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REGIONAL INVESTMENT CLIMATE ASSESSMENT

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ABSTRACT

To date, one of the main problems for the Russian regions is to attract investments that significantly affect supporting, functioning and dynamic development of regions. At the same time, the most important prerequisite of this process is creation of a favorable investment climate.

The article presents an analysis of the investment climate in 60 regions of the Russian Federation on the basis of an assessment of the investment potential and investment risk in the period from 2010 to 2013. The choice of indicators was considerably influenced by the availability of statistics for the analyzed period for all regions of the Russian Federation, as their use helps to get a more objective data and expands the opportunities for inter-regional comparisons. Sub-aggregate indices are calculated and regions - leaders and "outsiders" - are identified for each estimated parameter.

The study showed that there is no one region which would hold the first place in all investment potential blocks. However, it is possible to select the Moscow region which took a leading or second place by its investigated indicators. Thus, we can say that the Moscow region has the best investment potential among the regions studied.

Evaluation of sub-aggregate indices by investment risks has shown that there are regions-leaders and regions-"outsiders" in each block.

At the final stage of the study, the studied regions were divided into 4 groups based on the relationship of investment potential and investment risk in the regions in the period from 2010 to 2013:

- 1st group - regions with high investment potential and a low level of investment risk;*
- 2nd group - regions with high investment potential and a high level of investment risks;*
- 3rd group - regions with low investment potential and a low level of investment risk;*
- 4th group - regions with low investment potential and a high level of investment risk.*

Analysis of the dynamics for 4 years showed that only 6 of those 60 regions changed their position in relation to the groups and, basically, it was a negative dynamics: either investment risks increased, or investment potential of regions decreased.

Keywords: investment climate, investment potential, investment risk, regional management, dynamics of investment-driven development.

INTRODUCTION

One of the most important prerequisites for attracting investments and further economic growth in a region is creation of a favorable investment climate, as the willingness of investors to invest capital into the economy of a region depends on the state of an investment climate.

There are several approaches to definition of the investment climate concept. The first approach is based on the characteristics of investment climate in a region through a combination of factors and conditions appropriate to a particular region, and is based on identification of investment climate to investment attractiveness.

According to L.N. Chaynikova, investment climate in a region is a generalized characteristic of a set of social, institutional, economic, political, legal, and socio-cultural prerequisites predetermining an attractiveness and feasibility of investing in a particular region (Chainikova L.N., 2012, p.148).

By definition of the rating agency "Expert RA", the concept of "investment climate in the region" reflects the degree of favorability of the situation prevailing in a particular region in relation to the investments that can be made in the region, that is, is an investment attractiveness (The rating agency "Expert RA", accessed may 2016) .

T. Kramin in his study (M.V. Kramin, T.V. Kramin., 2014, p. 40) shows the effect of the individual management decisions on the level of investment attractiveness of a region.

TECHNIQUE

Today, there are a large number of proprietary techniques for assessment of the investment potential of a region (Ovchinnikova O.P., Churilova E.E., 2014). Some of them are based on expert estimates (M. Khasanov, Yuldoshev S., 2001, p.42), a part uses integrated indicators (Saduieva M., 2015, p. 15; Grishina I.V., Shakhnazarov A.G., Royzman I.I., 2000).

During development of the technique, in the first phase we have identified the indicators describing the main elements of the investment climate: investment potential and investment risk (Obukhova A.S., Mashkina N.A., 2014, p. 28). Further, these figures have been divided into 2 blocks: 1 block are indicators characterizing investment potential, and block 2 - the indicators characterizing investment risks. The choice of indicators was considerably influenced by the availability of statistics for the analyzed period for all regions of the Russian Federation. Using statistical data helps to get a more objective data and expands the possibilities of their use for inter-regional comparisons (Kurenkova A.S., 2011, p. 32).

The sources of information were the Federal State Statistics Service and the United interdepartmental information and statistical system (EMISS).

Calculations were carried out for 60 constituent entities of the Russian Federation, excluding the regions for which data were incomplete. We use the figures for the period 2010 to 2013, inclusively.

At the second phase, the selected indicators have been converted into comparable form by linear scaling, i.e., all calculated values are within the range [0; 1], where 0 - the minimum value, and 1 is the maximum value.

The following formulas were used to calculate the indices for indicators:

1) if feedback of the indicator being evaluated is available, calculation is made according to the formula:

$$I = \frac{X_{max} - X_i}{X_{max} - X_{min}}$$

2) the formula used for the direct connection of the indicator being evaluated:

$$I = \frac{X_i - X_{min}}{X_{max} - X_{min}}$$

where: I - index of the investment climate indicator; X_i - actual value of i-th indicator; X_{min} and X_{max} - the minimum and maximum values of the indicator in the period under review among all studied regions, i - number of indicators.

In the third phase, 8 intermediate indexes were calculated using the method of computing an arithmetical average for corresponding indicators. According to estimates, we have made up ratings of regions for the years 2010-2013 per each block of investment potential and investment risks, and identified the regions - leaders and the "outsiders".

RESULTS AND DISCUSSION

Table 1 presents data on the innovation potential of regions.

Table 1
LEADERS AND "OUTSIDERS" BY THE SUB-AGGREGATE INDEX OF INNOVATIVE POTENTIAL OF REGIONS IN THE RUSSIAN FEDERATION

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Nizhny Novgorod Region	0.7687	1	Republic of Buryatia	0.0946	56
Moscow region	0.5827	2	Sakhalin region	0.0920	57
Republic of Tatarstan	0.4642	3	Kemerovo region	0.0909	58
Leningrad region	0.4215	4	Kaliningrad region	0.0726	59
Kaluga region	0.4124	5	Trans-Baikal Territory	0.0237	60

We can see from Table 1 that the Nizhny Novgorod region has the highest potential for innovation (0.77), and the lowest is in the Trans-Baikal Territory (0.02). The Nizhny Novgorod region is characterized by high innovation activity of organizations - 15.4% (in the Trans-Baikal region - only 2.2%), a high level of use of advanced production technologies and high costs for research and development - 43,268.4 million rubles (in the Trans-Baikal region - 321.8 million rubles).

Table 2
LEADERS AND "OUTSIDERS" BY SUB-AGGREGATE INDEX OF LABOR POTENTIAL OF THE RUSSIAN FEDERATION REGIONS

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Moscow region	0.8463	1	Kirov region	0.2102	56
Tyumen region	0.7270	2	Oryol Region	0.2070	57
Krasnodar region	0.6159	3	Kostroma region	0.1981	58
Republic of Tatarstan	0.5246	4	Novgorod region	0.1627	59
Novosibirsk region	0.5209	5	Kurgan region	0.0672	60

The Moscow region is a labor potential leader (0.85), and the "outsider" here is Kurgan region (0.07) (see Table 2). According to data for 2013, the Moscow region is an absolute leader by the following indicators: the average number of persons employed in the economy - 2982.1 thousand people (in the Kurgan region - 377.9 thousand people) and the number of economically active population is 3900 thousand people (in the Kurgan region - 441 thousand people). Also, the Moscow region is a leader in migration gain of the population (Ledneva O.V. 2014).

All this is related to high rates of development of the Moscow region and the proximity to the capital of Russia. Another advantage of the region is development of industrial, financial, and scientific sphere.

The Krasnodar region leads by infrastructural potential (0.62), and the last place is taken by the Tomsk region (0.03) (see Table 3). The Krasnodar region has the maximum values among the studied regions in terms of "the amount of works for the economic activity type "Construction" - 473,599.2 million rubles (in the Tomsk Region - 36,881.4 million rubles). Also, the region is in the lead by the costs of information and communication technologies - 394,908.2 million rubles (the Tomsk region - 5,910,600,000 rubles) due to implementation in the region of the long-term target-oriented program "Information Society of Kuban" in the 2012-2015 years.

Table 3
LEADERS AND "OUTSIDERS" BY THE SUB-AGGREGATE INDEX OF INFRASTRUCTURE POTENTIAL OF LABOR POTENTIAL OF THE RUSSIAN FEDERATION REGIONS

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Krasnodar region	0.6260	1	Arkhangelsk region	0.0536	56
Moscow region	0.5915	2	Trans-Baikal Territory	0.0482	57
Tyumen region	0.4326	3	Republic of Sakha (Yakutia)	0.0405	58
Republic of Tatarstan	0.3283	4	Republic of Buryatia	0.0323	59
Kaliningrad region	0.3079	5	Tomsk region	0.0315	60

As for the Tomsk region, there is created an adverse situation with transport and energy infrastructure. Remoteness of the region from the Trans-Siberian Railway and federal highways duplicating it results in a low level of the region's transit potential. This also includes the high logistics costs.

Table 4
LEADERS AND "OUTSIDERS" ON SUB-AGGREGATE INDEX OF PRODUCTION AND POTENTIAL OF THE RUSSIAN FEDERATION REGIONS FINANCIAL

Regions-leaders	Aggregate index value	Rank	Regions-outsiders	Aggregate index value	Rank
Tyumen region	0.8185	1	Oryol Region	0.0819	56
Moscow region	0.3860	2	Ryazan Region	0.0729	57
Krasnoyarsk region	0.3561	3	Republic of Adygea	0.0678	58
Samara region	0.3370	4	Republic of Buryatia	0.0613	59
Republic of Tatarstan	0.2926	5	Trans-Baikal Territory	0.0364	60

From Table 4 we can see that the Tyumen region is leading in terms of a production and financial potential (0.82) by a significant margin, the last place is taken by the Trans-Baikal Territory (0.04). The Tyumen region has maximum values for almost all indicators. It is worth noting that the region is one of the most investment-attractive regions in Russia, thereby there is a large inflow of foreign investments. From 2010 to 2013 the volume of foreign investments has increased from 2,665,453 thousand US \$ to 6,339,709 thousand US \$.

The Trans-Baikal Territory outstands by its high level of tax burden and an extremely large number of administrative barriers to business.

According to Table 5, we can see that the Moscow region is leading (0.68) by the potential market capacity, the last place is taken by the Republic of Mari El (0.06). The region possesses a maximum value in terms of the turnover of retail trade - 1360002 million rubles (in the Republic of Mari El, this indicator is 63 780 million rubles). Also the region possesses a maximum value of the volume of paid services to the population - 404 496 mln. rubles.

Table 5
LEADERS AND "OUTSIDERS" BY THE SUB-AGGREGATE INDEX OF POTENTIAL MARKET CAPACITY OF THE RUSSIAN FEDERATION REGIONS

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Moscow region	0.6792	1	Oryol region	0.1051	56
Tyumen region	0.6244	2	Bryansk region	0.1019	57
Sverdlovsk region	0.5019	3	Kurgan region	0.1001	58
Krasnodar region	0.4720	4	Republic of Karelia	0.0845	59
Sakhalin region	0.4674	5	Republic of Mari El	0.0638	60

Evaluating the presented indices by 5 blocks of investment potential, it can be concluded that the Moscow region has the best investment potential among the regions studied.

In the second phase of the study, the indices of investment risk for regions were calculated.

Table 6
LEADERS AND 'OUTSIDERS' BY THE SUB-AGGREGATE INDEX OF ENVIRONMENTAL RISK OF THE RUSSIAN FEDERATION REGIONS

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Republic of Sakha (Yakutia)	0.9906	1	Sverdlovsk region	0.6083	56
Trans-Baikal Territory	0.9717	2	Lipetsk region	0.5004	57
Republic of Buryatia	0.9689	3	Chelyabinsk region	0.4810	58
Kursk region	0.9587	4	Moscow region	0.4478	59
Khabarovsk region	0.9571	5	Kemerovo region	0.2252	60

In Table 6, we can see that the Republic of Sakha (Yakutia) has the lowest environmental risk - 0.99. In the Republic of Sakha there is a lowest level of pollutant emissions into the atmosphere and surface water bodies. The Republic has not much industrial projects that would contribute to the pollution of the environment.

The worst ecological situation is in the Kemerovo region (0.23). The ecological situation in the region is tense because of the constant environmental impact of enterprises of mining, metallurgy, and chemical industry.

Further, let's consider the ranking of regions by social risk.

Table 7
LEADERS AND "OUTSIDERS" BY SUB-AGGREGATE INDEX OF SOCIAL RISK OF THE RUSSIAN FEDERATION REGIONS

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Belgorod region	0.9614	1	Kurgan region	0.3405	56
Republic of Tatarstan	0.9203	2	The Republic of Buryatia	0.3060	57
Lipetsk region	0.9043	3	Irkutsk region	0.2789	58
Tambov Region	0.9026	4	Primorsky Krai	0.2520	59
Tula region	0.8983	5	Trans-Baikal Territory	0.1341	60

The lowest value of social risk index is for the Belgorod region (0.96) and highest is for the Trans-Baikal Territory (0.13). According to the data for 2013, the Belgorod region has low level of recorded crime: 968 events per 100,000 population (in 2010 this indicator was equal to 1199 events), for example, this indicator value in the Trans-Baikal region is equal to 3203 events (3.3-fold difference).

The last group of indices used to assess investment risk of regions is economic risks.

Table 8
LEADERS AND "OUTSIDERS" BY THE SUB-AGGREGATE INDEX OF ECONOMIC RISK OF THE RUSSIAN FEDERATION REGIONS

Regions - leaders	Aggregate index value	Rank	Regions - outsiders	Aggregate index value	Rank
Republic of Khakassia	0.7505	1	Perm Territory	0.4014	56
Moscow region	0.7485	2	Kurgan region	0.3916	57
Belgorod region	0.7198	3	Astrakhan region	0.3893	58
Leningrad region	0.7158	4	Tomsk region	0.3491	59
Rostov region	0.7145	5	Republic of Karelia	0.2775	60

From Table 8, we can see that the lowest economic risk is in the Republic of Khakassia (0.75), and the highest is in the Republic of Karelia (0.28). According to data for 2013, in the Republic of Khakassia there is a fairly low unemployment rate - 6%, and in the Republic of Karelia, the value of this indicator is equal to 8.2%. In terms of the share of loss-makers, the Republic of Karelia has a maximum value among all the studied regions - 45.3%. This means that almost half of organizations in the region are lossmaking.

Thus, we were able to examine in detail the constituent entities of the Russian Federation by each block of investment potential and investment risks and to identify leading and underperforming regions.

In the next phase of evaluation of investment climate in regions of the Russian Federation according to the procedure developed by us, we have calculated general aggregate indices of investment potential and investment risks using the weighted arithmetic mean of the intermediate indices. According to the data obtained all the studied regions may be divided into 4 groups:

- 1st group - regions with high level of investment potential and low level of investment risk;
- 2nd group - regions with high level of investment potential and high level of investment risks;
- 3rd group - regions with low level of investment potential and low level of investment risk;
- 4th group - regions with low level of investment potential and high level of investment risk.

Table 11 shows the "movement" of regions through dedicated groups.

Table 11
CHANGES IN THE QUANTITATIVE REPRESENTATION OF GROUPS OF REGIONS

Group number	2010	2011	year 2012	year 2013
1	11 regions	11 regions	10 regions	11 regions
2	10 regions	8 regions	10 regions	9 regions
3	22 regions	22 regions	22 regions	21 regions
4	17 regions	19 regions	18 regions	19 regions

Based on the data in Table 11 and in figures 1-4 we can see that the dynamics of some regions was changed, they had either improved or, on the contrary, lost their positions. They are such regions as:

- Murmansk region - in 2010 it was in the 2nd group of regions, but in 2011 the investment potential of the region has decreased and the region went into 4th group. Further the region failed to improve its positions.
- Tomsk region - in 2010 and 2011 it was in the 2nd group, but in 2012 came down to 4th group, reducing its investment potential, and to the end of the test period, the region was not able to improve their position;
- Krasnodar Territory - in the period from 2010 to 2012 the region was in the 2nd group, but in 2013, the region decreased its investment risks and increase investment potential and moved to the 1st group;
- Sakhalin region - in 2010 and 2011 the region was in the 1st group, but in 2012 the region has increased its investment risks and moved into 2nd group, and until the end of the period under study the Sakhalin region did not change its position;
- Irkutsk region - the region that has developed "intermittently". So, in 2010 and 2011 the region was in the 4th group, however, in 2012 the region has increased its investment potential and the region has become a part of the 2nd group. However, in 2013 the region again took its initial position.
- Yaroslavl region - from 2010 to 2012, the region was part of the 4th group, but in 2013 the region has increased its investment risks and became a part of the 3rd group.

Thus, on the basis of calculations, we can say that in those 4 years, only 6 of 60 regions changed their position in the groups and it is worth noting that mostly dynamics was negative: either investment risk increased, or investment potential of regions decreased.

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TRENDS OF ONLINE TRADING DEVELOPMENT IN RUSSIA

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ABSTRACT

Trade branch is strategically important for the Russian economy: it provides a significant share of GDP, creates jobs, and a base for the activities of individual entrepreneurs, etc. For the last 5-7 years, e-commerce segment has begun to make an enormous contribution to development of the trade industry; today the segment is one of the priority directions of development of the industry as a whole. By way of evidence, the paper reflects and analyzes the dynamics of the main indicators characterizing the development of e-commerce in the country. It demonstrates main trends in the development of e-commerce, reflects the goods market structure from the perspective of consumer interests in goods purchase over the Internet, studies the nature and relevance of modern omni-channel system of trade organization. The article also compares Russian and foreign experience of development of e-commerce segment, and proves that, despite its rapid development, the Russian market of e-commerce is incommensurably small in comparison with the markets of developed countries. Based on the results of the analysis priority areas for further development of e-commerce in Russia are identified, and the expected results predicted.

Keywords: *e-commerce, Internet commerce, omni-channel system, development trend*

INTRODUCTION

Retail industry in Russia demonstrates the dynamic development in recent years providing a positive impact on economic and social indicators of the country. Thus, for example, (Antonchenko N.G., Kalenskaya N.V., 2014, p. 35; R.M. Akhmetshin, A.V. Shafigullina, 2015):

- In 2014 the share of trade turnover in Russia's GDP had amounted to 17.3%;
- The number of workers in trade industry in 2014 amounted to 12.5 million people representing 18.4% of the working population;
- The average salary of workers in trade industry for 2014 amounted to 25,238 rubles what is 22.5% less than the average salary in 2014 in Russia. But it should be noted that the business sector provides jobs for socially disadvantaged people, and low-skilled staff;
- 37% of all registered enterprises in Russia in 2014 operated in the trade industry; the share of profitable organizations in the trade industry is better than this indicator for the entire economy (71.9%);
- Trade is a major staging area for activities of individual entrepreneurs and small businesses; for example, in terms of turnover, wholesale and retail enterprises occupy the first place in small business - more than 15 billion rubles for 2014.

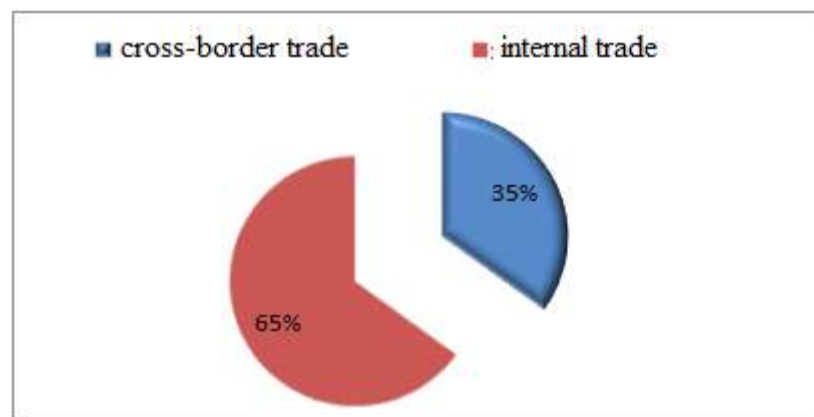
Over the past two years, the retail trade turnover growth rate in Russia declined from 20% per year to 7%, but the Internet-trade still shows significant growth rates of the market that makes it one of the main vectors of development of the Russian trade in the future.

ANALYSIS

Thus, in 2009 the volume of Russian e-commerce market has reached 210.5 billion rubles, In 2014 this figure was equal to 713.0 billion rubles, In 2015 there was a slight decline in the volume of e-commerce market to 690 billion rubles. (Federal State Statistics Service, accessed may 2016) Expected e-commerce market growth rate in Russia in 2020 will amount to 7%, while in 2014 - 2015 this figure was equal to about 2.5%.

The contribution of cross-border Internet-trade in e-commerce development should be noted. In 2014, the volume of cross-border Internet-trade market reached 208.6 billion rubles. The diagram in Fig. 1 shows the ratio of internal online trading to cross-border e-commerce in Russia in 2015.

Figure 1
E-COMMERCE STRUCTURE IN THE RUSSIAN FEDERATION IN 2015 (BELOBORODOVA A.L., 2015, P. 491)



Foreign Internet-shops are more competitive in price and range of products that entails tougher competition. Experts say that in the Russian Federation there were established the world's highest threshold for duty-free importation of goods (€ 1,000 a month per person); the importation of such goods shall not be subject to VAT.

Most of the overseas online purchases have been made from China (47%). One of the leaders of online trading is a Chinese online store AliExpress, the share of which, according to Data Insight estimates in 2014 was 55% of all orders in foreign online stores. Also in June 2015, the largest in China online store JD.com, online store DHgate.com, as well as such sellers as TradeEase UmkaMall which specialize in the sale of Chinese goods in the Russian market came to Russia. It should be noted that cross-border trade structure comprises participants from countries of the European Union and the United States (26% and 14% of the volume of cross-border e-commerce, respectively). (Palyakin R.B., Kalenskaya N.V., Tarkaeva N.A., 2014, p.317)

The dynamic development of cross-border e-commerce segment in the Russian Federation is based, primarily, on growth of the audience of Internet users in Russia. In addition,

representatives of cross-border e-commerce segment have a number of competitive advantages: zero taxation, a wide range of goods, low cost of goods compared to local vendors, increasing the speed of delivery from abroad, etc.

From 2012 to 2014 the share of Russian stores in the Russian e-commerce market has fallen from 80% to 71; this 9% reduction amounted to almost 64 billion rubles in monetary terms.

However, Russian Internet trading market is incommensurably small in comparison with the markets of developed countries. For example, the total share of the USA, the UK, and Japan is 55% of the global Internet sales market, but less developed countries, such as China, Russia, Argentina, India, Indonesia demonstrate the highest growth in sales volumes that in the future makes them potential contenders for global leadership.

Taking on board the history of development of the US Internet trading market, we may note that many of the world's economic problems only stimulated its development. Consequently, this explains the fact that despite the current unstable situation of Russia on the world stage, many Russian analysts not only don't predict a slowdown of Internet trading market growth, but also talk about its further dynamic development.

Studying the results of researches conducted by leading analysts we have identified the main trends in the development of e-commerce:

- To date, 80% of Russian consumers had ever made a purchase at online stores; according to the "RBC.research" estimations today 16.6 million of Russians have buying experience on the Internet. In 2013, the number of online shoppers did not exceed 15.6 million persons. As noted above, the market retained the growth potential the implementation of which will be promoted by Russia's withdrawal from the current difficult macroeconomic and foreign policy situation. (Beloborodova A.L., Novikova E.N., 2014, p. 20)

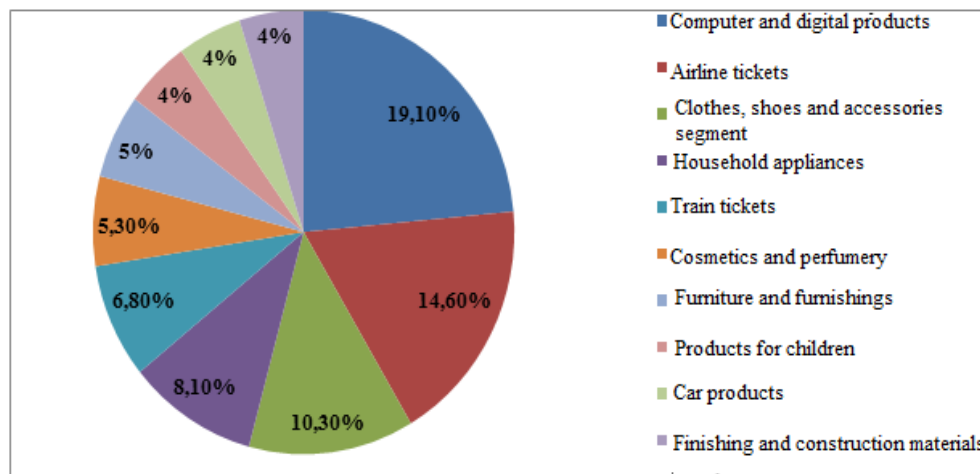
- The most popular form of payment is cash on delivery of goods, it is preferred by 65% of consumers (Martynova O.V., Valeeva Y.S., 2015, P.155), although it should be noted the increase in the proportion of consumers who have begun more loyally apply electronic payments;

- The inability to assess the quality of goods and services by purchasing them through online retailers still keeps consumers from making purchases. Although it is worth noting that the development of social media in part contributes to solution of this problem. Thus, active users of social networks combined into groups, trust and are governed by the views of other participants who are their greatest guarantors rather than sellers' assurance (Zulfakarova L.F., Kundakchyan R.M., 2015, p.274);

- The main advantages of online shopping according to consumers are: time and cost savings, the ability to deliver goods to home, the ability to avoid a hassle in traditional shops, and round the clock access to goods and services;

But not all advantages and disadvantages are equally expressed in all areas of trade, and this causes an uneven development of online sales popularity. It is worth noting that in the last three years more than 80% of the entire e-commerce market fall to the goods, Fig. 2 shows the per cent composition of various fields of the market.

