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IWEB is one of the first business schools in Russia, which started MBA program for top managers. Today the Institute is ranked as one of the best ten business schools in Russia and provides students with an opportunity to get a high-quality and prestigious education in the field of international economics, PR, marketing and management. The Institute is working closely with the world known universities and internationally recognized companies in order to improve the scientific and educational standards.

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CONTENT

New trends in the integrated communications

RUSSIA'S IMAGE IN THE CONTEXT OF GLOBALISATION: FEATURES OF FORMATION

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The image should summarize and emphasize the worthiness and properties that the country offers to the world. Such aspects of the country carry immense value in the competition, as the probability that the consumer will choose this particular country increases. The image of the country is formed as a notion of its individuals, social groups and peoples, usually in a historical context, reflecting cultural and national characteristics of a community. However, the perception of the image depends on the existence of common interests or conflicts of interests of whose image is perceived and who perceives it. Value orientation, traditions, social norms, habits, ethnic and cultural factors play an important role in this process.

Each country has a certain steady mental image. If you want to describe the UK, the following images can appear in your mind: Her Majesty Elizabeth II, the famous Tower, Parliament and Big Ben Tower proudly soaring over the Thames, a Scot with the bagpipes, evergreen parks of London, prudish English, chatting over a cup of famous English tea, Miss Marple and

Sherlock Holmes, and, of course, the Beatles - the incomparable, internationally adored musicians.

France is associated with the Eiffel Tower, Montmartre, Notre-Dame de Paris, the Bois de Boulogne, Riviera, fine restaurants where you can taste fine wines, oysters, foie gras, listen to the songs of famous singers - Edith Piaf, Charles Aznavour, Mireille Mathieu.

China is associated with an unusual cuisine, full of variety of subtle flavours, the tea ceremony, silk clothes, jade and pearl masterpieces, the Tibetan medicine, Qigong gymnastic system, Buddhist temples decorated with colorful lanterns, feng shui, Shanghai skyscrapers.

When we say "Russia", we remember Northern Palmyra - Peter's the First creation, with its magnificent palaces, bridges over the Neva, the masterpieces of the Hermitage, the Church of the Savior-on-Blood, suburban residences of the royal family in Pavlovsk, Peterhof, Tsarskoye Selo, Gatchina.

We feel pride, remembering our gold-domed capital, the Kremlin towers, Red Square, where executions and parades took place, the Cathedral of Christ the Savior revived at the end of the 20th century, hotels - Natsional and the Metropol, All-Russia Exhibition Centre and Gorky Park, Old Arbat street where poets Pushkin, Okudzhava and Tsoi used to walk at different periods of time. Literary Moscow arises in our minds with the traditions of the poets of the Silver Age, and their successors, new geniuses who revealed their talents at famous poetic sessions at the Polytechnic Museum- Rozhdestvenskiy, Yevtushenko, Akhmadullina. Moscow, that keeps the traditions of Tchaikovsky, Rachmaninoff, Scriabin, draws the admiration of connoisseurs of music and a desire to visit Moscow Conservatoire, Tchaikovsky Music Hall and the House of Music. It's just a small part of those associations that arise when the word "Russia" is pronounced, only two cities where political, economic and cultural relations of the country can be found. National brands "Moskva Pervoprestolnaya" and "Brilliant St.Petersburg" were approved by the Federal Tourism Agency and attract tourists from many countries of the world. And if you look at the map of Russia, you can picture the life of the regions where different branches of industries appeared, their own traditions were strengthened and their own celebrities were born. Each region has something to be proud of.

If we study the image of the Russian macro-regions based on the technology of branding, the products mainly have their own identity, due to the place of origin. For example, a brand of fish products "Dalpiko" is associated with the Far East, rich in fish and seafood. Russia can be a world leader in eco-tourism, since it has unique natural features, but the aid of the state, business and civil society is needed, in this case the potential will become a resource for the development of the Russian economy. Siberia could become one of the world's centers of eco-tourism, and winter sports. The Far East could become an area for sea regattas and a golf tourism center. The Volga region possesses historical, cultural and natural values, attractive to Russian and foreign tourism. Nizhny Novgorod Monastery, Nizhny Novgorod Fair, Ples - all these are places of interest to be visited. A large number of big cities with well-developed infrastructure make it possible to develop the image of the region, good for living and attractive for students and workers.

Since Russia is the object of regional branding, you should study its tools:

- festivals, competitions, exhibitions and conferences;
- celebrating the anniversaries of historical and cultural events;
- the revival of local traditions and customs;
- development of new tourist routes;
- actualisation of regional brands;
- creation of new territorial markers;
- developing symbols of the region (including emblems, hymns, and so forth);
- creation of monuments and architectural complexes;

- making films, putting on theatre performances, publishing of local literature
- personification of the territory through a symbolic figure – a politician, a writer or a historical figure.

Heraldry in Russia is of great importance today. It contributes to the social and economic development of the state, thus strengthening it. "Symbol acts as a historical and cultural zone, which formed an integral shaped space of each city in the unity of all its social and political components," says an expert in heraldry Tunick G.A.

According to Jung K.G. “archetypes are symbols that are real if they are ambiguous, full of anticipation and finally are inexhaustible." Forming the image of the region, city or village, should be based on archetypes - original patterns, rooted in the subconscious part of a man that actualize the memory of ancestors and create certain associations in people's minds.

A number of fascinating new projects were created in different parts of the Northwestern Federal Region. The project "Veliky Ustyug is the Homeland of Father Frost” in Vologda region is among them. This project provides an opportunity to run other projects, including hiking trails, such as a trip to the holy and picturesque places, festival "Russian Lapot" and others that take place in Vologda region. Not all historical symbols associated with the regional culture are modern and attractive. It is necessary to introduce new symbols to attract young people. It is necessary to organize advertising campaigns and inform of them in mass media.

Realization of the brand development program is underway in Kostroma region, which is a homeland of five Russian tsars (Boris and Fyodor Godunovi, the impostor Tsar False Dmitry I, Basil Shuiskiy and Mikhail Romanov). The historical past of Russia is successfully used in the branding program. Towns and villages of Kostroma region are also developing and promoting their brands. Susaninskaya trail is already a recognized brand. Nerehta is an open-air museum, Kadiy is the birthplace of famous Florensky and Tarkovsky.

The border status of the areas of this region enables them to work actively with foreign investors within a framework of various international events, such as Hanseatic Forum in Veliky Novgorod, the Economic Forum in the arctic city of Murmansk and even the Forum of small and medium business in the region of South-East Finland and Leningrad region, which takes place directly in Finland (Kouvola).

Karelia became one of the pioneers in the field of agro-tourism. The Republics of Komi and Karelia, when developing the tourism industry, rely on the unique natural landmarks, nature conservation parks, the diversity of flora and fauna. They invite tourists to visit beautiful taiga lakes with rich fishing possibilities and unique beaches.

At the same time, many regions have a lot of difficulties now attracting tourists. For example, Kamchatka is famous for its hot springs and picturesque nature, but it is very expensive to get to Petropavlovsk-Kamchatskiy. The cost of air tickets is rather high today, and this affects negatively the development of tourism in the country. It is necessary to reduce transport tariffs in the framework of tourism projects. This will enable the Russians to visit the far parts of the country, to attract tourists from foreign countries and it will make a positive impact on regional development.

The Republic of Mordovia, which is a part of the Volga Federal Region, is developing its brand. The history of this area goes back to the 17th century, when there was a settlement of archers and Cossacks. Rebel leaders Stepan Razin and Emelyan Pugachev assembled their forces here. Such famous people as the poet A.Polezhaev, a contemporary of Pushkin, the artist F.Sychkov, Repin's student, and composer Leonid Voinov created their works in Mordovia. Mikhail Bakhtin the famous Russian philosopher taught in Mordovian University. Stratonauts Vasenko A., P. Fedoseenko and I. Usyskin rose to a height of 22 km in Insarsky district of Mordovia in 1934. Beautiful cultural monuments: the Theologian Monastery (18th century), Sanaksar Nativity of the Theotokos Monastery (17th century.), Paygarmsky Paraskevi-Ascension Monastery (19th century), Insarsky Holy Olginsky Nunnery (19th century) are located on the territory of the republic. The town of Sarov is famous for its hermitage, which is called the "Academy of monasticism." Prominent Patriarch Nikon, the Reverend Seraphim of Sarov monastery were born and lived in these places. The capital of the Republic, Saransk, is an ancient town. Saransk Coat of Arms was approved by Empress Catherine II in 1781. The symbols on it, a red fox and arrows, represent a rich hunting of fur game. The coat of arms was changed, but the original version was returned in 1994, Saransk repeatedly became the winner of the contest "The most comfortable city in Russia." Such crafts as: woodcarving, embroidery, beads weaving, felting etc are successfully developed in Mordovia. The House of folk crafts was opened in Saransk in 1997. Mordovian music ensembles "Umarina", "Torama" and "Kelu" are known not only in the country but also abroad. Every year festivals of folk songs and dances, fairs of folk arts and crafts of Finno-Ugric Peoples (people from Mordovia, Mari El and Chuvashia) take place there. The Republic is developing eco-tourism, as it is well known for its national parks with rich flora and fauna.

If you develop sightseeing tours for foreign tourists that combine visits to folk crafts festivals and exhibitions with visits to the Orthodox churches and historic monuments, you will increase the flow of tourists and the flow of investment for the reconstruction of workshops, construction of hotel complexes, and new jobs, thus, the territorial branding will be developed throughout Russia. These routes can pass through the "Golden Ring", "Kaluga tract", Karelia, Kostroma region, Vladimir region, Tver region, Vologda region, Mordovia, Bashkortostan, Chuvashia and others. It is necessary to open road tourist complexes (RTK) including modern cafes where tourists can be offered national cuisine, which will create conditions for recreation and entertainment. It is necessary to maintain the traditions of the peoples of Russia. Ethno-tourism is a direction that can attract Russian and foreign tourists, so Russia needs to develop it in the coming years. The lack of information in the mass media about the traditions of the region is a major problem that must be solved with the help of information technology.

The brand image of the region is formed by using modern technology of marketing. Use of promotions, political and social advertising, festivals, exhibitions, event marketing, online projects, including forums, conferences and advertising can promote a positive image of the whole country.

In the context of globalization, there often appear threats of information wars that destroy the mentality of a country, discredit reputational capital, create preconditions for the formation of a negative image of the country. The information war in 2008 in the context of the Georgian-Ossetian conflict zone, which was initiated by the United States with the support of Georgia and the leading countries of the European Union, made a negative impact on Russia's image, but did not destroy its main components. Russia learnt its lesson, when it found itself in the information blockade. The information war waged by the United States today around Ukraine damages the international image of Russia.

However, this time, the information attack receives adequate repulse in the Russian media, discredit of the Russian president raised his rating in the country to unprecedented heights and united the nation. Sanctions against Russia imposed by the US and the EU slowed down the country's economic development, but they revived the production of goods, which had not been in demand, and motivated Russian producers to expand production. And this is a positive trend. Russia is a country of peace-loving and peace-making policy, it continues to provide humanitarian aid to civilians in Donetsk and Lugansk regions that are being bombed by the army of Ukraine, thus preserving its national traditions. Russia strengthens ties with Asia-Pacific countries through conclusion of mutually beneficial contracts in various fields. Russia is an active member of BRICS, SCO and the Eurasian Union.

Russia won the Olympic Games in Sochi in 2014, became the winner of the first European Olympic Games in Baku in 2015. All these events have a positive impact on the image of the country, strengthening Russia's position in the international arena. In order to confront the discredit of Russia in foreign mass media, a comprehensive program is required that should include a number of elements:

- A clear definition of tasks, objects, nature and mechanisms of information influence, in particular, necessary to select key and the most significant foreign mass media and conduct constant information work with them.
- Raising the question about the image of Russia at the level of the intergovernmental dialogue with all major business partners and creating new means of communication to inform this interaction.
- ·The development of the principle of "information transparency", first of all, the organization of real interaction in a constructive manner between the foreign journalists and political and public figures with Russian government decision makers.
- Creation of a regulatory legal base for the formation of regional structures providing information security, the Russian specifying precepts of law establishing liability for violations in the field of information security of the Russian Federation.
- Introduction of the subject "media literacy" in the curricula of secondary and higher education institutions to explain the positive and negative impacts of mass media on the minds of youth and the formation of values.

Thus, we can say that the work at purposeful formation of a positive image of the country today includes a number of different components, beginning with the characteristics of the state policy and ending with the specific behavior in the international arena, especially its participation in international political, economic and cultural events. It should be emphasized that today, with the rapid growth of information and the participation of almost all world countries in new communication systems, it is necessary to pay great attention to all components of the image-forming information connected with the country. Russia has distinct advantages in developing successful brands in comparison with many other countries; they are the richness of Russian culture and the Russian language's global space, spread out with our compatriots all over the world. Despite the attempts of some countries to weaken the positive image of Russia, our country follows the course aimed at creation of the image of a strong state with the enormous scientific potential, national traditions and decent education.

MOBILE MARKETING TECHNOLOGY FOR HIGHER EDUCATION

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Now it is a matter of great urgency to investigate more closely the possibilities of the mobile marketing as the strategy to promote a higher education institution in the context of tough competition in the educational market.

There are several hundred of higher education institutions in the Russian Federation engaged in the educational activity under harsh conditions. They differ in types, standards of knowledge and directions. Each and every educational institution is interested in attracting students and building a loyal relationship with them for many years as part of the lifelong education system.

Increasingly competitive environment in the educational market stems from a wide range of factors. Firstly, entry of new competitors such as commercial higher educational institutions which seek to attract applicants to the most demanded directions. Secondly, the introduction of the Unified State Examination (USE) has led to the fact that applicants may, without passing additional exams, submit their documents to any university of the country.

Thirdly, the most serious factor affecting the competitive position of a higher institution is a continued population decline as a result of which the number of the admitted to universities each year is decreasing. According to the forecast of scientific and technological development of the Russian Federation for the period up to 2030, drawn up by order of the Ministry of Education and Science of Russia, in 2016 the number of young people at the age of 17 to 25 will reduce by 12-15% compared with 2010, while the number of students will drop from seven to four million.

Universities challenged to improve their competitiveness and to "fight" for each applicant, now they have to take a balanced approach to the development of a marketing plan, positioning the university, to think over the methods to measure the effectiveness of marketing actions and build an integrated strategy of marketing communications using the most suitable for young audience promotional technology. One of these effective tools nowadays is mobile marketing technology.

Mobile Internet and mobile marketing market.

We can observe one of the basic trends, currently - the beginning of the dominance of the mobile experience above all others. Smart phones are gradually making up a whole with its users, these gadgets are used more often than any other device, and are closely related to a new type of interaction, called micro-moments.

Young people aged between 12 and 20 prefer mobile devices to the traditional personal computers and laptops, changing the normal Internet traffic, and directly affecting the development of additional services, such as instant messengers, new formats of mobile TV applications with geolocation, and all sorts of extra features.

Mobile-only audience has come into existence and these people use only mobile devices (smartphones and tablets, but not laptops and desktops) to access the Internet. This audience was only 14 million in 2010 globally and then this figure reached 788 million in 2015.

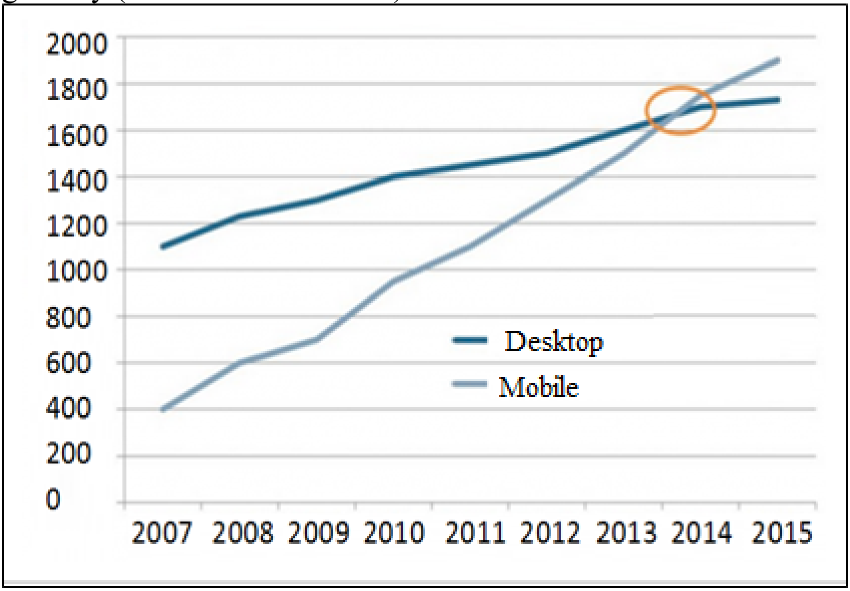
Mobile marketing technology has radically changed the media environment, opening up new opportunities for marketers to promote the brands. Today, mobile devices have surpassed television in the time of interaction with the screen among the "multiscreen" audience and market research Millward Brown proves it. On average, users that have the ability to view information on different screens, spend 113 minutes a day watching television and 197 minutes with mobile gadgets (smartphone 147 minutes + Tablet 50 minutes).

There is another trend in the use of devices - multiskrining - the simultaneous use of more than one device. Thus, approximately 62% of consumers use mobile devices combined with watching TV. Among the audience aged between 20 and 34, on average, 69% of consumers look for the information in their mobile device after they saw it on their television screens. According to research by Microsoft, by 2017, every Internet user will have about five different devices. Marketers need to understand how users will interact with these devices for building a coordinated multi-channel digital-strategy.

Foreign research resources Comscore and Statista information is of particular interest.

- Total global sales of smart phones and tablet PC sales already exceeded PC sales three times in 2013 and five time rise is foreseen by 2017. This rapid spread of smartphones, in turn, will lead to a "boom" of the mobile Internet. We can see the rapid growth in popularity of the mobile Internet now, if in 2012 the average amount of time a user spent on the mobile Internet was 74.4 minutes per day, then in the second quarter of 2014 this figure reached up to 108.6 minutes per day and this means that this index is bigger by one and a half.

Pic. 1 - The active subscriber base of mobile data, mln. people globally (2007-2015 biennium).



Source: ComScore, 2014

We can watch high index of using the mobile Internet in Russia. According to TNS in December 2014 the proportion of mobile devices users that use the Internet at least once a month was 68% for Russia and 73% in Moscow (from Internet users in general).

The smartphone owners are the most active mobile Internet users as of year-end 2014, 52.6 million subscribers used mobile data transmission, generating an average for one user 1.2 GB of traffic a month.

Regular mobile phone substitution by smartphones and as a consequence, the growth of mobile Internet use among the population led to the transformation in the former model of consumer behaviour in receiving information. Market services of educational institutions faced with the need to actively apply the tools of mobile marketing in the promotion of educational services.

Mobile marketing as an effective communication tool for the target audience

Mobile marketing is a complex of measures aimed at the product promotion or a service, or an idea, implemented with the help of mobile devices and gadgets through mobile communication and WI-FI.

A total world market of mobile marketing will be about $ 56.2 billion in 2016 according J'son & Partners Consulting.

There are obvious advantages of mobile marketing in comparison to traditional types of marketing communications such as advertising, public relations and sales promotion:

1. Prospective audience. Members of today's mobile devices are active solvent audience.

2. Immediacy. For example, SMS can be done instantly to hundreds of thousands of customers located in different cities and even countries.

3. Interactivity. A distinct advantage of mobile marketing is instant feedback from the target audience, as well as constant consumer involvement in the dialogue with the brand.

4. Efficiency. For example, SMS-ing almost always involves feedback, it can be a call-back or a SMS code word; this activity makes it possible to get high accuracy of an efficiency estimate.

5. Low cost. The cost of mobile marketing technologies is often lower or comparable to the "traditional" methods.

6. Selective effect for the target audience based not only on the standard parameters of the target audience identification, but also on the specific consumer preferences and habits, his/her

behavioural patterns, typical leisure time, interests, recent actions on the Internet, etc.

7. Different tools combination. Mobile marketing technologies perfectly combine with each other as well as with other instruments of marketing communications that allow organising an integrated, catchy campaign.

8. Company image. The customer associates the company with innovative technologies and modern communication methods which is essential for most organisations.

9. There are no legislative limitations. There are no any imposed legal restrictions on tobacco and alcohol advertising in Russia through mobile marketing.

10. 24/7 availability. A mobile phone is the only thing that a person has with him or her constantly, so it is safe to say that the target audience is available to act at any time of the day, seven days a week.

The basic tools of marketing communications used in mobile marketing:

- Mobile Advertising
- SMS-marketing - SMS and MMS-mailing system to inform customers via SMS, ICB, USSD
- Promotional application for the direct brand promotion
- Social networks mobile marketing (Mobile SMM)
- Loyalty Programme - discount programmes, mobile loyalty cards
- Mobile version of the site designing

Mobile marketing opportunities

Mobile marketing tools can be used to accomplish the following marketing objectives:

• products and services advertising;

• sales promotion / information support;

• clients database creation and sales generation;

• communication with target groups and obtaining feedback;

• loyalty programmes implementation, consumers communities setting up etc.

Technologies are changing rapidly and new tools of mobile marketing appear. The most promising tools for today are the methods of non-contact transmission of information.

Quick Response (QR) Codes

«Quick Response» («rapid response") is a dimensional barcode. Japanese company Denso Wave worked it out. QR-code is a feature code that can encode any kind of information, text, URL, web address, phone, e-card, location coordinates, and so on.

QR-codes are already being used for advertising purposes: it is placed on billboards, print advertising, souvenirs, T-shirts etc. However, according to research marketing agency Russell Herder, despite the fact that 72% of surveyed consumers saw QR-code at least once in their life, 30% of them do not even imagine what it is. Only one in three of the 10 active users QR says that it was worth using it. There is a suspicion that in Russia the real awareness of the audience about how to use QR-codes is even lower.

Augmented Reality (AR)

Augmented reality is a technology that allows to overlay digital information on the top of a physical world in real time with the help of computer devices such as tablets, smartphones, and software for them. Augmented reality technology is actively used for marketing purposes, especially for the youth and children brands promotion. The mobile augmented reality allows to read a virtual information via smartphones and this is one the main important advantages for mobile marketing.

Radio Frequency Identification (RFID)

RFID –is a technology for non-contact automatic identification of objects through the radio frequency communication channel. Objects identification is possible due to a unique digital code that is read from the memory of the electronic tag affixed to the object identification.
RFID has been used successfully in the offline-events, if we tie to the user's tag his or her profile from the social network, it will be possible to successfully link the offline activity with the online environment.

Near Field Communication (NFC)

NFC (Near Field Communication) is a technology of wireless high-frequency short-range communication that ensures the exchange of data between devices at a distance of a few centimetres. It combines the interface of the smart card and reader into a single device. In other words, NFC helps a common user to move a contact or video clip from one smartphone to another just by touch of these devices, as well as to make contactless payments by replacing bank cards.

Even now smartphones with NFC can replace bank cards, transport tickets, discount cards and access smart cards, movie tickets and parking cards.
It is necessary to mention the main trends in the global market for mobile marketing, stated by J'son & Partners Consulting experts:

• New operating systems dissemination: Android, iOS, Windows;
- Increasing influence of the mobile social networking on mobile marketing;

• Tablet computer booming;
Mobile payment systems and mobile banking development;
• Growth in mobile devices and increased share of smartphones;
The following factors can be considered as the barriers to market development of mobile marketing in Russia:
• Technical constraints on SMS and MMS advertising. Based on the technical parameters of a message a cell phone can hold a limited number of characters and SMS messages can not contain multimedia (images, audio, video), and that is not suitable for every advertising campaign.
• Legal restrictions (Federal Law of the Russian Federation of July 21, 2014 N 272-FZ (the Law on "Communication")). The main requirement is that a mobile phone user has to give consent to receiving mailings.
• Low advertisers involvement.
• The negative economic situation in the Russian Federation.

Peculiarities of foreign higher education institutions promotion in a mobile environment

A recent study of Public Research Purdue University (Purdue University, USA) on the necessity of mobile applications for the students showed a clear preference for mobile applications compared to the conventional mobile version of the university site.

Consulting centre "Ruffalo Noel Levitz" report is also of interest, it showed the following:
70% of university students visit the official website of the university through mobile devices, and 73% are interested in institutions with the official mobile applications that provide easy access to the catalogue of courses and relevant information.

Basically, mobile applications of foreign universities include the following sections:
• Information about the institution
• Interactive maps of the campus
• Classes timetable
• Easily search the catalogue of courses
• Videos, including video teaching aids
• News and events concerning the educational and cultural life of the institution
• Contact information and directions

Applications can be used not only to obtain additional and necessary information, but also as the online courses basis. Students of three Master's programmes at Saint Mary's University of Minnesota are provided with Ipad tablets with application, which contains all courses in electronic form and consulting work with the teachers is optimised, as well as submission of reports and course work projects.

Many foreign universities apply mobile marketing technologies using unconventional approach. For example, OCAD - University of Art and Design in Canada - offers students and teachers a free app for smartphones with the function to call the police or an ambulance in case of emergency. A Carleton University mobile application contains a function of student attendance control.

The decision of the University of British Columbia, UBC is of special interest. Its international research and teaching centre is consistently ranked among the top 40 universities in the world. The mobile application of the University is fully integrated with the information system of the university. There is a constant exchange with a potential entrant, and later students and graduates of information through a serial mobile application devised for such issues as submission of documents for admission, student adaptation at the university, the educational process and long-term relationship building with alumni.

