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Dear Colleagues!

We would kindly like to present your attention a new issue of "Visnyk of Volyn Institute for Economics and Management". Its content reflects the results of scientists’ researches, practitioners, teaching and academic staff of higher educational establishments.

Information, highlighted in scientific works of the professional edition, reflects the state of economy at both national and international levels.

Development of the world economy and today’s reality require reformation of the economy in all sectors of economic activity of the country. Therefore scientists faced a number of new and complicated issues of fundamental and applied nature.

Scientific work is impossible without a fruitful communication, ideas’ exchange and scientific achievements. Presentation of scientific research results among the wide range of professionals, researchers, practitioners is necessary for development of new approaches, models, strategies of economic development of our country throughout joint discussion.

Therefore editorial board is sincerely grateful to all the scientists, who have submitted the results of their research in professional journal "Visnyk of Volyn Institute for Economics and Management", and calls for further exchange of ideas, and the joint work on the formation of a new paradigm of economic development of our country.

Sincerely,

Head of Association of non-state owned educational institutions of Ukraine in Western Region
Rector of Volyn Institute for Economics and Management,
Dr., Professor,
Academician of Engineering Academy of Ukraine and
Academy of Economic Sciences of Ukraine
Artur Horbovyy
PROBLEMS OF THE CITIES’ ENERGY SAVING AND THE DIRECTIONS OF INVESTMENT IN THE ENERGY SECTOR IN ORDER TO IMPROVE THE EFFICIENCY OF THE FUNCTIONING OF THE HOUSING AND COMMUNAL SERVICES SYSTEM OF UKRAINE

The main problems in the local and regional levels of energy saving field in Ukraine are analyzed and the basic directions and mechanisms of investment attraction into reforming of housing and communal services are justified.

Keywords: energy saving, investment, reforms, energy efficiency.

Statement of the problem. Energy saving is practical and organizational activities of state bodies, local governments, businesses and individuals, aimed at reducing the costs of different types of energy in the process of its extraction, processing, transportation, storage, production, use and disposal. Bearing in mind that nowadays saving the unit of energy is three times less expensive than the cost of its production, intensification of energy saving is becoming one of the key issues of economic development of Ukraine in national and regional scale. The essence of energy saving is to use the entire set of effective measures aimed at reducing specific energy consumption per unit of production (including commodity energy) and increasing labor productivity [1, 2].
One of the generally accepted parameters of energy efficiency for economy of every country is the energy intensity of gross domestic product (GDP), i.e. the consumption of energy to meet the productive and non-productive energy needs of the country per unit of GDP. Ukraine, according to many experts [8] has been ranked first by the energy intensity of GDP. Thus, the share of energy costs in the maintenance and operation of housing reaches 60-80%. To heat housing annually over 70 million tons of standard fuel is spent, i.e. per person Ukraine uses twice more standard fuel than the EU, and housing and communal economy annually uses over 8 billion kWh of electricity and 10 billion m3 of natural gas.

Overcoming considerable disparities in economic development of Ukraine and leading EU countries, particularly in view of the European state aspirations and signing Association Agreement with the EU, determine the need for innovative approaches to accelerate the development of high-tech industries with focus on domestic research and development related to the thermo-modernization of housing, energy sector, public transport, energy supply and energy consumption.

Ukraine at the current level of consumption of energy is self-sufficient in its own fuel resources for about 40%, despite the fact that the potential for efficiency improvements is as follows: in the industry - 67%, heat generation and transport of fluids - 40%, the residential sector - 55%. Solving energy efficiency problems will lead Ukraine (and regions) to the category of energy independence.

Ukraine is a country with extremely high energy costs caused by the unbalanced structure of energy consumption and inefficient use of energy.

Ukraine belongs to the energy-dependent countries, importing more than half of the country's gas consumption of over $ 10 billion. Much of the natural gas consumed in Ukraine is spent on housing, including heating and hot water. Thus, the effectiveness of energy consumption of Ukraine's economy as a whole and Housing is 2-3 times lower than in developed countries. That is energy efficiency could significantly reduce the energy dependence of the country (diagram 1, diagram 2)

![Diagram 1. Structure of natural gas consumption in Ukraine by source of origin (statistics from 2009)](image-url)
Diagram 2. The structure of gas consumption in Ukraine by categories of consumers (statistics from 2009)

For example, Ukraine consumes twice as much gas per unit of gross domestic product compared with Germany. If Germany, as one of the largest gas consumers in Western Europe is dependent on Russian gas by 35%, Ukraine depends on Russian gas by almost 75%.

The main problems of the energy sector of Ukraine are:
- high level of energy intensity, a significant dependence on imported gas, oil and nuclear fuel, low energy efficiency;
- local (own) natural energy sources are limited reserves of coal, oil and gas, small hydro reserves and large reserves of low-grade uranium.

Thus, the problem of energy saving in modern terms for Ukraine is becoming a pressing matter.

However, the net inflow of foreign direct investment in Ukraine in 2013 amounted to 2.86 billion dollars, down twice when compared to the same period in 2012 (6.013 billion dollars). This refers to the statistics of State Statistics Service [3].

According to the same data, as of January 1, 2014 foreign direct investments into the economy of Ukraine since the beginning of investment were only 58.157 billion dollars. A total FDI directed at Ukrainian industry (including energy sector) is 18.013 billion dollars, or 31% of the total, for example, in financial and insurance institutions - 15.349 billion dollars, or 26.4%, the trade and repair of motor vehicles - 7.56 billion, or 13%, in the real estate market - 4.371 billion dollars, or 7.5%, to scientific and technical activities - 3.448 billion dollars, or 5.9% [3, 4].

So, if the new government of Ukraine did not improve the situation in the field of energy saving and investment in energy efficiency and immediately did not restart the corresponding similar mechanisms at the level of each city, region and country as a whole, the problem would become critical in the next two to three years.
Analysis of recent research and publications. Analyzing the area of energy supply of the countries, it should be noted that in order to produce heat energy in the world consumed 40% of total energy. And the biggest consumers of energy in Ukraine are utilities, which accounts for almost 20% of energy resources of the country. The part of the housing and utilities sector is also urban electric transport (UET) - one of the major consumers of electricity in most cities. Today, the energy loss in the system of utilities reaches 25% of total consumption [6, 10]. This is due to the low level of technical condition of equipment, lack of new technology and labor culture in the housing sector, that is why research in this area, the scientific justification for energy saving and search for the effective energy-saving measures for utilities and municipal electric transport are important and urgent at the present time, threshold of the need for fundamental reforms in this industry of national economy.

The problem of Ukraine is also that by keeping to global proportions the efficiency of energy supply remains very low. In reality, the potential of energy saving in Ukraine is over 70%. This applies primarily public sector institutions, municipal and public power, as well as population.

According to both domestic [7, 10], and foreign experts [9, 12], the potential of energy saving in homes and buildings is 50 - 65%, and heat energy - about 50% (diagram 1).

![Diagram 1. Energy use by types of buildings](image)

Compared with the EU energy consumption for heating in Ukraine is 2 - 3 times higher (type of buildings F, E) [5]. In Europe - D, C, and new standards include the type - B. Domestic development allows, within the budget, to build for types A, B. Loss of
heat by buildings as well as potential of energy saving today has the following distribution:

- exterior walls - 40% (potential savings - 70%);  
- windows, doors - 25% (potential savings - 50%);  
- ventilation - 15% (potential savings of 65%);  
- hot water - 10% (potential savings - 30%);  
- roof, floor - 8% (potential savings - 50%);  
- piping, fittings - 2% (potential savings - 35%).

As you can see, the main consumption is connected with heating of the building to compensate heat loss through windows, walls, roof, floor and through ventilation. Considering the total number of buildings and structures and the specific energy consumption for heating, it is necessary to pay great attention to insulation and energy saving. For example, the cost of heating 1 m2 in Germany and Ukraine under current regulations are as 1:1.6, and in fact - as 1:3.

Thus, the problem of energy saving and strategic and conceptual approach to its solution in Ukraine devote their time and scientific publications, many scientists. In particular, these or other areas of research on this subject can be found in the works of such scientists as A.A.Dolinskyi, I.H.Mantsurov, O.V.Melnyk, O.M.Suhodolya, V.H.Daleka, K.O.Soroky, K.V.Danova, V.K.Nema.

The objective necessity of overcoming the crisis in urban housing, electric transport, electricity and heating supply, stabilization of the enterprises work of the industry and further their development require the search for new forms and methods of management, optimization of organizational and functional structures, intensification of production, development of efficient investment and innovation projects and organizational means of reconstruction, technical re-equipment of enterprises, the formation of a new market behavior, real reforming. A focus of new investment projects and programs should aim at increasing economic efficiency, energy efficiency, which is due to the transition to radical reforms must be based on the new systematic concept of resource and energy efficiency and its renewable sources.

Thus, the problem of energy saving is one of the priorities of regional and local development in Ukraine and requires urgent solutions, especially in energy-intensive industries such as utilities and public transportation.

**The aim of the paper** is to identify key issues in the field of utilities in terms of energy conservation and study the main areas of investment in urban system of
utilities in Ukraine in order to reduce its energy intensity and improve the efficiency of operation.

The main material. In general, if you calculate the total potential of energy efficiency in Ukraine, it could reach 45 ... 50% (to 80%, according to some experts), including:

- the production stage - 4 ... 8%;
- the stage of transportation - 5 ... 6%;
- the stage of consumption - 34 ... 37% (to 70%, according to some experts).

Realization of this potential would allow almost completely abandon the import of natural gas. What prevents its realization?

Let’s consider the problems of energy saving in stages of their appearance on example of a typical regional center of Ukraine (in terms of the functioning of housing) - Lutsk. Lutsk is the regional administrative center of Volyn Region, it is more than 42 square meters. The number of population on 1 January 2013 was about 212 000 people. At present, in the city there are 1583 residential multi-storey buildings. Public sector of the city is represented by 38 preschools, 28 secondary schools, 3 junior sports schools, 10 health care, 19 cultural institutions and others, in total - 98 institutions.

Information about the city budget is presented in Chart 1.

<table>
<thead>
<tr>
<th>Chart 1. Statistics about the city budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators</td>
</tr>
<tr>
<td>Local budget incomes</td>
</tr>
</tbody>
</table>

Information on suppliers of energy services. The main organizations supplying energy services are: JSC "Volynhaz", JSC "Volynoblenergo" SCE "Lutskteplo", CE "Lutskvodokanal", CE "Lutsk Electrotechnical Company - "Lutsksvitlo". Of these, the private institutions are JSC "Volynhaz", JSC "Volynoblenergo", others are municipal.

City heating supplying organization is SCE "Lutskteplo". Heating is exercised by 65 boilers with capacity 942.54 Gcal / h and 52 central heating items, the company operates 169 km of heat networks in two-pipe dimensions. Services for central heating the company provides for 54.2 thousand users and hot water - 41.6 thousand. Enterprise has a contractual relationship with 117 budget institutions and 650 legal entities. Although the concept of central heating in Lutsk, in the city there are many small boilers with low energy efficiency, high environmental pollution and labor costs for maintenance. The total thermal power of boilers by SCE "Lutskteplo" is 496.74 Gcal / h., attached - 264.42 Gcal / h. Number of boilers is 180 units, including 127 units with
lifetime more than 20 years (40%). The total length of the two-pipe heating systems is 137.7 km, including the dilapidated and emergency - 70%. Central heating in Lutsk is characterized by an optimal combination of:

- indirect heating systems - 1 Gcal / h with local heat distribution networks;
- decentralized heating systems - with installed power sources from 1 to 3 Gcal / h and local (distribution) heating systems;
- system of temperate central heating - with installed power sources from 3 to 20 Gcal / h and main and/or local (distribution) heating systems;
- central heating systems - with installed power sources over 20 Gcal / h and the main and local (distribution) heating networks.

City heating is divided into three stages (three areas), where there are heat losses, and where it is possible to implement measures to reduce these losses, i.e. energy saving measures:

- Loss on sources of production of heat energy (heat enterprises);
- Loss on heating systems (transportation);
- Losses due to consumption of heat, electricity and energy resources (such as water).

**Water and wastewater facilities of the city** are presented by a communal enterprise "Lutsvodokanal", which provides water to the city, bringing water from Hnidavskyi, Dubno and Omelyanivskyi intakes (55 artesian wells with a depth of 26 to 160 meters). The total length of pipelines is 60.8 km., distribution network - 240 km. Currently in use are steel, cast iron, asbestos cement, plastic and polyethylene pipes of wide range. Lutsk drainage system consists of 14 pumping stations (CPS).

In general, hardware and networks, providing water and wastewater services in the city are largely obsolete and worn-out, require a system update, so the potential of energy saving in this sector is very high.

**Heat energy transporting.** Economic problems related to energy efficiency in the transport of thermal energy are allocated separately for three reasons: first, in some cities of Ukraine generating companies are owned by private entities, but the heating still remains in municipal ownership; second, under the new licensing conditions for transporting heat energy separate rate is calculated, even if the heating company generates heat and delivers it to the consumer; thirdly, energy-saving projects in the transport of thermal energy are mainly to replace worn out pipes with new, pre-insulated, with less heat loss coefficient. These projects are much more costly and relate to projects with very long payback periods. For example, the replacement of
existing external heating pipeline networks by pre-insulated pipes will cost Lutsk almost 465 million UAH, and estimated payback period of the project is more than 30 years. In this case, in average reducing heat loss is achieved, which will not exceed 5 ... 6%.

**Consumption of thermal energy.** Scope of heat energy consumption has a maximum potential of energy efficiency. However, if you count the average cost of a single thermo-rise building on the number of residential buildings, the cost of a small town with a population of 200 thousand people. (e.g. Lutsk) make 3-6 billion UAH. In general, in Ukraine they will reach to a trillion UAH. Such investments in the foreseeable period are practically impossible to finance on their own (residents, local government, state), or involve as a credit. Therefore, the role of local authorities in the implementation of energy efficiency projects in the field of heat energy consumption is primarily in creating the conditions for the conversion of energy efficiency into a profitable business, that is attracting private investment, creating the conditions for cheap loans for thermo-modernization from international financial organizations, all stakeholders ( residents, business owners, local authorities in relation to the public sector), increasing population awareness in the field of energy saving, etc.

**Hot water supplying.** Much of city residents (more than 50%) are provided services with centralized hot water. Other consumers use local systems of hot water supplying with individual water heaters. Centralized hot water supply system in the city is closed, using for hot water needs the drinking water without prior aeration and chemical treatment. Hot water heating is made within 350 days (excluding the scheduled maintenance period), 7 days a week, 18 hours a day.

**Water supply and wastewater.** Water supply in Lutsk is performed by communal enterprise "Lutskvodokanal" from surface (r. Styr) and underground springs by systems of centralized municipal and departmental local water supply. Municipal water supply has installed production capacity of 82.0 thousand m3/day, in fact - 56.32 thousand m3/day. The source of water is groundwater. Providing water is from 5 intakes, which consist of 55 holes (7 holes reserve). Water supply system is integrated - autonomous, fire protective. Scheme of water supply is one regional. Total intake of all intakes is 56.32 thousand m3/day, including treatment plants submitted to 52.96 thousand m3/day. The total length of water pipes is 61.1 km, in poor condition are 27.8 km, there are 86.2 km of street network (in disrepair 56.9 km), intra-district network is 56.9 km (in disrepair 45.2). The housing stock is equipped with running water at 87.3%. Residents of manor buildings use water from outdoor intakes. On balance of MCE "Lutskvodokanal" there is river water intake (the river
Styr), with 6.0 thousand m³/day, which currently is in store. All intakes of the city have sanitary protection zones. The quality of the water supplied to the water users meets GOST 2874-82 * "drinking water", but the iron content. Irrigation of green space for citywide destination and watering of streets is implemented from the river Styr and done by watering machines and partially - of the urban water supply network. The city also uses the local water supply system from the surface, they usually belong to industry enterprises. Water from underground water sources have 15 businesses that use 42 wells with common water supply of 2.70 thousand m³/day.

The total volume of wastewater is 34.82 million m³/year (95.4 thousand m³/day), including regulatory purified 39.5 thousand m³/day (14.24 million m³/year), insufficiently treated 56.2 thousand m³/day (20.52 million m³ per year), relatively clean 0.19 thousand m³/day (0.07 million m³ per year). Capacity of treatment facilities is 120.0 thousand m³/day.

Drainage of Lutsk is done in 2 ways: generally flowed and separate. Collection and transport of wastewater is centralized by communal sewage system. The installed capacity of sewage is 160.0 thousand m³/day, actually 41.72 thousand m³/day of waste water is allocated. Sewage systems by self flowing and pressure sewerage are coming to HKNS-1, of which are transported to treatment plants. The city has in total 14 drainage basins. Sewage treatment plants are designed for full biological treatment of waste water from the purification in bioponds and subsequent discharge into the river Styr. The length of the main collectors is 54.6 km, of street network - 76.4 km, intra-district - 68.6 km. Much of the sewerage network (53%) is in poor condition. The housing stock is equipped with a centralized sewerage system at 86.9%. Manor land uses diggings. Departmental sewage treatment plants have "Gnidava sugar factory" - fields of filtration area of 95.83 hectares. These treatment plant receives wastewater from residential areas of sugar factory.

Public transport. Currently, the number of buses of brands Bogdan, Etalon and I-VAN is 262 units. Vans are not used. Average daily consumption of fuel is 15 liters per 100 km of mileage at a constant average mileage (300 km) in 2007 amounted to 24.7 thousand liters, and in 2011-2012, up to 14.15 thousand liters.

The largest company in the field of public transport is Lutsk electric company. As of 01.01.2012, the company carries out regular urban passenger transport by trolleybuses and buses. Vehicle fleet consists of 67 different brands of trolleys that are on the balance of the company and 151 buses of various brands that are on the balance sheet, leased or rented. Data on use of electricity and fuel by vehicles of the company in 2007-2012 are presented in Chart 2.
Visnyk 9, 2014

**Chart 2.**

<table>
<thead>
<tr>
<th>№</th>
<th>Energy (units)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 (6 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Diesel fuel (liters)</td>
<td>70815</td>
<td>1020016</td>
<td>812771</td>
<td>695829</td>
<td>795600</td>
<td>337200</td>
</tr>
<tr>
<td>2.</td>
<td>Petrol (liters)</td>
<td>11032</td>
<td>14988</td>
<td>12523</td>
<td>8255</td>
<td>11500</td>
<td>5800</td>
</tr>
<tr>
<td>3.</td>
<td>Gas (m³)</td>
<td>35623</td>
<td>45780</td>
<td>49738</td>
<td>33876</td>
<td>56200</td>
<td>10000</td>
</tr>
<tr>
<td>4.</td>
<td>Electricity (thousand kWh)</td>
<td>8392</td>
<td>7475</td>
<td>6698</td>
<td>5497</td>
<td>5652,8</td>
<td>2962,6</td>
</tr>
</tbody>
</table>

[Reference letter: Lutsk Electric Company from 10.01.2012 № 01/28, of 03.07.2012, № 04/1003].

**Outdoor lighting** of the city is provided by CE "Lutsk Electrotechnical Company - "Lutsksvitlo". In total, the city has 9 thousand lamps placed at 8.2 thousand supports. Length of outdoor lighting of the city is 600 km. State of outdoor lighting in Lutsk is characterized by large excess costs of electricity, low-light city streets, squares and public gardens in the evening and at night. Large losses of electricity for outdoor lighting of the city is due to the low efficiency of light sources and electrical networks. About 60% of lamps in the city do not meet modern standards of illumination. This situation has negative consequences, as when driving on the road at night or evening, or in poor visibility, the ability to distinguish objects directly on the road and surrounding area depends on the settings of street lighting. That is the existing lighting enhances the threat of road accidents.

**Chart 3.**

City costs for outdoor lighting

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-kind (mW)</td>
<td>2 975,303</td>
<td>2 461,649</td>
<td>2 707,149</td>
<td>2 801,471</td>
</tr>
<tr>
<td>In monetary terms (thousand UAH)</td>
<td>270,624</td>
<td>540,698</td>
<td>737,472</td>
<td>932,439</td>
</tr>
</tbody>
</table>

**Electricity supply:** Electricity supply to the consumers in Lutsk is made by the substation "Lutsk-Pivnichna-330" and substation "Lutsk-Pivdenna-220." Electricity consumption in the city through a network of 6010 kW was 478.280 million kWh.

**Chart 4.**

The supply of energy to consumers in Lutsk

<table>
<thead>
<tr>
<th>Consumers</th>
<th>Electricity, thousand kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total:</td>
<td>366 989</td>
</tr>
<tr>
<td>including</td>
<td>87 262</td>
</tr>
</tbody>
</table>
Thus, the role of local government in our view is seen primarily in order to create the conditions under which communal heating companies could attract very long-term investment funds in sufficient volume at the minimum rate that is above all, the loans from international financial and credit institutions. Local authorities should take part in negotiations with potential investors, create conditions to increase the investment attractiveness of the communal enterprises for electricity, heat, water supply and transport, to provide some assurance to the investor, to assume the part of risks or costs of insurance risks, to help the company with the provision of collateral, etc. And all the activities of local authorities in the field of energy saving should not be casual or sporadic, and based on a systematic approach and long-term planning. And primary document that define the system policy of local government in the long run, to set strategic goals in the long run, reveal sets of tactical objectives in the short, identify key stakeholders of energy conservation and the main focus of this process, will serve a municipal energy plan (MEP) [10].

**Areas of investment.** Lutsk is experienced in raising funds through the issuance of municipal bonds of home loan. In 2006 it borrowed 10 million UAH, 2007 - 30 mln UAH, 2009 - 10 million UAH. Unfortunately, as already mentioned, in the short term, this funding source is not available.

Among other sources of external financing in 2006 - 2009 one can name state funds, own company funds, borrowed funds of enterprises, institutions and organizations (investment, loans). Diagram 3 reflects the volume of funding of energy saving measures from the local budget for 2007-2009 and averaged prediction of financing of these measures for 2010-2012. Apparently, in the absence of a systematic approach to the implementation of energy efficiency measures in the city, foreseen levels of investment will not exceed 3.5 million UAH by 2012.

However, if you develop and implement a scheme of co-financing from external sources under the terms of the participation of the city at 25%, you can achieve more optimistic figures of investing in energy efficiency. Under these conditions in 2012 there will be possibility to finance energy saving measures amounting to about 14 million UAH. That is more than almost twice exceed the volume of funds allocated from the local budget for energy savings in 2008 (the maximum figure for the last 3 years), diagram 4.
In recent years and months, there has been growing interest in the local government for the implementation of energy efficiency in Lutsk. Thus, by the City Council decision from 06.06.07 № 14/14 was adopted 'Program for Energy Saving for 2007-2010", according to which in 2007-2010 there were implemented energy saving measures that did not require high costs. Measures that require large investments (in the scale of the city) are implemented only when a significant problem in the heating system will appear and be financed from the city budget.

Within the programme of energy saving there was created division for energy saving at city council, introduced a system of monitoring indicators for power consumption, implemented certain list of projects.

Dynamics of funds invested in energy efficiency measures and annual cost savings from the implementation are shown in diagram 5.
Diagram 5. Dynamics of investments in energy efficiency measures and the annual cost of savings from their implementation thousand UAH, 2007-2009

In the city in different sectors of economic activities there are implemented energy saving measures that are financed from various sources (state, local budgets, funds of enterprises, investments, loans). During 2009, the public sector implemented measures amounting to 407398 thousand UAH, industrial enterprises - 12140400 thousand UAH, the housing sector - 2349080 thousand UAH.

The structure for financial sources of energy efficiency measures in 2007-2009 is shown in Diagram 6.

Diagram 6. The structure for financial sources of energy efficiency measures in 2007-2009

However, the role of the municipality in the sphere of energy efficiency of the city is now very small, position - passive, functions mostly limited to monitoring, unsystematic funding of emergency energy efficiency measures. Investment projects rather have the character of demonstrational, and demonstrate not the effectiveness of energy saving, but the activity of local authorities [13]. It's better than nothing, but does not solve the problem of energy saving.
Consequently, the vast majority of local and regional administrations in Ukraine do not realize until the end of the importance and need for investment in energy efficiency and the role of, for example, the municipality in the process. Unfortunately, in addition to financial constraints, there are also limitations connected with the imperfection of the national legislative framework in the field of energy saving, inefficient management and other non-financial factors [11]. For this, in our opinion, there are two main reasons:

1. Economic weakness of tariffs. Adoption of rates is rather lengthy procedure, which involves, among other things, the publication of new tariffs in the media not later than one month prior to their approval.

   Also optional is a measure of public hearings. Public hearings are held to inform residents about the need to change the tariff, to familiarize participants of the hearing with the structure of tariffs and providing economic justification for its size. Only then rates may be approved. However, experience shows that during this time the components of company expenses may increase substantially. The cost of gas, electricity, materials and so on may increase. Therefore, the approved tariff will no longer meet the economically justified costs and be unprofitable.

2. Politicization of tariffs. Rate - is an economic category. All over the world at all times for all the goods (and services) was used a single economic law - increase the cost of goods or services is accompanied by increase in their prices.

   In Ukraine, the decision to increase tariffs for local authorities - this is primarily a political issue, which is influenced not only by economic factors but also issues of social protection of people, consumers of utilities, who this raising concerns.

**Conclusions.** Realizing the seriousness of the problem of global warming and the depletion of energy resources [5] and realizing the problem of an extremely large energy intensity of unit GDP in Ukraine and the importance of and the need for investment in energy efficiency the national, regional and local authorities need to expand its functions to implement for a full cycle energy management. State, local and regional authorities have come to understand the need for long-term system planning in energy saving and careful use of resources of the country, which is to develop strategic goals and priorities, compiling a list of investment projects and soft measures, their ranking according to the set objectives and priorities, developing business plans for investment projects, scheme of financing of high-tech, innovative projects. The latter includes the development schemes of the relationship between the city and Ukrainian and international financial institutions and development of tools for local borrowings (municipal bonds), private investment. Also, municipalities, first, must get
a positive experience in implementing projects in the field of energy efficiency, which could serve as a calling card at the stage of implementation of large-scale innovation and investment program.