Figure 2
STRUCTURE OF THE MARKET VOLUME OF GOODS SOLD THROUGH THE ONLINE STORE
 (BELOBORODOVA A.L., NOVIKOVA E.N., 2014, P. 20)



So, to date the most popular segment in the field of Internet trading is "Computer and digital products, and home appliances", its volume in 2014 amounted to 159.6 billion rubles in money terms. The most important player in this segment is "Yulmart" the amount of which online sales in 2014 amounted to 59.6 billion rubles. Slightly inferior to "Yulmart" network are the following representatives of the segment: "Svyaznoy" which online revenues for 2014 amounted to 22 billion rubles; "M. Video " - 18 billion rubles; "Eldorado" - 17.8 billion rubles; Ozon - 11,8 billion rubles. The highest relative growth of online revenue is seen in "M. Video" - in 2014, its total revenue increased by 120%, then there are settled "Eldorado"- 62%, Ozon - by 59%," Yulmart " - 50%," Svyaznoy " - 29% (Mikaelian I., 2015, P. 32).

Speaking about the specifics of selling various goods through Internet stores, we would like to particularize an omni-channel sales system.

Omni-channel is an integrated approach to buyers when a buyer has the opportunity to choose the most convenient channel of purchase showing loyalty not to a retail outlet, and to a brand. Omni-channel approach to organization of the trade involves the simultaneous use of all the physical (offline) and digital (online) channels of communication and involving innovative possibility to completely trace the path of a client. Some authors consider omni-channel sales strategy as a sales strategy which implies the effective use of all available resources to the maximum to meet the needs of existing clients and attract new ones. Trade organizations implementing this strategy provide to buyers a possibility to make a purchase in any accessible and convenient way: in a store, online, by a catalog, by a call-center, by a mobile application. Under this approach, regardless of the channel on promotion and sale of goods and services there is a single price, the same actions are carried out, the range of goods and services is the same in all channels. The use of this strategy gives evidence of the following benefits for commercial enterprises:

- Increases customer satisfaction level;
- Reduces the probability of devaluation of goods by 10-15%;
- Reduces delivery time by one or two days;
- Increases the capacity of the warehouse by 40%;
- Reduces inventory costs by 20%.

Today, omni-channel trade organization system gains great momentum, but the intensity of its development is not the same in all areas of trade. Omni-channel strategy is the most popular in areas where high competition for traditional commerce from online retailers is observed. For example, trading companies selling computer and digital equipment, and home appliances.

The situation is reversed in the fashion segment. You simply pick up your goods in a pickup point though not receiving those positive emotions that you can experience when dealing with a shop assistant in the aesthetic and thoughtful sales room. Although there is need to make a correction for generation stereotypes. Thus, the younger generation increasingly takes an offline purchases process as a stressful situation: traffic jams, crowds in stores, etc., and ordering goods through the online store seems more relaxed pastime for them. Whereas, on the contrary, more adult generation avoids online shopping in segment fashion being afraid of that goods will not fit their demands, or there will be difficulties with their return, etc. Statistics confirm all of the above, so in the segment of computer, digital and home appliances 30% of the goods are sold through online retail, and only 10% in the fashion segment.

There are companies that, in principle, avoid application of multi-channel and omni-channel concepts. The Internet-shop OZON.ru would be an example. Its goods are sold exclusively through an online channel, although they note that the offline retail helps them in sales of goods without knowing it. A buyer visiting the offline store, and seeing there the price of the goods clearly understands that he/she can purchase this goods in the online store OZON.ru 20% cheaper. Thus, organizations with the like format sell 100% of goods through online channels.

There are companies that use the multi-channel principle, but do not apply omni-channel system. The toy shop Toy.ru can serve as an example. Goods of the company sold through the online store are on average 20% cheaper than the goods sold in offline points.

Despite the rapid growth of online retail its profitability is still a controversial issue. Even the most successful online projects are paid off not earlier than in 2-3 years. One of the inevitable expenditure items of online shopping are the costs of transport and storage of goods ordered but not sold to buyers in the end. In the perspective of this problem, the multi-channel retails using omni-channel strategy look the most promising and effective.

According to the survey conducted by Retail Systems Research (RSR), 84% of retailers around the world believe that creation of a continuous customer experience through different sales channels is very important. The remaining 16% do not believe an omni-channel feature in retail being a priority in the future.

It is necessary to specify also motives of pessimism about the prospects for the development of e-commerce in Russia; they are based on the fact that most of buyers perceive the trip to the store as a pleasant pastime with their family (44%), one in two (54%) Russian consumers finds shopping trip enjoyable and inspiring event (versus 62% in the world), 45% of Russians visit the store to just inquire about available goods, or sit in a cafe near the store; about the same number believe the campaign for food is a fun pastime. Based on the foregoing, the omni-channel strategy is a promising direction of development of modern trade enterprises, which, along with classic forms of trade provides online sales, as well as other advanced services, allowing us to make the shopping process more convenient. (Novikova E.N., 2015, p.141)

The main share of purchases will continue to be performed in offline stores, but at the same time it is a hybrid retail model - both multi-channel, and integrated (omni-channel) - will give them a significant advantage in the aggravated struggle for a buyer. The market leaders in their segments, such as "M. Video ", announced online and mobile sales growth as their strategic priority.

CONCLUSIONS

Considering the peculiarity of Russian consumers behavior pattern which is characterized today as a saving one, and a high level of competition in the off-trade industry, we can talk about favorable prospects for the development of Internet trading in Russia. In view of the above, we may specify the following priority areas for the development of Internet trading:

1. Increase in the number of players that have implemented the omni-channel organization of trading system in their sales activities. The high level of competition among the classic off-line stores forces sellers to search for their ways to be closer to the consumers; and the parallel use of online shopping is a single solution to this problem.

2. The desire of sellers to reduce the degree of influence of the negative factors identified above in the article and affecting the refusal of consumers from making online purchases. So, it is necessary to provide consumers with the following possibilities: to make cash payments, to assess the quality of goods prior to their acquisition, to make unhindered procedure of returning the goods if necessary. Cooperation between traders and courier services and their active presence in social media will help in solving such problems.

3. Solution of the Internet - shops problems related to delivery of goods is possible at the expense of outsourcing the logistics processes, such as an order fulfillment model which is a set of logistics processes supporting e-commerce business processes what leads to execution of orders. Among the advantages of the outsourcing order fulfillment we may specify the following: optimization of logistics costs, risk diversification, improving the speed and quality of formation of orders, providing customers the possibility of selecting the type of delivery and payment method.

4. It should also be said of the need to popularize online - shopping among the population through marketing communications directly from trade market players.

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THE INTER-BRANCH RELATIONS OF CIVIL LAW IN THE EXERCISE OF CONTRACTUAL RELATIONS REGULATION ON PERFORMING WORK AND SERVICES

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ABSTRACT

Questions of the law industries interaction are brought up in researches of scientists. However, the due answer about cross-industry communications of the civil law is still absent. Meanwhile there is a need for ensuring balance of civil and labor law regulation of the public relations connected with a labor activity of the person given a contractual shape in the acts and the Constitutional court of the Russian Federation. Development of various forms of communication between people has pushed requirement of providing an opportunity to voluntarily use offered by the legislator or to create legal models in the form of various agreements. The agreement became one of the main methods and instruments of law precepts implementation in public life, the most important means of regulating obligations communications, representing the agreement of its participants without coercion from the outside.

In article it is specified that for goal achievement of establishing real system relations regulation on work performance and rendering services it is necessary to provide cross-industry interaction of the civil law with other legal industries, in particular, with labor laws. In this article an author's idea of interaction of the civil law with other industries of the law, contractual regulation, cross-industry communications is analyzed.

Keywords: activity, work, services, labor, contract, law, approach.

INTRODUCTION

In modern conditions of the legislation development (Bulletin of the Russian Federation, 2009) and complication of legal regulation on the advanced places in jurisprudence researches of the law industries interrelations problems discussed in the monograph by professor M. Y. Chelyshev are shown (Chelyshev M. Y., 2008, p. 206).

Owing to the objective reasons contractual relations regulation on work performance and rendering services closely interacts with the legal instruments governing the similar relations in other law industries, especially in labor. There is a need for ensuring balance of civil and labor law regulation of the public relations connected with a labor activity of the person repeatedly specified in the acts of the Constitutional court of the Russian Federation (The resolution KS Russian Federation as of January 23, 2007).

It is necessary to create the complex concept of contractual relations regulation on work performance and rendering services; to develop complex idea of cross-industry communications of the civil law in case of implementing contractual relations regulation on work performance and rendering services by means of which law subjects will be able to settle the relations, to determine

what agreement is more profitable to apply to the parties. Research of the specified perspective will allow, "to provide proper interaction of the civil law with other legal industries" (Yakovlev V. F., 2008, p.52) for the purpose of establishing real system relations regulation on work performance and rendering services. All this emphasizes complex research relevance of contractual relations regulation on work performance and rendering services.

METHODS

Civil approach to cross-industry communications research of the civil law in the sphere of contractual relations regulation on work performance and rendering services, identification of these communications is relevant, which allows not only to check justification and efficiency of the employment contract design in new economic conditions, to reveal a ratio of the employment contract with adjacent agreements of civil nature, but also to analyze need and feasibility of civil relations regulation for the considered area, as well as to perform conflict legal regulation to some extent, i.e. to approve civil and labor legal means in a regulation of the specified public relations.

RESULTS

Proceeding from objectives on enhancement of the Russian Federation Civil Code scientific idea of cross-industry communications system for the civil law can serve as one of methods for goal achievement on ensuring stability of the civil legislation (The presidential decree of the Russian Federation as of July 18, 2008). In our opinion, scientific research of contractual relations regulation on work performance and rendering services in a cut of interaction of the civil law in law system will allow to solve a number of scientific and practical problems with other industries of the private and public law. We believe that scientific developments in the sphere of cross-industry researches will help make a certain contribution to forming complete idea of works and services. From the practical point of view the scientific analysis of cross-industry communications of the civil law in case of implementing contractual relations regulation on work performance and rendering services will allow the legislator to develop recommendations about improving efficiency of legal regulation, in simplification of applying the regulations governing these relations, for the purpose of effective law-making and legitimate interests of civil circulation participants, to eliminate gaps and legal collisions.

Scientific research allows to develop complex works and services idea as the cross-industry categories, to analyze essence of contractual relations regulation on work performance and rendering services, to reveal interaction of the civil law and other law industries in case of the specified relations contractual regulation and to describe specifics of the contact, interpenetration, cross-industry legal regulation, to formulate the determinations of "works" and "services" concepts necessary for research goal achievement; to reveal shortcomings of the civil legislation of relations regulation on work performance and rendering services.

The "crisis" phenomena were caused by weakening of cross-industry communications in theoretical researches (Lushnikova M. V., Lushnikov A.M., 2006, p.13). It should be noted that the relations on work performance and rendering services have complex, cross-industry character. The terms "works", "services" have many-sided character. The concept "service" of Russian law has indistinct borders, possessing a set of semantic shades (Puchkov E.A., 2008, p.10). The sign on which the agreements listed by us unite is the fact that they are directed to accomplishing certain

activities by one person for other person for the purpose of achieving economic result. However, this orientation represents a basis for forming the legal base, on one hand, uniting all listed agreements and, on the other, distinguishing them from liabilities of other groups (Romanets Y.V., 2001, p. 124).

In the considered relations there are general and distinctive signs, but it only confirms availability of communications, various on the content. These relations show in a contractual design. Contractual regulation is the civil means which is available also in other law industries.

The role of civil contracts for work performance and rendering services as mainly market category significantly increases now. Prominent and authoritative researchers (Braginsky M. I., Vitryansky V. V., 2002, p. 212; Stepanov D. I., 2005, p. 14; Sannikova L.V., 2006, p.160) call the employment contract of services in Roman Law and the employment contract in the Russian pre-revolutionary civil law the primary source of legal relations regulation on work performance and rendering services and we agree with this. Keeping to one contractual type was determined by availability of criterion which is the transfer to temporary use of a certain benefit (Roman private law, 1996, p. 456).

We will note that expansion of services scope in the Russian economy, has caused fixing the category "services" in the Constitution of the Russian Federation (the Russian newspaper, 1993), the Russian Federation Civil Code (further - the Civil Code of the Russian Federation) (SZ Russian Federation, 1994, No. 32; SZ Russian Federation, 1996, No. 5), federal laws and other legal acts of the civil legislation of the Russian Federation. Among objects of civil legal relationship in the same row the legislator has designated results of works and rendering services. Concerning the specified objects (Art. 128 of the Civil Code of the Russian Federation) for decades in legal literature discussion about their essence and ratio is conducted. During this period it is very relevant not only because for the first time the Civil Code of the Russian Federation has included chapter 39 devoted to paid transactions, but also because there are new types of service which are intermediate between "services" and "works" (Kvanina VV, 2005, p.269).

On ratio of services and works there is no unity in jurisprudence. One scientists consider that work and contract liabilities are broader concept in relation to services; others, on the contrary, consider work performance as a kind of service; the third divide these categories (Shchukovskaya O. M., 2002, p. 204). In general, in law these concepts "services" and "works" are most often removed through their opposition (Zhilinsky S.E., 1999, p.154). However, such sign as "objectification" has been criticized (Kvanina V. V., 2005, p.271).

CONCLUSIONS

In our opinion, the relations on work performance and rendering services hold a specific place among the public relations. The specified relations are in system of the public relations and close connection among themselves. Scope of application, purpose, subject structure, feature of objects and subjects have predetermined special nature of the relations on work performance and rendering services. The relations on work performance and rendering services are the relations given a contractual shape. Their legal essence consists in it. Features of these relations are shown in features of contractual designs and considered in legal regulation. The legal essence is based on the constitutional liberty principle of work enshrined in clause 1 of Art. 37 of the Constitution of the Russian Federation. In our opinion, clause of 1 Art. 37 of the Constitutions of the Russian Federation is the legal basis for two components of system implementation of the subjective laws

affirmed in two law industries (in civil and labor) in the form of contractual relations regulation connected with a labor activity of the individual (Safin R. R., 2011, p. 88).

We believe that "freedom of work" is a cross-industry concept. It cannot be revealed only through a labor law. Through this constitutional principle cross-industry communications of two law industries are shown: civil and labor. Implementation of the freedom of work principle in two law industries acts as manifestation of unity and differentiation of civil and labor relations regulation based on clause 1 of Art. 37 of the Constitution of the Russian Federation (Safin R. R., 2011, p.134).

Attempts on limiting the civil relations on rendering services to employment relationships are given in legal literature, and it is noted that the subject of both the labor, and civil relations exists in physical shape of work (Ulyanov N. V., 1997, p.59; Stepanov D. I., 2004, p.198). The specified separation constitutes great theoretical difficulty in view of the fact that to delimit services and works in the civil law from a labor activity in a labor law is quite difficult.

From the point of legal essence view the relations on work performance and rendering services, in our opinion, have contractual forms of three types: civil, labor law and mixed.

In the civil legislation, and in the civil doctrine, there is no definition of services. Proceeding from the concept of the civil legislation development the fixed definition of the concept "liability" in clause 1 of Art. 307 of the Civil Code of the Russian Federation does not cover some actions of the parties constituting a subject of primary obligations (such as rendering services) and in certain cases does not allow to delimit the liability from other relative legal relationship. That is why the concept includes such actions as rendering services. The history of contract law development has led us to vague understanding of the agreement (Puginsky B. I., 2002, p. 47).

In the Concept it is offered to look a little differently at a ratio of private and public elements in the civil law. Search of harmonious combination between the specified elements is common to all history of the civil law development. The concept offers the vision of this combination based on achievements of the European private law doctrine and considering domestic realities which are reflected in court practice. In some cases it is offered to refuse public elements of regulation for benefit of private-law.

The civil law acts as a branch of the private law which is a law subsystem. At the same time it acts as fundamentals of private law and confirmation being the possibility of use civil designs in the adjacent legal field of private law, as well as in the public law (Chelyshev M. Y., 2006, p.26). Besides, in case of all the relative definiteness of the law industry these are strictly not differentiated among themselves, and their objects often form so-called boundary or adjacent regions of legal regulation.

From here, in our representation contractual relations regulation on work performance and rendering services should be considered in two aspects: in interaction with the private law and the public law. At the same time it should be noted that there is more cross-industry communications of the civil law in case of implementation of contractual relations regulation on work performance and rendering services in private law, than in public, and manifestation in private law "is more full".

In a coverage of the public law the jurisprudence still only starts researching the role of the agreement as complex, cross-industry institute (Morozov N. L., 2005, p.75).

Contractual relations regulation on work performance and rendering services can be allocated in private law and in the public law that confirms availability of cross-industry communications between the civil law and other legal industries in law system. The basis for emergence of a legal community is the specified similarity of the relations. And all community, in our opinion, is based already on cross-industry legal bonds. The single terminology used in law can act as a real indicator

of legal community, in particular. Thus, contractual relations regulation on work performance and rendering services has complex (cross-industry) character.

SUMMARY

Today in labor law science market economy formation is connected with a possibility of legal regulation rapprochement of the employment and civil contract mediating implementation of works and rendering services. Proceeding from the analysis of substantial part of the specified agreements, we come to a conclusion that in the subject they are similar. Agreements of civil nature, as well as labor, have the subject making of certain activities (a certain action) by physical person. Here we can speak about work as such. Civilians note the fact of smoothing traditional criteria of differentiating of work regulation methods by regulating civil and labor law (Braginsky M. I., Vitryansky V. V., 2004, p.231; A.N. Sergeev., 1996, p.13). Also there is an opinion that it is the consecutive line clause of the legislator aiming to combine efforts of two agreements in a single legal support subject – labor activity of the person (Soyfer V. G., 2005, p. 86).

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FEATURES OF ISLAMIC INSURANCE TAKAFUL INSURANCE AND OPPORTUNITIES OF ITS USING IN THE RUSSIAN FEDERATION

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ABSTRACT

The article defines the essence and principles of functioning of the system of Islamic insurance takaful, its differences from the traditional and mutual insurance, the basic directions of activity of Islamic insurance institutions. Particular attention is paid to the analysis of the mechanism functioning of Islamic insurance organizations, which revealed four takaful fund management model: a model of participation in profit agency model, combined model; specific model. The article presents the possibilities and limits of application of elements of Islamic insurance in the Russian Federation.

Keywords: *The system of Islamic insurance takaful, takaful fund, the financial system, traditional insurance, mutual insurance, insurance companies, insurance risks, insurance contracts.*

INTRODUCTION

The global economic crisis of 2008-2009. predestined aggravation of contradictions between the real and financial sectors of the economy. This was the reason for increased interest in Islamic financial institutions that exclude the use of speculative instruments and practices that served as the cause of the deterioration of the western countries and the macroeconomic indicators caused by the Asian financial crisis of 1997-1998. In this regard, it is a particular interest to study the Islamic insurance takaful, for the development of which the Russian Federation has the following prerequisites.

For the development of takaful in the Russian Federation has the following prerequisites.

1. There is the presence of the customer base. In Russia, a permanent resident between 14 and 20 million. Muslims believe. "Ethnic Muslims", i. e. nations, traditionally Muslim majority population in seven Russian regions: in Ingushetia (98%), Chechnya (96%), in Dagestan (94%), in Kabardino-Balkaria (70%) in Karachay-Cherkessia (63%), in Bashkortostan (54.5%), Tatarstan (54%). In addition to the Muslims in the Russian Federation, the number of citizens as the main consumers of takaful may act migrants from Central Asian republics, the number of Muslims, against which potential customers are expected to increase by 5-7 million. Man.

2. There is the appeal of the conditions for the owners of takaful insurance policy. Unlike traditional insurance companies participants (investors) Takaful - the Fund relies on the results of the remuneration of the company, if there was no insurance claims.

3. There is the rapid development of takaful insurance in the world. According to experts of Ernst & Young by 2015 could increase the volume of insurance premiums of companies

operating under Sharia principles in the global market to \$ 11.0 billion. 5 bln. Dollars in 2009 (Bekkin R.I., 2003, p. 79).

4. There is the ability to work as part of the Russian legal field. The principles of Takaful is a whole fit into the legal framework adopted in Russia. In the Civil Code of the Russian Federation have been provided a form of "Mutual Insurance Society" (OER), which can be taken as the basis for the establishment of Takaful companies in Russia.

The methodological basis is the prominence of the alternative economic schools and trends, including the theory of insurance, banking theory and banking systems, the theory of institutions and institutional change, and others. Multidimensional nature of the subject of research requires the use of the cognitive capacities of the various branches of scientific knowledge, which makes use of a multidisciplinary approach to solving the formulated tasks.

Information base of research information constitute official federal and regional statistical agencies of the Russian Federation and foreign states.

RESULTS

Takaful or Islamic insurance (from the idiom "kafala" denoting in Arabic "giving each other mutual warranty of any kind"), is the direction of development of the Islamic financial system.

There are various definitions of the categories in the works of modern scholars of the Islamic financial system:

1. According to the interpretation R.I.Bekkina, Takaful - is an independent alternative system that can exist both in commercial and in mutual form (Logvinova I.L., 2012. № 12. P. 76-86).
2. According to the interpretation I.L.Logvinovoy, Takaful - a method of creating an insurance protection (Logvinova I.L., 2012, p. 76-86).
3. According to the definition A.S. Ryskulova, A.O. Soldatova. H. S. Umarov, S. P. Fukin, Takaful or Islamic insurance, - a system based on principles of mutual aid (Taawun) and voluntary contributions (Tabarre), which provides a collective and voluntary risk-sharing among group members. Takaful is a form of insurance that satisfies the principles of Islamic law (Ryskulov A.S., 2010. P. 311-318).
4. According to the definition Ya.Bumbadzhi, A.A.Tsyganova, Takaful - a way of organizing the provision of insurance protection, established in accordance with the norms of Sharia on the distribution of profits and losses between the principle participants and the operator.
5. A number of authors believe that the classic insurance and takaful identical, while noting that the takaful concept is not contrary to the Sharia. It is noted that any classical commercial insurance or takaful does not eliminate the risk, and help reduce the risk of adverse consequences of these events through the reimbursement of financial losses.

Main principles and provisions of takaful:

- Absence of excess gharar (uncertainty) due to the fact that part of the premiums that are paid by each participant, is considered as a gift or a donation and sent to a special fund, from when the insured event compensation is provided. The operator is also in accordance with the terms of the contract, is aware of its share of the profits, negotiated in advance. Dimensions of revenues depend only on the ongoing operations of the company and does not represent a fixed, independent of the actual profit resulting percentage;
- Providing a guarantee of the risks of the insurance process, as the main purpose of takaful, where parties to a contract can act as the guarantor, and the role of those who are warranted;
- The use of a special profit-sharing mechanism ("Mudaraba") avoids the percentages that are widely used in commercial classic insurance;

- The creation of a specialized body for the evaluation of new products (services), takaful companies, control performed by the takaful operator actions in terms of their compliance with the rules and principles of Islamic law (Sharia Supervisory Board);
- The highest management principle of good faith (utmost good faith) as the basic law according to which all parties must act takaful contract;
- Insurers have the right to nominate their representatives to the Board of Directors of Takaful company;
- In contrast to the classic commercial insurance Takaful can not violate the conditions of inheritance (the principles of "Miras" (Heritage, heir) and "vasiya" (testament, left during the life of the deceased person)). The policyholder has the right to bequeath to the designated beneficiary up to a third of all available any property included in a list of insurance premiums paid and the expected profit. If the beneficiary is one of the heirs of the testator by law, he can get all that remains after the payment of debts of the deceased, funeral and other expenses, as well as payments on the will, together with other legal heirs.

European Classical theory does not consider takaful insurance in the context of the evolution of the insurance relationship, and limits the analysis of the history of insurance in its two main forms - mutual and commercial (traditional). The difference between the traditional insurance, which is defined "set of relations on the organization and use of the insurance fund by contributions from insurers policyholders" and the mutual insurance is that the latter "insurers simultaneously act and the role of insurers and insurance fund is created on the basis of mutual". Such an approach means that the mutual insurance principles do not contradict the principles of the Islamic faith, while commercial insurance contains elements that are contrary to the provisions of Shari'ah. For this reason, the Council of the Islamic Academy of jurisprudence (fiqh), the Organization of the Islamic Conference, at its second session, held in Jeddah (Saudi Arabia), 22-28 December 1985 issued a decree №9 «On Insurance and reinsurance". This document also shows the invalidity of commercial insurance contract in terms of Shariah, and by offering an alternative in the form of takaful, calls for Islamic countries to accelerate the development of takaful in their territories.

