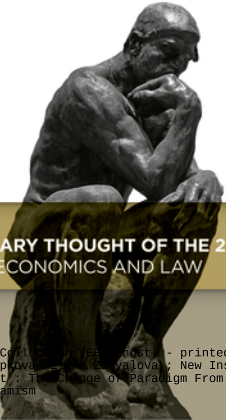
DE GRUYTER

NEW INSTITUTIONS FOR SOCIO-ECONOMIC DEVELOPMENT

THE CHANGE OF PARADIGM FROM RATIONALITY AND STABILITY TO RESPONSIBILITY AND DYNAMISM

Edited by Elena G. Popkova and Elena Zavyalova



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MANAGEMENT, ECONOMICS AND LAW

New Institutions for Socio-Economic Development

Interdisciplinary Thought of the 21st Century

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Elena G. Popkova and Artem I. Krivtsov

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Introduction: Neo-Institutional Look at Modern Socio-Economic Development

Modern society and the economy face new and increasingly serious global challenges, the efficient response to which can only be provided by a progressive and reliable institutional framework of business systems. This necessitates the transformation of existing institutions and the creation of new ones. The COVID-19 pandemic is one of the most serious challenges that humanity faced for the first time in recent decades. Combating the virus threat required accumulation of all efforts and resources, which required strengthening the health care institution and the public health services institution.

Thanks to high-tech medicine based on Artificial Intelligence, vaccines for a new coronavirus have been developed around the world within the shortest possible time; some of them are already in use, while others are at different (including final) testing stages. From the perspective of socio-economic development, the pandemic not only called for increasing funding and monitoring public health services but also necessitated severe restrictions on human interaction (social distancing) which hindered the normal operation of business structures and caused a systemic crisis of business systems.

Although humankind is about to defeat the pandemic soon, the aftershocks of socio-economic crisis that emerged with it in the background will probably be clearly manifested in the years to come, and high risk of emergence of new infectious diseases will maintain, which will make it possible to define the overall level of the virus threat for humankind as high. In this regard, the outstanding and coherent activities of international organizations, particularly the World Health Organization (WHO), which have established statistical recording of the COVID-19 and related manifestations in society and the economy within the shortest possible time and provided useful recommendations on crisis management, are particularly noteworthy. As a result, the situation was made controllable, more predictable (less uncertain) and manageable. The operation of these institutions must continue in the years to come to maintain the stability of society and the economy, to ensure prevention and early recognition of the virus threat in the future as well as combating this threat.

Another significant challenge of the modern age is the focus on sustainable development. International organizations, headed by the United Nations Organization (UN), are also of great concern here, but the primary responsibility rests with state (national) regulators and corporate entities. In this regard, the institution of corporate social responsibility has taken on new significance, thanks to which sustainable development goals have gained massive support in the business environment, and humankind has made meaningful progress in their implementation.

The intellectualization of business activities should also be pointed out as a key challenge. Intelligent machines have already become a part of the modern age, which

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becomes increasingly prevalent and widely recognized. The approach of a high-tech future requires not only new technologies but also new competences. The digitalization of society and the economy requires modernization of education and learning not only new professional competences, digital ones in particular, but also new creative competences. This implies intensive development of a higher education institution.

This book, which consists of four parts, has considered all abovementioned challenges and institutions necessary for an effective response to them. Part I considers the institutions of strategic foreign economic interaction and recent experience of their operation in the modern world economy. It has analyzed the strategic directions of international economic cooperation, examined the impact of multipolar globalization on the labor market and international cooperation through the example of various countries (Russia, Germany, Mongolia) and integration associations of countries (Eurasian Economic Union, EEU).

Part II deals with the basic institutional principles of state regulation in response to new global challenges of the modern age. The institutions of state regulation of competition, modernization of taxation, and socio-economic crisis management are examined here. The “COVID Law” phenomenon has been identified and discovered. Part III reveals the institutions of the “knowledge economy” and a competence-based approach to their development. It describes the institutions of development of professional and creative competences based on the education system.

Part IV has presented an institutional framework for corporate governance to accelerate economic growth. It includes the description of practices of enterprises from different countries (Uzbekistan, Russia) in using logistics, corporate social responsibility, corporate accounting and information management institutions. All parts are closely related to each other, they enhance and complement each other; as a result, a holistic view of the new institutions for socio-economic development has been formed in the book.

Elena G. Popkova and Elena Zavyalova

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Part II: Institutional Foundations of State Regulation of Economy as a Response To New Global Challenges of the Modern Time

Part III: Institutions of the "Knowledge Economy" and the Competence-based Approach to their Development

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Part I: Institutions of Strategic Foreign Economic Interaction and the Latest Experience of their Functioning in the Modern Global Economy

Natalia G. Shchegoleva and Olga I. Terenteva

1 Definition of Strategic Directions of Modern Foreign Economic Interaction between Russia and Germany

Introduction

After the collapse of the USSR, the Russian Federation and Germany are strategically important partners. During this period, both states experienced various kinds of political and economic events that somehow influenced their trade and economic cooperation. The anti-Russian sanctions introduced in 2014 led to the most significant changes in the economic interaction between Russia and Germany. The relevance of the chosen topic is due to the need to determine the vector of transformation of foreign economic cooperation between Russia and Germany in the medium term.

Methodology

Due to the extremely difficult current geopolitical and macroeconomic situation, the problem of effective foreign economic interaction between Russia and Germany does not lose its relevance, but, on the contrary, is at the epicentre of attention of Russian scientists: Belov et al., 2020, Pavlova N. (Pavlov, 2019), Gracheva M. (Gracheva, 2019), Komarova A. (Komarova and Lushchik, 2019), Lebedeva O. (Lebedeva, 2017), Taranovskaya E. (Taranovskaya, 2019), Fischer P. (Fischer, 2016), Giucci R. (Giucci and Walter, 2017), Meyer K. (Meier, 2004), Rara A. (Rahr, 2009), Trumpert R. (Trampert, 2015).

In this chapter, based on comparative analysis, content analysis, methods of synthesis, induction and deduction, the transformation of foreign economic cooperation between the Russian Federation and the Federal Republic of Germany from 2000 to the present is investigated.

Results

Since 2000, Russia has been the fastest growing export market for German products, excluding 2009, the results of which showed the consequences of the international financial crisis.

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The structure of Russian exports to Germany over the past twenty years has practically not changed. Its main components are mineral products (oil, coal, gas), metals and products from them, wood and products from it, jewelry (natural and artificial pearls, precious metals). In import to Russia from Germany, on the contrary, the finished goods with the high added value (machines, the equipment, the equipment, products of chemical industry) prevail.

Despite the consequences of the global financial crisis, German enterprises continued active foreign economic cooperation with the Russian side. For example, Russian Railways and the German company Siemens AG have been working in the field of projects related to the development of Russian railways since 2010.

The next stage in the development of foreign economic relations between the Russian Federation and Germany is the period from 2011 to 2013, when countries managed to overcome the consequences of crisis processes.

At the same time, the effective interaction between Russia and Germany underwent significant changes after the introduction of anti-Russian sanctions in 2014, which was primarily reflected in the volume of trade between the Russian Federation and Germany, which so far has not reached the pre-crisis level, despite the observed positive dynamics since 2016 (Figure 1.1)

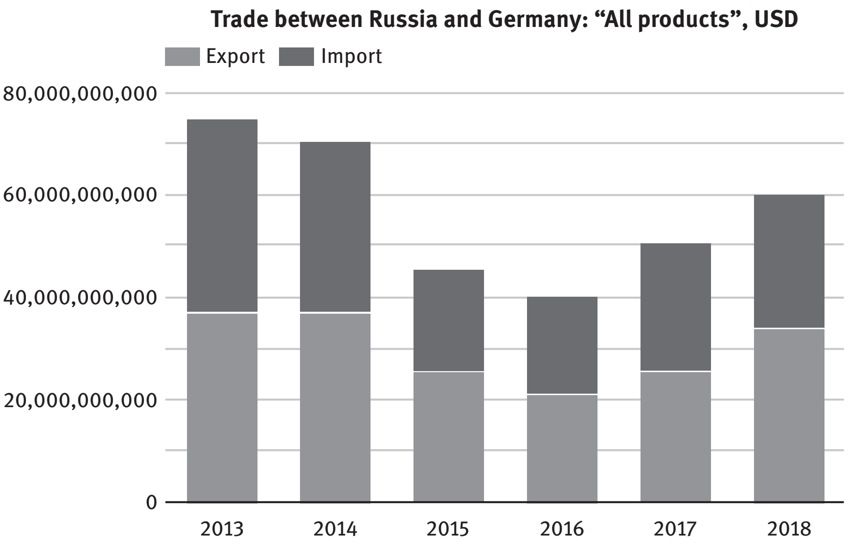


Figure 1.1: Trade turnover of the Russian Federation and Germany, USD USA.
Source: Ru-Stat (2019)

Exploring the retrospective of Russian-German investment cooperation, it should be noted that German companies have always considered the Russian market as promising and capacious, and still adhere to the so-called "long-term market development strategy" in the Russian Federation, which involves the creation of their own branches and industries in the Russian regions, as well as the active attraction of local highly skilled labor. German companies mainly use an internationalization scheme in Russia, accelerating market development and contributing to risk minimization (Figure 1.2).

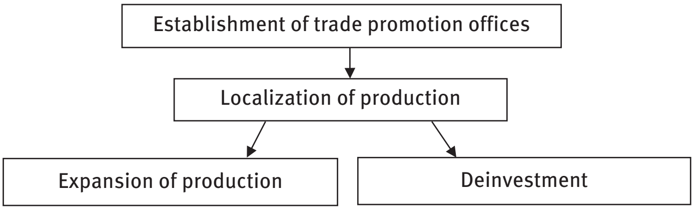


Figure 1.2: Long-Term Market Development Strategy Algorithm.
Source: compiled by authors

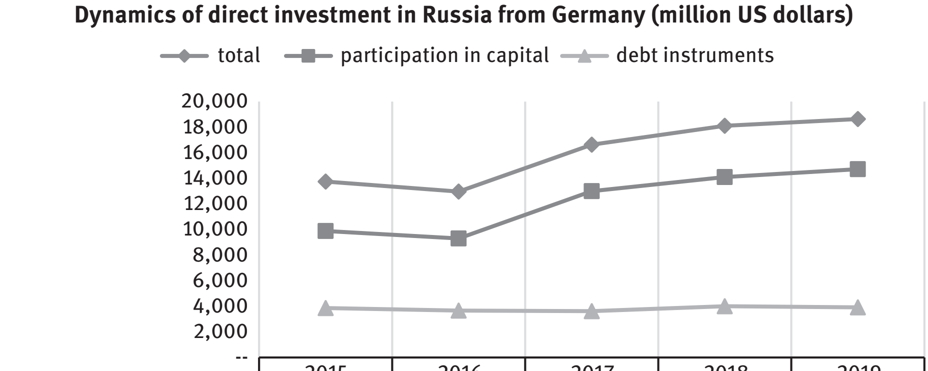
It should be emphasized that cooperation in the investment block between the Russian Federation and Germany is one of the most important areas in foreign economic relations of these countries, which has an impact on the dynamics of exports and imports of goods and services, as well as the areas of scientific and technical cooperation.

German companies, due to the opening of their own assembly plants in the Russian Federation, attract local suppliers of component products, increasing competitiveness by minimizing transaction costs. As for positive externals for Russia, the following can be distinguished:

- German companies get the opportunity to put the sign “Made in Russia” on their products, which improves the image of Russian products when using foreign technologies;
- Inclusion of Russian companies in global production chains;
- creation of new jobs;
- tax revenues to budgets of all levels of the Russian Federation.

An analysis of the dynamics of foreign direct investment (FDI) in Germany and Russia showed that in general, they were characterized by relative stabilitybefore the imposition of sanctions in 2014. However, with the accession of the Crimea to Russia and events in the eastern regions of Ukraine, FDI inflows to Russia, including from Germany, decreased in 2014–2015. However, since 2016, there has been a positive trend in direct investment from Germany to the Russian Federation (Figure 1.3), thanks to which pre-crisis indicators were achieved (16 billion euros in 2013).

In 2019, there is also a decrease in the total number of German companies in the Russian Federation (4661) compared to 2013 (about 6200). Therefore, every fourth company left the Russian market, but the remaining ones are actively developing business in the Russian Federation and 56% of German companies operating in



	2015	2016	2017	2018	2019
total	13,745	12,971	16,630	18,109	18,634
participation in capital	9,881	9,302	13,003	14,102	14,716
debt instruments	3,864	3,669	3,628	4,008	3,918

Figure 1.3: German direct investments in the Russian Federation for the period of 2015–2019. Source: compiled by the authors based on data from the Central Bank of the Russian Federation (2020)

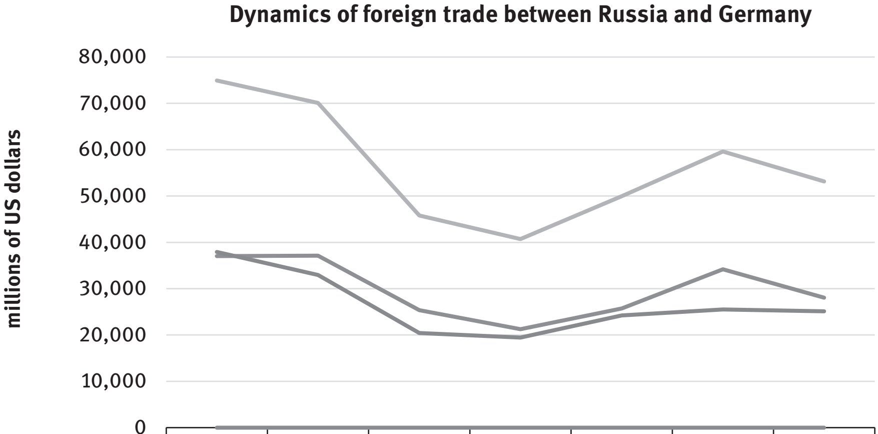
Russia were able to increase their turnover, and every third company will continue to invest in the Russian Federation.

In turn, Germany was the main recipient of FDI from Russia in 2019. Investments amounted to $8.2 billion, most of which were in the oil and gas industries. Therefore, a key role in the flow of direct investment was played by such a large-scale project as the construction of the Nord Stream-2 gas pipeline, the development of which began in 2010.

Next, we will consider key industries in which both Russian and German companies actively invest. The distribution of German investments by type of economic activity clearly demonstrates that the largest amount of funds in Russia is directed by German investors to the development of the manufacturing industry, to the sphere of trade and service services, as well as to the financial sector. As for Russian investments in Germany, about 81.1% are directed to gas supply and transport services.

Germany is one of the five largest importers of Russian oil and petroleum products and continues to be one of the 10 countries with the highest consumption of petroleum products. The share of electricity consumption in Germany from renewable sources is 26% (Enerdata, 2019), therefore, the development of the so-called "clean energy technologies," the production of which is highly likely to be multiplied in the medium term, can become the basis of potential cooperation in the energy bloc between the Russian Federation and Germany.

After the introduction of anti-Russian sanctions, the volume of trade between the Russian Federation and European countries until 2016 sharply decreased (Figure 1.4).



	2013	2014	2015	2016	2017	2018	2019
Export	37,027	37,123	25,351	21,256	25,737	34,184	28,049
Import	37,916	32,963	20,440	19,453	24,228	25,512	25,111
Turnover	74,944	70,087	45,791	40,709	49,965	59,606	53,161
Share in turnover	10%	8.90%	8.70%	8.70%	8.50%	8.70%	8.00%

Figure 1.4: Foreign economic activity of the Russian Federation and Germany, 2013–2019. Source: compiled by the authors based on the data of the Federal Customs Service of the Russian Federation (2020)

It should be noted that the decline in German exports is more due to the suspension of investment projects by Russian and German companies. At the same time, the structure of mutual trade between Russia and Germany has not undergone significant changes, however, a comparative analysis of the commodity structure of Germany's exports to Russia in 2013 (before the imposition of sanctions) and 2016 showed significant reductions in individual positions: machinery and equipment (12.5 and 7.21 billion euros), vehicles (8.31 and 3.87), chemical products (4.48 and 3.64), animal products (0.54 and 0.05), plant products (0.19 and 0.18), synthetic materials (1.92 and 1.43), textiles (0.98 and 0.57), metal (1.61 and 1.02), test and measuring instruments (1.94 and 1.23), as well as food products (0.84 and 0.665) (Giucci and Walter, 2017). In general, the volume of German exports to Russia from 2013 to 2016 decreased by 40%. The categories of goods that accounted for the maximum decrease in exports in 2016 are animal products (–80%), vehicles (–53%), as well as machinery and equipment (–43%).

However, since 2017, there has been a slight improvement in trade and economic relations between Russia and Europe. It should be noted that Germany from all EU countries began to occupy the first place in terms of trade with the Russian Federation, starting in 2017. In general, Germany in 2019 began to play a major role in foreign trade with the Russian Federation, second only to China.

Therefore, it can be concluded that the 2014 anti-Russian sanctions had a negative impact on both the Russian and German economies. However, after the period of "adaptation" (from 2014 to 2016), foreign trade and FDI indicators showed steady positive dynamics.

Conclusion

1. An analysis of German FDI in the Russian Federation showed that in general, before the imposition of sanctions in 2014, they were characterized by relative stability. Data on FDI of Germany in the Russian Federation (as well as indicators of foreign trade of Russia and Germany) in 2014–2015 showed a sharp decrease, but since 2016 there has been positive dynamics, reaching of pre-crisis indicators for FDI in the Russian Federation in 2016 and their subsequent growth. Currently, Germany is one of the key investors in the Russian Federation in the form of FDI. However, the volume of trade of both states did not reach the pre-sanctions level.
2. The results of a comparative analysis of the commodity structure of exports from Germany to the Russian Federation for 2013 and 2016 revealed the categories of goods that accounted for the largest decrease in exports in 2016: animal products, vehicles, machines and equipment.
3. Cooperation in the investment bloc between the Russian Federation and Germany is one of the most important areas in foreign economic relations between the two countries. When opening assembly plants in the Russian Federation, German companies attract local suppliers of component products, increasing their competitiveness by minimizing transaction costs. For the Russian side, significant results are: firstly, the inclusion of Russian companies in global production chains; secondly, the creation of new jobs, and thirdly, additional tax revenues to budgets at all levels.
4. The algorithm of the "long-term market development strategy" is actively implemented by German companies in the Russian Federation, which includes the "internationalization scheme," which contributes to a significant reduction in the time interval for developing markets and minimizing risks.
5. The basis of potential cooperation in the energy bloc between the Russian Federation and Germany may be the development of the so-called "clean" energy technologies".

In conclusion, it should be emphasized that despite the existing disagreements between the Russian Federation and Germany, the economies of Russia and Germany are complementary, therefore, the economic dialogue will be further developed primarily through mutually beneficial cooperation in such sectors as energy and engineering.

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2 Assessment of the Current Employment Situation in Mongolia

Introduction

Labor force (manpower) in economic theory indicates a person's ability to work and to use physical, spiritual and mental abilities in his life, which are also fundamental in his career development. Labor is the main productive force of society. Sometimes, the labor force is also defined as group of employees of an enterprise, except for administrative personnel. The current stage of civilization development is associated with a new look at labor as one of the key economic resources (Bolor and Imideeva, 2011).

One of the factors that especially strongly affects the economy is the labor force factor. Labor plays a major role in creating wealth in society. The regulation of labor force in the economy is carried out through the employment policy. In turn, the state employment policy is naturally associated with the economic development policy. Government policy should be focused on the factor that creates wealth in society (Bolor and Imideeva, 2011).

Mongolia is a sovereign state with a developing market economy. In Mongolia the key sector that determines the economic development for many years has been the production sector, particularly mining, agriculture, consumer goods, construction and services.

Employment issues have always been one of the most acute problems not only in Mongolia, but also in many developed countries of the world. During the Soviet period, the socialist system prevailed in Mongolia and unemployment was completely denied, although in a latent form social problems and unemployment took place. With the transition to a market economy in the early 90s, citizens faced uncertainty about the future of the labor market, as many factories and enterprises had been closed or going through privatization. This led to mass unemployment with many people searching for a job, while the rest saw an opportunity to develop business in the private sector. In this regard, over time, new layers of the population and new types of employment are formed.

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In general, the employment problem in Mongolia bores a political, economic, social, territorial, climatic, as well as an important ethno-psychological character.

The object of the study is the population of Mongolia during the COVID-19 pandemic.

The subject of the study is the employment situation in Mongolia under the influence of various factors, including socio-economic ones.

The goal of the study is to reveal and analyze the state of the employment situation in Mongolia during the COVID-19 pandemic.

To achieve the goal, the following objectives have been set:

- analyze the influence of existing factors on the employment situation in the country;
- study the impact of the COVID-19 pandemic on the employment situation;
- examine the employment situation in Mongolia under the influence of various factors caused by the quarantine;
- develop unemployment reducing recommendations;
- identify the main trends and causes of difficulties in the country's employment and suggest recommendations for improving the situation.

Argumentation method: the chapter is devoted to the study of the specifics of employment situation during the pandemic.

Materials and Method

The methodological basis of this research is a holistic approach to the study of employment situation. The study is based on a systematic and synergetic approach as well as statistical methods. Additionally, such general scientific methods as analysis and synthesis were employed during the study. As research tools, methods of statistical, mathematical, economic-logical and comparative analysis are used.

Results

The situation of the labor market is affected by a fairly large number of factors. Production output decline caused by the pandemic has a particularly strong effect. The current crisis results in the number of enterprises shutting down and its personnel losing their jobs. Consequently, the problems related to employment situation are becoming more acute.

There was an important recent change in the Mongolian labor market: the number of employable citizens increased due to population growth.

Mongolia total population is estimated at 3,238,479 in 2018, which increased by 60,580 or 1.91%, compared to 2017. Total population dynamics is shown on Figure 2.1.

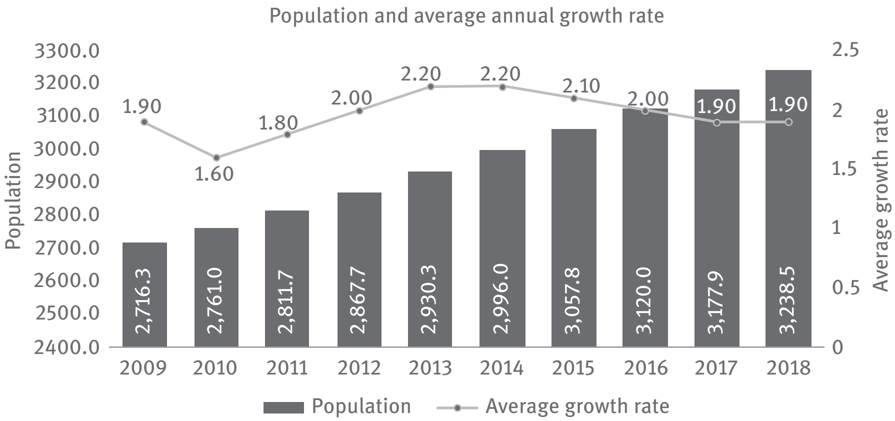

Figure 2.1: Mongolia total population dynamics during 2009–2018.
Source: Mongolian Government Statistics Agency

About 63.77% of the total population of Mongolia is under the 35 years of age. In particular, 30.94% or 1,002,052 of the total population are children aged 0–14, 62.4% or 2,020,696 people are people aged 15–59, and 6.66% or 215,731 people are elderly people aged 60 years and older (Mongolian Government Statistics Agency).

According to the employment agency, (Figure 2.2) out of 36.2 thousand looking for job citizens registered as of the end of December last year, 25 thousand are unemployed and the rest intends to change their jobs. Out of all the registered unemployed people in the country, 437 are disabled, including 203 women (Tables 2.1–2.3).

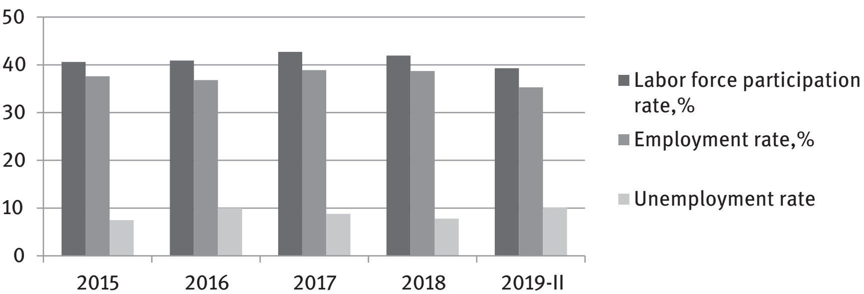

Figure 2.2: Dynamics of the labor force participation rate, employment and unemployment rates during 2015–2019.
Source: Mongolia National Statistics Agency

Table 2.1: Employment indicators in Mongolia (ths people).

Indicator	2014	2015	2016	2017	2018
Total labor force	1,206,554	1,243,895	1,275,650	1,357,425	1,358,637
Employed	1,110,698	1,151,223	1,147,843	1,238,333	1,253,023
Unemployed	95,856	92,672	127,807	119,092	105,614

Source: Mongolia National Statistics Agency

Table 2.2: The labour force participation rate, employment and unemployment rates.

Indicator	2014	2015	2016	2017	2018
The labor force participation rate, %	62.1	61.5	60.5	61.1	61
Employment rate, %	57.2	56.9	54.5	55.8	56.3
Unemployment rate, %	7.9	7.5	10	8.8	7.8

Source: Mongolia National Statistics Agency

Table 2.3: Employed population breakdown by gender (ths people).

Gender	2014	2015	2016	2017	2018
Male	584,371	604,677	603,885	652,673	669,643
Female	526,327	546,546	543,958	585,660	583,380
Total	1,110,698	1,151,223	1,147,843	1,238,333	1,253,023

Source: Mongolia National Statistics Agency

During 1992–2012 about 66.15% of working age population had been engaged in the country's economic activity. From the beginning to the middle of the period, this number has been steadily decreasing with a slight increase in 2000 but without significant progress. In particular, the female labor force participation rate is lower than the national average. Out of all 21 regions in Mongolia, the capital and the central regions have the highest density of the working population. Tables 2.4–2.5.

Table 2.4: Mongolia population breakdown by aimak/region (ths people).

Aimak/Region	2014	2015	2016	2017	2018
Total	2,963,113	3,026,864	3,088,856	3,148,917	3,208,189
Western	371,097	384,742	391,831	396,886	404,841
Bayan-Ulgii	93,802	97,67	100,18	101,388	103,847
Govi-Altai	55,032	56,472	56,398	57,036	57,977
Zavkhan	67,151	69,824	70,231	71,048	72,165
Uvs	74,882	78,278	81,02	81,983	83,499
Khovd	80,23	82,498	84,002	85,431	87,353
Hangai	551,467	573,666	580,062	588,257	598,999
Arkhangai	89,37	92,573	92,597	94,12	95,913
Bayankhongor	80,738	83,49	84,371	85,7	87,475
Bulgan	57,508	60,254	60,308	60,946	61,751
Orkhon	94,184	97,576	101,26	102,893	104,992
Övörkhangai	107,306	112,672	112,755	114,127	116,105
Khövsgöl	122,361	127,101	128,771	130,471	132,763
Central	475,044	482,851	489,009	498,408	508,879
Govisümber	15,43	16,29	16,724	17,155	17,59
Darkhan-Uul	99,458	100,443	101,408	102,975	104,999
Dornogovi	63,172	64,538	65,859	67,299	68,725
DundGobi	40,857	44,39	44,595	45,259	46,191
SouthGobi	63,422	60,674	62,481	64,311	66,018
Selenge	104,702	106,252	106,902	108,559	110,504
Töv	88,003	90,264	91,04	92,85	94,852
Eastern	197,997	205,974	209,586	213,656	218,296
Dornod	73,361	75,835	77,028	78,512	80,214
Sükhbaatar	55,285	58,229	59,422	60,471	61,726
Khentii	69,351	71,91	73,136	74,673	76,356
Ulaanbaatar	1,367,508	1,379,631	1,418,368	1,451,710	1,477,174

Source: The volume of FDI in 2017

Table 2.5: Mongolia employed population breakdown by region (ths people).

Region	2014	2015	2016	2017	2018
Hangai region	243,138	248,614	245,598	254,863	260,673
Western region	154,545	166,668	158,782	173,155	176,523
Eastern region	76,941	86,353	83,008	83,062	86,397
Central region	184,255	189,617	195,364	215,064	216,377
Ulaanbaatar	451,819	459,971	465,091	512,189	513,053
Total	1,110,698	1,151,223	1,147,843	1,238,333	1,253,023

Source: Mongolia National Statistics Agency

Figure 2.3 graphically shows Mongolia employed population:

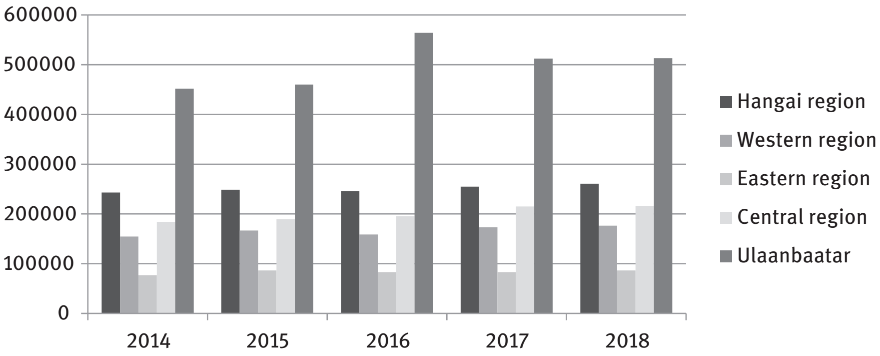

Figure 2.3: Mongolia employed population (ths people).

Analysis of occupational and industry differences in the structure of the workforce and the corresponding levels of wages is now relevant and necessary for enterprises, allowing to determine the nature of the labor market in conjunction with the characteristics of individual industries dynamics and professional demographic groups (Bolor and Imideeva, 2011).

As regards to the production industries, we note that with the development of the mining sector the demand for mining workers has increased sharply. As a result, specialists from Russia were invited to work in local mining companies. One of the bright examples of such company is Erdenet Mining Corporation, a state-owned enterprise focused on the production of copper and molybdenum. Erdenet Mining Corporation provides about 60% of the workplace in the city of Erdenet.

With development of the mining sector as one of the most advanced industries, Mongolia economy saw some positive dynamics and become more export oriented. The key consumer of Mongolia export has been China for many years.

Mining sector, agriculture, wholesale and retail trade, service sector, as well as manufacturing, make large contribution to the country's GDP, but the mining sector still has the greatest impact.

In addition to the mining sector, there is a high demand for labor force in such sectors as wholesale and retail trade, construction and manufacturing. These sectors are expected to have a significant positive impact on the labor market in 2020.

Water supply, sewerage, waste management and environmental restoration, electricity, gas, steam, ventilation, art and entertainment, gaming, telecommunication, banking and insurance, transport and storage and real estate account for 12.8% of total demand or 9.3 thousand people. These sectors are expected to have the least impact in 2020.

The construction sector accounts for about 20.0% of the labor force demand until 2020. Although the percentage has changed insignificantly over the past 5 years, its growth rate tends to decrease. Specialist forecast that the demand for labor in the manufacturing sector will grow by 7.4 thousand people, compared with the previous year.

In the last five years the Government of Mongolia has been implementing an industrialization policy and attempting to boost its own production.

This resulted in an increase of employed population and, subsequently, the expansion of manufacturing industry, where the added value is created (Table 2.6).

Table 2.6: Employment dynamics in Mongolia.

Year	Employed (ths people)	Absolute increase (people)	Growth factor	Growth rate (100% basis), %	Growth rate, y-o-y, %
2015	1,151,223	0	1,00	100,0	0,00
2016	1,147,843	−3,380	0,997	99,7	−0,3
2017	1,238,333	87,110	1,0756	107,56	7,56
2018	1,253,023	101,800	1,088	108,8	8,8

In 2019, the number of employed workforce amounted to 1,162,198 and increased by 10,975 or 0.95%, compared to 2015.

The study examines the labor force structure in such industries as manufacturing and services in order to assess the relationship between the economic development and government employment policy (Figure 2.4). As one can see, the number of people employed in manufacturing is declining while, conversely, the number of people employed in services sector is gradually growing. Dynamics of GDP demonstrates a negative trend in the volume of produced value added (Figure 2.4) (Bolor and Imideeva, 2011).

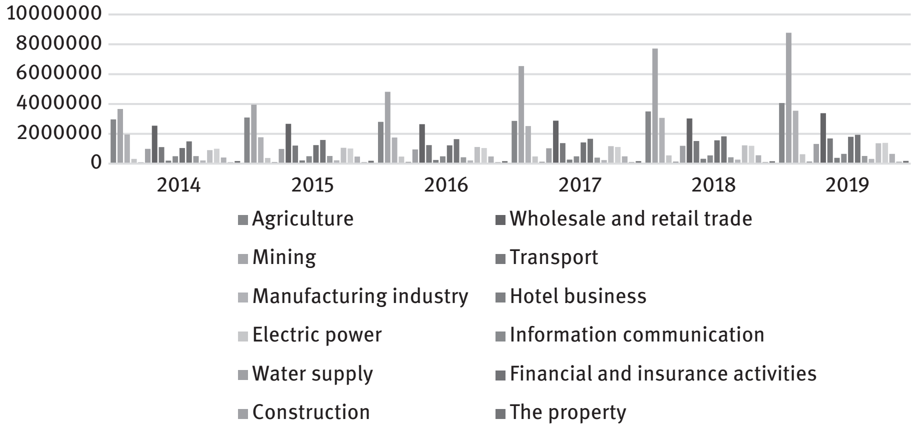

Figure 2.4: Mongolia GDP breakdown by industries in 2014–2019.
Source: Mongolia National Statistics Agency

The study notes that the demand for labor force in wholesale and retail trade is expected to increase by 26.2% in 2020 due to, among other, the COVID-19 pandemic and the increase of orders via the internet.

If the demand for labor force in certain sectors decreases compared to the previous year, an increase is expected in agriculture, mining, electricity and gas.

Considering labor force breakdown by most demanded industries, Table 2.7, we can see a decline in the agricultural sector for 15–49 aged men and women and vice

Table 2.7: Labor force breakdown by most demanded industries.

Industry	Age	Gender	2016	2017	2018	2019
1	2	3	4	5	6	7
Agriculture	15–29	Male	45,990	46,601	43,407	33,207
	30–49		144,462	145,823	140,787	112,303
	50–69		40,531	44,023	38,325	42,520
	70+		2,846	3,284	2,799	1,804
	15–29	Female	28,149	26,834	24,316	17,674
	30–49		89,727	88,064	83,510	74,649
	50–69		32,962	36,502	33,603	32,113
	70+		1,711	2,169	2,029	1,861

Table 2.7 (continued)

Industry	Age	Gender	2016	2017	2018	2019
1	2	3	4	5	6	7
Mining	15–29	Male	8,953	11,058	12,373	11,382
	30–49		19,054	26,737	31,958	30,350
	50–69		3,870	6,214	4,110	4,384
	70+		0	0	0	0
	15–29	Female	986	1,886	1,618	2,120
	30–49		4,810	5,176	6,687	8,061
	50–69		531	945	940	1,626
	70+		0	0	0	0
Manufacturing	15–29	Male	12,697	12,482	14,479	15,214
	30–49		25,188	27,745	27,917	22,315
	50–69		7,008	9,100	8,823	5,341
	70+		71	346	176	216
	15–29	Female	7,295	7,678	8,445	9,221
	30–49		27,172	28,126	31,274	32,013
	50–69		6,628	7,587	9,629	6,043
	70+		45	0	62	14
Wholesale and retail trade	15–29	Male	14,462	15,827	15,076	17,116
	30–49		47,655	51,565	58,207	40,075
	50–69		11,699	15,363	18,118	12,432
	70+		106	101	323	11
	15–29	Female	16,596	16,483	19,216	17,519
	30–49		64,771	77,435	73,171	51,828
	50–69		17,187	27,457	26,714	20,134
	70+		191	244	361	1,288

versa growth for 50–69 aged men. In the mining industry, as previously noted the key industry of Mongolia, despite arduous working conditions, there were no strong restrictions on work schedule introduced even during the quarantine.