Also regional authorities need to develop a set of measures (municipal and regional programs to improve energy efficiency) to stimulate energy efficiency of cities and regions of Ukraine. The cities of Ukraine could become effective customers of awareness campaigns and other actions in order to attract public attention to the problems of energy consumption and energy efficiency. **Real practical objectives of these programs could be:**

- reducing the consumption of energy resources for all cities and regions of Ukraine, not less than 30% of the fixed base level of consumption by improving the quality of services provided in heating to the current European standards. This proposal is formed by us in the results of practical analysis of baseline for growth of energy consumption in natural kind in Lutsk, by the way, compared to the baseline the real energy consumption in this city can be reduced by more than 40%;

- it is clear that local authorities by their own in the next year or two are unable to allocate large sums for the implementation of energy efficiency projects, even with an average payback period (3-5 years). However, low-cost point short payback projects (which will carry a pilot or demonstration character) local governments are fully able to finance and co-finance. The successful implementation of these point projects will become a hallmark of a municipality as an effective energy manager, and create the necessary credibility to potential private investors (including foreign), will allow to have a strong position to participate in international projects in the field of energy efficiency and conservation, that will attract investment from a low interest rate of the international financial and donor organizations;

- the formation of a new type of public thinking, based on an understanding of the value of consumed resources, awareness of the positive impact of resource saving for environment, education of awareness and responsibility in consumers of utility services. This will increase the effectiveness of the implemented projects and attract public funds available for the implementation of energy efficiency projects in the residential sector and the social sphere;

- increase of the financial capacity of local authorities, including through already implemented energy efficiency projects, reducing the discount rate (as the economy emerges from the crisis), enabling co-investment by private investors and international financial institutions, you can proceed with the project with long payback period (3-5 years);
- the redistribution of costs in regional and local budgets for financing energy efficiency projects by reducing payments for used energy;
- formation of conscious energy efficient public position as a major consumer of energy resources, with a particular focus on young people (students, pupils), as they are particularly active part of society, and that they will be consumers of the future;
- increasing the efficiency of energy management of cities and regional administrations, including through the involvement of employees of utility companies, budget organizations, the representatives of the associations of owners of apartment buildings;
- drawing up a list of energy efficiency projects and ranking them according to the degree of perspective implementation: in the short term (two years), medium-term (two to five years), long-term (five to fifteen years) perspectives. When ranking projects as one of the priorities is chosen the reduction in the emission of CO2;
- development of real schemes of financing for energy efficiency projects: ESCO, internal municipal loans, concession, transfer of operational management, leasing, etc.;
- creation of databases and feasibility of substitution of traditional energy sources to renewable and alternative, including cogeneration, finding and engaging stakeholders (manufacturers, extractive and processing industries (peat, wood waste, agriculture), environmental funds, etc.);
- development and implementation of the stimulating system for the most active participants in energy efficiency measures among budget organizations, government, private and public companies, individual residential buildings, etc.;
- enabling the transformation of energy efficiency projects and energy conservation on highly profitable business. This will create a domestic market of energy efficient technologies and equipment and fulfil the gradual modernization of the urban economy of Ukraine on self-supporting basis, with the return of investment from the actual economy;
- increasing the utilization of fuel, especially natural gas. The implementation where it is appropriate, combined production of heat and electric power - cogeneration;
- replacement of natural gas by local sources of fuel (peat, wood waste, agricultural waste, "green" energy), including renewable sources;
- reducing CO2 emissions, improving the ecological situation in the cities and regions of the country, approaching the EU standards in the area of environmental safety;
- improving the quality of energy services to European standards.
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THE PROCESS OF GLOBALIZATION AND ITS IMPACT ON THE
DEVELOPMENT OF RURAL TOURISM IN POLAND.

Article concerns the impact of globalization on the development of rural tourism in Poland in the Świętokrzyskie Voivodeship. The first part presents the general concept of globalization as a process. Globalization is shown sequentially in terms of tourism. The rest of the shows extensive statistical research on the topics: the essence of globalization, the main features of globalization, the biggest differences between the most developed countries of the European Union and Poland, the main benefits of globalization, the negative effects and drawbacks of globalization, the effects of Polish integration into the globalization process, the project, that must be addressed in order to intensify Polish participation in globalization. Further studies of the work touche Świętokrzyskie tourist farms in economic and managerial aspects. Data will be shown on the topics and will include tourists stay in farm tourism and tourist alternative forms of spending free time.

Key words: globalization, rural tourism

Стаття стосується впливу глобалізації на розвиток сільського туризму в Польщі в Свентокшиському воєводстві. У першій частині представлена загальна концепція глобалізації як процесу. Глобалізація послідовно описана з точки зору туризму. Інша частина показує детальне статистичне дослідження за темами: сутність глобалізації, основні риси глобалізації, основні відмінності між найбільш розвиненими країнами Європейського Союзу та Польщі, основні переваги глобалізації, негативних наслідків та недоліки глобалізації, наслідки польської інтеграції в процеси глобалізації, проект, до якого необхідно звернутись, щоб активізувати польську участі в глобалізації. Подальші дослідження роботи стосуються Свентокшиські туристичних ферм в економічних і управлінських аспектів. Будуть показані тематичні дані, які включатимуть перебування туристів на туристичних фермах та альтернативні форми проведення вільного часу туристами.

Ключові слова: глобалізація, сільський туризм
Статья касается влияния глобализации на развитие сельского туризма в Польше в Свентокшиском воеводстве. В первой части представлена общая концепция глобализации как процесса. Глобализация последовательно описана с точки зрения туризма. Другая часть показывает детальное статистическое исследование по темам: сущность глобализации, основные черты глобализации, основные различия между наиболее развитыми странами Европейского Союза и Польши, основные преимущества глобализации, негативные последствия и недостатки глобализации, результаты польской интеграции в процессы глобализации, проект, к которому необходимо обратиться, чтобы активизировать польское участие в глобализации. Дальнейшие исследования работы касаются Свентокшискые туристических ферм в экономических и управленческих аспектах. Будут показаны тематические данные, включающие пребывания туристов на туристических фермах и альтернативные формы проведения свободного времени туристами.

**Ключевые слова:** глобализация, сельский туризм

1. **The globalization impact on the rural tourism development in Poland.**

Globalization - the general processes leading to greater interdependence and integration of the countries, societies, economies and cultures, resulting in the formation of "one world", the world’s population, the disappearance of the nation-state category, shrinking social space and increase the pace of interaction through the use of information technology and rise of over-organization and international, in particular transnational corporations. The genesis of this process is invested in the era of geographical discoveries, made by Europeans in the fifteenth century, and seen in science it is only since the 80s Twentieth century, though, that the question of the creation of supranational agenda was taken at the beginning of the nineteenth century. Globalization as a real phenomenon by some scientists is viewed skeptically. It is also seen as something which give rise to new and unpredictable forms of risk, and increase social inequality around the globe or in individual societies. The effects of these processes are not fully recognized, it can lead both to greater homogenization of culture.

The term globalization is used to describe the changes in societies and the world economy resulting from the rapid growth of international trade and cultural identity. Globalization appears to decrease or even disappearance of the barriers between countries, thereby enabling the development of the country at various levels of the national economy, political and cultural. It is the result of political factors, social, cultural and economic. The globalization process is carried out in our dimension, almost surrounds us and affects our daily behavior affects our lives intimate and personal. In recent years, his development of tourism economy exceeded all other
sectors of national economy. The cultural dimension is closely associated with mass tourism development. Tourism economy are different types of business, close or partially dependent on travelers’ movement that could not be developed if not for tourism, the tourism industry as well understood as the production of goods and services strictly tourism, primarily related to accommodation, food, transport, sightseeing and recreation.

Increased migration, commercialization of cultural products and the spread of the ideology of consumerism, they have a huge impact on the development of tourism. In Poland you can see tremendous growth of tourism in all its aspects. Our state is becoming more attractive to other countries such as by a global mass media and development to enhance knowledge of marketing. Opportunity to communicate over the Internet, send multimedia files, or setting up websites such as the promotion of Polish regions causes a faster flow of information and the freshness of the data provided. One form of promoting the country are showing travel fair values for our country and getting information about other cultures.

Thanks to television and broadcast cultural programs and other public have access to our rich culture. It is a form of incentive to get to know our country and sending information about our rituals, customs and destroying stereotypes. Every young Pole, probably knows the password of a German travel agents: "Go to the Polish-Your car is already there." This is a typical example of the global impact of mass media and stereotypes, which can be summarized as saying: No matter what they say about you, it’s important to say. To say this shows the power of words and its penetration through the gates of the borders of different countries.

The inevitability of globalization demands to examine the relationship with the Polish society, the economy, including the farm tourism. The needs, attitudes, preferences, economic, conception and implementation of environmental management by the Świętokrzyskie region impinge on further development of tourism. Continuing the author’s empirical research conducted since 2000, provide reflections on the changes taking place in time. In relation to research conducted in 2008, essentially unchanged, the main internal conditions in Poland, as well as issues and problems related to both sides of globalization. Material presented in this study were enriched with threads of responsibility and countering the global financial crisis, economic and internal pathology.

2. The sample of Świętokrzyskie respondents and methods.

The study empirically extracted a representative sample of 280 people, inhabitants of the Świętokrzyskie region. Selection of the sample followed by selection
non-random – quota sampling method. As the main criteria for selection of empirical tests have been taken into consideration: sex, age, education and place of residence (Table 1) Respondents were interviewed by an interview with the revised questionnaire research. Specific issues are described in a variety of response options, evaluated by the respondents on a scale of 0 to 5 points: 0 meant the absence of a particular phenomenon, 2 is a poor rating, 3 - satisfactory, 4 - good and 5 - very good. The main study was preceded by a history of trial, so developed survey instrument used.

### Table 1

<table>
<thead>
<tr>
<th>SEX</th>
<th>Education</th>
<th>Place of residence</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>woman</td>
<td>51.4%</td>
<td>basic 31%</td>
<td>village 54.1%</td>
</tr>
<tr>
<td>man</td>
<td>48.6%</td>
<td>professional 24%</td>
<td>small town 8.8%</td>
</tr>
<tr>
<td></td>
<td>average 32%</td>
<td>county town 20.9%</td>
<td>36–45 12.5%</td>
</tr>
<tr>
<td></td>
<td>higher 12%</td>
<td>voivodship city 16.2%</td>
<td>46–55 14.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>56–65 12.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>66 &gt; 26.5%</td>
</tr>
</tbody>
</table>

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie Badanie jakości globalizacji 2009 – ekonomiczne i zarządcze problemy a agroturystyka

3. The needs, attitudes, preferences, economic and managerial.

The essence of globalization has most often been associated with the free flow of information and technology (the assessment of good or very good - a total of 61.7%) (Fig. 1). It was emphasized on the importance of action at common markets and work in other countries. The smallest range was associated with the deepening of globalization, inequality (rated 0 and 2 - a total of 39.2%), of making the rich richer and the poor - poorer, and the dependence of countries from each other. Strongly emphasized that as a result of globalization develop tourism and farm tourism stays (rated 5 and 4 - a total of 46.1%). The data obtained show a clear association with the globalization of tourism development. The main considerations is the issue of public education in order to fully understand the economic mechanisms, including the economic scale.

The main features of globalization mentioned the free transfer of technology and information (rated 5 and 4 - a total of 58.4%) (Fig. 2). Also noted the ease of purchasing products on a global scale and rapid scientific and technological progress. The smallest of recognized knowledge-based economy (rated 0 and 2 - a total of 20.8%), as determined by the possibility of minor decline of small farms and to respect the property rights of entities operating outside the country. Over 62% of respondents...
were confident (rated 5 and 4 in total) that the feature of globalization is the development of farm tourism. Interviewees testify to the continuing lack of faith in knowledge as the basis of economies. Keeping up - sometimes unfounded - uneconomic holdings reflected a belief in the stability of the small farms.

![Graph showing the essence of globalization.](image)

Fig.1 The essence of globalization

1. Common action on common markets.
2. The development of a world-scale business activities.
3. Making the rich richer and the poor - poorer.
4. Consistent customer demand for products in the world.
5. Joint development of education.
6. Free flow of information and technology.
7. Harmonization of standards, products, activities.
8. Cooperation in the manufacture and sale of products.
9. The disappearance of trade barriers.
10. Ease of access to raw materials.
11. Zoom competitiveness.
12. The spread of market economy.
14. Dependence of countries from each other.
15. New areas and forms of competition.
16. The free movement of finance.
17. Free movement of goods and services.
18. Taking jobs in other countries.
19. People get rich faster.
20. The spread of democracy.
22. Moving production to countries (economies) of cheap labor.
23. The main thing that people were good.
24. The main thing is to give people freedom.
25. Globalization has caused the current financial crisis, economic.
26. The development of tourism, staying in farm tourism.

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie
Badanie jakości globalizacji 2009 – ekonomiczne i zarządcze problemy a agroturystyka

Fig. 2. The main features of globalization

1. The inevitability.
2. Continuity and processes without a specific end date.
3. Absence of coercion.
4. Universality as a process of growing.
5. Rapid scientific and technological progress.
6. Free transfer of technology and information.
7. Creating a single market in the world.
8. The growing linkages between businesses, organizations.
9. The collapse of small farms.
10. The quest for the same level of education.
11. Easy to purchase products in the world.
13. The unification of consumption patterns and lifestyles.
14. Respecting the property rights of business operators outside the country.
15. The development of farm tourism.

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie Badanie jakości globalizacji 2009 – ekonomiczne i zarządcze problemy a agroturystyka

The biggest differences between the most developed EU countries and Poland were the amount of wages (rated 5 and 4 - a total of 57.4%), in a developed bureaucracy too and size of the unemployment rate (Fig. 3). The smallest differences were not represented Polish among transnational corporations (rated 0 and 2 - a total of 23.8%), staff qualifications and access of pupils / students to support teaching and research. Holdings of domestic stocks farm tourism (material, human, financial, informational), 41.2% of respondents identified as not being distinct or different in a very limited scope. Discussion is the question Polish participation in transnational corporations, which demonstrates the respondents to focus on micro-scale problems, their households and jobs. Contrary to a specialist opinions highly rated resources of native farm tourism.

Fig. 3. The biggest differences between the most developed countries of the European Union and the Polish.

1. Unemployment rates.
2. The quality of products and services.
3. Economic development.
4. The competitiveness of Polish products / activities.
5. The level of skills.
6. Funding research and implementation projects.
7. The amount of wages.
8. The level of technology development and technology.
9. Lack of support from the Polish government.
10. Farmers' lack of focus on one type of production.
11. The level of education.
12. Access pupils / students to support educational, scientific.
13. Too developed bureaucracy.
15. The level of infrastructure.
17. No representation on the part of Polish among transnational corporations.
18. Government policy, state institutions, including regional or causes
development of society and keeping it in good condition.
19. Government policy, state institutions, including regional or causes
development of a market economy.
20. Government policy, other state institutions, including a regional
to increase the state share of the market economy.
21. Resources tourist farms.

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie
Badanie jakości globalizacji 2009 – ekonomiczne i zarządcze problemy a agroturystyka

Fig. 4. The main benefits of globalization

1. Possibility of operating in foreign markets.
2. Increase the competitiveness of products / activities.
3. Convenience of purchasing products.
4. Larger inflow of capital.
5. Using the experience of the world’s best companies / organizations.
6. The modernization of the Polish economy.
7. Adjust production to meet the needs of the buyer.
8. The increase in intellectual capital.
10. Qualitative changes in the companies / organizations.
11. Inhibition of the bad climate change.
12. Reduce extreme poverty.
13. Solves the lack of raw materials and water.
14. Increase the efficiency of farm tourism.

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie
Badanie jakości globalizacji 2009 – ekonomiczne i zarządcze problemy a agroturystyka

The main benefits of globalization include the potential for market abroad (rated 5 and 4 - a total of 70.8%) (Fig. 4). It was also the convenience of purchase products and use the experience of the world's best companies and organizations. Received the lowest evaluation issues: climate change, poor braking (rated 0 and 2 - a total of 37.5%), solving the shortcomings of raw materials and water, and to diminish extreme poverty. 67.4% of patients (rated 5 and 4 in total) identified as the apparent benefit of increased efficiency of farm tourism. These data indicate a deepening awareness, the advisability of using the best solutions and macroeconomic thinking. Globalization is determined uniquely by most respondents as the forcing efficiencies of farm tourism.

The world's largest successful companies were listed as the greatest negative effect and drawback associated with globalization (assessments 5 and 4 - a total of 53.4%) (Fig. 5).

Fig. 5. The negative effects and disadvantages of globalization

1. The rise in unemployment.
2. Winning the world's largest companies.
3. Deepening economic losses.
5. Loss of family values and traditions.
6. The subordination of the rights of national interests of global corporations.
7. The increase in the cost of certification, standardization and licensing.
8. Transfer of technology to Polish uneconomical.
9. Reliance on non-national world.
10. Increasing gap between rich and poor.
12. The crisis the idea of a sovereign state.
13. The dominance of the U.S., western lifestyle.
15. Manipulating the needs of the consumer.
17. The economic crisis.
18. We need a real opposition - the social movement against negative effects of globalization, excessive economy marketization.
19. The disappearance of local cultural heritage of rural tourism.

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie Badanie jakości globalizacji 2009 – ekonomiczne i zarządcze problemy a agroturystyka

There were some concerns about the purchase of land by foreigners, increasing gap between rich and poor. Respondents did not see the risks associated with no need for a genuine opposition - the social movement against negative effects of globalization, excessive economy marketization (rated 0 and 2 - a total of 29%).

They did not observe the economic crisis around them (tests were performed during February / March 2009) or to manipulate the consumer’s needs. Significantly revealed concerns the loss of local cultural heritage of rural tourism (5 and 4 assessment – including 54.9%). Posts respondents argue sometimes fierce condemnation of unethical running large global enterprises. It caused the financial and political crisis. Symbolic attachment to their native land has not yet been replaced by a sense of European community or communities in the world. Threats to the cultural heritage for the benefit of rural tourism force to identify those parts of the heritage that must be protected, and consistency of implementation.
The tourist farms benefit most domestic tourists (Fig. 1). Tourists constituted a small proportion of foreign tourists, with positive attitude guests base. This causes the target fundamentality of product, as well as marketing communications foreign tourists. The most important segment of visitors were families with children and young people - Groups of people aged 19-59 years. The potential participation of young people made a minor and children to 11 years of age, for which they are so organized green schools and other stays. Contrary to popular belief of tourist farms has hardly used pilgrims and clergy. Leading farmhouses were mostly women with a mean education, living in rural areas, in the age range 46-55 years. These data indicate the choice means and ranges of the impact of activation of these people, as well as the optimization target of farm tourist offer.

Most tourists go hiking and walking, satisfied with homely atmosphere (Fig. 2). Important as were the expectations of tourists to improve their health (according to the tourist base of recreation and sport should be expanded). Interests tourists were related to cultural tourism and cycling (demarcation and development of hiking trails and cycling). Staying in this area did not relate to people with disabilities (not used
multidimensionality of the tourist product quality), specialized tourism and related with technology.

Fig. 2. What do tourists staying in farm tourism households in Świętokrzyskie area usually use.

Scale: 5- very good, 4- good, 3- sufficient, 2- bad, 0- no assessment.

a- hiking, b- farm tourism, c- improve the health, d- cultural tourism, e- cycling, f- holy places, g- other form of tourism, h- treatments, i- trades, j- work, k- youth education, l- techniques, m- climbing, n- literary trails, o- disabled tourism,

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie Gospodarka agroturystyczna – aspekty ekonomiczne i zarządcze

Crucial for obtaining loyal agritourists are local tourist attractions, organized and employ staff to handle tourists (Fig. 3). Top are: Dinosaur Park JuraPark Balts (figures of prehistoric animals natural size, rafting, etc.), caves and outdoor events. untapped wealth appear to be unique handicraft workshops, exhibitions (such as herbs), and exhibitors variable exposures.
Fig. 3. Evaluation of advantages of tourist attractions and services of Świętokrzyskie area by farm tourists.  

Scale: 5- very good, 4- good, 3- sufficient, 2- bad, 0- no assessment.

a- Jurassic Park Bałtow, b- caves, c- outdoor events, d- holy places, e- castles,  

f- manor houses, g- gardens, h- museums, i- centers of tradition, j- music clubs,  

k- ethnographic parks, l- historic farmsteads, m- exhibition, n- underground tourist route,  

o- cultural centers, p- galleries, r- cinemas, s- memory board, t- memory points,  

u- regional chambers, w- exposures, x- theaters, y- library, z- centers, ź- exhibitions bureau  

ž- art studios.  

Source: Janusz Feczko Uniwersytet Pedagogiczny im. Komisji Edukacji Narodowej w Krakowie  
Gospodarka agroturystyczna – aspekty ekonomiczne i zarządcze

4. Conclusion

The farm tourism base in Świętokrzyskie voivodeship systematically is unrolling, but far for its still to the excellence, because the quantitative height isn’t interfacing fully with the qualitative improvement and diversifying the offer. On this field it is still a lot for doing, but it requires cooperating on the part of entities which are affecting its development and the effectiveness of action. The scale of its activity doesn’t usually assume the largeness, therefore is advantageous from a point of view of the sustainable development. Simultaneously the farm tourism is one of forms of the entrepreneurship development in Świętokrzyskie area, letting increase incomes of the
agricultural population and better use of having resources. Taking these relations into consideration, many persons show the needs of farm tourism development as the factor of structural transformations. It should treat reviving contemporary regional cultures as reply of the population to consequences of the processes of globalisation. In contrast with the processes of globalisation the new regionalism is fulfilling aspiration of the local communities, concerning the autonomy of the region, of its economic development and individual needs of residents.

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RESEARCHING SOCIAL CAPITAL: INTERDISCIPLINARY APPROACH

The article examines new prospects for the development of such popular in economics and sociology concept as “social capital”, specifically an attempt to define the disciplines through the prism of which could still learn more about social capital and the possibility of its practical application in the world as well as in Ukraine.

Keywords: social capital, trust, social networks, institutional development, social responsibility of citizens.

General statement of the problem and its connection with important and scientific tasks. The XX century become very effective in searching for adjectives for the category “capital”. Such concepts like “human capital”, “social capital”, “intellectual capital” and etc. came in sight. Social capital took the special place in such line like social networks and the interconnection between them in the society. In the 1980 Pierre Burdie was the first who introduced this concept in the turn for the designation of social connections, which can be appear like the resource for the receiving of benefits. Many studies have appeared, primarily from economists, where attempts are contained to analyze comprehensively the importance of social capital in that regard, that it reduces the costs of coordinating joint activities, replacing contracts, formal
rules and bureaucratic procedures, trust relationships, internalized professional standards, ethics, communication - those informal norms that are transmitted cultural traditions and education. Among them particularly allocated early works of foreign scientists: P. Bourdieu, J. Coleman, R. Putnam, F. Fukuyama [1-4]. No less interest for the social capital have shown socialists M. Granovetter and R.Burt [5-6], who investigated structural nature of social capital. Interesting works of such scientists-psychologists as A. Tatarko, A.Bielyanin, V. Zinchenko [7-9] has appeared in recent years. Ukrainian researches A.Chemerisa, V.Chepak, N.Chernish, E.Gugnin, A.Kolodiy, M.Lesechko, U.Privalova, O.Sidorchuk and O.Ubeyvolk [10 – 16], made valuable input into basis of “social capital” concept.

However, analysis of separate sciences results shows that it's impossible to understand the essence of social capital, basing just on the investigation methods of one science. This category needs multidimensionality of investigation, which is achieved by interdisciplinary approach, different investigation methods, which, supplements each other, can give objective picture of social capital.

The aim of our article is to make more precise essence of “social capital” category and to substantiate those aspects, which need to be illuminated while different educational disciplines studying, for students forming of complex notion about social capital from the one side, and skills of practical usage of obtained knowledge from another.

The social capital phenomenon has been discussed in Western economic literature during the last few decades not only by economists and sociologists but also attracts psychologists. Nowadays scientists try to analyze the social capital using the tools of game theory and mathematical statistics, turning to the terms and concepts of the humanitarian and life sciences, behavioral economics. Wherein significant complexity of concepts variety analysis there still not exist unified and clear definition of “the social capital”. In the existing variants first of all are allocated such factors as an intensity and power of contacts, a membership in social associations, an electoral activity, satisfaction by relationships, compliance with the rules of reciprocity, essence of security, culture, social networks, volunteer associations, the human capital etc. Moreover, only from the point of view of the economics and sociology are allocated four basic concepts in social capital study (Picture 1).

Such difficulties may be explained by disciplinary disunity in research, the lack of information about the relationship between different aspects, research methods etc. To overcome these semantic conflicts as an alternative strategy A. Tatarko proposes to
consider the concept of "social capital" not through the prism of strict definitions, but through gnoseologic metaphor that helps systematize the gathered data.

<table>
<thead>
<tr>
<th>P. Bourdieu, A. Tocqueville, G. Simmel, E. Durkheim, M. Weber</th>
<th>J. Coleman: “public good that is created by a rational individual for achieving a self-profit”</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASIC SOCIAL CAPITAL CONCEPTS</td>
<td>Picture 1. The concepts of socio capital (generalized by author)</td>
</tr>
<tr>
<td>F. Fukuyama, World Bank: “individualistic approach: social capital as a sum of individual indicators”</td>
<td>R. Putnam: “three-way model of social capital: the reciprocity norms, trust and social networks”</td>
</tr>
</tbody>
</table>

It seems to be interesting to analyze the existing approaches, not only to describe the theories - it is done repeatedly, but to find the "sign system", paradigms, through which it could be possible to form the criteria of social capital, more fully describe all the facets of this phenomenon. The works on the conceptualization of social capital can be grouped into four main approaches: the communitarian, network, institutional, synergistic [17].