Analysis of commercial classical insurance system shows that it last present restricted elements from the position of the Islamic faith: *riba* (usury), *gharar* (uncertainty), *meysir* (excitement) and *haram* (forbidden activity), as well as risk-sharing (reinsurance). The last element is contrary to the principle prohibited in Islam, the formation of contractual relations, involves the transfer of risk of monetary (or other) fees from one company to another or to a third party. Takaful assumes that all contractors are required to equal (or corresponding to their participation) the extent to share the risks inherent in the transaction; It based on the principle of the sanctity of contracts, i. e. It considers as the most important duties of the parties to the transaction - performance of contractual obligations; money are treated exclusively as a potential capital, real capital they are considered only after being invested in productive activities (investment allowance).

Thus, Takaful - a set of redistributive relations, based on reciprocity and mutual assistance.

Islamic insurance can be implemented both in commercial and in mutual form for all groups of consumers, regardless of religion due to the fact that it provides for both voluntary collective risk sharing and profit. Takaful provides for the mutual granting of a guarantee, and its implementation in the form of mutual insurance companies is not contrary to the Federal Law of 29.11.2007 number 286-FZ "On mutual insurance".

Comparative characteristics of traditional, Islamic insurance and mutual presented in Table 1.

Table 1
COMPARATIVE CHARACTERISTICS OF TRADITIONAL, ISLAMIC INSURANCE AND MUTUAL

Characteristic	Traditional insurance	Mutual insurance	Takaful
Purpose	Making a profit	The provision of mutual assistance	The provision of mutual assistance
Risk	The transfer of risk to the insurer	The allocation of risk between the parties	The allocation of risk between the parties
Protection	The insurer provides insurance protection	Coordinates the work of insurance fund	Coordinates the work of the takaful Fund
The conclusion of the contract	Purchase and sale	Partnerships	Partnerships
Profits from the sale of insurance services	Receives	Does not receive	Does not receive
Investing	Allowed	Allowed	Allowed
Types of insurance	There are no restrictions	Forbidden life insurance	Property and personal insurance, corresponding to norms of Sharia
Management	Insurers cannot participate in the management of	Insured persons may participate in the management	Insured persons may participate in the management
State regulation	State insurance supervision authority	State insurance supervision authority	State insurance supervision authority + Syariah Court

The main directions of activity of Takaful are:

1. General Takaful: insurance dwelling, cartakaful, insurance of property interests of the accident.
2. Family Takaful: investment takaful (cumulative life insurance) Takaful for education, medical takaful and takaful health insurance; Medical Takaful for persons traveling abroad, takaful accident.

Analysis of Islamic insurance organizations functioning mechanism shows that there are four takaful fund management model currently: Model with participation in profits - Mudaraba used in Malaysia; agency model - Wakala, widely spread in the Arab world; Combined model - Wakala, Mudaraba; specific model - the Waqf, applied in Pakistan .

The Mudharabah model. Islamic insurance company acts as mudarib (trustee), and participants takaful fund as rabb-ul-mal (the principal). Mudharabah model implies that the takaful operator engaged in investment management of insurance fund assets and underwriting. All investment income is divided between the Islamic insurance organization and the insured according to a predetermined ratio. The insurance excess (as amended by the difference between the premiums and the insurance indemnity) remains in the takaful fund, i.e. owned by the participants. The modified model Mudaraba insurance excess is distributed among the takaful fund and takaful operator in predetermined proportions. All operating expenses in both models carries takaful operator. As a result the company's share in the investment income is often higher than that of the fund.

There are different opinions on the legality of conducting Islamic insurance activities under the "Modified Mudaraba" model among the Muslim legal scholars. The controversial issue in this case is the concept of apportionment between the insured and the insurer of the insurance excess. Some experts believe that it is contrary to the principles of Sharia, and this surplus should be wholly owned by the insured.

As part of Wakala model, an insurance organization acts as an agent (Wakil) for insurers. In this model, the takaful operator receives a fixed amount of remuneration - pre-agreed proportion of contributions (donations) insurers. This takaful operator is not involved in the insurance or investment income. In a modified Wakala model is similar to the modified Mudharabah model, the insurance excess is distributed among the participants and the takaful operator in predetermined proportions. At the same time this allocation is also subject to criticism and active is not absolute in the legitimacy of the Islamic system of insurance. In both versions of the model Wakala cover operating expenses is due to the funds paid by the operator as a reward.

At present, some financial regulators and international financial institutions recommended to use a hybrid model Wakala, Mudaraba. The hybrid model is a combination of models Mudaraba and Wakala. Takaful operator receives a fixed percentage of contributions paid by the insured, plus a share of the profits derived from investment activities.

The model Waqf takaful operator carries out an initial contribution (Waqf) in Waqf Fund, whose assets (i. e .down payment) exclusively used in investing activities and not spent. Insurers makes contributions (Tabarre) in Waqf Fund, which are used for the settlement of insurance claims. All profits from the investment management of waqf divided between the insurer and the insured in the pre-approved percentage. In addition to revenue Islamic insurance company includes a fixed amount of agency fee. Excess waqf fund remains in the fund's property.

A special feature of this model is the use of the mechanism of the charity - Waqf. Operator Shareholders make an initial payment in the form of special contributions, thus losing the title to him. But this title is not transferred to the participants of the Fund. According to Sharia exclusive ownership in this case belongs to Allah. Thus Vakif i.e. Shareholders have the right to specify the transmission of different kinds of conditions for the use and management of the funds transferred as a waqf.

The difference in these models is in the way of formation of the takaful operator's profits. Profit takaful operator is formed by:

1. The model of "Mudaraba" - profit-sharing;
2. The model of the "Modified Mudaraba" - profit-sharing;
3. The model of the "Wakala" - the agency fee;
4. The model of the "modified Wakala" - agency fees and profit sharing;
5. The hybrid model "Wakala, Mudaraba" - profit-sharing and agency fees;
6. The model of the "Waqf" - profit-sharing and agency fees.

In turn, participating in profits means:

1. The model of "Mudaraba" - investment income;
2. The model of the "modified mudaraba" - investment and insurance income;
3. The model of the "Wakala" - is not intended to participate in the profits;
4. The model of the "modified Wakala" - insurance income;
5. The hybrid model "Wakala, Mudaraba" - investment income;
6. The model of the "Waqf" - investment income (part of the investment income generated by funds contributed by shareholders takaful operator in the Waqf Fund)

It should be noted that the model "Wakala" much like existing in Kazakhstan model of functioning of mutual insurance companies. The hybrid model "Wakala, Mudaraba" is most similar to the model adopted in the traditional commercial insurance. Pakistani model "Waqf" has a unique feature of the formation of waqf fund that can provide a significant competitive advantage in attracting customers. Models "modified Wakala" and "Modified Mudaraba" are the

least attractive in terms of takaful fund participant as imply the division of insurance balance, the presence of which is difficult to attribute to the merits of the operator.

The analysis shows that the most acceptable to the Russian reality model serves "Wakala", which can be used for production cooperatives (mutual insurance companies), as well as hybrid or "Waqf" model for joint stock companies. In this case the variant of implementation of Islamic insurance in all these models. In this case, using the takaful operator of a particular model will be a competitive criterion. An obstacle to adapting legislation to the use of models Waqf acts inability to legalize the ownership rights to the Waqf Fund for any operator nor the participants.

Currently, most of the insurance premiums collected takaful companies in the countries of the Cooperation Council for the Arab States of the Gulf (GCC), where only Saudi Arabia accounts for 48% of the collected global takaful premiums, while in the period from 2009 to 2014. the volume of collected premiums by major member countries of the Council doubled. Many potential customers are takaful companies use traditional insurance services according to "emergency rule", which allows Muslims to use the traditional insurance protection until until an insurance product that meets the standards of Shariah. After the appearance of the product takaful companies are beginning to compete with insurance companies.

Among the factors hampering the development of Islamic insurance in Russia are:

- 1) licensing of takaful - companies (the definition of supervisory and licensing authority, the shape and purpose of licensing, reporting, etc.);
- 2) separation of the insurance industry on 2 (takaful and insurance);
- 3) Insurance Payments Guarantee Fund;
- 4) The institutional infrastructure of the takaful industry;
- 5) professional associations;
- 6) re-insurance (re-takaful);
- 7) separating the takaful fund of fund from shareholders;
- 8) the division of investment income and the surplus from operating activities;
- 9) requirements for investment and asset diversification;
- 10) restrictions on the payment of dividends to shareholders;
- 11) qualifications and other requirements for executives;
- 12) The establishment and functioning of the Shariah Council in Takaful companies and the regulator structure.

Application of Shariah principles in the field of insurance it is possible under the following assumptions.

1. The creation of legal framework regulating the use of Takaful insurance operations, and contains rules that determine the order of solving the above problem (see. Pp. 1-12).
2. There should be awareness of the population about the methods, mechanisms, takaful insurance benefits and demand for such services. Hypothetically, such a need exists, however, a lack of public awareness and the traditional distrust of Russian consumers in financial institutions may be the factors that will hinder the development of takaful insurance in the early stages.
3. There must be the risk management. Work in accordance with the principles of Shariah brings to the work of takaful companies and additional risks as the risk of compliance with the principles of Sharia, legal risks, and so on. Therefore, takaful companies will be forced to spend additional funds for the establishment of a risk management system.
4. There should be availability of the infrastructure of Islamic economics, above all, the Islamic financial institutions (banks, investment funds, insurance companies, etc.). Its absence in Russia significantly reduces the

opportunity for investment in the country for insurance companies, which will lead to excess liquidity and increase the value of assets.

5. There should be Standardization. At the moment, there are no common standards of financial reporting and the regulatory framework for Islamic financial institutions. As a result, in some countries they are working in accordance with AAOIFI standards (Accounting and Auditing Organization for Islamic Financial Institutions), while in others they use standards developed exclusively for this country, for example, in Iran.

6. Lack of skills in the field of Takaful insurance of the staff of financial institutions and Sharia experts versed in financial matters.

7. There should be IT resources, adapted to work with new financing instruments.

8. Lack of development of Islamic financial institutions and the lack of an Islamic stock market considerably restricts the possibilities for liquidity management, as a consequence, increases the value of the assets.

9. The small scale industry, resulting in high administrative costs.

One of the possible ways of legalizing the industry of Islamic finance in Russia involves the creation of a new (or improve existing) legal form of organization, which allows to perform all Islamic financial transactions, which would be equivalent in terms of the tax burden similar to traditional financial transactions. The list of permitted operations such organizational-legal form should include: cash and settlement operations in the broad sense (settlement account maintenance, collection of cash and settlement services, purchase and sale of foreign exchange, money transfers, operations with plastic cards, etc.) all types of Islamic financial transactions in debt on rent and profits and losses of the separation principle), the operation of attracting investment deposits, allowing yields to charge, depending on the profits of financial companies and does not guarantee the return of the principal amount of the deposit.

It is necessary to ensure equivalence in terms of the tax burden for each of the three groups of Islamic financial instruments (similar in economic content and the final result for the client) to traditional financial instruments:

- A tool based on duty shall be equivalent in terms of the tax operations of a conventional bank loan;
- There should be a tool based on the lease which is the operation of financial leasing;
- There should be tools based on the principle of division of profits and losses which are the operations of venture capital funds and private equity funds.

Currently, Russia is at the initial stage of development of Islamic insurance, and the above problems is related to the potential "challenges". Tatarstan in 1999 adopted a law on waqf, which was later challenged as inappropriate federal legislation of the Russian Federation. However, the first in the field of Islamic finance steps have been taken. According to the principles of Shariah, some financial institutions operate in Russia: Finance House "Amal" has been operating since 2010 in Tatarstan, functioning since 2011. The partnership TNV "Lariba Finance" in Dagestan, the bank "Ak Bars" syndicated financing on the principle of "murabaha". Islamic Finance News has recognized the first Islamic deal "Ak Bars Bank" as the best in Europe in 2011. LLC IC "Allianz Life" has prepared an Islamic insurance product adapted for the Russian market.

In May 2014, Russia ratified the protocol on the establishment of a common insurance market of states which are members of the Eurasian Economic Community (EurAsEC). One of the tasks that need to be implemented in order to establish a common insurance market, is to harmonize the laws of the Parties regulating insurance activities. We believe that non - Muslims can hedge their risks by using this system, given its attractiveness in the financial plan. In April 2016 the Central Bank of Russia and the bodies of state management of the Republic of

Tatarstan amounted to a road map for the introduction of Islamic banking in Russia, which is an important step in the formation of the Islamic finance system in the Russian Federation.

According to the research, in the Republic of Tatarstan as an object the introduction of takaful services it was formed an acceptable market environment, characterized by the presence of solvent groups of the population, low level of use of competitive insurance products (mainly voluntary forms of insurance), a relatively high level of religiosity and the presence of takaful products needs. Tatarstan became a pilot region, where for the first time in Russia will be tested Islamic insurance. In 2014, located in the city of Kazan in the Russian Islamic University courses were opened that are taught knowledge about Islamic insurance. The training program was organized by the Russian Centre of Islamic Economics and Finance (RCIEF) jointly with the development of Islamic Business and Finance (IBFD Fund), Volga Federal University, the insurance company "Allianz Life" with the support of the All-Russian Insurance Association and the Union of Insurers of Tatarstan.

Unfortunately, there is no single Takaful - in Russia. But the potential of the domestic market Takaful insurance is considerable. It is estimated by experts of Pricewaterhouse Coopers that the potential of takaful is more than \$ 2.6 billion a year, and the number of potential customers is more than 25 million people.. The industry in the world is growing at 15-20% per year, and is projected to reach the 2014-2015 volume of \$ 20.5 - 25 billion.

CONCLUSIONS

Given the above, we consider it necessary:

1. establish a working group with the participation of representatives of interested structural divisions of the Ministry of Finance and other organizations, to discuss the introduction of Islamic insurance in the Russian Federation;
2. initiate amendments to some legislative acts on insurance;
3. involve experts / consultants on Islamic insurance, including from abroad.
4. To encourage educational institutions to license master education on issues of Islamic finance programs that provide training for this field of activity.

Under these circumstances, we consider it possible to develop Islamic insurance project and run an insurance product on the basis of summarizing the experience of Islamic insurance in foreign countries and taking into account the Russian reality.

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INTERREGIONAL TRADE RELATIONS: THE REPUBLIC OF TATARSTAN AND VOLGA FEDERAL DISTRICT REGIONS OF RUSSIAN FEDERATION

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ABSTRACT

In the paper the cluster analysis of inter-regional trade of the Republic of Tatarstan with the regions of the Volga federal district was carried out in dynamics for the period from 2005 to 2010 in order to identify opportunities and forms of further economic integration. Author identified regions - leaders with an average turnover more than 5 billion rubles (Republic of Bashkortostan, Nizhny Novgorod region, Samara region), and region - outsider with an average turnover less than 1 billion rubles (Penza region). Upon that, trade relations with the Ulyanovsk region and the Perm Territory should be intensified. The clustering of regions on purchase and sale of different types of products for industrial purposes in Tatarstan was made by Ward's method. As a result, groups of regions in the Volga Federal District with similar consumer and sale baskets towards the Republic of Tatarstan were identified. It allowed to determine the main directions of Tatarstan inter-regional economic integration. The first vector of this integration is development of the inter-regional cluster in petrochemical industry with the Republic of Bashkortostan, the Samara and Nizhny Novgorod regions, the second is the inter-regional cluster in the automotive industry with the Nizhny Novgorod and Samara regions, the third is the inter-regional cluster in the field of aviation with the Ulyanovsk and Samara regions, and the Perm Territory.

Keywords: *Economics, business, cluster, inter-regional trade, Republic of Tatarstan, Volga Federal District, Russian Federation*

INTRODUCTION

The new challenges of the XXI century such as the globalized economy with its financial imbalances, change of technological structures in the world which is highly differentiated by the level of welfare, a depletion of natural resources in the conditions of population growth, a new information revolution in the conditions of the unification of the consumer mass cult, require an adequate and timely response from regional and local (territorial) communities. One of symmetric responses to these new challenges has become a regional economic integration.

At the international level, economic integration of Russian Federation has resulted in creation of a variety of international economic associations and organizations (the Shanghai Cooperation Organization, the Eurasian Economic Union, and a number of others) to coordinate and harmonize their decisions on economic development and cooperation. At the national level, the economic integration is also carried out, and its results are conclusion and implementation of bilateral and multilateral partnership agreements, creation of inter-regional associations ("Big Volga", Association of cities of the Volga region), and formation of regional clusters.

There is a fairly large number of scientific papers devoted to identification and study of regional clusters, but to a lesser extent with the use of hierarchical cluster analysis. Among the

latter, it should be noted the study of Argüelles M., Benavides C., and Fernández I. that reveals regional business clusters on the basis of data on cross-industry links in the table "input-output" for regions of the north of Spain.¹ In the paper by Titze M., Brachert M., and Kubis A., identification of regional industrial clusters is performed by identifying the interrelated sectors of the industry with the use of national tables "input-output".² The paper by Arapova E.Y. is devoted to the prospects of economic integration in the Asia-Pacific region based on the concept of convergence and proximity theory which assumes the ratio of "integration potential" to a degree of homogeneity in the economic development and regulatory regimes of integrating countries.³ The paper by Kuznetsova N.V. gives a realistic picture of the socio-economic groups in the countries of the Asia-Pacific region through a cluster analysis.⁴ Improving the instruments of a state cluster policy in the context of interconnected asymmetry of business entities is investigated in the paper by Markov V.A., Bagautdinova N.G., and Yashin N.S.⁵

In these circumstances, it seems appropriate to carry out the analysis of inter-regional trade of the Republic of Tatarstan with the regions of the Russian Federation located in the Volga Federal District, in order to identify opportunities and forms of their further economic integration.

METHODOLOGY

The statistical base of the study was collected books with data on sales and purchases of basic products for industrial purposes in the Republic of Tatarstan for the period from 2005 to 2010.

On the basis of the collected books for each region of the Russian Federation being a part of the Volga Federal District, consumer and selling baskets including purchased and sold products, respectively, in the Republic of Tatarstan are formed. Regions - leaders in terms of turnover as well as the consumption and sale of goods in Tatarstan are identified. Next is clustering the regions by purchase and sale of different types of products for industrial purposes in Tatarstan according to the Ward's method.

The use of the Ward's method begins with formation of n clusters which include one observation each.

Let X_{ijk} means the value of k -th variable in j -th observation belonging to i -th cluster.

At the first step a cluster of $n-1$ is formed where one cluster merges the two observations. An error for sum of squares is calculated as follows:

$$ESS = \sum_i \sum_j \sum_k |X_{ijk} - \overline{x_{i,k}}|^2$$

There are summarized all the variables in all the sub-parts of each cluster and are compared a separate observation for each variable with the mean value of this variable in the cluster. If ESS has a small value, the data are close to the mean value for the cluster meaning that we already have a cluster as a unit for analysis.

Also the total sum of squares is calculated:

$$TSS = \sum_i \sum_j \sum_k |X_{ijk} - \overline{x_{..k}}|^2$$

In this formula individual observations are compared in each variable with respect to the common mean value for a variable.

Then r -squared is calculated as follows:

$$r^2 = \frac{TSS - ESS}{TSS}$$

R-squared value is interpreted as the proportion of variation explained by the specific clustering of observations.

At the next stage, n-2 cluster is formed, wherein two of the clusters may have two observations, and one in all other, or 3 observations in the same cluster, and one in all other. Thus, at each step, clusters or observations are combined so as to reduce to a minimum errors of sum of squares and maximize the r - squared value. The implementation of the algorithm finishes when one large cluster which includes all observations is formed.

The result of the analysis by the Ward's method is a large number of small volume clusters.

MAIN RESULTS

The analysis of trade turnover of Tatarstan (Republic of Tatarstan) with other regions of the Volga Federal District in the dynamics for six years results in that there were identified five stable groups, including subjects-leaders with an average volume of trade turnover over 5 billion rubles (Republic of Bashkortostan, Nizhny Novgorod region, Samara region) and the subject-outsider with an average turnover less than 1 billion rubles (Penza region). More detailed results are presented in table 1.

Table 1
THE TRADE TURNOVER BETWEEN THE REPUBLIC OF TATARSTAN AND VOLGA FEDERAL DISTRICT REGIONS IN 2005-2010, RUBLES.⁶

Region	2005	2006	2007	2008	2009	2010	Mean
Republic of Bashkortostan	4632841.6	7858843	8497215	10119422	7216109	8543319	7811291.6
Nizhny Novgorod Region	3441870.8	4422955	4567513	5800760	7782583	9563773	5929909.1
Samara Region	3500370.3	4329731	6044962	7678581	4831134	7961117	5724316
Perm Territory	2720139.6	3216986	4168046	5344565	2408851	3038569	3482859.4
Ulyanovsk region	1281213.3	1850846	3962239	4192865	2535124	2868167	2781742.4
Chuvash Republic - Chuvashia	588,859.9	912,403.3	2302918	2832529	1915413	3400737	1992143.2
Saratov region	793474.2	1154046	2599070	3343641	1590312	1945400	1904323.9
Kirov region	972,903.8	995,811.7	1663247	2408099	1885116	3185396	1851762.1
Orenburg region	924,567.9	2066420	1849421	2836491	926,708.5	2075502	1779851.5
Udmurt republic	888,290.6	1010059	1693286	1736291	1307862	1940513	1429383.6
Mari El Republic	682,140.4	863,578.1	1474081	1592445	1227476	2239907	1346604.6
Republic of Mordovia	389,083.5	532,760.3	1244499	1556637	1263151	1119010	1017523.3

Penza region	54179.6	89969.2	271,831.6	277,419.1	299,249.5	508867.2	250252.7
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As it can be seen on Table 1, the main vectors of economic cooperation for Tatarstan are east, south and west directions. It should intensify trade relations with the Ulyanovsk region and the Perm territory. Further the purchase and sale of products for Republic of Tatarstan industrial purposes are separately analyzed in the same period.

Organizations situated in Samara region presented the biggest demand in monetary terms for the products produced in the Republic of Tatarstan (an average of slightly less than 4.5 billion rubles). Firms of Bashkortostan, Nizhny Novgorod region and Chuvash Republic are on the second place in terms of the consumer basket (an average of 2 to 4 billion rubles), Perm territory and Kirov region – on the third place (an average of 1-2 billion rubles.). Sales of products produced in Tatarstan in other regions of the Volga Federal District do not exceed an average of 1 billion rubles for study period of six years.

Table 2
THE ANNUAL GROWTH OF SALES OF PRODUCTS FROM THE REPUBLIC OF TATARSTAN TO THE VOLGA FEDERAL DISTRICT, IN %⁷

Region	2005	2006	2007	2008	2009	2010
Samara Region	100	126.12	141.41	133.08	63.64	161.35
Nizhny Novgorod Region	100	120.04	98.39	142.02	84.90	136.88
Republic of Bashkortostan	100	158.78	162.41	118.96	60.79	116.34
Chuvash Republic	100	182.44	329.67	113.53	62.33	187.25
Perm Territory	100	127.36	136.3	126.11	27.37	152.44
Kirov region	100	93.00	169.37	104.95	68.86	206.10

The annual sales growth of products from the Republic of Tatarstan in the Volga Federal District shown in Table 2 proves the positive dynamics of interregional relations of the republic with the given regions, and the failure of 2009, obviously, is a consequence of the global financial and economic crisis. At the same time, restoration of positive dynamics in the next 2010 shows the quality of those inter-regional relations.

In terms of sales on the territory of the Republic of Tatarstan, the leadership belongs to firms of the Republic of Bashkortostan (an average of slightly less than 5 billion rubles). The Nizhny Novgorod Region, the Perm Territory, and the Ulyanovsk region are in second place by the volume of sales basket in terms of money (average of 2 to 4 billion rubles), the Samara and Orenburg regions are the third (an average of 1-2 billion rubles). Sales of products on the territory of Tatarstan produced in other regions of the Volga Federal District do not exceed an average of 1 billion rubles for 2005-2010 years.

It should be noted that sales of products from the above-mentioned regions of the Volga Federal District on the territory of the Republic of Tatarstan hold the overall positive dynamics of annual sales growth. An exception is also the crisis of 2009 year. Special attention should be paid to the "explosive" growth of sales rate of products from the Ulyanovsk region in the

territory of Tatarstan. Obviously, this is related to the policy of regional authorities to create a favorable business climate the result of which was both actually increase in the number of enterprises and the "leakage" of entrepreneurs (booking of their companies in the Ulyanovsk region) from the neighboring Tatarstan for more favorable business conditions. So, Ulyanovsk region won first place, being far ahead more financially prosperous regions in the investment climate rating of thirty leading regions of the Russian Federation at year-end of 2011 drawn up by the Ministry of Economic Development of the Russian Federation according to the World Bank methodology (Doing Business).⁸ More detailed data on the dynamics of sales of products from a number of regions of the Volga Federal District to Tatarstan are presented in Table 3.

