of integration is in the food industry, the lowest level – in the production of building materials. Provided evaluation gives the opportunity to suggest the system of marketing instruments for forming and strengthening the company's green competitive advantages.

Keywords: *Green competitiveness, Green marketing tools, Companies' performance, Strategy*

DEVELOPMENT OF METHODOLOGY AS PART OF APPLIED TOOLS FOR STRATEGIC RESEARCH AND ASSESSMENT OF INSTITUTIONAL STABILITY OF THE NATIONAL SECURITY SYSTEM

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ABSTRACT

In order to support the updating and improving of national expertise, it is necessary to develop scientific and scientifically applied tools such as methodologies for expert evaluation of the sustainability of modern administrative units and their institutional capacities, as well as the need for internal interinstitutional and international cooperation to counteract of modern threats to national security. Scientific instruments have been selected for the conduct of the study to carry out quantitative and qualitative measurements, evaluations and analyses, the application of which in a specific sequence forms a specialized scientific methodology for the complementary of measurement, evaluation and analytical techniques, as well as for the enhancement of representativeness and reliability of the obtained results.

Keywords: *National security system, Applied tools, Development, Strategic research, Business Game*

DIGITALIZATION OF THE BANKING ENVIRONMENT: FORMATION OF EFFECTIVE BANK ECOSYSTEMS

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ABSTRACT

Digital technologies adoption in all spheres of life has already reached a certain level and continues to grow, especially in the banking segment. The processes of the banking business transformation are inextricably linked with automation, introduction of the latest financial technologies and technical means to market new products and services. Therefore, the main direction of the banking sector development is the use of effective remote service technologies. These technologies provide an opportunity for customers to carry out banking operations through remote access using various means of telecommunication devices. One of the important trends in modern remote banking is the development of own ecosystems by banks, which help to differentiate businesses, strengthen the position of banks in the financial products and services market, increase customer loyalty and customer base, as well as generate additional income. The ecosystem is a combination of products and services from different areas, united around a single technological platform that is able

to satisfy all the needs of customers in one window. It is for this reason that the development of ecosystems allows banks to successfully exist, develop in the conditions of increasing competition, and occupy new niches in the financial services market. The article considers the place and need for the development of modern remote banking services, analyzes the main segments of digital banking for retail and corporate clients in a transformation of the banking sector. Particular attention is paid to identifying promising areas for the remote banking service environment development based on the ecosystem approach. Creating their own ecosystems is a priority for large banks amid growing competition in the digital banking market. In conclusion, measures for banks to form an effective business model that will facilitate the transition to ecosystems are proposed.

Keywords: *Banking ecosystem, Remote banking services, Commercial banks, Financial technology, Digital economy*

LINKING BETWEEN FINANCIAL LITERACY AND EXTENDING OF FINTECH SERVICES

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ABSTRACT

Extending of financial services in every country depends on many factors, one of which is the level of financial literacy. The modern development of the financial services market is characterized by increased levels of digitization and expansion of the FinTech segment. The article aims to determine the linking between the level of financial literacy and the spread of FinTech services. The methodological basis of the study is the methods of correlation and cluster analysis. The study is based on statistical data for 138 countries. Given that payments and transfers occupy a dominant share in the structure of types of FinTech services, the indicator of the expansion of FinTech services is the share of population aged 15 years and over, which made digital payments in the past year. The correlation analysis between the proportion of adults who are financially literate and the percentage of people aged 15 and over who made digital payments in the past year, showed a direct link between financial literacy and the prevalence of FinTech services worldwide. The paper provides cluster analysis by the k-means method, which allowed to divide countries into 4

clusters, each of which is characterized by a different correlation between the levels of financial literacy, the spread of FinTech services, and the Internet activity of individuals. For cluster analysis, we used indicators of the proportion of adults who are financially literate, the percentage of the population aged 15 and over that made digital payments in the past year, and the percentage of individuals using the Internet. The results of the study made it possible to confirm the hypothesis that there is a direct link between the level of financial literacy of the population and the demand for FinTech services.

Keywords: *Financial literacy, Financial services, FinTech, Digitization, Cluster analysis*



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