University of Dalhousie presented innovative approaches, called App Challenge. This is a student competition of mobile applications. Quite interesting is the University of Toronto project where students develop and constantly improve the application of the university and learn to work up their own projects.

Main recommendations for mobile marketing strategy implementation for higher education institutions.

In the future, more and more entrants and students will go on the Internet only through use of mobile devices, so universities should attentively analyse their activities in the field of mobile marketing:

- Creation of a mobile version of the site
- Implementation of mobile advertising campaigns
- Creation of a mobile application
- Optimisation of marketing for mobile devices in social networks

Main recommendations for the implementation of mobile marketing strategies for higher education institutions are presented below. Universities need to take the following fundamental steps.

1. Mobile version of the site implementation

The trend is that if the university does not have a mobile version of the site, there is a significant solvent young audience loss. The presence of a mobile version of the Internet resources is not the trend, but simply a necessity. A mobile version is a version of a website adapted for viewing on mobile devices (tablets, mobile phones, smartphones and other gadgets).

The mobile version of the site has a number of distinguishing advantages:

- Search engines use mobile search for mobile devices, so the mobile version will be ranked higher.
- A mobile site is downloaded easier because of the code size and the number of loadable items, which significantly reduces the costs for the user and it reduces the amount of payment for mobile traffic.
- A mobile version is adapted for touch screen technology for users of regular mobile phone keypad.
- Compact content displaying.
- Mobile versions often include additional communication features aimed at specific target groups of visitors: to call, to organise sending SMS directly from the site, to offer a route to the sales office, etc.

2. Development of a mobile application of the educational institution

It's becoming indispensable to have a functional, convenient and efficient mobile application for any project aimed at a mainstream audience.

The main advantages of a mobile application:

1. Considerable functionality

Mobile applications are much more functional and flexible than the classical sites. They are faster and easier tie into a net, they are extremely concise and, moreover, they allow using such necessary options as Bluetooth, geolocation, contacts list, camera, etc.

2. Positive consumers' attitudes to the applications.

More and more users think of the smartphone as the main device for communication and use of different services. And, consequently, users expect that the university has an application for Android or iOS.

3. Loyalty programme forming up

Users tend to be attentive to notifications and messages coming from mobile applications. Thus, mobile applications potential capacity for forming loyalty and personalisation is very high.

4. Marketing research

An obvious advantage for marketers who examine consumers' behaviour and preferences is predictability of actions of mobile applications users and clear and reliable interpretation of these actions.

3. The use of the messengers as university communication tool in the mobile environment

Nowadays, messengers are becoming the main form of communication online. Messenger is a specialised service that is able to transfer instantly a great variety of content in real time. Messaging has already become a popular technology for mobile marketing. Once devised only for personal communication, messenger now is transforming into an information channel in the form a social chat channel. This makes universities closer to the target audience: the personalised interaction and the possibility of rapid communication builds trust and boosts loyalty to higher education institution.

4. Maintenance of higher educational institution profile in the social nets, including Instagram

Every month 69 million people in Russia use the Internet; more than 80% of them are registered in the social nets. Social networking sites are actively used in all society spheres. The main reason users prefer communicating in social networks is that territorial, social and age differences between people blur and even out. It should be noted that VKontakte is one of the most popular social networks in Russia and the most visited resource on the Russian internet segment.

Vkontakte is still the leader among the Russians, and has 54.6 million active users (January 2015). Vkontakte is followed by Odnoklassniki (Classmates) with a monthly audience of 40 million users and My World - 25.1 million users, but these social media are beginning to lose ground and popularity. Their user base decreased by 1 million during the year (Classmates) and "My World" lost 2.7 million users. Facebook is strengthening with the third place; it has now 24.2 million users. It is followed by LiveJournal – 16.6 mln, Instagram – 13.3 mln and Twitter with 8.4 million users.

Now the differences between VKontakte target audience and a world leader Facebook’s one is blurring. Previously it was thought that the site VKontakte has a younger and more numerous audience that is interested in entertainment content, while Facebook is used more for informative purposes. Now Facebook simplifies functionality, and the presence of the Russian version adds popularity to it each year. As a result, differences in the audience have become insignificant.

To determine what kind of social network is better for a particular educational institution as a promotion platform, it needs to figure out the audience demographics, as well as gender, age, social status and level of education of particular social media

Maintaining groups and pages on social networks allow attracting users to the university activities, enable to establish fast enough informal contacts. People are more open than in real life, more willing to communicate and share information in the social nets environment.

Key university promotion opportunities for a higher education institution in the social networks

They are as follows:

• Keeping the group settles a wide range of advertising and marketing issues, and promotes the formation of a favourable image of the higher education institution.

• A group in the social network is a direct communication with the target audience - applicants, students, alumni.

• The university can conduct market research and find out the users' opinions on current issues and their wishes and preferences.

• The group gives the opportunity to inform immediately a large audience about new courses, open days, admission campaign start dates.

We would like to suggest paying particular attention to Instagram to higher education institutions. It is one of the largest social applications in the world; its popularity in Russia is constantly growing. According to comScore, the Russian audience platform currently has more than 9 million users (15+, the whole of Russia). TNS estimates the audience of this mobile application to be 5.5 million users (12-64, cities 700k +).

Instagram is the world leader in terms of the audience engagement, surpassing Twitter and Facebook, and this gap is growing. Every day around the world Instagram publishes 70 million new photos that receive 2.5 billion likes.

Instagram is the leader among social platforms in the rate and extent of growth of youth and female audience coverage. For these segments visual content has become a new and universal language of expression and communication; and viewing Photo report increasingly substitutes reading, public correspondence and reading friends' profiles. Maintenance of a current and interesting Instagram profile creates a modern image of the educational institution and projects this image in other social networks.

Mobile marketing in Russia is one of the most dynamic areas of marketing communications today. Companies make mobile versions of websites and advertising budgets include mobile advertising costs; agencies offer interesting decisions for advertising campaigns using new technologies. There is an increase in the number of companies specialising in mobile marketing. It is absolutely obvious that the era of mobile marketing has come. In these circumstances, universities face the need to develop a balanced approach to the marketing plan and build strategy of marketing communications using mobile technologies for promotion as the most effective tool of influence on the youth audience.

OUTDOOR ADVERTISING: INTEGRATION OF COMMERCIAL COMMUNICATION AND ART-OBJECT

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Abstract. *The article focuses on forms of interconnection between advertising and art. It is observed that the new aspects of such interaction are shaped due to the so-called contemporary art. The basis of this new language is replacing pieces of art with art-objects, the use of non-standard for art materials, direct interaction and receiving immediate feedback from the audience. The article also reveals trends and methods of contemporary art which participate in shaping today's urban environment. The main object of research is urban outdoor advertising. We analyse ambient advertising and street art as well as examples of advertising installations, performances and happenings. Special attention is drawn to interactive urban advertising. Methods and technologies borrowed from contemporary art enable advertisers to diminish the audience's negative reaction to excessive advertising in the city. On the other hand, contemporary art elements engaged in advertising habitualise this art, introduce its discourse in the citizen's everyday life facilitating its comprehension. The article proves that the integration of advertising and contemporary art can play a significant role in reducing the interference of advertising in urban space.*

Keywords: *urban advertising, art, contemporary art, ambient advertising, interactive advertising, integrated communications*

The city appeared as a center for social communications, including trade. Therefore, commercial information in the form of word-of-mouth, signs, graffiti and later billboards, posters, etc has always been an element of urban environment. One should admit that it was urban space that first witnessed advertising placement. With the course of time, advertisements (primarily visual) in streets and squares started to be called "outdoor advertising". Today, it represents a rather considerable part of marketing communications. According to the Russian Association of Communication Agencies (RACA), in 2014 outdoor advertising accounted for 12% of ATL-communications market, trailing only TV- and Internet-advertising. At the same time, being the oldest sector of advertising market, outdoor advertising has successfully retained its positions at the time of digital-communications. This is what makes it considerably different from another "old-time" advertising channel, the printed media. Thus, within the period of 2013-2014, the amount of outdoor advertising didn't see any change while the share of printed advertising decreased by 11% (including special advertising editions where it decreased by14%). [1] Yet the new market conditions and rapidly developing mass communication technologies make outdoor advertisers search for new ways of targeting potential customers.

Indeed, it is outdoor advertising that earlier shaped and continues to shape urban environment today. [2; 3; 4] But its substantial part has hardly been perceived by the target audience. To attract citizens' attention (let alone the real impact) advertisers have increasingly been resorting to cityscape invasion: advertising constructions have become bigger in size, the number of constructions has increased as well. [5] This has caused not only public disapproval but also legal restrictions on outdoor advertising, if not its full prohibition. Since 2007, outdoor advertising has been fully banned in Sao Paolo (excluding shop windows and signs) as well as in another 1500 cities worldwide. In 2012, Moscow City Government issued "New Regulations on

Advertising Constructions' Installation and Exploitation" which was followed by dismantling 20.000 advertising facilities (one third of the total number). As a result, one can observe the appearance and development of such promotional means for goods, services and non-profit offers that, still being advertisements, are actually mimicries of cityscape art design. [6] Moreover, the so-called "contemporary art" provides lots of opportunities for it.

Advertising and art have been closely interconnected for at least two centuries. [7] This has included famous artists' participation in creating advertisements, the use of trendy artistic styles, playing upon popular artwork in advertising. The new forms and directions of such interaction are being shaped today due to the so-called "contemporary art". This term refers to the set of various artistic practices and directions which appeared at the close of the 20th century. Most of them are based on abandoning not only the classical tradition but also the art of modernism. The "traditional" work of art created in the late 20th-early 21th century is referred to as "modern art". [8; 9]

The term "contemporary" for characterising trends and work of art was first used in 1971. [10] However, according to some information, this term appeared in 1948 in the USA. [11] The Russian equivalent of "contemporary art" became popular in Russia in the 1990s. It was (and still is) applied to work created firstly by means of expanding the so-called "language of art", i.e. those means, methods, material and technologies which are used for fixing and communicating a person's aesthetic perception, emotions and spirituality. [12, p. 264] It is this language expansion which, from our viewpoint, offers the main opportunities for "art accretion". Still such expansion questions such object's being artwork. [13]

These means and methods are based on a painting, a sculpture or anything to be called "artwork" replacement with the so-called "art-object", i.e. a certain area of communicative space reflecting the author's aesthetic perception and embodying the artistic image created by him or her. This may be a light composition, virtual reality on screen, a specially made or modular volumetric object, an action performed individually or by a group, the body of the artist or some other person, a territory, etc. The expansion of technologies and material today is beyond all boundaries. There seems to be no substance which could not be transformed into a creator's artistic expression. Another vital feature of contemporary art is its aiming at direct interaction with the audience and getting its immediate feedback "now and here".

The discourse of contemporary art includes a variety of the new "art language": assemblage (two- or three-dimension object compositions), video-art (art-objects created with the help of video and television), installation (a work made of individual elements and designed for specific place and time), performance (a series of individual or group actions), happening (an event or action in which the artist involves the audience), street-art (writings or drawings on cityscape surfaces, including asphalt), land-art (a work based on natural landscape). Contemporary art arsenal also includes the so-called "urban interventions" – performance, installation or another work of art that comprise elements of the surrounding urban environment. Even this list, which is far from complete, demonstrates the boundless opportunities of the new "art language" adaptation to solving the tasks of advertising. The most significant environment for exposing such advertising art-objects is becoming urban space.

A booming outdoor advertising trend has recently been "ambient", i.e. advertising placement on non-advertising surfaces. Advertising goes beyond the boundaries of those parts of urban space where it is easily recognised as advertising. It becomes part of the environment, its identifying frameworks are disposed of and it starts to be seen as an inherently valued artistic expression within the urban space. [14; 15] The techniques of creating such kind of advertising may be different. One of the "inverted commas' destruction" forms in advertising is exploiting surfaces inappropriate for it (for instance, paved roads), i.e. such places where advertising may be confused for reality artifacts. A good example is an advertisement of “Voskhod” Advertising Agency in Yekaterinburg – “How to Make a Bureaucrat Work”. Portraits of public officers were drawn around pits on the roads, the pits imitating these public officers’ opened mouths. The same example was used in Belgium for a commercial advertisement of Orbit chewing gum: an open-mouthed man’s portrait was drawn around a manhole lid on the pavement (the mouth – sewer-grate had to remind of foul breath).

But most ambient advertising methods have been borrowed from street art. Street drawings have been used by Cola, McDonalds, Toyota, MTV. The brand Smirnoff advertised its products with the help of the so-called “reverse graffiti”: the artists cleaned dirt and dust from different city space elements so that the clean spaces could be read as advertising messages. An English artist Julian Beever having signed a contract with PA DDB Amsterdam made a very natural drawing of a fearsome hole on a city mall floor. It was accompanied by words «Just Call Us». It was a famous slogan of the Dutch insurance company Centraal Beheer. The advertisement of the Prague Torture Museum looked like a chalk-edged dead man’s headless silhouette. The silhouette was drawn on the very edge of the metro platform, its “neck” abutting the train’s sliding doors.

Today, the latest urban advertising trends include installations comprising urban environment elements. For instance, a revolver with its muzzle being a factory’s smoking chimney drawn on a house wall (ecological advertising). Another example is a house wall with the drawing of a herd of mammoths with a car parked next to the wall. The car is capable of managing the mammoths’ weight (advertisement of a Toyota loading pickup). Shop windows can demonstrate the widest range of installations made of various objects: the goods sold become part of a genuine artistic canvas. In Prague, the Torture Museum hung gallows loops and handcuffs instead of straps in underground carriages. They were accompanied by signs with the museum's name. A morally dubious but catchy solution!

A specific feature of contemporary art is action-based art-objects. In this case, artistic experience is embodied rather in an action than a thing. Such are performances and happenings. An example of using a performance technology for advertising purposes may be a campaign in a shopping mall in Amsterdam when the visitors witnessed Rembrandt's painting "Night Watch" come alive. Thus, people were reminded of the local museum's wealth. The technology of happening was used in organizing campaigns of Femen group. The movement started from provocative political activism but with the course of time the project grew increasingly commercialized. Thus, in 2013 in Milan female activists participated in fashion-advertising of Cartier and Faberge jewelry – during the campaigns the women appeared wearing this jewelry which was passed on to the whole press community.

An example of transition from performance to happening may be an action-based advertisement created in 2011 by PA DDB Paris for the National Railways of France. The campaign was called "Bienvenue, Au revoir"/" Welcome, Goodbye" and advertised an online train ticket booking service. The advertisers chose five passengers who had booked their tickets, learned about their interests and involved them in a performance which made their dreams come true. Thus, a hard rock fan was met at the station by a group of rockers, a Kung-Fu man participated in an exhibition battle staged for him, etc. The videos about each of the lucky passengers were uploaded on YouTube and shown on TV. Integration of various communications enhanced the campaign's efficiency, which is generally typical of integrated marketing communications. [16; 17]

As it was already mentioned above, a specific feature of contemporary art is its aiming at interaction. Interaction between artwork and the audience has always taken place. But in most cases, it has been represented by mental interpretation of artistic work hypothetically enabling the audience to alter their behaviour and conscience. As for the audience's impact on the artwork, it has been in the form of the artwork passive evaluation, which could also hypothetically lead to altering the work and its author as well. But modern understanding of interaction assumes that the audience can really influence the art-object transforming it physically and, thus, becoming the co-author.

The essence of interactive advertising is shifting from the impact on the consumer to interaction with them. Interaction in outdoor advertising is still far from being varied but there increasingly appear interactive shop windows and billboards, sensor screen walls, interactive promoters. The most prospective trend is the use of augmented reality technologies in advertising. One of the most impressive examples of using such technologies in advertising is the project "Doorway to Europe" created by advertisers from DDB Paris Agency for French Railways. The objective of the campaign was to invite people to travel to various European countries and cities. Parisian streets were lined with doors on opening which people could virtually find themselves in Geneva, Brussels and other European cities. The video screen behind each door telecast in real time mode what was happening in each city square.

In conclusion, it is worth underlining that trends, methods of artistic representation of the world and interaction with the audience developed by contemporary art help advertisers lessen further extensive expansion of advertising within city space which results in the disappearance of urban environment identity. Methods and technologies borrowed from contemporary art enable advertisers to diminish the audience's negative reaction to excessive advertising in the city without diminishing impact on the audience. On the other hand, contemporary art elements engaged in advertising habitualise this kind of art, introduce its discourse in the citizens' everyday life facilitating its comprehension.

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MARKETING AS AN INSTRUMENT OF CREATING, MAINTAINING AND ALTERING A TERRITORY'S INVERSTMENT ATTRATIVENESS

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Abstract*: The article is devoted to studying territorial marketing, considering this concept from the point of view of symbiosis of marketing and territory. The author gives arguments for the necessity of territory promotion through increasing investors' and creditors' awareness of a territory as well as the use of marketing communications which, in its turn, develops the attractiveness of resources, living conditions and business activity to be found on the territory.*

Keywords*: territory, territorial marketing, territory's investment attractiveness, territory's competitiveness, marketing communications*

Recently, the Russian economy has seen an extensive use of instruments and methods of marketing approach to territory. It is especially relevant for creating investment attractiveness and attracting investments as well as developing the concept of territory clusterization.

Territorial marketing is, on the one hand, marketing in the interests of a particular territory and promoting its subjects both within and beyond the country, on the other – attracting outer subjects in which the territory is interested in for interaction.

At the same time, both Russian and foreign authors single out territorial marketing which is focused on territory as a whole and in-territory marketing, i.e. marketing of particular subjects.

Territorial marketing as a specific field has been developing since the 1980s. First research was carried out by English and American specialists in the context of municipal economic and urban development. In 1989, J. Bailey published his book “Marketing Cities in the 80th and Beyond”, in 1990, G. Ashworth and H. Vood published their work “Selling the City”. In 1993, Ph. Kotler and his co-authors published the results of their research under the title “Marketing Places” analysing the experience of cities from the point of view of their use of marketing methods and instruments. There was also the primary analysis of commercial marketing.

The 1990s witnessed the appearance of publications on place marketing history and the use of marketing technologies: S. Ward “Selling Places”, C. Rutheiser “Imagineering Atlanta” and J. Gold “The Image of Scotland”.

There are two aspects outlined by modern scientists in their research: some specialists correlate territory marketing with territory advertising, i.e. city marketing is directed towards the optimisation of correlation between city functions (services) and demand for them on the part of residents, companies, tourists and other visitors to the city. Others stick to the concept of territory management through marketing: “City marketing is the process of planning, coordination and control of city management’s direct links with its various partners and target groups”. [5]

According to Ph. Kotler, marketing is an instrument of a territory’s strategic development while territorial marketing is the creation of a particular territory concept as part of developing investment attractiveness, enhancing the competitiveness of territorial production complexes.

From our point of view, “territorial marketing” is a specific symbiosis of marketing and territory.

There are various viewpoints and approaches to the definition of marketing in scientific literature. Nevertheless, three directions have been outlined – some scientists view marketing as a managerial concept which creates a new way of thinking in company or territory management. This concept is directed towards opting for the best solution in realising specific targets with due regard to limited opportunities and resources on the way to their achievement. The specific feature of such management is an attempt to use the available resources and the full capacity of the company or territory.

Other researchers view marketing as the creation of "a course of actions", i.e. a system of an enterprise's/territory's practical operations aimed at achieving a positive result (for instance, attracting investors).

The third group of scientists argues that marketing is an area of knowledge, a science with a specific research subject.

Understanding of marketing has been changing in the course of marketing activity development.

We understand marketing as an economic phenomenon characterised by two features: systematicity and complexity, i.e. a phenomenon which studies technological and commercial processes by means of systemic approach but at the same time is viewed as part of a system taking into account all sides and components of not only the marketing process but also the conditions of its functioning.

Speaking about territorial marketing we consider it necessary to define the concept of territory.

A territory is a limited part of the earth's surface having natural and anthropogenic features and resources, which refers to both a particular territory and a country's national territory. [6]

A specific territory most frequently refers to a region and a municipal unit territory.

A region is part of the RF territory having a set of natural, social, economic, national, cultural and other conditions. [7]

"A municipal unit territory" is the land of urban or rural settlements with adjoining land for common use and other land within the boundary of the municipal unit regardless of ownership category. [8]

In legislation, one may come across such territory-related term as “the RF regional development zone – part of a RF subject’s territory where its residents are provided with public support measures for facilitating the subject’s social and economic development through creating favourable conditions for attracting investment to its economy”. [9]

Thus, in order to boost a territory’s competitiveness, it is necessary to create favourable conditions for the effective use of its resource potential. Besides, being a product, a territory needs advertising, positioning in the market, searching for buyers-investors. At the same time, the territory’s development strategy will be the platform for marketing to direct it and set its objectives. Also, a region’s marketing strategy being directed towards boosting the region’s competitiveness and its investment attractiveness; the whole country’s marketing will be directed towards creating its positive image in the world arena.

The promotion of a territory’s interests becomes more reasonable and task-oriented in the process of the elaboration and further realisation of the development program whose strategy is achieving one or several indices of success.

All this requires answers to a number of questions: who is the buyer of the territory, what is the aim of its selling, what results are expected and if they will be in the territory’s interests. A clear algorithm of successive operations forming a marketing program is worked out:

1. The territory’s positioning:

- conducting research to find out the territory’s problems and its development potential;

- studying the groups of interests and potential buyers including revealing possible divisions and conflicts to be analysed and taken into account while formulating the target;

- finding out a set of indices (economic, social, industrial, infrastructural, etc) and defining the criteria for the territory’s success;

- setting objectives and tasks;

- developing the strategy and program.

2. The development of the marketing communications complex

- defining the project participants in the territory's positioning, target audience, success indicators;
- selecting marketing communication instruments;
- program realisation.

The analysis of theoretical methodological regulations in the sphere of territorial marketing allows drawing conclusions claiming that the most efficient marketing instruments for developing a territory's investment attractiveness are the following:

- public relations;
- advertising;
- personal communication;
- Internet-marketing;
- sales promotion.

The key factor at the second stage of the marketing program development is the choice of an effective means of communication between the subject of marketing (territory) and the object of marketing (target audience), in particular, determining the following aspects:

- the content;
- its distribution channels;
- methods of tracking and analysing feedback.

Thus, territory promotion to target audiences is possible with the use of both various methods and information channels.

Table № 1 - Efficient methods of the marketing communication in the context of territorial marketing

Method of marketing communication	Main objectives	Advantages	Disadvantages
Advertising (outdoor advertising, mobile advertising, TV and radio advertising, promotional and informational materials as well as promotional products)	to inform the public about the territory, the opportunities it gives and its advantages	a wide audience transfer of the territory into the public space a wide range of instruments the offers from the professional market are available	there is no opportunity to receive feedback from the target audience it's difficult to assess the results

Table №1 Continuation

Direct marketing (personal communication)	direct communication with the investor/money lender	an opportunity to influence the right contact person highly individual adjustment of content immediate and realistic feedback a possibility to establish long-term relations it's easy to assess the result	High requirements for financial and human resources Narrow-brush advertising
Sales promotion	Adoption of regulatory documents, which govern the favourable conditions,	The choice of the key method of influence in the context of the decision-making process	Narrow-brush character of advertising

Table №1 Continuation

	guarantees and action grants for the investors	Additional individual conditions at the purchase of the territory	High risks in the context of long term results High administrative costs
Public relations, propaganda	Establishment and maintenance of amiable relations between the territory's administration and the public To make an image of the territory with the help of expert analysis, independent opinions, press notices (on non-profit basis);	An opportunity to enlist people, who can influence the public A possibility to have a direct impact on the investors and money lenders	There's no direct contact with the target audience It's difficult to assess the results

Table №1 End

	To provide the information on the forthcoming events for the current and prospective customers and partners; To popularize the territory and its resources with the help of ideas, opinions etc spread	The persuasiveness of the information given indirectly The public living on the territory is engaged in its promotion	

It's highly recommended to initiate the territorial marketing program with the improvement of the potential customers' awareness of the resources, features and development prospects of the territory. Nowadays, the main advertising medium is the internet marketing. Any other advertising medium cannot stand comparison with the Internet with its availability, efficiency and 'response time'. The Internet's capabilities are enormous, and today, few of them are implemented in terms of the urban marketing. The Internet has two major functions in terms of urban marketing; the same is true for the Russian Federation and abroad. These functions are the following:

1) the provision of information on the territory is a necessary procedure at the positioning stage of the marketing research;

2) the information propagation is the main objective to consider at the promotion stage and reaching the target audience is of utmost importance.

The main advantages of the internet marketing:

- an opportunity to establish a two-way communication with the target audience and form the basis for long-term relations;
- the information disseminates at high speed irrespective of the distance;
- a possibility to "hit" the target audience;
- there are no limits for the sent information, for its variety (text, audio, video, multimedia information) and form of its delivery;
- relatively low price of communication.

Table № 2 provides the information on the different instruments of internet marketing to be used to accomplish the marketing objectives.