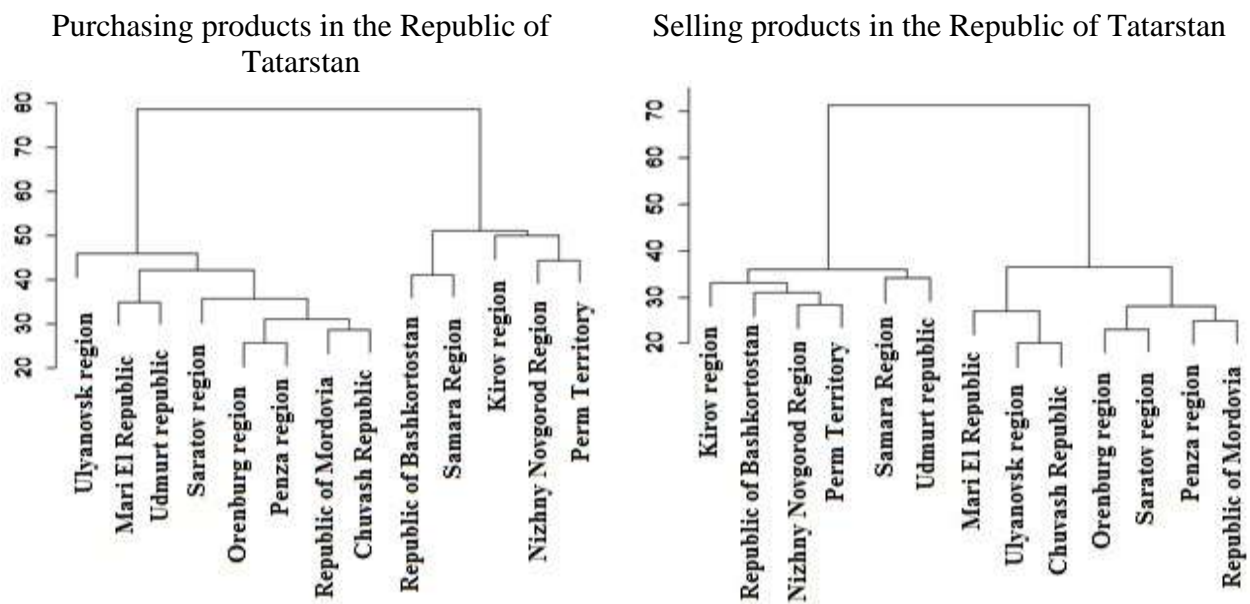
Table 3
ANNUAL GROWTH OF SALES OF PRODUCTS FROM THE REGIONS OF THE VOLGA FEDERAL DISTRICT TO THE REPUBLIC OF TATARSTAN, IN %⁹

Region	2005	2006	2007	2008	2009	2010
Republic of Bashkortostan	100.00	468.92	89.74	119.17	77.75	119.38
Nizhny Novgorod Region	100.00	119.18	108.18	113.24	190.76	115.73
Perm Territory	100.00	200.95	125.29	129.69	56.94	117.67
Ulyanovsk region	100.00	920.68	2069.9	1675.5	1089.8	1163.5
Samara Region	100.00	44.84	134.56	109.13	60.32	177.86
Orenburg region	100.00	283.23	114.96	179.62	32.22	235.90

The analysis of trade turnover between the Republic of Tatarstan and regions of the Volga Federal District resulted in identification of the Russian Federation regions that support sustainable trade relations with Tatarstan, and a composition of the consumer and purchase baskets of RF regions which are included in the Volga Federal District was determined with respect to the Republic of Tatarstan. In more detail, questions of openness and dependence of the economy of the Republic of Tatarstan were analyzed in another author's paper on the basis of foreign economic and interregional trade turnover of the republic¹⁰ Further, based on the Ward's method¹¹ (hierarchical cluster analysis) the clustering of regions of the Volga Federal District was conducted with regard to purchases and sales of different types of products for industrial purposes in Tatarstan, the results of which are shown in Figure 1 (vertical axis is an intercluster distance in the capacity of which increase in the sum of squared distances of the objects under study to the centers of clusters obtained as a result of their integration is taken).

Figure 1

CLUSTERING OF VOLGA FEDERAL DISTRICT REGIONS IN REGARD OF TRADE WITH THE REPUBLIC OF TATARSTAN²



The figure represented above clearly shows two groups of regions of the Volga Federal District, which baskets in terms of purchases and sales of major products for industrial purposes in the Republic of Tatarstan are similar. It is not possible to make a step by step description of regions integration into clusters within the paper because of the large number of products in the sample (more than 100 types of commodity products). To understand the results, for example, let's consider two similar regions indicated in Figure 1 on the left: Mari El Republic and the Republic of Udmurtia. The ratio of the annual volume of purchases of organizations located in the territory of these republics to the products produced in Tatarstan for the period from 2005 to 2010 was most similar. The following products have been identified among the most similar in terms of purchases by organizations of these republics in Tatarstan: diesel fuel, heating oil, ethyl alcohol, timber, lumber, and wall materials. By analogy, other regions of the Volga Federal District were merged in the context of trade in products with Tatarstan. These results allow us to determine the direction and the commodity content of interregional economic integration of the Republic of Tatarstan and the Volga Federal District being stable trading partners for a long period of time.

CONCLUSION

On the basis of the cluster analysis (using Ward's method) conducted for inter-regional trade between the Republic of Tatarstan and Volga Federal District regions in dynamics (2005-2010 years) groups of regions with similar consumer and sale baskets with regard to the Republic of Tatarstan are identified. It allows author to identify the main vectors and content of inter-regional economic integration of Tatarstan. The first vector of this integration is development of the inter-regional cluster in petrochemical industry with the Republic of Bashkortostan, the Samara and Nizhny Novgorod regions, the second is the inter-regional cluster

in automotive industry with the Nizhny Novgorod and Samara regions, the third is the inter-regional cluster in the field of aviation with the Ulyanovsk and Samara regions, and the Perm Territory.

ACKNOWLEDGEMENTS

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ENDNOTES

¹Argüelles M, Benavides C and Fernández, I.A new approach to the identification of regional clusters: Hierarchical clustering on principal components, *Applied Economics*, 46 (21), 2511-2519.

²Titze M, Brachert M, Kubis A The identification of regional industrial clusters using qualitative input-output analysis (QIOA), *Regional Studies*, 45(1), 89-102.

³Arapova EY Measuring integration potential of free trade area of the Asia-pacific, *Malaysian Journal of Economic Studies*, 52(2), 157-185.

⁴Kuznetsova NV (2015) Cluster analysis of Asian-pacific region countries, *Actual Problems of Economics*, Volume 168, Issue 6, Article number A074, 74-83.

⁵Markov VA, Bagautdinova NG, Yashin NS Improvement of instruments of the state cluster-based policy in the contexts of economic entities interrelation asymmetry, *World Applied Sciences Journal*, 27(13), 130-134.

⁶Compiled by the author based on the use of collected books of sales and purchases of basic products for industrial purposes by the Republic of Tatarstan for the period from 2005 to 2010.

⁷The report "Doing Business in Russia 2012": [electronic resource]-Access mode: <http://www.doingbusiness.org/russia>.

⁸Compiled by the author based on the use of collected books of sales and purchases of basic products for industrial purposes by the Republic of Tatarstan for the period from 2005 to 2010.

⁹Sadyrtidinov R., Rodnyansky D. Openness of The Regional Economy and Its Dependence on Interregional and Foreign Trade: Case of The Republic of Tatarstan, *Procedia Economics and Finance* (2015), 936-941.

¹⁰For more detail see Kaufman L, Rousseeuw P (1990) *Finding Groups in Data: An Introduction to Cluster Analysis*. – New York: Wiley.

¹¹Compiled by the author based on the use of collected books of sales and purchases of basic products for industrial purposes in the Republic of Tatarstan for the period from 2005 to 2010.

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INTEGRATION OF COMPREHENSIVE AND INNOVATIVE APPROACH IN TEACHING STUDENTS-SPORTSMEN

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ABSTRACT

This article deals with the author's vision of teaching students-athletes the discipline "Natural-science foundations of physical culture and sports: Physics" (hereinafter, physics) based on the integration of module, personal-activity, competence, historical, concentrated, problematic approaches. The modular approach involves division of educational material into thematic units (modules), and the result of their study is assessed according to the score-rating system of students' knowledge evaluation. Self-educational skills of work with information resources generated with the students during the study of computer science, allow them to independently develop other disciplines using distance education resources and technologies in a virtual educational environment of higher school of physical education. As a result, each student-athlete receives equal educational opportunities. Personal-activity approach defines student-athlete as a subject of activity. Each student-athlete realizes his individual educational trajectory, which includes a variety of activities: educational and cognitive, social and communicative, training and competitive. The principles of competence approach allow us to determine the meaning and content of education, sense of organization of educational process, assessment of the educational results of student-athletes. Using the historical approach is reflected in the structure of the presentation of the material being studied, where sufficient attention is paid to the evolution not only of the studied laws of physics, but also to sporting achievements. Problematic approach in our study allows us to pose the problematic tasks: to explain the sports phenomena from the point of view of the laws of physics. Integration of the above mentioned approaches have determined the structure of the material partition in the blocks: "historical block", "Block of knowledge actualization", "Theoretical block", etc. Such an unusual approach to the study of discipline will contribute to a better understanding of natural science picture of the world, the formation of the ability of students-athletes to use and transform the laws of natural sciences disciplines in the field of sports and physical culture.

Keywords: *complex training, modular approach, personal-activity approach, competence approach, concentrated approach.*

INTRODUCTION

In the practice of teaching activities methods of complex use of modern learning approaches are becoming increasingly popular. They combine modular, personal-activity,

problematic, competence, historical and concentrated approaches. Each of them deserves special attention and is of equal importance in the preparation of educational process.

METHODS

According to the *modular approach* learning information should be provided in blocks (modules), the result of the study of which is estimated by the rating system of assessment. Communication between the trainee and learning one happens through modules and private individual communication, while the student works independently as much as possible, learning self-organization and self-planning. Let us consider the interpretation of the main provisions of the modular approach to teach discipline "Physics" in FGBOU VO «Volga Region State Academy of Physical Culture, Sports and Tourism" (hereinafter Academy) to students-athletes.

All course material is divided into blocks (modules), while the partition is not only in the complexity of the studied material (initial, basic and advanced levels), but also in thematic blocks, "Problem setting", "Historical block", "Block of actualization of knowledge" "Theoretical block", "Self-control block", "Expansion and deepening of knowledge block", "Independent work block", "Literature". All learning material is distributed in two training modules and posted on the remote learning platform *Moodle*, which is one of the main tools of the virtual educational environment of higher school. Assessment of learning results takes place according to the "Regulations on the score-rating assessment of students' knowledge", introduced in the Academy. The scores obtained by students, are recorded in an electronic log 1C.

Students-athletes are forced, in connection with the preparation and participation in competitions, to be geographically separated from the teacher and the school most of the time. Therefore, self-organization, self-education plays an important role for them to be able to simultaneously carry out various activities: training and competitive, educational and cognitive, social and communicative, all of which is an individual educational trajectory of a student-athlete. This is facilitated by self-education skills to work with information resources generated by them during the study of discipline "Computer science", and later used by them in the study of other disciplines, such as physics. These skills allow at any convenient time student-athletes, anywhere to learn the discipline to give methodological assistance of the teacher, the technical support of IT staff, administrative management. Thus, thanks to the capabilities of Moodle environment and self abilities and skills to work with information resources formed by the students, it is possible to chat communication between all the actors of the educational process in high school physical education.

On the basis of *personal-activity approach* a person is treated as the subject of activity, which in itself, being formed in the activities and to communicate with others, determines the nature of the activity and communication. It is necessary to take into account the interests of students, each of them - personality, creative personality. Education - is an interaction, communication (problem) tasks solution .

Indeed, the identity of each student-athlete is unique, not similar to others, and we can only conditionally divide them into groups, depending on the form of their education, training intensity of competitive activity, psychological, physiological, age and other characteristics. So according to the intensity of the training-competitive activities athletes-students are taught either full-time or full-time with an individual plan of study or by correspondence. The virtual educational environment of higher school is focused on the development and self-development

of students-athletes, providing them with equal educational opportunities - access to quality education. Thus, each student-athlete is able to realize themselves in learning and cognitive activity according to their abilities, interests, aptitudes, training and competitive activity intensity and form of education.

The virtual learning environment allows you to simulate a variety of educational situations that require individual, personal approach and solution of problematic tasks contribute to the development of students' thinking, the formation of their ability to transform the laws of natural sciences in the field of physical culture and sports.

At the core of *problematic learning* are the ideas of the American psychologist, philosopher and educator John Dewey, who laid the learning foundation not the curriculum, but the games and work. Scheme of problematic learning involves a sequence of specific procedures: setting educational and problematic task, the creation of the problem situation, understanding and solution of the problem, which resulted in the learners master the generalized methods of acquiring new knowledge and in the future the ability to apply them to solve specific systems of problems.

Each topic is studied with formulation of the problem: a vivid example from the world of sports is taken, it creates a problem situation, which is proposed to be solved by the students on the basis of previous knowledge of school physics course or own sports experience. With some problematic challenges the students cope on their own, but most problematic situations require new theoretical knowledge, which they receive in the study of the "theoretical block."

According to research in the field of *competence approach*: competency is a requirement of the educational training of students, and competence is a mature personal quality (or a number of qualities) and minimal experience in relation to the activities in this area. Based on the experience of researchers in the field of this approach, as well as on our own observations, we denote its main provisions from the perspective of educational process in higher school of physical education, in general, and in the student-athlete's training of the discipline "Physics", in particular.

Educational process in higher school of physical training is aimed at the formation of the general and professional competences. The virtual educational environment of higher school allows you to create the following main *core competencies* of a student-athlete:

- *Educational and cognitive*: skills of planning, organization and implementation of teaching and learning process in accordance with the training-competitive activities;
- *Informational*: Self-educational skills to work with information resources;
- *Communicational*: skills of active communicative interaction with all subjects of the educational process in higher school physical education.

Based on the principles of competence-based approach:

- Sense of *education* is to develop in a athlete-student some abilities to make independent decisions in different areas of his activities (teaching and learning, training and competition, social and communicative) through the use of the previous social, including their own experience;
- Content of education is expressed in didactically adapted to the student-athlete social experience of solving learning and cognitive, ideological, social and other problems;
- Sense of *organization of educational process* is to create optimal conditions for teaching and cognitive, training and competition, social and communicative activities of student-athlete;

- *Evaluation of educational outcomes* is the level of training of the student-athlete, achieved at a certain stage of education, and others.

The use of the *historical approach* determines the method of studying the nature and content of natural and social objects where the focus is on the formation, development and dynamics of the objects under study.

This approach allows us to consider the studied laws of physics in terms of their evolution. Gremzel argued that the teaching of physics is most effective if it is in its main features in the path of historical development of science. But we cannot agree with K. Hahn, who argued that it is impossible to present to students the historical course of the question, if they do not know a modern look to it.

The use of this approach has identified the presence of the "historical block" material in the structure of the study which reflects not only the key dates associated with the discovery of that or this law, but also certain sporting achievements. There is a parallel in the study of the laws of physics and their transformation in the explanation of certain sporting events. At the same time the most striking examples from the world of sports are selected.

Concentrated approach involves the study of a big amount of educational information without increasing the training time due to the greater its systematization (summarizing, structuring). Concentrated training is directed to an in-depth study of subjects by combining the material (lessons) in thematic blocks. It is necessary to take into account the dynamics of the trainees' performance. According to FGOS VO for the students-athletes of direction 49.03.01 "Physical culture" 6 hours of lectures and 18 hours of practical training are allocated for the study of the subject "Physics". Such a small number of classroom hours does not always allow students to master their respective competencies, especially for those student-athletes who are often absent from classes in connection with training and competitions. Concentrated approach has allowed us to organize and summarize a large amount of information, breaking material to the respective blocks. Study of the subject is possible both full-time and distance. Thus, all students-athletes, regardless of the form of training, have access to training materials.

Integration of the approaches discussed above allows to achieve the unity and integrity of the learning process on basis of the relationship to individual specific elements.

RESULTS AND DISCUSSION

Let us consider on the example of one of the classes the use of the integration of the abovementioned approaches in teaching students-athletes "Physics" discipline.

After the title of the topic a brief quotation of an athlete is given that has a direct bearing on this phenomenon; or an excerpt from the folk wisdom, saying that reflect the meaning of the law of the studied physical phenomena, etc.

VIBRATIONAL MOTION. RESONANCE. POLE VAULT

"All connections between phenomena are established exclusively by all sorts of simple and complex resonances – coordinated vibrations of physical systems"
N. Tesla

Initial level of material study includes the following blocks: "Problem setting", "Historical block", "Actualizing block (remember)," "Theoretical block (theoretical minimum)."

The block "Problem setting" describes the phenomena observed in everyday life and in sport, the task is set to explain these phenomena in terms of the laws of physics. For example, in everyday life we often observe fluctuations: swaying branches, needles of a sewing machine, a guitar string, etc. Under certain conditions phenomenon of resonance happens: water splashing from buckets, the glass rattling in a window, etc. Hands and feet of human can, too, oscillate (running, walking, swimming, various gymnastic exercises, etc.), and therefore to the mechanics of their movement works on the same formula as the simple mechanical pendulums. The resonance phenomenon is widely used in sports because it helps improve athletic performance with optimum energy load of the athlete. It is proposed to define the condition under which an athlete manages to achieve better results with minimal energy consumption.

The "Historical block" shows historical stages of the study of vibrations: the key dates of discovery and their authors (G. Galileo, Huygens H. Thomson W., Popov A.S. Rabi I. P.N. Lebedev, L.I. Mandelstam, N.D. Papaleksi, N.M. Krylov, N.N. Bogolyubov, A.A. Andronov et al.).

"Block of actualization of knowledge (remember)" comes next in which students "recall" higher school physics. They need to insert the missing words in the definitions (oscillatory motions, harmonic vibrations, free and forced oscillations, self-oscillation, and others.) according to the drawing to determine the type of the pendulum (Physical, Mathematical), to determine the basic characteristics of the oscillations (time, frequency, amplitude).

The "Theoretical block (theoretical minimum)" gives the units of measurement of physical quantities (coordinates, angular displacement, angular velocity, angular acceleration, period, frequency, mass, force, energy) and the basic concepts: the resonance (resonance condition), the period of oscillations of a mathematical pendulum, Hooke's law.

Then the *Basic level* of the material study begins, which includes the following blocks: "Block of knowledge application" and "Self-control block."

In the "Block application of knowledge" it is suggested to draw a parallel between the physical phenomenon and a phenomenon in the sport: the oscillatory motion of a mathematical pendulum and athlete's waving hands with ski poles. It is proposed to answer the question whether the weight / length of sticks (arms length) influences on the frequency / period of the vibrational motions? We consider the resonance condition in which the skier manages to minimize energy costs. We show an example, where an athlete approaching the frequency of steps while walking or running (or strokes while swimming or rowing) to his own frequency of vibrations of the legs or arms (resonance), manages to minimize energy consumption. In the most cost-effective combination of frequency and length of steps or strokes man demonstrates a significant increase in performance.

Then we consider other examples of oscillatory movements in sports: trampoline, springboard jumping. Attention of students is drawn to the process of recovery of the deformed shape of the body (trampoline, springboard). When jumping on the trampoline (in the water) they use an elastic trampoline, which, when straightened, gives the body of an athlete some extra speed and it jumps higher. This process is explained with the help of Hooke's law and the law of conservation of energy.

After learning theoretical material there is "Self-control block", which contains the test questions on the studied material: basic definitions, formulas, units of measurement of physical

quantities. Successful passage of the control test will indicate the passage of the base level of the studied subject.

Now you can go to the next *Increased level* consisting of "Block of broadening and deepening", "Independent work Block"

In the "Block of broadening and deepening" the students get acquainted with additional information, solve qualitative and quantitative high-level tasks. So, it is suggested on the subject to review the biomechanics of pole vault, which is based on the mechanical system of two pendulums: which vary in length and mutually influence each other: the first pole and the pendulum form a jumper; the second pendulum is formed by rotation of jumper body around pole capture places, shoulder girdle. Attention is drawn to the fact that angular movement of the pole to some extent depends upon on the length of both the first and second pendulums. It is concluded that to improve the jump with vault result it is required to shorten the chord of the pole; the greatest distance of the common center of gravity of the jumper at the moment of rotation around the pole grasp place; shortening of the radius of gyration around the pole grasp places. As an addition it is proposed to solve the quantitative problem on resonance condition.

Next is the "*Block of independent work*", which consists of two parts. The first part includes *questions and tasks for independent work*, and the second part - *Tasks for generalization and systematization* of various examples of the studied laws in the world of sports. For example, students are requested to complete the table in which it is necessary to give examples of manifestations of resonance in various sports, designate for each sport the resonance condition and how it affects athletic performance. In the following table students systematize the knowledge of the application of Hooke's law in sports.

The final block of "*Literature*" offers students a list of basic and additional literature for independent reading and expanding their outlook.

CONCLUSIONS

The examined by us non-standard form of studying the material contributes to a better understanding of natural science picture of the world, the formation of the ability to apply and transform the laws of natural sciences in the field of sports and physical culture of the students-athletes. Students-athletes, studying the laws of physics on specific sports examples, independently set themselves challenges and solve them; they deepen and broaden their horizons, systematize the acquired knowledge.

SUMMARY

The layered structuredness of material study (initial, basic and advanced) not only makes it easier to assess the degree of assimilation of discipline by the teacher, but it also helps students determine for themselves the results and prospects of their training. The integration of these approaches can be used for teaching student-athletes not only the direction "Physical Education" but also "Adaptive Physical Culture", the various forms of education; both in the classroom and remotely, through home study of course "Physics".

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SOCIAL AND ECONOMIC CONTENT OF PROPERTY IN MOVABLE THINGS

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ABSTRACT

Introducing an idea about content of the individual property, society and its authorities restrict in their laws or regulate the activity related to ownership, use or disposition, as well as determine the "individual property institute". By regulating the ownership, the authorities administer the conditions of the property occurrence, recognition, protection and preservation of the things and rights thereto. By regulating the use, the authorities administer the conditions of satisfying the owner's needs without prejudice to any rights and freedoms of other citizens. By regulating the disposition, the authorities administer the conditions of transfer of rights to a thing to other persons, conditions of the relationship between the owner and other persons, and legal succession.

The content of property should be presented using a simulation method. In this case, the content of property will be characterized not from the standpoint of the property administration process, but from the standpoint of the economic result of the property administration.

This work introduces a set of model concepts of the sole person's power over a movable designed to anticipate and to achieve the future desired results of this power in order to satisfy the owner's needs, as well as to make the market valuation of such power-holding possibilities (profitability of property).

Keywords : *property, economic criterion, benefit and burden of property, profitability.*

INTRODUCTION

Purpose of work - development of a set of model concepts intended to predict and to perform economic assessment of future results of assignment and administration of the sole property right to a thing, which are confirmed by the experience.

Theory means a set of model concepts, which allows to make scientific prediction of future results of the use of knowledge and such scientific prediction is confirmed by experience. In the political theories the prediction is first carried out at a qualitative level ("at the goal level") and only then at a semiquantitative ("more, less, range of values") and quantitative level within the adequacy of the models to the experience.

By its function, nature and results of the application the proposed theory is contrary to the Ronald Coase economic theory of property right. Variety of subjective interpretations of the term "property" is not discussed in reference books, textbooks and articles. Analysis of these judgments is presented in work.

METHODS

Scientifically and methodologically the study was based on the laws and other regulations, economic theory works of domestic and foreign scientists, as well as economics and institutional economics works.

Works of various authors are devoted to the study of property issues. The economic theory believes that the property is not a monopolistic activity, but industrial or social and economic relations over a thing. However, the authors first consider the property to be a monopolistic activity and then the relations among people arising out of the marketing of a thing. It occurs as a result of relations, but it is not the relations. Just like a job, it can be characterized by a result of activity, its volume, quality, timing, price of result, etc.

Different methods were used during studying the work: logical analysis, systematic approach, method of expert evaluations, retrospective analysis and other.

RESULTS

The concept of property includes all activities that a person can and is able to carry out while ruling over a thing and trying to satisfy his/her needs through such thing. A thing can be different, and it can have different features. A person can have various imagination and creativity when exercising his/her power. In the current circumstances it is difficult or impossible to strictly define all types of power, which an owner can exercise with his/her thing, as well as its features and results.

For the purposes of state regulation of the owner's actions, it is necessary to characterize a property: to this end, a concept about the content of property is introduced.

Different types of property are characterized by different content. There are various attempts and proposals of different persons concerning characteristics of the content of property. Thus, the "bundle of property right" concepts are popular among economists. This work uses model approach of the property content concept.

The result of the property administration (planned and/or actual) can be characterized by a price, which enables to introduce the economic and social and economic content of property.