**Table 1**  
Theoretical approaches to the study of social capital

<table>
<thead>
<tr>
<th>Phenomenology</th>
<th>Actors</th>
<th>Regulations of the Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communitarian approach</strong></td>
<td>Local community-based organizations, Voluntary organizations</td>
<td>The more, the better Explore the social assets of poor people</td>
</tr>
<tr>
<td><strong>Network approach</strong></td>
<td>Business groups, information brokers</td>
<td>Decentralization, creation of urban enterprise zones, the elimination of social boundaries</td>
</tr>
<tr>
<td><strong>Institutional approach</strong></td>
<td>Private and public sector</td>
<td>Provide civil and political liberties Transparency and accountability of institutions</td>
</tr>
<tr>
<td><strong>Synergetic approach</strong></td>
<td>Local communities, civil society, companies, state</td>
<td>Co-production, complementary participation, communication, increasing role and size of the local organizations</td>
</tr>
</tbody>
</table>

The authors of this approaches categorization in the study of social capital argue that among the four selected approaches only synergistic, with its emphasis on the
inclusion at different levels and dimensions of social capital and its recognition of both positive and negative results, which may cause social capital, has the most empirical support and will best support the creation of a comprehensive and logically based methods.

The post-Soviet studies scientific literature, around the social capital represents the following four approaches: a socio-anthropological (instinctive striving of people to unite), sociological (social norms and sources of motivation of human behavior with a focus on social networking), economic and institutional (individual utility maximization with an emphasis on investment strategies of the individual in accordance with the alternative possibilities of using the time) and politologic (the role of institutions, political and social norms in forming the human behavior)[18].

Returning to the subject of this article, it is necessary to introduce the field of those disciplines through which it's seems necessary and scientifically appropriate to the study the social capital (see Table 2). This table is one of the first attempts to delineate the area of our prospective research.

In addition to the above-mentioned disciplines, social capital could be explored by the experts in such areas as: philosophy, psycholinguistics, rhetoric, imagology, anthropology and ethnology.

Nowadays the general methodology of social capital research and its measurement not yet formed. This situation affects the quality of researches, as well as their interpretation. Another problem is that social capital can be a consequence of economic and institutional development (and not vice versa), and hence its importance may have a secondary role.

Table 2

<table>
<thead>
<tr>
<th>Discipline, within the frame of which the social capital could be studied</th>
<th>Studied aspects</th>
<th>Possible area of gained knowledge application</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Economics (classical and behavioral) and management</td>
<td>- image and reputation; - public goods; - the impact of business clubs and associations into the market; - the impact of social capital on the formation of corporate social responsibility; - the impact of social capital on particular skills transfer and mentoring.</td>
<td>- dissemination and compliance with the rules of business etiquette; - preparation of corporate codes of conduct</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| 2. | Psychology | - the impact of social capital to the patterns of behavior;  
- the mechanism of the formation of the trust;  
- personal optimism and social capital;  
- the linkage between the social capital and features of dialogue and communication skills;  
- the impact of social capital on willingness to help;  
- creating a sense of responsibility;  
- group dynamics in the formation of networks;  
- the interrelation of social capital and the need of belong to a group / society. | - organizational behavior;  
- mob psychology;  
- psychotherapy;  
- assistance in setting up the necessary communication skills;  
- the formation of group affiliation;  
- training;  
- team building. |
| 3. | Sociology | - free-will associations of citizens;  
- the activity of non-governmental organizations;  
- youth movements and associations;  
- the phenomenon of volunteerism. | - problem-solving around common utilities;  
- promotion of charity events and community initiatives. |
| 4. | Ethics | - "credit of good deeds";  
- respect;  
- a sense of duty and pay for good;  
- tolerance;  
- belief in "good" people. | - the formation of national values;  
- the formation of a civil etiquette, including through the TV and the media;  
- promotion of charitable and social projects. |
| 5. | Cultural studies | - peculiarities of the world perception through the concept of us-them";  
- archetypes and traditions of trust;  
- Traditions of communication;  
- Tradition of formation, development and the existence of networks between people. | - the formation of the cultural development programs in Ukraine. |
| 6. | Political science and administration | - transparency and accessibility of information about political leaders and their values;  
- the ability to communicate with politicians and the construction of social capital in which they are directly involved on an equal basis with all members of the group / society;  
- the impact on the well-being. | - lobbying;  
- the formation of the public supervisory authorities. |
|   | Theology and Religious Studies | - the canons of building relationships in different religions (e.g. the belief in a favorable outcome, and "automatic" trust to people)  
- the concept of "a good man". | - the reform program of the church;  
- the program of strengthening and development of church communities. |
|---|----------------|---|---|
| 8. | Game Theory and modeling | - the best strategies exploration to build a networks in the community;  
- Evaluation and calculation of profits and losses from the possession of use of social capital. | - the development of artificial intelligence;  
- analysis and decision-making in uncertain situations;  
- cybernetics. |
| 9. | Ethology | - the study of animals’ communication patterns;  
- the study of animals’ group dynamics;  
- the strategy of the group to survive and solve pressing problems in the animal world. | - sociobiology;  
- behaviorism;  
- comparative psychology. |
| 10. | History | - historical lessons of creation and development of social capital through the study of historical events and activities of the state and public institutions;  
- exploring the interrelationships between the various historical events within the analysis of the social capital impact. | - development of new approaches for the study and teaching of history, using analysis and cause-effect relations. |
| 11. | Pedagogy | - the impact of social capital level development on the formation and development of the citizens’ personality in a country;  
- the impact of social capital on the country’s education and training of citizens. | - Development of standards of education in accordance with the requirements of the time. |
| 12. | Legal studies and law | - the influence of social capital level development on the crime rate and the laws compliance in the state;  
- the impact of social capital level development on the practice of lawyers;  
- The impact of social capital level development on the understanding of their rights and freedoms by citizens and their effective application. | - the formation of standards and code of ethics for lawyers and specialists involved in lawmaker. |
| 13. | Digital Humanities | - the impact of social capital level development on the human mankind heritage knowledge distribution through the networks, including social ones. | - promotion and dissemination of knowledge through social networks. |
Past experience of the civil society evolution, the difficulties of creating an atmosphere of public trust, the high cost of the social institutions inefficiency in our country, convince us that the theory of social capital in principle applicable to understanding the ways of the modern Ukrainian society development and should be integrated in the unified system.

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Michal Fabus,  
Katarina Jankacka

THE INFLUENCE OF THE ECONOMIC CRISIS ON SELECTED AGRICULTURAL INDICATORS IN SLOVAK REPUBLIC

The present economic situation in highly developed world countries can be influenced by the great economic crisis to a great extent. The most of economic sectors recorded the expressive break of economics results in consequence of great working places decrease, great fall of revenue from sales and the consequential fall of demand and private investments. The Slovak republic has recorded the expressive fall of economic results mainly at following sectors – machinery and automotive industry, building industry and agriculture. The following article can analyzes the
development of job vacancies and also the development of gross nominal wage in the consequence of individual sectors of Slovak national economy.

**Key words:** agriculture, wage costliness, employment, job vacancies, total agricultural production

**Introduction.** According to EU methodology is considered production agriculture industry, which uses the means of production, labor, technology, know-how and the production of semi-finished products or services of some sort. (Varoščák)

According to Buček et al. (2010) original objectives farms employ more people under any circumstances, regardless of qualifications, assessment of wage and labor productivity are gradually replaced with the current effort to create better employment opportunities associated with technological innovation, increased productivity and higher wages, which are demanding on the skills and knowledge of employees. This approach caused a significant decline in the labor force in agriculture.
from the original almost 20% of the working population of early 80-ies of last century to today's 4.6%. (Green Report).

The EU Member States, market intelligence reports agrarian Slovakia working in agriculture less and less workers. One of the most significant decreases in agricultural employment recorded Slovakia in the years 2000 to 2009 Slovakia, up by 43% and the negative balance of foreign trade with the agro commodities doubled since 2006. (Report Agrarian market information of Slovakia). This situation was reflected weaker agricultural management entities in recent years.

According Spišiak, P. (2007) in economically developed countries with close linkage to other sectors, agriculture accounts for a farm worker for 15 to 20 people working in other sectors. In developing countries, is inefficient agriculture employed more than 50% of the economically active population.

The aim of Article is to highlight the extent to which affected the economic crisis and its associated decline in economic performance of the national economy affected the employment rate and the number of workers available in the agricultural sector in the Slovak Republic.

Results and discussion. The new countries of the European Community and in particular the former post-communist countries with rural and agricultural character of the landscape also seeking a stable position in the agri-food markets of the European area, which was reflected in an increasing competitive pressure on agricultural subjects. Accompanying feature in order to survive in the fierce competition agro producers the efficient use of production factors, natural conditions and the corresponding production structure, which is often reflected in downsizing staff, use of seasonal labor and increasing the extent of unpaid work. In the development of agricultural employment are equally evident Varočšáka by two major factors:

- The large decrease
- Increasing the share of unpaid work in total employment in the agricultural sector.

The following graph provides us with information on the development of agricultural workers.

The graph shows that in the years 2004 to 2009, the number of permanent staff was lowered by one third. The same trend was seen also in the number of workers to the agreement, the state during the period reduced by one quarter. While the permanently employed workers, the number of employees in the plant production
decreased by approximately 20% of workers in animal production, this number decreased by more than 32%. The result is a reluctance to deal with farms and livestock production batch of leaving the business and also the inability to compete on price with a significant influx of cheaper animal products from overseas. We see downward trend even workers of the agreement; because a fall permanently employed workers have recorded a decrease of the amount of disbursements up to a value of 2004. Despite the decline in the headcount by 25% of the agreement show only a slight (4%) decrease in the wage demands of workers.

Graph N. 1 Development of agricultural workers in Slovak republic

*Source: Statistical Office*

In the chart below we can see the different evolution of labor demand for permanently employed workers and workers of the agreement.

Graph N. 2 Wage costliness for different types of agricultural workers in Slovak republic in tis.Eur

*Source: Statistical Office*
The graph shows that during the period until 2008, the growth of nominal wages of agricultural workers by about 9%. Despite this fact, the growth in average wages in this sector is very slow due to the reduction of staff for the period of about one-third. Conversely, between 2008 and 2009 there was a significant annual decrease in average wages by 9%, due to a significant reduction in sales of agricultural operators in some regions of Slovakia to almost 25% compared to the 2007th.

Average wage in agriculture since 2004 has seen a 30% increase, while in 2009 and 2010 year-increased by only 1.2%. The average monthly wage of agricultural workers long oscillates around 80% of the average wage of the national economy. In 80% of the monthly salary of the national economy in 2008, its share for 2010 decreased to 77% of wages in the national economy. Sales of farm for past-year period increased on average by 6.5%, while in some regions of Slovakia increased by almost 20%.

Although in the period occurred in the agricultural sector decreased employee wages (what informs the following table) "from the cost side, the economic optimum that amount, generated by the labor market in the Slovak countryside, characteristic excess of supply of less skilled and less mobile workforce." (John Vároščák)

Another sign of increasing pressure to streamline the Slovak agriculture is a declining proportion of wage employees in the performance of the total agricultural production at current prices expressed in euro. Development of wage burden on agricultural output is shown in the chart below.

![Chart no. 3 The share of wages in total agricultural production in %](source: Green Report Ministry of Agriculture, Statistical Office)
Wage costliness of total agricultural production was declining until the entry into the EU. By 2008, the fluctuating nature, but in 2009, has significantly increased due to the significant decline in total agricultural production in Slovakia. At the same time by Varoščák share of salaries in total agricultural production points to a relatively high rate part-time work in Slovak agriculture.

Workers released from permanent employment in agricultural subjects are either hired for seasonal work, based business or are registered in the unemployment register. In 2008 were unemployed in the last employment in agriculture, 3.5% of the total unemployed, in 2010 unemployment of people with the last employment in agriculture increased by almost 2,000 people share in the growing total number of unemployed remained unchanged.

During the period 2008 to 2010 but decreased significantly due to the economic crisis, the reduction of revenues from agricultural production and also decrease the total agricultural production number of vacancies in agriculture, and by almost 50%.

Table N.1

<table>
<thead>
<tr>
<th>number of job vacancies/sector in persons</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>national economy together</td>
<td>24798</td>
<td>17310</td>
<td>13424</td>
</tr>
<tr>
<td>agriculture</td>
<td>192</td>
<td>136</td>
<td>100</td>
</tr>
<tr>
<td>industry</td>
<td>5477</td>
<td>2223</td>
<td>2430</td>
</tr>
</tbody>
</table>

Source: Statistical Office

Graph N. 4 Number of free job vacancies in various sectors in persons

Source: Statistical Office
The same trend was also seen in an industry where there was a decrease in vacancies of almost 60% between 2008 and 2009. By 2010, however, there was a slight increase of 8%. This significant decline was due to the enhanced global economic crisis. Consequences of expanding globalization processes are also listed. In Slovakia, this trend affected most automotive engineering and manufacturing, but to a lesser extent, affected all sectors of national economy. The national economy recorded Slovakia in the period a decrease in vacancies by almost 50%. While in 2008 a vacancy in the National Economy accounted for approximately an average of 10 unemployed people in one place in the agricultural sector was almost 60 unemployed. In 2010 the national economy in one place seemed almost 30 unemployed in agriculture was 127 unemployed.

**Conclusion and summary:**

The global economic crisis has left its impact in almost every economy and within it in almost every sector. Most affected by the industry and engineering, but because of interconnectedness consequences borne by all sectors of national economy. In agriculture, by the year 2009 recorded a relatively significant drop in agricultural production and consequently the revenue from the sale of agricultural products. This situation also affected the agrarian labor market and causing a further departure from permanent agriculture workers.

The Slovak stabilize farm growing competitive pressure on the part of better-foreign agro producers whose prices implementations of its products on our market is not easy to accomplish, let alone undergo, approaches to the economics of the manufacturing process, which often reach the detriment of other important indicators. The global crisis has convinced us that the performance of agriculture is to some extent affected performance of the entire national economy. If claims Varoščák as performance enhancers of Economy can be considered an external factor income growth in agriculture, net value added factors of agriculture and agriculture employment are the internal drivers. In this sense it is very important to assess whether in predominantly producing structure in which "dominated" legal person is not be considered "significant" success of the agricultural sector in developing agricultural income.

The paper is the output of a scientific project VEGA no. 1/0594/11 „An influence of support policy on several chosen economic indicators of agricultural enterprises in Slovak republic“.
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UDK: 330.357

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THE STATE ROLE IN GLOBALIZATION PROCESSES

The article focuses upon the state role in forming economic policy and promoting the economic growth basing upon the existing theoretical foundations, and also it considers the main obstacles to effective economic policy in Ukraine. The article also looks into how the effective government regulation can promote the economic growth.

Key words: economic growth, economic policy to promote growth and quality of state regulation.

Стаття присвячена побудові концептуальної схеми формування економічної політики сприяння економічному зростанню національної економіки на основі теоретичного узагальнення існуючих підходів, а також визначенню основних перешкод формування ефективної економічної політики в Україні. Крім того, розглядається взаємозв’язок якості державного управління та економічного зростання.
Introduction. Globalization is the characteristic of modern times. Despite different views on globalization processes impact upon the world economy it is vital to realize its inevitability. Economic growth regulation is the sphere that should carefully take into account all globalization challenges, such as increased competition due to monopolies-multinationals, humankind social problems (world population income differentiation, the lack of labor force, aging and so on)

Under such circumstances in terms of economic growth it is necessary to identify the role of the state in forming proper economic policy and how it can promote the economic growth dealing with globalization.

Previous studies analysis. A plethora of Ukrainian scientists theoretically researched the role of state in the sphere of economic growth: R. Abdullin [1], T. Ephimenko [2], B. Panasyuk [3], Yi. Radionova [4], O. Stoyko [5].

State regulation issues have been studied by the following academics: D. Kaufman, A. Krau M. Mastruzi [6], V. Papp, I. Konoplova [7], M. Chernuha [8].

Research methods. Ukrainian scientists stress that state economic growth that leads to the GDP increase directly depends upon population welfare improvement. [2, p.4]

As for the state role in economic growth there exist two approaches. The first one is based upon econometric models that allow seeing in what ways the state impacts economic processes.

The second one is based upon macroeconomic models modification and tries to include the state in endogenous growth model. This approach also uses comparative analysis methods, that identifies common economic growth traits in different states and analyses the ways to enable economic growth. [4, p.33] Yi. Radionova
distinguishes the following aspects of state participation in sustainable endogenous growth processes:

- manufacturing services that impact economic dynamics;
- externalities that lead to differences between public and private resources allocation;
- economic growth and private/public sector growth can be reached in this way by equal public and private resources allocation;
- to reach growth it is vital to resort to tax collection: income taxes and single tax return from manufacturing and while rendering any type of services [4, p. 42].

R. Abdullin focuses upon institutional traps that hinder sustainable economic growth: dependence on the old trends, professing the postulates of neoclassical school which Ukraine took as the basis for macroeconomic policy in early 90s of 20th century [1].

B. Panasyuk also stressed that it is vital to change monetary approach to Keynes one while dealing with economic processes in Ukraine. [3]

Many Ukrainian and overseas academics focused upon the issue of current economic management in Ukraine took into account its drawbacks and proposed the ways to improve it. O. Stoiko proposed necessary changes in state institutions [5]. D. Kauffman, A. Krau, M. Mastrusi advise to consider World Bank experience to evaluate the state regulation effectiveness [6].

Despite profound theoretical studies in this field there still remain the issues to be concerned. Firstly, what are the obstacles that prevent Ukraine to achieve robust economic growth? What is the role of state in dealing with economic regulation? What are the main peculiarities to form adequate economic policy in Ukraine?

While focusing upon this issue we used general cognition methods. We resorted to comparative analysis to look upon the world economic growth trends and to evaluate the effectiveness of government regulation in Ukraine. In such way we aim to identify the concept to promote national economic growth.

**The purpose.** The article focuses upon the state role in forming economic policy and promoting the economic growth basing upon the existing theoretical foundations, and also it considers the main obstacles to effective economic policy in Ukraine. The study also looks into how the effective government regulation can promote the economic growth.

**Research results.** Economic system functioning depends upon two interdependent processes: economic growth and economic development. Each of the processes has its multiple elements, factors and subfactors system. To ensure national
economy functioning three reflexive elements are used: state economic policy, economic growth models subsystem and strategies for economic growth.

Our research focused upon basic means to form state economic policy that aims to boost national economy growth. In general terms economic policy is what the state does for country’s economy. In details economic policy is the part of political process. The state influence upon the economy and whether this policy is effective is determined by the interdependence of its elements [9].

As we know state economic policy main aim is to ensure sustainable growth. To ensure competitive economy development it is vital to establish state solid economic regulation system.

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Fig. 1. The economic policy formation conceptual scheme to promote national economic growth
Government economic regulation implies control upon all entities to ensure their smooth operation applying effective strategies. Currently it is import to rationally use all the resources in complicated economic conditions [1].

To establish such effective state regulation system market regulators (supply and demand, market price, competition) should act in unison with state and regional regulators (legislative, executive and judicial). Fig. 1 illustrates the economic policy formation conceptual scheme to promote national economic growth built upon the theoretical studies of B. Panasyuk [3] and M. Chernukha [8].

Some scientists point out that state economic regulation issue is rhetoric and they stress upon the necessity to find the actual balance between state regulation and market mechanisms that would bring the maximum effect [7, p.46]. In this way the state will receive the best possible strategy for economic development.

Such approach is based upon the 20th century 80s-90s economists theoretical studies that focused upon the state role in regulating economic development and growth. Researchers considered the state long-term favorable effect upon the economic growth, the ability of state to offset the production factors boundary feedback hereditary nature during extensive economic growth; they tried to resolve the dilemma of increasing aggregated supply at the expense of the state to stimulate economic growth and necessity to raise taxes to finance these budget needs. All these factors negatively influenced economic growth.

It is worth mentioning, that talking of state regulation we mean the ways of state impact upon all entities and change of such policies if any obstacles appear. Regulation also includes legislative control, social entities activities coordination, protection of their legitimate rights, setting of priorities [8, p.276].

There are 3 main barriers that hamper the effective economic growth in Ukraine. The first is the difficulty to find the balance between the state regulation and market mechanisms. If it is possible to predict the state leverages impact upon the economic system it is difficult to do the same in terms of market mechanisms. Thus the state should indirectly impact the market by specifically regulating the economic entities activities. Here it is necessary to form proper state regulation policy which would enlist effective power institutions [7, p.46].

Since the end of 80s international organizations many times tried to draw attention to the issue of effective institutes establishment that would enable economic reforms to succeed. World Bank underlined that the state regulation quality is decisive factor for economic growth. The prior aim of the state institutes is to establish the balanced norms for economic interaction, to build fair legislation and to establish
powerful financial structures, to ensure open competition and right property ownership control [5, p.631].

Although the concept of governance is widely discussed, there is no consensus regarding single definition of state regulation or institutional quality. Various authors and organizations have produced a wide array of definitions. Some are so broad. For instance World Bank’s 2002 World Development Report "Building Institutions for Markets" suggested the following: "State regulation is rules, enforcement mechanisms, and organizations". Previously in 1992 World Bank proposed the subsequent definition: "Regulation is the manner in which power is exercised in the management of a country’s economic and social resources for development". [6, p. 5]

Taking into account the terms mentioned above The World Bank has established the state regulation criteria and annually publishes the corresponding rating. Table 1 shows 3 spheres of state regulation, that are taken into consideration while comprising WGI. Each of the spheres is evaluated by two institutional indicators. State regulation quality in Ukraine for 2012 is also given in the table.

Table 1.

World Bank state regulation efficiency rating (based on materials [6], [10])

<table>
<thead>
<tr>
<th>Areas of governance quality</th>
<th>Dimensions of governance</th>
<th>Ukraine *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 1996 2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 3 4</td>
</tr>
<tr>
<td>(a) The process by which governments are selected, monitored, and replaced:</td>
<td>1. Voice and Accountability (VA) – capturing perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.</td>
<td>0.35 0.4</td>
</tr>
<tr>
<td></td>
<td>2. Political Stability and Absence of Violence/Terrorism (PV) – capturing perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.</td>
<td>0.19 0.4</td>
</tr>
<tr>
<td>(b) The capacity of the government to effectively formulate and implement sound policies:</td>
<td>3. Government Effectiveness (GE) – capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.</td>
<td>0.25 0.3</td>
</tr>
<tr>
<td></td>
<td>4. Regulatory Quality (RQ) – capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.</td>
<td>0.39 0.3</td>
</tr>
</tbody>
</table>
(c) The respect of citizens and the state for the institutions that govern economic and social interactions among them:

5. Rule of Law (RL) – capturing perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

6. Control of Corruption (CC) – capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

* Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

In addition fig.2 presents this rating results for Ukraine from 1996 to 2012. To build this graph we have used Estimate of Governance rate (ranges from approximately -2.5:(weak); to 2.5:(strong) governance performance).

As for Ukraine's state regulation these rates are not quite positive. We have seen the insignificant improvement from 2004 to 2007. During the times of 2008-2009 world economic crisis these rates decreased and now differ from the estimates made...
Thus the priority objective is to develop such schemes that would enable to formulate optimal policies for state institutions.

Analysing these rates and GDP dynamics in a certain period (fig.3) we have come to conclude that there is no significant correlation between real GDP increase and Voice and Accountability, Political Stability and Absence of Violence, Regulatory Quality, Rule of Law, Control of Corruption rates.

In addition, Mr. Barro as the author of modern economic growth model analysed the impact of these parameters upon economic growth. The calculations made by Mr. Barro prove that political freedom is not so important for economic growth. As for democracy he says that its moderate levels are most beneficial for it. When political rights expand they negatively impact economic growth [5, p. 632]

Fig. 3. Real GDP dynamics for Ukraine in 1996-2012 (based upon the data [11])

However Government Effectiveness rate changes, the meltdown and recovery periods coincide with the same periods in GDP dynamics and this demonstrated a strong correlation between them.

Statistical data show when the government regulation improves per 1 point, mortality rate decreases in the long run per two thirds and income per capita rises 3 times [5, c. 632].

The following obstacle to form effective state economic policy in Ukraine is that it is impossible to set the accurate balance between state regulation and market
mechanisms once and forever. Economic situation in the country constantly changes due to cyclic processes and other factors. Hence it is constantly necessary to regulate state economic role, to strengthen or lessen administrative regulation and use additional instruments.

Fig 1. shows major state economic functions, the forms of government impact upon economic system and methods of state regulation. All of the above establishes a robust foundation for effective administrative solutions. Subjective factor as we can verify from the history of our country prevents effective state administration and economic growth.

However as Mr. Panasyuk points out the state and specialists in this sphere are responsible for the interconnection between state regulation, economy and needs of each individual [3, p. 45].

Institutional traps are another hindrance to long term economic growth. Regarding this statement D. Nort says if there occurs one ineffective decision, that is unlikely to be changed due to unwillingness of the system even if factors that caused it disappear, might lead to negative consequences [12].

One of such traps Mr. Abdullin considers neoclassical school recommendations that have been the basis for Ukraine’s economic policies since its independence. That led to social policies denial, copying developed states macroeconomic policies without taking into account Ukraine’s economy specifics, attempts of Ukraine’s government to achieve inappropriate goals. The role of institutes to stimulate growth has also been underestimated [1, p. 167].