In Mongolia, depending on the severity of working conditions, the retirement age is set to 45–50 years for women and 50–55 years for men. These had been introduced prior 2018, after which the retirement age has been raised due to the worsening economic situation.

Figure 2.5 observes an unstable unemployment rate in Mongolia. Despite the government measure, the situation does not tend to change and is especially escalated as the COVID-19 pandemic is spreading around the world.

	2014	2015	2016	2017	2018
male	8.5	8.2	11.6	9.6	8.3
female	7.3	6.7	8.2	7.8	7.1

Figure 2.5: Unemployment rate.

Mongolia is one of the first countries to close its borders with China, despite being heavily dependent on exports of mining products and imports of food and other products. Only in 2019, the number of small and large merchants to cross the border amounted 1.5 million people, but due to the pandemic many Mongols were left without a livelihood.

Now the poverty level is lower than ever in human history, and everything speaks of that we will see a further success in the fight against the coronavirus in the foreseeable future. However, the virus will result in a slowdown of population growth and, ultimately, in its reduction (Annual statistical compilation).

With the COVID-19 pandemic on the rise, new types of employment in the private sector of the economy began to take shape, which are usually formed in situations of uncertainty, which may reduce the employed population. Under new conditions, many organizations, production companies, enterprises have closed or suspended their activity for an indefinite period which consequently led to strengthening of unemployment in Mongolia.

Thus, the authors found that the crisis in the economy caused by the COVID-19 pandemic showed how vulnerable the labor market is and has greater consequences than all other factors. The structure of popular professions has changed: medical personnel, couriers, employees of online stores, call centers, etc. Recovery from a pandemic can be difficult if it is not accompanied by appropriate measures on the part of the state. Such measures are the application of an active fiscal and monetary policy, the expansion of social protection, and the strengthening of labor protection. An important condition for effective response to the consequences of the pandemic will be the collective effort and solidarity of employers and workers organizations.

Conclusion

The labor market has always been one of the problem areas in Mongolia economy. Especially with the pandemic on the rise, many citizens have left the country in search for work, including illegal ones, while expatriates have been forced to return. In market economies, during the quarantine owners of private businesses face uncertainty, financial decline and headcount reductions while many organizations and manufacturing companies have closed or suspended their activity for an indefinite period, which consequently led to mass unemployment in Mongolia. Under the existing circumstances, new types of employment in the private sector began to take shape, in particularly the Internet sector is developing, the fate of which is also still unclear. So, another attempt towards population self-employment have been made.

Mongolia has yet to introduce a robust employment policy in order to effectively regulate the labor market and improve the employment situation, which remain relevant to this day. One of keys to success is to resort to the proven experience of many developed countries. Four key directions for state regulation of the labor market can be distinguished. Firstly, stimulate employment growth and increase the number of jobs; secondly, initiate programs aimed to train and qualify the workforce; thirdly, encourage recruitment activities; finally, strengthen unemployment insurance programs to effectively allocate government funds for those who are unemployed (Bolor and Imideeva, 2011).

Analyzing the labor force structure by industries in Mongolian economy, the study identifies the following key factors to consider: non-competitive development of manufacturing, non-optimal "industrialization policy" and labor force structure and inefficient employment policy intended to support the economic development of Mongolia.

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3 Modification of the Forms of Struggle for Geo-Economic Leadership in the Context of Global Instability Growth

Introduction

The most important feature of the modern development of the global society is the growing tendencies of uncertainty and instability. Under these conditions, the forms of struggle for geo-economic leadership undergo significant modification. While maintaining the continuity of the initial impulses of this struggle, due to the attributes of socio-historical genetics and the systemic structuring of social relationships – hierarchy, the desire for expansion and domination, the attitude to extract economic benefits due to the leadership status – the features of geo-economic competition are formed, reflecting the specifics of the current stage of the economic civilization evolution and the impact of new global challenges – cyber wars, climatic disasters, pandemics.

Currently, the key characteristic of the struggle for geo-economic leadership is it's multidimensional and multi-levelness on the background of a dynamic change in the balance of the leading actors' forces in global interactions. The bifurcational and polyfurcational uncertainty of this dynamics is growing, due to the multidimensionality of the technological and socio-economic "breakthroughs" potential in the transition to new technological paradigms (the study of which has been actively developed in the world and Russian scientific literature) and the formation of socio-informational structures of neo-economics, which have not yet been sufficiently studied. These objective trends give rise to the necessity for analyzing and solving new problems caused by the multifactorial and multidimensional nature of the struggle for geo-economic and geopolitical leadership in the context of global destabilization and conflict growth. The author's concept for the study of new processes remains consistent with the classical approaches presented in the works of Vallerstayn I., Brodel F., Druker P., Amin S., Frank A., Teylor P., Arrigi Dzh., Kennedi P., Kindlberger Ch., Lyuttvak E, Meddison A., Savon P., and also in the works of such Russian authors as Avdokushin E., Anchishkin A., Arkhipov A., Bulatov A.,

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At the same time, it should be noted that the historically initial and most obvious aspects of the dynamics of geo-economic leadership, associated with the traditional geographic and territorial characteristics of the centrality of the world economy, retain their significance. These processes of geographic modification of geo-economic leadership are, at the same time, under the influence of the unifying mechanisms of globalization, the global laws of the technological "revolution 4.0", universal algorithms for the digitalization of the economy and all aspects of social life. New aspects of the nature, content and forms of geo-economic leadership are revealed in the context of modern glocalization trends associated with the specifics of the developed countries' reindustrialization on the basis of relatively autonomous mechanisms for the synthesis of the latest industrial sectors and information technologies, partial regionalization and fragmentation of the world economy. These trends enhanced in the context of the global pandemic, which intensified the impulses of glocalization and increased the factors of uncertainty and instability in the evolution of the geo-economic system, including its hierarchical structure.

Methodology

The methodological axiomatics of the research is based on the concretization of the systems approach principles in the context of the postulates of the evolutionary economics theory. The tool for specification the methodological approach is the application of the core-peripheral model of Wallerstein I. (Wallerstein, 1974) to the consideration of the dynamics of geo-economic leadership in the context of the current growing prospects' instability for the evolution of the world economic system, in connection with which the methodological developments of the economic uncertainty theory are also used.

Modification of the essence, factors and mechanisms of global leadership is inseparable from the structural reformatting of the geo-economic system as a whole, and therefore, in the context of the research topic, methodological and theoretical developments of the concepts of geo-economics presented in the works of Luttwak E. (Luttwak, 1990), Savon P. acquire special significance. (Savona, 1995), E. G. Kochetova (Kochetov, 2012).

The methodology of the author's approach to the problem of the dynamics of geo-economic leadership is determined by the attitude towards the recognition of the historical limit of the theory and practice of the model of "hegemonic stability" by Kindleberger Ch. (Kindleberger, 1973) and related concepts of global unipolarity, the "Washington Consensus" and similar ones. The strengthening of the relationship between the economic and political characteristics of the modern world functioning and the increase in the degree of economic uncertainty under the influence of political and other social factors, especially clearly manifested in the context of a global pandemic, required taking into account the methodological relationship of the concepts of geo-economics and geopolitics, as well as the methodological guidelines of global political economy, developed in the works Gilpin P. (2001), Cohn T. (2016), Ravenhill J. (2017). Modern theoretical developments and research generalizations of the practice of reindustrialization in developed and leading newly industrialized countries are also of methodological significance.

Results

The problem of the struggle for leadership is traditionally one of the key ones from the point of view of general vectors and directions of the world economy development. This struggle reflects the essence of the world economy as a system and occurs throughout the entire period of its existence – from the Great Geographical Discoveries to the present day. Due to the fact that the very creation of a single world economy, the impulse for its formation was formed in the countries of the Western European macroregion, it were the leading states of Western Europe that for a long time occupied a leading position in the system of the international labor division. The combination of the competent application of innovations, effective state systems, and an organized military-industrial complex allowed Western European countries most decidedly win competition from other geo-economic centers of power, to form the world economy, in which they became the beneficiaries of the new West-centered model of the international economic relations.

However, if we proceed from gross indicators, the situation in terms of formal leadership was not definite for a long time. So, at the time of the Great Geographical Discoveries activation, Western Europe significantly lagged behind Asia in terms of production indicators, and the leading colonial powers of the West lagged behind the largest economies of the East (Table 3.1).

So, in 1500, the countries of Western Europe accounted for 18.2% of the world gross product, while the countries of Asia – 64.9%, that is, this macroregion during this period was dominant in terms of its contribution to the world gross product. In the context of the largest economies in Europe and Asia, the situation was similar. Thus, the share of fragmented, but commercially developed Italy in 1500 was 4.7% in the SGM, France – 4.4%, Spain – 1.8%, England and Scotland combined – 1.1%, Portugal – 0.2%. At the same time, the share of such large Asian economies as China and India was 24.9% and 24.4%, respectively. It is noteworthy that even in the early period of industrialization of the Western European macroregion, the primacy in the volume of the gross product still remained with these Asian giants. In

Table 3.1: Macroeconomic and demographic ratio of the main macroregions in 1500.

Macroregion	GPD in 1500, USD billion	Population in 1500, million people
Western Europe	44.2	57
Territory of the future British resettlement colonies (Western Offshoots)	1.1	
Eastern Europe and Post-Soviet space	15.2	30
Asia	161.3	284
Central and South Africa	7.3	18
Africa	19.4	47
The whole world totally	248.4	438

Source: compiled by the author on the basis of Maddison (2007, p. 70)

1820, Britain's share in the first gross product was 5.2%, France's 5.1%, while China's share was 32.9%, India's 16.0% (Maddison, 2007).

The final turning point came in the second half of the 19th century, when the widespread industrialization and the process of intensive creation of colonial empires engulfed Western Europe as a whole. If we analyze the data for 1913, then the ratio of geo-economic weight will be completely different. During this period, the presence of a demographic overbalance has already ceased to have any significant meaning in relation to leadership in gross indicators (Table 3.2). In 1913, the countries of Western Europe and Western economies of immigration capitalism (the USA and British dominions Canada, Australia, New Zealand) accounted for 54.3% of the world gross product, and the countries of Asia, despite a significant demographic advantage, accounted for 24.9%.

Table 3.2: Macroeconomic and demographic ratio of the main macroregions in 1913.

Macroregion	GPD in 1913, USD billion	Population in 1913, million people
Western Europe	902.2	261
Territory of the future British resettlement colonies (Western Offshoots)	582.9	111
Eastern Europe and Post-Soviet space	367.1	236
Asia	680.7	978
Central and South Africa	120.8	81
Africa	79.5	125
The whole world totally	2,733.3	1791

Source: compiled by the author on the basis of Maddison (2007, p. 70)

At the same time, as a result of the globalization of the last few decades, which has spread technological progress and organizational processes throughout the world, as well as the development of a post-industrial order mainly in Western countries, from the point of view of geo-economic leadership, a reverse process is observed. The dynamic large countries of Asia, primarily China and India, are striving to regain the positions they lost a century and a half ago, and moreover, becoming the leaders of the world economy on a qualitatively new technological base. As you know, in terms of PPP, China has already significantly outstripped the United States: at the end of 2019, China's share in the world economy is 19.2%, and the US's share is 15.1%. Although the US is still the leader in the nominal terms, the situation is changing rapidly.

Thus, at present, the world economy is undergoing a growing struggle between the developing Asian giants seeking to seize the leadership in the world economy and the traditional Western economies trying to retain it. At the same time, this geo-economic competition is taking place on the background of deep transformational shifts in the world economy itself, which is increasingly developing under conditions of uncertainty growth.

In recent years, the glocalization fragmentation of the world economy has become the leading specific form of the global uncertainty and instability growth. Faced with the global financial and economic crisis of 2008–09 with the negative consequences of hypertrophied financing and servicing of the economy, with a reduction in integrative innovation potential in the face of a decrease in the role and share of the real sector of the economy, the leading developed countries took a course towards reindustrialization and increasing global competitiveness through the synthesis of the latest industrial sectors and innovative technologies during the "Revolution 4.0" and formation of neo-economics. A contradiction has arisen and continues to deepen between the strengthening of the information unity of the world and the digital unification of the global economy, on the one hand, and the relative isolation of the re-industrialization processes in individual countries and the revival of protectionistic trade regimes, on the other.

In these conditions, new features are acquiring the character of leadership in the world economy. Along with the traditional significance of gross indicators, the share of the country and the bloc in the volume of world production and exports, leadership in the latest technologies and product quality, in labor productivity and the factors of profitability, the most important criterion of global competitiveness, quite unexpectedly and earlier unpredictably, become the criteria of self-sufficiency and self-reliance, independence from global supply chains and global market conditions. Leading global actors now strive not so much to reduce costs and compare profitability factors with global ones, but to autonomous sustainability; the criteria of global integration of macro-, meso- and microeconomic systems and units are represented as key indicators of self-sufficiency and the potential for self-reproduction using internal resources.

The updated concept of preserving and strengthening the global leadership of the United States, developed by D. Trump, proceeds from the fundamental idea that this leadership can and should be ensured not by the subordination of other countries, but by their voluntary orientation towards the American model of development, which, by definition, should be more effective, dynamic and forward-looking. This is supposed to achieve world priorities and thereby ensure the task of "make America great again" (Trump . . ., 2020). The solution of this problem, according to the American president, is inseparable from the attitudes towards self-sufficiency and autonomy of the US economy.

Signs of destabilization inherent in the process of the global leadership system reformation are currently manifested in the fact that the leadership mechanism proclaimed by D. Trump as a promising task for the United States is actually carried out by a new candidate for the status of the leading global power – China. China is now the main trading partner for more than 130 countries around the world, while the United States is only for about 70; the degree of involvement of many states in the circle of economic adgerence to the Chinese economy through the "New Silk Road" ("One Belt, One Road") project and the expansion of Chinese capital on all continents is increasing. The Chinese economic model has become a global role model. At the same time, it should be emphasized that during the entire period of unprecedented dynamic development that turned China into a world economic leader, the principled orientation on the self-sufficiency of the Chinese economy and the independence of strategic goal-setting was preserved, which persists even in the conditions of a widespread engaging of external financial resources and the developing of financial and production tandem with the USA. China invariably rejects all projects of multilateral and bilateral cooperation that can realistically or potentially limit its complete independence in making key decisions.

The success of internal development as the main instrument for enhancing global influence is considered as a leading forward-looking strategic setting and by such a global actor as the European Union. A feature of the mechanism for increasing global competitiveness through effective internal development for the EU is an orientation towards the greening of production and lifestyle. Environmental threats are considered as the main factor in the destabilization of not only the world economy, but also the development of modern civilization as a whole, in connection with which the primacy in solving environmental problems is interpreted in the context of the prospects for global civilizational leadership (European Commission, 2010; European Council, 2019) and concretized in the concept of "green deal".

New aspects of the struggle for global leadership were developed during the pandemic, which has become the largest recent factor in destabilizing the world economy and the entire system of international relations. It was found that the tendencies' intensification of these relations fragmentation and the relative "closeness" of countries concerns only the administrative and organizational forms of the epidemic's consequences sanitary control, while the scale, speed and nature of the virus spreading demonstrated the deepening of the globalization unification of the world. The same pattern manifested itself in the informational reflection during the epidemic and in solving the problem of finding an virus vaccine; Moreover, it was in the context of a pandemic that the maturation of new directions of deepening globalization intensified (Pryakhin, 2020). Some analysts interpret the pandemic as a milestone event, marking the transition to a new era of globalization and a new format of the struggle for the global leadership ("Coronavirus is a historical marker between the first era of globalization and the second . . . The era of Globalization 2.0 is the division of the Globe into blocs of great powers with a growing army and with separate supply chains, this is the growth of autocracy, this is social and class divisions . . .") (Kaplan, 2020).

The medical and epidemiological problem thus acquired the form of destructive competition not only between scientific centers of the world, but also in the context of the struggle of leading powers for the world leadership (The United States Has Built . . ., 2020), and the difference in approaches to understanding the functions and the goals of that leadership. The Russian position assumes the inadmissibility of unacceptable forms of competition in the "race" for world leadership in the scientific and medical field (Lavrov, 2020) and recognizes the need for the broad international cooperation in the fight against the pandemic.

In the age of instability and uncertainty of the prospects for the contradictory interaction of the world growing information unity and the relative isolation of the economic complexes of individual countries and regions, leadership in processing large amounts of information, formalizing algorithms for analyzing threats and making advanced decisions on the choice of optimal alternatives to the strategy and tactics of competitive struggle is of key importance. This exacerbates the global competition in the areas of digitalization "Big data" and the development of artificial intelligence. The leading countries have adopted national programs for the development of AI, and the change in the balance of forces in the global arena will largely depend on the degree of effectiveness of the implementation of these programs. China is currently the leader in financing them – about $ 170 billion a year; the USA allocates about $ 26 billion annually for these purposes. At the same time, 228 of the TOP-500 supercomputers are functioning in China, and 112 in the USA. Both world leaders expect only through the development of AI technologies to at least double the GDP growth rate by 2025 and ensure the growth of the world gross product by $ 15 trillion. (Kuleshov, 2020). Russia in the world ranking of AI development is currently in 33rd place; of the TOP-500 supercomputers, it accounts for only 3, with the most powerful one taking the 29th position on the global list. Only in 2019, the National Strategy for the Development of Artificial Intelligence was adopted, designed to reduce the gap with world leaders.

Conclusion

The uncertainty of the evolutionary prospects and the instability of the current functioning is a distinctive feature of the modern functioning of the world economy and the state of world civilization as a whole. The disproportions and contradictions that have grown over the past few decades have now reached an acute stage under the influence of an avalanche flow of technological and social changes that have become attributes of the neo-economics formation. New technological paradigms, a synthesis of neo-industrialization and information digitalization, and the growing threat of an ecological catastrophe have generated new impulses of uncertainty and demonstrated the historical limit and inefficiency of the previously existing mechanisms for ensuring global leadership. Currently, both its traditional geographic localization and its functional content are changing rapidly.

The analysis of new trends in the development of the global society allows us to conclude that the outrunning effective trends implementation in the development of technical and social parameters of neo-economics by one or another macro-, meso- and microeconomic entities and other social structures – participants in geo-economic competition in the age of modern instability and uncertainty opens up new “windows of opportunity” and is able to have a significant impact on changing the configuration and forms of the world economy centralization, on the status evolution of the traditional and the promotion of new global leaders.

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4 Institutional Design Of Flexible Employment in the Context of Multipolar Globalization

Introduction

Multipolar globalization and the deepening of world economic ties have significantly influenced the institutional design of the modern labor market. The digitalization of economic relations contributed to both the creation of new professions and the disappearance of a number of specialties, replaced by modern technological platforms and tools. In this regard, the theory and practice of the institutional design of the economic system from the standpoint of considering the further "design" of the labor market and its institutional, economic and legal modeling becomes topical. In addition, the conditions for the functioning of the economic systems of most countries during the COVID-19 pandemic have demonstrated both positive and negative consequences of distant work, which actualizes the institutionalization of "flexible" employment models and forms in the sectoral context and at the global level of the economic system. The globalization trend has led to a change in the structure and content of labor demand, contributed to the deepening of self-employment and the evolution of labor relations towards the differentiation of employment forms, regulatory policy instruments at the macro level. The key trends in the modern labor market are the following: the lack of a well-built system of labor relations' standardization related to modeling remuneration and organizing the system of social guarantees; increased migration flows of labor both at the level of specific states and between countries; improvement of the off-shoring, involving the distribution of specific types of work between countries; development and strengthening of the use of non-standard employment forms, including its distant form, which are not regulated at the institutional level; the evolution of the employment model, differentiated under the influence of globalization processes. Currently, issues of institutional design are being dealt with by Tambovtsev V.L., Auzan A.A., Goodin R.E. et al. The problem of flexible employment in the context of economic and theoretical content takes place in the studies of Spraiser J., Cameron L., Gareth L., and others. However, the proposed scientific developments lack a comprehensive mechanism for the formation of a labor model focused on the inclusion of the institutional design concept in the context of globalization processes.

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Thus, the need to find a solution to the problem institutional designing of flexible employment in the context of multipolar globalization consists in the need to include new models of employment at the macroeconomic level in the scientific and practical analysis, since the implementation of an effective policy through the analyzed concept of institutional design will create a sustainable labor market model that allows transformation depending on the set of conditions for the influence of internal and external parameters of the economic system.

Methodology

The methodological axiomatics of the research is based on the specification of the system approach principles in the context of the postulates of the theory of institutional economics, labor economics, international economics, as well as the level of economic analysis in the context of macroeconomics.

The idea of institutional design is considered in details by many scholars. The classic approach to the category of "institutional design" was proposed by the American scientist Elionor Ostrom in 2009 (Ostrom, 1990). In particular, in the studies of Auzan A.A., the need to take into account "modernization cycles and the problem of path dependence" in modeling the reform of the economic system, is emphasized (Auzan, 2007). It should be noted that both in foreign and domestic literature, the process of intentionally change of one or several structural elements of an institution is most often considered under "institutional designing" (Tambovtsev, 1997), as well as the possibility of forming a fundamentally different institution (Goodin, 1996). Thus, economics most often uses the terminology "institutional designing" and "institutional design" as synonyms. However, in our opinion, the semantics of the word "institutional designing" to the greatest extent reflects the target orientation of the ongoing reforms, therefore, in the case of analyzing the reform strategy, it is advisable to use this phrase. When analyzing the goal for emphasizing the multidimensionality of reforms, the most successful combination is "institutional design".

The problem of flexible employment is reflected in the concepts of economic and demographic orientation. In particular, the studies of Gaidar A.E. are devoted to the issues of flexibilization (destandardization), who examines the main trends in employment in the context of globalization, paying special attention to the analysis of the transformation of social and labor relations: "splitting of social and labor relations, intellectualization, precarization, the increase of outsource staff and flexible employment forms" (Gaidar, 2015). Thus, the macroeconomic consequences of globalization processes illustrate the development of a new paradigm, consisting in cardinal changes in the labor market. Labor is transformed into a new content due to innovation and scientific character in the organization of social and labor relations. First of all, the demand for highly scientific work is increasing, requiring investments in the quality of labor resources.

Results

In the context of the impact of multipolar globalization, decentralization, specialization of production, as well as an increase in its producibility with the growth of the influence of non-economic factors on economic development, in order to increase the competitiveness of the economy, it is necessary to reduce production costs. "Flexibilization" of the world economy gives rise to its new state, due to the intensive spread of flexible forms in various spheres of economic employment and, above all, in the labor market. The strengthening of "flexibility" is determined by the development of society digitalization and the spread of new forms of flexible employment – distance employment in its new form, distance self-employment through the use of digital technologies, etc. Moreover, the use of flexible forms of employment does not require long-term procedures for dismissal, staff reduction (Romanova et al., 2006), which is extremely important in modern conditions of economic development.

In addition, the difficult epidemiological situation in the world, which determined the impact of the pandemic factor on the economy, necessitated the transition to flexible modes of operation. The COVID-19 pandemic challenged traditional forms of employment, but at the same time demonstrated their flexibility and mobility. The introduced regime of self-isolation led to crisis phenomena in the markets, to increased flexibilization of employment and the formation of institutional prerequisites for the emerging of new employment mechanisms that were previously unknown to labor law.

It should be noted that the differentiation of the models of flexible employment existing in modern theory and practice is focused on identifying the following forms:

- employment due to the specific social status of the employee (self-employment, unpaid family members);
- non-standard work (work from home, "work on call", seasonal workers, etc.);
- part-time employment, expressed in such non-standard organizational forms as temporary employment, part-time employment with flexible working hours;
- distance work, the intensive development of which at the global level is due to the spread of the COVID-19 pandemic.

The study of flexible forms of employment can hardly be overestimated, since they broaden the understanding of employment, its scale and structure. In addition, the intensification of the use of flexible employment forms contributes to the transformation of supply and demand for the most important factor of production – labor, increasing the alternative use of labor from the consumers' side – employers and its members – workers. The demand for labor is already largely determined by individual personal competencies, and the offer is determined by the possibility of obtaining a non-standard labor status (self-employment, part-time employment, distance employment, etc.).

Determining the advantages of flexible employment in comparison with standard forms of labor organization seems necessary. Thus, Veldzhinska A., Batorski D. and Torrent-Selens J. believe that flexible forms of employment are mainly inherent in temporary, non-standard, informal work. The authors revealed the combined effect of the use of flexible labor contracts and the unemployment rate by occupational groups in different periods of cyclical development. Thus, the possibility of "unreliable" work increases for knowledge workers when the performance of their work duties is regulated by flexible labor contracts (Wilczyńska et al., 2020).

So, according to Yesimzhanova S., the duration of working hours is the main parameter of flexible employment, while demonstrating its value both in the direction of decreasing and increasing in relation to the duration of working hours, in comparison with standards (Yesimzhanova, 2018). Another point of view involves the allocation, on the one hand, of flexible forms of organizing working time, and on the other hand, flexible forms of organizing work, which include hired labor and distant employment (Tropynina, 2016). The International Labor Organization associates flexible forms of employment with precarious, forced employment. From a legal point of view, flexible forms of employment are characterized by the modification or complete absence of one or more features of traditional labor relations (Panas, 2016).

Thus, in difficult economic conditions, flexibility allows you to save jobs, acting as a tool of a quick respond to unexpected market fluctuations. Moreover, this type of employment expands employment opportunities, self-realization for the individual, helps to optimize the use of labor, increase production efficiency, and change the cost structure in terms of labor costs (Yesimzhanova, 2018).

However, it should be noted that flexible forms of employment under the influence of the pandemic factor have a negative impact directly on social and labor relations; therefore, there is a risk of ignoring the contractual terms of employment, which may increase the propensity to opportunistic behavior, encroaching on the rights of the parties.

Spurk D. and Strab S. understand flexible employment (flexible labor contracts) as "temporary, informal, non-traditional employment, without social guarantees, considering its manifestation in the context of the COVID-19 pandemic" (Spurk, Straub, 2020). Other authors have noted an increase to 17% of such contracts in Europe, to 16% in the United States (Huws et al., 2019; Spreitzer et al., 2017). In addition, Spraiser J., Cameron L., Gareth L., while investigating the flexibility of work organization, distinguish it into three categories: flexibility in work planning (flexible working hours); flexibility in the organization of work (for example, distance employment); flexibility in labor relations (Spreitzer et al., 2017).

McKeever V. points out that, such flexible forms of employment, primarily in a pandemic, contribute to an increase in the length of the working day (McKeever, 2020). Moreover, during a pandemic, the flexibility of the work organization system contributes to an increase in employment in some sectors (healthcare, retail and wholesale of food, delivery services, logistics, online sales, etc.) and a decrease in others (tourism, services, non-food retail trade, manufacturing sector). The most flexible type of work organization in modern conditions is online platforms (organization of concerts, exhibitions, webinars, online education, etc.).

In addition, flexible labor contracts facilitate the transition of some workers to the providing related services, since the health risks of "workers on demand" (warehouse workers, post office workers, and food delivery workers) are increasing. For example, the largest giant Uber, faced with a 94% reduction in trips, retrained its taxi service as a food delivery service and increased its driver base by 15%. In addition, Uber launched the Work Hub platform, which allows drivers to find alternative jobs in other areas due to the virus infection hazard, such as food and service manufacturing or logistics (Chandler, 2020).

Thus, the consequences of the COVID-19 pandemic will contribute, in our opinion, to even greater flexibilization in the organization of work (increasing the flexibility of the workload, the motivational component, increasing the interaction of workers within the framework of flexible labor contracts, etc.).

Not without interest are the new out-lines of traditional flexible employment forms, such as distance employment and self-employment, which acquire special relevance in the new economic conditions, since modern trends in economic development determine the qualitative transformation of labor relations associated with the introduction of new production technologies and the growth of telecommunication opportunities. Such trends have led to an increase in the importance of the service sector and a high need for non-standard forms of employment, and the adoption in 2017 of the Federal Law "On self-employment" (Federal Law of the Russian Federation No. 422-FL of November 27, 2018) made it possible to institutionalize the concept of "self-employment", as well as to define the areas of activities for the self-employed, restrictions and tax regimes. Over the past twenty years, the informal component of the Russian labor market characterizes not only growth, but also demonstrates structural transformation: for example, if in the early 2000s the share of such employment was about 12% of the labor market, then by the end of 2019 it was 32.5% (about 25 million people) (Research: almost a third of Russians participate in the "shadow" labor market, 2020).

The main conditions for the institutionalization of employment are a decrease in the amount of tax payments, a change in tax policy, and an increase in the motivational function of labor remuneration, which in modern conditions is not an effective tool to stimulate labor activity. However, restrictions on self-employment can lead to an increase in unemployment, a decrease in solvency and acute manifestations of social tension in society. Therefore, the institutional design of self-employment should be aimed at creating mechanisms for the amortizing effect from its negative consequences in the economy of digital transformation.

Institutional transformation of the system of labor relations contributes to a change in the role of other institutions in the labor market, for example, trade unions (reducing the impact on the balance in the labor market), contributes to increased competition. At the same time, a different aspect is acquired by the state employment policy and, consequently, the system of industrial relations as a whole.

Thus, the ongoing changes in the labor market, due to the increasing role of flexible forms of employment, require the application of institutional design of state policy on the labor market. The main conditions for the institutionalization of flexible employment are the increase in the motivational function of remuneration, which in modern conditions is not an effective tool for stimulating labor activity.

The institutional design of flexible forms of employment acts as a mechanism for adapting the economy to the conditions of digital transformation, within the framework of which the leveling of the negative consequences of flexible employment is possible due to "the modernization of institutions for regulating labor markets" (Bobkov, 2018), which indicates the relevance and importance of research in the field of institutional design of flexible employment models in the context of multipolar globalization.

Conclusion/Recommendations

The analysis of the problem of a flexible employment's institutional designing made it possible to conclude that the following elements of scientific value are present:

- consideration of the "flexibilization" phenomenon in the world economy, affecting the creation of flexible employment models, which allowed the authors to highlight the specifics of the institutionalization of the labor market in the modern economy;
- the analysis of the employment differentiation in the context of digitalization made it possible to draw a conclusion about the impact on the labor market of conditions and its quality at the global level;
- the implementation of the characteristics of the motivational component in the remuneration system allows us to actualize it as one of the basic factors in the formation of various forms of flexible employment.

Based on the elements of scientific value presented in the study, the authors proposed the following recommendations:

- Firstly, it is reasoned, from a methodological point of view, to use the concept of institutional designing of a flexible employment form more actively, which

provides for a focus on deepening the socially oriented component in the regulation of labor relations;
- Secondly, in order to improve the quality of the workforce, it is necessary to focus on the regulation of the education system, advanced training and the system of retraining of labor potential, which will contribute to the implementation of mechanisms for workers adaptation to the conditions of a rapidly changing economic system, and form an integrated approach to take into account the interests of both workers and states;
- Thirdly, the flexible employment forms are qualitative indicators of the economic development level of the state, reflecting the transformation of the role and place of the human factor in the system of industrial relations, which allows them to be included in the institutional framework for the implementation of macroeconomic policy;
- Fourthly, the formation of a new content of labor was accompanied by a change in the mechanism of labor motivation, new requirements for the organization of labor, the professional skills. For this reason, flexible forms of employment are relevant motives and incentives to work, since they contribute to the individualization of the system of work and employment organization.

Thus, the central factor in the institutional design of flexible forms of employment in the context of globalization should continue to be the personal preferences of the employee when organizing work.

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5 The Eurasian Economic Union Today: The Effects of Integration and Industrial Cooperation

Introduction

The level assessment of cooperation development between the member states of the integration association, analysis of the results achieved and prospects for further integration are the most attention grabbing issues in modern studies of the functioning problems of the Eurasian Economic Union.

These questions were spawned by an important event for the countries participating in the integration association, namely a five-year period of its creation and functioning. The Eurasian Economic Union is known to have begun functioning in January 2015, which after passing the important stages of economic cooperation from a single economic area to a customs union, successfully grew into an integration union of five countries: Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia. The basis for the economies convergence of the countries was urged by the need for foreign trade relations development within the association, objectively set by the specialization and cooperative links developed previously by the countries which used to be a member in a single state (Sharoschenko et al., 2017).

In succession, most of the member states of the World Trade Organization (WTO) are involved in the process of forming international economic integrations, which can be regarded as a response measure in relation to the coordinated actions of their trade partners, who have already formed such integration grouping. However, the results of the integration processes remain mostly intangible.

Regular criticism of the President of the Republic of Belarus A. Lukashenko in relation to some aspects of the EAEU functioning may question the effectiveness of integration processes, however, it is necessary to take into account the efficiency criteria used in these assessments. A.G. Lukashenko draws attention to a significant number of non-tariff restrictions, the absence of coordinated macroeconomic, industrial and agricultural policies in the countries, and also expresses fears about the excessive politicization of the Union (REGNUM News Agency, 2020).

Indeed, the problem of non-tariff restrictions in the EAEU is quite acute, which is clearly illustrated by the precedents of the "milk and meat wars" between Minsk and Moscow, when the Rosselkhosnadzor prohibited the sale of meat and dairy

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products from Belarus to Russia, citing the non-compliance of products with veterinary and sanitary requirements, however of the conflict lay long-standing political and economic contradictions (Van der Togt, 2017). Meanwhile, it should be noted that one of the main achievements of integration is a significant alleviating of the Union's common market barriers. Thus, from 70 to 90% of enterprises in various EAEU member states consider the common EAEU market as generally accessible, despite the fact that about two thirds of them noted the presence of certain barriers and obstacles to their activities in the common EAEU market (Volkov, 2019). This fact shows the difference in the final assessments of the integration association effectiveness based on the selection of various criteria.

In this regard, the relevance of studying the development results of integration processes in the Eurasian Economic Union is, on the one hand, due to the need for further scientific analysis of real processes development, conceptualization of the so-called integration effects, and, on the other hand, a practical interest in the problems of modeling the prospects for the development of the EAEU. These questions were raised in the works of such economists as J. Wiener, P. Robson, A. Ryugman, R. Cooper and J.A. Brown, but it is worth mentioning that the works were generally devoted to the theory of customs unions as such, or to the European Union (EU). Among the specialists to consider the effects of integration in the EAEU, A.A. Panteleeva, Yu.Yu. Chalai, R.Sh. Baybolotova and A.A. Migranyan, should be distinguished. The purpose of this work is to analyse the integration effects of the Eurasian Economic Union functioning associated with the development of mutual trade between countries and their gross product dynamics.

Methodology

The economic effects of international integration were investigated through cross-national and cross-temporal comparative analysis, economic-statistical and abstract-logical methods of analysis, as well as a systemic approach.

The problem of assessing the effects of integration, as well as the related theory of international economic integration in one form or another, was the subject of scientific research in the works of a number of specialists, the most prominent of who were J. Viner, P. Robson, A. Ryugman, R. Cooper.

It is relevant to specify in this connection the contribution to the development of the concept of the effects of integration processes by the American economist J.Viener, who proposed the theory of customs unions. Viner formulates two integration effects: the trade creation effect and the trade reorientation effect (Viner, 2006). The first effect is due to the unification of national economies and the formation of a single market for goods and services, which reduces the unit costs of commodity producers, increases competition, stimulates the development of production and allows increasing the sales of goods volume (economies of scale). The second effect can otherwise be called the effect of allocation, it is associated with a possible change in the structure of mutual trade of the countries participating in the integration, which is due to the reduction in the cost of imports of the states belonging to the union, due to the abolition of duties. However, despite these effects, Wiener noted that it is impossible to a priori assess the customs unions and pointed out the need to consider the practice of functioning of specific integration formations. Research conducted by P. Robson and A. Rugman allowed the authors to draw important conclusions that the trend towards economic integration is due to the need to overcome the "factor of limitedness" in relation to labour, capital and other production factors. The main effect of integration is to expand the production scale through additional resources, which leads to the development of commodity differentiation and production modernisation (Robson, 1987) (Rugman, 2000).