This is not only the full property that can be characterized by a price but also an easement or property right (right of lease, use, economic management, etc.).

Thus, the planned property administration result can be described through the value:

$$P_p = P_{ben} + P_{bur}, \quad (1)$$

where P_{ben} and P_{bur} means the price of the planned property's benefit and burden, respectively.

In this case it is useful to use the concept of the "planned property's profitability» R , i.e. planned feasibility:

$$R = P_{ben}/P_{bur} \quad (2)$$

According to the plan, a property is profitable, if $R > 1.0$.

Values of the planned profitability of citizens and other participants of the market economy; planned and actual property's benefit and burden values relationship; values of these indicators for different economic sectors and various social groups of citizens, etc. should be subject to the state regulation.

DISCUSSION

According to its purpose, a complex of concepts is introduced sequentially and gradually ("step by step").

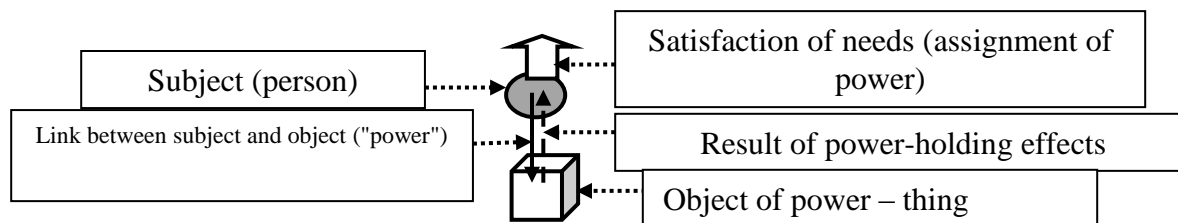
Step 1. Basic concepts about the "models", modeling and scientific prediction.

Model means a simplified image of a system, company or process, which is, in its basic properties, adequate to the experience. With the development of model concepts, a growing number of its properties appears to be appropriate to the experience, and the prediction more varied and accurate. Every model includes structural and functional elements and links between them. The properties of these elements and links characterize the microscopic and macroscopic model's properties. Prediction based on such modeling is considered correct if it is confirmed by the experience.

Step 2. Modeling of the initial concepts about nature of property.

Driven by the experience, that the system, in which the property is administered, includes a "subject", "object", "link between them", and that its creation is subject to the subject's desire to satisfy his/her needs due to the domination over an object. Given these circumstances and the purpose of the work, a model shown in Figure 1 will be designed.

Figure 1
MODEL OF SYSTEM, IN WHICH THE PROPERTY IS ADMINISTERED



The future desired result of any power-holding activity, which according to the subject's plan should lead to the satisfaction of his needs, is considered to be the aim of power. The assignment is deemed to be the desired human body's reaction on the use of the result of power.

The power may be full or limited, termless or term, exclusive (monopolistic) or joint with someone. If the power object is a movable thing, power over it can spread to the whole thing as a single and indivisible object, including its surface and content. In view of these circumstances and features of the model, initial property concept of a movable thing should be introduced.

The property (of a thing) is a complete, termless and monopolistic power of a person (owner) over a thing, which is established and administered to satisfy the owner's needs in real time or in the future through such thing.

Power means the subject's domination over any object or another subject, which leads to the opportunity to satisfy owner's needs through the power object in real time or in the future. Property is a kind of power in relation to an object (thing) and specificity of its features.

Step 3. Initial model concepts about a "property right".

The property may be administered in accordance with the state law or contrary to it. Taking this into account, the concept of property right should be introduced.

Property right of a thing ("legal property") means a legitimate opportunity of appropriation, exercise, assignment or termination of property in such thing.

Step 4. General concept about property right content.

There are different opinions about a property right content. Model concept about the content of the specified law should be introduced using a model concept about the property.

Property right content means a single set of legal owner's power-holding measures and actions unified through cause and effect relationships, which allows to reveal the connection between appropriation of a thing (and property right to it) satisfaction of owner's needs through the power over such thing, and to characterize (and evaluate) such satisfaction.

Step 5. Initial concepts about content of the sole property in movable thing and detailing the tasks of the work.

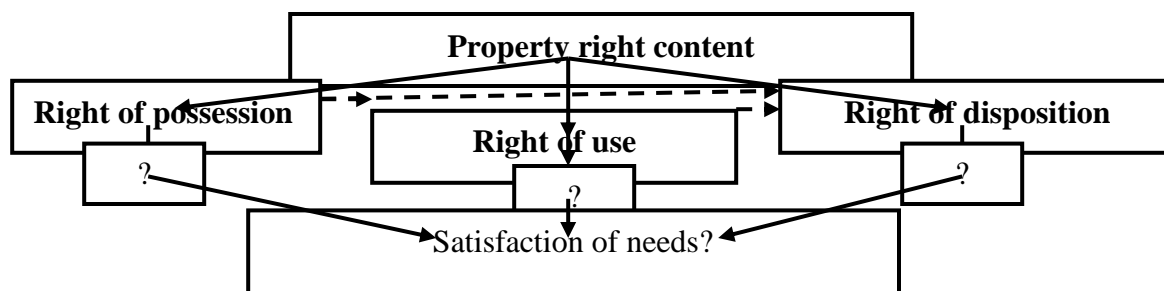
Any conscious power represents a complex of measures and actions, which is necessary and sufficient for an owner to achieve the ultimate (strategic) goal and satisfy his/her needs through an object and power over it. Therefore, when introducing certain model concepts about the property right content, it is necessary to show the full range of such measures and actions necessary for predicting and evaluating future results of the appropriation and administration of the property confirmed by experience.

Such a complex (and property right content) starts with types of activity that are conditionally named:

- assignment and possession of a thing, including guard, repair and protection of a thing and power over it for possible satisfaction of any needs in the future (owner's function - right of possession to a thing);
- use of a thing for possible satisfaction of any needs in real time (right of use to a thing), including use of a thing as food, clothing, etc.;
- disposition of a thing for possible satisfaction of other persons' needs (right of disposition), including sale, etc.

Three specified generalized types of the owner's functions vary by their purpose. In order to turn an "opportunity" into a reality and to satisfy the owner's needs, it is necessary to implement a complex of other measures and actions, which provides a link of the above functions to the final result of exercising the power. This fact is shown in the model in Figure 2.

Figure 2
MODEL OF PROPERTY RIGHT CONTENT IN THE INITIAL PART NEEDED TO BE DISCLOSED



The figure specifies the names of types of owner's power-holding activity in the initial stage of decoding of its content. Further development of the concepts about the property right content subordinated to satisfying the owner's needs remains undetermined (indicated in the figure with question marks). The task of this work is to eliminate this uncertainty.

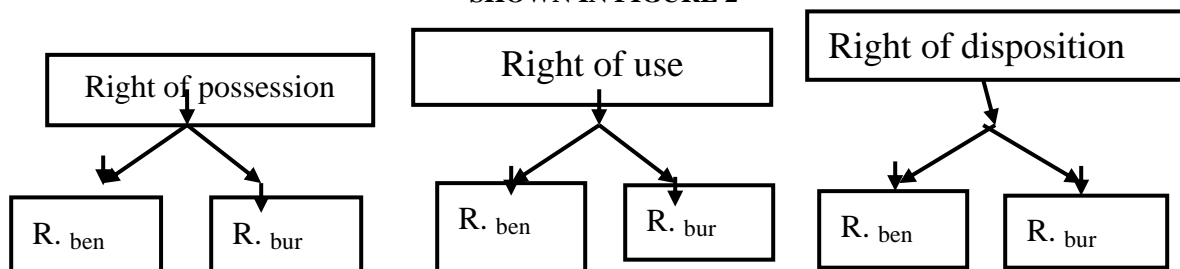
Step 6. Introduction of qualitative (target) characteristics of future result of the appropriation and administration of property in a thing.

For further development of any concepts about property right content, a generalized concept of satisfaction and dissatisfaction of needs should be introduced. Satisfaction of any owner's natural and legal needs will be conditionally called using the known term - the property benefit. Any obstacles in acquisition of benefit, any damage caused to an owner or any harm done to him/her arising as a result of administration of property, will be conditionally called the property burden.

Given the purpose and focus of the property, a concept will be introduced: about owner's right to satisfaction of his/her needs through power over a thing (right to benefit); about owner's right to self-determination of his/her measures and actions, which results may, in his/her opinion, lead to the property benefit and minimization or elimination of the property burden (right to choice of power target).

According to these model concepts, result of any activity, which is part of any sample of the rights set forth in Figure 2, will be divided into two subtypes: result that can lead to any benefit (R._{ben}) and result that can lead to any burden (R._{bur}). For example, during their storage the foodstuffs can retain their quality or spoil.

Figure 3
SECOND LEVEL OF DEVELOPMENT OF PROPERTY CONTENT CONCEPTS FOR THE MODEL SHOWN IN FIGURE 2

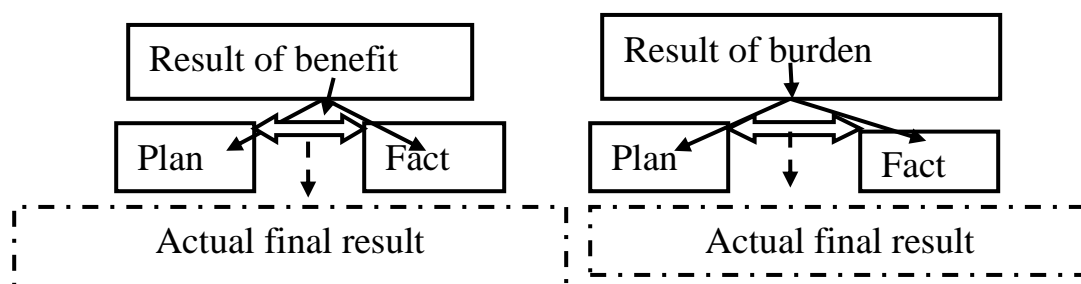


Arrows in Figure 3 characterize the presence and direction of the cause and effect relationships.

Step 7. Economic owner's right to plan future results of implementation of his/her power over a thing and corresponding level of his/her property right.

Each owner is believed to have the right to plan his/her actions and actions at tending to the property benefit and at minimizing the risk, types and characteristics of the property burden.

Figure 4
FRAGMENT OF PROPERTY RIGHT CONTENT MODEL RELATED TO A THING



In the figure the process of coincidence of the fact and plan is conditionally hidden behind a bi-directional hollow arrow connecting "Plan" and "Fact". To what extent an owner will

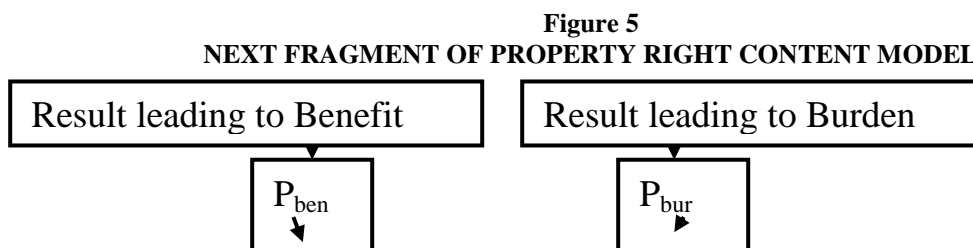
be able to eliminate the "risk and fear burden" and to achieve the desired real result - the owner's experience will determine, but the presence of his/her right to self-satisfaction of needs through the property has been taken into account in the model.

Step 8. Transition from qualitative to quantitative assessment of results of property administration.

When planning any results of appropriation, administration, assignment and termination of property, it is required to move from the poorly defined qualitative orientation (to the benefit and burden minimization) to the quantitative or semi-quantitative assessment of the desired and actual results of power in the market conditions.

Let us assume that in planning his/her power-holding measures and actions as part of "ownership", "use" and "disposition" of a thing, an owner is entitled to use the market conditions for planning the results of appropriation, administration, assignment and termination of power over a thing taking in account their price equivalent.

Let us assume for simplicity that each right holder assesses the possible benefits and burdens from the standpoint of his/her planning and his/her experience. It should be emphasized that the owner's activity result is assessed, which, in owner's opinion, can and should lead to the benefit rather than the benefit characteristics is assessed. Then the next level of "decoding" the property right content can be represented as depicted in Figure 5.



The following designations are used in the figure: P_{ben} means market price of the property law, which allows to receive the benefit (Ben.); P_{bur} means market valuation of the property law encumbrances (Bur.).

Step 9. Total ("balance") economic assessment of the property right appropriation and implementation.

Using the concept about price characteristics of power results, some of which lead to benefit and other - to burden, relative characteristics of "feasibility" ("profitability", R) of property appropriation, administration or termination should be introduced: $R = \sum P_{ben} / \sum P_{bur}$, where $\sum P_{ben}$ means the total price of all conceivable (planned) owner's activity results on all types of property law related a thing, which are a part of the content and which, in his/her opinion, lead to his/her desired benefit; $\sum P_{bur}$ means the aggregate price of all types of burden, including the tax one, in the exercise by the owner of the same functions (types of activity).

If, for example, $R > 1.0$, the property right will be (conventionally) considered "profitable", if $R < 1.0$, the property right will be considered unprofitable (impractical and burdensome).

It is believed that the higher the ratio $R_0 = (\sum P_{ben} - \sum P_{bur}) / \sum U_{op}$ is; the more profitable will be the property appropriation and administration of a certain thing for the owner.

If, for example, the value $\sum P_{bur}$ of essential movable goods for the citizens exceeds their average per capita income, the property in such goods for such citizens will be "economically

prohibited." The proposed approach makes it possible to introduce and characterize the "availability barrier of property right" to movable things and to use this concept as part of the state legislative regulation of "property relations" (and "right to life").

CONCLUSIONS

A set of model concepts intended to predict and to perform economic assessment of future results of assignment and implementation of the sole property right to a thing, which are confirmed by the experience, has been developed in the study.

Applicability of the developed theory consists in the individual's sole power over a movable thing (field of property law). Characteristics of the results of such power are limited to the "economic criteria" and "scope of consumption." Other criteria are not taken into account. The concepts of common property and its organizational and administrative, and legal specifics, as well as the conditions of the term spread to other power objects are not considered.

SUMMARY

For different social classes of citizens some property objects may not be available due to the fact that the property in relevant goods would be "unprofitable" for them. The greater number of goods is unavailable for any social class of citizens, the more impoverished ("ostracized") would be the people belonging to such social class.

These types of state regulation describe social and economic content of the sole property at the level of the national legislation.

Thus, the complex of model concepts is suggested; it allows to introduce a feasibility concept for assignment and implementation of the property right to movable things. It is believed to be successfully used in the contractual relations and in the analysis and design of state laws.

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FACTORS AND CONDITIONS FOR DEVELOPMENT OF DOMESTIC TOURISM

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ABSTRACT

The world practice shows that one of the basic mechanisms of expanding the resource base and mobilizing unused reserves for economic development, improvement of the management efficiency of state and municipal property is a public-private partnership. This paper deals with the practical experience of effective organizational, economic and legal instrument in the Republic of Tatarstan. We have analyzed in details the regional peculiarities of using PPPs in key sectors of the economy, and also in the infrastructure sectors. From an economic standpoint, the PPP is seen as a way to enhance the socio-economic efficiency of the municipal authorities and the business community in the region, as well as their investment attractiveness and competitiveness. Tourism in the Russian Federation refers to one of the priority sectors of the economy. Prospects for domestic tourism are less distant than those for inbound tourism to non-central areas, which are the centers of business and industrial infrastructure of the country. For this reason, one of the main potential sources for replenishment of budget of small, mono-industry towns and cities without an extensive social infrastructure can be revenues from domestic tourism. This raises a relevant question of the source of financing the development of domestic tourism in the cities with deficit in budget. Therefore, the role of the state in the regulation of this sphere of activity is indispensable.

Keywords: *Tourism, state, business, partnership, society, efficiencies, budget*

INTRODUCTION

Formation of institutional economy and efficient control mechanisms for the development of the regional economy should be based on the analysis and the most appropriate ways of addressing the problems of specific areas.

Local budgets are one of the fundamental bases of the country's budget system. A sufficient financial basis for the formation of a full budget that could adequately implement all the social guarantees of citizens, is the aim of the activity of local authorities. Not all regions of the Russian Federation and, consequently, the cities have the same socio-economic conditions and, more importantly, initial conditions for their creation and development. Such conditions are the geographical location, exploration degree of natural resources, climate, population density, its age structure, the existing production capacity, etc. The above conditions determine the possibilities for the development of the territory. Lack of the above conditions makes it impossible to create a developed financial base that forms a local budget. This situation is quite common to mono-industry towns.

Underdevelopment of the urban industry has led mono-industry towns to the understanding of the need for an integrated development of the territory. The dependence of the

financial base of the city from the activities of one large industrial facility can result in serious socio-economic problems. As a result, such cities obtain deficit in budget.

MATERIALS AND METHODS

Research methods used in this paper are the analysis and synthesis of the literature, survey, observation method, analogies and comparisons.

The main results are presented in the paper in the form of public-private partnership development mechanism through attraction of investments for economic development. Real difficulties of PPP development have been listed.

The main conclusion and the overall situation of the possible results of practical application lie in potential areas of development of domestic tourism. Practical interest is presented in terms of budget revenue replenishment.

RESULTS

Budget Code of the Russian Federation determines the maximum amount of the local budget deficit equal to 10% of the approved annual revenues (Article 92).

In such cases, one of the potential sources of replenishment of revenues can be a tourist activity.

In the international competitiveness ranking of countries in the tourism sector, published by the World Economic Forum in March 2009, Russia ranked only 59th among 133 countries, while the natural resources of our country ranked 5th, and cultural heritage - 9th.

In addition, domestic tourism is one of the ways of improving the national health by creating conditions for a healthy lifestyle.

The mechanism of the multiplying effect of the development of domestic tourism is transparent enough: it provides new jobs, increases employment, improves well-being of the population, promotes the addressing of social and economic problems (income, housing, etc.). It also involves the related areas of activity, such as collective places of accommodation, transport, communications, trade, production of souvenirs and other products, catering, agriculture, construction, etc.

As practice shows, the most practice-oriented models of PPP at the regional level in the hospitality industry are those in the form of tourist zones with priority areas of tourism development. The Republic of Tatarstan is divided into 6 tourist zones: Kazan tourist and recreational zone, Tetyushi-Bolgary tourist and recreational zone, Yelabuga tourist and recreational zone, Bilyarsk tourist and recreational zone, Kama tourist and recreation zone, and Southeastern tourist and recreational zone. According to the original objectives of their establishment, they should be a catalyst for the development of such types of tourism as cultural, educational, pilgrimage, mountain and winter tourism, and urban tourism.

SUMMARY

City of Naberezhnye Chelny of the Republic of Tatarstan has tourist and recreational potential. Its territory locates natural and recreational resources (health centers, National Park "Nizhniaia Kama"), the objects of the national cultural and historical heritage, and is a place for important social events.

It seems appropriate to develop the following types of domestic tourism in the city of Naberezhnye Chelny and the surrounding area:

- cultural and educational trips (for example, archaeological sites of ancient settlements of Bulgars, national holidays, local cuisine); subject to the statistical data, this type of tourism accounts for about 20% of the domestic tourist flow;
- business tourism (business, congress-tourism, etc.) is of particular interest for our city due to the development of international cooperation at the production sites of OJSC "KAMAZ";
- active tourism – skiing (mostly in Yelabuga district), trekking, water tourism (the river Kama), equestrian tourism (horse racing became a constant attribute of the national holiday Sabantuy), cycling, adventure tourism, etc.;
- recreational tourism is traditionally in high demand in Russia and is the most significant for the preservation of health, improvement of the quality of life of citizens; unique motels, hospitals, health resorts are located in the suburban area;
- ecotourism is relevant in any place, because each region has its unique flora and fauna. Currently, the share of this type of tourism in the overall structure of the Russian tourist market is negligible (less than 1%);
- river cruises; more than 100 ships with a capacity of 150 - 300 people cruise in the water area of the country. Cruise tourism has always been in demand, but its development is currently limited by the depreciation of vessels and infrastructure of berthing facilities, as well as the presence of sites in the inland waterways difficult for cruise ships to pass through;
- rural tourism is a relatively new and promising direction that allows the urban population to join the traditional way of life of the rural population (a wide territory of Tukaevsky district). The essence of this type of tourism is to have rest in the countryside, where all the organizational accommodation of tourists (including catering, recreation, services, etc.) is provided by a host family. Rural tourism provides recreation opportunities for those who, for whatever reason, cannot afford other types of tourism. Its attractive features are the clean air, home-like atmosphere, virgin nature, organic food, quiet, and a laid-back life-style;
- industrial tourism is a relatively new form of tourism. It focuses on industrial projects aimed not only at the production of consumer goods (OJSC "KAMAZ", CJSC "KBK", JSC "Chelny-Khleb", JSC "Bulgarpivo", etc.), but also at the provision of vital services (HPP, TPP, CJSC "Chelnyvodokanal", etc.);
- caravanning is a perspective type of tourism, since the Russians' fleet increases by more than 2 million cars a year, and its development requires the formation of the roadside infrastructure that considerably lags in development.

Prospects for domestic tourism are accompanied by a number of barriers blocking its active development:

- poorly developed supporting infrastructure of tourist facilities (cultural, recreational, leisure facilities, etc.), which is an obstacle to attracting private investment into the tourism sector;
- poorly developed tourist infrastructure (hotels, the poor state of many tourist sites of interest, the lack of high-quality road infrastructure);
- the lack of available credit to potential investors;
- the lack of professional staff;
- insufficient promotion of the tourism product in the domestic tourism market.

Domestic tourism has significant opportunities and prospects for development, but requires initial investment, like any investment project, to turn it into a source of income for the local budget. In this case, there are two ways of finding financial sources: the first is the state variant, and the second - private. The first method is obviously limited because of the scarcity of most local budgets and lack of funding for social needs of citizens. The second method has a significant reserve, however, there is a need for a mechanism of risk minimization and insurance

against loss of investment by private investors. Such a mechanism, to some extent, is a public-private partnership.

One of the first studies of the role of public-private partnerships (PPP) in tourism was conducted by the World Tourism Organization (UNWTO) in 2000. 98% of the surveyed public and private entities from 90 countries noted the role of PPP as a "highly important" and "important" in an increasing competitiveness.

Today, many of the leading global economies place the tourism industry on a key, budget-making position. In China, for example, the share of tourism in the gross domestic product, excluding the related industries, is equivalent to 167 billion dollars. In the US, tourism industry annually makes \$400 billion, in small France - \$97 billion. According to estimates of various expert organizations, the global tourists flow in the past year reached 935 million people. In simple terms, every seventh inhabitant of our planet is a tourist. And this is just the beginning; according to the same forecast, the tourist traffic will double by 2020.

UNWTO notes the following leading trends in the establishment of the PPP:

- financial support for airlines, aimed at increasing their occupancy;
- organization of joint programs for promotion of tourist destinations;
- formation of discount programs for various types of tourist services;
- reduced fees for the participants of international tourist exhibitions;
- establishment of joint teams for collection and analysis of information on the state of the tourist market;
- improvement of the efficiency of tourist attraction management.

Analysis of the current state of the tourism industry of the Republic of Tatarstan shows that it has been developing quite rapidly in recent years, although not consistently. The Republic of Tatarstan has a tourist-recreational potential, which is determined by:

- cultural and historical heritage;
- natural-resource potential;
- ethnographic composition;
- available metropolis – Kazan.

Tatarstan ranks 8th in the rating of the Russian regions in the number of yearly registered overnight stays. As for the metropolis of Kazan, it accounts for almost 50% of overnight stays in the Republic of Tatarstan .

Currently, there are 5 major obstacles to the development of tourism in the Republic of Tatarstan. First, the low tourist appeal of Kazan among the population of Russia, as well as abroad. Second, the low number of developed tourist sights outside the city of Kazan. Third, the lack of a clear and strong tourism brand. Fourth, we should also note that there are long distances between the various tourist sites of the Republic of Tatarstan. And finally, fifth, the low budget for the development of tourism in the respective ministry.

All this requires to search for new mechanisms and tools to increase the efficiency of use of the tourist potential of the region. An appropriate mechanism is a public-private partnership. The Concept of the federal target program "Development of domestic tourism in the Russian Federation (2011-2018)" provides for effective interaction of government, science, business and public entities for the development and implementation of large-scale tourism projects aimed at the development of tourist attractiveness of the regions. As well as an increase in domestic tourism flows, the formation of high-quality tourism product corresponding to world standards.

Analysis of foreign experience allows identifying four main models of organization of public-private partnerships in tourism:

1. Cooperation: it assumes equal share in the profits, management (50/50) and joint and several liabilities for risk events and decision making (for example, "Destination Management Company", Austria);
2. Management: involvement of business structures by the state as the professional management companies (for example, the transfer of palaces, museums and other tourist objects in trust in Austria);
3. Association: a non-profit union established by its participants to address the specific objectives (e.g. the formation of a new promotion policy for Barcelona "From One Barcelona To Many Barcelonas" on the basis of municipal Tourism Committee "Turismo de Barcelona");
4. Concession: the transfer of state property to commercial structures under the concession contract for temporary use (for example, the transfer of the funicular and national parks to private structures in Slovenia).