Mr. Panasyuk also stresses that it is vital to avoid monetary policies and stick to Keynes economic postulates. [3]

Monetarists point out that market mechanisms are prone to self-regulation and that aggregated expenses fluctuation occurs at the resources and goods level. According to their doctrine the state should stimulate aggregated demand by manipulating money supply. Thus economic growth is always accompanied by the prices increase.

Keynes theory implies that aggregated expenses fluctuation always leads to changes in production and employment. The last two grow due to the influx of investments, export growth, state expenses which are all the components of aggregated demand. The state should constantly balance aggregated demand employing different administrative and economic instruments.

Since 1991 Ukraine’s economic policy upheld monetary theory methods. The choice has been made basing on the experience to regulate crisis events that occurred
during 70-80s in developed countries. However copying such approach and resorting to it in Ukraine has not brought positive results.

The major problems occurred in the sphere of material production, that for a long time has been neglected by Ukraine’s authorities. As the results import volumes have increased and we have become more dependent on it, moreover we do not strive to stimulate domestic production. Salaries grow and productivity remains at the same level. So why do we face such complexities? By increasing money supply the state elevates demand, however the market mechanism cannot itself impact the manufacturing volumes by increasing supply. This is what monetary theory says. The state should interfere to stimulate material production growth.

Conclusion. In the due course of the research we have come to realize that sustainable economic growth should be the state highest priority. Globalization impacts state economic policies and they should be regulated to ensure national economy development and competitiveness.

The state employs the number of methods and instruments to ensure economic growth. However in the process of regulation arise a number of problems: the complexity to set the appropriate balance between state regulation and market mechanisms, the need to constantly supervise and adjust this correlation and search the optimal parameters and to avoid institutional traps.

There also exists the issue to evaluate the state regulation effectiveness. As far as we are concerned this process should correspond to economic growth. As our study illustrates state regulation efficiency is not at the correspondent level. Some positive shifts have been observed form 2004 to 2007. The efficiency rates haven’t changed for the last several years and they are not quite different from the results for 1996. In Ukraine there is no strong correlation between Voice and Accountability, Political Stability and Absence of Violence, Regulatory Quality, Rule of Law, Control of Corruption rates and real GDP growth indicator. However Government Effectiveness rate corresponds to real GDP fluctuations.

It is noteworthy that there are no universal solutions to build effective state regulation and to achieve sustainable growth. Everything that remains is the method of trial and error. Economic growth regulation can resolve a number of issues to achieve the state’s welfare; can promote life expectancy and standard of living, birth rates, medical care, education facilities and so on.

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STRATEGY OF CORPORATE SOCIAL RESPONSIBILITY
IN MARKET ECONOMY

This article examines the reasons of inefficiency of reforms and national development strategy in Ukraine. By means of comparative analysis and case studies of successfully
implemented national development strategies key success factors are revealed. Revealed factors are classified into three groups: economic, social and political. The main reasons of slowing down the reforms are proved to be insufficient share of middle class and the weakness of civil society, corruption and distrust to government, inefficient tax policy and lack of savings, errors in political support of the developed strategies.

**Keywords:** strategy, social and economic development, economic reforms, civil society, public policy

В даній статті розглядаються причини неефективності реформ і національної стратегії розвитку в Україні. Виявлено ключові фактори успіху за допомогою порівняльного аналізу та тематичних досліджень успішно реалізованих стратегій національного розвитку. Виявлені чинники класифікуються за трьома групами: економічні, соціальні і політичні. Основними визначними причинами успіху реформ є: недостатній роль середнього класу і слабкість громадянського суспільства, корупція та недовіра до влади, неефективна податкова політика і відсутність заощаджень, помилки в політичній підтримці стратегій розвитку.

**Ключові слова:** стратегія, соціально-економічний розвиток, економічні реформи, громадянське суспільство, державна політика

В даний статті рассматриваются причины неэффективности реформ и национальной стратегии развития в Украине. Выявлены ключевые факторы успеха с помощью сравнительного анализа и тематических исследований успешно реализованных стратегий национального развития. Выявленные факторы классифицируются по трем группам: экономические, социальные и политические. Основными визначимыми причинами замедления реформ являются: недостаточная роль среднего класса и слабость гражданского общества, коррупция и недоверие к власти, неэффективная налоговая политика и отсутствие сбережений, ошибки в политической поддержке стратегий развития.

**Ключевые слова:** стратегия, социально-экономическое развитие, экономические реформы, гражданское общество, государственная политика

**Introduction.** The article examines the recent development in corporate social responsibility and draws conclusion for the future of market economy in Ukraine. Corporate social responsibility is considered to be of three levels of involvement: employees, state and regional community as the territory where the enterprise works. Therefore we analyze the connection between the companies’ social behavior on the market place and directions of their corporate strategy as well as effective communication strategies for consumers, competitors, regional authorities and local governments, investors, population.
The empirical part of the research contains of three elements:

– Analysis of role of business responsibility as an integrated part of corporate governance.

– Content of effective communication through a strengthened dialogue with stakeholders.

– Strategies of active participation of stakeholders.

**Key words:** corporate social responsibility, strategy, interrelation, stakeholders, corporate sustainability, standards of quality.

**This publication is aimed** to serve as a source of inspiration for further development of the mechanisms of active participation within the concept of corporate social responsibility in Ukraine.

**Theoretical background.** Different aspects of *formation and realization of social responsibility* are highlighted in investigations of sociologists (E. Giddense, V. Vildenband, T. Parsons), discovered as *interrelation between social inclusion and social responsibility* (E. Durkheim) and analysed as *rational behavior* (M. Weber). Social responsibility in view of social philosophy comes from understanding its nature through violence-compulsion and then responsibility-reliability context. Nowadays it is defined through responsibility-reciprocity one for the social law [O. Novikova]. It is in this context of the concept of social responsibility has been studied in Ukraine, in both the institutional and academic researchers’ analysis. The concept was found in the Ukrainian scientific researches as well (O. Grishnova 2012, V. Zvonar 2012, V. Melnik 2010-2012, and O. Novikova 2013).

In theoretical perspective corporate social responsibility requires corporation ‘to perform to a higher standard than it is required by the law’ [2013. *Diagnostics of trends and prospects of social responsibility in Ukraine (experts’ evaluation)*]. That means company displays the particular level of quality in its activity.

In view of practioners, company’s social responsibility architecture needs:

– Organizational ‘culture of mindfulness’.

– Constant understanding of possibility of wrongdoing.

– Personal ethic of care.


**Analytical framework.** Analysis of role of business responsibility as an integrated part of corporate governance. The increasing role of responsibility of
business in ensuring the sustainable development of society requires a revision of corporate strategies in terms of integration of corporate social responsibility in the system of corporate governance. Basically, corporate social responsibility programs’ management meets global trends as a whole and provides sustainable economic, social and environmental development of the society.

On the one hand, the solution to the problem of revision of corporate strategies needs crucial changes to management approaches, based on long-term sustainable development, taking into account the interests of various stakeholders of the company. In general, company has been ready for strengthening transparent dialogue with the stakeholders in the context of community development. Now companies are on their way of seeking the effective mechanisms for implementing interaction between the actors, in particular:

- Dialogue for creating social capital in the community.
- More confidence in active improvements of relationships.
- Combining of resources (human, technological, financial, knowledge and skills) to solve problems and achieve goals that can not be achieved by one organization for new strategic opportunities and developing innovations, etc.

On the other hand, the most significant changes have been undergone in the field of coordination with stakeholders. Instead of implementation the strategy focused on strict adherence to legal requirements, companies are starting to adopt a more proactive approach to coordinate relations with stakeholders and implementing complex of actions. In recent years, most corporations have increased business transparency and regularity of information sharing with stakeholders [2012. Concept of corporate strategy].

It is of great importance to apply the concept of ‘interested actors’ in the work of stakeholders not only for commercial organizations, but also for non-profit and government organizations as well as local governments. For instance, the involvement of stakeholders is very effective at all stages of the projects of territorial development by the public authorities and local governments. Collaboration of public authorities with business, non-profit organizations as well as public, scientific, cultural, religious organizations and associations bring significant benefits in planning and implementing the projects of territorial development. Thus the tools of information and interaction with stakeholders are as follow:

- Publications.
- Television, radio and electronic communication.
- Surveys, public hearings, short-term or long-term working groups.
– Partners and experts’ involvement.
– Reports, press conferences, ‘round tables’, seminars, discussions, consultations and research.

Corporate social responsibility strategies’ integration into the routine activity of the company is extremely complicated but very important issue. It includes effective communication within and outside the company, developing performance management and the introduction of incentives, training and development of the system of control for them. Company can transfer clear messages like, ‘We will:
– Do no harm.
– Act more ethically.
– Guarantee standards for minimizing risks for health.
– Guarantee welfare and social security.
– Act in conformity with prevailing social norms.

Content of effective communication through a strengthened dialogue with stakeholders. Being compared with interaction between public authorities and the civil society /NGOs [2012. Technical Support to the Public Sector Reforms in Ukraine], the interaction between corporation and stakeholders has been constructed mostly through information mechanisms as a one-way relationship in which corporation produces and delivers information for use by stakeholders.

Corporate social responsibility allows to corporation make huge efforts to improve their quality through a strengthening dialogue with all stakeholders on the principles of involvement.

At least there are three levels of interaction with the stakeholders:
– Information.
– Consultation.
– Active participation.

Information covers more ‘passive’ access to information by stakeholders and ‘active’ measures by corporation to disseminate information to consumers and ‘interested actors’ through public records, official gazettes, and government websites.

Consultation provides feedback to other commercial organizations, non-profit and government organizations as well as local governments as a two-way relationship to them. It is based on the setting questions and managing process by corporation, while stakeholders are invited to contribute their views and opinions. Examples include public opinion surveys, different comments, etc.

Active participation is a relation based on partnership with stakeholders in the process of policy-making. It acknowledges equal standing for stakeholders in
proposing policy options and shaping the policy dialogue – although the responsibility for the final decision on formulation the strategies rests with corporation. Examples include consensus conferences, stakeholders’ juries [2001. Citizens as Partners – Information, Consultation and Public Participation in Policy-Making, p. 23].

Thus, management of interaction between actors of corporate social responsibility is aimed to build effective relationships with all stakeholders and includes:

- Balanced consideration of the views and expectations of stakeholders.
- Expectations of the stakeholders and the impact on their attitudes through persuasive communication and initiatives.
- Mutually beneficial cooperation.
- Monitoring of changes in the beliefs of the stakeholders.

The concept of stakeholders is used in many standards of management.

Corporate social responsibility is implemented by many companies as the management means to provide beneficial effects on society through economic, environmental and social action. This concept is becoming more and more attractive for the business leaders’ attention as a new opportunity for differentiation and growth.

Strategies of active participation of stakeholders. Organization and implementation of effective active participation strategy within the concept of social responsibility provides a clear distinction between external and internal environments of corporation. The most important areas of it in external environment are as follow:

- Cooperation with local communities.
- Relationships with business partners, suppliers and customers (so-called ‘impact groups’).
- Lobbing of human rights in business activities.
- Environmental policy.
- The important areas in domestic sphere are focused on:
  - Human resource management.
  - Health and safety of work.
  - Impact on the environment and natural resources.

Impact of corporate social responsibility in internal environment of enterprise is realized through provision of decent working conditions and salaries, social security as well as enhancement of professional skills of employees. As a result, the motivation of the staff, the average level of the personnel’s skills and productivity have increased, as well as the level and quality of life in the region as a whole and the social security of the population.
Among the most important forms of implementing the concept of corporate social responsibility in the internal environment are as follow:

- Social policy.
- Transparent application of motivation and career development.
- Ethical standards activities.
- Transparent reports of companies which must include social reporting [2009. *Corporate social responsibility as a factor of sustainable development*].

Cost-effectiveness of introducing elements of social responsibility in company’s management strategy is in growing not only the indicators of social impact (effectiveness to society), but also in increasing the benefits for the enterprise, i.e. impact on the core business. Referred to the economic benefits of social responsibility of the enterprise, it should be noted that these benefits are most clearly evident in areas such as finance, marketing and sales, human resource management. We are also inclined to speak of the value of corporate social responsibility activities in the areas of risk management. The particular benefit is characterized by the creation of:

- Stable business environment.
- Reduced operational risks.
- Creating a positive image, confidence.
- Increased capitalization.
- Financial growth.
- Increased productivity.
- Promoted innovations that contribute to the market, etc.

The analysis provided before led to an answer to the question arising with regard to formation of effective corporate social responsibility strategy based on the principles of the Global Compact. Detailed analysis and comparison of the selected six stages of proposed Model of Management ‘Global Compact’ as a practical tool for the development of corporations has been made [2013. *Global Corporate Sustainability Report*].

Mentioned six stages are listed above:

- Formal introduction of the Global Compact’s principles, transparency.
- Evaluation of risks, opportunities, results.
- Definition of goals, strategies, policy.
- Implementation of strategies and policy.
- Measurement of results, progresses’ monitoring.
- Communication in progress achieved with particular strategies for performance.
The model is based on the management practices and designed to maximize corporate sustainability. When using the model on a regular and periodic basis, the six stages of the model can form a circular process in which companies can constantly adjust and improve compliance with the ten principles, as well as local and international regulations.

International practices of corporate social responsibility strategies can provide examples of implementation of the various areas and programs based on environmental, social and innovative projects and are given in Table 1.

Under defined concepts of corporate social responsibility each company selects the priority areas for its development [2013. Global Corporate Sustainability Report].

It should be highlighted that one of the most important factors for development of socially responsible initiatives of business on domestic level was its integration into the international economic environment. There standards of social responsibility have become the norm and a prerequisite for international investment. That is why the urgent problem for Ukrainian enterprises is the introduction of corporate social responsibility practices in their business environment through optimizing investment opportunities and improving the investment climate. However, experts and analysts have noted the tendency of increasing the social vulnerability of the population. Implementation of corporate social responsibility will strengthen and build social capital, provide stabilization of the labor market and increase the efficiency of workforce motivation [2009. Corporate social responsibility as a factor of sustainable development].

### Table 1

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<tr>
<th>Areas of projects</th>
<th>International practices</th>
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<tr>
<td>Environmental projects</td>
<td>Projects of sustainability of supply chain of fish products (Belgium), reducing the use of pesticides (Spain), cleaning riverbanks (Romania), reducing the carbon footprint of agriculture (Italy), the use of organic fertilizers to reduce pollution of land (Denmark), reducing CO2 in the supply chain (Austria), etc.</td>
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<tr>
<td>Health, welfare and social security, social integration</td>
<td>Projects of providing manufacturing practice for disabled people (Montenegro), innovative system of recruitment staff of vulnerable populations (Finland), training of disabled children (Czech Republic), mobile phones' application for collecting data on the healthcare of certain groups of people (Finland), etc.</td>
</tr>
<tr>
<td>Support in Financing management</td>
<td>Programs for opening bank accounts for the socially excluded population (Austria), municipal system of management of bills debtors (Hungary), eco-efficiency (energy efficiency, optimization of water supplying) for families with low-income (France).</td>
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Examples of successful implementation of corporate social responsibility in Ukraine are as follow:


- Metinvest Group in collaboration with the European Union, UNDP and local communities (two energy-saving projects in Uglegorsk and Yunokomunarivsk cities).

- Mobile operator Kyivstar (program ‘LeaderFest’ aimed to enhancement to management culture of corporation), etc.

It is the initial stage of formation of the social responsibility of enterprises in Ukraine. That is why there is a lack of understanding of the concept of integrity and active participation. Practically, social responsibility is focused on the immediate circle of stakeholders - the state, the owners and staff. A wide range of stakeholders (local communities, municipalities, regions, providers, consumers) are practically excluded from this process [2012. Corporate relations in Ukraine: trends and prospects].

We agree that corporate social responsibility has broader context that means for corporation to fulfill the obligations ‘to contribute actively to the common good of society as a whole’ [2013. Diagnostics of trends and prospects of social responsibility in Ukraine (experts’ evaluation)].

Conclusions. The analysis provided in this article led to understanding that corporate social responsibility is like oxygen in market economy space. This requires good strategies and further development of the mechanisms of active participation of stakeholders.

The strategy of socially responsible corporate behavior should be realized through:

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<tr>
<td>Development of innovative products and services, effective resource management</td>
<td>Programs of attracting customers and opening new markets for dental clinics (Bulgaria), finding of 150 new business customers (Serbian Media Group), energy efficiency projects for costs reduction of companies (Slovenia), water and energy resource efficiency while bottling (Norway), collecting rainwater systems (Greece).</td>
</tr>
<tr>
<td>Communication between corporate social responsibility and strategies</td>
<td>Communication programs and projects of water infrastructure provision by construction companies (Switzerland), Internet security program for youth by telecommunications company (Poland), scientific researches support by engineering company (Croatia).</td>
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- Organization of labor and production process (compliance with safety and environmental standards in the production process, ensure the quality and safety of products for consumers).
- Safety technologies for goods and benefit of the final consumer.
- Sales, marketing and customer relationships, accurate and truthful information in the advertising of products.
- Development of human resources, safety for health, employee training, social protection.
- Financial management and investor relations through performance audit, open records, financial statements, the quality of the board of directors, internal trading volume and investment, prevention of bribery and corruption.
- Relationship with the government through openness and transparency of lobbying activities, the dialogue between the private and public sectors.
- Support to educational and research programs, cooperation with research institutes, universities.
- Social investment through charity and sponsorship, support to education, medicine.

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FACTORS OF SUCCESSFUL IMPLEMENTATION OF DEVELOPMENT STRATEGY IN UKRAINE

This article examines the reasons of inefficiency of reforms and national development strategy in Ukraine. By means of comparative analysis and case studies of successfully implemented national development strategies key success factors are revealed. Revealed factors are classified into three groups: economic, social and political. The main reasons of slowing down the reforms are proved to be insufficient share of middle class and the weakness of civil society, corruption and distrust to government, inefficient tax policy and lack of savings, errors in political support of the developed strategies.

Keywords: strategy, social and economic development, economic reforms, civil society, public policy

В данной статье рассматриваются причины неэффективности реформ и национальной стратегии развития в Украине. Выявлены ключевые факторы успеха с помощью сравнительного анализа и тематических исследований успешно реализованных стратегий национального развития. Выявленные факторы

Ключевые слова: стратегия, социально-экономический рост, экономические реформы, громадянське суспільство, державна політика

В данной статье рассматриваются причины неэффективности реформ и национальной стратегии развития в Украине. Выявлены ключевые факторы успеха с помощью сравнительного анализа и тематических исследований успешно реализованных стратегий национального развития. Выявленные факторы
классифицируются по трем группам: экономичные, социальные и политические. Основными визуализированными причинами замедлений реформ являются: недостаточная роль среднего класса и слабость гражданского общества, коррупция и недоверие к власти, неэффективная налоговая политика и отсутствие сбережений, ошибки в политической поддержке стратегий развития.

Ключевые слова: стратегия, социально-экономическое развитие, экономические реформы, гражданское общество, государственная политика

Introduction. During the last several decennaries the world underwent dramatic changes in politics, economics, demography, environment, culture and social relations. External environment becomes more complex and sophisticated which forces governments to determine the long-term development strategy of the country with a focus on future, based on scientific forecasts and taking into account both internal and external factors. The history of civilization testifies the fact that countries armed with an effective national strategy managed to take up the leading positions in the global economy. Nowadays almost every government of whether developed, emerging or least developed countries have elaborated the national strategy of socio-economic development. Some countries have successfully achieved their strategic goals, while the other ones even with sufficient resources at disposal suffer defeat in implementation of the strategy.

During the years of being an independent sovereign state since 1991, Ukraine has never suffered from the lack of strategies and programs of social and economic development proposed by either government or research institutes such as «Strategies for development of Ukraine: theory and practice» (The National Institute for Strategic Studies, 2002); Plan of development of the country (NGO «Ukrainian Viche», 2005); Strategy of economic and social development of Ukraine for 2004-2015 «Towards European Integration» (President of Ukraine L.Kutchma); «Ukrainian breakthrough» (Prime-Minister of Ukraine A.Kinakh, 2005); «Strategy of economic development of Ukraine», (Party of Regions, 2005); Program of economic reforms for 2010-2014 «Prosperous society, competitive economy, effective government » (President of Ukraine V.Yanukovitch, 2010); «New Deal: reforms in Ukraine for 2010-2015» (National Report of the National Academy of Science of Ukraine, 2010) etc.

However, despite the vast variety of the available strategies, the current state of socio-economic development of the country indicates a lack of efficiency. GNI per capita in Ukraine is rather low and equaled to $3500 in 2012, while in Russia - $14300, in Malasia - $10300. Rising income inequality and corruption at all levels, tuberculosis incidence rates being 8-10 times higher than in developed countries,
lowest in Europe. Average life expectancy: here is a partial list of acute problems to be solved: first and foremost. Not always do government strategies take into account the interests of business circles, trying to solve the problem of the state budget and pension fund deficit at the expense of the employers. Thus, the level of social security contributions on wages paid by the employers in Ukraine is the highest one in Europe.

Ukraine has once again found itself at the crossroads of the history. The choice will define the fate of the country, its people and the state. Developing own strategy for socio-economic development it is important to consider the experience of the successfully implemented ones. Therefore, identification of the underlying causes and conditions for successful implementation of an effective strategy for socio-economic development is a task of high importance for Ukraine.

The aim of this article is to identify and classify the reasons of successful implementation of the strategy for socio-economic development by means of comparative analysis and building causal link between results in the form of achieved goals of the strategy and the stipulating factors.

**Economic factors.** The fact that availability of the strategy is a prerequisite for successful development is an axiom. Companies, government and individuals without strategy are exposed to the external forces and unable to respond quickly, often losing their position in favor of other actors. However, the strategy is a necessary but not sufficient condition for achieving these goals while its successful implementation is conditioned by a set of factors.

There are a lot of examples of successful implementation of national development strategies, state recovery after the wars and crises, overcoming technological backwardness in record time, taking up leading economic position in the world after release from military dictatorships or colonization. Japan, France and Germany of the 1950's, Korea and Malaysia showed the world examples of economic miracle. Benefits of good strategy received Singapore, Dubai and Abu Dhabi, Barcelona, Bogota and Shanghai.

Western Germany is one of the most striking examples of the "economic miracle" of the post-war decades. German recovery from devastation was the most rapid one in the modern European history, showing an annual growth rate above the average in OECD countries up to 1980. One of the reasons for successful recovery certainly was the financial assistance under the Marshall Plan, but it does not explain further economic growth. For example, volumes of assistance under Marshall Plan for UK was
twice as high, but the rate of UK economic growth lagged behind Germany. Sound government policy based on inherent diligence and entrepreneurship of the majority of Germans was the main source of economic miracle in Western Germany. Proclaimed philosophy of «socially responsible market economy» was supported by the broad masses of the population. Institutionally, the idea of a social market economy is reflected in the model of industrial democracy, introduced in 1953, which is still unique. Within this system the employees were entitled to choose the members of the Supervisory Board, while system of job boards had broad managerial powers. So, clear for all idea of social market economy and empowerment of workers guaranteed broad support of the population for reforms and ensured its success (Graham and Seldon, 1990).

Japan is also an example of post-war economic miracle. After a post-war reconstruction period an unprecedented economic growth of 9.3 % per year lasted about 20 years during 1950-1973. Japan economic democratization included three major reforms: antitrust law (dissolution of the zaibatsu), land and labor market reforms. Moreover, education and the political systems were reformed, including adoption of the new Constitution. These reforms have transformed Japan into a democratic society with the ruling elite replaced by the younger generation.

Import and foreign technologies application, low military defense budget releasing direct funds to infrastructure improvement and public investment projects, as well as balanced monetary and fiscal policy are considered to be the main reasons for outstanding economic growth. Exporting sectors were supported by government while extensive reconstruction and modernization of production capacity based on imported technologies were carried out by private business. Banking capital available due to inherent Japanese propensity to private savings was a financial basis of modernization (Iyoda, 2010). Namely the savings of population provided resources to support a high level of investment. Development of Japan was effected according to the five-year plans setting fairly high GDP growth rates. Therefore, balanced government policies and savings of the population provided long-term economic growth of Japan.

In Ukraine it is rather problematic to count for population’s savings in the modernization process. According to study carried out by Gfk Ukraine at the request of USAID «Development of capital markets» 53 % of the population of Ukraine keep their free cash at home, whereas 42 % of savings are kept in national currency – Ukrainian hryvna, 11% are kept in foreign currency. According to research, about 12 % of the respondents keep their funds on banking cards and current accounts in banks, and
only 7% of the population chooses a bank deposit to save money. The survey revealed that 3% of Ukrainian invest in the purchase of land, 2% are investing in real estate.

The level of individuals’ participation in the investment process in Ukraine is rather low. One of the main reasons for this phenomenon is extremely low amounts of temporary free funds (savings) of the population, primarily due to lower income. Average salary in Ukraine in 2013 equaled to 300 €. Significant distrust to savings institutions and low level of economic knowledge of Ukrainian citizens about corporate culture, awareness of the possible investment objects and best practices for optimal savings are also a weighty hindrance to investment process. For example, 74% of respondents know about savings opportunity at the bank deposits, only 18% of people are aware of earning potential of investment funds, 20% are familiar with non-government pension funds. Only every forth Ukrainian know about potential opportunity to invest in securities. It is worth to note a limited access to capital markets of the countries with post-transformation economies due to inherent specific macroeconomic and institutional risks, the level of which has significantly increased after the financial crisis of 2007-2010.

Accordingly, low level of savings due to low income, lack of awareness and high distrust to savings institutions is a factors that hamper the processes of economic reforms, modernization and effective realization of strategy for economic and social development in Ukraine. Thus, trust itself could be viewed as a separate factor of high importance for succesful achievement of strategic goals and it will be discussed further in a group of social factors.