The role of institutional factors in the implementation of integration effects is vividly shown in scientific studies. Correspondingly, R. Cooper suggests evaluating the integration effects by the degree of economic policies' coherence (unified macroeconomic, industrial, agricultural policies, etc.). In these conditions, the main task of the Union is the formation of supranational regulatory institutions, which reiterates the essential aspects of criticism of Lukashenko as regards the EAEU effectiveness (Cooper, 2003). The theory of integration was also significantly expanded by the work of J. Tinbergen, who proposed a gravitational model of foreign trade to assess integration effects. Tinbergen advocated the need to expand the powers of supranational integration bodies by voluntarily reducing the powers of member states, differentiating the concepts of functional and national sovereignty, taking into account the increasing role of supranational institutions exerting constant control over their economic area through economic entities (Tinbergen, 1980).

Results

It is worth mentioning one of the goals of creating the EAEU to increase the competitiveness of national economies, develop cooperation and modernize production, which is reflected in Article 4 "Agreements on the Eurasian Economic Union" (Reference legal system ConsultantPlus, 2020). Consecutively, if Viner's assumptions are followed, then the new markets opening due to the duties abolition should lead to a production increase within the participating member of the integration association, obviously indicating that differences in the economy volumes of the EAEU member states will definitely entail different results for each of the them, which is the economies of scale effect (see Table 5.1).

Table 5.1: Ratio of the EAEU main indicators to similar of the EAEU member states indicators, in times.

Ratio	Russia	Kazakhstan	Belarus	Armenia	Kyrgyzstan
Population ratio[1]	1.25	10.06	19.39	61.93	29.08
Ratio of GDP at Current Prices (USD)	1.16	10.77	32.24	155.16	233.70

Source: compiled by the authors based on data as of 2018.

According to the data obtained, Armenia and Kyrgyzstan can become the main integration association beneficiaries, given that these states' manufacturers are reducing their costs and opening a much more capacious market for their goods, which is an illustration of the possible economies of scale effect. On the other hand, this forms a structural imbalance in statistics for the Union as a whole, which complicates the analysis of integration effects (Yeliseyeu, 2019). In its turn, the real economic effect can be observed by analyzing the dynamics of the GDP physical volume index excluding the impact of the price level changes (Figure 5.1).

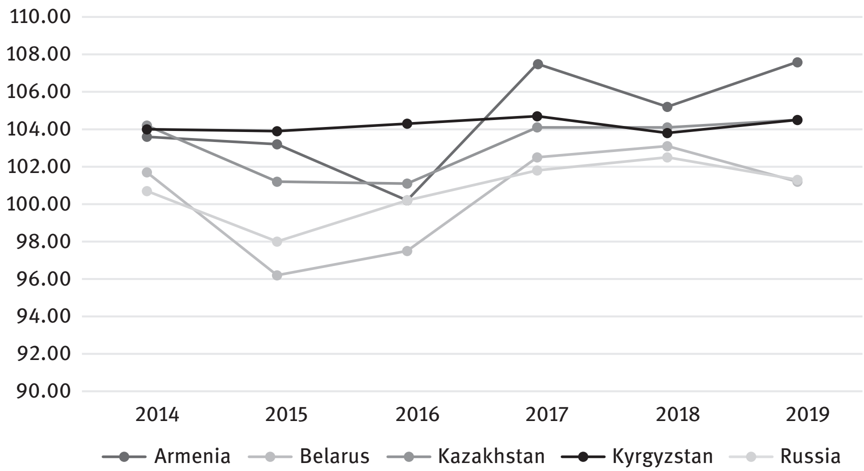

Figure 5.1: The physical volume of GDP indices in % to the previous year; at constant prices.
Source: Eurasian Economic Commission (2020)

Accordingly, Armenia shows the most significant output growth compared to other EAEU member states, and this effect is time-shifted and observed from 2017 to 2019, while the Republic of Armenia became a member of the Union in 2015. The second largest physical volume of GDP growth is Kyrgyzstan, showing insignificant index fluctuations throughout the entire study period with insignificant growth in 2015–2017.

1 Calculated according to average population based annual data.

However, given that the main cooperation vector within the Union is the development of industrial production to increase non-resource exports, the dynamics of the industrial production index for the EAEU member states is necessary to be taken into account (Figure 5.2). In general, all EAEU member states show outstripping growth in fundamental industries compared to GDP growth, whereas Armenia and Kyrgyzstan are the leaders in terms of industrial production growth among all Union states (Dorgieva, 2019). At the same time, general trends in two indicators for all EAEU countries can be observed: a decrease in the overall growth rates of both industrial production and output in 2014–2015, a stable general economic growth in 2015–2017, and a sharp decline in production in 2017–2018.

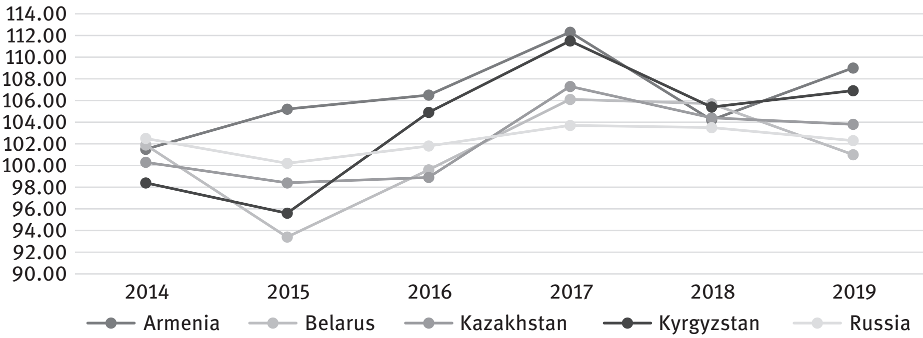

Figure 5.2: Industrial production indices at constant prices; in % compared to the previous year. Source: Eurasian Economic Commission (2020)

The considered indicators illustrate the implementation of economies of scale effect for Kyrgyzstan and Armenia, however, it should be borne in mind that the most rapid growth in some years is due to the "low base effect", and therefore the analysis of this dynamics falls short to assess the impact of integration processes on the economies of the Union member states. In this regard, it seems important to characterize some of the development of trade results between the EAEU member states. The establishment of the Customs Union of Russia, Belarus and Kazakhstan in 2010, as noted earlier, benefited the development of foreign trade relations. Moreover, the foreign trade effect in trade in the period spanning 2010–2011 manifested itself mainly for the economy of Belarus, while being significantly less for Russia and Kazakhstan. By the beginning of 2013, the potential for outstripping growth of mutual trade within the Customs Union, as rightly emphasized in the article by D.I. Ushkalova, turned out to be essentially exhausted. By the end of this year, the volume of trade between Russia, Belarus and Kazakhstan decreased by almost 5%. At the beginning of the 2014 crisis, this decline was slightly less than 10% (Ushkalova, 2020). The starting conditions for the EAEU functioning in 2015 turned out to be very difficult and the least favorable for the countries' integration due to the coincidence with the economic recession that occurred at that time, primarily in Russia, which affected the economies of other states. In the first year of the EAEU operation, the volume of mutual trade of the countries decreased by more than 25%, in 2016, the reduction in mutual trade was 5.8%. 2017–2019 showed the improvement of mutual trade dynamics, however, compared to the favorable pre-crisis period, the volume of mutual trade in 2018 amounted to 98.6% of the level of 2014, in the 3rd quarter of 2019 a downward trend was anticipated (Migranyan, 2019).

The volume of mutual trade of the EAEU member states is necessary to be assessed with the volume of trade between the EAEU and third countries, since it is precisely the increase in mutual trade turnover which is the key task of any integration association (Figure 5.3). In this regard, it is worth mentioning the uneven proportion of the two indicators with the dominance of trade with third countries. There are two reasons for this: 1) a significant disproportion in the size of the economies of the participating countries; 2) similar comparative advantages of the largest economies of the Union, such as Russia, Kazakhstan, and Belarus. While the first thesis was illustrated by the data in Table 5.1, the second thesis can be retrieved from the fact that raw materials and mineral resources dominate in the export structure of Russia, Kazakhstan, and Belarus. In this regard, the importance of augmenting industrial production and the intensity of trade in intermediate goods is increasing, which will mean the formation of new value chains and the development of industrial cooperation in the Union (Balandina, 2017).

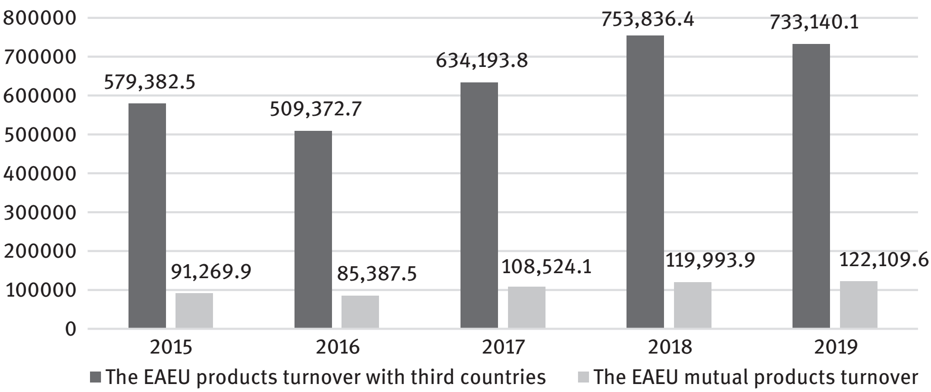

Figure 5.3: Trade turnover dynamics of the EAEU with third countries and the mutual trade turnover in the EAEU, USD million.
Source: Eurasian Economic Commission (2020)

Despite the rather low level of mutual trade in the Union, the effect of the reorientation of trade from the creation of a single market can be observed, as illustrated by analyzing the intensity indicator of bilateral trade flows proposed by the economist J.A. Brown in 1949. This coefficient shows the level of importance of trade cooperation with a certain state in comparison with the average level of preference of other trading partners, which is 1. If the coefficient exceeds 1, then the degree of preference of the selected partner is higher than the average, and vice versa. A coefficient above 3 indicates a high intensity of bilateral trade flows.

$$I_{ij} = \frac{X_{ij}}{X_i} : \frac{M_j}{M_w - M_i} = \frac{X_{ij} * (M_w - M_i)}{X_i * M_j}$$

where I_{ij} is the index of the intensity of bilateral trade flows from country i to country j; X_i is the total export volume of country i; X_{ij} – export of country i to country j; M_j is the total volume of imports of country j; M_i is the total volume of imports of country i; M_w is the total volume of world imports (Panteleev, 2015).

It is necessary to mention that this coefficient is often applied by modern researchers, but the bilateral trade relations between states are considered to a greater extent. In its turn, this study assesses the importance of the economy of the entire Union for each of the participating countries separately, in connection with which the EAEU member state is taken for i, and the entire Union as a whole for j (Figure 5.4).

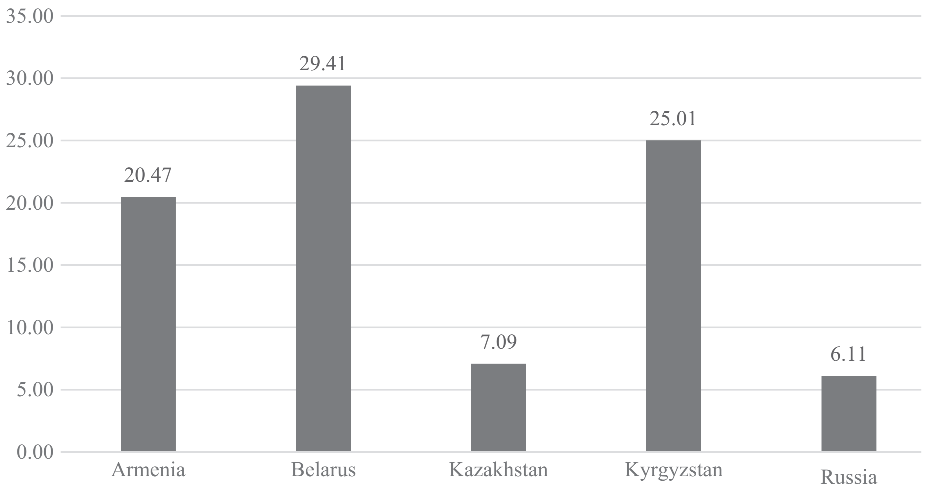

Figure 5.4: The intensity index of bilateral trade flows of the EAEU member states in relation to the entire Union, 2018.
Source: calculated by the authors based on Eurasian Economic Commission (2020) and The World Integrated Trade Solution (2020)

The calculations showed that the EAEU is an important trading partner for all member states of the Union. At the same time, mutual trade in the EAEU is most significant for the Republic of Belarus (29.41), the Republic of Kyrgyzstan (25.01) and the Republic of Armenia (20.47). It is essential to state that the multiple difference in the coefficients between Armenia, Belarus, and Kyrgyzstan on the one hand, and Russia and Kazakhstan, on the other, is associated with two factors: the size of the economy and the geography of foreign trade. The share of mutual trade between Russia and the EAEU countries is only 8.4%, while for Belarus it is represented just over a half of the foreign trade turnover (50.7%) (see Figure 5.5).

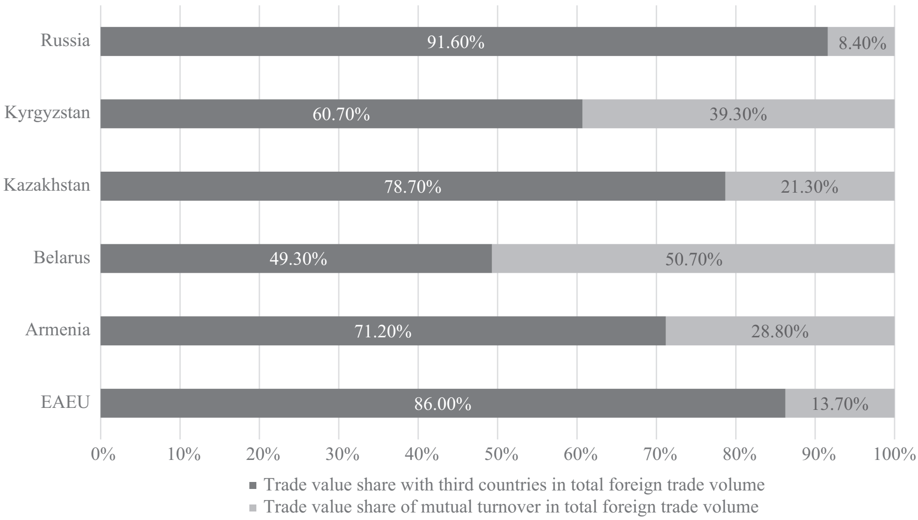

Figure 5.5: Country specific comparison of the trade value share with third countries and mutual trade in the total volume of foreign trade, 2018.

Thus, it seems inappropriate to analyze the development of trade and economic relations of the EAEU member states, comparing the dynamics of trade with third countries and mutual trade in the EAEU, in view of the fact that Russia, to a greater extent, and Kazakhstan, to a lesser extent, have a prevailing share in the volume of foreign trade, and the same time, a more diversified geographic structure of foreign trade. In general, there is a significant positive integration effect, especially for countries with a smaller economy (Armenia, Kyrgyzstan, and Belarus). Conversely, it can be assumed that Russia's desire to develop integration is dictated more by political factors than by economic ones, and by economic instruments to keep the post-Soviet space in the orbit of its geopolitical influence (Stronski, 2020).

Conclusions/Recommendations

In this study a comparative analysis of the main macroeconomic and trade-economic indicators for the EAEU countries was carried out, on the basis of which it was concluded that the integration processes have a significant impact on the economies of the member countries of the association. The greatest effect from integration is observed in

Armenia and Kyrgyzstan, which show outstripping rates of industrial production and GDP in general.

An important result of the past period of the EAEU functioning are changes in the commodity structure of mutual trade, an increase in the share of products of processing industries. There has been a tendency towards a decrease in the share of mineral products and an increase in the share of food products, agricultural raw materials, chemical products, unprocessed textiles and textile products, and footwear.

Meanwhile, a downward trend as regards the share of mineral resources was already outlined within the framework of the Customs Union for various reasons, first of all, lower prices to be one of them. According to the data of the Eurasian Economic Commission, this share was 25.9% in the first half of 2019. Notable indicators of the current structure of mutual trade of the EAEU countries are the increase in the share of commodity groups characterising the processing industries functioning. Thus, the production increase in the commodity group “Raw hides, furs and products from them” amounted to 65%; “Metals and metal products”, respectively reached 52.7%. The growth of products of the commodity group “Machinery, equipment and vehicles” is characterized by a value of 1.5 times. The EAEU itself is notably an extremely important trade and economic partner. The Republic of Armenia, the Republic of Kyrgyzstan and the Republic of Belarus (as a set of partner countries that are part of the Union), However, the dominant role of the Russian economy, as well as the prevalence of energy resources in Belarus’s export, Russia and Kazakhstan, hinder the development of mutual trade. However, it is worth noting the presence of positive long-term effects of integration on the macroeconomic indicators of Kazakhstan (Alpisbaeva, 2018). For the Republic of Belarus, conversely, the EAEU is a key trading partner, given that half of the country’s trade flows are in mutual trade in the Union, in this regard, non-tariff barriers and restrictions are an extremely sensitive issue indeed, which explains the President Lukashenko’s statements (Popova, 2018). Russia plays a significant role in the further development of the EAEU due to its economic influence in the region, therefore, Moscow’s decisive actions to deepen industrial cooperation and coordinate macroeconomic policy are capable of realizing the “maximum” scenario for the EAEU development (Vardomsky, 2019). In particular, in many respects, an increase in industrial production in Russia should have a significant positive effect on changing the structure of mutual trade in favor of goods with high added value and will have a multiplier effect for the economy of the entire Union (Somov, 2019). In order to analyze the tightness of trade relations between an individual state and an integration association, the member of which it is, the authors used the intensity index the of bilateral trade flows by J.A. Brown, which is a novelty of this study. The use of this index showed the possibility of extrapolating this methodology in order to study the problems of integration effects for other integration associations of the world. In its turn, the analysis showed that the choice of the methodology for assessing the effects of integration is conditioned, on the one hand, by the economy type of the participating country (developed, developing, with a transitional economy), which, correspondingly, sets the target values of macroeconomic and trade and economic indicators as well as formal integration goals to determine the choice of specific indicators.

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6 Some Components of the Integration Paradigm and the Eurasian Economic Union's Assistance in the Transition from a Unipolar to a Multipolar World Order

Introduction

An international economic integration is part of the integration processes that have accompanied mankind since the origin of the first empires, and can unfold both on a regional scale and take on a global character. Knowledge of how regional and global types of integration relate and how they affect the formation of the architecture of the world order are the components of the integration paradigm and the subject of this chapter.

In the context of the existing model of the world order, more and more countries are suffering damage from the negative consequences of unipolar globalization, which poses a serious threat to most of humanity. To solve this problem, the chapter attempts to find conditions for the transition to an alternative model of the world's structure by intensifying the integration activities of the Eurasian Economic Union (EAEU) on its internal and external tracks.

Researches devoted to the problems of regional integration and globalization are widely presented in Russian and foreign scientific literature. At the same time, the published studies do not sufficiently reflect the possible impact of the EAEU integration activities on the formation of conditions for the transition to pluriversum. Somehow, the presented work fills this gap. The author's theoretical suggestions are based on a critical generalization of the results of scientific research by M. Delyagin, A. Dugin, E. Inshakova, R. Kudenkhov-Kalergi, D. Mitrani, A. Panarin, D. Stiglitz, E. Haas, K. Haushofer, and etc.

Results

It is advisable to begin the study of the integration paradigm components by clarifying the basic concepts. So, the concept of "integration" comes from the Latin words *integer* (whole, undisturbed) and *integratio* (unification, restoration of unity), and is a process of forming a single whole by first converging and then merging previously

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isolated parts and elements. In the field of international relations, "integration" is understood as the process of close interaction of countries based on interstate agreements with their following unification to achieve common goals in various areas of public relations, as a result of which previously sovereign countries become constituent parts of a transformed or newly created state, or a union of states.

If we are talking about the integration of peoples in the economic sphere, then international economic integration should be understood as "focused consistent convergence, mutual adaptation and effective connection (by combining, merging and joining) of previously isolated macroeconomic systems in the general process of reproduction at all levels of a new, united economic system"(Inshakova, 2004).

As a rule, economic integration is intertwined with political and is accompanied by the states' transfer of part of their powers to a joint supranational body of government and control, developing as "a process by which the loyalty of political actors of several national entities is shifted towards a new supranational decision-making center, which becomes the center of political activity. The end result of the political integration process is a new political community"(Haas, 1957).

International integration processes can develop extensively, involving new countries into the integration zone, and intensively, deepening the scale and degree of the cooperation intensity (by liberalizing the movement of goods, services, capital, labor and carrying out common policy), moving through the stages of integration from the free trade zone through customs union to the economic, monetary, and then political unions.

Geographically, the integration of states can develop both on a regional scale and have a global character. In the first case, regional integration interaction occurs between countries that have territorial proximity and common borders. And the world process of economic, political and cultural integration is called globalization, which J. Stiglitz calls global integration, defining its essence as a closer integration of countries and peoples of the world, based on breaking down artificial barriers to the flow of goods, services, capital, knowledge and movement of people across borders, accompanied by the creation of new institutions operating in a supranational framework (Stiglitz, 2003).

Both regionalization and globalization, being forms of the general process of internationalization, are accompanied by the strengthening of interdependence, interinfluence, interchaining and complementarity of the economies of the integrating countries, as well as their following unification, first into unified systems of regional and then global markets. In this case, regional integration communities can be viewed as stages on the way to globalization, and globalization itself – as the highest stage of integration, leading to the formation and development of a global financial and information space based on information and communication technologies (Delyagin, 2019).

On the other hand, globalization is an external aggressive condition for regional integration, encouraging the last one to intensify and manifest itself as a tool for protecting the participating countries from global competition and its negative consequences. In this sense, regional integration can be compared with the "turtle" battle formation of the Roman infantry, designed to protect the uniting states from the occupation and merging of their national economies by transnational corporations, the main actors of globalization, and to reflect their planetary expansion.

Integration can be carried out both on a voluntary basis and through the enforcement. Sometimes the integration of a weaker country with a stronger one can act as an elegant form of takeover that avoids violence and direct military actions (Delyagin, 2019).

It is possible to predetermine the course of integration processes in the future by implementing the conclusions drawn from the study of international integration that took place in the past. Therefore, it is advisable to accompany the comprehension of integration processes with the identification of how long ago international integration originated and how it manifested itself in the previous periods.

One of the first integration theorists on the ancient integration processes' phenomenon was D. Mitrany, who in his work "Functional Theory of Politics" substantiated the obvious fact that integration of various levels took place in all world empires (Mitrany, 1975). All the ancient empires were based on the idea of integrating space, and the one which opposed the empire and could not be included in it was considered "barbarism" and chaos and was subject to destruction (Dugin, War, 2015).

World empires had signs of regional integration communities. All classical land empires (as well as modern regional integration unions), in addition to being governed by a single supranational body, were characterized by: multinationality, international division and cooperation of labor, free movement of resources, goods and people, maintaining a single policy, a common army, common border protection, and the expansion of empires on the principle of "concentric circles".

The colonial empires skilled in marine navigation expanded differently, since the age of great geographical discoveries were built on the basis of the takeover and exploitation of new lands (colonies) with which the empires did not have common land borders, as well as enrichment through unequal exchange in favor of the metropolitan power. As the relations with the colonies were streamlined, customs unions were created on the basis of colonial empires, the regulation of which was carried out with the help of colonial preferences, the reduction and then the elimination of customs duties, the use of quantitative and currency restrictions. The main actors in foreign trade relations were large monopoly trading companies (GSE, Krasavina, 1969–1978). After the Second World War, imperialism acquired the form of neo-colonialism, which implied the maintenance, in the countries that gained state independence, of an indirect control system and exploitation by the metropolitan power, which assumed the preservation in the former colonies of the capitalist model of development, the domination of foreign monopolies, a primitive and underdeveloped structure of the economy with a predominance of agriculture and raw materials industries (GSE, Brutents, 1969–1978). An example of a colonial empire that has taken the shape of an integration community is the British Commonwealth of Nations, which, after Britain's exit from the European Union, plans to gain a "second wind".

After the break-up of the socialist bloc of countries, the policy of neo-colonialism led to the emerging of a postclassical empire – a state that, in order to establish economic and political domination over other peoples of the world carries out measures to expand and establish the neoliberal-democratic model of society on a global scale as objectively necessary one. This is actively promoted by the WTO, the World Bank and the IMF, which also contribute to the integration processes in different regions of the world.

The Trans-Oceanic integration projects are being implemented as tools to legitimize the power of the postclassical empire: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), as well as the Comprehensive and Economic Trade Agreement (CETA) between Canada and the European Union. These projects are aimed at liberalizing trade in goods and services, including financial and telecommunications, facilitating the ways for them to enter the European, Asian, Australian and Latin American markets and their absorption, establishing the priority of these agreements and corporate interests over the national legislation of the member countries. And although the United States formally suspended its participation in Trans-Oceanic projects in 2017, American corporations, the main initiators and beneficiaries of globalization, can takeover new markets from Canada, which, together with the United States and Mexico, is part of the North American Free Trade Area (which now called USMCA: United States - Mexico - Canada Agreement) and is a member of these partnerships.

This global integration structure looks like a bird, where the body is the North American mainland, and the wings are the mentioned partnerships. It is planned that the next stage of integration of the states participating in these Trans-Oceanic partnerships will be their unification on the basis of the Trade In Services Agreement (TISA) signing, the implementation of the provisions of which will further reduce the national sovereignty of the participating countries and the legal consolidation of America-Centric globalization.

Thus, unipolar globalization can be viewed as a result of the development of a colonial empire into a world integration community – a global empire led by the United States. We find confirmation of this idea in works of C. Krauthammer, who, after the break-up of the bipolar system, announced the advent of a unipolar world, a time when America rules the world undividedly and proclaims an orienting point to the American empire (Krauthammer, 1991). This fact was also confirmed by G. Kissinger, who called globalization an instrument for the spread of American imperialism.

In that case, unipolar American-Centered neoliberal globalization can be presented as a phenomenon aimed at: 1) the spread and establishment of the Western civilizational approach in all countries of the world, which implies bringing the ethnic, cultural, religious, confessional, economic, socio-political and national-state structures of different peoples to a single template; 2) replacement (through desovereignization) of the national state structure of the world by the global one; 3) creation of a single world community (empire state) on the basis of the neoliberal-democratic system and the global market, in which relations between the United States and the rest of the world's peoples are built on the principle of "center-periphery" (Dugin, Eurasian . . ., 2005).

Here are just some of the consequences of neoliberal globalization: the enhancement of global competition; the decrease in the possibility and degree of regulation of national economies; the deindustrialization and reduction of social services; criminalization of the international relations; appropriation of planetary resources by a minority; concentration of power in the hands of the global elite; the polarization of humanity into a "golden billion" and a powerless periphery (Panarin, 2002); increased exploitation by the "strong" countries of the "weak", leading to the ruin and poverty of the last ones; the prospect is either having lost the national state sovereignty to integrate into the system of globalism, or to become an object of economic and military-political pressure.

As a result, most of humanity is not ready to put up with the unipolar architecture of the world, which is increasingly rejecting the Western economic model, politics and culture, which is engrained as a standard of globalization, and is in search of an alternative model of the world order.

An alternative model of globalization can be referred to the project of "multipolar" globalization, which presupposes: the development of a dialogue between cultures and civilizations; eliminating the "colonial" approach and giving the peoples of the world freedom to choose the way of historical, economic and cultural development; promoting the diversity of socio-economic and political systems; "Megaregional integration" – the economic, social, political integration of countries with a single civilization code within the framework of one civilization (Dugin, War, 2015).

When implementing a project of multipolar globalization, it is important to prevent the implementation of false projects of multipolarity, such as: 1. "Non-polar model", in which, according to Richard Haas, there will be no pole, values will be Western, and the world will be governed by Western elites and global oligarchs; 2. "Multilateral project" proposed by Barack Obama, assuming that the United States, while remaining the world leader, partially delegates a number of powers to the countries "moving in the wake" of this superpower; 3. "Three-polar model" of the world, in which there will be three centers of power based on three civilizations – American, European and Chinese; 4. Any multipolar model in which there is no integration bloc with the participation of Russia as an independent civilizational pole (Dugin, War, 2015).

The theoretical understanding of the multipolar world can be traced back to a number of authors, including: K. Haushofer (who proposed dividing the world into four zones (quadripolarism): Pan-American, Pan-European, Pan-Pacific, Pan-Eurasian); R. Coudenhov-Kalergi (who put forward the theory of five large spaces (quintapolarism), which, in addition to the four mentioned poles, will also include the British Empire); H. Mackinder (who declared the existence of four centers of power, while three "pro-democratic" poles are in opposition to the fourth pole – Eurasia);

S. Huntington (substantiating the existence of 9 poles of the world, formed on the basis of different civilizations); A. Dugin (who proposed the concept of Neo-Eurasianism, defending the idea of the need for at least quadripolarism and the recognition of the Eurasian Economic Union as one of the world centers of power) (Dugin, Theory, 2015).

It is advisable to consider in more details the concept of Neo-Eurasianism, which assumes that in the interests of security and sustainable development of all states and peoples of the world, the future world order must be organized as an order of at least four world poles (located vertically from north to south "meridian zones"), including: American, Euro-African, Pacific and Russian-Central Asian (Eurasian). The meridional zones, being the embodiment of integration at a fundamentally new level, are characterized by significant autonomy and independence, regional distribution of labor and interaction of development centers can be carried out within them, they can consist of several "large spaces" that include several states or blocks of states.

The key zone in the Neo-Eurasian pluriversum project is the Eurasian (Russian-Central Asian) zone, which may include: the Eurasian Economic Union, a large space of continental Islam with power centers represented by Turkey, Iran and Pakistan, as well as Hindustan as a separate large space. The formation of this zone will take place only if Russia is able to implement the EAEU integration project and build strong ties with the southern centers of power (Dugin, Theory, 2015).

If, under the influence of external opposing forces, the consolidation of the countries of the "fourth pole" does not take place, then the project of unipolar globalization with a threefold division of the world will most likely be consolidated, where the pole is America, Euro-Africa is the close periphery, and Asia and the Pacific region are the far periphery.

The creation of a strong Russian-Central Asian meridional zone through the extensive and intensive deployment of integration processes in the Eurasian Economic Union, as well as the development and strengthening of EAEU ties with the centers of power of the "fourth pole" will prevent this tragedy and ensure such a world balance in which the Asiatic-Pacific, Euro-African and Eurasian (Russian-Central Asian) zones will act not as a periphery, but as independent civilizational poles. The global dominance of the American zone can be balanced only by the three Eurasian continental poles taken together, which, by combining common efforts, are able to provide conditions for real multipolarity, freedom and independence, sovereignty and autonomy of the meridional zones (Dugin, Eurasian . . ., 2005).

Thus, the creation of a multipolar world architecture and a "fair" system of international relations depends on the success of the "fourth" Russian-Central Asian pole's organization, the core and driving force of which is the Eurasian Economic Union.

Conclusions

During the study, the author came to the following conclusions:

1. International integration is a process of convergence, mutual adaptation and effective connection of national economic systems through the gradual liberalization of movements of goods, services, capital and labor and the carrying of the common policy to achieve the set goals, as a result of which countries gradually lose their sovereignty, transferring management and control to the supranational bodies; can unfold extensively and intensively, voluntarily or under duress, within a region (regionalization) or globally (globalization). Regionalization can be both a stage on the way to globalization and an instrument of defense against it.
2. Integration processes accompanying the human history for a long period of time and previously having had a regional character, with the development of marine navigation began to acquire a worldwide scale and after the break-up of the socialist countries block led to the creation of a superpower – a modern colonial empire, the instrument of power expansion of which was globalization or "global integration".
3. Modern neoliberal globalization: is a tool for the spread of American imperialism; initiated and implemented by the transnational corporations; carried out through the implementation of three global integration projects: the Comprehensive and Economic Trade Agreement (CETA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the General Agreement on Trade in Services (GATS); aims to create, on the basis of the neoliberal-democratic system and the global market, a single world community (empire-state) by the desovereignization of the countries of the world, unification of most spheres of life in them and developing relations with them on the principle of "center-periphery". The consequences of globalization for states that do not belong to the "golden billion", including Russia, are tragic.
4. An alternative model of the world order, proposed by the scientific community and adjusted by the concept of Neo-Eurasianism, is a project of multipolar globalization, which implies the integration of peoples within megaregions – meridional zones, of which there should be at least four (American, Euro-African, Asiatic-Pacific and Eurasian (Russian-Central Asian)).
5. The key zone in the project of a multipolar world is the Eurasian or Russian-Central Asian zone ("the fourth pole"), which includes the EAEU, the zone of continental Islam with the power centers represented by Turkey, Iran and Pakistan, as well as Hindustan.
6. The consolidation of joint efforts of the Eurasian (Russian-Central Asian), Euro-African and Asiatic-Pacific poles changes the balance of power in the world, balancing the American zone, allowing the first three to free themselves from the status of the periphery and act as independent civilizational poles.

7. The formation of the Eurasian (Russian-Central Asian) zone will take place only in case of successful implementation of the integration project of the Eurasian Economic Union, which is the core and driving force of the “fourth pole”. The activities of the EAEU, led by Russia, aimed first at deep integration of the countries of the post-Soviet space, then cohesion of the “fourth zone” states around EAEU, and, finally, at joining efforts with the Euro-African and Pacific zones, will create conditions for real multipolarity, freedom and independence, sovereignty and autonomy of the meridional zones.

This is the mission of the Eurasian Economic Union, the awareness of which will help the participating countries to overcome all obstacles on the way to strengthening and deepening Eurasion integration.

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Part II: Institutional Foundations of State Regulation of Economy as a Response To New Global Challenges of the Modern Time

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7 State Regulation of Competitive Relations

Introduction

An important condition for the dynamic development of the Republic of Uzbekistan is the accelerated introduction of modern innovative technologies in the oil and gas sector of the economy. At the same time, the analysis showed insufficient work on the innovative development of modernization, diversification processes, increasing production volumes and expanding the product range of competitive products in the domestic and foreign markets.

To date, one of the main strategic projects is the "Strategy for action in five priority areas of development of the Republic of Uzbekistan in 2017–2021, which refers to the reform of the system of public administration and public service through decentralization of public administration, increasing the level of professional training, material and social support for public servants, as well as a phased reduction of state regulation of the economy; introduction of modern mechanisms of public-private partnership aimed at improving the effectiveness of mutually beneficial cooperation in the implementation of the tasks of socio-political and socio-economic development of the country."[1]

Microeconomic theory proves that monopoly leads to loss of public welfare. An equilibrium price exceeding marginal costs distorts relative price proportions and prevents efficient allocation of resources between activities. (Figure 7.1)

Antitrust policy in the narrow sense of the word cartel control, preventing the restriction of competition by large companies, preliminary control of economic concentration transactions is based on the fact that, regardless of the reason for the appearance of large sellers in the market, under certain conditions they have incentives and opportunities to limit competition and redistribute consumer gains in their favor. The central method of combating such practices is the recognition of it as illegal and the imposition of sanctions for violation of antitrust rules.

1 Presidential Decree of the Republic of Uzbekistan of February 7, 2017 No. PD-4947 "On the Strategy for the Further Development of the Republic of Uzbekistan."