Table № 2 -The instruments of the internet marketing

The objective of the marketing communication	Internet technologies	Target audience	Form of communication
- to create a positive image for the territory - to comment the current policies launched by the authorities - to cover the changes taking place on the territory	- websites - e-mail - list servers - video conferences	Consumers of the provided urban resources, goods and services	- placement of brief information on the popular servers - registration of the said site in online catalogues (domestic and foreign) - exchange of links with

Table №2 Continuation

			different urban sites and specialised servers - placement of positive reviews on the territory in the press and other media - list servers - mail shots - text blocks - online conferences and video conferences - news mails and news on the websites
- market research - anticipation and preferences analysis for the consumers of the territories resources - public opinion monitoring	- WWW, information search and its software - e-mail - list servers - online advertisement board - access counter	Target audience of investment and tourist marketing	- compiling press coverage material, statistics, analytical materials placed on the websites - list servers - discussion lists - Usenet conferences - surveys, polls, questionnaire

Table №2 Continuation

			survey, online interviews - follow-up (implicit approach) and cooperation (explicit approach)
- establishment and maintenance of business contacts with internal and external partners in relation to the territory - public relations	- websites - e-mail - list servers - voice communication - video conferences - Multiuser dialogue - retransmission of conversation on the Internet	-Consumers of the urban resources, goods and services provided by the territory - Subjects of the regional and municipal administration, federal authorities representatives	-mail lists - news subscriptions - data base of answers for FAQs - online counseling - online focus-group, specialised forums, conferences, chats - management team, training, online distance learning, - the Internet servers -online data bases

Table №2 Continuation

- support of the services' and goods' providers on the territory and promotion of their products on the external and domestic markets - stimulating measures designed to boost the demand among the local population for the local produce	- WWW, internet search and its software support - e-mail - list servers - online advertisement boards - access counter	- investors - tourists - third-party interest groups	- extranet servers - online conferences - online stores - online auctions - online banking, brokerage and payment systems - placing banners on popular web-sites - banner exchange networks

To develop the territory in the context of market condition means to demonstrate readiness and capability for the market-driven changes: search for the non-traditional ways of tackling territorial issues; definition of the territory development priorities; adaptation to market conditions; changes management. Moreover, the unique territorial features are also to be taken into account in the framework of the strategy development. Territorial marketing communication system is to be worked out and developed.

The territorial marketing communications may be organized in a functional way, when the communications play a role of an isolated function; in a divisional way, when the service is rather subdivided into objects (target audience can serve as an object), than functions; in a matrix way, when the clients, functions and services serve as a structuring criterion.

The territorial promotion allows increasing territorial awareness, make the resources concentrated there, standard of living and business activity more appealing.

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DENDRITIC FRACTAL AND COMMUNICATION PROCESS

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Abstract: *The article focuses on studying the process of communication through the mathematical structure of "fractal", in particular, the concept of "dendritic fractal". We analyse the connection of communication process with probability as the basis of accidentalness of the communication process development or suspension. This provides visualization of communication process as a dendritic structure.*

Keywords*: communication, communication process, fractal, information, probability.*

What are communication and fractal?

The term "communication" (from Latin "communication") means the process of passing a message from the sender to the receiver, connecting one object with another, communicating information from one person to another.

The scheme of communication is as follows: the communicant (subject) sends a message in the form of information (object) to the recipient (subject). Thus, communication assumes the presence of at least three participants – the sending subject, the object sent and the receiving subject. Communication is a type of interaction between the subjects by means of the object (information).

Communication models and their developers:

1. linguistic (U. Maturano)
2. literary (V. Schklovsky)

3. hermeneutic (G. Schpet)
4. semiotic (Yu. Lotman)
5. culturological (M. Bakhtin)
6. psychoanalytic (S. Freud)
7. archetypical (C. G. Jung)
8. psychotherapeutic (J. Lacan)
9. «spiral of silence» (E. Noelle-Neumann)
10. diffuse (E. Rogers)
11. «gatekeeper» (K. Levin)
12. mythological (R. Bart, K. Levi-Strauss, B. Malinovsky)

The main social tasks of communication are:

1. creation and maintenance of the world's general picture
2. creation of a specific community's picture (country, group, etc)
3. passing down cultural values from generation to generation

A significant role in communication is played by interpersonal communication as information is received and successfully processed when it is positively assessed and supported by an unofficial subject. It is a filter for processing official information which is crucial in social management. [2, 3, 4]

The term "fractal" was introduced into science in 1975 by Benoit Mandelbrot, a mathematician, for denoting divisional multitude (G. Cantor's multitude, K. Weierstrass curve, Helge von Koch curve and suchlike "exotic" objects with no derivatives). [6]

The mathematical concept of fractal spread further onto objects of nature, society, humanitarian sphere. "Fractal" is referred to clouds, indented coastlines, transitional biological or social structures.

Fractal (from Latin "fractus" – split-up) is a transitional volatile state of an establishing system characterized by chaotic instability which gradually evolves into a stable orderly whole. [6]

As a matter of fact, fractal represents the main stage of an evolutionary system as the process of system evolution (physical, biological, social, economic) as such is a fractal self-similar transitional state-process. We find it hard to comprehend as we are used to perceiving and experiencing stable permanent phenomena taking them for an invariable givenness or a “snapshot” but not for a constantly changing process, a “movie”.

Heraclitus was the first to understand it and claimed that “you could not step twice into the same river” and “everything changes and nothing stands still”. Therefore, it is right to comprehend the world around us and nature as an establishing, constantly changing process which also consists of many establishing processes and things that are called fractals.

Dendritic fractal is the most illustrative of all fractals. Every day we can see a lot of trees – their trunks, crowns, branches of various ages and junctions and their structure as a whole. Every branch looks like the one it has grown on and so from the largest to the smallest starting from the trunk. Small trees are certainly symmetrical or almost symmetrical. Large trees are not symmetrical and the older the tree, the more violated the symmetry gets under the influence of the environment – wind, snow, hail, birds, animals, man and so on.

Other illustrative examples of dendritic fractal are the root system of trees and bushes, blood circulatory system of animals and man, water system of streams and rivers in a certain area, lightning strikes and the structure of man – body, limbs and fingers.

Fractal is a model for describing processes of change of structures, things, events and phenomena.

An evolving material system may be represented by the following stages:

1. initial stable “permanent” state m which is given a general name spreading onto the whole process from beginning m to end ω;

2. fractal φ describing the unstable state of the process;

3. final stable “permanent” state ω, the object which can’t be viewed as fractal anymore.

The presence of fractal φ is the most convincing while the beginning m and the end ω are on the boundary of existence, they are not “yet” φ or “already” not φ, i.e. they are half in non-existence, therefore, to some extent, m and ω are abstractions determined by our subjective, distorting perception oriented to a static “photographic’ reflection of the world.

As for reality, it is indeed dynamic, holistic and harmonic. Such was the view of many outstanding thinkers. Therefore, m and ω should be understood as the limit-states (beginning and end) of the fractal.

The concept of fractals understood as transitional processes is a natural part of system (organism) generation, system (organism) development and system (organism) destruction.

Examples clarify comprehension of concepts.

Let’s consider just one example of using complex science capabilities in analysing socio-economic systems. The example refers to such an acute problem as crisis management. “Crisis” assumes a certain state of a system when it is capable of changing drastically. At first sight, a system in the state of crisis looks like confusion. The system’s state is visually determined by aggregate impact of many causes: same unpredictable upsurges of different amplitude, absence of order, etc. The system experiences an extremely volatile, crisis state like a rope-walker over an abyss. It is potentially ready to make a qualitative leap and leave real existence for non-existence. Likewise, a breath of wind is capable of throwing the rope-walker into the abyss. A surprising peculiarity of such systems (regardless of their size) is that they are easily managed. The rope-walker can just stir his finger or at least wave his hand. One should only find the moment to help the system (or the rope-walker) keep the balance. A slight correcting movement is enough.

The life cycle of a certain communication process

Before the beginning of communication, the participants haven't started the interaction; they don't exchange information and don't influence each other. The process of communication is zero and the fractal is in non-existence. The beginning of the communication process is when the participants have started their interaction – verbal, visual, tactile, etc. They are ready for communication and oriented to it. They are ready to change and influence other participants of the communication process. This is the beginning of a dendritic fractal. The process of the fractal's further growth and ramification speeds up and then there comes a moment when the process stops, the communication finishes and fades to non-existence (history).

Let's consider an ideal communication process without obstacles and with various equiprobable directions of communication process development, though, as a rule, there are obstacles, communication is goal-oriented and participants are not ideal. Yet, for better understanding we resort to this idealisation.

Given equiprobable events with no obstacles, the quantity of information, according to Hartley, equals the negative binary logarithm of the probability of equiprobable events. (pic.1 - Hartley's and Shannon's Formulas).

Picture 1 - Hartley's and Shannon's Formulas

$$I = \log_2 N$$

Hartley's formula

$$I = -\sum_{i=1}^{N} p_i \log_2 p_i$$

Shannon's formula

According to Shannon, when events are not equiprobable, the quantity of information equals the sum of products of probability and probability logarithm, where the sum depends on the quantity of probabilities of a certain information sending (receiving) process (pic. 1 – Hartley's and Shannon's Formulas). Hartley's formula is a particular case of Shannon's formula on the quantity of information. [5]

An illustrative assumption of dendritic fractal about the development of communication process with a change of probabilities is given by Pascal's triangle given below:

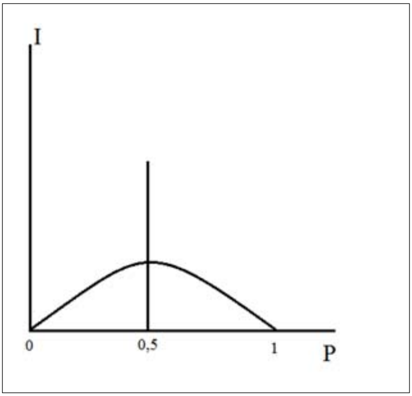
1	2^0
1 1	2^1
1 2 1	2^2
1 3 3 1	2^3
1 4 6 4 1	2^4
1 5 10 10 5 1	2^5

and this process of growth may be continued

According to both Hartley's and Shannon's formulas, information will equal zero for the first line of Pascal's triangle (the beginning of communication process and leaving non-existence). The second line is 1 information bit (communication process at the beginning), the 3rd line – 2 information bits (the development of communication process) and so on following the increase in the exchange and accumulation of information until the completion and stoppage of the communication process.

At the beginning and at the end of the communication process information equals zero: at the beginning probability is zero (the process is still in non-existence), at the end probability equals 1 (the event – communication has been completed, the result is clear, there is no probable process and no information). This is vividly demonstrated by Shannon's curve (pic.2 – Shannon's curve). According to Shannon's curve, maximum quantity of information is generated at probability 0.5.

Picture 2 - Shannon's Curve



And how will the fractal behave when some directions of the communication process development get deadlocked, but the process continues?

In this case, the fractal's symmetry will be violated if the events are hardly probable or highly probable. Or the fractal will be holey if the events are mid-probable with probability 0.5. An example from nature: if a large outer branch of a tree breaks off, the symmetry is violated but if it is an inner branch, an empty space appears in the tree's crown.

Another point to bring about is the case when a conflict situation appears for some reason during communication. The parties can start a new communication process on a different basis, i.e. there starts a new fractal's development, or they can stop their communication thus suspending the fractal, the exchange of information equalling zero.

What can we get from the use of dendritic fractal for describing communication process?

The answer is brief and obvious – visualization and a fresh look at already known concepts.

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CREATIVE INPUT IN POSTINFORMATIONAL DIMENSION: NEW CONSTANTS

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Informational realities of post-industrial world exert universal influence on the development of modern civilization nowadays. The scale and radicality of global changes are not always adequately and timely assessed in scientific cognition and communication practice. The sphere of information and communication technologies has lately seen such changes that require constant fixing as they fundamentally shift civilization paradigms and worldview. In the sphere of creative input, we can observe a drastically different system of concepts, values and classifications being shaped. The birth of creative input takes place within the blurred boundaries of working time and leisure. The emotional component of creative input takes precedence in impressions marketing leaving relatively little space for rational assessments.

Information processing technologies have altered the profile of modern society rapidly shifting from industrial civilization. Under these conditions, the whole system of creative product making – postulates of creative input philosophy, approaches to its efficiency and technological opportunities for the realisation of creative ideas - has undergone certain changes. There have also appeared new platforms for creative communication, and media environment itself has transformed.

In the sphere of communications, creative input remains a purposeful kind of art the main task of which is successful object promotion. Yet, the ways of creative solution seeking which might draw the attention of target audiences that are emotionally tired of permanent ad exposure have been changing. Thus, the new creative input description is directly related to key changes in the media environment and their social consequences. The audience is not attracted by great ideas anymore. The more segmented and fragmented it is the more importance is given to individual impressions. The idea should be proportionate to the group of people and the pace of their information processing.

The shift and transformation of information flows is rapid which inhibits the possibilities of comprehension and analysis. Post-industrial space is over-saturated with information. Therefore, emotional aspects of information processing and instant subconscious reactions make the creative component of information strongly sought for. Creative impact mechanisms involve stereotypes of human consciousness – myths, cultural codes, symbolic systems, etc as it considerably facilitates the target audience's response to the advertisement. Creative input becomes a certain guarantor of the target audience's quick and adequate spotting important information from "information noise".

The 1960s witnessed creative revolutions which triggered this process replacing the rationally verbal paradigm with the emotionally visual one, thus optimising perception. The technological basis of this process was television colour technologies which provided opportunities for creating brand new emotionally-hued advertising products compared to those of the classical epoch of the printed word. Today, we can see the development at a totally different stage. While maintaining the interest in visuality, internet technologies have transferred creative input to the zone of individual content. Thus, it stopped being the prerogative of skilled professionals as it used to be for thousands of years in civilization development.

The main feature of the media-industrial civilization was a unidirectional character of communication. The classic of such communication is mass standardised media advertising. People's response to media exposure was of postponed character. In order to enter the interaction with the media for dialogue, one had to have a certain status, connections, special technical means and be pushy. In totalitarian societies of the 20th century, the function of feedback was often inaccessible. The creative input of the industrial era was of the same unidirectional and mass character as communication itself.

Some time ago people with a monopoly access to information kept "ordinary" people in informational tension. The media functioned as social glue allowing people to experience joy or sadness on general information occasions. In the modern new media this function is gradually losing its function. However, another social glue –mediatization - is showing its efficiency. If "media" means everything which helps individuals communicate their thoughts and feelings to other people apart from immediate communication, the new media may well refer to such definition. Yet, in the modern media, a most vital function is the one of communication mediator having good technical opportunities to communicate information to audiences of various sizes. This function of communicating information is becoming more important than the informational function of the media.

Having provided prompt feedback and interactivity, digital technologies and the Internet have made communication maximally cheap and easy. Mediatization of individuals has arrived. Let us consider mediatization as a process in the context of modern information society. On the one hand, electronic media have turned into the person's natural habitat. In this environment, the person performs a whole set of functions – the consumption and production of information, social and interpersonal communication, self-improvement, etc because this environment is fully suited for fulfillment of such tasks. Thus, the person has got an opportunity to build their individualised communication environment without resorting to the traditional media. On the other hand, Internet users take charge of some media's fundamental functions of spreading information throughout the web thus becoming millions of “micromedia” or media units.

Such media units are oriented towards a non-personalised audience in the same aspect as classical mass media. Essentially, impersonal online capable of maintaining any legend about the user, makes interpersonal communication insignificant. Each day broadens users’ creative opportunities to make and spread their own content on a non-commercial basis, and in digital sphere it is not of private character anymore.

If we consider creative input as artwork of pragmatic character aimed at achieving certain concrete goals, both commercial and image-related, then the creative input of micromedia users may well refer to this definition. The familiar commercial communications B2B and B2C are supplemented with the communication C2C – “consumer to consumer” which has an integrated character. “Symbolic capital” and added value are created not by the “large” media which have gradually been losing their credibility, but by consumers themselves.

In the C2C system, communicating commercial information requires a serious creative ‘nutrition’ as people are apt to share only something that really attracts their attention – humor, wisdom or emotions. Thus, all instruments having C2C initiation as their goals (such as partisan marketing, provocative technologies, viral advertising, ambient media, etc) are by definition non-standard and creativity-intensive.

People-micromedia are also much better equipped with creative technologies than their predecessors some decades ago. In the pre-industrial and industrial eras, artwork and craft had to be learned for years. In post-industrial society, creative mastering information management tools is becoming a virtual necessity for any person and is proceeding at the rate of information technology development.

Today, such aspect as craftsmanship is leaving creative input as available and friendly interfaces of information technologies are putting the novelty of ideas at the forefront.

Creativity as ability to generate ideas is becoming one of professional competencies. At the same time, existing in the global information space, the novelty of ideas is losing its local character as it may be verifiable on a global scale which may, to some extent, secure against inventing “creative bicycles”.

Thus, users shift from communication to creative work with content. In 2001 the Internet witnessed the birth of the interactive encyclopedia Wikipedia where anyone can contribute their texts. The initiated process has been actively developing – there appeared various portals and sites of audio-visual content including those created by users themselves (Instagram) with the ability of personalisation and editing directly on the Internet. The site YouTube today has already become a unique platform for billions of users around the world who communicate with each other, share news and fresh ideas. Blogging has also occupied its rightful place on the Internet. We can observe social networks initially developed for communication and entertainment turning into social platforms performing more large-scale functions. Internet users can share their knowledge, thoughts and feelings, information products (Slideshare), even make their versions of things for real life (for instance, NikeID software) and improve services (“Mystarbucksidea” campaign), etc.

Such examples demonstrate that information society is not only inconceivable without network communication of users but also is largely based on the content produced by them. A considerable part of such content is various remixes which is processing the received outer information and further proliferation of their own products. Essentially, we can talk about a collective and interactive exchange of ideas and pieces of work.

Remixes made by Internet users are not just modern cultural phenomena; they require a new approach to legal protection. Such subject as an active user is hardly known to the classical copyright law. In view of this law, only a unique product made by a single author’s creative labour may be called a “work”, which proves the present copyright law to be still at the industrial era level. With the beginning of the digital era, there appears a new culture of remix based on understanding of creativity as a dynamic process of dialogue with many participants.

In the remix culture, originality does not depend on novelty level anymore. There is a whole area of “amateur” remixes which are made for the sake of self-expression and willingness to enter emotional communication with people from the same social circle rather than for commercial use of someone’s creative product. The remix culture in reality has features of creative production based on associative processing already existing creative achievements – techniques, styles, ideas, plots. It reveals essential features of creativity as such.

An important approach to the development of information was not making or knowledge but involvement. This explains the popularity of game mechanisms used in teaching, popularisation and promotion. Gone are old time limitations and many classical standards, censure is practically reduced to zero. The development of information field, interpenetration of users’ contents cannot proceed effectively without a well-adjusted mechanism of feedback which utilises creative technologies. Such mechanisms are especially important for markets where the information component is more vital than the material one, including advertising, PR, information media, consulting, educational services, etc. Therefore, creative input is seen today as an ability to simulate the reaction of target audiences the communicator is aimed at, to even create new audiences as a means of minimising misunderstanding among all communication process participants and bringing together their key values.

Indeed, this process is quite ambiguous in terms of its economic and socio-cultural consequences. Changes in communication which allow ignoring information boring or irrelevant for the user are so radical that communication industry and its branches - advertising and PR - must undergo fundamental changes in order to survive and successfully develop in the new digital era.

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RUSSIAN UNIVERSITIES IN THE GLOBAL EDUCATION MARKET: TACTICS AND STRATEGIES

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Annotation: *The article focuses on the position of Russia and Russian higher education institutions in the global education services market. The participation of Russia and other new market players has been gradually increasing. Russia has been realising a number of state programs of integrating Russian higher education institutions into the global education space: the projects "Global Education" and 5-100. The strategies of Russian higher education institutions, apart from participation in exchange programs and joint educational programs, include opening foreign branches and developing joint institutions abroad. Distance education has also gained popularity but the potential of this technology has yet to be used more effectively. Other strategies such as education franchising have hardly been used by Russian higher education institutions abroad.*

Keywords: *the global education market, international strategies of higher education institutions, academic mobility, foreign students.*

Any country's economic prosperity in modern society is based on the development of human capital. Skills, abilities and knowledge are becoming key factors providing effective economic growth. The works of T.Schults. G. Becker and their followers underlined the importance of human capital development and, in particular, investment in population's education. The growing role of education gives grounds for speaking about formation of a knowledge-based economy. According to various research (Peter Drucker, Paul Romer, Robert Lucas, Fritz Machlup, etc), the production, accumulation and use of new knowledge drive the growth of society's well-being.

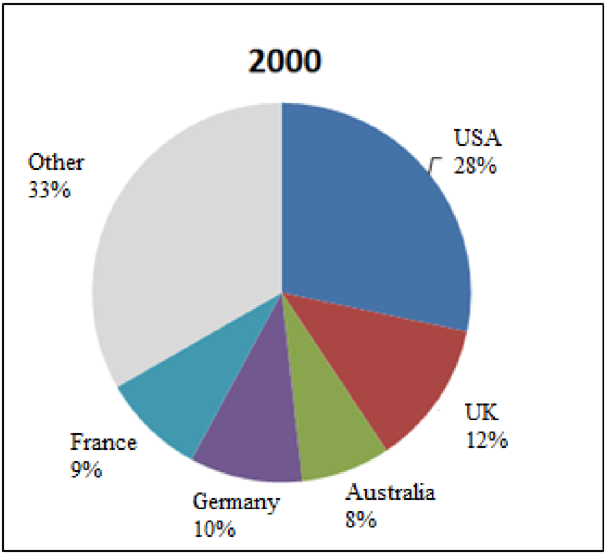
Under such conditions, higher education institutions play a particular role as multifunctional centers of generating new knowledge and training skilled specialists. Moreover, globalization processes prompt universities' becoming subjects of not only the national but also the global economy, due to which one can observe extensive international activity in higher education institutions. In their turn, globalization tendencies provide a lot of opportunities for universities' educational activity in external markets.

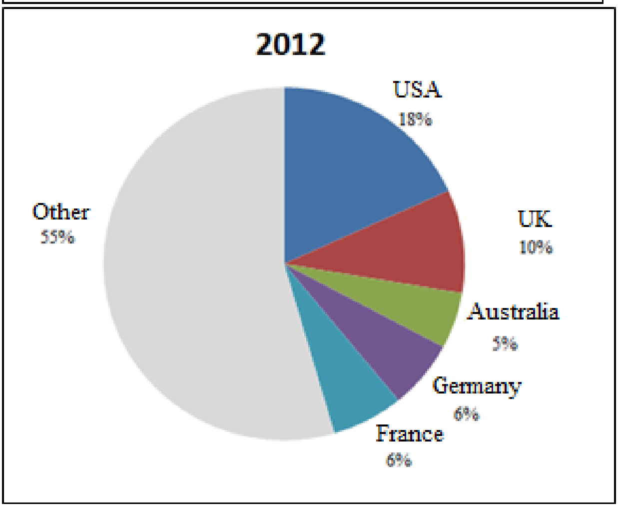
Getting higher education abroad has become common thus enhancing competition for foreign students. One may obviously speak of the already formed global education market which is determined as a set of education services used abroad by citizens of different countries as well as education services provided by foreign education institutions in national markets.

The global education market has been developing dynamically. According to OECD, in 1975 there were about 800 000 foreign students in the world. Today, this number is approaching 5 000 000. According to various studies, by 2025 the market will have reached 7.2 - 9 million foreign students in the world.

The traditional leaders of the world education market are developed western countries – the USA, Great Britain, France, Germany, Australia. However, there has been a decrease in their market share first of all due to the appearance of new market players and other countries' boosting the attraction of foreign students.

Pic. 1- Share of education market leaders



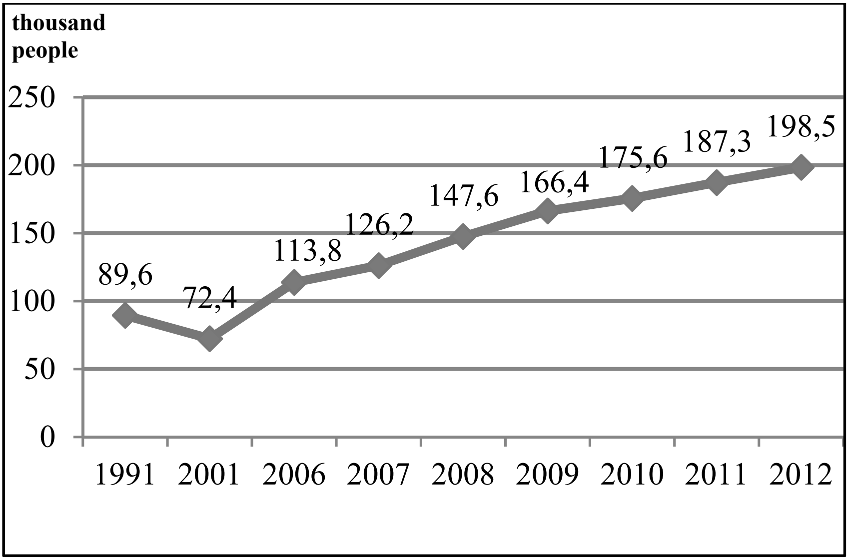


Source: Education at a Glance 2007, 2014

The total share of these five countries in 2000 was 66.7% of the global education market, in 2012, their share equalled 45.5% of the market.

Russia is one of the countries that is consolidating their positions in the global education market: in 2000, 2% of the total number of foreign students studied in Russia, in 2013 the share of Russia exceeded 3%. The number of foreign students in Russia is growing.

Pic. 2 - The number of foreign students (full-time and part-time) in Russia



Source: Export of Russian education services: A Collection of Statistics. Issue 4 /the Ministry of Education and Science of Russia. – Moscow: Sociology Research Centre, 2014.

The 11-year period of 2001-2012 saw a 2.5 increase in the number of foreign students which equalled almost 200 thousand people, 125 thousand of whom studied full time. In 2013-2014, the number of full-time foreign students was 156 thousand.