An example of successfully implemented national development strategy of the later period is South Korea, managed to overcome the financial and economic crisis in 1997 in less than a year. The consequences of the crisis were the devaluation of the national currency and decline of the real income. Anti-crisis reforms enhanced the availability of credit resources for small and medium business and implemented government guarantees program for foreign investments in all areas of business. "The era of economic democracy" was declared meaning an open market economy and attractiveness for foreign investments. Key success factor of the strategy was a help and trust to government from the citizens, donating their personal savings and gold in order to maintain the national currency. Students and university professors donated blood transfusion to sale abroad. Population help allowed government to ameliorate the trade balance of the country for 9 billion $ in a year at the expense of international gold trade (Malevitch, 2002).
It is worth to note that either in Korea or Japan government supported strategically important industries by means of different policy instruments. So, government support could be considered as a success factor for implementation of strategy.

Talking about sound government policy in macroeconomic and fiscal sphere it is important to assess an efficiency of tax system being of vital importance for budget revenues, investment climate and business activity of domestic entrepreneurs. Existing tax system in Ukraine cannot fully ensure an implementation either public policy goals or rights and goals of the taxpayers. Taxes carry out neither fiscal nor incentive functions. The share of taxes and fees make up 40% of GDP, while the best world practice considers an optimal tax rate to be 25-26% of GDP. Tax burden on the economy was 21.7% in 2010, 25.7% in 2011 and 26.6% in 2012. Ukraine ranked 165 among 185 countries in paying taxes in 2013, it takes 491 hours and 55.4% of income (World Bank, 2013). Employers pay 34.7% of single social contribution above salary of employed. Ukrainian tax system doesn’t meet such basic scientific principles of the tax optimality such as: the principle of benefits and administrative convenience due to excessive bureaucratization of tax authorities; principle of solvency - a large amount of taxes and mandatory payments, their significant share in income structure. Before implementation of the Tax Code in 2011 more than 20 laws, 50 legal acts and 4000 bylaws regulated tax relations. As a result of excessive tax burden and regulation a significant share of the economy went to shadow, the level of which estimated by «expenditure - retail sales» method equaled to 45% of GDP in 2012. Tax system inefficiency negatively influenced to investment climate which leaves much to be desired in Ukraine, taking 117 rank by protecting investors. Recent political events and subversion of the former government and state authorities in Ukraine give way to a new team of progressive reformers. So, there is a strong potential for increase of tax system efficiency.

Therefore, a list of economic factors for success in achievement strategic goals is definitely incomplete. Not only sound government policy, state support of strategic industries, tax system efficiency and population’ savings are important. Strong institutions, favourable investment climate and protection of investors, state policy in technologies transfer and patent legislation, development of capital market are no doubt significantly influence the process of reforms, modernization and development of every country. Complexity of these factors allows to classify them to separate group such as technological and institutional.
Social and political factors. Modern western democracy is based on the government accountability to civil society with a state serving as an executive tool and middle class making up to 60% of the population. In Ukraine, the share of the middle class does not exceed 15% of the population; it has no structured ideas of its own interests and political parties adequately representing them. Under these conditions oligarchic groups being in constant struggle for the state capture in order to solve their vested interests come to power, hiding behind the slogans of concern for people. According to Public Integrity Index (index of social integrity) Ukraine entered a group of countries with weak public integrity, along with Nigeria, Panama, Nicaragua, India, Indonesia, Namibia, Turkey and Russia in 2011. The degree of public integrity was rated at 63 points out of 100 (Global Integrity, 2012).

Consequently, sparsity of the middle-class and the weakness of civil society in Ukraine could be considered as the cause of absence of social audit mechanisms for the government, lack of government accountability to society and, consequently, non-implementation of programs and strategies of development.

Every success story is unique, but successful combination of economic, social and political factors, as well as involvement and patriotism of citizens united by common national idea based on the credibility to government policy, is a common feature of all effectively implemented strategies. We agree with J. Malgan who argues that «... broad public participation and awareness of personal interest are conditions of effective strategy» (Mulgan, 2011:13). This view is shared by Ukrainian scholars who believe that «... solving a number of difficult problems of social development is only possible by stimulating involvement and activism of citizens. Without it, all the good intentions and ambitious targets will stay only wishes. Therefore, the efforts of the government should focus on creating the conditions for active civil society formation, encouraging inclusion of the widest possible range of citizens to solve their individual and community problems» (Heyetz, 2010: 35).

Another social factor of success of strategy for socio-economic development is effective division of responsibility between an individual, society and the state. For example, personal job seeking activity of the citizens potentially reduce government spending on unemployment benefits, while responsible attitude to their own health and disease prevention saves significant public expenditure on healthcare. Readiness and willingness of business to pay taxes honestly also could be considered as a manifestation of responsibility towards society. Government responsibility reveals itself in fulfilling its obligations, guaranteeing legality and legislation provision together
with combating corruption of public servants. Thus, rise of responsibility of all society members would positively influence on individual and the whole society life.

Success of public policy and subsequently of state strategy depends on public trust to government. Social phenomenon of trust bases itself on available information. Society needs information, especially in disputable issues. Publications and press coverage, civil society participation in problem discussion at the early stages reduce social tension. Various governments lose credibility and trust of their citizens, ignoring feedback from the public, referring to the outdated rhetoric and ideas.

Trust and credibility of government is eroded by corruption and government incompetence. The question of corruption is extremely acute in Ukraine, entering to group of corrupt countries according to Global Corruption Report and Corruption Perception Index (122 rank out of 176 in 2012) (Transparency Int., 2012). Thus, corruption in Ukraine can be considered as the most important reason of low level of public trust to government, resulting in a lack of citizens’ support for the planned program of social reform and transformation, which reduces the likelihood of successful implementation of socio-economic development strategy.

Political dimension of the elaborated strategy requires an equally intense scrutiny as all other aspects: how to build a line of public protection or how to neutralize, circumvent or to buy off enemies. Senior government officials are responsible for development and implementation of policies; explaining the functioning of political machinery; justification and defence of state policy (Mulgan, 2011). Expanding the channels of communication between government and society is a necessary condition for political support of the strategy implementation in the era of information society. An important condition for effective operation of the government and the possibility of elaborated strategy implementation in the long term is a consent of political parties in the country.

Ukraine suffers from lack of communication channels between the government and the general public, there is no objective broadcasts, explaining the principles of political mechanisms functioning. «Round Tables» held by authorities together with civil society organizations are getting insufficient media coverage. Numerous campaign promises of political parties without further embodiment, political instability, including parliament blocking by the opposition, greatly slows down the adoption of legislation base for reforms. In addition, frequent changes of government hinders consistent implementation of the targeted goals. Thus, the weakness of political support for development strategies in Ukraine could be considered as one of the reasons of their inefficiency.
Effectiveness of the strategy is essentially conditioned by the choice of planning instruments. While emerging countries are at the stage of strategic planning of socio-economic development, the developed Western countries work with desired future by means of foresight and futures studies. Foresight practices are widely implemented instruments in government policy and strategic planning of USA, UK, Netherlands, Japan, China, Hong Kong, Germany, South Korea, Australia, Singapore South Africa etc. It seems to be expedient to use these instruments in Ukraine.

Summing up the abovesaid, the reasons of the effectiveness of socio-economic development strategy are not only sound economic policies and a set of socio-economic reforms, but also social factors such as people's trust to government, civil society involvement in decision-making, allocation of responsibility of citizens, government and business, political support of the strategy and choice of appropriate tools for planning. Classification of factors is presented in Table 1.

<table>
<thead>
<tr>
<th>Economic</th>
<th>Social</th>
<th>Political</th>
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<tbody>
<tr>
<td>Sound macroeconomic policy</td>
<td>Trust to government</td>
<td>Expanding communication channels</td>
</tr>
<tr>
<td>Efficiency of tax system</td>
<td>Existence of national idea or uniting ideology</td>
<td>Consent of political parties</td>
</tr>
<tr>
<td>Government support of strategic industries</td>
<td>Proper allocation of responsibility among government, citizens and business</td>
<td>Civil society participation in decision-making processes</td>
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<tr>
<td>Availability of resources (population savings, access to capital markets)</td>
<td>Corruption control</td>
<td>Succession of political parties in reform process</td>
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<td>Development of financial and capital market</td>
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<td>Strong institutions</td>
<td>Share of the middle class</td>
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<td>Favourable investment climate</td>
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<td>Technological policy (technologies transfer, patent legislation)</td>
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Ukraine has a unique chance to make a breakthrough in the understanding of what it expects from the strategy. Elaborating its own strategy requires considering economic, social and political factors. Methodologically a strategy should be based
on the scientific approach and use of advanced international experience, taking into account national specificities, mentality and resources available.

**Conclusion.** A vast variety of development strategies, elaborated during the years of being sovereign state, proved to be inefficient in Ukraine. By means of comparative analysis it was revealed that insufficient share of middle class and the weakness of civil society, corruption and distrust to government, inefficient tax policy and lack of savings, errors in political support of developed strategies are the reasons of weak reforming process.

Only effective combination of economic, social, political, institutional and technological factors provides achievement of goals declared in national development strategy. Classification of these factors allows to include trust to government, existence of national idea or uniting ideology, proper allocation of responsibility among government, citizens and business, corruption control and share of the middle class to the social factors group. Another group, political factors includes availability of communication channels between government and society, political parties consent, civil society participation in decision-making processes and succession of political parties in reform process. The economic factors are the following: sound macroeconomic policy, efficiency of tax system, government support of strategic industries, availability of resources (population savings, access to capital markets), development of financial and capital market, strong institutions, favourable investment climate, technological policy (technologies transfer, patent legislation). The group of economic factors is the most complex one, while several factors such as technological and institutional could form a separate classification group.

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SOCIAL & PSYCHOLOGICAL ASPECT OF INTERRELATION OF PERSONAL VALUES AND CONFIDENCE TO PUBLICITY

The article is devoted to the problem of the social & psychological peculiarities of the personal values of users, the influence of personal values on the confidence to publicity and its sources. The author considers the concept of confidence to publicity addressing to be the universal instrument to study the article subject-matter as the mentioned concept is one of the basic indicators of successful communication.

In view of the latest scientific data the peculiarities of the development of confidence to publicity addressing are pointed out, the way to survey this phenomenon is suggested. It is based on the idea that the personal values can be an important component of the publicity addressing evaluation.

The results of the investigation are presented concerning the peculiarities of interrelation between the personal values and the development of confidence to public addressing.

To indicate some features of users’ confidence / no confidence to publicity addressing a number of the surveys was carried out by means of the methodical instruments of different purposefulness. It resulted in showing up the variety of the users’ personal values composition.
The results of the investigation are described concerning the following aspects of the problem under survey: interrelation of personal values and confidence; peculiarities of confidence to public addressing among people with different kinds of attitude to the world, themselves and other people; approving of the position about the interrelation between the features of confidence / no confidence to other people and the features of personal confidence to publicity characters; showing up of the peculiarities of the personal attitudes and confidence to publicity addressing among the people with different kinds of personal values.

The generalized results of the research prove personal values to be one of the important factors for the development of personal confidence to publicity. Personal values can serve both as certain behavior guiding lines and filter for people / users to select proper, helpful and needed information.

Key words: personal values, confidence, publicity, attitudes, communication, user
Стаття посвічена изученню социально-психологічних осо-бенностей ценностних орієнтацій современого потребителя і їх впливу на довіру до реклами. Концепт довіри до рекламному обличчю виділяє автором як універсальний інструмент для розглядіння даної теми, однак довіра аудиторії до рекламному обличчю і його істочнику є одним із основних показників успішної комунікації.

В статті уточняються особливості формування довіри до рекламним сообщенням на основі наукових даних, зокрема особливості довіри до рекламних сообщеннях у людей з різним типом ставлення до різних категорій людності. Особливості довіри до рекламних сообщеннях у людей з різним типом ставлення до різних категорій людності є одним із основних показників успішної комунікації.

Приведені результати соціально-психологічного дослідження показують особливості формування довіри до рекламним сообщеннях у людей з різним типом ставлення до різних категорій людності.

Спроба виявлення особливостей формування довіри до рекламних сообщеннях у людей з різним типом ставлення до різних категорій людності.

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Обобщенные результаты исследований свидетельствуют о том, что из огромного количества факторов, которые влияют на формирование доверия к рекламе, можно назвать ценностные орієнтації. Они выступают определенным ориентиром, а также фільтром, который пропускает тільки ту інформацію, которая приемлема, полезна і нужна для конкретного человека.

Ключові слова: Ціннісні орієнтації, довіра, реклама, ставлення, комунікаційна взаємодія, споживач.
goods and service world; from the other one – saturates the psychics by information [4]. So, studying of advertising influence mechanisms on a consumer is an actual issue for modern psychology.

Trust concept to advertising appeal is seen by us as the universal tool for studying this theme, because auditorium trust to advertising message and its source is based on the main figures of communication success. Not accidentally trust factor is present in many models of advertising efficiency, designed by different authors [1; 2].


**Formulation of article aim and tasks.** Aim and tasks of investigation consist in problem discourse of interrelation of value orientations and trust formation to advertising appeal; open roles of value orientations in trust formation to advertising appeal, investigation of value orientations influence on trust level to advertising appeal.

**Ways and methods.** Theoretical analysis, generalization, synthesis, systematization of scientific sources. Empirical methods: standardized methods (Method “Value orientations” by M. Rokych; valuation method of psychological efficiency of advertising messages by A. B. Kupreichenko; valuation method of trust/distrust to other people, world, yourself by A. B. Kupreichenko; valuation method of personality trust/distrust to advertising characters (method modification a attractiveness/unattractiveness of advertising characters by A. B. Kupreichenko and L. A. Minina); questionnaire for determination of attitude and trust to commercials by A. N. Lebedeva.

**Statement of main material and discourse of received investigation results.** Undoubtedly, nowadays advertising is integral social-psychological phenomenon. But,
as we know, not all advertising appeals attract the attention of consumer equally, and more less their amount achieve its main purpose – form strong desire in consumer to buy advertised good [3]. So it is very important to pay attention on such determinates that have the influence on trust formation to advertising appeal. We have determinated that one of such influence factors is value orientations, because they organically connected with personal needs and act as major component of determination of her behavior.

For determination of value orientations influence on trust formation to advertising appeals we used method “Value orientations” by M. Rokych. As an investigation result of values orientations peculiarities among investigation participants we have established that the most important place among terminal values is taken by values of personal life (60%), second place is taken by values of professional orientation (23%), third place is taken by individual values (17%).

In hierarchy of instrumental values we haven’t found clear benefit of certain type among value orientations. “Individualistic values” are important for 35 % of investigation participants, 33 % give the priority to “Ethic values”, 32 % prefer “Values of professional orientations”.

We have also included the valuation questionnaire of attitude and trust to commercials by A. Lebedev to our investigation program. As a result of received data analysis, we have defined that generally trust level to advertising appeals is quite low. Yes, for example, we have defined, that 67% of respondents don’t have trust to modern commercials and only 33% have a high level of trust. Correlating questionnaire results with value orientations peculiarities among investigation participants we can say that group of people with high level of trust consist of respondents for which next values are very important: “Health” (21%), “Development” (12%), “Happy family life” (18%), “Productive life” (17%), “Active professional life” (16%), “Good and reliable friends” (16%). Low level of trust to advertising appeals is shown by students, which give the priority to “Life wisdom” (19%), “Interesting job” (10%), “Materially provided life” (11%), “Self-confidence” (15%), “Independence” (16%), “Rationalism” (16%), “Intransigence of the shortcomings” (13%).

It should be noted that students for which values of personal life are important, are predisposed to trust to advertising appeals. Students with values of professional orientation and individual values mostly belong to representatives with low trust level to commercial.

Received data in a diagnostics result of value orientations peculiarities also gave us opportunity to determinate trust peculiarities to different kinds of commercial,
considering peculiarities of life values among investigation participants. In this purpose we have used “Methodology of psychological efficiency valuation of advertising messages” by A. Kupreichenko. In a result of held investigation we have found certain regularities in trust display to advertising appeals. The highest level of trust is caused by social commercial, which affection was displayed by 57 % of respondents. Among them the great amount is taken by students with values of personal life. Close interconnection was set between trust figures to social commercial and such value orientations: “Health”, “Love”, “Happiness of others”, “Happy family life”, “Cheerfulness”, “Sensitiveness”, “Honesty”, “High demands”, “Productive life”, “Lack of material embarrassment”, “Availability of interesting job”, “Efficiency in affairs”, “Recognition”, “Creativity”, “Self-confidence”.

Great percentage among investigation participants which display trust to business commercial are representatives with values of professional orientation. Feature of this is connection between trust figures to business commercial and values “Active professional life”, “Efficiency in affairs”, “Responsibility”. But participants of investigation for which priorities are values of personal life and individual values, are mostly predisposed to display trust to this kind of advertising. As in modern business commercial great accent is on activization of certain values in personality, it should be noted that respondents preferred such advertising where the most actual was value that was very important for everyone of them.

Concerning political advertising, it should be noted, that trust level to it is quite low among investigation participants with value orientations of different types. Trust to it has been displayed by 10% of interviewed. Mostly for this group of people the most important values are following: “Materially provided life”, “Development”, “Happiness of others”, “Active professional life”. Generally, political is evaluated as dishonest, insincere, such that provokes irritation and distrust. Trust indicator to religious advertising also is very low. Only 6% among all investigation participants reported about trust to this kind of advertising. These are respondents that give priority to “Life wisdom”, “Recognition”, “Development”, “Happy family life”, “Happy family life”, “Happiness of others”, “Patience”.

As trust to advertising appeals is considered by us as composing element of self-determination of personality, there are potent reasons to suppose that it can be connected with attitude to other people. For checking this supposition it was included methodology of personality trust/distrust to other people, world, yourself by A. Kupreichenko into investigation program.
As a result of investigation data analysis, we have built the typology of personality trust/distrust to other people. Mostly in brief we can characterize these types in a following way. Representatives of the first type (37%) differentiate their attitude to two categories of people (person who they trust the most and person which doesn’t cause trust) weaker than other types. This type has got the name “Understanding people”. It is released by the lowest differentiation indicator of trust to valued categories of people. The analysis showed that this type gives priority to such values: “Active professional life”, “Liberality”, “Productive life”, “Life wisdom”, “Recognition”, “Health”, “Happy family life”, “Creativity”, “Self-confidence”, “High demands”, “Education”, “Responsibility”, “Patience”, “Sensitiveness”, “Freedom”. Interest in contacts with big amount of people in combination with meaning “Patience”, “Sensitiveness”, “Liberality”, “Life wisdom” allows this personality also to keep quite good attitude to a person, which doesn’t cause the trust. We can suppose that exactly importance of these values to valuate as close as distant people neutrally.

Type 2 characterizes 43,5 % of respondents. It is different by maximal level of relation differentiation to person which trust the most and to person which doesn’t justifies the trust according to all comparing scales. Person, which justifies the trust among this type of investigated has only positive qualities, person which doesn’t justifies the trust has mostly negative characteristics. Conditional name of this type is “Maximalist”. Highly significant values for this type are: “Freedom”, “Happiness of others”, “Availability of reliable friends”, “Independence”, “Self-confidence”, “Rationalism”, “Courage in defending views”, “Strong will”. So these important values allow to say that for this type the most characteristic are not only polar evaluation of surrounding people, but also uncompromising and peremptoriness of behavior, valuation and judgments.

Type 3 consists of 19,5 % of investigated. His indicators mainly take intermediate place among indicators of all types. The most important criteria of trust/distrust for this type is reliability and amicability. So it has got conditional name “Trusts on a base of reliability and amicability”. This type highly appreciates “Health”, “Love”, “Availability of reliable friends”, “Happy family life”, “Education”, “Patience” and “Sensitiveness”. Positive attitude to a person, which doesn’t justifies the trust probably is explained by value of patience and sensitiveness.

In a result of a correlative analysis there was a row of values which have quite close interconnection with trust indicators to surrounding people. These are such values as “Active professional life”, “Love”, “Public recognition”, “Recognition”, “Productive life”, “Happy family life”, “Happiness of others”, “Self-confidence”,

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“Education”, “Independence”, “Rationalism”, “Strong will”, “Patience”, “Liberality”, “Sensitiveness”. It means that the most closely connected with trust are values that express life position of personality and her attitude to other people.

So, as a result of held methodology we have found certain interconnection between value orientations of personality and trust display peculiarities. So, we can suppose, that trust peculiarities of personality to other people can have an influence on her attitude to advertising, in particular on trust to advertising character. For the purpose of checking this statement, we have used “Methodology for valuation of trust/distrust to advertising characters” by A. Kupreichenko and L. Minina. Held investigation has confirmed supposition about existence of interconnection of trust and distrust to advertising characters with personal trust/distrust peculiarities to other people. We can say, that personality attitude to advertising characters has similar features with her attitude to other people. As we have defined the row of value orientations, which have great influence on trust formation to surrounding people we can suppose, that these values also play great role in appearing trust to advertising characters and generally to advertising appeals. The evidence can be that in an investigation process of character, which justifies the trust, respondents gave such qualities, which are the most important for them and vice versa, characters, which provoke distrust are characterized by opposite, negative qualities. It can be as a sign of value orientations influence on trust or distrust formation to advertising character and advertising at all.

In this manner one of many important factors, which determinate trust formation to advertising we can surely say name value orientations. They act as certain mark, support, which is necessary for consumer not to lose in the informational space, and also as some kind of filter, which passes only certain information, that is acceptable, useful and essential for concrete person and rejects unimportant information or such, that even hostile for her outlook. According to this advertising world is limited by world of the things from other hand and from the other one – by circle of actual values of modern consumer.

**Conclusions and prospective of the following investigations.**

System of value orientations is the important regulator of personal activity, because she gives an opportunity to correlate individual needs and motives with recognized and acceptable values by personality and norms of society.

Values are the highest level of personal needs. Personal, individual needs, which are correlated with social significance and recognized by personality become values and regulate the behavior of a person.
Value orientations express conscious personal attitude to social reality and in this their quality they define the wide motivation of her behavior and have great influence on all sides of her activities. Value orientations take the central place in psychological regulation of personal behavior.

Considering trust concept in advertising sphere we can say that this is the most universal figure of advertising influence efficiency, it is essential on every stage of goods distribution in every type of marketing strategy.

Trust is a certain factor, efficiency indicator of advertising appeal, so-called litmus paper of that if the advertising is successful and if it provokes demand on one or other advertised good, if it takes exactly that “strings” of consumer, which have been planned by producer.

Processes of recognition and understanding of advertising, formation of positive attitude and interest in advertized good, appearing of wish to buy it are processes that are effected by certain social-psychological personal characteristics, value orientations and trust.

In a result of received data analysis of empiric investigation we have determinated that generally trust level to advertising appeals is quite low. 67% of respondents don’t have any trust to modern advertising; 33% display high level of trust.

Respondents for which values of personal life are important mostly are available to trust to advertising appeals. Respondents which display low trust level to advertising are characterized by values of professional orientation and individual values.

As a result of held investigation we have also defined certain regularities in a trust display to different kinds of advertising appeals. The highest level of trust is provoked by social advertising (57%). Respondents which express trust to social advertising are characterized by values of personal life. Great percentage among investigation participants are such that display trust to business advertising (27%). Among representatives which display trust to this kind of advertising there is the biggest number of respondents with values of professional orientation. Only 10% of interviewed have a trust to political advertising. Mostly for the group of people the most important are such values: “Materially provided life”, “Development”, “Happiness of others”, “Active professional life”. 6% among all investigated reported about trust to religious advertising. These are respondents which give their priority to “Life wisdom”, “Recognition”, “Development”, “Happy family life”, “Happiness of others”, “Patience”.

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Trust is connected with value-sensed structures, and also with a row of fundamental personal relations, in particular with relations with other people. The most closely connected with trust values, which express life position of personality and her attitude to other people.

There is an interconnection between value orientations of personality and peculiarities of trust display.

Peculiarities of personality trust to other people can have an influence on her attitude to the advertising, in particular on trust to advertising character.

Value orientations play great role in appearing of trust to advertising characters and to advertising appeals at all.

The perspectives of following investigations are considered in the learning of attitude to advertising and motivational personality sphere issue.

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APOLOGY AS A NECESSARY COMPONENT OF ECONOMICS

The article is devoted to the problem of implicit apology of free market contract system. It is stated that scientific method of social sciences (including economics) requires trinity of interrelated and interpenetrating components: ontology, a methodology and an apology. Problems of apology-free scientific method in economics are identified.

**Keywords:** apology, mainstream, market self-regulation, drawbacks of market.

Introduction. Economic crisis that began in 2008, revealed not only unsatisfactory condition of the world economy but also the painful problems of economic theory. Wide range of state countercyclical policies does not give a positive result (neither austerity as in Germany, no increasing budget deficits, as in the United States). Social conflicts in both developing and developed countries indicate an urgent need to change the existing order of things in the world economy. But the international community lacks the finished and reliable models in the new economy. Crisis of economics, which is so much talked about since the early 1990s, turned to a deficit of capable recipes. In this regard, investigation of possibilities of transformation of modern economic theory and, in particular, the study of the economic goals of society has become an urgent task. The acuteness of the problem led to the purpose of the study.
Analysis of previously made researches. The very fundamentals of the issue were put by fundamental researches of K. Marx on the one hand and by Austrian economists on the other hand. Despite the fact that their teachings were applied to rather narrow subject, which was theory of value, their methodological approaches had broad application. Feather discussion was supported by J. Stigler [1]. Among recent publications we must highlight the book of M. Northrup Buechner [2].

Previously unsolved aspects of the problem. Despite the fact that the above-mentioned authors mentioned the importance and limits of applicability of the objectivist methodology remains unclear possibility of constructing economic theory without apology or that opinion about the best solution.

The main goal of the research is to identify the problems of the modern mainstream, which hinder the development of new economic-theoretical vision of modern society.