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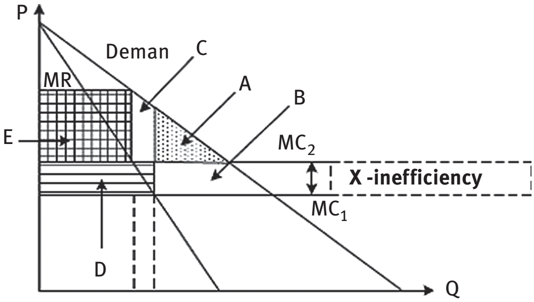

Figure 7.1: Losses of society from monopoly.
Source: Porter (1993, p. 896)

Research Results

Unlike traditional antitrust regulation, competition policy in natural monopoly industries is directed not only against the actions of the monopolist, but also against the traditional model of price regulation (Avdasheva S. et al., 2007). Two groups of methods are used. The first is related to the improvement of tariff regulation, the introduction of very imperfect incentive contracts in tariff regulation.

The second is to remove as many markets as possible from tariff regulation. This implies the division of activities in regulated industries into natural monopoly and potentially competitive ones. For the latter, the ultimate goal of the transformation is a complete rejection of tariff regulation. However, before achieving this goal, it is necessary to make major changes in the structure of the previously regulated industry and the rules that should guide the participants in this industry. This is primarily due to the fact that the structural transformation of the company operating in the industry is not the most difficult problem in itself. Monopoly becomes even more dangerous to public welfare. Even in the absence of productive inefficiency, the monopoly brings losses to society by redistributing gains to those who limit competition.

Antitrust policy only benefits society if the benefits of its implementation exceed the costs of its implementation.

The Competition Protection Act has significantly changed the content of the basic concepts used in competition law. In particular, the goods in the Law mean the object of civil rights (including work, service, including financial service), intended for sale, exchange or other introduction into circulation.

With regard to abuse of the dominant provision, the Act establishes a list of violations that do not require proof of adverse effects on competition:

– establishment and maintenance of monopoly high (low) price of goods;
– withdrawal of goods from circulation if prices have risen as a result;

- imposing on the counterparty terms of the contract that are disadvantageous to it or not related to the object of the contract;
- economically or technologically unsubstantiated refusal or avoidance to conclude an agreement with individual buyers (customers) in the event of the possibility of production or supply of the relevant goods, and also in the event that such refusal or such evasion is not expressly provided for by acts of state bodies;
- economically, technologically and otherwise unreasonable setting of different prices (tariffs) for the same goods, unless otherwise established by federal law;
- establishment by a financial institution of an unreasonably high or unreasonably low price of a financial service;
- violation of the pricing procedure established by regulatory legal acts.
- monopolistic activity is defined as abuse of the dominant position in the market by the economic entity (group of persons), conclusion of agreements or implementation of coordinated actions prohibited by antitrust legislation.

Conclusion

Another most common offence in the conduct of competitive interaction of business entities is unfair competition, which means any actions of business entities aimed at gaining advantages in entrepreneurial activity, which contradict the provisions of the current legislation, the customs of business turnover, the requirements of integrity, reason and fairness and can cause or cause losses to other business entities-competitors or harm their business reputation.

One of the main directions of the implementation of the state antimonopoly policy is the conduct of state antimonopoly control over the economic concentration in commodity and financial markets, which includes preliminary antimonopoly control and subsequent antimonopoly control. Objects of such control in commodity and financial markets can be differentiated as follows: (a) objects related to the implementation of the corporate policy of a business entity, a financial organization (creation, reorganization (merger, accession), change in the composition of members of business entities (including financial organizations), change in the authorized capital of a financial organization, election of individuals to management bodies, boards of directors (supervisory boards) of business entities); b) transactions made in commodity and financial markets.

However, in order to ensure national and economic security, preserve and develop a diversified production system, ensure the stable functioning of the social sphere, stimulate the activities of enterprises in the public sector of the economy, state authorities use direct influence tools, allocating budget funds for the maintenance of specific industries and the implementation of large investment projects.

Currently, the world has the following main types of industrial policy:
- export oriented industrial policy;
- substitution import policy;
- innovative industrial policy.

At the beginning of radical market reforms, the concept of economic policy was based on the idea that general economic reforms of the institutional environment, the creation of market mechanisms will solve the problems of industries and enterprises without state intervention.

However, the liberalization of the pricing process, when the state removed many of the control functions inherent in the command economy, and with market mechanisms not yet developed, fully revealed all the structural distortions of the Soviet economy, resulting in high inflation, budget deficits, impoverishment of the population and stagnation of production.

What are the guidelines of the oil and gas industry development?

The strategic goal, according to the Concept of Long-term Socio-Economic Development of the Republic of Uzbekistan for the period up to 2020, is to turn Uzbekistan into one of the leaders of the world economy.

Achieving this goal involves the diversification of the economy, in the structure of which the leading role is transferred to "knowledge sectors" and high-tech industries.

The guidelines for industrial development are supposed to focus on:
1) creating a highly competitive institutional environment that encourages entrepreneurial activity and attracting capital to the economy (development of competitive markets, consistent demonopolization of the economy, support for innovative business; Development of the financial sector to transform savings into capital);
2) structural diversification of the economy on the basis of innovative technological development (formation of a national innovation system, including engineering business, innovation infrastructure, institutions of the intellectual property market; creation of a powerful scientific and technological complex; promoting the competitiveness of leading sectors of the economy through the use of mechanisms of public-private partnership, improving the conditions for companies to access sources of long-term investment, providing sectors of the economy with highly professional personnel);
3) on the consolidation and expansion of Uzbekistan's global competitive advantages in traditional areas (energy, transport, agricultural sector, processing of natural resources) – the development in Uzbekistan of large nodes of international energy infrastructure using new energy technologies; introduction of environmentally friendly energy production technologies on an industrial scale, etc.

Today, the low technological level of production, the lack of demand for innovative products by enterprises of other industries included in production "chains," the lack of high-quality human capital hinder the spread and introduction of innovations, accelerating the outflow of innovators abroad. To reach a qualitatively new stage of innovative development, industrial policy should be aimed at competent borrowing, refinement of technologies and their dissemination among enterprises of all sectors of the industrial sector. At the same time, the level of acquired technologies should correspond to the degree of technical and technological development of the country.

The need for significant financial resources for the acquisition of technologies, as well as a developed scientific and technological base for adapting achievements, determines a high share of innovators among large enterprises integrated into holdings, as well as companies that are part of state corporations. Small businesses cannot bear such costs. In this situation, the task of the state – by forming development institutions (venture funds, technology parks, innovation and technology centers, technology transfer centers, etc.) to facilitate the purchase of licenses to domestic companies, as well as to ensure the diffusion of innovations among enterprises of related industries.

The Government currently has seven main strategic priorities for economic development:

- improving the investment climate;
- stimulating innovation
- energy efficiency;
- small and medium-sized businesses;
- improving the efficiency of foreign economic policy, integration within the framework of the Single Economic Space and the Customs Union;
- state property management and privatization;
- improving the efficiency of public administration.

All these priorities are linked by the ideology of creating an environment for realizing the potential of modernization and creating new competitive industries.

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8 Rethinking Economy in the Intelligent Machines' Era: Signs, Key Concepts, Discourse

Introduction

The third millennium has radically changed the mode of existence of mankind, of all civilization: new technologies have come into the life of ethnic groups, nations, peoples and nationalities, updated by machines with artificial intelligence, changing psychological, intellectual, communicative and needful patterns of behavior.

The areas of artificial intelligence machines' abilities application are immense: they can be used a) in defense and military affairs (servicing the military-industrial complex; the formation of cyber war strategies and tactics; command of combat robots); b) in education (tutoring; automation of knowledge assessment; behavioral analysis of subjects of learning); c) in health care and medicine (radiation and functional diagnostics, remote monitoring of the disease, histology, support systems for making medical decisions, reconstruction of images in diagnostics and treatment, medical systems of analytics and forecasting); d) in public administration (forensic recognition of criminals' faces of in public places; operating with big data from public service vaults to make court decisions); e) in the development of culture (the replacement of cultural figures by their intellectual copies), etc.

Intelligent machines are capable of serving most industries in the economy. So the fight against fraud is relevant in business through biometrics technologies, automatic data monitoring, automatic detection of anomalies, predictive analytics, data visualization tools.

A new generation platform is being introduced in the banking sector, based on the work of chatbots and Robo-Advisers, the principles of IoT (Internet of Things), including anti-fraud tools to counter external and insider threats. The machines

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learned to predict the date of a possible account blockage by the tax office, analyze the state of the foreign exchange markets, engage in collection activities (knock debts out of debtors), predict the demand for bank products, predict changes in the demand for loans or currencies, make an automated risk assessment and much more.

According to the scientist-economist S.A. Dyatlov, ". . . the leading trends in the coming years will be the democratization of financial markets for individual investors, as well as the development of remote financial consulting and robotic services for a large number of retail investors; the most important factors will be the large-scale introduction of fintech, digitalization, networking and convergence of financial and credit markets, the development of network remote brokerage services and on-demand business services, as well as the transformation of traditional banks into universal ecosystems" (Dyatlov, 2019, p. 51).

The key concepts of the economy in the 21st century undergo semantic rethinking under the growing influence of artificial intelligence and with the advent of intelligent machines in various sectors of the economy, which is fixed semiotically, semantically and discursively. The study of these processes was initiated by a large group of scientists. So, the general picture of rethinking key concepts of the economy under the influence of IT technologies was proposed by D. Rutherford (2007). Rethinking ideas similar to this chapter are contained in studies by P. Blyton and J. Jenkins (2007); the rethinking of the economy from the perspective of its formation as a pluralistic concept was undertaken by British economists (see: Fischer, Hasell, Proctor, Uwakwe, Perkins, Watson 2017).

The whole process of economy rethinking is considered in the works of T. Mitchell (2008), K. Andersen (2011), J.K. Gibson-Graham (2014), L-Ph. Rochon and S. Rossi (2017), N. Pouw (2019). The contradictions and dangers posed by the transition from a classical economy to a digital one have been the focus of E.G. Popkova's analysis (Popkova et al. 2020).

The Economics Web Institute has identified 52 key concepts relevant to rethinking economics. Among them were named such concepts as "Advertising", "Balance of payments", "Competitor", "Economic depression", "Economic expansion", "Economic recession", "Economic recovery", "Employment", "Energy", "Exchange rate", "Exports", "Foreign direct investment", "Gross Domestic Product", "Human being", "Imports", "Inflation", "Innovation", "Insurance", "Investment", "Microfinance", "Money", "Pluralism", "Poverty", "Price level", "Product differentiation", "Productivity", "Profits", "Routines", "Savings", "Social groups", "Substitute goods", "Tax revenue", "Time", "Trade balance", "Unemployment", "Urban regeneration", "Wages" (http://www.economicswebinstitute.org/ concepts.htm).

A number of them have already been studied in sufficient detail in terms of their renovation in the era of intelligent machines. Thus, the change of meanings in such a key concept for the economy updating as "Consumption" was studied by A. Aldridge (Aldridge 2003). Rethinking the model of people's communicative behavior (the concept of "Homo sapiens") with the advent of robots as their competitors was studied by R.R. Zhamaldinov (Zhamaldinov 2016); actualization of the same concept of the third millennium economy rethought discourses has been studied by V. Piana (2019). The Third Millennium Humans (Millennials) potential from the point of digitalization and net-abundance as effects of economy rethinking has been researched by S.A. Dyatlov (Dyatlov, 2019).

The semiotic and discursive actualization of the "Innovation" concept in a rethought agricultural economy (digitalization of the import substitution economy) was studied in detail by M.L. Vartanova and E.V. Drobot (2018); creativity, manifested as innovative agricultural technologies that contribute to the rethinking of the economy of agriculture, has been researched by L.M. Rylshchikova and K.V. Khudyakov (Rylshchikova, Khudyakov, 2017); the role of innovation in the digital economy of agriculture has been studied by Skolkovo scientists (Shustikov 2018); the signs supporting this concept in the era of digitalization of agriculture are accumulated in the dictionary created by Volgograd scientists (Digital agriculture: English-Russian dictionary, 2019). In general, the meanings of the "Innovation" concept, reflecting the process of rethinking the agricultural economy driven by digital innovative technologies, are described by specialists in a collection edited by R. Duncombe (2018).

Another important concept for the economy – "Advertising" – and its rethought interpretation were studied by S. Akanksha (2014). The authors also examined the rethinking of such key concepts for the economy of a new generation as: "Economic depression" (Piana, 2019); "Costs" (Rajasekaran, Lalitha, 2010); "Energy" (Smil, 2008); "Competitor" (Lindmark, 2017).

Prof. Dr. Umar Lawal Aliyu (Faculty of Management, Department of Business Administration in Texila American University) drew attention to how, with the advent of the digital economy, the semiotics and semantics of such important concept as "Employment" are rethought these days (Aliyu, 2019). Accordingly, researchers have thoroughly reviewed and rethought the concept of "Unemployment" (see the network study Unemployment: Its Measurement and Types, 2020).

Marcus C. Becker, an economist at the Center National de Recherche Scientifique, Bureau d'Economie Théorique et Appliquée, Strasbourg, France, made it a point to rethink the importance of semiotics of "Routines" concept for the reorganization of labor in business structures towards equipping them with AI machines (Becker, 2005).

Željko Rohatinski, a Croatian macroeconomist and former Croatian National Bank Governor (Rohatinski, 2017) draws attention to the role of IT technologies in ensuring the functionality of business from the time saving point of view (a reasonable attitude to the "Time" concept).

Saurabh Nagesh and Gaurav Nagesh consider the process of rethinking the concept of "Money" with the world economy digitalization start (Nagesh, Nagesh, 2019).

Arne Heise, a researcher at Zentrum für Ökonomische und Soziologische Studien (ZÖSS) in the University of Hamburg, studied the problem of multiplied decisions in economics with the advent of intelligent machines and the corresponding rethinking of approaches to farming, which led to the strengthening the "Pluralism" concept position in economics (Heise, 2016).

The widespread introduction of intelligent machines in business processes has seriously affected the reflection of the rethinking of this introduction by semiotics, semantics, conceptology and discursive practices, see the works in this regard (Dix, 2014); (Olyanitch, Khachmafova, Makerova, Akhidzhakova, Ostrovskaya, 2020).

Goals

The objectives of this chapter are, firstly, a systematic description of signs that support key concepts of the economy, rethought from the standpoint of introducing IT technologies into it, but not sufficiently analyzed by semiotics, semantics, and conceptology; we are talking about such socially significant concepts as "Inflation", "Poverty", "Social groups" and "Wages", and secondly, consideration of the actualization of such signs both outside the context of discursive practices of the digital (rethought) economy and within it.

Methodology

To achieve the objectives of this chapter, it is proposed to apply a research algorithm that T.N. Astafurova and A.V. Olyanitch interpreted as a model "sign → word → text / discourse" (Astafurova, Olyanitch 2014). This algorithm has an explanatory power, which allows: a) to give a complete person-surrounding reality quality signs' characterization that are involved in the process of any type of communication and in any areas of human existence; b) carry out a comprehensive analysis of these signs meaning, which have the form of lexical nominations and other verbal complexes (stable phrases, phraseological units, paremias), reflecting a particular area of knowledge; c) to carry out a study of the actual process of specific discourse deployment.

Results

In the course of our data (various articles related to the semiotic and discursive actualization of concepts "Inflation", "Poverty", "Social groups" and "Wages") analysis such results were obtained being extracted from the following texts devoted to economics and economy:
– Piana V. Inflation (www.economics webinstitute.org/);
– Piana V. Social groups (www.economics webinstitute.org/);

– Loy J. Did Technology Kill Inflation? (www.statecollege.com/);
– Bartash J. The rise of the robots and decline of inflation: How AI is keeping prices low (www.marketwatch.com);
– Walker R. Multidimensional Poverty (www.gsdrc.org);
– Lynch M. 10 things to know about poverty and technology (www.thetechedvocate.org);
– Konsbruck R.L. Impacts of Information Technology on Society in the new Century (www.zurich.ibm.com/);
– A Concise Guide to the Employment Ordinance (www.labour.gov.hk/eng/public/wcp/ConciseGuide/03.pdf).
– Pethokoukis J. How technology affects jobs and wages, in two graphics (www.aei.org/category/pethokoukis/).

I. The concept of "Inflation" outside the context of the digital economy discursive practices is supported by such signs as:
– augmentonyms (Latin: 'Augmen' – increase, enlargement): "Percentage increase in price level. When most prices rise, inflation is observed if other prices do not fall too much. If inflation is not offset by a nominal increase in income, people become poorer" (*augmentonyms* increase, rise);
– senectonyms (Latin: 'senectus' – senility) и damnonyms (Latin 'damnum' – damage): "Inflation has a big impact on retirement because people live longer. The average retirement age in the US is very young – 63 <. . .> Inflation is most detrimental to retirees at the beginning of retirement, as it can quickly absorb savings" (*senectonyms* retirement, live longer, retirees; *damnonyms* detrimental, quickly absorb savings);

In the context of the digital economy discursive practices, the concept of "Inflation" is supported by the following signs:
– laudonyms (Latin 'laude' – one who deserves appreciation): "Technology has helped tame inflation in many ways. It reduces costs through automation and increases productivity. <. . .> Inflation as technology adds to efficiencies, lowers the need for blue collar workers, and begins to tackle white collar jobs"; (*laudonyms* helped tame, reduces costs, increases productivity, is lessened, lowers the need);
– expectonyms (Latin: 'expectationem' – expectation, anticipation): "The use of artificial intelligence, however, is still in the fairly early stages and hasn't spread to most of the economy as it eventually will. Guatieri suspect the deflationary effect of robotics are only going to become more pronounced;
– futuronyms: "In the future, driverless cars are expected and artificial intelligence continues to advance. The mystery – for now – is how this will continue to affect inflation and whether, finally, inflation might permanently be made a thing of the past" (*futuronyms* are expected, continues to advance, a thing of the past).

II. The concept of "Poverty" outside the context of discursive practices of the digital economy is supported by such signs as: *necessidonyms* (Latin: necessitudo – necessity, need) and *deprivatonyms* (Latin: 'privatio' – deprivation): "Poverty is also a political construct. Many politicians are not recovering from poverty: for them it is given and decided; others, however, believe that poverty is an inevitable result of economic collapse or even just retribution for the inaction of individual functionaries. <. . .> This definition of multidimensional poverty covers a wide range of parameters, such as limited financial resources, material deprivation, social exclusion, helplessness, as well as physical and psychological illnesses" (*necessidonym* limited financial resources; *deprivatonyms* material deprivation, social isolation, psychological illnesses).

In the context of the digital economy discursive practices, the concept of "Poverty" is supported by the following signs:

– expectonyms (Latin: 'expectationem' – waiting, expectation): "Technology has been taunted as the solution to poverty, especially the generational one. It offers several <. . .> Technology opens up doors for new opportunities to do business or work. In turn, it increases the household incomes among the poor population. For example, it may allow access to foreign markets or the ability to tap into the gig economy" (*expectonyms* opportunities to end poverty, opens up doors for, may allow access to);
– beneficionyms (Latin: 'beneficium' – benefit): "Technology helps to improve the means by which production factors are distributed and used. It helps communities and individuals use these factors to good effect. For example, farmers can learn how to improve their cow breeds for higher yields or new crops through agricultural applications" (*beneficionyms* use factors to good effect, to improve cow breeds for higher yields);
– timoronyms (Latin: 'timor' – fear, anxiety): "Unequal access to information contributes to widening the gap between rich and poor. <. . .> The unequal access to information and communications is partly due to the growing parity between rich and poor. The digital divide has allowed one group to access the right tools for development, while the other is in poverty" (*timorinyms* unequal access to information, growing parity between);
– justitionyms (Latin: 'iuris' – legitimacy): "Technology helps fight corruption. Most of the countries with extreme poverty also have runaway corruption. The use of technologies such as Mpesa allows funds or aid to reach the intended individuals without getting lost in corruption" (*justitionyms* fight corruption, without getting lost in corruption);
– educationyms (Latin: 'educationem' – enlightenment): "Lack of adequate education is one of the biggest challenges to curbing poverty. The internet and other technologies such as TV are able to educate the masses on various issues including better production, hygiene and dealing with disease outbreaks. Access to information also enhances innovation" (*educationyms* adequate education, technologies educate the masses, access to information).

III. The concept of "Social groups" outside the context of discursive practices of the digital economy is supported by such signs as:

– consumatonyms (Latin: consummare – to consume): "This is very serious for the economy, since the opinion of social groups is important, as they are consumers, and their mode of behavior can be indicative for comparison. Peer groups are often a guide when choosing a particular "required" product, which causes simulations. Thus, the name "social group" – "market segment", which the seller or the media consider as such, in fact, a differentiated (a mandatory) product can be addressed to the buyer" (*consumatonyms* important for consumption, a particular product "mandatory", the media, to which a product addressed);
– distinctionyms (Latin: distinguere – distinguish): "The major social discrimination axis is nothing but personal income. The distinction between the poor, the middle class and the rich may be too hard to obtain and describe all the intermediate nuances, but it still can help characterize different societies. Consideration is associated with certain stability over time, when people with larger income fluctuations belong to different social groups than people who systematically and without revision of similar income levels. Another important social differentiation axis makes asset ownership <. . .> To identify identities and common interests, common languages and values, employment helps extremely usefully as well as the culture and the education level. <. . .> Thus, it is necessary to the people with certain thresholds of income, education, and social communication strong ties, people who are involved in public life actively, in contrast to poor, articulated, isolated people, i.e. marginalized ones" (*distinctionyms* social differentiation, the distinction between, different social groups, distinguish between, in contrast to, marginalized).

Within digital economy discursive practices' context, the "Social groups" concept of is supported by the such signs as:

– spationyms (Latin – distance) and commodionyms (Latin: 'commodum' –commodity, convenience, comfort): "The fact that distance importance will be demolished by computers and communication technologies will soon be important for citizens' living: when workers find out that they can work mostly at home rather than at an office, the demand for homes in regions that are climatically and physically attractive will immediately and immensely rise. As the majority of employees engaged in remote transport will be educated and paid very well, the demand for high-income and high-class services (gourmet restaurants, clothing boutiques) in these areas will also rise. There will also be an all types services' expansion, as well as new workplaces will be created and employment opportunities will expand for local population" (*spationyms* distance will be demolished, remote transport; *commodionyms* expansion of services of all types, gourmet restaurants and clothing boutiques);
– minasonyms (Latin: 'minas' – menace): "The consequences of such an employment shift from the suburbs to remote regions would be great. Property values

would rise in the favored destinations and fall in the suburbs. Rural, historical, or charming aspects of life and the environment in the newly attractive areas would be threatened" (*minasonyms* property values would rise, fall, aspects of life would be threatened);
- doceronyms (Latin: 'docere' – edify, instruct): "Advances in information technology will affect teaching by complementing traditional classroom instruction <. . .> high level skills are vitally important in a technology-based and knowledge-intensive economy. Changes associated with rapid technological advances in industry have made continual an economic necessity" (*doceronyms* teaching, high level skills, technology-based, knowledge-intensive, upgrading of professional skills).

IV. The concept of "Wages" outside the context of discursive practices of the digital economy is supported by such signs as:
- solucionyms (Latin: 'solucionis' – payment): ""Wages" means earnings, allowances, tips and service charges, calculated, payable to an employee for work he or she has done or is going to do. An employee's entitlements to end of year payment, are calculated according to the above definition of wages' (*solucionyms* earnings, allowances, tips and service charges, entitlements to end of year payment);
- deductonyms (Latin: 'ductus' – deductions): "It is prohibited to an employer to deduct wages from his employee, except under the following circumstances: absence from work; damage to or loss of the employer's goods, equipment, or property by the employee's default or neglect; the recovery of any advanced or over-paid wages to the employee; the value of food and accommodation the employer supplies to the employee; at the written request of the employee, in respect of contributions to be paid by the employee through the employer for any medical scheme, retirement scheme or thrift scheme; deductions, with the employee's written consent, for the recovery of any loan made by the employer to the employee" (*deductonyms* deducting wages, deductions).

In the context of the digital economy discursive practices, the concept of "Wages" is supported by the following signs:
- declinatonyms (*from latin* declines – declination) and augmentonyms (*from latin* augmen – increase, enlargement): "Because robots and computers are good at routine tasks, demand will fall for jobs comprising mainly routine tasks. A manual worker in an industrial warehouse whose job is to fetch products from shelves, for example, is likely to be displaced, perhaps by Kiva system robots, which can traverse large floor spaces to find products much faster than humans <. . .> Automation improves productivity and lowers production costs. Under normal conditions, this lowers the price of goods and services, which them. As industrial robots become more sophisticated and widely used in production lines in Asia and the Pacific, for example, the cost of producing cars could go down, <. . .>

> When technology complements labor, workers' higher incomes create positive spillover on other industries through increased demand for goods and services. A software developer whose thanks to complementarity between automation and human labor, for example, may want to buy a bigger car, a faster computer, better health care, more vacations, or other leisure services"[1] (*declinatonyms* lower production costs, demand will fall, lower the price of goods and services, cost of producing go down, pushing down prices; *augmentonyms* raise demand for, income has increased, increased demand for goods and services, workers' higher incomes).

Conclusion

To summarize: socially significant concepts of the economy, such as "Inflation", "Poverty", "Social groups" and "Wages", are semiotically supported by a system of signs in two different environments – traditional and rethought ones, updated in connection with the creative innovative technologies promotion based on digital computing. The space for these concepts' updating is economic discourse, which discursive practices contain the implementation of signs both outside the context of the digital (rethought) economy and within it.

Our research based on different economy-oriented media-resources resulted in the following statement: outside the digital economy discursive practices context, implemented are signs-augmentonyms, signs-senectonyms and signs-damnonyms (concept "Inflation"); signs-necessidonyms and signs-deprivatonyms (concept "Poverty"); signs-consumatonyms and signs-distinctionyms ("Social groups" concept); signs-solucionyms and signs-deductonyms ("Wages" concept). Within the rethought (digital) economy discursive practices context are actualized signs-laudonyms, signs-expectonyms and signs-futuronyms (the concept of "Inflation"); signs-expectonyms, signs-beneficionyms, signs- timoronyms, signs-justitionyms and signs-educationyms ("Poverty" concept); signs-spationyms, signs-commodionyms, signs-minasonyms and signs-doceronyms (concept of "Social groups"); signs-declinatonyms and signs-augmentonyms ("Wages" concept).

The authors see the perspectives of the study as a further description of signs and concepts of a rethought economy that are updated in discourses, verbally and nonverbally reflecting creative reflections of modern human achievements, aimed at improving the management of economic processes.

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Lola D. Sanginova

9 Effective Fiscal Measures as Assistance and Support during Crisis and Incentives for Development during Economic Growth

Introduction

The spread of new coronavirus infection and the Government's response following it, related to the shutdown of many types of activities and the introduction of a self-isolation regime practically in all countries of the world, was accompanied with the provision of fiscal measures of state support to the affected, system-forming business and the population in order to reduce negative consequences.

Forms and types of fiscal support have both distinctive national features and general rules of their provision which ensure their effectiveness and efficiency. They are relevant both in the framework of assistance and support during the crisis period and during the period of economic recovery from shock and further development.

In all countries of the world, additional government spending was required which can be grouped under three goals: emergency; countercyclical and stimulating. Extraordinary expenses were required in connection with the implementation of preventive measures to stop the spread of coronavirus infection, additional costs for medicine and health care system and the construction of new medical institutions. Countercyclical expenses are aimed at reviving the economy, providing liquidity and working capital to affected commercial organizations and small and medium-sized enterprises and supporting at-risk population groups. Incentive expenses are aimed at maintaining the level of employment in an organization, subsidizing low interest rates on mortgages, supporting activities that have a multiplier effect and ensure sustainable economic development of the country. Priority areas supported are export and innovation, investments in the digital economy, bioengineering, green economy and others. Incentive measures can solve not only current problems but are of strategic importance in the development of socio-economic processes.

The mechanism for providing financial resources should be timely, sufficient, transparent, convenient and effective in order to minimize the negative consequences of an emergency. Therefore, receiving "feedback" from the beneficiaries, adapting the tools of fiscal measures, taking into account the participation of stakeholders, ensures the efficiency, effectiveness and effectiveness of fiscal measures of state support.

The availability of information on measures of state financial support is a necessary condition for the effectiveness of countercyclical and incentive measures. The

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creation of a single information portal indicating to whom financial support is provided, to what extent, on what conditions, the sequence of actions of the recipients of funds allows to ensure complete transparency, understandability and openness of actions by the state, reduce operating costs of public law entities. The use of digital platforms of tax authorities and social protection authorities when paying financial resources allows identifying recipients of state financial support, verifying the accuracy of the information they provide and promptly providing funds to its recipients.

Fiscal measures of state support for the population and economy in each country required significant amounts of additional funds allocated to implement measures to prevent the spread of new coronavirus infection. In this regard, it is important to strengthen the role of state financial control over the use of funds and evaluate the results achieved from the standpoint of socio-economic efficiency and the goals of sustainable economic growth.

Thus, fiscal measures in a crisis should provide assistance and support to the population and business, provide a stimulating effect for the development of a renewed economy, ensuring the growth of well-being of citizens and new promising types of economic activity based on new technologies.

Methodology

The level and types of state financial support depend on the type, size and strength of crises. The peculiarity of the impact on the economy and social sphere of the COVID-19 crisis is the demand crisis and supply crisis, which led to a decrease in GDP, an increase in unemployment, budget deficits and an increase in public debt throughout the world economy.

Fornaro, L., Wolf, M. (Fornaro and Wolf, 2020) built a model of the impact of the coronavirus epidemic on some macroeconomic parameters and proved that the spread of the virus can lead to a decline in economic activity due to demand, and subsequently to reduce supply and increase stagnation in the economy, therefore, noted the need to support investment. The positive impact of supporting external investment by companies during crises has been noted in a study by Siraz Z. (Siraz et al., 2020).

These conclusions are quite justified, since investments provide a multiplier effect and are able to bring the economy out of recession. It should be noted that it is important both public investments that can activate the economy, create additional jobs, and private investments that act as drivers of the economy, which can be supported by the state through the provision of state guarantees, including through public-private partnerships (Abraham and Schmukler, 2017), (Sanginova et al., 2019). Energy-efficient investments will be in demand, which can serve as an incentive for the further development of the economy (Agrawala et al., 2020).

In modern conditions of high uncertainty, the level of negative consequences of a new coronavirus infection is difficult to predict. Using the global macroeconomic model of NiGEM in March 2020, two variants of the negative impact on the world economy were predicted due to the spread of COVID-19. Under the baseline scenario, it was predicted that the spread of the virus would cover only Southeast Asia and the global economy would decline to 0.75%. The spread of the negative impact of coronavirus throughout the world according to the second option will lead to a reduction in demand, disruption of supply chains, a decrease in world trade by 3.75%, export of products, and consumer price inflation. In general, the level of world GDP will decrease by 1.75% (relative to the base level) in 2020 in OECD countries.

However, after several months, all international development institutions significantly worsened forecasts of the state of the world economy. According to the IMF, the world economy in 2020 will decrease by 3% (April 2020), the World Bank predicts a decrease in world production by 5.2% (June 2020), the Organization for Economic Cooperation and Development assumes a decline in the world economy by 6%. (CNN, 2020).

All this testifies to the great uncertainty of economic prospects, and the deterioration of economic forecasts indicates that a quick exit from the recession is unlikely. “By the end of 2021, the loss of income exceeds that of any previous recession over the last 100 years outside wartime, with dire and long-lasting consequences for people, firms and governments,” said OECD chief economist Boone L. (CNN, 2020). Therefore, effective fiscal measures are needed that are developed by national governments that are able to prevent negative phenomena and expand the economy.

On the one hand, a crisis is a shock, and on the other, an opportunity to emerge stronger from a crisis (OECD, 2020 [1]), (World Economic Forum, 2020).

The main research methods are analysis and synthesis, induction and deduction when substantiating the rules of fiscal measures of state support for socially vulnerable categories of citizens and businesses in the context of a coronavirus pandemic.

Results

The rapid spread of COVID-19 around the world required urgent, effective measures to combat the social, economic consequences of the pandemic. Also, the introduced temporary restrictive measures led to a reduction in supply and demand in the economy, which also had a negative impact on socio-economic processes. In this regard, the Governments of many countries adopted both separate legislative acts on measures to redistribute budgetary funds and a comprehensive package (plan) of anti-crisis support measures. Anti-crisis plans were adopted in China, Korea, Italy, France, Spain, Russia, this format has a large target orientation, provides comprehensiveness and coordinate government measures. Thus, the first rule of effective fiscal measures is the existence of a separate document that defines the goals, amounts of funding, tools and expected results of state support.

The scale of the pandemic requires a significant amount of financial resources to combat it. Thus, the amount of financial support provided by governments as part of countering the crisis of COVID-19 in the first two months of 2020 alone, according to McKinsey & Company, amounted to 10 trillion. US dollars (Ziyad et al., 2020), which is 3 times more than was provided as part of the anti-crisis measures during the previous world financial crisis of 2008–2009. The scope of anti-crisis measures by country is shown in Figure 9.1.

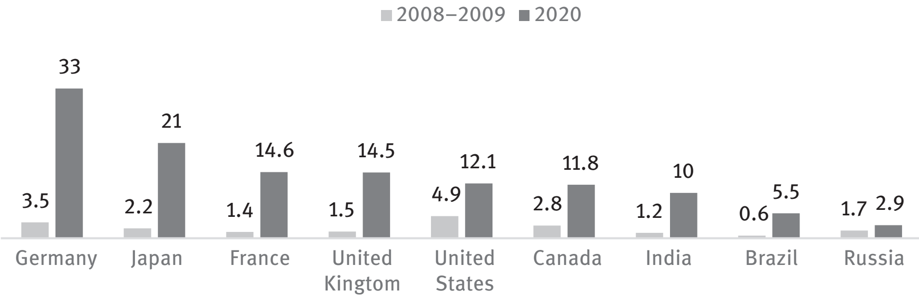

Figure 9.1: Economic-stimulus crisis response, % of GDP.
Source: McKinsey & Company (https://www.mckinsey.com/industries/public-sector/our-insights/the-10-trillion-dollar-rescue-how-governments-can-deliver-äimpact); for Russia – author's calculations.

As can be seen from Figure 9.1, all countries in 2020 mutilated the volume of anti-crisis measures several times. It should be noted about the significant volumes of support in Germany, Japan, the UK.

More modest financial size support in developing countries. This is due to the time lag and crisis level of COVID-19. So, in the Russian Federation in May 2020, the size of anti-crisis measures was doubled to 5% of GDP. In addition, part of the funds was provided directly from the budgets of the budget system. Fiscal measures may be increased in the following periods, if necessary.

The speed and nature of the recovery of national economies after the COVID-19 pandemic depends on the Government's anti-crisis measures. The IMF provides information on national anti-crisis measures (IMF, 2020). The analysis shows that socially-oriented countries, such as Germany, Denmark, and Norway, provide long-term measures (state guarantees, support for employment and equity injections), which stimulates the business to function effectively and provide employment for the population. Countries with a liberal economy (USA, UK, Canada) mostly provide assistance to people who have lost income or become unemployed, which will affect the growth of unemployed. Support for companies is provided in the provision of liquid funds and the transfer of tax payments. In Russia, measures have been taken to provide support to the affected types and sectors of the economy in the form of tax loans and the repayment of insurance premiums, subsidies and interest-free loans, provided that 90% of the employees are maintained. Exemption from taxes and rental payments, including to small and medium-sized enterprises and self-employed citizens. These measures relate to assistance and support. Direct payments were provided to families with children, health workers, and the unemployed. This indicates a coordinated policy aimed at preserving jobs. Singapore provided bonuses to health workers, medical masks were distributed free of charge, donations of the monthly wages of the authorities to persons affected by COVID-19. In Hong Kong, every citizen over 18 years old was paid $ 1,000. In Italy, payments for electricity were suspended for people in the affected areas. It can be concluded that most fiscal measures are in the nature of assistance. As we get out of the crisis, in our opinion, we should provide state guarantees and support in the form of subsidies in strategic areas, including to small and medium-sized enterprises; expand public-private partnerships. Fostering fertility and smoothing inequality can be achieved through direct payments, preferential mortgages and the introduction of progressive income taxation.

So, the second rule of effective fiscal measures, in our opinion, is their sufficiency in terms of volume, timeliness and strategic orientation of providing funds to the population and business.