According to forecasts, by 2030 the number of foreign students in Russia will have reached 570 thousand. International experts say that Russia may enter the top 5 most attractive countries for foreign students.

According to the report data on global competitiveness, in Russia there are positive tendencies of higher education development. With its higher education efficiency level, Russia ranks 39th in the 2014-2015 rating while in 2009-2010 it ranked 51st. However, paying attention to the received 5 points out of 7 possible in 2014-2015, it is worth noting that there is still much to be done for enhancing the competitiveness and efficiency of the Russian higher education system. As for the education system quality, Russia ranks 84th with 3.5 points (out of 7) the average global index being 3.7.

Table 1 - The competitiveness of higher education in Russia

2009/2010		2014/2015	
Position (out of 133)	Points (max=7)	Position (out of 144)	Points (max=7)
51	4,3	39	5,0

Source: WEF Global Competitiveness report 2009-2010 and 2014-2015

There are also positive shifts for Russia in international ratings of higher education institutions. While the top-500 rating of QS World University Rankings in 2011 there were 7 Russian universities, the top-500 rating of 2015-2016 now includes 9 Russian universities (the whole rating includes 21 Russian universities). In top-200, there is only one Russian university – Moscow State University. As for the top-100, there are no Russian universities there so far. The traditionally strong side of Russian universities has been the correlation between the number of teachers and the number of students: with this index, 12 Russian universities entered the top-100 in 2015-2016. PFUR is represented in this top-100 with its level of internationalisation (it ranks 87th). The weak point of Russian universities is citation index.

Russian higher education institutions have gained positions in Times Higher Education World University Rankings. The 2011/12 top-400 included only two universities while the 2015/16 top-400 included 5 universities.

Russian universities' strategies in the global education market include a great number of measures. The most popular of them are foreign internships and double diploma programmes. Joint educational programmes provide quicker introduction of new ideas and technologies in education and diversification of educational process, which leads to enhancing a university's competitiveness.

Nevertheless, the number of students studying abroad is not large – in 2013 it amounted to 50 thousand people. In order to support Russian students' training in leading world universities, the Agency for Strategic Initiatives launched the programme "Global Education" providing grants for getting education at one of 288 universities in 32 countries. At the moment, the aim is training at least 718 Russian citizens abroad with their subsequent employment. It is worth noting that one of the grant-receiving and participating conditions is willingness to work for one of the partner companies for at least three years after completing the study. Among the programme's 555 partners are 300 Russian companies, over 100 universities and over 100 scientific organisations.

In order to attract foreign students to study in Russia, public scholarships are allocated: 15 000 scholarships are granted every year. At the moment, it is being planned to increase the number of quotas for foreign students to 20 000.

To consolidate Russian universities' international competitiveness, the 5-100 project has been developed to enhance the quality of education and to improve Russian universities' positions in global ratings. The project includes 15 universities aimed at realisation of academic mobility programmes, the development of joint educational programmes with foreign universities, joint scientific research, etc. The formal result will be the appearance of 5 Russian universities in top 100 international ratings by 2020. Eventually, the project's fulfillment will result in better education quality meeting global requirements, Russia's deeper integration into the global educational space, interaction with business, etc.

Russian universities are considering application of new strategies in external markets. One of the most prospective but also one of the costliest and riskiest forms of a university's emerging in the education market is opening its branch abroad.

The benefits of opening foreign branches are obvious: students have the opportunity to get a foreign degree without leaving their own country. However, there are a number of obstacles such as attracting teachers to work in foreign affiliates, their limited supply and the problem of matching the head university standards.

The leading role in this direction is played by Moscow State University. Russian universities are well represented in the CIS countries: for example, in Baku a branch of Moscow State University has operated for several years. In September 2015 there also opened a branch of the First Moscow State Medical University named after I. M. Sechenov. In Belarus, the Minsk branch of Russian State Social University has been functioning, as well as the branch of Moscow State University of Economics, Statistics and Informatics. In general, Russian universities still prefer to open branches in closer or more familiar CIS countries but there are also campuses in foreign countries.

For instance, Russian universities are represented in the Persian Gulf countries. The United Arab Emirates is the starting point for many universities' emerging in the Gulf's education market. The UAE has sought to become a centre for international education and has created favourable conditions for higher education development. A branch of Saint Petersburg State Economic University has been functioning in Dubai and has been offering three most demanded programmes in the region: Bachelor of Management, Bachelor of Tourism Management and Bachelor of Logistics.

Russia's largest private university, Synergia, has its campus in Dubai. Its activity being wide, the university offers Bachelor's programmes (International Finance, Hotel and Restaurant Business Management, World Economics and Retail, Sales Management) as well as MBA courses (MBA Woman-manager and Executive MBA in Strategy and Leadership). Besides, courses are offered in Arabic, Russian, English, Chinese and Japanese languages.

Russian-Chinese university is currently in the process of foundation. As Chinese legislation does not allow opening foreign university branches on the territory of China, a joint university is being created on the basis of Moscow State University and Beijing Polytechnic University, one of the best in China. The learning standards and teachers are expected to be from Moscow State University while teaching will be in the Russian, Chinese and English languages. Each graduate will receive a diploma of both Russian-Chinese University and Moscow State University.

Changes in society's lifestyle and changes in modern university entrants' profile have led to the appearance of new education models, in particular, distance learning which is an effective instrument for access to foreign audience. Leading international universities have already introduced modern technologies in education process: a study of American universities in 2012 showed that almost 70% of American education institutions consider online learning an important element for a university's long-term development. In addition, more than 50 % of all higher education courses are predicted to be offered online by 2019.

When it comes to implementing technologies of full-scale and high quality online learning in education process, Russian universities still lag behind many universities of Europe, America and other countries. Many Russian universities develop their own portals which are mostly websites designed particularly for internal use. Having smaller functionality, Russian universities' portals are mainly used for distribution and search for information, learning materials, schedules, students' ratings, specific course enrollments. Few of them can offer the opportunity of full-scale online learning.

Interuniversity platforms of distance learning have recently gained a lot of popularity in the world. Currently, the most popular platforms are Coursera, Udacity, edX, Udemy. Russian universities participate in these projects as well. Thus, Coursera's partners are 106 universities around the world including 3 Russian: Saint Petersburg State University, Moscow Institute of Physics and Technology and Higher School of Economics.

Platforms for mass open online courses have been developed in Russia as well. A good example is Portal Universarium, an open system of electronic education which enables its users to study free online courses developed by leading Russian universities and teachers: Moscow State University named after M. Lomonosov, Russian Economic University named after G. Plekhanov, State Institute of the Russian Language named after A. Pushkin and many others. The total number of online courses is over 50.

Universities participating in such projects contribute to education proliferation, which positively influences a university's image. Interuniversity platforms and distance learning maintain a university's brand visibility on the Internet and create conditions for penetrating the global education market and attracting international audience.

The most effective model of combining traditional education with new technologies is the so-called blended learning model. Blended learning is a successful integration of various education formats and teaching models taking into account students' perception peculiarities owing to the strategic and systematic approach to the use of technologies together with personal interaction benefits. Such an approach allows combining the benefits of classroom lessons with the benefits of distance learning. It should be noted that various studies show that the effective realization of blended learning model positively influences the quality of education. The progress of students who followed the model of blended learning proves to be better than the one of those who followed the traditional model.

Another effective strategy of external market penetration is franchising. Franchising may also be viewed as an agreement with which a university gives exclusive rights for using its brand in providing services by other universities on a certain territory, in exchange for royalty payment along with keeping up with technologies and servicing operations. Education franchising is widely used by western universities but has yet to be well recognized in Russia though it has already proved its viability.

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SOCIAL ROLE OF BUSINESS IN SOCIETAL DEVELOPMENT

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Abstract. *The article considers the role of socially active business in societal development. We analyse different approaches to periodisation of the formation of the theory of corporate social responsibility within the context of changes in relations between business and society. This work determines the main directions of development of social activity of business from "corporate social responsibility" to "corporate social activity". We describe the transformation of the business policy of patronage and charity to modern forms of integration of social responsibility into the strategy and mission of the company. The article highlights the main approaches to the definition of the social role of business in societal development and the causes of business interest in accepting corporate social responsibility.*

Keywords*: corporate social responsibility, the concept of corporate social responsibility, the concept of "corporate citizenship", social policy of business, communication between business and the target groups, the social role of business, the purpose of business, public expectations, social responsibilities of corporations, the pros and cons of social responsibility.*

If a free society cannot help the many who are poor, it cannot save the few who are rich.
John F. Kennedy (1917-1963)
President of the USA

Corporate social responsibility (CSR) is nowadays one of the most controversial phenomena and the most broadly defined terms in the modern business community. The discussion on corporate social responsibility started in the early 1950s by asking two interrelated research questions: the meaning of CSR and its sources. The complexity, severity and the duration of the debate were foreshadowed by the non-triviality of this category - CSR (corporate social responsibility - CSR).

Social responsibility implies a sort of "goal-setting" in all the above interpretations of responsibility. Initially, social responsibility is as a rule interpreted in the broadest sense - as responsibility to the society, i.e. society as a whole, as business serves society and not vice versa. Business is an institution that generated social development and organisation, therefore, managers doing business and making certain decisions should bear some responsibility before society and meet certain expectations of society. However, at the beginning of the CSR debate there appeared a widely spread interpretation of social responsibility in the context of "social" and "socially oriented programmes," i.e. programmes mainly focused on maintaining the well-being of vulnerable social groups.

The second - a narrower interpretation of corporate social responsibility - accentuated voluntariness, discretisation of CSR, making it be beyond the scope of its core business.

- **Stages of formation of the concept of corporate social responsibility**.

The concept of corporate social responsibility as a management theory has gone in its formation through a series of stages.

American researchers Gerde V. W. and Wokutch R.E. [1] when analysing publications produced by the Department of Social Problems of the Academy of Management in the United

States in 1972-1996 have identified four phases in the evolution of CSR:

1. "Maturation and innovation" (the1960s);
2. "Development and expansion" (1972-1979);
3. "Institutionalization" (the 1980s);
4. "Maturity" (1988-1996).

A. Carroll [Carroll, 1999], one of the leading theorists in the field of CSR, a professor of management at the University of Georgia (USA), set forward his systematisation of the period of formation of the theory of CSR. Recognising the complexity and contradictory of the evolution of the concept of CSR, A. Carroll set himself the task to trace only changes in the basic terminology and defined several decades as significant steps.

According to A. Carroll, the emergence of the theory of CSR has gone through the following stages [2] (Table 1).

Table 1 - Milestones CSR theory and content of A. Carroll

Stages	Characteristics of stages
the 1950s	Start of the evolution of the term CSR that opened the modern era of social responsibility.
the 1960s	The period of meaningful extension of CSR definition.
the 1970s	The period of intensification of the diversity of CSR definitions.
the 1980s	This period is characterised by "reducing the number of definitions, increasing research and development of alternative topics."
the 1990s	Period of indestructibility of the key role of the term CSR and "its gradual transformation or substitution of alternative thematic framework"

Reference source: process [1].

In his study, A. Carroll, without analysing the internal logic of the development of the concept of CSR as a multi-level construct, identified "corporate social performance", "stakeholder concept", "business ethics" and "corporate citizenship" as important alternative topics.

Another researcher of the CSR evolution D. Windsor considering the concept of CSR as a "core" of a broader theoretical construction pointed to "the concept of economic responsibility", "global corporate citizenship" and "stakeholder management" as the themes that are alternative or competing with the kernel [3]. In his turn, M.van Marrewijk drew attention to the need to harmonise the concepts of CSR and "corporate sustainability"[4]. A. Crane, V. Cheppl and D. Matten tried to justify the emergence of the concept of "corporate citizenship" by general logic of the system development [5].

R. Steuer and his co-authors proposed a model linking CSR to the concepts of "sustainable development", "corporate sustainability" and "managing relationships with stakeholders"[6].

F. Mohan's viewpoint is especially remarkable. According to it, the concept of CSR seems to serve one or several "incarnations" of relations between business and society. The values of these "incarnations" vary with time and space, sometimes intersecting, sometimes competing with such concepts as "business ethics", "sustainable development", "corporate philanthropy", "organisational citizenship" and "social reporting".

F. de Bakker, P. Groenewegen and F. Dan Hond in this regard noted that "the concepts relating to the social problems in management such as corporate social responsibility / corporate social activities, corporate citizenship and concepts stakeholders are normative in two senses.

Firstly, the theorists in this field tend to emphasise that firms stick to social commitment and stakeholders have the respective requirements for companies to pay attention to.

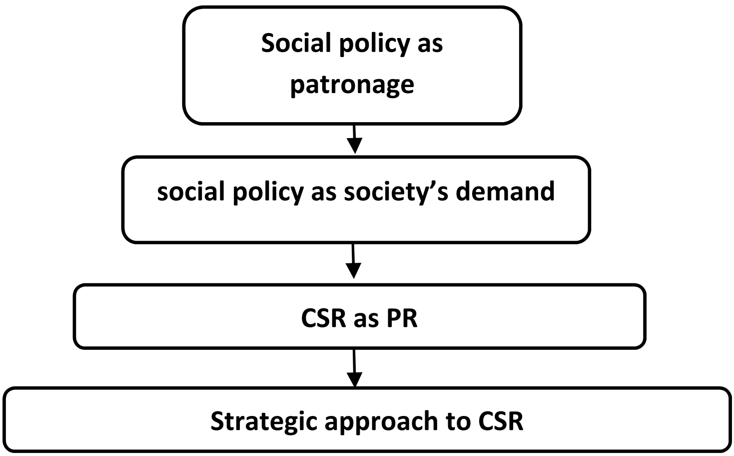
Secondly, these theorists feel obliged to defend the orthodoxy of the relative position and as a result to justify their preferences by resorting to ethical arguments. And it is this second meaning of normativism that differs the literature on social issues, stakeholders and so on from the more traditional management research" [7].

Thus, the analysis of the evolution of CSR theory is a very difficult task, which determined the acuteness of discussion on the concept of CSR and the directions of its development in the 1950s-1990s from the "corporate social responsibility" to "corporate social performance".

As a kind of corporate social activity, business social policy has undergone significant changes over time, transformed from patronage and charity to modern forms of integration of social responsibility values into the strategy and mission of the company (Fig. 1).

The term "corporate social responsibility" has recently been applied to practice of corporate management. Before that there were certain standards and rules in various areas of corporate management affecting various aspects of relationships with employees, business ethics and the company's attitude to the environment.

Fig.1. The evolution of corporate social responsibility



Reference Source: ByLiner.ru - Marketing Solutions

In social policy of companies, rules and codes were not developed at all. There was dominant approach in the form of reactions to different claims of employees, union demands and responses to the requests of local authorities.

Patronage is the first and longest period of evolution of corporate social policy (until the early 70-s of the twentieth century). Despite some successful charity projects that went down in history (e.g. Rockefeller libraries, Diaghilev's 'Ballets Russes'), the activities of patrons were irregular and there was no clear focus on target groups. Their main incentive was the satisfaction of the owners’ personal needs, so the decision on the implementation of a programme depended primarily not on the strategic interests of the company, but on the preferences of its proprietors. Charitable activity at this time was aimed mainly at the development of culture and arts, education, medicine, helping the poor, orphans and disabled people.

Social policy of corporate business as a demand of society.

Large American and British companies began to realise the need to combine disconnected elements of corporate policy related to the interplay of business and external environment in the late seventies. Business understood the necessity of cohesive approach for interaction with society. The new policy of the company had to be associated with the mission of the company, its philosophy and strategy, and at the same time, it had to meet the expectations of society and consumers. We can define the following reasons for reordering relations between companies and society:

- increase of pressure from European countries, that put forward tough demands under the pressure of society in the field of labour law and environmental protection. Despite the fact that the role of the federal government in the USA was less significant, the work on tightening environmental safety standards and requirements of the labour legislation gradually began.

- increase of pressure from trade unions and, above all, in the field of labour protection and the social policy;
- the interrelation increase between public sentiment and level of sales. Attitudes to the company were determined then not only by the quality of the products or its promotional activities. Company image, its policy when it comes to business partners, staff, the environment and society began to gain more and more influence on consumers' behaviour.

The state and society pressure resulted in the situation when major corporations in the 70s and 80s of the twentieth century had to accept the existence of some sort of duty to the society. Taking into account the historical aspect, the conflict between big capital and the proletariat must be considered. This conflict led to considerable concessions on the part of entrepreneurs, expressed in the reduction of working hours, foundation of the workers social guarantees, etc [8 p.120-154].

Consequently, movement towards the social welfare state can be regarded as an essential prerequisite to the establishment of the CSR paradigm.

Civil society pressure on business increased dramatically in the 80s. Public organisations demanded from corporations certain standards compliance in their operations and asked for tighter control by the public scrutiny. Business had already been forced to build their relationships with the state and society under the new rules mainly through the creation of new targeted programmes, primarily in the areas of safety and environment protection. These were not just acts of charity, but a well-planned set of measures, taken at the level of the board of directors that was able to provide the necessary conditions for doing business [9].

CSR as PR. Development of PR-techniques and communication management in the 90s led to the fact that the concept of social responsibility became increasingly recorded in the companies' missions, and specially created departments began to build the image of the companies as good "corporate" citizens.

The main forms of action were PR-events and implementation of promotional programmes in the field of sport, culture and education in order to raise their reputation in the eyes of stakeholders. [10] At the same time, the effectiveness of social policies was determined by effective financial output: impact on business development, obtaining greater market share and profit increase.

Strategy-oriented CSR. The final element in the evolutionary chain of social responsibility is a strategy-oriented CSR. At this stage, CSR becomes an integral part of not only the mission, but also the company's strategy. The purpose of the corporation is recognised as business stable development and focus on the corporate future. The problem of corporate responsibility begins to be seen not in terms of a company's PR-resource but from the standpoint of its reputation in the community and its further development. The decision-making process is conditioned since then not by maximisation of profits in the short term in order to obtain greater profits by shareholders, but is viewed in the long term, taking into account the interests of stakeholders.

The objects of social action in the new stage become the living conditions of the population, staff recreation and urban infrastructure improvement. Gradually, there appears state management squeezing-out from certain areas management, with the result that corporate governance becomes more important than the government control. Corporations become imperium in imperio and take over part of the state functions, being at the same time a source of power.

Each next stage of evolution of corporate social responsibility involves the emergence of new techniques and technologies that make communication between the business and the target groups more effective. Therefore, the traditional practice of patronage, which is expressed in the provision of financial or commercial assistance to charitable organisations, is gradually giving way to an integrated approach to social responsibility. This approach can be described as a policy of the company's participation in society. It includes a variety of elements, and even the involvement of staff in discussions on important and pressing issues of the area where the company operates, participation in raising funds to other philanthropists to implement joint social projects (fundraising), etc. [11]

By the beginning of the XXI century Europe and the United States had formed their own models of corporate social responsibility, which were reproduced by the leading American and Western European companies. Everywhere there were associations of companies engaged in the development and promotion of the concept of corporate social responsibility. The public in these countries has begun to discuss the topic of corporate social responsibility, and specialists in the field of corporate governance directed their efforts towards the introduction of advanced CSR practices in the activities of their companies. Just recently, the concept of corporate social responsibility has started to be studied in many leading economic universities or has been introduced in the courses in corporate governance.

Thus, each successive stage in the development of corporate social responsibility is fuller and more effective than the previous one. It has added to the established methods and techniques of social policy new ones corresponding to modern realities. The fourth stage ensures that the interests of the maximum number of participants - state, society, business, etc - and this let us to speak about the shift in the very nature of capitalist society. A socially responsible company is less focused on profit, taking into account the interests of all target groups. Its priority is not short-term profit but sustainable development, based on not only shareholders' well-being but involves all stakeholders, including staff. As a result, adherence to the policy of social responsibility can improve the level of social stability and thus achieve higher corporate financial performance.

The main approaches to the definition of the social role of business in social development. The ambiguous attitude towards the concept of corporate social responsibility (CSR) is associated primarily with disputes over the business goals.

Many managers of modern corporations are not attracted to the ideals of first philanthropists. Traditional practice of modern corporations is focusing on the economic imperative.

Nowadays, the ethical issues are very complex, changeable and diverse. Business management can turn its attention to social and environmental problems, only after solving financial matters and this approach is based on the priority of a purely economic consideration. Guided by the statement that «business is always about doing business" some managers believe that their primary duty is to maximise shareholder value. Thus, the responsibility for philanthropy is passed on to charities. Another part of the CEOs takes up the position that concern for "the money of shareholders" is in line with the enlightened self-interest strategy by any means.

Business activity (Business) is one of the most dynamic and plastic form of human activity. Its technology (management) has been changed significantly for the past hundred years.

The research identified two main views on the role of business in society.

One group of the experts, among them the famous American economist and Nobel Prize winner Milton Friedman, believes that the main objective of business is wealth augmentation through the supply of goods, services and employment [12].

Proponents of the latter view and corporate social responsibility (CSR) supporters insist on the need to shift of emphasis from private benefit to public goods.

M. Friedman argues that the doctrine of corporate social responsibility is inherently disruptive to the business. He called corporate responsibility, unrelated to bringing income to shareholders, "fundamentally harmful doctrine". According to M.

Friedman, "the business of business is business". [12] The only social responsibility of business, in his opinion, is "to use its power and resources in activities aimed to increase profits, provided that it adheres to the rules of the game ... (and) take part in an open competition, without resorting to fraud and deceit". [12] "The role of companies is to make money, not to save the planet. And let them not confuse these two things" [13].

Modern hierarchical, bureaucratic organisation run by authoritarian executives are structured so as to remove social burden from the management. According to M. Friedman, liability can only be personal and cannot be delegated, so that when an organisation, a society or a nation takes responsibility, it appears that no one has responsibility for anything.

M. Friedman's view is shared by Harvard economist T. Levitt. He believes that each of the different "functional groups" in society must solve their problems. According to Levitt T. "business is war, and, like any war, remains aloof about morality" [14].

Proponents of Friedman's theory believe that fair business activities by themselves provide sufficient social benefits, contributing to augmenting social wealth and provide employment. Distribution of the company's funds to charity is equal to voluntary additional taxes payment, and people who are responsible for the business (managers/board of directors) have no right to ladle out property owned by shareholders. Their only responsibility is revenue increase.

Along with Friedman's ideas advocates, there are less radical intermediate concepts. The authors of these theories, in general, share the views of M. Friedman and support them, trying to find a place for CSR as part of his theory. Uli D. thinks that the concept of M. Friedman admits CSR, but with the "restriction of shareholders' interests' priority". [15, p. 9] He proposes that executives should make a special profit maximisation contract with the shareholders. According to supporters of these scholarly traditions, the role of business in a competitive market economy should be limited only to productive activities, and performing any other roles is misuse of powers.

Donaldson T. and Bowie N., neo-classical economic liberalism supporters, believed that corporations must be profitable, but to respect certain moral principles and respect human rights, adhere to some kind of social agreement between business and society. [15, p. 9] As a result, most economically developed countries, adopted the concept of "rational egoism", according to which by spending money on social and philanthropic programmes business reduces its current income, but in the long term creates a favourable social environment and therefore sustainable profits.

The point of view of corporate social responsibility concept supporters is that business does not have the right to act independently of society as business itself is one of many social system subsystems. The interdependence of business and society is much more complicated than it seemed to Friedman. Friedman position about the social responsibility of business is limited to the legal and financial rules, under which executives can operate. Corporate social responsibility proponents consider that these limits are much wider, and the society has the right to defend its interests by establishing standards of business conduct. Corporate social responsibility is chained to the degree of public control over the business institutions at the macro level.

According to the point of view of CSR supporters, companies have responsibility for society not only in matters of efficiency, employment, profit and law non-infringement but lots more besides. That is why organisations must allocate part of their resources and efforts to social channels, to sacrifice for the benefit and improvement of society.

The efforts of the CSR concept are aimed at identifying the interdependence of society and business, and their mutual obligations. Relations between society and business are dynamic enough, and their interests are contradictory. In addition, the power of corporations usually increases to a greater extent than the rights and opportunities of citizens in relation to the companies (and even shareholders).

Social environment changes over the years. Both business and public expectations change. For example, in the late 1960s security issues were not a priority for car makers, but now ad campaigns of many automotive suppliers attract the attention of consumers to this aspect of their products (the system lock brakes and directional stability, safety belts, installing special seats for small children, seasonal tyres or air bags). Society is becoming more complex and demanding. Consumer rights are now protected by law.

Public demand for products made from recycled materials or organic products has led to changes in corporate behaviour and in product range. The recognition of difficult working conditions of people in developing countries engaged in the extraction of raw materials for western producers has led to the concept and practice of "fair trade".

Public visions of the organisation's behaviour to be considered a good corporate member of the serviced community is largely determined by public expectations, which include the organisation's responsible activities in areas such as environmental protection, healthcare, civil rights, consumer's interests protection, etc.

Public and consumer expectations are constantly changing. Nowadays, more and more consumers in the industrialised countries expect that large corporations will be guided by the principles of ethical behaviour, demonstrate examples of social responsibility. Business administration, ignoring its responsibility for society, can damage the interests of shareholders.

Keith Davis emphasises that the business is obliged to be actively socially responsible because of the "iron law of responsibility" and states that "in the long run, those who do not use the power in such a direction, that society considers responsible, are going to lose this power". [16, pp 19-24]

Society trusts the socially responsible corporations, and thus they win the competition. Therefore, the business uses CSR as a tool for managing their reputation and attracting investment.