The main part. At the heart of any economic-theoretical concept there is the trinity of interrelated and interpenetrating components: ontology, a methodology and an apology. The need for the first two components among modern researchers is considered as unquestionable. It is believed that the researcher necessarily generates a certain vision of the research object (ontology), then for the study of the object he chooses the appropriate methodology [3]. The apology of interests of any person or group of persons is considered to be bad manners in the modern mainstream, which emphasizes its remoteness from political interests and ideologies. Moreover, as pointed out by M. Blaug [4], some Western scholars even try to get rid of the regulatory component of economic science, making it completely objective. M. Blaug himself skeptical about the possibility of creating normative-free economics and provides numerous examples of what even the most general conclusions of economic theory and theorems are not free of the regulatory component, albeit in veiled form. In our opinion, any economic theory is not free not only from the normative, but also from the apologetic components. This occurs, at least for two reasons:

1. Science always is addressed to someone. This is especially true in the case of economic theory as a socially oriented science. Science for science has very little chance of survival. To survive, it must be useful and hence be needed by somebody. Of course, the history of economics gives some examples of the life of the researchers, who were engaged in science for their own pleasure, but the overall trend is still different. In order to be perceived, the scientific work must willy-nilly provide benefit to the one whom it is addressed to. In competitive environment benefits of one person always mean disutility for competitors.
2. Scientist himself is a product of a particular social environment and therefore not free of stereotypes, which are cultivated in this environment. In this regard, it is unlikely that they conducted an institutionally neutral theoretical analysis of economic relations. In general, nobody free of any pre-defined settings and restrictions.

Apology is a very important component of an economic and theoretical knowledge, and can significantly change the direction of the study as well as its conclusions. Thus, the doctrine of Marx as a whole corresponds to the spirit of classical political economy and differs from the works of, let’s say, David Ricardo in terms of apology. While classics were defenders of the bourgeoisie, Marx became an apologist for the class of wage workers. As a consequence, we can find striking contrasts in the evaluation of the results and outlook of the capitalist economy. Apologetic and methodological positions of an economic theorist especially clearly are reflected in the economic model of base level, which is model of economic entity. Such a model (at least in an implicit form) contains any economic-theoretical concept.

It is believed that in the conditions of building of market-oriented economy the reliance on methodological individualism is the most adequate in terms of methodology, i.e. any process in which an individual is involved, is considered in terms of compliance with the request of that individual. Within the traditional marginalistic and neoclassical approach it is considered that the desire of individual is embodied in consumer preferences, judgments, estimates and those variables also believed to be given exogenously and objectively. However, it is obvious that these desires are not only formed by the previous experience, education and the needs that derive from objective factors of the environment, but can also be configured and modified by external actors directly during decision-making concerning individual buying, selling, hiring, etc.

Active role of seller manifests itself in particular through aggressive advertising. In modern Ukraine there is no need to be genius to notice that advertising not only informs, but also persuade. Such persuasive advertising more creates needs then follows it. Then what consumer needs form public structure of production and consumption? So, following neoclassical apology (even without demonstrative showing it) may dramatically affect not only practice, but also theory.

In connection with the mentioned above we consider it is necessary to express our apologetic position, which is the confidence that market coordination should not be considered in isolation from its instruments and supersystem of setting public goals (which is non-market in fact). This supersystem must be built so as to ensure the well-being not only of those members of society who have the economic and political
power, but also those whose opportunity to express and defend their economic interests is limited.

Main directions of limiting consumer sovereignty by the seller in today’s markets are managing the consumer choice and fragmentation of the market into niches. These are interrelated components of the same process because creating market niches converts a large market for small unit markets where competition is less and the power of the seller (including the ability to influence consumer) is greater. Thus, deepening differentiation of products in addition to straight aim is directed to achieve the goal of adverse.

Apology of maximum market standards in the economic life of the community (for example, in the writings of L. Mises [5]) states the ability of market to effectively identify and meet the needs of consumers. Needs are declared in effective demand and then form the structure of social production, which means that consumers (i.e. all members of society) control structure, direction and pace of economic development. Jean Baudrillard called modern society "consumer society", referring to the leading role of consumption in economic management [6], and A. Toffler generally introduces the term "prosumer" (from "producer" and "consumer") [7, p 16]. That market is believed to be a real economic democracy in action. Accordingly, any turmoil in the economy responsibility lies on consumer. But we have doubts as to what is happening in today’s markets just aggregating existing needs, not create them. The possibility of such processes modeling the demand by the seller points out in particular, T. Skytovsky [8]. If so, the consumer turns into a dummy head.

In our view, a feature of the neoclassical methodology is that it implicitly involves a certain apology. Methodology of individualism in modern mainstream performs at least two apologetic functions:

1. Justification of existing consumption patterns. For example, on criticism of modern civilization in hyperactive consumption of resources to meet needs which priority is far from the first rank [9, 10] neoclassical or neoconservative economists answer that for such things the responsibility should be assigned to each user of less-needed goods and services (i.e., to all people, which means practically to nobody) [11].

2. Justification of the existing structure of income and wealth distribution. Since the income of each person is formed due to free contracting, then no matter how low or high it may be, it is still considered as an objective consequence of public consent.

Due to the global economic crisis, this position is debatable. The vast majority of economists recognize that the aggressive marketing policy of industrial, construction and financial corporations had a negative impact on the stability of the world
economy. Despite this, significant changes in economic science are not happening. In our opinion, the transformation process is inhibited due to binding of economic models to the mainstream model of a rational economic man, who is absolutely free and perfectly informed maximizer. In reality it is not so.

Modern economic theory acknowledges the following deviations of the ideal model from the real man behavior:

a) person is fairly limited in his/her cognitive capabilities, and therefore takes a quasi rather than optimal solutions [12];

b) under real conditions freedom of choice is limited (in particular, by the state).

Limited rationality is recognized in words, but is seldom taken into account in practice. As for the limitations of freedom, it is a convenient excuse in cases in an economy crisis revealed. The state is a convenient "scapegoat" for the sins of the market (i.e. private entities). However, one should consider the fact that in today's world of global markets, global media and global stereotypes the freedom of choice is less limited by the state and more limited by values, which are imposed on the people at the level of large or small groups, and even humanity as a whole.

The danger of this "brainwashing" is that market transactions, while remain market in shape, become nonmarket in content. Classic market regulator, which is based on the assumption that an individual makes a choice on the base of comparing the prices of goods with its marginal utility (which plays a role of ultimate subjective indicator of commodity in microeconomics), ceases to exist. Not only the price but also the subjective perception of quality depends not on the individual itself, but on the one who wants to impose his goals to the individual.

Market regulation is not the real regulator of social and economic processes. Instead it is a convenient cover for the implementation of the selfish interests of particular (and not too numerous) individuals who control the rest of entities. In such situations, the government decided to rely on. However, the state itself just becomes a tool for the implementation of the will of the selfish-minded actors. If it happens, then state intervention does not correct the problems which are created by the market environment. Instead it strengthens them.

Thus, control of the consumers select box is implemented through technology of merchandising, advertising, false product differentiation and related marketing technologies on the one hand is needed to ensure consumer choice, but on the other hand, serves as a tool of the same curvature of choice. And there is no market instruments to limit the possibility of abuse, which indicates the imperfection or at least the incompleteness of market coordination in the distribution, exchange, and
therefore the consumption and production of consumer goods in a modern market economy. This is an argument in favor of what the demand for goods and services can not be considered as evidence of real demand. Accordingly, in the production and trade of goods and services in a modern market economy there more deliberate regulation than self-regulation.

The last and ultimate argument in favor of market self-regulation, which advocates individualistic approach both in practice and theory, is efficiency of market system. But any efficiency is measured as ratio of benefits to expenses. Trick is in what is considered as benefits and what expenses are. Current situation in Ukraine clearly demonstrates the need for patriotism, collectivism and publicly loyal spending. But do we find such values among traded goods? Obviously, it is not. Is it benefit or spending? And whose spending or benefit is it? The planet’s resources (especially energy) consumed excessively, leading to irreversible changes in the environment. Relocation of production to developing countries has slightly improved the environmental situation in developed countries, but global climate change does not pass anyone. Hypertrophic consumer activity in some sectors is accompanied by its decrease in others, particularly in the spiritual realm. As a result, public authorities have moved to the actors that drive consumer activity, and social significance of scholars and spiritual leaders reduced. Does it direct us towards better society is a rhetorical question.

How can there be a way out? Perhaps the only known recipe to mankind today is civil society with its key feature which is openness of both the state and private sector. The most reliable guarantee against opportunistic behavior both persons in the public service and "captains of business" is awareness and conscious participation of the widest possible range of people on the development of social goals, which are recognized as criteria for evaluating the correctness or incorrectness of public policies and serve as frame of reference for defining the level of admissibility or inadmissibility of economic activities of private entities.

Exactly in civil society economic theory may get its second wind. Available tools allow with equal validity proving of different perspectives of the best organization of economic life in society. Absence of clearly stated apologetic position of researchers doesn’t mean that such a position really doesn’t exist. In fact, contemporary mainstream means apology of globally-oligarchic capitalism. However, even this apology has the right to exist. But fair discussion between economists must include taking about admissibility of such apologetic groundings of a theory with careful analysis of socio-economic consequences for any possible apology.
Conclusion. Thus, silencing apologetic base of modern mainstream does not lead to the disappearance of apologetic elements from research. Instead we find intellectual monopoly, which is implicit apology of global oligarchic capitalism. Recognizing the need for an apologetic position of a modern economist and researcher opens the way to destruction of this monopoly and gives a chance for renewal and promotion of economic science.

References
HUMAN SOCIAL DEVELOPMENT AND LIFE QUALITY

This paper discusses the authors that human social development has two sides: on the one hand, physical, psychological, mental and professional capabilities of a human are developed, on the other hand, acquired capabilities allow human to efficiently use them in cultural, economic or political activity. Provision of choices makes sense only when ability to ensure well-being both to present and future generations is maintained. Introduces the principles of social development and the quality of life.

Key words: human social development, social policy, life quality

Introduction. Human social development is a process which expands human choices. It is possible to choose from an infinite number of alternatives which changes over time. However, whatever the level of society life is, a human must have the
opportunity to choose the three most important things: to live a long and healthy life, to acquire knowledge, and to provide himself/herself with resources necessary to achieve a normal standard of living. If these basic things are missing, many other choices remain unavailable.

On the other hand, human social development is not limited to these things only. Additional choices, which are highly valued by many people, include political, economic and social freedom together with opportunities to create and produce, to live with respect to oneself and to have guarantees of human rights (UNDP Report about Human Development, 2009). Human Social Development regards human as a value not only because he/she is a producer of material goods. Human is considered both as an objective and a tool of development. In fact, the development where a human is a centre of attention means a human progress, a progress in a human and a progress under the authority of a human. A growth of choices is everyone’s opportunity to take responsibility for their own lives. Development gives human freedom to choose, but he/she must decide what to choose.

Development has long been seen as a tool to improve life. Even Aristotle stated that development can be judged by the fact how much it encourages “human goodness”: “Wealth is evidently not the good we are seeking, for it is merely useful and for the sake of something else”, i.e. income is a tool used in order to reach the objective of development, but is not its final objective. In fact, Aristotle argued that the objective of human life should be directed towards the good. In the XVII century, Sir William Petty, one of the first economists to analyze the development, in addition to national income, also distinguished such development aspects as “global security” and “everyone’s special happiness”. In 1955, an eminent economist W. Arthur Lewis in his book “The Theory of Economic Growth” (London: Allen and Unwin. 1955.) raised the following question “Is economic growth desirable?” W. A. Lewis stated, that “everyone should feel

the benefits and economic growth should apparently improve both material and cultural standards of people life <...,> if women have the same opportunities to develop their skills and abilities as men, they would benefit even more than men”.

Global Report about Human Development, published in 1990, presented a concept of

continuous human social development including traditions of philosophical, political and economic

thought, and modern experience of the development. A concept of continuous human social development reaffirms the rightness of a well-known approach towards
the development: the development includes not only the economy, but also other fields of society life, and should be focused on the improvement of life quality.

**Scientific problem** - what social development and human quality of life of the interface?

**The purpose of article** - to examine the theoretical and based on human development and quality of life relationship.

**Methods** - analysis of scientific literature.

**Continuous human social development.** Human social development has two sides: on the one hand, physical, psychological, mental and professional capabilities of a human are developed, on the other hand, acquired capabilities allow human to efficiently use them in cultural, economic or political activity. Provision of choices makes sense only when ability to ensure well-being both to present and future generations is maintained. Human social development is based on following principles (Žmogaus socialinė raida. Vilnius, 2010):

- Productivity. In human social development point of view, both development and usage of capabilities are important. It is more than an investment in human wealth, education or home. Human needs to create such an environment (political, economic, social, and natural), in which, in the broad sense, he/she could fully reveal himself/herself and efficiently use acquired capabilities in a creative activity. In contrast to the concept of human social development, economic development model, in a human capital point of view, treats productivity only as a development tool. Economic growth is only a component of human social development model.

- Equality. Development process expands choices, however, all people should have equal conditions to choose alternatives, and to live productively depending on freely chosen lifestyle, regardless of gender, nationality, place of residence, age or religion. Equality may not necessary mean equal result of development which depends on individual human capabilities.

- Provision of choices. Development is not only a progress in a human, but also a progress of a human. A human, who acquired higher education, has a job and lives in a democratic society, gets better opportunities to participate in economic, social, cultural and political activities. He/she should not be just a passive receiver of benefits or basic social services, a human must be provided with an active role in the society, he/she should be actively involved in a decision making processes which form his/her
life. Provision of choices also means human’s responsibility for his/her family, its future well-being, and for the environment.

– Continuity. Society should be responsible for its decisions and to maintain the ability to ensure well-being and choices between different generations (present and future) and people of the same generation. All capital forms should be used and formed in such a way that there would not be any financial, social or ecologic debts in order to prevent future generations from the burden of payment. Continuity also means an equal distribution of choices. If there are no proper caring of humans’ health and education, and if human rights and freedom are violated, there is a possibility to attain none the less negative consequences than increasing foreign dept or irrationally using natural resources.

Human Development Index (HDI) is a general index which is used in order to measure average lifetime, literacy rate, education level and living standards of people from all over the world. This index allows the identification of social living standards in the country. Depending on this index, conclusions about social living standards in a country can be made. The index is used in order to determine whether or not the country is developed, and to measure the influence of economic policy to a quality of life. This index was created in 1990 by Nobel Prize winner Indian Amartya Sen and Pakistani Mahbub ul Haq with the assistance from English Gustav Ranis and Meghnad Desai. This index is used in United Nations Development Programme since its creation in order to provide the annual report about human social development (Human Development Report) in the world, even though the creator Amartya Sen himself was criticizing this index as a too strict measurement. However, HDI is still more thorough and helpful than the previously used GDP per capita (US Dollars). HDI laid the foundation for other more detailed researches in a Human Development Report. Human Development Index measures three basic sociological parameters of country’s population:

– Life expectancy;
– Knowledge: literacy rate with 2/3 weighting, and high and higher education level with 1/3 weighting;
– Standard of living which is measured using GDP per capita.

The report is published every year and it includes all UN member countries. Alternative Index is an Index of Human Poverty which aims to measure poverty in countries.
Social development innovations. In many respects, social development reflects the progress of society and its problems. That is why social development innovations are an important indicator of society progress. The most important social development innovations, which are particularly significant to the society of Central and Eastern European countries, are the ones as follows:

- Innovations which express the formation of new social structure,
- Innovations which are related to the development of culture and mentality,
- Innovations in the development of social infrastructure.

Innovations which express the formation of new social structure show complex and contradictory processes proceeding in the society of Central and Eastern European countries: these processes reflect emergence of new social strata, changes of various social groups, classes and strata social position and their mutual relations, also impact of social structure changes on common political, economic and social situation.

From innovations which express the formation of new social structure distinguished are:

- Innovations which determine the position of various social groups, classes and strata in the society and change of their mutual relations (in Central and Eastern European countries, changes of various social groups, classes and strata social position and their mutual relations involve essential innovations which had no analogues in a previous practice of social development. In this sense, the innovations which influence the formation of various social groups, classes and strata, their position and mutual relations can be considered as priority ones, especially when they are oriented towards the ensuring of social harmony in the society).

- Innovations which express the impact of social structure changes on common political, economic and social situation (in Central and Eastern European countries changes of social structure by their nature are very innovative, oriented towards advanced development of the society and its stability, and improvement of political, economic and social status in the society).

Innovations which express the formation of new social structure in the society are also directly associated with changes of society culture and mentality. It is obvious that social structure changes are also closely related to social infrastructure development: social infrastructure development is an essential condition for the formation of new social structures and the formation of new social structures determines social infrastructure changes and its (as link's of a whole society development) development.
The indication of these and other innovations, typical to social development, and their spreading is an essential condition not only for the acceleration of social, political, political and economic development of Central and Eastern European countries and their society, but also for the initiation of further spreading process of innovations. This statement is particularly meaningful when developing technological progress.

**Social development models.** According to A. Guogis (2012; 2013) and D.Bernotas, A. Guogis (2006), Lithuania’s “minimal welfare” model is formed in a contradictory environment, and the last steps of Sodra reform and approval of generous maternity (paternity) benefits demonstrates that Lithuania will not follow the direction of liberal-marginal model creation as soon as the author said a few years ago, a mixed and “overlapping” system will remain for a particular period of time, although globalization and liberalization tendencies remain strong. Reduction in liberalization pace is also confirmed by the strengthening of needs for stationary social services, and by decrease of non-stationary services in 2011.

In order to identify what kind of social policy is needed in Lithuania, we should first try to define the social policy principles that make social policy progressive. If there is no agreement on the progress criteria, all talks about further development directions will have no substance and will be very confusing. According to the author, there are ten interconnected and “overlapping” principles which are distinguished by their progressive approach towards social policy:

1) Community welfare

Progressive social policy is trying to strengthen healthy functioning of the community. Although individual welfare is important, it does not begin or end at that. Its most important objective is to allow harmonious integration in the community. It admits that individuals have to reach for freedom and community support together.

2) Social insertion

Harmonious and healthy integration in the community requires social insertion. All community members must have enough resources in order to participate in normal community life. There must be economic resources in order to maintain a normal standard of living and political resources in order to participate in democratic decision making processes. Social programmes must be developed or strengthened in order to ensure that all citizens, not only those who are lucky, would have enough resources for the participation in normal life.

3) Social solidarity
Progressive social policy ethic should be planned in such a way that every community member would feel the connection with “unlucky” community members and would want to help members whose needs are not satisfied. Progressive social policy institutionalises ethic through social programmes supported by taxes and does not leave it to independent promotions provided by charity organization.

4) Anomie prevention

For many people, fast modern economic and social changes destabilize living conditions. They create such living conditions which are anomic and full of tension, including a sharp increase in unemployment and poverty. They disorientate and stop the settled routine and progress of life, and violate social stability. Progressive social policy tries to direct economic and technological changes towards the reduction of harmful anomic consequences by using careful planning. Social planning may lead to the creation of such social programmes which would help those people who are mostly affected by drastic changes, and would normalize their living conditions.

5) Social equality and poverty reduction

Social equality and poverty reduction are related objectives because they promote socially stable and integrated community. Social equality is not only the equality of opportunities, but also the equality of vital living conditions in health care, provision of food and education. Since the poor status prevents individuals from normal participation in community activity due to lack of economic resources, poverty reduction must be the primary objective of “socially involving” policy. In this context, for the reduction of poverty and poverty lines it is better to use relative rather than absolute indicators of measurement.

6) Decommodification

Distribution of vital goods and services according to the need together with health care, provision of food, education services and support for home maintenance, due to unequal purchasing power, are an index of humanity development progress. The more the societies have awareness to decommodify the distribution of the most essential goods and services, the more they can improve individual and social welfare. Decommodification requires an adequate productivity of economic base. The higher the productivity, the higher economic value is available to be distributed among those who can not be economically productive, maintain the average level of consumption, for example, for children, the disabled and elderly people. Changes in awareness are also necessary, including the strengthening of social solidarity ethics in order for economically productive and successful people not to reach for “privileged consumption” as a reward or security of rights. It is also necessary to change the way
goods are consumed, i.e. from extravagant consumption to the production of most essential goods and provision of most important services.

7) Progressive taxation

By its essence, progressive taxation is the engine of income redistribution in order to achieve equality. It allows countries to redistribute incomes through tax-supported social programmes putting the greatest tax burden on the privileged people and giving it to less privileged classes. Progressive taxation not only improves the position of less privileged people, but it also improves the position of the privileged ones because it increases the demand of lowest income groups which improves circulation of goods. It also benefits the privileged people on social cohesion and peace.

8) “Active” rather than “passive” social policy

Social policy should be “active” rather than “passive” because “passive” policy stigmatizes receivers of social benefits, distracts them from active searching for a job and disintegrates them. Social reintegration level must become crucial assessing the effectiveness and efficiency of social administration and public institutions, it should be provided with (sutelktas) central and local government priority and control. Both efficient tools of New public management, which are focused on the achievement of results, and tools of New public administration, which give “empowerment” a push in democracy, pluralism, openness and transparency conditions.

9) Social empowerment

Social empowerment is made of individuals’ or collective capability to make (final) decisions and to affect their lives by themselves, not by circumstances. Social empowerment must include both private and public fields, when, for example, a “disabled” person serves him/her himself/herself (sometimes being helped by social worker), works or participates in public activity, or, for example, former drug addicts, who got rid of drug addiction, live a “regular” life and work or study.

10) Democratic country as an institution

Public government of the country is a logical institution strengthening community relations. It consists of such institutions all of which belong to people or the community. Partial interests motivate all other institutions, including the private business, private charity and nongovernmental organizations. Only the country has the potential which can be motivated by interests of the whole society. This is true even in a case of free market propagation, when there are attempts to degrade the appropriate role of public institutions which deal with social problems through appropriate social programmes. In fact, the country often serves partial interests and does not represent the interests of all people. In order for the country to develop its potential, it has to be
essentially democratised. It has to represent interests of whole society essentially, not only by its form.

**Life quality researches.** When doing life quality researches, various problems occur. One of the most important problems is that life quality can not be perceived clearly; therefore, different researchers choose different methods for its assessment. This raises doubts about which method brings real benefits and which method’s results can not be trusted. This brings distrust in all life quality researches and their provided opportunities are often not used because people do not expect to get a real positive result. Another big problem is that in order to accurately assess life quality, often data about local level are required, however, usually they are hardly accessible because often the information is not saved or is recorded unsystematically. On the other hand, due to national differences and impossible compatibility local researchers often more or less take into account particular rates and use different data collection methods, therefore, it is difficult to make international comparisons. There is also a problem in the usage of multiple indexes because it is difficult to determine whether the weights of indicator in the index were chosen appropriately: a value of some particular indicator to the index may be overvalued or degraded.

Despite all the problems of life quality researches, it is possible to see their obvious benefit to humanity: collected data help to identify society problems, system of values, needs, to form objectives of social and regional policy, it allows to follow the development of mankind and to assess the impact of implemented actions on society, to compare different regions or countries, and these researches expand our knowledge and understanding. The indicator of GDP per capita was the first attempt to measure life quality, however, it was acknowledged as having a number of limitations and as an inadequate life quality indicator. In 1972, W. Nordhaus and J. Tobin created the indicator of Net Economic Welfare. “Net Economic Welfare (NEW) is an adjusted measure of total national output that includes only consumption and investment items that contribute directly to economic welfare”. This indicator also include all goods and services realized not only through the market, and the impact of shadow economy, leisure, goods’ and services’ quality changes on the society was taken into account. The indicator does not include particular goods and services if during the process of their production mischief occur or if their consumption is harmful to society. It was noted that in the seventies, close to economic life quality, a social-economic life quality appears and in order to assess it, important social indicators were used: unemployment, mortality, and average future lifetime (Smalskys, 2005).
Human social development and life quality. A concept of human social development was firstly formulated in the first report about human social development prepared in 2011 by United Nations Development Programme. Such reports are prepared every year ever since. This report included a clearly expressed opinion that economic growth is not always related to the living welfare, it was observed that the growth of GDP has not clear direct connection with life expectancy, health, education and other important factors which make our life happier. It was emphasized that when economy rises, a negative correlation can also occur, for example, when money are invested in the war industry.

There is a belief that economic progress is important only as much as it determines individual’s choices, and development of his/her life quality. The main idea of human social development concept is that policy and economy strategies must ensure the growth of life quality to all people and no other objectives, negatively affecting people’s lives, can be raised. Human social development is defined as a process that increases people’s choices. The three most important things, that every person must be able to choose, are as follows: the ability to live a long and healthy life, to acquire knowledge, and to provide himself/herself with resources necessary to achieve a normal standard of living.

It is stated that without these choices many others become unavailable. Human social development has two sides: the creation of opportunities to choose the most important things and opportunity to use these things for work, leisure, and social, cultural and political activity. If there is no balance between these two things, people may not experience the positive effect. According to this life quality understanding, income is important, however, it is only one of the factors in life quality assessment.

The renewed social agenda of the European Commission includes the objective to reflect priority fields of social needs in order to increase the welfare and life quality of European citizens and to look for solutions to problems which occur due to social exclusion, unemployment, aging population, changing family structure and new roles of genders. The research is based on objective indicators of resources and living conditions also involving subjective results of opinions and approaches. Objective indicators exist in society and can be observed and measured by the quantity of frequency of recurrence. Subjective features exist in individual’s consciousness and can be identified only from individual’s answers on topics of concern. The main focus is on these areas: occupation, economic resources, family, community life, health, and
home and local environment. In report, special attention is paid to similarities and differences related to country, gender, age and income.

Survey, initiated by the European Commission, was carried out in 31 country from 2012 year, 35,000 interviews were made and this survey was organized by European Foundation for the Improvement of Living and Working Conditions. The results showed that depending on living conditions and daily life experience there are rather significant differences in European assessment of life satisfaction and future perspectives. In post-communist countries, individuals’ sense of being depends on social and demographic groups; it is more likely that older people will be unhappy with their current situation. Also, the life quality is closely related to country’s economy, therefore, it is not surprising that in these countries the level of life quality is lower.