In order to assess the effectiveness of state financial support measures, we consider it important to establish projected quantitative targets within the framework of anti-crisis plans. For example, the provision of subsidies for lending to companies on preferential terms will lead to the preservation of jobs for X people, as well as in % of the total number of potential categories of persons subject to dismissal compared to the absence of a subsidy policy. Similar quantifiable indicators should be determined by the governments of the countries when providing measures of fiscal support for business. So, it should be forecasted that the provision of fiscal stimulus measures for small businesses will ensure their share in GDP at the level of Y% and Z% of the total number of employees, which is higher by W% without providing support. This, in our opinion, will enhance the effectiveness of fiscal measures and increase the responsibility of executive bodies for decisions made. The incentive mechanism for priority types of business should also contain target indicators of the results of using the provided financial resources. This is the third rule of effective fiscal measures.

The official publication of the highest executive authorities on the amount of financing of additional budgetary expenses in connection with an emergency, assumptions about the impact of the measures taken on macroeconomic indicators will allow in the long term to assess the effectiveness of the use of financial resources as state external financial control bodies (Kubai et al., 2020), and from civil society. Strategic state financial control can be carried out by comparing the actual indicators with the declared ones, to evaluate how the goals of providing support measures are achieved and what their impact on the characteristics of the budget, public debt.

In some countries, emergency funds are being cut off from current budgets, tightening control over the targeted generation and use of funds. The possibility of effective state current and strategic financial control – the fourth rule effective fiscal measures.

Information on anti-crisis measures, communicating funds to recipients should be transparent and convenient for potential beneficiaries. This condition can be defined as the fifth rule of effective fiscal measures of state support.

In the Russian Federation, on a special single information portal, complete information is provided on the volumes, types and recipients of fiscal state support funds, the availability of mobile applications also contributes to greater awareness of support recipients from the self-employed population, families with children.

The presence of an innovative social support infrastructure made it possible to quickly provide benefits and support to vulnerable groups without additional response measures. For example, in the Russian Federation, an electronic portal of public services was used to form recipients of child benefits. Similarly, in Morocco, more than 2 million households receiving social benefits were additionally registered in the RAMED system. Denmark also used well-tested systems for providing social benefits to citizens.

Registration and the provision of social benefits based on digital technologies are key tools in providing funds to the population, since the mechanisms are used in a convenient and simple form through regular channels. The crisis served as the basis for the wider use of digital services in the provision of services in emerging economies – Peru (through personal accounts) (World Bank Blogs, 2020); Pakistan (expanding the Government base of electronic base, filing household applications via mobile phones) (Sania, 2020).

It can be concluded that global trends in the development of the digital economy have had a positive impact on the mechanisms for providing fiscal support to vulnerable groups of the population, self-employed, and small businesses during the COVID-19 crisis.

Raises awareness and the effectiveness of state financial support the presentation of relevant information in real time. Traditional channels for processing and providing information have a certain time lag caused by the need to collect, process and compile information. Providing timely, up-to-date (updated daily or weekly) information on a special information resource on the number of applicants for state financial support measures and actually paid funds by recipient categories will increase the confidence of business and households in the highest executive bodies of the country. The presence of feedback on such an information panel will allow to leave feedback to the beneficiaries of state support (positive or negative), which will increase the role of public control and provide an opportunity to correct government support measures and increase its effectiveness. Currently, in the Russian

Federation on the portal of the Ministry of Economic Development of Russia there is information on the types of state support, relevant information is provided on the financial measures actually provided. However, information will be more visual if it can be presented in graphical form and by categories of recipients of financial support. In this regard, it is of interest to South Korea, where daily statistics are compiled on the subsidy program provided in response to COVID-19.

The widespread adoption of digital technologies in the mechanism for providing state financial support measures requires strict economic and information security measures to prevent fraudulent activities, gain access to funds and cyber attacks. Therefore, speed and security are required when providing funds – this is the sixth rule of fiscal measures.

Fiscal measures should ensure the construction of a new economy after the COVID-19 crisis, which will be based on investments, including environmental ones, reduction of harmful emissions, development of the digital economy and services, education and healthcare, which will increase the welfare of citizens and reduce inequality.

Conclusion

Reducing the negative impact and further growth of the crisis caused by COVID-19 should be facilitated by fiscal and monetary regulation of each individual country, as well as coordination of activities at supranational levels.

Effective fiscal measures of state support should be timely, sufficient in volume, effective, efficient and sufficient to eliminate the shock of the crisis and further stimulate both the population and business. The mechanism for providing fiscal support measures should be simple, transparent, understandable and convenient for potential beneficiaries. This is facilitated by digital platforms and services.

The collection and publication of high-quality, reliable and timely information on the financial measures taken and their consequences are important for mitigating risks that may complicate internal and external monitoring and cause ineffective management, and unforeseen financial risks. The effectiveness of financial support measures should be evaluated taking into account socio-economic consequences based on approved indicators.

How effective will be the measures of fiscal policy depends on subsequent recovery and economic growth. Therefore, as the economy recovers, it is advisable to maintain a business that provides a synergistic effect and serves as a point of economic growth. Promising is the development of innovative small and medium enterprises, which needs support.

It is important to carry out public investments, including through public-private partnerships, in infrastructure projects, green and digital technologies, bioengineering, and the development of artificial intelligence, which create the basis for the country's sustainable economic growth.

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10 "COVID Law": A Situational Rule making during the COVID-19 Era

Introduction

The COVID-19 pandemic swept through the world and turned over not only the global economy, but also had an impact on everybody. The population of the countries affected by the pandemic was forced to self-isolate in order to prevent an explosive growth in cases and not overload the health care system. State authorities were forced to take a number of measures aimed at ensuring self-isolation of the population, avoiding a peak in Covid-19 cases and organizing testing, admission, and treatment of patients with confirmed coronavirus, without the nature of the disease, its course, and consequences being understood. The main and most obvious measure taken to combat the pandemic was lockdown – the migration constraints within the country, restrictions in the cross-border movement, free flow of goods, employment, and services between states, as well as within and between regions of one state.

The economic impact of lockdown caused by COVID-19 restrictions was from US $ 5.8 to 8.8 trillion of total losses of the global economy, which made 6.4%–9.7% of the world GDP (estimated by the Asian Bank of Development, ABD). Some of the first affected European countries – Italy, Spain, Portugal, Cyprus, and France – demanded to create a mechanism for joint European financing for the southern EU economies to recover after the COVID-19 pandemic. The EU issued so-called 'corona bonds' that are borrowed securities of a recovery fund. Its repayment would be the financial responsibility of the entire bloc, but it would primarily benefit the poorer south, which was hit hardest by the virus.

The Russian Federation was no exception in the general list of countries affected by the pandemic and currently (as of June 5, 2020) ranks third in the number of confirmed COVID-19 cases (449,256 confirmed cases) after the United States and Brazil.

In our opinion, during the COVID-19 period, the main feature of rule making was the entities' situational response influenced by the infection rate, lack of reliable

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information about the disease, and inability to predict the consequences of the coronavirus pandemic.

"Covenant law," resulting from the outbreak of this viral disease, was situational and unsystematic, and can turn into a rule making entities' "standard" reaction to similar unforeseen global events, if this phenomenon is not understood and critically evaluated. We believe that it is a critical assessment of the rule making entities' actions that should lead to understanding of the need to create a pattern, a model of a legal response to such phenomena that inevitably arise from time to time.

Materials and Method

This chapter is devoted to a study of regulations resulted from a virus COVID-19 outbreak in the Russian Federation and economic and legal consequences of these laws adopted.

The ongoing institutional consequences were considered by the authors (Plotnikov et al., 2015), (Vertakova et al., 2016), (Mamengaev & Fedotova, 2019), (Fedotova, 2019), (Fedotova et al., 2019).

A review of scientific and practical chapters of Russian and foreign economists has proved the relevance of the research topic in science. The ongoing regulatory process for the epidemiological situation will continue for some time. Russia is comprehensively modernizing its legislation (Russian Federation Government Executive Order (GEO) (a), 2020; RF GEO (b), 2020; RF GEO (c), 2020; and RF GEO (d), 2020).

The procedural framework of the study included a systematic, problematic, and regulatory analysis methods, as well as program-targeted and formalization methods.

Results

By mid-March 2020, the Government of the Russian Federation had realized the magnitude of the COVID-19 pandemic and measures failed to bring the disease under control at the RF borders. The COVID-19 disease in the EU countries spread according to one of the worst case scenarios and led to a drop in the GDP by 5.8% in Italy, 4.7% in France, and 2% Germany in the first quarter of 2020 compared to the previous period. This socio-economic situation was a sad example of the pandemic's impact on economy.

Moreover, a high coronavirus death toll in Europe and successful practice of quarantine measures in Asia indicated the need for fast and tough measures of social distance and isolation of the population implemented to slow the infection rate.

Therefore, three main regulation areas were outlined during the period of COVID-19 incidence growth:
1. regulation of the sanitary and epidemiological safety of the population;
2. regulation of the standard of living; and
3. regulation of support for certain sectors of the economy.

On February 17, 2020, the RF Government developed and approved a plan of priority measures (actions) to ensure sustainable economic development in the worsening situation of a new coronavirus infection.

The primary goals were announced. They were
1. provision with essential goods and support for the population;
2. support for industries that were at risk; and
3. support for small and medium enterprises.

There was also announced the need for system-wide measures aimed at stabilizing the overall economic situation, including the creation of a financial reserve and a guarantee fund for restructuring loans for companies severely affected by the pandemic.

The exacerbated COVID-19 incidence rate within the country, evidences of the course and effects of the disease, and the COVID-19 impact on the socio-economic conditions of countries in Europe and Asia forced the Government of the Russian Federation to expand the boundaries of regulation in order to prevent an uncontrolled increase in the incidence rate and mitigate the economic consequences of prohibitive measures applied to ensure disease control.

The regulation of the sanitary and epidemiological safety of the population included RF constituent entities’ legal acts that introduced restrictive measures in accordance with Article 31 of the Federal Law No. 52-FZ of March 30, 1999 “On the Sanitary and Epidemiological Well-Being of the Population”. The measures included requirements to maintain social distance (at least 1.5 m) between people, a ban on travel in public transport and visiting public places (parks, squares, squares, etc.), social isolation at the place of residence or stay, and special passes and permits for moving around the residential place.

The most difficult COVID-19 situation was in Moscow, so the Moscow authorities were pioneers in the regulation of quarantine measures aimed at preventing the disease spread.

On the territory of the city of Moscow, the Decree of the Mayor of Moscow No. 12-UM of March 5, 2020 “On the introduction of high alert regime” announced requirements for all people arriving in Russia from countries affected by the COVID-19 pandemic to inform the authorities and comply with the self-isolation regime for 14 days starting from the day of arrival in Moscow; requirements for employers to monitor the health status of workers and disinfection of premises, if necessary; health regulations for the Department of Health to ensure the medical institutions being ready to receive and promptly treat patients with respiratory symptoms, as well as provide sick people with leave certificates without visiting healthcare facilities. At the same time, the Mayor of Moscow introduced daily monitoring of the COVID-19 situation in Moscow.

The Decree of the Mayor of Moscow No. 34-UM of March 29, 2020 "On Amendments to the Decree of the Mayor of Moscow No. 12-UM dated 03.03.2020" considerably tightened the measures of the high alert regime:

– suspended all leisure, entertainment, performance, cultural, physical education, sports, exhibition, educational, advertising, and other similar events with the presence of citizens, as well as related services in parks of culture and recreation, shopping and entertainment centers, amusement grounds, and other places of public concourse;
– banned citizens to visit buildings and premises, where the above events are held, and municipal territories – Exhibition of Economic Achievements, Gorky Park, Zaryadye Park, etc.;
– suspended educational institutions for students;
– suspended the work of retail facilities, except for pharmacies, grocery stores, pet shops, communication services, and non-food essential goods;
– banned citizens to leave places of residence, only if absolutely necessary; and
– introduced a pass system for people traveling by public and private transport, etc.

The procedure for registration and use of digital passes for public and private transport was introduced by Decree of the Mayor of Moscow No. 43-UM of April 11, 2020 "On Procedure for the registration and digital passes used for moving around the territory of Moscow during the high alert regime."

The Moscow approach to the regulation of sanitary and epidemiological welfare of the population was taken as a basis by other entities of the Russian Federation, where the coronavirus situation was worsening. By mid-April 2020, the indicated high alert regime was introduced in all RF regions; therefore, many RF entities developed their own regulation based on the regulatory framework of Moscow, taking into account their specifics. For example, in the Volgograd region, a system of digital passes was created for moving around the territory of the Volgograd region, but this system was not applied.

The Decree of the RF President of March 3, 2020 declared non-work days with full pay from 03/30/2020 to 04/03/2020 on the whole territory of the Russian Federation. Later this period of non-working days was extended by the RF President Decrees No. 239 of April 4, 2020 (from 04/04/2020 to 04/30/2020) and No. 294 of April 28, 2020 (from 05/06/2020 to 05/08/2020).

The main objective of these Decrees was to ensure the regime of self-isolation and social disconnection by the requirement to actually suspend the work of organizations of all forms of ownership, with the exception of continuously operating enterprises, organizations that perform urgent work in emergency situations and otherwise threaten life or normal living conditions of the population, and organizations, carrying out urgent repair and handling operations. The wages were emphasized to be full paid for the period employees were at home.

This RF President Decree triggered an enormous controversy, because it applied non-working days being not defined in the labor legislation and not corresponding to the current notions of days off and non-working holidays provided for by Chapter 18 of the RF Labor Code.

Moreover, there was a question about real resources of full pay during the period when employers do not conduct business and, therefore, do not have income from entrepreneurial and other activities. Budgetary institutions could afford sending workers home with their salaries preserved, but commercial enterprises in the situation were on the brink of bankruptcy.

At the same time, the President and the Government of the Russian Federation announced measures to support vulnerable groups of the population, i.e. families with children, the unemployed, and workers over 65 years of age.

In accordance with the RF President Decree No. 249 of April 07, 2020 “On Additional Measures of Social Support for Families with Children,” parents of children under 3 years old must be monthly paid 5,000 RUB in April-June 2020 and parents of children aged 3 to 16 years inclusive must get one-time payout for each child.

The RF Government Decree No. 460 of April 04, 2020 “On approval of the Temporary rules for registering citizens in order to find suitable work or as unemployed, as well as making social payments to citizens recognized as unemployed in due order” introduced an electronic registration procedure of the unemployed and reduced the terms of acknowledgement as unemployed up to 11 days from the date of application.

The Russian parliament – the Federal Assembly of the Russian Federation – promptly adopted a law on a grace period, the so-called “credit holidays,” caused by the COVID-19 pandemic. That was the Federal Law No. 106-FZ of April 3, 2020 “On amendments to the Federal Law “On the Central Bank of the Russian Federation (the Bank of Russia)” and certain legislative acts of the Russian Federation with regard to change of terms of credit agreement, loan agreement.”

This law gave the borrower the right to apply to the lender (most often a bank or a credit institution) for a grace period for mortgage or loan being rescheduled for up to 6 months, if the borrower’s income decreased by more than 30% compared with the average monthly income. The borrower had the right to apply to the creditor for a credit vacation, if the loan product was in compliance with the following limits:

– mortgage was no more than 2 million RUB in most regions, 3 million RUB in St. Petersburg and the Far Eastern Federal District, and 4.5 million RUB in Moscow;
– car loan was not more than 600 thousand RUB;
– consumer loan was not more than 250 thousand RUB; and
– credit card was not more than 100 thousand RUB.

The RF Government Decree No. 424 of April 4, 2020 “On efficient delivery of public services to owners and tenants of premises in apartment buildings” established a moratorium on charging a penalty for a period until January 01, 2021. The tenant has the right to request the landlord to conclude an additional agreement on the deferred payment of rent for 2020.

The RF Government Decree No. 434 of April 4, 2020 approved the List of Russian industries that were most affected by the spread of a new coronavirus infection. These list included passenger and freight transportation by all means of transport, cultural and leisure activities, physical culture, catering, tourism, education, consumer services, as well as recreation, hotel, and exhibition activities.

Organizations – small and medium-sized businesses in these sectors that were borrowers under loan agreements – have the right to apply to the lender with a request to amend the terms of the loan agreement regarding the suspension of its execution for a period determined by the borrower, but no later than October 01, 2020.

In accordance with the RF Government Decree No. 566 of April 24, 2020 “On approval of the Rules of federal subsiding small and medium-sized enterprises in the sectors of the Russian economy that were severely affected by the pandemic in 2020,” the organizations and individual entrepreneurs mentioned in RF Government Decree No. 434 of April 04, 2020 were subsided in order to partially recover the costs of maintaining employment and remuneration of their employees in April and May 2020.

The RF Government Decree No. 422 of April 2, 2020 “On Approval of the Rules for granting subsidies from the federal budget to Russian credit organizations for reimbursing of non-received income on loans granted in 2020 to small and medium enterprises for urgent needs to support and maintain employment” and the RF Government Decree No. 696 of April 4, 2020 “On Approval of the Rules for the provision of subsidies from the federal budget to Russian credit organizations for reimbursement of non-received income on loans granted to legal entities and individual entrepreneurs for the resumption of activity in 2020” provided for soft loans (at a rate of 0% and 2% per annum) for small and medium-sized enterprises for the payment of wages and resumption of entrepreneurial activity. The term of these loans was 6 months, the amount was limited by the same period and the number of employees, with the minimum wage applied.

The RF Government Decree No. 409 of April 2, 2020 “On measures to ensure sustainable economic development” provided enterprises and individual entrepreneurs that were severely affected by the pandemic with support measures in the form of

– an extension of the deadline for the payment of income tax, taxes under the Simplified Taxation System, and uniform agricultural tax for 2019 by six months, the deadline for the payment of all taxes for reporting periods falling in the first quarter of 2020 by six months, income tax of individuals for reporting periods by three months, and other taxes and insurance premiums by 4–6 months;

– an extension of the deadline for submitting declarations and accounting (financial) statements due in March-May 2020 by 3 months;
– moratorium on field tax inspections; and
– non-application of sanctions for committing tax offenses for the period from 1 March to 1 June 2020.

The RF Government Decree No. 428 of April 03, 2020 “On a Moratorium on the initiation of bankruptcy at the request of creditors” established measures to prevent insolvency (bankruptcy) of the systemically important financial institution of the Russian economy, strategic enterprises, and individual entrepreneurs specified in the RF Government Decree No. 434 of April 03, 2020 for a period of up to 6 months from the date of the Decree.

According to the RF Government Decree No. 439 of April 03, 2020 “On Establishing Requirements for deferral of payment of lease payments” for a period up to 01.10.2020, deferrals of lease must be provided to lessees of state, municipal, or private property, while the debt for the specified period can be repaid monthly in equal installments, not exceeding half the amount of the rent from 01.01.2021 to 01.01.2023.

Conclusion

The measures did not prevent a sharp decline of the Russian economy in April 2020. According to the Ministry of Finance of the Russian Federation, Russia’s GDP in April 2020 decreased by 28% compared to April 2019. These consequences might not have been so dramatic, if Russian government authorities had reacted to the coronavirus disease situation not in April 2020, but earlier, when they were informed about the infection in Wuhan, China and its spread in Europe.

The analysis of rule making of federal and regional government bodies during the COVID-19 pandemic indicated that this activity was largely reactive, that is, followed the dynamics of the coronavirus incidence, but not proactive, i.e. predicting and anticipating the introduction of necessary measures. Only in April 2020, the RF President and Government formulated a framework for regulating legal relations arising from the incidence of coronavirus infection, lockdown, the economic consequences of self-isolation and social disconnection, and stopping entire sectors of the economy of the country.

Hesitating can be excused with respect to the atypicality of the COVID-19 pandemic problem, however, in our opinion, the development of rule making in emergency, in particular, in the economy, should be much faster.

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Part III: Institutions of the "Knowledge Economy" and the Competence-based Approach to their Development

G. A. Zhutanova

11 Development of Professional and Creative Competencies of Students through Independent Cognitive Activity

Introduction

The assessment of various aspects of education systems, the depth and significance of modern changes in education in a rapidly changing world shows the need for rapid professional growth of students at higher education institutions. In this regard, the requirements for the training of pedagogical personnel are growing. The change in the system of higher vocational education in Kyrgyzstan is aimed at meeting the needs of the individual and society in obtaining quality education.

Today, with the development of society, the role of education and its value increase. Education should contribute to the development of students' creative abilities, the formation of self-thinking skills, responsible attitude towards themselves in order to achieve the ultimate goals.

In these conditions, the problem of developing the independent cognitive activity of students intensifies, which determines the task put forward for teachers – increasing the independent professional creativity of student youth.

Methodology

The study of the features of the development of creativity in the educational process was directed by J. Guildford, E.P. Torrens, D.B. Epiphany, V.N. Druzhinin and others. The works of L.S. Vygotsky, A.N. Leontiev, I.Ya. Lerner reflect the development of the creative abilities of students, the peculiarities of their formation in extra-time activities.

Kyrgyz scientists I.B. Bekboev, E.M. Mambetakunov, A.M. Mamytov, N.A. Asipova, G.D. Pankova, S.K. Kaldybayev, T.M. Siyaev, A.K. Narkakov contributed to the development of this problem, in particular, the development of competencies of future specialists. At the same time, it should be noted that domestic researchers, teachers, psychologists pay more attention to the problems of creativity and independence of students.

According to D. B. Bogoyavlenskiy: "Creativity is the highest level of human intellectual activity, on which the understanding of the essence of phenomena, the

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setting of problems and their solutions are based; at this level, empirical patterns perceived by the individual from a simple heuristic formal question pass into a self-justified problem, on the solution of which the individual directs all his/her capabilities." (D. B. Bogoyavlenskiy).

Scientist A. Matveev notes that "creativity is a person's ability to be not standard, to think and act originally in creating a new one" (Matveev, A.).

Most scientists who studied the cognitive independence of students determined its levels, criteria and showed conditions and paths of development.

Independence is not given from birth. It is formed during a long educational and educational process. This is the result of purposeful and meaningful work in the family, school and university.

The scientist E.P. Brunova writes that: "Independence in a broad sense means the presence of one's own views of the individual, his ability to update and introduce creative elements into his activities." In her subsequent works, she considers the independence of knowledge as a development in the process of learning: "independence does not come ready from different sources (words of the teacher, means of learning), these are knowledge, competencies and skills acquired through deep mental work" (Brunov, 2004).

E.M. Mambetakunov, T.M. Siyaev express their thoughts on the features of student independence: "the age characteristics of the student are characterized by his personal characteristics. The independence of each student is determined by his intellectual, moral, sensual and social characteristics. We add to this that each student in the process of cognitive activity gains only his characteristic features – the ability to remember, and interest in certain objects and perception"(Mambetakunov, 2008).

Of particular importance to the independence of students is one of the authors of the program "Development of critical thinking through reading and writing," American psychologist and teacher D. Kluster. In his opinion, "critical thinking is, firstly, independent thinking". If you turn to our practice, then in literature classes when studying the works of C. Aitmatov, for example, the position and thoughts of the teacher are in the first place. Therefore, in analyzing the images of Jamili or Daniyar, Boston or Avdia, students can only repeat the conclusions of the teacher. In other words, the teacher's opinion dominates the opinions of students. But at seminars on critical thinking, we approach the same issues differently and try to talk to students, listen to their point of view on the issue under discussion. And very often they are different from the conclusions and views traditionally presented by the teacher. The student reads and perceives the work in his own way and he gives birth to his own perceptions and ideas about what he has read. With many thoughts of the teacher, he can agree, by many – to have his judgments.

In the first case, it can be concluded that the student simply did not read the work and was forced to completely take the side of the teacher. Here, there is no question of developing the student's independent thinking. It is also necessary to note the failure of the teacher, who failed to interest students in reading the work.

In the second case, the student, knowing the content of the work, willingly expresses his thoughts, his attitude to the plot, the heroes, makes certain conclusions and thereby creates conditions for the development of independent thinking, which provides one of the approaches of critical thinking.

The researcher L.V. Zharova has a consonant opinion with the above, who believes that independence and independent knowledge are simply a natural need of a person to carry out his life. According to Zharova, being independent means not to depend on anyone. Perform work, for example, at your own discretion and on your own.

This is due to the qualities of man, given by nature, his ability to take actions not only of a low level, but also to fulfill tasks of a more complex high level. This is observed in young children who seek to do work on their own without the help of others. Adults call this "inclusion in independent activity."

The scientist E.P. Brunova writes that: "Independence in a broad sense means the presence of one's own views of the individual, his ability to update and introduce creative elements into his activities." In subsequent works, she considers the independence of knowledge as a development in the process of learning: "independence does not come ready from different sources (words of the teacher, means of learning), these are knowledge, competencies and skills acquired through deep mental work."

L.S. Vygotsky in his theory "Zone of immediate development" also speaks of the desire of children for independence of their actions, about the desire of children to do something without the help of adults. But so far they are not able to do it. We need joint efforts, so that the child remembers, gets a certain practice, acquires basic skills and knowledge. If the child did something with the help of adults, then after that he can successfully do the same on his own. Therefore, children are gradually involved in independent activities.

Analysis and generalization of definitions of prominent teachers and researchers is reduced to one thing in general – performing actions without the participation of adults, using some new elements of creativity and fiction, monitoring their actions and, if necessary, correcting or adjusting them; together, objective assessment and preliminary planning of their actions determines the independence of the person.

Results

In order to develop the cognitive activity of students in practical work, in the implementation of the educational process, we adhere to just such a definition of independence.

In this regard, the following personality qualities can be distinguished:

– independence in mastering the necessary knowledge, skills and their application in cognitive practice;

- active mental activity in the “extraction” and search for knowledge instead of perceiving already made and presented by different sources;
- wide application of acquired knowledge and skills in practice;
- conscious motivation for learning;
- skills such as self-assessment and self-monitoring in training activities;
- understanding the need for permanent self-education and self-improvement.

Note that objective self-esteem and self-regulation determine cognitive activity and characteristic properties of independence.

Here it will be appropriate to say that self-regulation has some parameters and give them:
- a parameter of cognitive activity, when a person has a need to acquire additional knowledge, change the character, fulfill certain desires, plan, carry out individual work, etc.
- a parameter of sustainable self-regulation, when a person seeks to achieve real self-improvement; when a person can control his behavior and lifestyle, conduct his affairs

Self-regulation is characterized by three levels.

Low level. It is combined with the subject’s next need for self-improvement. A person, despite the fact that he knows little, does not want to know more. He does not want to search and read literature that contributes to the improvement of his intelligence, erudition, personal and professional qualities. He prefers games and entertainment to read books, newspapers and magazines. Such people are characterized by subjectivity, self-love, selfishness. They are characterized by conflict in self-esteem, since their ideas contradict generally accepted norms and scientific provisions. They overestimate their level of knowledge and thinking. They have increased self-esteem and low motivation for activity, working on themselves. And as a result, they do not shine with intelligence and are distinguished by infantility.

Russian researcher E.B. Truhan, speaking of the mechanism for the formation of activity, noted: “Contradictions in values give rise to disorderly behavior. Lack of development in the value direction is a sign of infantilism. Infantilism stops the growth of the spiritual consciousness of the person. Without consciousness, one cannot talk about a person as a full-fledged person”.

The average level of self-regulation is characterized by the following: there is a lack of systematics in the performance of the work of the subject (“I want to be good, but I do not always plan and perform work,” “I do not always agree with the proposed work,” etc.). Such cases indicate a person’s inability to control himself, his behavior and actions. It is not considered with generally accepted norms and attitudes of society, often goes against them, its ideas diverge from those of the public. And as a result, the organization of their activities is not correct, the misunderstanding of others. Such people are characterized by the dominance of subjectivity in views;

when preparing work, they ignore everything and are guided only by their own thoughts, which is not always rational.

The high level is characterized by an increase in personal quality and professional skills. Here, the person's independence prevails in development of self-education, self-cultivation and self-improvement. He does not want to remain on the same level and tries to increase his interest in knowledge, expand his intellectual outlook, erudition, deepen his general and professional culture and satisfy his needs for universal human values.

This level of self-regulation is determined by intellectual activity, which involves quite certain abilities and skills:
- understanding of the issue under consideration;
- forecasting of activities of both own and team, group;
- work planning and implementation;
- use of logical operations and practical application to real situations of the gained knowledge, skills and abilities;
- motivational, value and dialectical aspects in the organization and implementation of activities;
- decision making and its implementation based on processing, synthesis, analysis of the received information;
- creativity of thinking, rational and original approach to solving the problem;
- self-determination of the path and development of the algorithm of actions to overcome difficult situations;
- not standard thinking: speed in decision-making, effective ways of action, originality of working methods, departure from traditional rules and stereotypes, rejection of straightforwardness in thinking.

The main components that lead to the formation of student competencies in the educational process are known. These are information, technological, communication and entrepreneurial.

The first component is informational. This direction involves providing students with wide information. Today, in addition to the possession of information for the student, the ability to analyze the content and volume of the offered knowledge, taking into account the growth of scientific and life needs, becomes very important. In this aspect, the ability to self-form can be considered a core quality, which is characterized by:
- the ability to understand information sources;
- the ability to work with popular science literature and literature of a psychological, pedagogical and didactic nature;
- ability to analyze read material (reflection).

The second component of the educational process is technological. Ownership of information does not in itself ensure the quality of training. The ability to build the learning experience of students, especially in the context of the new philosophy of education, is in the field of close attention of teachers of higher education institutions. In most cases, the success of the teacher directly depends on his knowledge and the practical use of educational technologies.

The third component is communicative. The quality of the training largely depends on the communication between the student and the teacher, on their ability to build a conversation, mutual communication in the spirit of respect and cooperation. And if we talk about the development of student competencies, then we must not forget about their ability to build mutual relations and readiness to conduct an effective professional conversation.

Conclusion

Researchers T.A. Abdyrahmanov and M.A. Nogaev in the work "Competent Relations in Modern Education" consider them as an alternative to the extensive path of development of the education system: "To date, educational work has been aimed not at the development of students, but at assimilating knowledge, mastering abilities and skills." The teacher's delivery of ready-made knowledge in a large volume without relying on the independent work of students is the reason for the existence of traditional information and explanatory relations in the content of education.

The theory and practice of the education of the Soviet teacher S.T. Shatsky and his successors are considered a model of competent relations. Similar ideas were developed in the didactic schools of Skatkin-Lerner-Kraevsky. Here, creative activity and emotional relationships in the content of education were proposed as an idea in self-education.

Therefore, the ability to independent education, knowledge of pedagogical techniques, readiness for independent reflection, the teaching to conduct an effective professional conversation can be included in the student's personal qualities.

As a result, we conclude that the expected results in the formation of vocational and creative competence of students can be achieved by purposefully, systematically organizing their independent activities in the educational process.

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12 Development of Students' Creative Competence in the Educational Process using Didactical Games

Introduction

Using of didactic contest during the educational process showed mixed effects across a number of sectors, such as students' performance, engagement, and learning motivation according to Vlachopoulos and Makri (2017). It was noted by Ariffin et al. (2014) that learning through the didactic contest as one of the teaching forms has been utilized in several areas such as: military, education, marketing and advertising. Liu and Chen (2013) have investigated that the students' perceptions regarding the integration of the didactic contest into learning process as well as the educational benefits of the game with regard to learning performance. McCarthy and Anderson (2000) have reported that human interaction is the center of disciplines, and instructors too often expect students to acquire relevant knowledge in a learning environment. Examples of concrete implementation of the teaching method based on didactic contest among school and university students were described by Grischenko (2013) and Kuznetsova et al. (2019). Measurements of this method effectiveness through the student course evaluations in the Irkutsk Pedagogical University was described by Sinitsyna (2006).

The purpose of this research was to analyze the teaching method based on the didactic contest in organization of the teaching process in higher education.[1] Scientific, pedagogical and methodological analyses of showed that the most serious attention is given to didactic contest in various fields of knowledge: pedagogy, psychology, biology, cultural studies, sociology, ethnography, etc. Didactic contest can be presented in the different forms, content, character and playing positions. Nevertheless, there is something in common that defines the unified nature of the game as a special type of activity which is necessary and important component of the human life. Psychological theory of activity within the framework of the theoretical views of A.S. Vygotsky, A.N. Leont'ev distinguished three main types of human activity such as: work, game and education. A.S. Vygotsky (1978) wrote about the role of play in development: "The development from games with an overt imaginary situation and covert rules to games with overt rules and a covert

1 Dataset related to this chapter can be found at Mendeley Data, Abdullaeva, Zhypargul (2020), "Episodes of the didactic contest in higher education.", V1, http://dx.doi.org/10.17632/w78cs8f6v8.1

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imaginary situation outlines the evolution of children's play". A.N. Cîrceie (2015) mentioned that Leontiev have classified educational games into following types:

- *Role games*, in which the child takes a representative role for a social adult function;
- *Role and subject games;*
- *Games with rules;*
- *Games that make the transition towards the learning activity*, comprising of entertaining and sport games, didactic games and acting.

All of these species are closely related to each other. Psychological and pedagogical analysis of the didactic contest emergence theory presents a range of purposes for development and self-realization of students. German psychologist K. Gross at the end of 19th century made an attempt to systematical study of didactic games used in the educational process.

Methods and Characteristics of Didactic Contest in the Higher Education

In education didactic contest can be characterized as an objectively and primary spontaneous school, seeming chaos, which is presenting opportunity to students for being acquainted with traditions of people, their surrounding world and the reality of life. Figure 12.1 is showing the purpose of didactic contest which can be extended into many areas of life and accepted as a general scientific, serious category. Didactic meaning of games used in education was interpreted in the works of K.D. Ushinsky, and the pedagogical phenomenon of game by students was described by A.S. Makarenko and V.A. Sukhomlinsky. Cockerill (2016) have outlined from the Sukhomlinsky's works, that "children should be engaged at an emotional level, through stories, imaginative play, artistic creativity and physical activities, and that learning should be inspired by a sense of wonder".

Let's consider some features of didactic contest in higher education. Students activity during didactic contest is often associated with an implementation by the subject of searching. Didactic instructions are presenting original educational approaches which are directed to improvement of an existing student-friendly teaching in the modern scientific research (Perig, 2018).

It begins when the subject organizes these actions in relation to its plot. Searching for the new ways of problem solving leads to the subject awareness and conflict between the form of its actions and their content. When building didactic contest on an activity basis, it is necessary to know the content and structure of managerial activity. Management activity refers to the complex of subordination systems and individual, collective responsibility, and activity of teams as formal units.

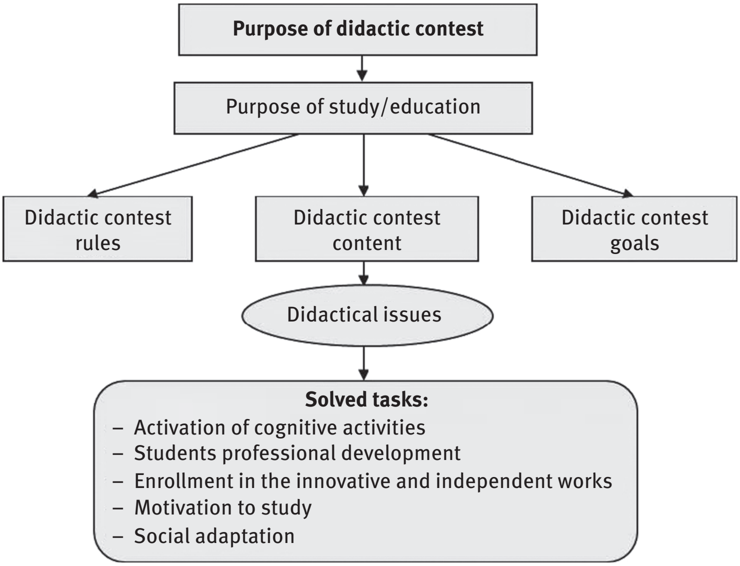

Figure 12.1: The purpose of didactic contest resulted in the purpose of study/education, which is subdividing into game rules, game content and the game goals. Didactic issues are closely related to the didactic contest and solving tasks of higher education procedure.