A socially responsible company is responsible to the state, respecting the laws and paying taxes, and to the society by supporting social projects in the field of culture, education, environmental protection and job creation. At the same time companies care about the high quality of their products.

Due to the objective economic conditions appeared in the last decade in developed countries, discussions on the social role of business intensified. In the American economy, with its liberal model the federal government assumes less social obligations but acts as regulator. Many of the social problems in Europe are solved due to high taxes, but in the USA the duty is imposed on the business. And the social role of the business is increasing: in fact since the mid 90's the governmental support of many social benefits has been cut in the USA by 18% [17].

Now, more and more managers recognise that fulfilling social obligations of the corporation does not always negatively affect the shareholder value performance, and moreover, they can serve as an additional motivation for employees. They do not see controversy between social responsibility and business interests. The benefits of the company in the long term can be expressed in the increased motivation of employees, customer loyalty increase, number of repeat customers growth, high profile, improvement of relations with the public, strengthening the companies' "administrative resource" and reduction of transaction costs by reducing the administrative barriers.

Socially responsible policy raises the level of trust within the company. The joint solution of internal and external social issues contributes to employees' loyalty towards the top managers. As a socially responsible company it pays attention to development of the potential of each employee and this is an integral part of its social policy.

Increased motivation and personnel loyalty contribute to increased productivity, reduces costs of hiring new workers and increase sales, and effective financial support for sporting, cultural or other social events or charities may result in savings of funds allocated for advertising company products.

Currently, social responsibility has received enough recognition and it is perceived as an integral part of the global corporate business practices. There are many companies that base their activities on the highest ethical principles. For example, Ford's manufacturing policy is aimed at protecting the environment. One of Germany's largest retailers Tengelmann offers only environmentally friendly products made primarily from recycled materials. A leading UK retail chain B & Q employs the elderly, who are often denied employment due to old age. It also refuses procurement of goods, which production is detrimental to the environment. The Swiss chemical company Ciba-Geigy in its mission states that its priority objectives are the protection of the environment, innovation and increased profits. [18, pp 157-170]

The debate about the role of business in society gave rise to numerous pro and contra social responsibility arguments.

The number of companies that share the concept of social responsibility is growing, but at the same time, many scholars and practitioners advocate M. Friedman’s idea and it is still popular.

The reasons for the proprietary interest of companies in Corporate Social Responsibility. Scientists insist on the adoption of the corporate social responsibility concept, based on the position that the manifestation of attention to the needs of the business community allows you to create a positive image of the company and to prevent potential conflicts with the state. According to socially responsible business supporters, social orientation of the company is in line with its long-term interests, and this corporate responsible approach of companies can be described as strategic. In the modern literature of strategic management corporate social responsibility is defined as understanding, acceptance, actions management and management of the aftermath of them.

Scientists believe that the business has necessary resources to carry out this kind of policy, and in many cases, the shareholders support the socially significant events.

The organisation "may" and "wants" to take social responsibility, if it is possible to obtain an advantage over competitors, and some companies already know how to find the balance of responsibility and success.

If the process of CSR is organised properly, it results in company’s internal management improvement, its efficiency increases, innovative products are developed, loyalty of investors increases, management risks are reduced, and so on. Eventually, the company is significantly ahead of its competitors.

Philip Kotler in his study on corporate social responsibility highlights the following advantages of CSR practices and argues that the CSR, with the right approach can bring tangible benefits to the company in the form of:

- sales growth;
- strengthening the brand position;
- securing a positive reputation;
- empowerment to attract, motivate and reward employees;
- reduction of production costs;
- investors and analysts favour[19].

Many companies that adhere to high moral values and support social responsibility are booming. Their work is high-profile, they have high loyalty consumers, even in the absence of advertising. It is clear that this kind of approach of such companies to practice of corporate responsibility can be rightly described as strategic.

Almost all MNCs conduct social work in the regions of presence. For example, Shell Thailand in collaboration with UNICEF and the Coalition of the Thai business pays for AIDS prevention programmes for young petrol station workers. The result of such a programme of Volkswagen in Brazil was the decline in the number of hospitalised employees by 90%, and the cost of responding to AIDS dropped by 40% [17].

The mining company Placer Dome has a system of health care, not only for its employees but also for all who live near its mines. However, Rio Tinto and three other mining companies have created a global alliance of regional health (World Alliance for Community Health). This organisation, together with the World Health Organisation is developing projects to support local health. At the same time, the company's managers emphasise that the main goal is not charity but reduction of costs and efficiency increase. They believe that investing in health care is one of the ways to achieve this, and any board of directors will approve the initiative [17]. Companies are aware increasingly that to maintain productivity and build new markets without a healthy local population is not possible.

Investments in human capital are justified in terms of improving the quality of customer service. According to the research, in banks, where employees are satisfied with their situation, customers are satisfied with the service by 15%.

Social activity increases the attractiveness of the company to potential employees that, given the shortage of specialists, is very important. 33% of the economically active population in Britain believes that if a company is socially active, then it has better working conditions. 30% of employees involved in various activities at the expense of the company evinces a great commitment to the company and are interested in its success [17].

Social activity is an important element of the strategy for the industry under close state control (banks, insurance companies, utilities, public health service). Investing in the improvement of social conditions can bring good dividends when taking strategic steps (e.g. mergers) must be approved by the regulatory authority.

To obtain the approval of the authorities, multinational companies in developing countries often use charity. For example, where the state is unable to maintain health care, large companies can provide partial support in exchange for contracts. Now interaction between international non-profit organisations with MNCs is intensifying as the latter often have more opportunities to address social problems in different parts of the world.

Of course, social activity as a competitive advantage will not be able to overpower the excellent quality and lower price, but for companies operating in a competitive environment, the social aspect can play a big role. It is not surprising that producers of consumer goods and services prevail among the most socially active companies.

Over the years, social activity is becoming not just desirable, but necessary for the company. With the rise of social consciousness of consumers, corporations must meet all the new requirements.

According to the annual poll of Glob scan, which covered 20 thousand consumers, investors and employees of corporations in 20 countries, today consumers blame companies almost for everything. Respondents in North America and Europe expect the companies to focus on their duties: fair wages for employees, the responsible production of goods and environmental protection. In developing countries, enterprises are supposed to demonstrate their civic position, such as initiatives for solving social problems.

Now there has been already built specialised terminology, describing the social activity of business conduct. The most common term is corporate citizenship (CC). "Corporate citizenship" defines continuity of general economic principles of the company and its social responsibility for the social environment [17].

The management literature defines "Corporate citizenship" differently:

1) as philanthropy and involvement in the community;

2) as a "law-abiding citizen and true patriot " with their rights and responsibilities. In this case the company is seen as a public, "empowered subject, who has the responsibility to respect the rights of other citizens in society" [20].

The new paradigm of corporate responsibility is to manage the risk. This means that corporate responsibility is an integral part of the forecasting system and risk management. This approach allows not only to integrate corporate responsibility into the management strategy, but also it affects company's stock value and, importantly, allows to include issues of corporate responsibility in the agenda of the board of directors [21].

Scientists sharing the opposite viewpoint state that the main task of management is to meet shareholders' requirements and not to be involved in activities that decrease company's competitiveness. They think that society-oriented activity is not widely advocated and business has nothing to do with democracy. According to them, business does not possess skills and opportunities to address social problems.

Nowadays, the most part of organisations often abdicate their duty to bear the social burden, considering it the prerogative of non-profit organisations and the federal government. A large part of them considers social responsibility and responsibility for the environment as something that contradicts the short-term financial benefits and competitive advantages. The main barrier to the development of the responsibility of the organisation is the motive of economic dominance and competitive advantage, which is an integral part of modern management paradigm. As a social and environmental point of view, this barrier has begun to loom large with the start of the globalisation process [22].

With each passing day, any product, service or resource, presented by any nation's company is becoming the object of competition in the global market. The main criterion for the success of this market is profit, that is the ratio of cash receipts to production costs.

The production costs of any product or service is made up of labour costs and taxes. The economic, social, political, cultural and organisational systems maintain the competitiveness of the product. The current competition helps governments and corporations to increase production by reducing guarantees of wages, cutting social aid and destroying the environment. Human rights, minimum wages, safe working conditions and limitations designed to protect the environment are the inevitable costs, reducing the ability to compete globally. Ultimately, the problem boils down to the question of the values that are predominantly moral constraints that partly determine what should not be done.

The peculiarities of the business and the public relationships are determined by the role and the basic functions of the business. In modern society, business performs the following major functions [23]:

1. The economic function. Regardless of the socio-political order and religious views, each society can exist and develop only under the condition of economic activity, which in turn requires an effective business activity and management.
2. The political function. The political life of any society expresses the clash, conflict of interests, mainly, economic ones. Business world affects the political decision-making and influences the formation and development of civil society.
3. Leadership function. Status of the business world and its purposes, the nature and ways of business activity largely determine the state of public life.
4. The moral function. The ethics of business activity has a decisive influence on the formation of moral culture and serves as a benchmark for moral culture in other spheres of public life.
5. The innovative function. Business not only provides economic conditions of survival and development of society, but also implements the latest world scientific, technological and social achievements.

Thus, the business world is the main link, providing integration of society, the existence and development of social partnership.

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INTEGRATION PROCESSES AT THE INTERCORPORATION LEVEL: THE DEFINITION AND APPROACHES TO PERFORMANCE EVALUATION

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Abstract. *The objective of the research was to develop theoretical and methodological basis for evaluation of the integration processes at the intercorporation level.*

The object of our research is the system of organizational forms and relations that are shaped in the process of integration of economic agents in terms of functioning and development of the integrated structures in the conditions of globalized economy.

The article specifies the definition of "companies integration" at the intercorporate and intercorporate levels as extension and reinforcement of interrelation and cooperation of incorporated and unincorporated businesses for the sake of more efficient use of the competitive advantage, completion of the missing components and acquiring the synergetic effect; it formulates a concept-based approach to performance evaluation of integration processes based on the synergetic effect supported by the idea that it should be considered in a broader sense than usual and that the factors to have been reviewed separately should be taken into account. Considering the fact that we cannot use the formal set of methods to analyze the components of the synergetic effect, the article contains a cognitive map which demonstrates the application domain. The cognitive map analysis enabled us to determine the major components inherent of the synergetic effect of integration and justify the necessity of the use of transaction costs in the context of integration processes at the intercorporation level.

Keywords: *integration, integration of companies, synergetic effect, cognitive map, transaction costs.*

The international economic integration at the regional and international level gradually leads to weakening of a number of national economies. At the same time the integration processes at the intercorporation level have a boost: the ever increasing global competition makes them look for new ways to combine potentials and cooperation in their struggle for survival or the market leadership. Amid the vigorous development of the global market and the intensification of the competition, it turns out that cooperation gives more considerable strategic advantages than the competition itself. Apart from that, the managerial activities undergo the transition from a narrow specialization towards integration. The following levels of economic integration may be distinguished in connection with this: international economic integration, intercorporate and intracorporate integration. The definition of "integration" is used in several spheres of knowledge with each case of usage having peculiarities of its own. From the point of view of linguistics, the term is derived from the Latin word 'integration' - filling, restoration, 'integer' - whole. There is no agreement on the term's definition in the economic theory, that's why there is a number of definitions to be given from the point of view of economics, business, management etc. Integration is:

- combination of parts and/or elements into a whole [1];
- association of two or more companies as a result of a merger or takeover [2, p. 146];
- the association of economic agents, extension of their cooperation and development of the relations between them. Economic integration takes place also at the level of national economies, between companies, firms, corporations [3, p. 329];
- the extension of the cooperation among economic agents, their association, reinforcement of cooperation and interrelations between the components of the managerial system [4, p.9];
- the economic and organizational merge of two or more elements (components, parts) into a whole, which improves with

the number of embedded components. The associated components tend to cease their existence in their prior form partially or completely The economic integration is an association of entrepreneurial structures based on the development of their relations and extension of mutually profitable cooperation;

- a development process, which brings the unity and integrity within the system based on the interdependence of separate specialized elements [6];
- the essence of integration is to achieve a maximal contribution into the "bank" of competence with every separate field of specialization [7, p. 32, 47].

Integration is a process of harmonization, concordance and unification of structures and functions within the holistic organization. There are two components in the definition: 1) integration as a phenomenon: the state of connection of a system's separate parts and functions within the whole; 2) integration as a process: the mutual adaptation and cooperation leading to the state of interdependence of separate differentiated parts and functions of a system into the whole.

Speaking about the integration of companies, we usually imply the establishment of such relationships between separate structures that ensure the long term bringing the integrating subjects' main objectives together. This process is followed by the creation of conditions where the structures cooperate and the objectives become unidirectional, not divergent. From our point of view, "the integration of companies" at the intercorporate and intercorporate levels is an extension and reinforcement of cooperation, interrelations and collaboration between economic agents with the aim of full use of their competitive edge, filling the missing parts and achieving the synergetic effect from the association [8, p. 155].

The term "integration" has connections with a number of concepts. Among them are: "association", "cooperation", "consolidation", "concentration", "centralization" and “coordination”. Most notably the term is connected with the concept of “association”. Association is a merger of several organizations, enterprises, agencies into a group. Association as an action means combining a whole from separate elements. The integration and association are quite synonymous. But the first concept implies a more systemic perception of the formed ‘whole’. Sometimes the scholars distinguish the concepts by the following features: association as well as aggregation implies the combination of parts without mutual influence, i.e. having mechanic meaning.

The division of labor predetermines cooperation, i.e. establishment of the long term rational industrial relations between specialized enterprises. Cooperation is the basic level of integration and is characterized by development of ties between the formerly separated elements of the economic system. With the development of cooperation, its social character of production strengthens internationally through the development of international enterprises – firms, companies, multinationals that encourages the extension of internationalized production.

The term “consolidation” is close to integration and can be viewed as a particular case of integration processes and implying the following: a) build-up, reinforcement, association of something to boost activities; b) association and merger of two or more firms or companies.

Speaking of the correlation between the following terms, we need to understand that integration leads to concentration that we understand as: 1) concentration, centralization somewhere, saturation; 2) the degree of saturation; 3) centralization of production, capital in the hands of a single person or in one place, domination in the market of one or more companies. At the same time centralization and coordination are mechanisms of realizing integration. By this token, transnationalism and globalization of business realize integration of companies and multinationals in the international common business space.

One of the main stimulus to integration is the opportunity to cut transaction costs connected with signing of a contract. It means direct economy because within an integrated structure the costs of negotiations and preparing contracts drafts are decreased. In the absence of integration, negotiations over the price or the volume of traded goods, semi-manufactured products and commodities are inevitable. Integrated companies may benefit from a merger because of the co-operative search of the necessary information on the prices and quality of goods. Besides, integration of a company helps to overcome the so-called 'incomplete contracts'. At signing of a contract all the parties aspire to discuss every aspect and find the right wording to avoid further alterations to the preliminary conditions. But the product selling conditions and the level of demand may change over time in the context of market conditions. Consequently, a long-term contract cannot cover all possible alternatives.

The relations of pure competition are substituted with one of the cooperation forms; at the same time the range of opportunities stretches from weak cooperation to direct management in the context of which the market conditions are replaced with supplies within the companies. At present, the movement of more than a half of the global GDP along the value added chain and its realisation develop within the integration relations rather than market ones. Integration processes represent one of the production socialisation forms and occur at a certain stage of its development. The most important effect of integration is in creation of more favourable environment to reproduce capital in comparison with the free market. That is the reason why the necessity of the integration arises when there are disruptions in the market mechanisms and it does not prove sustainable and reliable in terms of inter-industry exchange and therefore the capital reproduction and self-expansion of value.

The cooperative relations between entrepreneurial structures may come in the following forms: 1) inter-company cooperation; 2) establishment of strategic alliances; 3) mergers and takeovers.

At the same time the latter form represents the ultimate form of integration because a united corporate structure arises as a result. If the first stage of integration witnesses the expansion of industrial and commercial capital in the form of mutual absorption, the next stage is characterized by a variety of forms based on close contract relations. The result is a number of economically independent firms which form some sort of business systems.

A domestic zone of different types of property comprising companies including international ones with varying degree of shareholders and unincorporated control is created around an entrepreneurial structure [8, p. 159-160]. Modern monopolization processes are inherent in exceeding the boundaries of a company's property concentration, creation of the periphery of a kind and the establishment of a control over formally independent enterprises. The 'periphery' relations system is formed based on various agreements, e.g. outsourcing agreement, agreement of cooperation in the sphere of manufacturing and R & D, joint-marketing agreement, joint-publicity agreement, joint-distribution agreement etc. The headquarters (HQ) are considered as the core of the business system, from which depending on the closeness of the ties different orbits appear. These orbits are represented by subdivisions, subsidiaries, dependent and independent companies (see pic.1).

The shorter the distance of the integrated company to its HQ, the closer their relations are. There are several groups of such interdependent subdivisions and companies to be distinguished:

1) structural subdivisions without a legal entity and various degree of financial independence (cost, profit and investment centers);

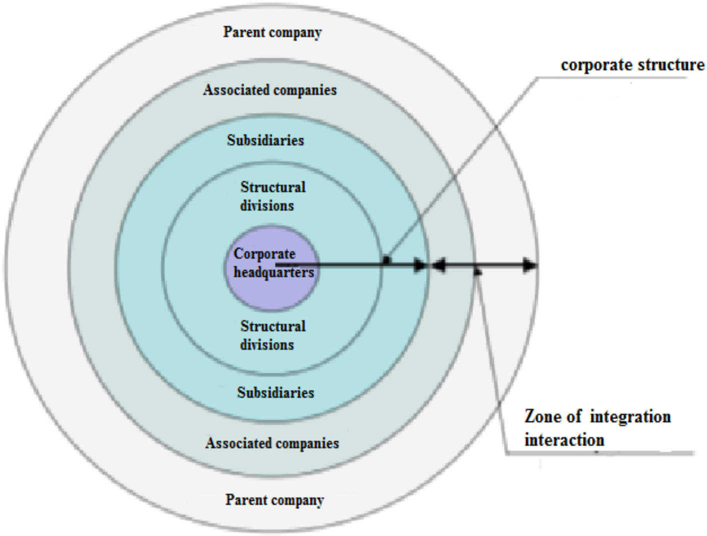
2) subsidiaries registered as legal entities but obliged to obey the instructions issued by the HQ which has a dominant interest in the equity capital;

3) dependent companies registered as legal entities but obliged to obey the instructions issued by the HQ which has a

dominant interest in the equity capital (20% for the Russian Federation) and contract relations with the HQ;

4) independent companies bound with the HQ by the cooperative relations in accordance with the signed agreements.

Pic.1. A scheme of a company's business system



The zone of the integration influence is the result of both integration processes (signing of the strategic alliances and joining all kinds of integration groups) and disintegration processes (stripping certain legal entities from the corporate structure and giving them corresponding powers).

In order to define the right degree of integration for a given company, there is a need to specify its quantitative unit of measurement. The level of vertical integration can be characterized by the unit, which reflects the share of the added value in the price of the sold product. By 'added value' here, the profit from the sold product excluding the commodities, materials and spare parts costs is meant. Therefore, the abovementioned added value includes salaries, rent (or maintenance costs) and the profit. The difference between the profit from selling goods and the size of the added value is usually called 'external procurement'. Another way of measuring the degree of integration is the correlation between the volume of the purchased commodities and the volume of resources produced within the firm for each production phase.

It would be practicable to view the *entropy index* as a marker of diversification. The index is calculated with the help of the formula:

$$E = \sum Y_i ln(1/Y_i), \qquad (1)$$

where i are the markets, in which the company operates, i = 1,2…n;

Y_1 - the share of the sold products on the 'i' market in the total of the companies' profits.

The marker demonstrates the degree of uncertainty about the company's products' demands and is expressed by a digit from zero to infinity, showing the degree of diversification. The number of produced items, having an impact on the index, reflects the degree of diversification.

The degree of the horizontal integration can be measured with the help of markers reflecting the size of the company in relation to the market's size and the definition of the industries' concentration level. The bigger the size of the company in relation to the market's scale, the higher the concentration of producers on the market is. There are *four* main indicators to characterize the market's size: 1) the company's sales share in relation to the market's total of sales; 2) the number of total personnel in relation to those engaged in the manufacturing of the said product; 3) the company's assets cost in relation to that of all the companies in the market; 4) the added value cost in relation to that of all the companies operation in the market. The size in itself can serve and indicator of the market's concentration. That is the factor underlying the determination of the monopolies in the Russian Federation (the evidence of a monopoly is a company controlling at least 35% of the market) and in Great Britain (it is 25%).

The most significant indicators designed for the quantitative measurement of the economic concentration and, therefore, the horizontal integration is the quotient of concentration or the *Herfindahl-Hirschman Index*.

Concentration quotient (CR) equals to the total of goods shares sold by the largest market players. It's designed to characterize the shares of several (say, 3, 4, 5, 8 or 12) largest firms in relation to the market's size expressed in percent value. CR3 is the most popular indicator among the scholars; it reflects the market share of the three key players in the given industry. The scholars consider that when the concentration index approaches 100%, the market is said to be highly monopolized; if the indicator slightly exceeds 0%, it is considered to be competitive.

Hirschman-Herfindahl Index (HHI) is defined as the sum of squares of the products' shares in the goods' market expressed in percent of each market player.

$$HHI = \sum_{i=1}^{n} X_i^2 , \qquad (2)$$

where *Xi* is the company's market share;

n is the number of companies, operating in the market.

The indicator characterizes not the market's share controlled by several largest companies, but the distribution of the 'market power' between the market agents. The maximal value is encountered when the market is monopolized by only one company. Then, HHI = 100^2 = 10000. If the number of companies on the marker is more than 1, the index can take different values: from 0 (in case of perfect competition characterized by numerous sellers occupying tiny fractions of the market share) to 10000 (when only one company controls the market and is responsible for 100% of production output). The higher the index, the higher is the concentration of the sellers in the market.

Hirschman-Herfindahl Index has become the main benchmark of the antitrust policy adopted by the US government in terms of assessment of the legitimacy of this or that merger or takeover since 1982. They use the index to subdivide the deals into 3 categories depending on the index value.

1. HHI<1000. The market is considered non-concentrated (pure competition), and all types of mergers and takeovers are allowed without obstruction.
2. 1000<HHI<1800. The market is moderately concentrated, but if HH1>1400 then there is a need to verify the legitimacy of the corporate control transition deal by the Department of Justice. In any case, that level of HHI (1400) causes concerns and is viewed as an alarming sign.
3. HHI>1800. The market is considered highly concentrated (oligopolistic competition). There are three norms concerning mergers and takeovers within the interval (1800-10000):

- in case the HHI increases by no more than 50 points as a result of the deal, the deal is allowed;
- if the HHI increases by more than 100 points, the deal is prohibited;
- the increase of HHI by 51-99 points is the reason for additional verification of the viability of the deal.

The main advantage of the index is its ability to be sensitive to redistribution of market shares between companies operating in the market. It provides with the comparative information on the companies' abilities to influence the market in terms of different market structures.

The *integration effect* must follow the creation of integrated companies because it makes it mutually beneficial and economically efficient. The integration effect can be defined as the total of all the benefits from integration processes for each of the market players including marketing, technological, information, economic and financial components; at the same time, it’s impossible to reap these benefits being separate market players. There is no unified method to measure the indicator and, therefore, the determination of the feasibility of the newly-created integrated structure is not an easy task.

Economics identifies the following conceptual approaches to the evaluation of integration processes [9, p.50]:

- transaction costs approach. It focuses on the opportunities of the various economy forms by means of separate companies’ streamlining based on the long-term contract signing and joint activity regulation.
- approach aimed at opportunities of competitive advantage provision. It has become rather popular since 1980s. It points out that integration decisions are to be aimed for the achievement of long-term competitive advantages of a company.
- approach focused on the potential of mutually beneficial long-term business relations. In this case, the effective integration features are the development of interconnection system, intensive exchange of financial, personnel, information resources, financial strength of a company.
- approach based on the synergetic effect acquisition, existence of operational economy based on the elimination of management functions doubling and their centralization, as well as other benefits, connected with the increasing manufacturing scale and diversification;
- approach connected with shareholders and the management cooperation peculiarities. The main objective is to coordinate managers’ and owners’ actions.

Each of these approaches considers only one integration part and focuses on separate processes. However, integration processes are many-sided and appear in different ways. So it is necessary to use complex approach to integration effectiveness evaluation which takes into account all aspects. From our point of view, it is more reasonable to use synergetic effect acquisition concept as the main one, and a concept of synergetic effect itself to be considered much wider than it is done traditionally. Almost all the above-mentioned approaches present their own synergy components.

Synergy is a cumulative positive effect manifested in significant increase in combined results of various business types of integrated companies in comparison with efficiency levels for each of them. Usually, achieving this effect is an ultimate objective of strategic unions and joint enterprises, mergers and takeovers, where companies learn by each other's examples to derive benefits from cooperation. According to the profit components, there are following types of synergy [10, p.127-128; 11, p. 39-40]:

- Product sale-based synergy appears when several products realization is provided with the help of united distribution chain and coordinated from united centers or the same warehouses are used. Common advertising, sales' spur and high trade chain personnel reputation increase profit with fixed investments.
- Operational synergy is a result of more frequent use of manufacturing capacity and personnel, distribution of overhead charges, learning advantages for both directions, and purchase of large lots of goods.
- Investment synergy appears as the result of joint use of raw materials, manufacturing capacities, the same equipment, R&D, common technological base, etc.
- Management synergy appears if during entering new industry company heads find out that incipient problems are known enough, then there is a chance to discover new areas and achieve significant synergetic effect by means of optimal leadership. Integration effect will be negative in the unfavourable situation.