CONCLUSION

The original goals of the tourist zoning for the Republic of Tatarstan include the development of priority types of tourism and enhancement of positive impact of the industry on the regional economy. In addition, the PPP mechanism can be more effectively applied in a particular tourist area due to focusing on the development of specific tourist offer.

Successful implementation of public-private partnership is largely stipulated by the interest of the main participants of this potential union. From the perspective of the private investor, the motivational stimuli can be:

- the presence of a stable and efficient source of funding for the key activity, such as the state;
- reduced time of "bureaucratic procedures" in dealing with the management and organizational issues;
- guarantees for compensation of financial risks;
- improvement of company's image as a subject of market economy that cooperates with the state ;
- provision of benefits for rents, taxes, crediting;
- the possibility for monopole operation in a certain sphere;
- provision of an exclusive access to the limited resources (natural resources, government support, etc.).

Business structures initially target at cost-effective operation, so their management system is focused on choosing the best alternative. The representatives of the state and municipal authorities do not have an individual interest in the efficient management of the territory and the state-owned assets entrusted to them. There is a need for fundamental changes in the motivation system for civil servants, otherwise, the implementation of the idea of public-private partnerships in the context of the Russian mentality will be fraught with serious difficulties. The outcome of the activities of public servants is the quality of meeting the social needs of citizens. One of the qualitative indicators of operation of the state and local government is the living standards of the population. An indicator of the quality of life of citizens is the state of local budgets. Expenditures of local budgets are one of the direct evidence of the funding level of social needs.

One of the key elements of the operating mechanism of state-private partnership in Russia should be the development of the legal framework, which ensures a clear correlation between productivity of local authorities (the effectiveness of their management activities) and their salaries, career opportunities, and the service and official privileges.

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ROLE OF INTERREGIONAL COOPERATIVE RELATIONS OF RUSSIAN CONSTITUENT ENTITIES IN STRENGTHENING THE COMMON ECONOMIC SPACE

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ABSTRACT

The article considers the role and place of interregional cooperative relations in strengthening the common economic space of the country. The authors give a structural and territorial analysis of the interregional trade and economic relations of one of the most economically developed constituent entities of the Russian Federation - Republic of Tatarstan. Based on this analysis, the trends were identified relating to the change in the interregional cooperative relations and regional specialization industry of Tatarstan; a conclusion is also formulated about formation of three types of interregional cooperation.

As a result of the study, the authors conclude that for the modern Russia a threat to collapse of the common economic space of the state remains a very serious problem that requires an immediate solution. According to the authors, a tool to solve this problem is to develop cooperation between the country's regions, preventing the isolation of the constituent entities and promoting the strengthening of the domestic market and formation of the common economic space. Furthermore, for the effective development of interregional cooperative relations such cooperation should be built up through specialization of any constituent entity of the Russian Federation. However, in conditions of economic instability and implementation of the import substitution policy, this form of bilateral cooperation is more promising compared to the foreign economic relations. This is due to the fact that the Republic cooperates with other constituent entities through high-tech products of the automotive, petrochemical and metal processing industries. And its foreign economic relations have a raw-material orientation, because Tatarstan finished (final) products are insufficiently competitive in the foreign markets.

In order to analyze the stated problems, the article used the method of scientific abstraction, statistical methods for economic and comparative analysis, and graphic modeling.

Keywords: *Russia, constituent entities of the Russian Federation, common economic space, cooperative relations, interregional economic and trade cooperation, Republic of Tatarstan.*

INTRODUCTION

Currently, many large countries face one of their topical issues connected with formation and strengthening of the common economic space of the country that ensures its territorial

integrity. Looking at the history, many examples are known when common economic space of the countries split into component parts, or there are attempts to separate from countries a part of their territory. So, the Soviet Union collapse, foreign attempts to separate Chechnya from Russia, separation of South Ossetia and Abkhazia from Georgia, situation in the modern Ukraine and many other examples related to the territorial integrity of states indicate that this process is continuing. Therefore, studying the problem of territorial changes and detecting tools to prevent fragmentation of any common economic space of a state are very important in today's world.

In the scientific literature the works are underrepresented that consider development of interregional cooperation an essential condition to ensure the common economic space of such large countries as the Russian Federation, preventing isolation of their individual constituent entities. The described topic is relevant, and the conclusions set out in the article can be taken into account by government authorities, public and political organizations in their process of decision making.

Study of the successful experience put into action at the level of individual Russian regions is of strategic importance throughout the state. The sectoral structure of the Republic of Tatarstan economy is similar to the Russian as a whole, and the Republic of Tatarstan can be represented as a micromodel of the Russian economy and interregional cooperation. In this context, the reached conclusions can be extended to other constituent entities of the Russian Federation.

MATERIALS AND METHODS

In modern economic literature the works are presented, which consider the role and place of the interregional trade and economic relations of the constituent entities of the Russian Federation. A.G. Granberg, A.I. Tatarkin, A.G. Aganbegyan, N.N. Nekrasov, V.V. Khomenko, D.S. Lvov, V.I. Suslov and others made a significant contribution to development of the interregional economic cooperation concept as a factor influencing the region's competitiveness and sustainable socio-economic development of the state. The works of such Russian scientists as V.I. Yakunin, A.G. Granberg, V.E. Bagdasaryan, S.S. Sulakshin, E.V. Lukin and others are devoted to the problems of regional disintegration as a threat to the Russian statehood and the negative consequences of the interregional social and economic differentiation for the integrity of the economic space. New forms of territorial organization of production based on industrial and regional clusters were developed by the following researchers: A.Anderson, B.Askhaym, Dzh.Danning, A.Izaksen et al. In modern scientific literature a focus area can be highlighted that is associated with assessment of the transport infrastructure's place and role in the interregional integration of the Russian Federation regions. According to the authors, implementation of the model, when trade flows correspond to each administrative border between neighbouring regions, becomes the country's optimal integration program. And to assess a degree of the region's industrial and trade integration, a system of indicators is used. There is a high level of trade flow concentration by region-senders and region-recipients of conventional transportation. From 40% to 50% of all received and sent cargoes accounts for only 10 regions. The findings also indicate that the integration of the Russian regions, as well as the foreign trade integration, is mainly based on the energy resources.

The Republic of Tatarstan having pronounced specialization sectors makes heavy use of its economic potential for strengthening the interregional cooperative relations. Inflow of investments into the specialization sectors can serve as an indicator. In order to assess the

investment effectiveness, an investment return indicator for these Tatarstan industries is used. Calculation of the indicator is based on the use of information on cash flows (investments) in the fixed capital by economic activity, as well as the one on shipped goods of own production and own work and services in the Republic of Tatarstan for the period from 2000 to 2014 . The investment return indicator is determined by dividing the total goods shipped by enterprises of machine-building, chemical and petrochemical industries by the fixed capital investment amount of relevant industries:

$$x_i = \frac{\sum_{k=1}^n Q_k}{\sum_{k=1}^n I_k},$$

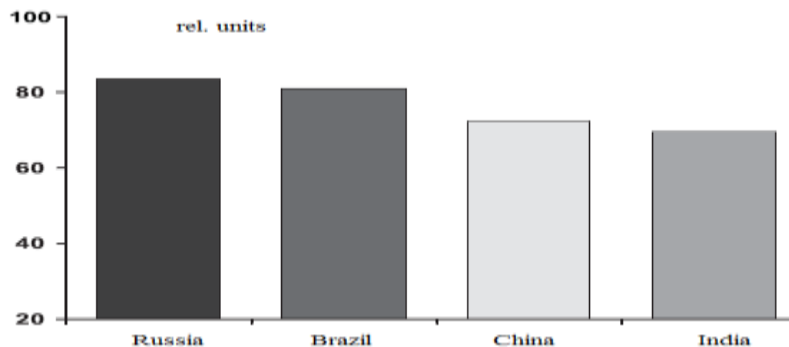
where Q is a number of shipped goods; I is fixed capital investment

In the article, general scientific and specific methods for investigation of economic processes are applied as a research methodology. The method of scientific abstraction, logical and structural approach, cause and effect analysis and synthesis of the literature allowed to substantiate the role of interregional cooperative relations of the Russian Federation constituent entities to strengthen the common economic space of the state. In carrying out the analysis of interregional trade and economic relations of the Republic of Tatarstan, the functional and factor analysis were used, which helped identify the main problems that reduce the effectiveness of such relations. Statistical methods for economic and comparative analysis, and graphic modeling were also used.

RESULTS

For the modern Russia a threat to collapse of the common economic space of the state remains a very serious problem that requires an immediate solution. According to estimates of various expert organizations, in particular, The Fund for Peace and the Carnegie Endowment for International Peace, in the group of the most populous BRIC countries (Brazil, Russia, India and China), the Russian Federation has the highest collapse threat level (Figure. 1). Its coefficient of the state collapse threat is more than 80 relative units.

Figure 1
INDEX OF BRIC STATE COLLAPSE THREAT



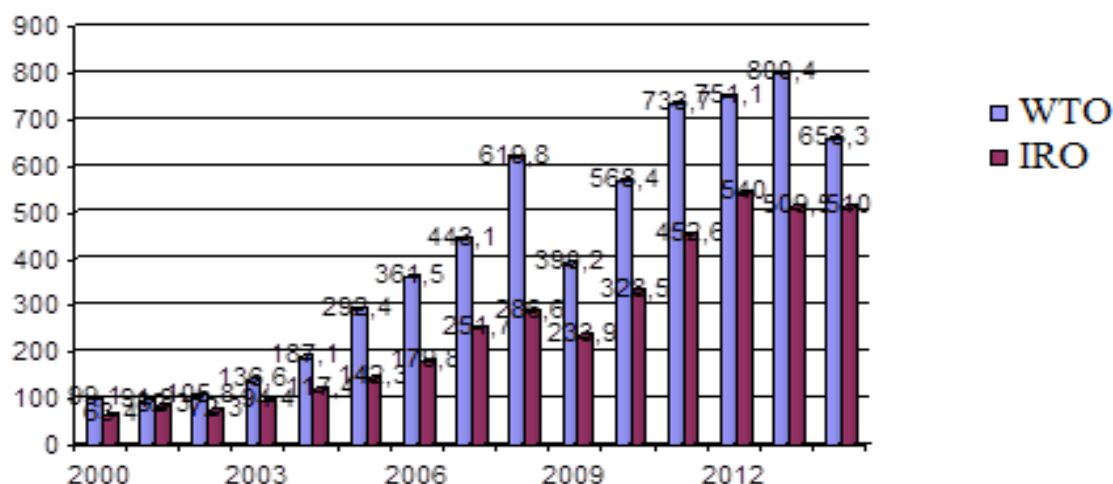
To compile a rating, the countries were ranked according to 12 indicators, which have been merged into the social, economic and political bloc. There are five indicators, by which Russia was stated in this "black list" - "Criminalization and corruption of power" (6th place), "Mass violation of human rights" (5) "Split among the power elites" (8). Two criteria, by which Russia takes first place, stand apart; these are "Demographic problems" and "Uneven economic development of the country".

Russia has a huge territory, so the difference between constituent entities of the Russian Federation is more than the difference between any two European countries. For example, the Republic of Tatarstan differs from the Republic of Kalmykia more than any other two states in Europe. Upon lapse of time, the situation is only getting worse. Such innovations as creating the vertical of power, which are meant to strengthen the state, give the opposite effect. As a result, differences in constituent entities of the country increased even more. Today, the Russian Federation constituent entities, where there is a European model of political power, began to enhance their socio-economic relations with European countries, and those that follow the Asian model tend towards the East. The analysis of trade and economic relations of the Russian Federation constituent entities confirms the above.

Analysis of the statistical data of the Republic of Tatarstan suggests that the foreign trade turnover level is half as much as the interregional trade volume (Fig. 2). In 2013, the foreign trade volume rose against reduction of the interregional trade volume. Such conditions exist in many Russian regions, not to mention the frontier constituent entities of the Russian Federation. Thus, a number of the Russian Federation constituent entities find themselves increasingly attached not to their own national Centre, but to the centres lying outside the Russian political space.

Figure 2

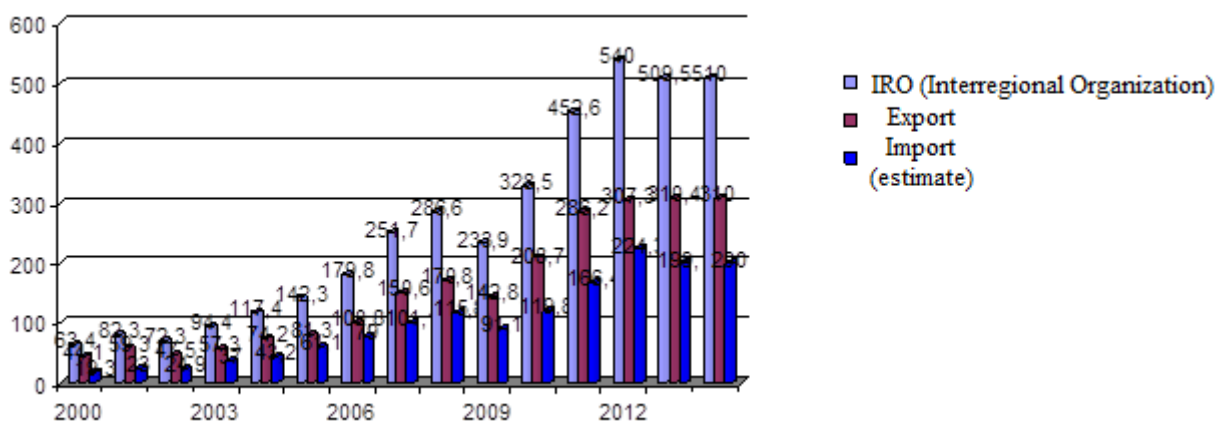
DYNAMICS OF THE FOREIGN TRADE AND INTERREGIONAL TURNOVER OF THE REPUBLIC OF TATARSTAN FOR THE PERIOD BETWEEN 2000 AND 2014 (BLN. RUB)



Thus, in this situation, one of the real pillars to a solution of this problem can incorporate active development and improvement of the interregional cooperative relations in Russia, which will lead to the organic plexus of regions and strengthening of the common economic space. Such interdependence of regions is an important element in functioning of such large states, as Russia.

A deeper analysis of the statistical database shows that during the entire period under consideration (from 2000 to 2014) the Republic of Tatarstan has had a rather balanced ratio of goods import and export in the interregional turnover - 40% to 60% (Figure 3).

Figure 3
RATIO OF INTERREGIONAL TRADE TURNOVER (IMPORT AND EXPORT) OF THE REPUBLIC OF TATARSTAN BETWEEN 2000 AND 2014 (BLN. RUB)



Positive role in maintaining the current positive dynamics of the trade turnover played the fact that Tatarstan is dynamically developing various branches of its manufacturing industry, agricultural sector and service sector. For example, along with a decrease in the share of the commodity segment from 32 to 24% in the industrial production volume, the manufacturing sector's share has increased from 58 to 69%, and the share of small and medium business exceeded 25.5%. Another advantage of the Republic of Tatarstan is that it supplies high-tech products of its own production (for petrochemical complex and automotive industries) to the national market. And currently such commodity groups prove to be the most popular in the interregional markets. It is quite natural that trucks and cars as well as appropriate tires and deep processing products - polymeric compounds - take the lead in ratings of the exported goods in the constituent entities of the Russian Federation. In 2014, these commodity positions provided 75% of the regional export (Tab. 1).

Table 1
EXPORT FROM THE REPUBLIC OF TATARSTAN IN THE RUSSIAN FEDERATION REGIONS IN 2014, IN %

Refrigerators and freezers 0.6%
Blade tools 0.5%
Synthetic detergents 2.3%
Pharmaceutical products 0.5%
Automobile gasoline 2.7%
Beer 1.2%
Confectionery products 0.5%
Passenger vehicles 12.1%
Miscellaneous 13.3%
Oil 4.9%
Tyres 4.5%
Trucks 29.4%
Diesel fuel 3.6%
Fuel oil 1.3%
Water and gas tubes 1.5%
Synthetic resins and plastics 15.7%
Tractors 2.0%
Air compressors 0.8%
Steel pipes 1.2%
Synthetic rubber 1.4%

Share of machinery in Tatarstan export amounted to 43.5% (including 29.4% - trucks, 12.1% - passenger cars, 2.0% - tractors). 23.9% (including 4.5% - tires, 15.7% - synthetic resins and plastics, 1.4% - synthetic rubber, 2.3% - synthetic detergents), 7.6% - oil products (including 3.6% - diesel fuel, 2.7% - automobile gasoline, 1.3% - fuel oil) falls to the share of chemical products. It should be noted that the share of crude oil supplies to the interregional market is low, and it amounted to 4.9%, which is a positive indicator. And crude oil accounts for 65% [9] in the commodity of the Republic of Tatarstan export.

But the picture of import from the Russian Federation constituent entities to the market of the Republic of Tatarstan (Tab. 2) is different. Due to the fact that the machine-building industry of Tatarstan is one of the specialization branches, the structure of imported goods is dominated by metallurgical products - finished rolled ferrous metals and steel pipes (22.8%). The prevailing share also falls on chemical and petrochemical products (11.5%), namely, automobile gasoline, diesel fuel, rubbers and tyres. Furthermore, a significant share in the Tatarstan market's import structure covers automotive products (passenger cars) - 21.3%.

Table 2
IMPORT IN THE REPUBLIC OF TATARSTAN FROM RUSSIAN REGIONS BY THE RESULTS OF
2014, IN %

Miscellaneous 33.5%
Confectionery products 1.7%
Clothing 0.6%
Household furniture 1.4%
Automobile gasoline 6%
Tyres 1.8%
Passenger vehicles 21.3%
Trucks 1.2%
Diesel fuel 2.1%
Steel pipes 5.2%
Paper 1%
Synthetic rubber 1.6%
Synthetic resins and plastics 0.9%
Mineral fertilizers 1.3%
Cement 3.2%
Finished rolled ferrous metals 17.6%

The strategically important trade and economic partners of the Republic of Tatarstan include Moscow, St. Petersburg, Republic of Bashkortostan, Chelyabinsk, Samara, Moscow, Sverdlovsk, Nizhniy Novgorod, Leningrad, Rostov, Kemerovo, Orenburg, Omsk, Volgograd region and Perm Krai. These regions account for over 60% of the republic's interregional trade turnover. If the constituent entities being the cooperative interaction partners of the Republic of Tatarstan are reflected on the map of Russia, lengthiness of these relations and remoteness of the regions from each other (Fig. 4) can be observed.

Figure 4
GEOGRAPHIC MAP OF THE RUSSIAN FEDERATION SHOWING SUBJECTS OF THE REGIONAL
COOPERATIVE INTERACTION CORE OF THE REPUBLIC OF TATARSTAN



Defining the "ideal state" of the regional economic integration, we believe that cooperative relations with neighbouring regions should be also developed from the standpoint of transaction costs and geopolitical expediency.

Another important criterion for evaluating the role of cooperative relations is a level of stability. Based on our analysis of the regions' share dynamics in the turnover with the Republic of Tatarstan by "Industrial products" group, which accounts for over 60% of the total turnover of the RT, three types of cooperative interaction (Table. 3) can be distinguished.

Table 3
REGIONS' SHARE DYNAMICS IN THE TURNOVER WITH THE REPUBLIC OF TATARSTAN BY
"INDUSTRIAL PRODUCTS" GROUP

Region	Region's share in the Republic of Tatarstan turnover (in %)								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Saint Petersburg	2.5	1.1	3.1	2.2	3.2	3.4	3.44	3.0	3.4
Chelyabinsk region	4.4	3.9	4.3	5.6	11.5	9.1	10.2	8.7	8.1
Republic of Bashkortostan	24.5	23	19.2	13.7	5.2	5.7	7.1	5.6	5.3
Leningrad region	0.8	2	0.4	2.3	1.2	0.9	0.92	1.2	0.6
Novgorod region	0.9	4	0.05	0.2	0.1	0.08	0.16	0.4	0.7
Tyumen region	2.7	1.8	2.3	3	3.4	4.4	4.45	3.0	3.4
Rostov region	1.1	1.9	1.3	2.9	3.2	3.1	2.7	2.9	2.3

1. *Mutual alienation. Such kind of interaction is characterized by the fact that the regions reduce their participation in the mutual commodity exchange with each other (in this case, Republic of Tatarstan and Republic of Bashkortostan, Novgorod region).*
2. *Mutual attraction. It means that the regions increase their trade and economic cooperation with each other (Republic of Tatarstan and Tyumen, Rostov, Chelyabinsk regions).*
3. *Single vector convergence. This type of interaction is characterized by the fact that one of the studied regions strengthens its trade and economic cooperation, and another region, on the contrary, weakens it (Republic of Tatarstan, on one hand, and St. Petersburg, Leningrad region - on the other).*

CONCLUSIONS

Thus, the foregoing gives grounds to believe that at present the interregional cooperation is a way forward for the region under study. Firstly, interregional cooperative relations have a more balanced import and export ratio as opposed to foreign economic relations. Secondly, the Republic of Tatarstan as one of the centres of the internal Russian economic integration formed around itself its own kernel of the cooperative interaction area. Analysis of the statistical data base for fifteen years (between 2000 and 2014) suggests that it is generally stable and steadily. Third, the Republic of Tatarstan cooperates with other constituent entities through the regional specialization, namely, high-tech products of the automotive, petrochemical and metal processing industries. And its foreign economic relations have a raw-material orientation. However, the potential of the domestic Russian market is quite receptive. It is adapted as much as possible to the domestic high-tech products, which supply to the market of developed countries will be constrained for a long time, mainly due to a lack of its competitiveness.

SUMMARY

Thus, a tool to strengthen the national common economic space is to develop the Russian domestic interregional cooperative relations, which are the most effective and promising form of bilateral cooperation. They allow to consolidate mutually beneficial economic relations, to strengthen the internal market and to prevent isolation of the regions and, as a consequence, they contribute to formation of the common economic space. For effective development of cooperative relations, the trade and economic cooperation should be built up through the region's specialization.

CONFLICT OF INTERESTS

The author confirms that the provided data do not contain any conflict of interests.

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THE INFLUENCE OF THE OPPORTUNISTIC BEHAVIOR ON THE CONTRACTUAL RELATIONSHIP

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ABSTRACT

The paper deals with the nature of influence of opportunistic behavior of economic agents on the implementation of contractual cooperation. Opportunism can apply to any form of interaction between economic subjects; it implies an increase of transactional costs including the costs of destructive behavior and the costs of protection against third parties; the complexity and dearness of personal protection from the opportunistic behavior of counterparties. The findings of the investigation were made by using the dialectical method, the scientific methods, the author economy. It has been proved that the level of asset specificity determines the particular manifestations of opportunistic behavior in the implementation of the contractual relationship. The acceptance of the precondition of the impossibility of complete removal of the probability of opportunistic actions by at least one party of the transaction leads to the need for incomplete contract. The results can be used in improving the economic policy in the educational activity. The revealed laws provide the basis for further research in the field of behavioral economic theory.

Keywords: *economics, opportunistic behavior, contract, contractual relationship, transactional costs, abuse of trust.*

INTRODUCTION

The importance of studying the behavior of economic agents is explained by high significance of social factors in economic decision-making. At the same time, there is scarcity of empirical studies on particularization and revelation of laws of certain types of economic behavior. Opportunistic behavior has been insufficiently studied.

The first scope of application of the term “opportunistic behavior” was political relationship. The approach to organizational relations in terms of opportunism was first described in 1986. Opportunistic behavior in this case is manifested in the fact that managers use the asymmetry of information in order to maximize their usefulness in determining the sum and contractual terms with contractors, loan agreements and relationships with regulators. The investors are led into error by inadequate information which is reflected in the documents. In addition, the opportunistic behavior of managers may become apparent in determining dividend policy.

R. Watts and J. Zimmerman first used the categories of opportunism to explain the behavior of managers when announcing their margin of profit by influencing the contractual relationships in order to thus affect the wages and bonuses which are paid by the shareholders to the manager. D. Fudenberg and T. Tirole have proved that the risk lover managers who do not have direct access to capital markets will have an incentive to participate in the receivership.

According to the studies the risks of opportunistic behavior are the key obstacles in the management of long supply chain in the field of transport logistics.

The most common treatment of opportunistic behavior is the definition by O. Williamson who understands opportunism as “adherence to one’s own interests, including on false pretences, including here such obvious forms of deception as lie, stealing, fraud”. Behavioral uncertainty is an important factor in building the contractual relationship. Opportunism is one of the key assumptions for the existence of transactional costs, risks of opportunism are taken into account when making decisions on carrying out investment. A huge number of economic problems can be misinterpreted if opportunism is ignored.