In general, management activities may include:

1. Development and decision-making, which implies the presence of certain tasks, forecasting and analysis of the possible results of planning ways and means to achieve them.
2. The implementation of certain organizational work to implement decisions and achieve goals.
3. Regulation and adjustment of their activities.
4. Accounting and control of their actions, etc.

Analysis of these points allows us to identify their main function – to determine the consistency of actions of a larger or smaller group of people. Bloju (2015) pointed out that didactic contest purpose should characterize an active procedure which puts the students in the situation of intellectual activity intense by providing real assimilation of notions and rules, an active and almost unconscious knowledge acquisition. In the Figure 12.2 we showed the didactic contest purpose closely related to the didactic contest content and solving tasks of higher education procedure. According to Trevino et al. (2016), educational contest can be defined as an instructional method that requires the learner to participate in a competitive activity with preset rules.

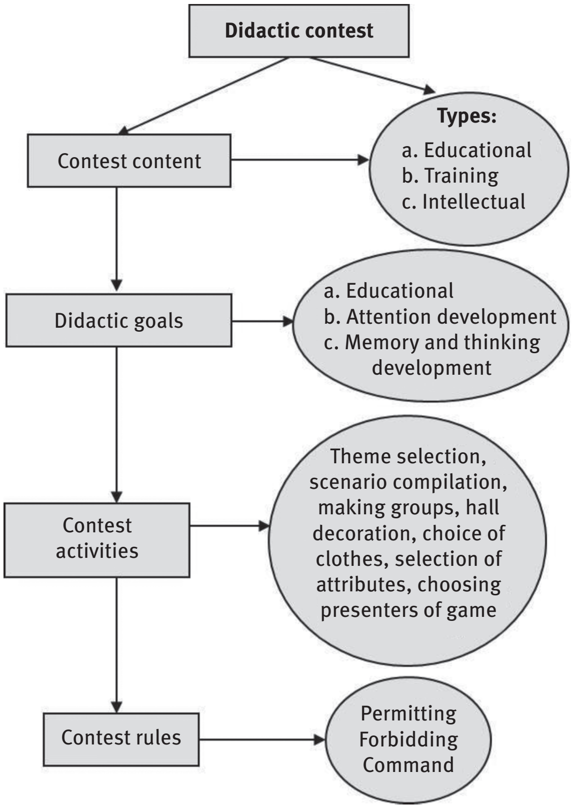

Figure 12.2: Didactic contest used in the higher education procedure is consisted of following stages: contest content including contest types, didactic goals, contest activities and the contest rules.

Results and Discussions

Game-based learning is aimed to provide a scenario environment of learning, repeated self-learning, and ongoing interaction with feedback can increase the learning interest and motivation of students who can reach the goal of learning effectively was mentioned by Cheng and Su (2012). There are several functions of the didactic contest activity used in the educational process as shown in the Table 12.1.

In the modern psychology, a concept of the personality essence has been developed, according to which, personality is defined as a person with skills of certain creative potential. At the same time, the basis of creativity according to Gaspar and Mabic (2015) is related to finding of new things which is considered by an imagination. Here, didactic contest is similar to creativity. Often when analyzing the phenomenon of the didactic contest, researchers mention that didactic contest is the

Table 12.1: Functions of ddidactic contest activity used in the educational process.

Function	Description
Communicative	Development of communication between players, interaction, and teamwork ability.
Attracting	Contest is presenting emotional progress, problem solving, satisfaction, relaxing feelings.
Education-cognitive	Contest participants will research and introduced with information, adjust new material to game and solve the given problem by artistic skills.
Correction and fixing	Development of personal and intellectual skills can be observed.
Socialization	Development of a certain moral and patriotic feelings.

creativity of individual person or it is associated with creative initiative of the individual. Pedagogical principles used in the didactic contest activities are shown in the Table 12.2. Presence of various didactic contest-based learning processes such as: planning, orientation, during the gaming, and after the game-play sessions can be seen not only in students, but the teacher's pedagogical activities as mention by Kangas et al. (2017). According to Dichev and Dicheva (2017), being get involved into educational didactic contest can develop an approach for increasing of learners' motivation and engagement of game design elements in educational environments.

Table 12.2: Pedagogical principles used in the game activities (according to A.A.Verbitskiy).

Pedagogical principles	Description
Imitation modeling	Entrepreneur training game is production process (the sign of a professional environment) and content (the sign of a professional activity). According to this principle, it is necessary to create a production model and a model of professional activity game. These two models in the higher education procedure will provide creation of subject, social contexts, and condition for professionals formation.
Problematic principle	Problematic content in the process of dissemination entrepreneur games and students' education activity.
Collaborative activity of participants	Role interaction, dividing and imitating the functions of specialists during game, implementation in the conditions of copied integration.

Table 12.2 (continued)

Pedagogical principles	Description
The principle of dialogue interaction and communication partners	Solving problems of knowledge for joint decision-making and its development are functioned as tools for teaching and training
Principle of double planning game	Achieving of game objectives and development of individuals personality is achieved by tools for implementation goals in education and training.

Didactic contest has been rarely used in the high school practice. Nevertheless, the Didactic contest development and maturation which requires a lot of time consumption can be used in high school classes due to enough experience and methodological coverage. This contest form may be the most diverse selection of session topics determined by the specific educational objectives. Didactic contest, however, in any form whatsoever, teamwork activities and groups of students in school-related activities researching aims to develop specific knowledge and skills. In general, didactic contest development and transfer can be achieved by 3 stages: preparation, the contest concluded, and the results of the contest analysis. In the higher school classes, one way or the efficiency in the use of actively working to develop methods is often work with the attitude, contest-style training and personality-oriented, aimed to create a space for teachers and students through their interaction with students and different forms of dialogue. Also during the game, students age systemic activity and their degree of autonomy, creativity and personal-team approaches are increasing gradually.

Phases of Didactic Contest

The didactic contest phases are holding certain keys need to be distinguished, and divided into the following phases:

1. *Preparatory phase*: in this stage actions are motivated by the didactic contest organizing person.
2. *Motivation phase*:characterized by training of students to create positive idea of the didactic contest, and discussion of their ideas and desires in groups.
3. *Planning phase*: this phase is training students in conjunction with the theme of the didactic contest, and defines the objectives, content and learning objectives. Rules of the didactic contest plan worked out and approved the basic rules and principles which should be implemented.

4. *Information action phase*: includes creation of an educational and informational material; gathering of teachers and students to compete in a didactic contest; research work with literature and other sources.
5. *Final phase*:is referred to reflection and evaluation stage. Students presented their options and discussed with the team, the didactic contest results can be obtained.

The didactic contest can be used as a dynamic form of education outside or inside the classroom; its methodology and content is determined by taking into account the teachers and students interest, experience, and possibilities with conditions. The contest creates favorable conditions for the formation of a creative person, answered to the questions from students' educational and professional, psychological and pedagogical sciences, professional duties, specifically promotes and expands their knowledge in various fields. It was pointed out by Berestneva et al. (2015), that "in the course of this game, students have a great opportunity in many aspects of their professional, personal developments and training of students' assessment-emotional approaches". Use of this game model allows achieving the goal of teaching assignments, such as subject conditions and developing of a system of interrelated elements. In this case, the main system as a "horizontal" dimension is the goal. "Vertical" target subjects of the didactic game are goal-game activities and professional skills of players. Education and knowledge based didactic contests are training students' individual development of skills, abilities that are important in their professional formation. Minović et al. (2009) have noted that the balance between knowledge integration into game and its reusability should be considered.

Structures and Solutions of Didactic Contest

Before didactic contest teacher should work on the following 2 solutions:
1. *Organizational issues*, where division of roles and symbolic (jury selection), didactic contest scenario, participants should be familiar with the rules of the contest, objectives, etc.
2. *Future work on the contest content,* which includes the following items:
   – Pre-selection of the didactic contest topic;
   – Introduction with the topic problem;
   – Collection of theoretical and practical materials, working on them;
   – Materials analysis;
   – Preparation of the necessary things for didactic contest funding;
   – Organize consultations, etc.

Courses offered during the each didactic contest can be divided into several stages as proposed the Figure 12.3.

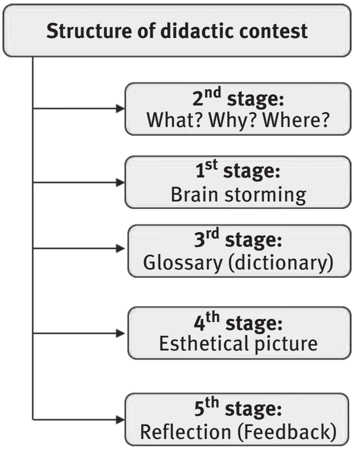

Figure 12.3: Structure of the didactic contest.

Step 1: “Brain Attack”, in which the students actively search for information on their own activities. Each team will prepare a question-and-answer session, and search of information. Step 2: here students should answer to questions “What? Why? Where?”. Step 3: “Glossary” where students will practice on drafting and writing a brief description of terms, definition used in the game content. Step 4: “Esthetical picture” here students present their drawings of different shapes, images, tables, charts, diagrams, and present the topic. This is the step of synthesis and three-stage analysis of data obtained and prepared by groups. Step 5: “Reflection” (Feedback), where teacher ask students to answer the following questions at limited time span: 1) Which issues of the game were very important for you? 2) What new information have you learned and understood? 3) On which question you would like to focus more?

Didactic Contest as a Social Phenomenon

During the didactic contest, participants often repeat and improvise what they relate to with full attention, what is available to them to observe and what is available to their understanding. According to scientists, the didactic contest takes the form of developing, social activity, the form of mastering social experience, one of the complex abilities of a person. A brilliant game explorer, D. B. Elkonin believes that the game is social in nature and directly saturated, and projected to reflect the world around it. A number of scientists, educators and psychologists understand the development of the game as the assimilation of human experience and universal values.

L. S. Vygotsky once wrote: "there is no initial independence of the individual from society, nor a subsequent socialization".

So, the didactic contest reproduces the world around us as a stable and innovative manifestation in life practice and, therefore, is an activity in which exactly rules and conventions are stably reflected. Didactic contest can be defined as stable traditions and norms are laid in them, and the repeatability the game rule creates a training basis for development. In many games, the "real" function is present either in the form of environmental conditions or in the form of objects, a certain set of details. A. M. Leontyev proved that students have a wider range of reality only in the game. Students participating in the didactic contest found themselves and more fully recognize themselves as a person. For them, the didactic contest is a sphere of a certain social creativity, a testing ground for social and creative self-expressions. Especially didactic contest in universities is extremely informative and contributes to the intellectual development of students. The didactic contest is one of the forms by which a student searches for himself in a team of associates, in society, in humanity, in the Universe. It allows accessing the social experience, culture of the past, present and future, the repetition of social practice, accessible to understanding. Development of creative strategies during the didactic contest promotes enhancing of didactic classroom experience (Westin et al., 2015).

The didactic contest is a unique phenomenon of universal human culture, its source and peak. The didactic contest is the regulator of all or many of the individual's life positions. However, there are rules followed in case of all games (in a professional team, in amateur and in didactic contest classes). At least a team must contain two members (the smallest team). Usually, each competition is given, in addition to the nominal ("Warm-up", "Music competition", "Homework", etc.) original name that sets the tone to entire performance. The game itself also gets the original name that defines the general theme of the game. Each competition should be evaluated by a jury led by its chairman. The main didactic contest components can be defined and characterized as:

– Greeting. This contest is usually played at the beginning of the didactic contest by using of business cards. In it, team members represent themselves and their team. The greeting is a "line-up" (of 5–8 people on the front of the stage facing the audience) in identical costumes.
– Warm-up, in which teams must come up with a funny answer to questions posed by other teams (hall, jury or presenter) in thirty seconds.
– The Student Theater of Pop Miniature (STPM) is a short competition that was organized in 1955. Main principle of the competition is that, no more than three didactic contest players must be on the stage at the same time, which must show a humorous or musical variety show.
– Musical competition. A competition in which special attention is paid to musical numbers: songs, dances, playing instruments, etc.

– News contest. Most often this is a comic release of news taking place in political, international and public life. On the stage in this competition all the playing teams should participate.
– Homework. The longest competition is played at the end of the didactic contest. The topic of homework was given to the teams earlier, the rules and requirements were established.
– Freestyle. A free competition in which teams are allowed to play in any style and show any numbers.
– Film competition. A competition in which you need to shoot a clip or voice fragments of a film in your own script.
– Captains' competition. This is an individual competition for captains of competing teams among themselves, which takes into account: wit, humor, resourcefulness and accuracy of the answer, and others.

The main part of the preparatory phase is to disclose the subject of the didactic contest, agree with the team the ways and directions of activity, in which the teacher carries out work planning, the work of the captain and other members. In this case, it is necessary to identify the features of actions and the role of the leader of the team. Therefore, the main function of team leadership is to plan and coordinate the actions of team members. A psychological analysis of activities associated with the management of team and individual activities, which is quite specific for team play. Ability to play is simulation of a certain situation. Activity approach in relation to didactic contest methods for training of specialists involves definition of the didactic contest, determining the content of game programs and the task corresponding to certain actions to solve them. Therefore, the training of specialists through didactic contests method is not training them under certain conditions, but a genuine creative development of their consciousness and personality.

As it is known, from cubes and rag dolls and children's scenes, through successive interpolations, the theater was finally born. But in didactic contest we are interested in another aspect of the game, which is competitiveness. So watching a contest and a performance by young performers is always more interesting than watching concert of "masters of art". But at first glance this is strange, since the performance level in the first case is noticeably lower. And in every competition, there do naturally existing a mystery, development and apotheosis, showing as a performance in any competition. In the process of the didactic contest, cultural stereotypes were updated; the moral side of behavior appears in conditions of uncertainty of incentives, extremeness and general tension. In a contest environment, a person is faced with a strategic choice. For participants, the didactic contest acts as an imitation of real situations on emotional level, this allows developing contact with the environment. Meanwhile, it is an important component of education; it provides students with a comprehension of themselves and their environment. Emotional development allows students during the didactic contest to understand the motives and ideas of other people, to collaborate with team members. Significant increases in emotional intelligence of students were observed during students' participation in the psychological workshops, although varied depending on its dimensions (Kuk et al., 2019). In general, emotion is a system of excitement that provides an answer to an unexpected question.

Considering category of didactic contest activity as a theoretical basis for the analysis and selection of the most optimal solutions allows the following:

- Analyze integrity of human behavioral manifestations;
- Highlight the general, particular and specific tasks facing a person as a unity of his goals and the conditions of his achievements;
- Determine the actions by which a person solves these problems.

As we know, human activity is a conscious in nature which is related to unique way of processing information, production of information, rather than purely transmitting it (Marchetti, 2018). A consciousness is one of the mechanisms of the brain that can reflect the state of the external or internal world in the following ways:

1. Certain movements: facial expressions and gestures.
2. Sound signals: speech, sound and music.
3. Symbols: writing, signs and symbols, etc.

In the individual consciousness, several basic functions can be distinguished. First of all, the individual positions of other people who are involved in certain didactic contest relationship with him are ideally presented in consciousness. Consciousness is a kind of behavior which is controlled by the brain like any other behavior, and emerging on the interface between three components: communication, play, and the use of tools (Kotchoubey, 2018). Consciousness makes an individual himself a participant in the didactic contest activities. And finally, consciousness allows the individual actively build and rebuild his own position and opinion. All of this becomes possible due to the fact that during the contest the student consciously searches and implements his actions and thoughts. However, conscious activity is carried out not by an impartial executor (team member), but by an active subject and personality, which leaves a special imprint during the didactic contest situation.

Preparation of the team members by solving tasks of a certain content (for example, tasks arising during the contest) is associated with the creation of such objective conditions in which the participants of contest themselves change and develop. Three categories of approaches were used to develop students' creativity through the teamwork by: "Building Relationships," "Mapping Diversity," and "Creating a Shared Process Language" (Friis, 2015). Mental preparation and human development is a core problem in any collective activity. This is especially true in unusual situation such as competition, contest and etc.

Continuous changes in the course of the didactic contest, adjustment, analysis in decision-making constituting activities serve as the basis for human mental development. This must be constantly taken into account during development of the didactic contest programs; when preparing a team that should be guided by the basic principles of modern developing pedagogical issues. During the development of educational activity organizational forms that provide developing trainings for specialists, the specific feature of professional activity includes scientific side, well-conducted research providing good evidence about what should or should not be doing (Teus, 2016). Professional development activities involve experiential learning through which teachers use didactic approaches, such radical educational reforms requiring a substantial change in pedagogical methods (Girvan et al., 2016). It was recognized by researchers that teachers' professional development is essential in changing of the classroom practice, improving schools, and ameliorating pupils' learning outcomes (Postholm and Boylan, 2018).

Here the general life activities of young people bind with an everyday life (Andrée, 2005), should be taken into account. Therefore, didactic contest and its developing techniques and approaches can become one of the important issue; we can say innovative methods in the preparation of erudite specialists.

Conclusion

The social position of a player largely determines his professional position. However, there is no direct dependence whatsoever, since the didactic contest situation is always based on the personal interaction of the players. No analysis will help to identify which sources of activity prevailed when the players chose one or another position in the didactic contest situation, if he himself does not explain his decision (answer). Students brought with them to universities a diverse cultural experience that needs to be identified and put them to the service of their education. One can be involved in the manufacture of equipment; another student is a real bookworm, who can be a good consultant; the third is the source of all kinds of funny stories and jokes.

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13 Current Problems of Quality Assurance for the Formation of General Professional Competences of Future Teachers of History

Introduction

The new global model of sustainable development of society, the projection of which is reflected in the content of 17 sustainable development goals, positions the ideology of total quality management, which actualized and mobilized the development and improvement of systemic quality management, including in the Kyrgyz Republic, as declared by documents of state and strategic importance of the Kyrgyz Republic. Its vector is aimed at ensuring and guaranteeing the quality of education at all levels of its system.

Kyrgyzstan's choice of the path to move towards a society based on knowledge and innovation also actualizes the need for lifelong education, implemented in various ways, including the informatization of the educational space, which has become a prerequisite for the emergence of distance education.

For implementing the process of forming general professional competencies, it's not enough to absolutize the observance of accreditation criteria and indicators; the main thing is to develop a mechanism for managing the quality of this process.

Thus, the relevance of the study is determined by the need to ensure the quality of the formation of general professional competencies of future history teachers through the development of new mechanisms in its management.

Materials and Methods

The research is planned with a logical structure of the content, to the research process, to the conceptual apparatus of the research, to the implementation and argumentation/substantiation of the strategic stages of the research, to the expected results of the research.

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There is a student's practice component in the state educational standard of higher professional education in the structure of the educational program of the direction "Socio-economic education". He has 4 types of practices:
1. Adaptation and pedagogical,
2. Vocational basic,
3. Professional profile,
4. Educational and informational or archival and museum.

As part of the experimental and pedagogical work, we visited some types of practices: professional-basic and professional-profile in order to identify students' understanding of the essence of the content of the lessons, the essence of understanding its structure, the correct using of didactic principles. Observations and questionnaires of school teachers were carried out along with that. Observational data allowed us to describe the following processes.

There is a classical triad of goal-setting for a lesson at school or a lesson at a university: the general educational task of pedagogy, being differentiated, is concretized in 3 target guidelines:
1. Teaching goal,
2. Educational purpose,
3. Developmental goal.

This formulation of tasks is a priori capable of functioning to the present time (Figure 13.1) (Selevko, 2006). However, this approach to their design has remained classical, although it should be based on modern approaches, which are reflected in the content of education (state educational standards), there is no "binding" to the requirements specified in the subject standards.

There are a number of requirements that reflect the concept of a modern lesson (Selevko, 2006):
- integrity (for mastering educational material);
- triad of tasks, characterized by the unity in the statement;
- a personality-oriented approach to the learning process, characterized by constructive interpersonal interaction;
- individual and differentiated approach in the learning process;
- creating a motivating educational environment and enhancing the mental activity of students;
- application of modern pedagogical technologies and interactive teaching methods;
- coordination (facilitation) and control system;
- reasonable distribution of time in the class (time management);
- a system of principles of didactics: a combination of difficulty/accessibility, the connection between theory and practice, the systematic nature of each lesson, which acts as a prerequisite/didactic unit that ensures continuity in the assimilation of the next larger didactic unit.

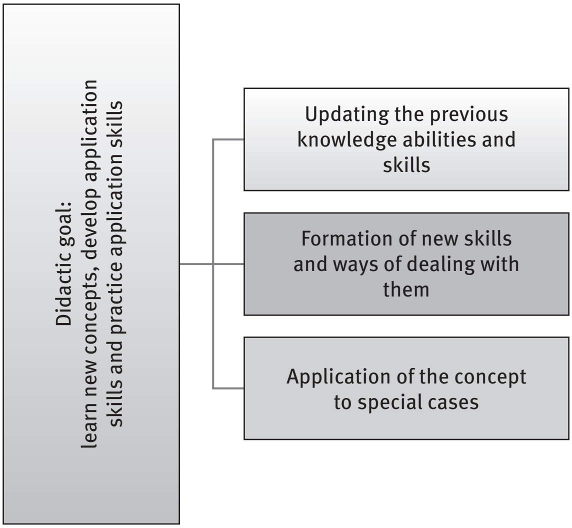

Figure 13.1: The purpose and objectives of the lesson (Selevko, 2006).

However, the long-established concept of the modern lesson at school is applied by history teachers only fragmentarily. So, our observations of the process of conducting lessons showed that in the formulation of the goals and objectives of the lesson by the teachers of history, the formulation of such tasks prevails, the achievement of which forms subject knowledge in the area of history, i.e. tasks of a developing and educational nature are sometimes ignored. Moreover, the wording begins with the words: “To form knowledge . . .”, there is practically no emphasis on the formation of skills and abilities.

We are impressed by the typology presented by G.K. Selevko (Figure 13.2) of the variety of typologies of lessons, which demonstrates the complexity of the lesson as a pedagogical object, which requires their typology.

Selevko G.K. identifies several structural planes of the lesson: horizontal, vertical and rational (Selevko, 2006).

Horizontal is characterized by functional significance in the following areas: didactic (content of the material), educational (impact of upbringing), developmental (mental operations of students), methodical (interactive learning mode) and psychological (emotional and psychological environment).

The vertical plan is characterized by the substructural components of the lesson:

1. A didactic substructure, which is distinguished by 4 stages: actualization, the formation of new competencies, consolidation, homework;
2. Methodological substructure: the using of methodological techniques and methods of achieving results at each stage of the lesson;

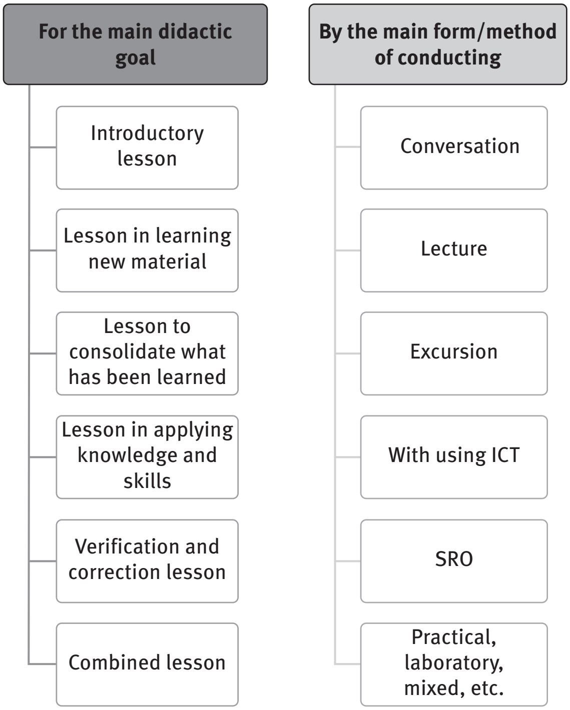

Figure 13.2: Typology of lessons at school.

3. Psychological substructure: creating a constructive dialogue, a friendly learning environment, promoting reflection, etc.

Rational plan is characterized by comprehensive planning of tasks, emphasis on the main lesson, the choice of rational methods, techniques and means, etc.

So, despite the presence of such a spectrum of the typology of lessons, its various structural planes, in the modern school, the flexible structure of the lesson is most often used by history teachers, as our observations have shown. At the same time, the model of the combined lesson remains basic, which traditionally, in most cases, has preserved to this day the phased goals of the lesson.

Our survey among novice history teachers showed that they don't have sufficient understanding of the essence of the step-by-step goals of the lesson.

Also, a questionnaire survey of history teachers showed that of the existing types of analysis of lessons, the components of the lesson most analyzed by them are: the structure and organization of the lesson, its content, the methods used, didactic analysis, mutual analysis and administrative.

Although, there is a classification of its other types:
1. By goal setting.
2. According to the diagnostic method (form of the visited, test form, questionnaire, documenting the process with comments).
3. According to the analysis of an expert person (managerial and administrative, introspection, board of trustees, parent committee, students and other stakeholders).

Results

The analysis of the questionnaires showed that history teachers often conduct a formal analysis of lessons that doesn't have a clearly defined framework, school methodological associations develop free forms of expert sheets for lesson analysis, but they aren't unified at the school level for different subject areas.

But the most significant thing for our research was that we identified the process of setting lesson goals without interrelation with the expected results, which are reflected in the general (GOS of school education) and subject standards.

And this is a very destructive fact, which is demonstrating the ignorance of the competence-based approach in the implementation of the main general educational programs of school education.

We also can note one more fact that we have identified in the learning process: a low level of organization of interactive interaction of students, which can't contribute to the formation of a group of key competencies, a group of general professional competencies. This approach will contribute to the minimum coverage of students in the lesson, the assessment of 2–5 students, a decrease in the motivation of other students, and, consequently, the minimum level of lesson efficiency.

Conclusion

Thus, the object of our research is the process of teaching at a university, the analysis of which at the level of theoretical positions and experience of observed practices led us to make the following conclusions:
1. The process of education at the university is implemented on the basis of the credit technology of education, which was introduced in 2011 and has its own characteristics in organizational and regulatory processes.
2. The modern process of studying at the university is focused on integration into the international educational space, expanded the range of basic educational programs, profiled areas of training for bachelors, provided opportunities for academic and student mobility within the country and abroad.

3. The learning process at the university fragmentarily implements the leading educational paradigm – competence-based learning, which preserves knowledge-based learning processes.
4. The learning process is largely implemented on the basis of traditional forms of education, tools and techniques, which isn't enough for the formation of various groups of competencies stated in the requirements for the implementation of OOP, including general professional ones.
5. The processes of different types of pedagogical practice at the university don't sufficiently form the professional competence of the future history teacher, because there are no skills and abilities in the area of goal-setting, which is based on a competence-based approach, an insufficient level of understanding of the typology of lessons, the didactic structure of lessons, the target guidelines of a particular stage of the lesson.
6. The process of teaching at the university isn't technologized enough for the pedagogical technologies used to contribute to the formation of different groups of competencies, including general professional ones.
7. The process of teaching at a university, having various types of control: current, intermediate, IGA, isn't focused on identifying the level of competence formation of future teachers, including general professional ones.

The conclusions, which were made above, give us grounds to assert that new mechanisms are required for using in the learning process at a university, contributing to the planned and systematic formation of general professional competencies of future history teachers. New conditions are required for their formation; measuring tools are needed to help determine the level of competence formation of a future history teacher. All of this determined the vector of our scientific research aimed at theoretical substantiation and practical development in the formation of general professional competences of the future history teacher, revealing their essence.

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14 Formation of Social and Pedagogical Competence of Future Teachers in the Process of Preparing them for Pedagogical Activity

Introduction

Among the urgent problems of modern professional pedagogical education, the tasks of forming the socio-pedagogical competence of future teachers, which are due to fact that several factors affecting the social formation of the younger generation, come to the fore. Among the factors that actualize the problems of the formation of the socio-pedagogical competence of future teachers in modern conditions, we can single out: 1) the complexity of the socio-economic situation, characterized by the fact that the state gradually removes social guarantees from itself, most of the economic structures are in private hands (including and foreign citizens), not bound by any specific obligations to citizens; 2) the lack of clear guidelines of state policy in the area of upbringing and education of the young generation, meeting the challenges of globalization and strengthening ethnic and cultural identification; 3) increased internal or external migration, which affects almost half of the population, which negatively affects not only the institution of the family, but primarily the upbringing and education of children; 4) increasing technological dependence of youth, which increasingly separates children and youth from live communication with mentors; 5) a global pandemic that has swept the world recently, the social and psychological consequences of which can still only be assumed, etc.

Consequently, the education system remains the only institution responsible for the upbringing, training, education and social development of the younger generation, which depends on the socio-pedagogical competence of teachers, on their skills and social, psychological and pedagogical support for the subjects of the educational environment, including the pedagogical, parental community and a student environment where everything that happens in society is reflected. Therefore, today more than ever, the importance of the purposeful formation of the socio-pedagogical competence of future teachers is actualized, so that they are professionally ready for the versatile support of the younger generation in their social development. Based on the foregoing, the purpose of this chapter is to reveal the essence and content of the socio-pedagogical

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competence of future teachers in modern conditions, to determine the content and ways of implementing this task in the educational process of the university.

Materials and Methods

The research methodology is based on the idea of the need to form and improve the socio-pedagogical competence of future teachers, since today this aspect of the teacher's professional activity is most demanded and least developed in scientific and methodological terms. The task is to study the existing conditions for the professional training of future teachers and determine the specific ways and content of the formation of the social and pedagogical competence of students studying in the direction of "Pedagogy" in universities.

The concept of the research consists in the recognition of social and pedagogical competence as a system-forming criterion for the professional training of future teachers, because a modern teacher, along with educational activities, has to carry out many functions related to social and pedagogical support of students and their parents.

In accordance with the purpose and objectives of the chapter, we used the following methods of pedagogical research: theoretical analysis and synthesis of sources on the competence-based approach and social orientation of pedagogical activity and education. The methods of theoretical analysis made it possible to determine the basic concept of the chapter, clarify the methodology, conceptual apparatus, and develop a general research strategy.

Empirical methods: observation, survey, conversation, questionnaires, study of documentation, experience of universities in professionally oriented education and organization of students' social life, etc. made it possible to collect and generalize factual material on the formation of social and pedagogical competence of future teachers. All these methods were used to study the theory and state of social and pedagogical competence of students, and to generalize the results of scientific research.

Results

The subject of this chapter requires an appeal to the theoretical origins of key concepts such as competence, expertise and socio-pedagogical competence. This research shows that the terms we are considering are widely used in scientific and pedagogical sources and they are also often used as synonyms associated with the process of reorientation of the goal of education tasks from the "knowledge-based" approach to the competence-based approach (Zimnyaya, 2006). The didactic validity of turning to the competence-based approach is due to the increased responsibility of the education system for the final result, i.e. how and where student education should be applied. This is what UNESCO's international education standards aim at, where the universality of key competencies and the need to ". . . form the basic skills for a successful life in a changing society" are noted (Frumine et al., 2018).

Meanwhile, the analysis of scientific works on the theory of competence and literature on the formation of socio-pedagogical competencies and also our empirical experience in the formation of this aspect of pedagogical activity, allows us to determine a number of contradictions that exist in this area. They are: 1) between the need of society for specialists who are able to solve social and pedagogical problems and provide social and pedagogical support to students and the lack of research on the formation of social and pedagogical competencies, taking into account the peculiarities of the educational environment; 2) between the actualization of the problems of social and pedagogical competence of future teachers and the lack of development of scientific and methodological ways to implement this task in the educational process of the university.

The designated contradictions indicate the existence of a real scientific and pedagogical problem, which requires the study of ways to form the socio-pedagogical competence of students of pedagogical directions, so that they are ready for the challenges of social and pedagogical support of students, due to difficult socio-economic conditions, which requires deep penetration into the essence of the scientific and theoretical foundations and ways of implementing this aspect of pedagogical activity.

Studies show that the theoretical basis for the formation of socio-pedagogical competence for specialists working in the education system is a general theory about the social formation of a personality. This is testified by the works of researchers of the problem of professional competence of teachers: I.A. Zimney (Zimnyaya, 2006), N. V. Kuzmina (Kuzmina, 2012), A. I. Shcherbakova (Shcherbakova, 2018) and others, who distinguish social and personal qualities among the professional characteristics of a teacher. The psychological and pedagogical aspects of this problem are studied by K.A. Abulkhanova-Slavskaya (Abulkhanova-Slavskaya, 1981), I.S. Kon (Kon, 1967), D.I. Feldstein (Feldstein, 2010), they consider this problem taking into account the peculiarities of the social development of children and youth; from the standpoint of the socialization of a school graduate, the formation of his subjective position of the individual (Nikitina, 2004).

The researcher O. Y. Shcherbakova singles out socio-pedagogical competence among the key competencies of teachers, which is understood as the formation of ". . . the socio-pedagogical competence of a teacher as the ability to take responsibility for the socio-pedagogical support of the process of socialization of students and together with them to develop solutions and participate in their implementation . . ." (Shcherbakova, 2020).

In recent years, the problems of the formation of social and pedagogical competence among specialists in the social sphere of education have been actively studied. These issues are highlighted in the works of N.N. Shubyakina (Shubyakina, 2004), O. Y. Shcherbakova (Shcherbakova, 2020) and others.

Researcher O.Y. Shcherbakova notes that the goal of forming a teacher's socio-pedagogical competence is his own social development, as a result of which the teacher should become a socially oriented person. Revealing the essence of the concepts that characterize the socially oriented personality of the teacher, such as: social orientation, social learning, social education, social behavior, social status, social role, social activity, social communication, social attitude, social ideal, social communication, social position, she emphasizes that the degree of formation of the parameters of a socially oriented personality of a teacher is a condition for his successful social and pedagogical activities aimed at improving the quality of socialization of students (Shcherbakova, 2020).

As N.A. Asipov noticed, one of the important aspects of the formation of the socio-pedagogical competence of future teachers is the socio-pedagogical support of students, pedagogical directions ". . . as a rule, they come from the families of teachers who need strong social support from the state" (Asipova, 2019). Proceeding from this, pedagogical universities face the task of not only replenishing the contingent of students, but also forming their attitude to the social aspects of personality development, readiness to implement the country's social and educational policy, exactly, preparing the younger generation for socialization and asserting themselves as an active member of society.

Thus, the formation of the social and pedagogical competence of future teachers becomes one of the integral tasks of professional pedagogical education at the university, the content of which should be aimed at the formation of the teacher's personal qualities, allowing him to freely navigate in a rapidly changing society, in the professional sphere, actively using his social and personal quality to adapt to the needs of society and provide qualified social and pedagogical assistance to the subjects of the educational process.

If we turn to the realities of the Kyrgyz Republic, it can't be noticed that, along with world-class factors such as globalization, the social gap between members of society is increasing (the emergence of rich and poor); internal and external migration associated with unemployment; decrease in the value of spiritual values (education, culture, traditions); the threat to the safety of human life due to environmental and other factors is increasing, legal nihilism prevails, etc., which negatively affect relations between people, including the social formation of the younger generation. These social and economic difficulties, characteristic of the global transition period, require the training of teachers who have social and pedagogical competencies, exactly: who are able to withstand the difficulties of their time, professionally solve social and pedagogical problems, live and work in conditions of mutual understanding, mutual assistance and multiculturalism; with a strong technological background; who know how to preserve their national identity in the context of globalization, who know how to socialize in a democracy. It's important to note that all these problems occur against the background of the technologicalization of society, when the means of transferring knowledge are rapidly developing, with the help of which the problems of education are easily solved, drives children and adolescents into the virtual world, increasingly alienating their living human communication. In such conditions, along with the educational function, the socio-pedagogical competence of the teacher is actualized, including the functions of a psychological and pedagogical consultant, a wise mentor, an object for imitation – a model of a highly moral personality, a patron, etc.

Prominent psychologist D.I. Feldstein, examining today's social conditions, changes in the development of children, notes that ". . . there is, on the one hand, the growth of personal self-awareness, self-determination, self-criticism, on the other hand, instability of their trust, increased tension and anxiety" (Feldstein, 2010).