Synergetic effects are evaluated by profit increase in money terms, operating costs and investment needs decrease. Synergetic effect is caused by the following factors. The first one is the scale advantage. In the majority of operations, costs per product unit are declined with production volume increase. For instance, it is possible to get discounts while buying raw and material lots, and to cut direct costs when large lots are produced. The second synergetic effect is connected with overhead charges apportionment between several products. Sales management and administration, for example, are needed regardless of whether a company manufactures one product or a wide range. Also it is necessary to conduct one and the same research irrespective of its results used during manufacturing of one or several products (if it is, of course, based on the same technology).

Synergetic effect, to a certain extent, depends on what particularly is combined within the integrated company. For instance, significant scale effect can be achieved if R&D costs are distributed among groups of companies. However, such economy will influence the company's profitability only in case when the cost share makes the major part of this sphere. Unimportant asset combining will hardly become useful.

Quantitative assessment of integration processes influence can be acquired on the basis of additional economy comparison of the results of merger advantage realization and joint activity and costs, connected with the integrated company establishment. The practical instrument is synergetic effect evaluation [12, p.27], which is counted on the basis of discounting and can be presented as follows:

$$C = C_n * (1 + r)n, \tag{3}$$

where r is an interest rate.

Every integration company participant goes through total economy calculation, based on the comparison of results and costs due to integration factor:

$$C_n = \left[PN_n + P_{an} + E_{en} + E_n\right] - \left(I_n + T_n + I_o\right), \tag{4}$$

where C_n is an effect in the period of time after the merger;

PN_n - additional profit of payments from operation expansion;

P_{an} - additional profit of payments from risk decrease by means of diversification of integrated company operation;

E_{en} - economy of current production costs;

E_n - tax payment economy;

I_n - reconstruction and expansion expenditures;

T_n - tax payment growth;

I_o - investments in the beginning of a merger.

This range of problems is very wide and complicated. The complexity is explained by various synergetic effects and means of their achievement. A company can integrate with the help of key raw sources control advantages or distribution channels. One more source of advantages is a scale effect, when aggregate costs of several company business units on equipment, research and development, and other operation types are to be lower than if they are performed separately. Competitive advantage is a joint ownership of certain skills or innovations, as well as intellectual property transfer, creation of new and more effective methods of manufacturing, marketing, etc.

Specific components of total synergetic effect come simultaneously and can mutually inter-strengthen or mutually inter-weaken. For example, concentration effect can weaken and it is advisable to be supplemented with diversification activity effect. Considering all the above-mentioned, it is almost impossible to use formalized methods to analyze synergetic effect components. It is reasonable to work out a cognitive map reflecting this problem area. Cognitive map represents all known, more or less important data in structural order in its logical connection on the basis of subjective opinion on situation with the help of common sense. These things help a person to fill in the gaps and create a complete picture of a problem area. The concept "map" means crossing an unfamiliar territory with the help of some representative model. Cognitive maps refer to initial memory components. They look like a scheme, outline or sketch for forming any other object reflections. Naisser U. considers that they control individual forms of imagination. Cognitive maps are views on situation in the form of semantic categories (features, facts, events, concepts connected with the certain situation), having various relations (cause-and-effect relation between semantic categories).

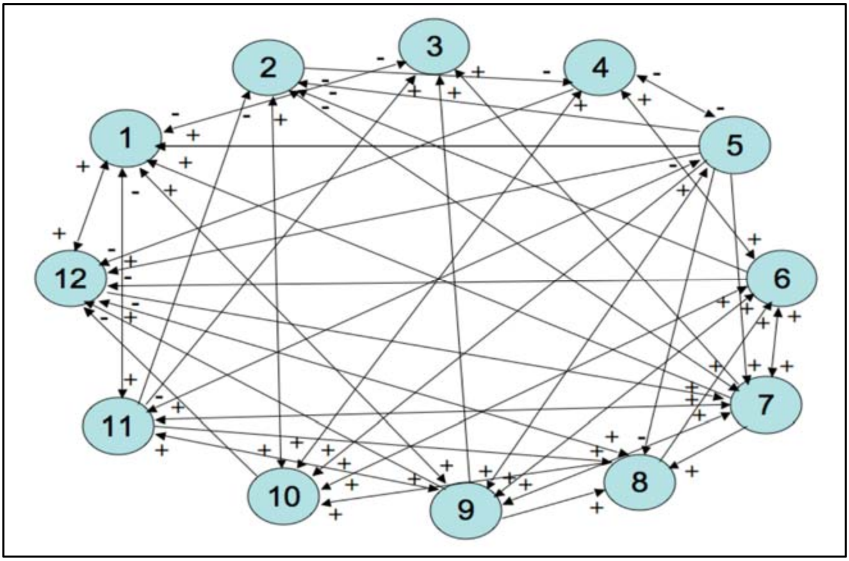
Usually, a mathematical tool of signed digraphs is used to present and analyze cognitive maps. One of the most prominent scholars in this area is Roberts F.S. [13, p.162]. He considers not only the theory of such special mathematical models' analysis as signed digraphs, but, actually for the first time, introduces analytical tools for cognitive maps research in order to make decisions. Cognitive map analysis of a problem area is aimed at distinguishing the key factors, and effort focusing on their use then becomes the target of the company's development.

To create a cognitive map it is, firstly, necessary to find out the factors of the situation under study. In this case, they will be synergetic effect components achieved with the help of integration processes:

1) transaction costs reduction (external);
2) transformational costs reduction per product unit;
3) organizational costs reduction (internal transaction);
4) achievement of long-term competitive advantages;
5) competition level change;
6) new knowledge and skills acquisition;
7) new market development;
8) access to new resources sources;
9) company transnationalism level change;
10) innovation implementation and technology transfer;
11) market share growth;
12) risk and degree of uncertainty reduction.

The key factors and the most important components can be identified by calculation on the basis of cognitive map of problem area (see pic. 2).

Pic. 2 - Cognitive map of components of synergetic effect, which is an integrated processes' result



At first, it is necessary to present this map in the form of incidence matrix (double comparison) ||A||. Matrix element a_{ij} is equal to +1, if i-factor influence on j-factor is positive, and 1 in other cases. If i and j-factors are directly connected, then a-element is equal to 0.

Pic. 2 – Matrix of influence

	1	2	3	4	5	6	7	8	9	10	11	12
1	1		-1		1		1		1		-1	1
2		1			-1	-1	-1			1	-1	
3	-1		1				1		1		1	
4		-1		1	-1	1				1		
5				-1	1				1		-1	
6				1		1	1	1	1	1		
7		1			1	1	1		1		1	1
8					-1		1	1	1		1	1
9	1				1	1	1		1		1	
10		1		1	1	1		1		1		
11	1				-1		1		1		1	
12	1			-1	1	-1		-1	1	-1		1

In order to identify degree (value) and character (sign) of each mapped factor influence, it is enough to find transitive bridging among factors' relations in ||A|| matrix and calculate specific weight of each factor on the basis of this bridging. Transitive bridging of ||A|| matrix is determined by the following correlation:

$$A^{*} = I + \sum_{k=1}^{\infty} A^{k} \qquad (5)$$

where A^k - ||A|| matrix product of itself k-times.
Specific weights of each factor where k=20 will be(Pic.2):

Pic. 2 – Factor's weight

1	0,19
2	-0,1
3	0,04
4	-0
5	0,1
6	0,09
7	0,18
8	0,06
9	0,17
10	0,07
11	0,07
12	0,14

These specific weights can be considered as own factors value in relation system reflected by cognitive map. We can draw a conclusion that the most important components of synergetic effect, taken from integration processes' results, are transaction costs reduction (external) (0,19), new markets development (0,18) and company transnationalism level change (0,17). We can observe their influence on other components (as well as their mutual influence) with the help of the following ||B|| matrix(Pic.4):

Pic. 4 - Matrix

	1	2	3	4	5	6	7	8	9	10	11	12
1	0,07	0,12	0,11	0,15	0,02	0,1	0,08	0,15	0,09	0,07	0,13	-0
2	-0	-0,05	-0,1	-0,1	0,02	-0,1	-0,03	-0,1	-0	-0,05	-0	0,25
3	-0	0,03	0,05	0,12	-0	0,05	0,01	0,02	0,02	0,05	0,03	-0,38
4	-0,1	-0,02	0,01	0,09	-0,1	0,01	-0,03	-0	-0	0,02	-0	-0,54
5	0,08	0,06	0,03	-0	0,05	0,03	0,05	0,09	0,05	0,01	0,07	0,37
6	-0	0,07	0,1	0,24	-0,1	0,09	0,03	0,06	0,05	0,09	0,06	-0,72
7	0,02	0,12	0,13	0,25	-0	0,12	0,08	0,13	0,09	0,11	0,12	-0,47
8	-0	0,05	0,08	0,2	-0,1	0,07	0,02	0,04	0,04	0,08	0,04	-0,65
9	0,02	0,11	0,13	0,25	-0	0,12	0,07	0,12	0,09	0,1	0,11	-0,47
10	-0	0,05	0,06	0,14	-0	0,06	0,03	0,04	0,04	0,06	0,05	-0,37
11	-0	0,05	0,08	0,19	-0	0,07	0,03	0,04	0,04	0,07	0,05	-0,56
12	0,1	0,08	0,05	0	0,06	0,04	0,07	0,12	0,07	0,02	0,09	0,45

Cognitive map analysis allowed to identify key components of synergetic effect integration and prove the need of use of transaction costs within integration processes' optimization at intercompany level. The main component of integration processes is company transnationalism, i.e. its integration into global business area.

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EVOLUTIONARY FORECASTING OF GLOBAL INDUSTRIES DEVELOPMENT (THE CASE OF CONSTRUCTION AND EARTHMOVING EQUIPMENT'S INDUSTRY)

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This article is based on results of consulting project fulfilled in 2010 for Russian company producing construction and earthmoving equipment and operating both on national and international markets. The purpose of that project was a forecast of perspectives for economic growth in the global construction machinery industry. Regression models were not well suited for this purpose due to some reasons and so fuzzy logic analysis was applied. Nowadays, comparing forecast made with real economic dynamics we can conclude that evolutionary forecasting based on fuzzy logic analysis is quite accurate analytical tool.

World economic development logically goes through overcoming crises. The economic crisis is a kind of natural selection mechanism, in a result of which the fittest, adapted and promising companies survive. And these are the companies capable to provide the global economy's growth in the next phase. From the point of view of strategic business development both the companies and nations are vital to be ready to meet the next crisis head-on. First of all, it requires the ability to predict timing, duration and depth of the impending crisis and this in its turn puts a greater moral responsibility to economists and managers. But, unfortunately, they still have nothing to boast of in this respect. They are much better able to observe and explain current economic phenomenon than to predict and prevent it if necessary.

To predict the economic crisis, one must understand the causes of its possible occurrence. Understanding the causes of any phenomenon allows, with a fairly high degree of confidence, to talk about when it might occur and how it will be. However, the causes of the crisis in the global economy **evolves** and each new crisis in this respect is not like the previous one. Moreover, if we consider the economic development in the context of the dynamics of gross global product, it is not possible to see even a hint of the impending crisis.

Take a look at the chart on Pic. 1 and you will be able to note a distinct exponential growth of the world economy. Over the past 150 years, the value of the world's annual gross product, calculated in 1900 international dollars, increased by almost 140 times. If in 1870 it amounted to a half of trillion dollars, then in 2012 it reached 70 trillion dollars. So, where are economic crises anyway?

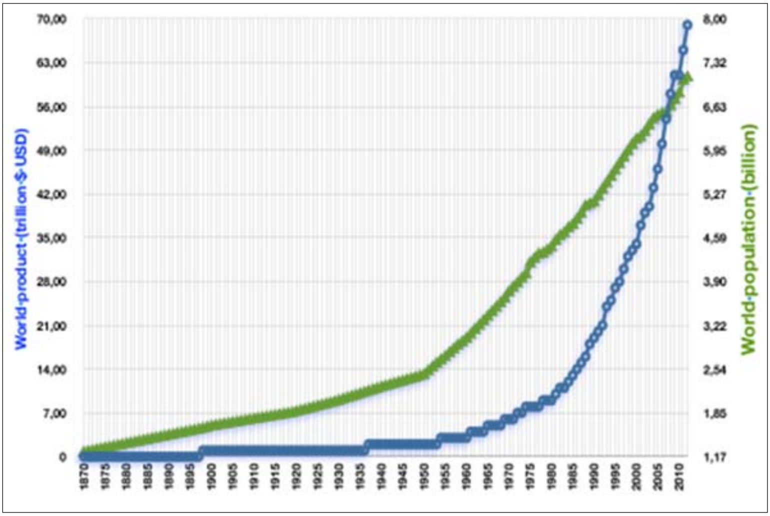
The economic crisis has manifested in the nature of economic growth. It is enough to switch from the consideration of absolute growth to the rate of this growth as there becomes visible all the dialectics of the economic development (see Pic. 2).

It can be seen that throughout the history of modern economic growth the rate of world product showed multidirectional vibrations.

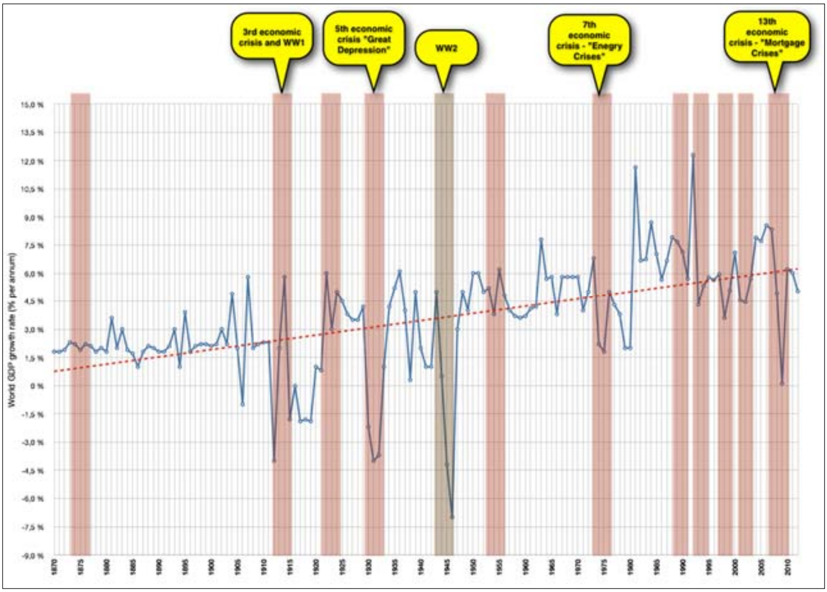
Today is generally accepted to distinguish between 13 crises that occurred in the recent history of the world economy. Some of them, such as "The Great Depression" or "Mortgage crisis", are widely known and have become a textbook example.

One would think that with such a rich experience humanity had already to be learned to anticipate and avoid economic crises. However, the causes of the crisis in the global economy evolves and each new crisis in this respect is not like the previous one.

Pic.1- World product and population dynamics over recent 150 years



Pic. 2. World product growth rate dynamics over recent 150 years and crises



But if we ignore details and focus on the general fundamental causes, it may be noted that any crisis occurs as a result of a contradiction between the levels of production sphere development and the sphere of circulation and consumption. More precisely, an economic crisis is a kind of reaction of the economic system to the imbalance between the volume and pace of industrial production, on the one hand, and the amount and rate of change in effective demand, on the other.

The crisis is caused by the dialectics of economic development. Moreover, the crisis is an integral part of the development. Any law of dialectics posits an objective necessity for the development of the crisis.

Economic development has a cyclical nature, which is based on regular fluctuations in the economic environment and business activity, mediated by the level of contradiction between production and consumption. One economic cycle goes through four phases: 1) upturn (or prosperity), 2) downturn (or recession), 3) decline (or depression), 4) recovery (or improvement).

In modern economic theory, there are four main types of economic cycles that differ in length of their waves, and the nature of the oscillations:

• Kondratieff cycles lasting 40-60 years, the momentum of which are the radical changes in the technological basis of the production and its restructuring;

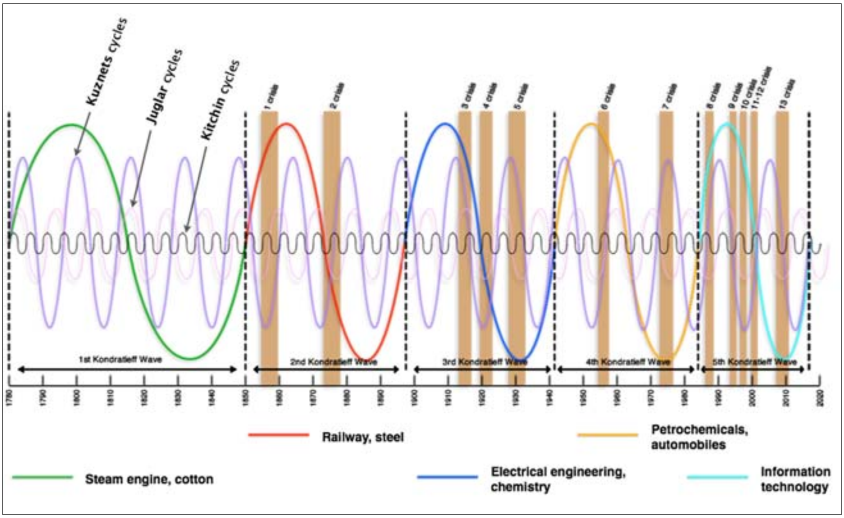
• Kuznets cycles lasting 15-20 years, the driving forces of which are changes in the reproductive structure of the production;

• Juglar cycle with intervals of 7-11 years, resulting from the interaction of multiple monetary factors;

• Kitchin cycles, lasting 3-5 years, generated by the dynamics of the relative level of inventory’s stocks in enterprises.

The last economic crisis (so called "mortgage crisis") began at a time when all four of the economic cycles were in a phase of **depression** (see Pic. 3).

Pic. 3. Main types of economic cycles and crises



This is a quite rare combination of conditions for economic development, when the accumulation of surplus stocks of inventory in enterprises and decline of the level of their production capacity usage (a reason for the decline and depression in a short Kitchin's cycle) are accompanied by the reduction of capital investments due to problems in the financial and credit sector, due to inaccessibility of credit (the cause of the recession and depression in the medium Juglar's cycle) and amplified by the decline in demand for the real estate, construction decline, which are based on the underlying demographic trends (the cause of recession and depression in the medium Kuznets's cycle).

In such a situation there is an effect of a kind of negative resonance in the economy appeared, to which there is almost nothing to oppose, because the potential socio-technological order in which it is, exceeded in fact (as Kondratieff cycle is in its lower depressive phase).This combination of conditions of the world economy development in the history before was only once during the 5th economic crisis (in 1929-1933), called the "Great Depression." Taking a closer look at the Pic. 3, one can see that in the other socio-technological orders a passage of the lowest depressive point somehow mitigated by the fact that other economic cycles have been on the rise.

At present, the world economy is in a phase of large Kondratieff cycle, as a result of which by 2030-2040 there should be finally formed a new sixth socio-technological order based on bio-, nano-technology, genetic engineering, alternative energy, manufacturing robotic technology.

"Mortgage" crisis ended in 2010-2011 and the world economy has entered to a phase of recovery. Fall in the rate of world product's growth gave way to the rise, there has been a rise in capacity utilization in developed countries (67% in early 2009 to 78% in early 2012), there has been increase of the Purchasing Managers Index (PMI) (from 35 points in early 2009 . to 55 in early 2012). Volume of international trade has been increased, indicating a reduction of inventories stocks in the economy.

Upon this background, the positive trends have been observed in almost all the global industries, including the industry construction and earth moving equipment. After 30% fall of this global industry turnover in 2009 to $107 billion, in 2010, there was an increase to $142, and in 2011 to $161 billion dollars. Economic "failure" of turnover in the industry in 2009 in terms of value was greater than in bulk, as in an effort to get rid of stocks the companies went to an item's price reduction. Average unit price of construction and earth moving equipment has fallen by almost 25%. In 2010, the price is actually returned to pre-crisis levels, and showed characteristic industry growth dynamics.

However, do not harbor any illusions about the correction of the global economic situation. These facts only confirm once again that the world economy in general and the economy of the developed countries, especially the last 2 years was influenced by the recovery's phase in Kitchin and Juglar cycles. Similarly, the situation in the global economy, but with a smaller scope, developed after the crisis years 2000-2001 (the crisis "dotcom").

The fall of the world economy in Kitchin and Juglar cycles by the end of 2009 was suspended mainly due to funding programs of the demand made by the government in developed countries and due to the additional demand on world product from China, which has dramatically increased the centralized investments in its economy in order to reorient its export-orientation on expansion of the domestic market. It is these two macroeconomic factors helped to clear accumulated inventories, and generate the demand for their replenishment.

But the massive injection of liquidity into the economies of the developed countries have dramatically increased the already considerable budget deficits and lead to uncontrolled growth of public debt, which required hard to reduce public spending, and, consequently, will soon lead to the curtailment of investment programs. Fall in consumer lending, the growth of household savings for a "rainy day", high unemployment and a significant reduction in public spending is inevitable in the next year or two will cause a new recession in the global commodity markets in the cycle Kitchin. Depression in the Kuznets cycle will continue until 2018-19 years, but then a new phase of the crisis is to begin in the Juglar cycle. So-called Kondratieff "downward" wave will end no earlier than 2018-20 years.

Thus, it is likely that a new crisis will cover the global economy already in 2014-2015., when the Juglar, Kuznets and Kondratieff cycles are still in a state of depression, and Kitchin cycle re-enters the phase of recession. It was during this crisis, we can expect another collapse in oil prices by 1.5-2 times their current level, ie to about $ 70-50 per barrel, the collapse of the dollar and other currencies pegged to it, rise in gold prices up to 3 thousand dollars per ounce.

Certainly, macroeconomic cycles are actually forming and will continue to form the dynamics of global industries, especially such industries as an industry of construction and earthmoving equipment. The matter is that the production and sales of such an equipment is directly dependent on a demand, which is formed under the influence of general trends in the financial and credit sector, the availability of mortgage loans, the volume of centralized financing to infrastructural projects, the price of fuel and metal, as well as other macroeconomic indicators.

However, from the point of view of efficiency of forecasting the future global industrial dynamics it is important to choose a proper method of determining an interconnection between the phase in which a particular economic cycle is, and those trends that are developed in the industry. At the same time, one has also take into account the fact that in order to reduce, if not completely reverse the negative effects on the economy the phases of recession and depression in the economic cycle, the states conduct an active monetary policy aiming to control the availability of money supply using a tool such as the interest rate.

Over the last 45 years, the U.S. Federal Reserve interest rate actually varied in antiphase with Kitchin's, Juglar's and Kuznets's cycles. During periods when the combined dynamics of these loops was in the phases of recession and depression, the interest rate was reduced, and the rate of this reduction was determined by the degree of coincidence of the downward dynamics of all cycles. An interest rate as an instrument of macro-management of the crisis, along with the phases of economic cycles can be considered as a factor in determining the dynamics of any global industry.

For the same reason, these factors are such macroeconomic indicators as money supply (M3), the price of gold ounce, the price of barrel of oil, the level of production capacity utilization, the level of working capital, the business activity index.

On the basis of the forecast of selected macroeconomic indicators we can predict the dynamics of global industries, if a formalized dependence of their behavior is established. Exactly in establishing such a dependence is the main difficulty of the macroeconomic forecasting.

Regression models are not well suited here for two reasons: **first**, it is difficult to quantify the dynamics of the business cycles and, **secondly**, the level of correlation between the dynamics of the industry's main indicator (for example, sales of equipment) and the dynamics of selected macroeconomic indicators for the regression is usually not enough.

The problem of quantification of processes and phenomena in the socio-economic sphere is very common and is associated with a fairly high degree of uncertainty. Here it is most often that the cause and effect of what is happening are very well known, but it is not possible to judge accurately about the form of their connection. Such socio-economic processes and phenomena are judged verbally in a specific qualimetrical system. That it is difficult to express by figures is expressed by comparative forms such as "very high", "high", "rather high than low," "certainly not low," etc.

In mathematics, to reflect and perform operations on the verbal judgment there is a concept of "fuzzy" or "linguistic" variable. Operations on such variables are performed by the rules of fuzzy logic.

Conducting a research for Russian companies that operate within the construction and earthmoving equipment industry couple of years ago we decided to apply fuzzy logic theory to describe and forecast that industry dynamics.

Let me say a few words to characterise that global industry. As you know, sectoral division of the modern world economy as flexible as conditional. The term **«industry»** is defined by a set of enterprises and organizations characterized by common products, technology, capital assets, training of employees and etc.

According to the statistics, at present there are about 10,000 companies and organizations in the world related to the design, production, marketing, sales and maintenance of machinery and equipment used for construction, loading, earthmoving, digging works and land management. The set of these companies and organizations can be called **global industry of construction and earthmoving (or ground moving) equipment**.

Having done a detailed statistical analysis of this industry for the last 30 years and compare it with the statistics of the global economy, we have managed to build a so-called logical-linguistic model of the industry's evolution (see Pic. 4). In this model, the statistical values of macroeconomic indicators are replaced by the corresponding verbal comparative forms. For example, we found that the money supply growth rate of about 8% per annum can be qualified as «Seems High», but its value of 40% per annum may be verbally expressed as «Very High».