Summing up the obtained results, the countries were divided into three groups: the 15 old EU members, the 12 new EU members and 3 countries candidates. Based on countries’ groups, main differences were seen. A clear tendency was observed in the new EU members comparing them with the rest EU countries: much lower level of income, higher poverty, lower life satisfaction, poorer level of health care and lower satisfaction with existing housing.

European life quality revealed that Lithuanians are less satisfied with their life than the average European. Lithuanians gave life satisfaction 6.3 points out of 10 while average European gave 7. We can see that our neighbours Latvians are even less satisfied with their lives (they gave 6 points) while Estonians are ahead of us (their rating is 6.7). In comparison to Lithuania, much more economically and socially developed country Denmark gave 8.5 points. In all countries level of happiness is higher than level of life satisfaction. This difference is particularly significant in the 3 countries candidates and 12 new EU countries, including Lithuania. It is clear that happiness is more like an emotional state; standard of living has no significant impact on it, and life satisfaction depends directly on the economic and social conditions. The average evaluation of happiness level in 27 EU countries is 7.5 points. Once again Lithuania is behind the average, however, it is slightly (evaluation is 7.3 points) ahead of its neighbour Latvia (they gave 6.8 points) and is very little behind Estonia (their evaluation is 7.4 points). Of course, Denmark once again stands out extremely in this context (they gave 8.5 points). The researchers estimated that the level of Lithuanians’ welfare is relatively low, same as in Bulgaria, Latvia and Hungary, although not all 12 new countries are similar, i.e. the level of Slovenia’s and Malta’s population welfare is
similar to the 15 old EU members. This indicator is measured by satisfaction, happiness and fullness of life.

**Conclusions.** Human social development is a process which expands human choices. It is possible to choose from an infinite number of alternatives which changes over time. However, whatever the level of society life is, a human must have the opportunity to choose the three most important things: to live a long and healthy life, to acquire knowledge, and to provide himself/herself with resources necessary to achieve a normal standard of living. If these basic things are missing, many other choices remain unavailable.

Human Development Index (HDI) is a general index which is used in order to measure average lifetime, literacy rate, education level and living standards of people from all over the world. Depending on this index, conclusions about social living standards in a country can be made. The index is used in order to determine whether or not the country is developed, and to measure the influence of economic policy to a quality of life.

There are ten interconnected and “overlapping” principles which are distinguished by their progressive approach towards social policy: community welfare, social insertion, social solidarity, anomie prevention, social equality and poverty reduction, decommodification, progressive taxation, “Active” rather than “passive” social policy, social empowerment, democratic country as an institution.

Human social development has two sides: the creation of opportunities to choose the most important things and opportunity to use these things for work, leisure, and social, cultural and political activity. If there is no balance between these two things, people may not experience the positive effect. According to this life quality understanding, income is important, however, it is only one of the factors in life quality assessment.

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Agritourism is a modern phenomenon of the rural economy, which is able to enhance the natural, cultural and historical features of the territory and at the same time can become not only the principal but also an additional revenue source for rural population. The highest interest in agritourism products is from urban inhabitants, who miss the real contact with natural surroundings. Urban citizens mainly search for the rural services that bring additional value to them and distinguish them from the daily stereotype life. The aim of the paper is to point to agritourism establishments services up to the regions.

**Key words:** agritourism, regional potential, agritourism offer, development of agritourism, tourism regions.
Життєвого стереотипу. Мета даної роботи полягає в тому, щоб вказати на сервісні установи агротуризму в регіонах.

Ключові слова: агротуризм, регіональний потенціал, пропозиція агротуризму, розвиток агротуризму, туристичні регіони.

Агротуризм являється современним явищем сельської економіки, который способен усилить природные, культурные и исторические особенности территории и в то же время может стать не только главным, но и дополнительным источником дохода для сельского населения. Наибольший интерес к продуктам агротуризма имеют городские жители, которые теряют настоящую связь с окружающей средой. В основном, городские жители ищут сельские услуги, которые приносят им дополнительную ценность и отделяют их от повседневного жизненного стереотипа. Цель данной работы заключается в том, чтобы указать на сервісні учреждения агротуризму в регіонах.

Ключеві слова: агротуризм, регіональний потенціал, пропозиція агротуризму, розвиток агротуризму, туристичні регіони.

Introduction to agritourism. Agritourism as a form of tourism, represents interesting way how to spend free time in natural surroundings, different from urban space. Urban space is primary based on different concepts, incomparable with the urban one, especially while mentioning size of area, activities intensity, working possibilities, industry development and many others. Terminology of agritourism in practices differs. Definitions of agritourism and rural tourism are various. In general they all culminate from the nature, that this form of tourism is established on the natural environment. Establishments providing tourism services in it use the natural potential of the countryside or their own environment focused on agricultural activities.

Agro or agri? Nowadays quite often discussed prefix... Linguistic question which basically deals still the same thing. Agricultural work has been following us for hundreds of years, but in combination with tourism it brings exceptional experience in the natural surroundings, combined with active relax, learning processes, natural and cultural education, health and health care, and so on. In present it represents popular way how go come back to the natural environment and keep the contact with it. Its importance increases with up warding number of urban inhabitants.

General definition of agritourism declares that Agritourism represents a form of recreation with direct connection with farm, where the results of agricultural work are evaluated as well as local environment, catering and hospitality services and additional services of the farmer. Another definition states that agritourism is a form of
recreation in rural environment that offers accommodation services and activities connected with farms and its surrounding. One of the first definitions of agritourism is the one that was defined after the separation of Czechoslovakia characterized by Mach et al. (SZVT, 1993, p.7) where they described it as: ... special interest activities involving agriculture, respectively economic conditions of whole part of the activities of a particular farm/homestead/farmyard. Into agritourism it is possible to include virtually all recreational activities that can provide farm tourists. According to Gúčik (2004, p.7) agritourism is "a form of rural tourism associated with meeting the needs of tourists at homestead/farmyard farmer (by providing lodging, meals and use of leisure time) which uses existing resources, local raw materials and infrastructure. It is linked with return to nature and active leisure time spending. It is associated with it unusual experiences of life learning and the farmer’s yard work (nature of work, plants, animals, tools, etc.), crafts and traditions (weaving and embroidery, lace making, wood carving, pottery, music, dance, folk ceremony, preparing gourmet specialties, etc.), conducting sport and recreation activities (horse and sledge riding, hunting, fishing, etc.).

**Agritourism in slovak conditions.** When mentioning agritourism, it is necessary to state, that in Slovak terminology it is treated as a form (not as a kind- as for example recreational, economically oriented, cultural and so on) of tourism, depending on type of location (rural environment, seaside, mountains, etc.).

In Slovakia (former Czechoslovakia) as well as in other Eastern countries in Europe, there appeared strong influence of regime. Socialistic period was supporting national agriculture. Majority of the state’s land was cultivated and provided working opportunities for local inhabitants. This was one of the reasons why people weren’t abandoning rural environment as it is well spread almost in every country. This „city moving” trend grows also thanks’ to declining condition of agriculture. The country stop to be self sufficient in home production (also because of EU restrictions) and this creates expansion of all kinds products import. „Pro urban” movement of rural areas inhabitants created in last decades no interest of contact with nature through living in it, breeding animals, planting field crops, gardening or producing own home made products. Agricultural activities stop to be popular as well as education in this field. The current interest of young people increases more in human sciences as law, management, marketing and so on. Active work is no more attractive. The society has changed a lot and by its globalisation efforts it makes the „common life” easier by just consumption style of living.
With the deepening lack of contact with the natural environment, the interest increases in agro-tourism activities. „The increasing popularity of agritourism caused that more and more entrepreneurships, not related to agriculture, and providing accommodation facilities in rural area, began to use the term „agritourism“ in their marketing policy or formally operate under that very tricky name” (Kubal, Mika 2012). This is very common situation in the countries as for instance Slovakia, Poland, Czech Republic and so on. Interest to spend leisure time in rural areas has emerged in the nineteenth century as a reaction to stress and dirt of nascent industrial cities and agglomeration. Council of writers captured romance of rural scenery in their publications (Stříbrná,2005). During the period of Austro-Hungarian, Slovakia was a place of rest and recreation of many noble families. This is evidenced through the high number of holiday homes of the nobility in countryside. Countryside provided to them space for activities that cannot be carry out in cramped conditions of the cities, for example horseback riding, hunting, and finally countryside attracted a good rural fresh air (Babinský,2006). After 1948, there began collectivization in agriculture. In that time small private farms disappeared and later on they have been replaced by large-scale cooperatives, mostly built in lowland areas. Large animals, machines and tillage equipment were concentrated on the grounds of agricultural cooperatives. Mountain areas remained abandoned because of difficulty of access of mechanisms as well as low economic benefits to agriculture. Typical and traditional peasant houses as are known from neighbouring Austria disappeared (SZVTA,1993).

In the second half of the 20th century agriculture started to be developed in a large scale in rural areas, which created a substantial part of job and become a source of economic income of the rural population. Following the political and economic changes, due to the transformation of the economy to decline jobs in Slovakia in 1989. That caused a decrease in real income of the population in rural areas. Existing unresolved ownership relations of land, under-used development potential, low entrepreneurial culture, growth of antipathy of all new people, lack of financial resources, many social problems in the country, which we solved by major economic enterprises before 1989 in terms of its social policy... these were all serious reasons for passivity of the people in most rural areas of Slovakia.

The origins of rural tourism and agritourism can be considered in the government processing in agro sector development program of the Slovak Republic”. It was developed in 1991 and approved by the Ministry of Agriculture in 1992. The main objective of this program was to show the capabilities and development needs of the business in terms of Agriculture of the Slovak Republic, which had considerable
opportunities and conditions for growth. Businesses/companies of thirteen districts in Slovakia built the starting point for the basic implementation of the core in 1992. Ninety subjects were included into the data base. Category of agritourism included fifty subjects, ten vocational schools and thirty subjects from food and other industries. Except other things, mentioned year was the foundation year of the autonomous professional association, the Association of Slovak agri-tourism business. "The activity of this association was mainly focused on organizing educational, training and consulting events, exchange of experience between entrepreneurs, promotion of agro-tourism services in Slovakia and abroad, organizing excursions and so on. Later, the Association renamed to the Slovak Association of rural tourism and agritourism, abbreviated SZVTaAT.

Most of agro-tourism facilities were given in rent in 1992-1994. This caused discontinuation of their cooperation with agricultural units. In 1993 the Ministry of Agriculture included to its directive the title Agritourism”. The support of this area was unfortunately insufficient. It was based on a system of instalment loans for agri-tourism activities up to thirty percent. This support system was inadequate because of the small number of loans. Overall, only one third were largely spent mainly in the districts as Banská Bystrica, Bratislava, Poprad and Dolný Kubín. A year later, in 1994, the situation was the same. Supporting resources were spent only in one third, due to lack of own resources business units.

Modern rural tourism and agritourism, which began to promote from seventies to nineties of the twentieth century is different in many cases. In particular, it meets with increasing number of tourists or its participants. The distances that tourists travel around, are much longer. The most important of all is that tourism has developed in the countryside of any kind. It emerged from large and it moved for specialized centres into the small towns and villages, and became truly rural. (Stříbrná, 2005).

**Rural potential for rural tourism and agritourism development.** The aim of the paper is to point to the current agritourism potential up to the (self-governing and tourism) regions in Slovak territory.

To fulfil the main aim there were stated several sub-aims. The first sub-aim was to create agitourism theory concept based on Slovak literature source, while survey area was Slovakia. On the basis of local definitions future steps were stated. The next sub-aim was to find tourism establishments, providing agritourism services and later on chose certain services and find out, in what number of establishments they are offered.
To create the survey there were used several methods. The first one was literature abstraction as mentioned focused on Slovak agritourism literature and authors. Desk research method in combination with field research in chosen regions was used to find out the occurrence of selected provided services. Later on the comparative method was chosen to compare regional statistics of agritourism services. The results in concrete eight regions were evaluated through mathematic-statistical method.

Slovakia is divided into 8 self-governing regions. In concrete Bratislava region, Trnava region, Trenčín region, Žilina region, Nitra region, Banská Bystrica region, Prešov region and Košice region. In the past, the area was divided up to the specific micro regions with typical features.

From tourism point of view, since 2005 the area was divided up to its natural, historical, cultural and other potential. Regions, their division and criteria were created in the document used especially for tourism purposes. Regionalization of tourism in the Slovak Republic (as the name of the publication), which was prepared by the Institute of Tourism Ltd. Bratislava for the Ministry of Economy of the Slovak Republic is an orientation aid for the purpose of designing tourism regions. It covers whole territory of Slovak republic. Publication evaluates the potential of individual regions for tourism development and particularly its most important forms for state administration bodies, local government and the business sector to meet the needs of
the design, coordination, marketing, operational, investment and other activities. The reasons for creating that regionalization were essentially to promote tourism as well as to support it in terms of regional development at the local, regional, national and international level. After evaluation of the primary considerations there were specified 21 natural tourism regions, divided according to concrete criteria.

The regionalisation states rural regions worth for rural tourism and agritourism development. There were created four categories (high potential, good potential, average potential a basic potential). In them there are in concrete:

High potential: Severopovažský, Oravský, Liptovský and Horehronský regions.

Good potential: Strednopovažský, Podunajský, Turčiansky, Ipeľský, Gemerský, Pohronský, Tatranský, Spišský regions.

Average potential: Bratislavský, Záhorský, Nitriansky, Hornonitriansky, Košický, Šarišský, Hornozemplínsky, Dolnozemplínsky regions.

Basic potential: Dolnopovažský region.

The mentioned potential up to the tourism regions can be seen in the picture 2, where the area is divided. The darkest brown colour represents the most worth regions, where rural tourism and agritourism activities could be spread.

![Picture 2: Rural potential for rural tourism and agritourism development](source: Regionalizácia cestovného ruchu, 2005)

In the chart one according to self-governing regions in Slovak republic there were found through field and desk research agritourism establishments that provide that kind of services base on natural sources.
Despite the fact that Bratislava region is not size extensive one, but due to its particular wine growing and producing potential it has recorded the highest number of agritourism establishments. The lowest number was found in Trnava region. Average number was found in Žilina and Košice region.

After finding agritourism establishments in all regions of Slovak republic, there was the aim to find out whether the offer of their services differs. As expected, accommodation and catering belong to the most important tourism services. In Slovak agritourism establishments dominates (except mentioned) horse riding. Even when making the survey on agritourism perception of tourism participants, the majority expressed the interest and demand of horse riding services. Unfortunately there is a misconception dogma that agritourism is associated mainly with horse riding and horse breeding. The positive finding is that people start again to search for home made product that strongly differ with their quality comparing with those from the „super chains” shops. Even complicated conditions of selling home made products, there increases the interest of tourist to buy them that shows the importance to deal this topic as soon as possible.
Conclusion. Even though the founders’ countries were Germany, France, Italy, Great Britain, Austria and its history in them and agritourism service providing has a long tradition and high quality trend... the other European countries can learn on their example and use their rich natural potential to develop agritourism idea in them. Unfortunately until now it is not possible to reach clear statistics of those activities in Europeans countries. The common rules are missing and that is why it is not possible to compare the individual results of the countries. It is not possible to arrive at common conclusions, because the data are not comparable across the countries.

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INSTITUTIONAL ENVIRONMENT OF TECHNOLOGIES TRANSFER AS A DETERMINANT OF INNOVATIVENESS AND ECONOMIC CONDITION OF SWEDEN AND AS ONE OF THE DIRECTIONS FOR PRO-GROWTH ACTIVITIES OF UKRAINE

Innovations are perceived as a driving force of modern economies and economic subjects functioning within them. Innovations mean new production methods, organization or new sales markets. They are closely related to possibilities of enterprises development and afterwards they become an incentive for similar activities performed by remaining entities. What is more, enterprises development equals a chance for creation of new workplaces. If numerous companies happen to find themselves in a similar situation it may reflect in unemployment decrease and at the same time improvement of economic condition. Innovativeness is determined by various factors such as the level of outlays on R&D activity, quality of human capital, implemented innovative politics, technology transfer or institutional environment.

The aim of the present discourse is to present the essence of institutional environment and technologies transfer as factors conditioning innovativeness and state of national economy on the basis of Swedish economy, classified as one of the most innovative and the most competitive economies in the world. Moreover, the article can serve as an indicator of activities aiming at development of institutional environment of the innovations and technologies transfer in Ukrainian economy, and simultaneously improvement of economic condition. Considering the
fact that Ukraine belongs to the group of least developed countries in the world, located in the middle of transformation process, innovativeness could be an opportunity for the improvement of economic condition.

**Key words:** innovativeness, R&D, institutional environment, technology transfer

Інновації сприймаються як рушійна сила сучасної економіки та господарюючих суб’єктів, що функціонують в них. Інновації означають нові методи виробництва, організацію або нові ринки збуту. Вони тісно пов’язані з можливостями розвитку підприємства і згодом стають стимулем для подібних дій, які виконують інші організації. Більше того, розвиток підприємства дорівнює шансу для створення нових робочих місць. Якщо багатьом компанія пощастить опинитись в подібній ситуації, то це може відобразитись у зниженні рівня безробіття, і в той же час в поліпшенні економічного стану. Інноваційність визначається за різними чинниками, такими як рівень витрат на R & D діяльність, якості людського капіталу, втілення інноваційної політики, передача технологій або інституційного середовища.

Метою цієї роботи є представлення суті інституційного середовища та трансфера технології, як чинників формування інноваційності та стану національної економіки на основі шведської економіки, яка визначається, як одна з найбільш інноваційних і найбільш конкурентоспроможних економік у світі. Крім того, дана робота може служити індикатором діяльності, спрямованої на розвиток інституційного середовища передачі інновацій і технологій в економіку України, і водночас покращенням економічного стану. Враховуючи той факт, що Україна належить до групи найменш розвинених країн у світі, будучи розташованою в центрі трансформаційного процесу, інноваційність може стати можливістю для поліпшення економічного стану.

**Ключові слова:** інноваційність, R&D, інституційне середовище, передача технологій

Інноваций воспринимаются как движущая сила современной экономики и хозяйствующих субъектов, функционирующих в них. Инновации означают новые методы производства, организацию или новые рынки сбыта. Они тесно связаны с возможностями развития предприятий и впоследствии становятся стимулом для подобной деятельности других организаций. Более того, развитие предприятия равно шансу для создания новых рабочих мест. Если многим компания повезет оказаться в подобной ситуации, то это может отразиться в снижении уровня безработицы, и в то же время в улучшении экономического положения. Инновационность определяется различными факторами, такими как уровень затрат на R&D деятельности, качество человеческого капитала, воплощение инновационной политики, передача технологий или институциональной среды.

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Целью данной работы является представление сутти институциональной среды и трансфера технологий, как факторов формирования инновационности и состояния национальной экономики на основе шведской экономики, которая определяется, как одна из самых инновационных и наиболее конкурентоспособных экономик в мире. Кроме того, данная работа может служить индикатором деятельности, направленной на развитие институциональной среды передачи инноваций и технологий в экономику Украины, и одновременно, улучшением экономического положения. Учитывая тот факт, что Украина принадлежит к группе наименее развитых стран в мире, будучи расположенными в центре трансформационного процесса, инновационность может стать возможностью для улучшения экономического положения.

Ключевые слова: инновационность, R & D, институциональная среда, передача технологий

Introduction. In the modern socio-economic realities, innovations constitute particular driving force of complete economies and economic subjects functioning within them. Innovations are closely related to the chance of introduction of new ideas of functioning and launching of new, cheaper assembly lines or entrance into new sales markets. They are also significantly correlated to the chances of enterprises development and afterwards they become an incentive for similar actions performed by remaining entities. Moreover, enterprises development means an opportunity to create new workplaces. If numerous companies happen to find themselves in a similar situation, it may reflect in an unemployment decrease and simultaneously improvement of economic condition.

Innovativeness is determined by various, relevant factors, such as level of outlays on R&D activities, quality of human capital, innovative politics, technologies transfer or institutional environment. Unfortunately, innovative activities are hindered by serious obstacles, such as lack of financing sources of innovative affairs, lack of business partners or increased bureaucracy.

Fundamental role in this case is occupied by institutional environment which includes subjects such as technological centres, development agencies, special economic spheres or the research and scientific institutions. The aim of the article is to present the essence of institutional environment and technologies transfer as factors indicating innovativeness and reflecting condition of national economy, portrayed by the example of Swedish economy, classified in the group of the most innovative and the most competitive economies in the world. Furthermore, the discourse indicates development directions of institutional environment of innovations and technologies transfer of Ukrainian economy which beside belonging to the least developed
economies in the world, is located in the middle of transformation process and innovativeness could be the chance for the improvement of socio-economic situation.

**The issue of technologies transfer in creation of socio-economic situation.** Technologies transfer may be comprehend as a transfer of necessary information in order one subject is able to copy or develop work of other subjects. The information assumes technical form (engineering knowledge, scientific standards) as well as procedure form (e.g. law, non-disclosure agreements, patents, licences). Technologies transfer can clearly overlap with enterprises, research or scientific institutions. (Głodek, Gołębiowski, 2006)

Technologies transfer is based on continuous, active cooperation between knowledge centres, scientific units, entrepreneurship sphere and industry. Technologies transfer programmes are integral with the mission and assumptions of scientific institutions. That is why, they are related to the education issue, research activity and activities undertaken for the benefit of public utility. Processes of technologies transfer are connected to mechanisms serving crucial role in the implementation of R&D activities, effects of which are directed on fulfilment of needs, society’s expectations, as well as R&D activities undertaken and financial sources supporting research activities. Technologies transfer means sources of specialist knowledge necessary to implement R&D activity and methods that help institutions to meet continually and rapidly changing requirements. (Lipinski, Minutolo, 2008)

Technologies transfer is perceived as one of the most significant determinants of innovativeness. Cooperation between innovative economic subjects and scientific infrastructure facilitates fast information exchange, consulting and innovations diffusion, therefore, knowledge about modern techniques increases and qualifications of industry workers improve. Moreover, the vital issue lies in costs reduction for information acquirement about innovations and situation on the market, effective use of human knowledge potential as well as easiness in transformation and access to information. (Popławski, 1995)

In the recent years the influence of technologies on socio-economic development and level of competitiveness becomes highly visible. Technology becomes a key of competitiveness in economy and national economic growth. Many years ago J. Schumpeter (Schumpeter, 1932) claimed that investment in the development of new technologies and technologies wide spread are the driving force of economic development. New technologies provide more effective work methods and open new prospects of human activity. They are also strongly connected with the decrease of
unemployment. Innovations and technologies transfer also facilitate quality improvement and increase of effectiveness, time reduction in introducing product on the market as well as fulfilment of continuously changing human needs. Introducing diversified products and services on the market, technical innovations used by companies, planned processes, deployment, control and assessment of technical changes create new possibilities of increasing their competitiveness and development. (Negocjacje ...)

![Diagram of technologies transfer and innovations](image)

**Figure 1.** The essence of technologies transfer and innovations in creation of socio-economic situation


If more subjects in a particular country demonstrate such inclinations, it reflects in the improvement of socio-economic situation and reinforcement of economy condition on the international arena.

**Chosen elements of institutional environment of technologies transfer and innovations in Sweden as a pattern for Ukrainian activity.** It seems that effective realization of technologies transfer could not manage successfully without smoothly
functioning institutional environment which include range of ingredients of highly diversified character, serving as external sources of information, technology and consulting for innovative enterprises. In overall, institutional environment comprises of institutions and organizations which support and mediate in the innovation domain. It includes government and regional institutions, non-government institutions and organizations such as centres supporting entrepreneurship and innovativeness, technological parks and incubators, technological centres, counselling and training centres, information centres etc. The other element of institutional environment of innovativeness is represented by regional organizations such as entrepreneurship incubators, technologies transfer centres, centres of excellence and special economic spheres. (Otoczenie instytucjonalne …)

It should be stated that the infrastructure units also include bridge institutions called technique transfer brokers or so called spin-off firms. (Jasiński, 2006)

One of the key assumptions of institutional environment functioning are counselling services of pro-innovative, training or financing character which facilitate implementation of innovative activity. The crucial issue in case of innovations support by institutional environment side seems to be information help which means providing information concerning administrative-legal aspects of conducted business activity, available programmes of public help and sources of financing. Furthermore, those institutions share information concerning contact details or introduction of information to data base which help in establishing cooperation and searching of potential partners both on regional, national and international levels. (Information of Podlaskie Innovation Centre)

The representative examples of Swedish units of technologies transfer infrastructure are VINNOVA, Teknikdalen, Idélab & Teknikbyn, Inova, Gothia Business Incubator, Chalmers Innovation, GU Holding & Sahlgrenska SP, Ideon Innovation, MINC, Aurorum, Uminova, Uppsala Innovation Centre, STING, Karolinska Innovation, SSE Business Lab, Pronova Science Park, Mjärdevi Business Incubator, Jönköping Business Incubator, Blekinge Business Incubator or Sweden Cleantech Incubators. (Petersen, Schmerber, 2008)

The short analysis below presents activities of chosen, remarkable centres aiming at support of innovativeness and technologies transfer in Swedish economy.