Consequently, the future teacher should be able to take into account modern social conditions, to know well the psychological characteristics of today's children, who are the main subjects of the educational process. A socio-pedagogically competent teacher should be aware of the changes that arise in the psychology, mentality, value orientations, the cognitive and emotional world of today's adolescents, who often learn the world through samples of foreign culture, coming from the outside in a disorderly manner. A real concern is the sharpening of attention to the physical advantages of a person, the unification of young people in various informal organizations to show their position and strength, which ultimately contribute to the manifestation of antisocial actions alien to society (school racketeering).

Psychologist D.I. Feldstein, examining the development of modern children in accordance with the current social situation, lists 16 features characteristic of modern adolescents (Feldstein). Among them, particular concern is caused by:

- Lack of social competence in children, weakness in relationships between peers, inability to resolve simple conflicts. Based on this, there is an aggressive character in making independent decisions;
- The proximity of children to the TV screen and smartphone from infancy. Screen addiction. As a result, there is an inability to do other things, lack of interest and activity, forgetfulness. There is also loss of interest in live communication. Get ready, new entertainment information at the push of a button;
- The emergence of a state of passion, irritation (anger) due to a feeling of insecurity in a close circle and, as a result, an increase in emotional problems in children. Touchiness and rude attitude towards others, etc. ". . . causes concern that such emotional and moral qualities as sensuality, endurance, the ability to share difficulties, mutual support are far from being in the first positions in a number of the above qualities" (Feldstein, 2010).

Considering the above negative trends, we can see that they are taking place against the background of the marketization of education; strengthening market ethics and consumer psychology; distancing the young generation from social cultural values and the history of their people; increasing the difference between residents of cities and villages in education; an increase in the number of violations of public rules and order (deviation); unjustified restrictions on the activity and independence of children by parents; reducing responsibility for the birth and upbringing of some parents, etc. In such conditions, children diseases develop that were previously characteristic of adults (medicalization); changes in character, social needs are signs that aren't inherent in a teenager until nowadays: psychological disorders, depression, increased aggression because of the computer games and films, decreased self-control and the spread of the use of drugs to get rid of the above phenomena.

All this requires from future teachers a broad socio-pedagogical competence, socio-psychological, pedagogical and methodological training.

Modern educational programs also focus on the need for the formation of social and pedagogical competence. Approved by the order of the Ministry of Education and Science of the Kyrgyz Republic No. 1179/1 of 15.09.15 "On the approval of state educational standards for higher professional education" it is noted, in the State Educational Standard (SOS) of Higher Professional Education (HPE) "Pedagogical Education", that: ". . . a graduate with an academic degree" bachelor "must have social, personal and general cultural competences (SLK), as:

- The ability to get tolerant interpersonal and professional relationships at the level of the school community (SLK-1);
- The ability to act in a multicultural environment, adherence to ethical and legal norms that regulate relations in a multicultural society, create equal opportunities for students regardless of cultural differences, implement the principles and methods of multicultural education and upbringing (SLK-2);
- The ability to create a safe (psychological, social and physical) educational environment for the training and development of students, the formation of students of different ages the skills of a healthy lifestyle, nature conservation, energy conservation, rational nature management and adaptation to climate change. (SLK-3);
- The ability to critically assess their own strengths and weaknesses, to outline the paths and choose the means of developing strengths and eliminating weaknesses (SLK-4);
- Readiness for dialogue based on the values of a civil democratic society and the ability to take an active civic position (SLK-5)" (State educational standard of higher professional education in the direction of "Pedagogical education", 2015).

Each of these SLKs is directly related to the formation of socio-pedagogical competence and should be taken into account while determining the general strategy, goals of tasks, content and methods of teaching students in pedagogical directions.

Analysis of educational programs of the pedagogical direction at the Kyrgyz National University J. Balasagyna says that educational programs should be systematically updated and the content of working curricula (RUP) should be improved in order for future teachers to meet the challenges of our time, in terms of social and pedagogical support for the social, physical and psychological formation of schoolchildren. Today, the structure of the general educational program (GEP) of higher professional education (HPE) of the Kyrgyz Republic for the preparation of bachelors in the direction of 550 700 – Pedagogy consists of the disciplines of the humanities, social and economic, mathematical and natural science, professional cycles, and also covers various types of practices that should contribute to the study of a person as a socially mature, self-fulfilling personality.

The disciplines of the humanitarian, social and economic cycle are represented by subjects: domestic history, philosophy, Kyrgyz, Russian, foreign languages, Manas studies, etc., (the latter was introduced in order to form national identification) meets the requirements of the tasks of the formation of SLK-3. Students form general ideas about the development of modern society, science, education and culture in the process of studying these disciplines and the results are:

They should know:
- Concepts, theories, history, methods, technologies for the formation of modern knowledge and, problems of social and political life;
- Folk pedagogy, aimed at the formation of value relationships and worldview ideas about the culture of education of different peoples, in particular the Kyrgyz, as one of the components of value orientations, civic and patriotic convictions;

They should be able to:
- Use the methods and forms of scientific knowledge for the analysis of contemporary problems of social and political life;
- Be guided by the principles of multiculturalism, gender equality, inclusion, sustainable development in professional activities and their own actions.
- Make the learning process on the basis of modern didactic principles and values of humanistic pedagogy, namely psychological and pedagogical support of the individual in various crisis situations;

They must own:
- Skills of social interaction in modern society;
- Skills of social and pedagogical support of the subjects of the educational process, taking into account the psychological characteristics of the individual (State educational standard of higher professional education in the direction of “Pedagogical education”, 2015).

The direct formation of social and pedagogical competence is facilitated by the content of the disciplines of the professional cycle: psychology, pedagogy, age anatomy, human physiology and hygiene, the basics of life safety, teaching methods (by profile), new educational technologies, inclusive education, children’s literature, homeland studies with teaching methods, preparation of children for school, pedagogy and psychology of early childhood development, etc. These subjects make up the content block of the profile "Pedagogy and methods of primary education" and directly affect the formation of social and pedagogical competence of future teachers.

In particular, the analysis of the content of the working curriculum of the discipline "Pedagogy" suggests that the implementation of the tasks of the formation of social and pedagogical competencies among 1st year students of pedagogical faculties is carried out in the process of such topics as "Person as a subject of education", "The ratio of formation, development and education of the personality", "Socialization of the individual in society", "Socialization as a context of education", "Social education as a set of organization of social experience", etc. (Sulaimanova and Adylbek, 2019).

The content of the discipline "Social pedagogy" for the formation of social and pedagogical competence includes the following topics: "Theoretical foundations of social pedagogy", "Socialization as a socio-pedagogical phenomenon", "Factors of socialization", "Megafactors of socialization", "Mesofactors of socialization", "Microfactors of socialization", "Vital activity of an educational organization", "Violations of the socialization process", "Socio-pedagogical foundations of prevention of deviant behavior of minors", "Professional activity of a social teacher" (Kachkyn, 2020).

In the content of the discipline "Psychology", the following topics correspond to the tasks of forming social and pedagogical competence: "Psychological properties of a personality", "Socio-psychological characteristics and typology of personality", "Socialization of personality", "Social and interpersonal relations", "Psychology of communication", "Group as a socio-psychological phenomenon", "The nature of conflicts and ways to resolve them", etc. (Abdymomunova, 2019).

The content of the discipline "Inclusive education" for the formation of socio-pedagogical competence includes the following topics: "Models of social and educational integration of education in the context of a general education (integrated) class", "The role of the teacher in the implementation of inclusive and integrated education of children with different educational needs", "School interaction and families in organizing inclusive education" (Zholochiev, 2019).

It's important to note that in the formation of social and pedagogical competence, the most effective ones are seminars and practical classes, based on contextual learning (A.A. Verbitsky) and carried out as business games. Specially designed games such as "Classroom Hour", "At a Social Teacher", "Parents' Meeting", "Pedagogical Council" and others are effectively used in the formation of professional skills of future teachers in solving problems of social and pedagogical support of students (Verbitsky, 2010). This is facilitated by seminars with the using of interactive teaching methods, such as: "situations of success", discussions, persuasion and pedagogical games. The educational process is provided with technical teaching aids, where students can use their portfolios and make presentations. The faculty and the student council provide opportunities for the implementation of various social initiatives of students (for example, the provision of an office, equipment, video camera, camera, computer and other office equipment, decoration of a dance hall, etc.). The methodological emphasis is placed on the combination of individual and collective forms of work with students in the process of such work.

Taking into account the fact that the formation of social and pedagogical competence of future teachers occurs in the process of actively attracting students to socially oriented extracurricular activities, a comprehensive plan of educational work has been developed at the pedagogical faculty, which includes a number of activities, organizational, cognitive and social content.

The faculty has a student council consisting of active students who motivate young people to take an active life position. A group of the most active students, together with teachers, organize excursions to historical places such as "Ata-Beyit", "Burana", constantly provide assistance to the pupils of the orphanage "Umut-Nadezhda", visit the nursing home, carry out action on greening the city, go out on Saturday clean-ups "We are for a clean city". They also gather active and talented students into a team and take part in contests "Hello, we are looking for talents", "Miss and Mr. of KNU", participate in various TV and radio quizzes, take part in interuniversity competitions, conferences where they expand their social circle and develop their social activity.

In order to develop professional and socio-pedagogical competences, competitions have been organized among future teachers "I will become a teacher" etc., since 2016, which actualize the practical skills of the semi-subject position of students. Various events and meetings are often organized with the participation of the people's teachers of the Kyrgyz Republic M. Bazarkulov, Sh. Kuluev, A. Zhainakov, S. Abdrakhmanova, G. Madaminov and others, who are a living example of dedication to their profession, which is important in the formation of universal human values, ideals and beliefs of students.

The comprehensive plan of educational work provides for the development of the individual abilities of students, the creation of a creative atmosphere and the neutralization of negatively suppressing factors. Thus, students organized a student theater, a club of young poets, writers, and the student newspaper "Tamyr" (Root) publishes creative works of students. Youth clubs have been established such as "Sham chyrak" (Torch), "Zhash kanat mugalim" (Future teacher) with the aim of promoting social initiatives and leaders. Many meetings were organized with successful personalities of the country, such as Roza Otunbaeva, Nurzhigit Kadyrbekov, Aliyasbek Alymkulov, etc., in order to motivate, develop social activity of students.

The faculty conducts close cooperation with the National Center for Development of Children and Youth "Seitek". So, for example, together with the center on the shores of Lake Issyk-Kul, summer training camp called "Teacher who is waiting" were organized in 2018–2019 years, which was attended by more than 100 school teachers from different regions and 50 students. The republican festival "My homeland – Kyrgyzstan" will be held there, where about 700 talented schoolchildren from Kyrgyzstan take part every year. In all these events, students of the pedagogical faculty provide volunteer assistance, which isn't an insignificant factor in the formation of socio-pedagogical competencies. Fruitful links are established with children's centers for the development of creative abilities, such as "Balazhan", "Altyn Tuyun", is supported by the fund "Initiatives of Rozy Otunbayeva" for early childhood development. Desiring students as volunteers go to Jailoo-sadiki, which is organized by this fund. There are about 100 such summer school camps in the country with the participation of students.

Thus, the formation of the socio-pedagogical competence of future teachers is an organized step-by-step process that purposefully introduces young people to active social activity, timely evaluates the social development of the student's personality and, if it's necessary, makes adjustments to the educational system of a higher educational institution. At the same time, the analysis of research and generalization of existing experience in the formation of social and pedagogical competence of future teachers in the context of the Kyrgyz Republic shows that further research in this direction should be aimed at studying such priority tasks as:

1. Formation of social and pedagogical competence of individual work with students and their parents;
2. Activation of teaching modern forms and methods of psychological and pedagogical support and facilitator activities;
3. Teaching students to identify the psychological factors that influence the formation of worldview and social values in teenagers;
4. Teaching students to diagnose the educational environment and psychological characteristics of students;
5. Formation of students' skills of integration technologies and socialization in difficult social and economic conditions, etc.;
6. Teaching students the social and pedagogical support of students in their socialization and assertion as socially active and humanistic directed personalities, etc.

Conclusion

Thus, the stratification of society in a market economy, the lack of clear guidelines for state policy in the area of upbringing and education of the younger generation, increased internal or external migration, which affects almost half of the population, increased information technology dependence of young people, and finally a global pandemic that swept the world last time will actualize the problems of the formation of social and pedagogical competence of future teachers. The socio-pedagogical competence of future teachers presupposes possession of practical skills and abilities to provide socio-pedagogical support to all participants in the educational process, starting from students and their parents, ending with the establishment of a socio-psychological climate in the teaching staff. The tasks of forming the social and pedagogical competence of future teachers can be successfully solved in the process of studying the disciplines of the humanitarian, social and economic, mathematical and natural science, professional cycles. However, the content of the disciplines of the professional block, where the leading place is occupied by pedagogy, psychology and social pedagogy, meets these tasks most fully. This is also facilitated by various types of extracurricular work with a social orientation, where future teachers can show their social and pedagogical potential.

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Part IV: The Institutional Basis of Corporate Management for Rapid Economic Development

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15 Strategy for the Functioning of Logistics Companies in Uzbekistan

Introduction

As President of the Republic of Uzbekistan Shavkat Mirziyoyev noted in his report on the 26th anniversary of the Constitution of the Republic of Uzbekistan – “The main priority of Uzbekistan’s foreign policy is the region of Central Asia, with which the national interests of the country are associated.” He also noted that the priority direction of Uzbekistan’s foreign policy is the development of relations with the CIS countries.

The President of Uzbekistan also stressed that “We are interested in further developing cooperation with countries in the political, trade, economic, transport, communication and cultural and humanitarian spheres. Uzbekistan will traditionally pursue a good-neighbourly and friendly policy towards neighboring countries” (Gazeta.Ru, 2020).

Among the priority areas of transport policy, along with the development of technical means of transport, the need to update its fixed assets at a qualitatively new level, the introduction of new progressive technologies, informatization of the transport process, problems of ensuring coordination of the activities of various modes of transport were identified, development of intermodal transport of goods along international transport corridors, integrated solution of regional transport problems, integration of the transport services market of the Republic of Uzbekistan into the world transport system.

Materials and Method

Speaking of the change in the appearance and role of transport in Uzbekistan today, first of all, relations between transport and cargo owners will change, and the role of transport will become even more constructive – it will actively participate in the rationalization of economic ties, in the organization and optimization of commodity flows, while transport technologies will be integrated.

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In the process of carrying out logistics operations that create a supply chain, transport is perhaps one of the most important, as a result of which the product is delivered to the end user. In this regard, the efficiency of the entire process depends on how well the transportation management system is organized.

In order to implement the transport management process, first of all, it is necessary to:
– identify the external and internal environment in which the transport of goods is managed;
– define the main functions of traffic management;
– explore the possibility of transport by corporate and private operators:
– identify possibilities for consolidating goods to be transported;
– study the legal and regulatory aspects of traffic management;
– study the level of tariffs for logistics services, etc.

Transportation management is constantly transformed depending on the level of economic development, transportation technology, the introduction of information technologies for training specialists and the relationship between shippers and transport operators.

Results

Studies of scientists have proved that improving the logistical management of cargo transportation contributes to the reduction of stocks along the entire supply chain. According to the European Industrial Association, only end-to-end monitoring of material flow ensures a reduction in terminal reserves by 30–70%. According to the US Industrial Association, the decline in reserves occurs within 30–50%.

The management of goods in the supply chain at the present stage of human development is impossible without the existence of a well-defined strategy for the development of industries for the short and long term, in which this process is taken into account as an integral component (Figure 15.1).

The general concept of the development of the transport industry is the basis for the development of a logistics strategy. The general concept of development of the country in general and, including, the road transport, in the Republic of Uzbekistan is reflected in the Strategy of development for Uzbekistan (GazetaRu, 2020; Ministry of Foreign Affairs of the Republic of Uzbekistan, 2020; Taran, 2010; Carrieva, 2013).

Synergism is an important asset and a source of sustainable competitive advantage, which is achieved with the rational management of a logistics company. In researching the strategy question, it is very important to find out some key questions:

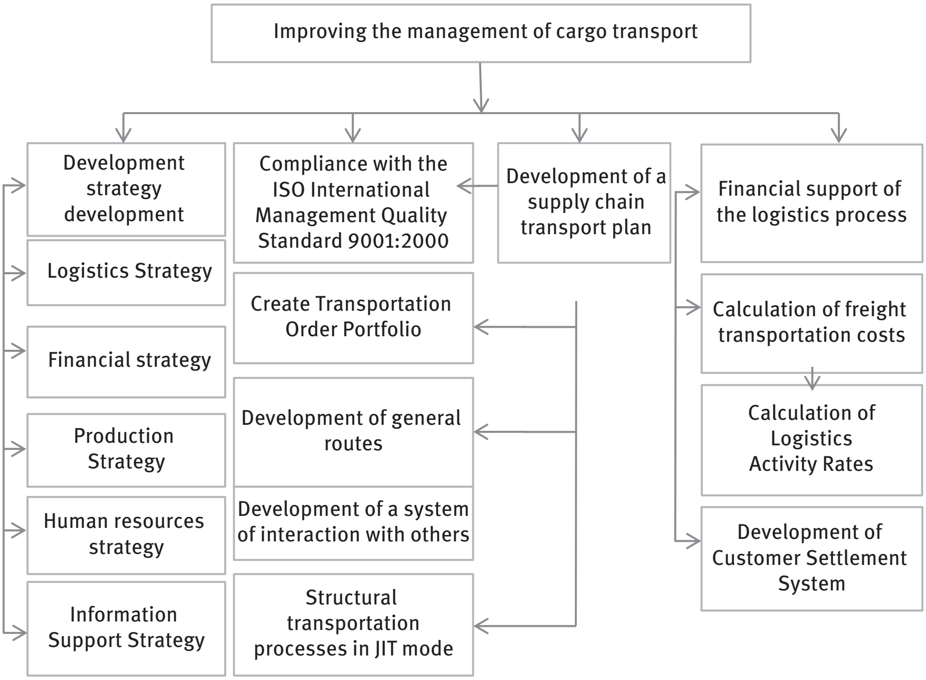

Figure 15.1: Concept of strategic development of the concept.
Source: developed and compiled by the authors based on materials by Mirotin and Kariev (2017).

In particular,
– what is a business unit?
– what is a business strategy?
– assets and competencies, etc.

Strategic Business Unit (SBU) refers to any organizational unit with its own business strategy and manager responsible for ensuring sales and profitability (Laker, 2012).

A business strategy, or strategy, is defined by four elements or directions: a commodity-market investment strategy; offering consumer value; assets and competencies; functional strategies and programmes. The first element determines where the firm should compete, and the remaining three indicate how this should be done to achieve victory (Figure 15.2).

The strategic assets and competencies on which the business strategy is based provide a sustainable competitive advantage (SCA).

Strategic competencies are strategic values for business units, certain areas of activity in which it is most powerful. As a rule, competencies are based on knowledge or process. Strategic assets are defined as resources that outperform similar resources of competitors (Laker, 2012).

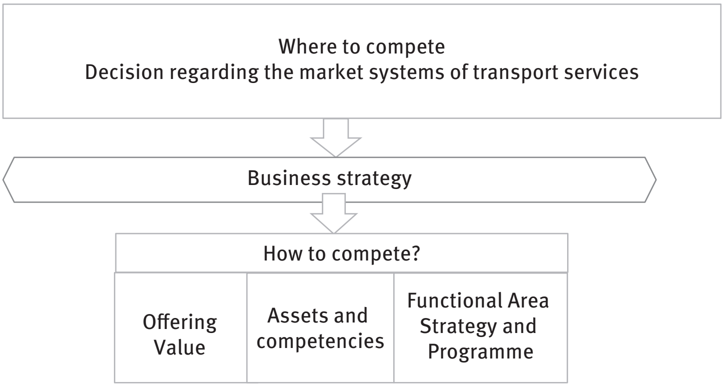

Figure 15.2: Business Strategy.
Source: developed and compiled by the authors.

When developing a strategy for the development of road transport, it will be necessary to determine the level of costs for transport services and the technical and technological capabilities of the industry for its creation or maintenance, which is the basis of the SCA of assets or competencies.

It should be noted that among the assets and competencies of road transport it is possible to include: – buildings, -constructions, -mobile, -equipment, -load and unloading facilities, -roads and other infrastructure, customer location, etc.

As can be seen from this list, the creation of a strong asset and competencies is difficult, but as a result, this may lead to the emergence of SCA.

The complex of assets and competencies defines functional strategies and programs of logistics enterprises, which in turn; must be implemented with certain tactical solutions. Among the functional strategies and programs that contribute to the implementation of the business strategies of the logistics company are:
- production strategy of corporate logistics enterprises;
- allocation strategy;
- communication strategy;
- information strategy;
- strategy of transport (logistics services) market segmentation;
- quality programme of logistics services;
- customer relationship program (corporate culture).

Based on the overall development strategy, it is possible to formulate strategic objectives for the development of road transport and the tasks of improving the management of cargo transportation.

These tasks can be as follows:
- analysis of the industry (companies) performance for previous periods;

– planning of transport (logistics) services for the future period based on marketing research;
– certain geography and routes for the transport of goods;
– define the main types of logistics activities
– determination of the quality and types of vehicles of loading and unloading mechanisms, volumes of warehouses, terminals and other types of infrastructure, as well as the number of personnel;
– identification of logistics service providers (outsourcing)
– determining the degree of information and software of logistics processes.

At the same time, it is important to consider the main components that affect the formation of the logistics strategy.

These components can be:
– measures to achieve competitive advantage;
– weak development of the company;
– formation and selection of key benchmarks;
– volume of logistics services, directions and stages of the company's development;
– ways to achieve the goals and objectives set;
– types of work and services for clients.

Under the conditions of fierce competition, companies must choose to find core reserves within the company as the main goal of their strategy. This requires improved management and the application of advanced transport technologies.

To gain a competitive advantage, one can use some logistics technologies (strategies) to optimize cargo transportation, minimize total logistics costs, improve the quality of logistics service, minimize the size of investments in logistics infrastructure, logistics outsourcing strategies and logistics information support strategies (Figure 15.3).[1]

It should be noted that in order to realize the full benefits of concepts or technologies, it is necessary to analyze the benefits and opportunities of these technologies, and then give recommendations for their implementation.

The most famous of them are:
– Just in time (JIT)
– Materials Requirements Planning (MIRP)
– Lean Production
– Manufacturing Resource Planning (MRP II)
– Enterprise Resource Planning (ERP)
– Customer Synchronized Resource Planning (CSRP)
– ROP, QR, CR, AR Concepts

1 Based on the proposals of Taran S.A. Logistic Strategy of Prep., Alfa-Press, M. 2010 pp. 102–103, developed by the author.

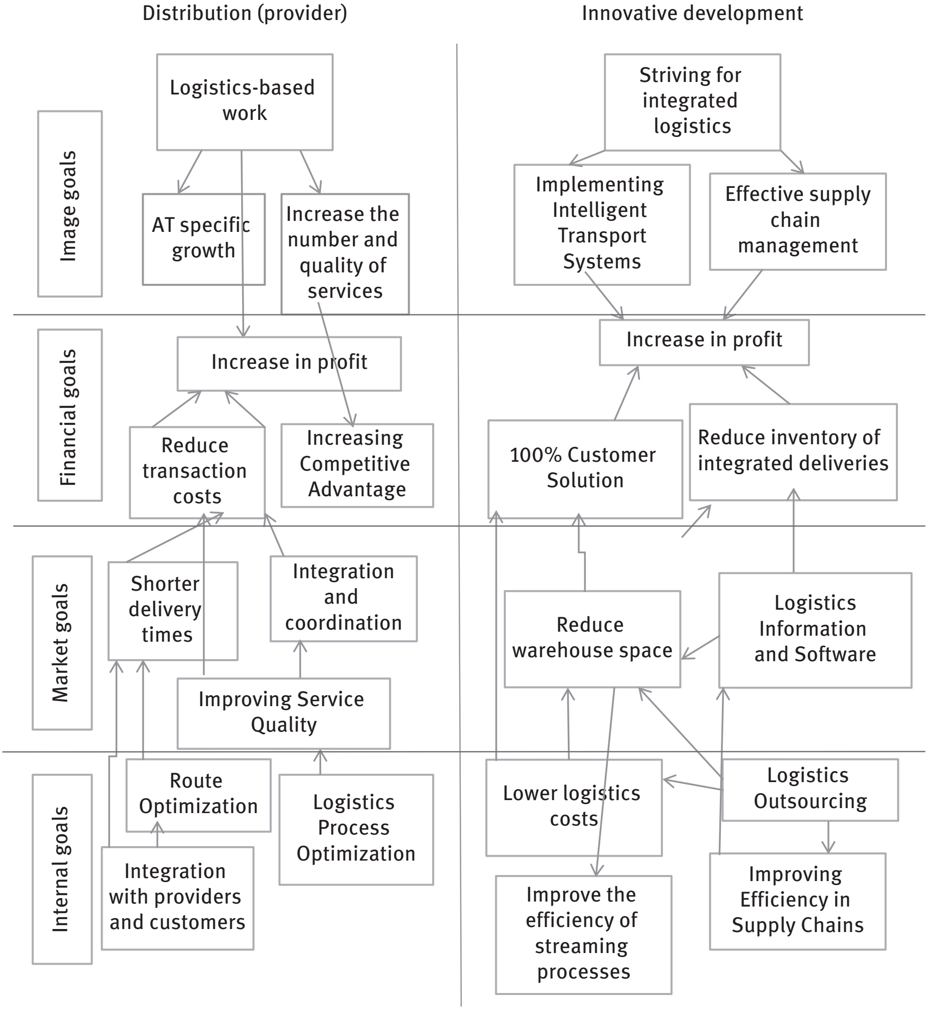

Figure 15.3: Logistics technologies (strategies).
Source: developed and compiled by the authors.

These technologies can be used in the development strategy of a logistics company.

A group of Russian authors Leibert Tatyana and Halikova Elvira, as a modern management toolkit and technology for developing a strategy in the field of logistics, also propose using the goal management system and KPI, which will allow quick and efficient business decisions (Leybert, 2020).

Figure 15.4 shows an example of a virtual logistics company that specializes in logistics services.

Given the fact that in Uzbekistan logistics is at the stage of development, and the world development of logistics has passed the stage of integration since 2000, the

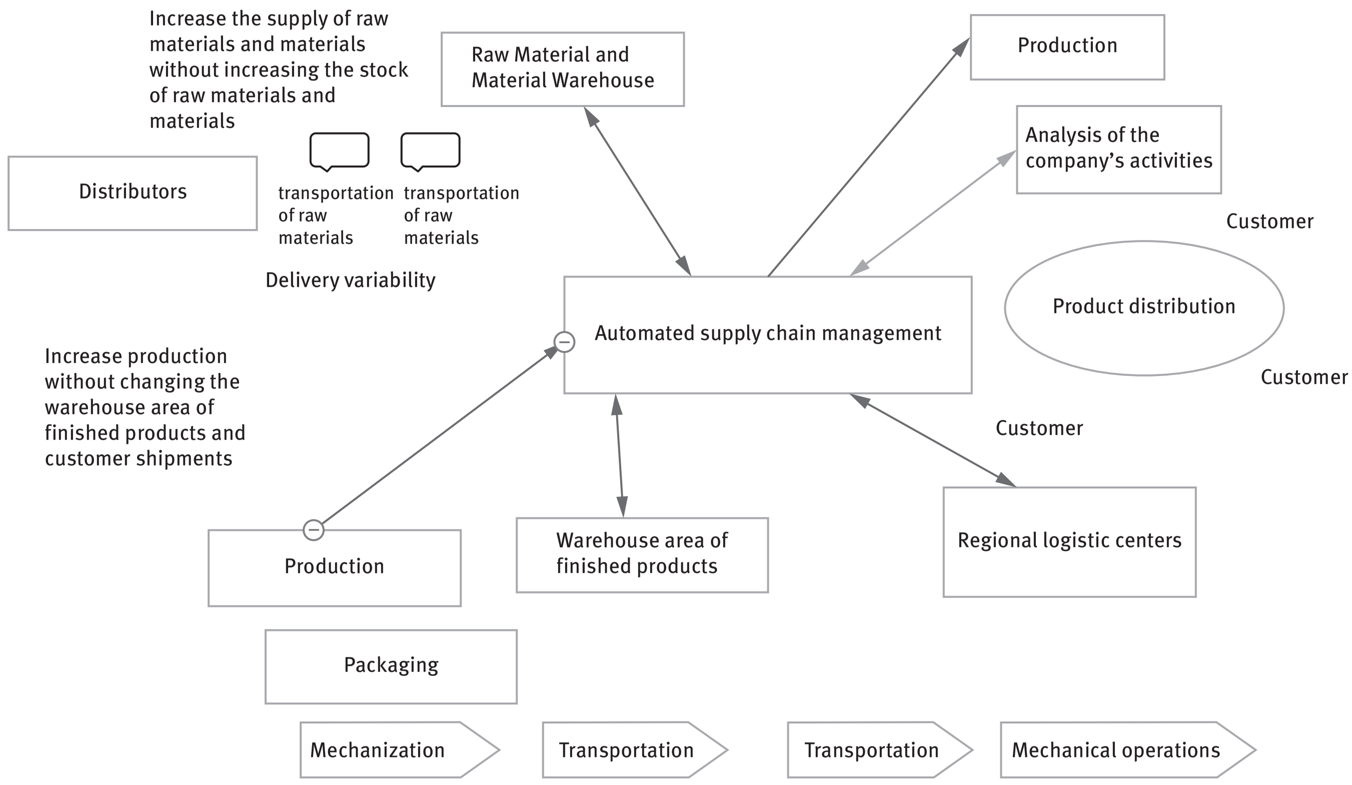

Figure 15.4: Logistics strategy implementation scheme with increased material flows.
Source: based on given materials (Carrieva, 2017).

logistics company should conduct its activities in two areas. At the same time, the strategy map was also structured by us into sections:
- distribution of logistics services;
- innovative development and four strategic objectives:
- image and positioning;
- financial integrity;
- market targets;
- internal objectives

Table 15.1: Business Performance Strategy Map.

Prospects	Purposes	Indicators	Strategy Implementation Criteria
Image and positioning	Create conditions for integrated logistics. Improving Information Management	Efficient supply chain management. Improved quality of service. Lower cost of service Management arrived.	Efficiency increase by 10%. An increase of 25% per year. A decrease of 20% per year.
Financial	The volume of transport services arrived. Expenses	Cost of transportation services. Operating costs.	25% per year. 20% per year. 20% per year.
Market	New types of services. Best conditions in supply chains.	Tariff. Service life. Maintenance time. Completeness of Information Service	Below the market by 3%. Up to 2 weeks in a year. 30% reduction per year. 60% of customers in a year.
Internal	Improve service quality. Reduce logistics costs	Cost of service unit. Percentage of unsatisfied contracts. Dates that fulfill orders. Percentage of orders executed by providers. Logistics Cost Share	A reduction of 20% per year. Decrease by 50% per year. A decrease of 20% per year. 35–40% of all services. A decrease of 20% over the year.

Source: developed and compiled by the authors based on Karrieva (2013).

When developing a scorecard for the algorithm of interaction between the company management and participants in the implementation of logistics processes, it is necessary to describe an efficiency scorecard.

The algorithm of interaction of the logistics company management with the participants in the logistics process can also be described when considering these issues to one degree or another.

Conclusion

In this way, it should be noted that the logistics management system is the basis for the entire supply chain process. In its structure, transport management is the element on which the maximum effect of the entire system depends. In this regard, the presented studies confirm the importance and need for continuous improvement of the management system in accordance with the requirements of the market economy.

The expected economic effect of innovative measures (application of intelligent transport systems, improvement of process control, management of warehouse operations, etc.) in the implementation of the company's logistics strategy will allow to achieve:
- accelerating the turnover of material flows;
- reduction of cost of material flows;
- reduction of storage facilities;
- improvement of service quality.

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16 Modern Technologies for Increasing Transparency and Analyzing Business Entity Reporting in the Context of Economic Theory Paradigms of Business Social Responsibility

Introduction

The global economic system is now moving towards a perfect market (Kaku, 2011), which contributes to the development of technology. In particular, there is observable reduction of transaction costs associated with the conclusion of commercial transactions as well as the asymmetry of information (Skalkin et al., 2020). In other words, the information security of the business is increasing, both in the local market and in the world. The increase in the overall level of mobility of the global economic system is due to increased transparency in the conduct of business of an individual economic entity. Moreover, the market form of human organization according to Hanauer is the most effective social technology (Hanauer, 2013). Therefore, methods and technologies to increase the transparency of economic agents are of particular interest for research because they create database for analyzing the degree of reporting transparency and its influence on market value of the economic entity.

Methodology

The research methodology grounds on the search for ways to a perfect market, as the moral imperative of honest and fair exchange, about which Adam Smith wrote (Smith, 1759). It is assumed that the development of information technology, on the one hand, will lead to a reduction in transaction costs that separate humanity from a perfect market (Coase, 1937). While on the other hand, it will increase the level of transparency in doing business, thereby facilitating the application by individual economic agents of best business practices related to business ethics.

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Results

As most observers know, the short-term goal of doing business is to make a profit, while the long-term goal of an individual company is capitalizing its assets and enhancing shareholder's value.

The successful functioning of an economic entity in the market requires the formation of a positive business reputation through the application of best business practices for doing business, due to the company's business ethics.

Therefore, according to research by Svensson and Wood, business ethics has a direct impact on the profitability of the economic activity of a business entity. At the same time, an indicator of ethical behavior of the company is the market price of shares of stock that determine its financial position in the market (Svensson, 2008).

According to McMurrian and Matulich, unethical actions are costly, affecting the overall financial condition of the economic entity. At the same time, the company faces an individual choice (Krugman and Wells, 2010) between two alternatives: incur costs arising from ethical or unethical policies (McMurrian and Matulich, 2016).

At the same time, a study by Bonini and Boraschi-Diaz reveals a clear relationship between the published reporting of an economic entity that reveals unethical actions, and stock prices (Bonini and Boraschi-Diaz, 2013).

In this regard, we assume that the ethical conduct of business by an economic entity reveals itself in two aspects:

1. in fair conduct of business;
2. in the degree of transparency of the company, including those reflected in corporate reporting (Sidorova, 2019).

Honest conduct of business is largely due to the application of best corporate governance practices that began in the UK in 1992. In particular, a Cadbury report came to publicity, revealing examples of dishonest actions by members of the board of directors and top management, which entailed the collapse of such world famous companies as Enron, Maxwell, and Polly Peck. At the same time, the lack of internal and external transparency of doing business played an important role in the adverse outcome for these companies.

At present, both developed and developing countries adopted codes of best practice for corporate governance. According to the World Bank, adherence to business ethics has the greatest effect on companies in developing countries and countries with weak legal environments. In other words, good information security of the company's shareholders and potential investors offset the underdevelopment of current legislation.

The disclosure of blocks of indicators characterizing the business model, corporate strategy features, marketing policy, risk management system, financial policy, activities in the field of environmental protection and social responsibility of the business, as well as corporate governance, in particular, can determine the degree of a company's transparency.

One should analyze these information blocks in order to determine the level of transparency of the reporting information of an economic entity, in particular, affecting the financial position of the company, which stock prices indicate and that characterize the market value of a business entity. At the same time, presenting to the main stakeholders solely financial statements is not enough. It is necessary to generate integrated reporting, on sustainable development to increase business transparency.

Despite the fact that the law defines the requirements for the compilation and disclosure of information in the corporate reporting, including those who intend to attract external financing, often the information is intentionally hidden or distorted.

According to a study by Lightstone and Driscoll for Canadian companies, high-risk businesses are more transparent, revealing information about the current state of the company and operating conditions. However, such organizations do not include a clause on-going concern in the near future. Nevertheless, even such companies, in order to control legitimacy in the eyes of the investor, selectively disclose information and use an ambiguous language. Thus, it can only be a symbolic control of legitimacy (Linhtstone and Driscoll, 2008).