A. Buvik and T. Reve, De Vita, and A. Söllner point to the link between manifestations of opportunistic behavior and characteristics of the assets that are subject to contractual relationships. Moreover, the problem of opportunistic behavior in the implementation of the contractual relationship was considered in works by D. Parker, G. Baker, H. Xiao, S. Kunte, P. Casas-Arce, D. Campbell, D. Harris, K. Wathne, C. Cordes.

However, cause-effect relation between the scope of opportunistic behavior and characteristics of the implementation of contractual relations requires further proof.

METHODS

Interpretations of the terms “opportunism” and “opportunistic behavior” were systematized by the representatives of different economic schools. We considered these relations by the contracts performed in the construction sector due to the availability of information on the distribution of the facts of opportunism in this area.

To study the laws of opportunism in the performance of contractual interactions we carried out via next actions: the selection of the object of study; the study of the legal requirements, the opinions of the expert community; the study of documents on the execution of the contractual relationship, court decisions; interviewing of the parties of contractual relations; exposing common forms of opportunistic behavior, the description thereof; the verification of the findings on the basis of judicial opinion.

RESULTS

Based on the analysis carried out the key areas of usage of the term opportunism are presented in (Table 1).

Table 1
THE ANALYSIS OF THE OPPORTUNISM MANIFESTATIONS ACCORDING TO THE STANDPOINTS OF DIFFERENT SCIENTIFIC SCHOOLSⁱ

№	Schools	Treatment of the content of the category “opportunism”
1	Savage capitalism	The roots of opportunism are in the mindset, transformed into actions that lead to fraud
2	Marxist theory	Opportunism as abandonment of revolutionary struggle of proletariat (workers)
3	Constitutional economics	Opportunism as difference in behavior of politicians before and after election
4	Labor opportunism	Opportunism as behavior of wage laborers, conflicting with the interests of managers
5	Organizational relations	Opportunism as behavior of wage managers, conflicting with the corporate

		objectives on the whole
6	Economics of discrimination	Opportunism as discrimination of the subjects of contracting parties
7	Institutional theory	Opportunism as keeping on one's own interests, including fraudulently
8	Neo-institutional theory	Opportunistic behavior as masked element of transaction costs

Implementation of opportunistic actions by the subjects suggests the occurrence of loss in the form of additional costs. The influence of opportunism on costs has not been directly studied (R. Dahlstrom and A. Nygaard). As the result of the analysis of the documents related to the contracts on specific and idiosyncratic assets, interviewing experts, implementation of the contracts have been divided into three stages. At each stage of implementation of the contract the patterns of opportunistic behavior have been identified. The results are presented in Table 2.

Table 2
PATTERNS OF OPPORTUNISTIC BEHAVIOR IN DIFFERENT PHASES OF CONTRACT IMPLEMENTATIONⁱⁱ

Stages of contract implementation / Subject of opportunistic actions	Signing a contract	Execution of works	Settlement for executed works
Customer	1. Omission of well-defined work statement	2. Task alteration for works	3. Payment delay for works; 4. Groundless claims to quality of work
Contractor	1. Input item manipulation	2. Application of less costly materials; 3. Appeal to less-skilled workers	4. Baseless inclusion of additional items of expenditure into acts; 5. Forming cost sheets, without correcting quantity of work put into cost but not executed

According to the results, input item manipulation often include widespread manifestations of opportunistic behavior, such as:

1. Inclusion of additional types of work due to excessively well-defined work statement;
2. Unjustified use of conversion factors of cost of works according then-current dollars;
3. The use of excessive overhead rate;
4. Record keeping in the project documentation or estimate for expensive materials overstating costs estimation.

It has been found that the expense ratio to payroll varies under contractor's agreement from 28.8 to 89.3% of the direct costs of the project implementation. At that, according to statistical data, labor costs with taxes account for 25.0% of the costs of construction organizations. Artificial setting the showing too high is the fact of opportunistic behavior.

The level of the estimated profit ranges from 15.0% in the estimates for maintenance of engineering systems, and up to 65.0% according to the standards of methodological documents in construction. The amount of overheads also signifies 35-95.0%. The materials expense ratio to the total value of factor costs is 5-68.2%. This variation may be caused by intentional actions of the economic agents, as well as accidental mistakes due to the limited cognitive capacities of man. In any case, all this generates behavior costs that influence financial performance of the preparation and execution of the contract.

SUMMARY

It has been revealed that all the selected types of opportunism can be implemented both with third party practice and without. In the case of third party practice, there is a conspiracy with other persons who are not directly involved in the transaction but act as covert agents. For example, cost item manipulation on the cost estimates for the types of work constitutes abuse of confidence of the customer, as the contractor keeps, as a rule, more complete information regarding the estimate valuation mechanisms as compared with the customer. The influence of confidence on building economic relations between firms has been previously also considered in work by R. Woolthuis .

The preconditions of manifestation of opportunistic behavior at the conclusion of the contract are: 1) high cost of measurements of quantity and quality of the works performed, the services rendered, the materials used; 2) more complex mechanism of documentation of contractual relations in comparison with other types of contracts; 3) a wide variety of requirements of the customers to the percentage value of a number of indicators of estimate documents; 4) lack of knowledge of the technologies of implementation of works on creating a specific asset for the customer.

One way is the transference of certain operations to outsourcing.

CONCLUSION

It is revealed that all the manifestations of opportunistic behavior in terms of contract relationship may be implemented with the involvement of third parties and without them. In the case of involvement of third parties, there is a conspiracy of one of the parties of contractual relations with other persons.

To neutralize the incentives to opportunistic behavior one suggests to specify in the contract measurable requirements for the quantity and quality of the working data; key parameters checkout mechanisms; requirements for professional skill level of the staff. However, more important is to raise the level of trust in inter-firm relationships. Thus, D. Deedsa, C. Hill have found the proof that stable relations between the partners are far more effective deterrent to opportunistic action than making investments in more detailed presentation of the terms of contracts and claims. The researchers S. Wuyts and I. Geyskens have come to the similar results.

Besides, Deligonul believes that tolerance limit for the opportunistic behavior for the international partnership should be higher due to the larger barrier diversion to another supplier in the international environment. Reputation effects provide group insurance for the buyers of opportunism of the supplier .

In some cases, it is reasonable to attract third-party organizations performing the role of a technical customer; the creation of self-regulatory organizations. This is consistent with the findings of M. Granovetter, according to his research the most effective ways to prevent opportunistic actions of economic agents is to strengthen network ties between the participants of the transaction. The researchers also point out that in this case, opportunism is constrained by notions of justice .

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ACTUAL PROBLEMS OF INCREASED EFFICIENCY OF USE OF THE REGION'S RESOURCE POTENTIAL

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ABSTRACT

This article defines the current trends and discloses regularities connected with integration management of the competitiveness reserves system for the food complex enterprises. The study presents in detail the main financial indicators relating to economic activity of the leading enterprises of the Republic of Tatarstan territorial production complexes. In the course of the analysis, an unstable dynamics of the domestic enterprises' development was revealed; on results of the study we drew a conclusion and gave recommendations regarding the economic efficiency of the business processes management. At the present development stage of the market relations the enterprise's senior management needs to monitor the current market and to solve constantly the problems associated with increased competitive advantages for organizing sustainable enterprise development. In order to manage effectively the modern business processes now, it is necessary to have a deep knowledge of the market situation and possibility to respond flexibly to the rapidly varying market changes. The competitiveness reserves and factors of the region's food complex were systematized. According to the following classification features, various factors were presented in the work: short-, medium-, long-term, by management and content in projects and programs, by period and content of the problems to be solved.

Keywords: *Territorial production complexes, competitive advantages, research and technological development, macroeconomic indicators, regional targeted programs, concentration of resources, competitiveness reserves, production potential.*

INTRODUCTION

The changes taking place in Russia and in the world, which are caused by development of the market economy, call for new approaches to the problems of economic efficiency of use of the region's resource potential in a competitive environment. In the changed conditions, the traditional management of enterprises does not give any desired results. Transformation of the modern Russian economic system led to fundamental changes in the activities of not only individual enterprises, but also the entire region's agricultural complex. It is this area, in which all market advantages appear, and at the same time all problems become aggravated, which have been generated by the market methods of performance management. Therefore, the main focus, in the modern economy, of increasing each enterprise's economic efficiency is to enhance competitiveness of such enterprise, which depends on many internal and external factors. With development of the market mechanism, the problem of companies' competition and competitiveness in Russia deteriorated sharply, and its solution required, from all market

participants, active search for mechanisms and methods to improve the competitiveness of not only an enterprise, but also the region as a whole.

In the market conditions, the issues of improving the economic efficiency of the region's enterprises have gained significant importance. Global reforming of the Russian economy and its integration into the world community are accompanied by serious restructuring of the enterprise's planning, logistical support, pricing, foreign trade, financial and credit relations. At the stage of changed paradigm of the Russian society, a qualitative change of state regulation of social and economic processes is made. Lack of a sufficient competition level resulted in federal and regional monopolies, what caused reduction in the rate of growth, increasing production costs and, as a consequence, rise in prices and surge of inflation, as well as reduced living standards and quality of life .

During the years of economic reforms, production rates of the most region's industries declined. The main reason for this is inefficient use of productive capacity. This problem demands a fundamentally different quality of effective public policy, where the main criterion for regulation and support should become tools to enhance competitiveness, improve financial condition of the domestic manufacturers and to increase the production profitability.

A number of scientific publications are devoted to the problem of competitiveness management and implementation of effective management, including strategic management, in the enterprise's activity. Contemporary problems of increased competitiveness, as well as efficient use of productive capacity were studied in detail in the publications of Keramidou I., Mimis A., Pappa E., Filios S., Goldsmith P., Salvador A., Knipe D., Kendall E., Kapaj I., Kapaj A.M., Muca E.D., Kurmangaliyev S.G., Mizambekova S.K., Akylbaev R.S., Turysbekova G.K., who made a great contribution to the study of this topic.

MAIN PART

The economic efficiency of individual subjects of an industry, the actual state of which indicates differentiation of contribution to the socio-economic development of individual regions and federal districts, determines the leading trends and a pace of the region's development, competitiveness and sustainability. This is explained by inefficient use of the regional entities' competitive advantages in the economic activity and management of the territorial production complex enterprises .

The current trend of the region's development identified intensification of competitive processes in the agricultural complex sectors on all hierarchy levels. In connection with intensification of the globalization and regionalization of the economy, the patterns related to development of the region's competition and sustainable development are an integral part of economic relations, and they appear on the level of the entire state as a whole. In this context, the priority areas should primarily include systemic aspects of ensuring the competitiveness and economic sustainability of the domestic enterprises in the Russian regions, problems of effective strategic management of crises and comprehensive assessment of the economic efficiency of competitiveness and sustainability management .

The main criteria for the study and state support become the number of employees and production volume, which does not have a significant impact on improving the economic efficiency of the use of resource potential associated with the territorial production complexes in the Russian regions. This is evidenced by a number of the studied parameters relating to economic activity of territorial food complexes of the Republic of Tatarstan (Table 1).

Table 1
KEY FINANCIAL INDICATORS OF THE REPUBLIC OF TATARSTAN TERRITORIAL PRODUCTION
COMPLEXES BETWEEN 2009 AND 2014

	2009	2010	2011	2012	2013	2014
Balanced financial result, mln. RUB	33.1	48.2	46.1	22.7	26.8	24.0
Number of unprofitable enterprises, in units	3	1	3	8	7	8.9
Share of unprofitable enterprises in the total number of enterprises, in %	33.3	9.1	21.4	61.5	41.2	53.8
Amount of loss mln. RUB	18.8	18.0	6.3	35.0	33.1	35.9
Certain indicators of industrial enterprise's creditworthiness and financial sustainability at the end of the year, in %						
Current liquidity ratio	83.1	76.5	108.5	113.3	136.2	146.4
Net working capital coverage ratio	-51.2	-58.7	-35.2	-9.4	1,0	15.4
Equity to total assets ratio	37.0	35.7	53.5	59.8	55.0	66.2

As follows from the above table, profitability of the Republic's food complex enterprises as a whole has a steady downward trend. Thus, the unprofitable enterprises' share amounted to 53.8% in 2014, while this figure was 33.3% in 2009. So, the most enterprises of the Republic of Tatarstan see a regular decrease in the gross revenue for the past five years.

The economic analysis indicates unstable work of the Republic of Tatarstan food complex enterprises, lack of effective strategic development programs, which allows to draw a conclusion about inefficient management of business processes.

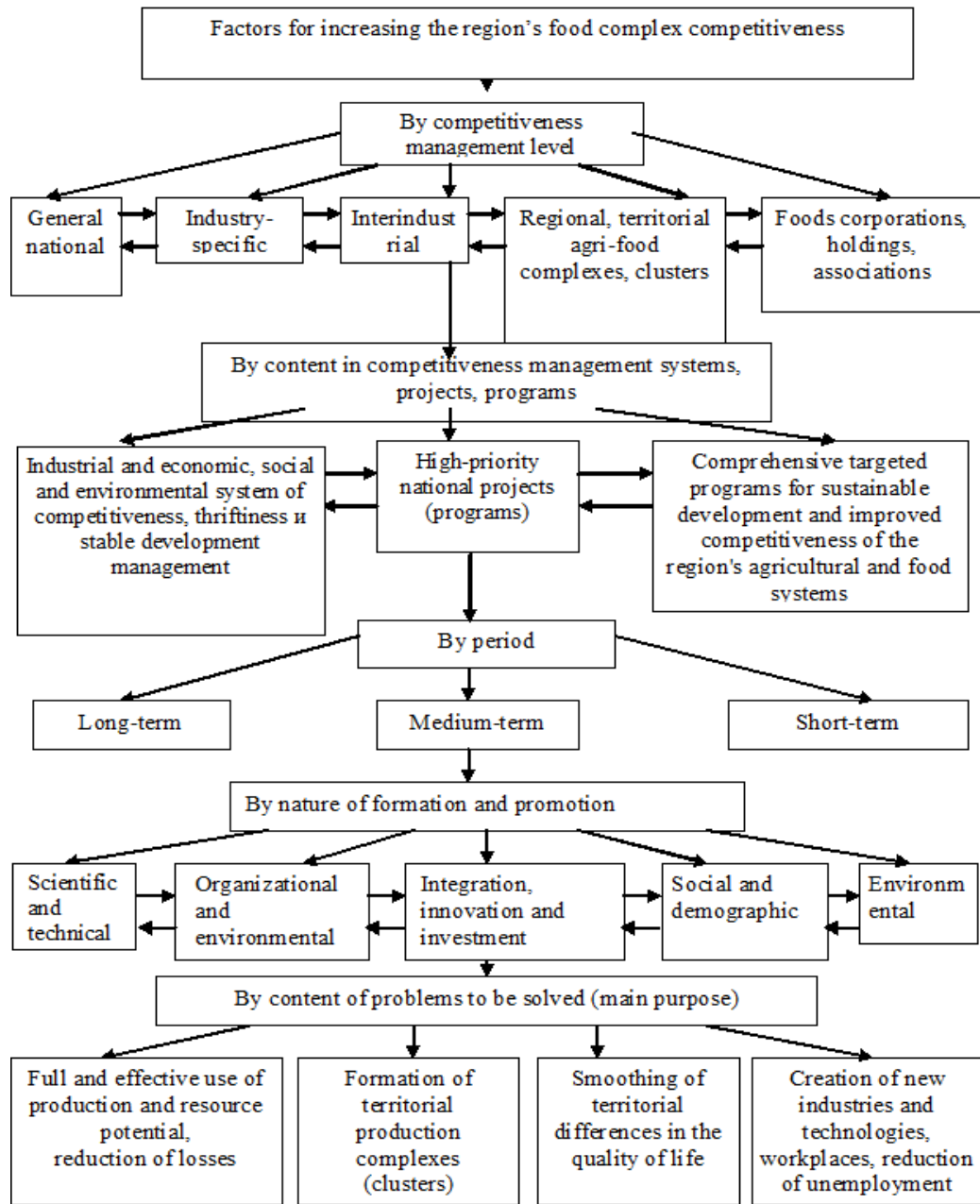
Development of the market relations in Russia is accompanied by intensification of competition by foreign and Russian manufacturers. Under these conditions, the enterprises' top management should look for new ways to enhance the competitiveness of manufactured products in view of the rapidly changing market situation. Practice shows that in the current economic conditions only those solutions are effective that are based on a profound understanding of the effective management nature and mechanisms.

The need to manage the enterprise's competitiveness is not questioned currently. At the same time, management of this process does not involve any individual actions to increase some enterprise's competitiveness indicators; it implies an integrated system of measures to improve all enterprise's performance. Lack of an integrated enterprise's competitiveness management strategy leads to the fact that even with modern innovation potential and latest technological facilities enterprises suffer losses. Naturally, all this negatively affects the enterprise's functioning, its image and image of the region as a whole.

Factors for increasing the food complex competitiveness are determined as part of the factors of extended agricultural reproduction; their use is a search for new opportunities to save social labour and a positive trend of sustainable development of agricultural production, as well as ensuring the region's population food security through the resource conservation, which provides intensification and innovation and investment development.

The study shows our development, which includes classification of factors of competitiveness, sustainable development of the regional economy, agri-food systems; such classification comprises several criteria. The period factors are presented separately: short-, medium- and long-term factors; factors implemented in local, regional, national and global markets; factors based on fundamental and specific advantages of the regional economy; factors of internal and external competitiveness; factors of the regional strategic sustainability, etc. (Figure 1).

Figure 1
CLASSIFICATION OF COMPETITIVENESS MANAGEMENT FACTORS FOR THE REGION'S FOOD COMPLEX



CONCLUSIONS

The competitiveness factors are distributed in two interrelated areas: economic use of the actual production potential resources of the agricultural and food systems and cost effectiveness based on the search for new opportunities of qualitative, competitive and economical improvement of production and scientific and technical potential of the region's food complex.

Development of the effective regional targeted programs should be a purposeful process for mobilization of all regional reserves, and it should serve as a tool of state regulation and management of regional strategy for economic, social and scientific and technical (innovative) development, a high-priority resources concentration method to address first-order problems.

According to the results of this study, the conclusions are formulated that the key to increasing the strategic competitiveness of the regions' agricultural and food systems has overcoming a conceptual distinction between internal and external sources of competitive advantages of the region's agricultural complex industries, which is associated with deletion of these boundaries in the global, network and innovation economy of the country in general.

SUMMARY

Based on the results of our study, it can be concluded that during the years of reforms the production rate of the most domestic industries declined, and it has unstable development dynamics. By reference to the goal of the conducted analysis associated with study of the trends in the development of regional, territorial production complexes, conclusions were drawn and recommendations were given concerning management of increased competitiveness of the business processes implemented within an enterprise, as well as the influence of individual factors on increasing the economic efficiency of an enterprise and region as a whole. At the present stage, an integrated competitiveness management strategy for agricultural complexes shows in practice that using modern mechanisms for continuous monitoring in order to search for new areas of development and having modern innovative capabilities, technical possibilities enable enterprises of the region's territorial production complex to develop dynamically and to be more competitive.

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MEGAREGULATOR IN THE RUSSIAN FINANCIAL MARKET: PROBLEMS OF FORMATION AND WAYS OF IMPROVEMENT

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ABSTRACT

Actualization of the consolidation of the State Regulatory Authority for Financial Markets is caused by the fact that on 1 September 2013 the Federal Financial Markets Service was abolished in Russia, it was previously responsible for development of the national stock market, and its powers are given to the Central Bank. Thus, a megaregulator of financial markets is based on this institution. The article deals with the specifics of concentration, within one authority, of the powers to regulate the whole domestic financial market against the background of clearly expressed orientation towards the strengthening of the country's vertical of power.

Based on the analytical, monographic, statistical, graphical and logical-comparative methods, the neoclassical state methods of influence on the financial markets were investigated; this resulted in the conclusion that at present they are not able to respond effectively to the contemporary challenges. Thus, the conceptual basis of the high-priority state policy for developing financial markets that can effectively and timely respond to the existing and potential threats in conditions of globalization was formulated.

The objective necessity of rethinking the liberal regulation methods toward centralization is conditioned by the fact that imbalances in one of the financial markets are able to destabilize the condition in all markets, and it can lead to a systemic crisis both in the financial markets and in the real economy.

Keywords: *megaregulator, financial regulation, financial market, integration, financial institution.*

INTRODUCTION

The dominant trend in evolution of the financial regulation is transition to the integrated systems, i.e. megaregulation, in the last 15-20 years. Embodiment of the reform concept for the financial services market infrastructure, in particular, formation of a megaregulator, solves the Russian problems of rapid development of the financial industry, technologies, and increased risk, as far as financial instruments, disintegration and intermediary functions of credit institutions are complicated, and banking products and services are universalized as part of their intersectoral combination.

We have noted that the most domestic studies on improvement of the supervisory process taking into account the financial instruments' multipolarization and tasks of control functions' adaptation to the best practices of the industrially developed countries, have general theoretical character; it was also found there is a deficit of applied tools disclosing some methods of

practical reforming of domestic surveillance based on the existing risks concentrated at the level of the whole financial sector.

Let us try to determine the content of the "megaregulator" definition. In the opinion of A.V. Romashkin, this is a single authority for regulation of financial and credit relations in the markets of securities, bank services and insurance . According to the point of view of V.V. Mandron, a megaregulator means a model of combined or integrated supervision over the financial sector, main type of institutional structure of the financial regulation, which competence includes the market of securities and banking sector and insurance. Zh.G. Golodova complements the above definitions and notes that the concept of an integrated megaregulator includes not only a megaregulator responsible for all aspects of regulation and supervision throughout the financial system, but also agencies that supervise more than one segment of the financial sector.

In our opinion, megaregulator represents institution acting within the cross-sectoral model of the financial markets regulation and supervision, which is designed to regulate the market participants' activities through the preliminary, current and subsequent oversight of financial operations and transactions.

In most cases, a specially formed autonomous authority, in some states - a state bank serves as a megaregulator. Moreover, in recent years a twin peaks model - concept of integral regulation and supervision becomes prevalent; it is based on the functional principle and covers two independent institutes. One of the peaks is responsible for protecting the rights of financial services consumers, while the second one takes over the prudential supervision mission.

Initially, Singapore took the course towards a new institutional paradigm of the financial regulation, when in 1977, along with its functions of prudential regulation in the banking sector, an analogue of the Central Bank - Money and Credit Department was delegated with the supervisory competence in the insurance market and since 1984 - in the stock market as well. After some time, a number of small European states took this experiment on board: Norway (1986), Iceland and Denmark (1988), followed by Sweden (1991). Such large countries like the UK and Germany moved towards the creation of a megaregulator in 1998 and 2002, respectively, afterwards a victorious period of the integrated model began in the financial industry.

A great many note a potential productivity of the megaregulator's model, at the same time, there are opposing points of view supported by the facts. For example, in the United Kingdom, whose experience is most often cited as a good example, in 2012 the process began to separate the megaregulator into two independent regulators that allows to be skeptical of the megaregulation idea.

METHODOLOGY

Contemporary economic scientists and practitioners consider three main approaches to the megaregulator's creation:

1. The evolutionary approach provides a gradual transformation into megaregulation allowing to avoid some imprudent fundamental reforms, and it corresponds to the degree of development of financial relations.
2. The administrative approach requires a "regulator for the regulator", thus, taking into account only the state policy in this area and the needs of financial and credit institutions.
3. The alternative, or service, approach is a modern way of refocusing the state authorities on the interests of certain financial services consumers.

The megaregulator's creation in the Russian Federation is based on a declarative approach, since regulatory documents and statements of V.V. Putin and D.A. Medvedev initiated the beginning of this process in 2012, although since 1999 the process had an evolutionary character and generated the inevitable prerequisites.

By the end of the 20th - beginning of the 21st century, the features of formation and development of the domestic regulatory authorities led to a clearly expressed institutional regulatory model. The financial market was divided between dissimilar regulators virtually unrelated to each other. So, the Central Bank regulated the credit institutions activities; the Federal Commission for the Securities Market (FCSM) - professional securities market participants; the Insurance Supervision Department of the Ministry of Finance - activities of insurance companies; the Inspection of Non-State Pension Funds at the Ministry of Labour and Social Development - non-state pension funds (NPF); the Federal Antimonopoly Service regulated commodity exchanges, etc. Naturally, these agencies were not communicating effectively.

The administrative reform of 2004 reformatted some government departments and divided between them the functions of rights establishment, law enforcement and provision of public services. Accordingly, the federal ministries, services and agencies had to fulfil these functions. The FCSM was transformed into the Federal Service for Financial Markets (FSFM) subordinated to the Government of Russia; the FSFM obtained much of the powers to oversee the NPF, and the Federal Service for Insurance Supervision (FSIS) was established under the Ministry of Finance .