Pic. 4. Construction and earthmoving equipment (CEME) industry dynamics linguistic description and forecast

Наименование индикатора	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CEME sales growth rate (%)	SH	SH	VH	VH	H	RH	H	RL	VL	SL	RH	RH	SH	SH	ALA
interest rate's growth rate (%)	L	SL	SL	VH	VH	SH	SL	VL	SH	RH	ALA	SH	SL	A	SL
money supply growth rate (%)	SH	SH	RH	SH	SH	VH	RH	RH	VH	H	RH	H	A	AMA	RH
gold price growth rate (%)	AMA	SH	RH	SH	SH	VH	RH	H	SH	H	H	VH	A	SH	RH
production capacity utilisation growth rate (%)	10	AMA	ALA	SH	SH	ALA	ALA	SL	VL	H	RH	RH	SL	A	ALA
oil price growth rate (%)	SL	ALA	RH	H	VH	RH	SH	H	VL	H	ALA	ALA	A	A	RH
working capital growth rate (%)	SL	VH	ALA	AMA	RH	RH	SH	AMA	SH	AMA	RH	RH	A	RH	RH
PMI growth rate (%)	AMA	AMA	SH	AMA	AMA	AMA	AMA	RL	VH	ALA	AMA	AMA	ALA	RH	RH
Kitchin's cycle phase	VH	RH	SH	H	VH	RH	SH	H	VH	RH	SH	H	VH	VH	RH
Juglar's cycle phase	H	VH	VH	VH	RH	RH	SH	SH	H	H	VH	VH	VH	VH	H
Kuznets's cycle phase	H	H	VH	VH	VH	RH	RH	RH	SH	SH	SH	H	H	VH	H

Abbreviation:

VH - Very High **SH - Seems High** **AMA - At Most Average** **L - Low** **H - High** **ALA - At Least Average**

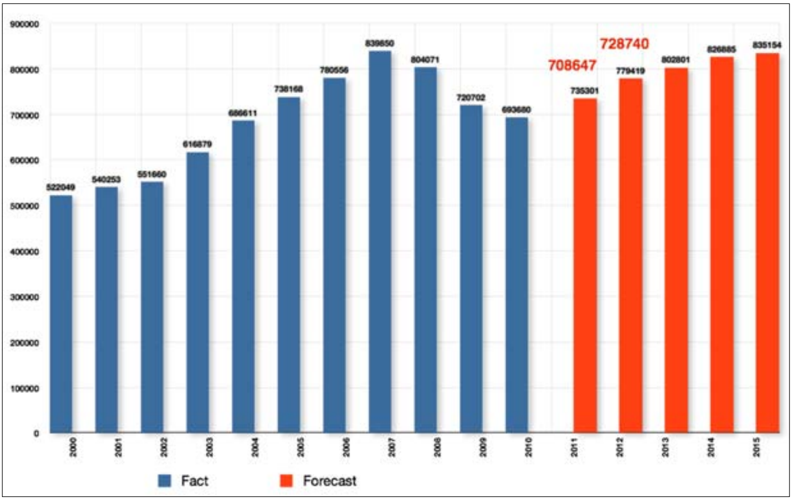
RH - Rather High **A - Average** **SL - Seems Low** **VL - Very Low** **RL - Rather Low**

After that, we have applied special pattern recognition techniques and approximate the industry dynamics verbally for the next 5 years.

As a result, it was concluded, the most likely rate of change in the global sales of construction and earth moving equipment in 2011 will be at the level of 6%, in 2012 - at the level of 6%, in 2013 - at the level of 3%, in 2014 - at - 12%, in 2015 - at the level of 1%. Predicted dynamics of sales of construction and earth moving equipment on the global market, thus, is: in 2011 - 735 301 units in 2012 - 779,419 units in 2013 - 802,801 units in 2014 - 826,885 units in 2015 - 835,154 units (see Pic. 5).

In order to assess the quality of such an approach to forecasting we have to compare the forecast with the fact. Up to date, we have data on actual sales of that equipment in 2011 and 2012. In 2011, there were sold 708,647 units in the industry. Preliminary estimate for 2012 is 728,740 units. Thus, the error of our forecast of 3-7%, which not bad for the global industry forecasting.

Pic. 5. Construction and earthmoving equipment (CEME) industry dynamics linguistic description and forecast



DEVELOPMENT OF TRANSPORT COMMUNICATIONS OF KAZAKHSTAN IN THE CONDITIONS OF THE ENTRANCE OF WORLD ECONOMY IN THE TURBULENCE MODE

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The need of carrying out the coordinated regional policy in the field of transport and logistics has been discussed long ago, but, unfortunately, it is not always productive though the potential of such cooperation is great. Therefore, according to EEC, by 2030 the aggregate multiplicative effect from transport integration can make for Russia more than 5 bln. USdollars or +0,1% of GDP, for Kazakhstan more than 4 bln. US dollars or +0,7% of GDP, and for Belarus 1,5 bln. US dollars or 1,5% of GDP [1].

However, there is a number of factors which slow down introduction of uniform mechanisms in transport and logistics branch of EEU. In 2013 Russia, Kazakhstan and Belarus amounted less than 1% of the international trade streams "East-West" while in 1982 it amounted up to 20% fell to the share of the USSR, besides, the existing volume of commodity turnover between Europe and Asia estimated at 850 bln. US dollars, and by 2015 it is expected at the level of 1,2 trillion US dollars [2].

Secondly, more than 70% transport and logistics infrastructures of EEU technically and morally became outdated, and the average contribution of the branch to GDP of three countries is estimated at the level of 6-7% whereas in Ireland this indicator equals to 14,2%, Singapore - 13,9%, Hong Kong - 13,7%, and in Germany - 13% [3].

Thirdly, the share of transport and logistics expenses in the cost of goods for the EEU countries averages 16–20% while the corresponding aggregated indicator for members of the EU is at the level of 5%. Moreover, containerization level of transport operations reflecting quality of an infrastructure of branch in EEU equals to 37 containers on 1 thousand of population against 127 pieces in the EU [4].

Even long before official registration of EEU, the idea of the Eurasian integration had been excessively politicized. Transport and logistics area of cooperation was not an exception though it certainly corresponds to the main thesis of integration which is put forward by the president Nazarbayev –first economy, then policy.

It is remarkable that cooperation of EEU and the People's Republic of China within "An economic belt of the Silk way" passes into the practical plane where new opportunities for implementation of large joint projects open. In case of success of the big Eurasian-Chinese project interest of the European Union in integration with our countries will significantly amplify because prerequisites of creation of "Big Eurasia" from Lisbon to Vladivostok from the West to the east and from Murmansk from the North to Ankara, Delhi and Shanghai in the south will be created with prospect of inclusion in this integration megaprojectthe interested countries of Southeast and Southern Asia. Using production and scientific potential, we could combine efforts on creation of new productions and thus keep industrial development of real sector of economy of our countries – at the same time stimulating employment, small and medium business.

The perspective directions are industrial spheres of power, oil processing, and mechanical engineering.

Today the greatest degree of coherence in regulation of transportations within EEU is reached on railway transport. On January 1, 2013 single railway tariff of three countries took effect and the decision on support of thecounter-trailer transportations through seaport of St. Petersburg that will lead to decrease in transportation costs on average for 15–20% for Kazakhstan which does not have outlet to the sea

Also in 2014 the governments of Russia, Kazakhstan and Belarus by transfer of assets of the container carriers formed the United Transport and Logistics Company (UTLC) which has to provide domestic market of EEP with service of through transportation of containers with the subsequent entry into the international market, thereby having become a cornerstone of all ETP of the Union. It is expected that by 2022 UTLC will manage to reach the volume of transportations of containers of 1-1,5 million (TEU), having closed on itself 2–3% of container streams between the EU and China [5, 6].

Work on creation of uniform technical regulations and standards of EEU in the field of safety of the railway transportations, obligatory certification of railway vehicles and uniform requirements to infrastructure is continued. Thus, during 2011-2014 the number of standards in the updated lists of standards of a railway transport almost doubled.

However, the recent EEC resolution on granting free access of carriers of three countries to the markets of each other since January 1, 2015 was caused by concern of the Belarusian and Kazakhstan railway carriers. This decision on the one hand is capable to escalate the competition right in EEU obviously not in favor of Kazakhstan and Belarus, and on the other hand – inevitably to lead to growth of cost of the railway transportations in these countries to the level of the Russian indicators.

With the creation of EEU the Eurasian integration came to the stage meaning a coordination of transport and logistics policy of member countries at the community level.

The subject of development of transport communications of Central Asia as main segment of transcontinental transport bridges of Eurasia remains relevant throughout all time after the region gets the geopolitical status. At the same time, despite close attention of the international organizations, regional associations, leaders of the states, politicians and expert circles to this question, the formation problem in the region of full-fledged international transport corridors remains open. Formation of this strategic branch is interfaced to the complicating influence of many factors:

First, the problem of development of a transport and communication complex of the region became a subject of the geopolitical contradictions, which arose between the leading world forces. The result is the competition between world powers for influence on Central Asia not only didn't intensify formation of branch, but also constrained efficiency of implementation of transnational communication projects for many years.

Secondly, against the geopolitical competition between the West and Russia China began to make a noticeable influence on the region. This country is the independent player in development of a transport and communication component of the Eurasian policy, and also the transit territory connecting regions of Central Asia and Pacific Rim. From the Central Asian republics there are certain fears concerning the accruing influence of the Chinese economy, but, on the other hand, they are compelled to expand transport interaction in east direction.

Thirdly, between the countries of Central Asia uniform regional approach to development of the international thoroughfares isn't developed. Despite cooperation in the international organizations (SPECA, ESCAP of the UN, EurAsEC, SCO, ECO) promoting development of branch, the real realization of transport and communication projects is enabled within development of a national transport network.

So far, in Central Asia internal transport systems construct railway roads mainly in the countries for connection in a whole and reduce dependence on the transport arteries crossing borders with the republics, neighboring on the region.

Thus, in the presence of a set of the international projects in the sphere of formation of traditional land types of communications, development of transport infrastructure happens at the national level, more rarely – in a regional section, and global projects remain to exist in the form of long-term plans.

Even if to recognize that on perimeter of borders of Central Asia with an external environment there are realized fragments of transcontinental transport communications, often their implementation was dictated more by geopolitical interest of one of powers of the world, than by execution of regional plans for the formation of the transport bridge between Europe and Asia.

Currently, several zones through which the main international intercourses of the countries of Central Asia with the outside world and which become places of expansion of transport and communication opportunities of the region were created. The main operating routes for the region are the lines of communications in the northern direction on the territory of Russia. On the Kazakhstan-Russian border there is the widest zone uniting large pipeline, railway and automobile lines by means of which the main volume of export-import deliveries of the countries of Central Asia is carried out.

For Russia, this direction becomes very important since due to these communications the Russian policy has a direct geopolitical influence on the Central Asian region. In the field of pipeline connections before construction of the oil pipeline of Atasu - Alashankou Russia practically acted as the monopolist on transit of Central Asian hydrocarbons.

In turn, the countries of Central Asia carry out diversification of the transport directions, being guided by own interests. Interests of external forces are rather contradictory that significantly limits their geopolitical influence, however, at the same time, gives the chance for political and economic maneuvering to the Central Asian republics.

It is necessary to notice that, testing resource weakness, without regional interaction the countries of Central Asia do not possess the great opportunities allowing using effectively the geopolitical competition of an external environment. Considering this factor, the Russian side pursues active integration policy with the countries of Central Asia, using at the same time the transport and communication opportunities.

In one and a half decades in the West and the East of the region two intensively developing geographical zones interfaced to complex communication development were formed. On the western border of the region stirring up is connected with the Caspian Sea round which the multidirectional geopolitical interests of Russia, Iran and the countries of South Caucasus maintained by the western powers are concentrated. The largest projects in the Caspian region are 'North-South' and 'Traseka'.

From East side of the region development of transport branch of Kazakhstan, Kyrgyzstan and Tajikistan is interfaced to aspiration of China to carry out power independence by means of building of transport communications to hydro carbonic fields of the Caspian Sea, Iran and Gulf States. Taking part in development of transport infrastructure of Kyrgyzstan and Tajikistan, China tries to reduce influence of the western countries and the Muslim world at the southern boundaries of the Central Asian region.

In the southern direction, development of transport branch has been restrained by two essential factors: a zone of the military conflict in Afghanistan and a difficult geopolitical situation round Iran. Nevertheless, in the southern direction also there is a certain communication development. Despite heavy economic and social situation of Tajikistan and long political isolation of Turkmenistan, these republics make active attempts, seeking to achieve construction of the international transport corridors through the territories. Tajikistan, seeking to break a transport impasse, managed to attract to development of transport branch investment of the international financial institutions, China, Iran and the USA.

Turkmenistan has opportunities to develop a water transport and to participate in the international projects "North-South" and "Traseka". This country also has strategic transport transition Tedzhen – Serakhs – Mashhad on a transcontinental railway site of the Southern corridor.

In the developed geopolitical conditions of development of transport communications of the Central Asian region Kazakhstan is urged to play the leading role. The major factors promoting increase of value of Kazakhstan are:

- favorable geographical location between the markets of Russia, China and Central Asia, and also possibility of diversification of the transport directions through the Caspian reservoir to Iran and the countries of Transcaucasia;
- rich natural resources promoting attraction of foreign investments and a raising of economy of the republic, and also realization of pipeline transport;
- economic growth allowing the state to carry out modernization and expansion of a national transport network.

Owing to these reasons, Kazakhstan has a significant breakaway in development of transport branch in its regional measurement that is why the center of geopolitical influence in Central Asia is displaced on its territory. The Kazakhstan international transport network surpasses transport opportunities of neighbors in the region, and for Uzbekistan, Tajikistan and Kyrgyzstan in many parameters it is the main entry into the Russian market. In comparison with Kyrgyzstan and Tajikistan, which also have exits to China, Kazakhstan has more communication resources in development of the relations with the People's Republic of China and Asia-Pacific countries; besides, the mountainous terrain of these countries considerably complicates both construction of new roads, and their operation.

At the same time, for effective international cooperation a development of a complex of transport communication highways is relevant by means of which Kazakhstan and other Central Asian countries will have more ample opportunities for entry into global system of the trade and economic and social relations.

The policy of system development of transport infrastructure of the republic was put in the long-term priority goals of strategy "Kazakhstan-2030" which was considered in the context of strengthening of national security, political stability and economic growth [7].

For years of realization of strategy of development of Kazakhstan the set of infrastructure objects was constructed the largest of which are: reconstruction and modernization of seaport Aktau, the airports in Astana, Almaty and Atyrau; construction of a branch line of Hromtau – Altynsarino, the highway Almaty – Astana and others.

Within the Project of transport strategy of RK till 2015 it is planned to realize infrastructure objects for the sum of 30 bln. US dollars, to provide complex construction of new iron and highways, electrification, and also expansion of port infrastructure. The concept "Road to 50 competitive countries" ("D-50") aimed at creation of uniform system of transit accepted in the second half of 2007. The first link of the put-forward concept is the construction of the international corridor "Western Europe - the Western China".

Then there were the new railroads laying Kogras - Zhetigen, Beyneu - Zhezkazgan and projects of electrification of highways. In addition, within the developed program between Kazakhstan and Russia the question of connection of the Caspian and Azov-Black Sea pools by construction of a ship canal "Eurasia" is studied [8]. Despite the reached results and large-scale projects planned in the transport sphere, a current state of branch remains unsatisfactory so far. Development of power industry, system of transportation does not meet requirements of economy of Kazakhstan any more which designated a number of new tasks of construction and modernization of a transport and communication network – both for internal providing, and for the international communication.

According to the report "Business" of the World Bank, foreign trade in Kazakhstan is a hard task that found the reflection in the last rating of the country – the 182nd place of 185 countries. The country received such low ranking because of high expenses at implementation of trade, the temporary delays connected with export and import as well as excessive number of documentation.

The world entered a stage of turbulence and this situation causes profound changes in implementation of programs of development of transport and information technologies. The modern geopolitical situation has given an impulse to origin new transit routes since 2016. In the future transit trains will be able to reach from China to Istanbul a maximum in 15 days, at that time cargo delivery by sea takes 40−45 days. On November 30, Turkey and China together with Kazakhstan, Azerbaijan and Georgia founded consortium on transportation of freights from China to Europe bypassing Russia. The agreement was reached during presentation of opportunities of the Transcaspian transport route China - Turkey - Europe. Along with the Chinese company Mishgeng Logistics, ‘KTZh express’ (the transport enterprise which is a part of "Kazakhstan railroad"), "The Azerbaijani Caspian sea shipping company" and the Azerbaijani company "Caravan Logistics", and also Trans Caucasus Terminals (affiliated structure "Georgian railroad") agreed to become founders of consortium. Turkey is presented in consortium as the associated member.

The transit route bypassing the territory of Russia concerned also air transportation. The aviation industry is so organized that in case of requests from the European and American companies for use of air space of Kazakhstan and at compliance to all qualifying standards, naturally, permission to flights will be provided. Expansion of opportunities as the transit territory promises notable material benefits. So, the rate for flight of an air navigation zone makes $100 for 100 km for the B767 or A330 aircraft. In cases of flight of such planes from 30 to 40 planes a day, the budget of the country can earn about $25 million only on permissions.

By 2020 it is expected that commodity turnover volume between China and the European Union will have reached, as one could estimate $800 billion, according to others -

more than $1 trillion. For Kazakhstan, it is important that the considerable part of freight traffic favorable from the point of view of national interests, passed its territory. According to different experts, in 2020 up to 10% of a cargo transportation between Europe and China will pass on automobile and railway lines. Now 1 - 2% of freight traffic passes through automobile and railway lines. Interest in making of new overland transport and trade communications together with other large countries, first of all with China is obvious.

According to the director of the Kazakhstan institute of strategic researches, the volume of freight transportation between the People's Republic of China and the European Union has to increase from 117 million to 170 million tons. Kazakhstan plans to attract for routes which pass through its territory by 2020, not less than 10 million tons of freight traffic between the People's Republic of China and the EU. For these purposes on development of national transport and transit system of Kazakhstan it is planned to attract up to 40 billion US dollars of the capital. Realization of all packages of measures, by different calculations, has to allow by 2020 to increase the volume of transit transportations through Kazakhstan twice, and the income from transit - by 3 times, that is from 1billion to 3 billion US dollars. Realization of transport strategy assumes powerful social effect and according to the experts, $1 billion invested in development of transport increases number of workplaces by 20 thousand, and in allied industries - to 11 thousand.

Definitely, realization of this strategy demands, first of all, modernization of internal transport system. Today, by estimates of experts, 70% of highways are in a worn-out state. Moreover, thanks to funds which will be allocated in the next 5 years for modernization of transport and transit system, by 2020 it is expected that 80% of highways will be already in a good shape, and 19% - in satisfactory. Repair of 300 railway stations, updating of more than 600locomotives, 20 thousand cargo and cars is planned.

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PROSPECTS FOR COOPERATION OF RUSSIAN AND LATIN AMERICAN BUSINESS SCHOOLS

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Abstract: *The article is devoted to the study of the relevance of MBA programmes in Latin American countries in the context of changing trends in obtaining business education. The growing competitiveness of local MBA programmes shapes the basis for foundation of own personnel training corporate centres providing education and programme quality enhancement. Moreover, one can observe changing criteria for evaluating business schools' position in ratings of various levels.*

Keywords: *business school, MBA, executive part-time programmes, corporate university, Latin American countries.*

The cooperation with the Latin American region's business schools which development has recently been noted as progressively dynamic may become a prospective direction of cooperation with universities and educational centres of the region.

Business schools of Latin American countries have yet enjoyed great popularity in Russia, but association-level contacts have already taken place.

As for MBA-focused schools positioning themselves as business schools, their total number on the continent is over 100 (Table 1). The largest number of MBA programmes is realised in such countries as Argentina, Brazil, Chile, Colombia and Mexico.

Table 1 - Number of business schools in Latin America

Country	**Number of business schools**
Argentina	12
Bolivia	1
Brazil	14
Chile	17
Colombia	14
Costa Rica	2
Ecuador	5
Mexico	19
Paraguay	2
Peru	8
Puerto Rico	5
Dominicana	1
Uruguay	2
Venezuela	1

One of the vital aspects of the region's business schools' activity is the role of business incubators. According to the latest data, enterprises created in such business incubators last year received a revenue exceeding 150 million dollars from their registered patents. There are no obstacles to the grown of this figure.

A good example is Adolfo Ibáñez University in Chile whose business school founded 25 enterprises last year. This business school's incubator, Octantis, has already founded 65 companies and registered 22 industrial patents. The high level of this leading Latin American school is also proved by the fact that among its honorary members are such outstanding contemporary public figures as Francisco Encina, historian, the Nobel Prize winner; Ludwig Erhard, the Minister of Economics and Vice

Chancellor of Germany; Milton Friedman, the Nobel Prize winner; Michael Porter, a Harvard Professor, and some others.

This business school is followed by Americana University in Paraguay and Los Andes University in Columbia.

This new trend appeared in response to the changing market conditions when the graduates of MBA, Master's and Doctorate's programmes should possess not only the managerial skills but also research skills in such areas as science, technology and entrepreneurial activity without which the development of modern business is hardly possible.

Many business schools today support research projects on their premises. For instance, the business school of Adolfo Ibáñez University (Chile) is supporting 12 near-finish projects. This is can be compared to the country's largest universities such as Chile University (12 projects) and Catholic Pontifical University (7 projects).

Today, this scientific research activity is rapidly developing in the business schools of Chile, Argentina and Colombia. The schools of Peru, Brazil and Paraguay have also advanced significantly in this direction.

Though the research component in business schools' activity is a vital aspect in choosing a particular school for studying, the key factor for a future student is nevertheless the academic teaching staff, the school's status and its agreements with entrepreneurial, governmental and educational structures. Therefore, the leading positions today are occupied by those schools which primarily focus on investments in their academic teaching staff and infrastructure and give priority to provision of high-quality knowledge.

Recently, the continent has seen a rapid growth of interest in MBA programmes in response to demands of local companies that are starting to get actively into international markets.

Unlike the United States or Europe where 2-year full-time programmes prevail, in Latin America the majority of programmes are executive part-time programmes that are open for any candidate with experience in entrepreneurial activity. A large number of curricula are developed to companies' orders and reflect the specific requirements of the customers that send their employees to do the closed courses. In some cases, large companies open their own corporate universities for training their employees on MBA programmes.

Chile universities, for instance, in response to the rapid growth of interest in MBA programmes offer programmes of any duration and speciality. As a result, students of some universities may graduate with an additional MBA degree having studied just a couple of terms longer.

MBA programmes have worked in the region for already several decades. During this time many schools managed to achieve not only local but also international recognition, for instance, Instituto Panamericano de Alta Dirección de Empresas (IPADE) situated in Mexico City or Costa-Rican business school INCAE. Yet the economic boom in many Latin American countries has spurred local companies' understanding of the key role of educational structures and business schools in fulfilling their development plans.

The prestigious schools of the United States and Europe have always attracted and continue to attract thousands of Latin Americans. However, local companies' high demand for highly qualified personnel in combination with the growing supply of programmes meeting this demand leads to the situation when MBA programmes become an increasingly popular alternative in their own countries. The research department of América Economía's business journal has estimated that there are currently about 180 various structures offering a kind of MBA programmes in Spanish speaking countries of the region.

The latest 15 years have seen a growth of demand for such programmes due to positive tendencies in the region's economies. A number of programmes, as has been mentioned above, are developed to companies' specific requirements. The number of attendees on such programmes does not generally exceed 35 people, they are predominantly the companies's own employees either from mid- or top-management but with at least 5 years' practical working experience. Among the customers of such programmes are both local companies (for instance, Compañía de Tránsito de São Paulo or Bolsa de Mercaderías y Futuros (BM&F) and multinationals such as Embraer or Spanish Telefónica. Despite the fact that the MBA degree of a prestigious American school is still more preferable, the gap between it and the similar level of training at local business schools is gradually narrowing.

At the same time, according to local experts, this process has a reverse side related to two circumstances. Firstly, fashion for MBA degree leads to the situation when the wish to obtain it prevails over the wish to get a decent education. Secondly, unneeded people who look for jobs to meet their high expectations saturate the labour market.

Growing competitiveness of local programmes and great expense of attracting graduates from foreign schools result in the tendency to found companies' own centres for training their future managers.

The prospect of saving significant funds while turning to local MBA programmes stimulates high demand for local business schools' services. For instance, the basic cost of MBA programme in FIA school (Sao Paolo) is about 15000 dollars a year bearing in mind that foreign programmes are by far more costly with additional costs of going abroad. By comparison, studying at Tuck business school in Dortmund, US, costs 47000 dollars not including accommodation costs.

When working out the 2015 MBA rating "The best business schools of Latin America", journal América Economía improved the index reflecting the school's potential by including a new indicator with an in-depth look into enterprises and positions held at these enterprises by a group of graduates **from** each school. The new indicator is expected to be the first attempt to estimate the quality of graduates' training at each business school.

The highest position of graduates' success belongs to Getúlio Vargas (FGV) business school in Sao Paolo. In 2015, this school's position shifted from the fifth to the third place in the total rating of the region's schools. The school demonstrates good results not only in the number of successful graduates. In particular, it has a large network of international links. According to the former Dean of Tulane business school James McFarland, FGV is one of the most recognised schools in the North American market. INCAE, a Central American school which was founded with the support of Harvard University and ranked second in 2014, this year has lost two positions giving up to FGV and Adolfo Ibáñez University's business school. The business school of Catholic Pontifical University (Chile) with one of the best academic staff in Latin America including lecturers from the entrepreneurial community ranked ninth last year and has shifted to the fifth position this year.