Based on the foregoing, the need to follow business ethics is largely due to the successful functioning of the economic entity in the market not only at the current time, but also in the near future.

At the same time, the development of technology contributes to the fact that the company more often does not have a choice between whether to act ethically or unethically – ethical behavior is becoming the norm due to the secretive tightening of control over the activities of economic agents. In particular, respective bodies in different countries, use various technologies to enhance the ethics and transparency of doing business. These platforms create database to analyzing the degree of transparency reporting of an economic entity and its influence on market value of a company. We will consider them in more detail.

In Chile, the Reclamos platform exists, which gathers information about companies that do not respect consumer rights or provide low-quality services or sell low-quality products. The subsequent systematization of such information allows potential buyers, journalists, competitors and other stakeholders to create an impression of the company, which, ultimately, leads to the formation of a positive or negative business reputation, as well as current market conditions, including consumer preferences, which reduces the asymmetry of information and transaction costs for finding the necessary information. As a result, companies have become more conscientious in their work, while interacting with customers (Avila et al., 2010).

Costa Rica has a similar platform, which is the link between buyers, private companies, lawyers, and government agencies, which helps to resolve specific situations. This platform stimulates the formation of activity among consumers to protect their rights, while learning from the experience of others. Content includes a section where you can ask experts different questions (Avila et al., 2010). Thus, this platform enhances the general culture of consumer behavior and business practice, and which ultimately mitigates the shortcomings of the common legal environment.

However, the use of such platforms does not always lead to increased business openness and stimulation of best business practices by economic agents. This mainly applies to developing countries, where a market economy is only in its infancy. In particular, the Ishki Jordanian platform pursues the aim of collecting and systematizing consumer complaints about the services provided by the private and public sectors. However, this platform is not widespread in use because Jordanians are afraid when leaving reviews and comments on public websites. They believe that the authorities monitored such comments and may have unpleasant consequences for those who leave negative feedback on the platform (Avila et al., 2010). In this regard, we should emphasize that the guarantee of a free market and the formation of positive business practices, is to ensure freedom of speech and actions of individual economic agents, including consumers of goods and services.

At the same time, experts note that recently the level of business transparency around the world has significantly increased due to the increasing accessibility of humankind to digital technologies, through which the rapid dissemination of information (Elliott, 2015). In such conditions, the successful functioning of an economic entity in the long term is impossible without increasing the transparency of corporate reporting, which increases the level of trust in the company and creates a positive business reputation. In the digital age, expectations are growing about honesty and transparency in doing business. Therefore, the influence of consumers and other stakeholders on private business will only increase. Such amplification may be available through the Digital Megaphone. One may also expected that in the future, "live" reports on sustainable development would distribute information, which will update to analyze the issue in real time. This will allow all stakeholders to timely find the necessary information about the company and make effective management decisions. The main thing is the desire to receive and double-check the available information. Despite the fact that the disclosure of certain information can undermine the trust of consumers and other stakeholders, this experience will allow economic entities to find out which business practices are effective and which these entities should abandon in order to maintain and increase their financial position in the market (Globescan and SC Johnson, 2018).

One may note that in connection with the development of technologies and increasing the level of business transparency to analyze, the market forms a new type of consumer will appear – "educated consumer". According to H. Simon, a human being has bounded rationality in their choice, since they do not have complete and reliable information and do not have the means to process it (Simon, 1997). However, the digitalization of the economy smooths out these limitations and stimulates the development of an "educated" type of consumer.

Digitalization of the global economy also contributes to the development of transparent cooperation between business partners (suppliers, contractors, etc.). In particular, Blockchain technology is changing the way we interact. Using special platforms allows for a greater degree of involvement of economic agents involved in the overall business process. The management process of supply chain is becoming more transparent and subject to monitoring and analysis in real time (Schwab, 2015). At the same time, the way in which the company reports on its obligations at each stage of the supply chain is changing. Such openness creates the basis for training and taking a leading position in the market. In addition, the platforms create a basis for cooperation between the company and its competitors in solving common problems and achieving common goals (Globescan and SC Johnson, 2018).

With the development of technology, the requirements for transparency in doing business will only increase. However, at the same time, the problem of ownership of business information and the problem of confidentiality arise. For example, Blockchain technology offers a decentralized storage of open access data owned by all participants of the platform (Orlov et al., 2019).

In connection with the emergence of the problem of protecting trade secrets, the question arises of regulating activities carried out using technological platforms. As technology evolves, regulatory legislation governing activity in the business environment should also update. Currently, the legislation of the digital economy is at the stage of development both at the global and local levels of a particular country. The formation of relevant legislation grounds on the application and analysis of best regulatory practices. Therefore, the activities of companies should be ahead of the current legislative standards, since this requires strengthening market leadership (Globescan and SC Johnson, 2018). Initiative, including in this matter, allows business entities to build long-term relationships with buyers and customers on a positive basis, which, ultimately, leads to the formation of a positive business reputation and economic prosperity.

Conclusion

Thus, one of the fundamental strategies of the global economic space should be the application of best business practices. Ethical conduct, transparency in doing business, including those reflected in the preparation of transparent corporate reporting, lead to a perfect market. This facilitates the active development of technologies and the creation of specialized platforms. Therefore, in the future, companies will more and more rarely face the question of whether to act ethically or unethically. The digitalization of the economy creates the conditions for the ethical behavior of economic agents. Moreover, if business transparency is an institutional value, honesty is universal, which needs to give a path to life. Therefore practical significance of this chapter lies in the implication of logical justification of the hypothesis of reducing transaction costs as a function of increasing the transparency of business reporting, which can be used both for the analysis and forecasting of the market value of a business, and for improving its work.

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17 A Set of Systemic Measures for the Development of International Cooperation and Integration of Small and Medium-Sized Businesses in Russia

Introduction

Currently, Russia has a contradictory situation in the field of international cooperation and integration. On the one hand, the cyclical nature of the global and domestic economy increases the risks of foreign economic activity. Reliance on organizational charts that involve the participation of Russian business structures in value chains along with foreign economic entities acting both as contractors (suppliers) and as intermediate/intermediary buyers in B2B marketplace (Business-to-business: industrial markets), in times of crisis, is transformed from a highly effective business practice into an "institutional trap". The purpose of the study is to develop a set of systematic measures for the development of international cooperation and integration of small and medium-sized businesses in Russia.

Against the background of the economic crisis, international cooperation and integration of large businesses are perceived as a threat to import substitution, as well as activities associated with a high risk of takeover of Russian companies by foreign competitors, which leads to limited economic growth, reduced tax revenues to the state budget and increased unemployment. At the same time, international cooperation and integration of small and medium-sized businesses can be positively interpreted in terms of accelerating innovation of domestic small and medium-sized businesses: international exchange of knowledge and information contributes to the diffusion of innovative technologies and know-how. The majority of small and medium-sized enterprises do not have sufficient resources to conduct their own R&D, and therefore they are particularly in need of external sources of innovation, the most promising of which is international cooperation and integration. Another advantage is to increase the efficiency of Russian small and medium-sized businesses: optimization of value chains (supply and sales) leads to the rationalization of economic activities.

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Obviously, the development of export activities will promote the expansion and diversification of markets, reducing risks associated with the distribution of finished products, which is especially important for small and medium enterprises, which usually are not concluded contracts on public procurement and which is highly dependent on market conditions, operating in a highly competitive and characterized by minimal market power.

Methodology

The fundamental principles of managing the processes of international cooperation and integration of small and medium-sized businesses are laid in the works of Russian scientists Anopchenko and Dalivalov (2017), Belyaev (2017), Ibragimov (2017), Kashbraziev (2015), Klochkov (2016), Makarchuk (2015), and in the works of foreign authors, among them experts from the World Bank Tewari, Skilling, Kumar, Wu (2013).

Applied aspects of the problem, in particular, trends and patterns of strategic management of international cooperation and integration in Russia, issues of public-private partnership in the regional economy are studied in the works of Popkova, Bogoviz, Ragulina, Alekseev (2018), Morozova, Mysin, Gryaznov, Yatsechko (2020), Anopchenko and Ostrovskiy (2018).

Nevertheless, systemic measures for the development of international cooperation and integration of small and medium-sized businesses in Russia remain poorly researched, and their lack of methodological elaboration is evident.

Results

Our Russian experience in recent years, foreign trade supply disruptions, and total world economic relations during the global depression that began in 2008 and reached its peak in Russia and in the world in 2009, has led to overproduction in some sectors of the Russian economy (this effect was weakly pronounced) because of a violation of the terms and procedures for imports, and the deficit in other sectors (e.g. healthcare, automotive industry) due to the sharp decline in external demand and the deterioration of the situation on the world markets.

The global crisis that occurred in 2020 and caused by the coronavirus pandemic COVID-19, had a much stronger negative impact on the practice of international cooperation and integration of business entities. Even in the sales of Russia's key export product, oil, there are problems due to an unprecedented drop in global demand and a critical collapse in world prices, as well as difficulties in importing the great majority of goods owing to the complete paralysis of international transport links and the closure of customs borders.

The crisis of 2020 has already had a strong negative impact on Russian entrepreneurship, especially on its small and medium-sized entities. The period of recovery in business activity may be very long against the background of a reduction in the real disposable income of the population during the crisis. The development of international cooperation and integration processes can serve as a mechanism for the development of small and medium-sized businesses and therefore deserves increased attention of the state regulators. Given the high degree of regionalization of the economy of modern Russia and the specificity of domestic and international industrial specialization of each region, due to the uniqueness of its natural and climatic conditions, relative and absolute domestic and global competitive advantages, state management of the development of international cooperation and integration of small and medium-sized businesses should be carried out separately in each region.

At the same time, it is recommended to follow the developed by the authors mechanism for creating general conditions for state support of export activities (Figure 17.1).

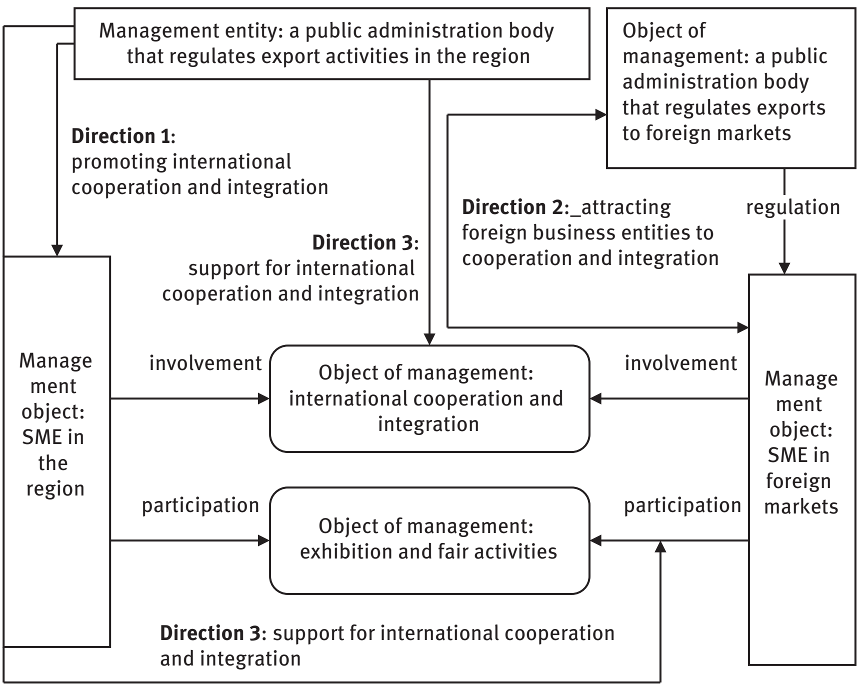

Figure 17.1: Prospective management mechanism for creating general conditions for state support of export activities of small and medium-sized businesses.
Source: developed and compiled by the authors.

The subject of management in the proposed mechanism is the state administration body that regulates export activities in the region. In the Stavropol territory, this subject is the Ministry of Economic Development of the Stavropol territory, which "coordinates export support measures implemented in the Stavropol territory", according to paragraph 63 of the Decree of the Governor of the Stavropol territory No. 1 of 09.01.2018 (Resolution of the Governor of the Stavropol territory, 2018).

The management objects are the following:
– small and medium-sized businesses in the region (direct management);
– business entities in foreign markets (indirect management through the market mechanism);
– public administration body that regulates exports to foreign markets (managed cooperation on mutually beneficial terms at the initiative of the management entity);
– international cooperation and integration (direct management);
– exhibition and fair activities (direct management).

The mechanism involves the implementation of four directions, each of which includes its own management measures, generally focused on ensuring favorable conditions for international cooperation and integration of small and medium-sized businesses for the implementation of export activities (Table 17.1).

Table 17.1: Systemic measures for the development of international cooperation and integration of small and medium-sized businesses in terms of creating general conditions for state support of export activities.

Direction of management	Management measure	Tool for implementing the measure	Performance indicator
1. Promoting international cooperation and integration	Stimulating the interest of small and medium-sized businesses in the development of export activities	social marketing	Number of SME who applied for services
	Organization of educational and training programs	e-government services	The number of SME who have improved the skills of personnel in the field of foreign economic activity

Table 17.1 (continued)

Direction of management	Management measure	Tool for implementing the measure	Performance indicator
2. Attracting foreign business entities to cooperation and integration	Meetings with foreign delegations and organization of foreign business missions	direct financing of necessary activities from the regional budget	Number of substantive negotiations held
	Promotion of products of this industry for export, translation of texts related to the promotion of products for export into foreign languages		
3. Support for international cooperation and integration	Improving the quality and accessibility of state counselling	e-government services	Number of export contracts/agreements signed
	The expertise and support of transactions	tax credits	
4. Activation of the market mechanism of international cooperation and integration	Marketing research of foreign markets	financing from the budget	Number of SME who applied for services
	Organization of exhibition and fair activities		

Source: developed and compiled by the authors.

The first direction is related to the promotion of international cooperation and integration. Within this direction, the following management measures are implemented: increasing the interest of small and medium-sized businesses for the development of export activities through social marketing and organizing educational and training programs through electronic public services.

The second direction is to attract foreign business entities to cooperation and integration. Within this direction, the following management measures are implemented: meetings with foreign delegations and organization of foreign business missions, as well as promotion of products of this industry for export, translation of texts related to the promotion of products for export into foreign languages on the basis of direct financing of necessary activities from the regional budget.

The third direction of management is to support international cooperation and integration. Within this direction, the following management measures are implemented: improving the quality and accessibility of state counselling based on electronic public services, as well as conducting expert reviews and supporting transactions based on tax credit.

The fourth direction is to activate the market mechanism of international cooperation and integration. Within this direction, the following management measures are implemented: marketing research of foreign markets based on financing from the regional budget and organization of exhibition and fair activities based on electronic public services.

The nature of the algorithm for the stimulation of international integration and cooperation of subjects of small and medium-sized business is one of iteration. The first step is to assess the region's opportunities and potential for international integration and cooperation. The state administration body that regulates export activities in the region studies the successful experience of business development in key areas of the region's industry specialization.

The second iteration reviews existing practices of international cooperation and integration implemented in the region and assesses the prospects for their development. This step is aimed at rethinking and critically analyzing the existing experience of international cooperation and business integration. The results reveal the main characteristics that business entities should have in order to benefit from participation in the processes of international cooperation and integration implemented in the region.

At the third stage, social marketing is carried out. In other words, extensive promotion and better sharing of information about opportunities and prospects for participation in the processes of international cooperation and integration implemented in the region. Although various marketing communication channels may be used, the most preferred one is the official website of the state administration body that regulates export activities in the region.

In the Stavropol territory, it is recommended to use the official website of the Ministry of Economic Development of the Stavropol territory. Marketing communications should be aimed at providing better information to business entities in the region.

At the fourth stage, a multi-criteria selection of target small and medium-sized businesses is made for their direct involvement in international cooperation and integration projects in the region. It also provides applied targeted training of selected small and medium-sized businesses in the basics of international cooperation and integration, which is organized on the basis of electronic public services. Educational services can be provided either for free or for an affordable fee, depending on the region's capabilities. The recommended system measures for the development of international cooperation and integration of small and medium-sized businesses in terms of creating general conditions for state support of export activities provide the following advantages:

– achieving mass availability of international cooperation and integration projects for participation by business entities, including small and medium-sized

businesses, by overcoming financial barriers based on state financing and tax credit;
- reducing the risks of participation in international cooperation and integration projects by overcoming information and educational barriers with the help of a state organization and management;
- flexibility in managing the processes of international cooperation and integration, which allow to identify the right conditions and involve small and medium-sized businesses in them;
- active involvement of foreign participants in international cooperation and integration projects in the region based on the state initiative. This makes it possible to overcome the existing "market failure" in modern Russia, which consists in the low attractiveness of involvement in international cooperation and integration projects for foreign business entities under market self-government due to insufficient experience and an unfavorable investment climate (high risks and uncertainty).

Conclusion

It is obvious that this set of measures is aimed at implementing an effective model that ensures the provision of a wide range of financial and non-financial support services and promotion of export activities that are in demand by SME. The effectiveness of the mechanism is evaluated using performance indicators and is aimed at:
1. creating a high-quality export environment in partnership with industry, non-profit and business associations, market participants, which will contribute to the growth of the number of exporters, and, as a result, increase the volume of Russian non-resource-based exports.
2. formation of an active partnership dialogue between business and the state, during which the high efficiency of using budget funds to support exports will be confirmed.

The involvement of small and medium-sized businesses in the processes of international cooperation and integration in modern Russia is complicated by high market barriers, while it is these business entities that must first be involved in the processes under consideration. This is due to the fact that small and medium-sized businesses, firstly, are more vulnerable to the negative impact of crisis phenomena in the economy, and integration and cooperation is a promising method of crisis management. Second, international cooperation and integration of small and medium-sized businesses is associated with a reduced or almost zero risk of monopolization of regional markets, which is typical for large businesses.

To create general favorable conditions for the development of international cooperation and integration of small and medium-sized businesses, a promising management mechanism for implementing systemic measures to create general conditions for state support of export activities has been developed. The authors' mechanism revealed the essence of subject-object relations, the order and economic meaning of the implementation of the management system, and also ensured the consistency of the proposed measures and, thanks to this, their high efficiency.

For successful practical implementation of the proposed mechanism, algorithms for implementing its four management directions are compiled: 1) promoting international cooperation and integration, 2) attracting foreign business entities to cooperation and integration, 3) supporting international cooperation and integration, and 4) activating the market mechanism for international cooperation and integration. The applied features of management in the selected areas are clarified and the authors' recommendations for its implementation are given on the example of the Stavropol territory.

The formulated system measures for the development of international cooperation and integration of small and medium-sized businesses in terms of creating general conditions for state support of export activities allowed to overcome the institutional gaps in this process, which are reduced to the uncertainty of subject-object relations in the management process. The key possibility and effectiveness of the proposed measures is determined by the infrastructure for managing the processes of international cooperation and integration, which needs to be modernized in order to improve the quality of the regulatory environment for small and medium-sized businesses.

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18 Accounting – a System for Managing Economic Information in Agriculture

Introduction

In today's rapidly evolving and constantly evolving age of rapid technical and technological change, the importance of timely, timely and accurate delivery of reliable information for managers, economists, marketers, accountants and other professionals is growing. The growing attention to this issue is reflected in the liberalization of the economy. It is important to deepen reforms, modernize the economy, ensure financial stability and security for all businesses in the context of expanding innovative activities.70–80% of the total volume of economic information in agricultural enterprises falls on the share of accounting information. According to experts, until recently, the utilization rate of accounting information for management decisions was 10–12 percent. To date, this figure has been found to be even lower. The current situation is the result of poor management of the management system with accounting information, as well as the low level of application of management accounting methods. In addition, it will be possible to identify the pros and cons that reflect the right management decisions at any time, and only if information is available that allows us to predict the expected outcomes.

Of course, all management functions are based not only on normative indicators, but also on accounting data that provide accurate information about the main activities. The accounting records reflect the actual existence and movement of economic assets, economic operations carried out in the process of turnover of fixed and working capital. Accounting provides the management system with information on the current quantitative and qualitative indicators, ie the property, liabilities and business processes of the business structure.

Analysis and Results

In the current situation, information is needed to manage the activities of agricultural enterprises, which allows you to quickly identify differences in plans and norms. It is very difficult to verify the inputs and outputs obtained using the simple form of accounting, which operates on the principle of "cost-benefit", because they

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do not always have a deep economic meaning, so this information is rarely used in management. To do this, more attention should be paid to the proper organization of the budgeting process, which is an important element of management accounting.

Planning in agricultural enterprises is associated, first of all, with the identification of funding sources, the most optimal use of available financial resources and the rational use of self-financing sources.

The organization of sources of self-financing, that is, income-generating activities, does not violate the principle of unprofitability of agricultural enterprises. The fact that agricultural enterprises are not specifically directed to profit does not prohibit them from engaging in entrepreneurial activities, but it does mean that the profits received should be distributed in the interests of the founders or employees. To ensure effective operation, it is necessary to plan not only at the level of long-term strategy of agricultural enterprises, but also at the level of the set of programs they implement and individual day-to-day issues for each program. The logical continuation of the work on the formation of the financial plan is budgeting.

A budget is a financial forecast of the costs and sources of funding for the security of each program and the enterprise as a whole. The budget is calculated for a certain period of time. Although the budget is a forecast in its essence, it should be based on the most reliable data. Only in this case can it be classified as a prediction based on the highest probability.

Under the current circumstances, it is difficult for most agricultural enterprises to know exactly how much funding they can receive for the next year. Therefore, three types of budgets are required:

– Creating a minimum budget, which is based on the minimum costs required for the sustainable operation of enterprises. Funds to cover the minimum budget usually come from their own resources.
– Creating a guaranteed budget, which includes guaranteed expenditures with sufficient probability of financing. The same budget must be submitted by management for approval. It will be a key tool of financial management for the coming year.
– Creating an optimal budget, which includes all types of activities that have not yet been funded and is used in the preparation of proposals for fundraising.

Budget items are mainly divided into revenue and expenditure components.

Revenues indicate revenues that are expected to come from sources of financing, with a distinction between external and self-financing sources.

The expenditure part of the budget is divided into daily expenditures and capital investments. The traditional budget includes the following costs:

– salaries and social benefits;
– business trip expenses;
– material costs;
– information and communication costs;

- depreciation allowances;
- services of foreign farms;
- other expenses.

A budget is sometimes referred to as an estimate of revenues and expenditures. However, the concept of “budget” corresponds to the nature of future costs and revenues of planning activities in the context of uncertainty of the revenue side.

If the budget sections are depicted in tabular form, we see that it is similar to a traditional enterprise balance sheet. The same table itself is the balance of income and expenses.

The preparation of the annual budget of agricultural enterprises begins two months before the beginning of the fiscal year and must be approved before the beginning of the year.

The process of budgeting agricultural enterprises will be in three stages:
1. Analysis of the results of previous years;
2. Analysis of the current year’s budget execution;
3. Planning for the next budget year.

The analysis of the results of previous years consists of identifying sections where the current performance of agricultural enterprises is lower or higher than expected. If last year’s budget figures are close to reality, we will have incomplete data for the current year, completed last year. The analysis for the past few years will allow us to identify factors of a random nature that are not expected to be available in the budget next year and to adjust the forecast accordingly.

At this stage of budgeting, the company can have information about the planned sources of funding for the coming year, the planned programs and the costs associated with their implementation.

Planning, along with control, is one of the most important tasks of management and is the process of determining actions to be taken in the future.

Budget planning is the most detailed level of this process, the process of preparing a separate budget developed on the basis of programs approved by management for the structural units of the enterprise or by type of activity. Sometimes the term is interpreted as a complex system for choosing tactical planning goals at the enterprise level, developing a plan for the future activities of the enterprise (estimating costs and revenues) and monitoring the implementation of these plans, that is, in fact, an internal financial management system.

Uzbekistan currently has a regulatory framework for financial security of enterprises, which is regulated in 3 areas:
1. Regulatory framework of accounting regulation;
2. Tax administration;
3. Accounting policy.

The legal and regulatory framework of accounting is:
- Laws, Codes, Presidential Decrees, Government Resolutions.
- NASs, Regulations and Instructions developed by the Ministry of Finance, instructions, procedures and explanatory letters issued by the State Tax Committee.
- Instructions, guidelines, explanatory notes produced by other ministries and government agencies.
- internal normative documents representing the accounting policy of enterprises. The main regulatory framework is the Law of the Republic of Uzbekistan "On Accounting", adopted for the first time on August 30, 1996 and amended on 13.04.2016 (No. 404).

Also included are the Civil Code of the Republic of Uzbekistan, the "Regulations on the structure of costs of production and sale of goods (works, services) and the order of formation of financial results" adopted in 1999, legislation governing accounting and reporting and decisions of the Cabinet of Ministers.

The Law "On Accounting" is a key element of the accounting reform, defines unified accounting for all enterprises, institutions and organizations of various forms of ownership, establishes requirements for national accounting standards and provides the basic principles of the accounting system in the Republic of Uzbekistan.

The purpose of this Law is to regulate the relations in the field of organization, maintenance and preparation of accounting.

The new version of the Law "On Accounting" contains 32 articles. According to the law, "Accounting is a regulated system of collection, recording and generalization of accounting information through a complete, continuous, documentary accounting of all business operations, as well as the preparation of financial and other reports on its basis.

Accounting shall be carried out in a double-entry manner by reflecting the business transaction in at least two accounting accounts at the same time and in an interrelated manner, with monetary valuations."

According to Article 3 of this law, continuity, reliability, comparability of indicators are defined as the basic principles of accounting. Accounting information is based on primary accounting documents, which are processed information about the objects of accounting, reflected in the accounting registers, financial statements, explanations and other documents related to the organization and maintenance of accounting. The new revised report also focused on the study of all knowledge according to accounting standards, or the minimum requirements related to the study of accounting for financial standards and the creation of financial statements. National Accounting Standards define the requirements for the organization of accounting and the creation of accounting and financial accounting. It is ensured that the accounting entities are supported in the prescribed manner in accordance with the rules that are allowed to the public by standards. Also, according to Article 7 of the Law "On Accounting", the accounting and reporting of enterprises must be organized by the head of the enterprise and the chief accountant. Methods of accounting include grouping and evaluation of evidence of economic activity, depreciation of assets, organization of document flow, inventory, methods of applying accounting records, maintenance of accounting registers and preparation of financial statements of the enterprise based on the information contained in them. The accounting policy of the enterprise is prepared by its accounting department and formalized by the head with the relevant organizational-command document. Another normative document regulating accounting in Uzbekistan is the national accounting standards. National Accounting Standards set out specific requirements for the organization, maintenance and preparation of financial statements.

The guidelines and articles of the Law on Accounting have been developed in the National Accounting Standards (NAS) and 1–24 standards have been approved to date. Each standard has its own list of rules, determines the order of accounting in business entities and is an element of the system of normative regulation of accounting in the Republic of Uzbekistan. Among the most important documents of this level is the National Accounting Standard of the Republic of Uzbekistan No. 21, approved by the Minister of Finance of the Republic of Uzbekistan on September 9, 2002 No. 103 and registered in the Ministry of Justice on October 23, 2002 No. 1181. – Accounting plan of economic activity and instructions for its application.

The next normative document is various orders, letters and instructions of a methodological nature provided by the Ministry of Finance, the Central Bank and other central government agencies of the Republic of Uzbekistan.

Certain work is being done in the country to reform tax policy. In particular, the concept and strategy for improving tax policy have been developed and put into practice. The main directions of the strategy are to improve tax policy and reduce the level of clandestine turnover in the economy; development of service-oriented tax services; introduction of tax risk assessment system and improvement of tax accounting; further improvement of the state tax service; development of mechanisms to combat corruption in the state tax service. At the same time, the tax policy pursued in our country plays an important role in ensuring the financial stability and security of agricultural enterprises. In recent years, a number of regulations on tax policy have been adopted. In particular, a new version of the Tax Code was adopted, which today serves as an important conductor of tax policy. Also, the Resolution of the President of the Republic of Uzbekistan "On additional measures to improve tax administration" PP-4389, President of the Republic of Uzbekistan dated July 18, 2017 "On measures to radically improve tax administration, increase tax collection and other mandatory payments" Decree No. 5116, Resolution of the President of the Republic Uzbekistan dated June 26, 2018 "On measures to radically improve the activities of the State Tax Service" and other documents continue to play an important role in the implementation of state tax policy and regulation of financial activities of enterprises. The purpose of these documents is to ensure the relationship between the enterprise and the tax authorities, in particular, to prevent problems in accounting and to ensure the overall integrity of tax policy and accounting policies.

This requires that the accounting policies developed by the enterprises be perfect. In recent years, the relevance of accounting policies has taken a significant place in foreign research. Indeed, the accounting policy clarifies the rules of accounting for each business entity. Finally, the internal regulatory documents relating to the accounting of an entity that only belong to a particular business entity are considered to be the regulatory framework aimed at ensuring its financial security. This is the accounting policy of the business entity, which is one of the legal bases of the organization of accounting. National Accounting Standard No. 1 of the Republic of Uzbekistan "Accounting Policy and Financial Reporting" is an element of the regulatory system of accounting.

The entity's accounting policy is developed by the chief accountant at the beginning of the reporting year and approved by the manager and must be applied throughout the reporting year without modification. In this standard, an accounting policy is a set of methods adopted by the head of an entity to maintain accounting and prepare financial statements, financial statements are prepared in accordance with these methods and in accordance with their rules and principles.

Methods of grouping accounting and assessment of the facts of economic activity, methods of payment of assets, organization of document flow, property registration, methods of application of accounting reports, system of accounting registers, information processing and other relevant methods, methods of accounting enters. The chief accountant or other official performing accounting and financial management functions is the head of the accounting service. The head of the accounting service is directly subordinate to the head of the accounting entity.

In agricultural enterprises, too, the requirements of the head of the accounting service for the registration of business operations on the basis of documents and their submission to the accounting service are mandatory for all employees of the accounting entity.

1-National Accounting Standards are developed on the basis of the Law of the Republic of Uzbekistan "On Accounting" and are an element of the system of accounting management in the Republic of Uzbekistan on a normative basis. This standard is used in conjunction with other national standards.

One of the legal bases for the organization of accounting is the accounting policy of agricultural enterprises. National Accounting Standard No. 1 of the Republic of Uzbekistan "Accounting Policy and Financial Reporting" is an element of the regulatory system of accounting.

With this in mind, in our opinion, the Accounting Policy is an internal normative document that reflects the specific normative methods chosen by the head of the agricultural enterprise for accounting and financial reporting and serves to fully meet the information needs of users. According to National Accounting Standard No. 1, an agricultural enterprise must develop its own accounting policy for each fiscal year. Accounting policies include the grouping and valuation of business factors, the write-off of assets, the organization of document flow and inventory, the application of accounting records, the accounting system, the development of information and other relevant methods.

It is known that the accounting policy determines the order of preparation, purchase and valuation of tangible assets, the criteria for inclusion of items in property, plant and equipment or inventory and farm equipment, their obsolescence, the order of valuation and sale of finished products, the development of a chart of accounts. The accounting policy prepared for the next reporting year is a legal document after approval by the head of the enterprise.

Accounting policies represent the specific principles, conventions, procedures and practical approaches used by an agricultural enterprise to prepare and prepare financial statements. The accounting policy should be organized in such a way that the financial statements are prepared using all appropriate NASs. In the absence of special requirements, the financial statements:

– important for the needs of users;
– must be reliable in this regard:
  impartial presentation of all results of the entity's activities and financial condition;
– reflects not only the legal form, but also the economic nature of events and operations;
– impartiality and impartiality;
– be careful without compromising objectivity;
– all important aspects must be complete (complete), ie the subject must fully reflect all the facts of economic activity;
– comparable to the financial statements of other similar entities;
– should be clear.

In formulating the accounting policy of the entity in a particular area (issue), it is necessary to comply with the accounting laws of the Republic of Uzbekistan in the organization, maintenance and reporting of accounting.

The following issues are reflected in the accounting policy of the agricultural enterprise:

1. Organizational and technical issues:
   – Document flow rules and schedule;
   – internal reporting (composition, forms, periodicity, terms of creation and submission, users);
   – internal control system (internal audit service, specialist, personally the head, the audit commission); – Regulations on accounting (or financial and accounting center) and division of responsibilities of employees of the accounting or financial accounting center (IMC);
   – Inventory procedure.

2. Methodological issues:
   – methods of controlling the deviation of the actual consumption of materials;
   – the order of distribution of general production costs and other indirect costs;
   – Procedure for writing off current expenses;
   – identification of work in progress.

3. Tax issues:
   – The order of organization of separate accounting (by type of activity, by goods sold, VAT at different rates, non-VAT, etc.);
   – Organization of separate accounting of social facilities (in order to obtain the right to property tax benefits in the case of joint use of property in privileged and non-privileged industries).

The chosen accounting policy affects not only the efficiency of the implementation of accounting methods and techniques, but also the financial condition of the enterprise, the rational use of funds, the speed of management decisions.

At the same time, the purpose of accounting is to provide users with complete, reliable, timely financial and other information necessary to make sound business decisions.

Conclusion

With this in mind, the financial security of an agricultural enterprise is a system based on the differentiation and dynamics of indicators (indicators) allocated for the assessment of its status, a set of interacting elements that provide security from threats and risks, provide conditions for sustainable and secure strategic development. can be recognized.

From the above, we can see that today the economic reforms carried out in our country to ensure the security of financial resources of enterprises, their sustainable development are bearing fruit. At the same time, as a result of regulating the activities of agricultural enterprises, providing them with financial support and benefits, the strength of financial resources is stabilized and their security is fully ensured.

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Conclusion: Future Challenges Related to Socio-Economic Development and the Institutional Response to them

The world is constantly changing, and institutions are changing with it. According to the recent experience of the development of institutions, expediency and stability are gradually substituted by responsibility and dynamism. Institutions are no longer intended to keep up the traditions as they used to; they must progress, they must move with time. This is exactly what happens in modern society and the economy. The former technological mode is being substituted by a new digital mode, which makes people's thinking and behavior more flexible. New business practices are moving faster through phases of social resistance and business protest; they are extensively supported by the State and are rapidly becoming wide-scale, frequent and sustainable, common.

The experience of the COVID-19 pandemic and crisis has shown that the destinies of humankind depend on the promptness and adequacy of institutions' response to changes. Although no one was prepared to dramatic aggravation of the virus threat, the threat was contained thanks to the fact that all institutions were able to quickly adapt to new conditions, and a clear victory over the pandemic is expected in the short term. At the same time, we cannot suggest a complete rejection of stability – the institutions are aimed at supporting it, but today we are referring to new stability as sustainability in the context of continuous and large-scale changes. Stability in development is a new amazing feature that was acquired by modern institutions as they evolved.

As for sustainable development institutions, it should be noted that the international experience that is presented in this book has shown that these institutions are still at the stage of formation. In particular, corporate responsibility is still represented by certain business practices undergoing institutionalization. In contrast to them, the institutions of international cooperation move to a new level of development against the background of global digital transformations. International economic integration is increasingly manifested in the form of new business practices which involve electronic economic cooperation.

At the same time, higher education institutions are on the up to support abovementioned changes. New competences are perceived as an objective need. Distance education enables their learning not only through formal (university-based) or informal (e.g. mentoring) education but also through self-learning. Strong evidence suggests that in the years to come self-learning of professional and creative competences will be extremely popular around the world and will become a leading institution in higher education.

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As a conclusion to this book, it should be noted that it has revealed new needs for institutions apart from identifying their new properties. In the years to come, institutions must continue to evolve and gain the capacity for rapid development. Thanks to rapid adaptation to environmental changes, modern institutions allow containing threats and exploiting opportunities. However, the institutions of the future must take things a step further – they must learn to anticipate changes and adapt to them before they actually occur with a view to preventing threats rather than combating them. This will lead to a further reconsideration of the transition from rationality and stability to responsibility and dynamism. It is expedient to dedicate future research activities to the study of prospects for rapid development of institutions drawing on this book.

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