The majority of experts and scientists were convinced that the prolonged debate on formation of a megaregulator stopped when on March 4, 2011 the Decree of the President of the Russian Federation No. 270 was signed, according to which the Federal Service for Insurance Supervision (FSIS) was attached to the FSFM. However, on July 26, 2013 the President endorsed a law, according to which the FSFM powers on control and supervision in the financial markets, legal regulation, including microfinance and insurance activities, activities of rating agencies and investment of pension savings and credit cooperation were devolved to the Bank of Russia. To this end, the Bank of Russia Financial Markets Service (BRFMS) was created, which was subsequently abolished, and since March 3, 2014 its powers were distributed between structural units of the bank.

Modification of the financial markets regulation in Russia became imminent indeed due to several circumstances, the main of which was the need to control some systemic risks.

ANALYSES AND RESULTS

In order to further improve the supervisory process, we have proposed conceptual principles, on which a modern megaregulation model should operate:

- amount of risk that the regulatory authority can allow to any financial market participants to accept should be proportionate to the ability of such participants to resist the accepted risks;
- the regulatory authority must impose more stringent supervisory requirements for "systemic" institutions of the financial market infrastructure;

- legal regulation of all financial market participants should be more flexible, and it should be of "countercyclical" nature. It is necessary to develop a unified approach to various types of financial institutions, thereby reducing the regulatory arbitrage possibilities;

- in conditions of the financial markets globalization, the Bank of Russia should fix the stringent requirements for the imported and exported capital.

Identify three groups of the advantages of integration processes in the financial regulation system:

1) Better distribution of regulatory resources, in particular, through the use of economies of scale.

2) Regulation equality.

3) Compliance with the prudential logic of regulation and elimination of inconsistencies between different regulators .

In order to solve the above problems, each country select the institutional regulation model that would best meet the financial market's development level and structure, as well as the current needs and opportunities in the supervisory area.

Initially, several conceptual options for institutional reorganizations were discussed in Russia: 1) concentration of the supervisory and regulatory powers (except for credit institutions) in the FSFM with increment of budget financing; 2) creation of a specialized Agency for Financial Markets at the Central Bank; 3) delegation of all supervisory and regulatory powers to the Central Bank with joining the FSFM to it.

As a result, the government chose the latter option to implement. It is worth mentioning that the central bank based megaregulation model is not generally accepted. In this connection we identified several reasons:

- the existing central bank's mission, goals and objectives may differ from the reference purpose of the financial regulation. Adequate preventive mechanisms do not respond to any specific and comprehensive management, and immediate resolution of these contradictions can cause non-compliance with the principle of the central bank's independence;

- various political systems oppose to the excessive concentration of powers in a non-elected professional institution as it is extremely difficult to ensure the appropriate level of responsibility and accountability of such institution across the entire spectrum of its functions;

- switch of non-bank financial institutions to the central bank's supervision is able to produce "effects of indulging" (moral hazard): the market may form an opinion that the main bank of the country will, at the same time, play a role of the creditor of last instance for the whole financial sector, rather than only for commercial banks. If the authorities clearly postulate that it is not the case, in fact, commercial banks are in a privileged position, and non-bank financial institutions have an incentive to re-register to gain access to the centralized financing;

- simultaneous performance, within a single authority, of the financial regulation functions of different nature and orientation will inevitably place it before the need to to set priorities. It is believed that this type of problem prevented the UK megaregulator (FSA) to find the optimal balance between the regulation purposes in a case with actual bankruptcy of the bank Northern Rock in 2007;

- in some jurisdictions the transfer of the rights establishment functions to the central bank is impossible or significantly limited, which prevents the key concentration, for effective anti-crisis policy, of all regulatory functions in the financial market in a single authority .

The mentioned problems can be solved with the megaregulator's formation outside the central bank system. In this regard, serious concerns are expressed about the inevitability of an

integrated megaregulator in conditions where the financial markets integration is far from complete, and significant barriers and differences between the types of financial intermediation still exist.

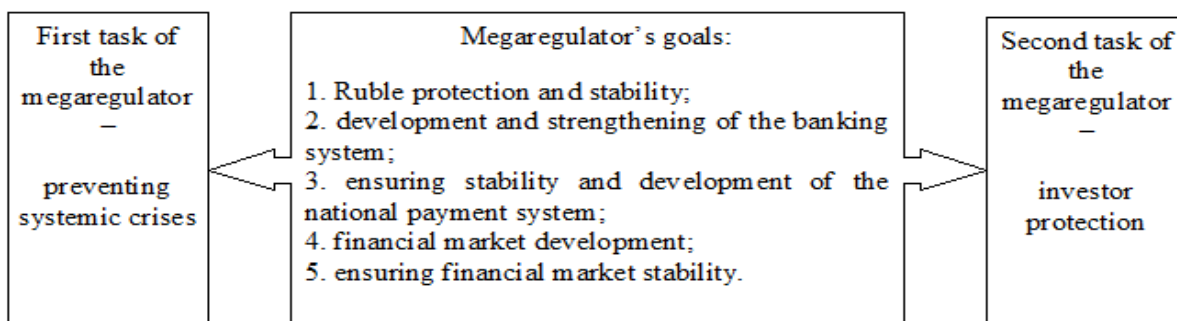
As practice shows, in creating a unified regulator instead of two or more, it is usually difficult to achieve the expected cost savings. In particular, the number of people employed in the supervisory authorities after the reform is not generally reduced. The budget savings, which are formed in the transition to funding of supervision and regulation due to the seigniorage source, are rather illusory.

CONCLUSIONS

Protecting the new institutional regulation paradigm, it should be noted that the concentration of responsibility within the central bank allows to avoid some difficulties of interagency coordination, thief of time and blurring of the separation of powers between the creditor of last instance and supervisory authority, which is critical in the financial instability period.

The theoretical literature describes different sets of megaregulator's goals in the financial market regulation. In this study, we will proceed from the framework of regulation goals and tasks shown in Fig. 1.

Figure 1
MEGAREGULATOR'S GOALS AND TASKS IN RUSSIA



In allotting a task to the central bank to ensure the financial stability, a question arises about the tools to its solution. Application of well-established methods and tools of the monetary and credit policy may lead to contradiction with the chance to achieve other goals (primarily - price stability). In order to articulate the said problem, the macroprudential policy concept was worked out; it is based on the tools of prudential regulation and changes them properly to solve some macroeconomic problems related to the systemic financial risk. The macroprudential policy tools include, for example, requirements to the level of liquidity, restrictions on certain types of financial activities, capital adequacy ratios, taxation of financial transactions, etc. Thus, the relation between different goals of the monetary and credit policy can be established, if the central bank is endowed with the financial regulator's functions, and so, possibilities emerge for adopting the macroprudential policy.

At the same time, however, an open question remains as to whether it is needed to coordinate the macro- and microprudential policy within an institution. The traditional arguments are brought forward against such coordination: moral hazard and excessive bureaucracy. Systemically important financial institutions, to which regulation special attention has been

recently given, can be assumed as an argument in favour of the need for such coordination. Regularity of developments in the post-crisis period leads to the necessity to create a central bank based megaregulator. However, as we have already pointed out, in practice, very few countries have made a transition to this model after 2008. The examples include Ireland, Georgia and Kazakhstan. At the same time, it is noted that the idea of a megaregulator separated from the central bank lost its former popularity.

Thus, transformation of the Central Bank of Russia in a financial megaregulator corresponds generally to the financial regulation logic in the post-crisis conditions and approaches to the monetary and credit policy. The megaregulator should support breathing new life into the project of the Moscow Financial Centre experiencing obvious difficulties despite of its frantic activities.

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THE MIGRATION OF RUSSIAN UNIVERSITIES GRADUATES: TRENDS AND REASONS

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ABSTRACT

The modern period is characterized by the increasing intensity of migratory processes. The increasing attention of scientists is drawn by problems of intellectual labor migration in case of which outflow of highly qualified specialists, scientists, university graduates is observed. The purpose of this article was to analyze features of the Russian universities graduates migratory processes. In work the structure of migrations by Federal Districts of the Russian Federation is analyzed, the main directions of migration flows are determined. According to the received results it has been established that the greatest number of the graduates who have left the region is fixed in large capital cities that first of all is caused by returnable migration of the nonresident students trained in capital higher education institutions. During research of migration flows geography it has been revealed that internal migration of university graduates is common to the majority of the Russian regions. Only for two Federal Districts the insignificant number of the graduates who have left abroad is fixed. Within the country for the majority of regions the main direction of migration flows are Moscow and St. Petersburg. Migration tendency of the neighboring regions graduates should be noted. By means of economical and statistical models communication between migrations of graduates and social and economic condition of Russian regions is shown in the article. It is established that average per capita cash incomes belong to number of the most significant factors causing a migratory tendency.

Keywords: migration, university graduates, socio-economic factors, correlation analysis, region.

INTRODUCTION

In the conditions of the globalization which is followed by development of the international exchange of goods and services, enhancement of transport and information systems, the population, first of all at working-age becomes more and more mobile. The modern period is characterized by high migratory activity, both internal, and inter-regional.

As a rule, the main part of migration flows is sent to more developed regions, and their intensity is pro rata to extent development of technical progress. The most part of migrants leaves on economic purposes, taking into consideration, first of all, a gap in the income level in the countries of an outcome and acceptance of migrants. Referring to number of major factors is also instability of economic situation, lack of social guarantees and political freedoms.

The subject of internal and international migrations of a manpower actively rises in works of modern scientists. A number of authors researches dependence of migratory processes intensity on economic factors .

Scientists research intellectual migration of labor in case of which from the country or the region there leave highly qualified specialists and scientists .

For Russia the problem of intellectual migration acquires special relevance. The process of the Russian scientific elite emigration which began after collapse of the USSR takes place up till this day. According to statistical data emigration of scientists and researchers comes from Russia practically in all field of science: in the sphere of space technologies, application-oriented and theoretical physics, computer and chemical technologies, biochemistry, microbiology, geneticists, mathematics, programming. The main directions of migration flows of the Russian scientists are the USA, Germany, Great Britain, France, Switzerland.

University graduates become object of intellectual migrations researches even more often.

The Warsawskaya E.Y., Chudinovskikh O. S. on the basis of a series of sociological polls analyzed migratory plans of regional higher education institutions of Russia graduates.

According to authors researches, the volume of cumulative migratory potential (the international and internal migration) of university graduates is quite considerable and reaches 25-30%; main type of migration after graduating from higher education institution is moving within the country of training; potential migration abroad makes 5-7%; the share of the nonresident students wishing to return to the hometown varies from 12,5% to 16%-18%.

Considering that university graduates represent a basis of highly skilled labor potential, loss of their certain part is capable to cause significant damage to region economy. Thereof questions of graduates movement are seem very sharp and require deeper analysis.

The purpose of this article was researching geography of migration flows of the Russian higher education institutions graduates, identification of the main tendencies and assessment of migratory movement intensity dependence on social and economic condition of the region.

METHOD

Objects of research were graduates of the Russian higher education institutions: 82 subjects of the Russian Federation.

As data source about quantity and migrations of graduates in 2015 materials of the Portal for graduates employment monitoring served .

Data on the main socio-economic indexes of the Russian Federation subjects have been received from official statistical sources .

For the analysis of university graduates migration flows geography and general migratory structure the comparative and analytical method were has been used.

The factorial correlation analysis has been put in a basis of interrelation research between university graduates migratory movement intensity and social and economic condition of the region.

For bigger results representativeness the correlation analysis the federal cities of Moscow and St. Petersburg have been excluded from initial selection of regions.

RESULTS

1 stage

The first stage of work consisted in researching migratory structure of the Russian higher education institutions graduates in an 8 Federal Districts section of the Russian Federation and 2 federal cities.

In fig. 1. features of migratory situation are reflected in the studied territorial objects according to the graduates share leaving the region in the total number of the region graduates.

The data analysis on the number of the graduates who have left the region has shown that the maximum values of this indicator were noted in such regions as Moscow (30,1%), St. Petersburg (22,3%) and Central Federal District (21,2%). The minimum value is common to the Far East Federal District (7,8%).

The received results allow to assume that the high rate of the left graduates is caused by returnable migration of the nonresident students trained in capital higher education institutions.

2 stage

The following step of research was the analysis of the main directions of the Russian higher education institutions graduates migrations.

The directions of the main migration flows are reflected in table 1.

Fig. 1. A share of the graduates who have left the region in the total number of the region graduates

The geography of migration flows was estimated in a section of 8 Federal Districts and 2 federal cities: 1 - North Caucasus Federal District, 2 Ural Federal District, 3 - St. Petersburg, 4 - Far East Federal District, 5 - Abroad, 6 - the Southern Federal District, 7 - Moscow, 8 - the Volga Federal District, 9 - Northwest Federal District, 10 - Central Federal District, 11 - Siberian Federal District.

Table 1
THE NUMBER OF THE RUSSIAN HIGHER EDUCATION INSTITUTIONS (PEOPLE) GRADUATES LEAVING THE REGION

	1	2	3	4	5	6	7	8	9	10	11
1	0	525	520	75	1	2 588	2 899	228	121	525	153
2	46	0	968	115	0	554	3801	2648	157	539	748
3	291	673	0	589	0	483	5096	910	6109	1870	851
4	15	92	495	0	0	209	1 722	96	70	313	548
6	1 653	895	1 300	166	1	0	7042	1487	273	1578	416
7	2 390	3 416	3 478	2835	0	6232	0	10733	5074	29947	4406
8	306	5 866	3 223	285	19	2 713	18 177	0	1 530	5 120	920
9	18	250	3164	44	1	310	2 025	358	0	1 255	61
10	327	1 185	2 349	515	27	2 284	23 994	3 030	1 592	0	745

11	60	3416	1784	1956	1	656	6641	735	274	1343	0
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According to the data of table 1, internal migration of university graduates is common to the majority of the Russian regions. Only for the Volga and Central Federal Districts the insignificant number of the graduates who have left abroad is marked out.

Within the country for the majority of regions the main direction of migration flows is Moscow. The exception is the Northwest Federal District for which a leading migration destination is St. Petersburg. The greatest number of graduates who have moved to Moscow is fixed from Central (23 994 people) and Volga Federal Districts (18 177 people). The greatest number of graduates who have moved to St. Petersburg is revealed from the Northwest Federal District (3 164 people).

The large capital centers traditionally are the most attractive from the point of employment view, prospects of career development and personal growth. Megalopolises as powerful magnets, attract an increasing number of the yesterday's students aiming at higher level of living, the wide list of vacancies and attractive offers of employers which the labor markets in their native regions cannot offer.

On the basis of this the average benefits (remuneration) amounts for the graduates leaving the region and remaining in the region was received from the Portal for graduates employment [3] analysis of average salaries in initial regions of graduates and in regions of their employment (fig. 2.).

Apparently from the schedule, practically in all regions the similar picture when the average salary in regions of graduates employment is much higher than an average salary in the native region is observed.

The most essential difference in the salary level takes place in North Caucasus Federal District (+89%) and Central Federal District (+67%). The exception is Moscow. According to statistical data, the graduates of the Moscow higher education institutions who have remained in the region receive much higher salary than the graduates who have left Moscow for other regions.

Coming back to the analysis of the main migration flows directions, graduates migrations tendency should be noted existence, people leave for the neighboring territorial areas. So, the movement of graduates to the Southern Federal District, for Ural - from Volga, for Far East - from Siberian districts is common to North Caucasus Federal District.

This circumstance can be connected with pendular migration at which moving to the neighboring region only on operating time with the subsequent return to the native region is observed.

3 stage

To study the reasons causing moving of university graduates to other regions in more detail at the final stage of research the analysis of interrelation between university graduates migration flows intensity and social and economic condition of the initial region has been carried out. The factorial correlation matrix has been the basis for the analysis.

Selection of factors was the following: X1 - a share of the graduates who have left the region in the total number of graduates (%); X2 - annual average number occupied in economy, one thousand people; X3 - average per capita cash incomes (per organizations, rub); X5 - gross regional product, million rubles; X6 - commissioning of apartment houses total area, one

thousand sq.m; X7 - a retail turnover, million rubles; X8 - number of the entities and organizations; X9 - the level of unemployment, %; X10 - number of the registered crimes; X11 - emissions of the polluting substances in atmospheric air departing from stationary sources (received matrix of correlation pair coefficients is reflected by one thousand tons in table 2).

Table 2
MATRIX OF CORRELATION PAIR COEFFICIENTS BETWEEN FACTORS

	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11
X1	1,000										
X2	-0,128	1,000									
X3	-0,381	0,217	1,000								
X4	-0,364	-0,014	0,877	1,000							
X5	-0,200	0,810	0,494	0,352	1,000						
X6	-0,023	0,841	0,231	0,041	0,747	1,000					
X7	-0,143	0,964	0,306	0,045	0,830	0,905	1,000				
X8	-0,110	0,435	0,196	0,031	0,392	0,304	0,489	1,000			
X9	-0,264	-0,312	-0,283	-0,103	-0,300	-0,306	-0,280	-0,059	1,000		
X10	-0,089	-0,101	0,224	0,378	-0,017	-0,168	-0,131	0,004	0,132	1,000	
X11	-0,217	0,380	0,238	0,303	0,565	0,146	0,309	0,296	-0,091	0,227	1,000

Apparent from the matrix, for absolute majority of indicators availability of negative correlation dependence takes place. In general, growth of the university graduates number leaving the region is caused by decrease in general level of social and economic situation in the region. However the most part of correlation coefficients are characterized by low values that demonstrates weak interrelation between the researched indicators.

The greatest narrowness of communication is observed between the number of the left graduates and average per capita cash incomes (-0,381).

A little unexpected was a result of correlation dependence between a share of the graduates who have left the region and indicators "level of unemployment" (-0,264), "number of the registered crimes" (-0,089) and "emissions of the polluting substances in atmospheric air departing from stationary sources" (-0,217).

According to logic laws, decline in unemployment, stabilization of an ecological and social situation in the native region shall constrain a migration flow of graduates definitely. However the received result demonstrates the opposite tendency. In spite of the fact that the fixed dependence is very weak and does not allow to speak about availability of close interrelation between the researched indicators, the received result nevertheless requires deeper analysis.

CONCLUSIONS

1. The analysis of the Russian higher education institutions graduates migrations has shown that the main migration flows are distributed, mainly, within the country, the number of graduates who have left abroad - is insignificant.
2. Most of the graduates who have made the decision on moving from the native region gives preference to the capital cities which are characterized by higher level of living.
3. Practically in all researched regions the average salary of the employed graduates is much lower than an average salary of the graduates who have moved to other areas. The most essential difference in the salary level takes place in North Caucasian (+89%) and Central (+67%) Federal Districts

4. Ambiguous results of the correlation analysis of migratory movement intensity and social and economic condition of initial migrants regions indicates availability of other reasons and motives urging university graduates to move from native places.

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SERVICES FOR BUSINESS IN THE POLISH ECONOMIC PRACTICE

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ABSTRACT

Poland has been one of the world leaders in the sector of the so-called business services for several years now. Among these, accounting is the best developing service. The purpose of the article is to try to identify the factors having a positive and negative impact on the development of this type of services. The employed research methods include a descriptive analysis and deduction. On the basis of the analysis it was revealed that the sector is affected by the following factors: labour costs, professional competencies and skills, labour productivity, knowledge of foreign languages, the Internet and telecommunication services, transport (roads, airports, etc.), office space, political and economic situation, foreign investments, labour law, geographical location, cooperation between science and business, culture etc. The analysis concluded that, due to continuous influence of these factors, it is necessary to conduct an ongoing activities to increase the attractiveness of Poland as a location for the provision of business services.

Keywords: *outsourcing, offshoring, accounting, business services, Poland.*

INTRODUCTION

The development of the Polish business services market is based mainly on captive offshoring and offshore outsourcing. According to the Tholons report, such cities as Krakow, Warsaw and Wroclaw are listed among the 100 best locations for outsourcing projects worldwide. The purpose of the article is to try to identify the factors exerting an impact on the development of business services in Poland. The employed research methods include a descriptive analysis and deduction.

BUSINESS SERVICES – THEORY AND STATISTICS

Business services are defined as the performance related to the carrying on of a business activity and the provision of services for enterprises. This definition relies on the recipient of services, whereas it does not specify the type of services falling into this category or determine whether a simple acquisition of services or a strategic long-term cooperation (e.g. outsourcing) is concerned. According to the Central Statistical Office of Poland (GUS), business services are those rendered by specialist providers to entities placing orders for such services, to improve their competitiveness and productivity and increase their efficiency.

On the basis of the analysis of data available from GUS and other sources it can be stated that the business services sector, including IT, legal, accounting and tax, management, and numerous other services, is characterised by the highest dynamics of development. These services are often based on advanced technologies, as the service sector ceased to be

unsusceptible to innovation a long time ago, unlike the simple services whose provision was characteristic of the first development phase of the business services sector.

External services are provided on an outsourcing basis, i.e. by the contracting out of certain functions (in whole or in part) from the activity carried on by an enterprise and transferring them to third-party providers, to enable the enterprise to fulfil its objectives. In practice, such contracting out of a function often takes the form of offshore outsourcing (making use of specialist foreign suppliers) or captive offshoring (opening of a branch office and transfer of a given entity's activity, in whole or in part, to another country).

In accordance with the old classification, these services included legal activities, accounting, bookkeeping and auditing activities, consultancy, management activities of holding companies, architectural and engineering activities, technical testing and analysis, advertising, labour recruitment and provision of personnel, investigation and security activities, industrial cleaning and other business activities.

The new classification of business services, currently in effect, is presented in Table 1.

Table 1
CLASSIFICATION OF BUSINESS SERVICES

No.	Type of service	PKD classes/ subclasses
1	Software publishing	58.2
2	Computer programming, consultancy and related activity	62
3	Data processing, hosting and related activities; web portals	63.1
4	Legal activities, accounting, bookkeeping and auditing activities; tax consultancy	69
5	Management consultancy activities	70.2
6	Architectural and engineering activities; technical testing and analysis	71
7	Advertising, market research and public opinion polling	73
8	Employment activities	78

Source: own compilation on the basis of Internal market in 2012, GUS, Warsaw 2013, p.

21

It should be emphasised that in 2011 the highest percentage of revenue from the sale of services abroad (30%) could be attributed to the activity which according to PKD (the Polish equivalent of NACE) was classified as class 69 Section M (which includes accounting, bookkeeping and auditing activities that had the largest share in the structure of revenue from sales – 36.7%).

Despite a relatively short period of development of this sector, GUS has already introduced several changes in the classification, however some services have not been included yet.

In practice a slightly different approach to the delimitation of business services has developed. This delimitation is based on a demand-driven rather than supply-driven approach. The sector thus delimited includes such services as finance and accountancy, tax consultancy, IT, research and development, customer service, human resources management, financial services, support for decision-making processes, purchase management and the like (e.g. legal services). The differences in classification hinder the analysis of the development of this sector (determination of the number of employees or the value of ratios indicating the place occupied by business services in the so-called third sector).

RESULTS

On the basis of the analysis of various sources and practical tests it has been established that the factors presented in Table 2 may exert an influence on the development of the business services sector. At present, in Poland the sector does not experience an economic slowdown, its employment figures grow and labour productivity increases, however labour costs are no longer so much lower than those in Western countries .

It should be emphasised that the main asset of Poland, as the location for business services, is the human capital, which, combined with the convenient geographical locality, stable political situation and improving infrastructure, provides a competitive advantage.

Table 2
FACTORS AFFECTING THE DEVELOPMENT OF SERVICES FOR BUSINESS

Group	Factor	Expectations of the sector
Employees	labour costs	low
	professional competencies and skills	high
	knowledge of foreign languages	English and additional language (e.g. client's language)
	labour productivity	high, with an upward trend
Technology	the Internet	low cost, high level of availability and quality
	telecommunication services	low transmission costs, high quality and availability
Infrastructure	transport (roads, airports, etc.)	low maintenance costs, good location, high level
	office space	low costs, high quality
State-host	political situation	stable
	economic situation	stable
	foreign investments institutions	expected support
	labour law	friendly, low level of corruption, open to cooperation flexible, making it possible to adapt to the client's needs
	geographical location	proximity of location and/or the possibility of solving time zone issues
	cooperation between science and business culture	strong relations cultural similarities with the client's country

Source: own compilation on the basis of the cited literature, research conducted in economic practice and the Internet sources.

The Czech Republic and Slovakia are listed most often as Poland's main competitors, located in the nearest vicinity, in the discussed services sector, because of, among others, their high ratings for a friendly approach to foreign investments, which may have an adverse impact on the development of this sector in Poland.

CONCLUSION

The strong position of Poland and its increasing importance as the location of business services have been achieved, among others, owing to the global crisis, which forced companies to reduce their operating costs and improve their efficiency, by contracting out not only simple activities, but also whole complex processes related to their core activity. Among these services a prominent position is occupied by accounting services, provided through outsourcing and offshoring.

Taking account of the changeable conditions both in Poland, such as an increase in labour costs, and in the countries surrounding Poland, such as their improving competitive position (openness to foreign investments, improvement in infrastructure and others), the activities aimed at enhancing Poland's attractiveness as the place for rendering such services should be undertaken continuously.

It should be also added that a noticeable obstacle to analysing business services is created by the nomenclature used in classifications and unclear divisions made at the level of statistical research.

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