VINNOVA – Swedish Agency for Innovation Systems is a government agency with key assumptions to promote development and growth of national economic subjects from the territory of Sweden. Special responsibility area is covered by innovativeness and R&D activity in the country. One of the most important and demanding tasks and
effects of VINNOVA activity is financing increasing domestic needs of innovative economic subjects which are focused on achieving competitive edge relying on aspirations on collaboration with other subjects or scientific centres. (About VINNOVA)

The Teknikdalen Foundation is an institution that since 1988 tries to support innovators and small entrepreneurs in growth and development of their business ideas. In order to achieve objectives, the foundation cooperates and strengthens connections with representatives of the business sphere and institutions assuming own activity on continuous knowledge improvement and development of own subjects. (About the Teknikdalen Foundation)

Västerås Science Park is an innovative technological park located in the central part of Sweden, focused predominantly on the industry of informative and automatic technologies. It supports entrepreneurs who aim at strengthening of the competitiveness of own business by offering dynamic and creative environment, numerous development programmes as well as help in establishing international contacts, which often is reflected in faster innovative growth of economic subjects. (Science Park Västerås)

It is worth stating that activity of Västerås Science Park with close cooperation with Mälardalen University\(^1\) resulted in dynamic economic growth of the region which was reflected in growth and reinforcement of competitiveness of many local entrepreneurs and creation of new work places. In 2009 approximately 200 companies located on the territory of Västerås Science Park employed over 1600 workers. (Teknikbyn - ...)

Gothia Science Park (Gothia) in main assumptions of own business activity assures all conveniences for innovativeness. Gothia Business Incubator is the strongest and most important incubator in Sweden, it constitutes part of national incubator system. This system comprises of 12 smaller incubators linked with major R&D institutions in Sweden. Gothia Science Park activity is based on cooperation among research sphere and bigger industrial enterprises in the region. Entrepreneurs together with employees of scientific institutions conduct works on commercialization of acquired scientific effects. (http://stim-sme.cpr.it/partners.html ...)

Chalmers Innovation is a business incubator which supports technical ideas of national economic subjects and their aspirations to acquire growth and competitive edge. Chalmers Innovation offers financing research-development activities and counselling in terms of entrepreneurship. In Chalmers Innovation’s offer there is a range of various types of

\(^1\) Mälardalen University is one of the leading universities in Sweden, located in the cities of Eskilstuna and Västerås.
seminars and trainings directed on help for economic subjects in transformation and remaining in the complex process of business management. *(Because business...)*

It should be stated that since 1999 effects of Chalmers Innovation activity have been reflected in development of more than 90 enterprises from high-tech sector and at the same time facilitated creation of new workplaces and improved condition of local work market. *(Chalmers Innovation ...)*

The subsequent example of the element of technologies transfer infrastructure in Sweden is Sahlgrenska Science Park. Its main goal is contribution to the growth of commencing enterprises. Sahlgrenska Science Park fully cooperates with Business Region Göteborg, Västra Götaland Region as well as University of Gothenburg in order to ensure better conditions in the scientific life sector in West Sweden. Furthermore, Sahlgrenska Science Park also collaborate with GU - Holding, GöteborgBIO and Innovationsbron Väst. Their target is to acquire appointed aims, the park offers own support and inspires potential business ideas, therefore, they stand a chance of development and successful completion. *(Sahlgrenska Science Park - A meeting ...)*

Minc is an incubator aiming at development of, based on intense increase of knowledge, business ideas assuming support in acquiring growth by particular economic subjects. Minc support takes the form of permanent contact, effective counselling and specialist knowledge, that is why, enterprise is able to adjust to defined needs of recipients and market challenges. *(http://www.eurofficeservices.eu/index.php?id=49)*

Aurorum is northernmost science park in Sweden. It conducts close cooperation with Luleå University of Technology. The principal aim of Aurorum is to create Luleå the most attractive region in country for launching and conducting economic activity and developing ventures based on knowledge. *(What is aurorum ...)*

Uminova Innovation AB is a non-profit organization with headquarter in Umeå, north part of Sweden. Activity of this unit is focused on development of innovative activities of economic subjects. It is closely related to deep concentration on innovativeness, incubator, development and technologies transfer issues, both on national and international scale. Main assumptions of Uminova Innovation AB are transformations of ideas and scientific discoveries into business achievements. Uminova Innovation AB directs its help on students, scientists and economic subjects which includes complex processes of innovation development, entrepreneurship training programmes, technologies transfer and business incubator. *(http://ecentres.net/content/uminova_innovation_ab)*
Uppsala Innovation Centre UIC is a business incubator for enterprises. The offer of this unit covers specialist counselling and support for successful deployment of business activity. Main assumption of UIC is contribution to establishment of more energetic enterprises in the region. Uppsala Innovation Centre UIC offers five various, supporting programmes which include e.g. support in launching business activity and acceleration of business development. (Welcome to Uppsala …)

KI Innovations promotes achievements of biomedical researches conducted to create new products and inventions of modern technologies ensuring improvement of health and wellbeing of societies in the world. KI Innovations supports scientific workers from Karolinska Institutet and other Nordic universities in the commercialization process of their scientific achievements. KI Innovations supports economic subjects through help in managing and financing first steps in the development process. It also offers legal advisory, funds on patent protection and development of innovative economic activity. KI Innovations facilitates, for innovative scientific workers from this branch, access to wide range of international contacts in the pharmaceutical industry. Summarizing KI Innovations activity, it can be concluded that the company analysed over 800 scientific inventions, helped in establishment of 40 new enterprises relying their works on technological-innovative activity, led to the conclusion of 30 license agreements. Moreover, KI Innovations contributed to creation of new subject involved in investment activity - Karolinska Development. (Karolinska Institutet …)

Pronova Science Park supports activities of enterprises, particularly by promoting advantages and possibilities resulting from functioning in dynamic business environment, where the competition continuously escalates. The offer is addressed to economic subjects who elaborate new technologies and in the strategy of own company emphasize innovativeness. (http://www.pronovasciencepark.com/default.asp?sid=2008)

Mjärdevi Business Incubator supports mainly small innovative enterprises, which just commenced existence on the market. The basic assumption of the incubator is to help in technologies transfer and commercialization of the ideas which may result in maximum chances of achieving success. (Mjärdevi Business …)

Finally, Science Park Jönköping promotes launching economic activity and growth of enterprises which base own functioning on considerable increase and use of knowledge. (http://www.sciencepark.se/web/english.aspx)

Sweden Cleantech Incubators are the exclusive incubators in Sweden that offer support for subjects predominantly from the technological environment. Members of
the incubator are newly-formed enterprises whose mission is sustainable development of society. Main goal of Sweden Cleantech Incubators is acceleration of the development of those subjects by achieving success by the use of innovativeness. It is a virtual incubator which assures marketing help, employees’ qualifications and skills development, as well as necessary source of financing R&D activities. (*Welcome to Sweden Cleantech ...*)

**Competitiveness of Sweden and Ukraine on the international arena with particular attention paid to innovativeness determinants.** The crucial part of Swedish economy constitutes natural resources such as high quality iron ores as well as considerable – especially in relation to population – forest area. Even though, the country performs successfully in terms of technique development, starting with car production to IT and pharmaceutical industry. Analysing Swedish economy it seems legitimate to mention world known Swedish brands adequately represented by: Volvo, Saab, Scania, Ericsson, Electrolux, Husqvarna, Absolut, Hennes & Mauritz (H&M), Tetra – Pak, or IKEA. Moreover, it is worth stating that popular, worldwide known communicator - Skype\(^2\) was also created in Sweden. ([http://www.sweden.se/eng](http://www.sweden.se/eng))

Swedish economy is included in the group of most developed, most innovative and most competitive in the world. Unfortunately, economic condition of Ukraine is much worse. From 2012 Ukrainian economy does not record growing tendencies, deficit on the current account for 2013 is 8,9% GDP, budget deficit constitutes 8% of GDP, the country run out of currency reserves and for considerable period of time Ukraine is not able to finance debts on the international markets. (*Terapia szokowa ...*)

**Table 1**

World Competitiveness Index according to WEF  
(Global Competitiveness Index) 2011 – 2013

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Switzerland</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Singapore</td>
<td>2</td>
<td>2</td>
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<tr>
<td>Finland</td>
<td>3</td>
<td>3</td>
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<td>Germany</td>
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<td>6</td>
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<tr>
<td>USA</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td><strong>6</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td><strong>Hong Kong</strong></td>
<td><strong>7</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

\(^2\) Skype is the internet communicator, created by Swedish computer programmers Niklas Zennström and Janus Friis. It has over 200 million registered users worldwide (data from IV 2007) and nearly 7 million in Poland (data from XII 2006). Skype allows for free voice and video talks between registered users.
These are not the exclusive problems of Ukraine which is in the middle of system transformation. Corruption, huge indebtedness, military anxiety are only striking examples of the current situation of Ukraine.

Ukrainian economy performs relatively bad in comparison with the most innovative and most developed economies in the world. Comparing Ukrainian economy with Swedish one, it is possible to notice blatant difference in the level of outlays preserved for financing R&D activities which are the most crucial factors conditioning level of innovativeness of national economies.

Table 2

The level of outlays for R&D activity in Sweden and Ukraine, in 2009-2011 (% GDP)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>3,60</td>
<td>3,39</td>
<td>3,37</td>
</tr>
<tr>
<td>Ukraine</td>
<td>0,86</td>
<td>0,83</td>
<td>0,73</td>
</tr>
</tbody>
</table>

Worth emphasizing seems to be the fact that according to other competitiveness rankings, there are areas where Ukraine performs considerably high. According to one of them, indicating 50 most innovative countries in the world, there are: research-development activeness (position 37), productiveness (position 69), high-tech availability (position 47), concentration of conducted researches (position 34), production capabilities (position 34), patent activeness (position 17) and the most important score – effectiveness of higher education (position 6). (50 most ...)
Table 3

Competitiveness of Sweden and Ukraine in 2012 – 2014 in terms of factors related with innovativeness

<table>
<thead>
<tr>
<th>Factors facilitating innovativeness</th>
<th>Sweden</th>
<th>Ukraine</th>
</tr>
</thead>
<tbody>
<tr>
<td>institutional environment</td>
<td>5</td>
<td>95</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>20</td>
<td>68</td>
</tr>
<tr>
<td>Macroeconomic stability</td>
<td>14</td>
<td>107</td>
</tr>
<tr>
<td>Higher education and trainings increasing qualifications</td>
<td>8</td>
<td>43</td>
</tr>
<tr>
<td>Technological abilities</td>
<td>1</td>
<td>94</td>
</tr>
<tr>
<td>Modern technologies availability</td>
<td>2</td>
<td>106</td>
</tr>
<tr>
<td>Direct foreign investments and technologies transfer</td>
<td>33</td>
<td>131</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>7</td>
<td>95</td>
</tr>
<tr>
<td>The quality of functioning research and scientific activities</td>
<td>15</td>
<td>69</td>
</tr>
<tr>
<td>Expenses on R&amp;D</td>
<td>7</td>
<td>112</td>
</tr>
<tr>
<td>Cooperation of science sphere with industry</td>
<td>10</td>
<td>77</td>
</tr>
<tr>
<td>Number of submitted patents</td>
<td>1</td>
<td>52</td>
</tr>
<tr>
<td>Scientific employees’ availability</td>
<td>10</td>
<td>46</td>
</tr>
</tbody>
</table>


The situation of Ukrainian economy differs significantly from the situation of Sweden, therefore it is worth to emphasize factors which condition innovativeness of national economy and at the same time possibilities of development. Bearing in mind the fact that World Competitiveness Index covered 148 countries, it is worth to underline few positions where Ukraine was placed in the first 50. These are higher education and trainings raising qualifications as well as availability of scientific employees. Ukrainians can praise themselves for the number of submitted patents, placing themselves on 52 position in the ranking.

**Conclusion.** Technologies transfer is one of the determinants of innovativeness of national economic subjects and complete economies. Therefore, worth presenting seems to be the character of functioning of particular elements of institutional environment of technologies transfer and simultaneously innovative activity.
Innovativeness seems to be the pro-growth direction for greater number of economies in the world. Ukraine shall intensify own innovative activities and most of all solely focus on development of higher education where innovative solutions are frequently formed.

Presented example of functioning institutions supporting technologies transfer and at the same time innovativeness of national economic subjects in Sweden can serve as a direction for Ukrainian economy which stands a chance of socio-economic transformations.

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THE ANALYSIS OF CUSTOMER’S SATISFACTION WITH SERVICES OF TOUR OPERATORS IN SLOVAKIA

Tourism services, their range and quality are some of the most important factors that affect customer satisfaction. The article deals with the customers’ satisfaction with the services of travel agencies in Slovakia. The aim of this submission was gathering knowledge about the services of travel agencies and the subsequent analysis of customer satisfaction with these services. The main part of the article deals with the research objectives of customer satisfaction with the services of travel agencies, methods of work and interpretation of the results obtained.

Key words: Slovakia, Tourism, Customer, Satisfaction, Services, Travel Agencies, Survey.

Туристичні послуги, їх асортимент і якість є одними з найбільш важливих факторів, що впливають на задоволення потреб клієнтів. У статті висвітлюється задоволення потреб клієнтів за допомогою послуг туристичних агентств в Словаччині. Метою цієї роботи є накопичення знань про послуги туристичних агентств і подальшого детального аналізу задоволеності клієнтів цими послугами. Основна частина статті присвячена дослідженню цілей задоволеності клієнтів послугами туристичних агентств, методів роботи та інтерпретації отриманих результатів.

Ключові слова: Словаччина, туризм, клієнт, задоволеність послуги, турфірми, обстеження.

Туристические услуги, их ассортимент и качество являются одними из наиболее важных факторов, влияющих на удовлетворение потребностей клиентов. В статье говорится о удовлетворении потребностей клиентов с помощью услуг туристических агентств в Словакии. Целью работы является накопление знаний об услугах туристических агентств и последующего детального анализа удовлетворенности клиентов этими услугами. Основная часть статьи посвящена исследованию целей удовлетворённости клиентов услугами туристических агентств, методов работы и интерпретации полученных результатов.

Ключевые слова: Словакия, туризм, клиент, удовлетворенность услуги, турфирмы, обследования.
Introduction. Tourism services, their range and quality are among the most important factors influencing tourism customer satisfaction. Their provision helps to meet the individual functions of tourism as well as to achieve the expected effects of participation in it. Due to various factors such as increasing demandingness of Slovak tourism participants and the accession of Slovakia to the European Union the demands for services and their quality have adequately increased.

Currently, when the competition is stronger than ever before is necessary for businesses to retain their regular customers. Customer becomes more and more experienced and demanding and for his/her money he/she expects quality service. If the selected firm does not meet the requirements, the competitors offering sufficient satisfaction of the customers needs with the required quality will accede. Therefore, it is in the interest of every company to examine customer satisfaction. It is important to know their needs and wishes, under which it will offer services with the required quality. If customer expectations are not met, it may result in loss of customer.

Tour operators as business entities provide their customers a wide range of services. Dissatisfaction with one service may cause complete dissatisfaction. Therefore it is necessary for tour operators to examine customers’ satisfaction. The key is the role of staff of the tour operators so called human capital who through their approach, level of expertise and readiness can significantly affect this satisfaction.

Satisfying customer requirements means the perception and understanding of customer’s expectations that tourism enterprise fulfilled or exceeded by its activity. Evaluation of customer satisfaction means the evaluation of how customers understand the activity of tourism enterprise as a supplier. Customer satisfaction is a situation in which the customers’ needs and expectations are constantly (i.e. over the whole lifetime of the product or service) met. Satisfaction reflects the customer perceived level of meeting his/her requirements. Overall satisfaction is related to the partial satisfaction which may have a different weight in the evaluation of overall satisfaction. In tourism there are several levels of assessing customer satisfaction - it could be a satisfaction with holiday, with the final destination or with the services of a particular tourism enterprise. For effective and efficient operation of tourism enterprises is essential to have feedback from customers who are direct consumers of their services.

Theoretical Aspects of Customer Satisfaction. There are many definitions of various world authors concerned with customer satisfaction. Some of them characterize the customer satisfaction on the basis of his perception of the company, as a customer state of mind about the product or service during its lifecycle depending
on individual customer expectations whether those expectations were met or surpassed. Achieving customer satisfaction should be the primary objective to the strategy development of each company. Characteristics and understanding of customer satisfaction helps companies to recognize and determine new opportunities for innovation of products and services. Achieving customer satisfaction can provide a basis for evaluating the company performance and for the system of individual employee remuneration [1].

According to Szwarc [5 p. 6] “customer satisfaction is how customers assess products or services of the organization with respect to their previous experience with a given organization (product or service) as well as on the basis of a comparison of what they heard or experienced with other companies or organizations”.

Complete satisfaction or dissatisfaction of the customer respectively product/service consumer can be characterized as an emotional response which is based on the differences between previous experience or expectation and real experience with the product. The smaller is the difference between expectations and actually provided service, the more satisfied is customer who is simultaneously the less price-sensitive, less influenceable by competitors and loyal to the company (product or service) for a long time [3].

According to another definition: customer satisfaction is a summary of the feelings triggered from the difference between his/her requirements and the perceived reality on the market. Depending on the nature of these differences we can determine three basic states of satisfaction:

– Customer delight (very satisfied customer) - when the perceived quality of the service exceeds initial customer expectations and perceptions. These situations are quite rare.

– Complete customer satisfaction – in case of compliance between perceived and expected quality.

– Limited satisfaction - perceived quality of the service did not reach the customer’s expectations. The customer can be satisfied to some extent, but his/her satisfaction is surely lower than in the previous two cases. Unfortunately, so far there is no reliable answer to the question at what size (of the difference between expected and perceived quality) the customer satisfaction changes into dissatisfaction [5].

Satisfied customer brings profit to a company not only at present but also in the future. With regard to constantly widening business globalization and growth of multinational companies to retain existing customers is becoming increasingly difficult. The basis for their retention is their systematic satisfaction. If the customer is
contended with the product or service, is more than likely that he/she returns again to the company in the near future. Provision of services includes very important reference marketing where the client shifts his/her experience as well as positive or negative evaluations to other potential clients. Various studies of the research organization have shown that satisfied client share his/her positive experience with some company with an average of five people, while negative experience will tell to an average of eleven people [2].

Peters and Waterman [7] drawing on their research in 1982 consider customer satisfaction as an important factor in the economic success of the company. They argue that tourism enterprises should periodically conduct a research on customer satisfaction. This satisfaction is influenced mainly by the staff since they are a significant factor determining the experience of those services. If the expectations of guests are met they may have become regular customers. Low satisfaction with the services does not necessarily affect the overall satisfaction with the stay in a given location.

In 1986 Puruckner [8] researched a satisfaction with holiday. He indicates a significant relationship between expectations, motives and decisions, specifically, if these expectations and motives are fulfilled, the participant (customer) will be satisfied. There is a high probability that the customer will again take a similar vacation. Significant role here play individual motives.

Previous researches on customer satisfaction with the consumption of tourism services allow us to formulate these conclusions:

- Satisfaction is associated with the fulfilment of customer expectations. The degree of satisfaction is higher when there is consistency between desire and the final destination and when it is achieved considerable awareness about destination and greater length of stay in it.

- Dissatisfied tourists behave according to several models - either they do not act at all or they struggle for compensation. Many times they behave vindictively, decide never again to use the service of enterprise or final destination and notify, inform about this their friends and acquaintances.

- Satisfaction with tourism holiday is a fundamental determinant of future tourist decision-making. The happier the customer is, the more possible is his/her return to us.

- Producers and intermediaries of tourism services and also final destinations should carefully examine the satisfaction of their customers to ensure the
consumption of their products and thus to increase their market share and achieve long-term prosperity.

- Decisive factor of customer satisfaction is the staff, people who have to pay attention to the care of customer’s dissatisfaction and immediately at the place to detect and eliminate problems and thus increase the level of customer’s satisfaction. Staff training in customer satisfaction issues must therefore be the focus of much attention.

- On the basis of understanding the factors of customer satisfaction and his/her buying behaviour is possible to prepare an effective marketing program and promote attractiveness of the offer for the target market, i.e. focus on relationship marketing.

- In the tourism theory should be addressed not only the methods of customer satisfaction evaluation at present but also future customer satisfaction [4].

Objectives and Material. The main objective of the contribution is to highlight the importance of customer satisfaction in tourism and based on the results of the research of customer satisfaction with the services of selected Slovak tour operators to identify factors that affect customer satisfaction. Secondary data source was domestic and foreign professional literature dealing with the issue of evaluation of customer satisfaction with the services provided. The basic method of obtaining primary data was a questionnaire survey which was conducted in February and March 2013. The research sample consisted of 120 regular customers i.e. customers who repeatedly purchased services of examined tour operators. Questionnaire was correctly filled out by 100 respondents (52 women and 48 men) which represents a return of 83.3%. The obtained data were processed and evaluated by the comparison method and by mathematical-statistical methods.

Problem Solution

The functioning of tour operators in Slovakia at present. Currently operates in Slovakia large number of businesses that focus on the organization and facilitation of services related to participation in tourism. The business activities of tour operators are organizing, offer and sale of tours and trips to the final consumer. Scope of activities of tour operators in Slovakia is regulated by Act No. 281/2001 Coll. on tours, conditions for business of tour operators and travel agencies and on amendment of the Act. no. 186/2006 Coll. The Act defines the Tour operator as “an entrepreneur who organises, offers and sells tours and concludes a contract on the provision of a tour (“tour contract”) under the trade licence.”

Basically, tour operator is a company that organizes tours. Tour operators alike are responsible for each trip and according to the law they must be insured against
bankruptcy. Tour operators often enter into contracts with travel agencies that act as mediators of tourism services (tours and accommodation, tickets, etc.). Travel agencies thus do not carry out tours and trips – those perform only tour operators.

Product of tour operators consists of a number of individual services (organizing programs of tours and visits, providing information, reservations and ticketing, booking accommodation, services of guides and animators during the trip and stay, etc.), however, it is usually different combinations of these services. The customer for himself compiles the final product on the basis of tour operator’s offer and his own needs and requirements. The combination of services may be the result of ideas of the tour operator which thus becomes the subject of a deal and the symbol of the tour operator’s entry into the market, the purpose of which is to generate a profit through satisfying demand (Orieška, 1998).

Survey results. On the survey participated respondents of various ages while selection of the research sample was conditioned by at least one use of the services of surveyed tour operators. In the sample predominated the age category of 20-35 years (57%). In question concerning the factors that influence respondents in choosing a tour operator in the first place (as the most important factor) respondents indicated: the prize (42%), an interesting offer (25%), acquaintances’ recommendations (22%), and own positive experience (10%). Only 1% of respondents in our survey are affected by tour operator’s promotion (advertising). By examining the correlation between age of respondents and the factors influencing them in selection of tour operator it was found that the majority of customers, regardless of age, when choosing tour operator are influencing by the price.

In the survey, we also investigated customers’ satisfaction with communications of the tour operator staff and with an amount of information provided in term of the respondent gender. The results indicate that 52% of men and 40% of women were very satisfied with communication of the staff and the information provided, 48% of men and 56% women were more satisfied than dissatisfied, 2% of women were more dissatisfied than satisfied and only 2% of women were very dissatisfied. All respondents consider very important to obtain understandable, truthful and factual information from the tour operator. Regular customers prefer particularly quick response to their wishes, they require smile on the staff faces and minimum waiting time at the tour operator’s office. As the least important they considered news sent by e-mails and possibility of meeting with operator’s staff outside the tour operator’s office. Based on these findings we can deduce that regular customer of tour operator is on average more conservative type who requires quick and accurate information from the
pleasant staff in office with little interest in innovative approaches in relation to him as to the customer.

Further questions were focused on respondents' satisfaction with the services of a delegate during their stay in the selected destination and with the level of accommodation and food services. The vast majority of respondents were satisfied with the delegates' work in terms of their communication and presence (readiness) in case of need. To this question 15% of respondents answered that they were more dissatisfied than satisfied and only 2% of women were very dissatisfied with the work of the delegate.

The level of accommodation and food services offer is for every customer very important. 32% of respondents were very satisfied with the quality of accommodation and food, 53% were more satisfied than dissatisfied, 14% belong to the category more dissatisfied than satisfied customers and only 1% of women reported strong dissatisfaction with the quality of accommodation and food.

We were also interested in customers' experience in dealing with their complaints and claims. Logically, for both parties the best is if this situation does not occur. Positive point is that up to 82% of respondents did not ever claim the services in tourism, 5% of respondents have experienced a positive resolution of their complaints, 10% reported partial satisfaction with the resolution of their complaints and 3% of women encountered a negative response – they were not completely satisfied with the resolution of complaints by tour operator.

Survey and insight into the resources mentioned by respondents as a basis for selecting a holiday destination shows that tourism portals (booking.com, expedia.com, etc.) are definitely the most important source of information followed by friends (personal recommendation) and tour operators. It should be noted that tour operators and their catalogues are still a very important source of information. In terms of booking tour operators remain dominant channels, however increases the importance of the Internet - directly through tourism portals (37.5%) or by e-mail is made a part of bookings/reservations (24%). An important factor is the age of the respondents - younger respondents prefer internet, senior respondent prefer tour operator. Approximately 50% of respondents start with selecting their holiday (destination) more than five months in advance and 37% of them also makes a reservation more than 5 months in advance. Most of respondents, however, make purchase itself within the period of three months before the planned date of holiday.

Conclusion. For several years we can observe in Slovakia a growing interest of tourism participants in both domestic and foreign holidays. However, there is also a
growing number of tour operators in the market which creates a competitive environment and often intensifying fight for customers. Under the influence of changing economic, social factors and growing experience become customers increasingly demanding and for their money expect an appropriate quality of service. The way of retaining customer is not only a service offer but especially constantly increasing quality of these services. If the customer is insufficiently satisfied with the services provided he leaves and does not use the tour operator's service in the future. In order to tour operators be able to meet the changing needs of customers in the future they must know them. It requires at regular intervals conducted surveys of consumer habits of their customers with focus on ways of spending their free time. Survey results is necessary to use in innovation and expanding portfolio of tour operator's offer enriched with new types of services and subsequently implement an aggressive marketing activities with respect to the disposable fund of free/leisure time and effective demand of major market segments.

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