The shift of positions of leading business schools in the regional rating demonstrates the equalization of these schools' levels which enables to influence a particular school's total rating position even with an insignificant change of indicators in a particular criterion. This happened, for instance, with an Argentinian business school IAE Austral which was in the list of top 10 schools in 2014 and has managed to reach the 6th position this year. Despite its geographical position (it is situated 50 kilometers from Buenos Aires), the school has a large network. It is famous for its methods of training. Chile University which has been ranking seventh for the second successive year, demonstrates another kind of example. Its research resources are used for developing generalist concepts on the basis of scientific methodology. As a result, its scientists have 123 publications included in the database of ISI cited pieces of work which is more than at any other school. However, the citation number of these pieces of work is insignificant in comparison to other business schools such as ITAM or Torcuato di Tella business school which have the highest citation index in the above-mentioned database.

The main result of position estimation of leading Latin American business schools is the conclusion that the growth of competition among them goes together with the growing quality of training. Until recently, the schools' activities lacked scientific research and there was no development of international links. Today, even in the period of crisis, these trends are becoming pivotal in the activity of the most business schools of the region.

It is worth noting that the set of criteria for estimating business schools' rating positions has changed this year. The criterion of business environment development index has been abandoned. There are 4 parameters left this year, they are academic index (with the weight of 40%); the index of knowledge generation and proliferation (with the weight of 15%); internationalisation index (weight – 20%); networking development index (25%).

Such number and variety of business schools could not but lead to the foundation of various associations. Today, Latin America has associations of local, national character (for instance, AMBA - Asociacion de Marketing Bancario Argentino or ANAMBA - the National Association of MBA in Brazil) as well as interregional associations uniting various countries' business schools, i.e. being actually international.

The most famous association of this kind on the Latin American continent is The Council of Latin American Administration Schools - CLADEA (El Consejo Latinoamericano de Escuela de Administración) founded in the early 1960s. This international organisation promotes the development of cooperation system at the international level and maintains links on the basis of mutual membership with the world's major academic associations.

Among the members of the Council there are over 140 schools of Latin and North America, Europe and Oceania. These higher education institutions are involved in training and research in the sphere of public and private management. The organisation holds its general assembly on the yearly basis in October.

The organisation's international work has resulted in more and more attention having been drawn to this aspect of activity since 2008 when the 1st Conference on CLADEA's international relations took place in Barcelona.

As it was mentioned above, 2015 saw some changes in business schools' rating. Below is the recently published rating of Latin American business schools drawn up by journal America Economia. (Pic.1)

Pic. 1 - Rating of Latin American business schools

				FORTALEZA ACADÉMICA				PODER DE RED		
RK 15	RK 14	Escuela	Ciudad	Profesores PhD en MBA	Alumnos MBA / Prof. FT MBA	Prof. MBA, PhD. de escuelas Top 30 mundial	Índice 15	Pje. ex alumnos históricos	Asociaciones ex alumnos	As
1	1	EGADE BUSINESS SCHOOL	DF / Monterrey	58	29,1	4	89,93	114	18	1
2	3	U. ADOLFO IBÁÑEZ	Santiago	34	18,1	13	90,25	104	1	3
3	5	FGV - EAESP	Sao Paulo	39	4,2	6	100,00	112	5	8
4	2	INCAE	San José / Managua	44	15,7	19	96,94	102	12	1
5	9	PUC - CHILE	Santiago	39	11,5	22	99,97	104	3	3
6	10	IAE - AUSTRAL	Buenos Aires	45	10,4	22	92,99	102	15	1
7	7	U. DE CHILE	Santiago	74	14,4	18	94,14	93	1	1
8	6	UNIANDES	Bogotá	28	12,0	3	86,43	95	1	1
9	11	U. TORCUATO DI TELLA	Buenos Aires	40	12,0	21	97,63	102	3	1
10	8	IESA	Caracas	28	15,2	4	71,06	112	1	6
11	20	U. DEL DESARROLLO	Santiago	30	8,1	8	94,43	80	1	1
12	15	U. DIEGO PORTALES	Santiago	28	6,4	9	90,73	82	2	1
13	12	ESAN	Lima	38	41,2	10	72,90	101	11	8
14	13	U. DE SAN	Buenos	23	5,8	2	81,13	114	1	5

Professional and Business Communication

THREE STAGES IN TEACHING BUSINESS COMMUNICATION AND DEVELOPING INTERPRETING SKILLS

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In recent years the centre of research activities has shifted from liaison or dialogue interpreting to conference interpreting. This is particularly true when we consider teaching interpreting skills. However, liaison, bilateral or dialogue interpreting remains a very important mode of interpreting which is widely used not only in Public Service Interpreting (hospitals, police, immigration, council services and many others) but also in business, diplomatic and other types of meetings where according to Keith's definition "an individual who speaks two languages mediates in a conversation between two or more individuals who do not speak each other's tongue" (1985:1). The importance of bi-directionality of this mode is reflected in training where the foreign language should be at least at C1 level according to the Common European Framework of Reference for Languages (CEFR). It means that the student should have mother tongue A and foreign language B. This requirement of a high proficiency in a foreign language determines the goals and objectives of training and developing interpreting skills. Only advanced foreign language students can be admitted on the course.

Even though we aim to admit advanced foreign language students, the development of interpreting skills should be gradual and go through certain stages. We have identified three stages based on the experience of training in the Foreign & Commonwealth Office and later at London Metropolitan University:

1. Enhancing language comprehension and proficiency through a number of linguistic exercises aimed at expanding active and passive vocabulary and grammar repertoire in a foreign language: exercises involving reading, analysing and translation activities;
2. Training memory through exercises first in one language and later involving source and target languages;
3. Introducing different types of discourse and register: practical interpreting exercises involving specific register and style variations.

One of the main areas of training at Stage 1 is the active use of considerable lexical repertoire. Shakir and Farghall (1992) investigate the performance of students when translating and interpreting with reference to syntagmatic features, namely, collocations in political discourse. They argue that collocations constitute a major challenge with both student translators and interpreters. At the same time, they established that collocations posed a more serious challenge with student interpreters than student translators in so far as the percentage of erroneous renderings in practical interpreting exercises which was 66.8%, as opposed to 48.9% in translation exercises. They concluded that the knowledge of paradigmatic relations should be coupled with a competent syntagmatic repertoire and enable functional and idiomatic use of their phraseology.

The exercises offered at the stage should achieve high level of lexical specificity and develop the ability to render source language lexical items with the same degree of specificity in the target language (Farghall & Shakir, 1994:31). It can be achieved through a variety of practical exercises:

- summarising exercises: students are taught to identify primary and secondary information or how to present the information in a very concise form;
- developing logical thinking: students are asked to finish a text, a paragraph or a sentence;
- enhancing the use of idiomatic expressions and appropriate style: filling the gap exercises where words or expressions were omitted. At early stages of training, students may have a choice of lexical items.

Memory exercises should be introduced at this stage and practised regularly. Since numbers and accompanying words represent the main difficulty for interpreters, especially in those languages where adjectives, nouns and verbs agree with the numbers, it is advisable to provide exercises which include all possible numbers and accompanying words. Students may be allowed to take notes to support their memory in some cases. Apart from memory, these exercises develop other vital interpreting skills, e.g. concentration, attention to details, visualisation, the ability to pronounce numbers and accompanying words clearly and quickly as well as enhance language skills. These exercises are so important for interpreters that in many cases it is useful to continue with them through the entire training cycle.

Stage 2 or an intermediate stage should target the development of listening comprehension through summarising and rendition exercises which should incorporate listening to authentic short presentations, discussions, other radio and TV programmes.

Sight translation is introduced at this stage and should include oral rendition with a text, oral and written rendition from memory. Students are taught how to improvise in interpreting exercises. Oral paraphrasing, sight translation ('reportage') and memorisation exercises are used as part of the preparation for the actual interpreting 'real-life' exercises in Stage 3. Setton (1993) and Weber (1989) suggest that language enhancement and 'agility' exercises as well as speech analysis and speech

construction may be incorporated in the curriculum of some courses.
It is important to note, that it is vital to initiate training stress and situation control at this stage of the course, since one of the major prerequisites of interpreting as a profession is “the ability to work under stress for long periods” (Longley, 1989:106). Gutman and Etlinger (1991) conducted research at the Institute of Psychology in Vienna and having analysed their data, they argued that there were individuals who demonstrated an unchanged or even increased performance level under load (the so-called “consistent performers”), while others with an equally good performance level in a neutral, stress-free atmosphere tend to fall in a stressful situations (the so-called “training champions”). This led us to the idea that student interpreters should have real-life situations when students work under pressure for two hours with or without short breaks, this optimising the performance of a “training champion”. We can compare student interpreters with athletes when they develop better situation-dependent control over their feelings of anxiety. The ability to control the state of anxiety over a long period of time enables the interpreter to cope with the most challenging tasks in the transfer of information into the target language.
Stage 3 involves practical interpreting exercises. We have developed and used eight principle modes of real-life exercises in teaching liaison interpreting in business, diplomatic or public service context. Each exercise begins with the allocation of roles and languages followed by an explanation of the situation. All parties involved in simulated talks, negotiations, meetings or interviews are briefed about their objectives, how they are supposed to achieve them, what they may offer or suggest during their encounter.
At initial stages, it is more effective to use Mode 1 – Text-based interpreting exercise. Students receive texts on the same topic for brief reading and discussion in their respective groups language groups: language 1 – L1 and language 2 - L2, i.e. the L1 speaking

students receive a text in L1 and the L2 speaking students receive a text in the L2. Each group will structure their participation and prepare their arguments based on the brief and the information they received from the texts in order to achieve the required objectives. Each party will receive their own brief. Student interpreter receives both texts and the overall brief, and if there are two interpreters each of them receives a text only in the "mother" tongue and a brief. This pre-role-play activity allows students to prepare the right terminology, choose the right tone and plan what they want to present to the other party and how they want to structure their meeting.

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LINGUOCULTURAL ISSUES OF BUSINESS NEGOTIATIONS' LANGUAGE

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Abstract. *Linguo-cultural peculiarities of business negotiations in two variants of the English language (British and American) are analyzed in the article. The author researches discourse lexis, emotional colouring level, metaphor phrases, professional jargon and other linguistic and speech means in intercultural business discourse.*
Key words: *intercultural business discourse, negotiations, participants of communication, genres of business communication, speech behaviour.*

1. Introduction

A lot of interest has been aroused in intercultural business communication, its linguo-cultural characteristics in the light of functional pragmatics and cognitive linguistics as well as oral and written communication in intercultural business discourse (Bargiela-Chiappini, Nickerson, Planken, 2007; Luecke, 2003; Malyuga, Ponomarenko, 2015; Ponomarenko, Malyuga 2012, etc.).

As communicants, in this particular case international business partners, use English in the process of intercultural business communication, this article will contain examples from authentic English texts of negotiations selected mostly from two main variants of the English language - British and American.

2. Different linguo-cultural communities

British and American native English speakers represent different linguo-cultural communities and are often faced with misunderstanding which results in negative influence on effective transingual and intercultural contacts in business area.

At present, the integrating spirit for representatives of different cultures is, as a rule, the English language. For most Europeans English is a language they frequently use but it does not reflect their mentality. Since Great Britain joined the European Community, the influence of British English on intercultural business communication in European countries has inevitably grown.

Closer economic ties developed owing to appearance of trading zones have been altering the quality of communication.

Abroad, linguo-cultural parameters of business negotiations and negotiation participants' linguistic competence have been discussed since the 1970s, while in Russia this area of expertise started to receive due attention only after economic changes which took place at the end of the last century.

The ability of expressing ideas, the power of reasoning them persuasively and plainly in the course of business negotiations, conducting a business conversation professionally – these are the qualities necessary for intercultural business communication.

Cultural differences, difference of habits, traditions and attitude to values demonstrate the fact that we can use patterns of foreign business partners' behaviour only with a glance to their effectiveness but not automatically transfer a particular style of intercultural business communication to another linguo-culture.

In intercultural business interaction, the success of communication depends on simultaneous functioning of forms and genres of business communication which is characterized by strict conventional character and regulation, is created by context, functions within context, depends on it and represents the following forms: oral-written; dialogical – monologic; interpersonal – public; contact – distant (Malyuga, Ponomarenko, 2012).

3. Lexis of Business Negotiations

As for business communication genres, there is a great variety of them – conferences, exhibitions, seminars, presentations, press conferences, briefings, interviews, panel discussions, business meetings, receptions, negotiations, debates etc.

An essential part of modern business community's life is negotiation process, business talk being its component that may be both of independent character and set the stage for negotiations. It represents partners' interpersonal verbal communication aimed at solving business problems and establishing business relations by means of joining verbal or non-verbal communication and is characterized by spontaneity.

According to M.M. Bakhtin (Bakhtin, 1986), a speaker is guided by genre: the chosen genre dictates types of sentences and their compositional ties. Communication is virtually impossible without knowing speech genres.

Bearing this idea in mind, we can state that the concept of style is brought to the forefront in the process of studying speech stereotype patterns of intercultural business discourse. Thus, we attach most importance to achieving a particular effect made by an utterance. In the course of studying intercultural business discourse, one should, first of all, concentrate on those utterance features which are meant to make an impression on communication participants. To achieve this aim, various stylistic devices are used by chairpersons (leaders) during negotiations for attracting the audience's attention by expressive speech means.

Special attention is drawn to the language of various genres of intercultural business communication influenced by the stereotype of communicative situations this language is used in and represents in this respect an example of formal use of linguistic units.

Various cultural systems contribute to development of specific styles of negotiations such as the style of national culture, history, politics etc. influenced by three main factors: national (different negotiation styles), organizational (specific cultures developed within international organizations) and the factor of professional culture (cultures developed among specialists). All the above listed factors more or less determine the choice of linguistic and speech means.

As business negotiations, according to American scientists Harnett and Cummings, are a special type of social interaction with its purposes, relations and norms different from other types of communication (Harnett, Cummings, 1980; Stein, 1988; Bargiela-Chiappini, Nickerson, Planken, 2007; Garzone, Ilie, 2007; Gillaerts, Gotti, 2005; Luecke, 2003), communication in business negotiations includes various means of exchanging information such as non-verbal signals, verbal messages, voice implication, symbols (metaphors, myths and images) and meanings.

The main feature of business negotiations, namely ceremonial character, requires strict order of stages and offers participants a range of clichés and hackneyed phrases enabling them to strategically and tactically direct the negotiation process.

It is extremely important for business partners to create the atmosphere of respect. The following examples demonstrate ways of expressing respect:

1. Expressing a request, business partners prefer subjunctive forms, for instance, *would like* instead of *want.* It is less straightforward and more polite and respectful.

I would like to hear you talk about that first point again.

2. Using the modal verbs *should*, *would*, *could* or *might* for informing about something more politely. Without these verbs, speech in the process of business negotiations would sound somewhat aggressive.

For suggesting something, as a rule, in business negotiations such parenthetical words as *I think*, *maybe* and *perhaps* are used.

Perhaps we could solve this problem together.

3. In order to make a suggestion, interrogative form is frequently used in order to demonstrate respect for partners.

For instance: *Have we finished with that aspect? In this case let's go on to the next one.*

The success of business negotiations depends not only on an ability to ask questions but on answering them as well. Interrogative questions enable a negotiator to manage the negotiation process and make a right decision. For instance: *What if I were to offer you more money to finish the project quickly?* (a hypothetical question often asked in the course of negotiations at the contracting stage)

As a rule, such question is to be followed by a speech concession: *We would be able to finish three months earlier.*

Hypothetical questions are used in the course of negotiations in order to find out the business partner's reaction (reply) if the other party agreed to stretch a point. Questions are also important in other genres of intercultural business communication (for clarifying the situation, better understanding of the communication partner, his/her intentions and interests, for traditional request for information).

Lexis of intercultural business discourse is generally neutral. However, participants of communication, mainly Americans, apart from neutral lexis may also use emotional-evaluative and expressive-figurative means to express 1) a speaker's subjective attitude to the subject matter; 2) emotions. Expressiveness as a specific category of language in intercultural business communication represents a set of several connotative aspects – evaluation, emotionality, imagery and intensity.

In oral intercultural business discourse, as well as in written though to a lesser degree, one may observe implicitness as a universal characteristic. For instance, in the language of negotiations the following phraseological units denoting colour have established themselves at the usual level: *red chips* (first-rate Chinese shares on the Hong Kong stock market) by analogy with *blue chips* (the most popular shares with the highest rate);
in the red (being in debt; overdrawn; unprofitable);
red goods (quickly replaceable day-to-day semi-durables providing low-profit rate);
orange goods (consumer goods gradually replaced by their equivalents , e.g. clothes);
red ink (big financial indebtedness).

Despite a comparatively low degree of these phraseological units' emotional colouring, they are definitely of evaluative character, i.e. they contain implicit evaluation. At the same time, in oral intercultural business discourse one may observe both unmarked clichés (Please *let us have* your quotation as soon as possible. We *are pleased to* have your enquiry. The project is *at the heart of a bitter struggle*. Europe *accounted for* 36% of the group's profits and for 28% of its sales.), and stylistically marked lexical units (The warehouse manager informs me that this man unloaded the shipment without sufficient care for *the fragile nature* of the cartons contents).

It would be a delusion to consider the process of intercultural business communication to be entirely unemotional, for any company's activity is sure to place restrictions on its employees' speech behaviour. It is connected with strict regulation of communication purposes (Ponomarenko, Malyuga, 2015).

Intercultural business discourse, as a rule, contains emotionally neutral words and lexis with the emotional-notional component reflecting a speaker's attitude to the addressee, i.e. such discourse lexis contains various shades of meaning. Moreover, in the speech of American participants of business communication the percentage of emotionally marked words usage is considerably higher than in British business partners' speech. It may be explained by a lesser degree of regulation in American business community.

Communicants' speech in the course of business negotiations affects all participants of communication. In order that the influence of business partners' speech on communication participants will be more open and effective, it should contain discourse lexis (introductory words, inserted constructions, homogeneous parts of the sentence, comparative phrases, addresses, appositions, constructions with non-finite verb forms) with meta-information for establishing, maintaining and developing friendly relations.

Discourse lexis makes business partners follow the effectiveness of communication process. The use of discourse lexis is explained by presence in it of additional or alternative information speakers intent to communicate. Obvious discourse lexis is observed in complexifying constructions – participle clauses.

Such lexis is interesting from the point of view of expressing socio-cultural peculiarities because they provide an opportunity to analyze national specifics in intercultural business communication.

Lexis reflects national-cultural content of discourse and often represents difference of the linguo-cultural aspect.

National-cultural peculiarities are expressed not only in the use of specific words but also in total absence of lexical meanings or denotations typical of other languages. In addition, there are ethno-cultural lacunas (gaps) at different levels – lexical, grammatical, morphological, stylistic, prosodic (verbal) and etiquette, psychological, mimic (non-verbal) etc. To illustrate this, let us consider some examples. Absence in the 20-years-ago Russia of such sphere as exchange trade led to absence in the Russian language of its own terms for such phenomena as *securitization* (transformation of non-liquid assets into securities), *factoring* (buy-up of liabilities), *default* (refusal to pay debts), *voucher* (a written certificate given instead of money). Such lacunas demonstrate lack of linguo-cultural information of non-native speakers or non-culture bearers.

As special literature does not provide any unified lacunas typology, scientists single out their various classifications. The most appropriate of them, in our opinion, is systematization of lacunas suggested by Z.D. Popova and I.A. Sternin according to which lacunas are allocated in accordance with their belonging to a certain language system (translingual and intralingual), paradigmatic characteristics (generic and aspectual), degree of content abstractness (concrete and abstract), types of nomination (nominative and stylistic), a lacuna's belonging to a certain part of speech (Popova, Sternin, 2003).

Despite the fact that the language of intercultural business communication is formalized in the British variant of English, one may come across various examples of metaphorical expressions, which is a rare phenomenon for the official style. Metaphors in this case prove both unity of common thought, idea and image as well as qualitative uniqueness of image. Here are some examples of metaphorical expressions noticed in British people's speech in the course of conducting negotiations:
ideas *cooked up* (= made up) for the French market;
nuts and bolts (= mechanism);
the bill for the great Chinese *takeaway* (=party);
a change of *heart* (= opinion).

The use of professional and corporate jargon is very typical of American English (Malyuga, Tomalin, 2014).
Knowledge of this lexical layer and socio-cultural factors helps to eliminate common mistakes and misunderstanding, therefore, recently researchers' attention has been focused on these spheres. For instance, American marketers call an income-generating hot product *a monster,*
big wheel (= an important person);
fat cat (= a rich person);
to cook the books (= to falsify financial accounts);
to hawk smth. round (= to impose a product)
Language is a serious barrier in intercultural business communication for representatives of different ethno-cultures. Within multicultural communication, a non-native speaker should take care to possibly avoid slang expressions, idiomatic phrases and colloquialisms.

Harvard University professor G. Raiffa considers negotiations to be a special area of human knowledge and activity. He received worldwide recognition for his idea that every sensible person should have an ability to effectively settle disagreements and debates in order to prevent the tissue of social life from being torn with every conflict and make it stronger by growing ability to find and develop common interests. (Raiffa, 1982).

In the narrow meaning, negotiations are regarded as a special form of social interaction involving at least two subjects and at the same time assuming the presence of a common problem, differences of approaches and evaluation of its solution, direct personal contact between communicants and verbal means of communication, a clear structure and protocol of conducting negotiations.

Negotiations as a genre of intercultural business communication differ from simple opinion exchange and problem discussion by formalized structures, division of parties over the discussed problem and direction towards working out joint resolutions. They also assume duration in time, stages, expectation of results (in the form of agreements, obligations, development of relations etc.) and possible reoccurrence (Luecke, 2003).

Intercultural business communication is determined by both social factors and stereotype-behaviour conditions of communicants' cultures. Participants of business negotiations use foreign language simultaneously acquiring culture-specific knowledge and developing an ability to understand foreign language native speakers' mentality.

Many researchers view intercultural business communication as a system including a range of variables which constitute communicative process:

- Communication participants (sender or receiver of information; linguo-culture bearers or non-bearers; each individual communicant's socio-psychological type)

- Interrelations between communicants (official role relations; correlation between sets of values)
- Attitude to intercultural business communication (business communication experience; incentive for joining business communication; level of communicative, linguistic and cultural competence)
- Form of business communication (mediate/immediate communication; direct/indirect communication)
- Channels of intercultural business communication (voice, mimics, gestures)
- Types of communicative activity (speaking, listening, reading, writing etc.)
- Tools of intercultural business communication (channels, cultural-linguistic code, communicative strategies and tactics)
- Context (place, time, sphere of communication, communicative interferences)
- Parameters of information content (themes, volume characteristics, speech style, norms and genres)

Seeing oneself as a participant of intercultural business communication and interaction experience of people representing different nationalities are preconditions of communicants' effective communication.

The speaker's intention as a social incentive of entering business contacts influences the character of intercultural business communication. At the same time, communicants' footholds may be classified as idealizing, neutral and denying.

Our observations demonstrate the importance of the phatic function for the success of negotiation process. If in phatic utterances cognitive information related to the content of linguistic structures is relegated to the sidelines, it does not mean that the listener receives no essential indexical information, i.e. information about the speaker's psychological contribution and

his/her social status. Moreover, evaluation of correlation between the cognitive and phatic components of utterances largely depends on a particular situation. Phatic utterances also influence norms of observing speech etiquette, which is extremely important for a foreigner, especially in such genre as business negotiations.
Due to intensive development of international cooperation and international specialists' and scientists' growing interest in professional issues, speech influence conducted by means of particular communicative strategies and tactics is brought to the foreground.

Speech behaviour strategy embraces the whole sphere of building communication when it becomes the aim of achieving definite long-term results (Ponomarenko, Radyuk, 2013). Speech strategy includes planning verbal communication process depending on particular conditions of communication and communicants' personalities and realization of this plan, i. e. speech strategy represents a set of speech operations aimed at achieving a communicative purpose.

Studies of influence phenomenon demonstrate that intercultural business communication is characterized by all types of deliberate speech influence. We can agree with A.N. Baranov who states that speech influence is such communicative use of linguistic expressions which introduces new information into a native speaker's world model and modifies already existing knowledge, i.e. there is the process of knowledge ontologization (Baranov, 1990:12).

Speech influence is connected, first of all, with the speaker's purpose – the subject of speech influence which regulates the interlocutor's activity (encourages the communication partner to start, change or finish some activity, influences his/her decisions or his/her worldview).

The success of business communication also depends on the chosen tactics of communication which S.I. Ozhegov called “a set of means and techniques used for achieving an assigned objective” (Ozhegov, 1995:777). Techniques of developing communicative operations in situations of communication depend on the tactics of intercultural business communication which represents rules or regulating operations aimed at achieving certain communication purposes.

Every tactic is aimed at expressing an addressee’s specific communicative intention. The essence of using a particular tactic consists in changing parameters in the necessary direction, changing evaluation as well as speech situation itself. A communicative tactic is a set of speech operations performed by communicants in a certain order which realize or fail to realize a communicative strategy, conform or do not conform to certain rules. If communicative strategies mark general development of a dialogue, then tactics show realization of this strategy at every stage of communicative situation development.

Thus, special attention paid to the language of international business communication, in particular to the English language at every level of international educational system, is explained by business partners’ linguistic community. Here we mean the presence of a single language of communication in the process of intercultural business communication.

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